



中国移动
China Mobile

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

A satellite view of the Earth at night, showing city lights and landmasses. Overlaid on the image are several glowing, ethereal light trails in shades of green and blue, creating a sense of motion and connectivity. The trails swirl and curve across the globe, particularly concentrated over the Asian continent.

2014
Annual Results

2014 Annual Results

China Mobile Limited

19 March 2015

Mr. XI Guohua

Executive Director & Chairman

Mr. LI Yue

Executive Director & CEO

Mr. XUE Taohai **Executive Director, Vice President & CFO**

1 Overall Results for 2014

2 Operating Performance for 2014

3 Financial Results for 2014

1 Overall Results for 2014

Stable Operating Performance

- Operating revenue up 1.8%, revenue from telecommunications services down 1.5%
- Net profit margin at 17.0%, maintaining favorable profitability

Transcending Development of 4G

- Base stations reached 720,000, customers exceeded 90 million, scale development of devices

Evident Impetus from Data Traffic

- Mobile data traffic revenue up 42.9%, representing 25.9% of revenue from telecommunications services

Create Sustainable Value

- 2014 full year dividend HK\$2.920 per share, 2015 planned dividend payout ratio 43%

Operating Performance

| | 2013 | 2014 | Changes |
|--|---------|---------|---------|
| Operating Revenue (RMB Billion) | 630.177 | 641.448 | 1.8% |
| of which: Revenue from Telecommunications Services (RMB Billion) | 590.811 | 581.817 | -1.5% |
| EBITDA (RMB Billion) | 240.426 | 235.259 | -2.1% |
| EBITDA Margin ¹ | 38.2% | 36.7% | -1.5ppt |
| EBITDA as % of Revenue from Telecommunications Services | 40.7% | 40.4% | -0.3ppt |
| Net Profit (RMB Billion) | 121.692 | 109.279 | -10.2% |
| Net Profit Margin | 19.3% | 17.0% | -2.3ppt |
| Basic Earnings per Share (RMB) | 6.05 | 5.38 | -11.1% |

Note 1: EBITDA Margin = EBITDA/Operating Revenue

Note 2: Pilot program for the transformation from business tax to value-added tax extended to cover the telecommunications industry from 1 June 2014

和·4G

Network



720,000
base stations
in operation

Customers



>90 million
customers
developed

Devices

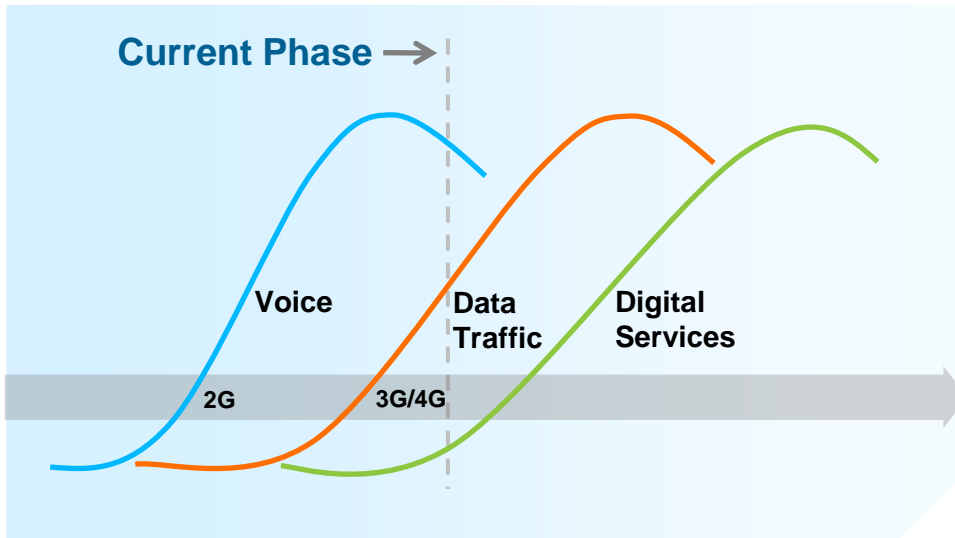


>100 million
handsets
sold

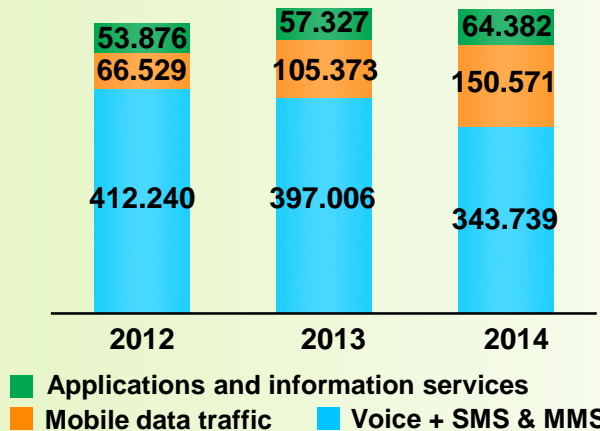
Global Development



52 TD-LTE
commercial networks
worldwide



**Voice, SMS & MMS Revenue Declined;
Data Traffic Revenue Increased**
(RMB Billion)



Deepened Four-Network Co-ordination

- 2G and 3G traffic migrated to 4G

Innovated Full-Services Operation

- Infrastructure resources capabilities enhanced

Actively Promoted Mobile Internet

- Established a series of products: “and - Communication”, “and - Life”, “and - Entertainment”, etc.

Individual Market

“and – Entertainment”

“and – Communication”

MIGU Company



“Migu Music” “and - Reading” “and - Game”



“and - Video” “and - Animation”

New social communication services

“and – Life”

Location-based + Payment exploration O2O

Government and Enterprise Market

“and – Business”

General Informationalization

- 4G video surveillance
- 4G mobile intercom
- Security communications

Infrastructure

- IDC
- Mobile cloud

Underlying communications

- Dedicated line
- Corporate unified communications
- Corporate-sponsored data traffic

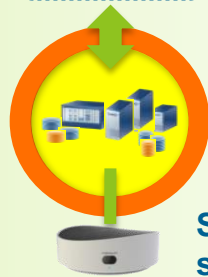
Family Market

Internet TV Platform

Karaoke Platform

Family Game Platform

“and – Family”



