

中國移動有限公司
China Mobile Limited
www.chinamobileltd.com

2006 *Interim Results*



2006 Interim Results

China Mobile Limited

17 August 2006

Mr. WANG Jianzhou

Chairman & CEO

Mr. LI Yue

Executive Director & Vice President

Mr. XUE Taohai

Executive Director, Vice President & CFO

Madam XIN Fanfei

Executive Director & Vice President

Agenda



**Overall Performance
for 1H2006**

**Financial Results
for 1H2006**



Overall Performance for 1H2006

Highlights

**Commendable
operating results**

Revenue ↑19.6%
Net profit ↑25.5%

**Continuing rapid
subscriber growth**

**Average monthly net
adds nearly 4.30 million**

**Strong growth in value-
added business**

**Accounting for 22.6% of
total revenue**

**Interim dividend of
HK\$0.62 per share**

**Planned full year payout
ratio of 42%**

**Planned full year special
dividend for 2006**

**Special interim dividend
of HK\$0.09 per share**

Overall Operating Performance



	1H2005	1H2006	Change
Subscribers (Million)	223.781	273.786	22.3%
Operating Revenue (RMB Billion)	114.547	136.979	19.6%
EBITDA (RMB Billion)	62.675	78.343	25.0%
EBITDA Margin (%)	54.7%	57.2%	2.5 ppt
Net Profit (RMB Billion)	24.043	30.168	25.5%
Basic Earnings per Share (RMB)	1.22	1.52	24.6%

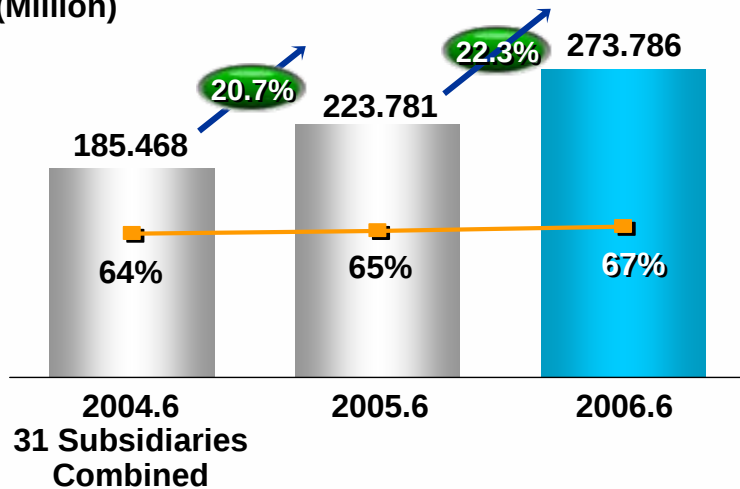
Note: All data for 1H2006 shown in this presentation included the results of China Mobile Peoples Telephone Company Limited.

Continuous Rapid Growth of Subscribers



Total Subscribers

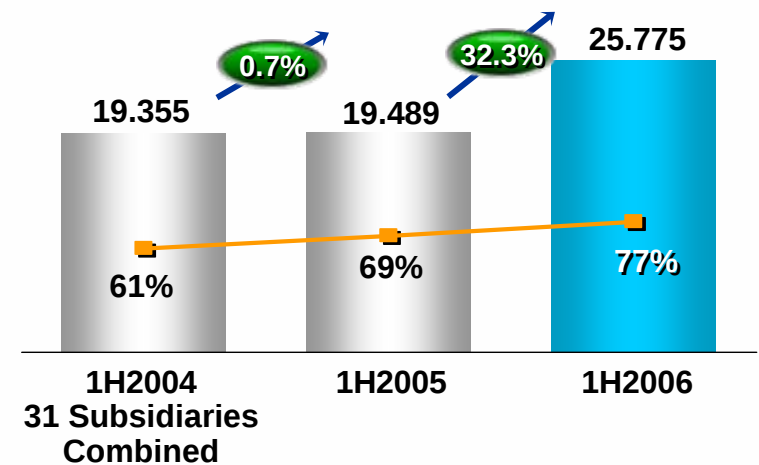
(Million)



— Market Share

Net Additional Subscribers

(Million)

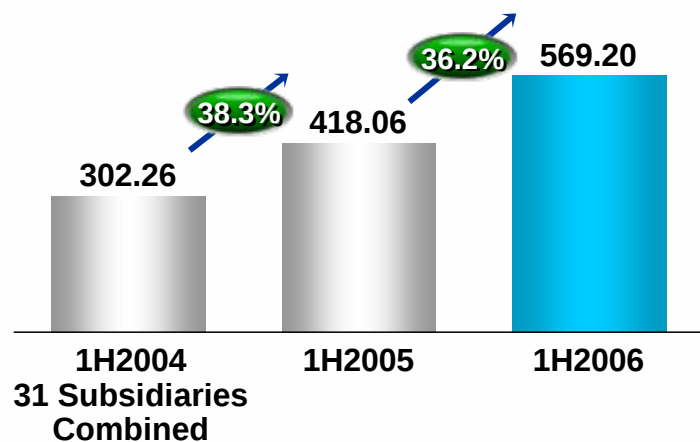


— Net adds market share

Stable Growth in Voice Business

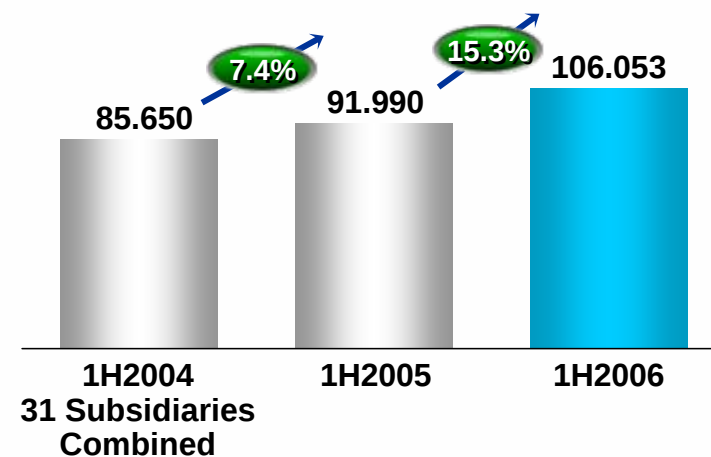
Total Voice Usage

(Billion Minutes)



Voice Business Revenue

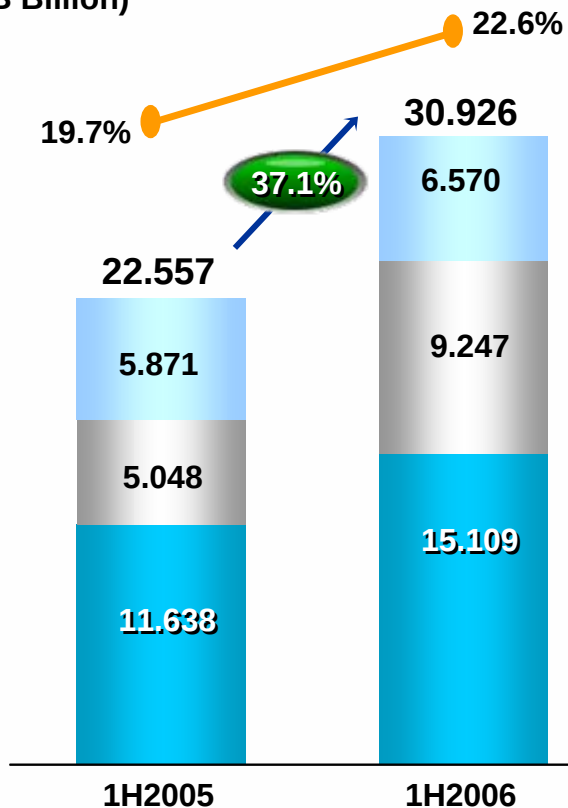
(RMB Billion)



