

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

2009 *Interim Results*



2009 Interim Results

China Mobile Limited

20 August 2009

Management Present



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



Overall Performance for 1H2009



Financial Results for 1H2009



Overall Performance for 1H2009

Highlights



Actively coped with challenges and maintained steady growth in operating results

Revenue ↑ 8.9%
Net profit ↑ 1.4%

Continued consolidation of customer base and sustained voice business growth

Total customers nearly 500 million
Voice usage growth of 19.5%

Prominent contribution from continuously rapid growth of value-added business

Value-added business grew 13.7%
Proportion in total revenue rose to 28.1%

Sustained growth in dividend and endeavor to create value for shareholders

Interim dividend of HK\$1.346 per share
Planned full year payout ratio of 43%

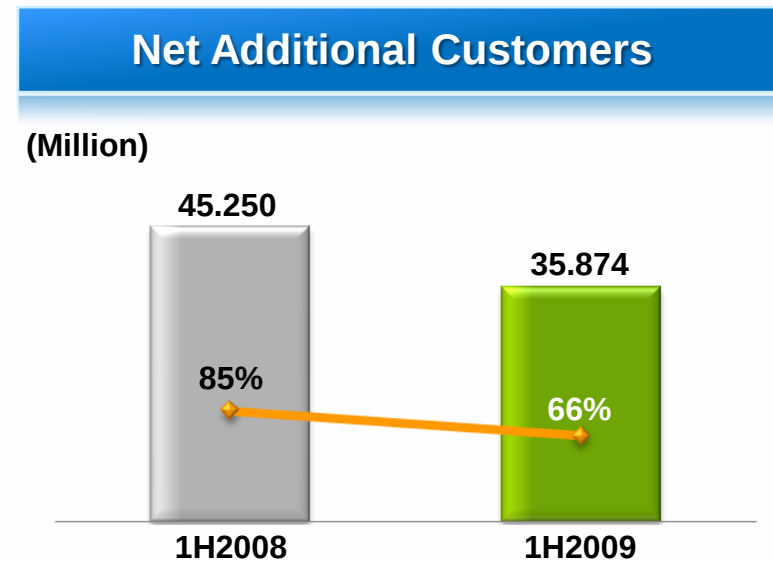
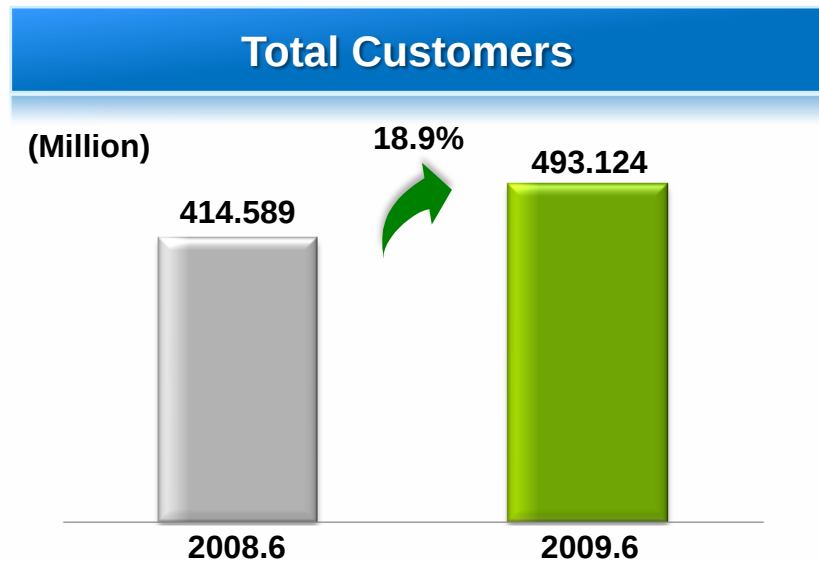
Overall Operating Performance



	1H2008	1H2009	Change
Total Customers (Million)	414.589	493.124	18.9%
Operating Revenue (RMB Billion)	195.460	212.913	8.9%
EBITDA (RMB Billion)	103.955	109.938	5.8%
EBITDA Margin (%)	53.2%	51.6%	-1.6ppt
Net Profit (RMB Billion)	54.546	55.329	1.4%
Net Profit Margin (%)	27.9%	26.0%	-1.9ppt
Basic Earnings per Share (RMB)	2.72	2.76	1.3%

Note: Since 1 January 2009, the Company has adopted the “IFRIC/HK(IFRIC) Interpretation 13 – Customer loyalty programmes”. Comparative figures of this presentation have been restated accordingly.

Continued Consolidation of Customer Base



 Net adds market share

Note: The number of G3 customers who used 3G network services in June 2009 was 959,000.

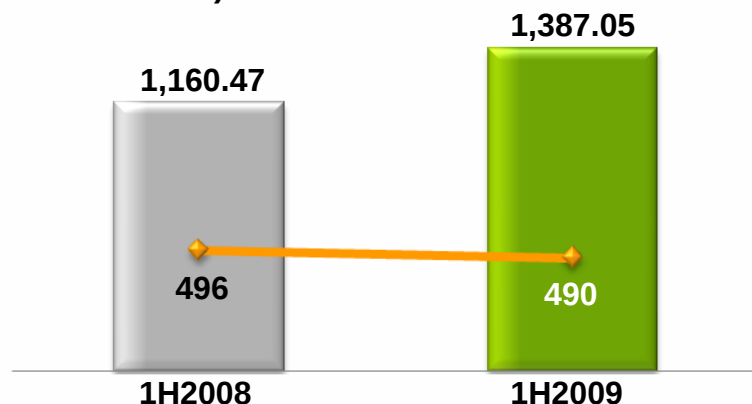
- Both customer growth and net adds market share declined due to the effect from macro-economy, higher penetration and competitive landscape change
- Corporate customer development continued to progress with number of accounts reaching 2.49 million, representing 33.8% of total customers
- Actively expanded “Blue Ocean” in such areas as rural market, information service market, etc

Sustained Growth of Voice Business



Total Voice Usage

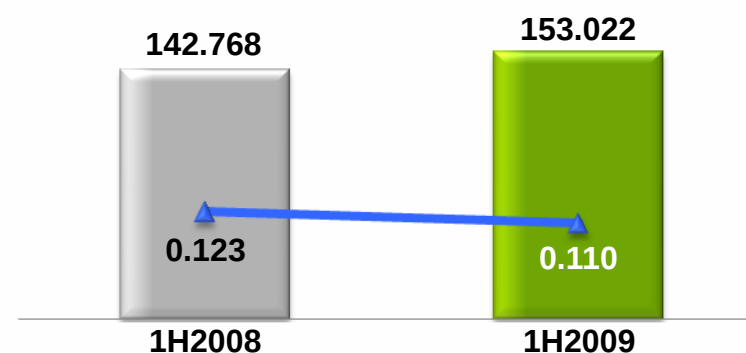
(Billion Minutes)



