

中国移动有限公司
China Mobile Limited
www.chinamobileltd.com



2010 Interim Results



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China Mobile Limited

19 August 2010



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

Overall Results for 1H2010

Operating Performance for 1H2010

Financial Results for 1H2010

Overall Results for 1H2010

Steady growth in operating results despite various challenges

Operating revenue up 7.9%

Net profit margin at 25.1%

Solid customer base continued while voice business growth sustained

Total customers exceeded 550 million

Voice usage grew 20.0%

Rapid development in value-added business and continue to explore new arenas & new models

Value-added business revenue increased 13.4%

Proportion of total revenue rose to 29.5%

Innovative approach to integrated development with good progress in 3G network build-out and operations

3G customers exceeded 10 million

Network covering 238 cities

Pursue Blue Ocean Strategy to continuously create shareholder value

2010 interim dividend of HK\$1.417 per share

Planned full-year dividend payout ratio of 43%

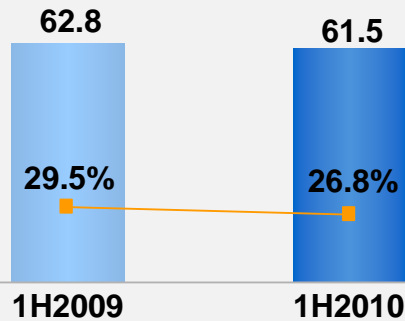
	1H2009	1H2010	Change
Total Customers* (Million)	493.124	554.042	12.4%
Operating Revenue (RMB Billion)	212.913	229.818	7.9%
ARPU (RMB)	75	72	-4.5%
EBITDA (RMB Billion)	109.938	116.612	6.1%
EBITDA Margin (%)	51.6%	50.7%	-0.9 ppt
Net Profit (RMB Billion)	55.329	57.643	4.2%
Net Profit Margin (%)	26.0%	25.1%	-0.9 ppt
Basic Earnings per Share (RMB)	2.76	2.87	4.2%

*The number of 3G customers was 10.461 million in June 2010

CAPEX to Meet Development Needs

1H Actual CAPEX

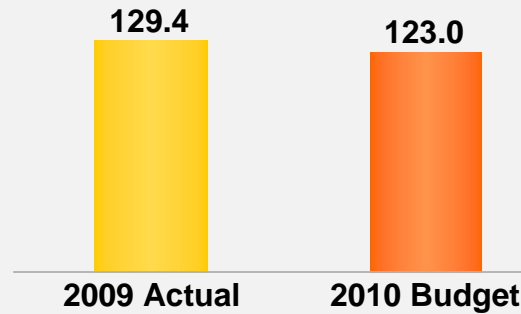
(RMB Billion)



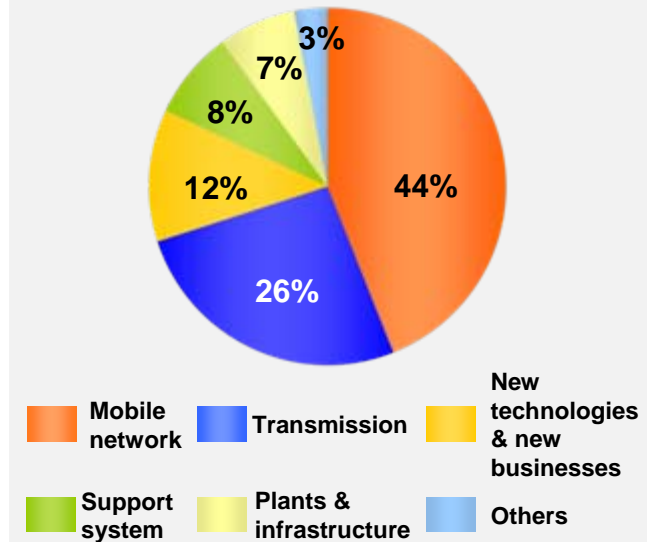
— CAPEX to sales ratio

Full Year CAPEX

(RMB Billion)

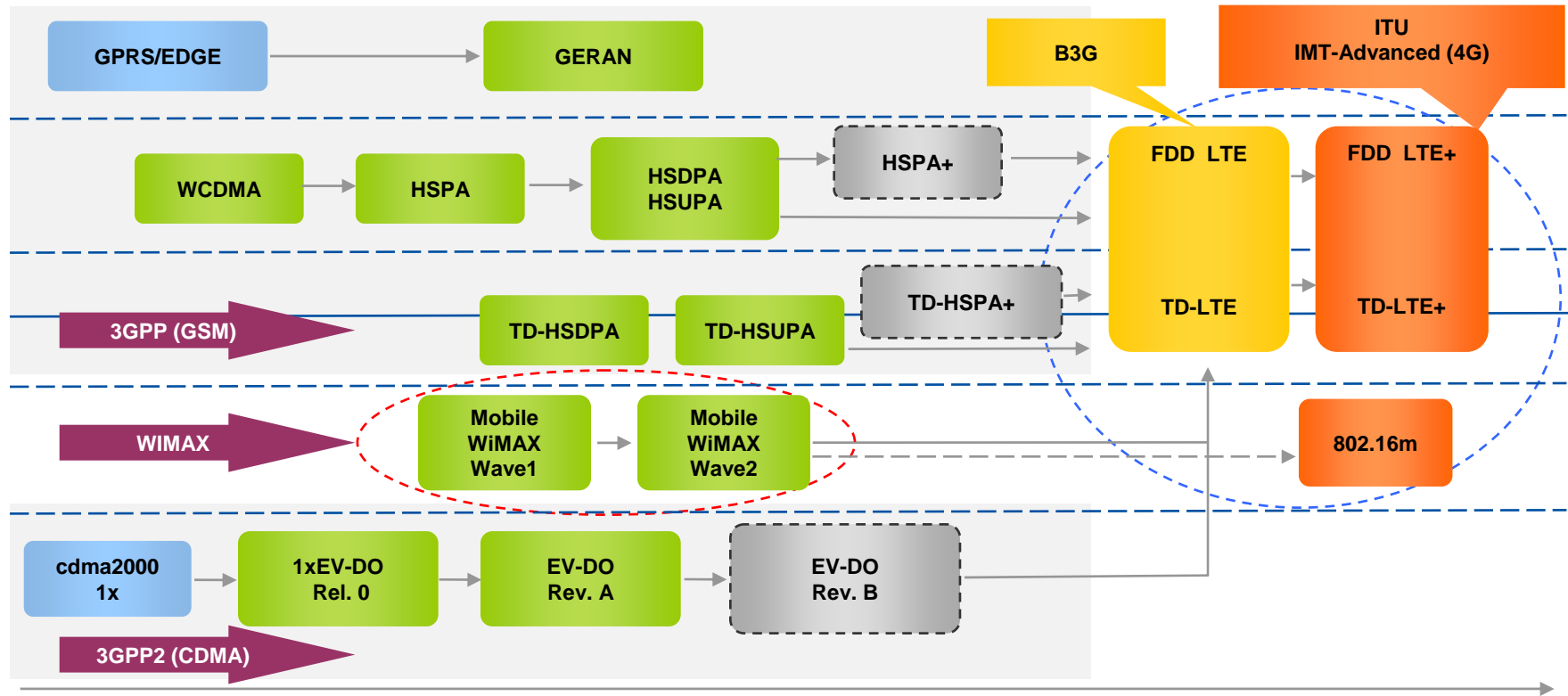


CAPEX Structure for 1H2010



- Emphasize on investment returns and long-term development
- Optimize network resource allocation and maintain leadership
- Promote integrated and co-ordinated development of 2G/3G/WLAN
- Grasp development trends, plan forward, secure leadership in new technologies and new arenas
- Assure support capability enhancement in value-added business system
- Minimize construction costs through centralization, standardization and informatization

