

INFINERA CORP
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Winning Through Disruption in the Transport
Market
June 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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Redefining what the network will be

Scalable optics with Photonic Integrated Circuits (PIC)

Automation, convergence & scalability to optical networking

Best-in-class global service & support

Unmatched reliability

World class quality

Exceptional growth and profitability

Focused on customer success

Industry recognitions

Infinera: A Differentiated Technology Company

Photonic Integrated Circuit

(PIC)

Enabling An Infinite Pool of Intelligent Bandwidth

XTC-4

XTC-10

DTN

Cloud Xpress

DTN-X

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A Leader in Intelligent Transport Network solutions

Two consecutive years of >20% revenue growth

144 customers in 73 countries; 62 DTN-X customers; 7 invoiced CX 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 Wholesale and Enterprise Carriers

Infinera

Global

Business

5

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Outpacing Other SP Networking Players

Source: Company public financial records

Revenue Growth: Quarterly Trailing 12 month revenue

-20%

-10%

0%

10%

20%

30%

40%

50%

60%

70%

80%

Jun '12

Sep '12

Dec '12

Mar '13

Jun '13

Sep '13

Dec '13

Mar '14

Jun '14

Sep '14

Dec '14

Mar '15

3X Rev

Growth

over CIEN

72%

24%

Infinera enters

100G Long Haul

INFN

TRMO

CIEN

JNPR

CSCO

ADV

ERIC

ALU

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Infinera Differentiators
PIC-enabled Technology

PIC enables scalable, intelligent
functions: SDN, integrated
switching, sliceable bandwidth

High capacity applications: Long-
Haul, Metro Cloud, Metro Core
Infinera differentiates due to its technology,
market expansion opportunities and vertically
integrated business model
Vertical Integration

Lower cost structure
than competition

Supply chain control
New
Products
enable
TAM
Expansion

Cloud Xpress now shipping

Infinera
Metro
Aggregation
2
half
2015

Transmode Metro portfolio expected Q3*

Expansion of ~\$4.5B existing TAM to
\$15B in 2019**

* Subject to deal closing; **Infonetics Q4 2014 Market Forecast

Cloud Xpress
2015

New Metro Agg
Infinera PIC Fab
nd

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Disruptive Technology Innovation:

The Infinera Way

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

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Taking Photonics to the Next Level

Scalability of PICs with 100G Granularity

Most Bandwidth on a Single

Line Card

Now adapted for the Metro

Optimized 100G

oPIC-100

New!

New!

ePIC-500

Sliceable 500G

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PIC Leveraged for Disruptive Systems

Intelligent Transport Network

Converge Layers, Network Automation

Own Key Technologies & Processes

400+ patents filed/granted

Purpose-Built Systems

DTN-X

DTN

Cloud Xpress

Switching

ASICs

Intelligent

Software

Photonic Integrated Circuits

500G Super-Channels

Vertically

Integrated

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Building the Best Transport Solutions

SDN-Virtualized Optical

Packet, OTN & ROADM Switching

Photonic Integration

Scalable Optics

Super-channel Transmission

Photonic Integration as Foundation

Flexible Granular Control

Across Layers

Lean Packet, Digital, Optical

Programmable and Agile

SDN Control

Abstracted, Open APIs

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Market Expansion Strategy

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Transport Becoming Strategic

Networks

Simplifying

to New

Model of Cloud Services and

Intelligent Transport

Vision: Enable An Infinite Pool of Intelligent Bandwidth

Poised to take off

Scalable Optics and Integrated

Packet-Optical Key for

Simplification

100G Metro

Aggregation

2016

100G
Metro Cloud
2014
100G
Long Haul
2012
Accelerated 100G
uptake & 40G decline
1 to market
with purpose-
built solution
Market Inflections
st

14

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Building a Multi-Market Company

Cloud Xpress

began

shipping in December 2014

Transmode

acquisition offer

announced April 2015*

Metro Aggregation product

to be unveiled late 2015

* Deal expected to close in Q3 2015, subject to Transmode shareholder approval

DTN, DTN-X

LH/SS

Metro

Cloud

Long-Haul/

Subsea

Metro

Agg

Metro

Cloud

XTC-10/4

2015 Product

+

Transmode

Cloud Xpress

Builds on 2 consecutive years of 20%+ growth from DTN-X/Long Haul

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\$15B (2019)

Transport Market

Source: Infonetics Q4 2014 Market Forecast

Metro

Edge

Metro

Access

Metro Aggregation

Metro

Core

3. Penetrate

LH Core

1. Grow

Cloud

2. Seize

Multi Market Strategy Horizontal Expansion

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The Infinera Intelligent Transport Network makes it easy for us to rapidly grow network capacity while keeping operations simple. Once the equipment is in place we are able to turn up as many terabits as we need.

Niclas Comstedt

Director of Network Engineering

Infinera Selected by Facebook for World's

Longest Terrestrial Multi-Terabit Route

ICP Strength

The datacenter interconnect market is a rapidly growing segment for optical network equipment providers. We expect this market to reach US\$2.4 billion by 2019. Our recent data show that 2015 is shaping up to be a

very exciting year as metro-optimized 100G
enters the DCI market.