Strong Growth in Value-added Business

Value-added Business Revenue

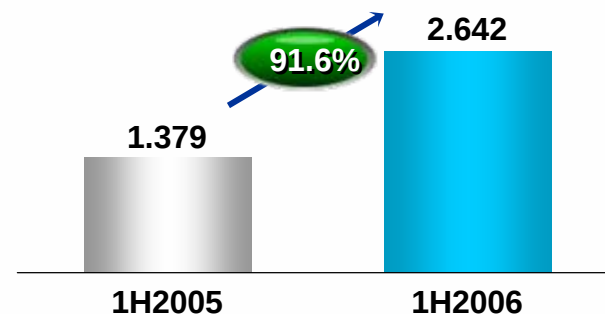
(RMB Billion)



-  SMS
-  Non-SMS data business
-  Voice value-added service
-  Value-added business / Total revenue

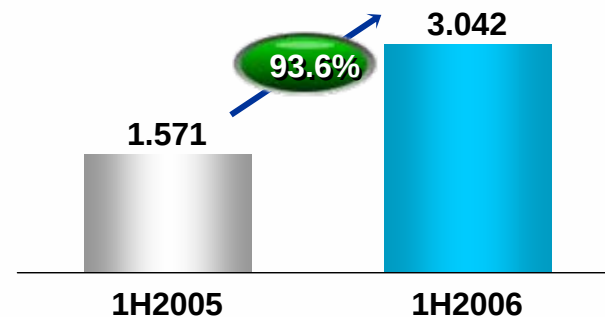
Color Ring Revenue

(RMB Billion)



WAP Revenue

(RMB Billion)



Thriving Data Business

SMS

Develop new applications and functions to stimulate continuous growth

Color Ring & WAP

Strengthen promotion and product optimization to fuel revenue growth

MMS & IM

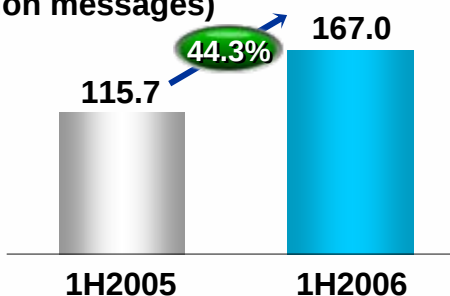
Cultivate consuming behavior and enlarge scale to realize rapid growth

Preparation for new products and new applications

Mobile music, mobile search, PUSH MAIL, location-based services, etc.

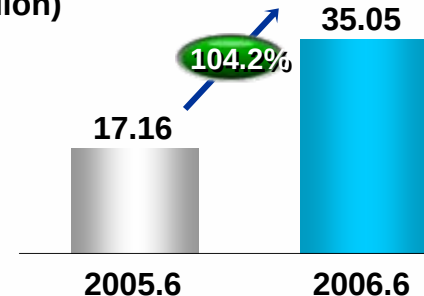
SMS Usage

(Billion messages)



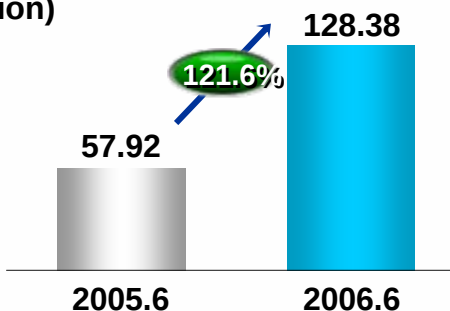
WAP Users

(Million)



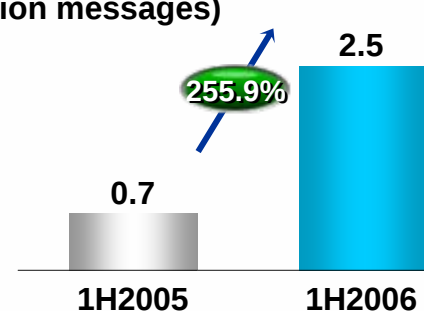
Color Ring Users

(Million)



MMS Usage

(Billion messages)



Capturing Future Opportunities by Our Influential Position

Win-win Co-operation

- Use our leading position to promote healthy development of the value chain ecosystem
- Open, fair, flexible and friendly business co-operation policy and platform
- Nationwide SP> 400, local SP> 2,000

Mobile Music

- Promote “Wireless Music Rank” and establish “Wireless Music Club” to satisfy customers’ needs, enhance user experience and reinforce our leading position
- More than 200 million times of Color Ring download in first half

