



2011 Annual Results

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



中国移动通信
CHINA MOBILE

2011 Annual Results

China Mobile Limited
15 March 2012

Management Present



Mr. WANG Jianzhou

Executive Director & Chairman

Mr. XI Guohua

Executive Director & Vice Chairman

Mr. LI Yue

Executive Director & CEO

Mr. XUE Taohai

Executive Director, Vice President & CFO

Agenda

1

Overall Results for 2011

2

Operating Performance for 2011

3

Financial Results for 2011

Agenda

1

Overall Results for 2011

Highlights

Stable and Positive Growth in Operating Performance despite Various Challenges

- Operating revenue up 8.8%
- Net profit margin at 23.8%

Customer Base Continued Expanding while Voice Business Growth Steady

- Customers near 650 million
- Voice usage up 12.3%

Fast Data Business Development and Rapid Growth in Wireless Data Traffic

- Data services revenue^[1] rose to 26.4% of total revenue
- Wireless data traffic revenue up 45.0%

Good Progress in 3G Operations and TD-LTE Trial Satisfactory

- 3G customer market share over 40%
- TD-LTE transmission speed comparable with LTE FDD, bandwidth costs significantly lower than 3G

Sustainable Development to Create Shareholder Value

- 2011 full year dividend up 10.4% to HK\$3.327 per share, dividend yield^[2] 4.4%
- 2012 planned dividend payout ratio of 43%

Note: [1] Data services revenue comprises revenue derived from SMS & MMS, wireless data traffic and applications and information services

[2] Dividend yield is calculated based on closing share price as of 30 December, 2011

Stable and Positive Growth in Operating Performance



	2010	2011	Change
Operating Revenue (RMB Billion)	485.231	527.999	8.8%
EBITDA (RMB Billion)	239.382	251.025	4.9%
EBITDA Margin	49.3%	47.5%	-1.8ppt
Net Profit (RMB Billion)	119.640	125.870	5.2%
Net Profit Margin	24.7%	23.8%	-0.9ppt
Basic Earnings per Share (RMB)	5.96	6.27	5.2%

Fare Changes in Environment and Capture Development Opportunities

- Mobile penetration continued rising with diminishing growth
- Intensifying market competition

**Traditional
Mobile
Communications**

**Emerging
Mobile Internet**

- ICT industry integration brings business substitution and cross-sector competition
- Saddled network resulted from explosive data traffic growth

Favorable Factors for Sustainable Development

- Accumulated years of operating experience and advantages in scale, network, brand, services and talents, etc.
- IT applications and proliferation of smart terminals bring new value accretion
- TD-LTE's accelerated industrialization and commercialization bring new impetus to future development

Established Overall Strategy to Enhance Core Competencies

Establish Leading Position in the Mobile Internet Industry

● Construct smart pipe

Satisfy demand for a faster, more convenient and more efficient customer experience

● Build an open platform

Provide an environment for innovative application services

● Create featured businesses

Create businesses which are distinctive, competitive and with comparative advantages

● Present an integrated interface

Promote close-coupling of terminals and businesses to create the best experience

Four-Network Co-ordination to Remain Market Leader in Mobile Communications

● GSM

Primarily carry voice and low volume, high value data from handsets

● TD-SCDMA

Primarily carry data from handsets

● WLAN

Primarily carry Internet data from PCs and handsets

● TD-LTE

Will primarily carry high bandwidth, high quality wireless broadband services

Strengthen Competitiveness of Full Service

● Develop high value business

Build network infrastructure to support high value business, enhance basic resources reserve

● Highlight differentiation

Extend advantages in mobile, and integrate mobile and fixed, wireless and wire line businesses

● Focus on efficiency

Provide high bandwidth, high value access and scale-develop standardized products

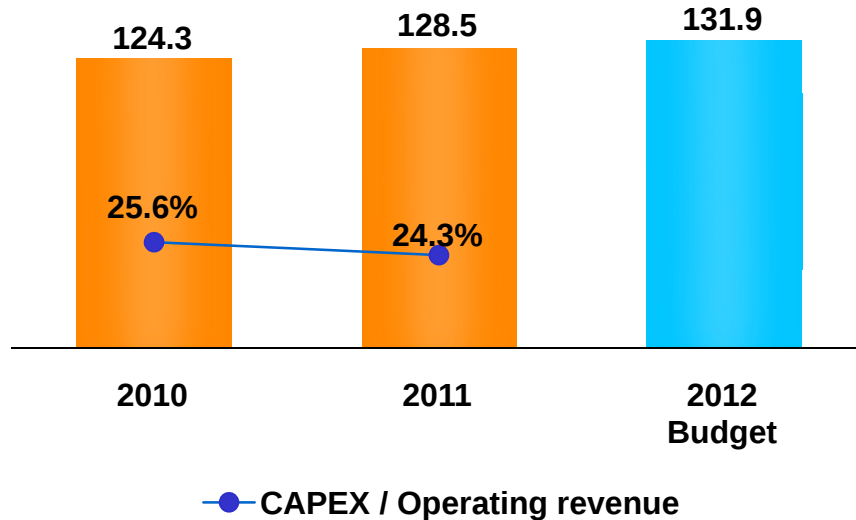
● Targeted business development

Service excellence for quality individual customers, expand targeted corporate customers and develop select family customers

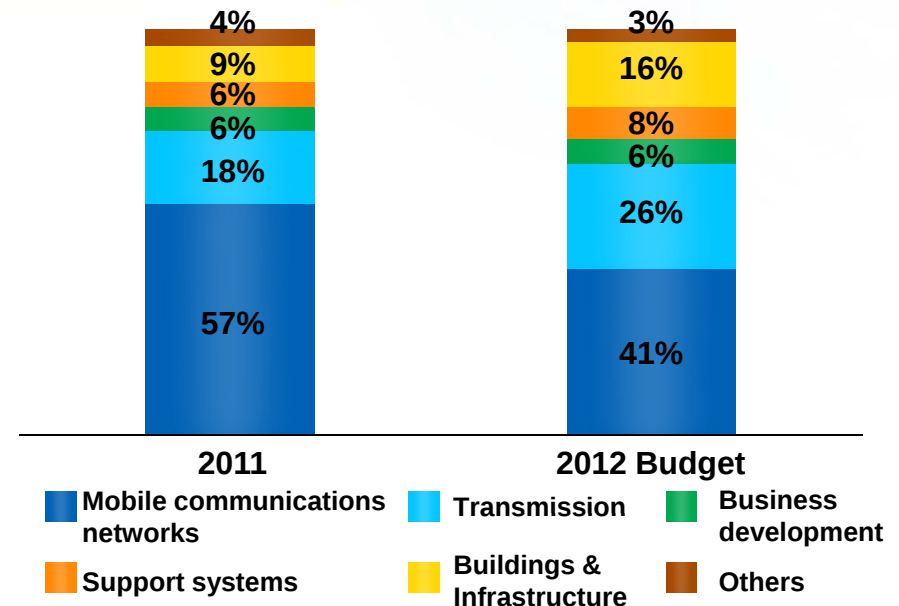
Rational Investment Schedule

CAPEX

(RMB Billion)

