

2010 Annual Results

China Mobile Limited

16 March 2011

Management Present

◆ **Mr. WANG Jianzhou**

Executive Director & Chairman

◆ **Mr. LI Yue**

Executive Director & CEO

◆ **Mr. XUE Taohai**

Executive Director, Vice President & CFO

◆ **Madam XIN Fanfei**

Executive Director & Vice President

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Overall Results for 2010

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Financial Results for 2010

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1

Overall Results for 2010

Highlights

Steady Growth despite Various Challenges

- ◆ Operating revenue up 7.3%
- ◆ Net profit margin at 24.7%

Solid Customer Base Continued while Voice Business Growth Sustained

- ◆ Over 580 million customers
- ◆ Voice usage up 18.6%

Rapid VAS Development and Continued to Expand into New Areas and Explore New Models

- ◆ Value-added business revenue up 15.2%
- ◆ Mobile Internet Access business revenue up 49.4%

Good Progress in 3G Operations with Enhanced Network Capability and Quality

- ◆ Over 20 million 3G customers
- ◆ 656 cities with 3G coverage

Pursue Blue Ocean Strategy to Continuously Create Shareholder Value

- ◆ 2010 full year dividend of HK\$3.014 per share
- ◆ 2011 planned dividend payout ratio of 43%

Steady Growth in Operating Performance

	2009	2010	Change
Total Customers (Million)	522.283	584.017*	11.8%
Operating Revenue (RMB Billion)	452.103	485.231	7.3%
EBITDA (RMB Billion)	229.023	239.382	4.5%
EBITDA Margin (%)	50.7%	49.3%	-1.4ppt
Net Profit (RMB Billion)	115.166	119.640	3.9%
Net Profit Margin (%)	25.5%	24.7%	-0.8ppt
Basic Earnings per Share (RMB)	5.74	5.96	3.9%

* Include 20.702 million 3G customers

Adapt to Changes in Environment and Actively Capture Opportunities

Challenges

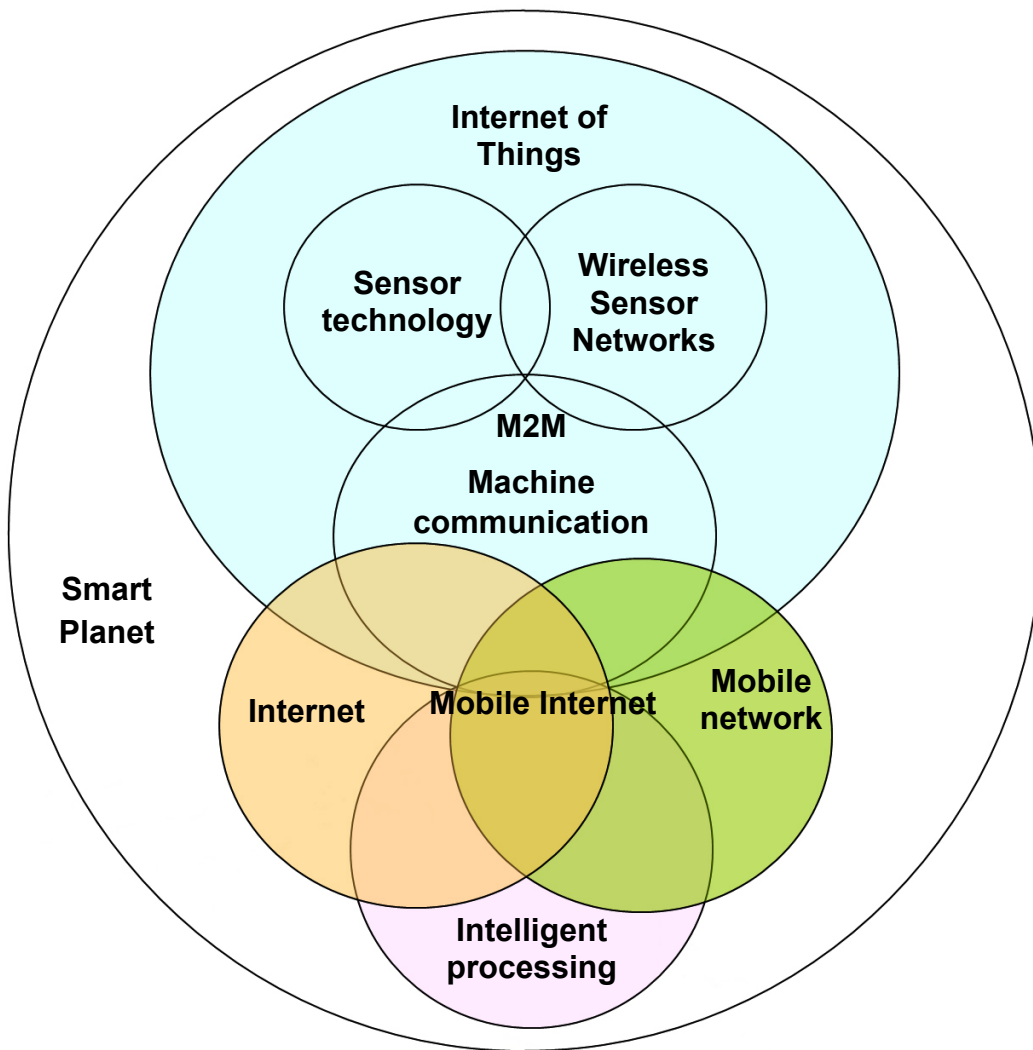
- ◆ Higher risk of intensifying competition as mobile penetration increases
- ◆ Cross-sector competition more apparent as more emerging technology companies enter mobile market
- ◆ Unprecedented challenge to carrier networks due to explosive growth of Mobile Internet

Opportunities

- ◆ Demand for communications and information services further being stimulated through government policies boosting domestic consumption and informatization
- ◆ Opportunities plenty in VAS, due to rapid development of Mobile Internet
- ◆ Enormous potential in the fast-growing Internet of Things

- ◆ Continuously leverage advantages in scale, network, distribution, service and brand to actively explore new models of growth
- ◆ Learn from development experience of the Internet to build structure, mechanism and models adaptable to the changing industry ecosystem

Develop New Industry Ecosystem and Nurture New Business Focus



Continued Explosive Growth of Mobile Internet

- ◆ Unlimited opportunities arise as convergence of mobile networks and Internet accelerated due to proliferation of smart devices and mobile broadband
- ◆ Significant revenue growth opportunities derived from rapid growth in mobile data traffic
- ◆ China Mobile adapts to changes and to become a “Smart Pipe” which provides services and added value

