

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

2009 *Annual Results*



> **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 2009

Financial Results for 2009



中国移动通信
CHINA MOBILE



Overall Performance for 2009

Financial Results for 2009



中国移动通信
CHINA MOBILE

Highlights

Actively coped with various challenges and maintained steady growth in operating results

Revenue increased 9.8%
Net profit margin 25.5%

Favorable progress for 3G business with innovative integration

G3 customers over 3.4 million
Achieved network coverage of 238 cities

Continued consolidation of customer base and sustained stable voice business growth

Value-added business grew 16.0%
Proportion of total revenue rose to 29.1%

Prominent revenue contribution from the rapidly growing value-added business

Continue to create value for shareholders

2009 annual dividend of HK\$2.804 per share
Planned 2010 dividend payout ratio of 43%

Steady Growth in Operating Results

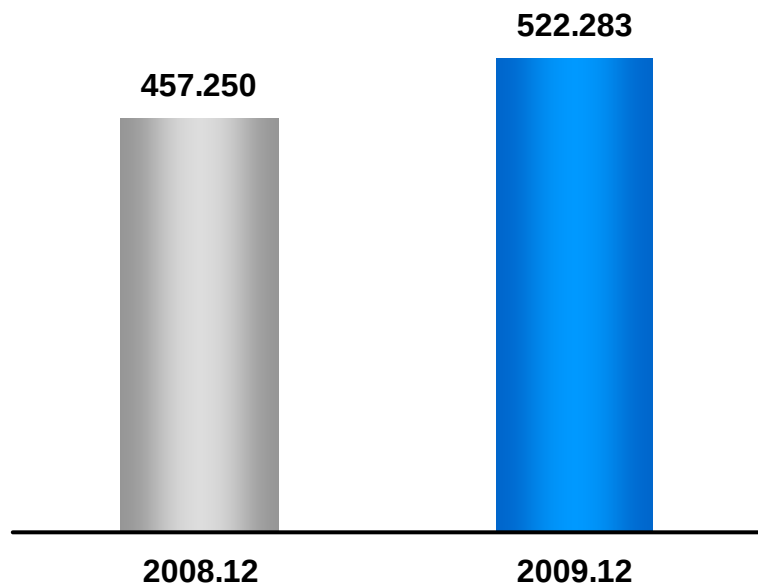
	2008	2009	Change
Total Customers (Million)	457.250	522.283	14.2%
Operating Revenue (RMB Billion)	411.810	452.103	9.8%
EBITDA (RMB Billion)	216.267	229.023	5.9%
EBITDA Margin (%)	52.5%	50.7%	-1.8 ppt
Net Profit (RMB Billion)	112.627	115.166	2.3%
Net Profit Margin (%)	27.3%	25.5%	-1.8 ppt
Basic Earnings per Share (RMB)	5.62	5.74	2.2%

Note: Since 1 January 2009, the Company has adopted the "IFRIC/HK(IFRIC) Interpretation 13 – Customer loyalty programmes". Comparative figures of this presentation have been restated accordingly.

Continued Consolidation of Customer Base

Total Customers

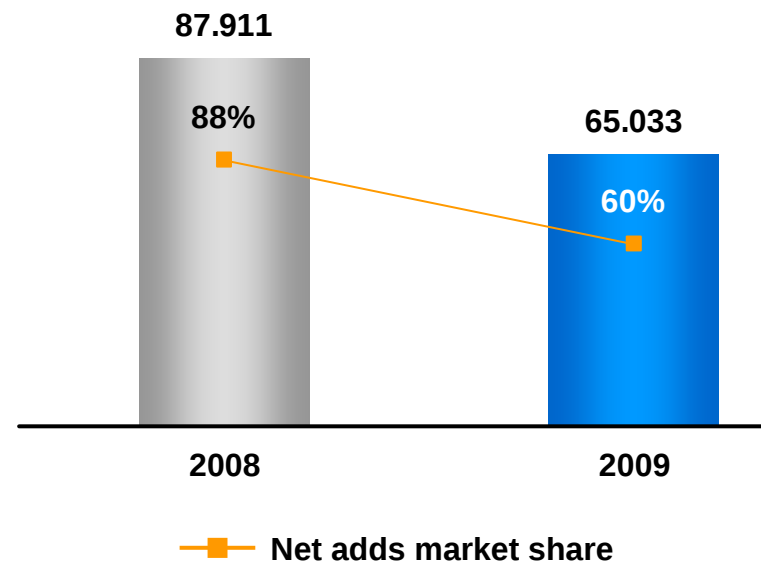
(Million)



Note: The number of G3 customers who used 3G network services in December 2009 was 3.408 million

Net Additional Customers

(Million)

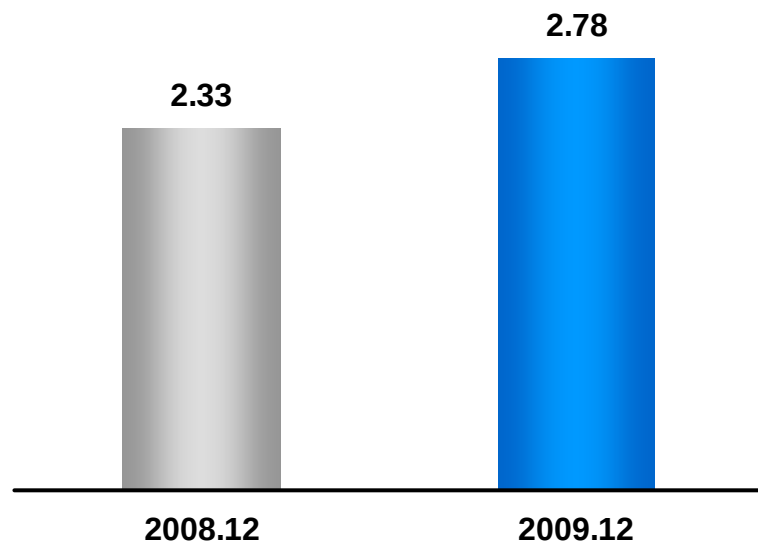


- We overcame challenges such as negative macro-economic conditions, increased penetration and changes in competitive environment. Average monthly net customer additions amounted to 5.42 million. Net adds market share maintained at 60%
- Retention rate for mid-to-high end customers remained relatively high and customer base continued to be steady
- Actively expanded “Blue Ocean” markets such as rural, households and information services

Actively Developed Corporate Business

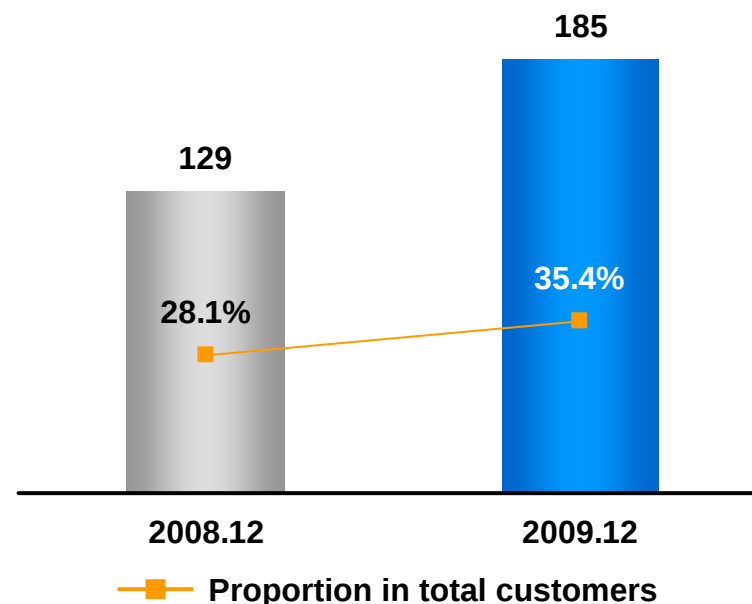
Total Corporate Accounts

(Million)



Number of Individual Customers under Corporate Customer Business

(Million)

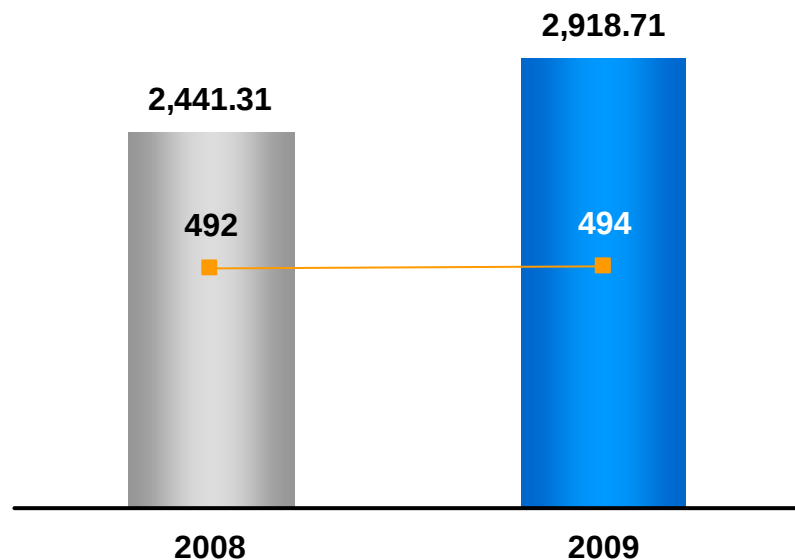


- Further enhance our informatization business solutions to develop industry-specific applications such as Agricultural Information Service, City Administration Service
- Backed by government support for TD-SCDMA and actively cooperate with local governments to promote informatization in urban and rural areas
- Corporate customer base expanded gradually with solid retention of important corporate customers

