



**Supplement to the prospectus for the offer to  
Infinera's employees in Sweden to participate in the  
2007 Employee Stock Purchase Plan**

***August 9, 2018***

This Supplement has been prepared and is made available solely for the purpose of the offer to Infinera's employees in Sweden to participate in the 2007 Employee Stock Purchase Plan. Distribution of this Supplement is subject to restrictions in other jurisdictions, please see "*Important information*" in the Prospectus.

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**The Prospectus and this Supplement have been prepared in accordance with the short-form disclosure regime for offers to employees in those cases where a prospectus is required as set out in Question 71 of ESMA’s Prospectus Q&A.**

### Important information

Distribution of this Supplement, dated August 9, 2018, is subject to certain restrictions. Please refer to “*Important information*” in the Prospectus.

### Forward-looking statements

The Supplement contains certain 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,” “can,” “anticipates,” “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, those risks and uncertainties that are described in the section entitled “Risk factors” in the Prospectus. Any or all of the forward-looking statements in this Supplement may turn out to be inaccurate and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Supplement may not occur as contemplated, and actual results could differ materially from those anticipated or implied by the forward-looking statements. Infinera assumes no obligation to update any such forward-looking statements, except as specifically required by law. Infinera cautions readers not to place considerable reliance on the forward-looking statements contained in this Supplement.

### Presentation of financial information

Certain financial and other information presented in this Supplement has been rounded off in order to make the information more accessible for the reader. Consequently, in certain columns the numbers do not exactly correspond to the stated total amount.

## SUPPLEMENT TO THE PROSPECTUS

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This document (the “**Supplement**”) constitutes a supplement to the Prospectus prepared by Infinera Corporation (“**Infinera**”) for the offer to Infinera’s employees in Sweden to participate in the 2007 Employee Stock Purchase Plan (the “**Offer**” and the “**Purchase Plan**”, respectively), which Prospectus was approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*, the “**SFSA**”) on July 20, 2018 (SFSA reg. No. 18-12592) (the “**Prospectus**”).

The Supplement has been prepared pursuant to Chapter 2, section 34 of the Swedish Financial Instruments Trading Act (SFS 1991:980) (the “**Trading Act**”) by reason of Infinera having made public on August 7, 2018 its earnings release and announcement for the second quarter of fiscal 2018, ended June 30, 2018, and Infinera having provided a non-GAAP outlook for the quarter ending September 29, 2018 during its conference call with analysts and investors to discuss its second quarter of fiscal 2018 financial results on August 7, 2018. Infinera’s earnings release and announcement for the second quarter of fiscal 2018 and its non-GAAP outlook for the quarter ending September 29, 2018 have been published on Infinera’s website, [www.infinera.com](http://www.infinera.com).

The Supplement was approved and registered by the SFSA on August 10, 2018 (SFSA reg. No. 18-14388), and published by Infinera on the same date. The Supplement forms part of, and must be read together with, the Prospectus. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Prospectus. The Prospectus and this Supplement are available on Infinera’s website ([www.infinera.com](http://www.infinera.com)) and the SFSA’s website ([www.fi.se](http://www.fi.se)).

Eligible Infinera employees in Sweden who prior to the publication of this Supplement have enrolled in the Purchase Plan (the offering period that will end on the first trading day on or after February 15, 2019) may withdraw from the Purchase Plan by completing and submitting to Infinera’s payroll office (or its designee) a written notice of withdrawal in the form prescribed by the Administrator (or follow an electronic or other withdrawal procedure prescribed by the Administrator). The withdrawal right pursuant to Chapter 2, section 34 of the Trading Act is exercisable up until August 14, 2018. However, under the terms and conditions of the Purchase Plan, withdrawal is possible up until January 23, 2019 for the offering period that will end on the first trading day on or after February 15, 2019 as covered by the Prospectus. A Participant may withdraw all but not less than all of the payroll deductions credited to his or her account and not yet used to exercise the option under the Purchase Plan. The Participant’s payroll deductions will cease after Infinera’s receipt of the notice of withdrawal, and any payroll deductions will be paid to the Participant promptly. If a Participant does withdraw from the Purchase Plan, he or she cannot rejoin until the commencement of the next offering period.

