

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

2007 *Annual Results*



2007 Annual Results

China Mobile Limited

19 March 2008



-  **Mr. WANG Jianzhou**
Chairman & CEO
-  **Mr. LI Yue**
Executive Director & Vice President
-  **Mr. LU Xiangdong**
Executive Director & Vice President
-  **Mr. XUE Taohai**
Executive Director, Vice President & CFO
-  **Madam XIN Fanfei**
Executive Director & Vice President

Overall Performance for 2007

Financial Results for 2007

Overall Performance for 2007

Highlights

Remarkable operating results

Revenue **↑ 20.9%**
Net profit **↑ 31.9%**

Continuing rapid subscriber growth

Average monthly net adds exceeded
5.67 million

Rapid value-added business growth

Proportion to total revenue rose to **25.7%**

Strong rural market growth

Contributing nearly half of subscriber growth

Full year dividend of HK\$1.997 per share

Full year special dividend of HK\$0.101 per share

Overall Operating Performance



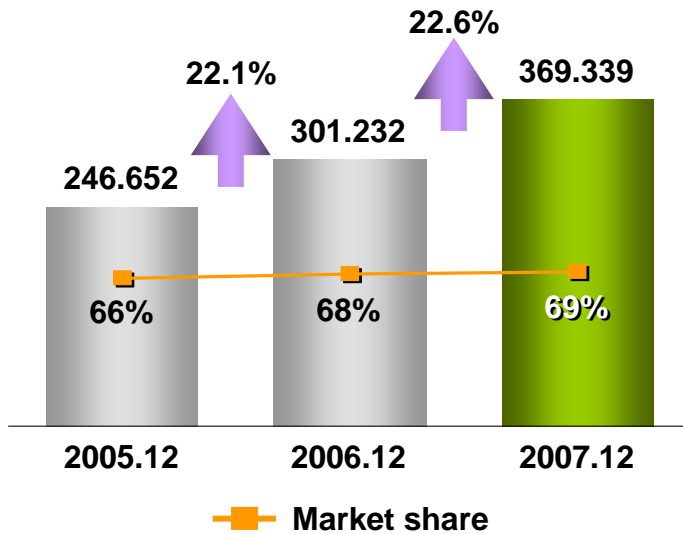
	2006	2007	Change
Subscribers (Million)	301.232	369.339	22.6%
Operating Revenue (RMB Billion)	295.358	356.959	20.9%
EBITDA (RMB Billion)	159.574	194.003	21.6%
EBITDA Margin (%)	54.0%	54.3%	0.3 ppt
Net Profit (RMB Billion)	66.026	87.062	31.9%
Net Profit Margin (%)	22.4%	24.4%	2.0 ppt
Basic Earnings per Share (RMB)	3.32	4.35	31.0%

Continuous Rapid Growth of Subscribers



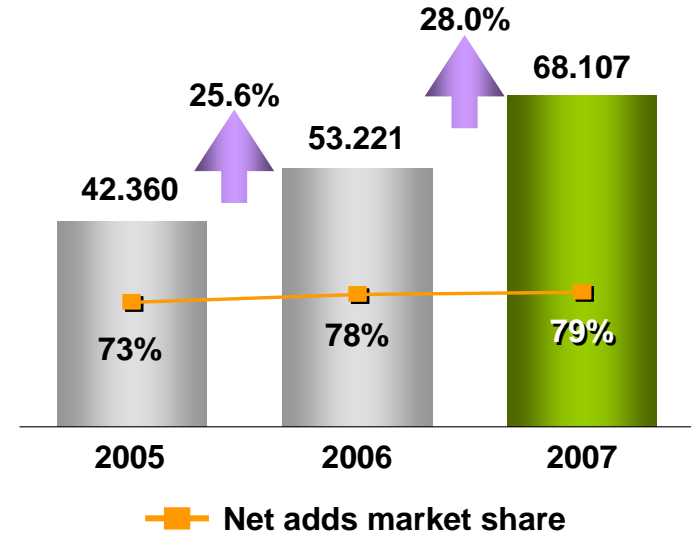
Total Subscribers

(Million)



Net Additional Subscribers

(Million)

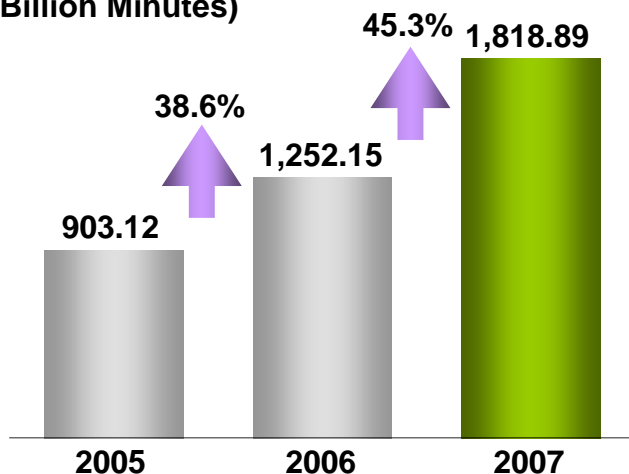


Note: The total net additional subscribers for 2006 excluded the subscriber base of 1.359 million as of end of 2005 acquired from China Mobile Peoples Telephone Company Limited.

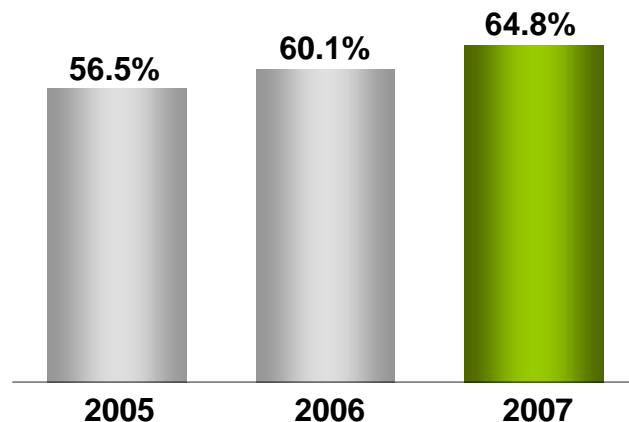
Continued Growth of Voice Business

Total Voice Usage

(Billion Minutes)

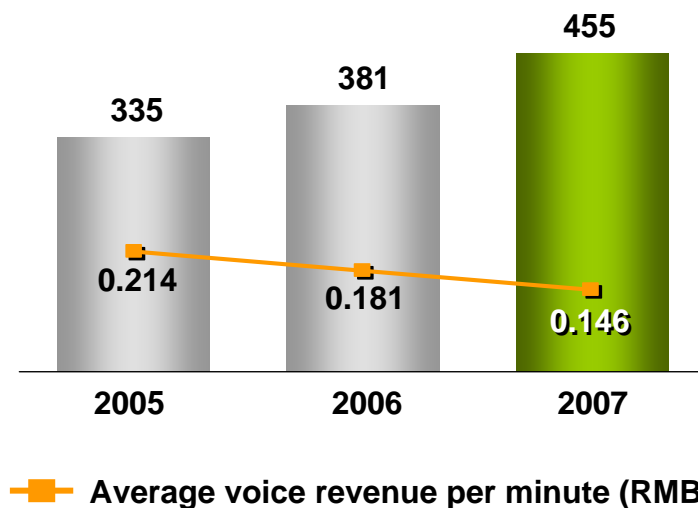


Proportion of Intra-network Usage



MOU

(Minutes)

