

DSL Shipments Decline in All Regions as Operators Use up Inventory

Report Highlights

- ▶ DSL Port shipments declined by 16 percent quarter-over-quarter to reach 19.0 million in 1Q09
- ▶ Huawei leads in current quarter and rolling 4-quarter market share, Alcatel-Lucent follows
- ▶ Huawei is the market share leader in IP-DSLAM for both current and rolling 4-quarter
- ▶ Asia Pacific accounted for the largest percentage of total DSL ports in 1Q09 at 53 percent
- ▶ IP-DSL Ports represent 88 percent of total DSL ports in 1Q09
- ▶ Alcatel-Lucent leads VDSL market, followed by ZyXEL and Nokia Siemens in 1Q09
- ▶ MSAP platforms contributed 21 percent of total DSL ports in 1Q09, down from 27 percent in 4Q08

Executive Summary

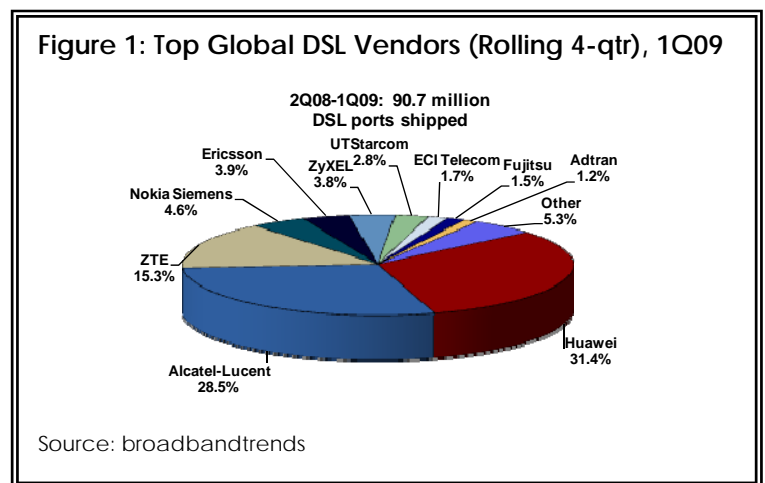
Shipments of DSL ports declined sharply in 1Q09, due to a number of factors including a broadband stimulus “pause”, a stagnant economic environment as well as operator transitions towards Next Generation Access networks. During 1Q09, it appears that operators use excess inventory to add subscribers rather than invest in new equipment. This led to a quarter-over-quarter decline of 16 percent, with total ports reaching 19.0 million - the lowest level of DSL port shipments since 1Q05.

Huawei continued to expand its rolling 4-quarter market share lead with 31.4 percent market share, followed by Alcatel-Lucent, and ZTE. Nokia Siemens and Ericsson round out the top 5, as shown in Figure 1.

ADSL and its variants represented 90 percent of total DSL shipments, followed by VDSL with 9 percent and SHDSL with less than one percent. VDSL port shipments were down slightly 17 percent from 4Q08.

During 1Q09, DSL ports shipped on IP/Ethernet-based platforms represented 88 percent of total port shipments – up from 83 percent in 4Q08.

Shipments of DSL ports from Multi-Service Access Platforms represented 21 percent of total DSL ports, up from 27 percent in 4Q08.



Report Summary

Table 1: Top Five DSL Vendors by Region, Rolling 4-Quarter (2Q08-1Q09)

Global	Asia Pacific	CALA	EMEA	North America
Huawei	Huawei	Alcatel-Lucent	Alcatel-Lucent	Alcatel-Lucent
Alcatel-Lucent	ZTE	Huawei	Huawei	Adtran
ZTE	Alcatel-Lucent	Ericsson	Nokia Siemens	Calix
Nokia Siemens	ZyXEL	ZTE	Ericsson	Occam
Ericsson	UTStarcom	UTStarcom	ZTE	Zhone

Source: broadbandtrends.com

Table 2: Top Five DSL Vendors by Region – Current Quarter (1Q09)

Global	Asia Pacific	CALA	EMEA	North America
Huawei	Huawei	Alcatel-Lucent	Alcatel-Lucent	Alcatel-Lucent
Alcatel-Lucent	ZTE	Huawei	Huawei	Adtran
ZTE	Alcatel-Lucent	ZTE	Nokia Siemens	Calix
Nokia Siemens	Nokia Siemens	UTStarcom	Ericsson	Occam
Ericsson	ZyXEL	Zhone	ZTE	Zhone

Source: broadbandtrends.com

IP-DSL Port Shipments by Region, Current Quarter (1Q09)

Current Quarter (4Q08)
Huawei
Alcatel-Lucent
ZTE
Nokia Siemens
Ericsson

Source: broadbandtrends.com

Global MSAP – Current Quarter 1Q09

Global MSAP/DLC (DS0&DSL)	Global MSAP/DLC (DSL Only)
Huawei	Huawei
ZTE	Nokia Siemens
Alcatel-Lucent	Ericsson
Nokia Siemens	UTStarcom
Ericsson	Alcatel-Lucent

Source: broadbandtrends.com

About this report

The Market Share Report tracks ATM DSLAMs, IP DSLAMs, Multi-Service Access Platforms, Next-Generation DLCs and Broadband Loop Carriers. Global and regional market shares are updated quarterly and cover all regions (Global, Asia Pacific, CALA, EMEA and North America). Market share is provided for both current quarter, as well as rolling 4-quarter.

