

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

2008 *Interim Results*



北京2008年奥运会合作伙伴
Partner of the Beijing 2008 Olympic Games

2008 Interim Results

China Mobile Limited
27 August 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 1H2008



Financial Results for 1H2008



Overall Performance for 1H2008



Highlights

**Remarkable results
despite natural disasters**

**Revenue ↑ 17.9%
Net profit ↑ 44.7%**

**Sustained strong
subscriber growth**

**Average monthly
net adds exceeded
7.50 million**

**Rapid value-added
business growth**

**Proportion to total
revenue rose to 27.0%**

**Strong growth in
rural market**

**Nearly half of subscriber
growth came from rural
market**

**Ordinary interim
dividend of HK\$1.339
per share ↑ 60.0%**

**Planned full year
dividend payout
ratio of 43%**

Overall Operating Performance



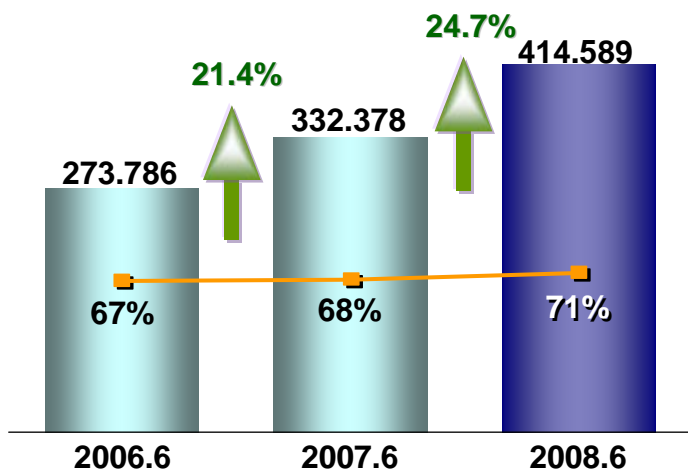
	1H2007	1H2008	Change
Total Subscribers (Million)	332.378	414.589	24.7%
Operating Revenue (RMB Billion)	166.580	196.460	17.9%
EBITDA (RMB Billion)	89.814	104.361	16.2%
EBITDA Margin (%)	53.9%	53.1%	-0.8 ppt
Net Profit (RMB Billion)	37.907	54.849	44.7%
Net Profit Margin (%)	22.8%	27.9%	5.1 ppt
Basic Earnings per Share (RMB)	1.90	2.74	44.2%

Sustained Strong Subscriber Growth



Total Subscribers

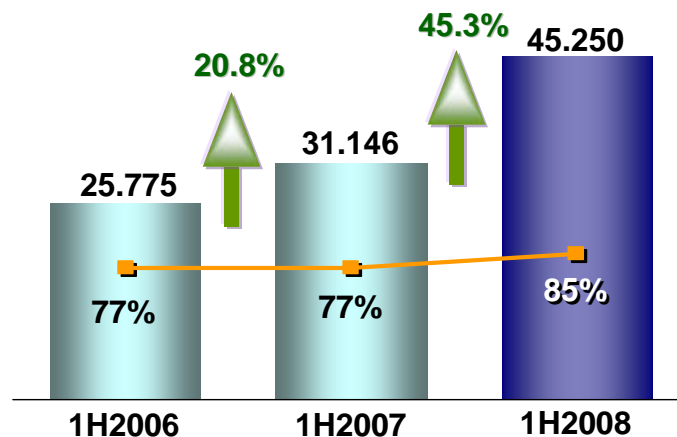
(Million)



Market share

Net Additional Subscribers

(Million)



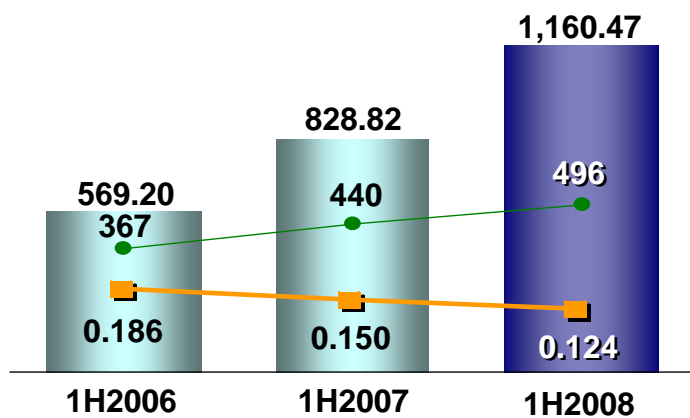
Net adds market share

Continued Growth of Voice Business



Total Voice Usage

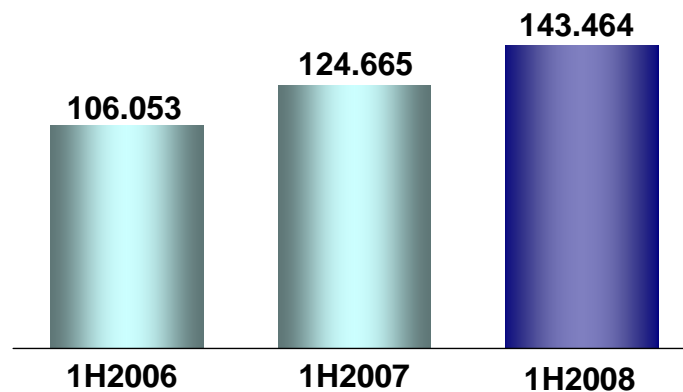
(Billion Minutes)



- Average voice revenue per minute (RMB)
- MOU (Minutes)

Total Voice Revenue

(RMB Billion)