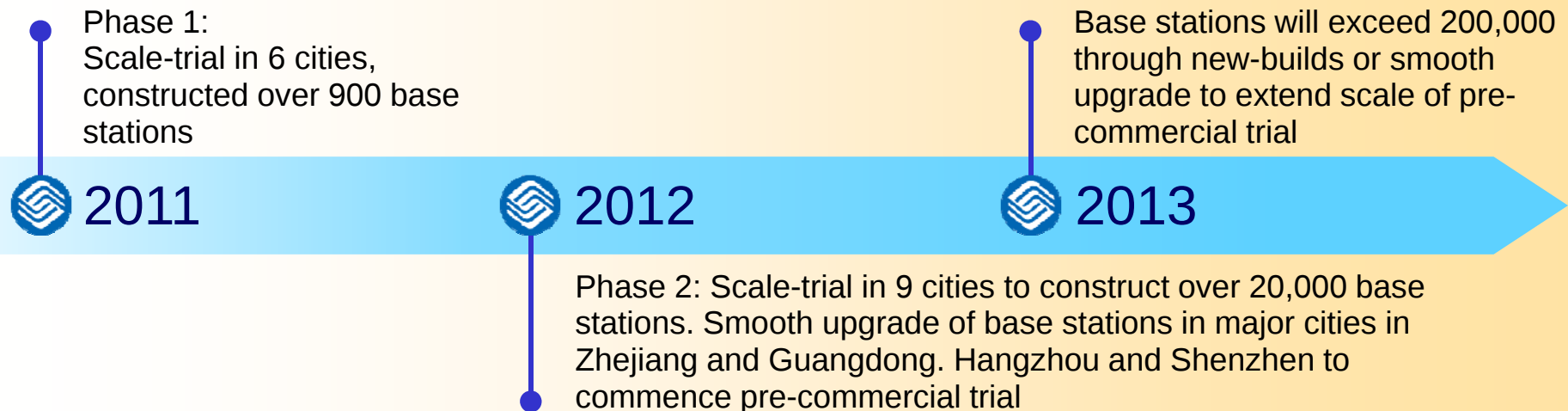


CAPEX Structure



- Optimize investment structure, focus on investment return and enhance core competencies
- Commit to Four-Network Co-ordination, solidify traditional voice advantages and satisfy traffic growth demand
- Support technological innovation and business development of Mobile Internet, Internet of Things and cloud computing, etc
- Actively reserve infrastructure resources to enhance service quality of key customers

TD-LTE Scale-Deployment Accelerated



Steady Progress in Scale Trial

- Satisfactory results in trial, transmission speed comparable to that of LTE FDD, bandwidth costs significantly lower than 3G
- Success in TD-SCDMA network smooth upgrade
- Launched multi-mode chipsets, multi-mode smartphone debut within current year which will support TD-LTE, LTE FDD, 3G and 2G

Rapid Formation of Global Scale Commercialization

- TD-LTE Advanced officially certified as 4G international standard
- 40 international operators have joined the "Global TD-LTE Initiative"
- 5 operators worldwide have officially launched commercial networks, more than 10 confirmed commercial plans
- 2014 heralds over 500,000 base stations worldwide and over 100 terminal models available, covering over 2 billion population

Looking to the Future

- Further implementation of sustainable development strategies
- Actively promote development of Mobile Internet
- Fully leverage Four-Network synergy
- Strive to strengthen competitiveness of full service
- Focus on quality, service, innovation, and enhance overall core competencies
- Improve marketing efficiency, manage data traffic, and expand information services to enhance value accretion
- Focus on mechanism reform, process optimization, organizational support, and continuously drive organic momentum

**Strive to Create
Value for
Shareholders**

2

Operating Performance for 2011

Enhanced Quality, Improved Services and Strengthened Innovation



“Quality is the Lifeline of a Communications Company”

Basic network quality

- ◆ GSM call drop rate reduced to 0.32%, successful connection rate increased to 99.26%
- ◆ 3G call drop rate reduced to 0.35%, successful connection rate increased to 98.99%

Data business quality

- ◆ Success rate of KPIs such as subscription and un-subscription for key products rose to 99%
- ◆ Proprietary business product quality significantly improved, and quality of Mobile Monternet business effectively enhanced

Business support quality

- ◆ Excellent business support in billing and data business subscription

“Customer, Our Priority; Quality Service, Our Principle”

Basic services

- ◆ Leading customer satisfaction in the industry
- ◆ Lowest customer complaints in the industry
- ◆ 10086 connection rate was 89.4%, first contact resolution rate at 87.5%

Protection of consumer interests

- ◆ Launched “0000” inquiry and un-subscription hotline, proactive alerts, refund for Monternet billing disputes before investigation, etc.
- ◆ Reported spam SMS was down 38%

Electronic channels

- ◆ Proportion of processed business transactions reached 76%

Innovation to Drive Enterprise Sustainable Development

Network innovation

- ◆ Promoted Four-Network Co-ordination
- ◆ Promoted IP development
- ◆ Enhanced deployment of basic network resources

Business innovation

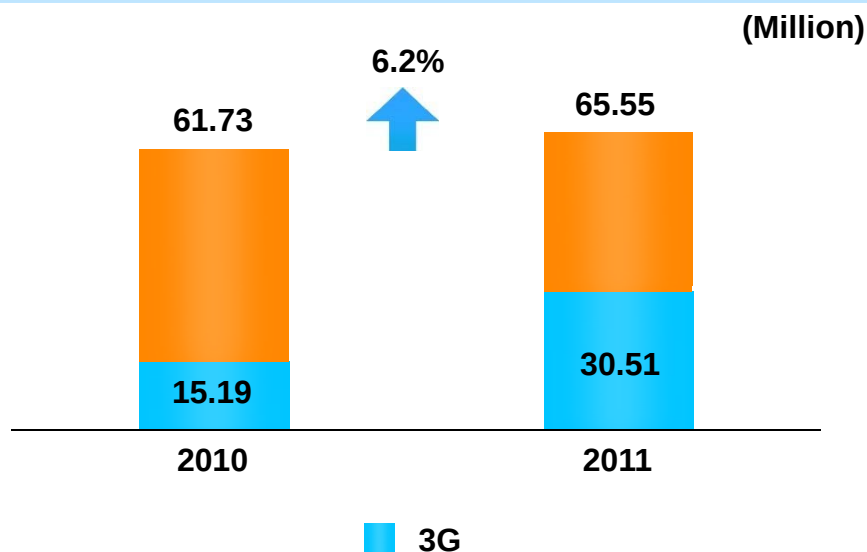
- ◆ Mobile Market has become the world's largest Chinese application software platform
- ◆ Continued expansion of Internet of Things and “Wireless City” applications

