



Huawei Corporate Presentation

Build a better connected world

Contents

Huawei overview

Huawei in Europe

*CNY is translated into US dollars using the closing rate as at December 31, 2013 of USD1.00 = CNY6.0569

Huawei is a leading ICT company

Who is Huawei



- A leading global ICT solutions provider
- A Fortune Global 500 company, ranking 315 in 2013

Employees



- 150,000+ employees worldwide
- 70,000+ engaged in R&D

Market Progress



- US\$39.5B revenue in 2013
- Serving 45 of the world's top 50 carriers, which account for 77% of Huawei's revenue generated from the carrier network business
- Serving 1/3 of the world's population

Business Areas



- Carrier
- Enterprise
- Consumer

Factors to Huawei's success

Booming China and International Telecom Market

- From 1992 to 2000, China's telephone subs grew 15.5 times (11M to 171M), mobile subs grew 500 times (170K to 85 M)
- From 1990 to 2010, number of mobile phone users worldwide jumped from 11M to 5.3B, up nearly 500 times

Customer-centric innovation

- Customer-driven R&D system
- A large cost-effective R&D force distinguishes Huawei from our global competitors. 6.6M college graduates in 2011 in China, 6x growth in 10 years
- Total 150,000 employees, 70,000 in R&D, over \$20Bn R&D investment (last 10 years)

Customer Centric Corporate Culture

World-leading Management

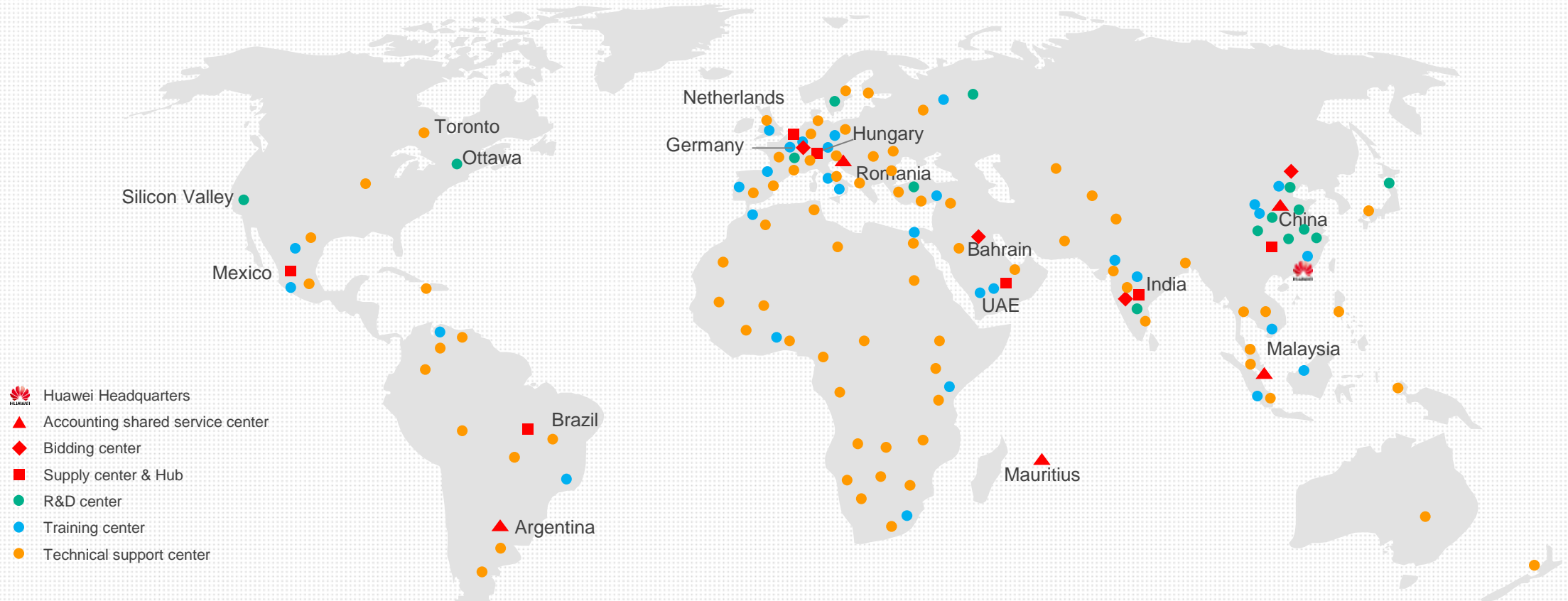
- Since 1997, Huawei has partnered with world-class consultancies on management transformations



