

INFINERA CORP
Form 425
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Infinera To Acquire Transmode
Establishes an End-to-End Portfolio
Investor Briefing
April 2015
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Under the Securities Act of 1933
Subject Company: Transmode AB
(Commission File No. 001-33486)

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This presentation contains "forward-looking" statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, any projections of financial information; any statements about historical results that may suggest trends for our business; any statements of the plans, strategies, and objectives of management for future operations; any statements of expectation or belief regarding future events, potential markets or market size, technology developments, or enforceability of our intellectual property rights; and any statements of assumptions underlying any of the items mentioned. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. These risks and uncertainties include, but are not limited to, the risk that Transmode shareholders fail to tender more than 90% of Transmode's outstanding shares, that any other closing conditions are not satisfied, and that the transaction may not close; the risk that Transmode's and Infinera's businesses will not be integrated successfully; the risk that synergies will not be realized or realized to the extent anticipated; the risk that the combined company will not realize on its financing or operating strategies; the risk that litigation in respect of either company or the transaction could arise; and the risk that disruption caused by the combined company would make it difficult to maintain certain strategic relationships. These risks and uncertainties also include those risks and uncertainties discussed in the offer document to be filed with the Swedish

Financial Supervisory Authority and in the Registration Statement on Form S-4 to be filed with the SEC, those risks and uncertainties identified under the heading Risk Factors in the Infinera Annual Report on Form 10-K for the year ended December 27, 2014, filed with the SEC, and those risks and uncertainties identified in any subsequent reports filed with the SEC by Infinera. Our SEC filings are available on our website at www.infinera.com and the SEC's website at www.sec.gov. We assume no obligation to, and do not currently intend to, update any such forward-looking statements.

Safe Harbor

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Who is Infinera?
Innovator & Long Haul DWDM Leader

Founded 2001, IPO as INFN
2007

Uses unique Photonic Integrated Circuits (PICs)

DWDM platforms, Intelligent Transport
Networks

400+ Patents Filed/Granted

#1 Optical company rated by Infonetics 2014
Global

~1,500 employees

Headquarters Sunnyvale, CA, USA

Global presence

Infinera's Journey

2005: Shipped 10G PIC-based DTN, Rapidly reaches \$100M

2008: #1 market share in NA LH, #3 WW LH

2007: 10G wave market leader (48%), completed IPO

2010: Decided to leapfrog 40G, focus on 100G

2001: Infinera founded, promised to do the impossible: PICs

2014: #1 in 100G WDM, ex China

2012: Shipped 100G PIC-based DTN-X

2004: Introduced industry's first large scale PIC

2014: Introduced Cloud Xpress for Metro Cloud

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Leader in Intelligent Transport Network solutions

140 customers in 73 countries; 59 DTN-X customers

Diversified customer base across multiple verticals

-

17 Tier 1s globally

-

3 of top 4 Internet Content Providers

-

4 of top 5 NA Cable/MSOs

-

Multiple top wholesaler and Enterprise Carriers

Infinera Today

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Infinera **Uniquely**
Delivers Massive Scale
Moore's Law-like
for Optical
Competitors
Industry's only
500G large scale
Photonic Integrated Circuit

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PICs Leveraged for Disruptive Systems
Intelligent Transport Network
Converge Layers, Network Automation
Own Key Technologies & Processes
400+ patents filed/granted
Purpose-Built Systems
Switching
ASICs
Intelligent
Software
Photonic Integrated Circuits
500G Super-Channels
DTN-X
DTN
Cloud Xpress

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Financial Performance

Source: Infinera Financial Reporting

*Wall Street consensus

**Dell Oro Group 3Q 2014 Optical Transport Report

*** Figures are Non-GAAP

2 Years 20+% growth

Increasingly Profitable***

2014 Gross Margin = 44.0%

Q4-14 = 46.1%

2014 Operating Margin = 8.3%

Q4-14 = 11.0%

Strong Balance Sheet

Nearly \$250 million net cash

2014 Cash Flow from Operations =

\$36 million

\$668

FY14
2014 vs 2013
23% YoY Growth
vs. Market**
@11%
Revenue
\$785e*
FY15e
FY11
FY12
FY13
\$405
\$438
\$544

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Outpacing Other SP Networking Players
Source: Company public financial records
>2X Rev
Growth Rate
82%
33%
DTN-X Ships

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Margin Growth Opportunity

\$

\$

\$

Margin Drivers

Expanding Markets Drive Margin Growth

Vertical integration

Footprint vs fill

Instant bandwidth

Deal discipline

Long-Haul

\$

\$

Cloud

Xpress

\$

Metro

Aggregation

\$
\$
\$
\$
\$
\$

Infinera PIC Fab

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Deal Overview

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Market Inflections
Transport Becoming Strategic

Networks
Simplifying
to New
Model of Cloud Services and
Intelligent Transport
Vision: Enable An Infinite Pool of Intelligent Bandwidth
100G
Long Haul
2012
100G
Metro Cloud
2014
100G Metro
Aggregation

2016

Poised to take off

Scalable

Optics

and

Integrated

Packet-Optical

Key

for

Simplification

Accelerated 100G

uptake & 40G decline

6-9 month

lead

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Multi Market Strategy
Horizontal Expansion
Metro
Edge
Metro
Access
Metro Aggregation
Metro
Core
3. Penetrate
Cloud
2. Seize
LH Core
1. Grow
\$15.3B (2019)
Transport Market
Source: Infonetics Q4 2014 Market Forecast

