

China Mobile 2012 profit rises just 2.7 percent

March 14 2013

China Mobile Ltd., the world's biggest phone carrier by number of subscribers, said Thursday that profit rose just 2.7 percent last year as it grappled with fierce competition and higher costs.

The Beijing-based phone company said it earned 129.3 billion yuan (\$16.7 billion) in 2012. Revenue climbed 6.1 percent to 560.4 billion yuan (\$72 billion).

[China Mobile](#), one of three state-owned Chinese phone companies, is facing fierce competition as well as costly technology upgrades to support smartphones, [tablet computers](#) and other devices. China Mobile said it was stepping up a strategic transformation amid the "challenging backdrop."

"We faced intense challenges and development pressures, including greater penetration in mobile communications and a more complex competitive landscape," Chairman Xi Guohua said in a statement.

The company is also hobbled because its network, which runs its homegrown third-generation TD-SCDMA technology, does not support Apple's iPhone. Rivals [China Unicom](#) and [China Telecom](#) have an edge because they use a different network standard that allows them to offer the smartphone, which is wildly popular in China.

The company said it has been working to speed up the roll out of its faster fourth-generation TD-LTE, or "long-term evolution," network

technology, which may be able to support new [iPhone](#) models.

The company said it held trials in 15 cities last year. Xi told delegates to a mobile phone conference in Barcelona last month that he expects the 4G network to be rolled out to 100 cities by the end of the year, according to news reports.

China Mobile said it added 60.7 million new subscriber accounts last year, bringing the total to 710 million.

More information: Online: www.chinamobileltd.com

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