Family Open Platform

Self-branded set-top box



New Areas

Internet of Things

Mobile Healthcare

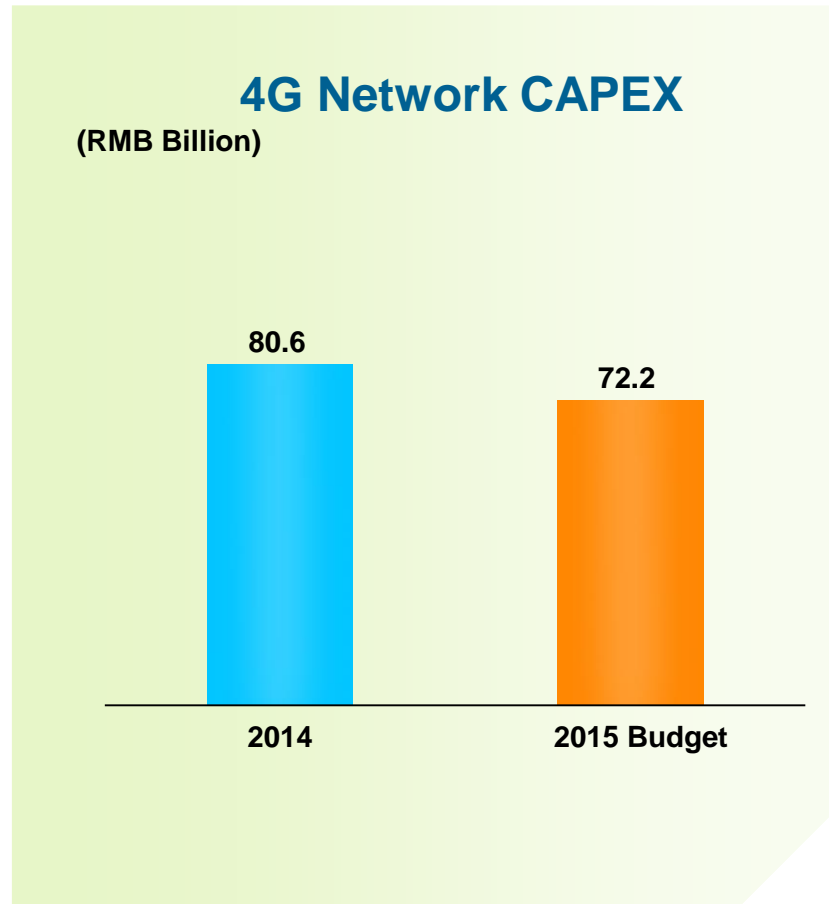
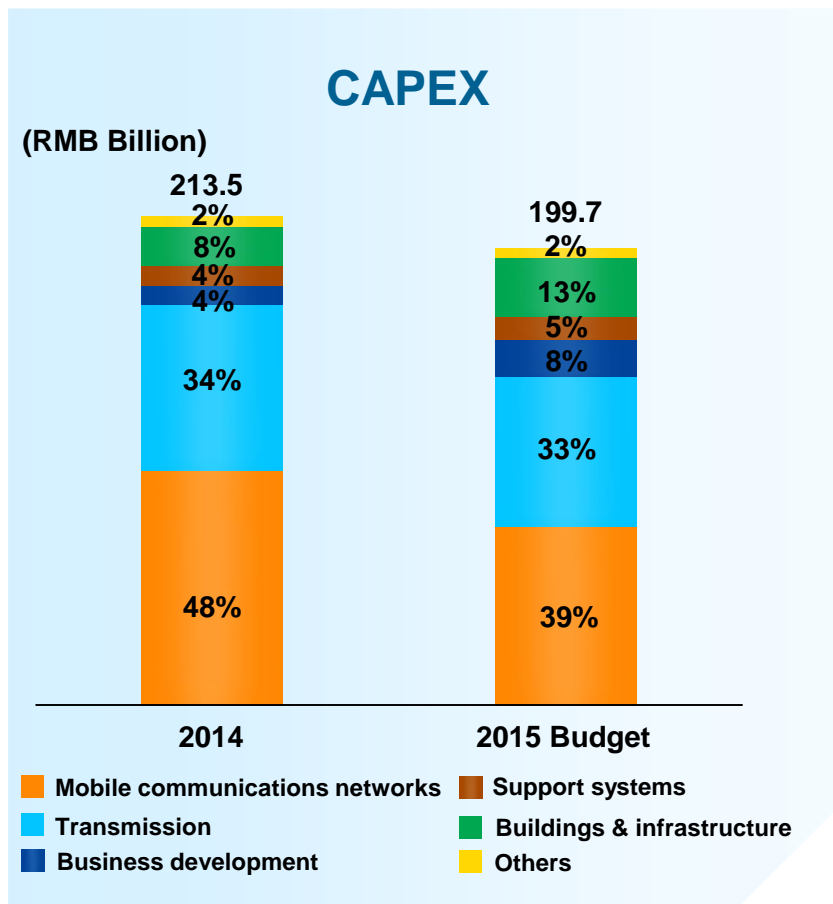
Smart Device

Internet of Vehicles

Mobile Education

Wearable Device

Boost the capability in cloud computing/big data



Build premium 4G network, strengthen resources accumulation and support business innovation

Strive to Create Value for Shareholders

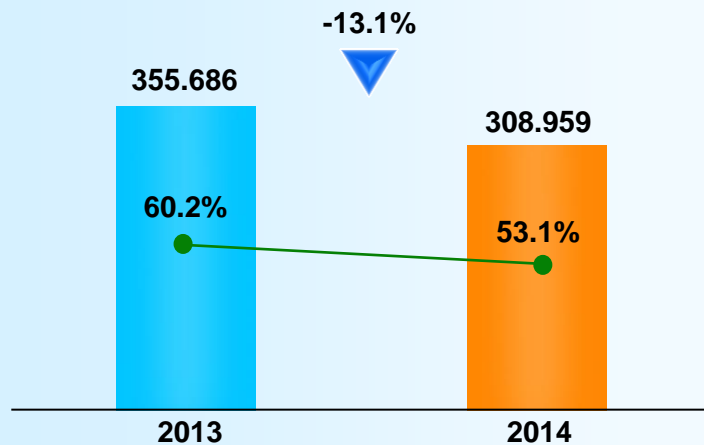


2 Operating Performance for 2014

Accelerated Decline in Traditional Businesses

Voice Services Revenue

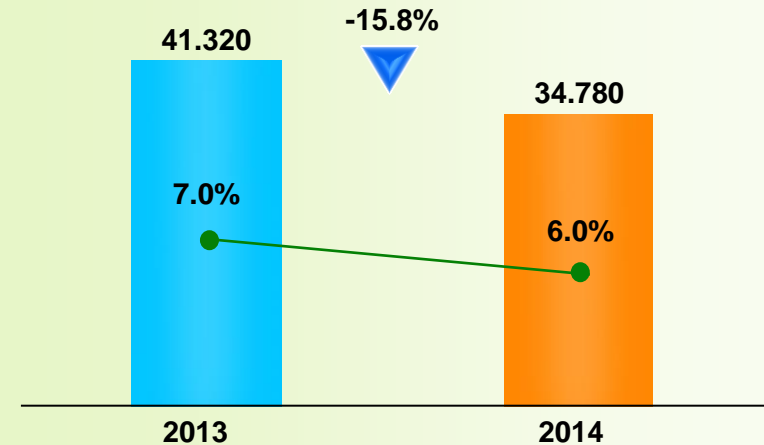
(RMB Billion)