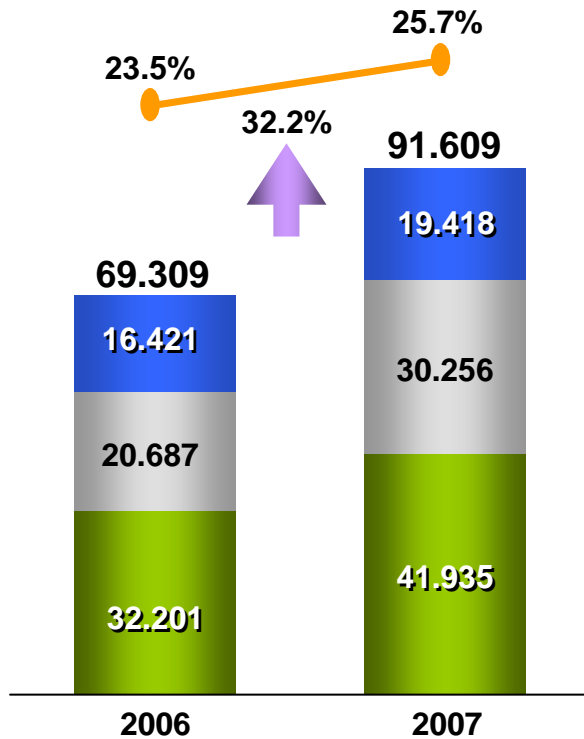


Significant Growth and Contribution of Value-added Business



Value-added Business Revenue

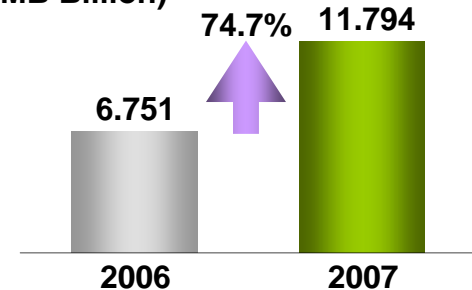
(RMB Billion)



- SMS
- Non-SMS data business
- Voice value-added service
- VAS revenue / Total revenue

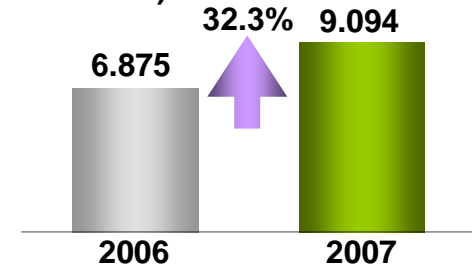
Color Ring Revenue

(RMB Billion)



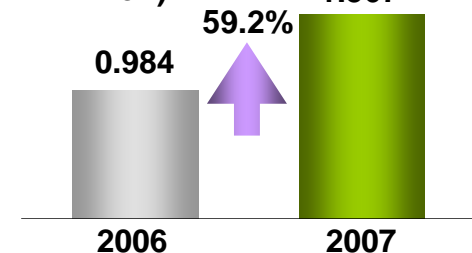
WAP Revenue

(RMB Billion)



MMS Revenue

(RMB Billion)

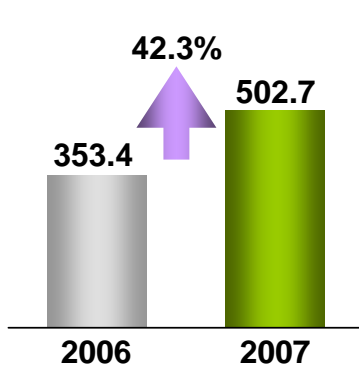


Prosperous Development in Value-added Business Products



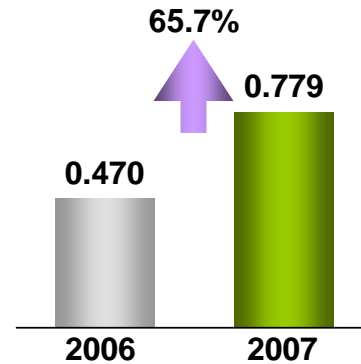
SMS Usage

(Billion Messages)



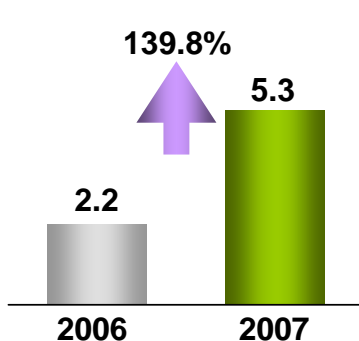
Color Ring Subscription

(Billion Times)



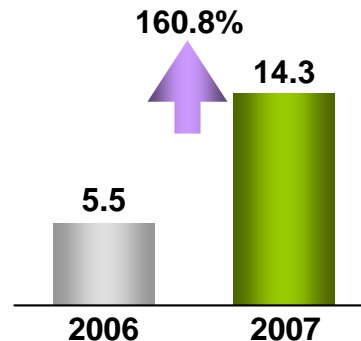
WAP Traffic

(Billion MB)



MMS Usage

(Billion Messages)



Mobile Music

Enriched content and applications

A CM database with 250,000 songs
Wireless music club members: 66.88 million
50.75 million additions in 2007
Senior members: 35.46 million

Mobile Paper

Rapid growth momentum

Paying subscribers: 23.55 million
18.05 million additions in 2007
“Morning/Evening Post” paying subscribers:
17.80 million

Fetion

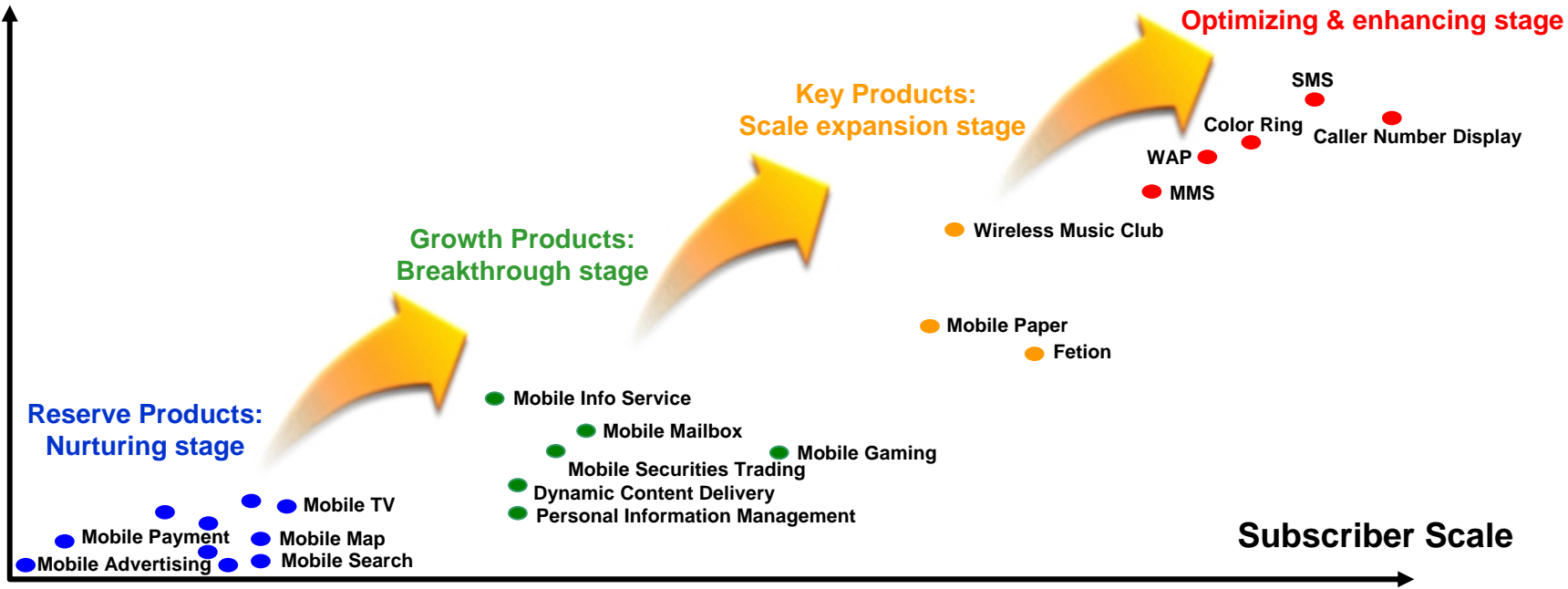
Good responses from IM market

Fetion subscribers: 73.26 million
67.48 million additions in 2007
Active subscribers: 12.81 million

Pushing Stratified Data Business Development



Revenue Scale



Product Development

- Strengthen new product development
- Customer demand analysis & formulate product design standard
- Increase discourse right in international standard setting process

