

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

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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](http://www.infinera.com) and the SEC's website at [www.sec.gov](http://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](http://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](http://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](http://www.infinera.se).

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