For detailed terms and conditions as well as other information about the Purchase Plan, please refer to the Prospectus, which is available on the above-mentioned websites.

## SUPPLEMENT TO “SAMMANFATTNING” AND “SUMMARY”

### Tillägg till “Sammanfattning”

Informationen avseende de första tre månaderna 2017 respektive 2018 samt informationen om väsentliga förändringar av Infineras finansiella ställning eller ställning på marknaden sedan den 31 mars 2018 i punkt B.7 i avsnittet “Sammanfattning” på sidorna 5-7 i Prospektet ersätts med nedanstående information.

<b>B.7</b>	<i>Utvald historisk finansiell information</i>	<p>Nedan presenteras Infineras finansiella resultat i korthet för de första sex månaderna 2017 och 2018. Infineras koncernredovisning är upprättad i enlighet med U.S. GAAP. Infineras konsoliderade finansiella rapporter för de första sex månaderna 2017 och 2018 är ej reviderade.</p> <p><b>Koncernens resultatrapport i sammandrag</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">6 månader avslutade</th> </tr> <tr> <th style="text-align: center;">30 jun 2018</th> <th style="text-align: center;">1 jul 2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">(I tusental USD, förutom data redovisad per aktie)</td> </tr> <tr> <td>Intäkter</td> <td style="text-align: right;">410 908</td> <td style="text-align: right;">352 343</td> </tr> <tr> <td>Kostnader sålda varor och tjänster</td> <td style="text-align: right;">244 435</td> <td style="text-align: right;">223 455</td> </tr> <tr> <td><b>Bruttovinst</b></td> <td style="text-align: right;"><b>166 473</b></td> <td style="text-align: right;"><b>128 888</b></td> </tr> <tr> <td>Rörelsekostnader totalt</td> <td style="text-align: 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<b>Nyckeltal*</b>		
<b>Nyckeltal (%)</b>	<b>6 månader avslutade</b>	
	<b>30 jun 2018</b>	<b>1 jul 2017</b>
Bruttomarginal <sup>1</sup>	40,5%	36,6%
Rörelsemarginal <sup>2</sup>	-11,3	-22,2%
Soliditet <sup>3</sup>	67,7%	61,8%
Skuldsättningsgrad (skuld/eget kapital) <sup>4</sup>	-9% <sup>5</sup>	18,9%

\* S.k. U.S. GAAP based measures.  
<sup>1</sup> Bruttovinst uttryckt i procent av de totala intäkterna.  
<sup>2</sup> Rörelseresultat uttryckt i procent av de totala intäkterna.  
<sup>3</sup> Eget kapital i relation till de totala tillgångarna.  
<sup>4</sup> Skulder i relation till eget kapital.  
<sup>5</sup> Infinera hade inte några långfristiga eller kortfristiga skulder per den 30 juni 2018.

**Väsentliga förändringar sedan den 31 mars 2018**

Den 23 juli 2018 ingick Infinera ett avtal om förvärv av Telecom Holding Parent LLC, en privatägd global leverantör av öppna, hyperskalbara nätverkslösningar ("Coriant" respektive "Förvärvet"). Infinera bedömer att Förvärvet innebär en väsentlig expansion av bolaget när nästa våg av globala nätverksinvesteringar inleds och skapar en av världens största leverantörer av optisk nätverksutrustning. Den totala köpeskillingen uppgår, med förbehåll för sedvanliga justeringar, till cirka 430 miljoner USD i kontanter kombinerat med Aktier. Förvärvet förväntas slutföras under tredje kvartalet 2018 med förbehåll för sedvanliga villkor för transaktionens genomförande.

Informationen i punkt B.9 i avsnittet "Sammanfattning" på sidan 7 i Prospektet ersätts med nedanstående information.

