

CHINA TELECOM CORP LTD
Form 6-K
April 21, 2009
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the Month of April 2009

Commission File Number 1-31517

China Telecom Corporation Limited

(Translation of registrant's name into English)

31 Jinrong Street, Xicheng District

Beijing, China 100140

(Address of principal executive offices)

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(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):)

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):)

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82- .)

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Exhibit Number		Page Number
1.1	Announcement of key performance indicators for the first quarter of 2009, dated April 20, 2009. FORWARD-LOOKING STATEMENTS	A-1

Certain statements contained in this Form 6-K may be viewed as forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of China Telecom Corporation Limited (the Company) to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. The forward-looking statements include, without limitation, the continued growth of the telecommunications industry in China; the development of the regulatory environment; and the Company's ability to successfully execute its business strategies.

Such forward-looking statements reflect the current views of the Company with respect to future events. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, including, without limitation, any changes in the regulatory regime and significant policies for the telecommunications industry in China, including changes in the structure or functions of the primary industry regulator, Ministry of Industry and Information Technology, or the MIIT (which has assumed the regulatory functions of the former Ministry of Information Industry), or any changes in the regulatory policies of the MIIT and other relevant government authorities in China; any decisions by the Chinese government in relation to the technology standards and licenses of third generation mobile telecommunication; the results of the ongoing restructuring of the telecommunications industry in China; any changes in the effects of competition on the demand and price of the Company's telecommunications services; any changes in telecommunications and related technology and applications based on such technology; and changes in political, economic, legal and social conditions in China, including the Chinese government's policies with respect to economic growth, foreign exchange, foreign investment and entry by foreign companies into China's telecommunications market. Please also see the Risk Factors section of the Company's latest Annual Report on Form 20-F, as filed with the Securities and Exchange Commission.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHINA TELECOM CORPORATION LIMITED

Date: April 21, 2009

By: /s/ Wang Xiaochu
Name: Wang Xiaochu
Title: Chairman and CEO

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Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 728)

KEY PERFORMANCE INDICATORS FOR THE FIRST QUARTER OF 2009**The unaudited financial data of the Group for the first quarter of 2009**

(excluding the amortisation of upfront connection fees)

Operating revenues were RMB50,886 million, representing an increase of 14.9% over the corresponding period of last year.

EBITDA (before CDMA network capacity leasing fees) was RMB22,199 million, representing a decrease of 3.8% over the corresponding period of last year.

Profit attributable to equity holders of the Company reached RMB4,699 million, representing a decrease of 27.4% over the corresponding period of last year.

In order to further enhance the transparency of the Group and to enable shareholders, investors and the general public to better appraise the operational performance of the Group, the board of directors (the Board) of China Telecom Corporation Limited (the Company), together with its subsidiaries, the Group) announces certain selected unaudited key performance indicators of the Group for the first quarter of 2009.

Financial Data (excluding the amortisation of upfront connection fees)

	For the period from 1 January 2009 to 31 March 2009	For the period from 1 January 2008 to 31 March 2008 (restated)**	Increase/ (Decrease)
Operating revenues (RMB)	50,886 million	44,272 million	14.9%
EBITDA* (RMB)	22,199 million	23,064 million	(3.8)%
EBITDA margin*	43.6%	52.1%	
Profit attributable to equity holders of the Company (RMB)	4,699 million	6,470 million	(27.4)%

* For convenience of the investors' analysis, EBITDA was calculated before CDMA network capacity leasing fees in the first quarter of 2009.