● Percentage of revenue from telecommunications services

SMS & MMS Revenue

(RMB Billion)



● Percentage of revenue from telecommunications services

Network Construction

- ◆ Covering 1 billion population
- ◆ The world's largest 4G network

Business Development

- ◆ More than 10 million monthly net additional customers recently
- ◆ Monthly traffic scale surpassed 3G/2G at year-end



Customer Enhancement

- ◆ Customer perception enhanced significantly
- ◆ 4G ARPU: 1.7 times of blended ARPU
- ◆ 4G DOU: 5 times of blended DOU

Global Operation

- ◆ International roaming in more than 70 countries and regions
- ◆ 52 TD-LTE commercial networks; 83 under construction

- Revenue from sales of products including devices totaled RMB59.6 billion, up 51.5%
- Per unit 3G / 4G handset subsidy decreased significantly
- Promoted marketization of device sales, sales volume grew rapidly



4G Handsets rapidly maturing

Diversified models

- Over 600 models available
- Handsets models at ~RMB1,000 increasingly enriched

Multiple brands

- Coverage of mainstream brands
- Self-branded handsets well received by the market

Comprehensive modes

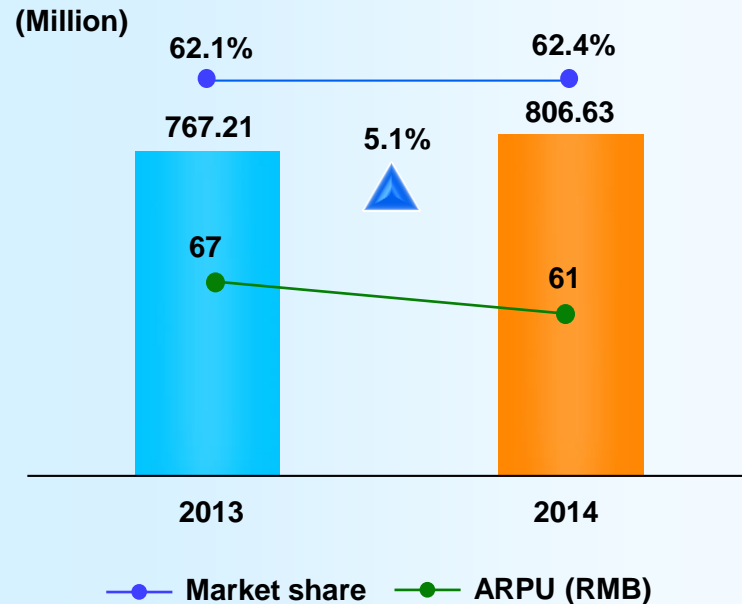
- 5-mode 10/12/13+ frequency
- “One handset around the world”

Low average price

- Average price RMB1600
- Lowest price < RMB400

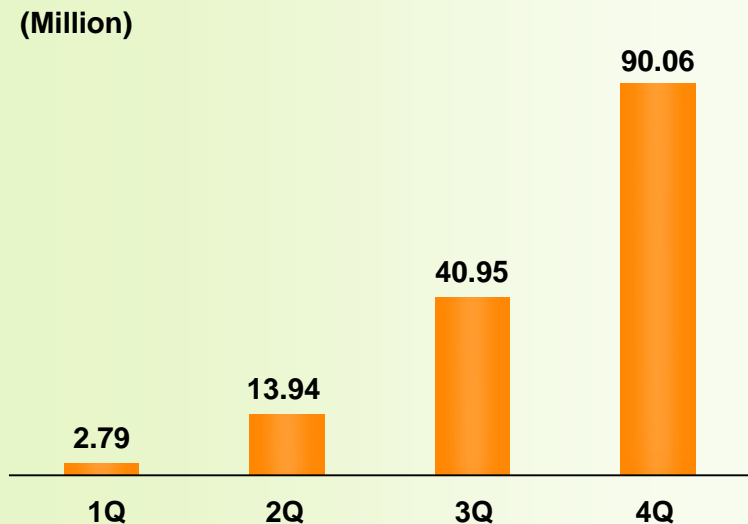
Maintain Scale Advantage in Customer Base

Total Customers



Strengthened management of existing business, mid-to-high end customer base was stable