Innovation Base

Music	Fetion
E-commerce	Mobile TV
LBS	Others

- Conduct product pilot-test at provincial subsidiary
- Nationwide promotion after proven success

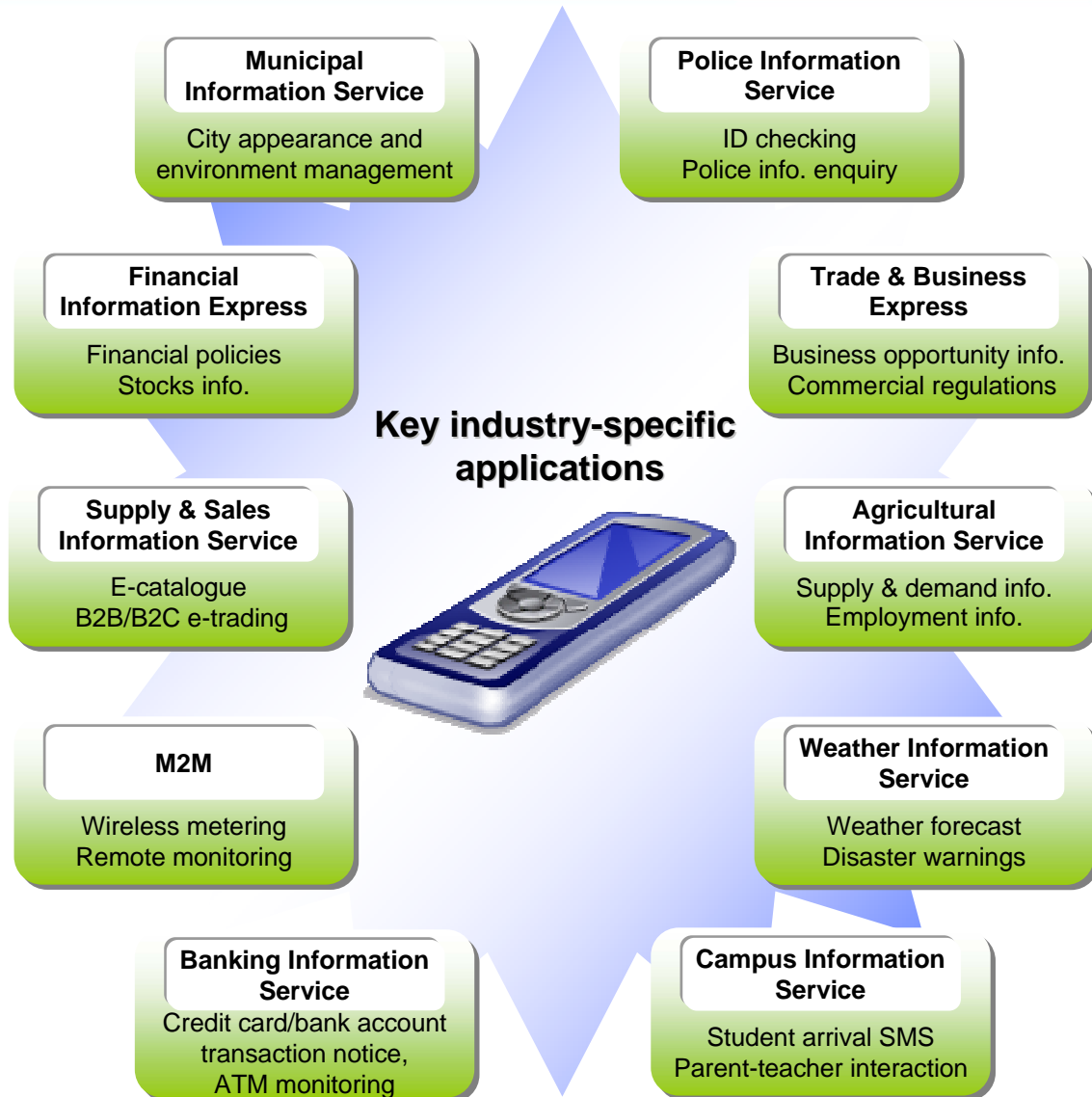
Partnership

SP	SI
Record Companies	Media Companies
Others	

- Integrate resources and lead value chain
- Realise win-win situation in value chain

Dedicated Efforts in Expanding Corporate Customer Market

- As of end at 2007, 29.2% of total subscribers registered under 2.12 million corporate accounts
- Great efforts to promote corporate informatization and industry-specific applications based on mobile terminals, to meet demand for mobile office, production monitoring and service management
- Developed series of applications in society-focused areas related to urban and rural development, education, and environmental protection etc



Deepening Rural Market Development



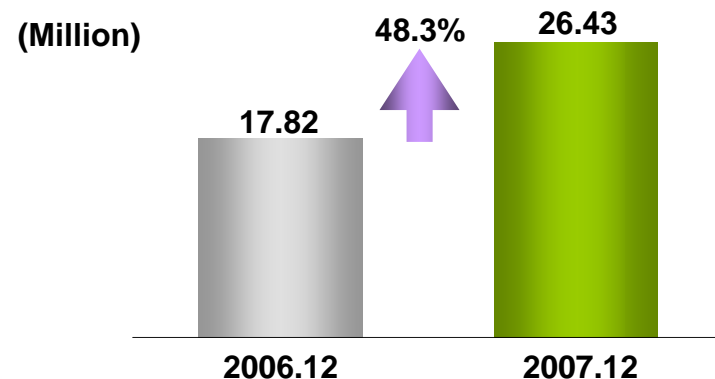
- Government's focus and supportive policies favored rural area development
- Faster urbanization and larger migratory population spurred demand for mobile services
- Higher rural living standards boosted mobile consumption
- Cheaper mobile terminals lowered service entry threshold
- Promoting rural informatization through "Agricultural Information Service"

Customized sales and marketing strategy to achieve economies of scale

- Low-cost promotions through wall advertising and banners
- Utilizing OTA recharging etc to provide cheap top-up service
- Co-sharing urban-based customer service resources and support system
- Leveraging strong brand effect in rural market

"Agricultural Information Service" Subscribers

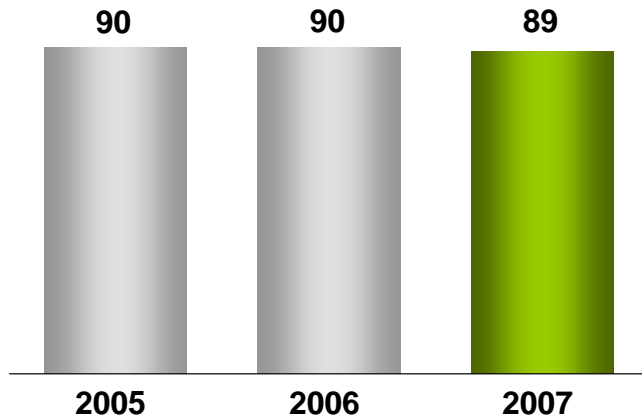
- Expand rural subscriber scale
- Increase customer stickiness
- Develop customer habit of using value-added business



Continued Growth in Operating Revenue

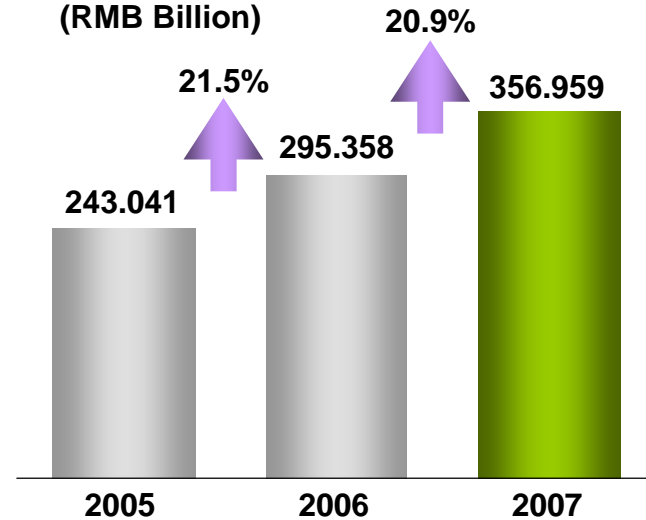
ARPU

(RMB)