Employee Stock Ownership Program

- Employee Stock Ownership Program attracting and retaining talent
- Stocks are granted to high-performing employees
- A total of 74253 shareholding employees as of Dec 2012

Globalized resource deployment and localized business operations

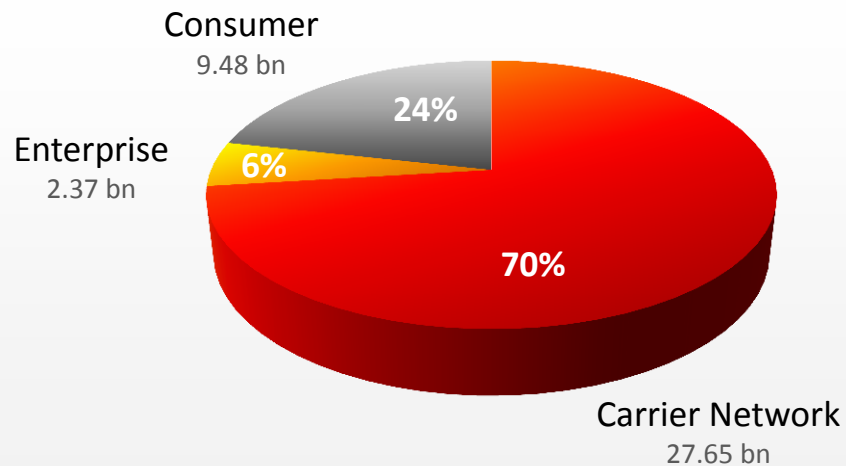


- Operations in **170+** countries; **150,000+** employees comprised of **150+** nationalities worldwide ; **30,000+** non-Chinese employees with **70%+** localization rate. 6 supply center, 16 R&D centers, 36 shared service centers, 45 training centers
- Huawei's global value chain allows fluid capability transfer across the globe, develops and retains talent in local countries, and creates jobs and economic opportunities.

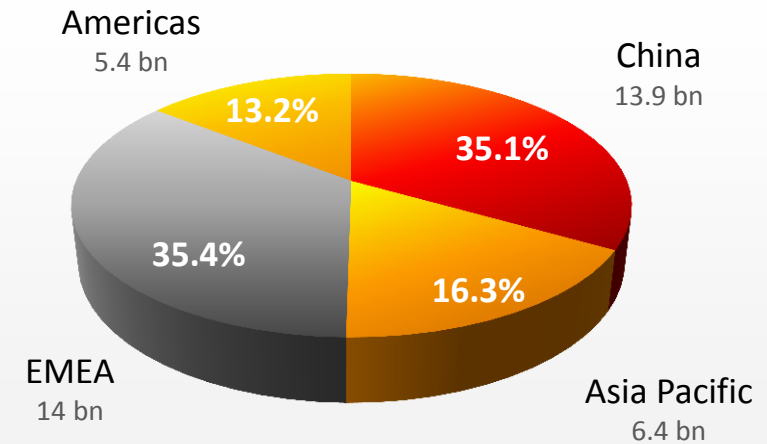
Huawei Global: Sustained Growth in 2013

- Revenue amounted to **\$ 39.5 billion** with a net profit of **\$ 3.47 billion**
- **\$ 4.8 billion** R&D investment
- Continuous growth in core business areas and markets