<b>B.9</b>	<i>Resultatprognos eller förväntat resultat</i>	<p>Under Infineras telefonkonferens med analytiker och investerare den 7 augusti 2018, där rapporten för det andra kvartalet 2018 diskuterades, lämnade Infinera följande syn på utsikterna för det andra halvåret 2018 och det tredje kvartalet som avslutas den 29 september 2018.</p> <p>För det andra halvåret 2018:</p> <ul style="list-style-type: none"> <li>Intäkterna förväntas vara 2 % till 4 % högre än intäkterna under första halvåret 2018. Detta indikerar ett intäktsintervall under andra halvåret 2018 om cirka 420 miljoner USD till 430 miljoner USD och en intäktsökning för helåret 2018 om cirka 13 % jämfört med helåret 2017.</li> </ul> <p>För kvartalet som avslutas den 29 september 2018:</p> <ul style="list-style-type: none"> <li>Intäkterna förväntas uppgå till 210 miljoner USD +/- 10 miljoner USD. Mittpunkten indikerar en intäktsökning om 9 % på årsbasis.</li> <li>Bruttomarginal beräknad enligt U.S. GAAP förväntas i intervallet 35 % +/- 200 baspunkter. Bruttomarginal som inte beräknas enligt U.S. GAAP förväntas i intervallet 38 % +/- 200 baspunkter.</li> <li>Rörelsekostnader enligt U.S. GAAP förväntas i intervallet 97 miljoner USD +/- 2 miljoner USD. Rörelsekostnader som inte beräknas enligt U.S. GAAP förväntas i intervallet 86 miljoner USD +/- 2 miljoner USD.</li> <li>Rörelsemarginal enligt U.S. GAAP förväntas vara cirka -12 %. Rörelsemarginal som inte beräknas enligt U.S. GAAP förväntas vara cirka -3 %.</li> <li>Resultat per aktie efter utspädning enligt U.S. GAAP förväntas i intervallet -0,16 USD +/- 0,02 USD. Resultat per aktie efter</li> </ul>
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		<p>utspädning som inte beräknas enligt U.S. GAAP förväntas i intervallet -0,05 USD +/- 0,02 USD.</p> <p>Infineras prognos för det andra halvåret respektive det tredje kvartalet räkenskapsåret 2018, såsom den beskrivits ovan, har lämnats per den 7 augusti 2018 och har baserats på information tillgänglig för Infinera vid den tidpunkten. Infinera har inte uppdaterat sin prognos sedan den 7 augusti 2018 och det förhållandet att en prognos återges i detta Tilläggsprospekt avses inte utgöra, och ska inte tolkas som, en bekräftelse eller återspeglning av Infineras nuvarande prognos för det andra halvåret respektive det tredje kvartalet räkenskapsåret 2018. På grund av risker och osäkerhetsfaktorer kan Infineras faktiska resultat komma att avvika väsentligt. Infinera åtar sig ingen skyldighet, och avser inte för närvarande, att uppdatera sin prognos till följd av ny information, framtida händelser eller annan anledning.</p>
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## Supplement to “Summary”

The information pertaining to the first three months of fiscal 2017 and 2018, respectively, as well as significant change in Infinera’s financial or market position since March 31, 2018 in Element B.7 in the section entitled “Summary” on pages 14-15 of the Prospectus is replaced with the information below.

<b>B.7</b>	<i>Selected historical financial information</i>	<p>Presented below are Infinera’s financial results in brief for the first six months of fiscal 2017 and 2018. Infinera’s consolidated financial statements are prepared in accordance with U.S. GAAP. Infinera’s consolidated financial statements for the first six months of 2017 and 2018 have not been audited.</p> <p><b>Consolidated statement of operations in summary</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">6 months ended</th> </tr> <tr> <th style="text-align: center;">June 30, 2018</th> <th style="text-align: center;">July 1, 2017</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;">(USD, in thousands, except per share data)</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">410,908</td> <td style="text-align: right;">352,343</td> </tr> <tr> <td>Cost of revenue</td> <td style="text-align: right;">244,435</td> <td style="text-align: right;">223,455</td> </tr> <tr> <td><b>Gross profit</b></td> <td style="text-align: right;"><b>166,473</b></td> <td style="text-align: right;"><b>128,888</b></td> </tr> <tr> <td>Operating expenses</td> <td style="text-align: right;">212,770</td> 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The information pertaining to Element B.9 in the section entitled “Summary” on page 15 of the Prospectus is replaced with the information below.

