



Corporate Information

Huawei is a leading telecom solutions provider. Through continuous customer-centric innovation, we have established end-to-end advantages in Telecom Networks, Global Services and Devices. With comprehensive strengths in wireline, wireless and IP technologies, Huawei has gained a leading position in the All-IP convergence age. Our products and solutions have been deployed in over 140 countries and have served 45 of the world's top 50 telecom operators, as well as one third of the world's population.

Huawei's vision is to enrich life through communication. By leveraging our experience and expertise in the telecom sector, we help bridge the digital divide and provide people the opportunity to join the information age, regardless of their geographic origin. In order to address the increasingly prominent climate challenges, Huawei has deployed a wide range of green solutions that enable customers to reduce power consumption and carbon emissions, contributing to the sustainable development of the society, economy, and the environment.

Vision & Mission

Vision

To enrich life through communication

Mission

To focus on our customers' market challenges and needs by providing excellent ICT solutions and services in order to consistently create maximum value for our customers.

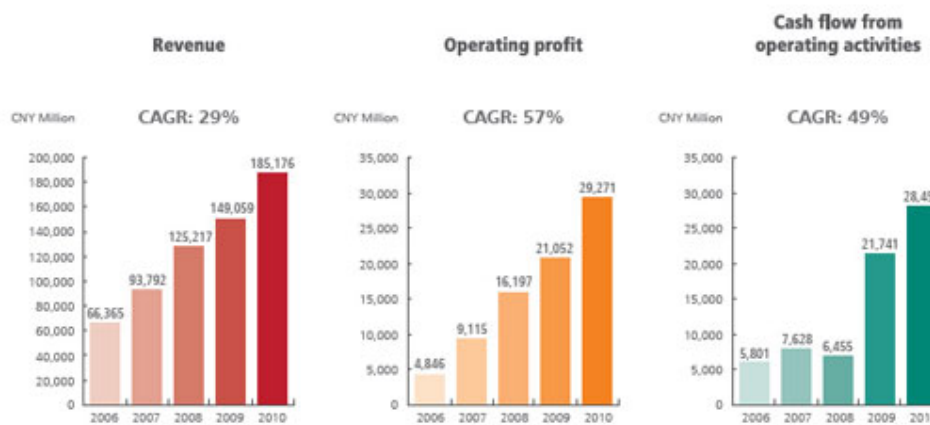
Core Values

Our core values are deeply rooted in every aspect of our business. They are the internal driving force for the Company and are our commitments to the ecosystem. These values enable us to provide effective services to our customers and to achieve our vision of "enriching people's lives through communication".



Financial Highlights

CNY Million	2010	2009	2008	2007	2006
Revenue	185,176	149,059	125,217	93,792	66,365
Operating profit	29,271	21,052	16,197	9,115	4,846
Operating Margin	15.8%	14.1%	12.9%	9.7%	7.3%
Net Profit	23,757	18,274	7,848	7,558	3,999
Cash flow from operating activities	28,458	21,741	6,455	7,628	5,801
Cash and cash equivalents	38,062	29,232	21,017	13,822	8,241
Working capital	53,991	41,835	29,588	23,475	10,670
Total assets	160,841	139,653	118,240	81,059	58,501
Total borrowings	11,640	16,377	14,009	2,731	2,908
Owners' equity	55,251	43,316	37,454	30,032	20,846
Liability ratio	65.6%	69.0%	68.3%	63.0%	64.4%



Tags

FTTx SingleCORE Annual Report SingleRAN NGBSS IPv6 MBB Service National Broadband Smart

Corporate Governance

Shareholders

Huawei Technologies Co., Ltd. (the "Company" or "Huawei") is a wholly-owned subsidiary of Shenzhen Huawei Investment & Holding Co., Ltd. ("Huawei Holding"). Huawei Holding is solely owned by employees of the Company, without any third parties, including the government bodies, holding any of its shares.



Corporate Overview

Huawei Holding implements an Employee Shareholding Scheme (the "Scheme") through the Union, which involves 65,179 employees as of 31 December 2010. They are represented by and exercise their rights through the elected representatives. The Scheme effectively aligns the personal goals of employees with the Company's long-term development, fostering the continuing success of Huawei.

Board of Directors and Committees

The Board guides and oversees the overall business operations, and makes decisions on significant issues in strategic and operational areas. The Board of Directors has established the Human Resources Committee, the Finance Committee and the Audit Committee to assist the Board in overseeing the Company's operations.

