POWERING CLOUD SCALE NETWORKS
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 am</td>
<td>Transforming to Layer T</td>
<td>Tom Fallon, CEO</td>
</tr>
<tr>
<td>8:45 am</td>
<td>Delivering Layer T at Cloud Scale</td>
<td>Dave Welch, President and Co-Founder</td>
</tr>
<tr>
<td>9:20 am</td>
<td>Trends in Service Provider Networking</td>
<td>Mattias Fridström, Chief Evangelist, Telia Carrier&lt;br&gt;Chris Aspell, Director of Strategy, Liberty Global</td>
</tr>
<tr>
<td>10:00 am</td>
<td>Break</td>
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<tr>
<td>10:15 am</td>
<td>Financial Model Update</td>
<td>Brad Feller, CFO</td>
</tr>
<tr>
<td>10:40 am</td>
<td>Fireside Chat</td>
<td>Infinera Executive Team</td>
</tr>
<tr>
<td>11:10 am</td>
<td>Future of Intelligent Transport Networks</td>
<td>Dave Welch, Tom Fallon</td>
</tr>
<tr>
<td>11:30 am</td>
<td>Webcast Ends</td>
<td></td>
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</tbody>
</table>
Safe Harbor

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POWERING CLOUD SCALE NETWORKS
Transforming to Layer T

Tom Fallon, CEO
November 17th, 2016
The “Next” Communications Infrastructure

- **IoT**
  - Self driving cars
  - 25 gigabytes of data every hour

- **Social Video Sharing**
  - up to 4Mbps per user

- **Enterprise Apps**
  - Doubling every 2.5 years

- **Virtual Reality**
  - 10x requirement of high-quality video
Rapid Migration to Cloud Architectures
Cloud Connectivity Impacting All Networks

Tier 1 & 2, Cable, Wholesaler, ICP
Network Transformation: “Virtualize What You Can”

**.layer T**
- Open packet optical, move bits
- DC-DC, DC-user
- L0 – L3
- Appliance per function, Rigid, $$$, Closed

**.layer C**
- Every possible network function runs in cloud
- L3 – L7
- Shared infrastructure, Agile, Open, $

**Old Model**
- Firewall
- SBC
- B-RAS
- CPE

**New Model**
- Layer C: Cloud Services
  - NFV
  - Apps
  - SDN Control

**Layer T: Intelligent Transport**
- Open API
Fundamental Innovation Required For Layer T

Evolving Networks Require Layer T Intelligent Transport

- Massive optical capacity
- Flexible, integrated and disaggregated
- Open and programmable

An Infinite Pool of Intelligent Bandwidth
Layer “T” Innovation Toolbox

Massive Scale
Vertical IP Ownership

Infinite Capacity
Engine

Infinite Pool
of Bandwidth

Flexible

Integrated
Switching

Disaggregated
DWDM

Flex Grid Optical
Switching

Building Blocks for
Optimized Networks

Open & Programmable

Xceed Software Suite

Leading the Move
to Open Systems
"Cloud Cadence" of Technology Innovation

Infinera Infinite Capacity Engine Family

- **3rd Gen Engine**
  - 500G
  - 2012
  - 48 months

- **4th Gen Engine**
  - ICE4
  - Up to 2.4 T
  - 2016
  - 24 months

- **5th Gen Engine**
  - ICE5
  - Up to 9.6 T
  - 2018
  - 24 months

- **6th Gen Engine**
  - ICE6
  - In planning
  - 2020

**Module & Fiber Capacity**

**Time**
Infinera – Leadership Strategies

Building Blocks
- Deliver Differentiated Next Gen Platforms in 2017
- Increase Cadence of Optical Engine
- Lead in Open: Open APIs, Open Line System

Markets
- Disaggregated & Integrated Solutions Optimized per Customer
- Balanced Portfolio – LH/SS/Metro/DCI (ETE)
- Grow Faster than the Overall Optical Market

Help Customers Transition to Layer T and Win in Their Markets
Delivering Layer T at Cloud Scale

Dave Welch, Co-Founder, President
November 17th, 2016
Generational Shift in Network Architecture