TD-LTE: Ideal Roadmap for Post-3G Technology Evolution

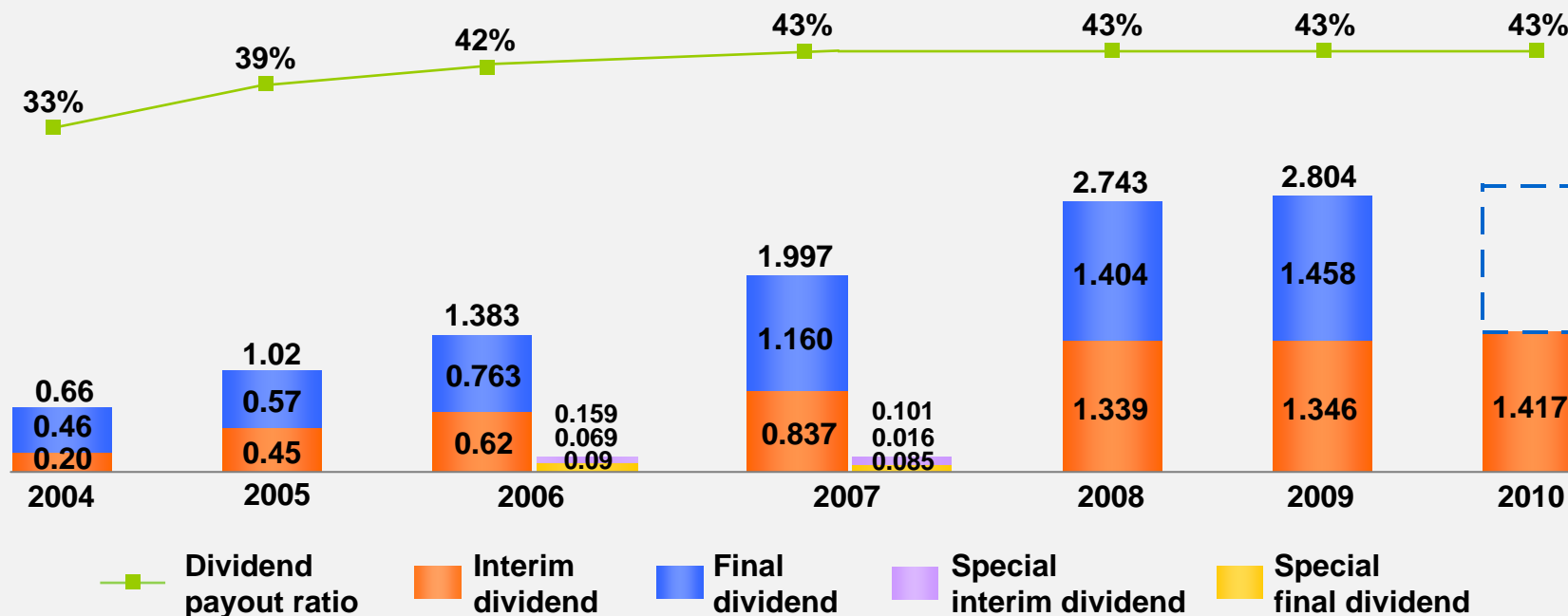


Good progress in TD-LTE development

- Planned multiple city field tests after the successful network demonstration at Shanghai World Expo
- Actively promote synchronized development and convergence of TD-LTE/FDD LTE in international standards organizations such as NGMN, 3GPP, LSTI and GCF
- Strong support from government and industry chain, and most manufacturers will launch their first chipsets in 1H2011
- HD video business applications and Mobile Internet businesses will be the key applications for TD-LTE

Dividend and Payout Ratio

(HK\$)



- Interim dividend for 2010 is HK\$1.417 per share
- The planned dividend payout ratio for 2010 is 43%
- Endeavor to create value for shareholders



Development Opportunities

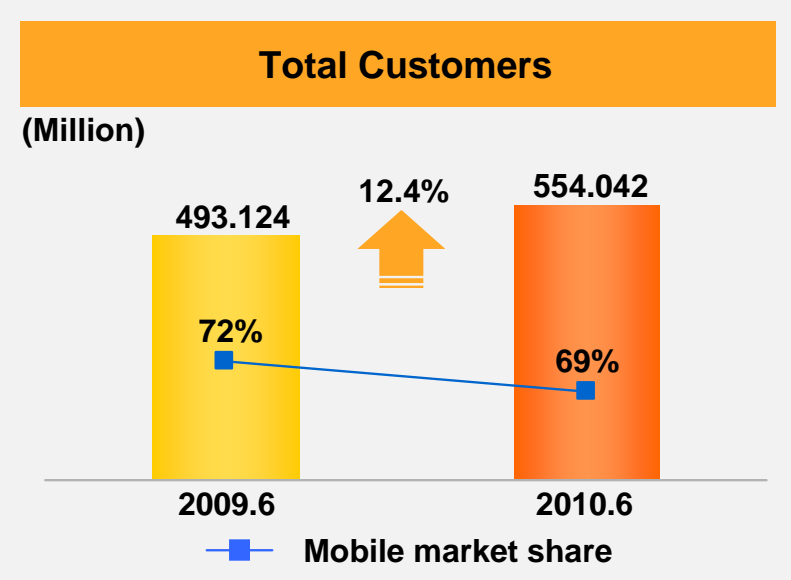
- New Customers: Ample room for growth in rural, migrant and family markets
- New Voice Usage: Refine market segments and effectively capture full market potential
- New Businesses: Continuously launch innovative products, stimulate usage of existing customers and enhance penetration
- New Arenas: Explore opportunities in Internet of Things and other new sectors which emerged through convergence with mobile communications
- New Models: Explore new business models in the Mobile Internet era

Development Strategies

- Customer, our priority; quality service, our principle; create value for the customer
- Focus on network convergence development to enhance wireless broadband capability
- Exploit strong execution capability and continue to innovate
- Strive for excellence in network, business and service, achieve low-cost and efficient operations
- Promote open collaboration with industry chain partners and enhance Company's influence on international stage

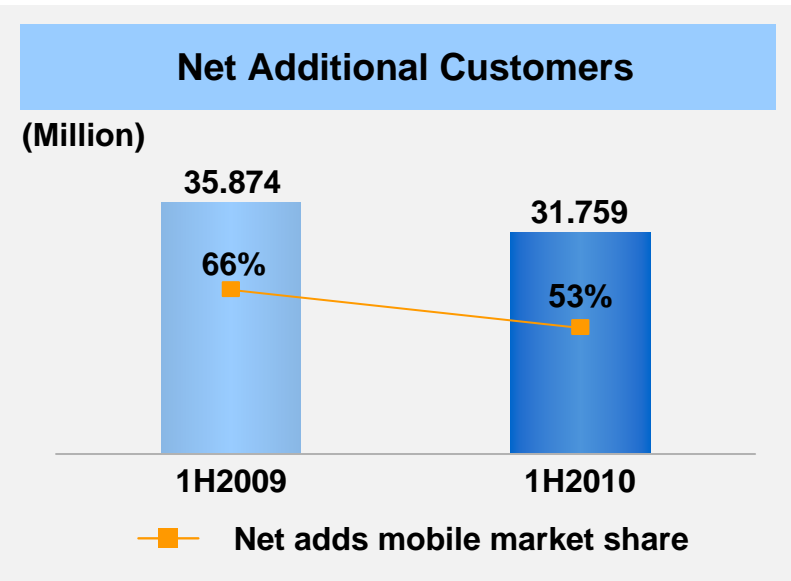
Endeavor to create value for shareholders

