“The experience of Huawei in Spain”

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Huawei at a Glance

Who is Huawei
- A leading global ICT solutions provider
- A private company established in 1987
- A Fortune Global 500 company

Employees
- 150,000+ employees worldwide (73% overseas)
- ~70,000 engaged in R&D (45%)

Market progress
- $35.4 B revenue in 2012
- Serving 45 of the world’s top 50 operators
- Serving 1/3 of the world’s population

3 Business areas
- Carrier network
- Enterprise business
- Consumer devices
Global Footprints

- 140+ Countries
- 28 Joint Innovation Centers
- 14 Regional HQs
- 45 Training Centers
- 150,000 Employees Worldwide

Revenue by Geography in 2012

- 33% China
- 35% EMEA
- 17% Asia Pacific
- 14% USA
Effective Growth in 2012

- Improved performance results through customer centricity, employee dedication and operational excellence (supply chain management, cash flow management and cost control)
- A solid foundation for sustainable growth in the future
Localized Operations Powered by Global Resources

14 Regional Headquarters, operations in 140+ countries
150,000 + employees with 150+ nationalities worldwide, 73% recruited locally
Serve 45 of the World’s Top 50 Telecoms Operators

80%+ of the total revenue in the telecoms service sector comes from 50 operators
Huawei R+D Engine

R&D investment
- 13% of revenues allocated to R&D
- 4.8 B in R&D investments in 2012
- 70,000+ employees engaged in R&D

Patents
- 12,453 PCT patent applications
- 41,948 patent applications in China, and 14,494 patent applications outside of China
- 30,240 granted applications, 90% are invention patents

Customer-driven R&D system
- IPD process
- Large-scale platform sharing
- CMM5 quality control systems

16 R+D Centers
28 Joint Innovation Centers with leading operators
45 Training Centers

150+ standards organizations
5,000+ standards proposals submitted in 2011

Standards
Business Units/ Customer Centric Innovation

**Carrier Business Group**
- Fixed Network
- Wireless Network
- Telecom Software and Core Network
- Service

**Enterprise Business Group**
- Enterprise
- Networking
- UC&C
- IT
- SecoSpace
- service

**Consumer Business Group**
- Devices Business
  - Handset
  - Home Device
- Devices Chipset
- Devices Cloud

**Revenue by three BG in 2012**
- Consumer 22%
- Enterprise 5%
- Carrier 73%

- Carrier
- Enterprise
- Devices
ICT Product and Solution Portfolio

UC&C
- Telepresence
- UC
- VC/TP
- IVS
- Contact Center

Enterprise Network & Enterprise Wireless
- DC Network
- IP Network
- GSM-R/LTE
- OTN/MSTP/Microwave

Data Center Infrastructure
- Server
- Storage
- VDI
- DC & Networking Power

Bring Your Own Device
Software Defined Network
Cloud Data Center
Unified Management
Security
1,000 employees, 1,600 indirect employees (service engineers) as well as other indirect employees from suppliers, partners and manufacturing centers;

More than 30 millions of subscribers in Spain;

6 offices for proximity to customers;

Joint Laboratory with Telefonica

4 Innovation Centers with Vodafone on mobile, network, application, and OSS Innovation center:

- AIC: Application Innovation Center
- MIC: Mobile Innovation Center
- NIC: Network Innovation Center
- OIC: OSS Innovation center

Global TAC (Technical Assistance Center) in Malaga for local service supports & Spanish countries in the world.

2011 set NOC (Network Operation Center) offers services to Jazztel & ONO.

Serving to all major operators in Spain: Telefónica, Vodafone, Orange, Jazztel, ONO…

2012, local purchase amount are 120 Millions Euros.