4G Customers

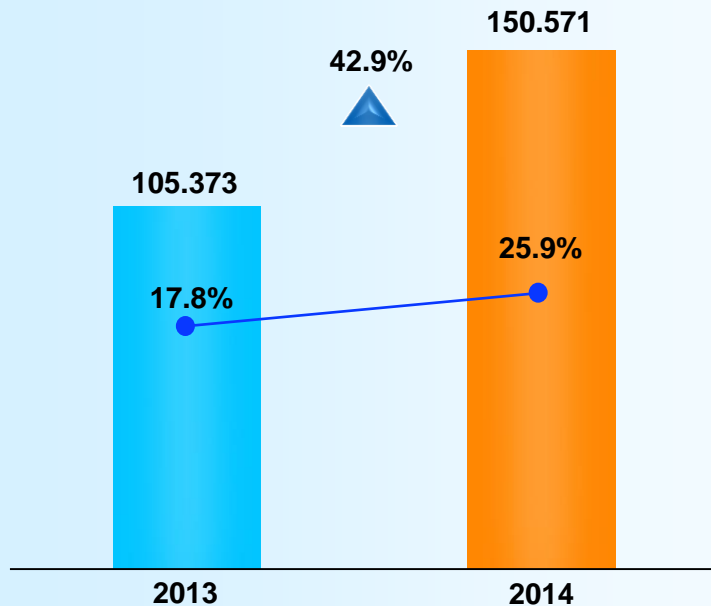


Migration of 2G and 3G customers to 4G accelerated

Strengthen Data Traffic Operations

Revenue from Mobile Data Traffic

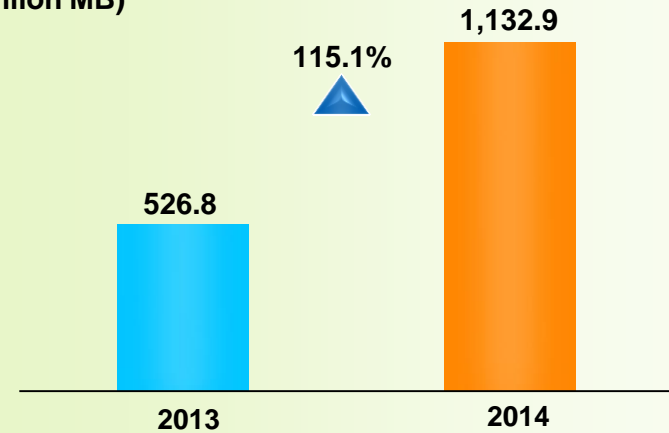
(RMB Billion)



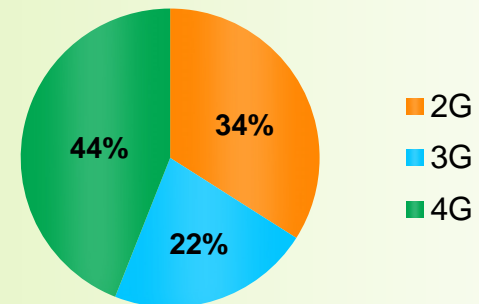
● Mobile data traffic revenue / Revenue from telecommunications services

Mobile Data Traffic

(Billion MB)



Mobile Data Traffic Carriage Structure (Dec 2014)



Strengthen Corporate Customer Management

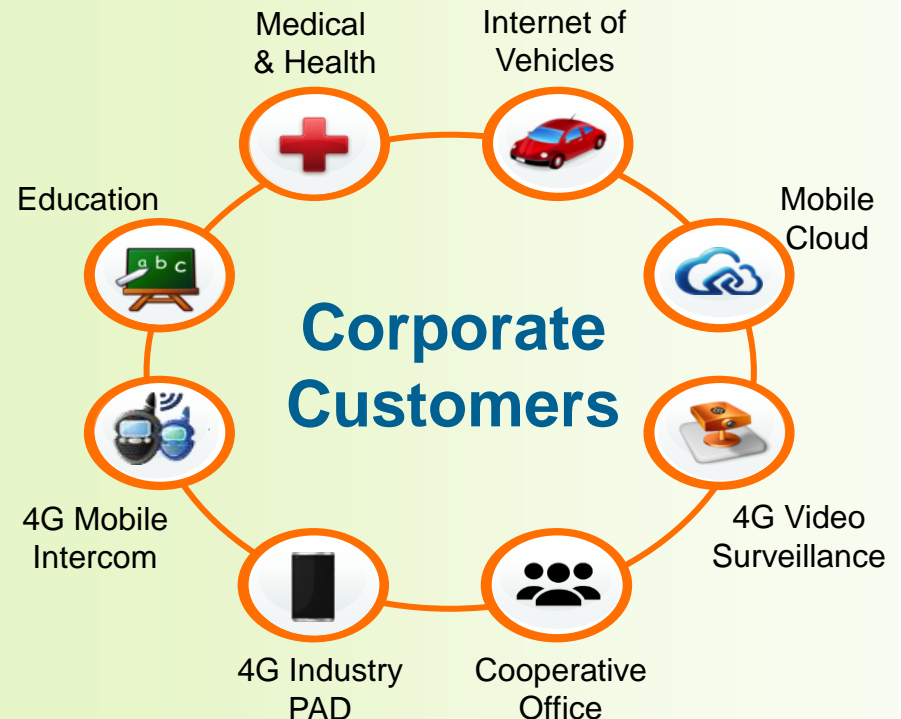
- Revenue from corporate informationalization services grew 24.8%
- Revenue from dedicated lines and IDC up 57.5%, 71.1% respectively
- M2M Devices grew to 43.38 million

▲ Market competitiveness enhanced

▲ Innovation capabilities for self-branded products strengthened

▲ End-to-end service improved

Speed up Product Deployment



Promote Entrepreneurship and Innovative Development

Entrepreneurship

- Notable achievements in specialized operations



- New infrastructure steadily promoted**
Data center, call center, R&D center, North and South Bases
- Various fundamental capabilities strengthened**
Business support, transmission, introduction of Internet contents, international networks

Innovative Development

- Initial capabilities for pre-commercial VoLTE and RCS
- Breakthrough in digital content
- Enhanced capabilities of e-channels
- Promoted customer preference oriented marketing model

Enhanced Management

- Centralized management, operational specialization, market-oriented mechanism, lean organizational structure and standardization of processes
- Reduced marketing and administration expenses significantly
- Centralized monitoring, reviewing and blocking indecent information
- Continuous promotion of best practices

Strive for Cost Reduction and Efficiency Enhancement

- Enhanced the marketization of device sales, lowered subsidy ratio
- Promoted transformation of social channels, reduced commissions
- Centralized advertising and promotion, reduced advertising expenses
- Stopped physical products marketing, closed VIP lounges at airports
- Enlarged tariff concessions, benefited customers directly



Efficiency in Utilizing Marketing Resources enhanced

| Device subsidies* | Channel commissions | Advertising expenses |
|--------------------------|-------------------------|--------------------------|
| Declined 28.5% | Declined 7.8% | Declined 24.6% |

Gradually Build up Efficient Marketing System

- More streamlined businesses
- More convenient services
- More explicit communications
- More beneficial to customers

* Device subsidies are included in “cost of products sold” in the financial statements

Actively Promote Energy Conservation and Emissions Reduction



Realized a 13.7% decrease in overall energy consumption per unit of information flow



- 4G energy-saving base stations
- Smart power-saving technology
- New energy
- Green ICT application
- Green data centers
- Recycled packaging
- Waste recycling
- Participate in energy saving for industry chain

Further Solidify 4G Competitive Advantage in 2015

Better Networks

Broader

Continuous coverage in **all** cities, counties and rural towns, hotspot coverage in villages; 4G **global roaming**

Deeper

Full coverage of key **high-speed railways, highways and 3A above tourist scenes**

Thicker

Full indoor coverage of shopping malls, office buildings, transportation hubs, etc.