Operating Revenue

(RMB Billion)



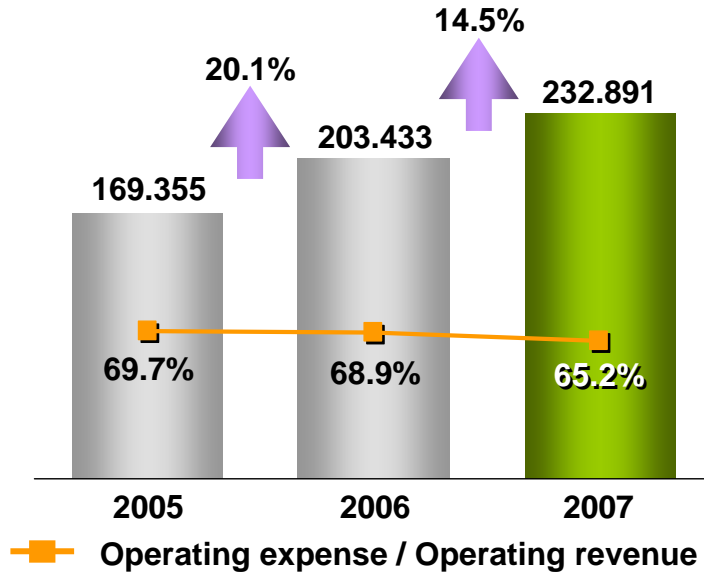
- Subscriber and voice usage growth
- Favorable impetus of value-added business
- Rapid development of rural market

Continued growth in operating revenue

Sustained Profit Growth

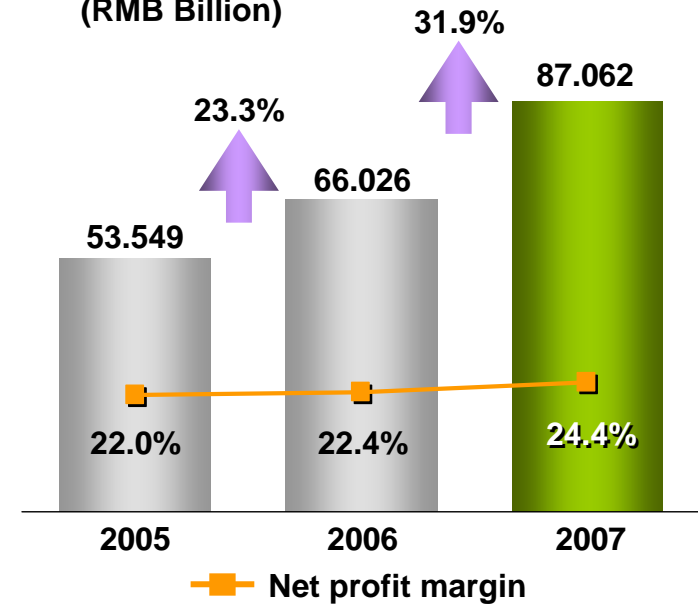
Operating Expense

(RMB Billion)



Net Profit

(RMB Billion)



- Favorable revenue growth
- Effective cost control
- Better economies of scale

Sustained Profit Growth

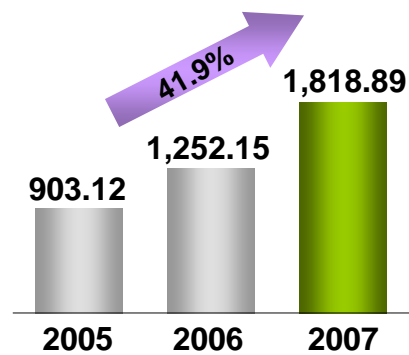
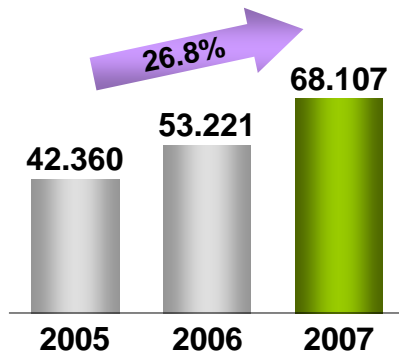
Note: Operating expense of year 2006 has been reclassified to conform with current year's presentation.

Net Additional Subscribers

Total Voice Usage

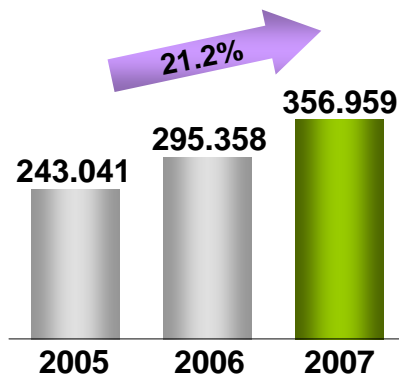
(Million)

(Billion Minutes)



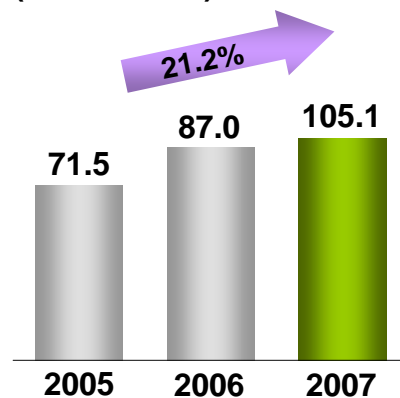
Operating Revenue

(RMB Billion)



CAPEX

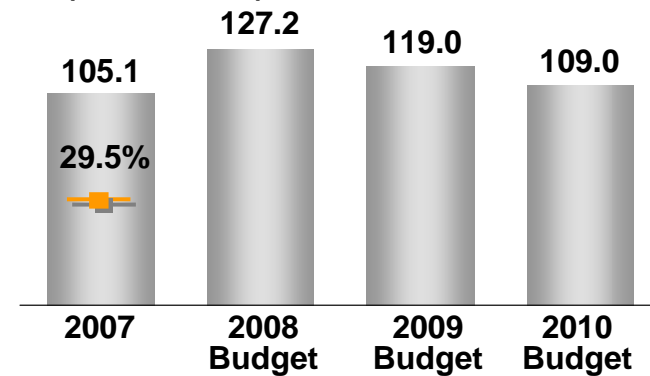
(RMB Billion)



Compound Annual Growth Rate

CAPEX

(RMB Billion)