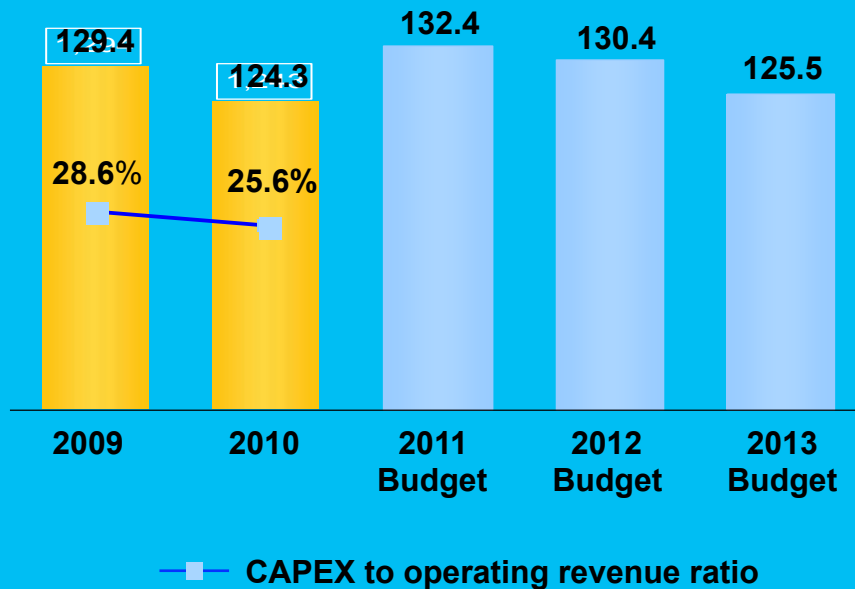
Internet of Things Brings a New Wave of Technologies and Economics

- ◆ Scope of communications rapidly expands to “human to machine” and “machine to machine” as mobile networks converge with various specialised networks
- ◆ Huge market potential with over 1 billion access points
- ◆ Capitalizing on “Wireless City” build-out, China Mobile will operate as a carrier as well as an application integrator, and will actively move towards operating application platforms

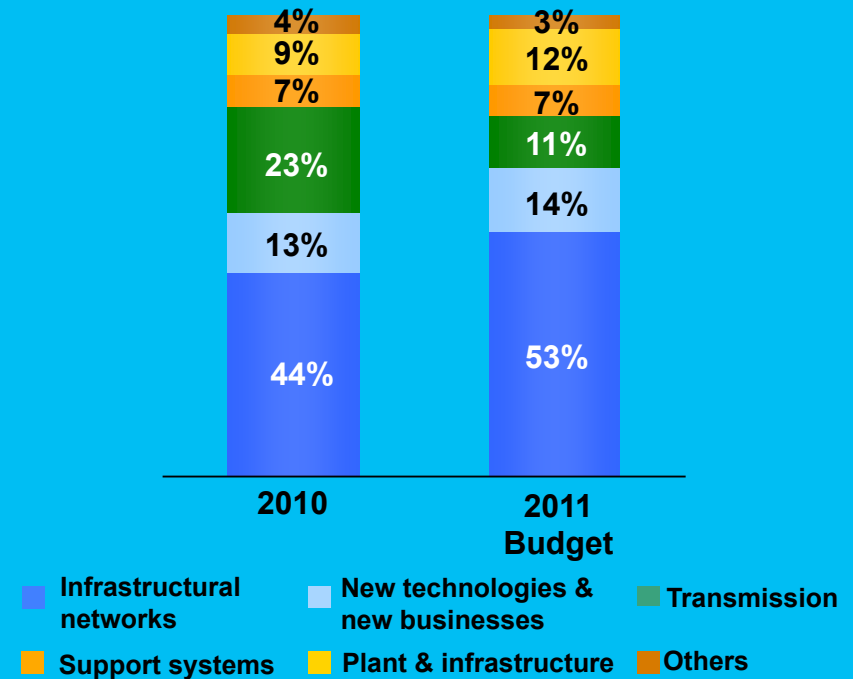
Steady and Rational CAPEX to Meet Development Needs

CAPEX (Actual and Budget)

(RMB Billion)



CAPEX Structure



- ◆ Build network capability to achieve sustainable development, focusing on long term investment returns
- ◆ Actively develop high value data traffic business and expand WLAN build-out
- ◆ Assure investments in new businesses and new areas, so as to capture future growth opportunities
- ◆ Ascertain overall leading advantage in network quality and requirements in network build-out

Progress in 3G Development and Accelerate LTE Commercialization

- ❖ Steady development in 3G customer, network, terminal and application
- ❖ TD-LTE's advanced technology, strong compatibility and high spectrum efficiency have created distinct advantages in light of the global shortage in spectrum
- ❖ TD-LTE's convergence with LTE FDD has become an industry consensus
- ❖ TD-LTE has secured extensive support from governments, industry and international standard organizations
- ❖ Breakthroughs in R&D, network testing, industry promotion and international support will accelerate TD-LTE's commercialization

R&D

TD-LTE Advanced has been shortlisted by the ITU as a candidate for 4G standard

TD-LTE and LTE FDD have reached compatible conditions for convergence in chipset, platform and scale

Network Testing

Successful demonstration at Shanghai World Expo & Guangzhou Asian Games

Commenced large scale trials in six cities and demonstration network in Beijing

Industry Promotion

Systems and equipment are maturing as seven mainstream vendors announced equipment of Band D, 8-channel specifications

TD-LTE received support from overseas and domestic mainstream chipset manufacturers, who have announced relevant products

International Support

International carriers collaborated to launch Global TD-LTE Initiative (GTI)

TD-LTE obtained extensive support and response internationally

Establish International Leadership to Realize Sustainable Development

Persist on Innovation & Development

- ◆ Develop new customers, new voice usage and new businesses
- ◆ Expand into new areas and explore new models

Strengthen Core Capabilities

- ◆ Exploit scale advantages
- ◆ Enhance competitiveness in networks, services and innovation, etc

Establish International Leadership

- ◆ Lead business and service innovation
- ◆ Enhance operational efficiency and management standards
- ◆ Provide direction to industry development
- ◆ Sustain favorable growth and results

Achieve Sustainable Development

- ◆ Build capability in innovation to sustain growth
- ◆ Establish efficient operational capability
- ◆ Create a favorable ecosystem
- ◆ Sustain value creation for stakeholders

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Operating Performance for 2010

Pursue Blue Ocean Strategy to Sustain Growth

New Customers

- ◆ Leading market share in net additional customers
- ◆ Customers up 61.73 million

New Voice Usage

- ◆ Exploited voice potential in customer segments
- ◆ MOU up 5.4% to 521 minutes

New Businesses

- ◆ Mobile Internet Access, a major driver for VAS revenue growth
- ◆ Grew to 31.2% of total operating revenue

New Areas

- ◆ Expedited expansion in Mobile Internet and Internet of Things
- ◆ Mobile Market achieved 50,000 apps of various types and 110 million downloads

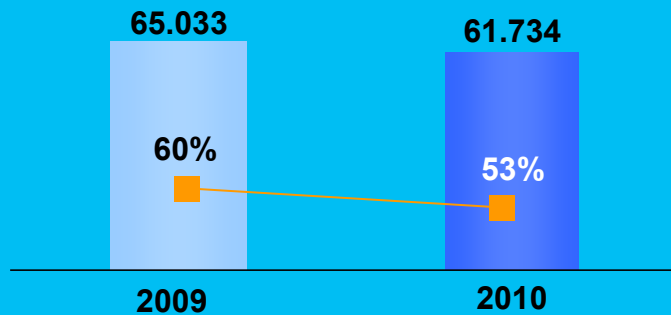
New Models

- ◆ Explored operational and business models
- ◆ Persisted with open, co-operative and win-win model to promote harmonious development for the industry

Solid Customer Base Continued

Net Additional Customers

(Million)