The key roles and responsibilities of Board of Directors include:

- Approving the Company's strategic directions and its medium-to-long-term business plan, and monitor their execution
- Approving the Company's major financial arrangements and business transactions
- Approving the Company's operational and financial results
- Establishing and reviewing the governance structure in accordance with the development of the Company and changes in the operating environment
- Overseeing the establishment and maintenance of the Company's monitoring mechanism
- Providing advice and guidance to management regarding significant issues encountered, including major market changes and risks
- Approving the appointment and remuneration of the Chief Executive Officer; establishing the succession plans for the Chief Executive Officer and other senior management
- Approving the appointment of senior management and their remuneration policy and performance evaluations

In 2010, the Board of Directors deliberated on the future governance and business structure of the Company, and set out plans for the formulation of the Company's management outlines. The annual business plan and budget, the quarterly operational performance, the strategic direction and organizational setup for new businesses, investment and merger & acquisition projects, the appointment and remuneration of senior management, and other key human resources and financial policies were also reviewed and approved by the Board. The Board also concluded a set of resolutions on the Company's strategic directions, major investment decisions, financing arrangements and major contracts.

Human Resources Committee

The Human Resources Committee comprises Board members and senior human resources experts. The key roles and responsibilities of the Human Resources Committee include:



Corporate Overview

- Evaluating the corporate strategy and policies on human resources
- Reviewing the Company's medium to long-term human resources plan and annual human resources programs
- Reviewing the selection, allocation, performance evaluation, remuneration, incentive & discipline as well as succession plan of the Company's middle and senior management

The Human Resources Committee meets on a monthly basis. Business executives and relevant experts are invited as non-voting participants when needed. Based on business needs and requests of the Board of Directors, the Human Resources Committee held twelve meetings in 2010 to develop frameworks and policies, as well as to monitor executions regarding cadres management & succession plan, compensation & incentive optimization, organization development and performance improvement of human resources system.

Finance Committee

The Finance Committee consists of members with relevant expertise and experience, including Directors and financial experts. The key roles and responsibilities of the Finance Committee include:

- Reviewing the Company's medium-to-long-term business plan, overseeing and managing the Company's annual budget and business forecast through quarterly reviews and monthly reviews, and driving special actions on critical results of operations
- Reviewing all the finance-related strategies, plans, policies and campaigns, and submitting such for the Board's approvals, including capital and asset structures, asset and debt financing, strategic investments, major financial investments, mergers & acquisitions, and divestitures etc
- Monitoring the Company's operational and financial results and ensuring integrity and accuracy of financial information

The Finance Committee generally holds meetings on a monthly basis, and may call for special sessions and invite relevant functional experts to attend if needed. Based on business needs and requests of the Board of Directors, the Finance Committee held eleven meetings in 2010, and focused its efforts in the structural design, approval procedure, execution, and monitoring of the Company's strategic plan (SP) and business plan (BP), operational management, capital investment projects, capital structure, operating assets management, enterprise risk management, subsidiaries and joint ventures management etc. The Finance Committee also approved and issued relevant policies and guidelines for the above matters.

Audit Committee

The Audit Committee comprises Directors and the Chief Internal Auditor. The key roles and responsibilities of the Audit Committee include:

- Reviewing the Company's internal audit plan, monitoring its execution results, discussing the Company's internal control policies
- Approving the internal control framework and milestone plan, overseeing the implementation of internal control improvement measures and driving special actions on key issues
- Monitoring management's and employees' integrity and the Company's compliance with rules and regulations
- Approving the appointment of independent auditor together with the Board of Directors, and evaluating the performance of the independent auditor

The Audit Committee holds meetings on a quarterly basis. Four meetings were held in 2010 to review the Company's risk management and internal control strategies, and to approve the annual internal audit plan. In addition, the Audit Committee monitored the Company's internal control effectiveness through reviewing regular reports, such as the Audit Trend Report, the Semi-annual Control Assessment (SACA) and the GPO Internal Control Reports, submitted by the Internal Audit Department and Global Process Owners (GPO). The Audit Committee also promoted the compliance of the Business Conduct Guideline (BCG) among all employees through sharing of major audit findings and non-compliance cases. During the year, the Audit Committee also discussed the management letter with the independent auditor.