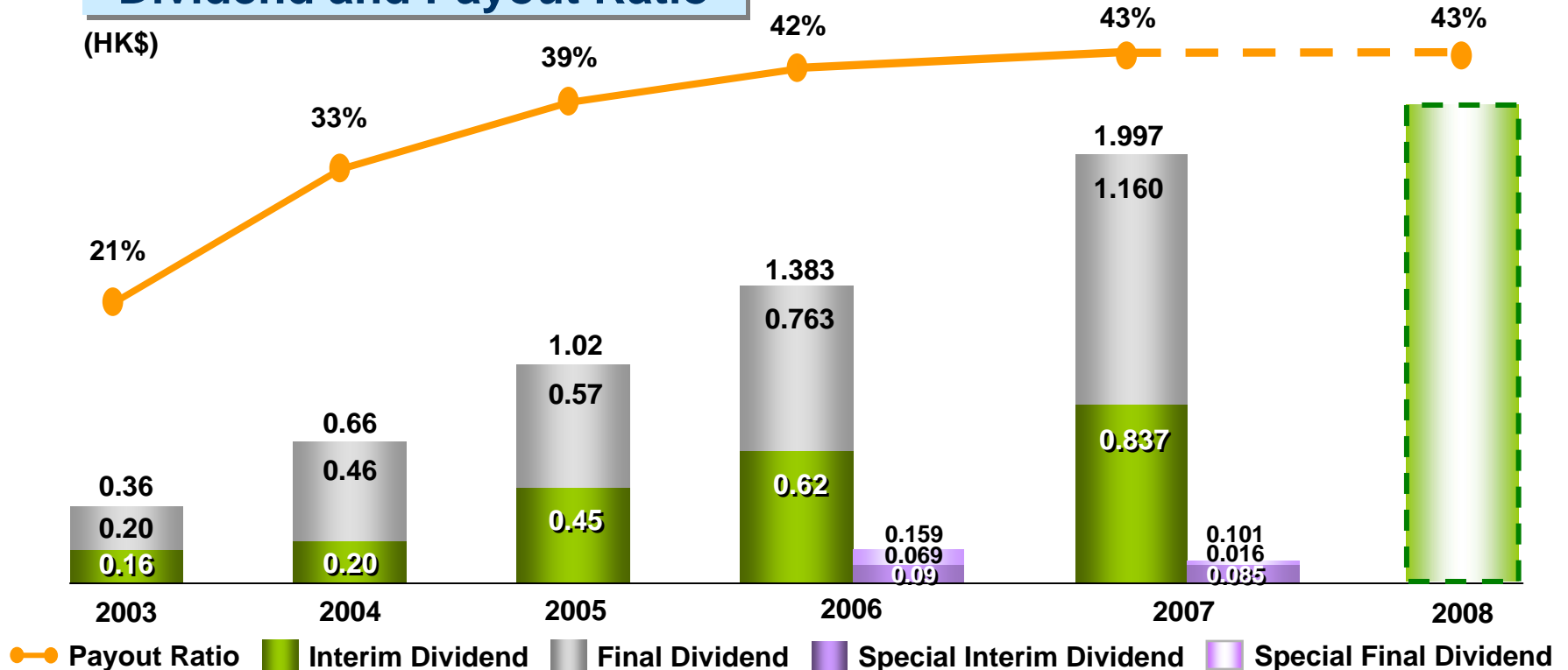
CAPEX to operating revenue ratio

- Satisfy strong market demand
- Promote continuous development of value-added business
- Maintain leading network advantage
- Lower procurement cost through centralization, standardization and informatization
- Deploy soft switches and IP based network etc to meet challenges of new generation technology

Favorable and Continued Dividend Growth



Dividend and Payout Ratio



- Annual dividend for 2007 was HK\$1.997 per share (including the interim dividend of HK\$0.837 per share), with a full year payout ratio of 43%
- Annual special dividend for 2007 was HK\$0.101 per share (including the interim special dividend of HK\$0.085 per share)
- The planned dividend payout ratio for the full year of 2008 is 43%
- Endeavor to achieve a long-term sustainable, steadily increasing dividend, with a view to generating the best possible return for shareholders

Olympics, We Are Ready!

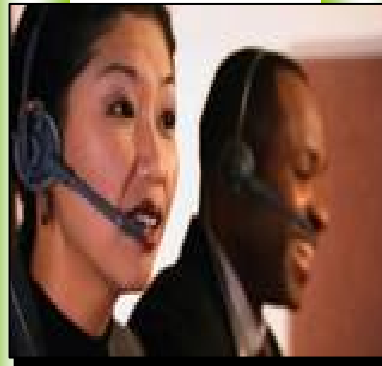
- Olympic promotion to enhance brand & image
- Product innovation to drive promotion
- Realizing benefits from partnership right