Ron Kline

Principal Analyst

Infinera #1 DCI Equipment Supplier to
ICPs & CNDCs Worldwide in 2014

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Mega Data Centers and the DCI Opportunity

Iowa

MSFT, FB, GOOG

Key Benefits:

1)

Central location to provide
connectivity to North America

2)

Ample Power

3)

Environmental Stability

Top

ICPs

are

building
mega
data
centers
worldwide

500,000+ servers

Annual power consumption = 2-3
terawatt-hours (TWh)

Equivalent annual power to
~177k average US homes

A single mega data center could
require 25,000 100G wavelengths
between
data
centers

Microsoft expects its network to
require hundreds of thousands
of 100G wavelengths over time
Mega Data Center Scale
Northern Europe

MSFT, FB, GOOG, AMZN

Key Benefits:

- 1)
Free cooling; Facebook
literally leaves its windows open
near Arctic Circle in Sweden
 - 2)
High access to renewable energy
Facebook: Lulea, Sweden
Microsoft: West Des Moines, Iowa
- Sources: Microsoft Executive Forum Keynote OFC 2015; Infinera estimates; MSFT & FB websites

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Cloud Architecture Drives New Traffic Patterns

<http://www.facebook.com>

930x

Network

Traffic

Distributed

Compute Model

1KB HTTP

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Generally available now

In customer networks now

Hyper-Scale Density

3X better than current

market leader

Minimal Power

50% better than current

market leader

Simple Operation

Server-like experience

Cloud Xpress Optimized for the Metro Cloud

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End-to-End Portfolio

Metro

Edge

Metro

Access

Metro Aggregation

Metro

Core

Cloud

LH Core

* Transmode deal expected to close in Q3 2015, subject to Transmode shareholder approval

Cloud Xpress

DTN-X

XTC4/10

XTC4

2015

Sliceable Photonics

ePIC-500

oPIC-100

Opportunity to Accelerate into Metro Aggregation

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Infinera + Transmode Opportunity

End-to-End
portfolio, \$15.3B market*

Accelerate
100G market momentum

Technology leadership in Photonics, Packet-Optical,
ASICs and Network Management

Complementary customers
and geographies

Common philosophy of
profitable growth

Shared culture and
talent driving product excellence

Expected non-GAAP EPS accretive in 2016

Transmode deal expected to close in Q3 2015, subject to Transmode shareholder approval

*Source: Infonetics Q4 2014 Market Forecast for 2019

Culture

Customers

Financials

Technology

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Potential to Enter Top 5 in WDM

Source: Dell Oro Optical Report Jan 2015

INFN+ TRMO adds together Dell Oro's projected 2014 revenues for INFN and TRMO

Cross-selling and revenue synergies

create opportunity to go higher

\$0.0

\$500.0

\$1,000.0

\$1,500.0

\$2,000.0

\$2,500.0

Global Metro + LH WDM (2014)

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Growing Market Opportunity

Sources: 1 -

Dell Oro 025A-Optical Forecast Tables January 2015;

2 -

ACG WW Optical Forecast, September 2014

Optimized Solutions

Increased Share

Long-Haul

1

Metro Cloud

2

Metro

Aggregation

1

>600km

<200km

<600km
Solution
Extend DTN-X Leadership
with Packet
Cloud Xpress first shipments
in December
Platform: Late 2015
Revenue:
Early 2016
Current
TAM
(\$M)
\$4,825
\$193
\$5,432
Forecast
2019
TAM
(\$M)
\$5,529
\$2,950
\$7,515

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Attractive Growth and Profitability Prospects

Source: Public financial statements; INFN, Cyan, Ciena, MRV are non-GAAP, others as reported in respective year-end press releases; INFN+TRMO combines 2014 financial results; ALU = Entire business

Adva

MRV

ALU

Cyan

Ciena

INFN +

TRMO

YoY Revenue Growth, %

2014

20

10

0

-10

50
40
30
Gross Margin, %
2014

26
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Differentiated Financial Results

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Source: Infinera Financial Reporting

Recent 20+% growth

2013: 24%; 2014: 23%; 2015e:21%*

Increasingly Profitable***

2014 Gross Margin = 44.0%

Q4 14 = 46.1%

Q1 15 = 47.8%

2014 Operating Margin = 8.3%

Q4 14 = 11.0%

Q1 15 = 12.2%

2014 EPS = \$0.38 (diluted)

Q4 14 = \$0.13 (diluted)

Q1 15 = \$0.16 (diluted)

Strong Balance Sheet****

Nearly \$260 million net cash

CF from Ops (last 4 quarters) = \$71 million

Revenue

\$668

FY14

\$811e*

FY15

\$544

FY13

\$438

FY12

\$405

FY11

2014 vs 2013

23% YoY Growth

~2x Market growth **

Infinera Financial Performance

*Wall Street consensus as of May 19, 2015 and based on information available to Infinera at that time; **Dell - Oro Group 2014 Optical Transport Report; *** These figures are non-GAAP (a reconciliation may be found at www.Infinera.com) ;

****As of end of Q1 2015

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Margin Growth Opportunity

Margin Drivers

Vertical integration

Footprint vs fill

Instant bandwidth

Deal discipline

Infinera PIC Fab

Long-Haul

Cloud

Xpress

Metro

Aggregation

Expanding Markets Drive Margin Growth

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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 has filed a preliminary 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

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More
information about the exchange offer, including the formal announcement of the offer and the offer document to be filed with
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