

# HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)  
(Stock Code: 013)

## DISCLOSEABLE TRANSACTION

### Cash Offer for Shares and Bonds of Marionnaud Parfumeries SA by AS Watson (France) SAS

The Directors are pleased to announce that on 14 January 2005 AS Watson (France), a wholly owned subsidiary of the Company, has filed with the AMF offer documents relating to a proposed cash offer for the entire issued share capital in, and bonds convertible or exchangeable into new or existing shares of, Marionnaud.

Applying the profits and revenue tests to the Offer, the percentage ratios computed exceed 5% but are less than 25% of the total net profits and the total revenue of HWL respectively determined in accordance with Rules 14.07(2) and 14.07(3) of the Listing Rules. The Offer therefore constitutes a discloseable transaction for HWL under Chapter 14 of the Listing Rules. HWL will send a circular containing further details on the Offer to its shareholders as soon as reasonably practicable after the date hereof.

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#### THE OFFER

##### Filing Date

14 January 2005

##### Offeror

AS Watson (France), an indirect wholly owned subsidiary of the Company

##### Securities

The Offer is a cash offer and is made in respect of:

- (1) the 15,878,368 Marionnaud Shares, representing the entire issued share capital of Marionnaud as at 7 January 2005;
- (2) the OCEANE in issue as at 7 January 2005; and
- (3) a maximum of 2,830,078 Marionnaud Shares that would result from any conversion of the OCEANE in issue as at 7 January 2005.

##### Offer Price

The proposed Offer price per Marionnaud Share is €21.80 (approximately HK\$224.5) and the proposed Offer price per OCEANE is €69.74 (approximately HK\$718.3). Such proposed Offer prices represent a premium of approximately 37.1% and 21.8% respectively to the closing price of the Marionnaud Shares and the OCEANE on 7 January 2005. In the event that all of the Marionnaud Shares and the OCEANE are tendered to the Offer, the total consideration will be approximately €534,000,000 (approximately HK\$5,500,200,000), which will be funded by internal resources of the HWL Group. The Offer will be co-presented by UBS Investment Bank and Calyon Corporate and Investment Bank and UBS Investment Bank will guarantee that the funding is in place in connection with the Offer.

##### Conditions Precedent

The Offer is conditional upon securities representing more than 50.01% of the fully diluted share capital of Marionnaud being tendered to the Offer.

The condition may be waived by the Offeror in accordance with the General Regulation of the AMF.

##### Undertakings of the Family Shareholders and CAPE

Pursuant to the Agreements, the Family Shareholders and CAPE, which respectively hold Marionnaud Shares representing approximately 20% and 9% of the entire issued share capital of Marionnaud, have undertaken to tender all of the Marionnaud Shares held by them to the Offer. The obligations of AS Watson (France) under the Agreement with the Family Shareholders and Marionnaud are guaranteed by AS Watson.

##### Closing of the Offer

Subject to the fulfilment of the condition and to the right of the Offeror to withdraw the Offer in accordance with the General Regulation of the AMF, the Offer is anticipated to close in the first quarter of 2005.

##### INFORMATION ON MARIONNAUD

Marionnaud is the leading perfume distributor in Europe, whose shares are listed on the Premier Marché of Euronext Paris. It is active in 12 European countries, in nine of which it currently enjoys the largest market share. As at 30 June 2004, the Marionnaud Group had 1,228 stores, of which 566 were in France and 662 abroad in Switzerland, Italy, Spain, Portugal, Austria, and Central and Eastern Europe. The Marionnaud Group has continued its expansion and strengthened its presence, maintaining its policy of seeking full geographic coverage in France and European countries in which it is already operating. It has also begun to expand in more distant countries, like Israel where it has concluded a joint venture agreement with a chain of 21 department stores, providing for operation of stores in common.

For the financial year ended 31 December 2003, the audited net profit before and after taxation and minority interest of the Marionnaud Group were €56,255,000 (approximately HK\$579,426,500) and €38,668,000 (approximately HK\$398,280,400) respectively. The corresponding figures for the year ended 31 December 2002 were €54,740,000 (approximately HK\$563,822,000) and €38,234,000 (approximately HK\$393,810,200). On 21 December 2004, Marionnaud reported a loss of €79,000,000 (approximately HK\$813,700,000) for the first six months of 2004. This loss included an exceptional expense of €93,000,000 (approximately HK\$957,900,000), a significant part of which relates to the correction of errors reported in previous years. The net asset value of the Marionnaud Group as at 31 December 2003 was €518,569,000 (approximately HK\$5,341,260,700).

Subject to the fulfillment of the condition on minimum level of acceptances, HWL's interest in Marionnaud will be more than 50% and Marionnaud will become a subsidiary of HWL.