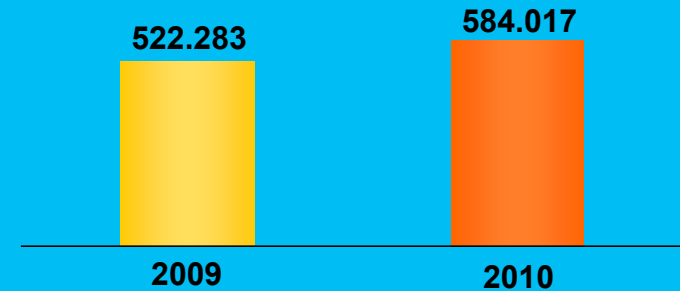
—■— Net adds mobile market share

Effective Customer Development

- ◆ Exploited growth potential in rural, migrant workers, campus and segments of various age groups
- ◆ Developed family customers by offering informatization products, segment specific terminals and integrated services
- ◆ Aggressively developed industry-specific applications and extended communications towards “human to machine” and “machine to machine”

Total Customers

(Million)



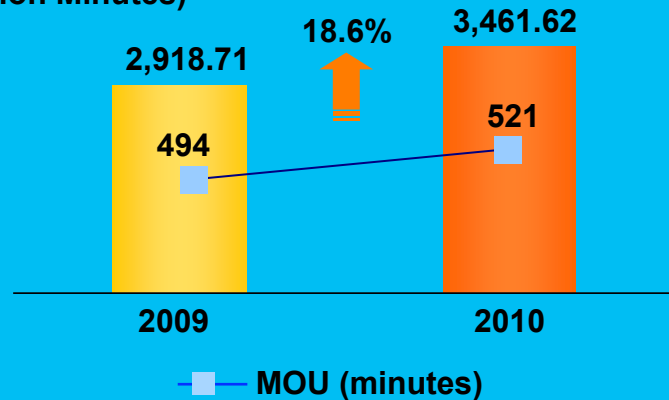
Customer Base Remained Stable

- ◆ Persisted in “Customer, our priority, Quality service, our principle”, aggressively expanded e-channels and rolled out transparent consumption measures. Customer satisfaction outperformed competition
- ◆ Sustained stable middle and high end customers through contract tenure, business bundling and service maintenance
- ◆ Corporate accounts increased to 2.93 million, number of individual customers under corporate accounts reached 36%

Sustained Growth in Voice Business

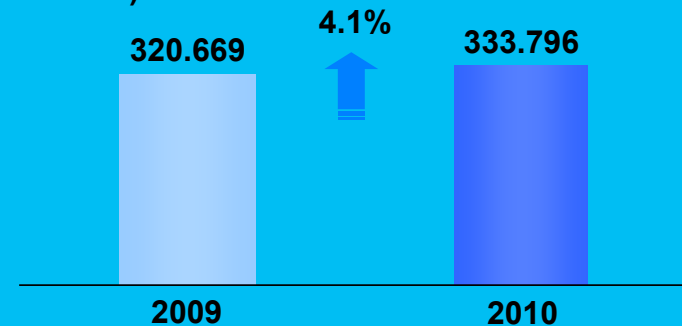
Total Voice Usage

(Billion Minutes)



Total Voice Revenue

(RMB Billion)

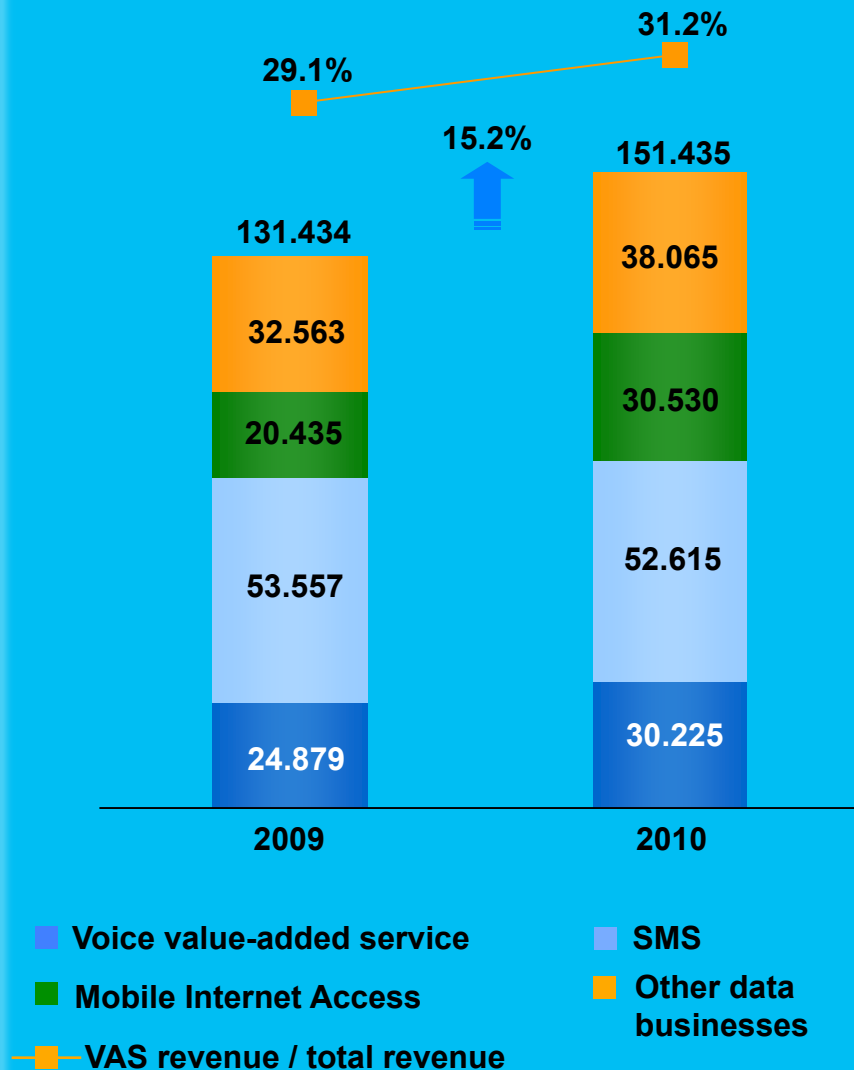


- ◆ Grew individual customers in rural and migrant worker segments while developing new voice usage in family and corporate segments
- ◆ Took advantage of the positive elasticity in specific voice markets to stimulate demand in long-distance, roaming and international calls

Rapid Growth in Value-added Business

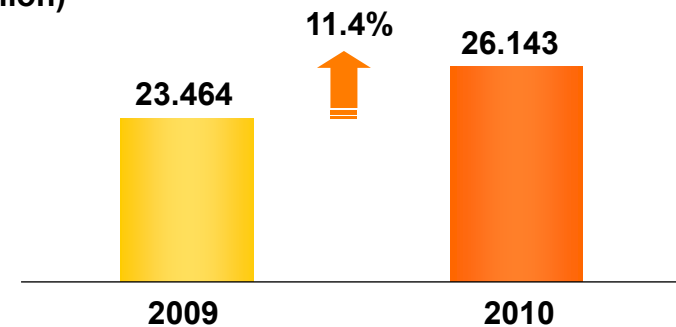
Value-added Business Revenue

(RMB Billion)



Continued Growth in Mature Data Products

(RMB Billion)



* Mature data products include Wireless Music, MMS (includes "Mobile Paper"), "Fetion", 12580 Info Service Line and Mobile Mailbox