Companies tracked in this report include Adtran, Alcatel-Lucent, Calix, Ciena, ECI, Ericsson, Fujitsu, Huawei, Motorola, NEC, Nokia-Siemens, Occam, Samsung, Sumitomo, Tellabs, Teledata, UTStarcom, Zhone, ZTE, ZyXEL and others.

This report includes both a 9-page written report (including 6 Figures and 10 Tables) as well as a supplemental spreadsheet. This spreadsheet includes quarterly DSL port shipments by type and revenue for each vendor from 1Q02 to 1Q09. It also provides IP-DSLAM market share by vendor (1Q05-1Q09) as well as quarterly MSAP shipment information (1Q03-1Q09). Data is presented by region and global totals.

This report is part of broadbandtrends.com continuous information service, or is available for \$1295.

For more information about our services, or to order this report, please contact us at 540.725.9774 or sales@broadbandtrends.com

Table of Contents

- ▶ Executive Summary
 - Global Market Share (Rolling 4-Quarter)

- ▶ Market Analysis -1Q09
 - DSL Port Shipments by Quarter (1Q07-1Q09)
 - IP-DSL is now the de facto standard
 - All Regions Declines As Operators Use up Excess Inventory
 - Global DSL Port Shipments by Region – 1Q09 vs.4Q08

- ▶ Vendor Analysis by Region
 - Top Five by Region
 - Global
 - Global- Rolling 4-Quarter by Vendor
 - Asia Pacific
 - Rolling 4-Quarter by Vendor & Current Quarter
 - CALA
 - Rolling 4-Quarter by Vendor & Current Quarter
 - EMEA
 - Rolling 4-Quarter by Vendor & Current Quarter
 - North America
 - Rolling 4-Quarter by Vendor & Current Quarter

- ▶ IP-DSL Port Shipments
 - Rolling 4-Quarter by Vendor & Current Quarter

- ▶ Global MSAP/DLC Segment
 - Global MSAP Port Shipments (DSL + DS0)
 - Rolling 4-Quarter by Vendor & Current Quarter
 - Global MSAP Port Shipments (DSL only)
 - Rolling 4-Quarter by Vendor & Current Quarter

- ▶ Outlook

List of Figures

Figure 1: Top Global DSL Vendors (Rolling 4-qtr), 2Q08-1Q09

Figure 2: DSL Port Shipments by Quarter, 1Q07-1Q09

Figure 3: IP-DSL vs. ATM-DSL Port Distribution, 1Q09 vs. 4Q08

Figure 4: Global DSL port shipments by Region, 1Q09 vs. 4Q08

Figure 5: Global IP-DSL port shipments by Vendor, 1Q09 vs. 4Q08

Figure 6: Global MSAP Quarterly Port Shipments (1Q07-1Q09)

List of Tables:

- Table 1: DSL Port Shipments by Region, 4Q07-1Q09
Table 2: Top Five DSL Vendors by Region – Current Quarter (1Q09)
Table 3: Global DSL Port Shipments by Vendor, Rolling 4-Quarter & Current Quarter (1Q09)
Table 4: Asia Pacific DSL Port Shipments by Vendor, Rolling 4-Quarter & Current Quarter (1Q09)
Table 5: CALA DSL Port Shipments by Vendor, Rolling 4-Quarter & Current Quarter (1Q09)
Table 6: EMEA DSL Port Shipments by Vendor, Rolling 4-Quarter & Current Quarter (1Q09)
Table 7: North America DSL Port Shipments by Vendor, Rolling 4-Quarter & Current Quarter
Table 8: IP-DSL Port Shipments by Vendor, Rolling 4-Quarter & Current Quarter (1Q09)
Table 9: Global MSAP Port Shipments (DS0 & DSL) by Vendor, Rolling 4-Quarter & 1Q09
Table 10: Global MSAP Port Shipments (DSL Only) by Vendor, Rolling 4-Quarter & 1Q09

Supplemental Spreadsheet:

This spreadsheet includes quarterly DSL port shipments by type and revenue for each vendor from 1Q02 to 1Q09. It also provides IP-DSLAM market share by vendor (1Q05-1Q09) as well as quarterly MSAP shipment information (1Q03-1Q09). Data is presented by region and global totals.

- List of Vendors Tracked
- Report Summary
- Global Shipment Summary by Region (1Q02-1Q09)
- Rolling 4-Quarter Market Share - by Region (2Q08-1Q09)
- Current Quarter Market Share by Region (1Q09)
- IP-DSLAM Market Share by Vendor (Current and Rolling 4-Quarter)(1Q05-1Q09)
- Global Totals by Vendor (1Q02-1Q09)
- Asia Pacific Totals by Vendor (1Q02-1Q09)
- CALA Totals by Vendor (1Q02-1Q09)
- EMEA Totals by Vendor (1Q02-1Q09)
- North America Totals by Vendor (1Q02-1Q09)
- MSAP/DLC By Vendor(1Q03-1Q09)