<table>
<thead>
<tr>
<th>Pre 1990s</th>
<th>1990-2010</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSTN</td>
<td>IP NGN</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>NMS</td>
<td></td>
</tr>
<tr>
<td>mostly software</td>
<td>Layer 3 – 7</td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>Layer 0 – 3</td>
<td></td>
</tr>
<tr>
<td>Forwarding</td>
<td>Layer T &amp; Layer C</td>
<td></td>
</tr>
</tbody>
</table>

Cloud Services

Intelligent Transport

Optics Become Dominant

Layer C

NFV

Layer T

SDN

mostly hardware

mostly software
Layer T Traffic Patterns Changing

- **Private**: 58% CAGR, Mostly DC to DC
- **Internet**: 21% CAGR, Mostly user to content

### Trans-Atlantic Bandwidth Mix

Source: Telegeography

### 100G Services are Surging

Source: Ovum

- 100G: 75% CAGR
- 10G: 16% CAGR
Layer T Needs to be Cloud Scale

Web Scale
- Scale-out, DevOps
- Linear, Elephant Flows

Global Tier 1s, MSOs
- 3 of top 4 ICPs

Telco Grade
- Cable, Mobile, Broadband
- Mesh, Mice Flows

Cloud Scale
- Scalable
- Disaggregated
- Open

&

- Sliceable
- Integrated
- Secure
Introducing the Next Generation of Intelligent Transport Network

Industry’s 1st server-like Meshponders up to 2.4T

New!

DTN-X XT-3300

New!

DTN-X XT-3600

New!

20° Super-channel Open FlexROADM

Up to 2.4T DTN-XT-3300

1.2T per slot

Upgrade!

Up to 12T switching

100G → 400G per slot

DTN-XT-3600

100G → 400G per slot

Up to 4T/chassis

XTM Series

Instant Bandwidth

Powering Cloud Scale Networks
Unified Intelligent Transport Network for Cloud Scale Layer T

56% lower TCO than conventional network architectures

Xceed SDN control and DNA management

FlexILS: Industry’s most widely deployed flexible grid open line system

Source: Customer Network Modeling
Web Scale Disaggregation: World’s First Meshponders

**DTN-X XT-3300**
- 1 RU, 600mm
- 200G/λ, 1.2T Line
- 12 x 100GE

**DTN-X XT-3600**
- 4 RU, 470mm
- 200G/λ, 2.4T Line, 40x10GE, 24x100G OTN/Eth

Server-like & Disaggregated
Single Fiber Pair, Massive Capacity
Sliceable Super-channel
Excellent for Large Flows

Instant Bandwidth

**Live Demo after the Webcast**
DTN-X Family: XTC Series Advances to Cloud Scale

Integrated DWDM/Switch
- Non-blocking packet aware switching
- Instant Bandwidth + Sliceability
- Manages sub-λ flows

No Compromise Performance
- Infinite Capacity Engine

Upgrade!

Complete Investment Protection
- Co-existence With Deployed Modules
- Non-disruptive Upgrade

4.8T XTC-4

12T XTC-10

1.2T Line Module
- 200G/λ

1.2T Client Module (6 sub-slots)
- Double-wide 1 x 400GbE
- Single-wide 2 x 100G, 20 x 10GbE, 18 x 10G
Industry’s Most Widely Deployed Flexible Grid Open Line System

- Full CDC ROADM + Sliceability
- Ext C-Band & L-Band (>50T)
- Future QAMs/Baud

Infinera: DTN-X Family, Cloud Xpress, XTM Series

3rd party Terminals

Open Line System: Accepts super-channels, single-channels. Open APIs

FlexLS: MTC-6

New!

200 Super-channel FlexROADM (also supported on MTC-9, XTC-2E)
Growth in Metro – A Tale of Two Markets

**Metro: DC to User**

The “conventional” market
- Rich L1, L2 services
- Mostly 10G, 100G ramping
- High speed mobile (5G) in 2020

**Metro: DC to DC**

The “new” emerging market
- New DCs, closer to user
- Massive capacity
- Fastest 100G growth in metro
100G Metro DWDM Solutions

Mesh Oriented

XTM Series
Packet Optical
100G → 400G/slot
Planned upgrades 2017

Linear Oriented

XTC-2
Switch/Muxponder
1.2T to Multi-terabits

XT-3600

XT-3300

Cloud Xpress Family
Open and Secure

Infinera Management Suite
Digital Network Administrator (DNA)