Management innovation

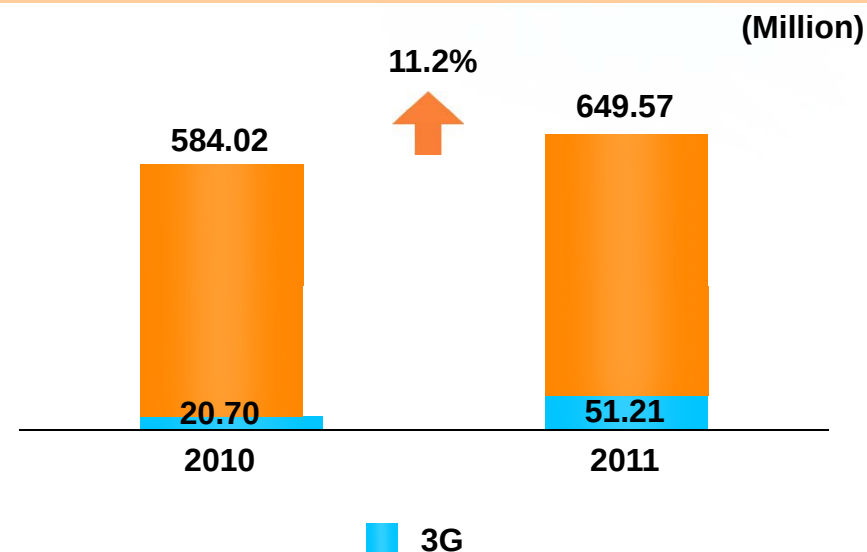
- ◆ Professional operations of international and terminal businesses
- ◆ Construction of centralized bases (Center of Excellence), data center, call center, and storage and logistics center

Continued Expanding Customer Base

Net Additional Customers



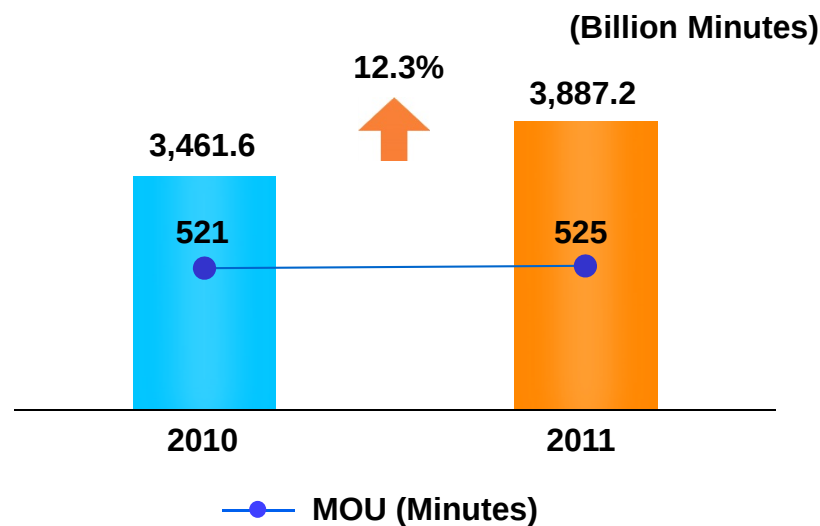
Total Customers



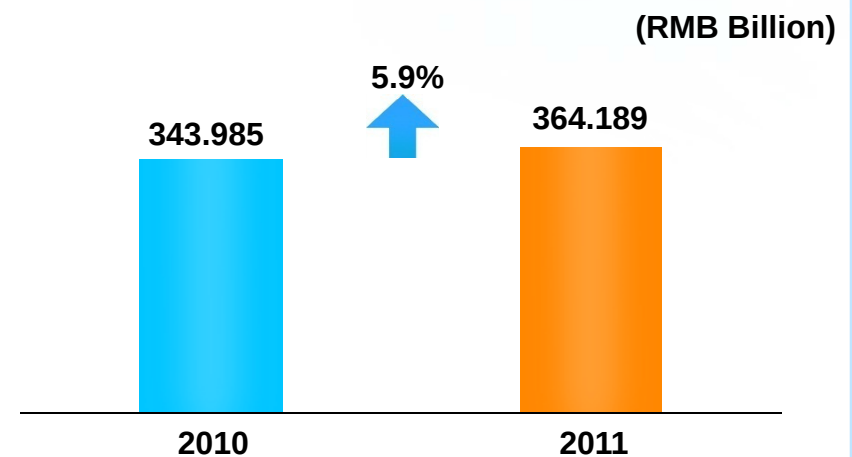
- Net additional customer market share reached 49%, continued to lead in the industry
- Steady growth in medium and high-end customer base through continuous improvement of service quality
- Corporate accounts increased to 3.24 million, of which individual customers close to 36% of total customers

Steady Growth of Voice Business

Total Voice Usage



Voice Services Revenue*



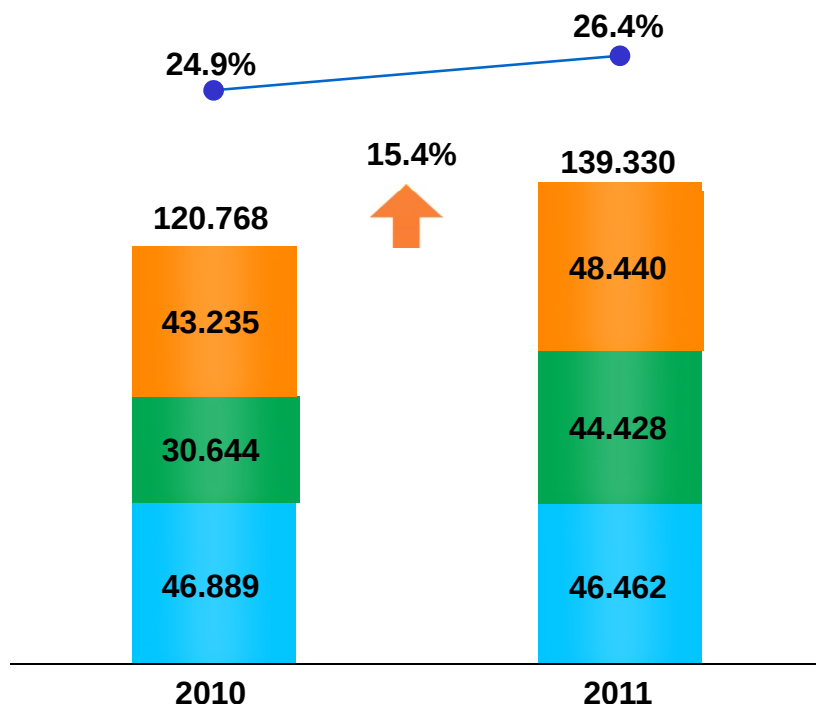
*Voice services revenue: includes voice usage services revenue and voice value-added services revenue

