

Huawei says 2014 profit up 17 percent, sales rise 20 percent

January 13 2015, by Joe McDonald

China's Huawei Technologies Ltd., the world's biggest maker of telecommunications equipment, said Tuesday profit growth slowed last year while sales accelerated.

Profit is forecast to rise about 17 percent over 2013 to 33.9 to 34.3 billion yuan (\$5.5 to \$5.6 billion), the company's [chief financial officer](#), Cathy Meng, told reporters. Final audited results are due out in March.

That [growth](#) would be a decline from 2013's 40.5 percent. But Meng said it was "not appropriate" to compare those figures because Huawei's focus is on sales growth and investing in promising businesses.

Sales were forecast to rise 20 percent compared with 2013 to 287 to 289 billion yuan (\$47 to \$47.4 billion), according to Meng, more than double the previous year's growth of 8.5 percent.

"That is a very satisfying result," said Meng.

Huawei, the first Chinese company to break into the top ranks of global technology providers, is privately held but has released annual results in recent years in an attempt to ease concern in the United States and some other countries that it might be a [security risk](#).

Huawei, founded in 1987 by a former Chinese military engineer, has grown rapidly in developing countries. The company has rejected security risk claims as trade protectionism that it says hurts American

consumers by limiting competition and raising the cost of telecoms equipment.

Meng said the company is the biggest builder of fourth-generation mobile phone networks, with 154 under construction.

Huawei also is expanding beyond its traditional business of switching equipment and has launched its own smartphone brand.

Sales by its consumer business group, which includes smartphones, rose 32 percent last year, according to Meng. She did not answer a question about whether the smartphone business was profitable.

Huawei has 160,000 employees worldwide and research and development centers in Europe, Silicon Valley and elsewhere. Meng said R-and-D spending last year rose about 28 percent over 2013 to 39.5 to 40.5 billion yuan (\$6.5 to \$6.6 billion).

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