Capture Future Opportunities by Our Influential Position

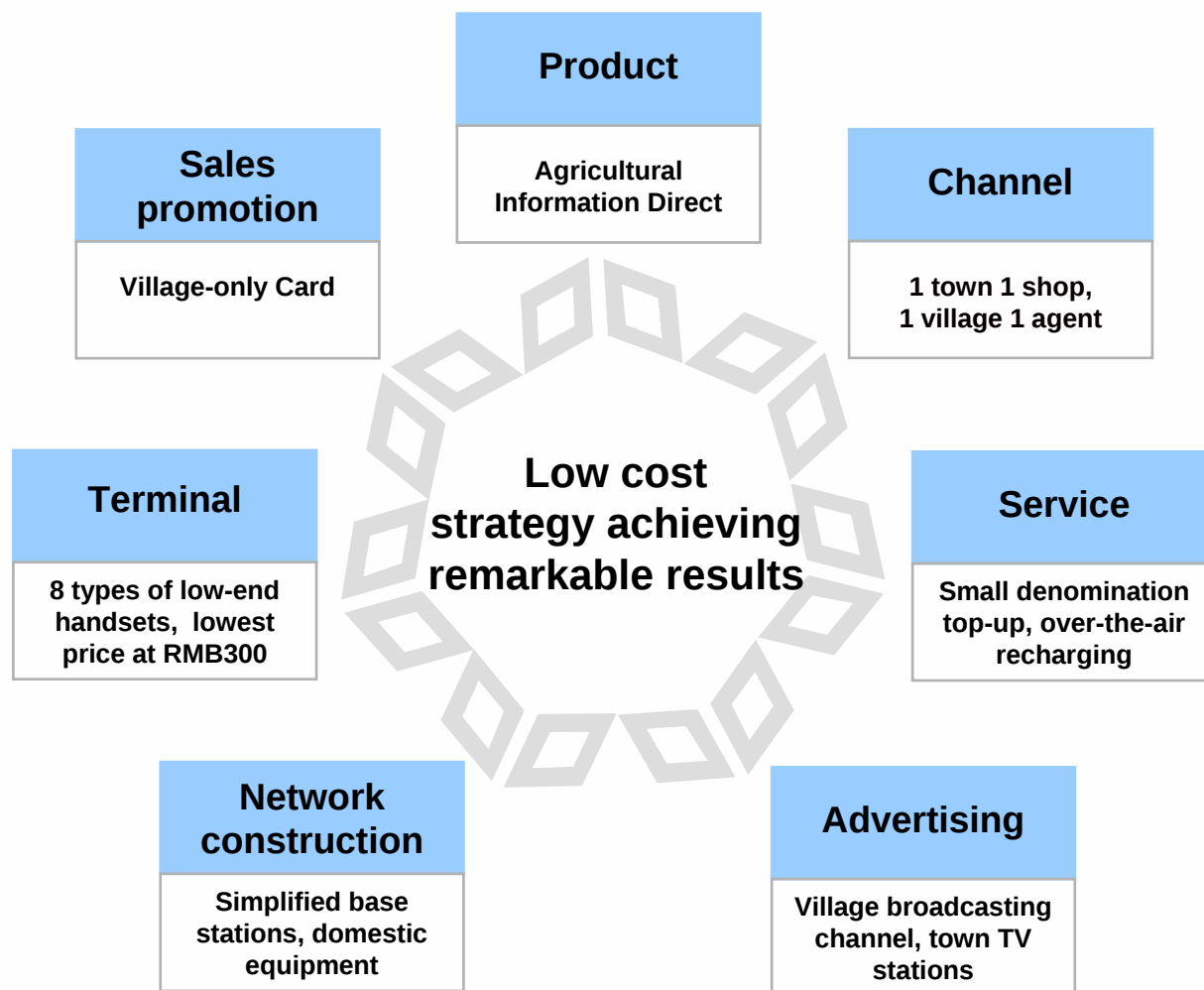
Industry-specific Application

- Promote industry-specific applications to corporate customers
- Hundreds of functions and products in the fields of police, education, banking, agriculture, meteorology, etc.

Handset Customization

- Lower customers’ entry barrier
- Rapidly develop high-end data business
- Customized handsets accounting for more than 10% in market share in first half

Enhanced Effort in Rural Market Development



**Rapid economic
development in rural areas**

**Per capita annual net
income of rural households
increasing year over year**

**State's strong promotion of
new rural policy**

**National rural mobile
penetration was only
11.5%***

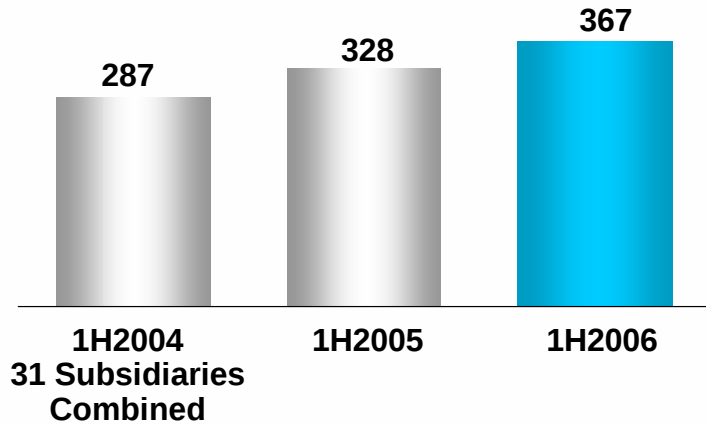
* An estimation based on a survey by the Company.

Continued Growth in Operating Revenue



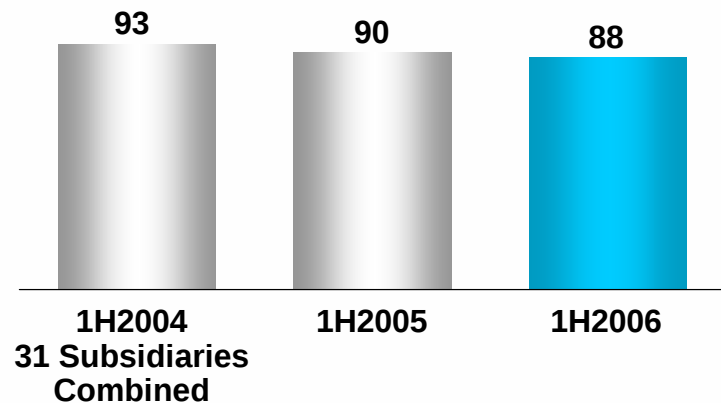
MOU

(Minutes)



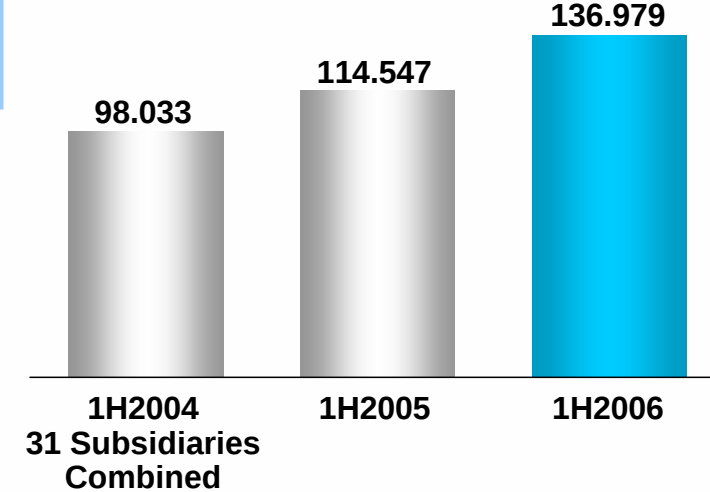
ARPU

(RMB)



Operating Revenue

(RMB Billion)

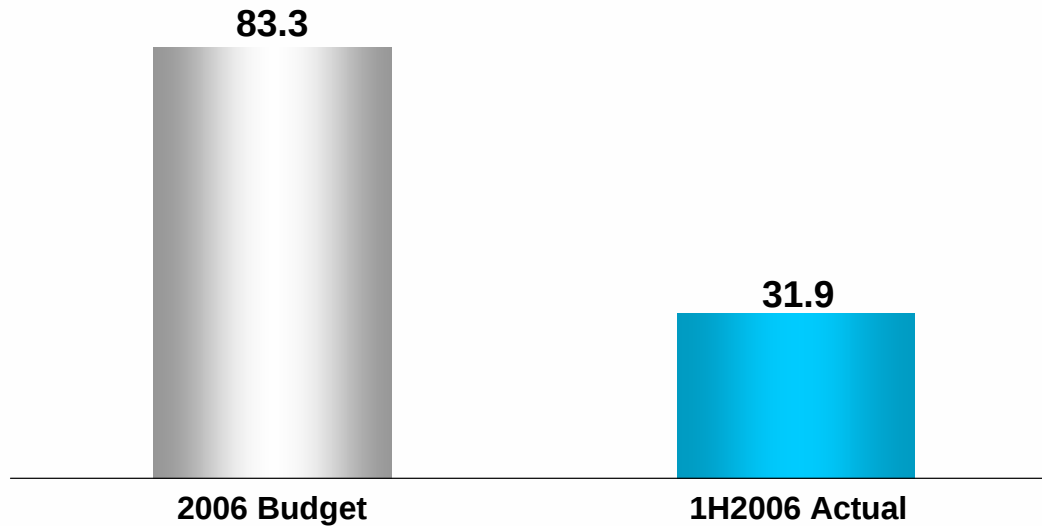


- Subscriber and voice usage growth
- Favorable impetus of value-added business
- Rural market development

**Continued growth
in operating
revenue**

CAPEX

(RMB Billion)