Sustained Growth in Voice Business

Total Voice Usage

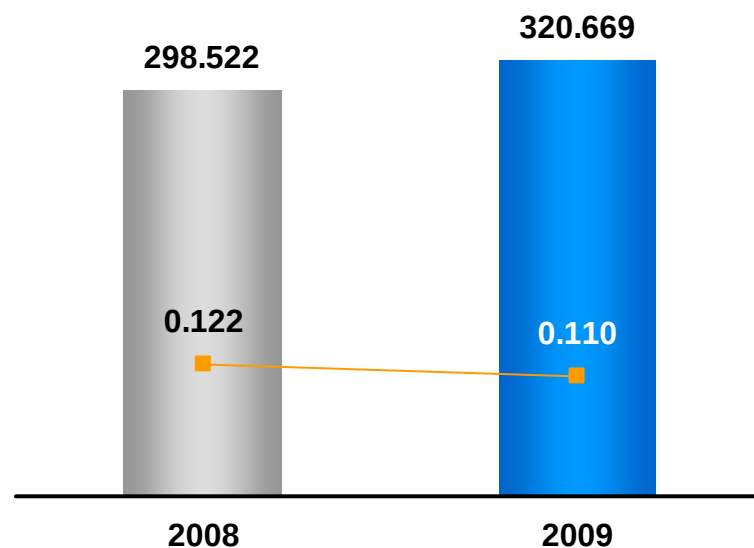
(Billion Minutes)



—■— MOU (Minutes)

Total Voice Revenue

(RMB Billion)



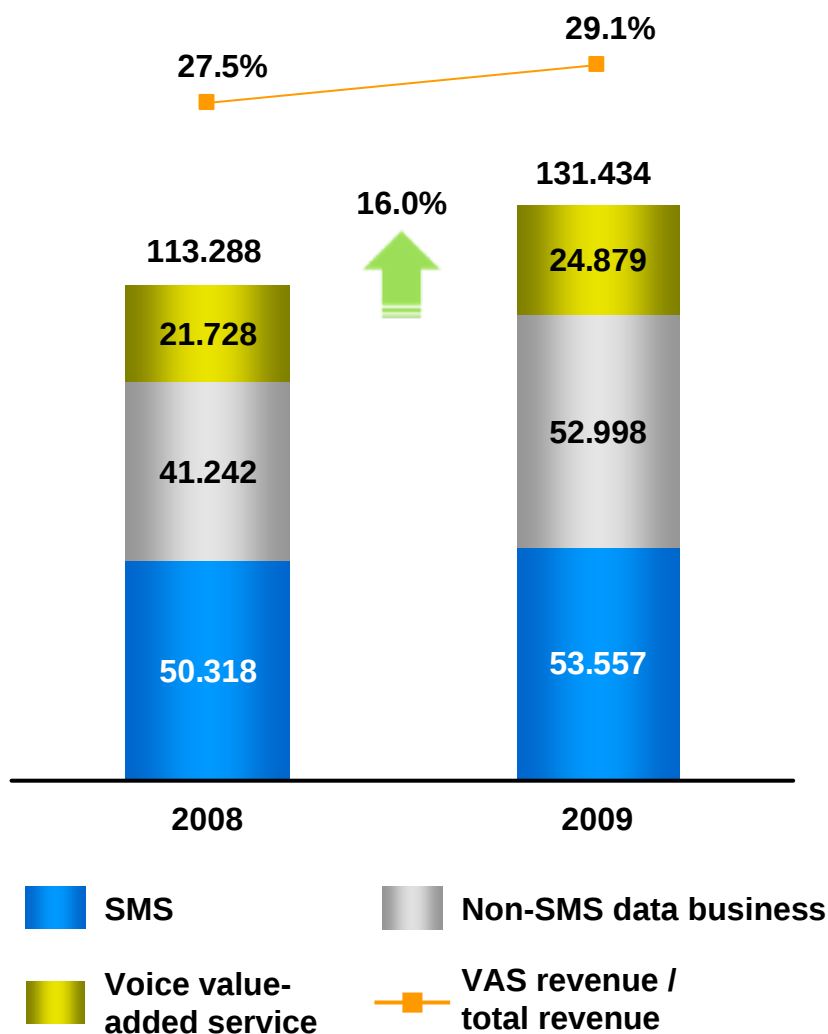
—■— Average voice revenue per minute (RMB)

- Maintained steady growth in voice business through targeted sales and marketing strategies
- Persisted in rational competition to enhance sustainability of the industry

Prominent Contribution from Value-added Business Growth

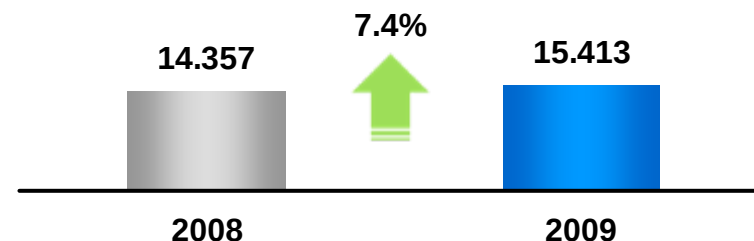
Value-added Business Revenue

(RMB Billion)



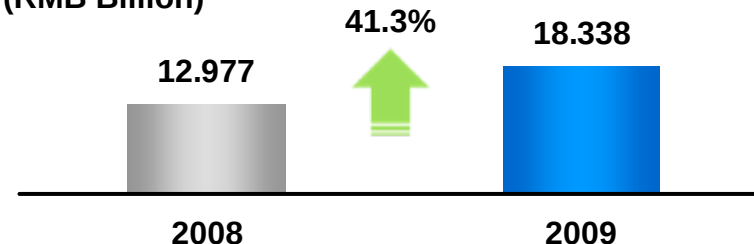
Color Ring Revenue

(RMB Billion)



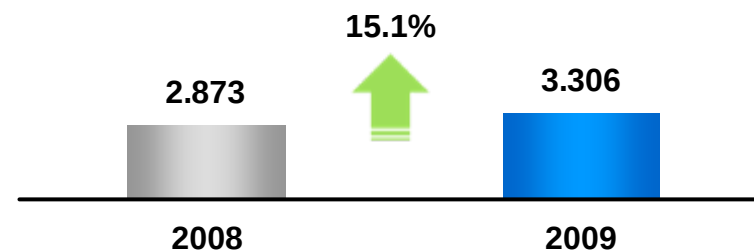
Handset Internet Access Revenue

(RMB Billion)



MMS Revenue

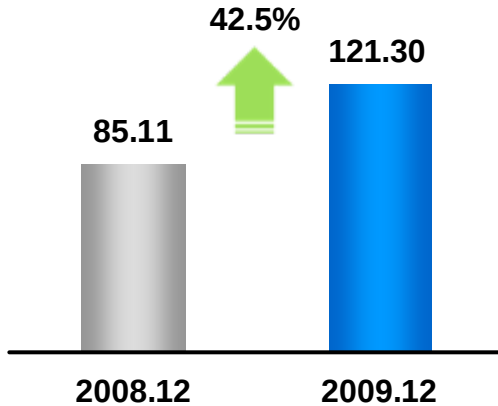
(RMB Billion)



Rapid Development of Mobile Data Products

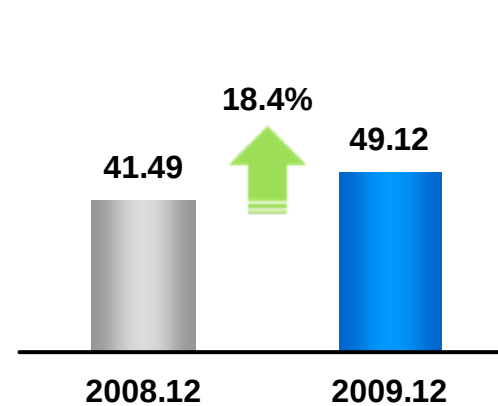
Wireless Music Club Memberships

(Million)



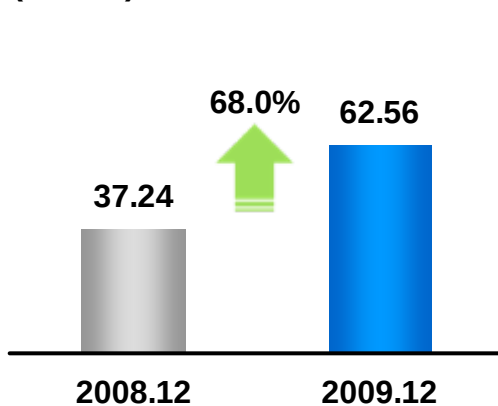
“Mobile Paper” Customers

(Million)



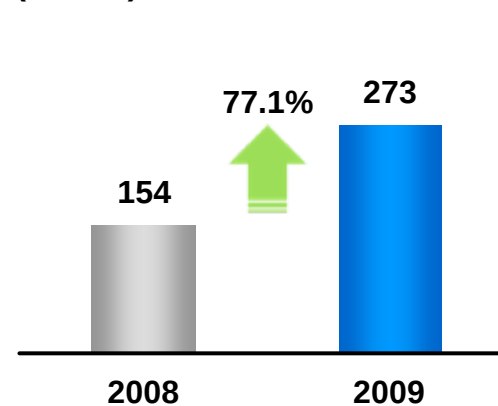
“Fetion” Active Customers

(Million)



No. of Enquiries on 12580 Info Service Line

(Million)



139 Mailbox

Active customers totaled 23.75 million. Achieved integration with self-developed businesses such as “Fetion” and Mobile Music. New functions added