Faster

LTE-A and evolution: carrier aggregation and multi-streaming transmission
100M→200M→600M→1G

More Customers

4G Customer Penetration Rate



Higher Traffic

Percentage of 4G Traffic



Better Experience



- ◆ New Communications
- ◆ New Messages
- ◆ New Contacts

Richer Content

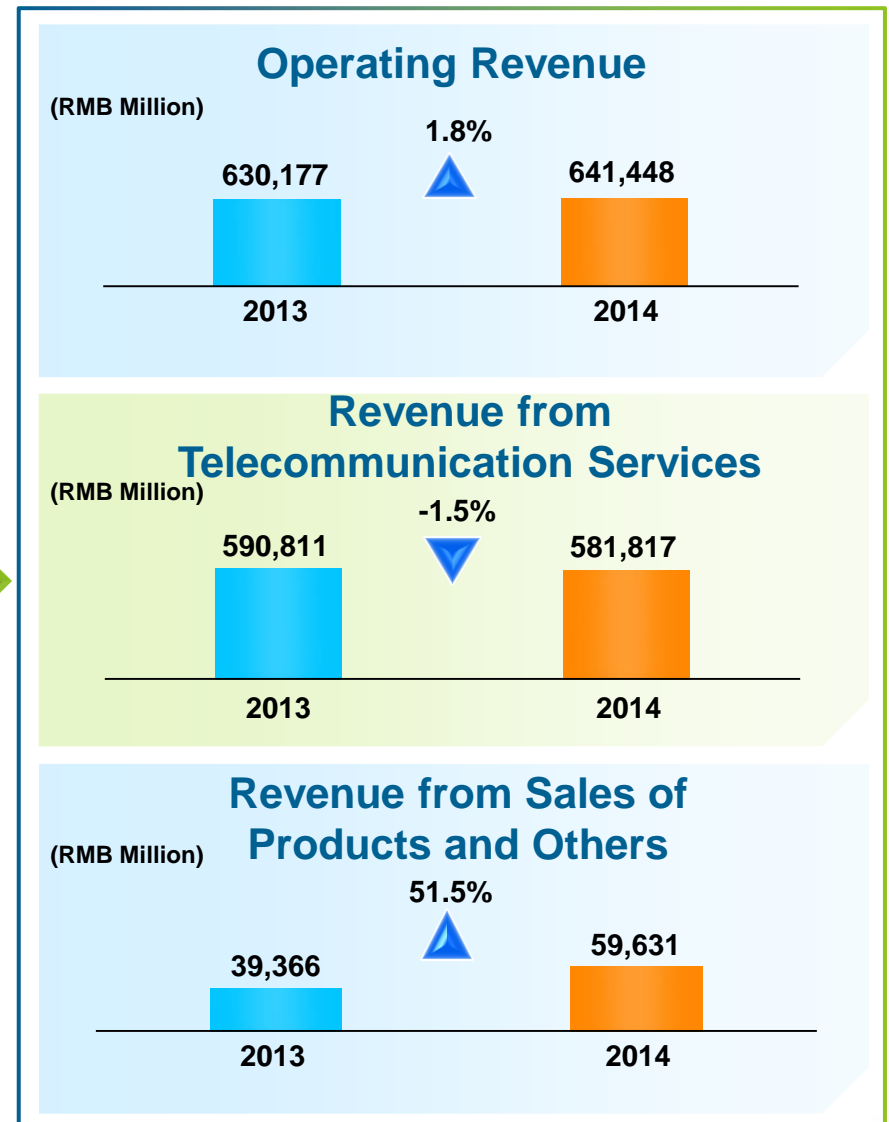
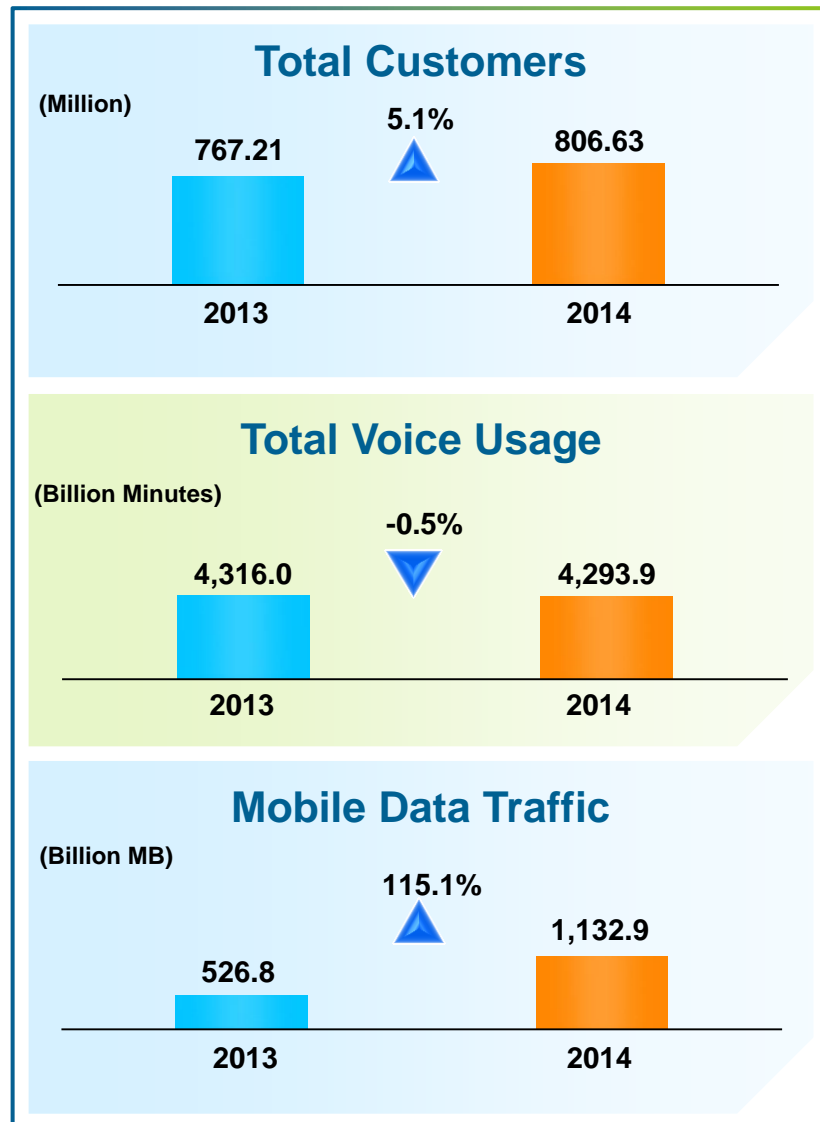
- ◆ Lossless music
- ◆ Online audio books
- ◆ Cool animation
- ◆ HD video
- ◆ High-speed games
- ◆