<b>B.9</b>	<i>Profit forecast or estimate</i>	<p>Infinera provided the following outlook for the second half of 2018 and the third quarter ending September 29, 2018 during its conference call to discuss its second quarter of fiscal 2018 financial results on August 7, 2018:</p> <p>For the second half of 2018:</p> <ul style="list-style-type: none"> <li>Revenue is expected to be 2% to 4% higher than revenue in the first half of 2018. This expectation implies a revenue range in the second half of 2018 of approximately \$420 million to \$430 million and full fiscal year 2018 revenue growth of approximately 13% compared to the prior fiscal year.</li> </ul> <p>For the quarter ending September 29, 2018:</p> <ul style="list-style-type: none"> <li>Revenue is expected to be \$210 million +/- \$10 million. This expectation implies 9% year-over-year growth at the midpoint.</li> <li>GAAP Gross Margin is expected to be in the range of 35% +/- 200 bps. Non-GAAP Gross Margin is expected to be in the range of 38% +/- 200 bps.</li> <li>GAAP Operating Expenses are expected to be \$97 million +/- \$2 million. Non-GAAP Operating Expenses are expected to be \$86 million +/- \$2 million.</li> <li>GAAP Operating Margin is expected to be approximately (12)%. Non-GAAP Operating Margin is expected to be approximately (3)%.</li> </ul>
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		<ul style="list-style-type: none"><li>• GAAP Diluted EPS is expected to be \$(0.16) +/- \$0.02. Non-GAAP Diluted EPS is expected to be \$(0.05) +/- \$0.02.</li></ul> <p>Infinera's outlook for the second half and third quarter of fiscal 2018 as described above is as of August 7, 2018 and based on information available to Infinera at that time. Infinera has not updated its outlook since August 7, 2018 and the inclusion of such outlook in this Supplement is not meant to be, and should not be read as, a reaffirmation of such outlook or a reflection of Infinera's current outlook for the second half and third quarter of fiscal 2018. Infinera's actual results may differ materially due to risks and uncertainties. Infinera assumes no obligation to, and does not currently intend to, update its outlook whether as a result of new information, future events, or otherwise.</p>
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## SUPPLEMENT TO “INFORMATION ABOUT INFINERA”

### Selected consolidated historical financial information

The preamble on page 49 of the Prospectus is replaced with the information below.

The information below is a summary of Infinera’s financial results and positions for the fiscal years 2015-2017 and for the first six months of 2017 and 2018. Infinera’s consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The information should be read in conjunction with the section entitled “Capitalization, indebtedness and other financial information” below and Infinera’s consolidated financial statements for the fiscal years 2015-2017 and the first six months of fiscal 2017 and 2018, which are available on Infinera’s website at [www.infinera.com](http://www.infinera.com) and the SEC’s website at [www.sec.gov](http://www.sec.gov). Infinera’s consolidated financial statements for the fiscal years 2015-2017 have been audited by Ernst & Young LLP. Infinera’s consolidated financial statements for the first six months of 2017 and 2018 have not been audited.

The information pertaining to the first three months of 2017 and 2018, respectively, in the tables on pages 49-52 of the Prospectus is replaced with the information below.

### Consolidated statement of operations

	6 months ended	
	June 30, 2018	July 1, 2017
(USD, in thousands, except per share data)		
<b>Revenue:</b>		
Product	346,917	290,413
Services	63,991	61,930
<b>Total revenue</b>	<b>410,908</b>	<b>352,343</b>
<b>Cost of revenue:</b>		
Cost of product	218,522	199,634
Cost of services	25,870	23,821
Restructuring and related	43	-
<b>Total cost of revenue</b>	<b>244,435</b>	<b>223,455</b>
<b>Gross profit</b>	<b>166,473</b>	<b>128,888</b>
<b>Operating expenses:</b>		
Research and development	114,839	112,460
Sales and marketing	60,213	58,838
General and administrative	36,201	35,922
Restructuring and related	1,517	-
<b>Total operating expenses</b>	<b>212,770</b>	<b>207,220</b>
<b>Loss from operations</b>	<b>(46,297)</b>	<b>(78,332)</b>
<b>Other income (expense), net:</b>		
Interest income	1,526	1,613
Interest expense	(6,184)	(6,859)
Other gain (loss), net	1,935	(382)
<b>Total other income (expense), net</b>	<b>(2,723)</b>	<b>(5,628)</b>
<b>Loss before income taxes</b>	<b>(49,020)</b>	<b>(83,960)</b>
Benefit from income taxes	(802)	(670)
<b>Net Loss</b>	<b>(48,218)</b>	<b>(83,290)</b>
<b>Net loss per common share:</b>		
Basic	(0.32)	(0.57)
Diluted	(0.32)	(0.57)
<b>Weighted average shares used in computing net (loss per common share):</b>		
Basic	151,296	146,662
Diluted	151,296	146,662