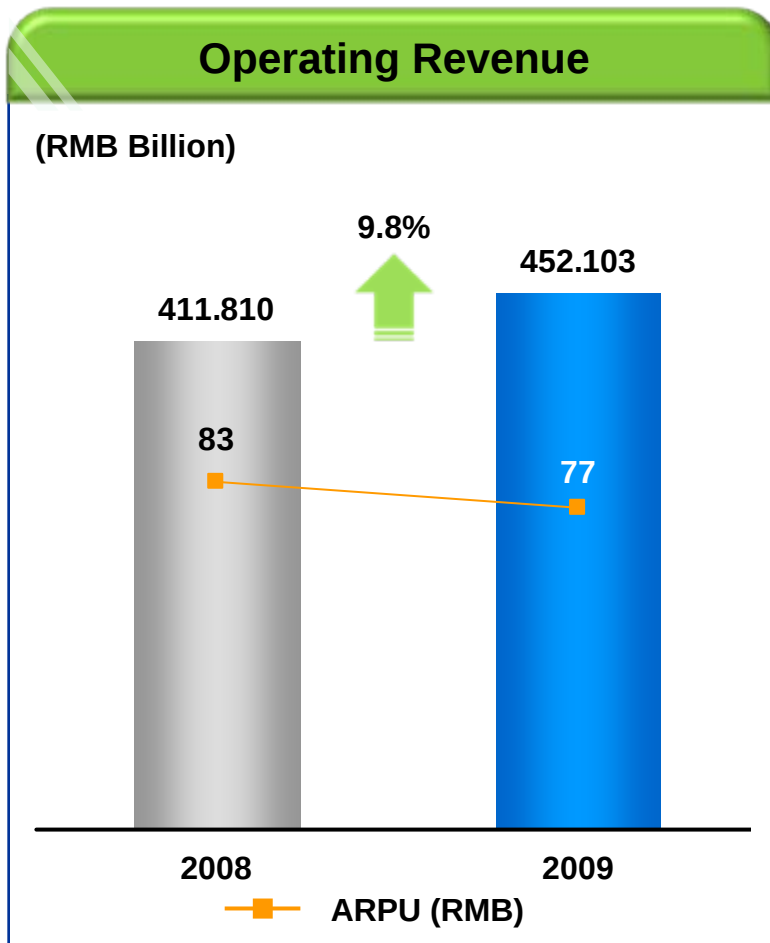
Mobile Gaming

More than 6.15 million users. Continued to bring in new content. Promoted innovative games

Mobile Video

Enhanced both content and programs. Number of users reached 2.24 million

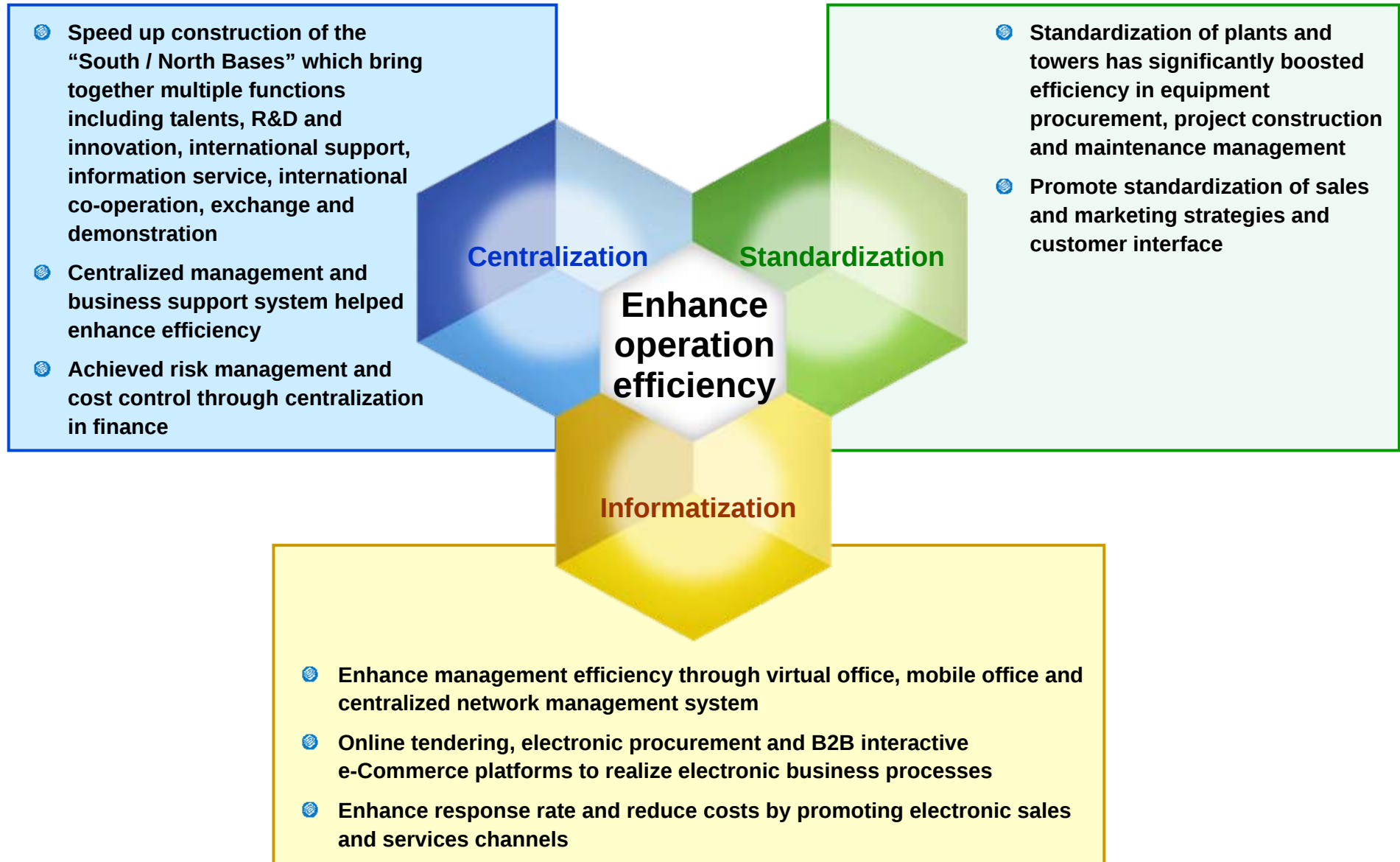
Steady Revenue Growth



- Continued steady growth of customers
- Sustained growth of voice business
- Significant boost from value-added business

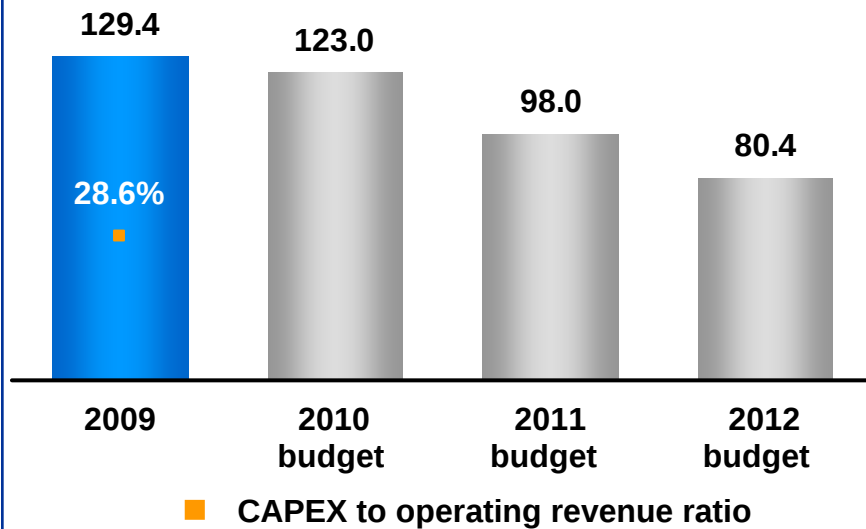


Enhance Management Efficiency to Achieve Low-cost, Efficient Operations

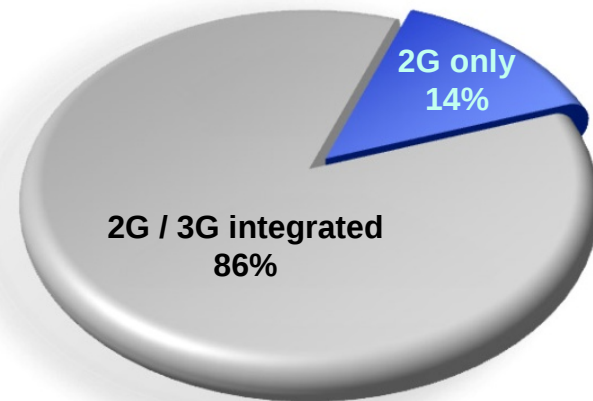


CAPEX

(RMB Billion)