Operating Performance for 1H2010



Customer base continued being solid despite various challenges

- Healthy growth in monthly net adds, averaging 5.29 million
- Low-cost strategy achieved remarkable results in scaling up the rural market
- Ample room for growth in rural, migrant and family markets



Deep understanding of customers to retain medium / high end customers

Service

- Focus on service integrity and quality, and protect customer rights

Brand

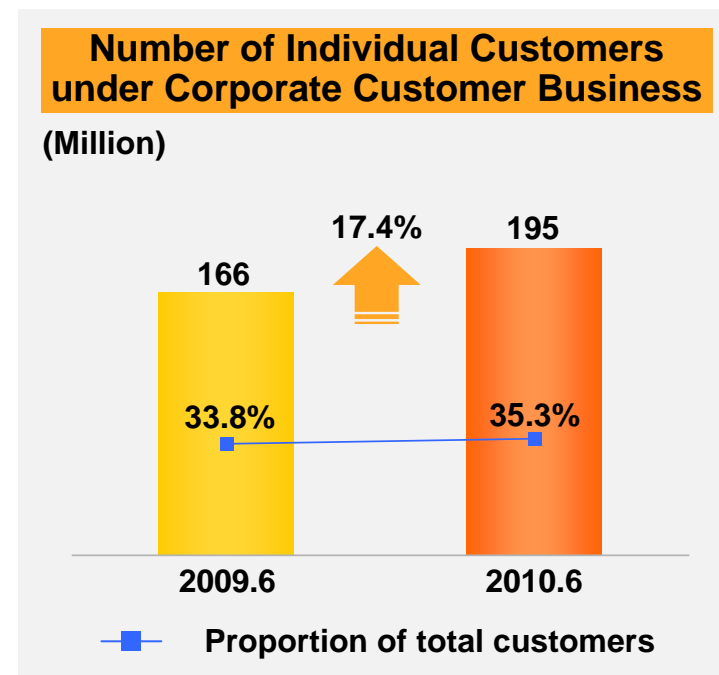
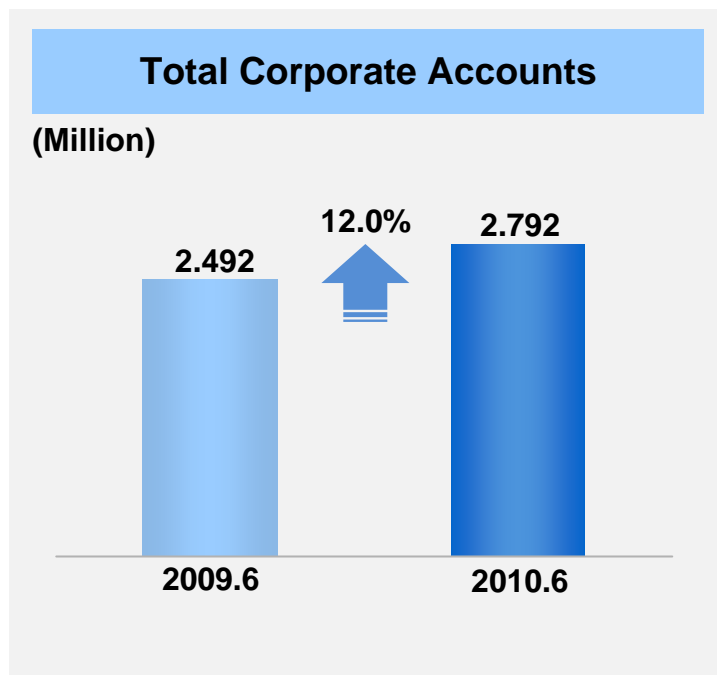
- Enhance brand meaning and value

Product

- Promote information products which create customer stickiness
- Informatization solutions to stabilize family and corporate customers

Tariff

- Design reasonable packages
- Optimal terminal subsidies for targeted customers



Target core corporate customers

- Actively enhance ICT integration capability, incorporate industry specific applications into customers' production and management processes to enhance level of informatization

Target SME customers

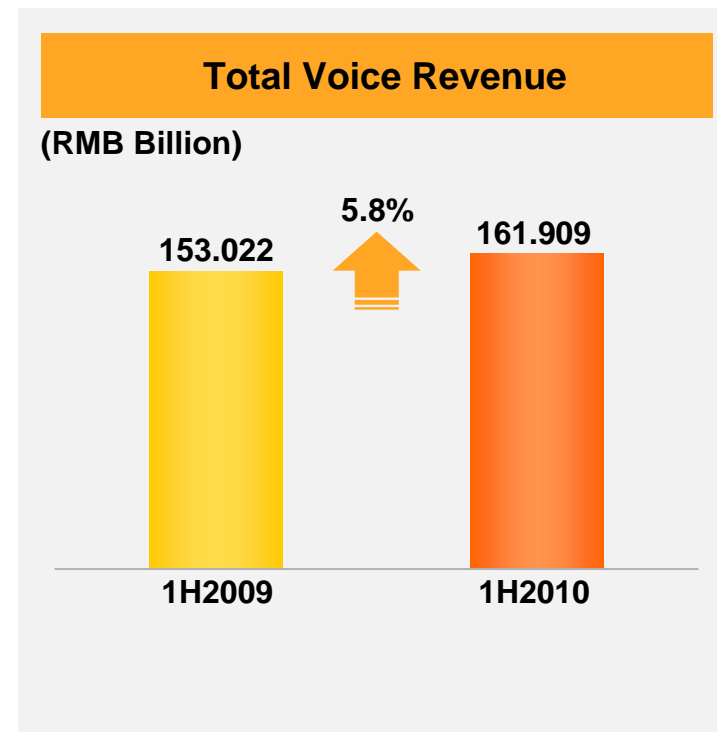
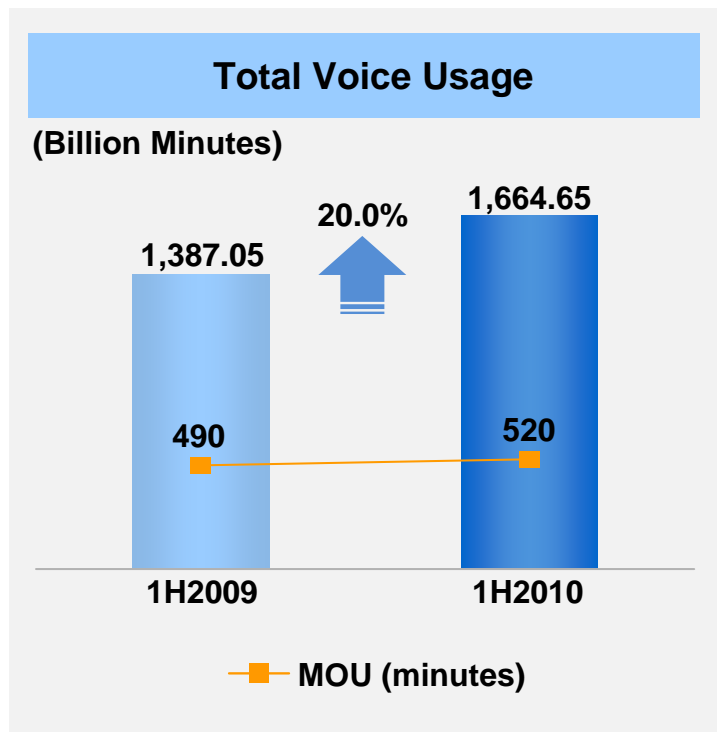
- Provide replicable, standardized and integrated information solutions, nurture new demand and enlarge scale

Promote industry informatization applications

- Expand the scale of informatization applications in education, agriculture and financial sectors. Enter key markets via e-administration and Wireless City, etc.