- Optimized integrated marketing, “Unified Go-Tone Tariff” to whet voice usage of high and medium-end customers
- Promoted “Two-city Roaming Discount” and “Super Holiday” to tap voice potential of segments such as long distance and roaming
- Implemented international tariff alignment to stimulate high-value voice demand

Rapid Data Business Development Continued

Data Services Revenue

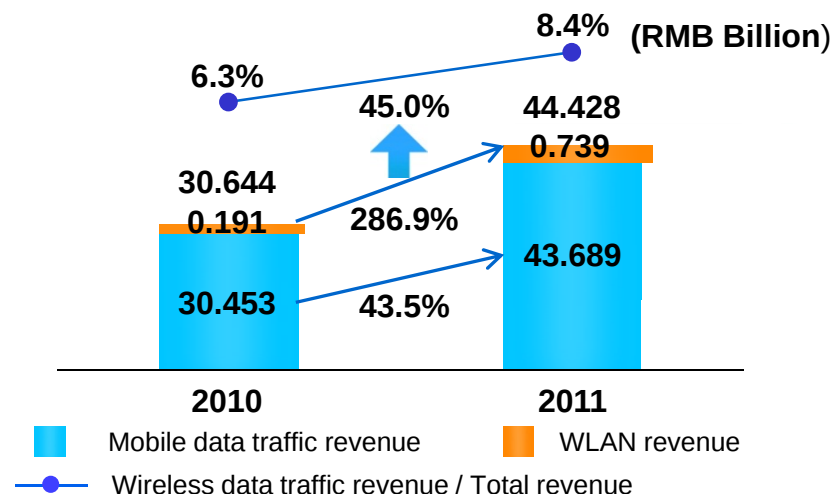
(RMB Billion)



■ SMS & MMS ■ Wireless data traffic
■ Applications and information services —●— Data services revenue / Total revenue

Wireless Data Traffic Revenue

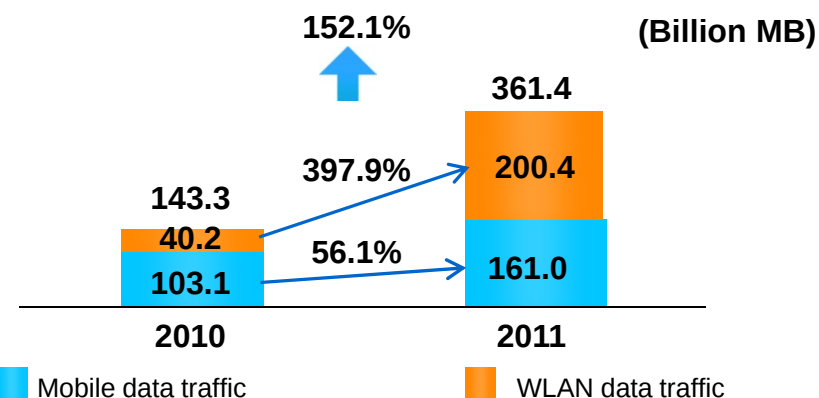
(RMB Billion)



■ Mobile data traffic revenue ■ WLAN revenue
—●— Wireless data traffic revenue / Total revenue

Wireless Data Traffic

(Billion MB)



■ Mobile data traffic ■ WLAN data traffic

Good Progress in 3G Build-out and Operations



Rapid Customer Development

- 3G customers exceeded 51 million with over 40% market share
- Customer structure optimized, proportion of handset customers uplifted

Optimized Network Coverage

- 3G network coverage reached county level and above cities, with nearly 220,000 3G base stations and good network quality
- Focused on deep network coverage and optimization of the target customer base

Mature Terminal Supply Chain

- Terminal supply chain continued to mature, 60 models of TD smartphones generated sales, 32 models of ~RMB1,000 smartphones
- Per unit TD handset subsidy down almost 30% YoY

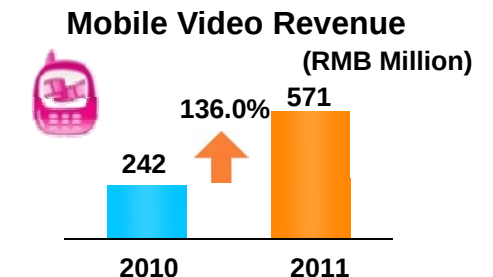
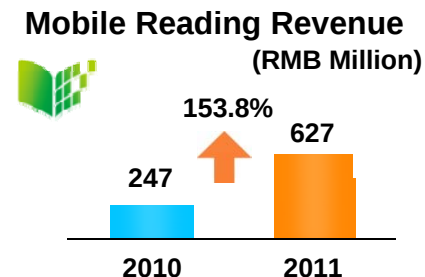
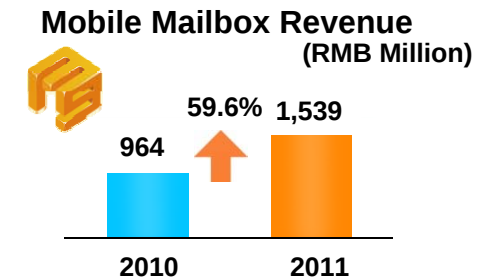
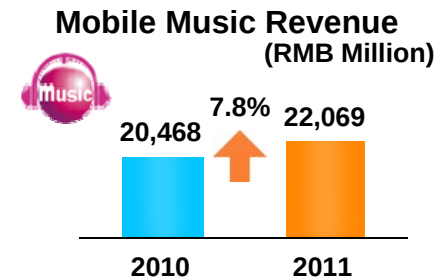
Created a New Mobile Internet Life

Smart Pipe + Open Platform

- Build a useful, easy-to-use, efficient and smart pipe
- Mobile Market:
 - ◆ Adhere to “Open Cooperation, Develop through Competition”
 - ◆ Consumer-oriented sales platform, developer-oriented service platform, supply chain-oriented support platform
 - ◆ Cumulative registered customers 158 million, cumulative application downloads 630 million
- Established 5 major capabilities for open platforms
 - ◆ MM cloud services, Internet of Things capabilities, e-commerce capabilities, location-based capabilities, Fetion+

Featured Businesses + Integrated Interface

- Rapid growth of featured businesses



- Promoted integrated interface of terminal and business

- ◆ Promote proliferation of smart terminals, client software compatible with mainstream OSs

Leveraged Proprietary Mobile Internet Advantages

- Customer scale and information resources
- Network scale and channel system
- Platform capabilities and business applications
- Business aggregation and industry integration

Four-Network Co-ordination Continued to Lead

GSM

- Primarily carry voice traffic, moderately carry handset data
- 700,000 base stations with network utilization between 70 to 75%. Voice quality maintained leading edge

TD-SCDMA

- Primarily carry handset data, smooth evolution to TD-LTE
- Close to 220,000 base stations, data traffic up 58.4%, network utilization increasing

WLAN

- Essential component of wireless broadband network, carry PC / handset Internet data
- Constructed nearly 2.2 million APs, successful authentication rate up reached 99.3%