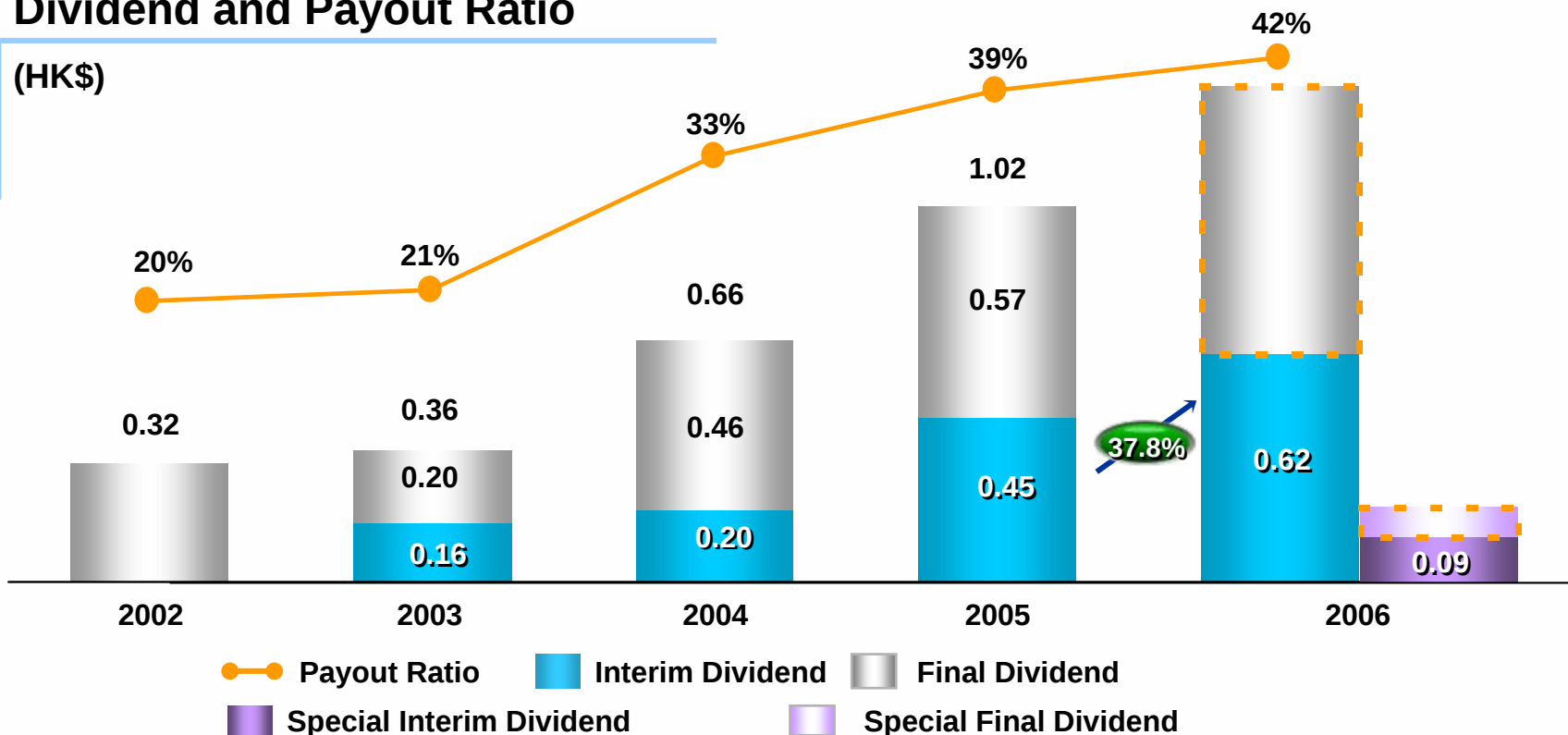
- Satisfy robust market demand
- Secure leading network advantage
- Actively prepare for 3G
- Reduce cost by centralized procurement

Continued Dividend Growth

- An interim dividend of HK\$0.62 per share for 2006
- The planned dividend payout ratio for the full year of 2006 is 42%
- Special dividend is planned for the year of 2006. The special interim dividend is HK\$0.09 per share
- Endeavor to achieve a long-term sustainable, steadily increasing dividend, with a view to generating the best possible return for shareholders

Dividend and Payout Ratio

(HK\$)



Prominent Competitive Advantages



Scale

Largest subscriber base and network scale in the world
Network capacity: 330 million

Network

Population coverage: 97%
Wireless connection rate: 99%
Call drop rate < 0.8%

Support system

Advanced and flexible support system enhances operating and managerial standards

Brand

A widely recognized brand name with its value ranked 4th in the world

Channel

Extensive sales network coverage
Forming comprehensive sales service system

Service

Regularized customer-centric services, yielding steady climb in customer satisfaction and loyalty

- **Adhering to the principles of integrated planning and gradual implementation, actively carrying out preparation of planning and construction**
- **Actively conducting marketing strategy research and preparing new products and services to fully gear up for 3G commercialization**
- **Fully utilizing 2G resources to achieve a smooth migration from 2G to 3G and their long term co-existence in our network**



**A World-class Enterprise and
A Mobile Information Expert**

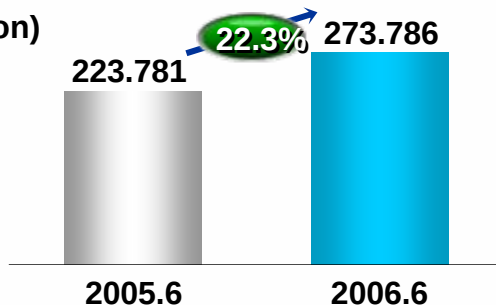


Financial Results for 1H2006

Rapid Growth in Revenue

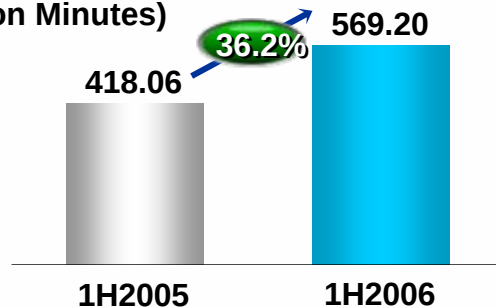
Subscribers

(Million)



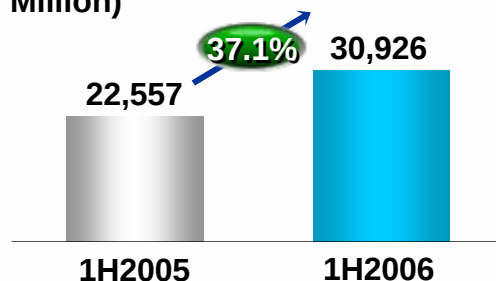
Total Voice Usage

(Billion Minutes)