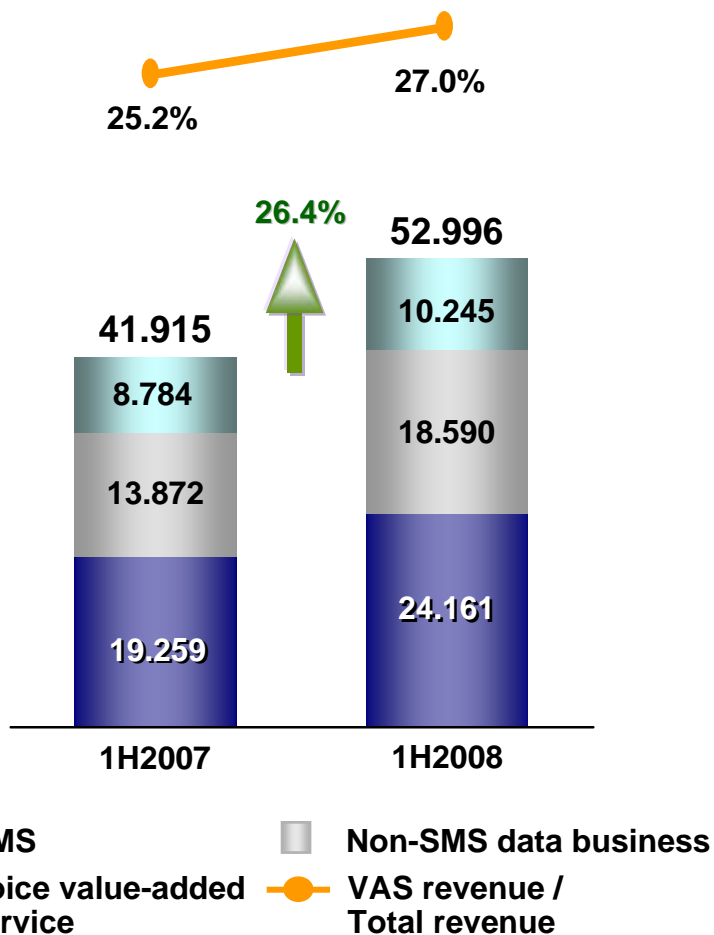
Significant Contribution of Value-added Business



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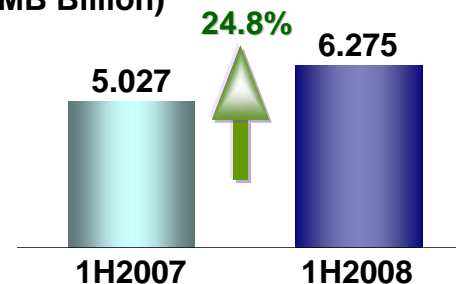
Value-added Business Revenue

(RMB Billion)



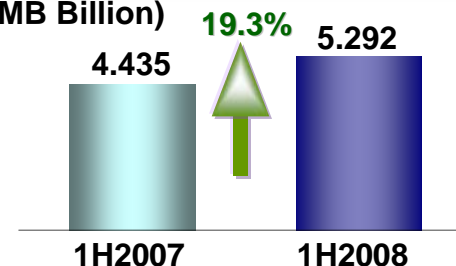
Color Ring Revenue

(RMB Billion)



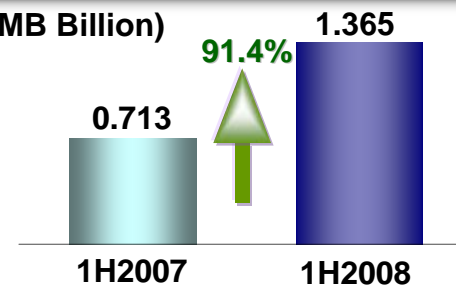
WAP Revenue

(RMB Billion)



MMS Revenue

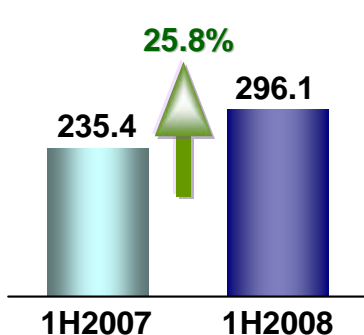
(RMB Billion)



Vibrant Development in Value-added Business Products

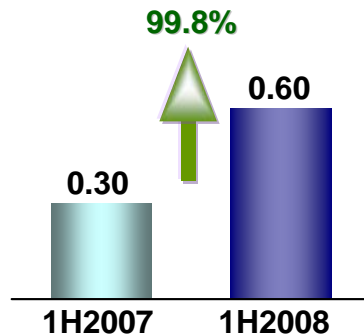
SMS Usage

(Billion Messages)



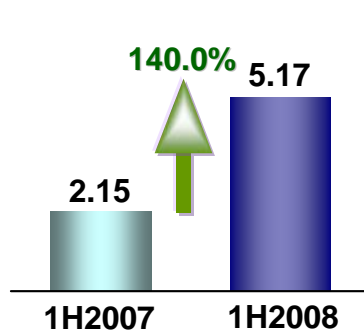
Color Ring Subscription

(Billion Times)



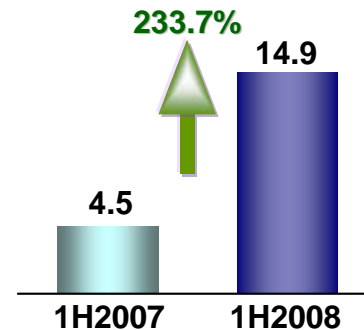
WAP Traffic

(Billion MB)



MMS Usage

(Billion Messages)



Expanding mobile music industry value-chain

- Wireless music club members added 13.95 mn in 1H2008, taking the total to 80.83 mn, with 44.33 mn senior members
- Over 150 partners in co-operation, with 500,000 songs in our database. Key promotion has been launched on "Mobile on-line music" and "Full track download"



"Mobile Paper" realizes mobile media characteristics

- Paying subscribers grew 16.69 mn to 40.24 mn in 1H2008, with monthly revenue over RMB100 mn since this May
- 102 mobile papers of traditional media content already published. Subscribers with multiple mobile paper subscription increased, boosting contribution to ARPU



Larger share in IM market

- "Fetion" subscribers grew 38.55 mn in 1H2008, bringing the total to 111.81 mn, with active subscribers over 25 mn
- Our IM market share leaped to third in China

Enriching Products to Enhance Multi-uses of Mobile Phone



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Along with the strengthened development of mobile media businesses such as Mobile Paper and Mobile Music, we actively innovate and build up reserve products to enhance multi-uses of mobile phone

Information products

- 12580 integrated information service provides daily life information centring around local living, tourism & transportation and Olympics
- Enquiry exceeded 60mn times in 1H2008

Mailbox products

- Nationwide promotion of 139 Mailbox business, which provides customers handy email services
- Subscriber base exceeded 5mn in the month of June 2008

Gaming products

- Strengthened co-operation and continuous introduction of quality game content. Launched mobile on-line games and adopted a game point-based charging system, allowing players to experience prior to paying
- Subscriber base exceeded 2mn in the month of June 2008

