

## **Huawei 2016 Annual Report: Reports US\$75 in Revenue and US\$11B Invested in R&D**

[Shenzhen, China, March 31, 2017] Huawei today released its audited financial results for 2016, reporting that its Carrier, Enterprise, and Consumer business groups (BGs) each achieved solid year-on-year growth. Group annual revenue was CNY521.6 billion (US\$75.1 billion), an increase of 32% over 2015. Net profits were CNY37.1 billion (US\$5.3 billion), an increase of 0.4%. In 2016, Huawei continued to invest in the future, with the company's annual spending on research and development reaching CNY76.4 billion (US\$11 billion).

Eric Xu, Huawei Rotating CEO, remarked, "In 2016, Huawei maintained its strategic focus and achieved solid growth. As humanity continues to explore and make new breakthroughs in the digital world, digitization and increasing intelligence present huge business opportunities for all industries, and are also paving the road for new growth for the ICT industry. We will stay customer-centric and will support digital transformation in all industries, in order to create value for our customers and to grow sustainably."

In 2016, Huawei's Carrier BG generated CNY290.6 billion (US\$41.8 billion) in revenue, an increase of 24% year-on-year. This was achieved by focusing on digital transformation and leveraging major opportunities in cloud, video, the Internet of Things, and operations transformation for carrier customers.

Working in close collaboration with its partners, Huawei's Enterprise BG delivered ICT infrastructure to support the digital transformation of key vertical industries, including finance, energy, government bodies, and public safety. This business generated CNY40.7 billion (US\$5.9 billion) in annual revenue, an increase of 47%.

Thanks to its increasingly innovative products and growing global recognition as a premium device brand, Huawei's Consumer BG shipped 139 million smartphones during 2016, and reported CNY179.8 billion (US\$25.9 billion) in annual revenue, up 44%.

Sabrina Meng, Huawei's CFO, noted: "Huawei was operationally healthy in 2016, with ample cash reserves, a solid and sustainable capital structure, and high resilience against risk. In 2017, we will continue to boost the efficiency and quality of our operations to ensure solid growth."

Financial statements in the 2016 Annual Report are audited independently by KPMG.

To download the 2016 Annual Report, visit [www.huawei.com/en/about-huawei/annual-report/2016](http://www.huawei.com/en/about-huawei/annual-report/2016)

Note 1: All CNY figures in the Annual Report were converted into USD using the closing rate on December 31, 2016: US\$1.00 = CNY6.9448.

Note 2: Growth rates are calculated based on CNY figures.

-The End-

### **About Huawei**

Huawei is a leading global information and communications technology (ICT) solutions provider. Our aim is to build a better connected world, acting as a responsible corporate citizen, innovative enabler for the information society, and collaborative contributor to the industry. Driven by customer-centric innovation and open partnerships, Huawei has established an end-to-end ICT solutions portfolio that gives customers competitive advantages in telecom and enterprise networks, devices and cloud computing. Huawei's 180,000 employees worldwide are committed to creating maximum value for telecom operators, enterprises and consumers. Our innovative ICT solutions, products and services are used in more than 170 countries and regions, serving over one-third of the world's population. Founded in 1987, Huawei is a private company fully owned by its employees.

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