**Consolidated balance sheet**

	<b>June 30, 2018</b>	<b>July 1, 2017</b>
	<b>(USD, in thousands, except par values)</b>	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	63,308	119,820
Short-term investments	58,860	137,929
Accounts receivable, net	148,026	123,903
Inventory	219,343	245,976
Prepaid expenses and other current assets	46,102	44,308
<b>Total current assets</b>	<b>535,639</b>	<b>671,936</b>
Property, plant and equipment, net	136,769	142,424
Intangible assets	71,795	102,933
Goodwill	179,165	189,989
Long-term investments	1,476	69,105
Cost-method investment	5,110	7,000
Other non-current assets	11,026	9,231
<b>Total assets</b>	<b>940,980</b>	<b>1,192,618</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	80,345	80,684
Accrued expenses	48,180	32,018
Accrued compensation and related benefits	44,352	43,625
Short-term debt	—	139,115
Accrued warranty	13,670	14,078
Deferred revenue	54,556	64,723
<b>Total current liabilities</b>	<b>241,103</b>	<b>374,243</b>
Accrued warranty, non-current	16,567	18,322
Deferred revenue, non-current	14,932	23,723
Deferred tax liability, non-current	16,247	24,185
Other long-term liabilities	14,719	14,558
<b>Stockholders' equity:</b>		
Preferred stock, \$0.001 par value Authorized shares—25,000	—	—
Common stock, \$0.001 par value Authorized shares—500,000	153	148
Additional paid-in capital	1,450,136	1,388,045
Accumulated other comprehensive loss	(21,984)	(3,741)
Accumulated deficit	(790,893)	(646,865)
<b>Total stockholders' equity</b>	<b>637,412</b>	<b>737,587</b>
<b>Total liabilities and stockholders' equity</b>	<b>940,980</b>	<b>1,192,618</b>

**Consolidated statements of comprehensive income (loss)**

	6 months ended	
	June 30, 2018	July 1, 2017
	(USD, in thousands)	
<b>Net loss</b>	<b>(48,218)</b>	<b>(83,290)</b>
<b>Other comprehensive income (loss):</b>		
Unrealized gain (loss) on available-for-sale investments	99	(60)
Foreign currency translation adjustment	(28,311)	24,643
Tax effect on items related to available-for-sale investments	(26)	–
<b>Net change in accumulated other comprehensive income (loss)</b>	<b>(28,238)</b>	<b>24,583</b>
<b>Comprehensive loss</b>	<b>(76,456)</b>	<b>(58,707)</b>

**Consolidated statement of cash flow**

	6 months ended	
	June 30, 2018	July 1, 2017
	(USD, in thousands)	
<b>Cash Flows from Operating Activities:</b>		
<b>Net loss</b>	<b>(48,218)</b>	<b>(83,290)</b>
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation and amortization	33,250	32,623
Non-cash restructuring and related credits	(81)	–
Amortization of debt discount and issuance costs	5,072	5,529
Impairment of intangible assets	–	252
Stock-based compensation expense	23,027	23,257
Other loss	167	320
<b>Changes in assets and liabilities:</b>		
Accounts receivable	(22,015)	27,629
Inventory	(8,703)	(12,700)
Prepaid expenses and other assets	(1,809)	(8,127)
Accounts payable	24,458	16,927
Accrued liabilities and other expenses	(14,617)	(12,503)
Deferred revenue	2,351	10,065
<b>Net cash used in operating activities</b>	<b>(7,118)</b>	<b>(18)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of available-for-sale investments	(2,986)	(107,854)
Proceeds from sales of available-for-sale investments	23,114	3,998
Proceeds from maturities and calls of investments	98,112	79,003
Purchase of property and equipment	(21,503)	(39,200)
<b>Net cash provided by (used in) investing activities</b>	<b>96,737</b>	<b>(64,053)</b>

