

INFINERA CORP
Form S-4
June 08, 2015
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As filed with the Securities and Exchange Commission on June 8, 2015

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

INFINERA CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of

3661
(Primary Standard Industrial

77-0560433
(I.R.S. Employer

incorporation or organization)

Classification Code Number)

Identification Number)

140 Caspian Court

Sunnyvale, CA 94089

(408) 572-5200

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

James L. Laufman

Infinera Corporation

140 Caspian Court

Sunnyvale, CA 94089

(408) 572-5200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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650 Page Mill Road

Palo Alto, CA 94304

(650) 493-9300

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement and the satisfaction or waiver of all other conditions of the Offer (as defined below) described herein.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered⁽¹⁾	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price⁽²⁾	Amount of Registration Fee
Common Stock, \$0.001 par value	13,037,699	N/A	\$272,421,339	\$31,656

(1) Represents the maximum number of shares of the registrant's common stock expected to be issued in connection with the transactions described herein to holders of the securities of Transmode, upon the closing of the Offer described herein.

(2) Pursuant to Rule 457(c) and Rule 457(f) under the Securities Act, and solely for the purpose of calculating the registration fee, the market value of the securities to be received was calculated as the product of (i) 27,709,236 shares of Transmode AB, a public corporation organized under the laws of Sweden, and (ii) the average of the high and low sale prices of Transmode shares as reported on Nasdaq Stockholm on June 3, 2015 (SEK 110.75) (equivalent to \$13.17 based on the June 3, 2015 applicable exchange rate from Sveriges Riksbank of SEK

8.4118/\$), minus \$92,399,257, the estimated maximum aggregate amount of cash to be paid by Infinera Corporation in the Offer described herein.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) under the Securities Act, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. Infinera may not exchange these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to exchange these securities, and is not soliciting an offer to exchange these securities, in any jurisdiction where the exchange is not permitted.

Subject to Completion, Dated June 8, 2015

PRELIMINARY PROSPECTUS

On behalf of the board of directors of Infinera Corporation (*Infinera*), Infinera is pleased to deliver this Prospectus relating to the proposed combination of Transmode AB, a public company organized under the laws of Sweden (*Transmode*), with Infinera. Infinera is making a public offer to the shareholders of Transmode to tender all their shares in Transmode to Infinera (the *Offer*). The total Offer consideration consists of a mixture of cash and shares of Infinera's common stock (*Infinera Shares*), with each Transmode share valued at SEK 107.05. With respect to approximately 73.80 percent of the shares of Transmode tendered by each shareholder, Infinera is offering approximately 0.6376 shares of Infinera common stock per Transmode share (the *Share Consideration*); and with respect to the remaining approximately 26.20 percent of the shares of Transmode tendered by such shareholder, Infinera is offering SEK 107.05 in cash per Transmode share (the *Cash Consideration*). Infinera is conducting the Offer to acquire Transmode as a wholly owned subsidiary of Infinera.

Infinera Shares are traded on the NASDAQ Global Select Market under the symbol *INFN*. On June 5, 2015, the closing price of Infinera's common stock as reported on the NASDAQ Global Select Market was \$21.40 per share.

Infinera has issued a press release that states the terms and conditions of the Offer. Infinera's obligation to pay the Cash Consideration for and to exchange shares of its common stock for shares of Transmode, is subject to the conditions listed herein under *Terms of the Offer* *Conditions to the Offer*. This prospectus provides information about Infinera and Transmode and the Offer that Transmode shareholders should know when they decide whether or not to tender their shares in the Offer.

Please read this entire prospectus carefully, including the section entitled *Risk Factors* beginning on page 17 of this prospectus.

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You should rely only on the information contained in this prospectus, including the documents incorporated by reference. Infinera has not authorized anyone to provide you with any different information. Infinera is offering to exchange Transmode shares for shares of Infinera common stock only in jurisdictions where the Offer is permitted. The information contained in this prospectus is accurate only as of the date of such document, and the information contained in any document incorporated herein by reference is accurate only as of the date of such document incorporated by reference. Infinera's business, financial condition, liquidity, results of operations, and prospects may have changed since those dates.

This prospectus incorporates important business and financial information about Infinera that is not included or delivered with this prospectus. This information is available without charge to security holders upon written or oral request. Requests for copies should be directed to Infinera Corporation, 140 Caspian Court, Sunnyvale, CA 94089, Attention: Corporate Secretary, Telephone: (408) 572-5200. To obtain timely delivery, security holders must request the information no later than five business days before [], 2015, the date they must make their investment decision. These filings are also made available, free of charge, on Infinera's website at www.infinera.com. The information contained in, and that can be accessed through, Infinera's website is not incorporated into and does not form a part of this prospectus.

Trademarks

This prospectus contains the trademarks of Infinera and Transmode, which, to Infinera's knowledge, are the property of Infinera and Transmode, respectively. Solely for convenience, the trademarks of Infinera and Transmode referred to in this prospectus may be listed without the ® and ™ symbols.

