

Financial Highlights

Excluding amortisation of the upfront connection fees

	Six-month periods ended 30 June		Rate of change
	2007	2008	
Operating revenues (RMB millions)	88,091	89,406	1.5%
EBITDA (RMB millions)	45,108	44,268³	-1.9%
EBITDA margin	51.2%	49.5%	-1.7p.p.
Net profit ¹ (RMB millions)	12,090	11,606³	-4.0%
Basic earnings per share (RMB)	0.149	0.143³	-4.0%
Capital expenditure (RMB millions)	20,745	18,783	-9.5%
Free cash flow ² (RMB millions)	19,465	21,669	11.3%

Including amortisation of the upfront connection fees

	Six-month periods ended 30 June		Rate of change
	2007	2008	
Operating revenues (RMB millions)	89,757	90,434	
EBITDA (RMB millions)	46,774	45,296³	
EBITDA margin	52.1%	50.1%	
Net profit ¹ (RMB millions)	13,756	12,634³	

¹ Net profit represents profit attributable to equity holders of the Company.

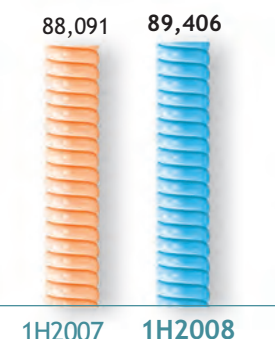
² Free cash flow is calculated from EBITDA (excluding amortisation of upfront connection fees) minus capital expenditure and income tax.

³ Natural disasters such as snowstorms and earthquake cost approximately additional RMB1,700 million to the network operation costs.

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

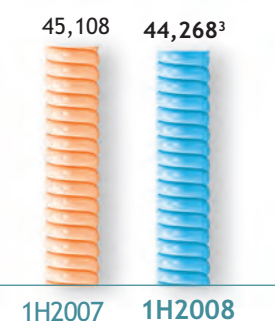
OPERATING REVENUES

(RMB Millions)



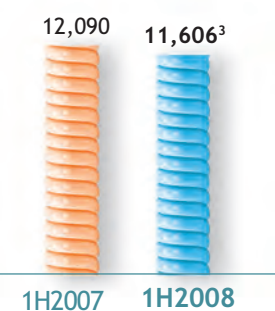
EBITDA

(RMB Millions)



NET PROFIT¹

(RMB Millions)



FREE CASH FLOW²

(RMB Millions)