Mobile payment

E-ticket



E-transaction



ID authentication



OTA recharge



Location based service

Mobile map



Logistics monitoring



Vehicle GPS



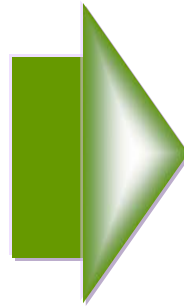
Real-time traffic info update



Sustained Strong Growth in Rural Market

- Low penetration reflects rural market is still in high growth stage
- Mid-to-high end segment continues to expand on rising rural income
- Diversified needs for mobile communications from rural market foster wider spread of new businesses and applications
- Opportunities arise from favorable rural policy, urbanization as well as overall economic development

Economies of scale



Low cost
sales and marketing
strategy

- Nearly half of subscriber growth from rural market in 1H08
- Decent overall margins along with rural market expansion
- A driver for our sustainable growth
- A key factor enabling us to maintain good fundamental when facing new competitive landscape

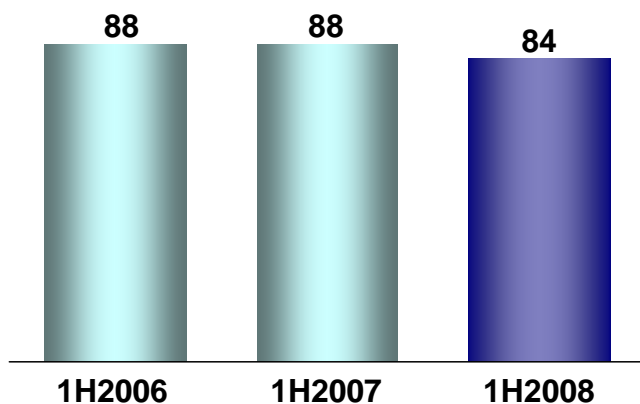


Continued Revenue Growth



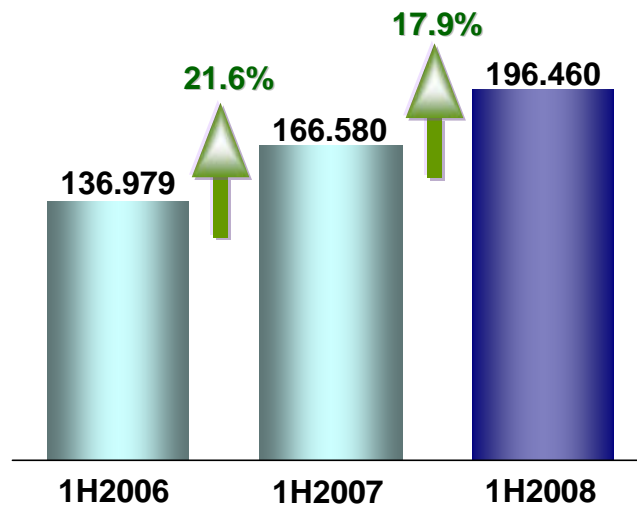
ARPU

(RMB)



Operating Revenue

(RMB Billion)



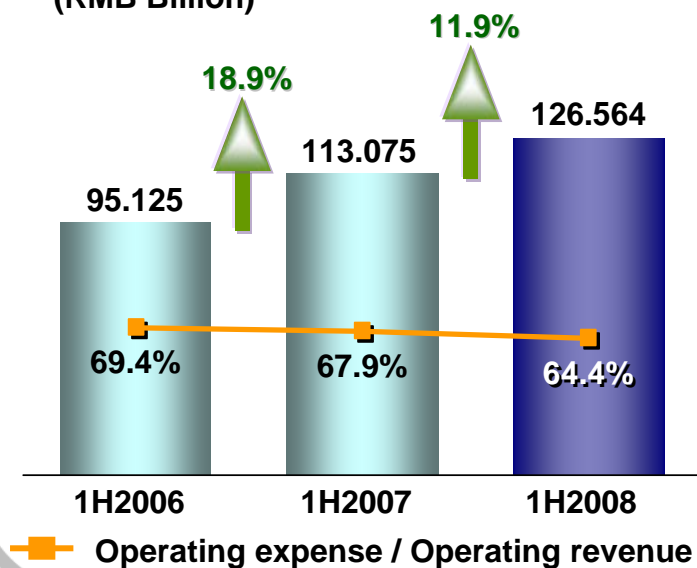
- Subscriber and voice usage growth
- Favorable impetus of value-added business
- Rapid development of rural market

Continued
growth in
operating
revenue

Continuous Profit Growth

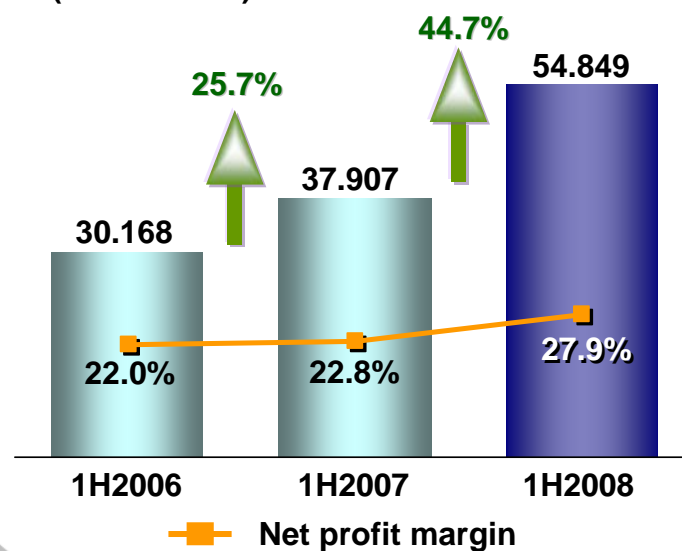
Operating Expense

(RMB Billion)



Net Profit

(RMB Billion)



- Favorable revenue growth
- Effective cost control
- Better economies of scale
- Enterprise income tax rate adjustment



Continuous
Profit
Growth

Capital Expenditure

CAPEX

(RMB Billion)

