

China Unicom 2012 profit jumps by two-thirds (Update)

March 21 2013

China Unicom Ltd., the country's second biggest mobile phone company by subscribers, said Thursday that 2012 profit jumped by more than two-thirds as revenue from third-generation mobile services surged despite stiff competition.

The Beijing-based company said it earned 7.1 billion yuan (\$1.1 billion) last year, up 68 percent from 4.3 billion yuan in 2011.

The company's revenue rose 19 percent to 249 billion yuan (\$40 billion). Revenue from 3G services jumped more than 80 percent to about 60 billion yuan.

Unicom, which was the first Chinese carrier to offer the iPhone, said revenue grew rapidly as it expanded its 3G and fixed line broadband internet services.

The company expanded its 3G network to cover almost all towns in central and eastern China, where most of the population lives, and some towns in the west. It also became more efficient at sales and marketing as it spent less on subsidies for mobile phone handsets.

The company's upbeat results come amid intense competition for customers with state-owned rivals. China Telecom, which last year became the second Chinese carrier to offer the iPhone, said Wednesday that 2012 profit fell 9.5 percent because of higher marketing costs. China Mobile reported last week the profit rose just 2.7 percent.

Chinese phone carriers have faced tougher conditions since the government restructured the telecom industry in 2008 into three groups, each with mobile and fixed-line businesses. Beijing's aim was to revive competition after China Mobile became too dominant.

Unicom said it added 20 percent more mobile subscribers last year, bringing the total to 239.3 million, with about three-quarters of them signing up for 3G service.

More information: Online: www.chinaunicom.com/

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