Supervisory Board

Pursuant to the requirements of the Company Law of the People's Republic of China, Huawei has established a Supervisory Board, which consists of five members who are elected by the shareholders. The key roles and responsibilities of the Supervisory Board include overseeing the Company's financial and operational results, monitoring the performance of the Directors, Chief Executive Officer and other senior management, as well as attending Board meetings as observers.

Research & Development

Huawei is committed to investing in R&D to create competitive products and solutions.

To meet the needs of our customers, we focus on continuous customer-centric innovation. The goal of our product R&D is to deliver timely solutions for both potential and actual customer needs by developing innovations in technologies, products, solutions and services.

The Company has extensively implemented the Integrated Product Development (IPD) process



Corporate Overview

within the R&D function. With thorough comprehension of customers' needs, we significantly shortened the timeline for products to reach the market and therefore helping our customers to achieve success.

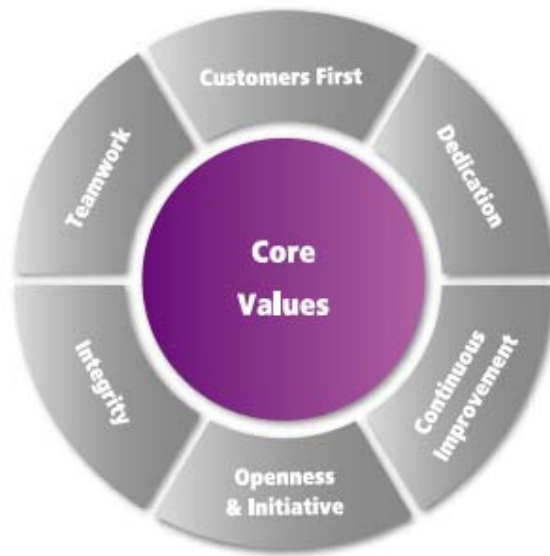
In 2010, Huawei continued to increase its R&D investment. Annual R&D expenses amounted to CNY 16,556 million, an increase of 24.1% year-on-year. We have more than 51,000 employees (46% of our total workforce) engaged in R&D and have established 20 research institutes in countries including the USA, Germany, Sweden, Russia, India and China. In addition, we have over 20 joint innovation centers with leading telecom operators where we work in partnership with these operators to transform leading technologies into a competitive edge for customers and helping them achieve business success.

As at 31 December 2010, Huawei had accumulatively filed 49,040 patent applications i.e. 31,869 patent applications in China, 8,892 international patent applications under the Patent Cooperation Treaty, and 8,279 overseas patent applications. Of the 17,765 authorized patents granted, 3,060 were overseas patents. In addition, Huawei holds a leading position in terms of essential LTE patent applications.

Huawei joined, supported and made significant contribution to international standards. By the end of 2010, Huawei was a member of 123 standards organizations, including 3GPP, IETF, ITU, OMA, NGMN, ETSI, IEEE and 3GPP2. We have accumulatively submitted more than 23,000 proposals and served in 180 leadership positions including as board members in various organizations such as OMA, CCSA, ETSI, ATIS and the WiMAX Forum. In the LTE/EPC field, Huawei cumulatively submitted more than 6,400 proposals to 3GPP. In 2010, the number of our proposals on LTE Radio Communication Core Specification passed by 3GPP accounted for approximately 20% of the world's overall accepted proposals.

In 2010, Huawei won the "Solution Excellence Award" at the 2010 Telecom Management Forum (TMF) Management World event and the "Outstanding Contribution and Leadership Award" from Open Mobile Alliance (OMA). Both our Terabit Multi-Service Router Platform and New-Generation Multi-Service Transmission Platform Based On The Synchronous Digital Hierarchy (SDH) won the "Second Prize of the National Award for Science and Technology Progress" from the China government. The CTO of Huawei's Wireless Networks was appointed as a fellow of the Wireless World Research Forum (WWRF).

As a result of our strong innovation capabilities, Huawei competitively earned grants from several government research and innovation programs in 2010. These programs included China's Next Generation Broadband Wireless Networks, Highly-Reliable Networks and New-Generation Storage Technology, the EU's FP, and the BESTSELECT program from the government of Berlin, Germany.



Customers First

Huawei exists to serve customers, whose demand is the driving force behind our development. We continuously create longterm value for customers by being responsive to their needs and requirements. We measure our work against how much value we bring to customers, because we can only succeed through our customers'success.