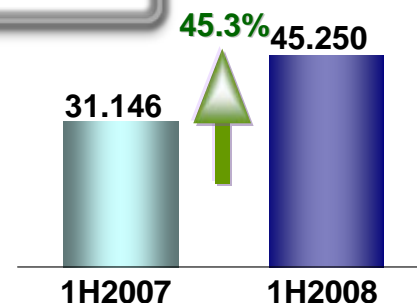


2008
Budget

65.5
1H2008
Actual

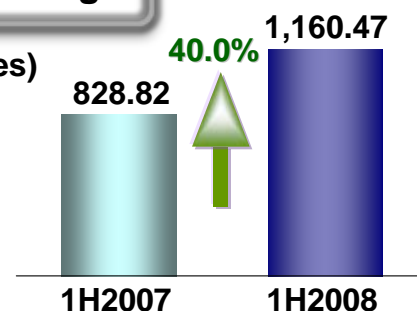
Net Additional Subscribers

(Million)



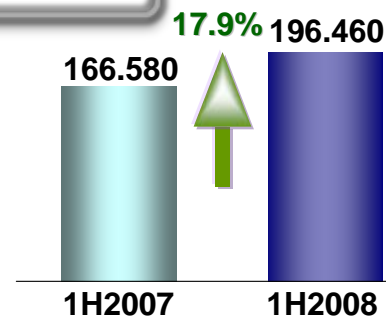
Total Voice Usage

(Billion Minutes)



Operating Revenue

(RMB Billion)

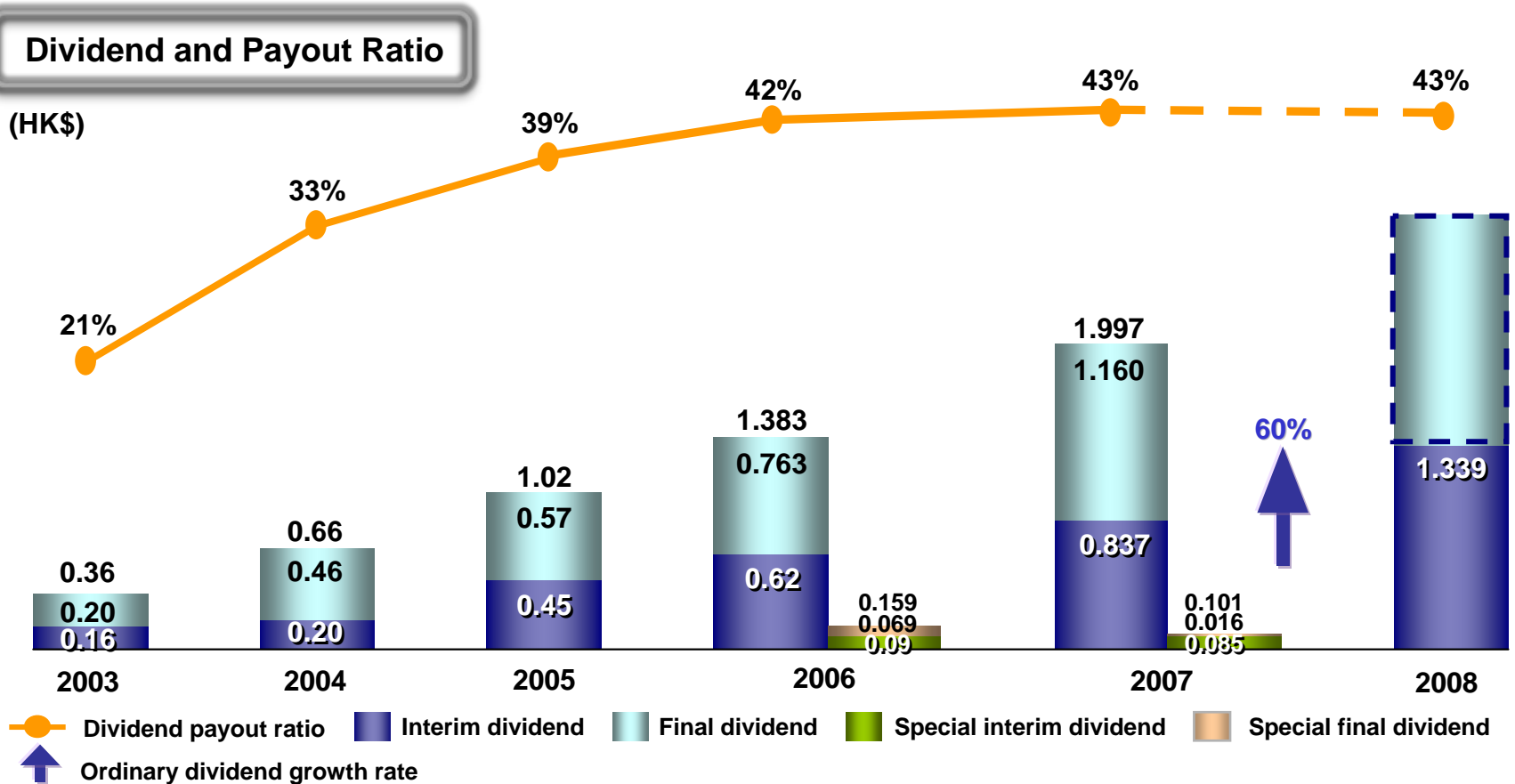


- Satisfy strong market demand
- Promote continuous development of value-added business
- Sustain leading network advantage
- Deploy soft switches and IP based network, etc, to meet challenges of new generation technology
- Assure post-disaster reconstruction

Favorable and Continued Dividend Growth



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- An ordinary interim dividend of HK\$1.339 per share for 2008, up 60%
- Endeavor to achieve a long-term sustainable, steadily increasing dividend, with a view to generating the best possible return for shareholders

Capitalizing on the Olympics to Increase Capability

Brand value enhanced comprehensively

- Our brand is included in the key promotion to the world by the government
- Significant boost to brand reputation and recognition

Key Olympic products facilitated mobile media promotion

- Mobile TV gained widespread popularity
- Rapid growth in various Olympics related products

Corporate customer satisfaction strengthened through the most considerate Olympic service

- Organized key corporate accounts to experience Olympic products
- Tailor-made total solution to corporate customers

Full application of broadband technology

- Provided wireless broadband services at stadiums, media center and Olympic Village.
- Debut service of Parentco's TD-SCDMA to Olympics

Advanced network plan to meet huge communication demand

- The highest peak call traffic at the grand opening in Olympic history. 260,000 users accessed our network in National Stadium and the neighboring areas.
- High network quality with excellent call connection