TD-LTE

- Carry high bandwidth, high quality wireless broadband business in future, strive for TDD/FDD integrated development
- Smooth completion of Phase 1 scale trial in 6 cities, started Phase 2 scale trial in 9 cities

Create wide and deep coverage, high-quality, high-speed world-class wireless network

Strengthened Full Service Capabilities to Enhance Service Quality for Key Customers

Built Metropolitan Area Network

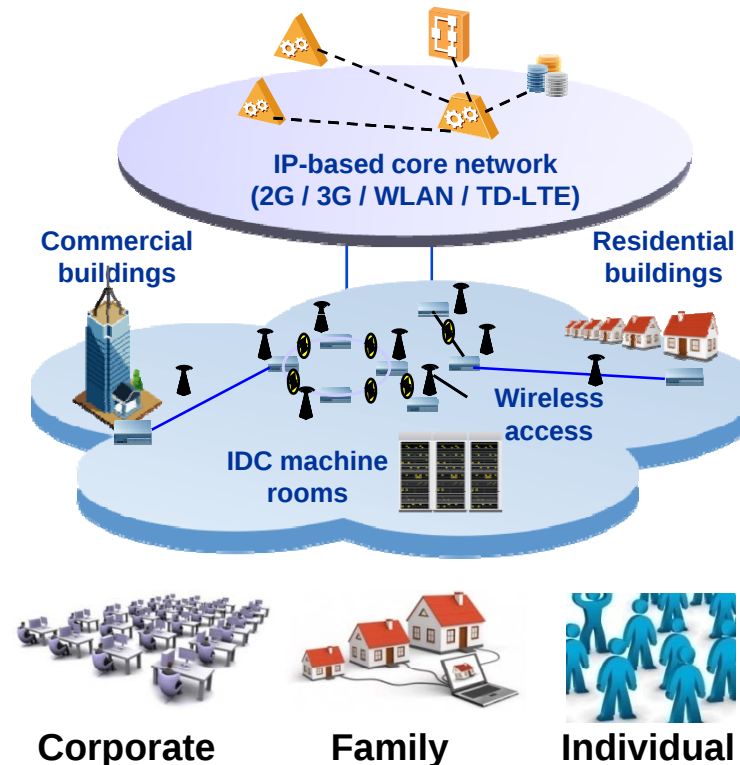
- Strengthened full service access capability
- Enhanced coverage of core areas in large and medium-sized cities

Broadband Access

- Enhanced fixed access capability of corporate customers
- Developed high value broadband family customers

Public Internet and IDC

- Developed public Internet and IDC
- Standardized, large-scale, low-cost



Efficiency-Focused

- Provided high bandwidth and high value access
- Scale-development of standardized products

Targeted

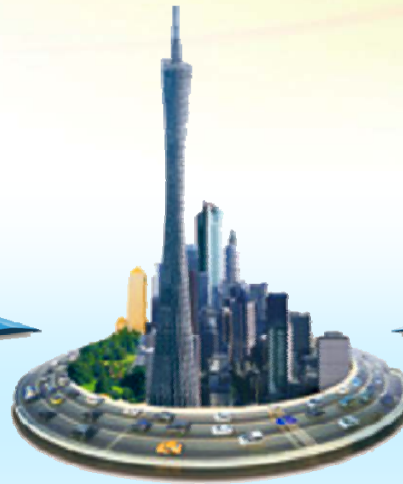
- Service excellence for quality individual customers
- Developed targeted corporate customers
- Developed select family customers

Positive Progress in “Wireless City”

Mobile Internet



Internet of Things



Wireless City:

- ◆ Opportunity and platform to expand “Share of Daily Life Services” for individual customers, and “Share of Information Services” for companies and industries
- ◆ Conduit of industries
- ◆ Anchor of Mobile Internet, Internet of Things and cloud-based applications

Smooth progress

- ◆ 31 provinces (217 cities) inked “Wireless City” cooperation agreements
- ◆ National deployment basically complete
- ◆ Covered 10 categories or 50 key applications

Substantive Progress in Professional Operations

China Mobile International Limited

- **Rapid establishment of global network capability**
 - ◆ Commenced construction of Hong Kong / international submarine cable POPs and global network center
 - ◆ Bandwidth transmission costs down by over 90% per MB
- **Leveraged scale advantage to expand international business**
 - ◆ International voice usage up over 50%
 - ◆ Actively promoted international dedicated lines
- **Reduced international roaming tariffs to enhance customer perception**
 - ◆ Enhanced negotiation power, reduced settlement costs and customer tariffs to what voice usage
 - ◆ International roaming tariffs to 38 major destinations reduced substantially, outgoing roaming business volume up by over 35%

China Mobile Group Terminal Company Limited

- **Strengthened centralized terminal procurement and channel construction**
 - ◆ Average per terminal procurement cost dropped by nearly 20%
 - ◆ Enhanced subsidy effectiveness through flat channels to gradually reduce distribution costs
- **Increased scale of terminal sales**
 - ◆ Accelerated signature terminal debut
 - ◆ Focused on 3G smart terminal sales
- **Enhanced quality and specifications of terminals**
 - ◆ Optimized quality and control mechanism to ascertain competitiveness
 - ◆ Strengthened terminal specification and testing to improve end-to-end service quality

Promote “Green Action Plan”

Promote Mature Technologies

- Scale-promotion of “smart energy-saving according to frequency loading”, “distributed base stations”, “natural resource cooling” and other energy-saving technologies
- Constructed 8,970 new energy base stations
- Green packaging applications at 69%

Innovate on Energy-Saving Applications

- Promoted standardization of SIM miniaturization, cumulative reduction of white pollution 6,000 tons
- Launched paperless business operations, e-billing and other green services
- Developed smart transportation and logistics, and pursued precise scheduling to reduce emissions



- Annual savings of energy 1.6 billion kWh, timber 112,000 m³ and steel 94,000 tons
- The Company's power consumption per unit of telecommunications traffic decreased by 11% YoY

Realize Sustainable Development

- Continue to enhance quality to ascertain overall leadership
- Constantly improve service to enhance customer satisfaction
- Continue to innovate to bolster development standards
- Enhance market expansion to maintain scale advantages
- Focus on refined management to achieve low-cost and efficient operations