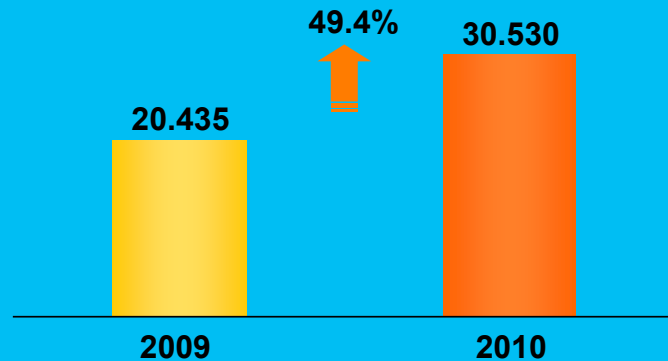
Rapid Development in Strategic Data Products

- | | | |
|--|---------------------------------------|--|
| | Mobile Payment / Mobile Wallet | <ul style="list-style-type: none"> Commercial launch in May, users nearly 2.25 million More than 1,500 on-line merchants and 10,000 with point-of-presence |
| | Mobile Reading | <ul style="list-style-type: none"> Commercial launch in May, paying users nearly 9.75 million, cumulative e-books in stock 150,000 |
| | Mobile Video | <ul style="list-style-type: none"> Users nearly 8.55 million, cumulative on-line video programs 900,000 |
| | Music Download | <ul style="list-style-type: none"> Paying users exceeded 2.78 million, 1.53 million on-line songs |
| | Mobile Gaming | <ul style="list-style-type: none"> Paying users exceeded 4.6 million, nearly 3,000 on-line games |
| | Mobile TV (CMMB) | <ul style="list-style-type: none"> Subscribed customers nearly 1.07 million, launched 7 channels |

Mobile Internet Access Growth in Healthy Shape

Mobile Internet Access Revenue

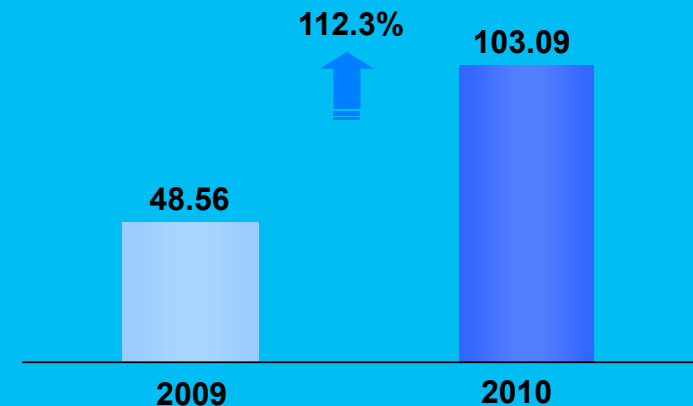
(RMB Billion)



* Mobile Internet Access business includes Internet access via handsets and dongles

Mobile Internet Access Usage

(Billion MB)



- ◆ Focused on the development of handset-based small-to-medium data traffic services, to promote growth in high value businesses
- ◆ Strengthened operations of Mobile Internet Access by promoting time specific and region specific packages, and implementing data traffic alerts
- ◆ Strengthened network optimization and sensibly allocated resources to manage traffic with low return

Enhance Competitiveness in Mobile Internet

Mobile Market



Leverage the pivotal role of Mobile Market

- ◆ Has become an integrated sales platform for Mobile Internet business
- ◆ Cumulative registered customers at 35 million, cumulative apps downloads reached 110 million times, cumulative developers reached 1.1 million and 50,000 apps of various types
- ◆ Adhere to open, co-operative and win-win model

Strengthen critical basic capability of Mobile Internet service provision

- ◆ WLAN, being the preferred option of Internet access, is the most cost-effective solution to divert high data traffic
- ◆ Enhanced WLAN capability and product quality, with rapid business growth and chargeable time of usage surging nearly 6-fold
- ◆ Actively promoted establishment of warehouse-style low-cost IDC and started trialing Cloud Computing

Seize Opportunities Brought by Internet of Things



IOT Development Status

- ◆ M2M terminals exceeded 6.9 million
- ◆ Applications such as Town Management, Smart Transport and Industrial Control have been developing rapidly

Business Strategy for IOT

- ◆ Promote application templates and product standardization to create “Unified Sensor + Communications Module”, which is a low-cost and easy to promote solution
- ◆ Innovate on new sales model of charging according to product life cycle, to achieve bulk purchase and scale development

Application Templates

Electricity	Health Care	Transport	Finance
Logistics	Petrochemical	Environment	
Household	Agriculture	Meteorology	

- ◆ Target requirements of 10 industries to customize application templates and enable rapid replication

Standardized Products

Remote video monitoring service	Remote vehicle security
Household security service	Fleet management service

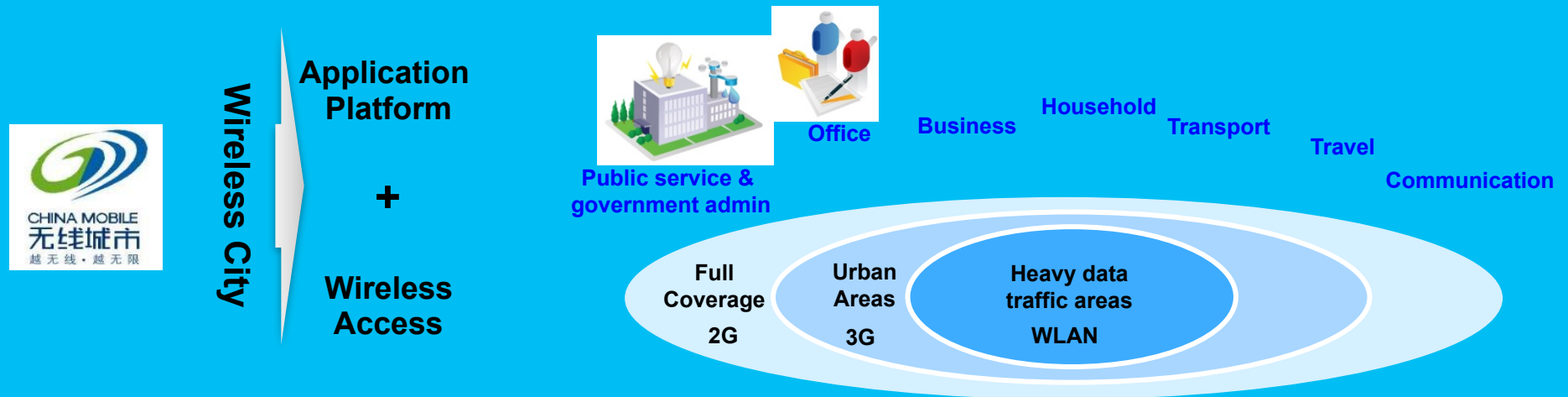
- ◆ Scale promotion of standardized products to lower threshold for customers

“Smart Pipe” Products

Access card for machine
Access module for sensors

- ◆ Provide communications capability of a “Smart Pipe” to enhance customer value

Establish “Wireless City” to Integrate Different Platforms



Enhanced Wireless Network Coverage

- ◆ Leveraging different coverage and loading capabilities, the coordinated and complementary development of 2G/3G/WLAN/ Future LTE can enhance the wireless coverage of “Wireless City”
- ◆ Drive WLAN build-out through “Wireless City”, currently with 56,500 hotspots
- ◆ “Wireless City” build-out commenced in 77 cities