Future Outlook



**Competitive landscape
undergoing new changes**

**Market potential
remains strong**

**State's strong support
to self-innovation**

**State encourages
enterprises to enhance
international
competitiveness**

**Strengthened integrated
capability**

- **Leading market position**
- **Scale, network, support systems, brand, channel & service advantages**
- **First mover advantage**
- **Solid financial foundation**
- **Competitive soft power**

**Creating best
return for
shareholders**

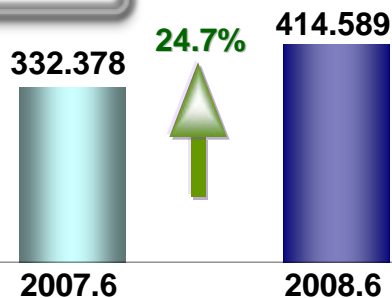
Financial Results for 1H2008



Strong Growth Momentum

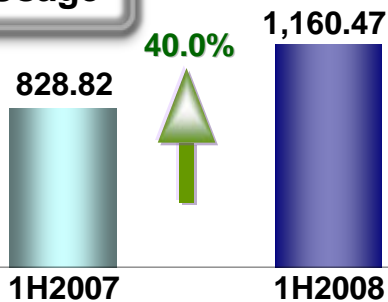
Total Subscribers

(Million)



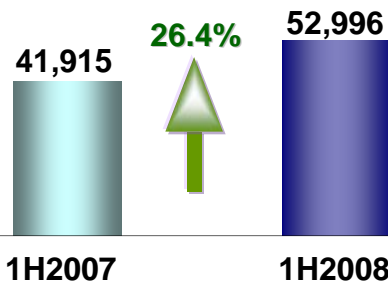
Total Voice Usage

(Billion Minutes)



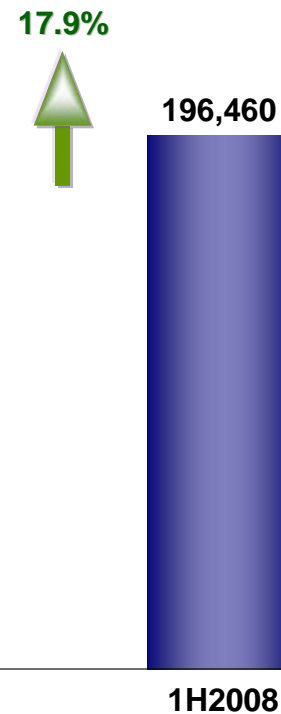
Value-added Business Revenue

(RMB Million)

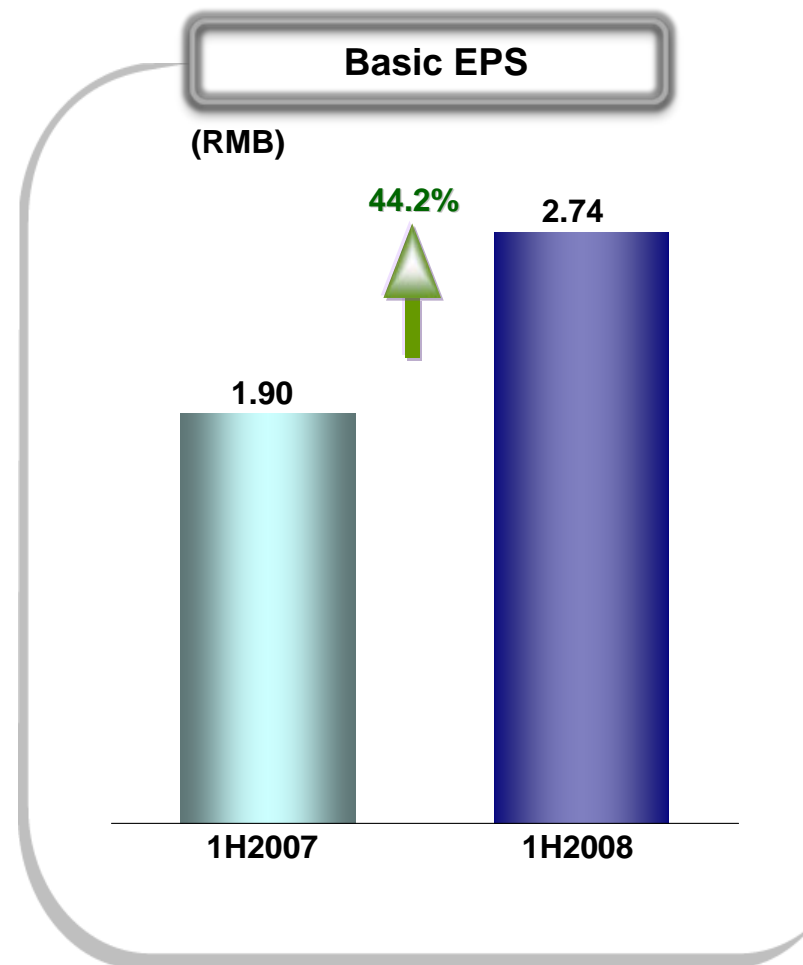
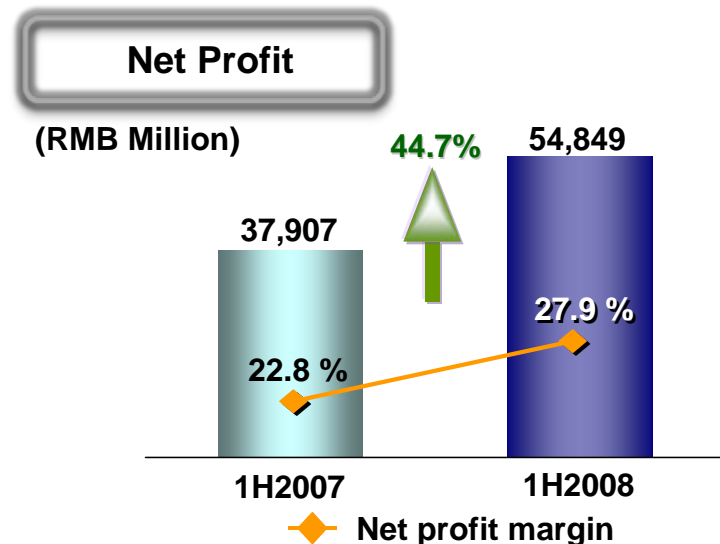
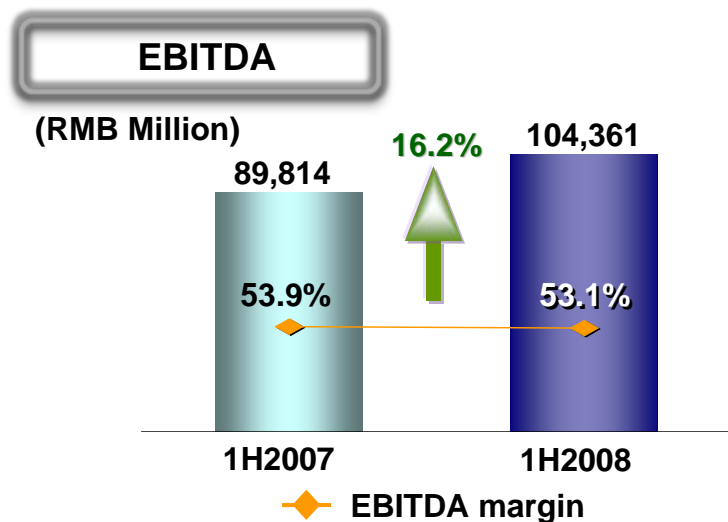