Enrich products for corporate customers

- Exploit our advantage and enhance penetration of businesses such as SMS, MMS and Color Ring
- Innovate through Internet of Things, WLAN and IDC, etc to steadily grow customer base

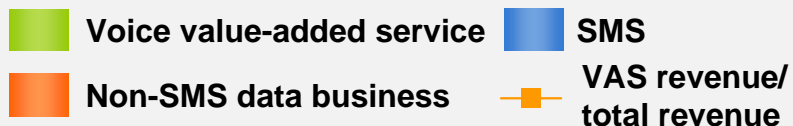
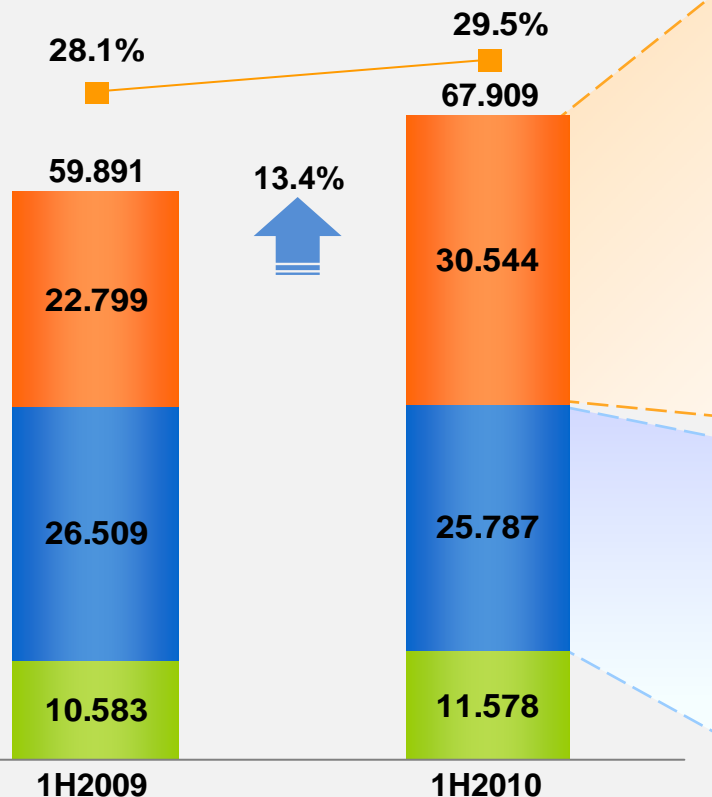


Enhanced sales and marketing effectiveness and enlarged scale of voice business to achieve further growth in voice revenue

- Volume based sales and marketing: Boosted voice usage through differentiated sales and marketing strategies according to segment differences
- New customers: Increased voice usage by attracting new customers through reasonable tariffs and tailor-made sales and marketing tactics
- Roaming/LD sales and marketing: Released latent demand and retained customers by offering roaming/LD tariffs for pre-registered locations and destinations

Value-added Business Revenue

(RMB Billion)



Foster rapid growth in key data businesses

- Rapid growth in Wireless Music, Mobile Paper, "Fetion", 12580 Info Service Line and Mobile Mailbox

Nurture new sources of revenue growth

- Rapid development of Mobile Payment/Mobile Wallet, Mobile Reading, Mobile Video, Mobile Gaming, Music Downloads and Mobile TV (CMMB)
- Mobile Internet access* has become an important growth driver, effectively compensated for the slower growth in mature businesses

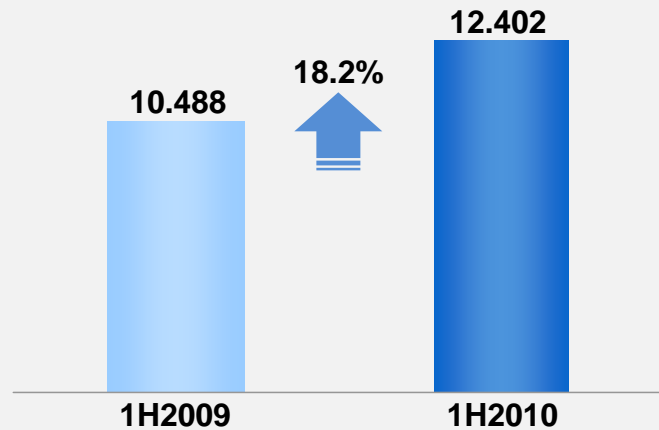
* Note: Mobile Internet access mainly includes Handset Internet Access and data card access

Explore further growth potential in SMS business

- Slowdown in SMS usage growth due to high penetration, IM to SMS substitution and cheaper voice tariffs
- Potential remains with SMS: Explore potential by region, develop new applications and expand industry applications

Revenue of Key Data Businesses

(RMB Billion)

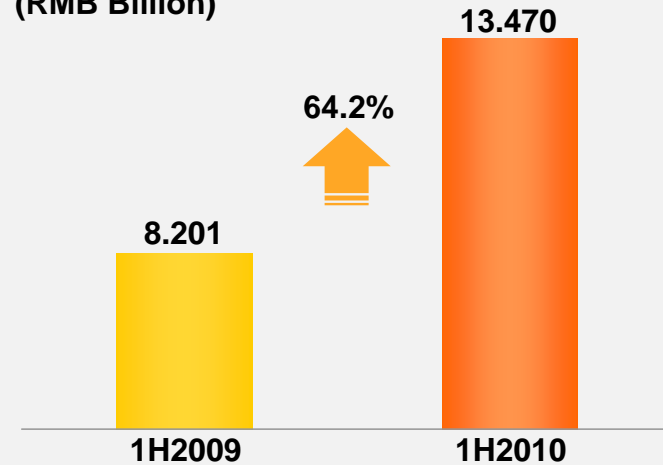


* Key data businesses included Wireless Music, MMS (includes "Mobile Paper"), "Fetion", 12580 Info Service Line and Mobile Mailbox

- Rapid development in key data businesses, and realizing scale
- Various data businesses showed tiered development


Revenue of Mobile Internet Access


(RMB Billion)





- Mobile Internet access is growing rapidly and has become a key growth driver, contributing 65.7% of value-added business revenue growth
- In light of rapid growth in Internet traffic, strengthen related operational capabilities to boost usage and revenue growth


Earnestly nurture new sources of revenue growth


-  **Mobile Payment/ Mobile Wallet**
 - Commercial launch in May; users exceeded 2.7 million
 - On-line merchants more than 360, merchants with point-of-presence over 9,000

-  **Mobile Reading**
 - Commercial launch in May; paying users exceeded 6 million
 - Partnering with major publishers in the country, CPs reached 51, 91,000 e-books in stock

-  **Mobile Video**
 - Users exceeded 6 million
 - Cooperating with 7 major Chinese media, cumulative online programmes reached 800,000

-  **Mobile Gaming**
 - Paying users of proprietary games exceeded 3.5 million
 - Partnerships with more than 70 CPs

