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## LEADERSHIP IN TELEPRESENCE MARKET OF THE YEAR

F R O S T &amp; S U L L I V A N

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**FROST & SULLIVAN AWARD FOR  
LEADERSHIP IN TELEPRESENCE MARKET OF THE YEAR(APAC)**  
年度智真市场领导者（亚太区）

*Presented to*  
**HUAWEI TECHNOLOGIES CO., LTD**  
华为技术有限公司

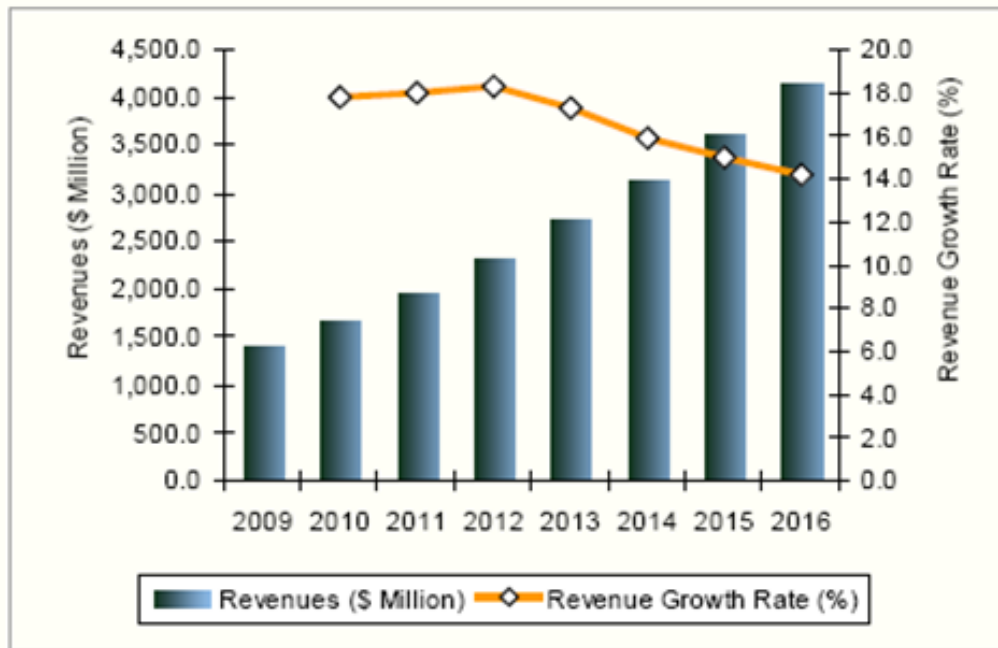
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**Recipient —HUAWEI TECHNOLOGIES CO., LTD**

### **Market Overview**

Telepresence is an integrated technology making the video, audio, network technology and services closely integrated. Telepresence makes people in different parts of the world feel like they are really living or sitting in the same room. Telepresence provides a clearer picture and a more realistic image for the users.

**Videoconferencing and Telepresence Endpoints Market: Revenue Forecasts (World), 2009-2016**

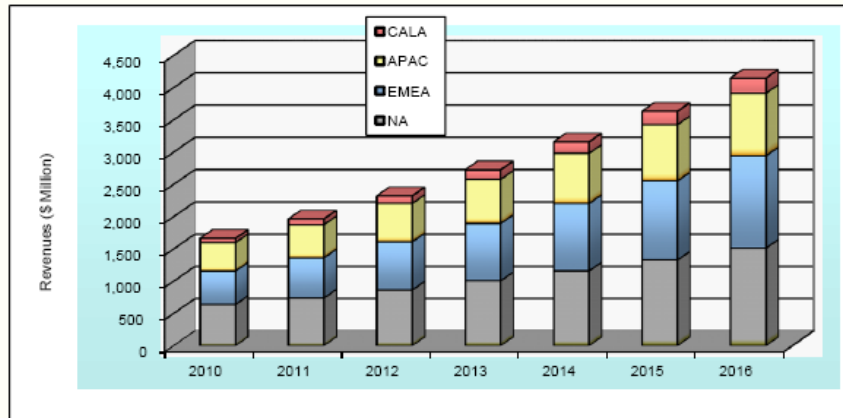


Compound Annual Growth Rate (2010-2016): 16.5%

Global videoconference and Telepresence are on high growth stage. According to Frost & Sullivan research, the revenue for the market reached \$ 683 million till June 2011 which has been a big increase compared with the same period last year. The revenue was seen year-on-year rises of 34% and quarterly revenue reached new record. The revenue is expected to reach \$ 4.1478 billion that it will be remaining increase rate of 15% every year.