**Consolidated statement of cash flow, continued**

	6 months ended	
	June 30, 2018	July 1, 2017
(USD, in thousands)		
<b>Cash Flows from Financing Activities:</b>		
Acquisition of noncontrolling interest	–	(471)
Repayment of debt	(150,000)	–
Proceeds from issuance of common stock	11,066	11,115
Minimum tax withholding paid on behalf of employees for net share settlement	(964)	(823)
<b>Net cash provided by (used in) financing activities</b>	<b>(139,898)</b>	<b>9,821</b>
Effect of exchange rate changes on cash and restricted cash	(2,218)	2,943
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>(52,497)</b>	<b>(51,307)</b>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<b>121,486</b>	<b>177,580</b>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>68,989</b>	<b>126,273</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for income taxes, net of refunds	2,210	2,683
Cash paid for interest	1,328	1,316
<b>Supplemental schedule of non-cash investing activities:</b>		
Transfer of inventory to fixed assets	1,684	2,087

**Key ratios<sup>1</sup>**

Key Ratios (%)	6 months ended	
	June 30, 2018	July 1, 2017
Gross margin	40.5%	36.6%
Operating margin	(11.3)%	(22.2)%
Equity/assets ratio	67.7%	61.8%
Debt/equity ratio	-% <sup>2</sup>	18.9%

**Definitions**

<b>Gross margin, %</b>	Gross profit as a percentage of total revenue. <sup>3</sup>
<b>Operating margin, %</b>	Operating income (loss) as a percentage of total revenue. <sup>3</sup>
<b>Equity/assets ratio, %</b>	Equity divided by total assets. <sup>3</sup>
<b>Debt/equity ratio, %</b>	Debt divided by equity. <sup>3</sup>

<sup>1</sup> U.S. GAAP based measures.

<sup>2</sup> As of June 30, 2018, Infinera had no long-term or short-term debt.

<sup>3</sup> Infinera believes this ratio enhances an overall understanding of Infinera's financial position and facilitates comparisons to the performance of other companies in the industry.

## Capitalization, indebtedness and other financial information

The capitalization and financial indebtedness tables on page 53 of the Prospectus are replaced with the tables below.

### Capitalization

Infinera's capitalization as of June 30, 2018 is shown below.

USD M	
<b>Total current interest-bearing liabilities</b>	–
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
<b>Total non-current interest-bearing liabilities</b>	–
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
<b>Total shareholders' equity</b>	<b>637.4</b>
Common stock	0.2
Legal reserve	–
Other reserves	–
Additional paid-in capital	1,450.1
Accumulated other comprehensive income	(22.0)
Accumulated deficit	(790.9)

### Financial indebtedness

Infinera's financial indebtedness as of June 30, 2018 is set forth below.

USD M	
(A) Cash	63.1
(B) Cash equivalents	0.2
(C) Current financial investments	58.9
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>122.2</b>
<b>(E) Current financial receivables</b>	<b>148.0</b>
(F) Current bank debt	–
(G) Current portion of non-current debt	–
(H) Other current financial debt	–
<b>(I) Current financial debt (F)+(G)+(H)</b>	<b>–</b>
<b>(J) Net current indebtedness (I)-(E)-(D)</b>	<b>(270.2)</b>
(K) Non-current bank loans	–
(L) Bonds issued	–
(M) Other non-current liabilities	–
<b>(N) Non-current financial indebtedness (K)+(L)+(M)</b>	<b>–</b>
<b>(O) Net financial indebtedness (J)+(N)</b>	<b>(270.2)</b>

The information pertaining to significant changes since March 31, 2018 on page 54 of the Prospectus is replaced with the information below.

### Significant changes since March 31, 2018

On July 23, 2018, Infinera entered into an agreement to acquire Coriant (the “**Purchase Agreement**”), a privately held global supplier of open, hyperscale network solutions. Infinera believes the acquisition significantly scales the company as the next wave of global network spending begins, creating one of the world's largest optical network equipment providers. Under the terms of the Purchase Agreement governing the Acquisition, subject to customary adjustments, Infinera will pay approximately \$150 million in cash at closing, and estimated additional amounts of \$25 million in the two quarters post-closing and \$55 million over a period of years. Infinera will issue approximately 21 million shares, which when combined with the cash consideration, results in total transaction consideration of approximately \$430 million. To fund the cash requirements of the transaction, Infinera plans to pursue debt financing. The Acquisition is expected to close in the third quarter of 2018, subject to customary closing conditions.