Dedication

We win customers'respect and trust primarily through dedication. It includes every effort we make to create value for customers and to improve our capabilities. We value employees'contributions and reward them accordingly

Continuous Improvement

Continuous improvement is required for us to become better partners for our customers, improve our company and grow as individuals. This process requires that we actively listen and learn in order to improve.

Openness & Initiative

Driven by customer needs, we passionately pursue customercentric innovations in an open manner. We believe that business success is the ultimate measure of the value of any technology,product, solution or process improvement.

Integrity

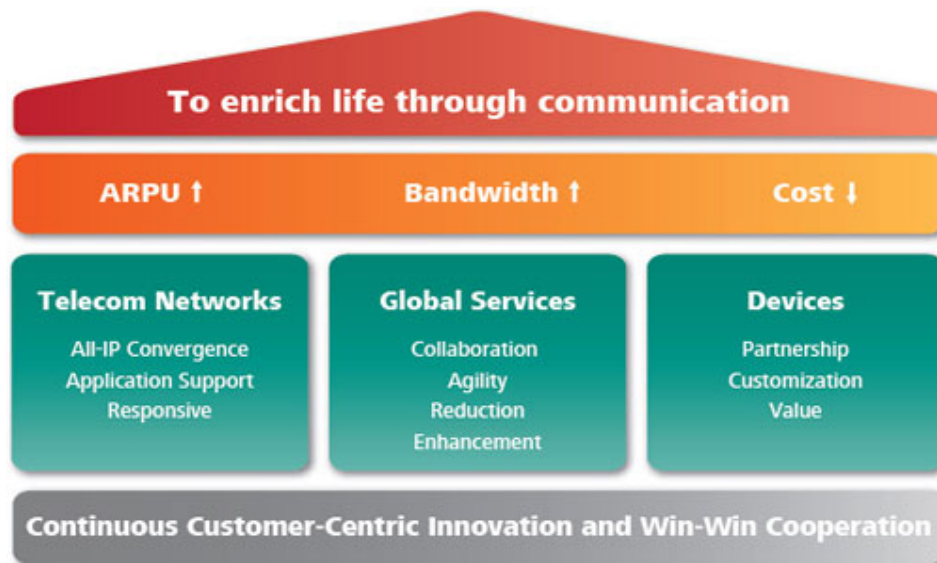
Integrity is our most valuable asset. It drives us to behave honestly and keep our promises, and, thus, win our customers' trust and respect.

Teamwork

We can only succeed through teamwork. By working closely in both good times and bad, we lay the foundation for successful cross-cultural collaboration, streamlined inter-departmental cooperation and efficient processes.

Strategy

Huawei will persist to be customer-centric and gradually extend our integrated advantages in the Telecom Networks, Global Services and Devices areas based around customer requirements. Moving forward, we are committed to providing products and solutions for the Cloud, Pipe and Devices businesses and helping operators to achieve business success with our ABC strategy: growing average revenue per user (ARPU), increasing bandwidth and reducing cost.



Telecom Networks: All-IP Convergence, Application Support, Responsive and Cloud Computing

Huawei has built comprehensive advantages in core areas such as wired and wireless broadband access, data communications, and optical transmission through years of continuous development. We have become the preferred partner for operators in the age of All-IP convergence. We are committed to providing open application environments, smart operational platforms, and efficient services to global telecom operators, thus helping to enhance their operational revenue and efficiency. At the same time, Huawei promptly fulfilled customer needs with our agility to developing innovative products and solutions. We help operators build cloud computing platforms to effectively improve their return on investment.



Corporate Overview

Global Services: Collaboration, Agility, Reduction, Enhancement

In Global Services, Huawei helps customers to further increase their total value of ownership (TVO) through continuously optimized service solutions and improved operational efficiency.

Devices: Partnership, Customization, and Value

We focus on the operator resale market to help consumers fulfill the diversified device requirements of end users and to provide consumers with rich and convenient communication experiences by offering a wide variety of network devices.

Continuous Customer-Centric Innovation and Win- Win Cooperation

In order to meet the needs of our customers, we focus on continuous customer-centric innovation. The goal of our product R&D is to deliver timely solutions for both anticipated and actual customer needs by developing innovations in technologies, products, solutions and services.

We have more than 51,000 employees (46% of our overall headcount) engaged in R&D and have established 20 research institutes in countries around the world including the USA, Germany, Sweden, Russia, India, and China. We have also set up over 20 joint innovation centers with top operators to transform leading technologies into a competitive edge for customers and to achieve business success.

