

Huawei Reports FY09 Results; Revenues up, Improves Operational Efficiency; Growth Eases in Line with Economic Downturn

USD21.8 billion Revenues; USD2.7 billion Net Profit; Annual Report Released

Shenzhen, China, 31 March 2010: Huawei, a leading company providing next-generation telecoms network solutions for operators around the world, today released its audited full-year 2009 financial results highlighted by sales revenues of RMB149.1 billion (USD21.8 billion), a 19% growth over the previous year. Huawei also reported an increased net profit of RMB18.3 billion (USD2.7 billion) and net profit margin of 12.2%. The financial results were independently audited by international accounting firm KPMG.

Huawei's overall growth eased during a year in which overall capital expenditures by telecom network operators declined. Despite the challenging macro-economic environment, Huawei was able to record a strong performance in 2009 because of its customer-centric innovation strategy, which enables delivery of sophisticated, high-quality and scalable network solutions that better meet the business challenges of operators. For instance, Huawei's 'Single-RAN' wireless solution, which integrates multiple network systems into one single platform, has been embraced by 30 operators globally.

"Operators are looking to Huawei because of our unique value proposition of rapidly delivering robust solutions that address the business challenges of our customers through innovation. Our solutions improve network quality, reduce network maintenance expenditure and protect our customer's return on investments by 'future-proofing' their networks," said Ken Hu, Chief Marketing Officer, Huawei. "It is why Huawei is now a partner-of choice for 45 of the world's top 50 operators – up from 36 in 2008."

"We see our business momentum continuing in 2010 and expect year-on-year revenue growth of 20% driven by increased deployments of mobile and fixed broadband networks, further take-up of customized smart devices, and higher demand for professional managed services."

Comprehensive initiatives to improve process efficiency and manage costs in 2009 saw total expense ratio (total operating expenses and other income as a percentage of revenue) decline 1.4% year-over-year. Huawei will continue to improve its operational efficiency by adopting professional best practices through implementation of organization transformation programs such as "Integrated Financial Services" with IBM and "Lead to Cash" with Accenture. Additionally, Huawei is moving towards a more decentralized structure that empowers employees, particularly those who serve customers directly, with greater flexibility to better respond to customer requirements.

Huawei's audited full-year results are outlined in the company's 2009 annual report released today. The annual report can be found at <http://www.huawei.com/ar2009>.

RMB 6.8255= USD 1.00

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About Huawei

Huawei is a leader in providing next generation telecommunications networks, and now serves 45 of the world's top 50 operators, along with over one billion users worldwide. The company is committed to providing innovative and customized products, services and solutions to create long-term value and growth potential for its customers. For more information, please visit www.huawei.com