106 Millions Euros of taxes paid in the past 3 years.
Huawei Milestones in Spain

- **2000**: Start developing Market in España
- **2004**: Create Huawei España
- **2005**: First Cooperation with Jazztel in FBB
- **2006**: World's 1st commercial UMTS contract from VDF Spain
  - Significant breakthrough in TLF FTTx
  - Establish MIC with Vodafone
- **2008**: Launch AIC with Vodafone
  - Open TAC in Malaga
  - Agreement Joint Innovation with Telefonica
- **2009**: First Managed Service with Jazztel
- **2010**: Win Orange 2G/3G Project
  - ONO Core Network and managed Service
  - First Smartphone own brand launched
- **2011**: Open NOC Center
  - Launch Enterprise Business Unit
- **2012**: Huawei 10 Years in EU Celebration
- **2013**: Renewal + 5 years MS Jazztel Managed Services Fix & Mobile VDF
  - CSR: Smartbus & Student Training Program

Keywords: AIC, MIC, TAC, NOC, CSR, Smartbus, TLegend: AIC Application Innovation center
  MIC Mobile Innovation center
  TAC Technical Assistance Center
  NOC Network Operation Center
Huawei has already set up strategy cooperation with Spain Major Local Telecommunication operators

- Telefonica
- vodafone
- Ono
- Jazztel
- Yoigo
- BT
- Euskaltel
- Adif
- Ministerio de Cultura
- SEGITTUR
- Gobierno de Aragon
- Sanitas
- INCA

Huawei will continue to supply excellent Solution and Best Service for other Local Small operators

- 400+ experienced local engineers
- 100+ certified local Telco partners

In Enterprise Market, Huawei has established a strong cooperation with a local private & public companies

- 6 offices
- 5 Joint Innovation Centers (VDF & TFN)
- NOC (Madrid) & TAC (Málaga)
Creating Value through Joint Innovation Centers

**JOINT INNOVATION CENTER VODAFONE**

*Instant Network: VDF Emergency Solution for disaster areas*
100 kg, 3 boxes, 40’ to build up

**JOINT LABORATORY TELEFONICA**

*Telefónica energy Consumption reduction*
20.45% energy saving
Consistency in the Local Investment

NOC (NETWORK OPERATION CENTER) Madrid

- Managed Services in
- 2011 set NOC Center, serving local customers
- Front office: 265 m² and 40 seats
- Backoffice: 400 m² and 75 seats
- Leased lines to ONO and Jazztel with backup
- 250 m² of laboratories for testing and backoffice troubleshooting

TAC (TECHNICAL ASSISTANCE CENTER) Málaga

- Based in PTA (Parque Tecnológico Andalucía) Málaga
- Local service supports & Spanish countries in the world.
- 24x7 available / All product lines supported
- Dedicated resource platform of around 20 people
- More than 30 dedicated incoming lines for Call Center
Corporate Social Responsibility in Spain

**Bridging the Digital Divide**

+3 months “Huawei Smartbus” campaign which taught young students how to use new technologies in a safely & responsibly way.

**Social Contribution**

In order to maintain our social contribution, Huawei donated several smartphones for a raffle from Save the Children, whose aim was raise funds to help needy new generations.

**Creating Opportunities Through education**

July 2013. Spanish Student Training Program: Offer training opportunities of the most advanced telecommunication technologies to 10 Spanish students. Aim: to help them become more competitive.
Huawei Smartbus, Join to the Future Generation

With the objective of bridging the digital divide & promoting harmonious & sustainable development of the economy and society, Huawei Spain announced the CSR project “Smartbus, Join to the Future Generation”. This local initiative, fully supported by Red.es (Ministry Industry, Energy & Tourism), aims to promote a safe and responsible use of new technologies by young children.

- Duration: 105 days, + 3 months (Dec 21 2012– April 4 2013)
- Places: 18 cities, 5 regions--Madrid, Sevilla, Segovia, Valencia, Zaragoza
- Footmark: 100 schools in 18 cities, covered 5,000 km
- Target Audience: (13,000 students: 6,000 fathers, mothers, teachers; 1,000 Old & disabled people)
- Media Broadcast: 100+ broadcast; 16 interviews; 15 press conferences
In July 2013, 10 Spanish students had the unique opportunity of attending a three-week formative program at Huawei's headquarters in Shenzhen & Beijing, China.

This program is the result of a MoU signed last September by Huawei Spain and the Ministry of Industry, Energy and Tourism (MINETUR) and it is entirely financed by Huawei, with the collaboration of the School of Industrial Organization (EOI). The students dealt with ICT from different perspectives and experience innovation at Huawei’s R&D labs and production plant.

The Minister of Education, Culture & Sports attended the launch ceremony at Madrid and highlight the importance of this training program.
Thank you