By Business Group



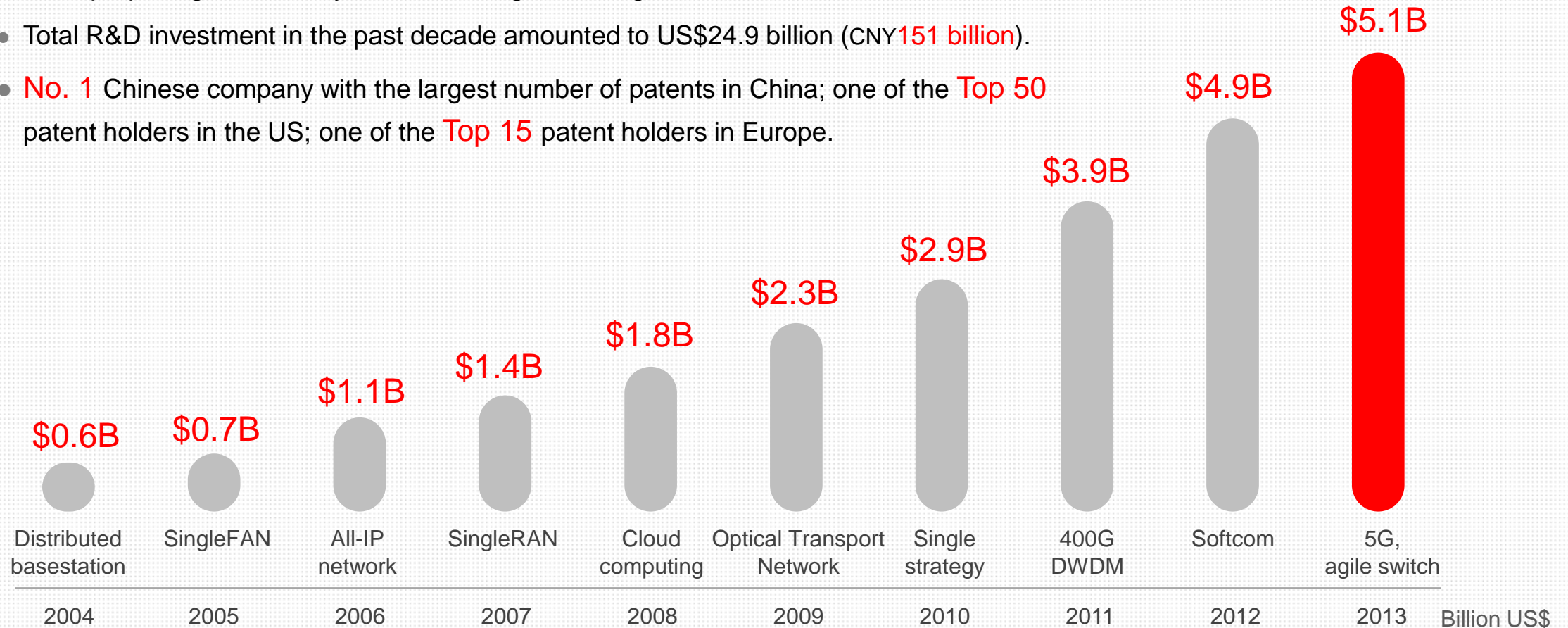
By Region



Currency: USD
All financial figures unaudited

Long-term investment in innovation

- Continue to invest **over 10%** of revenue into R&D, which enhances our competitiveness while propelling the industry and advancing technologies.
- Total R&D investment in the past decade amounted to US\$24.9 billion (CNY**151 billion**).
- **No. 1** Chinese company with the largest number of patents in China; one of the **Top 50** patent holders in the US; one of the **Top 15** patent holders in Europe.



Customer-centric innovation

R&D Investment

Over \$20Bn R&D investment (last 10 years)
70,000+ employees engaged in R&D

Patents

As of December 31, 2013, we had filed **44,168** patent applications in China, **18,791** outside China, and **14,555** under the Patent Cooperation Treaty (PCT).

Of these applications, **36,511** have been granted.

R&D Centers

16 R&D centers worldwide

28 joint innovation centers with leading operators

Customer-driven R&D system

- IPD process
- Large-scale platform sharing
- CMM5 Quality control systems

Standards

150+ standards organizations

5,000+ standards proposals submitted in 2012

Dedicated to bridging the digital divide



Huawei's goal in bridging the digital divide: connectivity and broadband inclusion for all

Accessibility: Work with carriers to solve the wide coverage problem

- Enabling 1.5 billion more people (7.5 billion in total) with access to communications services
- Allowing another 300 million households (930 million in total) to enjoy broadband access.

Affordability: Reduce costs with innovative technologies.

- Fixed Broadband: down from US\$5 to US\$3 for each Mbps(Megabit per second)
- Next Generation Network: down from US\$12 to US\$8 for each line
- Tablet and smartphone: down from US\$300 to US\$50