-  **Music Downloads**
 - Paying users exceeded 3.2 million
 - 1.08 million songs for downloading

-  **Mobile TV (CMMB)**
 - Commercial launch in March, subscribed customers exceeded 300,000
 - Launched 7 public TV channels and 2 dedicated channels under strategic alliance with CBC

Explore new arenas and new models of Mobile Internet

- Mobile Internet is about to enter high growth phase, China Mobile will realize more scale dividend
- Accelerate build-out of WLAN and IDC etc to enhance core capabilities
- Mobile Market plays a pivotal role in our Mobile Internet development strategy
 - Over 50,000 app developers, cumulative customers nearly 6.5 million and 20,000 applications available with downloads exceeded 25 million
 - Develop to become an integrated platform for developers and download/sales of proprietary businesses
 - Strive to become the biggest mobile application marketplace in China



Explore new arenas and new models of Internet of Things

- Promising prospects of Internet of Things; our M2M customers exceeded 5 million with an average annual growth rate of over 60%
- Establish a low-cost, standardized and open system for the operations of Internet of Things business
 - Formed three product lines with dedicated numbering codes
 - Centralized R&D to promote standardized modules of applications
 - Actively explore Cloud Computing to develop low-cost information processing platform
 - Innovate in new sales and marketing models suitable for Internet of Things

Converged development in 3G network

- TD base stations totaled 115,000 and expected to reach 200,000 by year end
- Existing coverage of 238 cities. Strive to provide basic coverage for all county-level and above cities by year end
- With varied coverage capabilities and fulfilling different service scenarios, 2G, 3G and WLAN will co-exist long term, and will be developed in a coordinated manner

Widening TD terminal line-up

- Fast development in TD terminal industry chain, improvements in chipset technology and design techniques. Handset vendors in production reached 47
- TD Terminal models generating sales reached 210 of which 108 are handsets. In 1H2010, the proportion of medium and low end TD handset sales amounted to almost 80%
- Significant increase from same period last year in the number of TD terminal models which support value-added businesses

Applications catering to different needs

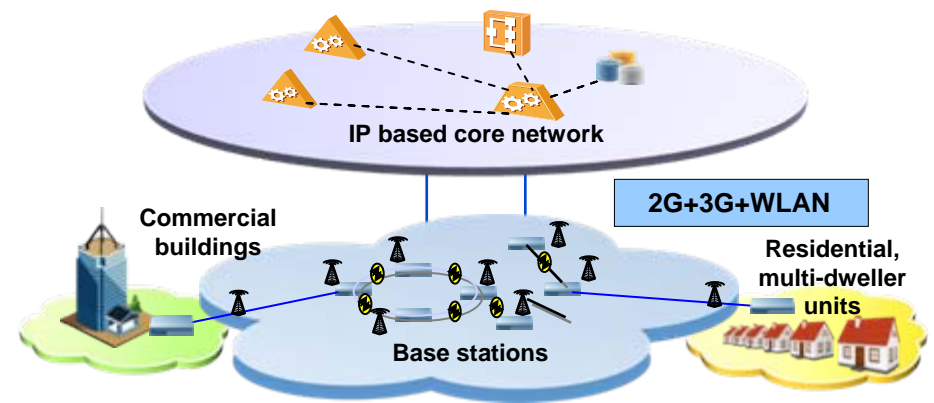
- Introduced 3G based applications and solutions to meet the needs of individuals, families and corporate customers
- While operable on 2G network, strategic businesses such as Mobile Reading, Music Download, Mobile Video/Mobile TV (CMMB) are deployed to promote 3G business development
- Strengthen development and promotion of innovative 3G applications, e.g. Multimedia Color-Ring and Video Messaging

Develop Mobile Internet to Continuously Create Value for the Company

Network Level

- World leading IP core network interoperable with 2G, 3G, LTE and broadband
- Extensive coverage of over 600,000* base stations, with fiber optic access reached 96% and which are easy to extend to most key customers
- Converged network coverage of 2G, 3G and WLAN to enhance wireless broadband access capability
- Good use of WLAN and accurate network build-out to offload heavy data traffic

* Note: Include parent company's TD base stations already in operation.



Business Level

- Steer different segments of customers to different mobile Internet access services according to network characteristics
- Steer towards development of high value, low network resource data businesses, enhance business development efficiency
- Implement differentiated QoS to fairly deploy broadband resources



Urban administration,
mobile office and
production management



Public information and
daily life



Wireless Internet
Access, leisure and
entertainment

Customer Level

- Strengthen operations and provide compelling content to stimulate usage
- Refine tariff packages for peak/off peak usage and for segments by region
- Design and promote integrated data packages for 2G, 3G and WLAN services



Corporate customers



Families



Individuals



Centralization

- Completed physical construction of the “South/North Bases”, implementing various operational measures to realize centralized network support and construction
- Centralized R&D for value-added business to increase efficiency of product development and promotion
- Accelerate build-out and promotion of 10086.cn as the integrated portal for the development of all businesses
- Continue to enhance the level of centralized financial management to optimize resource deployment and effectively control risk

Standardization

- Continue to standardize network facilities to reduce unit cost of equipment and boost efficiency of build-out and maintenance management
- Launch new generation sales outlets, with a service and sales-oriented principle while focussing on cost-effectiveness
- Establish a standardized product system to realize low-cost R&D and promotion
- Optimize and refine business management processes and internal control procedures, enhance efficiency and minimize operational risk

Informatization

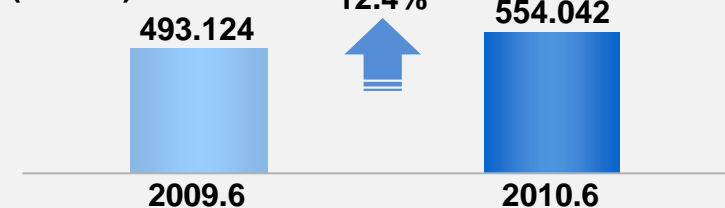
- Online tendering, e-procurement and B2B interactive e-Commerce platforms to realize electronic business processes
- Streamline and optimize electronic sales & marketing and service channels
- Strengthen the integration of electronic channels to increase the proportion of business processed through electronic channels
- Build efficient and low cost IT support systems to enhance operational efficiency

**Efficient
provision of
quality
service to
maximize
enterprise
value**

Financial Results for 1H2010

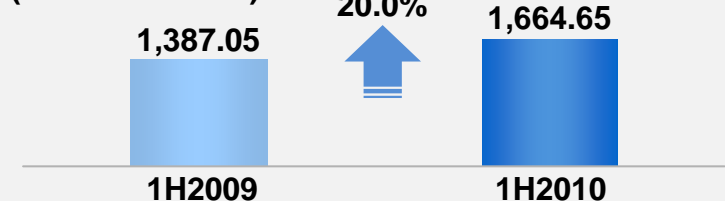
Total Customers

(Million)



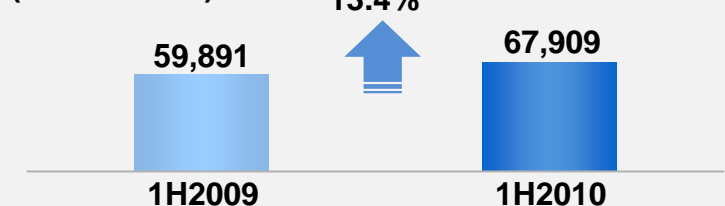
Total Voice Usage

(Billion Minutes)