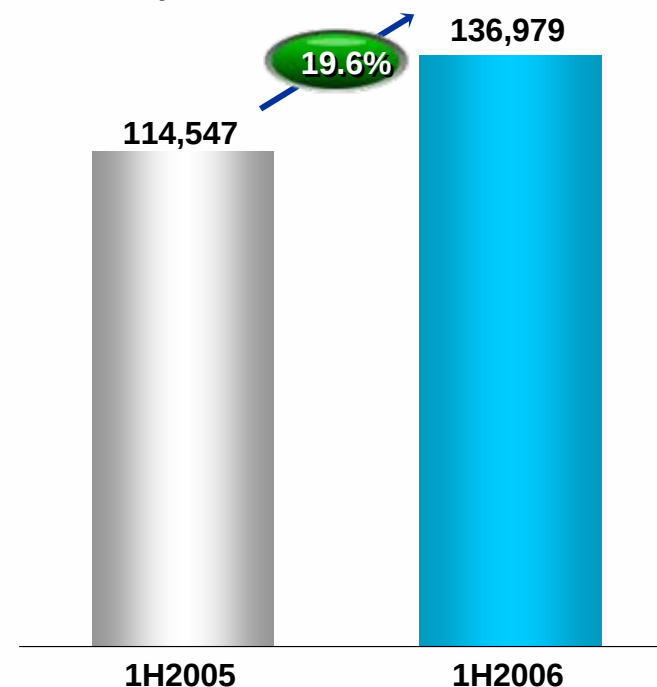
Value Added Businesses Revenue

(RMB Million)



Operating Revenue

(RMB Million)

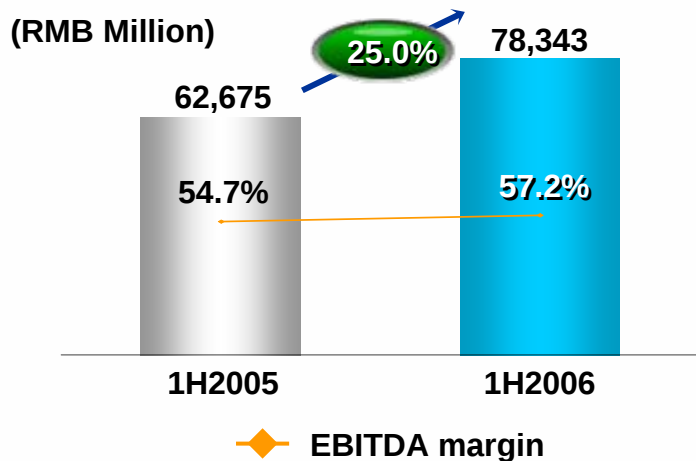


Note: All data for 1H2006 shown in this presentation included the results of China Mobile Peoples Telephone Company Limited.

Continuous Favorable Growth of Profitability

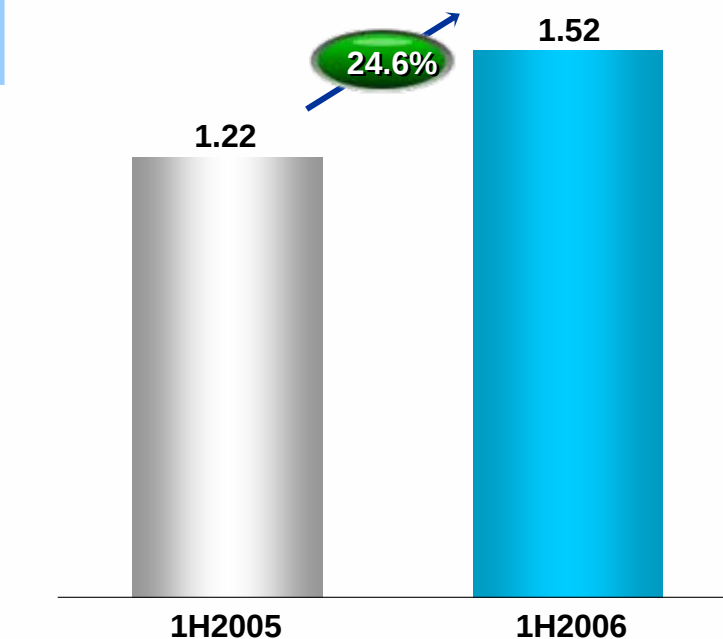
EBITDA

(RMB Million)



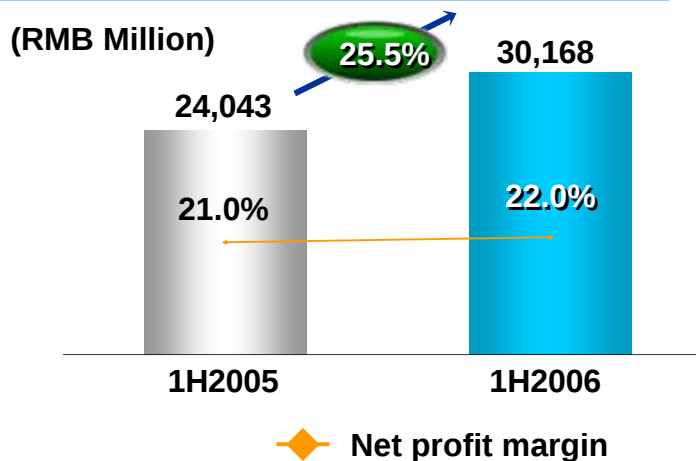
Basic EPS

(RMB)



Net Profit

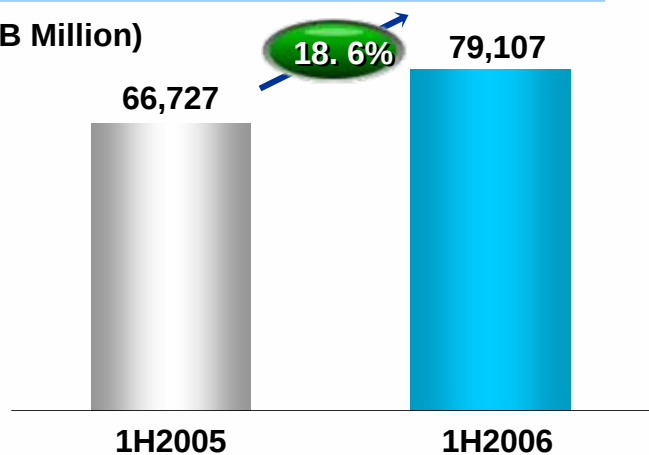
(RMB Million)



Strong Cash Flow

Net Cash Generated from Operating Activities

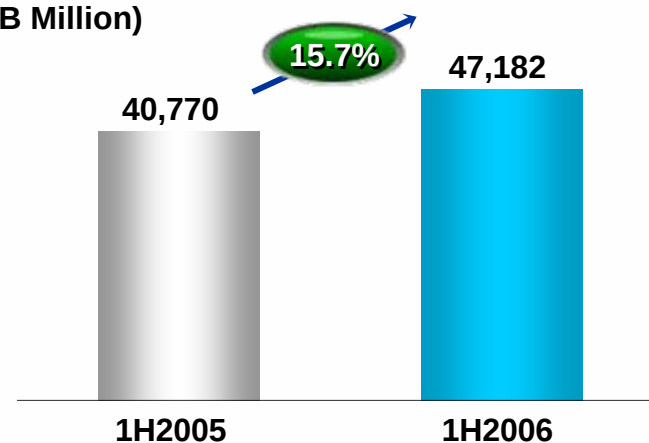
(RMB Million)