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SUMMARY

This summary provides an overview of selected information and does not contain all the information you should consider. For a more complete understanding of the Offer, you should carefully read the entire prospectus, including the section entitled Risk Factors and the financial data and other documents incorporated by reference in this prospectus, and the Swedish offer document that has been filed for approval and registration with the Swedish Financial Supervisory Authority (SFSA).

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to Infinera, refer to Infinera Corporation (or its subsidiaries when applicable). All references to Transmode refer to Transmode AB (or its subsidiaries when applicable).

References in this prospectus to USD or to \$ are to United States dollars. References in this prospectus to SEK are to Swedish kronor.

The Companies

Infinera

Infinera Corporation (NASDAQ: INFN) is a U.S. corporation incorporated in the State of Delaware, USA. Infinera Shares are traded on the NASDAQ Global Select Market. Infinera was incorporated in December 2000, and is headquartered in Sunnyvale, California, USA. Infinera's principal executive offices are located at 140 Caspian Court, Sunnyvale, CA 94089, USA.

Infinera provides optical transport networking equipment, software and services to Tier 1 and Tier 2 telecommunications service providers, Internet content providers, cable operators, wholesale and enterprise carriers, research and education institutions, and government entities (collectively, Service Providers) across the globe. Infinera's technologies and platforms enable Service Providers to automate, converge and scale their metro, long-haul and subsea optical networks. As of December 27, 2014, Infinera had 1,495 employees. A total of 567 of those employees were located outside of the United States. Total revenue was USD 668.1 million in 2014 and USD 544.1 million in 2013. Infinera's market capitalization as of May 29, 2015 was approximately USD 2,707 million.

Additional information concerning Infinera is included in Infinera's reports filed under the Securities Exchange Act of 1934, as amended (the Exchange Act), that are incorporated by reference into this prospectus. See the section entitled Where You Can Find More Information on page 105.

Transmode

Transmode is a global provider of packet-optical networking solutions that enable fixed line and mobile network operators to cost effectively address the capacity needs created by the rapid growth in video and data traffic. These solutions are important building blocks in next-generation high-speed optical networks that support services such as broadband backhaul, mobile data backhaul, video delivery services and cloud computing. Transmode's solutions are designed to increase the capacity, flexibility and functionality of metro and regional networks and are based on Wavelength Division Multiplexing (WDM) and transport technologies such as Ethernet. Transmode's Native Packet Optical 2.0 architecture gives customers key advantages such as cost efficient Ethernet services, ultra-low latency, low power consumption and future proof network design.

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Transmode is headquartered in Stockholm, Sweden and is listed on Nasdaq Stockholm, Mid Cap (TRMO). Since 2000, Transmode has installed more than 50,000 systems for over 650 fixed and mobile network operators, service providers, large enterprises and public institutions in over 50 countries across the globe.

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The principal executive offices of Transmode are located at Fredsborgsgatan 24, SE-117 43 Stockholm, Sweden. Its telephone number is +46 8 410 88 000 and its website address is www.transmode.com. The information contained in, and that can be accessed through, its website is not incorporated into and does not form a part of this prospectus.

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SUMMARY OF THE OFFER

The following summary contains the principal terms of the Offer and is not intended to be complete. It does not contain all of the information that is important to you. For a more detailed description of the Offer, please refer to the section entitled Terms of the Offer in this prospectus.

Infinera is offering each shareholder of Transmode, a company organized under the laws of Sweden:

with respect to approximately 73.80 percent of the Transmode shares tendered by each shareholder: approximately 0.6376 Infinera Shares per Transmode share; and

with respect to the remaining approximately 26.20 percent of the Transmode shares tendered by each shareholder: SEK 107.05 in cash per Transmode share.

Accordingly, for every 10 Transmode shares tendered, each Transmode shareholder will receive SEK 280.50 in cash and approximately 4.705 Infinera Shares.

The Infinera Shares being offered per Transmode share would be equivalent to a value of approximately SEK 107.05 per Transmode share (based on the closing price of \$19.43 for Infinera's common stock on April 8, 2015, the last trading day prior to announcement of the Offer and a SEK/USD mid exchange rate of 8.6414 published by the Swedish Central Bank (*Sw. Riksbanken*) on April 8, 2015).

Upon expiration of the acceptance period in the Offer, assuming the satisfaction or waiver of the conditions to the completion of the Offer, Infinera will publicly announce the outcome of the Offer and will promptly begin settlement. The acceptance period will commence on [], 2015, and expires at 5:00 PM, Central European Summer Time (11:00 AM, Eastern Time) on [], 2015, unless Infinera exercises its right to extend the acceptance period. If Infinera becomes the owner of more than 90 percent of the shares of Transmode, Infinera intends to initiate a compulsory acquisition procedure with respect to the remaining shares in Transmode under Swedish law so that Infinera may acquire any securities that remain outstanding after the completion of the Offer.

Conditions to the Offer

The Offer is subject to a number of conditions described in more detail later in this prospectus under the heading *Terms of the Offer Conditions to the Offer*.

Material U.S. Federal Income Tax Considerations

For a discussion of the material federal income tax considerations relating to the Offer, see *Certain Material U.S. Federal Income Tax Considerations*.

