

Financial Highlights

Excluding amortisation of the upfront connection fees

	2006	2007	2008	Rates of change (2008 over 2007)
Operating revenues (RMB millions)	172,514	177,588	184,779	4.0%
EBITDA (RMB millions)	85,719	87,054	85,889^{1,5}	(1.3%)
EBITDA margin	49.7%	49.0%	46.5%^{1,5}	(2.5p.p.)
Net profit ² (RMB millions)	22,591	23,010 ⁴	20,066⁵	(12.8%)
Capital expenditure (RMB millions)	50,136	46,334	48,410	4.5%
Free cash flow ⁶ (RMB millions)	28,664	34,016	36,768	8.1%
Total debt/Equity ³	60.2%	47.1%	57.9%	10.8p.p.
Earnings per share (RMB)	0.279	0.284 ⁴	0.248⁵	(12.8%)
Dividend per share (HK\$)	0.085	0.085	0.085	—
Net asset ³ value per share (RMB)	2.587	2.774	2.632	(5.1%)

Including amortisation of the upfront connection fees

	2006	2007	2008	
Operating revenues (RMB millions)	177,485	180,882	186,801	
EBITDA (RMB millions)	90,690	90,348	84,696¹	
EBITDA margin	51.1%	49.9%	45.3%¹	
Net profit ² (RMB millions)	27,562	24,195	884	

¹ For convenience of the investors' analysis, EBITDA is calculated before CDMA network capacity lease fee.

² Net profit represents profit attributable to equity holders of the Company.

³ Equity and net asset value represent total equity attributable to equity holders of the Company.

⁴ Excluding the effect of the related assets revaluation in 2007, which is carried out at least once every three years.

⁵ Excluding the impact of impairment loss of the PHS assets and natural disasters.

⁶ Free cashflow is calculated from EBITDA minus CDMA network capacity lease fee, capital expenditure and income tax.

⁷ The above financial data have included Beijing Telecom acquired in 2008.

The charts below are based on financials excluding amortisation of the upfront connection fees