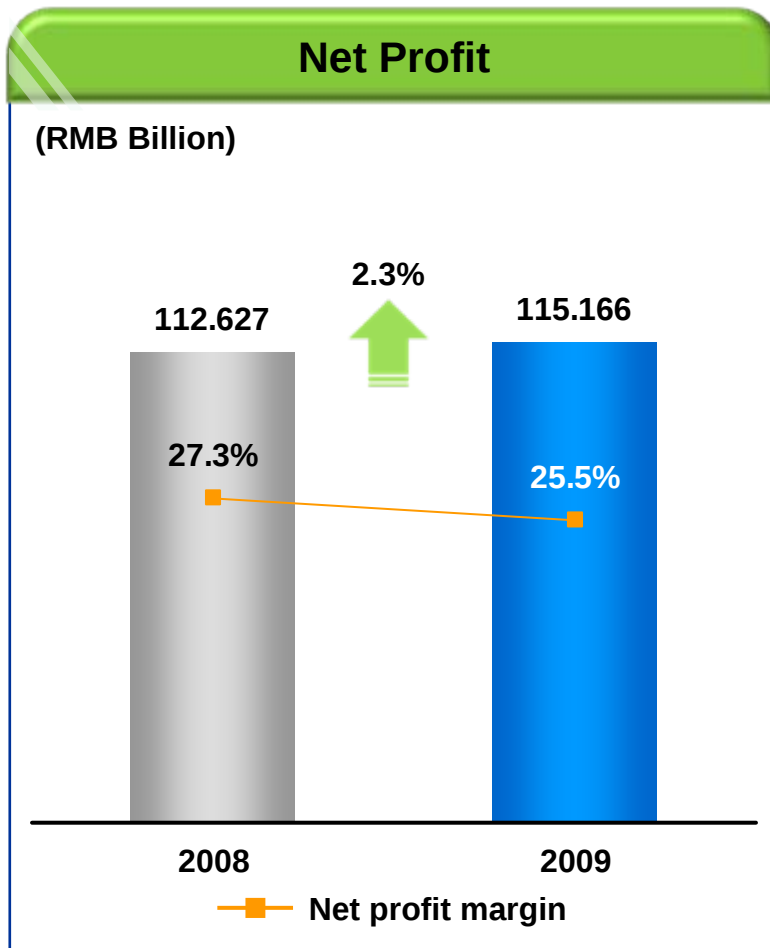


CAPEX Structure in 2010



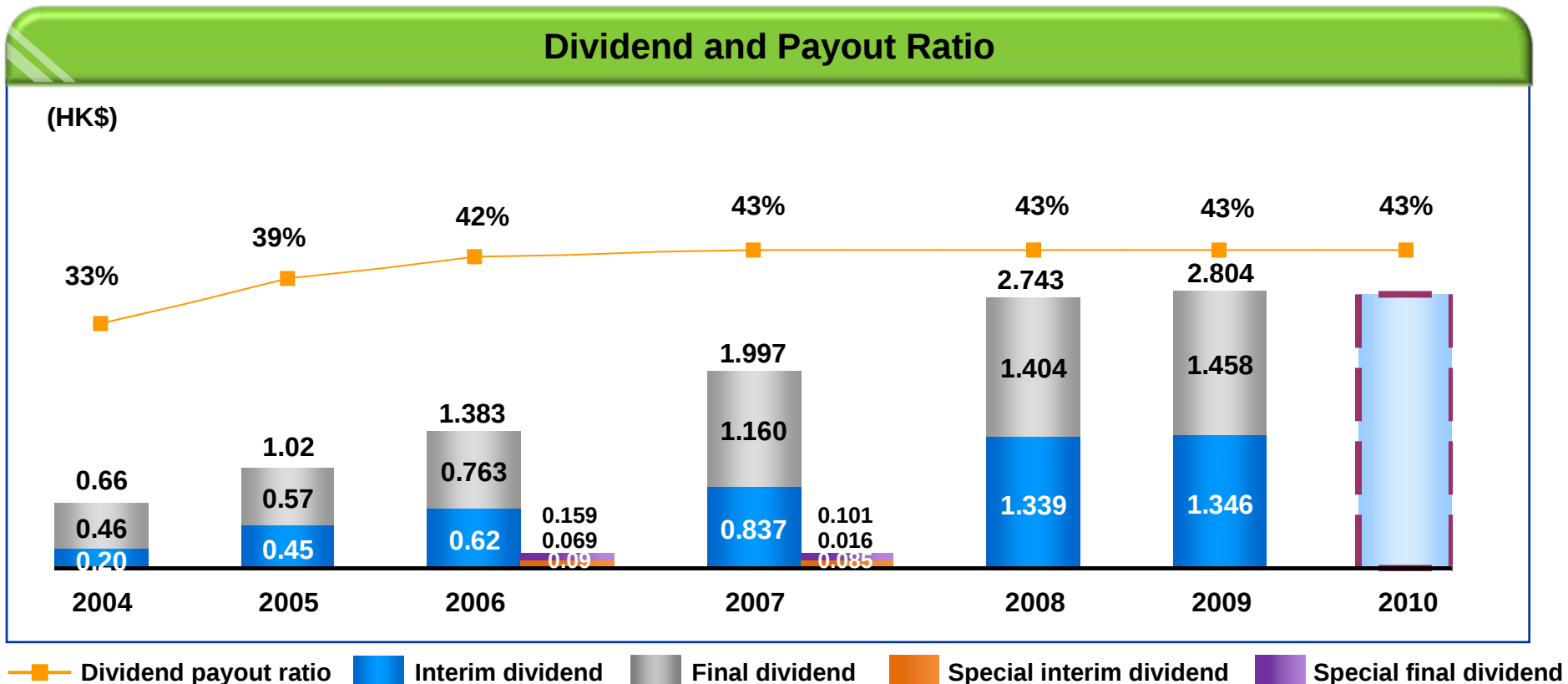
- Satisfy demand for steady market growth
- Foster continued development of value-added business
- Assure leadership in network advantages

- Respond to full service competition
- 2G / 3G network integration
- Cost-savings in procurement through centralization, standardization and informatization



- Steady revenue growth
- Low-cost and efficient operations
- Significant economies of scale
- Prudent financial policy





- Annual dividend for 2009 was HK\$2.804 per share (including the interim dividend of HK\$1.346 per share), with a full year payout ratio of 43%
- The planned dividend payout ratio for the full year of 2010 is 43%
- Endeavor to create value for shareholders

3G Development Making Good Progress

Significant improvement in network coverage and quality

- Phases II and III construction completed on schedule, covering 238 cities (more than 70% prefecture-level cities)
- Connection rate, call drop rate and handover rate are comparable to 2G level

Gradually ease handset supply issue

- Our parent company offers RMB 650 million R&D Incentive Fund to boost terminal industry growth
- 130 vendors participated, accounted for 266 terminal models

Continual application enhancement

- Wireless broadband access, household and corporate applications
- Covering entertainment, lifestyle, communication and learning

Good Progress



Continuous Effort

Further improvement in 3G network

- Will cover all prefecture-level cities, county-level cities and the areas with high data demand in developed counties in Eastern China by the end of 2010; strive to further improve network quality

Enrich choices of terminals

- In 2010, more than 80 TD handset models and nearly 180 terminal models will be launched, and more TD OPhones and smart phones will be introduced

Enhanced application experiences

- Focus on promoting 3G businesses including Mobile Reading, Music Downloads and Mobile Video

Speed up development of TD-LTE

- Conduct larger-scale network tests following the TD-LTE demonstration at the Shanghai Expo

Advantage of TD technology

- High spectrum efficiency, conducive to development of Mobile Internet business
- Late mover advantage of technological evolution
- Sophisticated terminal customization

Strong government support

- 35M+50M (indoor) spectrum, 188 prefix
- Interconnection settlement, network construction, R&D, government procurement and industry informatization, etc
- Exclusive use of CMMB technology

Innovative development strategy

- Innovative marketing, network and business strategies
- Leverage synergy with our parent company
- Push for convergence with global LTE standard

Strengthen Full Service Capability to Respond to Competition

Customer Level

Corporate customers

Households

Wireless cities
(TD+WLAN)

- Apply the principle of cost effectiveness to meet customers' full service needs; retain and further develop corporate customers, and provide integrated information services to mid-to-high end customers
- Take full advantage of the extensive wireless network coverage, convenient and flexible wireless access and late mover advantage of fiber optic access

Service Level



Fulfill information service demands in areas including mobile office, production management and security



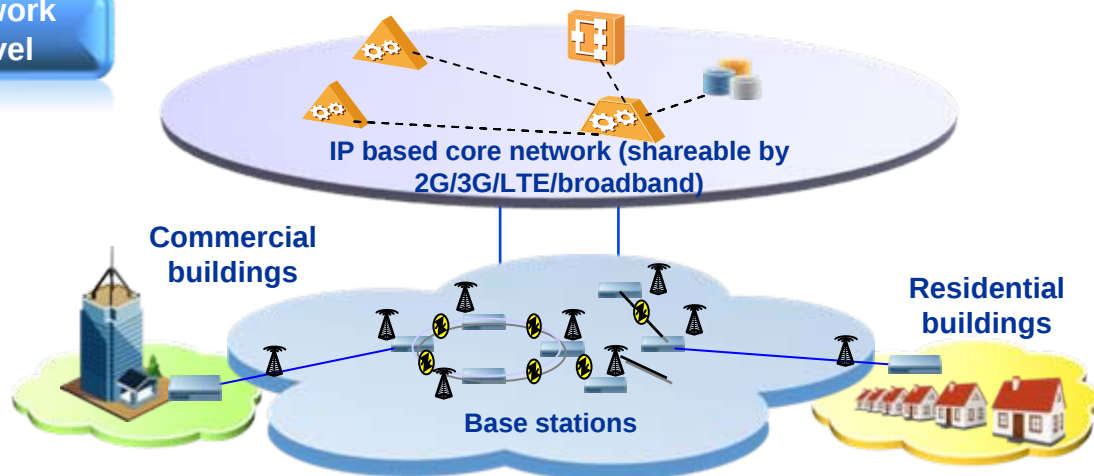
Provide information service relating to public information, leisure and entertainment and daily life



Information based solutions covering urban administration, law enforcement and public security

- Provide broadband connection service to key corporate clients and new residential communities
- Enhance operational efficiency for corporate customers, improve quality of living, and assist government in promoting informatization efficiency

