



China Telecom Corporation Limited

中国电信股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0728)

KEY PERFORMANCE INDICATORS FOR THE FIRST QUARTER OF 2008

The unaudited financial data of the Group for the first quarter of 2008

(excluding the amortisation of upfront connection fees)

- Operating revenues reached RMB43,646 million, representing an increase of 1.6% over the corresponding period of last year
- EBITDA reached RMB22,671 million, representing an increase of 0.4% over the corresponding period of last year
- Profit attributable to equity holders of the Company was RMB6,251 million, representing an increase of 0.5% over the corresponding period of last year

In order to further enhance the transparency of the Group and to enable shareholders, investors and the general public to better appraise the operational performance of the Group, the board of directors (the "Board") of China Telecom Corporation Limited (the "Company", together with its subsidiaries, the "Group") announces certain selected unaudited key performance indicators of the Group for the first quarter of 2008.

Financial Data (Excluding the amortisation of upfront connection fees)

	For the period from 1 January 2008 to 31 March 2008	For the period from 1 January 2007 to 31 March 2007 (restated)*	Growth
Operating revenues (RMB)	43,646 million	42,951 million	1.6%
EBITDA (RMB)	22,671 million	22,575 million	0.4%
EBITDA margin	51.9%	52.6%	
Profit attributable to equity holders of the Company (RMB)	6,251 million	6,220 million	0.5%

* Restated to include the operating results of China Telecom System Integration Co., Ltd., China Telecom (Hong Kong) International Limited, and China Telecom (Americas) Corporation acquired in 2007.

Business Data

	As at 31 March 2008/ For the period from 1 January 2008 to 31 March 2008	As at 31 December 2007/ For the period from 1 October 2007 to 31 December 2007	As at 30 September 2007/ For the period from 1 July 2007 to 30 September 2007
Local Access Lines in Service (Million)	217.17	220.33	223.44
including:			
Household (Million)	121.28	121.75	123.14
Government & Enterprise (Million)	25.41	24.81	24.06
Public Telephone (Million)	15.73	15.73	15.79
Wireless Local Access (Million)	54.75	58.04	60.45
Net Decrease of Local Access Lines in Service (Million)	(3.16)	(3.11)	(1.05)
Broadband Subscribers (Million)	37.71	35.65	33.89
Net Add of Broadband Subscribers (Million)	2.06	1.76	1.70
Local Voice Usage (Billion Pulses)	94.03	98.77	104.98
Domestic Long Distance Usage (Billion Minutes)	23.66	24.64	25.42
International (including Hong Kong, Macau and Taiwan)			
Long Distance Usage (Billion Minutes)	0.36	0.37	0.43
SMS Usage Volume (Billion Messages)	4.866	5.536	6.028
Color Ring Tone Subscribers (Million)	67.20	63.19	56.43

For the first quarter of 2008, despite facing the challenges from the intense market competition and the increased diversity in communication means, the Group had successfully maintained its solid fundamentals. The Group grasped the opportunities brought by informatisation to tackle various challenges, and promoted the scale development of transformation businesses to drive revenue growth. Additionally, capitalizing on the customer brands operation and effective packaged sales of voice and transformation businesses, the Group endeavored to foster customer loyalty and mitigate the loss in voice revenue, progressively transforming voice usage value to integrated information services.

Facing the intense market competition, the Group continued to record negative growth in its subscribers for the first quarter. The Group emphasized the principle of profitable development of its voice business. The Group concentrated its sales resources and tilted its resource allocation towards the key customer segments of government and enterprise as well as mid-to-high-end household while strictly controlling sales initiatives for the low-end customers. Businesses like Internet access, value-added and integrated information application services continued its robust growth momentum. The broadband subscribers reached 37.71 million, representing a net increase of 2.06 million. Excluding the amortization of upfront connection fees of RMB514 million, operating revenues for the first quarter of 2008 was RMB43,646 million, representing an increase of 1.6% over the corresponding period of last year. The profit attributable to equity holders of the Company reached RMB6,251 million, representing an increase of 0.5% over the corresponding period of last year. EBITDA was RMB22,671 million, representing an increase of 0.4% over the corresponding period of last year. EBITDA margin was 51.9%, sustained at a relatively high level.

The Group will proactively implement the strategy of "Customer-focused Innovative Informatisation", make greater efforts in management reform and innovation, strengthen the customer-oriented operating systems, and accelerate the development of the Internet, value-added and integrated information application services. The Group will also strengthen branding operation and multi-services bundling and packaging to actively capitalize on its strength of multi-services convergence offering while proactively building up a solid foundation for future full services convergence offering to enhance its enterprise value, customer value and shareholder value altogether.

The Board wishes to remind investors that the above financial and business data are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

As of the date of this announcement, the Board consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Leng Rongquan as the president and chief operating officer, Madam Wu Andi as the executive vice president and chief financial officer, Mr. Zhang Jiping, Mr. Zhang Chenshuang, Mr. Li Ping, Mr. Yang Jie, and Mr. Sun Kangmin as the executive vice presidents, Mr. Li Jinming as the non-executive director, and Mr. Zhang Youcai, Mr. Lo Hong Sui, Vincent, Mr. Shi Wanpeng, Mr. Xu Erming and Mr. Tse Hau Yin, Aloysius as the independent non-executive directors.

By Order of the Board
China Telecom Corporation Limited
Wang Xiaochu
Chairman and Chief Executive Officer

Beijing, PRC, 21 April 2008