Commit to “Mobile Changes Life Become a Trustworthy Digital Services Expert”



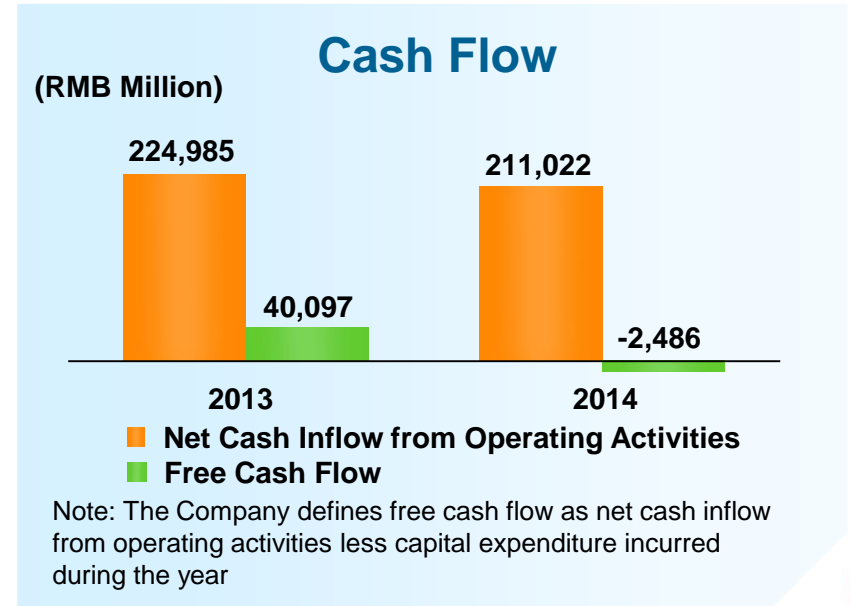
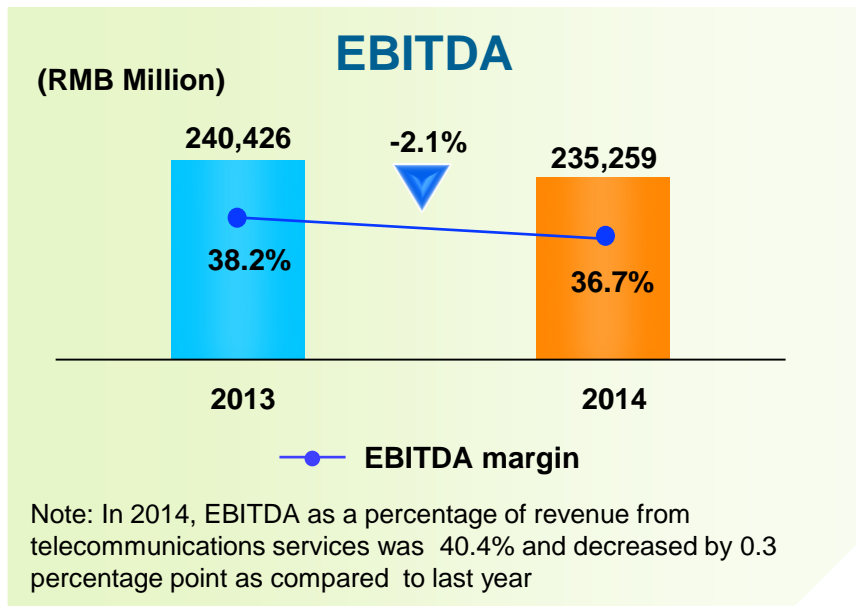
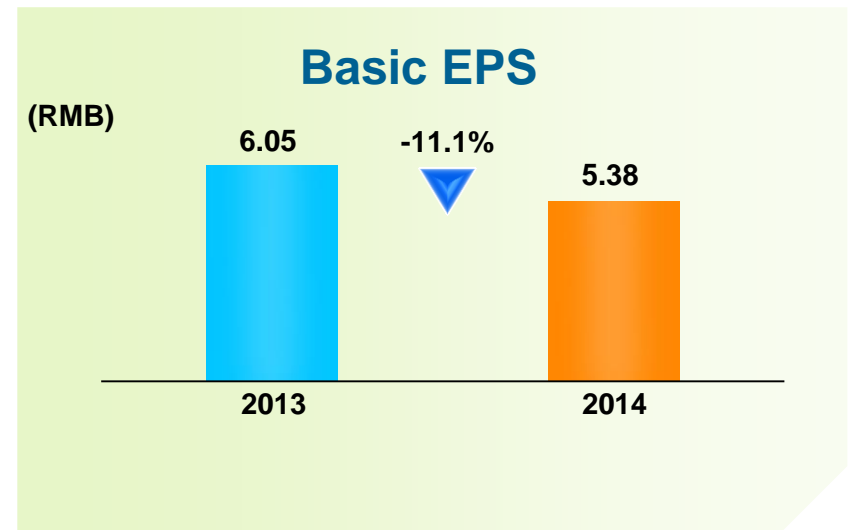
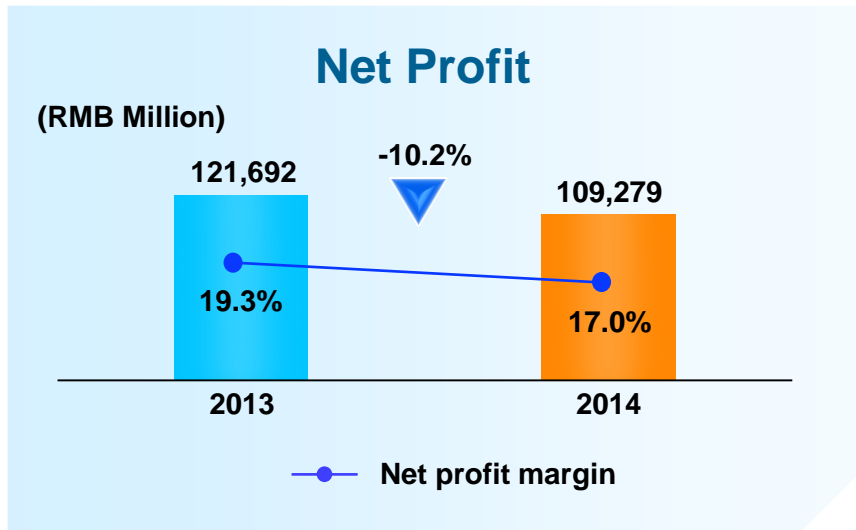
3 Financial Results for 2014

