

Consolidated Income Statement

For the year ended December 31, 2004

	Note	Years ended December 31,	
		2004	2003
		RMB million	RMB million
Revenues	4	64,922	59,898
Operating expenses			
Depreciation and amortisation		(18,754)	(20,483)
Networks, operations and support		(11,591)	(11,990)
Staff costs	11	(8,041)	(7,547)
Selling, general and administrative		(9,566)	(7,053)
Other operating expenses		(1,534)	(1,660)
Operating profit before interest income, dividend income and deficit on revaluation of fixed assets		15,436	11,165
Interest income		76	79
Dividend income		17	45
Deficit on revaluation of fixed assets	18(c)	—	(25,778)
Profit/(loss) from operations	5	15,529	(14,489)
Finance costs	6	(2,932)	(3,026)
Share of loss of			
- Associated companies		(1)	(1)
- Jointly controlled entity		—	(415)
Profit/(loss) before taxation		12,596	(17,931)
Taxation	7	(3,348)	6,819
Profit/(loss) after taxation		9,248	(11,112)
Minority interests		—	1
Profit/(loss) for the year		9,248	(11,111)
Final dividend proposed after balance sheet date	9	245	—
Basic earnings/(loss) per share	10	RMB1.64	RMB(2.02)
Diluted earnings/(loss) per share	10	RMB1.63	RMB(2.02)