Xceed Software Suite
SDN controller, apps

Open APIs
- gRPC, OpenConfig
- XML, NETCONF/YANG, REST

Highly Programmable, Abstracted
- Multiple layers of abstraction
- Completely open or fully integrated software

Wire-speed Encryption Across Portfolio
Next Generation Intelligent Transport Network

56% Lower TCO

NA Customer Network
10G → 100G, 3 Time Periods
QPSK, 8QAM & 16QAM
Switched & Meshponder

Comparable designs for Infinera and nearest competitor

56% Lower TCO
The Infinera Unified End-to-End portfolio

INFINERA XCEED SOFTWARE SUITE AND DNA

METRO

XTM Series

DM INTERCONNECT

LONG-HAUL / SUBSEA

DTN-X Family: XTC Series

DC INTERCONNECT

Cloud Xpress Family

DTN-X Family: XT Series

INFINERA FLEXIBLE GRID OPEN LINE SYSTEM
Powering Layer T at Cloud Scale

Next Generation Intelligent Transport Network

Uniquely fusing Web-scale & Telco-grade Application Optimized Solutions

Fundamental Innovation Accelerating Layer T Transformation
A structure to deliver differentiated financials

Gross Margin

- High scale integration
- Fixed cost leverage
- Unique pricing structures

Operating Expenses

- R&D = 20% of revenue
- G&A grows slower than revenue
- Success based S&M investment
- Structured financial model
- Financial discipline
Ability to Grow Faster Than the Optical Market

Aligned with the fastest growing customers

- Top Internet Content Providers
  - facebook
  - EQUINIX
- Leading Wholesale & Enterprise Carriers
  - Telia Carrier
  - Level(3)
  - interoute
  - windstream
- 17 Tier 1s Globally
  - CenturyLink
  - Telefonica
  - Telstra
  - vodafone
  - LIBERTY GLOBAL
- 6 of Top 7 Cable Operators
  - COX

Expanding into markets that leverage our core technology

- INFINERA XCEED SOFTWARE SUITE AND DNA
- INFINERA FLEXIBLE GRID OPEN LINE SYSTEM
- Cloud Xpress Family
- DTN-X Family: XTC Series
- XTM Series
- XTC-1C
- XTM-3000
- XTM-1000
- XTE-5000
- DC INTERCONNECT
Demonstrated Financial Success

Technology and Cost Structure Differentiation = Increasingly Profitable Growth

Revenue Growth: 20+% Annual CAGR
Gross Margins: 30s to ~50%
Operating Margins: Negative to 13%

Financials are non-GAAP
A Setback... Long Term Targets Still Intact

Current Challenges

- Overexposure to Long-haul
- Technology gap in Subsea
- Customer M&A

Financials are non-GAAP; 2016Q4(e) based on Infinera guidance on 10/26/16 earnings call
### Gross Margin: Investments today drive value tomorrow

<table>
<thead>
<tr>
<th>Long-haul</th>
<th>Metro</th>
<th>DCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-deployment of bandwidth at next-gen pricing</td>
<td>Investing to earn incumbency and footprint</td>
<td>Pricing pressure increasing; Bridging key customers to CX-2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strong return on investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well positioned with a strong customer base and growing IB license stream</td>
</tr>
<tr>
<td>Market transition from 10G to 100G packet optical creates great opportunity</td>
</tr>
<tr>
<td>Emergence of cloud architectures should drive tremendous growth</td>
</tr>
</tbody>
</table>

Margins compare well to industry: Low to mid 40s GM% for next few quarters
How Big Can We Be?

- Market sizing based average of latest forecasts from IHS, Cignal AI, Ovum, Dell’Oro, ACG; China data from IHS, Compact DCI from Cignal AI
- Market Share opportunity: Market share today and Market CAGR based on average of INFIN market share from Ovum, IHS, Dell’Oro and ACG of end of FY15, 2020 Market Share range is an Infinera estimate, Implied CAGR range based on 2020 Market Share estimates relative to Infinera business today
Long haul outgrows market; DCI and Metro fuel growth and increase as percentage of revenue mix.
FY17 – Paving the Path to Profitable Growth

### Revenue Growth Drivers
- **End of 2016**
  - Current Products
- **1H 2017**
  - + XT-3300
  - + XT-3600
- **2H 2017**
  - + XTM 400G