** Restated to include the operating results of China Telecom Group Beijing Corporation acquired in 2008.

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	As at 31 March 2009/ For the period from 1 January 2009 to 31 March 2009	As at 31 December 2008/ For the period from 1 October 2008 to 31 December 2008	As at 30 September 2008/ For the period from 1 July 2008 to 30 September 2008
Local Wireline Access Lines in Service (Million) including:	204.00	208.35	212.97
Household (Million)	115.25	118.43	119.98
Government & Enterprise (Million)	30.59	27.79	27.36
Public Telephone (Million)	15.26	15.28	15.66
Wireless Local Access (Million)	42.90	46.85	49.97
Net Decrease of Local Wireline Access Lines in Service (Million)	(4.35)	(4.62)	(1.92)
Wireline Broadband Subscribers (Million)	46.77	44.27	42.18
Net Add of Wireline Broadband Subscribers (Million)	2.50	2.09	2.23
Wireline Local Voice Usage (Billion Pulses)	83.67	88.72	94.05
Wireline Domestic Long Distance Usage (Billion Minutes)	21.29	24.23	24.63
Wireline International (including Hong Kong, Macau and Taiwan) Long Distance Usage (Billion Minutes)	0.31	0.38	0.41
Mobile Subscribers (Million)	32.84	27.91	N/A
Net Add/(Decrease) of Mobile Subscribers (Million)	4.93	(1.17)	N/A
Mobile voice usage (Billion Minutes)	26.82	26.38	N/A

For the first quarter of 2009, despite facing the challenges from the intense market competition and the impact on the economic conditions brought by the global financial crisis, the Group deepened strategic transformation with continuous rapid growth in various transformation services, which effectively mitigated and offset the decline in the traditional wireline voice services and enabled the Group to maintain robust fundamentals.

Facing the intense market competition, the local wireline access lines in service continued to record negative growth in the first quarter. The Group emphasized the principle of profitable development of its wireline voice business, concentrated its sales resources and tilted the resource allocation towards the key customer groups of government and enterprise as well as mid-to-high-end household while strictly controlling sales initiatives for the low-end customers. Businesses like Internet and data services, value-added and integrated information application services continued its robust growth momentum. The wireline broadband subscribers reached 46.77 million, representing a net increase of 2.50 million. Overall the wireline services continued to develop steadily.

With the dedicated efforts in the past half year, the mobile service has shown favourable growth momentum with a net increase of 4.93 million customers in the first quarter of 2009, a turnaround from the decline in subscribers after the acquisition of the CDMA business in the fourth quarter of last year. As at the end of March 2009, the total number of mobile subscribers reached 32.84 million. The average mobile service revenue per user per month (ARPU) primarily remained stable as compared to that in the fourth quarter of last year.

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Excluding the amortisation of upfront connection fees of RMB296 million, the operating revenues of the Group were RMB50,886 million for the first quarter of 2009, representing an increase of 14.9% over the corresponding period of last year. Profit attributable to equity holders of the Company was RMB4,699 million, representing a decrease of 27.4% over the corresponding period of last year. EBITDA was RMB22,199 million, a decrease of 3.8% over the corresponding period of last year. The Board believes that although the implementation by the Group of its strategy of effective scale development of its mobile service will lead to short term pressure on the Group's overall profitability, it would significantly enhance the Group's long term sustainable development and value creation.

The Group continues to leverage the synergies of the wireline and mobile networks to bundle our core services such as wireline, Internet and information content and application with mobile services so as to fully utilize the strengths of CDMA technology. Through business integration and innovation as well as products integration in accordance with the needs of customers, the Group established competitive edge through differentiated offerings to enhance its enterprise value, customer value and shareholder value altogether.

The Board wishes to remind investors that the above financial and business data are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

In the meantime, investors are advised to exercise caution in dealing in the securities of the Company.

By Order of the Board
China Telecom Corporation Limited
Wang Xiaochu
Chairman and Chief Executive Officer

Beijing, PRC, 20 April 2009

FORWARD-LOOKING STATEMENTS

Certain statements contained in this announcement may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934 (as amended). Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. In addition, we do not intend to update these forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

As of the date of this announcement, the Board consists of Mr. Wang Xiaochu as the chairman and chief executive officer, Mr. Shang Bing as the president and chief operating officer, Madam Wu Andi as the executive vice president and chief financial officer, Mr. Zhang Jiping, Mr. Zhang Chenshuang, Mr. Yang Xiaowei, Mr. Yang Jie, and Mr. Sun Kangmin as the executive vice presidents, Mr. Li Jinming as the non-executive director, and Mr. Wu Jichuan, Mr. Qin Xiao, Mr. Tse Hau Yin, Aloysius, Madam Cha May Lung, Laura, Mr. Xu Erming as the independent non-executive directors.