Operating Revenue

(RMB Million)



Continuous Favorable Growth of Profitability

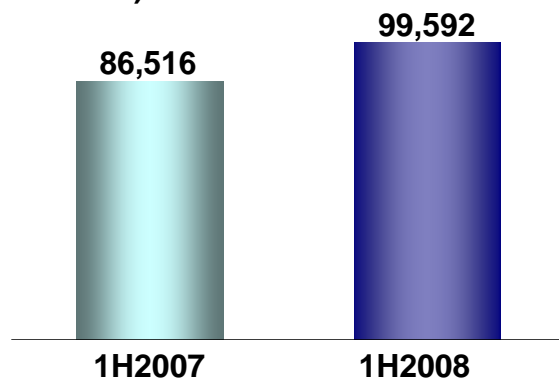


Note: The effect such as change in PRC enterprise income tax rate has positive impact on the net profit growth of 1H2008.

Strong Cash Flow

Net Cash Generated from Operating Activities

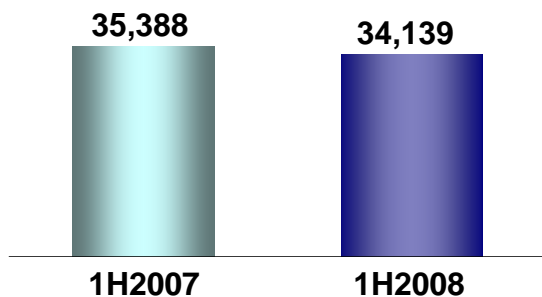
(RMB Million)



Continued favorable business growth and economies of scale

Free Cash Flow

(RMB Million)

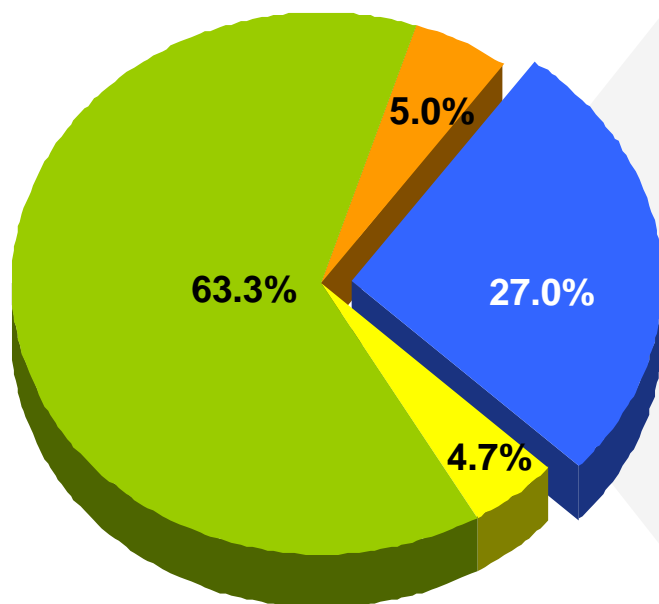


Provided a solid foundation for the sustainable healthy development of the Company