—◆— MOU (Minutes)

Total Voice Revenue

(RMB Billion)



—▲— Average voice revenue per minute (RMB)

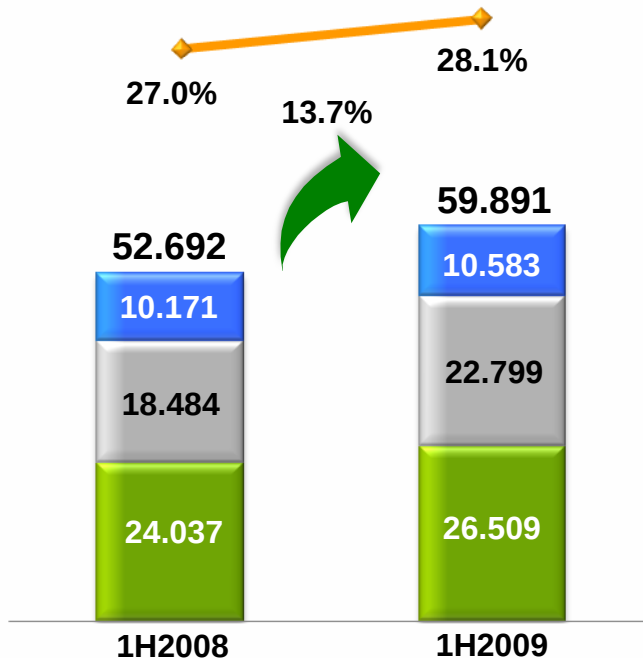
- Maintained growth in voice business through effective promotional measures, despite the adverse impact from the change in operating environment
- Moderated decline in average tariff. Macro-economic conditions, intensified competition and the fact that most new customers are low usage users all affected our MOU level
- Segment-focused sales and marketing as well as service bundling achieved significant results

Prominent Contribution from Value-added Business Growth



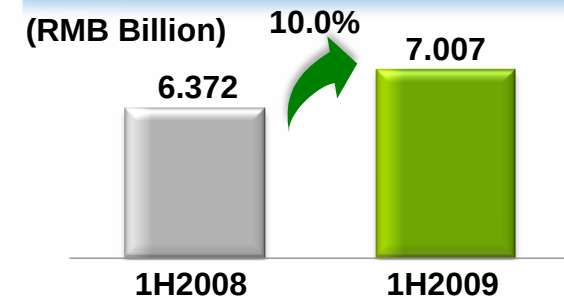
Value-added Business Revenue

(RMB Billion)



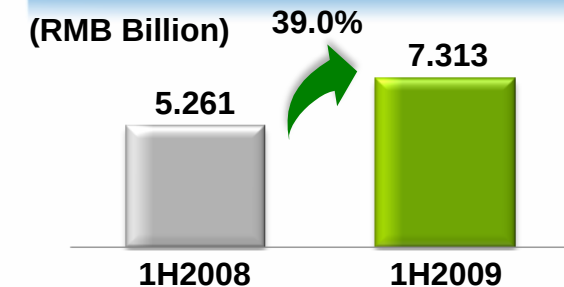
Color Ring Revenue

(RMB Billion)



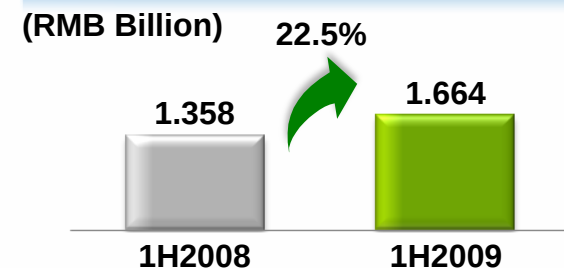
WAP Revenue

(RMB Billion)



MMS Revenue

(RMB Billion)

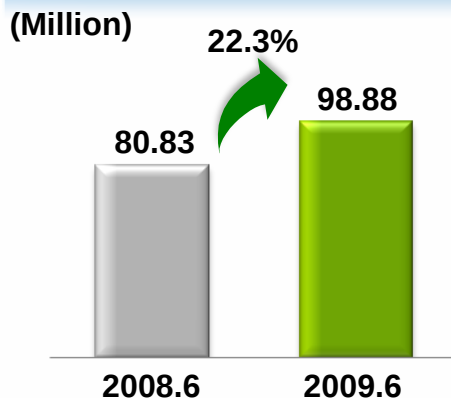


Rapid Development of Mobile Data Products

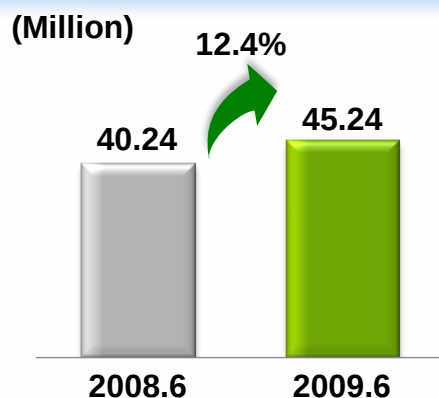


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Wireless Music Club members



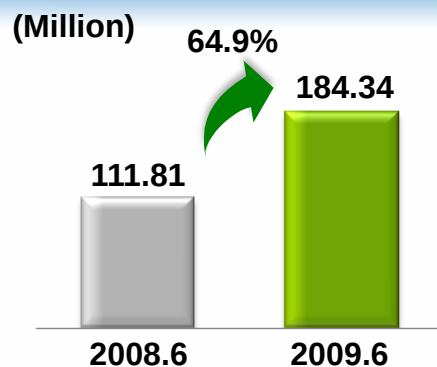
“Mobile Paper” customers



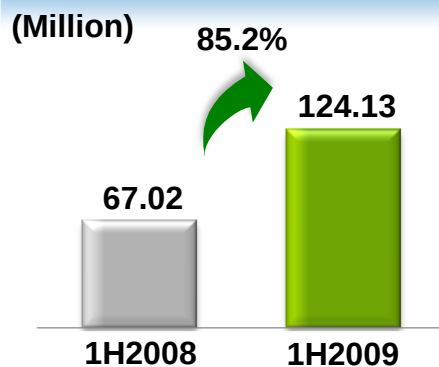
139 Mailbox

- Realized nationwide unified operation with 100 million customers
- Achieved integration with self-developed businesses such as “Fetion” and Mobile Music