Telecom seeds for the future

Help develop local
ICT talent



Trained nearly **10,000** ICT students

Help countries and
regions join the digital
community



Worked with **23** countries to
implement projects

Facilitate ICT
knowledge transfer



Worked with over **70** universities and
training institutes worldwide

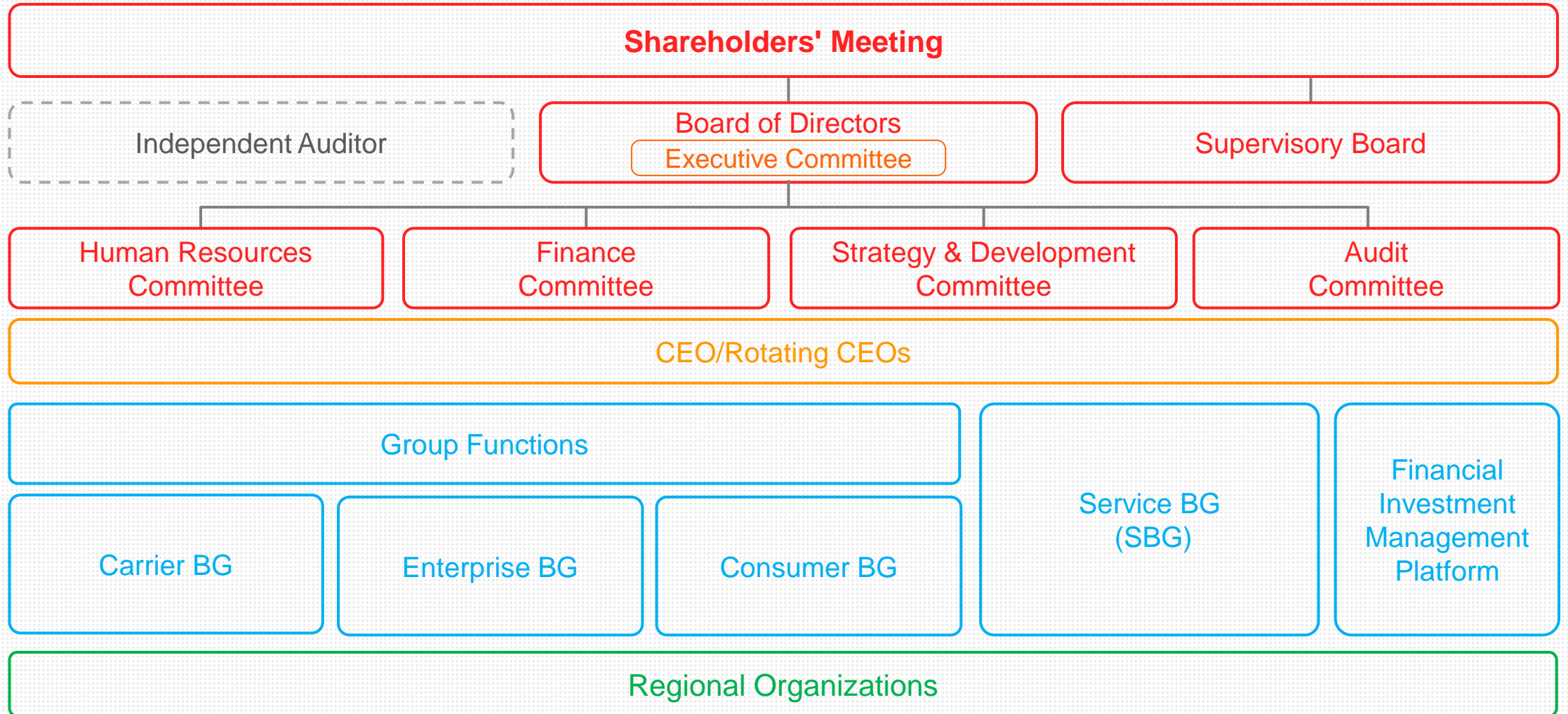
Set up local ICT training
centers or labs



Established **45** ICT training centers



Corporate governance and organizational structure



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Huawei overview

Huawei in Europe

Huawei in Europe: quick facts

Established its operations in Europe in **2000**;

7,700+ employees, **850+** of them engaged in R&D ,

6700+ indirect employees (service engineers) as well as other indirect employees from suppliers, partners and manufacturing centers;

44 subsidiaries for proximity to customers;

17 R&D sites in 8 European countries.

Collaboration with **200+** academic institutions

Average of **500** million Euros spent each year in European operations;

Purchases from **thousands** suppliers in **23** countries across Europe;

Overall corporate purchases in EU totaled **3.4** billion USD in 2013

Huawei Sweden



Huawei Poland



Huawei Italy



Huawei Romania



Huawei Germany



Huawei France



Huawei UK



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Huawei Research in Europe - Locations



Dublin, Cork, Ireland
OS

Ipswich, UK
Optoelectronics

Paris, France
Standards

Milan, Italy
Microwave
Optoelectronics

Helsinki, Finland
Terminal OS

Stockholm, Sweden
Gothenburg, Lund
Wireless Technology
Components

Brussels, Belgium
Application Software Architecture
Components, Silicon-Photonics

Berlin, Germany
Standards

Nuremberg, Germany
Renewable Energy

Munich, Germany

- Antenna
- Future Network
- Hardware and Engineering
- Media Technology
- Terabits Optical Systems
- Software Platforms



Thank you

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