Moving ahead, Huawei will continue to expand cooperation in Telecom Networks, Global Services and Devices, as well as moving into the new Enterprise Business segment, with the aim of establishing a healthy, harmonious and win-win environment.

Milestones

Year 2010

- Deployed over 80 SingleRAN networks among which 28 were commercial LTE/EPC networks
- Established its Cyber Security Evaluation Centre in the UK
- Signed a Voluntary Green Agreement with the China Ministry of Industry and Information Technology (MIIT)
- Joined the UN Broadband Commission for Digital Development
- Awarded the "2010 Corporate Use of Innovation Award" by The Economist

Year 2009

- Ranks No.2 in global market share of radio access equipment



Corporate Overview

- Successfully delivers the world's first LTE/EPC commercial network for TeliaSonera in Oslo Norway
- Launches the world's first end-to-end 100G solution from routers to transmission system
- Receives "2009 Corporate Award" from IEEE Standards Association(IEEE-SA)
- Receives the Financial Times' Arcelor Mittal Boldness in Business award for performance in and contribution to emerging markets and ranks the fifth most innovative company in the world by Fast Company
- Achieves a year-on-year decrease of more than 20% in resource consumption by Huawei's main products; deploys over 3,000 sites powered by alternative energies around the world

Year 2008

- Recognized by BusinessWeek as one of the world's most influential companies
- Ranks No. 3 by Informa in terms of worldwide market share in mobile network equipment
- First large scale commercial deployment of UMTS/HSPA in North America, for TELUS and Bell Canada
- Ranks No. 1 by ABI in mobile broadband devices having shipped over 20 million units
- Largest applicant under WIPO's Patent Cooperation Treaty (PCT), with 1,737 applications published in 2008; accounts for 10% of LTE patents worldwide

Year 2007

- Establishes joint venture with Symantec, to develop storage and security appliances
- Establishes joint venture with Global Marine, to provide end-to-end submarine network solutions
- A partner to all the top operators in Europe at the end of 2007
- Won 2007 Global Supplier Award by Vodafone. Was the only network equipment supplier to be awarded this specific accolade
- Unveils its ALL IP FMC solutions strategy designed to leverage distinct benefits for telecom carriers, from TCO savings to reduced energy consumption

Year 2006

- Divests 49 percent stake in H3C for USD880 million
- Establishes Shanghai-based joint R&D Center with Motorola to develop UMTS technologies
- Introduced new visual identity (VI). The new VI reflects our principles of customer-focus, innovation, steady and sustainable growth, and harmony.



Year 2005

- International contract orders exceed domestic sales for the first time
- Selects as a preferred telecoms equipment supplier and signs Global Framework Agreement with Vodafone,
- Selects as a preferred 21Century Network (21CN) supplier by British Telecom (BT) to provide multi-service network access (MSAN) components and optical transmission equipment

Year 2004

- Establishes joint venture with Siemens to develop TD-SCDMA solutions
- Achieves first significant contract win in Europe valued at over USD25 million with Dutch operator, Telfort

Year 2003

- Establishes joint venture with 3Com focusing on enterprise data networking solutions

Year 2002

- International market sales reaches USD552 million

Year 2001

- Divests non-core subsidiary Avansys to Emerson for USD750 million
- Establishes four R&D centers in the United States
- Joins International Telecommunications Union (ITU)

Year 2000

- Establishes R&D center in Stockholm, Sweden
- USD100 million generates from international markets

Year 1999



Corporate Overview

- Establishes R&D centre in Bangalore, India, which achieves CMM level-4 accreditation in Year 2001 and CMM level-5 accreditation in Year 2003

Year 1997

- Launches wireless GSM-based solutions
- Expands into metropolitan areas of China in Year 1998

Year 1995

- Generates sales of RMB1.5 billion in Year 1995, mainly derived from rural markets in China

Year 1992

- Initiates R&D and launches rural digital switching solution

Year 1990

- Embarks on independent research and commercialization of PBX technologies targeting hotels and small enterprises

Year 1987

- Establishes in Shenzhen with as sales agent for Hong Kong company producing Private Branch Exchange (PBX) switches

Tags

FTTx SingleCORE Annual Report SingleRAN NGBSS IPv6 MBB Service National Broadband Smart