“Fetion” customers



No. of Enquiries on 12580 Info Service line



Mobile Gaming

- Rapid business development with over 7 million users
- Cultivated consumption habits to create new source of revenue growth

M2M

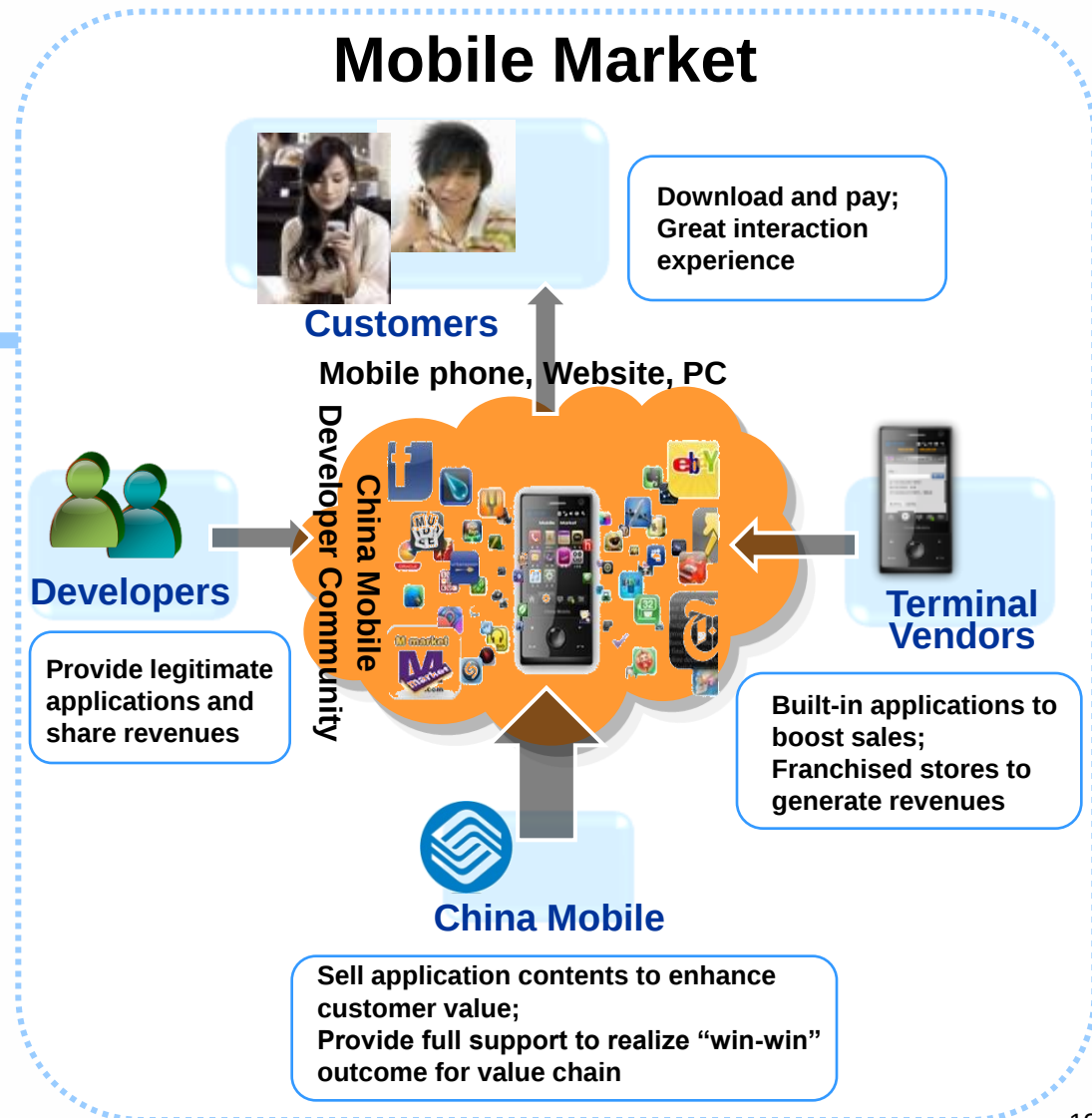
- Achieved breakthrough in M2M business with nearly 3 million customers
- Expanded M2M business to the power and finance sectors to further satisfy demand for information service from corporate customers

Opportunities to Create Customer Value as Mobile Phone Changes Daily Life



Abundant products and applications to meet diversified and personalized customer demand

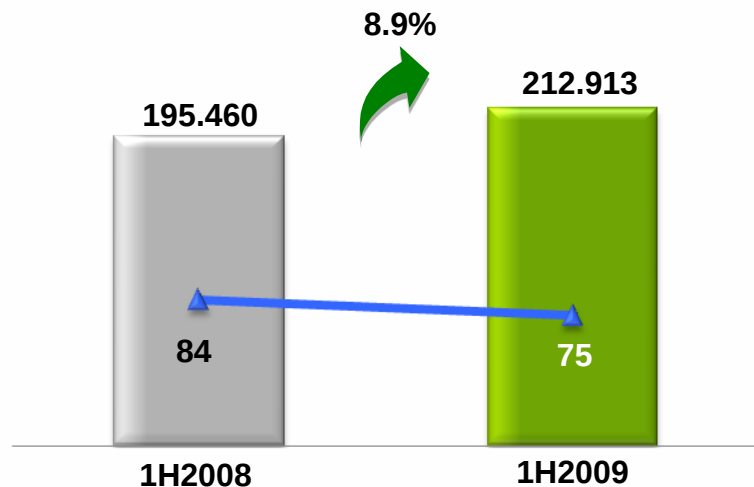
- **The Internet of Things** establishes communications among objects such as machines, animals and plants
- **Mobile Internet applications** such as Mobile Market create new user experience
- **Wireless Music** provides one-stop shop for full track download, MV and vibration ringtone download
- **Mobile Gaming** brings online gaming enjoyment to a new level
- **Mobile Video** enables a portable means to enjoy a wide range of video products such as movies, entertainment
- **Mobile Reading** provides a new means of reading
- **Mobile Wallet** realizes anytime, anywhere and portable payment solution



Steady Revenue Growth

Operating Revenue

(RMB Billion)