### Margin Expansion
- **End of 2016**
  - Integration drives lower costs
- **1H 2017**
  - Fewer investment deals
- **2H 2017**
  - Fixed cost leverage as volumes grow

Entering 2018 with a new portfolio attacking a broad market

Expansion of gross margin begins 2017; continues in 2018
## Operating Expense Outlook

<table>
<thead>
<tr>
<th></th>
<th>R &amp; D</th>
<th>S &amp; M</th>
<th>G &amp; A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Past</strong></td>
<td>18-20%; Investments did not keep pace w/revenue growth</td>
<td>~10%; Long haul centric business had fewer customers to address</td>
<td>5-6%; Revenue outgrew infrastructure</td>
</tr>
<tr>
<td><strong>Present &amp; Near Future</strong></td>
<td>Mid to high 20s%; Investments in ICE &amp; future optical engines</td>
<td>Ramp into new markets, invest in trial/demo for new products</td>
<td>Investing strategically to ensure scale</td>
</tr>
<tr>
<td><strong>Future</strong></td>
<td>19-20%; increased efficiencies as revenue grows</td>
<td>~11%, growth in line with revenue</td>
<td>5-6%; investing to ensure scale, but at slower pace</td>
</tr>
</tbody>
</table>

**Investment discipline while we ramp optical engine cadence**  
**Strategic investments in verticals and adjacent markets**  
**Efficient spending scale to support future growth**
Other Topics: Tax, Sharecount, Capital Allocation

**Taxes**
- NOLs largely offset taxes
- Current taxes ~mid-single digits
- US – Low due to NOLs
  - Sweden – 22%
  - ROW – “Cost Plus”
- Evaluating future tax planning

**Sharecount**
- Track record of managing down burn rate
- Current plan to repay convertible debt due in 2018 with cash

**Capital Allocation**
- Priority remains investing in the business
- Ongoing consideration of a share buyback
- M&A currently unlikely on a large scale
- Dividends unlikely for foreseeable future
Next-gen Technologies = Win/Win

Customer Benefits

- Higher Capacity Engines, Enhanced Technologies
- Lower Power, Lower Space
- Infinera Experience
- Best solutions; Lowest cost of ownership

Infinera Benefits as well

- **Higher Unit Volume** – Increased leverage on fab as with higher volume and PIC yield improvement
- **Higher Capacity Engines** – Lower cost per bit from similar form factor
- **Instant Bandwidth** – Customers time purchases with revenue; Infinera benefits from software-like revenue stream
The Future is Bright: Infinera’s Ultimate Opportunity

Long Haul/Subsea return to growth; DCI and Metro = high growth opportunities

Photonic integration and pricing strategies enable differentiated cost model

Balancing technology investments with disciplined expense management

Long Term Goals Intact
- Outgrow Market
- 50% Gross Margin
- 15% Operating Margin

Margins are non-GAAP
GAAP to Non-GAAP Reconciliation

(In millions, except percentages and per share data)
(Unaudited)

Note: Amounts represent the midpoint of the expected range.

<table>
<thead>
<tr>
<th></th>
<th>Q3'16 Actual</th>
<th>Q4'16 Outlook</th>
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<tbody>
<tr>
<td><strong>Reconciliation of Gross Margin:</strong></td>
<td></td>
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<tr>
<td>U.S. GAAP</td>
<td>45.6%</td>
<td>37%</td>
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<tr>
<td>Stock-based compensation</td>
<td>0.8%</td>
<td>1%</td>
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<tr>
<td>Amortization of acquired intangible assets</td>
<td>2.8%</td>
<td>3%</td>
</tr>
<tr>
<td>Non-GAAP</td>
<td>49.2%</td>
<td>41%</td>
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<tr>
<td><strong>Reconciliation of Operating Expenses:</strong></td>
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<tr>
<td>U.S. GAAP</td>
<td>$</td>
<td>101</td>
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<tr>
<td>Stock-based compensation</td>
<td>(9)</td>
<td>(2)</td>
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<tr>
<td>Amortization of acquired intangible assets</td>
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<td>Non-GAAP</td>
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<td>90</td>
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<tr>
<td><strong>Reconciliation of Operating Margin:</strong></td>
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<tr>
<td>U.S. GAAP</td>
<td>(5.9)%</td>
<td>(20)%</td>
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<tr>
<td>Stock-based compensation</td>
<td>5.5%</td>
<td>6%</td>
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<tr>
<td>Amortization of acquired intangible assets</td>
<td>3.6%</td>
<td>4%</td>
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<tr>
<td>Acquisition-related costs</td>
<td>0.4%</td>
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</tr>
<tr>
<td>Non-GAAP</td>
<td>3.6%</td>
<td>(10)%</td>
</tr>
<tr>
<td><strong>Net Income per Common Share:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. GAAP</td>
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<td>(0.27)</td>
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<tr>
<td>Stock-based compensation</td>
<td>0.08</td>
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<tr>
<td>Amortization of acquired intangible assets</td>
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<tr>
<td>Amortization of debt discount</td>
<td>0.02</td>
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<td>Income tax effects</td>
<td>(0.01)</td>
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<tr>
<td>Non-GAAP</td>
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<td>(0.14)</td>
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The Future of Intelligent Transport

