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### **BT announces a new supplier for its 21CN Network: Tellabs**

Tellabs announced during his company's investor day presentations that it has been selected as BT's preferred, strategic partner and 21CN vendor for **Managed Ethernet Access for Mobile Operators**. Tellabs will provide elements of its mobile backhaul solution so that BT can support demand from **Vodafone UK, O2**, and more recently from **T-Mobile and 3 UK**, that through their joint venture company, **Mobile Broadband Network Ltd (MBNL)**, have signed current October a five-year managed network solutions agreement with BT to provide high-speed links connecting 7,500 base station sites on their consolidated 3G infrastructure.

No data on the equipment supplied was announced, but we expect that the deal will involve the newest 7300 platform introduced to address emerging Ethernet traffic that does not need the multi-service capabilities provided by the 8600 or the 8800.

The BT 21CN is of course a very good reference for Tellabs and should help the vendor in getting more new business from fixed and mobile operators looking to build backhaul networks to transport wireless traffic. Tellabs has had a good presence with backhaul, and this is also providing it with additional professional services opportunities.

Tellabs just had its **Analyst and Investors days**. Mobile backhaul will be a key target for it in the coming years, along with **business services delivery, dynamic optical networking, and professional services**. As these areas increase in

importance, the relative amount of investment in the Tellabs 5000, 8100, 3000, 1000 and 1100 systems will decline.

Tellabs underlined that it owns \$1.2 billion in cash and investments in highly liquid instruments, has no debt, has recorded a positive cash flow in 21 of last 23 quarters and is focusing on generating cash in 2009 and beyond.

Tellabs is a company with a big transition ahead of it if it is to maintain past levels of performance, but they have the resources. Key challenges for this competitor will be growing their presence in existing accounts with a broader next-gen portfolio, building up their presence outside North America to a greater degree, and scaling some of their growing capabilities in services.

### **Tellabs announces the 7300 Metro Ethernet Switching series to extend carrier Ethernet reach**

In the vendor's efforts to improve its backhaul product portfolio, seen as one of the area of growth and investment for the next years, Tellabs focus on the need for high capacity Ethernet aggregation and unveils the 7300 Metro Ethernet Switching product family to address Ethernet aggregation requirements in support of highend business services, backhaul services, and DSL aggregation. The 7345 Ethernet Aggregation Switch (the 7300 product family's first model) is being positioned as a complement to the 6335 Switch Node, which is designed to address multiservice requirements.

The 7345 is a 2RU model, which provides two slots for interface modules. Interface options include a 24-port 10/100/1000 Ethernet (optical or copper) and a dual 10 GigE module. It offers in its first release a full Layer 2 Ethernet feature set that supports traditional switched Ethernet applications including standard Ethernet OAM capabilities such as IEEE 803.ah (EFM) and 802.1ag CFM. Connection-oriented transport models such as MPLS-TP and/or PBB-TE will be offered in future releases.

The new product does not bring impressive densities or Ethernet features to the market and will have to take support from the other Tellabs products to gain market traction. In fact, the 7300 series will be hardly proposed as a standalone product, but offered with the intent to increase port utilization on the 7100 series platforms.

The 7300 MES will be integrated into the 8000 series network management system, allowing Tellabs to offers the ability to leverage a single NMS across the entire network architecture.