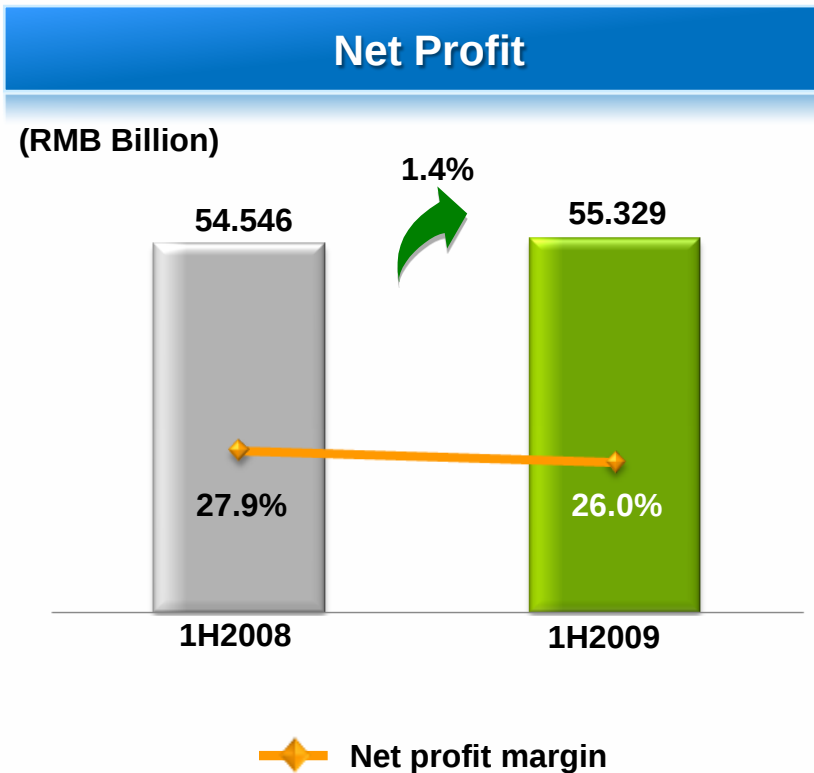


▲ ARPU (RMB)

- ◆ Continued steady growth of customers
- ◆ Sustainable growth of voice business
- ◆ Significant boost from value-added business

**Steady
Revenue
Growth**

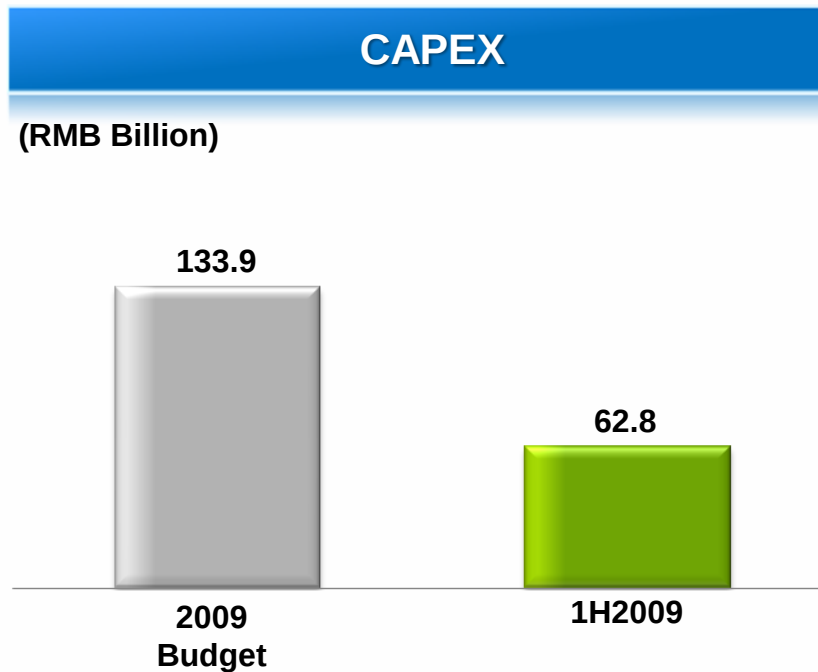
Continued Profit Growth



- ◆ Steady revenue growth
- ◆ Effective cost management
- ◆ Significant economies of scale
- ◆ Prudent financial policy

**Continued
Profit
Growth**

CAPEX to Meet the Need of Development

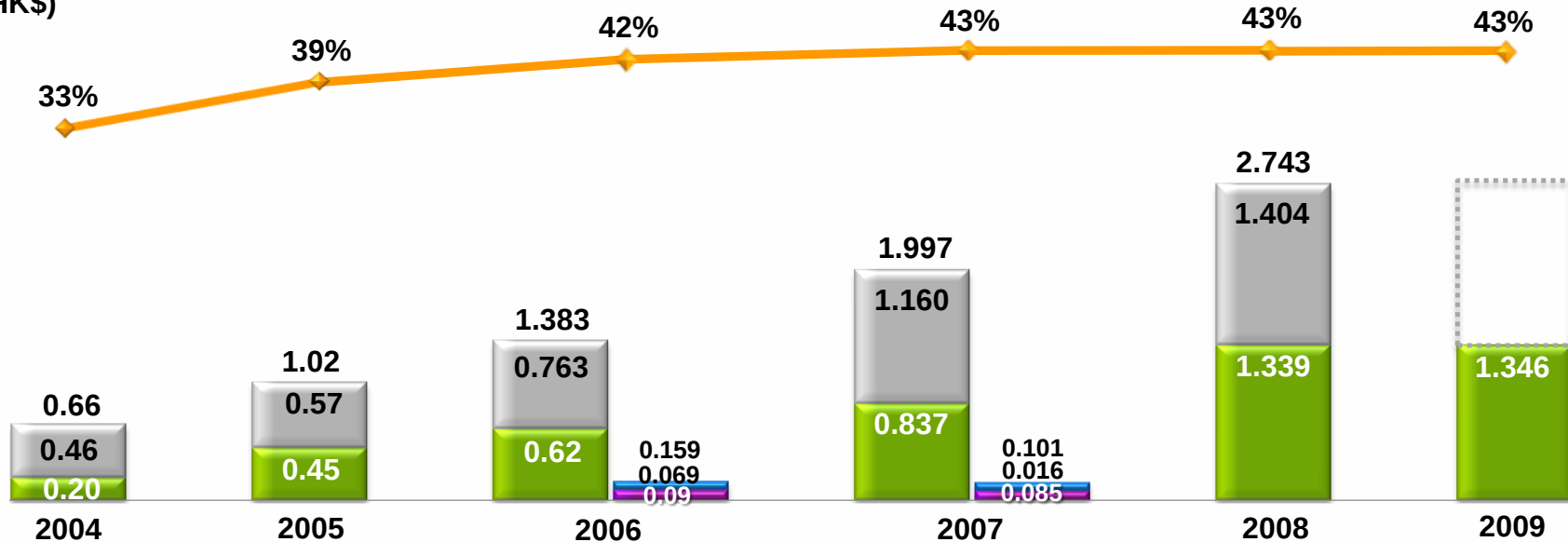


- Satisfy growth in market demand
- Foster further development of value-added business
- Ensure leading network advantages
- Realize 2G/3G network integration
- Respond to full service competition

