

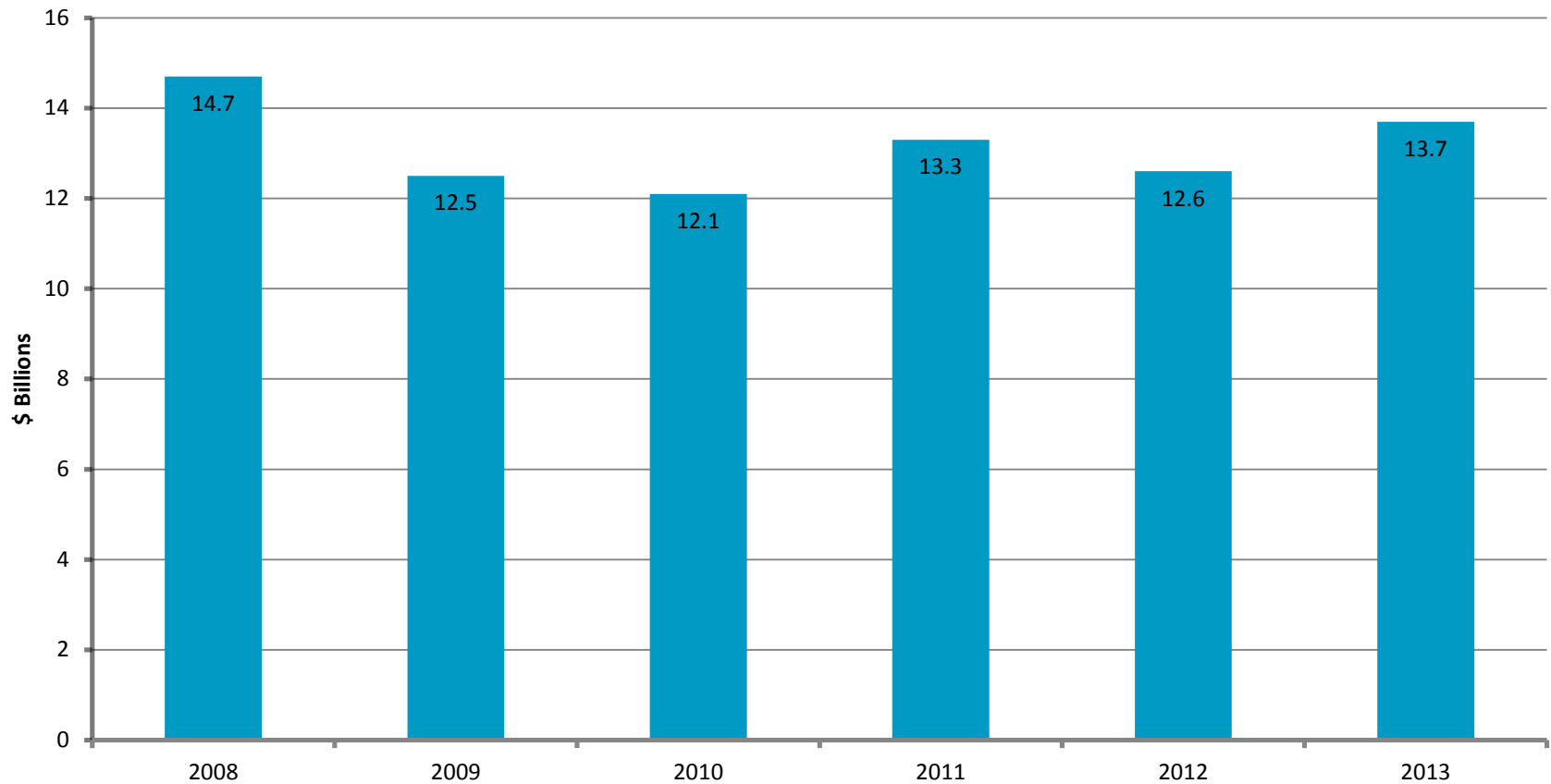


# OFC 2014 Market Watch

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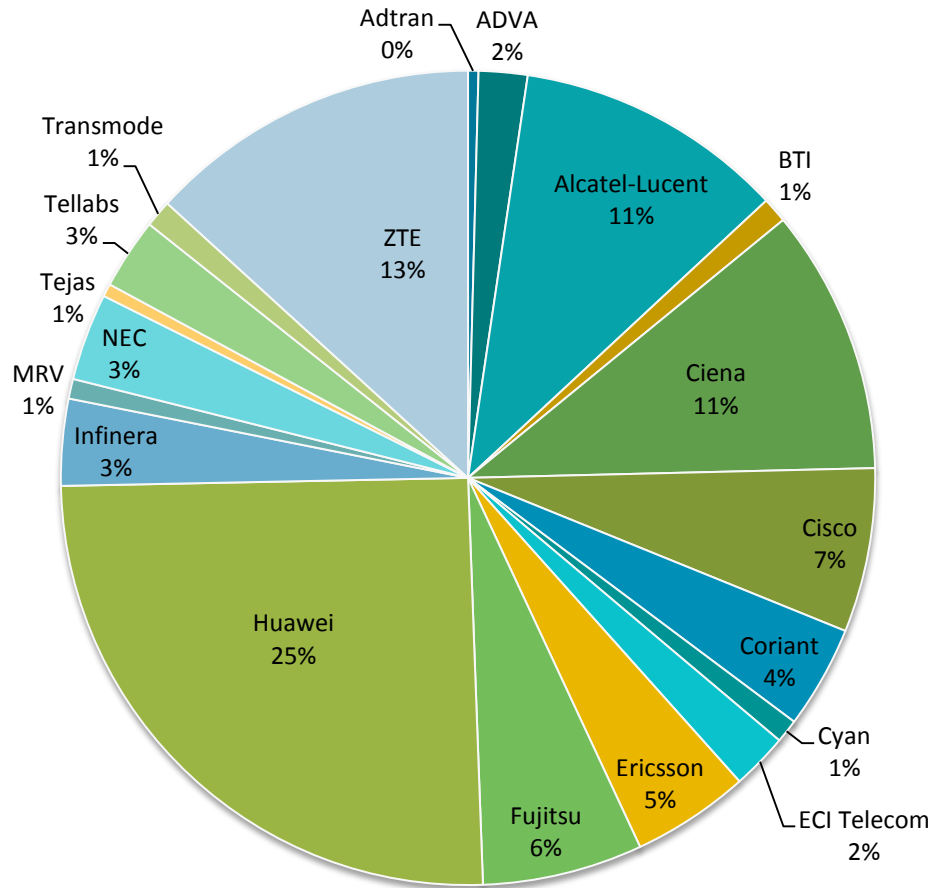
# Optical Network Revenue 2008-2013