Network Level

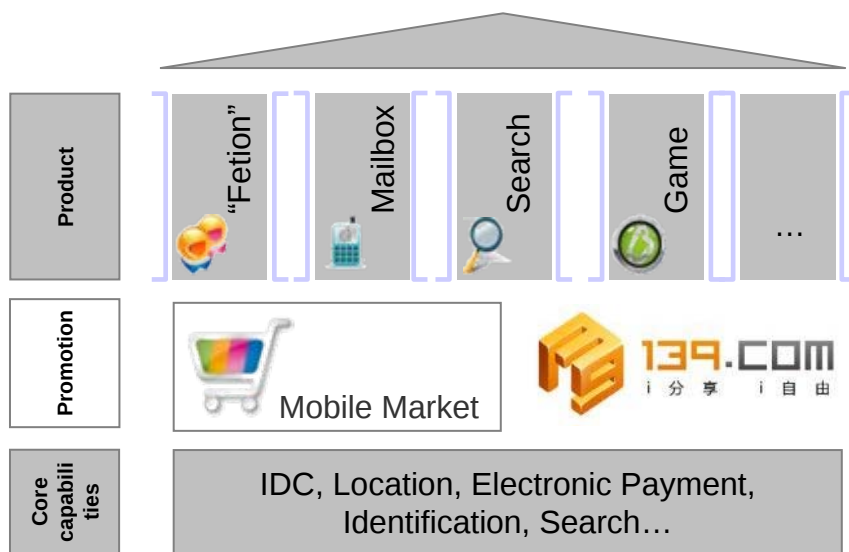


- A world leading IP based core network that can be shared by 2G, 3G, LTE and broadband
- Extensive coverage with over 550,000* base stations, of which 96% with fiber optic access and is easy to extend to all key customers
- Speed up construction of TD-SCDMA network and WLAN to improve broadband connection
- Synergy with China TieTong, the wholly-owned subsidiary of our parent company

* Include base stations leased from our parent company

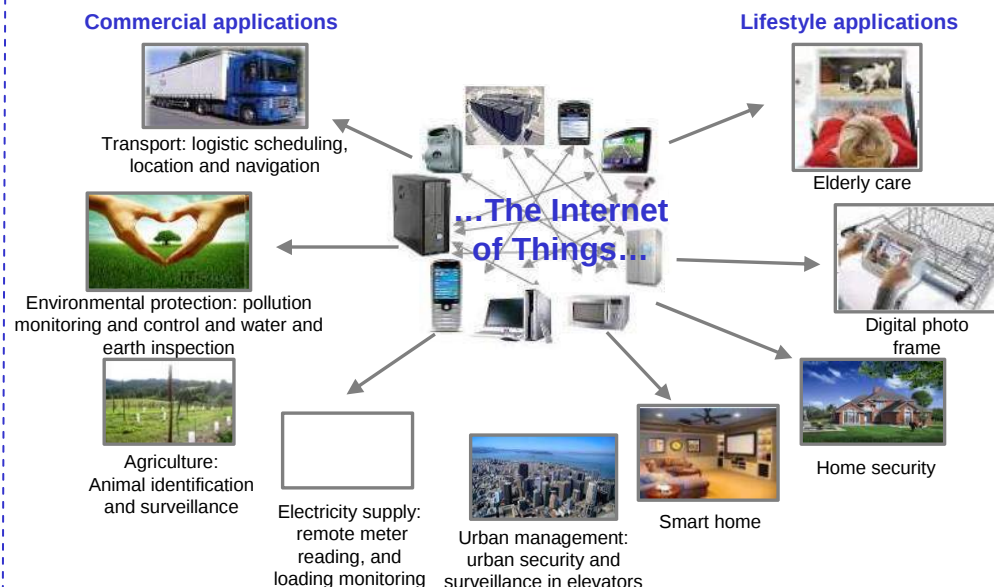
Development of the Mobile Internet and Internet of Things

Create New Mobile Internet Experiences



- Speed up penetration of mobile Internet business through products such as "Fetion" and Games etc. and seek progress in the development of new Mobile Market co-operation models and 139 Community
- Individual developers of Mobile Market totaled 32,000, with 8,600 applications, over 2 million downloads and 120 compatible terminals
- Mobile Internet stimulates additional consumption in music and reading, etc.

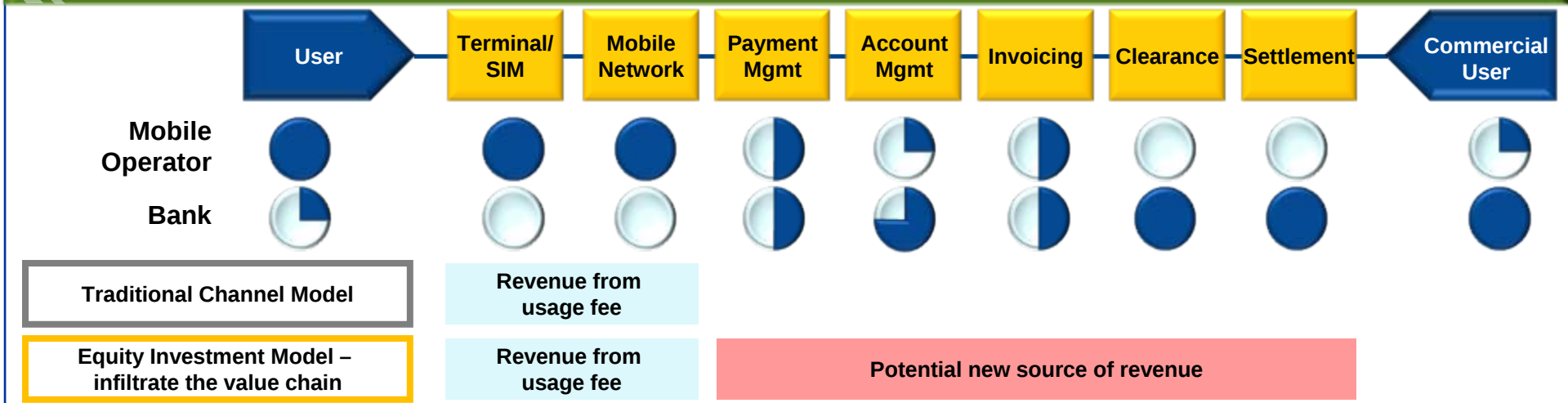
Broad Range of Applications for the Internet of Things



- M2M applications cover more than 10 sectors, including electricity supply, transport, healthcare, finance, agriculture and logistics. Through which, it has accumulated extensive experience in the Internet of Things
- Will adopt an open and collaborative approach, provide specialized resources and promote deeper and broader development of M2M applications

Promote the Development of m-Commerce

Operators and banks have compatible advantages on the m-Commerce value chain



Development Potential

- Rapid growth in total retail value of consumer goods sold in China, electronic payment gradually replaces cash as the second most prominent means of transaction
- More than 500 million customers, which can bring scale bonus. Also has a strong brand, extensive channel coverage and sophisticated customer services
- The penetration rate of credit cards in China is way below that of Europe and North America, indicating significant scope of development in m-Commerce
- As the Internet and Internet of Things become more popular, mobile payment and m-Commerce will become consumers' key payment channel, encompassing tremendous market potential

Current Development

- Set up pilots in markets including Chongqing, Hunan, Guangdong and Shanghai. Small denomination payment applications are becoming popular
- The m-Commerce industry chain involves a number of steps, among which telecoms operators and financial institutions play a key role
- M-Commerce pilot experience reflects inadequate support from financial institutions, making it difficult to develop scale
- Signed an MOU for strategic collaboration with SPD Bank on 10th March. Our equity investment* in the Bank will bring synergy across the industry chain and accelerate m-Commerce development

* See Appendix IV for details

Corporate Social Responsibility – “Growing Together Harmoniously”

The Change: Building a Responsible Future

Narrow the Digital Divide

- ▶ Foster network construction in rural areas and help our parent company drive up the access rate in administrative villages by approx. 6 percentage points to 99.8%
- ▶ Promote rural info applications and help push rural development

Enhance employee satisfaction

- ▶ Safeguard employee basic rights
- ▶ Support career development
- ▶ Strengthen communication and encourage participation
- ▶ Create a harmonious work environment

Build a responsible network

- ▶ Provide secure communication and reliable network
- ▶ Enhance consumer rights and peace of mind



Build towards an information society

- ▶ Introduce innovative personal applications to enrich people's mobile experience
- ▶ Introduce innovative applications to industries to build an information society

Support the community

- ▶ Established “China Mobile Charity Foundation”
- ▶ Support education development
- ▶ Help and care for disadvantaged groups and communities to develop
- ▶ Promote voluntary services

Address climate change

- ▶ Continue to promote the Green Action Plan
- ▶ Advocate the culture of no-wastage, save energy and reduce emissions