Continued favorable business growth and economies of scale

Free Cash Flow

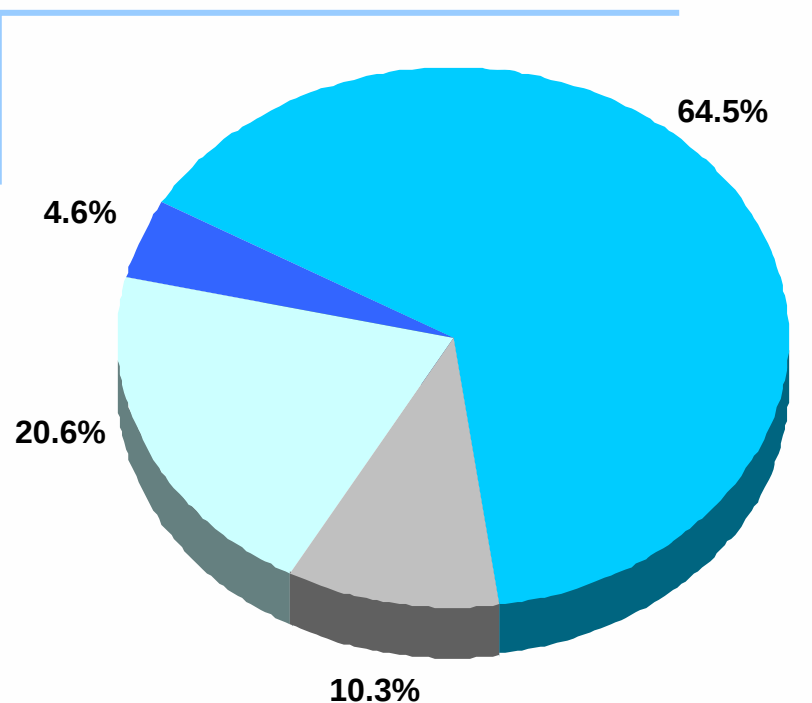
(RMB Million)



Providing a solid foundation for the sustainable healthy development of the Company