**Realize
Sustainable
Development**

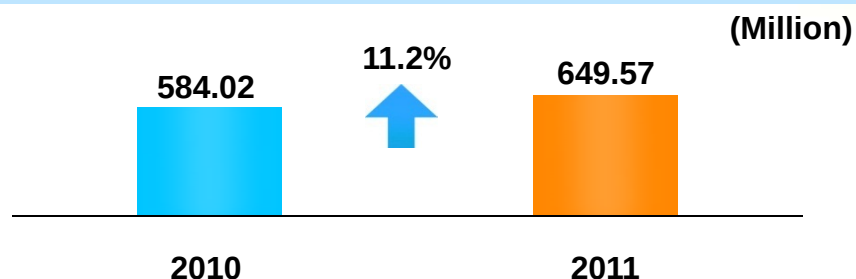
Agenda

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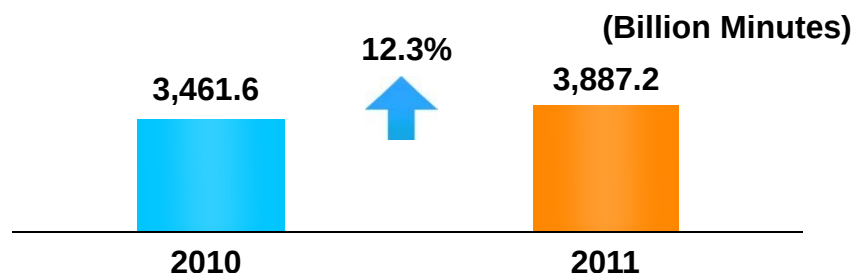
Financial Results for 2011

Favorable Revenue Growth Continued

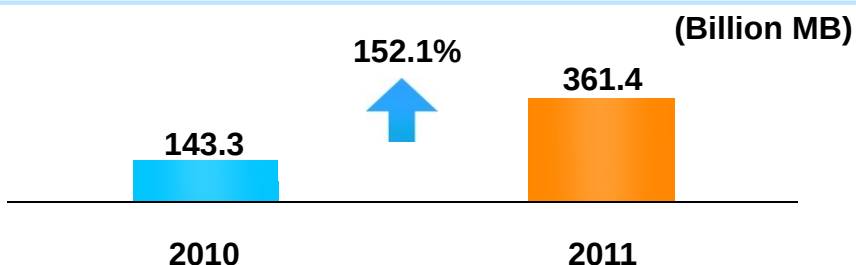
Total Customers



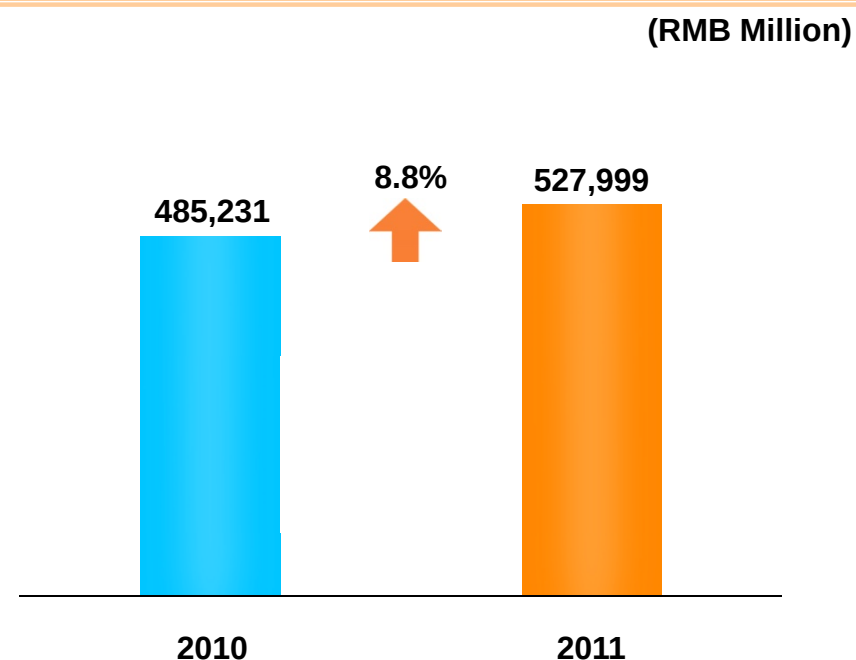
Total Voice Usage



Wireless Data Traffic



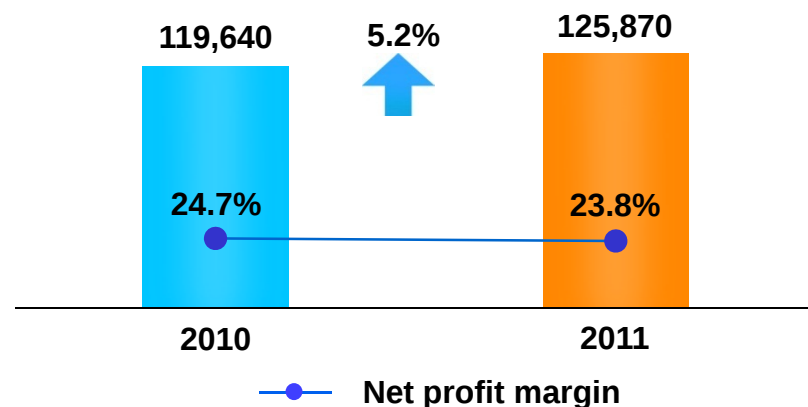
Operating Revenue



Industry-leading Profitability

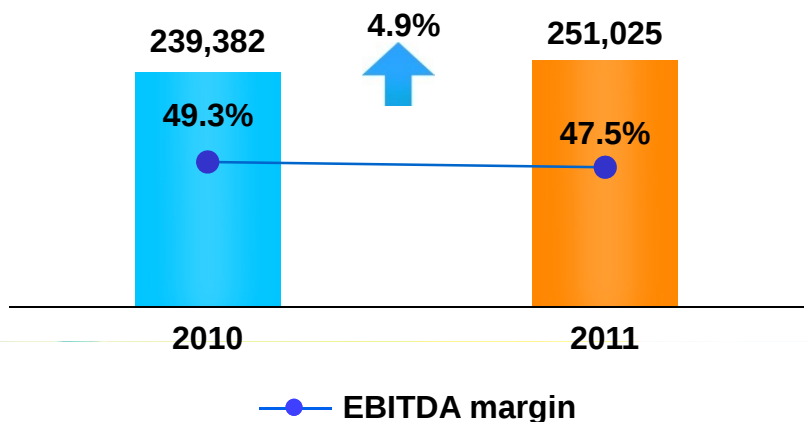
Net Profit

(RMB Million)



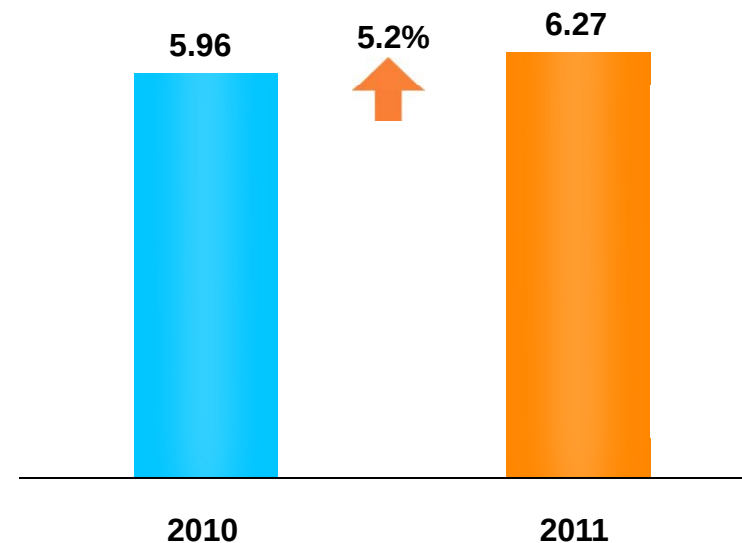
EBITDA

(RMB Million)



Basic EPS

(RMB)



Note: Net profit for 2011 included the share of profit of Shanghai Pudong Development Bank ("SPD Bank") amounted to RMB4,306 million. The Group recognized its share of SPD Bank's 2011 comprehensive income based on its unaudited financial information which was released by SPD Bank and publicly disclosed.