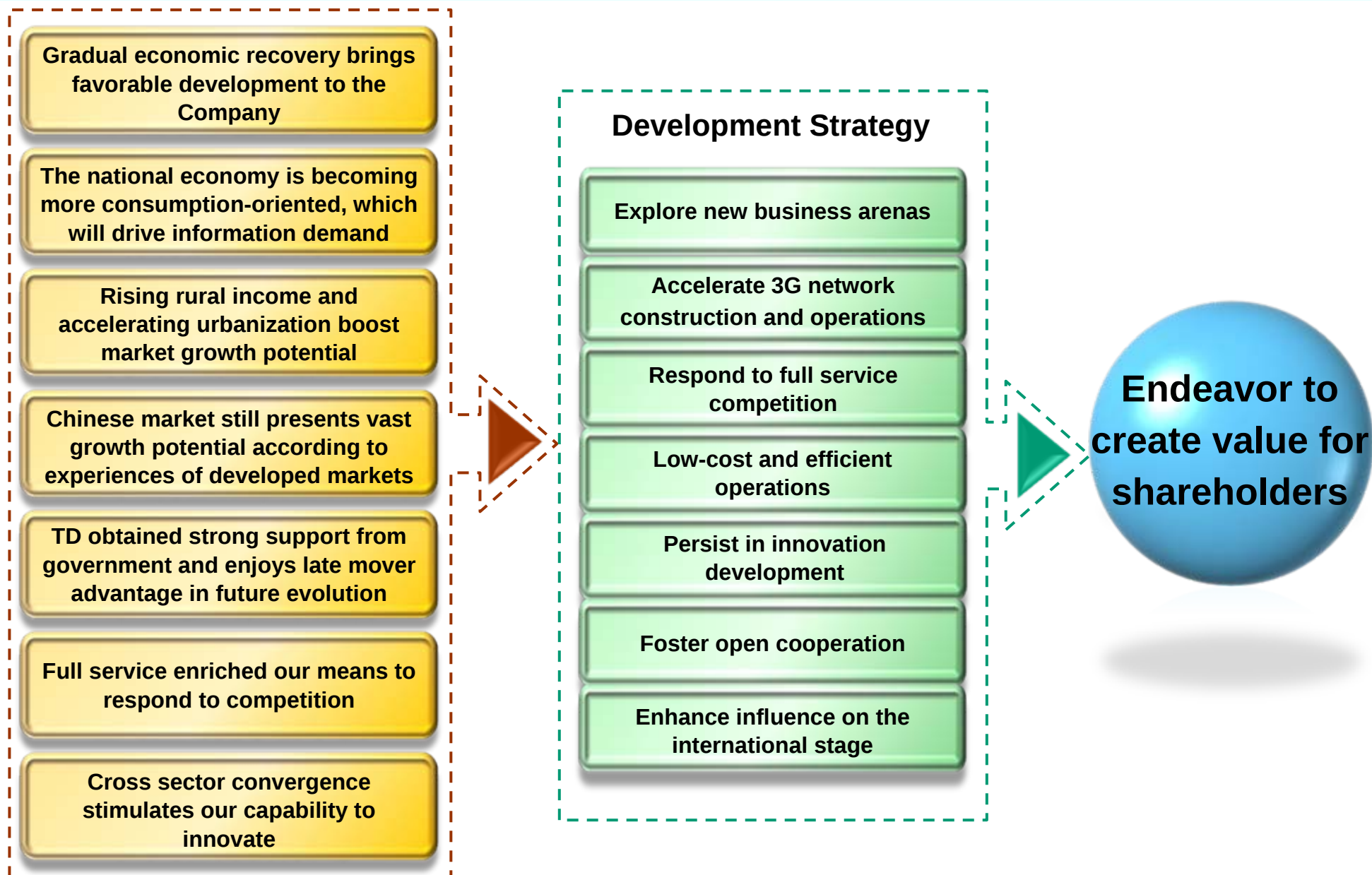
▶ Power consumption per traffic unit in 2009 decreased by 14% from 2008, 1.8 billion kWh of electricity conserved

▶ Recycled and reused green packages approx. 46,000 times. Saved 2,375 m³ of wood (cumulative)

▶ Constructed over 6,000 green power base stations (cumulative)

▶ Through standardization, approx. 140,000 m² in space was saved, steel used by towers was reduced by approx. 40,000 tons (cumulative)

Maintain International Leading Position in the Telecommunications Industry





Overall Performance for 2009

Financial Results for 2009

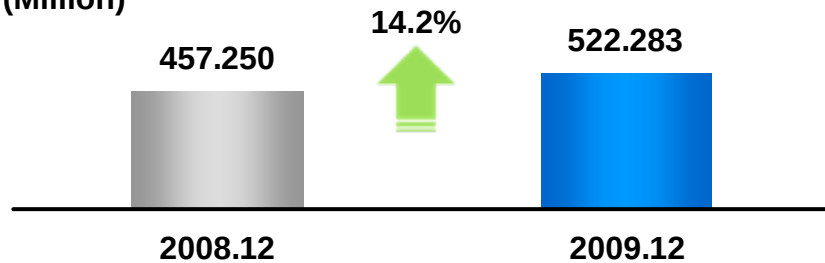


中国移动通信
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Continued Steady Revenue Growth

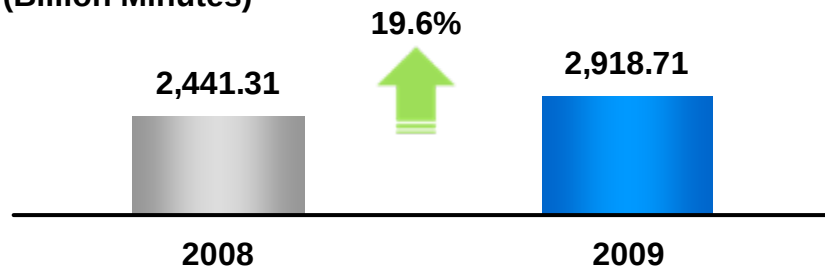
Total Customers

(Million)



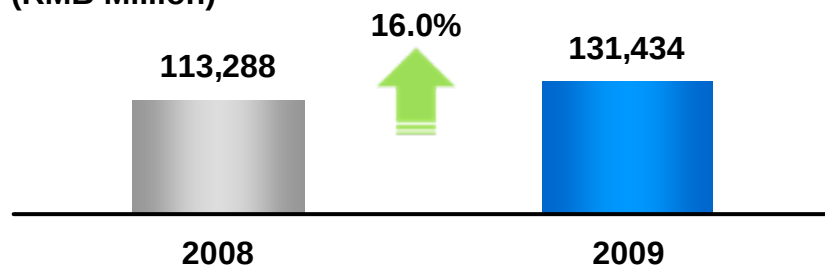
Total Voice Usage

(Billion Minutes)



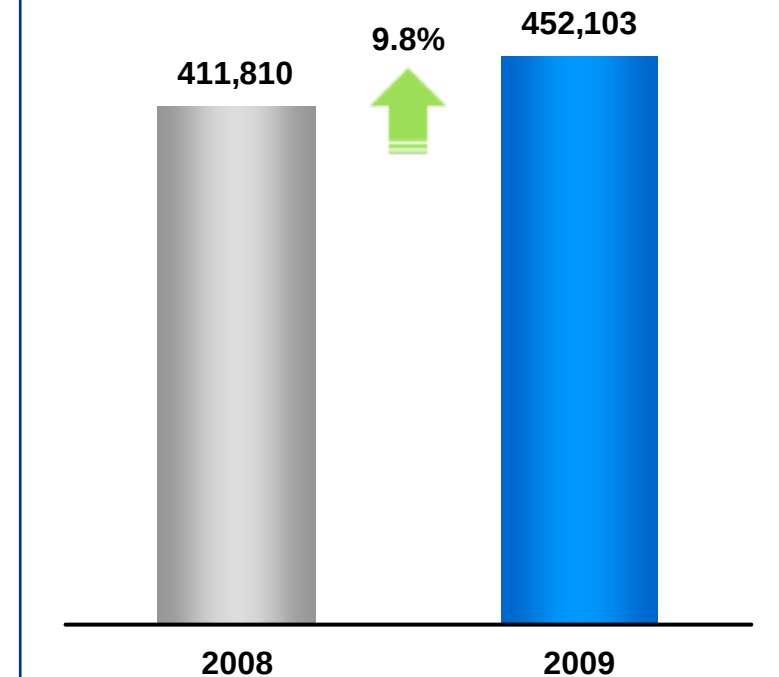
Value-added Business Revenue

(RMB Million)



Operating Revenue

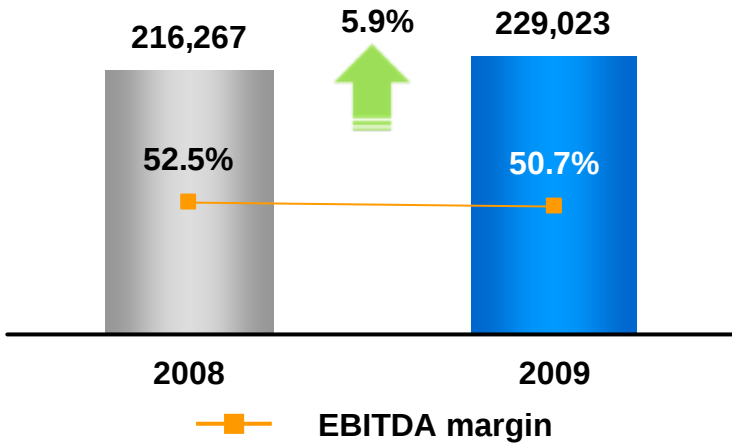
(RMB Million)



Profitability Leads Ahead of the Industry

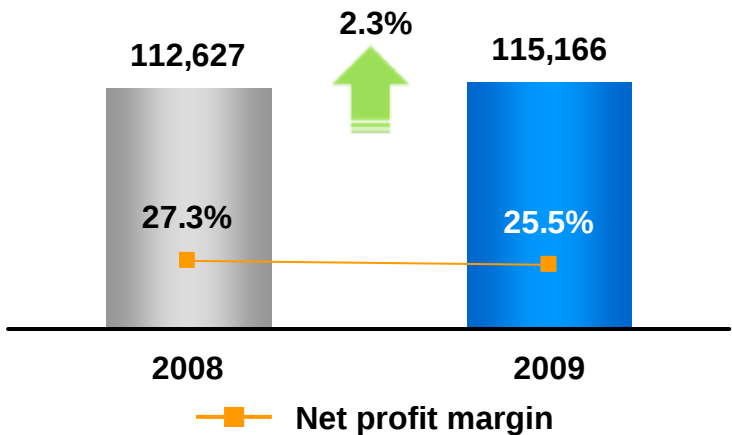
EBITDA

(RMB Million)