Certain Tax Considerations in Sweden

For a discussion of the material Swedish tax considerations relating to the Offer, see *Certain Tax Considerations in Sweden*.

Anticipated Accounting Treatment

The acquisition of Transmode shares acquired in the Offer will be accounted for under the acquisition method of accounting under accounting principles generally accepted in the U.S. (U.S. GAAP), which means that Transmode's results of operations will be consolidated with Infinera's from the date of the closing of the Offer and their respective assets and liabilities, including identified intangible assets, will be recorded at their then fair values at the same time with the excess purchase price allocated to goodwill.

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Regulatory Approvals

No filing under the Hart-Scott-Rodino Antitrust Improvements Act (the HSR Act), or under Swedish or European Union law, is required in connection with the Offer. However, the Antitrust Division of the Department of Labor and the Federal Trade Commission, which regulate the HSR Act, may challenge the Offer on antitrust grounds notwithstanding the fact that no filings were required. Additionally, at any time before or after the completion of the Offer, any U.S. state could take action under the antitrust laws as it deems necessary or desirable in the public interest, or other persons, including non-U.S. governmental authorities, could take action under antitrust or competition laws, including seeking to enjoin the Offer. Infinera cannot assure you that a challenge to the Offer will not be made, or that, if a challenge is made, that Infinera will prevail. Infinera does not believe any other regulatory filings are required in connection with the Offer that would materially affect Infinera's ability to complete the Offer or affect the post-closing operations of the combined business.

Appraisal Rights

Infinera stockholders are not entitled to any rights to seek appraisal of their shares or to exercise any preemptive rights in connection with the issuance of shares of Infinera Shares in connection with the Offer. Under Swedish law and Transmode's articles of association, Transmode shareholders are not entitled to any rights to seek appraisal of their Transmode shares in connection with the Offer, though certain related rights exist in connection with the compulsory acquisition proceedings described under *Terms of the Offer Special Considerations*.

Ownership of Directors and Officers

At the close of business on April 30, 2015, directors and executive officers of Transmode and their affiliates beneficially owned and were entitled to vote approximately 35.3 percent of the 27,778,676 Transmode shares outstanding on that date. Neither a vote of Infinera stockholders nor a vote of Transmode shareholders is required to approve the Offer.

Undertaking to accept the Offer and lock-up undertaking

In connection with the Offer, Pod Investment AB (Pod), which as of May 29, 2015 holds approximately 33.2 percent of the total number of shares and votes in Transmode, entered into an irrevocable undertaking agreement with Infinera, pursuant to which Pod has agreed to accept the Offer, subject to certain conditions (the Irrevocable Undertaking).

In addition, Pod entered into a holding agreement with Infinera (the Lock-Up Agreement), pursuant to which Pod is restricted for a certain period from transferring the Infinera Shares it receives pursuant to the Offer.

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The following table sets forth the selected historical financial data for the five years ended December 27, 2014, which has been derived from the audited consolidated financial statements of Infinera. The selected historical financial data for the three month periods ended March 28, 2015 and March 29, 2014 are derived from Infinera's unaudited financial statements as of such dates and for those periods. The historical financial and operating information may not be indicative of Infinera's future performance. You should read the following summary selected historical consolidated financial data in conjunction with the consolidated financial statements of Infinera and the notes thereto and the discussion under Management's Discussion and Analysis of Financial Condition and Results of Operations included as part of Infinera's Annual Report on Form 10-K for the fiscal year ended December 27, 2014 and Quarterly Report on Form 10-Q for the quarter ended March 28, 2015, which are incorporated by reference into this prospectus. For more information, see the section entitled Where You Can Find More Information beginning on page 105.

Consolidated Statements of Operations

	Q1 Ended		Years Ended				
	March 28, 2015 (Unaudited)	March 29, 2014 (Unaudited)	December 27, 2014	December 28, 2013	December 29, 2012	December 31, 2011	December 25, 2010
(In thousands, except per share data)							
Revenue:							
Product	\$ 160,843	\$ 124,242	\$ 572,276	\$ 465,424	\$ 380,035	\$ 352,644	\$ 407,733
Services	26,019	18,573	95,803	78,698	58,402	52,233	46,619
Total revenue	186,862	142,815	668,079	544,122	438,437	404,877	454,352
Cost of revenue:							
Cost of product	89,506	78,438	340,856	295,715	259,437	220,806	228,400
Cost of services	9,244	5,971	38,919	29,768	21,431	18,580	19,945
Restructuring and other costs (credit) related to cost of revenue							(182)
Total cost of revenue	98,750	84,409	379,775	325,483	280,868	239,386	248,163
Gross profit	88,112	58,406	288,304	218,639	157,569	165,491	206,189
Operating expenses:							
Research and development	39,257	29,346	133,484	124,794	117,233	127,120	118,518
Sales and marketing	21,042	17,862	79,026	72,778	75,862	64,773	58,103
General and administrative	12,656	12,254	48,452	45,253	47,475	54,375	58,098
Restructuring and other costs (credit)						(129)	159