Sports ground coverage to handle instant explosive call traffic



Live broadcasting via mobile phone

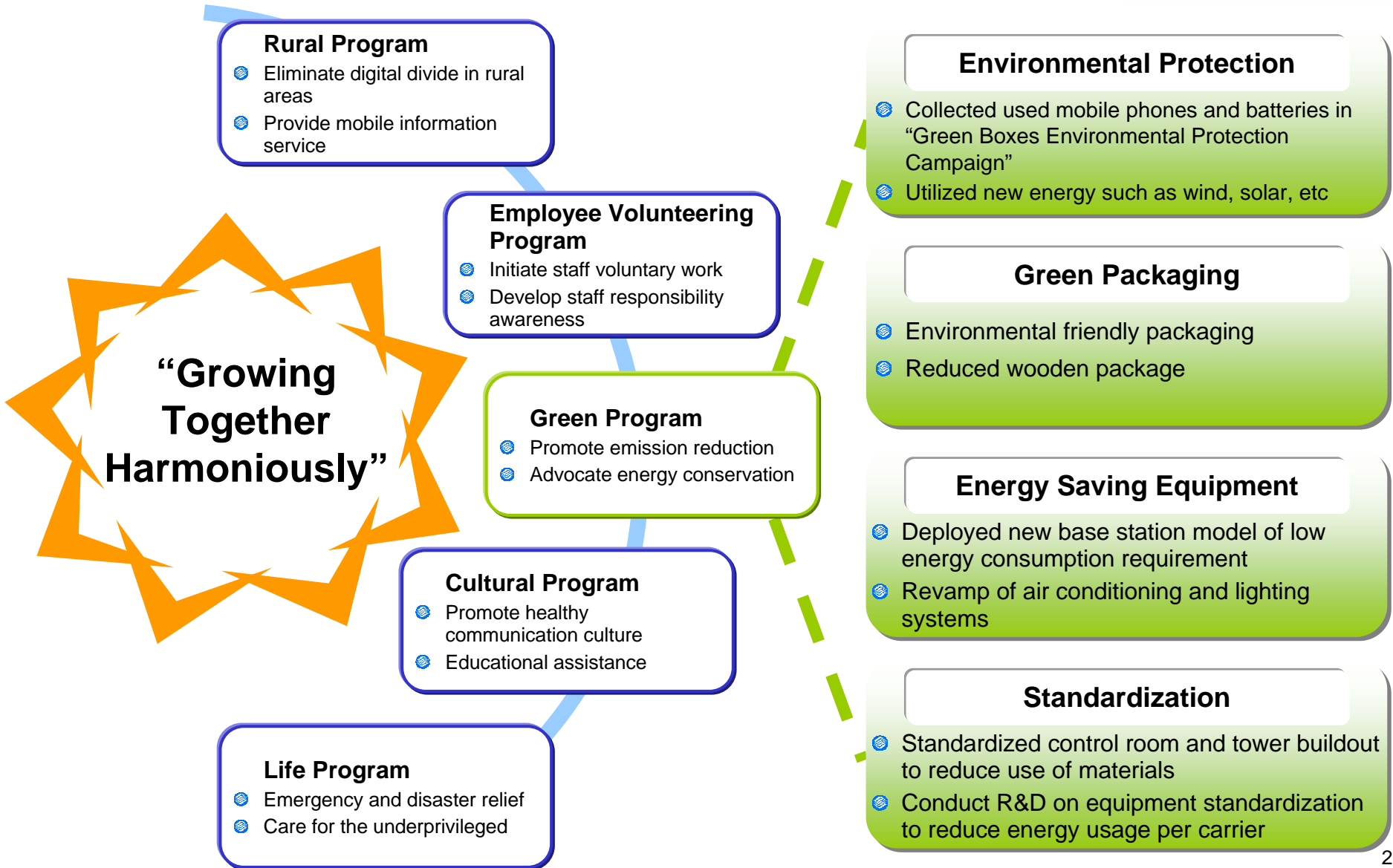
International roaming service



Communication assurance at Mount Everest

Most Advanced Technology | Most Abundant Businesses | Most Considerate Services

Corporate Social Responsibility



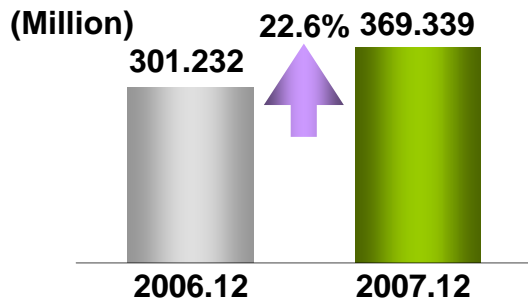


**A World-class Enterprise and
A Mobile Information Expert**

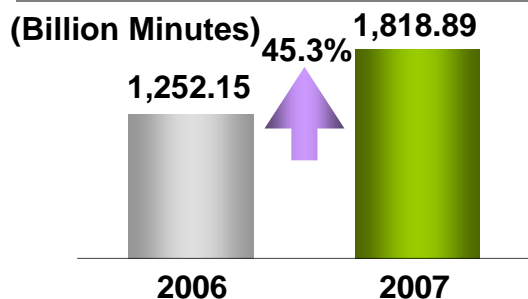
Financial Results For 2007

Strong Growth Momentum

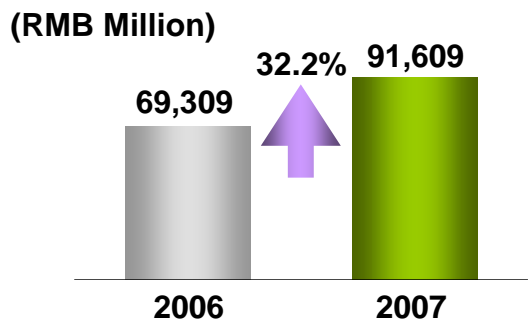
Subscribers



Total Voice Usage

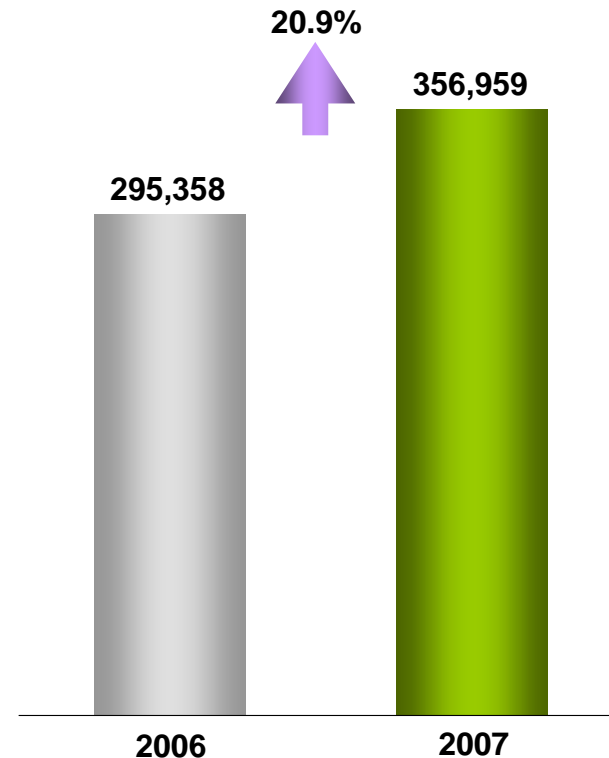


Value-added Business Revenue



Operating Revenue

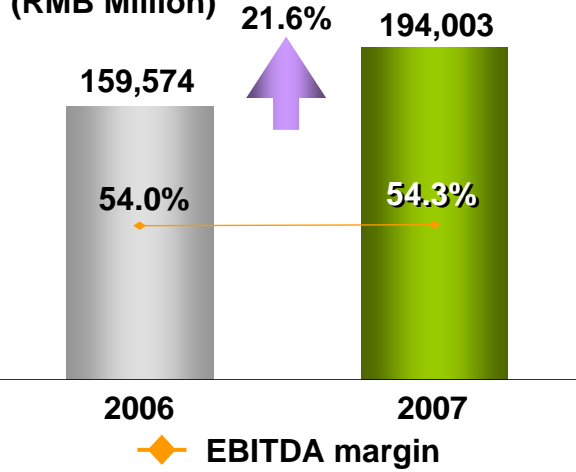
(RMB Million)



Continuous Favorable Growth of Profitability

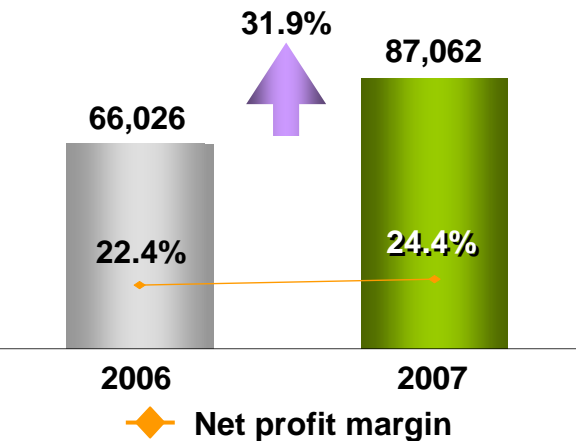
EBITDA

(RMB Million)



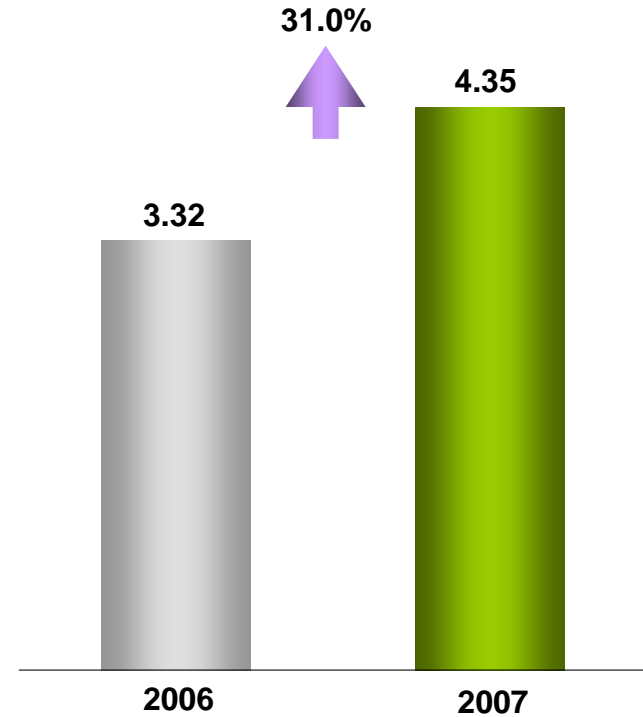
Net Profit

(RMB Million)



Basic EPS

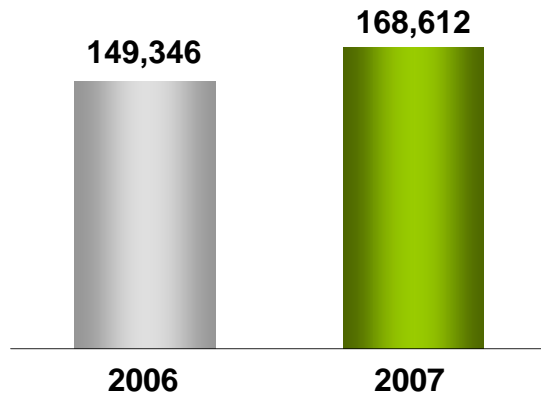
(RMB)



Strong Cash Flow

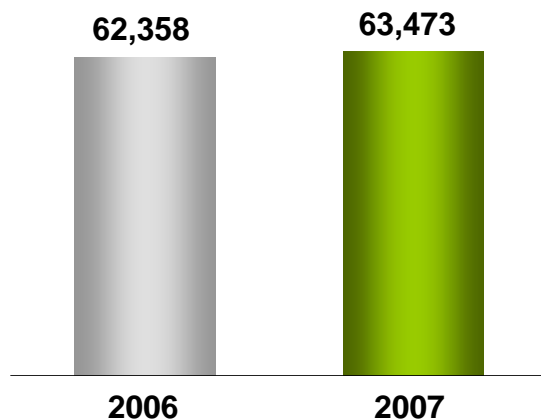
Net Cash Generated from Operating Activities

(RMB Million)




Free Cash Flow

(RMB Million)