Revenue Composition



1H2008

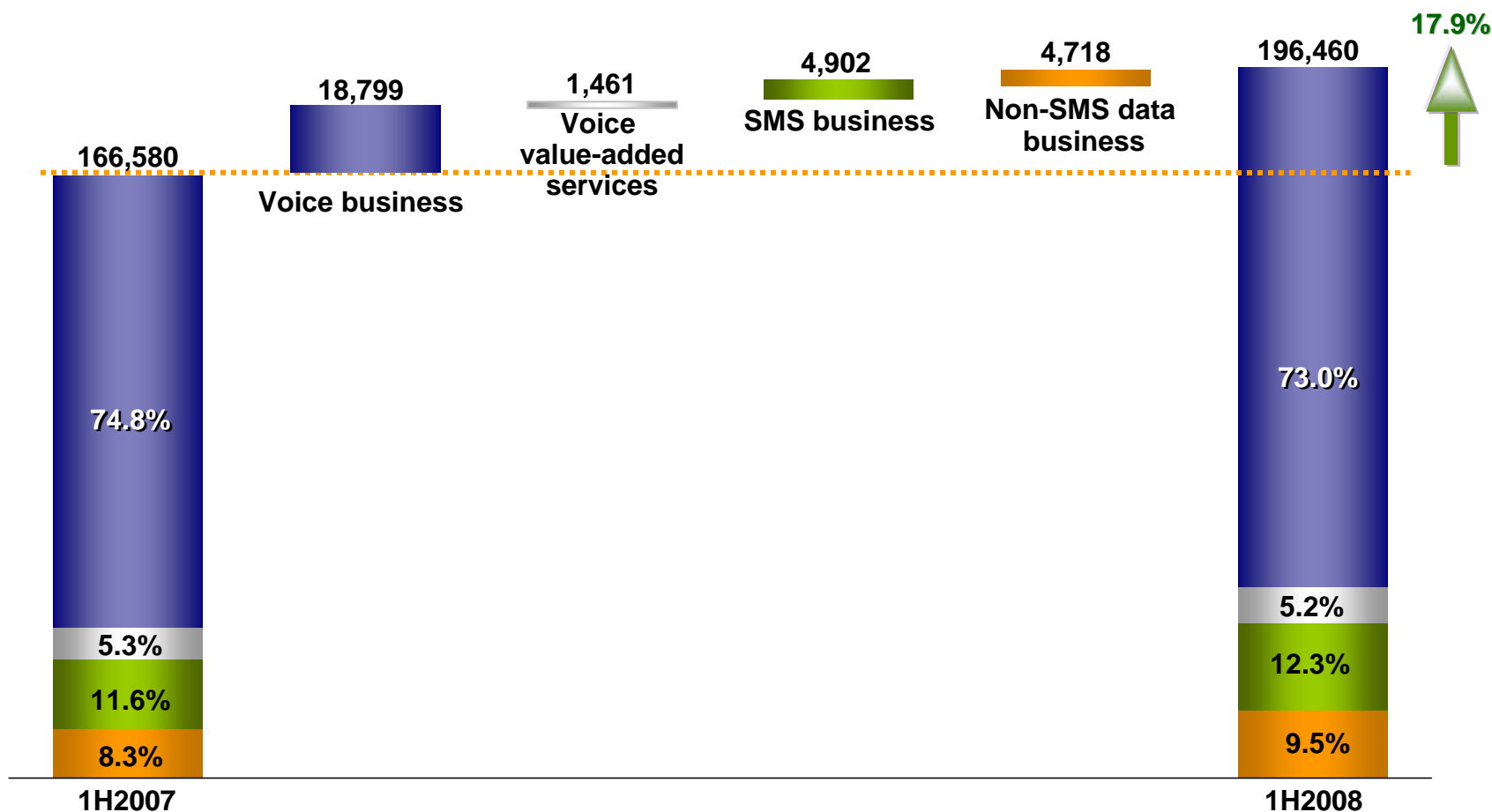


	1H2008	2007	2006
Voice value-added services revenue	5.2%	5.4%	5.6%
SMS revenue	12.3%	11.8%	10.9%
Non-SMS data business revenue	9.5%	8.5%	7.0%
Value-added business revenue	27.0%	25.7%	23.5%

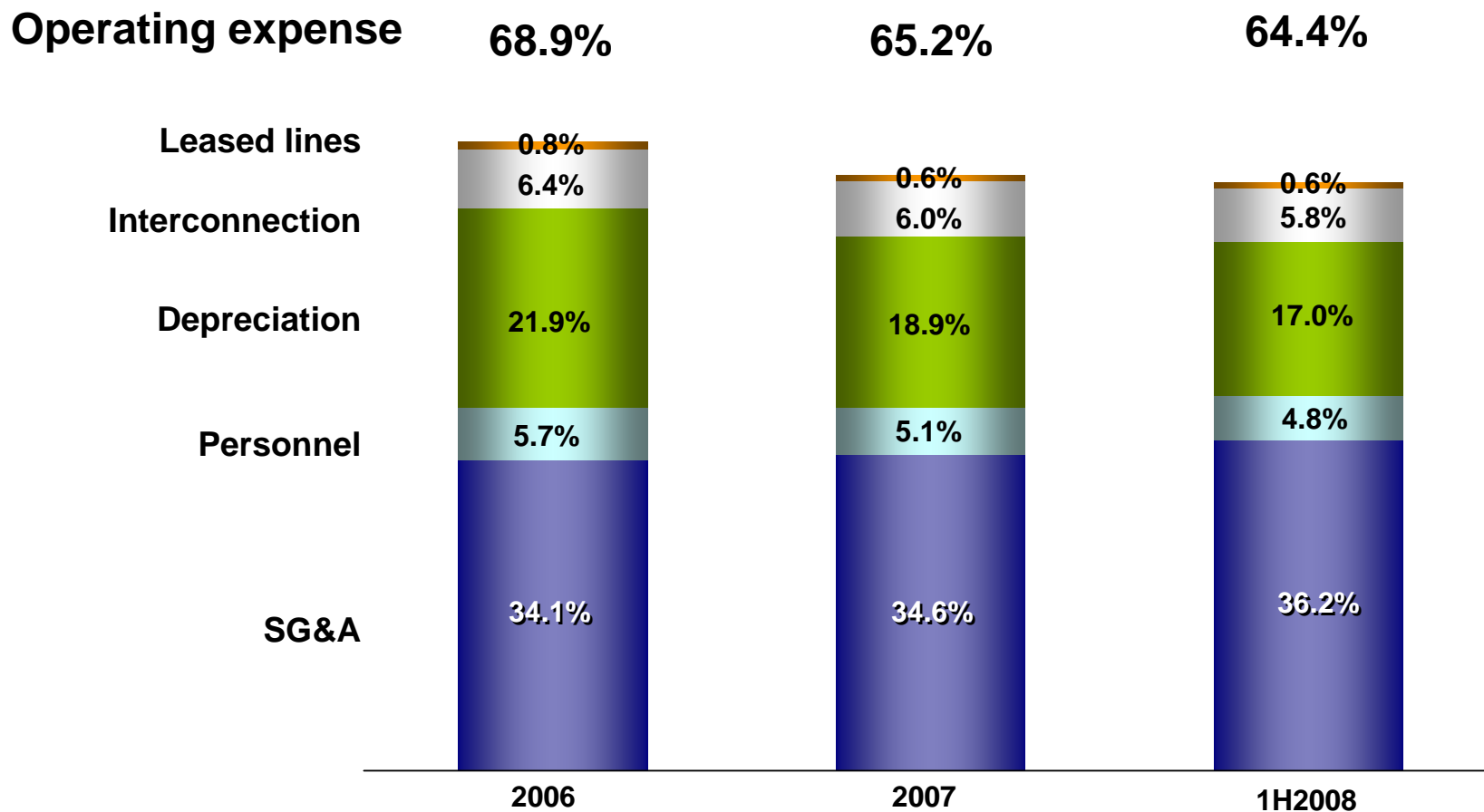
Note: The above data are expressed as a percentage of operating revenue.