Total operating expenses	72,955	59,462	260,962	242,825	240,570	246,139	234,878
Income (loss) from operations	15,157	(1,056)	27,342	(24,186)	(83,001)	(80,648)	(28,689)
Other income (expense), net:							
Interest income	414	336	1,456	923	911	1,014	1,390
Interest expense	(2,890)	(2,677)	(11,021)	(6,061)			
Other gain (loss), net	301	(729)	(1,365)	(1,141)	(1,050)	(419)	(316)
Total other income (expense), net	(2,175)	(3,070)	(10,930)	(6,279)	(139)	595	1,074
Income (loss) before income taxes	12,982	(4,126)	16,412	(30,465)	(83,140)	(80,053)	(27,615)
Provision for income taxes	616	248	2,753	1,654	2,190	1,691	317
Net income (loss)	\$ 12,366	\$ (4,374)	\$ 13,659	\$ (32,119)	\$ (85,330)	\$ (81,744)	\$ (27,932)
Net income (loss) per common share:							
Basic	\$ 0.10	\$ (0.04)	\$ 0.11	\$ (0.27)	\$ (0.77)	\$ (0.78)	\$ (0.28)
Diluted	\$ 0.09	\$ (0.04)	\$ 0.11	\$ (0.27)	\$ (0.77)	\$ (0.78)	\$ (0.28)
Weighted average shares used in computing net income (loss) per common share:							
Basic	127,840	121,352	123,672	117,425	110,739	105,432	99,380
Diluted	137,304	121,352	128,565	117,425	110,739	105,432	99,380

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	March 28, 2015 (Unaudited)	March 29, 2014 (Unaudited)	December 27, 2014 (In thousands, except par values)	December 28, 2013	December 29, 2012	December 31, 2011	December 25, 2010
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 118,623	\$ 85,249	\$ 86,495	\$ 124,330	\$ 104,666	\$ 94,458	\$ 113,649
Short-term investments	215,080	226,705	239,628	172,660	76,146	101,296	168,013
Accounts receivable, net	131,224	107,405	154,596	100,643	107,039	80,616	75,931
Inventory	157,195	126,465	146,500	123,685	127,809	88,996	81,893
Prepaid expenses and other current assets	23,112	20,537	24,636	17,752	13,837	17,865	22,109
Total current assets	645,234	566,361	651,855	539,070	429,497	383,231	461,595
Property, plant and equipment, net	82,661	78,801	81,566	79,668	80,343	76,753	51,740
Long-term investments	69,835	32,756	59,233	64,419	2,874	54,315	9,953
Cost-method investment	14,500	9,000	14,500	9,000	9,000	9,000	4,500
Long-term restricted cash	5,108	4,392	5,460	3,904	3,868	3,047	2,235
Other non-current assets	5,692	5,776	5,402	4,865	2,588	5,358	21,502
Total assets	\$ 823,030	\$ 697,086	\$ 818,016	\$ 700,926	\$ 528,170	\$ 531,704	\$ 551,525
LIABILITIES AND STOCKHOLDERS EQUITY							
Current liabilities:							
Accounts payable	\$ 50,183	\$ 37,843	\$ 61,533	\$ 39,843	\$ 61,428	\$ 48,838	\$ 35,658
Accrued expenses	28,061	20,244	26,441	22,431	26,288	23,188	31,672
Accrued compensation and related benefits	24,406	21,377	38,795	33,899	22,325	18,966	25,098
Accrued warranty	11,453	14,351	12,241	12,374	7,262	5,692	5,696
Deferred revenue	36,757	31,496	35,321	32,402	26,744	22,781	21,958

Total current liabilities	150,860	125,311	174,331	140,949	144,047	119,465	120,082
Long-term debt, net	118,951	111,024	116,894	109,164			
Accrued warranty, non-current	14,086	12,034	14,799	10,534	9,220	7,173	5,726
Deferred revenue, non-current	12,119	4,886	10,758	4,888	3,210	3,410	4,633
Other long-term liabilities	19,179	17,563	19,327	17,581	15,557	13,853	10,335
Stockholders equity:							
Preferred stock, \$0.001 par value							
Authorized shares 25,000							
Common stock, \$0.001 par value							
Authorized shares 500,000	129	123	126	120	112	107	102
Additional paid-in capital	1,090,676	1,038,216	1,077,225	1,025,661	930,618	876,927	817,200
Accumulated other comprehensive loss	(4,510)	(3,212)	(4,618)	(3,486)	(2,228)	(2,195)	(1,261)
Accumulated deficit	(578,460)	(608,859)	(590,826)	(604,485)	(572,366)	(487,036)	(405,292)
Total stockholders equity	507,835	426,268	481,907	417,810	356,136	387,803	410,749
Total liabilities and stockholders equity	\$ 823,030	\$ 697,086	\$ 818,016	\$ 700,926	\$ 528,170	\$ 531,704	\$ 551,525

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The following table sets forth summary selected historical consolidated financial data of Transmode, which should be read in conjunction with the consolidated financial statements of Transmode and the notes thereto and the discussion under Management's Discussion and Analysis of Financial Condition and Results of Operations for Transmode included in this prospectus. The selected balance sheet data as of December 31, 2014, 2013 and 2012 and the selected income statement data for each of the years in the three-year period ended December 31, 2014 have been derived from the audited consolidated financial statements and related notes set forth on pages F-2 to F-46. The selected historical consolidated financial data as of March 31, 2015 and for the three months ended March 31, 2015 and 2014 are derived from Transmode's unaudited consolidated financial statements and related notes as of such dates set forth on pages F-47 to F-54. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), which differ in certain material respects from U.S. GAAP.