Sustainable Dividend Growth

Dividend and Payout Ratio

(HK\$)



◆◆ Dividend payout ratio ■ Interim dividend ■ Final dividend ■ Special interim dividend ■ Special final dividend

- ◆ Interim dividend of HK\$1.346 per share
- ◆ Planned full year dividend payout ratio of 43%
- ◆ Endeavor to create value for shareholders

Rational Competition Strategy with Focus on Efficiency and Expansion into Blue Ocean Markets



- Global financial crisis's impact on real economy affects telecom sector

- Market in certain large cities shows signs of becoming mature with rising penetration

- Intensifying competition in 3G era

- TD industry chain needs further enhancement and faster development

- Cross-sector convergence creates new challenges

Changes in
External
Environment



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Address
Changes
Actively and
Rationally

- Rational competition strategy focusing on efficiency**

- Promote "win-win" co-operation
- Effective cost management
- Protect industry value

- Endeavor to develop Blue Ocean markets**

- Excavate room for growth in developed regions
- Liberalize vast potential in rural market
- Explore demand for information service

Leverage Current Advantages

- Huge customer base

- Best network in the world

- Leading brand value

- Solid financial position

- Strong execution ability

- Great innovation capability

- International leading position

Active and Steady Promotion of 3G Development



Favorable Progress

Significant improvement in network quality

- Phase II construction completed on schedule to cover 38 cities
- Call connection rate, call drop rate, handover rate and user perception all enhanced
- New mechanism, new standard and new test to boost network quality

Improved handset models and performance

- Mainstream domestic and foreign vendors committed to providing TD handsets
- TD Terminal R&D Incentive Fund established by our Parent Company

Vigorous promotion of 3G applications

- Wireless broadband, household application and corporate application products
- 3G service offerings such as video calling, video conference calling, video on demand, etc



Efforts to Continue

Further improvement in 3G network

- Will cover 238 prefecture-level cities by this year end and all prefecture-level cities in 2011; strive to further improve network quality

Expanding handset model choices

- Handset model choices will increase to nearly 100 with all terminal models close to 300 by the end of this year. TD OMS phone to launch soon

Wider range of applications

- Wireless cities (TD+WLAN), household applications, wireless broadband solutions

Network evolution path further clarified

- Showcase TD-LTE demonstration network in 2010 Shanghai World Expo

Advantage of TD technology

- High spectrum efficiency
- Late mover advantage in future evolution
- Deeper handset customization

Strong government support

- 35MHz+ of spectrum, 188 prefix
- Support in such areas as finance, network construction, R&D, government procurement and industry informatization, etc
- Exclusive right to use CMMB technology

Innovative development strategy

- Integrated network structure, innovative sales and marketing
- No change of number, SIM card and re-registration
- Leverage synergy with our Parent Company
- Push forward the globally converged LTE standard

Capability Enhancement to Respond to Full Service Competition

Service Level



Total solutions for corporate customers



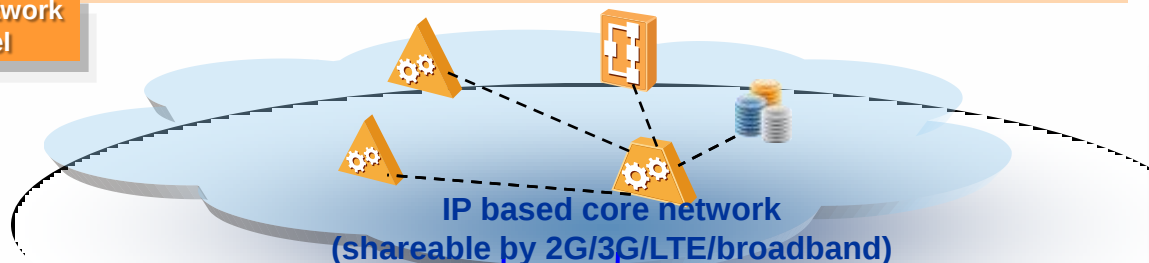
Integrated applications for households



Wireless cities (TD+WLAN)

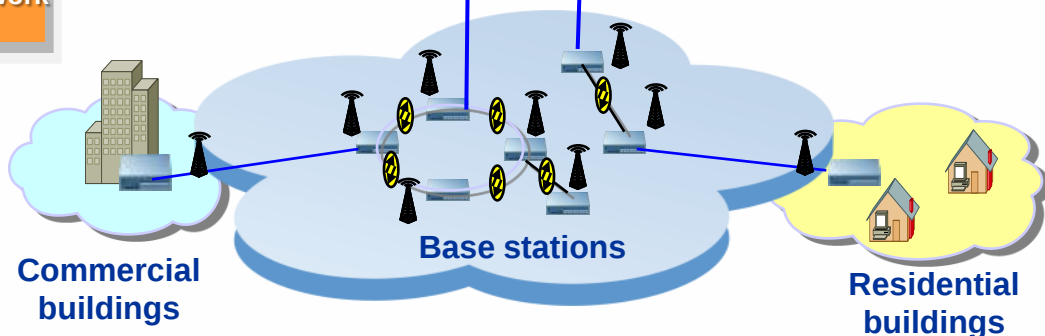
- Based on cost efficiency and market demand, providing full service to retain and further develop corporate customers as well as meet the needs of mid-to-high end customers
- Taking full advantages of extensive wireless coverage, convenience and flexibility of wireless access and the late mover advantage brought by the optic fiber access

Core Network Level



- Structurally simple IP based core network
- The most advanced in the industry, CM-IMS (China Mobile IP Multimedia System) enables full service access
- Centralized management realizes low cost, highly efficient operations

Access Network Level



- Extensive coverage with over 410,000 base stations, of which 91% realized optic fiber access, covering or being in close proximity to most office and commercial buildings
- Extend transmission lines from base stations to satisfy the demand of target government and corporate customers as well as the newly built residential buildings for multiple modes of access
- Synergy with our Parent Company

Sustain our International Leading Position in the Telecommunications Industry



Signs of steady economic recovery with positive changes create favorable impact on our development

China market still presents vast growth potential from developed market experiences

TD has strong support from the government and enjoys late mover advantage in future evolution

Full service enriches our measures in addressing competition

Cross-sector convergence stimulates our innovation capability

Development Strategy

- Explore new business arenas
- Accelerate 3G network construction and operations
- Respond to full service competition
- Strengthen refined management
- Persist in innovation development
- Foster open cooperation
- Enhance influence in the international stage