Various Pressure on Revenue Growth

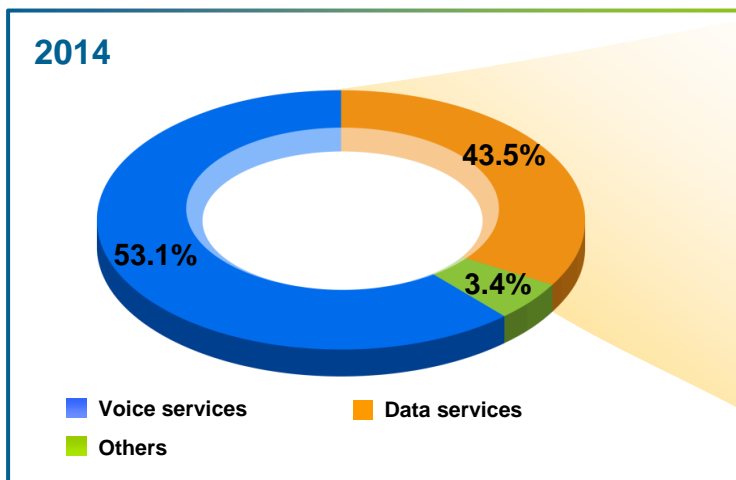


Note: Policy factors such as "Transformation from business tax to value-added tax" and the adjustments of interconnection settlement standards lowered the revenue growth