The selected balance sheet data as of December 31, 2011 and 2010 and the selected income statement data for each of the years in the two-year period ended December 31, 2011 have been derived from audited consolidated financial statements and related notes not included in this prospectus. These audited consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU. These reports are available on Transmode's website at www.transmode.com.

The information below is not necessarily indicative of Transmode's future performance.

Consolidated Income Statement

	Q1		January - December				
	2015 (Unaudited)	2014 (Unaudited)	2014	2013	2012	2011	2010
	(In SEK millions, except per share data)						
Sales of goods	269.5	212.9	857.2	964.7	961.7	872.5	662.1
Sale of services	19.8	18.4	72.8	64.4	49.2	44.4	37.2
Total sales	289.3	231.3	930.0	1,029.1	1,010.9	916.9	699.3
Cost goods and services provided	-137.6	-117.7	-458.8	-507.6	-512.1	-454.0	-340.7
Gross profit	151.7	113.6	471.2	521.5	498.8	462.9	358.6
Other income	1.1	0.3	0.1	0.9	1.3	2.2	4.2
Research and development costs	-46.2	-36.4	-157.8	-155.6	-130.5	-115.8	-92.1
Selling expenses	-48.8	-46.0	-199.1	-179.7	-166.0	-148.9	-130.9
Administrative expenses	-10.7	-9.8	-38.8	-35.0	-32.9	-32.0	-25.9
Other operating expenses		-0.2	-5.0	-3.6	0.0	-19.3	-6.3
Operating profit	47.1	21.5	70.6	148.5	170.7	149.1	107.6
Financial income	1.3	2.5	7.1	6.5	6.6	5.9	-0.3

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Financial expenses	-0.4	-0.5	-0.3	0.5	-0.4	-0.2	-0.4
Net financial income/expenses	0.9	2.0	6.8	7.0	6.2	5.7	-0.7
Taxes	-10.2	-4.9	-15.9	-32.2	-37.7	-38.5	-25.5
Profit for the period/year	37.8	18.6	61.5	123.3	139.2	116.3	81.4

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	Q1		January - December				
	2015 (Unaudited)	2014 (Unaudited)	2014	2013	2012	2011	2010
(In SEK millions, except per share data)							
Attributable to:							
Equity holders of the parent company	37.8	18.6	61.5	123.3	139.2	116.3	81.4
Average no. of shares before dilution (000):	27,709	27,728	27,714	27,782	27,724	26,000	75,598
Basic earnings per share (SEK)	1.36	0.67	2.22	4.44	5.02	4.47	0.868
Average no. of shares after dilution (000):	27,709	27,728	27,714	27,782	27,789	27,338	444,049
Diluted earnings per share (SEK)	1.36	0.67	2.22	4.44	5.01	4.26	0.148
Dividends declared per share: ⁽¹⁾							
SEK			1.95	6.50	1.80	1.50	0.22
USD			0.22	0.98	0.27	0.22	0.03

(1) The dividends declared presented in USD are based on exchange rates as quoted by Sveriges Riksbank and have been converted using a rate of SEK/USD 8.7482, 6.6051, 6.5607, 6.7246 and 6.3000 for the dividends declared in 2014, 2013 and 2012, 2011 and 2010, respectively.

Consolidated Balance Sheet

	Q1		January - December				
	2015 (Unaudited)	2014 (Unaudited)	2014	2013	2012	2011	2010
(In SEK millions)							
ASSETS							
Fixed assets							
<i>Intangible assets</i>							
Goodwill	88.4	88.4	88.4	88.4	88.4	88.4	88.4
Licenses	6.4	4.1	4.9	4.4			
Capitalized development expenses	127.8	100.1	125.1	87.8	64.2	39.7	29.1
Technology		4.7	1.2	5.9	10.6	15.3	20.0
	222.6	197.3	219.6	186.5	163.2	143.4	137.5
<i>Tangible assets</i>							
Leasehold improvements	1.4	1.6	1.2	1.8	2.2	2.3	
Machinery and equipment	26.4	21.8	25.6	23.1	19.9	16.9	6.1
	27.8	23.4	26.8	24.9	22.1	19.2	6.1
<i>Financial assets</i>							
Deferred tax asset	3.4	2.2	3.4	2.2	1.2	0.8	29.8