Endeavor to create value for shareholders



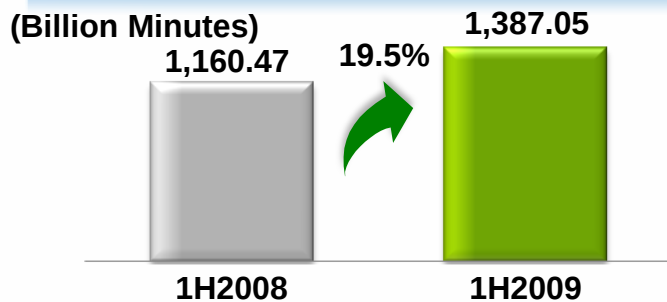
Financial Results for 1H2009

Steady Revenue Growth

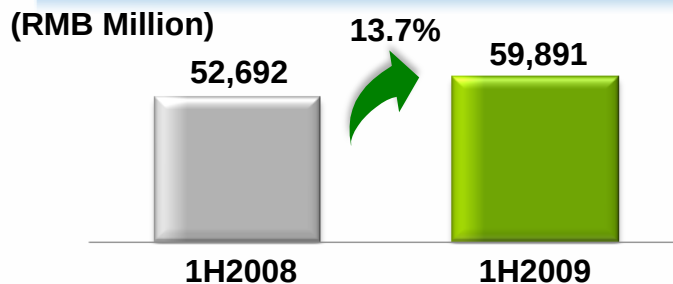
Total Customers



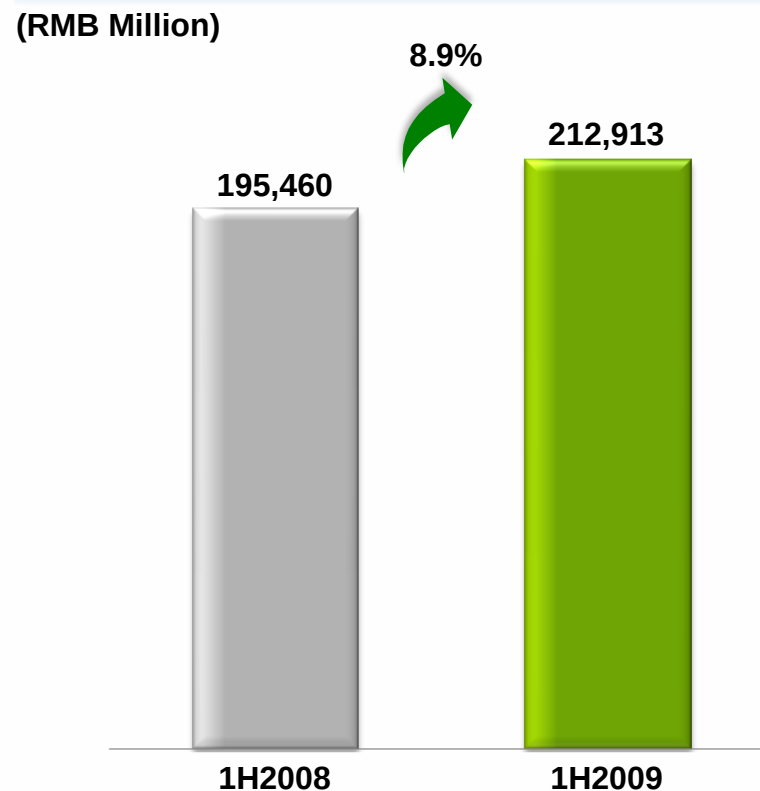
Total Voice Usage



Value-added Business Revenue



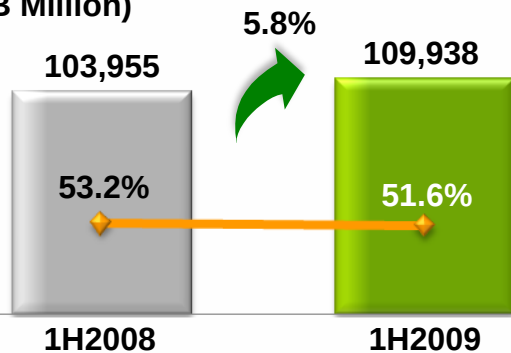
Operating Revenue



Profitability Remains Favourable

EBITDA

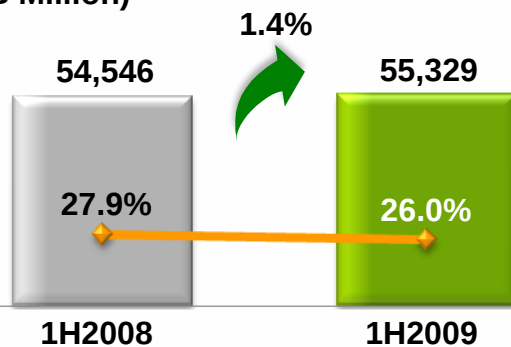
(RMB Million)



EBITDA margin

Net Profit

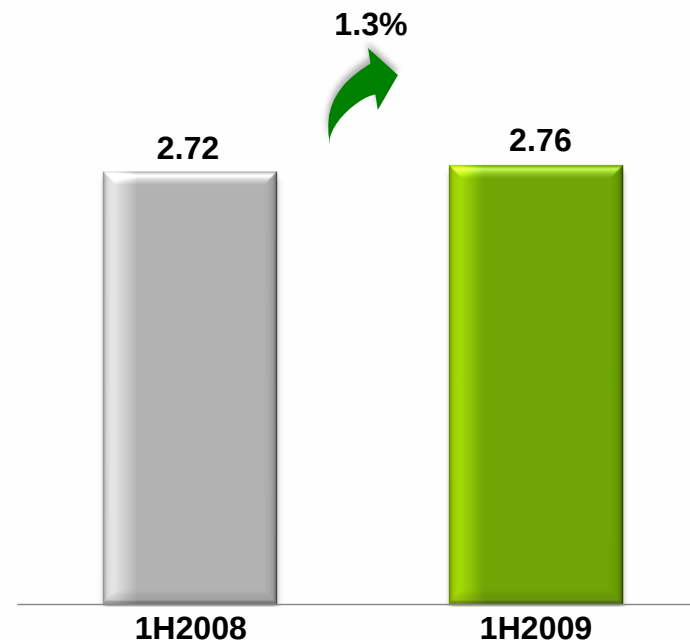
(RMB Million)



