

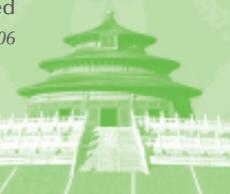


Consolidated Income Statement

For the year ended December 31, 2006

	Note	Year ended December 31	
		2006	2005
		RMB million	RMB million Restated Note 2
Continuing operations:			
Revenues	7	86,921	85,861
Operating expenses			
Depreciation and amortization		(25,608)	(24,919)
Networks, operations and support		(14,383)	(13,465)
Staff costs	14	(12,151)	(12,034)
Selling, general and administrative		(13,366)	(13,322)
Other operating expenses		(2,054)	(1,390)
Total operating expenses	8	(67,562)	(65,130)
Other income		621	—
Interest income		132	131
Dividend income		—	29
Deficit on revaluation of fixed assets	20(c)	(1,524)	—
Profit from operations		18,588	20,891
Finance costs	9	(3,888)	(3,347)
Profit before taxation		14,700	17,544
Taxation	10	(3,559)	(3,430)
Profit for the year from continuing operations		11,141	14,114

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.



Consolidated Income Statement

For the year ended December 31, 2006

	Note	Year ended December 31	
		2006	2005
		RMB million	RMB million Restated Note 2
Discontinued operations:			
Profit/(loss) for the year from discontinued operations	25	1,819	(226)
Profit for the year		12,960	13,888
Dividends proposed after the balance sheet date	12	3,695	3,196
Earnings per share for profit from continuing operations attributable to shareholders of the Company for the year			
Basic earnings per share	13	RMB1.68	RMB2.14
Diluted earnings per share	13	RMB1.67	RMB2.13
Earnings/(loss) per share for profit/(loss) from discontinued operations attributable to shareholders of the Company for the year			
Basic earnings/(loss) per share	13	RMB0.27	RMB(0.03)
Diluted earnings/(loss) per share	13	RMB0.27	RMB(0.03)
Earnings per share for profit attributable to shareholders of the Company for the year			
Basic earnings per share	13	RMB1.95	RMB2.11
Diluted earnings per share	13	RMB1.94	RMB2.10

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.