Optical Networking Revenue \$ Billions



# Vendors & Market Share 2013

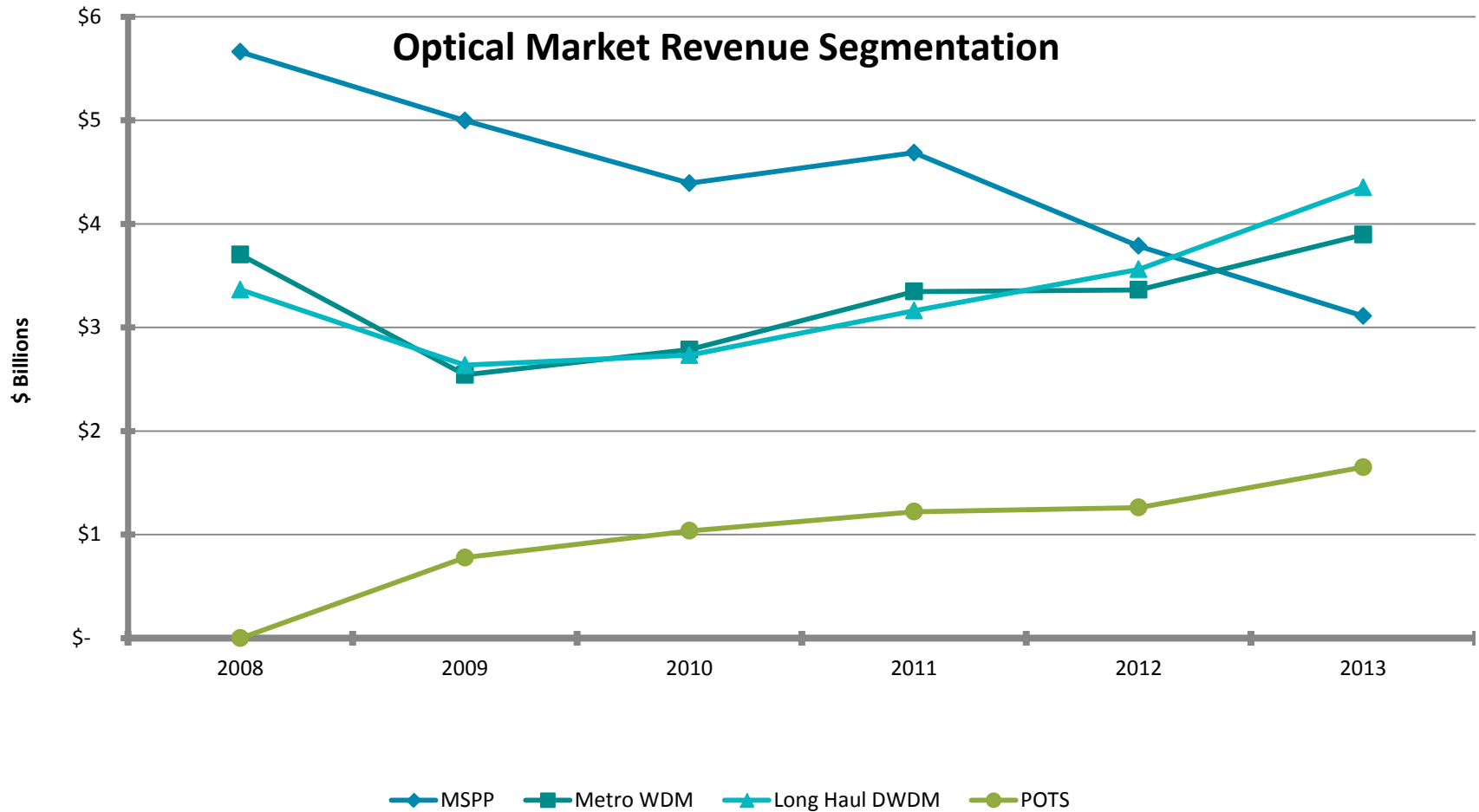
## Vendors & % Market Share 2013



# Competitive Landscape, Technology & Vendors

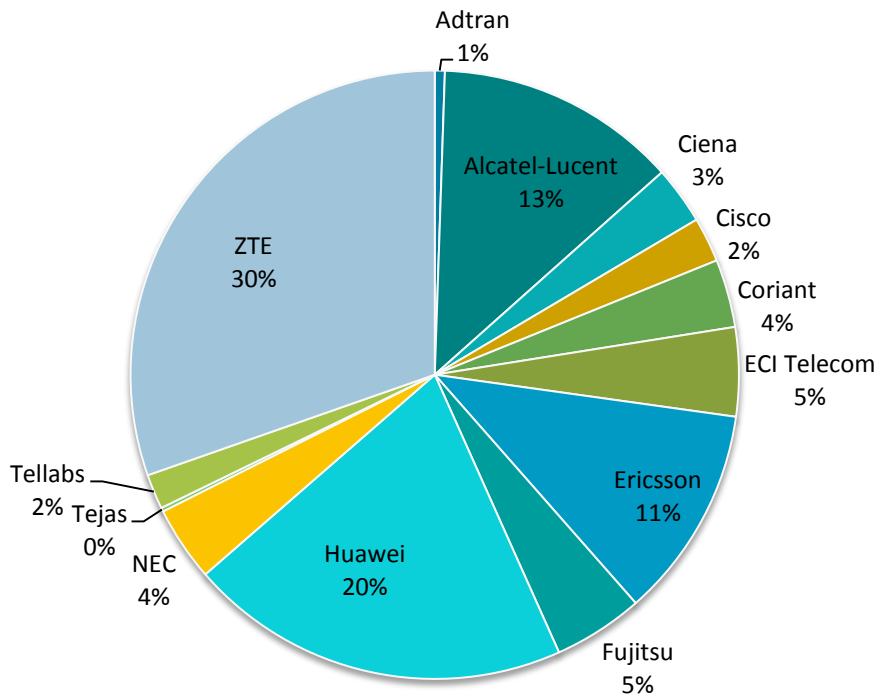
Optical Networking Segmentation and Major Equipment Vendors						
Companies	Long Haul DWDM	Packet Optical Transport (POTS)	Metro WDM	MSP	Optical Cross Connect (OXC)	SONET/SDH
ADVA			✓			
Alcatel-Lucent	✓	✓	✓	✓	✓	✓
BTI		✓				
Ciena	✓	✓	✓	✓	✓	✓
Cisco		✓	✓	✓		
Coriant (NSN)	✓	✓	✓	✓		✓
Cyan		✓				
ECI Telecom		✓	✓			
Ericsson	✓	✓	✓	✓	✓	✓
Fujitsu		✓	✓	✓		✓
Huawei	✓	✓	✓	✓		✓
Infinera	✓		✓			
NEC	✓		✓	✓		✓
Tejas				✓		
Transmode		✓		✓		✓
Tellabs		✓	✓	✓	✓	
ZTE	✓		✓	✓		✓