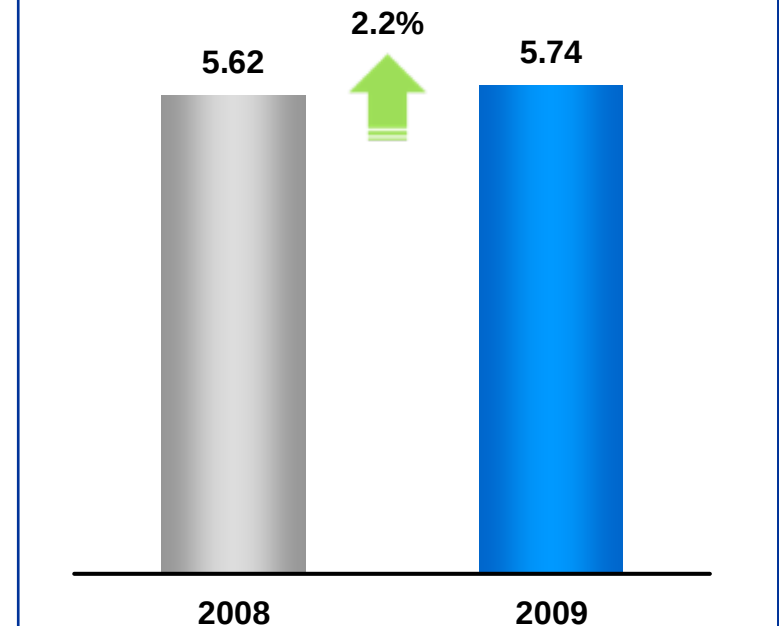
Net Profit

(RMB Million)



Basic EPS

(RMB)



Continued Strong Cash Flow

Solid and Efficient Fund Management

Strong cashflow
generating capability

Secured fund
management

Centralized fund
allocation

Strict and efficient
capital expenditure
management

Highly centralized and prudent
corporate financing and
investing management

Net Cash Generated from Operating Activities

(RMB Million)

193,647

207,123

2008

2009

Free Cash Flow

(RMB Million)

57,355

77,756

2008

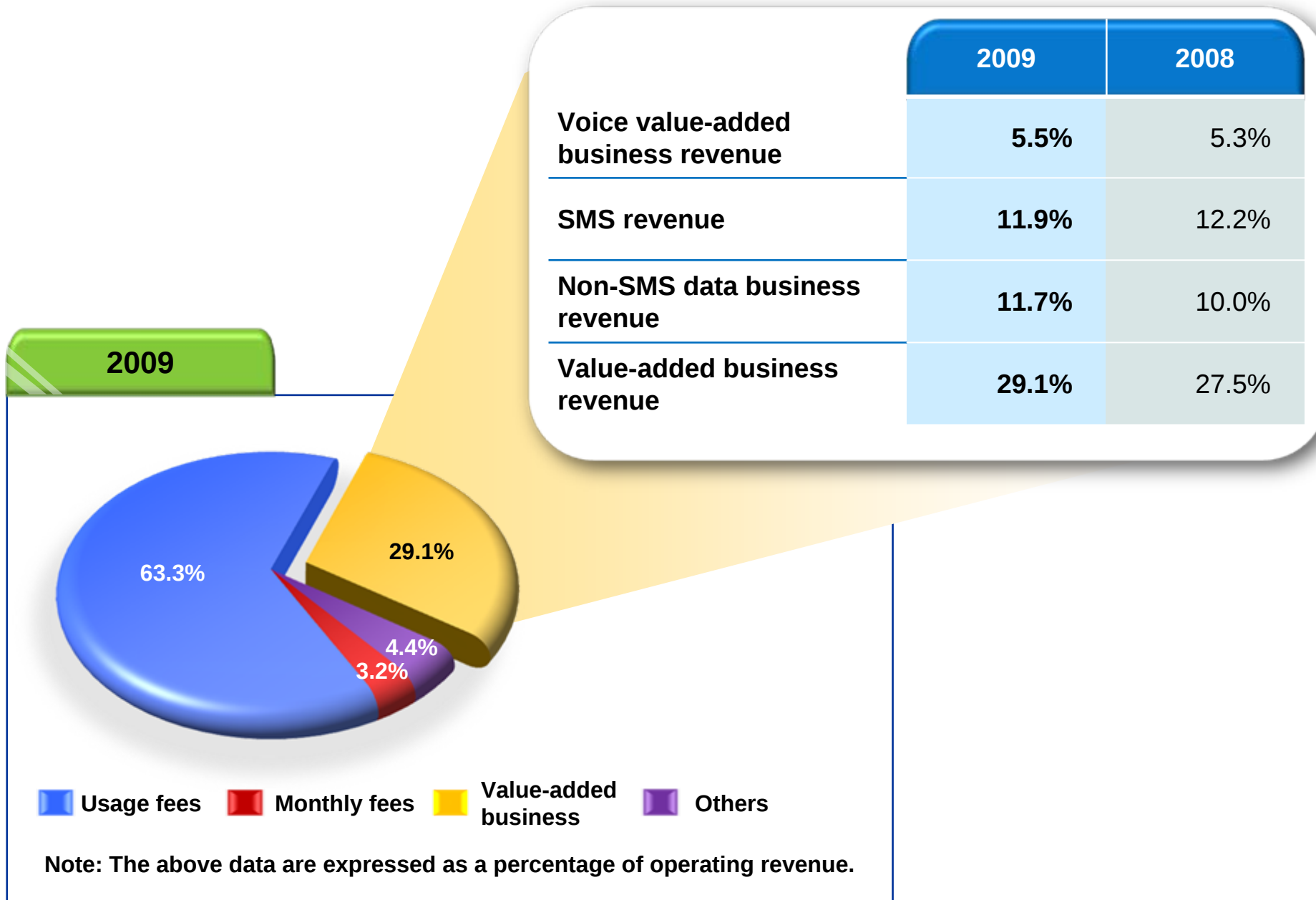
2009

Continued and
favorable
business growth

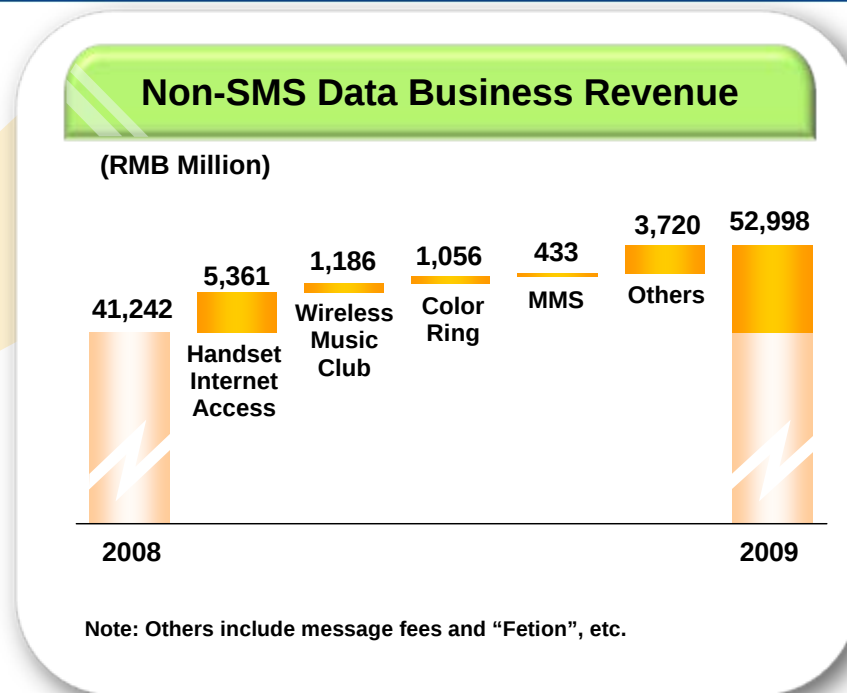
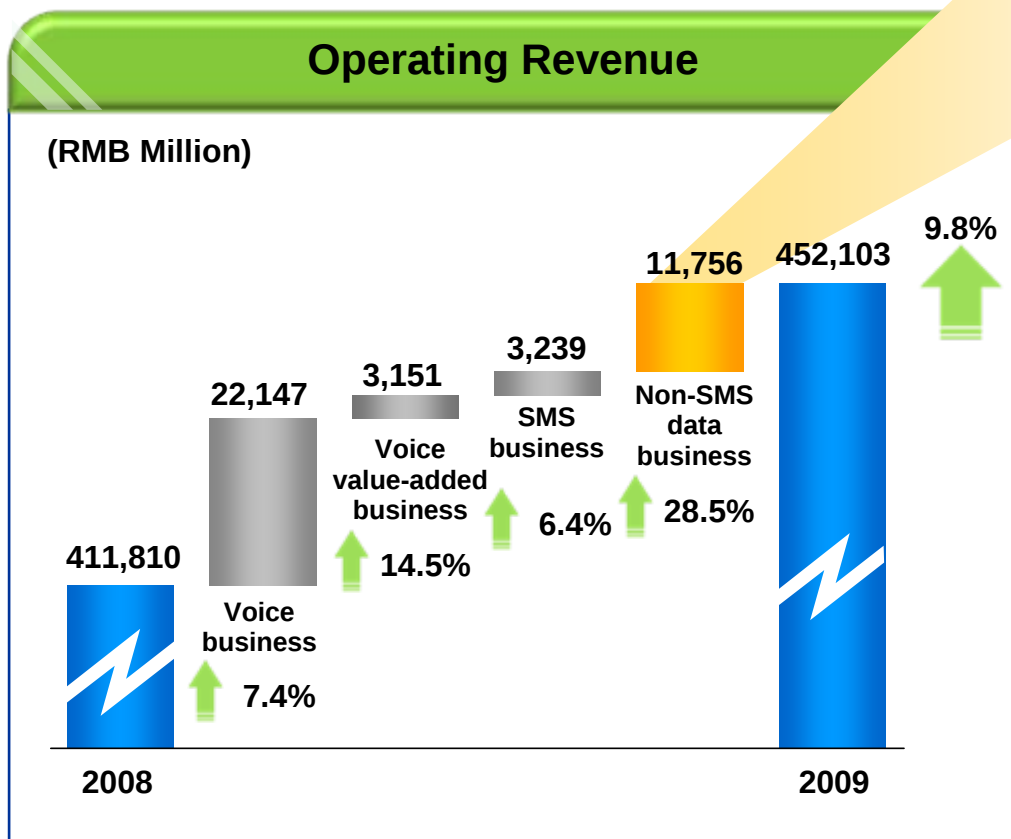
Provide a solid foundation
for the sustainable
healthy development of
the Company