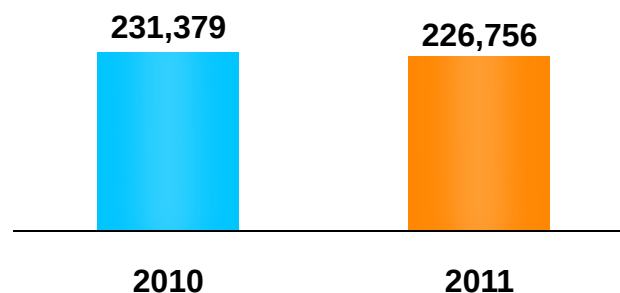
Strong Cash Flow Continued

Sound and Efficient Capital 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

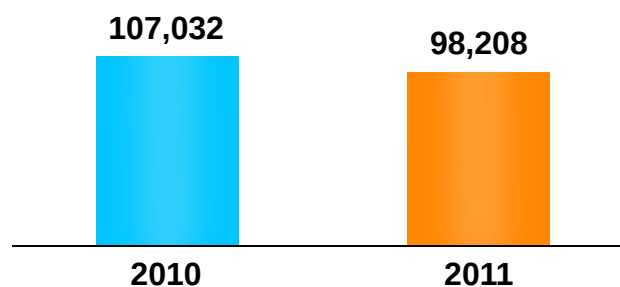
Net Cash Inflow from Operating Activities

(RMB Million)



Free Cash Flow

(RMB Million)



- Continued to support favorable business growth
- Provided a solid foundation for the sustainable healthy development of the Company
- Created value for shareholders

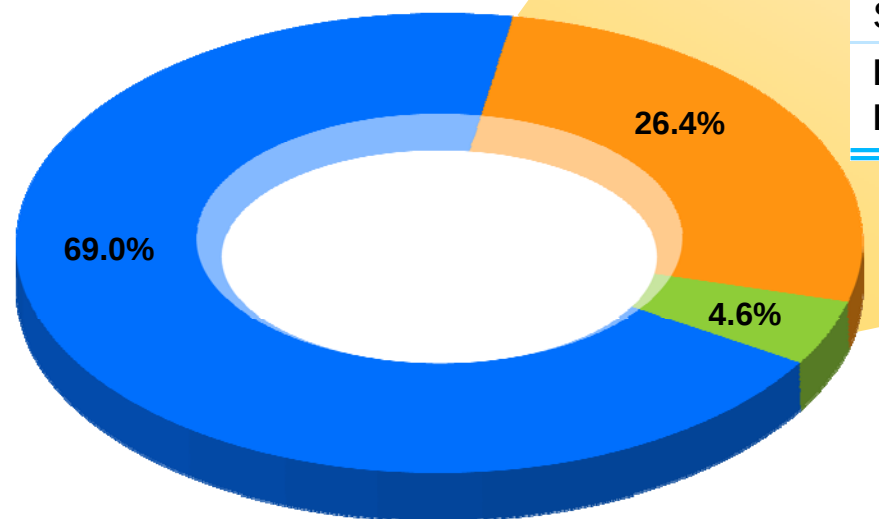
Optimize Operating Revenue Structure

Before Re-categorization	After Re-categorization
Operating Revenue Usage and Monthly Fees	Operating Revenue Voice Services Voice Usage Services Voice Value-added Services
Value-added Services Fees Voice Value-added Services SMS Business Wireless Data Business Other Data Business Include: MMS, Mobile Music, Mobile Paper, Mobile Reading, Mobile Video, etc.	Data Services SMS & MMS Wireless Data Traffic Applications and Information Services Include: Mobile Music, Mobile Paper, Mobile Reading, Mobile Video, etc.
Other Operating Revenue Include: Interconnection Revenue	Others Include: Interconnection Revenue

- Optimization of operating revenue structure is consistent with the business development. It enhances the comparability of information with international peers
- Comparative figures have been reclassified to conform with current year presentation. This change in presentation has no effect on reported net profit or operating revenue for any of the periods presented