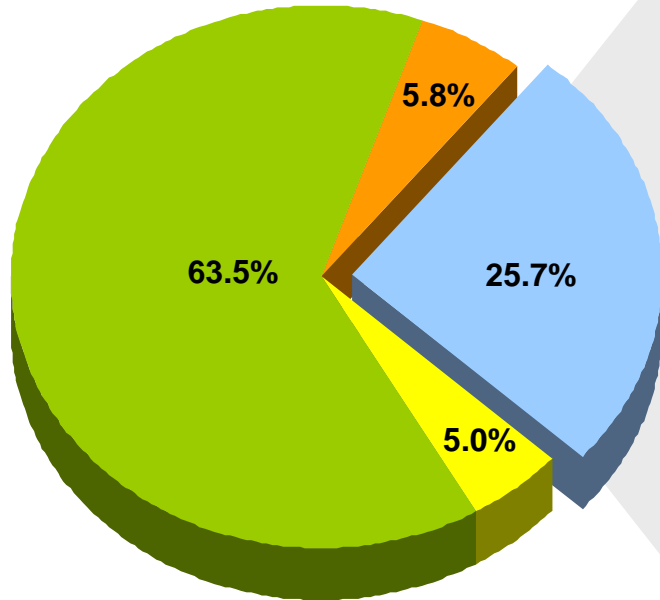
Continued favorable business growth and economies of scale



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

Revenue Composition

2007



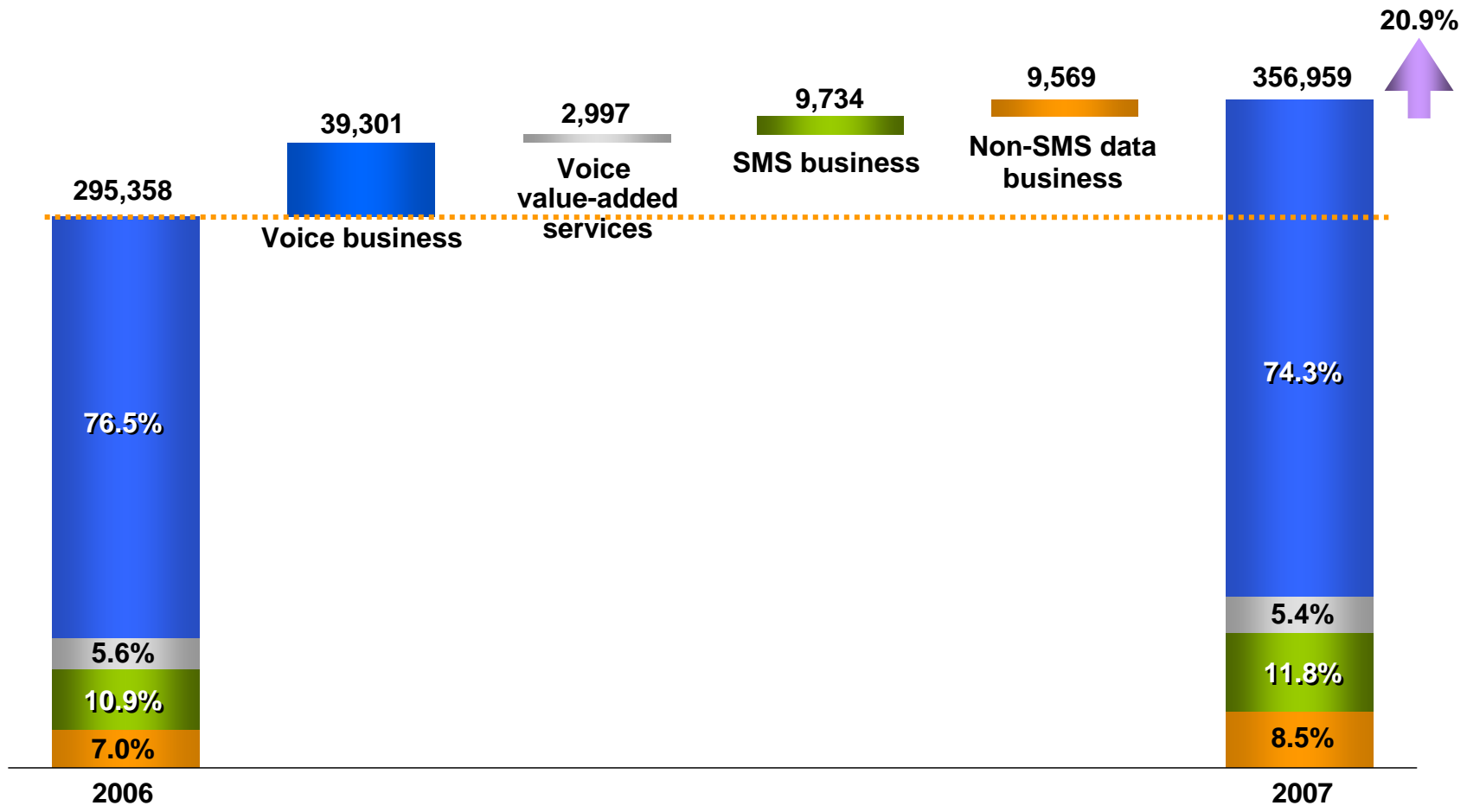
- Usage fees
- Value-added business
- Monthly fees
- Others

	2007	2006	2005
Voice value-added services revenue	5.4%	5.6%	5.4%
SMS revenue	11.8%	10.9%	10.2%
Non-SMS data business revenue	8.5%	7.0%	5.0%
Value-added business revenue	25.7%	23.5%	20.6%

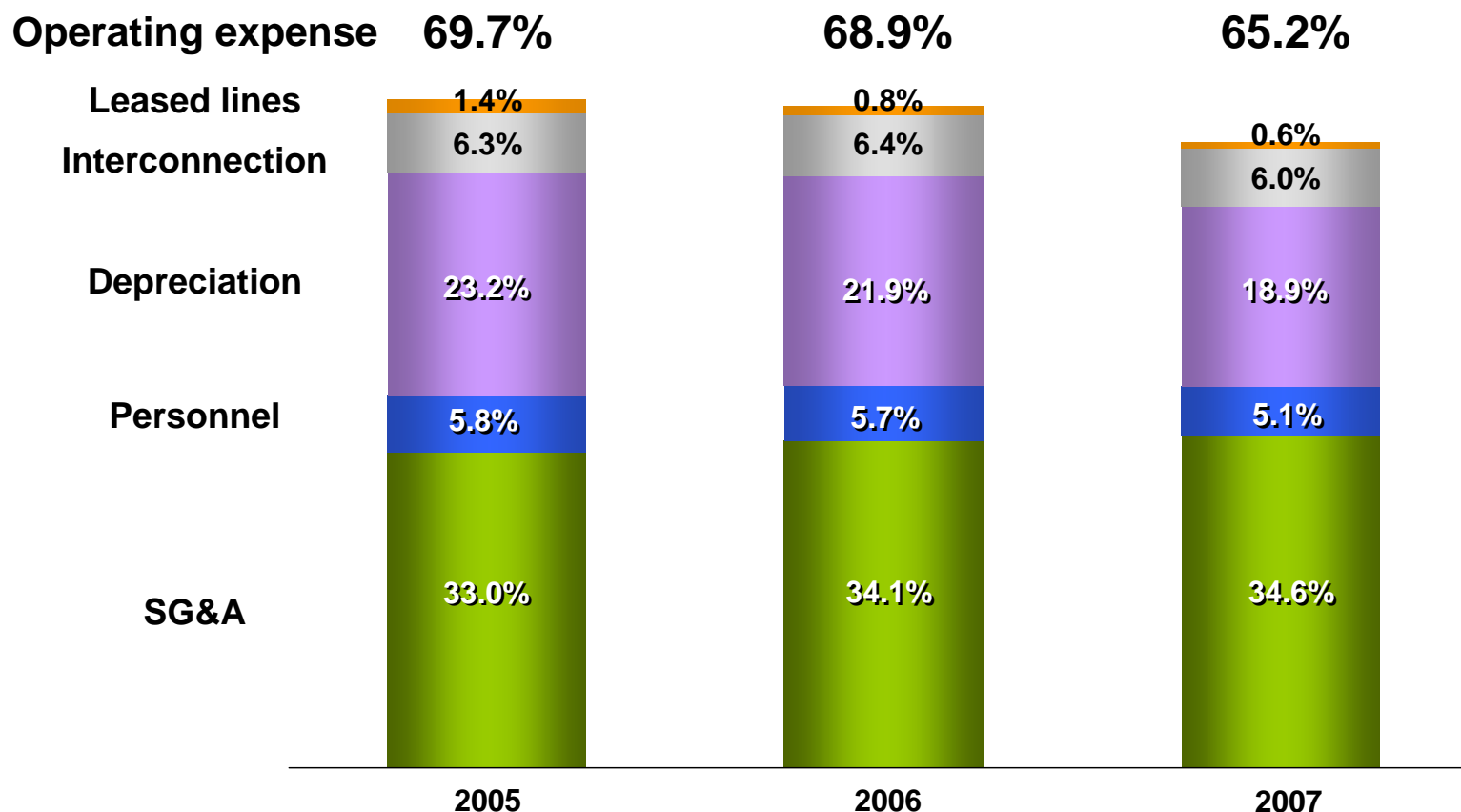
Note: The above data are expressed as a percentage of operating revenue.

