

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2006 (Expressed in Renminbi)

	Note	2006 RMB million	2005 RMB million
Operating revenue (Turnover)	3		
Usage fees		189,710	156,710
Monthly fees		21,629	25,055
Value-added services fees		69,309	50,187
Other operating revenue		14,710	11,089
		295,358	243,041
Operating expenses			
Leased lines		2,451	3,224
Interconnection		18,783	15,309
Depreciation		64,574	56,368
Personnel	7(b)	16,853	14,200
Other operating expenses	4	100,569	80,254
		203,230	169,355
Profit from operations		92,128	73,686
Amortization of other intangible assets	18	(203)	—
Other net income	5	2,872	3,284
Non-operating net income	6	1,017	1,025
Interest income		2,604	1,615
Finance costs	7(a)	(1,510)	(1,346)
Profit before taxation	7	96,908	78,264
Taxation	10(a)	(30,794)	(24,675)
Profit for the year		66,114	53,589
Attributable to:			
Equity shareholders of the Company		66,026	53,549
Minority interests		88	40
Profit for the year		66,114	53,589
Dividends payable to equity shareholders of the Company attributable to the year:			
Ordinary interim dividend declared and paid during the year	12(a)	12,612	9,259
Special interim dividend declared and paid during the year	12(a)	1,831	—
Ordinary final dividend proposed after the balance sheet date	12(a)	15,327	11,767
Special final dividend proposed after the balance sheet date	12(a)	1,386	—
		31,156	21,026
Earnings per share			
Basic	13(a)	RMB3.32	RMB2.71
Diluted	13(b)	RMB3.29	RMB2.70

The notes on pages 64 to 117 form part of these financial statements.