Net profit margin

Basic EPS

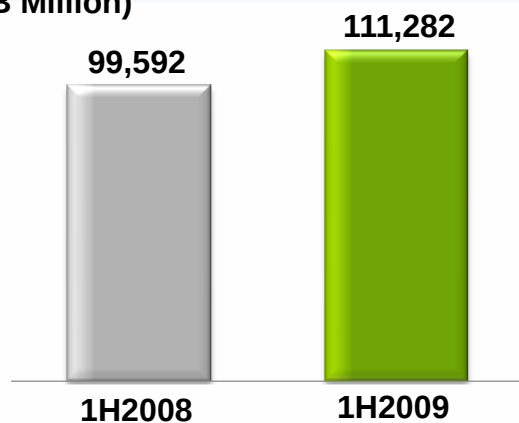
(RMB)



Strong Cash Flow

Net Cash Generated from Operating Activities

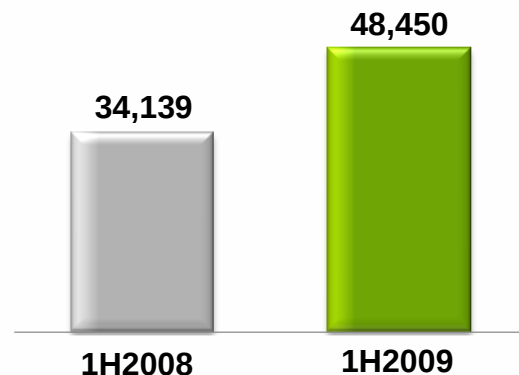
(RMB Million)



Continued favourable business growth and economies of scale

Free Cash Flow

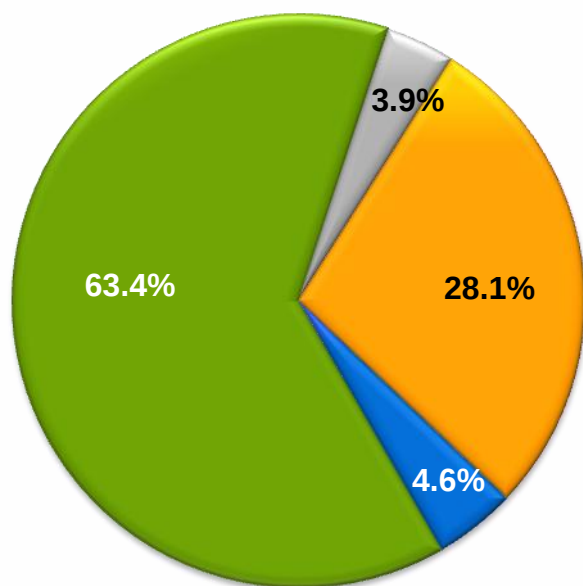
(RMB Million)



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

Revenue Composition

1H2009



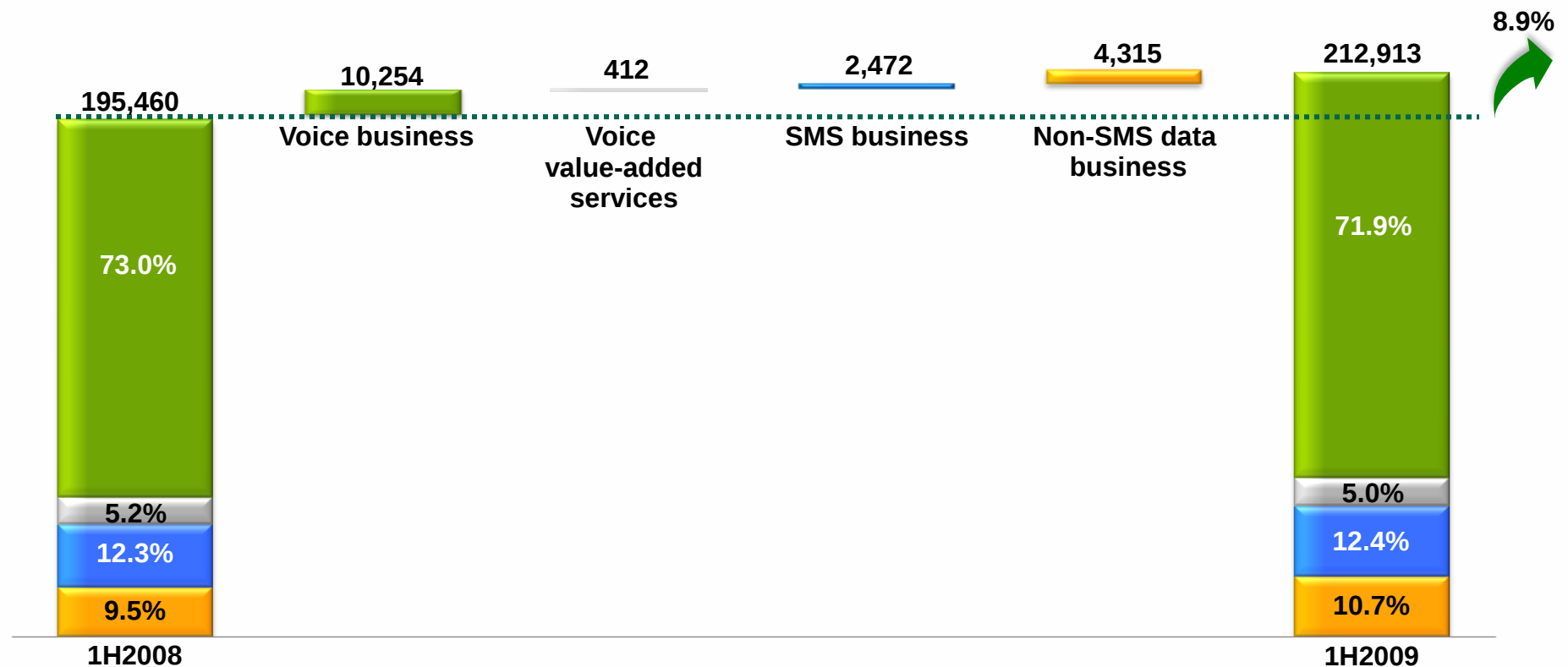
	1H2009	2008	2007
Voice value-added services revenue	5.0%	5.3%	5.4%
SMS revenue	12.4%	12.2%	11.8%
Non-SMS data business revenue	10.7%	10.0%	8.5%
Value-added business revenue	28.1%	27.5%	25.7%