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Other financial assets	5.9	5.4	5.9	5.3	2.6	1.2	1.2
	9.3	7.6	9.3	7.5	3.8	2.0	31.0
Total non-current assets	259.7	228.3	255.7	218.9	189.1	164.6	174.6
Current assets							
Inventories	102.1	93.8	89.0	85.9	99.4	97.8	75.5
Accounts receivable	191.2	204.6	168.6	184.7	150.4	166.4	93.1
Other current receivables	15.2	9.3	21.8	20.5	27.4	25.6	16.2
Prepaid expenses and accrued income	21.2	16.9	15.8	13.3	8.1	6.7	5.7
Cash and cash equivalents	319.5	410.1	294.8	431.5	376.8	293.8	206.0
Total current assets	649.2	734.7	590.0	735.9	662.1	590.3	396.5
TOTAL ASSETS	908.9	963.0	845.7	954.8	851.2	754.9	571.1

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	Q1		January - December				
	2015 (Unaudited)	2014 (Unaudited)	2014	2013	2012	2011	2010
(In SEK millions)							
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent company							
Share capital	5.6	5.6	5.6	5.6	5.6	5.5	4.9
Other contributed capital	537.0	646.0	537.0	646.0	646.0	642.5	619.9
Translation difference	0.9	-0.9	0.2	-0.9	-0.9	-0.8	-0.7
Accumulated profit or loss	78.5	67.5	40.2	51.7	-17.9	-115.4	-201.9
Total equity	622.0	718.2	583.0	702.4	632.8	531.8	422.2
Long-term liabilities							
Pension commitments							0.8
Other provisions	5.4	5.0	5.1	4.9	4.4	4.2	0.1
Deferred tax liability	41.1	36.4	40.7	33.9	27.9	4.0	5.3
Total long-term liabilities	46.5	41.4	45.8	38.8	32.3	8.2	6.2
Current liabilities							
Accounts payable	126.6	103.0	96.9	103.0	93.0	110.2	70.7
Tax liability	10.0		5.2	2.9	0.5	11.2	1.9
Provisions	10.6	14.5	11.6	16.6	21.2	11.4	12.1
Other current liabilities	13.2	17.4	25.3	20.1	11.4	13.7	11.8
Accrued expenses and deferred income	80.0	68.5	77.9	71.0	60.0	68.4	46.2
Total current liabilities	240.4	203.4	216.9	213.6	186.1	214.9	142.7
TOTAL EQUITY AND LIABILITIES	908.9	963.0	845.7	954.8	851.2	754.9	571.1

Exchange Rate Information

The following table shows, for the periods indicated, information concerning the exchange rate between SEK and USD. The information in the following table is expressed in SEK per USD and is based on the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York. The high and low rates for the monthly periods presented in these tables were calculated by taking the high and low of the exchange rates for each month during the previous six months. The average rates for the five most recent financial years and subsequent interim periods for which financial statements are presented were calculated by taking the simple average of the exchange rates on the last day of each month during the relevant period.

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On June 5, 2015, the exchange rate was SEK 8.2873 per \$1.00. These translations should not be construed as a representation that the SEK amounts actually represent, or could be converted into, USD at the rates indicated.

	Average Rate	High	Low
Recent Monthly Data			
May 2015	8.3350	8.5245	8.2085
April 2015	8.6321	8.8180	8.3052
March 2015	8.5366	8.7505	8.2612
February 2015	8.3497	8.4193	8.2265
January 2015	8.0994	8.2732	7.8245
December 2014	7.6289	7.8245	7.4119
Interim Data (Three months ended)			
March 28, 2015	8.3007	8.7505	7.7395
March 29, 2014	6.4618	6.5631	6.3394
Annual Data (Fiscal year ended)			
December 27, 2014	6.8415	7.8081	6.3394
December 28, 2013	6.5131	6.8171	6.2880
December 29, 2012	6.7736	7.2655	6.5018
December 31, 2011	6.4944	7.0054	5.9968
December 25, 2010	7.2115	8.0593	6.5145

Table of Contents**Index to Financial Statements****SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The unaudited pro forma condensed combined statements of operations (pro forma statements of operations) combine the historical statements of operations of Infinera and Transmode for the quarters ended March 28, 2015 and March 31, 2015, respectively, and the year ended December 27, 2014 and December 31, 2014, respectively, and gives pro forma effect to the combination as if it had been completed as of December 29, 2013. The unaudited pro forma condensed combined balance sheet (pro forma balance sheet) combines the historical balance sheets of Infinera and Transmode as of March 28, 2015 and March 31, 2015, respectively, and gives pro forma effect to the combination as if it had been completed as of March 28, 2015.

The pro forma financial statements have been presented for illustrative purposes only and are not necessarily indicative of results of operations and financial position that would have been achieved had the entities been combined on the dates indicated during the periods presented, or the future consolidated results of operations or financial position of the combination of Infinera and Transmode if the Offer is completed (the Combined Company). Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled Risk Factors beginning on page 17. The following selected unaudited pro forma condensed combined consolidated financial information should be read in conjunction with the section entitled Unaudited Pro Forma Condensed Combined Financial Information and related notes included in this prospectus beginning on page 73.