As the emerging market of the global economy continues to increase, the Asia-Pacific market also continues to have a growing influence and an increasing contribution in the world. As can be seen from Chart below, the revenue contribution of the Asia Pacific market to the global markets is expected to reach 22.7% in 2015 and GAGR will reach 16.5% in 2016. The Asia Pacific market is becoming a new growth point in the Telepresence market.

Vide Conferencing and Telepresence Endpoints Market: Revenue Forecasts by Geographic Region (World), 2010-2016



Region	2010 (\$ Million)	2011 (\$ Million)	2012 (\$ Million)	2013 (\$ Million)	2014 (\$ Million)	2015 (\$ Million)	2016 (\$ Million)	CAGR (%)
NA	640.3	739.4	863.9	1008.1	1160.5	1330.1	1513.8	15.4
EMEA	518.3	624.4	747.5	887.4	1046.2	1225.8	1430.4	18.4
APAC	439.7	511.7	595.5	684.4	776.2	871.9	968.6	14.1
CALA	64.7	87.7	114.7	144.4	175.3	205.7	235.0	24.0
<b>Total</b>	<b>1663.0</b>	<b>1963.2</b>	<b>2321.6</b>	<b>2724.3</b>	<b>3158.2</b>	<b>3633.5</b>	<b>4147.8</b>	<b>16.5</b>

Note: All figures are rounded; the base year is 2010. Source: Frost & Sullivan

Like the global Telepresence market, the Asia-Pacific market has been firmly occupied by large manufacturers like Cisco, Polycom, HP and Teliris. However, the market has undergone significant changes in 2009, Huawei launched the Telepresence solution, and successfully seized the Asia-Pacific Telepresence market, especially the major business expansion in China.

Through deep analysis of customer needs, Huawei continues to improve the technology of the Telepresence solution. And its sales continue to expand in 2011 for its competitive prices.

Huawei's market share in the Asia Pacific market in 2010 has expanded to 18.7%.with an increase of 18.4% compared to the previous year, which laid its leadership position in the Asia Pacific Telepresence market.

As most influential emerging economy in Asia-Pacific region and the world, China has a huge potential market. Although Huawei is an emerging supplier in the TP market, it has made remarkable results in technology and markets. In

2010, it has successfully expanded TP business into China's telecom service industry. China Telecom, the largest integrated information service provider in the United Nations and the world-renowned Chinese-language TV station Phoenix, has built an integrated intelligent media platform relying on "CITY OPTICAL NETWORKS," of China Telecom and Huawei's Telepresence system.

Huawei has an increasingly obvious advantage in its competitive prices and the competitive advantage of local suppliers in the Chinese market and the Asia Pacific market, which will help Huawei lay a solid foundation to become the Telepresence market leader in the Asia Pacific region.

## **Award Description**

### - Research Methodology

In order to determine the final winner, the research team invested the end-user, enterprise and experts in the Telepresence field of research, and analyzed the final data deeply, and evaluated the major vendors. At last, we grant "Best Practice Award - LEADERSHIP IN TELEPRESENCE MARKET OF THE YEAR" to HUAWEI TECHNOLOGIES CO., LTD

### - Measurement Criteria

We also applied a number of specific conditions to evaluate the main product suppliers in the area besides the above factors; the award-winning enterprise should have the excellent performance in the following indicators:

- Market share
- Potential of emerging markets
- SWOT analysis
- Market opportunity analysis

- Award Recipient and Justifications

Frost & Sullivan LEADERSHIP IN TELEPRESENCE MARKET OF THE YEAR is presented to Huawei Technologies Co., Ltd., in recognition of the excellence demonstrated by the company in the area of Telepresence market. The award recognizes Huawei's long-term R&D effort and technology advantage and also acknowledges the company's consecutive efforts to contribute Telepresence market.