Operating Revenue Structure

2011

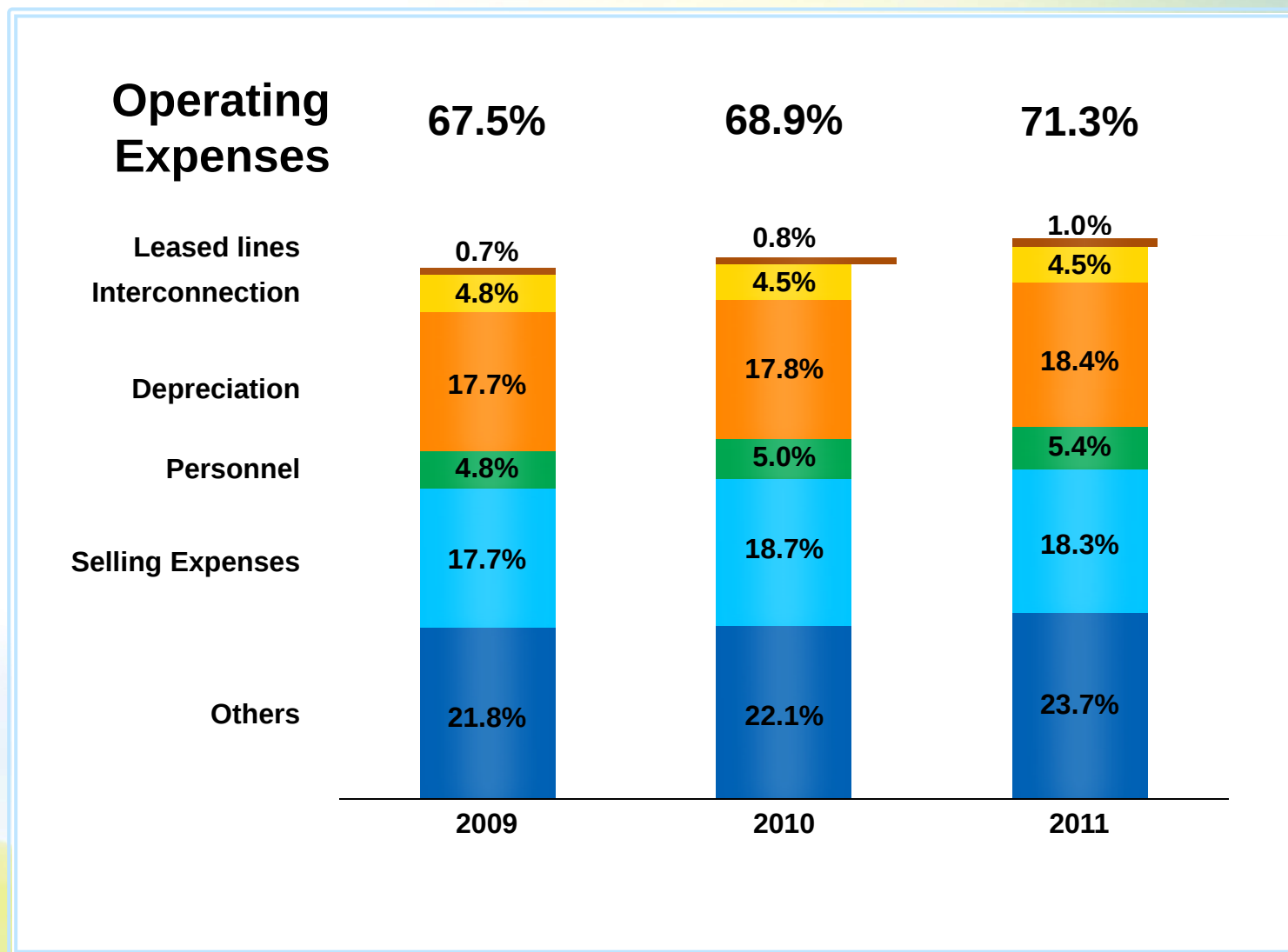


■ Voice services revenue ■ Data services revenue
■ Other operating revenue

	2011	2010	2009
SMS & MMS Revenue	8.8%	9.7%	10.6%
Wireless Data Traffic Revenue	8.4%	6.3%	4.5%
Applications and Information Services Revenue	9.2%	8.9%	8.4%
Data Services Revenue	26.4%	24.9%	23.5%

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

Structure of Operating Expenses



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

Healthy and Solid Capital Structure



	2011 (RMB Million)	2010 (RMB Million)
Short Term Debt	1,684	5,551
Long Term Debt	28,617	28,615
Total Debt	30,301	34,166
Shareholders' Equity	649,064	576,157
Total Book Capitalization	679,365	610,323
Total Debt / Total Book Capitalization	4.5%	5.6%
Cash & Bank Deposits	333,100	292,508
Net Cash*	302,799	258,342
Interest Coverage	281x	171x

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

Credit Rating

Moody's

S&P

Aa3 / Outlook Positive

AA- / Outlook Stable



中国移动通信
CHINA MOBILE

Thank You

Extracts from Audited Consolidated Statement of
Comprehensive Income for the year ended 31 December 2011
– Appendix I



	2011 (RMB Million)	2010 (RMB Million)
Operating Revenue		
Voice Services	364,189	343,985
Data Services	139,330	120,768
Others	24,480	20,478
	527,999	485,231
Operating Expenses		
Leased Lines	5,188	3,897
Interconnection	23,533	21,886
Depreciation	97,113	86,230
Personnel	28,672	24,524
Selling Expenses	96,830	90,590
Other Operating Expenses	125,364	107,350
	376,700	334,477
Profit From Operations	151,299	150,754

	2011 (RMB Million)	2010 (RMB Million)
Profit from Operations (cont'd)	151,299	150,754
Other Net Income	2,559	2,336
Non-operating Net Income	571	685
Interest Income	8,413	5,658
Finance Costs	(565)	(902)
Share of Profit of Associates	4,306	558
Share of Loss of Jointly Controlled Equity	(1)	(18)
Taxation	(40,603)	(39,047)
Profit for the Year	125,979	120,024
Attributable to:		
Equity Shareholders of the Company	125,870	119,640
Non-controlling Interests	109	384
Profit for the Year	125,979	120,024

Re-categorization of Revenue Components (2009-2011)

– Appendix II

	2011 (RMB Million)	2010 (RMB Million)	2009 (RMB Million)
Operating Revenue	527,999	485,231	452,103
Voice Services	364,189	343,985	327,283
Data Services	139,330	120,768	106,105
SMS & MMS Revenue	46,462	46,889	47,671
Wireless Data Traffic Revenue	44,428	30,644	20,456
Applications and Information Services Revenue	48,440	43,235	37,978
Others	24,480	20,478	18,715

Note: During the year, the Group re-categorized the presentation of revenue components in the consolidated statement of comprehensive income. The new presentation categorizes operating revenue into voice services revenue, data services revenue and other operating revenue. Voice services revenue mainly includes the revenue derived from voice usage services and voice value-added services which were categorized in value-added services fees in prior years' presentation. Data services revenue mainly includes revenue derived from SMS & MMS, wireless data traffic and applications and information services.

This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any of the periods presented.

Re-categorization of Revenue Components (1H 2010-1H 2011) – Appendix II (cont'd)



	1H 2011 (RMB Million)	1H 2010 (RMB Million)
Operating Revenue	250,080	229,818
Voice Services	173,231	164,108
Data Services	64,783	56,098
SMS & MMS Revenue	22,804	22,656
Wireless Data Traffic Revenue	19,280	13,499
Applications and Information Services Revenue	22,699	19,943
Others	12,066	9,612

Note: During the year, the Group re-categorized the presentation of revenue components in the consolidated statement of comprehensive income. The new presentation categorizes operating revenue into voice services revenue, data services revenue and other operating revenue. Voice services revenue mainly includes the revenue derived from voice usage services and voice value-added services which were categorized in value-added services fees in prior periods' presentation. Data services revenue mainly includes revenue derived from SMS & MMS, wireless data traffic and applications and information services.

This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any of the periods presented.

Extracts from Audited Consolidated Balance Sheet
as at 31 December 2011
– Appendix III

	2011 (RMB Million)	2010 (RMB Million)
Current Assets	382,685	321,832
Non-current Assets	569,873	540,103
Total Assets	952,558	861,935
Current Liabilities	(273,244)	(255,630)
Non-current Liabilities	(28,895)	(28,902)
Total Liabilities	(302,139)	(284,532)
Net Assets	650,419	577,403

Operating Data - Appendix IV

	2011	2010
Total Customers (Million)	649.57	584.02
MOU (Minutes)	525	521
ARPU (RMB)	71	73
Average Revenue per Minute (RMB)	0.136	0.140
Total Voice Usage (Billion Minutes)	3,887.2	3,461.6
Wireless Data Traffic (Billion MB)	361.4	143.3
Including: Mobile Data Traffic (Billion MB)	161.0	103.1
SMS Usage (Billion Messages)	736.1	711.0
Average Monthly Churn Rate	3.21%	3.22%

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 conditions and 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.