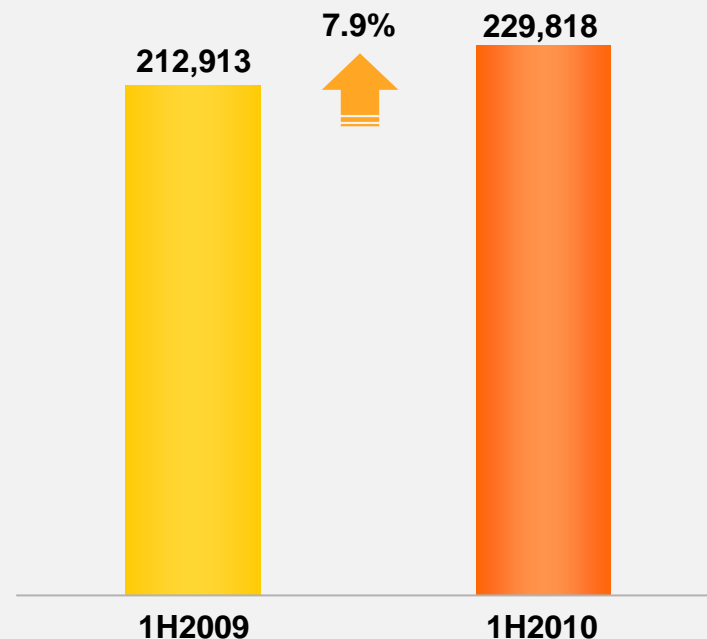
Value-added Business Revenue

(RMB Million)



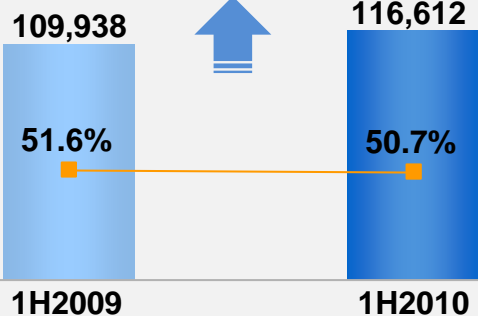
Operating Revenue

(RMB Million)



EBITDA

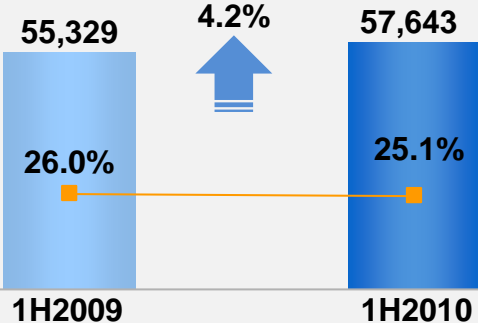
(RMB Million)



EBITDA Margin

Net Profit

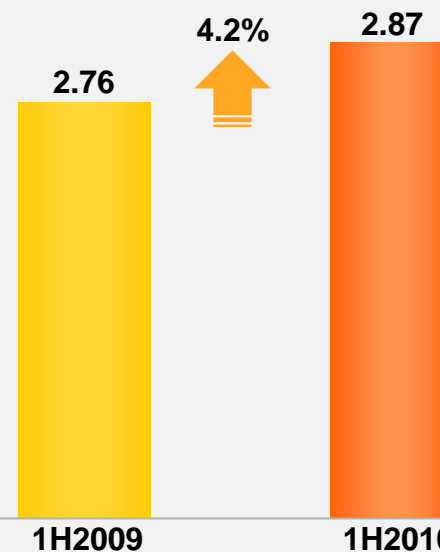
(RMB Million)



Net Profit Margin

Basic EPS

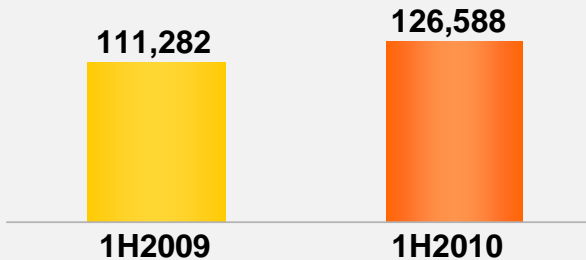
(RMB)



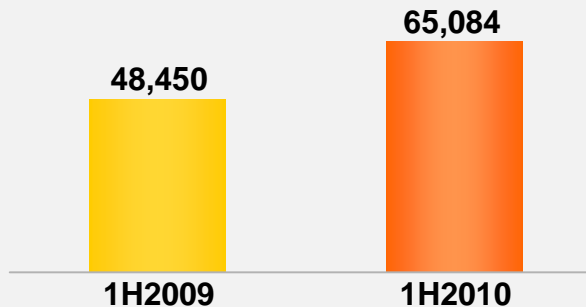
Solid and Efficient Fund Management

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

Net Cash Generated from Operating Activities (RMB Million)