Dave Welch, Co-Founder, President
November 17th, 2016
Cloud Driving Technology Evolution

- Embedded, Closed → Cloud, Open APIs
- Software/SDN
- Layer T at Cloud Scale
- Packet
- Optical
- Heavy Packet → Lean Packet
- Static Gigabits → Flexible Terabits
Infinera Scaling Laws

- Parallelism/Integration
- Coherent Innovation
- Modulation Format
- Baud Rate
- C + L (+ S) Band

Increasing Infinera Differentiation

<table>
<thead>
<tr>
<th>Year</th>
<th>Improvement</th>
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<tbody>
<tr>
<td>2005</td>
<td>1x</td>
</tr>
<tr>
<td>2012</td>
<td>5x</td>
</tr>
<tr>
<td>2016</td>
<td>24x</td>
</tr>
<tr>
<td>2020</td>
<td>~96x</td>
</tr>
<tr>
<td>2025</td>
<td>~300x</td>
</tr>
</tbody>
</table>

Gbps/PIC-pair: Logarithmic Improvement

- 1x
- 10x
- 100x
- 1000x
Optical Engine Evolution

Module & Fiber Capacity

Family of engines: High to low channel count

ICE4 Family
4th Gen
Up to 2.4T
200G/λ
.57W/G

ICE5 Family
5th Gen
Up to 9.6T
600G/λ
.25W/G

ICE6 Family
6th Gen
In Planning

3rd Gen
500G
100G/λ, 1W/G

Time

2012
2016
2018
2020
Pursuing Maximum Reach & Capacity

Channel Capacity (Gb/s)

Reach (km)

ICE5
ICE4
3rd Gen

Shannon Limit

Ch. Spacing
Baud Rate
Adv. Coding
SD FEC / ACT
Modulation
Leveraging the Power of Multi-Channel Optical Engines

XCEED MULTILAYER SDN PLATFORM

SDN

Plan

Pre-Deploy

Activate Instant BW

Slice, Route, Modulate

Time-Based Inst. BW

Super-channel Capacity Instant Bandwidth (Pre-deployed)

Sliceable (& controllable) per wave granularity
Layer T Architectural Shift, Fiber Deeper Into Metro

Fiber Deep Opportunity

- Fiber to the business
- Fiber to the tower
- Fiber to the node

Packet Optical Requirements

- MEF CE2.0 Services
- Flexible Configs
- Low Latency
- Superior Sync
- Low Space, Power
- Hardened Systems
Routing Moves to the Cloud

Distributed Routing Function (DRF)

Routing Control Plane
Xceed SDN Control

Virtualize L3 Control Plane
XTM Open Flow Enabled

Centralize routers for high scale services & peering

Utilize Router Resources More Effectively

Deep Fiber

Core network (IP/MPLS)
Well Positioned for Layer T Transformation

- Best of Web Scale & Telco Grade
- Optical engine innovation & cadence
- Unique pre-deployed Bandwidth w/Xceed control
- End-to-end solution subsea to metro edge
- Infinera as catalyst for Layer T transformation
Closing

Tom Fallon, CEO
November 17th, 2016
The Infinera Experience Is Differentiated

The Infinera Experience

- Technology Leadership
- World-Class Quality
- Time as a Weapon
- Customer-Centric Focus
POWERING CLOUD SCALE NETWORKS