Revenue Composition

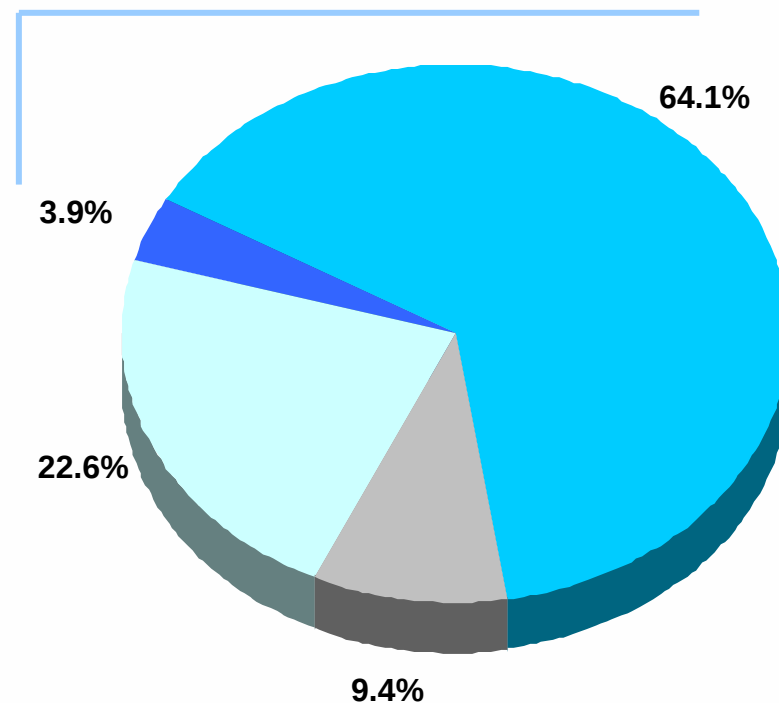
2005



Usage fees

Monthly fees

1H2006

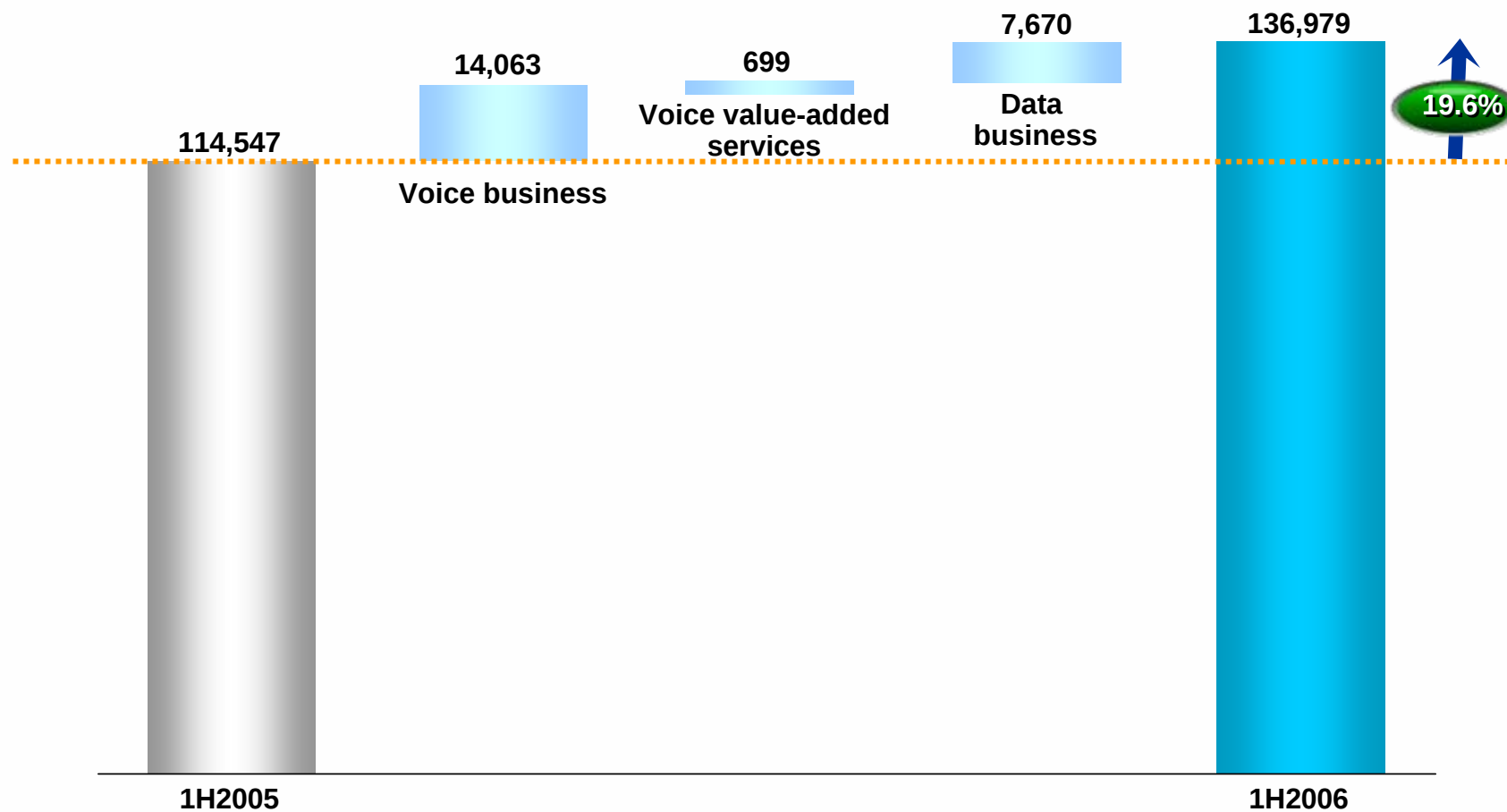


Value added businesses

Others

Composition of Revenue Growth

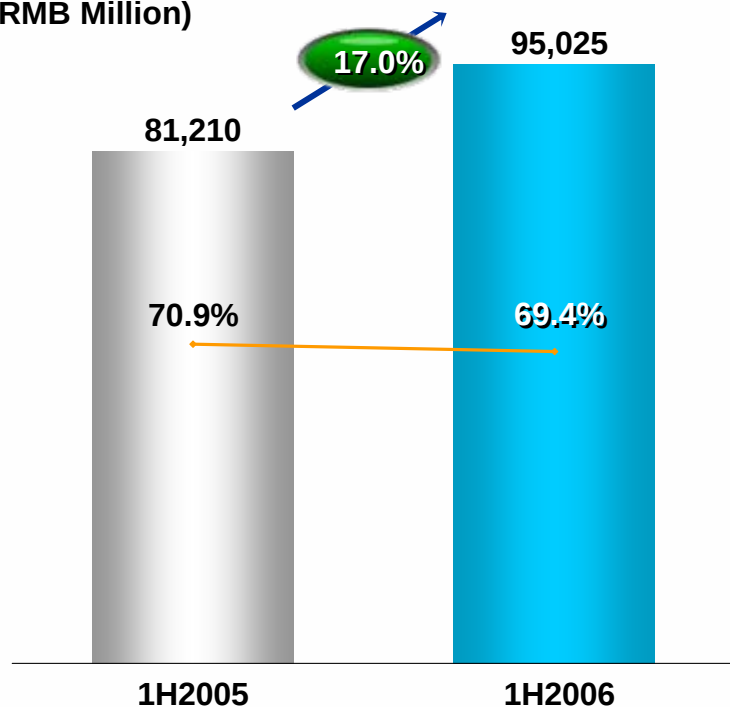
(RMB Million)



Effective Cost Control

Operating Expenses

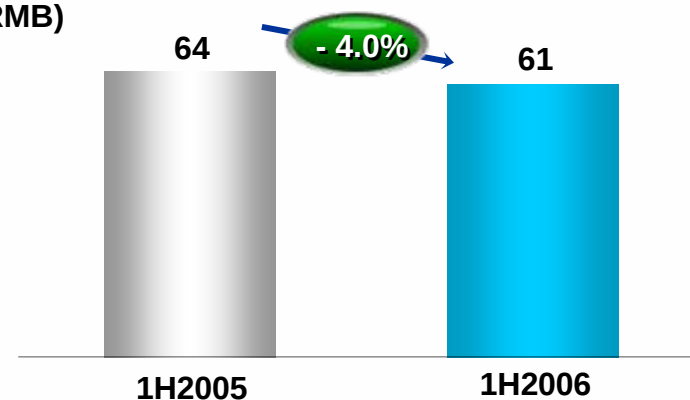
(RMB Million)



◆ Operating expenses / Operating revenue

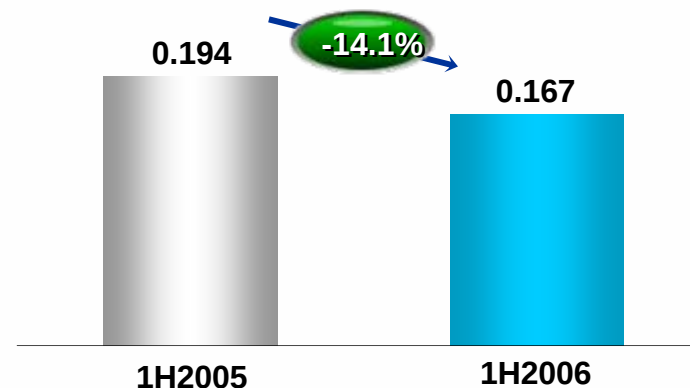
Average Monthly Operating Expenses per Subscriber

(RMB)

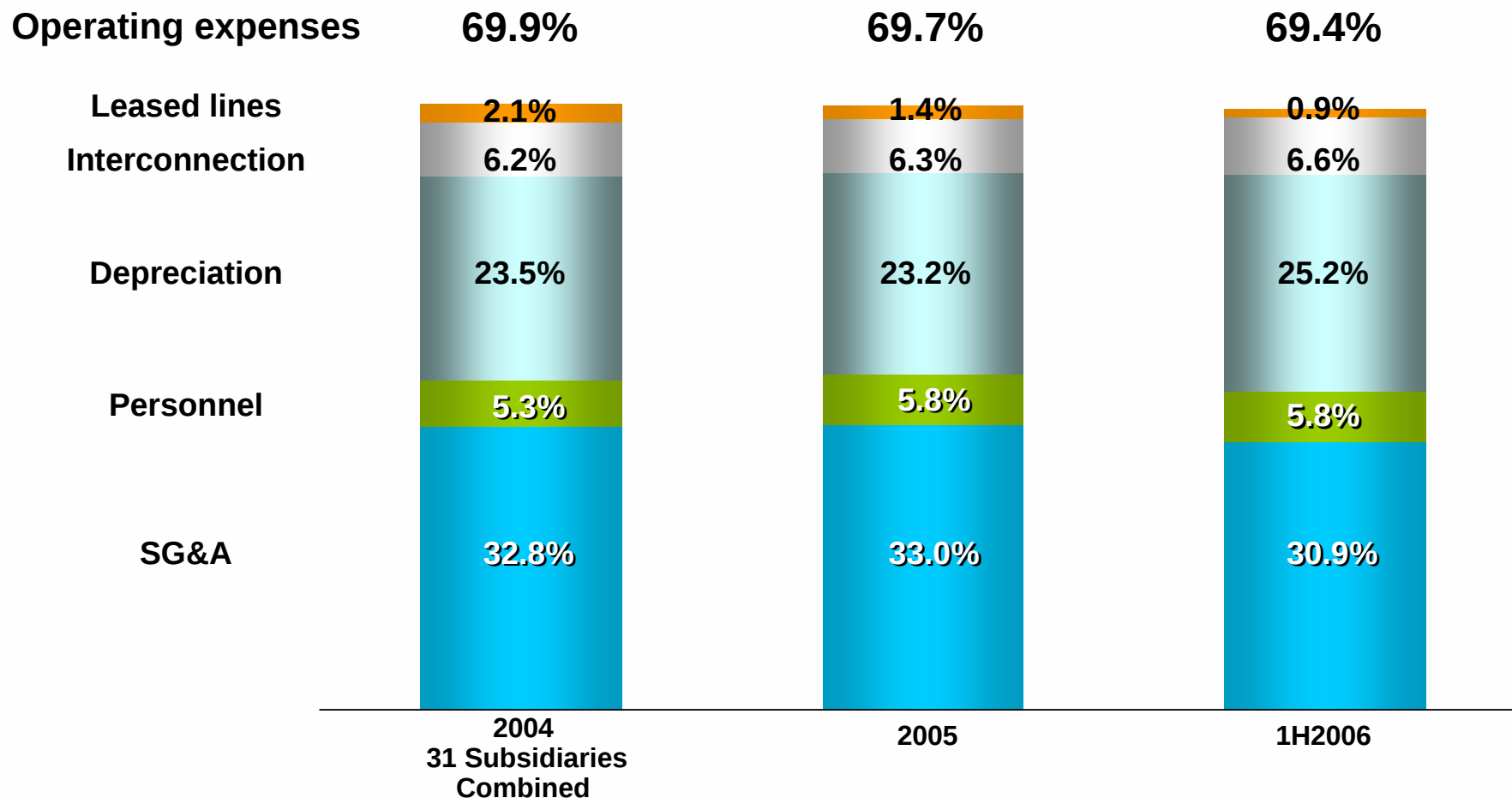


Average Operating Expenses per Minute

(RMB)