Integrated Platform for ICT, Industry Apps and IOT

- ◆ “Wireless City” will serve as a platform for provision of electronic public service and daily life info to citizens
- ◆ Consolidate info of various industries and provide corporate customers with integrated applications
- ◆ Promote the build-out and applications of the Internet of Things and “Smart City” management

Solid Results Achieved in Current Phase of 3G Build-out and Operations

Customer

- ◆ Exceeded 20 million, achieving leading market share
- ◆ Data usage of 3G customers significantly higher than that of 2G

Network

- ◆ Continued expansion in network coverage, covering 656 cities with 135,000 base stations in operation
- ◆ Remarkable improvement in 3G network quality, achieving favorable standards, with wireless call connection rate of 99.45% and call drop rate as low as 0.4%

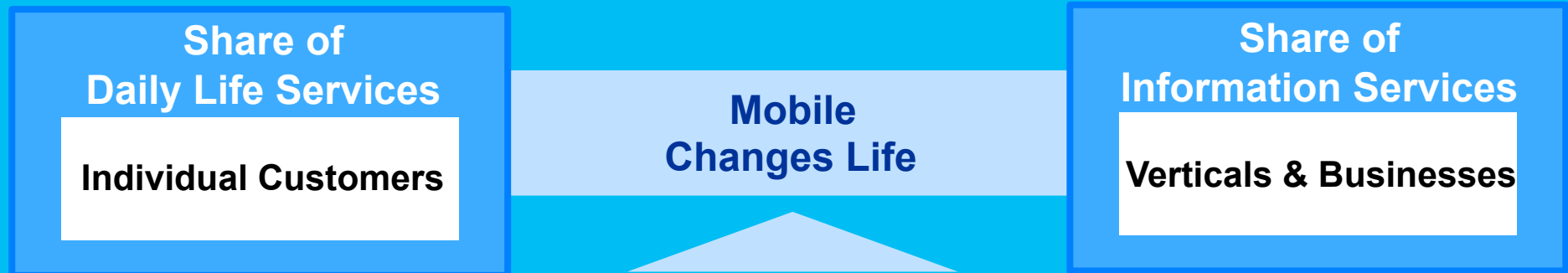
Terminal

- ◆ Continuously enriching terminal choices, with 52 handset manufacturers supplying 173 models available for sale
- ◆ TD terminal supply costs reduced by nearly 50% through centralized scale procurement

Application

- ◆ Promoted 3G informatization applications in key areas and major industries
- ◆ Applications such as Mobile TV, Wireless Music, “Fetion” and Mobile Paper have been well-received by 3G customers

Implement Five Changes to Achieve Strategic Vision



Five Changes in Development Model

Areas of Change	From	To
Network Capacity	Voice →	Voice + Mobile Internet Access
Operations Position	Mobile →	Mobile + ICT
Business Allocation	Infrastructural Network System →	Infrastructural Network System + Terminals
Product Design	Focus on the Company →	Customer-oriented + Customer Perceptions
Operating Management	Self-exploration, relatively dispersed →	Centralization, standardization and informatization

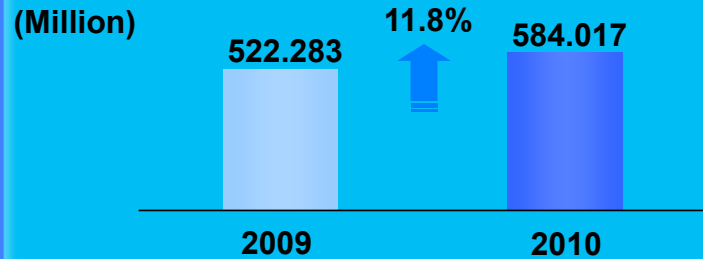
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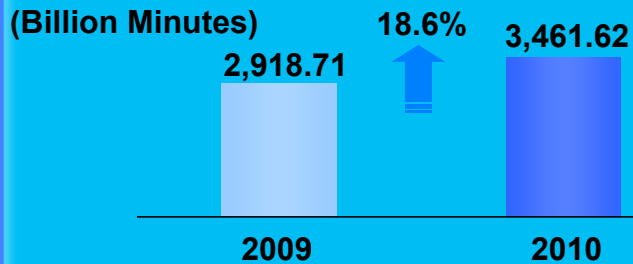
Financial Results for 2010