Composition of Revenue Growth

(RMB Million)



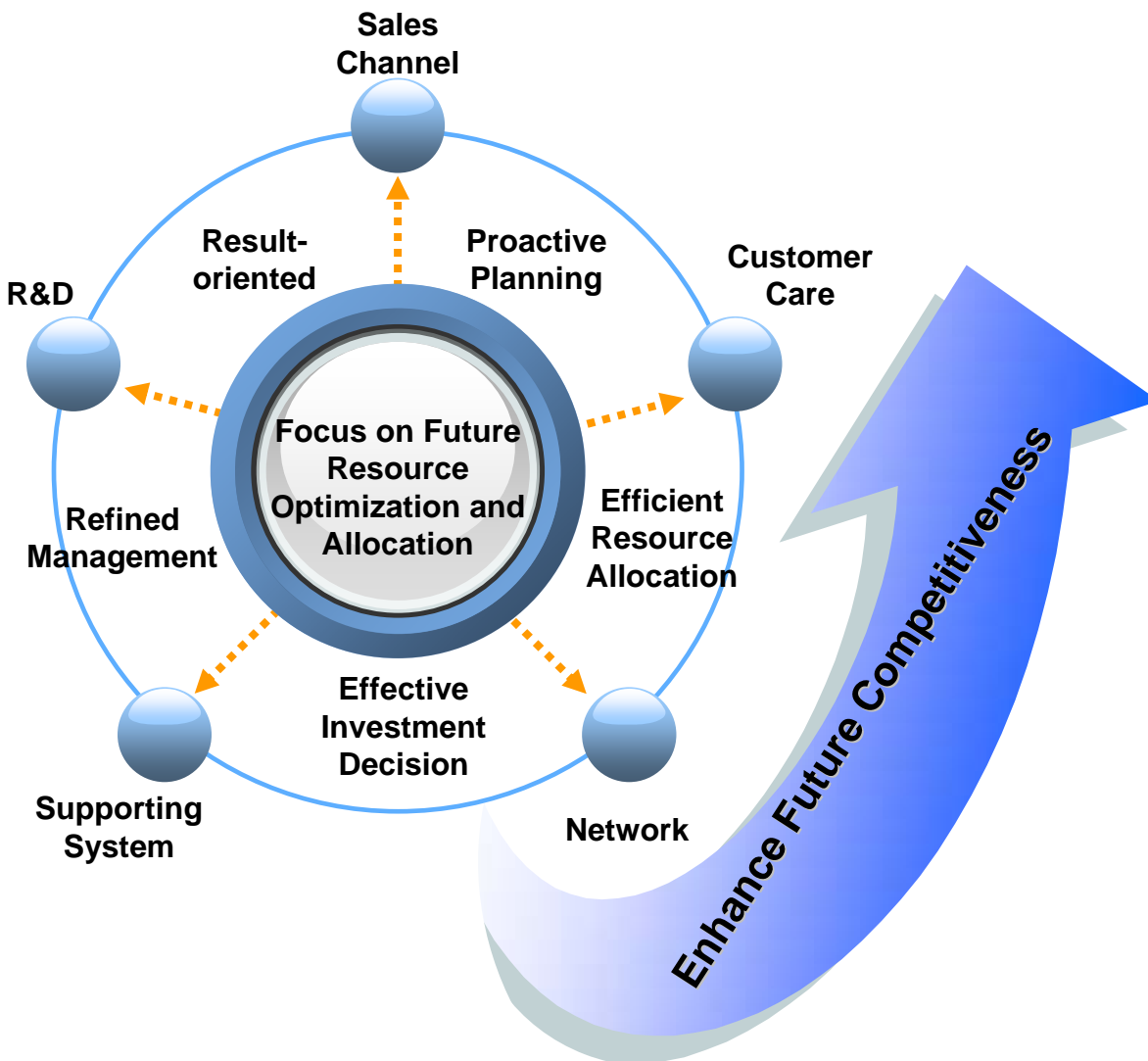
Cost Composition



Note1: The above data are expressed as a percentage of operating revenue.

Note2: Revision of depreciable lives for existing switching centre equipment, excluding soft switching centre equipment that conform with the new generation technology, resulted in additional depreciation expense of RMB 6.516 billion in 2007.

Effective Cost Resource Allocation



Strong Business Development

- Operating revenue up 20.9%
- Subscribers up 22.6%
- Voice usage volume up 45.3%

Significant Economies of Scale

- Cost to revenue down 3.7 ppt
- Average operating expense per minute down 21.2%
- Average monthly operating expense per user down 5.9%

Solid Capital Structure and Strong Credit Profile



(RMB Million)	2006.12.31	2007.12.31
Short Term Debt	5,276	1,921
Long Term Debt	33,574	33,582
Total Debt	38,850	35,503
Shareholders' Equity	319,002	373,751
Total Book Capitalization	357,852	409,254
Total Debt / Total Book Capitalization	10.9%	8.7%
Cash & Bank Deposits	153,461	188,544
Net Cash	114,611	153,041
Interest Coverage	63x	70x

Credit Rating

S&P's

Moody's

A / Stable

A2 / Positive



A / Positive

A1 / Stable

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

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

THANK YOU



Extracts from audited consolidated income statement for the year ended 31 December 2007 – Appendix I



(RMB Million)	2007	2006
Operating revenue		
Usage fees	226,488	189,710
Monthly fees	20,856	21,629
Value-added business	91,609	69,309
Other operating revenue	18,006	14,710
	<u>356,959</u>	<u>295,358</u>
Operating expense		
Leased lines	2,330	2,451
Interconnection	21,500	18,783
Depreciation	67,354	64,574
Personnel	18,277	16,853
Other operating expenses	123,430	100,772
	<u>232,891</u>	<u>203,433</u>
Profit from operations	<u>124,068</u>	<u>91,925</u>

(RMB Million)	2007	2006
Profit from operations (Cont'd)	124,068	91,925
Other net income	2,323	2,872
Non-operating net income	657	285
Interest income	4,015	2,604
Finance costs	(1,825)	(1,510)
Taxation	(42,059)	(30,062)
Profit for the year	<u>87,179</u>	<u>66,114</u>
Attributable to:		
Equity shareholders of the Company	87,062	66,026
Minority interests	117	88
Profit for the year	<u>87,179</u>	<u>66,114</u>

Note: Certain comparative figures have been reclassified to conform with current year's presentation.

Extracts from audited consolidated balance sheet as at 31 December 2007 – Appendix II



(RMB Million)	2007.12.31	2006.12.31
Current assets	207,635	171,507
Non-current assets	355,858	323,169
Total assets	563,493	494,676
Current liabilities	(154,953)	(140,607)
Non-current liabilities	(34,301)	(34,696)
Total liabilities	(189,254)	(175,303)
Net assets	374,239	319,373

Operating Data – Appendix III



	2007	2006
Subscribers (Million)	369.339	301.232
MOU (Minutes)	455	381
ARPU (RMB)	89	90
Average Revenue per Minute (RMB)	0.196	0.236
Mobile Data Users (Million)	349.551	270.384
SMS Usage (Billion Messages)	502.741	353.384
Average Monthly Churn Rate (%)	2.64%	2.73%

Forward-looking Statements



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.