Unlocking the Value of Interconnection

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Huawei: enriching life through communication

Revenue (USD in billion)

CAGR: 22%

2007 12.6 (CNY 92.2 bln)
2008 18 (CNY123.1 bln)
2009 21.5 (CNY146.6 bln)
2010 27.6 (CNY182.5 bln)
2011 32.4 (CNY203.9 bln)
2012 38.7 (CNY243.4 bln)

Huawei, a leading global ICT solutions provider
- ICT solutions and services for telecom carriers, enterprises, consumers
- Serving 45+ top telecom carriers, 140+ countries, 2.5+B population

• Huawei releases its Annual Report with consolidated financial statements audited by KPMG
Core network: a key contributor to Huawei’s growth and innovation

Core Network Product Line
- Platform
- OSS & Service

Enhanced Voice
- Enhanced voice Solutions
  - MSS/NGN/STP
  - One Network
  - SmartCutover

Converged Multimedia
- Multimedia Services
  - VoBB/Video
  - VoLTE/RCS
  - MM Conference
  - Unified Comm.

Converged User DB
- User Centric DB
  - SDM
  - SmartPCC

SmartCare
- Assurance (SQM)
  - Visible network
  - Visible Service Quality
  - Visible User Experience
  - Visible User Behavior

- Continuously investment: global team with 8000+ engineers
- 85%+ function and source code provided by common platform and OM & services
- SmartCutover is the common platform for system integration delivery
- SmartCare is the common platform for managing services, networks and users
Strengthen & Broaden your business

Strengthen interconnection business

Interconnection requirements
- Secure legacy voice revenue
- New services interconnection

Broaden with new business models

New model requirements
- More wholesale services, even your own subs
- IT tech., All IP BB infrastructure facilitate hosted service model
- ICT & OTT enable fast innovation

Voice

Data

Signal

LTE

RCS

Conf.

OTT

Service

Interconnection

MN0

FNO
Simple interconnection, rich services to sustain growth

- **Rich services**
  - Hosting services
  - OTT gateway: push/ID mgmt

- **Simple interconnection**
  - HD Voice, Global NP
  - LTE/RCS/Conference interworking
  - Voice, Signaling, Roaming

**Diagram:**
- OTT gateway
- Push/ID mgmt.
- RCS/Conf. hosting
- NP/HD voice/LTE/RCS/Conf.
- Fix (PSTN/NGN/IMS)
- Mobile (2G/3G/4G)
- IP services interworking
- Enhanced voice
- Voice

**Legend:**
- Orange: Simple interconnection
- Green: Rich services

**Font and Color:**
- Corporate Font: FrutigerNext LT Medium
- Font to be used by customers and partners: Arial
- Slide title: 32-35pt
- Slide text: 20-22pt
- Bullets level 2-5: 18pt
- Color: R153 G0 B0
Keep differentiating on QoE with HD voice

- 31 countries with commercial service
- 60 HD-Voice device launched  
  
Value proposition:
- Secure legacy voice revenue
- Keep differentiating on QoE

Key success factors:
- Ecosystem development
- E2E HD availability including interconnection

OTT players: competitive international voice quality

GSA: Global mobile Suppliers Association
Ensure termination with Number Portability capabilities

Value proposition:
• Secure int’l voice business

Key success factors:
• NP information provisioning
• Fast update & consistency of NP data

More than 80 countries have deployed MNP service

NP: Number Portability
Solve diameter signaling issues for LTE & IMS networks

Booming LTE
- LTE subs reach 100M in 2014
- GSA: 128 commercial LTE nets in 56 countries by 2012

IMS based services: RCS/RCS-e, VoLTE, FMC
- RCS/RCS-e, VoLTE
- PSTN renewal, Convergence

Value proposition: one-stop LTE roaming
- Simple LTE roaming
- 2G/3G/LTE seamless integration

Key success factor:
- Trial to learn
- Ecosystem development
Leverage on RCS/RCS-e traction, interconnect users

RCS/RCSe, natural evolution of communications
• RCS subs expected to reach 15M in 2013
  Source: Infonetics, 2012 Jan
• 2012 MWC, Europe G5+ GSMA joint launch

Value proposition:
• Strengthen & grow your core business
• Monetize real-time service interworking

Key success factors:
• Define business model based on indirect revenue
  • Increase MOU
  • Increase Data usage
  • Lower churn rate

Push services & monetize profile
Secure customer interface ownership

Revenue

RCS for local operator

Strengthen  Grow

Simple interconnection
Rich services
Provide global video conferencing interconnection

>50% enterprises are using or planning to use video conf.

Value proposition: convergent conferencing interconnection
- Any device, any access
- Telepresence/HD/standard, any vendor

Key success factors:
- Managed QoS for different SLA
- Interoperability

Global Video Exchange
HDVC
at&t BT TATA

Internal conf. (~2009)

Wholesale rich services with a hosted model

Value proposition:
• Broaden your portfolio of services

Key success factors:
• Easy provisioning of end-users
• Simple billing & clearing mechanisms
Open to OTT, foster innovation

- **PUSH**: consolidate push notifications through optimized channels (CS, USSD)
- **ID Management**: single-sign-on trusted authentication
- **CaaS Hosted Communications Apps**: RCS/Conference as a service

Rich services

Simple interconnection

Open to 3rd parties

- OTT gateway
- Hosted services
- IP services interworking
- Enhanced voice
- Fixed (PSTN/NGN/IMS)
- Mobile (2G/3G/4G)
- Voice

Push/ID mgmt.
RCS/Conf. hosting
NP/HD voice/ LTE/RCS/Conf.

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Takeaways

Rich services
- Hosting services
- OTT gateway

Simple interconnection
- HD Voice, Global NP
- LTE/VoLTE roaming
- RCS/Conferencing interworking

Huawei One Network solution: Simple interconnection, Rich services
Thank you

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