Steady Revenue Growth Continued

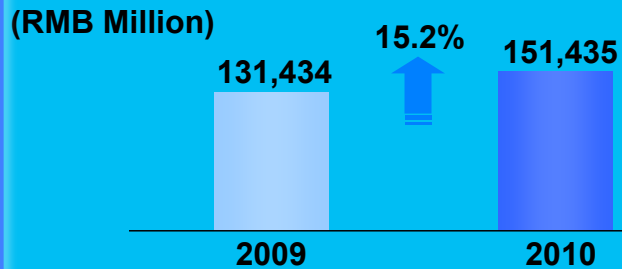
Total Customers



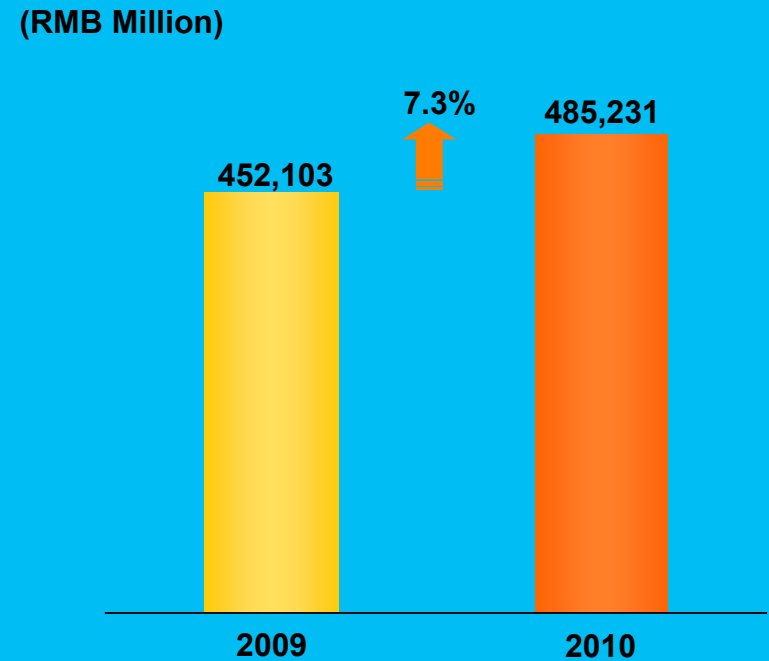
Total Voice Usage



Value-added Business Revenue



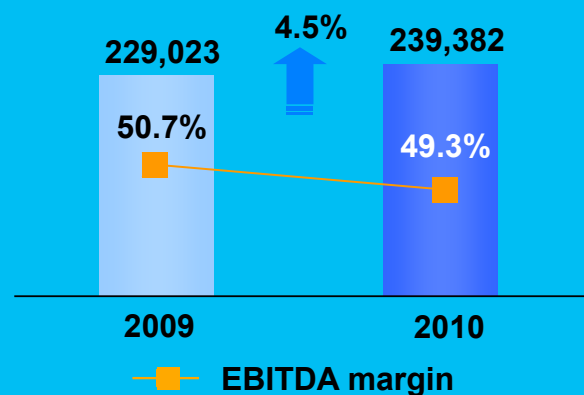
Operating Revenue



Profitability Leading the Industry

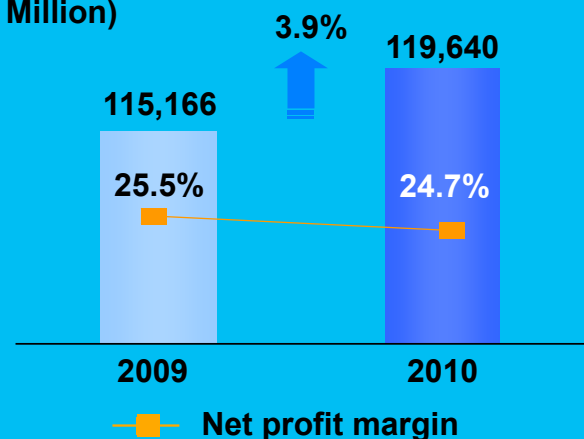
EBITDA

(RMB Million)



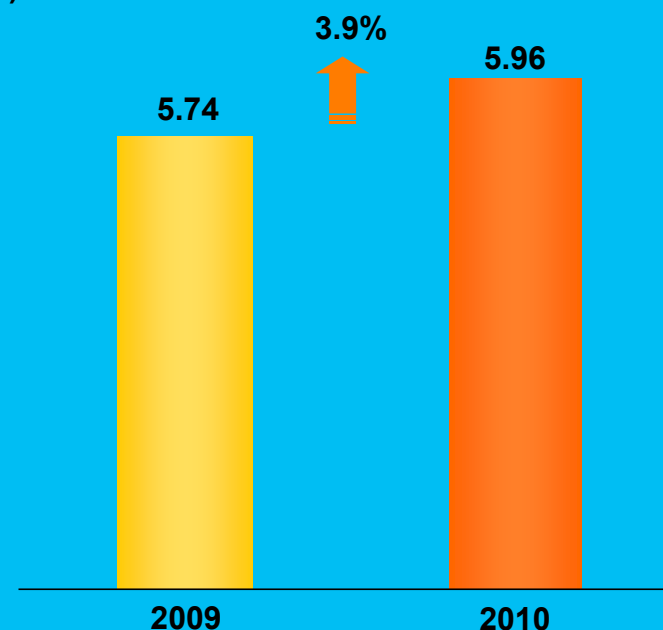
Net Profit

(RMB Million)



Basic EPS

(RMB)



Note: Net profit for the year 2010 included the share of profit of Shanghai Pudong Development Bank Co., Ltd. ("SPD Bank") amounted to RMB558 million. The Group recognized its share of SPD Bank's comprehensive income from acquisition date to 31 December 2010 based on its unaudited financial information which was released by SPD Bank and publicly disclosed.

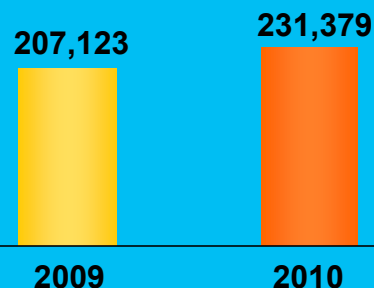
Strong Cash Flow Continued

Solid and Efficient Fund Management

- ◆ Strong cash flow generating capability
- ◆ Secured fund management
- ◆ Centralized fund allocation
- ◆ Strict and efficient capital expenditure management
- ◆ Highly centralized corporate financing
- ◆ Prudent investment strategies

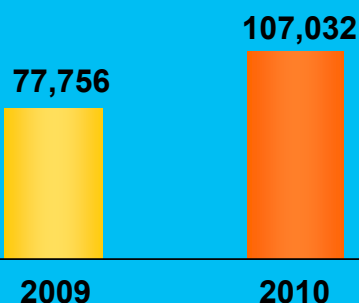
Net Cash Generated from Operating Activities

(RMB Million)



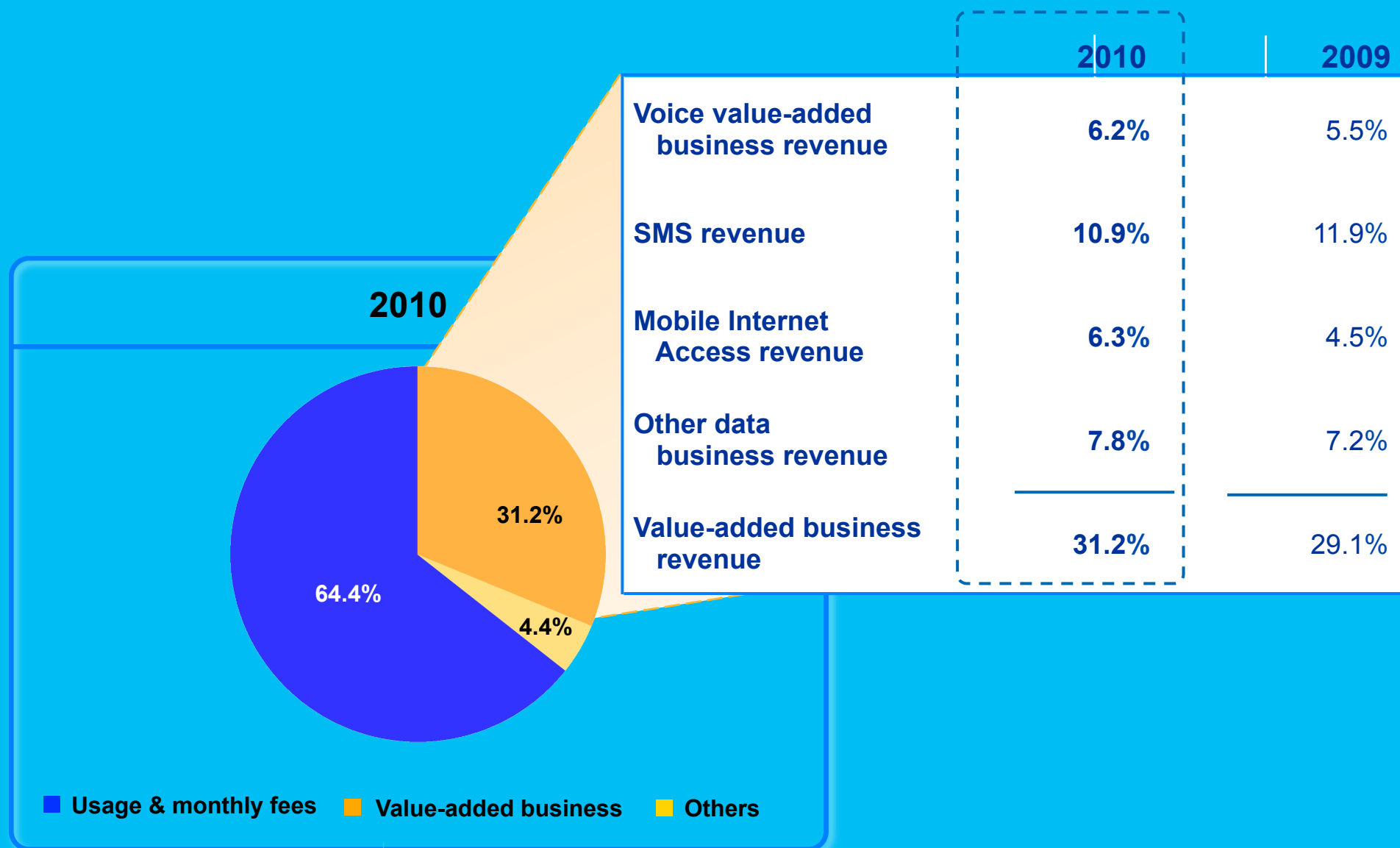
Free Cash Flow

(RMB Million)