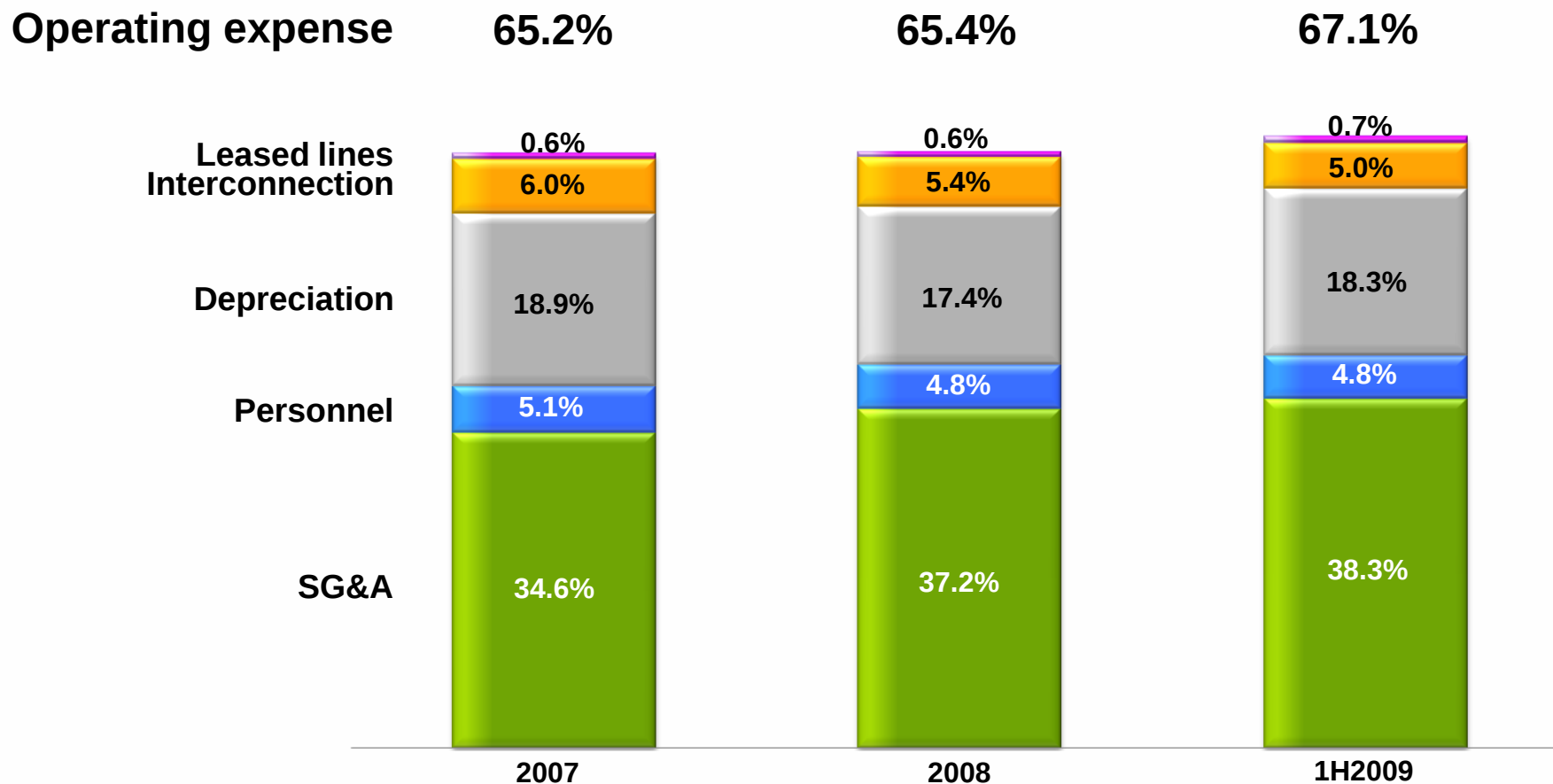
Note: The above data are expressed as a percentage of operating revenue.

Composition of Revenue Growth

(RMB Million)



Cost Composition



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

Effective Resource Allocation to Maintain International Leading Position



Macro-economic uncertainty increased

Penetration rate gradually risen

Telecom industry restructuring and competition intensified

-
- Sales promotion
 - Customer service
 - Channel construction
 - Network construction
 - Network optimization

Sustain international leading position

-
- High quality network
 - Enrich business feature
 - Premium quality service
 - Sound profitability

Good Credit Profile



(RMB Million)	2009.06.30	2008.12.31
Short Term Debt	1,112	2,179
Long Term Debt	33,532	33,553
Total Debt	34,644	35,732
Shareholders' Equity	470,586	440,022
Total Book Capitalization	505,230	475,754
Total Debt / Total Book Capitalization	6.9%	7.5%
Cash & Bank Deposits	256,040	218,259
Net Cash	221,396	182,527
Interest Coverage	119x	94x

Credit Rating

S&P

A+ / Outlook Stable

Moody's

A1 / Outlook Stable

Note: Net cash represents cash & bank balances minus total debt.

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THANK YOU



Extracts from unaudited consolidated statement of comprehensive income for the 6 months ended 30 June 2009

– Appendix I



(RMB Million)

1H2009

1H2008

Operating revenue

Usage fees	134,929	123,727
Monthly fees	8,379	9,798
Value-added business	59,891	52,692
Other operating revenue	9,714	9,243
	<u>212,913</u>	<u>195,460</u>

Operating expense

Leased lines	1,409	1,270
Interconnection	10,751	11,402
Depreciation	38,892	33,313
Personnel	10,126	9,400
Other operating expenses	81,632	70,585
	<u>142,810</u>	<u>125,970</u>

Profit from operations

70,103 69,490

(RMB Million)

1H2009

1H2008

Profit from operations (Cont'd)

Other net income	920	1,050
Non-operating net income	267	163
Interest Income	3,153	2,802
Finance costs	(597)	(927)
Share of loss of jointly controlled entity	(1)	-
Taxation	<u>(18,388)</u>	<u>(17,961)</u>

Profit for the period

55,457 54,617

Attributable to:

Equity shareholders of the Company	55,329	54,546
Minority interests	128	71

Profit for the period

55,457 54,617

Extracts from unaudited consolidated balance sheet as at 30 June 2009 – Appendix II



(RMB Million)	2009.06.30	2008.12.31
Current assets	279,757	240,170
Non-current assets	444,232	418,257
Total assets	723,989	658,427
Current liabilities	(218,386)	(183,559)
Non-current liabilities	(34,260)	(34,217)
Total liabilities	(252,646)	(217,776)
Net assets	471,343	440,651

	1H2009	2008
Total Customers (Million)	493.124	457.250
MOU (Minutes)	490	492
ARPU (RMB)	75	83
Average Revenue per Minute (RMB)	0.154	0.169
Mobile Data Users (Million)	451.401	419.764
MMS Users (Million)	134.875	128.194
Mobile Music Users (Million)	389.148	355.461
SMS Usage (Billion Messages)	338.144	607.129
Average Monthly Churn Rate (%)	3.31%	2.71%

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.