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ZTE CORPORATION

中興通訊股份有限公司

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

(Stock Code: 763)

Preliminary Results Announcement for the Nine Months Ended 30 September 2012

The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission in this announcement.

I. Projected results for the period

1. Period to which the projected results relate: 1 January 2012 to 30 September 2012
2. Projected results: loss
3. Table of preliminary results announcement (1 January 2012 to 30 September 2012)

Item	Current period	Same period last year	Increase / decrease
Net profit attributable to shareholders of the listed company (RMB'000)	Loss: 1,650,000-1,750,000	Profit: 1,068,536	Decrease: 254.42%-263.78%
Basic earnings per share (RMB/share)	Loss: Approximately 0.48-0.51	Profit: 0.31	Decrease: 254.84%-264.52%

4. Table of preliminary results announcement (1 July 2012 to 30 September 2012)

Item	Current period	Same period last year	Increase / decrease
Net profit attributable to shareholders of the listed company (RMB'000)	Loss: 1,900,000-2,000,000	Profit: 299,265	Decrease: 734.89%-768.30%
Basic earnings per share (RMB/share)	Loss: Approximately 0.55-0.58	Profit: 0.09	Decrease: 711.11%-744.44%

II. Preliminary audit of the preliminary results announcement

The preliminary results announcement has not been audited by a certified accountant.

III. Reasons for the change in results

1. Operating revenue of the Company for the three months ended 30 September 2012 decreased by approximately 13% as compared to same period last year, reflecting primarily the combined effect of delayed progress of certain international projects and the collective procurement method adopted by domestic carriers on the Company's revenue recognition; the overall gross profit margin of the Company for the three months ended 30 September 2012 decreased by approximately 13 percentage points, reflecting a larger number of low-margin contracts in Europe, Asia and the domestic market recognised for the period. As a result, the Company reported a lower overall gross profit margin for the nine months ended 30 September 2012 compared to the same period last year, despite the growth in operating revenue for the same period.

2. The Company published the "Announcement on the Disposal of Equity Interests in Shenzhen ZTE Special Equipment Company Limited" on 21 September 2012. The Company is expected to generate investment gains in the range of RMB360 million to RMB440 million as a result of the said transaction of equity interests. Investment gains in the amount of RMB365 million have been recognised for the period, while the remaining amount of investment gains will be recognised upon the completion of the said transaction of equity interests.

IV. Other relevant information

1. The United States Department of Commerce (the "USDC") and the United States Department of Justice (the "USDJ") are currently investigating the Company and its subsidiaries over deals with Iran, and we are lending our cooperation in respect of such investigation. During the reporting period, our operating results were adversely affected by the Iranian market.

2. The financial data set out above has been arrived at through preliminary computations of the financial department of the Company. The finalised figures will be disclosed in detail in the third quarterly report of 2012. Meanwhile, investors should beware of any investment risks associated therewith.

By Order of the Board
Hou Weigui
Chairman

Shenzhen, the PRC
14 October 2012

As at the date of this announcement, the Board of Directors of the Company comprises three executive directors, Shi Lirong, Yin Yimin and He Shiyong; six non-executive directors, Hou Weigui, Zhang Jianheng, Xie Weiliang, Wang Zhanchen, Zhang Junchao and Dong Lianbo; and five independent non-executive directors, Qu Xiaohui, Wei Wei, Chen Naiwei, Tan Zhenhui and Timothy Alexander Steinert.