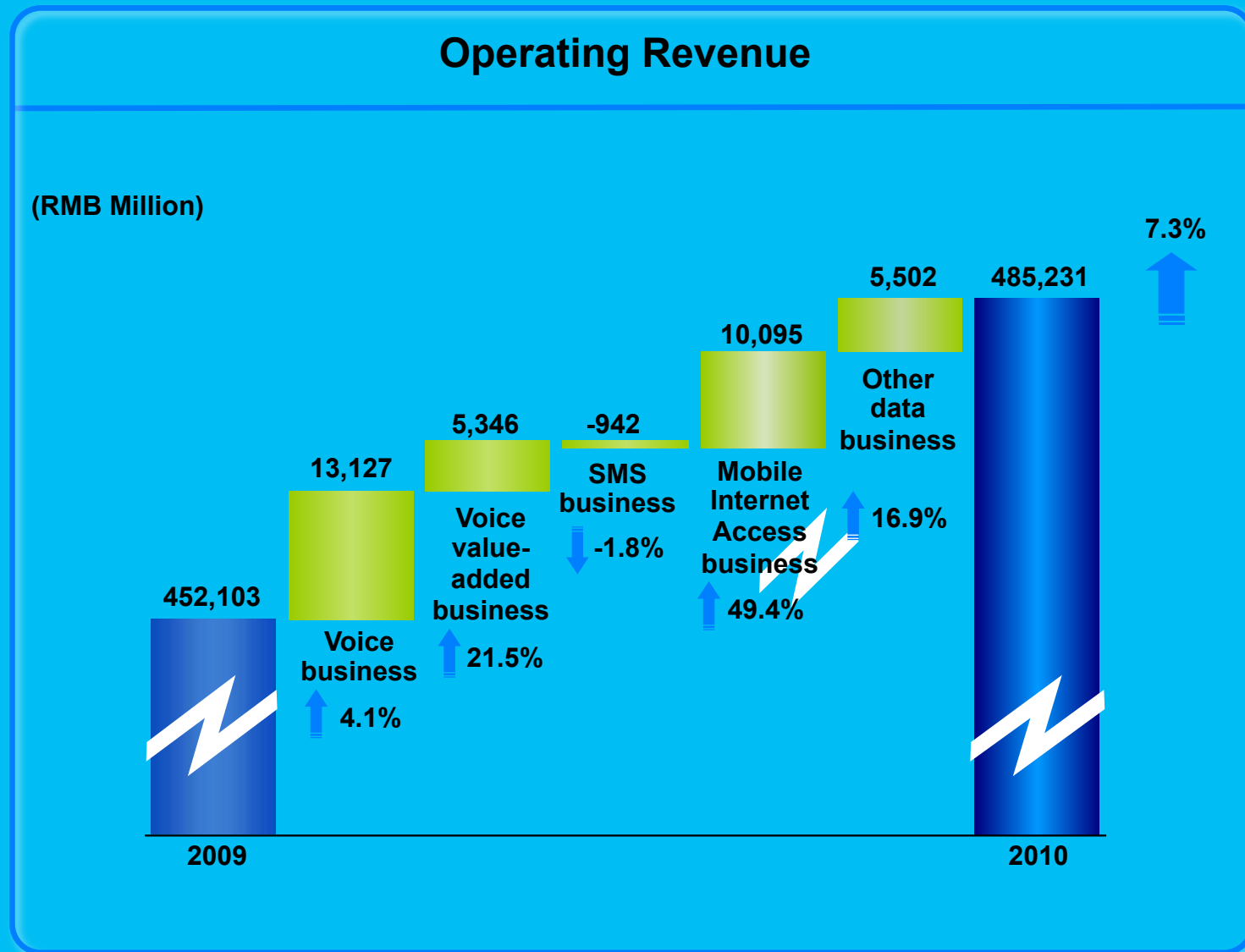
- ◆ Continue to support favorable business growth
- ◆ Provide a solid foundation for the sustainable healthy development of the Company
- ◆ Create value for shareholders