	Three Months Ended March 28, 2015	Year Ended December 27, 2014
	(In thousands, except per share data)	
Pro Forma Condensed Combined Statements of Operation Data:		
Revenue	\$ 221,302	\$ 802,646
Gross profit	\$ 102,948	\$ 343,711
Net income	\$ 13,677	\$ 4,738
Net income per share:		
Basic	\$ 0.10	\$ 0.03
Diluted	\$ 0.09	\$ 0.03
Weighted average number of common shares:		
Basic	140,878	136,710
Diluted	150,342	141,603

	As of March 28, 2015 (In thousands)
Pro Forma Condensed Combined Balance Sheet Data:	
Total cash and cash equivalents, investments and restricted cash	\$ 341,062
Cost-method investment	\$ 14,500
Total assets	\$ 1,154,454

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Long-term debt, net	\$	118,951
Common stock and additional paid-in capital	\$	1,368,247
Stockholders' equity	\$	782,006

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The following table sets forth certain historical and unaudited pro forma combined and pro forma equivalent financial information. The unaudited pro forma combined and pro forma equivalent basic and diluted net income per share data assumes that the Offer was completed at the beginning of the respective periods.

The unaudited pro forma combined and pro forma equivalent basic and diluted net income per share data for the 2014 fiscal year was prepared based on the audited financial statements for Infinera and Transmode for the year ended December 27, 2014 and December 31, 2014, respectively.

The unaudited pro forma combined and pro forma equivalent basic and diluted net income per share data for the first quarter of fiscal year 2015 was prepared based on the unaudited condensed financial statements for Infinera and Transmode for the quarters ended March 28, 2015 and March 31, 2015, respectively. The pro forma combined and pro forma equivalent net book value per share data for the first quarter of fiscal year 2015 was prepared based on the unaudited balance sheets of Infinera and Transmode as of March 28, 2015 and March 31, 2015, respectively.

The information below should be read in conjunction with the audited financial statements of Infinera and Transmode referenced above and the accompanying notes to such financial statements, all of which are incorporated by reference and/or included in this prospectus. See the section entitled "Where You Can Find Additional Information" beginning on page 105. You are urged to also read the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 73.

	Infinera Historical	Transmode Historical⁽¹⁾	Unaudited Pro Forma Combined⁽²⁾	Unaudited Pro Forma Transmode Equivalent⁽³⁾
Per share information for the first quarter of fiscal year 2015:				
Net income per share:				
Basic	\$ 0.10	\$ 0.16	\$ 0.10	\$ 0.05
Diluted	\$ 0.09	\$ 0.16	\$ 0.09	\$ 0.04
Book value per share ⁽⁴⁾	\$ 3.93	\$ 2.61	\$ 5.55	\$ 2.61
Cash dividends	\$	\$	\$	\$
Per share information for the 2014 fiscal year:				
Basic and diluted net income per share:				
Basic	\$ 0.11	\$ 0.32	\$ 0.03	\$
Diluted	\$ 0.11	\$ 0.32	\$ 0.03	\$
Book value per share ⁽⁴⁾	\$ 3.82	\$ 2.70	N/A	N/A
Cash dividends	\$	\$ 0.28	\$	\$

(1) Transmode historical net income per share amounts are based on IFRS and are translated from SEK into USD at the exchange rate of 8.32 per USD for the first quarter of fiscal year 2015 and 6.86 for the 2014 fiscal year.

Transmode historical book value per share is translated at 8.60. Transmode's historical financial information is based on the exchange rates as quoted by OANDA Corporation.

- (2) Pro forma combined basic and diluted net income per share is computed by dividing pro forma combined net income by the weighted average pro forma number of shares outstanding during the periods presented. Pro forma combined book value per share is computed by dividing pro forma book value by the weighted average pro forma number of shares outstanding during the periods presented.
- (3) Transmode pro forma equivalent amounts are calculated by multiplying pro forma combined per share amounts by the exchange ratio of 0.4705.
- (4) Book value per share is computed by dividing total stockholders' equity by the number of shares of common stock outstanding.

Table of ContentsIndex to Financial Statements**MARKET PRICES**

Infinera Shares are traded on the NASDAQ Global Select Market under the symbol INFN. Transmode s shares are traded on Nasdaq Stockholm under the symbol TRMO.

The following table presents closing sale price for Infinera Shares and Transmode shares on April 8, 2015, the last trading day before the public announcement of the Offer and June 5, 2015, the latest practicable trading day before the date of this prospectus. This table also presents the equivalent value of the Share Consideration per share of Transmode shares on April 8, 2015 and June 5, 2015 as determined by multiplying the closing sale price per share of Infinera s common stock on those dates by the exchange ratio of 0.6376 and converted to SEK.

Although the exchange ratio is fixed, the market prices of Infinera Shares and Transmode shares will fluctuate before the Offer is completed. The market value of the consideration ultimately received by Transmode shareholders will depend on the closing price of Infinera Shares on the day such shareholders receive their shares of the Combined Company.

	Infinera Common Stock	Transmode Shares	Equivalent Per Share of Transmode Shares
April 8, 2015	\$ 19.43	SEK 96.5	SEK 107.05
June 5, 2015	\$ 21.40	SEK 111.5	SEK 113.08

As of May 29, 2015, Infinera had 106 holders of record of its common stock. The actual number of stockholders is greater than this number of holders of record and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust or by other entities.

The following table presents the high and low prices for Infinera Shares as reported on the NASDAQ Global Select Market for each quarter in the two most recent years.

