

DSL Port Shipments Decline in 3Q07 as EMEA Pulls Back

Report Highlights

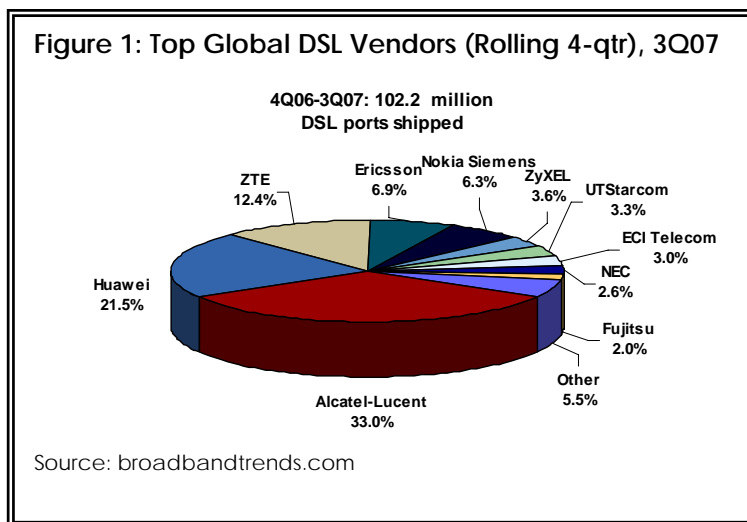
- ▶ DSL Port shipments declined 10 percent quarter-over-quarter to reach 25.3 million in 3Q07
- ▶ IP-DSL Port Shipments grew 2 percent over 2Q07 to reach 18.5 million
- ▶ IP-DSL Ports represent 73 percent of total DSL ports, up from 65 percent in 2Q07
- ▶ Shipments into EMEA experienced the sharpest drop at 18 percent
- ▶ Alcatel-Lucent edges out Huawei to keep the market lead for IP-DSLAM in 3Q07
- ▶ MSAP/BLC platforms contributed nearly 16 percent of total DSL ports in 3Q07, down from nearly 20 percent in 2Q07

Executive Summary

Shipments of DSL ports experienced their first decline in over 12 months, primarily due to slower shipments into EMEA, most likely the victim of seasonality. Despite the decline, shipments remain well over the levels found during 2006. Total DSL port shipments were 25.3 million, a 10 percent decline over 2Q07, but a 19 percent increase over the same period in 2006. For the last four quarters, DSL port shipments reached 102.2 million.

Market share positions for the top three vendors, Alcatel-Lucent, Huawei and ZTE remain unchanged. They are followed by Ericsson and Nokia-Siemens to round out the top five. Alcatel-Lucent's rolling 4-quarter market share was 33 percent, followed by Huawei at 22 percent. Rolling 4-quarter market share is shown in Figure 1.

ADSL and its variants represented 90 percent of total DSL shipments, followed by VDSL with nearly 10 percent and SHDSL with less than one percent. VDSL port shipments were up nearly 50 percent quarter-over-quarter, driven largely by increasing shipments to North America.



During 3Q07, DSL ports shipped on IP/Ethernet-based platforms grew 2 percent to reach 18.6 million. This represents nearly 73 percent of total ports, up from 65 percent in 2Q07.

Shipments of DSL ports from Multi-Service Access Platforms and Broadband Loop Carriers declined nearly 28 percent from 2Q07.

IP-DSLAM Port Shipments

Table 1: IP-DSL Port Shipments by Region, 3Q07 & Rolling 4-Quarter (4Q06-3Q07)

Current Quarter (3Q07)	Rolling 4-Quarter (4Q06-3Q07)
Alcatel-Lucent	Alcatel-Lucent
Huawei	Huawei
ZTE	ZTE
Ericsson	ZyXEL
Nokia Siemens	Nokia Siemens

Source: broadbandtrends.com

Vendor Results by Region – Summary Only

Table 2: Top Five DSL Vendors by Region, Rolling 4-Quarter (4Q06-3Q07)

Global	Asia Pacific	CALA	EMEA	North America
Alcatel-Lucent	Huawei	Alcatel-Lucent	Alcatel-Lucent	Alcatel-Lucent
Huawei	ZTE	Huawei	Huawei	Adtran
ZTE	Alcatel-Lucent	ZTE	Ericsson	Calix
Ericsson	NEC	Ericsson	Nokia Siemens	Tellabs
Nokia Siemens	UTStarcom	Zhone	ECI Telecom	Zhone

Source: broadbandtrends.com

Table 3: Top Five DSL Vendors by Region – Current Quarter (3Q07)

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

Source: broadbandtrends.com

Global MSAP/DLC Segment

Table 4: Global MSAP – Current Quarter 3Q07

Global MSAP/DLC (DS0&DSL)	Global MSAP/DLC (DSL Only)
Huawei	Huawei
Alcatel-Lucent	Alcatel-Lucent
ZTE	UTStarcom
Ericsson	ECI Telecom
UTStarcom	Fujitsu

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).

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 9-page report (including an extensive spreadsheet with historical data (1Q02-3Q07), which includes six figures and 10 tables 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

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Supplemental Spreadsheet:

This spreadsheet includes quarterly DSL port shipments by type and revenue for each vendor from 1Q02 to 3Q07. It also provides IP-DSL market share by vendor (1Q05-3Q07) as well as quarterly MSAP/BLC shipment information (1Q03-3Q07). Data is presented by region and global totals.