



FINANCIAL HIGHLIGHTS

FINANCIALS EXCLUDING AMORTISATION OF UPFRONT CONNECTION FEES

	Six-month periods ended 30 June		
	2005	2006	Growth rate
Operating revenue (RMB millions)	80,620	84,442	4.7%
EBITDA (RMB millions)	42,518	44,217	4.0%
EBITDA margin	52.7%	52.4%	(0.3p.p.)
Net profit* (RMB millions)	11,293	11,590	2.6%
Free cash flow** (RMB millions)	15,101	18,934	25.4%

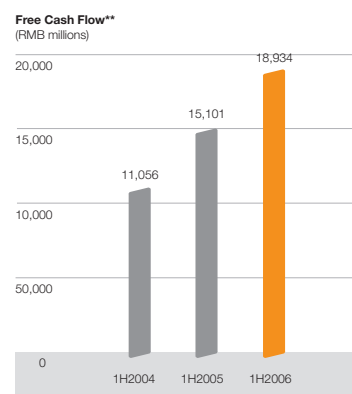
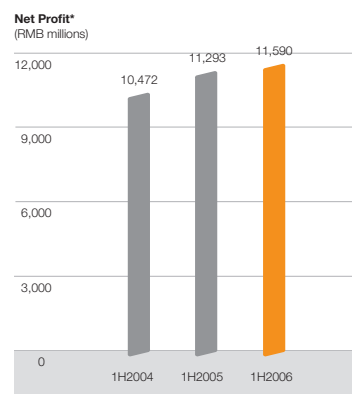
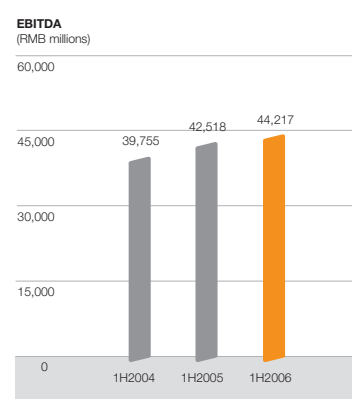
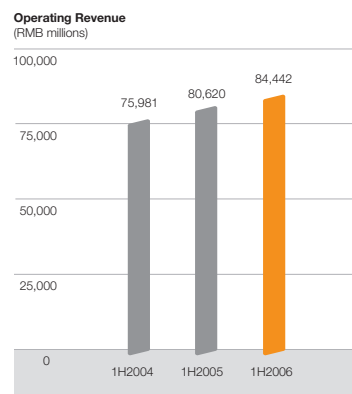
FINANCIALS INCLUDING AMORTISATION OF UPFRONT CONNECTION FEES

	Six-month periods ended 30 June	
	2005	2006
Operating revenue (RMB millions)	84,023	86,936
EBITDA (RMB millions)	45,921	46,711
EBITDA margin	54.7%	53.7%
Net profit* (RMB millions)	14,696	14,084

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

** Free cash flow is calculated from EBITDA (excluding the amortisation of upfront connection fees) minus capital expenditure and income tax.

For further information, please browse our website at www.chinatelecom-h.com



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