

China Mobile reports half-year profit up 1.5 percent

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China Mobile, the nation's largest mobile phone operator, on Thursday reported a 1.5 percent rise in half-year net profit, as it was hit by strong competition and a slow economy.

Net profit rose to 55.3 billion yuan (8.09 billion dollars) in the January-June period, up from the 54.5 billion yuan reported at the same point last year, it said in a statement to the Hong Kong Stock Exchange.

The figure was lower than the average forecast of 56.44 billion yuan predicted in a Dow Jones Newswires poll of 10 analysts.

Operating revenue was up 8.9 percent at 212.9 billion yuan from 195.5 billion yuan a year earlier.

"Macroeconomic slowdown, a rising [mobile communications](#) penetration rate and changes in the competitive environment of the [telecommunications industry](#) in China have posed challenges to the development of our business in the first half of 2009," it said.

The company said it would expand into poorer rural areas as the urban market was saturated.

It also said it would identify overseas telecoms assets to invest in as it looks to explore international development opportunities.

In the first half of the year, the firm added 35.87 million subscribers,

taking its total customer number to 493 million. In June 2009, customers who used 3G network services reached 959,000.

The company's shares ended down 0.2 percent at 82.85 Hong Kong dollars on the Hang Seng Index after the announcement, underperforming the market, which ended 1.88 percent higher.

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