



China Netcom 3Q2006 Results

Hong Kong, October 19, 2006 – China Netcom Group Corporation (Hong Kong) Limited (“China Netcom” or the “Company”) (HKSE: 0906; NYSE: CN), one of China’s leading broadband and telecommunications companies, announced unaudited revenues and selected operational data for the first three quarters of 2006.

For the first three quarters of 2006, continuing operations generated revenue of RMB64,961 million (inclusive of upfront connection fees). Revenues from continuing operations excluding upfront connection fees was RMB63,060 million, representing an increase of 2.03% over the same period in 2005.

In the first three quarters of 2006, the Company’s high-growth businesses, including broadband and value-added services, continued rapid growth. As of September 30, 2006, the number of broadband subscribers increased by 24.5% from the end of 2005 to 14.289 million, representing a net increase of 2.814 million. The number of “Personalised Ring” service subscribers significantly grew by 84.5% from the end of 2005 to 12.570 million, representing a net increase of 5.756 million.

In the first three quarters of 2006, the Company’s fixed-line subscribers increased by 3.6% from the end of 2005 to 119 million, representing a net addition of 4.125 million. The growth in local telephone subscribers was due mainly to the growth of PHS businesses.

“In 2006, China’s market for telecommunications services witnessed significant changes. A further decrease in the tariff on mobile voice services has reinforced the mobile substitution effect. In 2006, as a result of our active commitment to become a “broadband communications and multi-media services provider”, our high-growth businesses sustained rapid growth momentum” said Zuo Xunsheng, Chief Executive Officer of China Netcom. “Traditional fixed-line telecommunications businesses are facing pressure. The growth of fixed-line subscribers has slowed down significantly. Currently we are pushing forward the intelligence upgrade of the local access networks to speed up the full launch of services such as multi-service

bundling and “same number” services across the market. This enables the Company to leverage on the advantages of its capability to provide multi-faceted telecommunications services as well as extensive network resources, aiming to attract and retain fixed-line subscribers while mitigating the impact of mobile substitution.”

About China Netcom:

China Netcom is one of China’s leading broadband communications and fixed-line telecommunications operators. Its northern service region consists of Beijing Municipality and Tianjin Municipality, as well as the provinces of Hebei, Henan, Shandong, Liaoning, Heilongjiang, Jilin, Neimenggu Autonomous Region (Inner Mongolia) and Shanxi. In all of these regions, the Company is the dominant provider of fixed-line telephone services, broadband and other Internet-related services, as well as business and data communications services. Its southern service region consists of Shanghai Municipality and Guangdong Province. In these regions, the Company focuses on providing telecommunications services to enterprises and high usage residential customers in selected densely populated areas.

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