Huawei is a leading global information and communications technology solutions provider. It provides competitive solutions and services to creating maximum value for telecom operators, enterprises and consumers. Huawei has established end-to-end advantages in telecom networks, devices and cloud computing.

Founded in 1987, Huawei has grown from a 5,680 USD small company to a global company with a sales volume of over 20 billion USD with business presence in over 140 countries thanks to the tireless efforts of its staff and the company's global-mindedness.

In 2010, Huawei achieved sales revenue of 185.2 billion CNY, a year-on-year increase of 24.2%. This progress was mainly driven by significant growth in our

overseas markets as well as rapid and balanced development of our Telecom Networks, Devices and Global Services business segments.

Currently, Huawei has formed partnership with 45 of the world's top 50 telecom operators. As of the end of June 30, 2011, the number of Huawei employees has exceeded 120,000. Of the headcount, 44% of the employees are specialized in R&D. Huawei has joined 136 standard organizations, holding more than 180 positions, and has filed over 25,000 standards proposals in aggregate.

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. Huawei have more than 51,000 employees (46% of 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, Huawei 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.

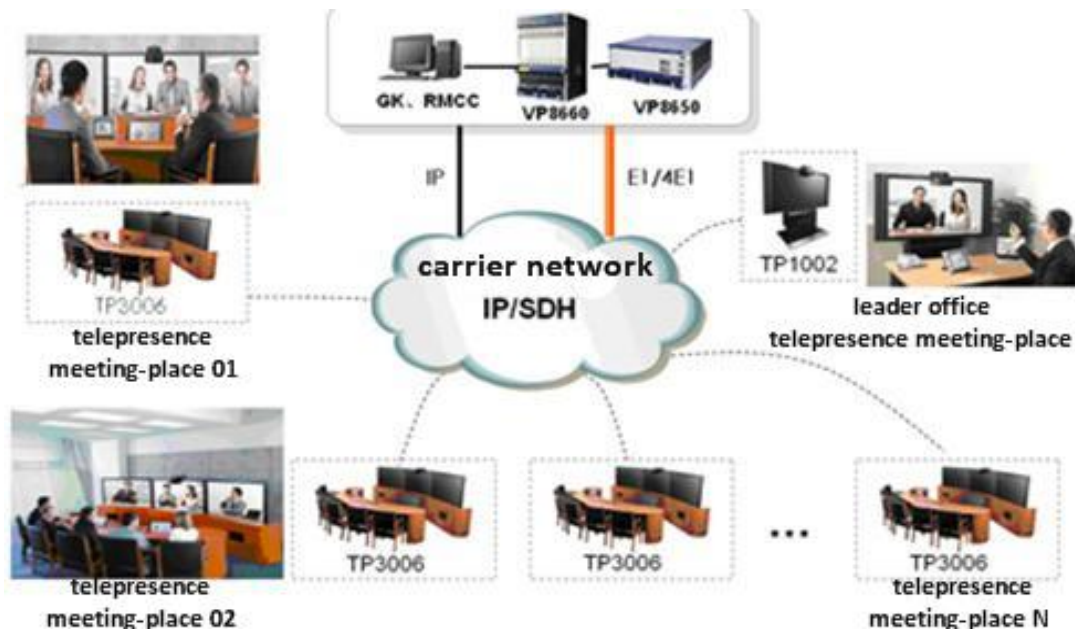
As at 31 December 2010, Huawei had accumulatively filed 49,040 patent applications i.e. 31,869 patent applications in China, 8,892 international patent applications under the Patent Cooperation Treaty, and 8,279 overseas patent applications. Of the 17,765 authorized patents granted, 3,060 were overseas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

Huawei established video product lines in 1993, and launched the first generation of videoconferencing products in 1995. With 17 years of technical experience, customer and brand accumulation, Huawei's high definition video

conferencing products stand out among similar products and its market share in 2010 is up to 49%, ranked first among similar products.