Composition of Revenue Growth

(RMB Million)



Cost Composition

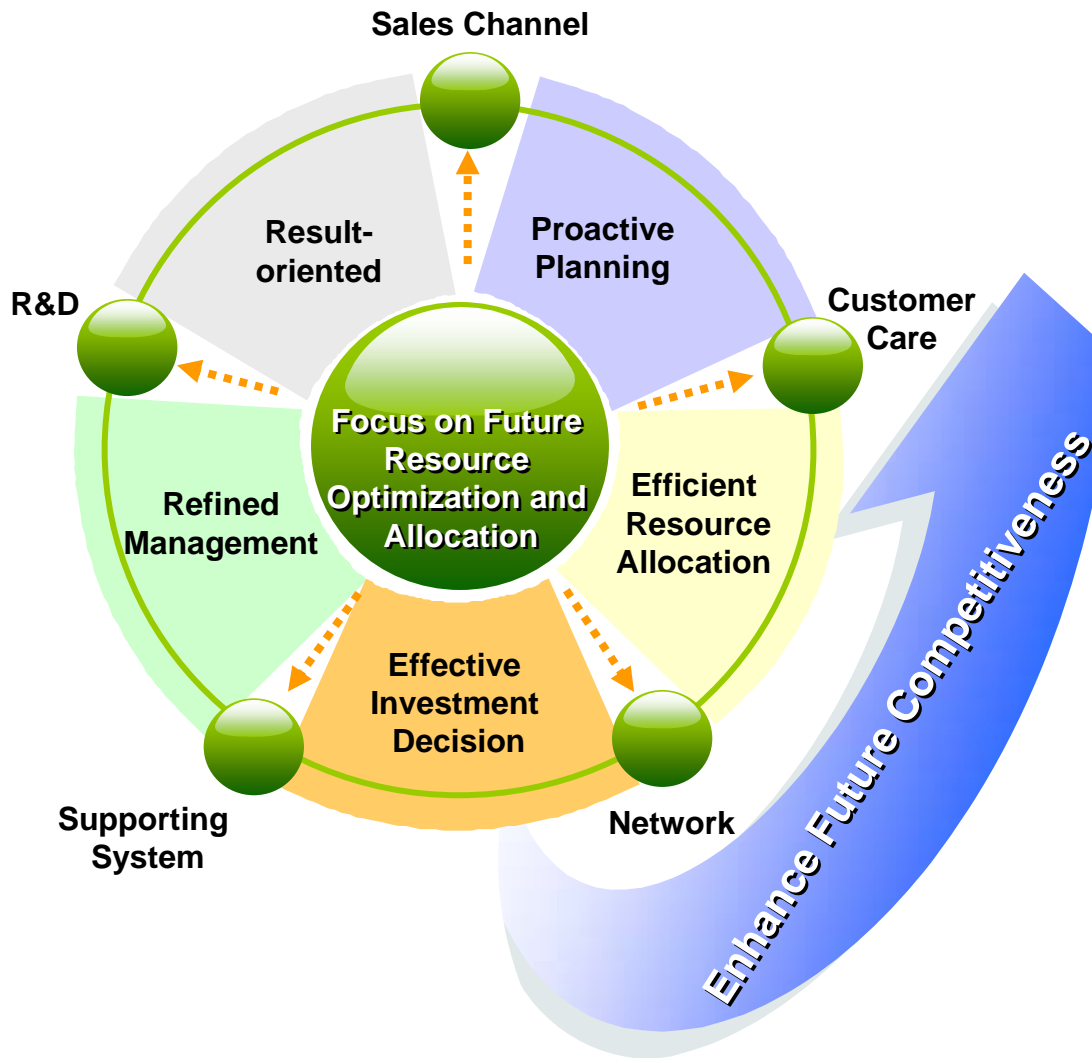


Note: The above data are expressed as a percentage of operating revenue.

Effective Cost Resource Allocation



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Strong Business Development

- Operating revenue up 17.9%
- Total subscribers up 24.7%
- Total voice usage up 40.0%

Significant Economies of Scale

- Cost to revenue down 3.5 ppt
- Average operating expense per minute down 20.1%
- Average monthly operating expense per user down 9.9%

Solid Capital Structure and Strong Credit Profile

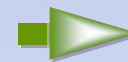


(RMB Million)	2007.12.31	2008.06.30
Short Term Debt	1,921	1,762
Long Term Debt	33,582	33,626
Total Debt	35,503	35,388
Shareholders' Equity	373,751	407,531
Total Book Capitalization	409,254	442,919
Total Debt / Total Book Capitalization	8.7%	8.0%
Cash & Bank Deposits	188,544	211,729
Net Cash	153,041	176,341
Interest Coverage	70x	77x

Credit Rating

S&P

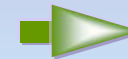
A / Outlook Positive



A+ / Outlook Stable

Moody's

A1 / Outlook Stable



A1 / Outlook Stable

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

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THANK YOU



Extracts from unaudited consolidated income statement for the 6 months ended 30 June 2008 – Appendix I



(RMB Million)	1H2008	1H2007
Operating revenue		
Usage fees	124,374	107,661
Monthly fees	9,847	10,176
Value-added business	52,996	41,915
Other operating revenue	9,243	6,828
	<u>196,460</u>	<u>166,580</u>
Operating expense		
Leased lines	1,270	1,180
Interconnection	11,402	10,488
Depreciation	33,313	34,938
Personnel	9,400	8,667
Other operating expenses	71,179	57,802
	<u>126,564</u>	<u>113,075</u>
Profit from operations	<u>69,896</u>	<u>53,505</u>

(RMB Million)	1H2008	1H2007
Profit from operations (Cont'd)	69,896	53,505
Other net income	1,050	1,264
Non-operating net income	163	248
Interest Income	2,802	1,709
Finance costs	(927)	(855)
Taxation	(18,064)	(17,906)
Profit for the period	<u>54,920</u>	<u>37,965</u>
Attributable to:		
Equity shareholders of the Company	54,849	37,907
Minority interests	71	58
Profit for the period	<u>54,920</u>	<u>37,965</u>

Extracts from unaudited consolidated balance sheet as at 30 June 2008 – Appendix II



(RMB Million)	2008.06.30	2007.12.31
Current assets	234,649	207,635
Non-current assets	388,669	355,858
Total assets	623,318	563,493
Current liabilities	(180,891)	(154,953)
Non-current liabilities	(34,337)	(34,301)
Total liabilities	(215,228)	(189,254)
Net assets	408,090	374,239

Operating Data – Appendix III



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	1H2008	2007
Total Subscribers (Million)	414.589	369.339
MOU (Minutes)	496	455
ARPU (RMB)	84	89
Average Revenue per Minute (RMB)	0.169	0.196
Mobile Data Users (Million)	394.814	349.551
MMS Users (Million)	109.608	90.828
Mobile Music Users (Million)	323.091	269.831
SMS Usage (Billion Messages)	296.110	502.741
Average Monthly Churn Rate (%)	2.95%	2.64%

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.