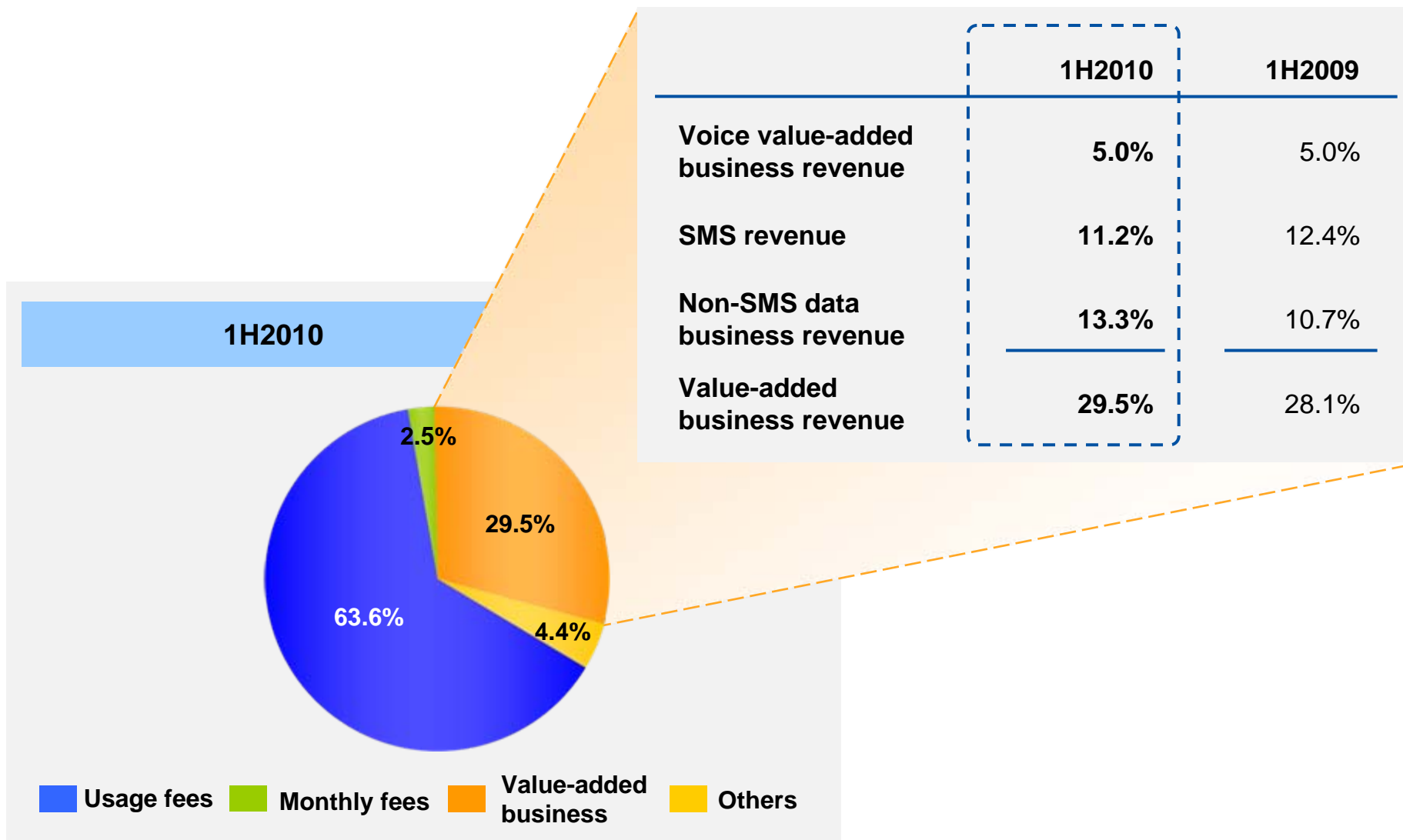


Free Cash Flow (RMB Million)

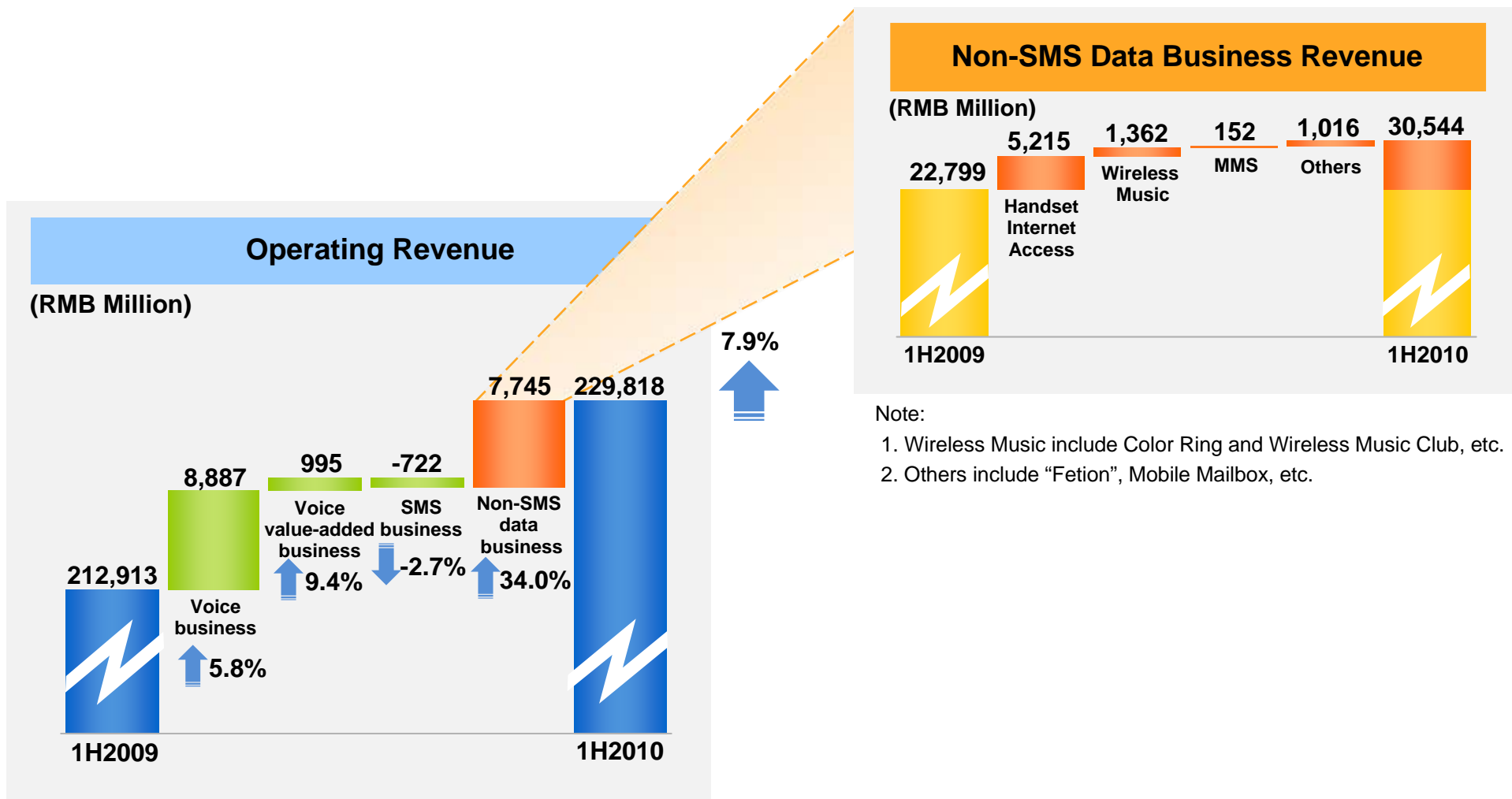


- Continued and favorable business growth
- Provide a solid foundation for the sustainable healthy development of the Company
- Create value for shareholders