Infinera Common Stock

	High	Low
Fiscal Year Ending December 26, 2015		
Second Quarter (through June 5, 2015)	\$ 21.52	\$ 17.58
First Quarter	\$ 19.70	\$ 13.00
Fiscal Year Ended December 27, 2014		
Fourth Quarter	\$ 15.74	\$ 9.15
Third Quarter	\$ 11.84	\$ 8.32
Second Quarter	\$ 9.65	\$ 7.89
First Quarter	\$ 10.14	\$ 6.96

Fiscal Year Ended December 28, 2013		
Fourth Quarter	\$ 11.91	\$ 8.59
Third Quarter	\$ 12.16	\$ 9.24
Second Quarter	\$ 11.65	\$ 6.06
First Quarter	\$ 7.75	\$ 5.66

Infinera has not paid any cash dividends on its common stock and does not intend to pay any cash dividends on common stock in the near future.

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The following table presents the high and low prices for Transmode shares for the five most recent financial years, for each quarter of the two most recent financial years and the subsequent period and the most recent six months.

Transmode Shares

	High	Low
Most Recent Six Months Ended March 31, 2015		
March	SEK 93.25	SEK 83.25
February	SEK 92.00	SEK 69.50
January	SEK 76.50	SEK 68.50
December	SEK 74.50	SEK 63.75
November	SEK 72.00	SEK 54.00
October	SEK 64.50	SEK 52.25
Fiscal Year Ending December 31, 2015		
Second Quarter (through June 5, 2015)	SEK 114.50	SEK 90.00
First Quarter	SEK 93.25	SEK 68.50
Fiscal Year Ended December 31, 2014		
	SEK 115.75	SEK 52.25
Fourth Quarter	SEK 74.50	SEK 52.25
Third Quarter	SEK 80.00	SEK 57.00
Second Quarter	SEK 110.75	SEK 74.00
First Quarter	SEK 115.75	SEK 93.75
Fiscal Year Ended December 31, 2013		
	SEK 121.75	SEK 69.00
Fourth Quarter	SEK 121.75	SEK 98.75
Third Quarter	SEK 106.50	SEK 79.00
Second Quarter	SEK 84.75	SEK 69.00
First Quarter	SEK 84.75	SEK 72.25
Fiscal Year Ended December 31, 2012		
	SEK 87.00	SEK 60.00
Fourth Quarter	SEK 77.75	SEK 63.25
Third Quarter	SEK 84.25	SEK 70.50
Second Quarter	SEK 87.00	SEK 73.00
First Quarter	SEK 79.25	SEK 60.00
Fiscal Year Ended December 31, 2011		
	SEK 65.00	SEK 31.00
Fourth Quarter	SEK 65.00	SEK 45.00
Third Quarter	SEK 54.00	SEK 31.00
Second Quarter	SEK 55.00	SEK 49.00

Transmode shares have been listed on Nasdaq Stockholm since May 27, 2011.

Transmode's target has been to propose a yearly dividend, which over time is between 25 and 50 percent of Transmode's profit for the year for the preceding financial year. Based on Transmode's financial performance during fiscal years 2014, 2013 and 2012, Transmode declared dividends in the total amount of SEK 1.95 per share, SEK 6.50 per share and SEK 1.80 per share, which amounts were paid in April 2015, April 2014 and April 2013, respectively.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference herein constitute forward-looking statements. Forward-looking statements generally relate to future events or future financial or operating performance. In some cases, these statements can be identified by the use of forward-looking terminology such as expects, intends, target, projects, contemplates, plans, seeks, estimates, could, should, feels, believes, will, would, may, potential and similar expressions or the negative of these terms. Such forward-looking statements are subject to risks and uncertainties that may cause the actual results, performance or achievements of Infinera, or industry results, to be materially different from those expressed or implied by such forward-looking statements.

Important factors that could cause Infinera's actual results to differ include, but are not limited to, the following:

the risk that Transmode shareholders fail to tender more than 90 percent of Transmode's outstanding shares, that any of the other closing conditions are not satisfied, and that the transaction may not close;

the price of, market for, and the potential market price volatility of Infinera's common stock, including as a result of the Offer and the related accounting treatment of the Offer;

the ability of Infinera and Transmode to integrate operations and retain key personnel and the related challenges, including any delays in integration resulting from Swedish compulsory acquisition procedures;

the risk that disruption caused by the Combined Company would make it difficult to maintain certain strategic relationships or would result in cancellation of material agreements;

Infinera's ability to achieve the anticipated strategic benefits of its proposed combination with Transmode, including the ability of the Combined Company to innovate and provide a superior product;

the risk that litigation with respect to either company or the transactions contemplated by the Offer could arise;

the impact of the acquisition on Infinera's financial results, including as a result of the accounting treatment of the transaction;

the sufficiency of Infinera's cash and cash equivalents to meet its liquidity needs following the completion of the Offer, whether caused by unanticipated increases in capital expenditures or otherwise;

the increased risk associated with a potential secondary listing on Nasdaq Stockholm and with an additional securities depository, should Infinera move forward and apply for such secondary