

Consolidated Income Statement

For the year ended December 31, 2005

	Note	Year ended December 31,	
		2005	2004
		RMB million	RMB million Restated Notes 2&3
Revenues	7	87,232	83,494
Operating expenses			
Depreciation and amortization		(25,049)	(25,180)
Networks, operations and support		(14,417)	(13,973)
Staff costs	14	(12,333)	(11,950)
Selling, general and administrative		(13,438)	(12,877)
Other operating expenses		(1,490)	(1,993)
Total of operating expenses	8	(66,727)	(65,973)
Operating profit before interest income, dividend income and deficit on revaluation of fixed assets		20,505	17,521
Interest income		157	87
Dividend income		29	17
Deficit on revaluation of fixed assets	21(c)	—	(11,318)
Profit from operations		20,691	6,307
Finance costs	9	(3,374)	(3,930)
Share of loss of associated companies		—	(1)
Profit before taxation		17,317	2,376
Taxation (charge)/credit	10	(3,429)	323
Profit for the year		13,888	2,699
Dividends proposed after the balance sheet date	12	3,196	259
Basic earnings per share	13	RMB2.11	RMB0.48
Diluted earnings per share	13	RMB2.10	RMB0.48