

Hatteras and ANDA Lead Fast-Growing Carrier Ethernet Access Platform Market Segments in 2Q08, Heavy Reading Reports

Ethernet-over-TDM access circuit and Ethernet-over-bonded copper pair equipment segments are both likely to see a CAGR of at least 39%

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NEW YORK, Sept 17, 2008 /PRNewswire via COMTEX/ -- Worldwide sales of copper-based carrier Ethernet access platforms rose 74% year-over-year to \$208 million in the four-quarter period ending in 2Q08, according to the new Carrier Ethernet Access Platform (CEAP) Quarterly Market Tracker service published by Heavy Reading (www.heavyreading.com), the market research division of TechWeb's Light Reading (www.lightreading.com). Copper-based CEAP platforms include Ethernet-over-bonded copper pair (G.shdsl and MIMO on DMT/VDSL2) and Ethernet-over-TDM access circuit solutions.

"Although a tougher macro-environment is likely to slow things down a bit, the momentum in favor of CEAP deployments remains very strong," said Stan Hubbard, Senior Analyst at Heavy Reading and author of the CEAP Quarterly Market Tracker. "Enterprises worldwide are shifting to Ethernet-based businesses services, and there is no let-up in bandwidth demand on the part of enterprise and residential customers. Solid underlying market fundamentals give Heavy Reading confidence that the combined Ethernet-over-bonded copper pair markets could more than triple from \$163 million in 2007 to nearly \$600 million in 2011.

"Hatteras has taken command of the entire mid-band Ethernet access market due to sizeable network builds in the U.S. and Europe, as well as effective marketing related to the delivery of flexible and profitable Ethernet business services," according to Hubbard.

In the Ethernet-over-bonded copper pair access platform market segment, Hatteras gained a percentage point and secured an 8 point share lead over No. 2 Actelis in 2Q08. Other Ethernet-over-bonded copper pair platform suppliers include Adtran, Zhone, RAD, Aktino, and NexComm.

"ANDA edged out No. 2 RAD for leadership of the Ethernet-over-TDM access circuit market in 2Q08, with Ethernet business services expansion efforts by North American customers such as Verizon Business helping drive ANDA's sales forward," noted Hubbard. Other suppliers include Ceterus, Overture, ADVA, and seven additional vendors with small market share.

Most Ethernet-over-bonded copper pair and Ethernet-over-TDM access circuit platform sales thus far have been related to Ethernet business services deployments in North America and Europe, but vendors are starting to generate revenue from cell site/WiMax and DSLAM backhaul applications.

Heavy Reading has identified 74 equipment manufacturers that sell nearly a dozen major types of wireline equipment for Ethernet access, including the three types of next-gen solutions the research firm tracks in the CEAP Quarterly Market Tracker: Ethernet-over-TDM access circuit, Ethernet-over-bonded copper pair, and Ethernet-over-fiber switch/demarcation platforms. At least 16 companies sell copper-

based CEAPs directly and/or in partnership with system integrators and network equipment providers such as Ciena, Nokia Siemens, Nortel, and Tellabs.

Heavy Reading's CEAP Quarterly Market Tracker delivers quarter-by-quarter revenue and market share breakouts for each copper-based CEAP supplier and revenue projections through 2011. The quarterly tracking service also analyzes each vendor's market strategy and identifies and analyzes customer wins, providing granular insight into this emerging market sector unavailable from other sources. It provides a comprehensive list of more than 140 operators and other entities around the world that have purchased CEAP platforms.

Heavy Reading's CEAP Quarterly Market Tracker is being rolled out in phases to provide complete coverage across the CEAP space. The most recent version of the tracker also includes estimates for Ethernet-over-fiber access platform sales of the suppliers profiled in the report.

The CEAP Quarterly Market Tracker provides in-depth analysis of 12 vendors that are now generating sales from CEAP products, including: Actelis Networks, Adtran, ADVA Optical Networking, Aktino, ANDA Networks, Ceterus Networks, Ciena Communications, Hatteras Networks, MRV Communications, Overture Networks, RAD Communications, and Zhone Technologies. Heavy Reading plans to add coverage of other vendors in coming quarters.

The CEAP Quarterly Market Tracker is distributed in a convenient, plug-and-play PowerPoint format. Quarterly reports may be purchased individually or as part of an annual subscription service.