Cost Composition



Note: The above data are expressed as a percentage of operating revenue

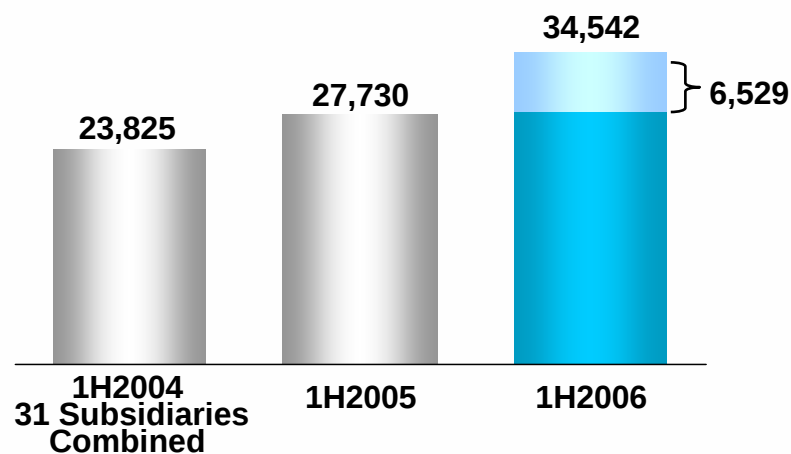
Revision of Assets Depreciable Lives

Under our prudent financial principles and along with the maturity of 3G technology, the Company has revised the estimated useful lives of 2G network equipment from 7 years to 5 years based on the condition of existing network equipment.

Having considered the effect on profit attributable to shareholders resulted from the revision on depreciable lives, the Company plans to distribute a one-off special dividend for the full year of 2006. The special interim dividend is HK\$0.09 per share.

Depreciation

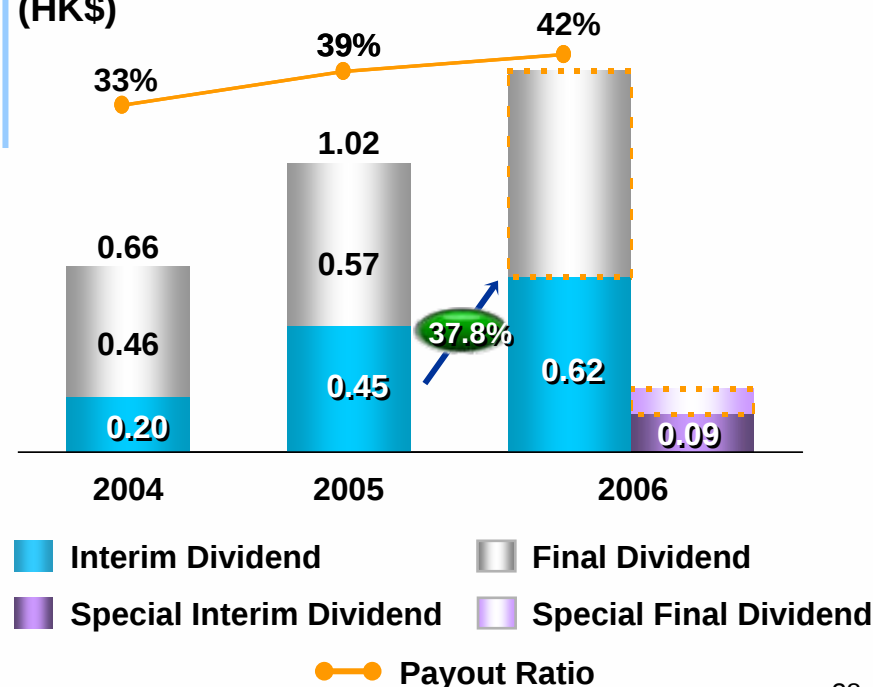
(RMB Million)



 Revision on Depreciable Lives

Dividend and Payout Ratio

(HK\$)



Solid Capital Structure

(RMB Million)	31.12.2005	30.06.2006
Short Term Debt	1,427	1,245
Long Term Debt	36,545	36,563
Total Debt	37,972	37,808
Shareholders' Equity	272,824	293,868
Total Book Capitalization	310,796	331,676
Total Debt / Total Book Capitalization	12.2%	11.4%
Cash & Bank Deposits	106,386	141,300
Net Cash	68,414	103,492
Interest Coverage	58X	72X

Credit Rating

S&P's

A- / Positive



A / Stable

Moody's

A2 / Stable



A2 / Positive

Note: Net cash represents Cash & Bank Deposits minus Total Debt

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THANK YOU



Extracts from unaudited consolidated income statement for the 6 months ended 30 June 2006 – Appendix I



(RMB Million)	1H2005	1H2006		1H2005	1H2006
Operating revenue			Operating profit (con't)	33,337	41,954
Usage fees	73,813	87,806	Amortization of other intangible assets	-	(100)
Monthly fees	13,826	12,867	Other net income	1,608	1,847
Value added businesses	22,557	30,926	Non-operating net income	464	485
Others	4,351	5,380	Interest income	607	1,123
	<u>114,547</u>	<u>136,979</u>	Finance costs	(680)	(610)
Operating expenses			Taxation	(11,275)	(14,493)
Leased lines	2,278	1,230	Profit for the year	<u>24,061</u>	<u>30,206</u>
Interconnection	6,634	8,946	Equity shareholders of the Company	24,043	30,168
Depreciation	27,730	34,542	Minority interests	18	38
Personnel	6,723	7,990	Profit for the year	<u>24,061</u>	<u>30,206</u>
Others	37,845	42,317			
	<u>81,210</u>	<u>95,025</u>			
Operating profit	<u>33,337</u>	<u>41,954</u>			

Extracts from unaudited consolidated balance sheet as at 30 June 2006 – Appendix II



(RMB Million)	Audited at 2005.12.31	Unaudited at 2006.6.30
Current assets	121,076	158,508
Non-current assets	299,951	300,508
Total assets	421,027	459,016
Current liabilities	(109,954)	(126,928)
Non-current liabilities	(37,966)	(37,899)
Total liabilities	(147,920)	(164,827)
Net assets	273,107	294,189

	2005	1H2006
Contract Subscribers (Million)	61.311	63.465
Prepaid Subscribers (Million)	185.341	210.321
Blended/Contract/Prepaid MOU (Minutes)	335/589/241	367/657/275
Blended/Contract/Prepaid ARPU (RMB)	90/185/55	88/193/55
Average Revenue per Minute (RMB)	0.269	0.241
Mobile Data Users (Million)	206.682	239.961
SMS Usage (Billion Messages)	249.6	167.0
Network Capacity (Million)	302.403	329.863
Network Utilization Rate (%)	81.6%	83.0%
Average Monthly Churn Rate (%)	1.87%	2.54%

Forward-looking Statements



Certain statements contained in this document 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 involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of China Mobile Limited (the “Company”) to be materially different from any future performance, financial condition or results of operations implied by such 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.