Create value for
shareholders

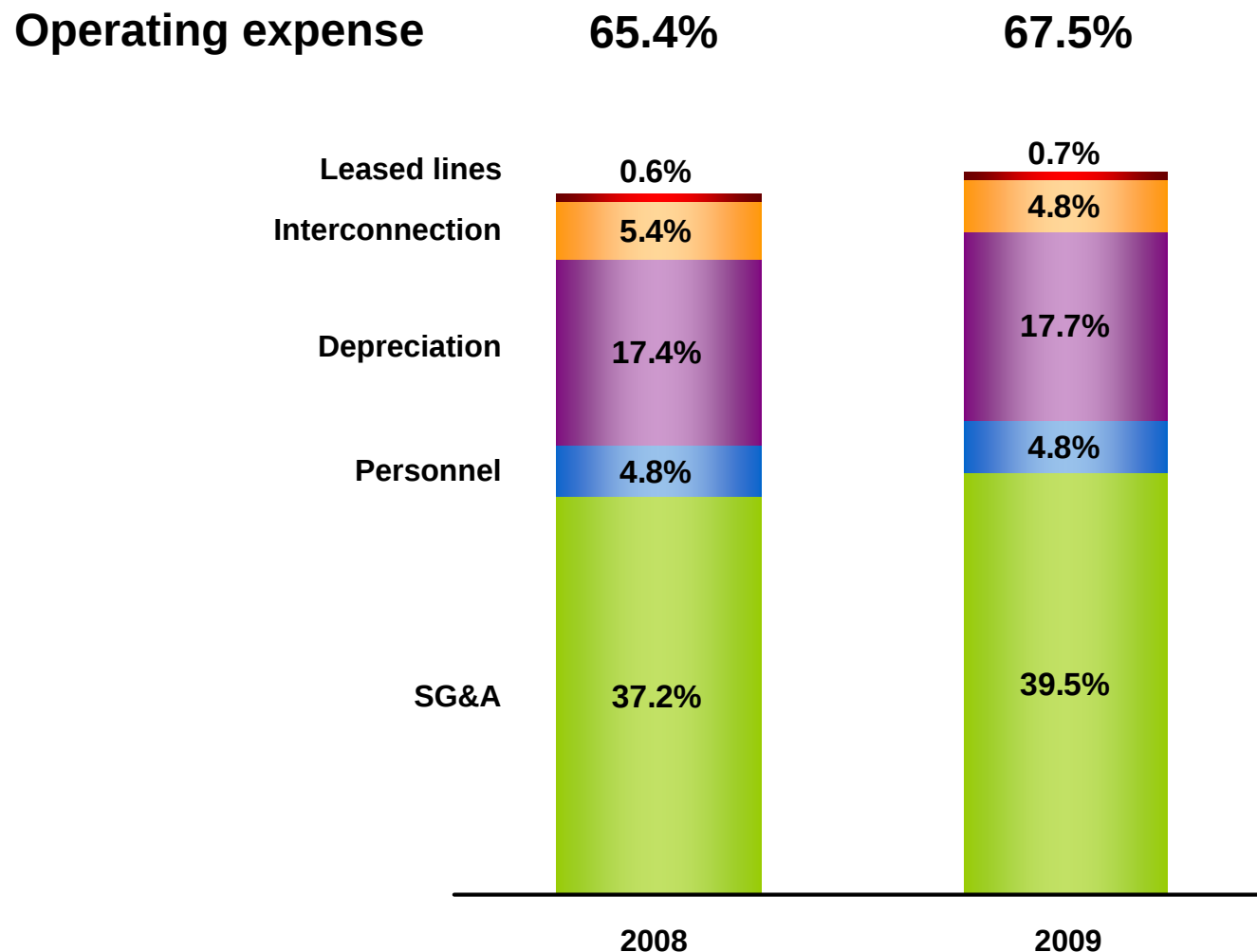
Operating Revenue Composition



Composition of Revenue Growth



Operating Expense Composition



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

Sustained Cost Efficiency

Average Monthly Operating Expense per User

(RMB)

54.2

- 4.7%

51.7

2008

2009

Operating Expense per Minute

(RMB)

0.110

- 5.3%

0.105

2008

2009

Average Monthly SG&A per User

(RMB)

30.8

- 1.8%

30.2

2008

2009

Depreciation Cost per Minute

(RMB)

0.029

- 6.2%

0.027

2008

2009

Healthy and Stable Capital Structure

(RMB Million)

Short Term Debt

710

2,179

Long Term Debt

33,551

33,553

Total Debt

34,261

35,732

Shareholders' Equity

506,748

440,022

Total Book Capitalization

541,009

475,754

Total Debt / Total Book Capitalization

6.3%

7.5%

Cash & Bank Deposits

264,507

218,259

Net Cash

230,246

182,527

Interest Coverage

120x

94x

Credit Rating

Moody's

A1 / Outlook Stable

A1 / Outlook Positive

S&P

A+ / Outlook Stable

A+ / Outlook 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



中国移动通信
CHINA MOBILE

Extracts from Audited Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2009 – Appendix I

(RMB Million)	2009	2008
Operating revenue		
Usage fees	285,971	260,542
Monthly fees	14,661	18,066
Value-added business	131,434	113,288
Other operating revenue	20,037	19,914
	452,103	411,810
Operating expense		
Leased lines	3,006	2,641
Interconnection	21,847	22,264
Depreciation	80,179	71,509
Personnel	21,480	19,960
Other operating expenses	178,583	153,041
	305,095	269,415
Profit from operations	147,008	142,395

(RMB Million)	2009	2008
Profit from operations (Cont'd)	147,008	142,395
Other net income	1,780	2,159
Non-operating net income	359	517
Interest income	5,940	6,002
Finance costs	(1,243)	(1,550)
Share of loss of jointly controlled entity	(8)	-
Taxation	(38,413)	(36,735)
Profit for the year	115,423	112,788
Attributable to:		
Equity shareholders of the Company	115,166	112,627
Minority interests	257	161
Profit for the year	115,423	112,788

Note: Since 1 January 2009, the Company has adopted the "IFRIC/HK(IFRIC) Interpretation 13 – Customer loyalty programmes". Comparative figures of this presentation have been restated accordingly.

Extracts from Audited Consolidated Balance Sheet as at 31 December 2009 – Appendix II

(RMB Million)

Current assets

Non-current assets

Total assets

Current liabilities

Non-current liabilities

Total liabilities

Net assets

2009.12.31

2008.12.31

287,355

240,170

464,013

418,257

751,368

658,427

(209,805)

(183,559)

(33,929)

(34,217)

(243,734)

(217,776)

507,634

440,651

Operating Data – Appendix III

	2009	2008
Total Customers (Million)	522.283	457.250
MOU (Minutes)	494	492
APRU (RMB)	77	83
Average Revenue per Minute (RMB)	0.155	0.169
Mobile Data Users (Million)	463.386	419.764
MMS Users (Million)	147.542	128.194
Mobile Music Users (Million)	406.217	355.461
SMS Usage (Billion Messages)	681.225	607.129
Average Monthly Churn Rate (%)	3.30%	2.71%

Relevant Information Related to the SPD Bank Acquisition – Appendix IV

Share Subscription

- China Mobile Limited (“China Mobile”), through its wholly owned subsidiary, China Mobile Group Guangdong Co., Ltd., subscribes for new shares (2,207,511,410 A shares) of Shanghai Pudong Development Bank Co., Ltd. (“SPD Bank”) by way of private placement, and will hold 20% of the enlarged share capital of SPD Bank following the transaction
- The subscription price per share represents 90% of the average trading price per share of SPD Bank for the last 20 consecutive trading days prior to the announcement of its Board approval, meaning RMB 18.03 per share, equivalent to a total consideration of approximately RMB 39.8 billion
- The Subscription Shares are subject to a lock-up period of 36 months
- Will be entitled to nominate 2 non-independent directors to the Board of SPD Bank
- China Mobile will not participate in the daily operations and management of SPD Bank after the transaction

Strategic Cooperation

- China Mobile and SPD Bank intend to closely cooperate in the mobile finance and mobile e-commerce businesses and jointly make in-depth research & development on new technologies and products in this regard
- The two parties will also be engaged in extensive and in-depth cooperation as to the sharing of customer / channel resources

Conditions Precedent

- The transaction is subject to approval by the shareholders of China Mobile and SPD Bank
- The transaction is also subject to approval by relevant regulatory bodies

MOU – Date Signed

- 10 March, 2010

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.