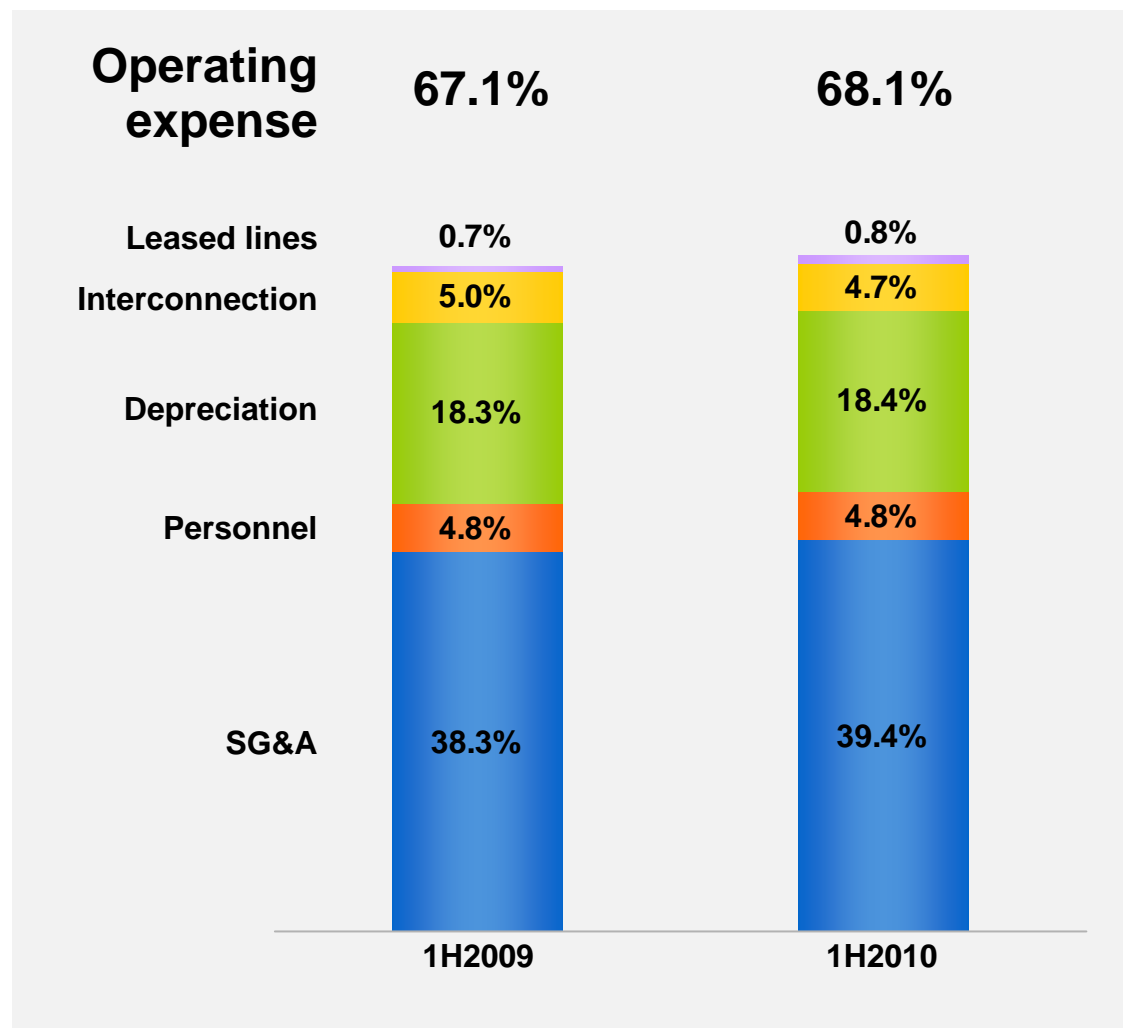
Composition of Operating Revenue



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



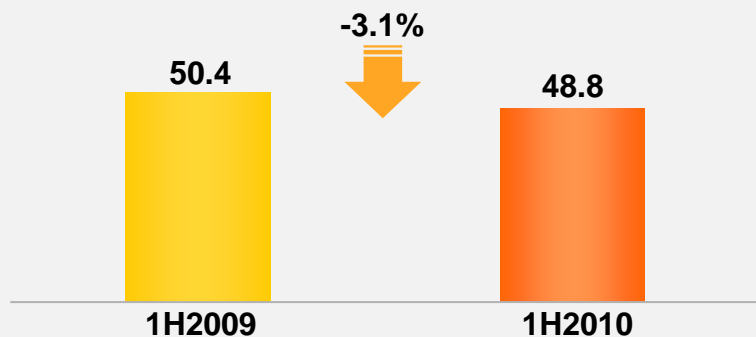
Structure of Operating Expense



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

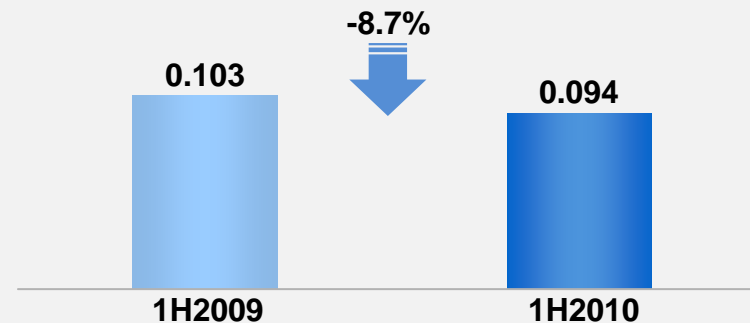
Average Monthly Operating Expense per User

(RMB)



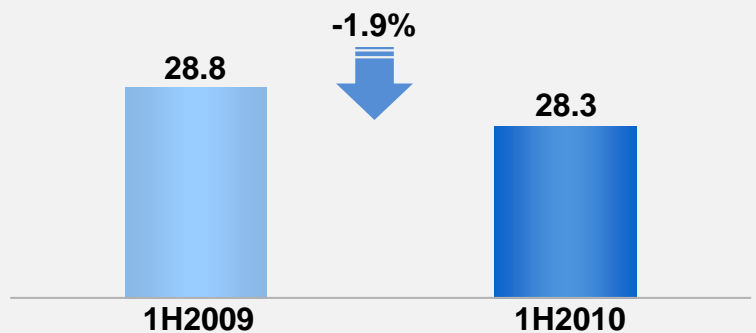
Operating Expense per Minute

(RMB)



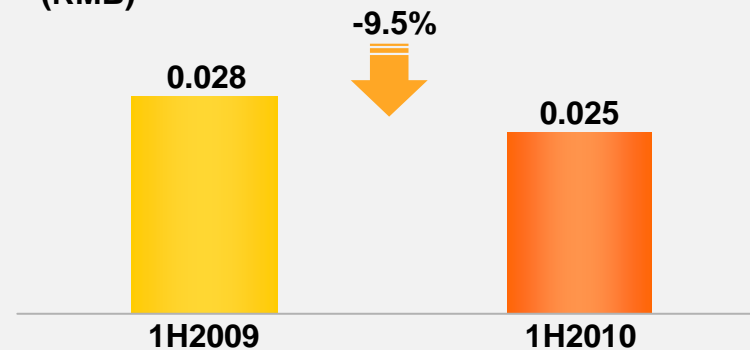
Average Monthly SG&A per User

(RMB)



Depreciation Cost per Minute

(RMB)



(RMB Million)	2010.06.30	2009.12.31
Short Term Debt	6,157	710
Long Term Debt	28,614	33,551
Total Debt	34,771	34,261
Shareholders' Equity	538,796	506,748
Total Book Capitalization	573,567	541,009
Total Debt / Total Book Capitalization	6.1%	6.3%
Cash & Bank Deposits	317,424	264,507
Net Cash	282,653	230,246
Interest Coverage	120x	120x

Credit Rating	
Moody's	A1 / Outlook Positive
S&P	A+ / 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 2010 – Appendix I



(RMB Million)	1H2010	1H2009
Operating revenue		
Usage fees	146,024	134,929
Monthly fees	5,783	8,379
Value-added business	67,909	59,891
Other operating revenue	10,102	9,714
	229,818	212,913
Operating expense		
Leased lines	1,805	1,409
Interconnection	10,684	10,751
Depreciation	42,259	38,892
Personnel	11,128	10,126
Other operating expenses	90,545	81,632
	156,421	142,810
Profit from operations	73,397	70,103

(RMB Million)	1H2010	1H2009
Profit from operations (Cont'd)	73,397	70,103
Other net income	922	920
Non-operating net income	270	267
Interest income	2,631	3,153
Finance costs	(619)	(597)
Share of loss of jointly controlled entity	(27)	(1)
Taxation	(18,753)	(18,388)
Profit for the period	57,821	55,457
Attributable to:		
Equity shareholders of the Company	57,643	55,329
Non-controlling interests	178	128
Profit for the period	57,821	55,457

(RMB Million)	2010.06.30	2009.12.31
Current assets	342,780	287,355
Non-current assets	484,999	464,013
Total assets	827,779	751,368
Current liabilities	(259,066)	(209,805)
Non-current liabilities	(28,853)	(33,929)
Total liabilities	(287,919)	(243,734)
Net assets	539,860	507,634

	1H2010	2009
Total Customers (Million)	554.042	522.283
MOU (Minutes)	520	494
ARPU (RMB)	72	77
Average Revenue per Minute (RMB)	0.138	0.155
Mobile Data Users (Million)	507.990	463.386
MMS Users (Million)	155.338	147.542
Mobile Music Users (Million)	447.147	406.217
SMS Usage (Billion Messages)	352.963	681.225
Average Monthly Churn Rate (%)	3.19%	3.30%

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.