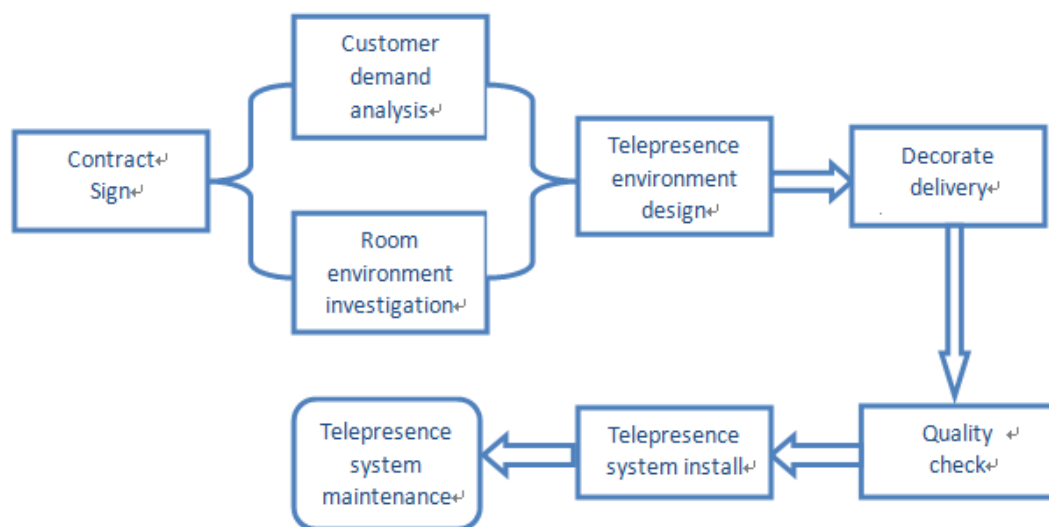
Huawei launched Telepresence video conferencing products - Telepresence in 2009, and began to be formally involved in the field of Telepresence. With strong R & D capabilities and deep accumulation in high-definition video and audio technology, Huawei obtained a considerable breakthrough in the Telepresence market in just one year and deployed more than 200 sets of Telepresence system, in which nearly 100 sets are running in the domestic area.

Through the deep excavation and analysis of customer needs and continuous improvement technology of Telepresence solutions, coupled with competitive prices among similar products, Huawei continues to expand its Telepresence product sales in 2010. As of November 2011, Huawei's Telepresence products have entered into 45 countries with the global deployment of more than 1500 sets , which takes the lead in the Telepresence market.



**Telepresence System Diagram**

Huawei not only sells a single product, but also specializes in providing total solutions. Huawei provides one-stop delivery of Telepresence products and services for customers where the user only needs a rough room. Huawei will be able to provide services including meeting rooms, surveying, environmental design, decoration delivery, installation debugging and testing, inspection repair and maintenance services. The picture shows Huawei's Telepresence one-stop delivery process.



Huawei's Telepresence products and solutions are widely used. According to analysis, existing Telepresence customers can be divided into the following categories:

- medium-sized businesses, enterprises and operators, mainly for VIP service of high-end industry, Economic Forum, high-end training, R & D team, management team, consultation, scheduling, etc.;
- national security and emergency command unit, with the changes of domestic and international situation, the security department has an increasingly urgent demand of dispatch and the exercise of emergency command.



- The third is the political and legal sectors, such as the review of the case, arraignment, criminal investigation of courts, prosecutors, public security as well as letters received of government departments.
- The fourth is the medical industry, such as tele-consultation, tele-surgery guide, tele-surgery observe and teaching, tele-visit, ICU intensive care and neonatal care, and so on.
- The last is educational sector, such as point-to-point distant teaching, point-to-multipoint distant teaching, data collaboration, real-time record and live teaching, after-school on-demand teaching, and so on.

Huawei is one of the companies to have the first application of Telepresence system, a system that covers all regions around the world the Ministry of office. It does not just reduce the cost for customers, but also accelerates the pace of its business decisions, increases employee productivity and helps employees better balance work and life.

## **Summary of Best Practice**

### - About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development.

Each year, the awards Frost & Sullivan establishes are presented to the company with outstanding performance in various industries. Winners not only have strategic advantage in production innovation, but also have obtained maximum market share through effective marketing strategy in the past two or three years.

- About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies.

Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 35 offices on 6 continents. To join our Growth Partnership, please visit <http://www.frost.com>.