## Infinera outlook summary

Infinera provided the following outlook for the second half of 2018 and the third quarter ending September 29, 2018 during its conference call to discuss its second quarter of fiscal 2018 financial results on August 7, 2018:

For the second half of 2018:

- Revenue is expected to be 2% to 4% higher than revenue in the first half of 2018. This expectation implies a revenue range in the second half of 2018 of approximately \$420 million to \$430 million and full fiscal year 2018 revenue growth of approximately 13% compared to the prior fiscal year.

For the quarter ending September 29, 2018:

- Revenue is expected to be \$210 million +/- \$10 million. This expectation implies 9% year-over-year growth at the midpoint.
- GAAP Gross Margin is expected to be in the range of 35% +/- 200 bps. Non-GAAP Gross Margin is expected to be in the range of 38% +/- 200 bps.
- GAAP Operating Expenses are expected to be \$97 million +/- \$2 million. Non-GAAP Operating Expenses are expected to be \$86 million +/- \$2 million.
- GAAP Operating Margin is expected to be approximately (12)%. Non-GAAP Operating Margin is expected to be approximately (3)%.
- GAAP Diluted EPS is expected to be \$(0.16) +/- \$0.02. Non-GAAP Diluted EPS is expected to be \$(0.05) +/- \$0.02.

To supplement Infinera's financial results presented on a GAAP basis, Infinera uses the non-GAAP measures indicated above, which exclude non-cash stock-based compensation expenses, acquisition-related costs, certain purchase accounting adjustments and amortization of debt discount on Infinera's convertible senior notes. Infinera believes these adjustments are appropriate to enhance an overall understanding of its underlying financial performance and its prospects for the future, and are considered by management for the purpose of making operational decisions. In addition, these results are the primary indicators management uses as a basis for its planning and forecasting of future periods. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles and are subject to limitations. See the GAAP to Non-GAAP reconciliations below for details on specific adjustments.

### GAAP to Non-GAAP Reconciliations

In millions, except percentages and per share data.

Note: Amounts represent the midpoint of the expected range.

	<u>3 months ending</u> <u>September 29, 2018</u>
<b>Reconciliation of Gross Margin</b>	
U.S. GAAP	34%
Stock-based compensation	1%
Amortization of acquired intangible assets	2%
<b>Non-GAAP</b>	<b>37%</b>

	<u>3 months ending</u> <u>September 29, 2018</u>
<b>Reconciliation of Operating Expenses (USD M)</b>	
U.S. GAAP	97
Stock-based compensation	(9)
Amortization of acquired intangible assets	(2)
<b>Non-GAAP</b>	<b>86</b>

	<u>3 months ending</u>
	<u>September 29, 2018</u>
<b>Reconciliation of Operating Margin</b>	
U.S. GAAP	(13)%
Stock-based compensation	5%
Amortization of acquired intangible assets	4%
<b>Non-GAAP</b>	<b>(4)%</b>

	<u>3 months ending</u>
	<u>September 29, 2018</u>
<b>Net Loss per Common Share – Diluted (USD)</b>	
U.S. GAAP	(0.18)
Stock-based compensation	0.07
Amortization of acquired intangible assets	0.05
Income tax effects	(0.01)
<b>Non-GAAP</b>	<b>(0.07)</b>

### Principal assumptions

On a quarterly basis, Infinera develops a detailed forecast of the upcoming quarter based upon inputs from sales, operations and other functions of the organization. This forecast considers all elements of revenue, cost of sales and operating expenses.

Infinera's revenue forecast was based on a bottom-up process that incorporated the most current view of backlog, bookings, planned shipments and deployment schedules. This data was consolidated into a quarterly view where the customer and product details were reviewed with the sales, marketing, operations and finance teams as well as members of the senior management. Product mix, customer opportunities and risks were all reviewed and discussed during this process.