Composition of Operating Revenue

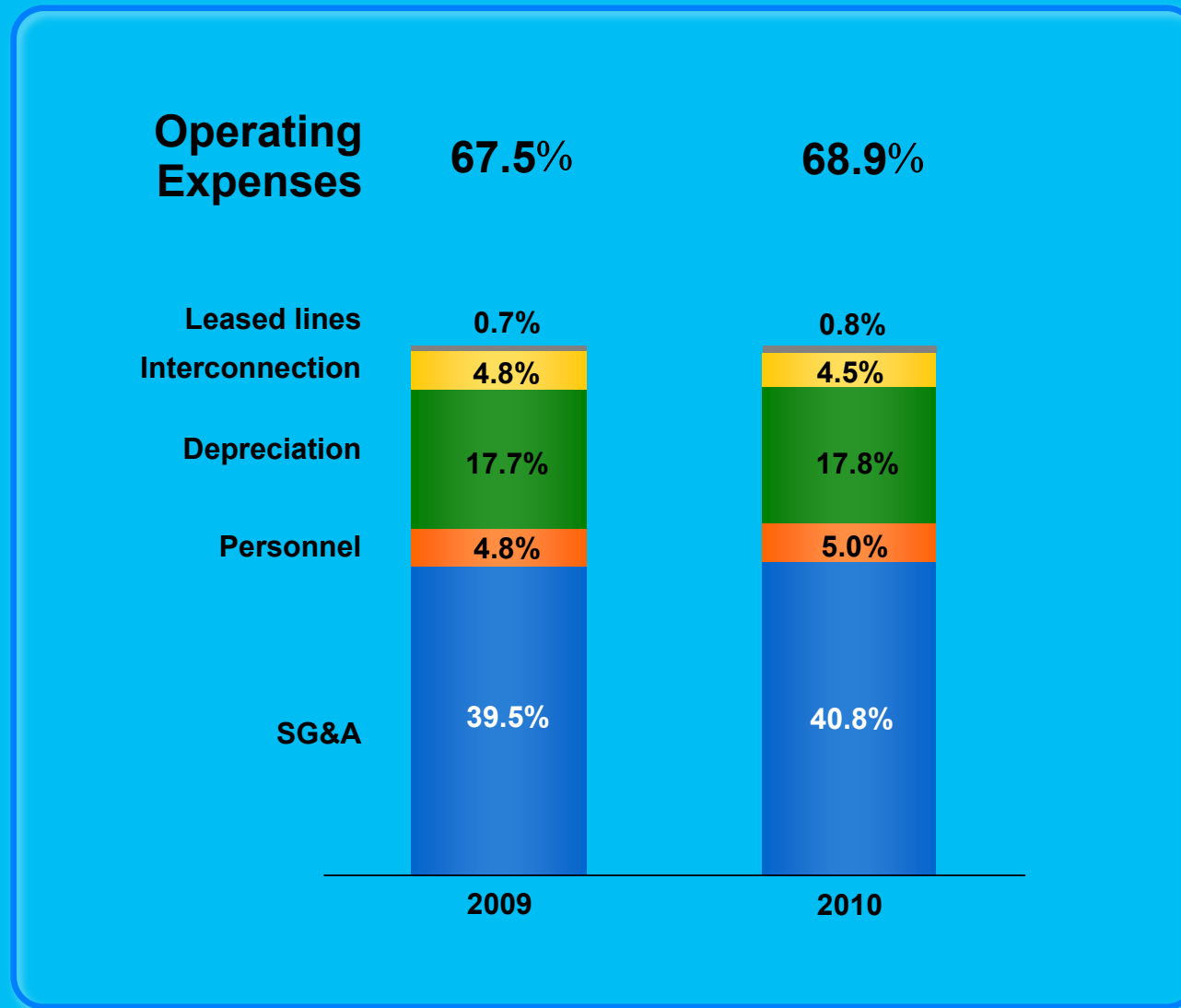


Note: The above data are expressed as a percentage of operating revenue.

Sources of Revenue Growth



Structure of Operating Expenses

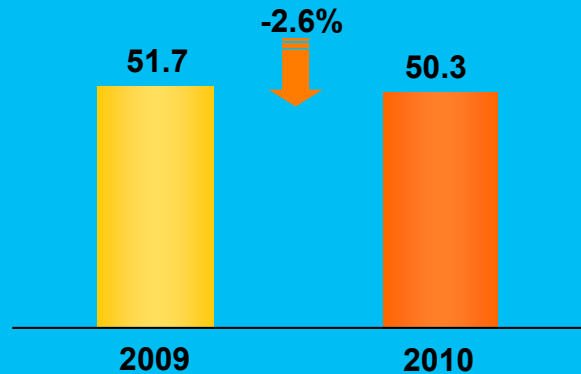


Note: The above data are expressed as a percentage of operating revenue.

Scale Benefits Sustained

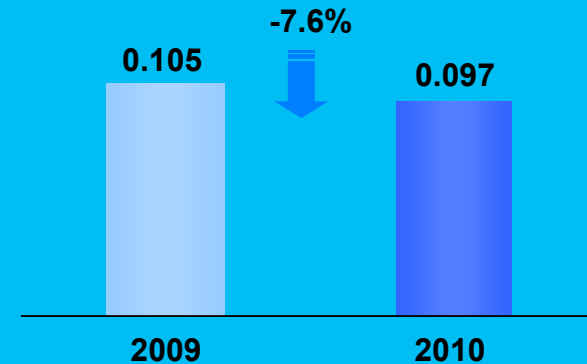
**Average Operating Expense
per User per Month**

(RMB)



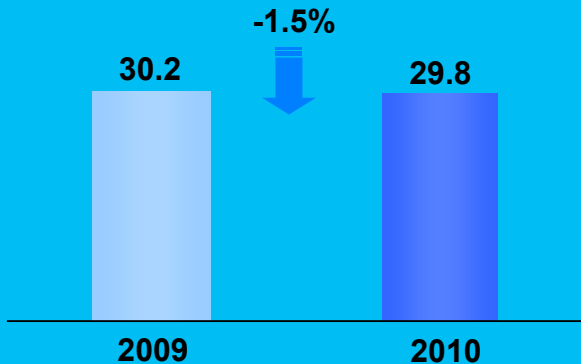
**Average Operating Expense
per Minute**

(RMB)



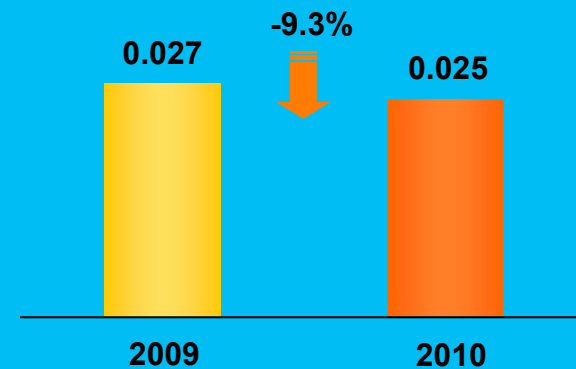
Average SG&A per User per Month

(RMB)



Average Depreciation per Minute

(RMB)



Healthy and Solid Capital Structure

(RMB Million)	2010	2009
Short Term Debt	5,551	710
Long Term Debt	28,615	33,551
Total Debt	34,166	34,261
Shareholders' Equity	576,157	506,748
Total Book Capitalization	610,323	541,009
Total Debt / Total Book Capitalization	5.6%	6.3%
Cash & Bank Deposits	292,346	264,507
Net Cash*	258,180	230,246
Interest Coverage	171x	120x

Credit Rating

Moody's
S&P

A1 / Outlook Positive
A+ / Outlook Stable



Aa3 / Outlook Positive
AA- / Outlook Stable

* Net cash represents cash & bank balances minus total debt.

Thank You

Extracts from Audited Consolidated Statement of Comprehensive Income for the year ended 31 December 2010 – Appendix I

(RMB Million)	2010	2009
Operating revenue		
Usage and monthly fees	312,349	300,632
Value-added business	151,435	131,434
Other operating revenue	21,447	20,037
	<u>485,231</u>	<u>452,103</u>
Operating expenses		
Leased lines	3,897	3,006
Interconnection	21,886	21,847
Depreciation	86,230	80,179
Personnel	24,524	21,480
Other operating expenses	197,940	178,583
	<u>334,477</u>	<u>305,095</u>
Profit from operations	150,754	147,008

(RMB Million)	2010	2009
Profit from operations (Cont'd)	150,754	147,008
Other net income	2,336	1,780
Non-operating net income	685	359
Interest income	5,658	5,940
Finance costs	(902)	(1,243)
Share of profit of associate*	558	-
Share of loss of jointly controlled entity	(18)	(8)
Taxation	(39,047)	(38,413)
Profit for the year	120,024	115,423
Attributable to:		
Equity shareholders of the Company	119,640	115,166
Non-controlling interests	384	257
Profit for the year	120,024	115,423

* The Group recognized its share of SPD Bank's comprehensive income from acquisition date to 31 December 2010 based on its unaudited financial information which was released by SPD Bank and publicly disclosed.

Extracts from Audited Consolidated Balance Sheet as at 31 December 2010 – Appendix II

(RMB Million)	2010	2009
Current assets	321,882	287,355
Non-current assets	540,053	464,013
Total assets	861,935	751,368
Current liabilities	(255,630)	(209,805)
Non-current liabilities	(28,902)	(33,929)
Total liabilities	(284,532)	(243,734)
Net assets	577,403	507,634

Operating Data – Appendix III

	2010	2009
Total customers (Million)	584.017	522.283
MOU (Minutes)	521	494
ARPU (RMB)	73	77
Average revenue per minute (RMB)	0.140	0.155
VAS users (Million)	523.389	463.386
MMS users (Million)	161.441	147.542
Wireless music users (Million)	460.201	406.217
SMS usage (Billion message)	710.983	681.225
Average monthly churn rate (%)	3.22%	3.30%

Forward-looking Statement

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.