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

**World-leading Management**
- Since 1997, Huawei has partnered with world-class consultancies on management transformations

**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)

**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

- Consumer: 9.48 bn (24%)
- Enterprise: 2.37 bn (6%)
- Carrier Network: 27.65 bn (70%)

By Region

- Americas: 5.4 bn (13.2%)
- China: 13.9 bn (35.1%)
- Asia Pacific: 6.4 bn (16.3%)
- EMEA: 14 bn (35.4%)

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 (CNY151 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

### 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

Shareholders' Meeting

- Independent Auditor
- Board of Directors
  - Executive Committee
- Supervisory Board

- Human Resources Committee
- Finance Committee
- Strategy & Development Committee
- Audit Committee

CEO/Rotating CEOs

Group Functions
- Carrier BG
- Enterprise BG
- Consumer BG

Service BG (SBG)

Financial Investment Management Platform

Regional Organizations
Contents

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

As of Dec, 2012
Thank you

www.huawei.com