Infinera's cost of sales forecast was comprised of standard cost and other cost elements. Standard cost is updated on a quarterly basis to capture the latest view of component and overhead costs. These costs were applied to each product included in the revenue forecast to calculate the total standard cost for the quarter.

Other cost elements included manufacturing variances, standard revaluation, inventory reserves and warranty costs. Each of these items was forecasted in detail as part of Infinera's quarterly forecast process. Specific drivers and model assumptions were updated consistently with Infinera's latest view of the sales, quality and manufacturing environment. Where it was appropriate, the models and drivers reviewed as part of the forecast process were consistent with the processes that were performed as part of the financial close process. Standard costs and other cost elements were reviewed with the responsible functional leaders and consolidated for review with the members of the senior management on a quarterly basis.

Infinera's operating expense forecast was developed based on a bottom-up approach, by department on a quarterly basis. Personnel costs such as headcount, salaries, sales commissions, fringe benefits, taxes and travel were reviewed. Additionally, non-personnel related expenses such as consulting, indirect material, depreciation and facilities expense were also reviewed. The data was reviewed with the responsible functional leaders and consolidated for review with the members of senior management.

The expenses are adjusted to remove the quarterly impacts of the estimated non-cash stock-based compensation expenses, amortization of acquired intangible assets and acquisition-related costs.

Additional items such as interest income or expense and tax provisions were also included in the quarterly forecast based on expected future expenses and presented to the members of senior management for review.

Infinera's outlook for the second half and third quarter as described above is as of August 7, 2018 and based on information available to Infinera at that time. Infinera has not updated its outlook since August 7, 2018 and the inclusion of such outlook in this Supplement is not meant to be, and should not be read as, a reaffirmation of such outlook or a reflection of Infinera's current forecast for the second half and third quarter of fiscal 2018. Infinera's actual results may differ materially due to risks and uncertainties. These risks and uncertainties include the delays in the development and introduction of new products or updates to existing products and market acceptance of these products; the effect of changes in product pricing or mix, and/or increases in component costs could have on Infinera's gross margin; Infinera's ability to respond to rapid technological changes; Infinera's reliance on single-source suppliers; aggressive business tactics by Infinera's competitors; Infinera's ability to protect Infinera's intellectual property; claims by others that Infinera infringes their intellectual property; global macroeconomic conditions; war, terrorism, public health issues, natural disasters, and other



circumstances that could disrupt supply, delivery or demand of products; and other risks detailed in the Prospectus and in Infinera's reports filed with or furnished to the SEC from time to time. These reports are available on Infinera's website at [www.infinera.com](http://www.infinera.com) and the SEC's website at [www.sec.gov](http://www.sec.gov). Infinera assumes no obligation to, and does not currently intend to, update its outlook whether as a result of new information, future events, or otherwise.

## **Auditor's report on forecast**

### *To the Board of Directors of Infinera*

We have examined how Infinera's outlook summary set out on pages 15-17 in this Supplement dated August 9, 2018 to Infinera's Prospectus dated July 19, 2018 has been prepared.

### **Responsibilities of the Board of Directors and the CEO**

It is the Board of Directors' and the CEO's responsibility to prepare the forecast, together with the material assumptions upon which it is based, in accordance with the requirements of the EU Prospectus Regulation (EC) No 809/2004.

### **Auditor's responsibility**

It is our responsibility to provide an opinion required by Annex 1, item 13.2, of the EU Prospectus Regulation (EC) No 809/2004. We are not required to, nor do we express an opinion on the possibility of achievement of results or the assumptions on which the forecast is based. We do not accept any responsibility for any financial information used in the compilation of the forecast beyond that responsibility we have for auditor's reports regarding historical financial information issued in the past.

### **Work performed**

We performed our work in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses*. Our work has included an evaluation of the procedures undertaken by the Board of Directors and the CEO in compiling the forecast and the accounting policies when compiling the forecast compared to those policies adopted by Infinera.

We have planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the forecast has been compiled based on the basis stated on pages 15-17.

Since the forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecast. Differences may prove to be material.

### **Opinion**

In our opinion the forecast has been properly compiled on the basis stated on pages 15-17 and in accordance with the accounting principles applied by Infinera.

San Jose, California, USA  
August 9, 2018

/s/ Ernst & Young LLP

## **ADDRESSES**

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