##### REASONS FOR AND BENEFITS OF THE OFFER

The AS Watson Group, the retail and manufacturing division of the HWL Group, operates a total of 14 retail brands with over 4,800 stores spanning from health and beauty products to food, beverages, general merchandise, consumer electronic and electrical appliances and airport duty free.

In Asia, the AS Watson Group's health and beauty chain operates under the name of Watsons Your Personal Care Store, which at present has over 950 outlets in 9 markets. In Europe, the AS Watson Group's retail network currently comprises 7 health and beauty retail brands, with 3,500 stores in 10 countries, including Netherlands, Belgium, Luxembourg, Germany, Poland, Hungary, Czech Republic, the United Kingdom, Latvia and Lithuania.

The integration of Marionnaud into the international profile of the AS Watson Group accords with the HWL Group's continuing expansion strategy in Europe and strategic goal to expand in the perfumery sector. It allows the new group to increase the European retail network and achieve critical mass and synergies on a pan European basis.

The Directors believe the terms of the transaction are fair and reasonable and in the interests of the shareholders of HWL as a whole.

#### DISCLOSEABLE TRANSACTION

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, neither any of the Family Shareholders nor CAPE is a connected person (as defined under the Listing Rules) of HWL.

Applying the profits and revenue tests to the Offer, the percentage ratios computed exceed 5% but are less than 25% of the total net profits and the total revenue of HWL respectively determined in accordance with Rules 14.07(2) and 14.07(3) of the Listing Rules. Accordingly, the Offer constitutes a discloseable transaction for HWL under the Listing Rules. The Company will send a circular containing further details on the Offer to its shareholders as soon as reasonably practicable after the date hereof.

#### GENERAL

The HWL Group operates and invests in five core businesses: ports and related services; telecommunications; property and hotels; retail and manufacturing; and energy, infrastructure, finance and investments.

As at the date of this announcement, the Directors are:

##### Executive Directors:

Mr. LI Ka-shing (*Chairman*)  
Mr. LI Tzar Kuoi, Victor (*Deputy Chairman*)  
Mr. FOK Kin-ning, Canning  
Mrs. CHOW WOO Mo Fong, Susan  
Mr. Frank John SIXT  
Mr. LAI Kai Ming, Dominic  
Mr. George Colin MAGNUS  
Mr. KAM Hing Lam

##### Non-executive Director:

Mr. William SHURNIAK

##### Independent Non-executive Directors:

Mr. Michael David KADOORIE  
Mr. Holger KLUGE  
Mr. William Elkin MOCATTA  
(Alternate to Mr. Michael David Kadoorie)  
Mr. Simon MURRAY  
Mr. OR Ching Fai, Raymond  
Mr. WONG Chung Hin

#### DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Agreements"	the agreements dated 14 January 2005 entered into by AS Watson (France) and AS Watson with (i) the Family Shareholders and Marionnaud and (ii) CAPE relating to the Offer
"AMF"	<i>Autorité des Marchés Financiers</i> , an independent public body overseeing financial market regulation in France
"AS Watson"	A. S. Watson & Co., Limited, an indirect wholly owned subsidiary of the Company
"AS Watson (France)" or the "Offeror"	AS Watson (France) SAS, a company incorporated under French laws and an indirect wholly owned subsidiary of the Company
"AS Watson Group"	companies in the HWL Group (including AS Watson) comprising the retail and manufacturing division of the HWL Group
"CAPE"	CAPE Holding
"Directors"	directors of HWL
"Family Shareholders"	Mr. Marcel Frydman, the current Chairman and Chief Executive Officer of Marionnaud, Mr. Gérald Frydman, the current Managing Director and Chief Financial Officer of Marionnaud and Mrs. Lydie Frydman, currently a director of Marionnaud
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HWL" or the "Company"	Hutchison Whampoa Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
"HWL Group"	HWL and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Marionnaud"	Marionnaud Parfumeries SA, a <i>société anonyme</i> listed on the Premier Marché of Euronext Paris
"Marionnaud Group"	Marionnaud and its subsidiaries
"Marionnaud Shares"	shares with a nominal value of €3.5 each of Marionnaud
"OCEANE"	outstanding bonds in the principal amount of €172,500,000 convertible or exchangeable into new or existing Marionnaud Shares issued by Marionnaud in February 2002
"Offer"	offer made by AS Watson (France) for all of the issued Marionnaud Shares and the OCEANE as at 14 January 2005
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"€"	Euros, the lawful currency of the European Union

Note: The figures in € are translated into HK\$ at the rate of €1 = HK\$10.3 throughout this announcement for indication purposes only.

By Order of the Board

Edith Shih  
Company Secretary

Hong Kong, 14 January 2005

Hutchison Whampoa Limited



*Please also refer to the published version of this announcement in  
The Standard and Sing Tao Daily.*