Maintain Sustainable Profitability

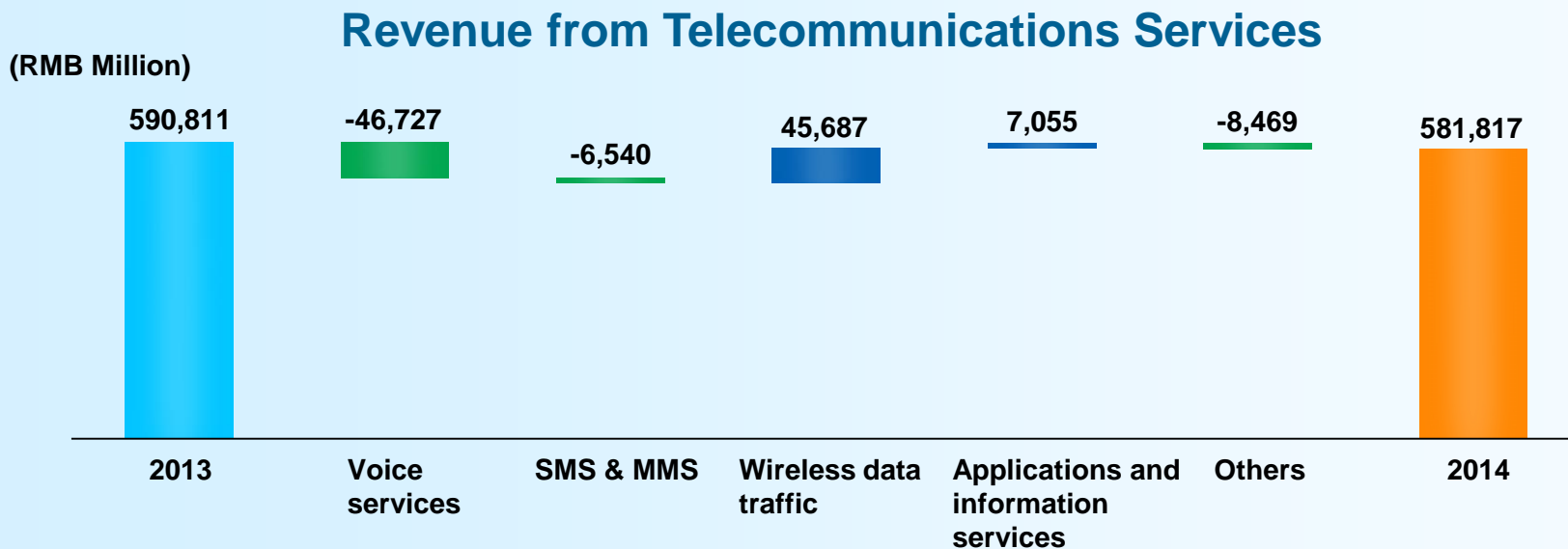


Further Optimize Revenue Structure

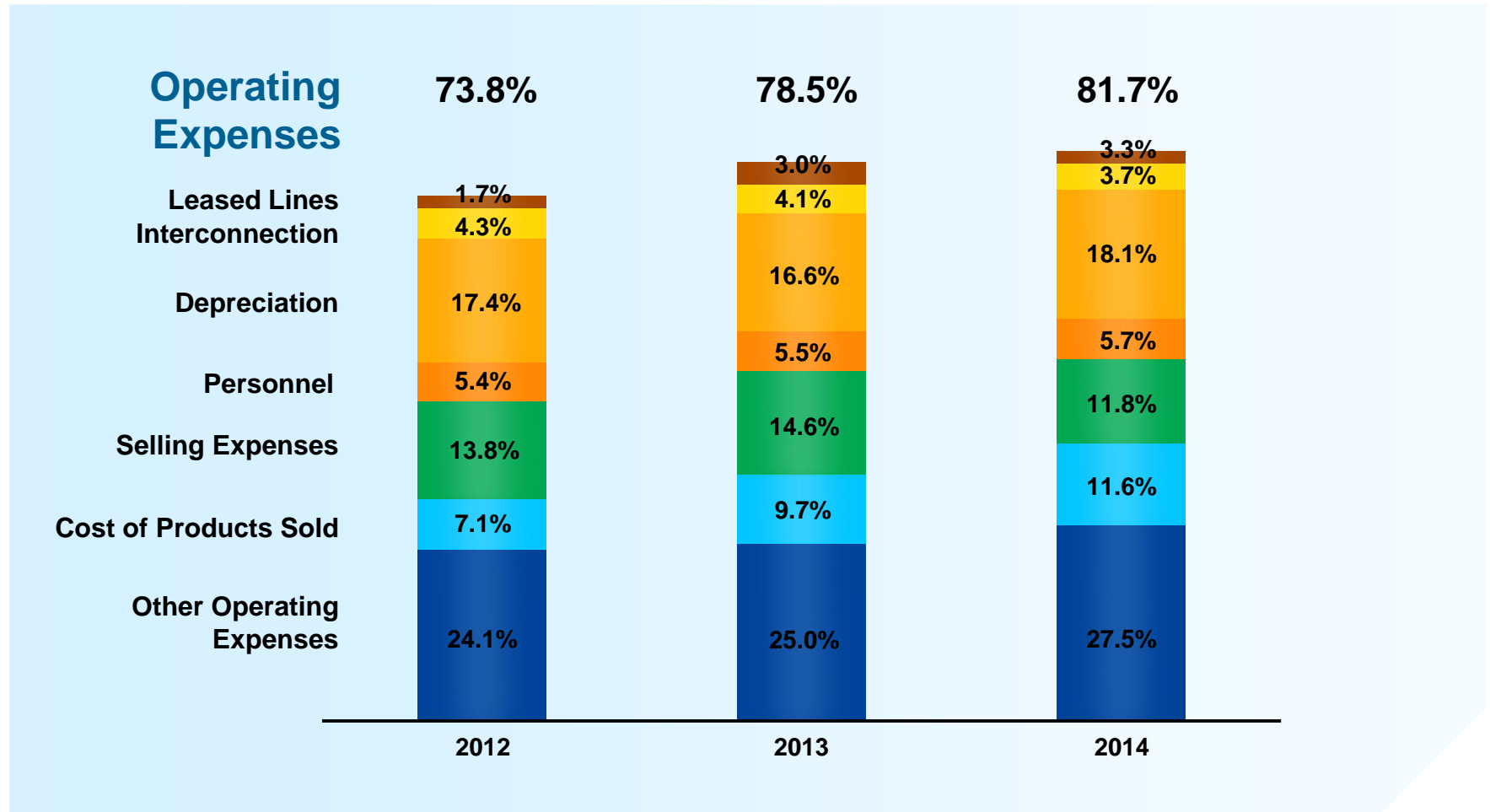


| | 2014 | 2013 | 2012 |
|---|--------------|--------------|--------------|
| SMS & MMS Revenue | 6.0% | 7.0% | 7.9% |
| Wireless Data Traffic Revenue | 26.4% | 18.3% | 12.2% |
| Applications and Information Services Revenue | 11.1% | 9.7% | 9.6% |
| Data Services Revenue | 43.5% | 35.0% | 29.7% |

Note: The above data are expressed as a percentage of revenue from telecommunications services



Improve Resources Efficiency by Cost Reduction and Efficiency Enhancement



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

Healthy and Solid Capital Structure

| | 2014.12.31 (RMB Million) | 2013.12.31 (RMB Million) |
|--|-----------------------------|-----------------------------|
| Short Term Debt | 68 | 1,428 |
| Long Term Debt | 4,992 | 4,989 |
| Total Debt | 5,060 | 6,417 |
| Shareholders' Equity | 856,576 | 788,773 |
| Total Book Capitalization | 861,636 | 795,190 |
| Debt to Assets Ratio | 33.8% | 32.3% |
| Total Debt / Total Book Capitalization | 0.6% | 0.8% |
| Cash & Bank Deposits | 428,288 | 426,724 |

Credit Rating

**Moody's
S&P**

**Aa3 / Outlook Stable
AA- / Outlook Stable**

Thank you!

Extracts from Audited Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2014

– Appendix I



| | 2014 (RMB Million) | 2013 (RMB Million) |
|---|-----------------------|-----------------------|
| Operating Revenue | 641,448 | 630,177 |
| Telecommunications Services Revenue | 581,817 | 590,811 |
| Voice services | 308,959 | 355,686 |
| Data Services | 253,088 | 206,886 |
| Others | 19,770 | 28,239 |
| Revenue from Sales of Products and Others | 59,631 | 39,366 |
| Operating Expenses | 524,114 | 494,528 |
| Leased Lines | 21,083 | 18,727 |
| Interconnection | 23,389 | 25,998 |
| Depreciation | 116,225 | 104,699 |
| Personnel | 36,830 | 34,376 |
| Selling Expenses | 75,781 | 91,834 |
| Costs of Products Sold | 74,464 | 61,363 |
| Other Operating Expenses | 176,342 | 157,531 |

| | 2014 (RMB Million) | 2013 (RMB Million) |
|------------------------------------|-----------------------|-----------------------|
| Profit from Operations | 117,334 | 135,649 |
| Non-operating Income, net | 1,089 | 910 |
| Interest Income | 16,149 | 15,289 |
| Finance Costs | (228) | (331) |
| Share of Profit of Associates | 8,248 | 7,062 |
| Taxation | (33,187) | (36,776) |
| Profit for the Year | 109,405 | 121,803 |
| Attributable to: | | |
| Equity Shareholders of the Company | 109,279 | 121,692 |
| Non-controlling Interests | 126 | 111 |
| Profit for the Year | 109,405 | 121,803 |

**Extracts from Audited Consolidated Balance Sheet
as at 31 December 2014
– Appendix II**

| | 2014.12.31 (RMB Million) | 2013.12.31 (RMB Million) |
|-------------------------|-------------------------------------|-------------------------------------|
| Current Assets | 477,583 | 467,189 |
| Non-current Assets | 818,866 | 700,203 |
| Total Assets | 1,296,449 | 1,167,392 |
| Current Liabilities | (431,876) | (370,913) |
| Non-current Liabilities | (5,930) | (5,755) |
| Total Liabilities | (437,806) | (376,668) |
| Net Assets | 858,643 | 790,724 |

| | 2014 | 2013 |
|---|---------|---------|
| Total Customers (Million) | 806.63 | 767.21 |
| of which: 4G Customers (Million) | 90.06 | - |
| 3G Customers (Million) | 245.75 | 191.62 |
| MOU (Minutes/User/Month) | 453 | 486 |
| ARPU (RMB/User/Month) | 61 | 67 |
| Average Handset Data Traffic per Month (MB/User/Month) | 155 | 72 |
| Total Voice Usage (Billion Minutes) | 4,293.9 | 4,316.0 |
| Mobile Data Traffic (Billion MB) | 1,132.9 | 526.8 |
| SMS Usage (Billion Messages) | 611.4 | 734.1 |
| Average Voice Services Revenue per Minute (RMB) | 0.072 | 0.082 |
| Average Monthly Churn Rate | 3.13% | 3.15% |

Forward-looking Statement

Certain statements contained in this document may be viewed as “forward-looking statement” within the meaning of Section 27A of the U.S. Securities Act of 1993, 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 the Company’s other filings with the SEC.