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Building the End-to-End Portfolio
Metro
Edge
Metro
Access
Metro Aggregation
Metro
Core
Cloud
LH Core
Cloud Xpress
Sliceable Photonics
ePIC-500
oPIC-100
DTN-X
XTC4/10
XTC4

Opportunity to Accelerate into Metro Aggregation

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Outstanding Strategic Fit

Source: Q4 2014 INFN: Non-GAAP, TRMO: IFRS; Infonetics 2014, Dell Oro 2014

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Complementary Product Set
Metro
Edge
Metro
Access
Metro Aggregation
Metro
Core
Cloud
LH Core
TG-Series
CPE
Sliceable Photonics
ePIC-500
oPIC-100
DTN-X
XTC4/10

Cloud Xpress
Rich Eth.
Biz Service
Storage
Networks
FTTx/PON
Triple Play
xDSL
Triple Play
CATV/MSO
Triple Play
Mobile Back/
Fronthaul
XTC4
SDN Control
TM-Series

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Complementary Customer Base

#1 100G WDM WW ex-China

Leader in ICP, NA Cable, Wholesale & Ent.

First mover in Metro Cloud for ICPs

#1 Packet-Optical EMEA

Strength in cable, wireless back/front

haul, Ethernet services

Leverage Strengths, Cross-Sell

Source: Infonetics 2014, Dell Oro 2014

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Product
Mix
Geographic
Mix
Complementary Market Offerings
2014
Metro 2%
Long-Haul
98%
Metro 100%
Americas
76%
APAC 4%
EMEA
20%
Americas
14%

APAC 4%
EMEA
82%
Combined
Entity
Metro
~18%
Americas
68%
EMEA
28%
APAC 4%

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Infinera + Transmode enter Top 5 in WDM

Source: Dell Oro Optical Report Jan 2015

Cross-selling and revenue synergies

create opportunity to go higher

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Expected Accretive in 2016
\$M
Synergistic Financials

TAM expansion

Revenue growth

Complementary customer base

Complementary product & market

End-to-End portfolio

High Gross Margins

Shared culture of deal discipline

Volume synergies

Leverage technologies across portfolio

Increased R&D Pool

More leveraged investments

\$913

2015E is Financial Analyst Consensus

TRMO: IFRS statements

1 USD = 7.78 SEK (Dec 2014), 8.5 SEK (Mar 2015)

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Benchmarking Financial Performance

Source: Public financial statements, Weighted average
for INFN+TRMO, ALU = Entire business

YoY Revenue Growth, %

2014

20

10

0

-10

50

40

30

Gross Margin, %

2014

INFN +

TRMO

Ciena

ALU
Cyan
MRV
Adva

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Compatible Philosophies

Play to Win

Customer First

Top-rated for Services and Support

Product Excellence

#1 100G WDM Worldwide, ex-China

#1 Packet-Optical EMEA

Profitability

Market leading Operating & Gross Margins

Source: Infonetics 2014, Dell Oro 2014

Culture

+

Talent

+

Business

+

Technology

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A Transaction Good for All Stakeholders

Investors

Allows combined company to address \$15.3B DWDM TAM (2019)

Combines two of the most profitable companies in the industry

Expected accretive to non-GAAP EPS in 2016; neutral to slightly dilutive 2H 15

Customers

Combined company would be able to deliver an End-to-End product portfolio

Shared culture of customer first, strong technology and product excellence

Scale of combined company would allow for further investment in technologies to allow continued differentiation

Employees

Ability to market and sell an End-to-End portfolio of products to address customers needs

Ability to develop compelling solutions with strong combined knowledge base
Source: Infonetics 2014

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Infinera + Transmode

Full **Metro**
portfolio accelerates 100G metro share

End-to-End
portfolio, \$15B market*

Complementary **customers**
and **geographies**

Expected non-GAAP **EPS accretive** in 2016

Common
philosophy
of
profitable

growth
has
led
to
strong financial results

Shared
culture
and
talent
driving
product
excellence

Technology
leadership
for
Packet-Optical
&
Metro
vision acceleration

*Source: Infonetics Q4 2014 Market Forecast for 2019

Culture
Financials
Technology
Customers

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In connection with the proposed combination of Infinera and Transmode, Infinera will file an offer document with the Swedish Financial Supervisory Authority and a prospectus and a Registration Statement on Form S-4 with the SEC.

Shareholders of Transmode should read the above referenced documents and materials carefully when such documents and materials become available because they contain important information about the transaction.

Shareholders of Transmode may obtain free copies of these documents and materials, any amendments or supplements thereto and other documents containing important information about Infinera and the transaction, once such documents and materials are filed or furnished, as applicable, with the SEC, through the website maintained by the SEC at www.sec.gov. Copies of the documents and materials filed with the SEC by Infinera will also be available free of charge on Infinera's website at www.infinera.com

under the heading SEC Filings
in the Company Investor Relations
portion of Infinera's website. More
information about the exchange offer, including the formal announcement of the offer and the offer document to be filed with
and approved by the Swedish Financial Supervisory Authority, can
be found on www.infinera.se.

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