



China Netcom announced Results and Selected Operational Data for the First Three Quarters of 2007

Hong Kong, October 22, 2007 – China Netcom Group Corporation (Hong Kong) Limited (“China Netcom” or the “Company”) (HKSE: 0906; NYSE: CN), one of China’s leading broadband and fixed-line communications operators, announced unaudited revenues and selected operational data for the first three quarters of 2007.

China Netcom recorded revenues from continuing operations* of RMB 62,234 million for the first three quarters of 2007, including upfront connection fees of RMB 1,209 million. Excluding upfront connection fees, China Netcom recorded revenues from continuing operations of RMB 61,025 million for the first three quarters in 2007.

Amid a strong demand in the market for informationization and broadband services during the third quarter of 2007, migration from fixed-line voice to mobile voice further accelerated, posing severe challenges to the traditional fixed-line voice business of the Company. Based on market trends, the Company continued its development strategy with resources shifted towards high-growth businesses, promoted the “Family 1+” bundled services and leveraged on its vast and diverse resources with a view to preventing the traditional fixed-line business from further decreasing, and stimulating the development of its high-growth businesses at the same time.

High-growth businesses (including broadband services, value-added services and ICT services) sustained robust growth momentum in the third quarter. In the broadband business segment, the Company kept making full efforts to increase the connection speed of its broadband network and enhanced the marketing of “CNC MAX” Navigator and the bundled promotion of broadband access and broadband contents and applications. As at 30 September 2007, the number of broadband subscribers was 18,363 thousand, representing a net increase of 3,935 thousand from the end of last year and a 34.1% growth from the same period last year. The ARPU of broadband business remained stable during the period.

In the value-added business segment, the Company strongly promoted the “Personalized Ring” Service. As at 30 September 2007, the number of “Personalized Ring” Service subscribers was 26,421 thousand, a net increase of 10,663 thousand from the end of last year and a 110.3% growth over the same period last year.

As to ICT services, the Company steadily strengthened its cooperation with various partners and built up its core competitive strengths in selected business areas. As at the end of this quarter, revenues from the ICT services sustained the growth momentum.

In the traditional fixed-line business segment, as at 30 September 2007, the number of fixed-line subscribers totaled 114,480 thousand, representing a net increase of 508 thousand from the end of last year but a net decrease of 597 thousand when comparing with the number of subscribers recorded at the end of last quarter. Despite of the decrease in the number of residential subscribers, it was noteworthy that there was a net increase of 210 thousand in the number of business subscribers in the third quarter, representing an increase of 7.1% over the net increase in subscribers of the last quarter. As at 30 September 2007, the subscribers of “Family 1+” increased to 6,632 thousand from 4,444 thousand at the end of last quarter. Although local voice usage as at 30 September 2007 was lower than that of the same period last year, due to the increasing penetration of the “Family 1+”, local voice usage had reversed the trend of significant decrease last year and had grown for two consecutive quarters starting from the second quarter of this year.

Looking ahead to the fourth quarter in 2007, the Company will further improve the “Family 1+” and add more services to the bundled package. Moreover, the Company will step up its efforts to retain traditional businesses and speed up the development of high-growth businesses such as broadband, value-added and ICT services. The Company will carry out full scale marketing and promotional programs for its “Broadband Olympics” product series which have already been launched. It will also enhance the analysis of its current resources and the profitability of its products which will lead to more effective pricing and resource allocation in order to continuously improve shareholder value.

**On 28 February 2007, the Company completed the disposal of its telecommunications assets in Guangdong Province and Shanghai Municipality. All of the data in this press release exclude operations of the Company in Guangdong Province and Shanghai Municipality.*

About China Netcom:

China Netcom is a leading broadband communications and fixed-line telecommunications operator in China. Its service regions in China consist of Beijing Municipality, Tianjin Municipality, Hebei Province, Henan Province, Shandong Province, Liaoning Province, Heilongjiang Province, Jilin Province, Neimenggu Autonomous Region and Shanxi Province. In these service regions, the Company is a dominant provider of fixed-line telephone services, broadband and other Internet-related services, as well as business and data communications services.

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