

# China Unicom 1H profit leaps 55 percent

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China Unicom Ltd., one of the country's three big state-owned phone companies, said first half profit jumped by more than half as it signed up more third-generation users and customers increased their usage of mobile data services.

The Beijing-based company, which faces fierce competition from its two [rivals](#), is focusing its marketing efforts on low-cost handsets to woo more customers after losing the exclusive right last year to sell the iPhone in China.

Apple's popular [smartphone](#) allows carriers to earn big profits from data usage but they also have to provide hefty handset subsidies for customers who sign up for contracts.

China Unicom is the country's second largest [mobile phone company](#) by subscribers, which rose 20 percent to 262.2 million over the year before. Some 100 million of those were third-generation customers, up more than half from the first half of 2012.

The company has turned to lower priced handsets to woo customers, though the new subscribers appear to be spending less on data services.

Revenue from 3G services rose by half over last year to 40.9 billion yuan (\$6.7 billion) in the first half but average revenue per 3G user fell to 77.6 yuan (\$12.70) from 91.8 yuan (\$15) a year earlier,

China's three big state-owned carriers, which also include China Mobile,

also face high costs from capital spending on new, faster fourth-generation networks.

Unicom said profit for the January-June period rose to 5.3 billion yuan (\$865 million), or 0.22 yuan a share, up 55 percent from 3.4 billion yuan, or 0.14 yuan a share, last year. Revenue increased by nearly a fifth to 144.3 billion yuan (\$23.6 billion).

Unicom said costs and expenses grew at a slower rate than revenue.

Broadband internet revenue rose 10 percent to 22.6 billion yuan (\$3.7 billion) as the number of broadband subscribers rose by 4 million to 62.6 million.

Unicom's results were apparently accidentally posted prematurely on the website of China's state-owned enterprises administrator before being removed. Shares rose 2.7 percent on the Hong Kong stock exchange before they were suspended half an hour before trading ended.

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