# Optical Market Revenue Contribution/Segment

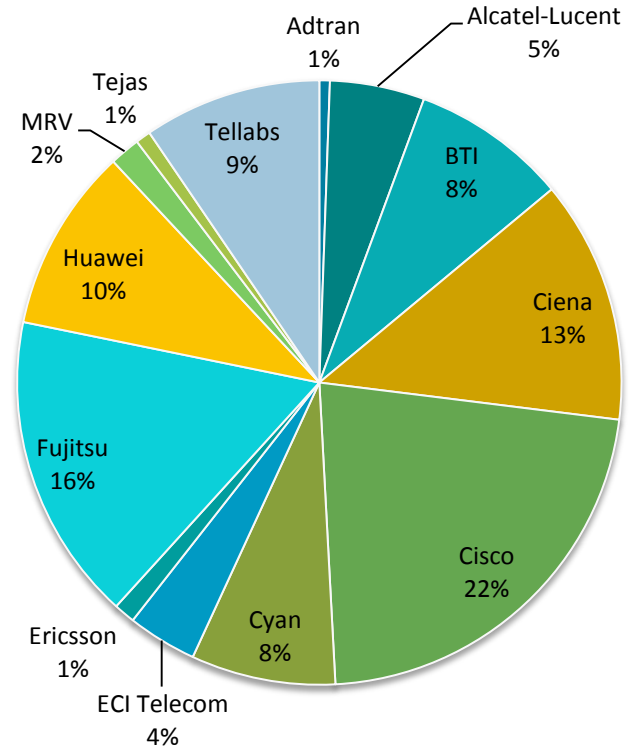


# MSPP & POTS Segment

## MSPP \$3.1 B

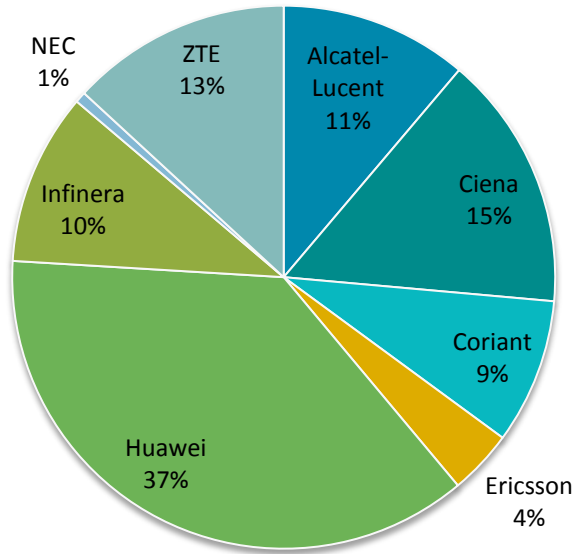


## POTS \$1.65 B

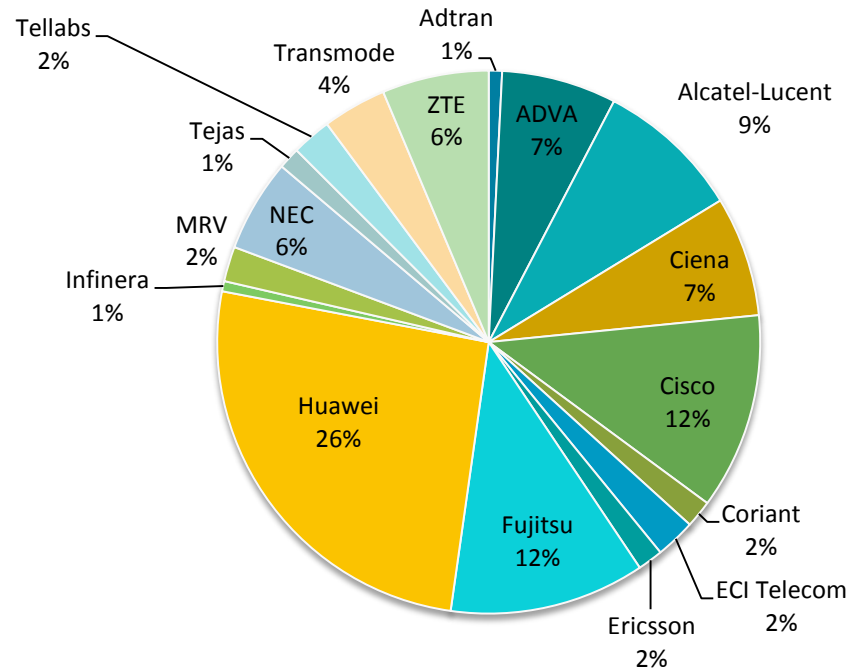


# Long-Haul DWDM & Metro WDM

## Long-Haul DWDM \$4.35 B



## Metro WDM \$3.9B



# Optical Network Regional Segmentation

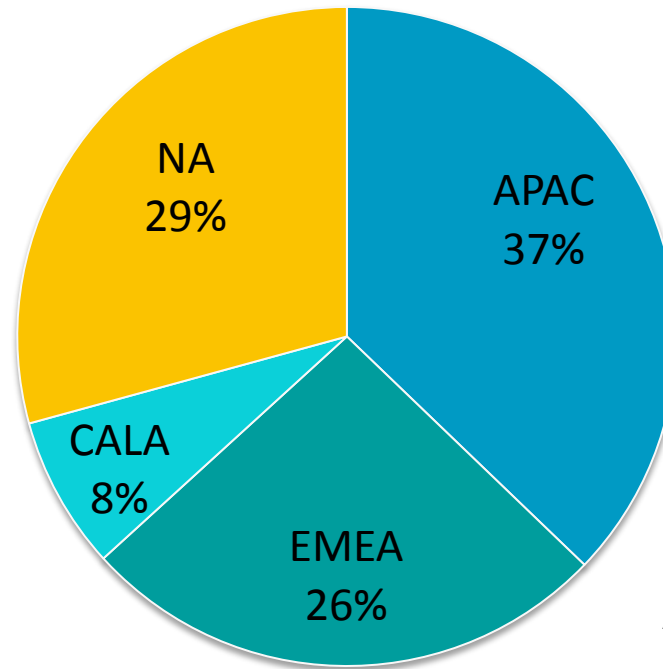
## Regional Segmentation w/Top 5 Vendors & Technologies

Ciena  
Cisco  
Fujitsu  
Infinera  
Tellabs

1. Metro
2. POTS
3. LH
4. MSPP

Huawei  
ZTE  
ALU  
NEC  
Ericsson

1. MSPP
2. LH
3. Metro
4. Legacy



Huawei  
ALU  
Ciena  
Tellabs  
Ericsson

1. LH
2. MSPP
3. Metro
4. POTS

Huawei  
ALU  
Ericsson  
Ciena  
ZTE

1. LH
2. Metro
3. MSPP
4. POTS



# Trends & Conclusion

- Market Drivers 2014 Trend
  - Wireline Services (VPNs, VLANs) (growing)
  - Wireless Services (Back Haul) (flattening)
  - Data Center Interconnect and Virtualization (strong)
  - New Services M2M, Security (starting)
  - Submarine (strong)
- Companies to watch
  - Top Three most influential (% total WW market share)
    - Alcatel-Lucent (11%), Ciena (11%), Huawei (25%)
  - Marlin Equity Partners now owns: Coriant (NSN), Sycamore, Tellabs
  - Ericsson and Ciena's Strategic Global Agreement
  - VZ allocation of Cap-Ex between Alcatel-Lucent & Ciena
  - Infinera (3%) has climbed to a top 5 player in Long Haul DWDM segment
  - #1 Cisco (7%) and #2 Fujitsu (6%) battle for leadership in POTS segment
- ACG Research Forecasts a 6.6% CAGR for the Period 2014-2018

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