
ELECTRONICAST CONSULTANTS

announces an analysis and five-year (2007-2011) global forecast of the consumption value of fusion splicers

Fiber Optic Fusion Splicer Global Market Forecast

The Electronicast Fiber Optic Fusion Splicer Global Market Forecast provides the historic year of 2006 and a 5-year (2007-2011) forecast of the consumption value of fusion splicers, segmented into the following geographic regions:

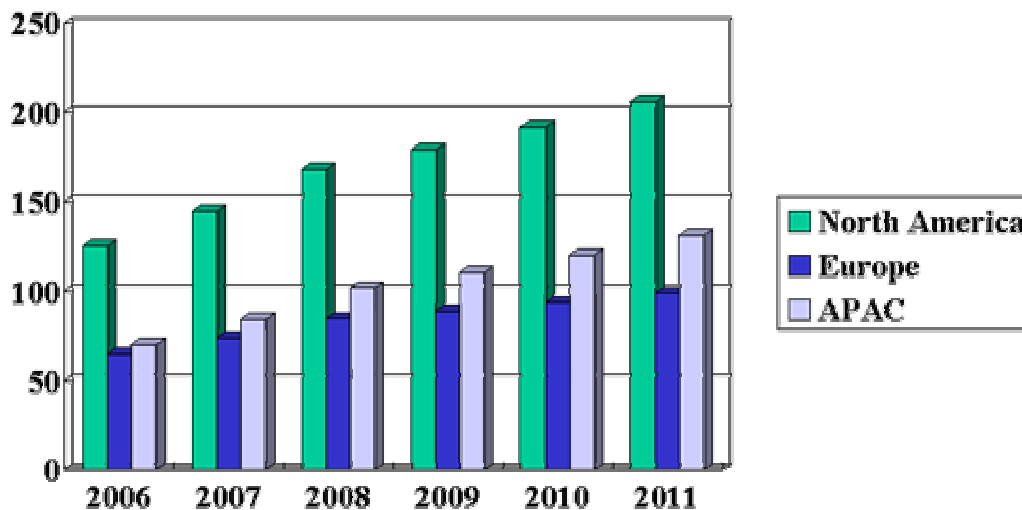
- North America
- Europe
- Japan/Pacific Rim

Although the primary focus of this report is to analyze the current 2004-2005 regional and global market, technology and competitive trends of fiber optic components, substantial attention is also given to trends in fiber optic network equipment and to the parts and devices consumed in the production of fiber optic components.

North American Consumption Value Share Expanding

North America, in 2006, represented a 48 percent share of worldwide consumption of fiber optic fusion splicers. This will decrease slightly to 47 percent, but increase in value to \$206.38 million by 2011, as illustrated in Figure 1. Europe, in 2006, represented a 25 percent share of global fusion splice equipment (fusion splicer) consumption value. Europe's share will increase in consumption through 2011; however is forecasted to decline in terms of relative market share to 23 percent or \$98.82 million. The Asia Pacific region (APAC) will increase in relative market share from 27 percent (\$69.91 million) in 2006 to 30 percent or \$131.26 million in 2011; driven by countries throughout the region.

Figure 1
Fiber Optic Fusion Splice Equipment Global Consumption Market Forecast,
By Region (Value Basis, \$Million)



Fiber Optic Fusion Splicer Global Market Forecast

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Supplement: *Market Forecast Data Figures – PowerPoint Slides*

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— METHODOLOGY —

In analyzing and forecasting a product or service market, ElectroniCast combines several techniques:

Product consumption and production history is determined by:

- Interviews of the leading product or service users and producers ("dual track" primary research)
- Secondary research (a review of published information, including industry, data, technical papers, financial reports)

This research provides a consensus of the past history of the product or service: value, price trends, application trends, leading producers and their market shares.

The forecast, working from this historical data, is based on interviews of developers/vendors, commercial communication and computing equipment vendors, military/aerospace electronic equipment/system vendors, network planners and other sources.

The long-range forecast is based upon the following sequence:

1. The advancement of technology of the product, competing products and the end applications is forecasted based on interviews of researchers and other experts in the product field.
2. The economic significance of the advanced technology products is analyzed from the following perspectives:
 - Real value to user, determined by user interviews
 - Displacement of competing products
 - Creation of new markets
3. The production of the end-use equipments or systems is forecasted.
4. Production costs, and thus minimum pricing, of the product at various quantity levels are analyzed.
5. The demand forecast is derived by bottom-up, application-by-application analysis.

The analysis of cost-effectiveness and understanding of the user perception of risk of the product provide insight into the rate of penetration of the product into the various end applications at its minimum profitable price. Input/output analysis applies the penetration forecasts to the end-application production forecasts to provide a cross-check of the product consumption forecast. This consumption forecast is then adjusted by forecasted imports and exports, inventory change, R&D use, and other non-production markets to derive the total production forecast.

Finally, by user interviews, the production forecasts are segmented into captive (in-house) production versus available (merchant) market.

———— PROGRAM TEAM ————

Program Management: This study, analysis and report is directed by Stephen Montgomery.

Jeff D. Montgomery, BSEE, MBA; President of Electronicast Consultants. Mr. Montgomery has over 50 years of professional experience in the electronics industry. Through the most recent 39 years, he has worked full time in electronic industry forecasting and planning with 31 years' experience in communication fiber optics. His work experience, prior to founding ElectroniCast in 1981, includes: Gnostic Concepts, Inc., 9 years, co-founder and President; Quantum Science Corp., 2 years; Varian Associates, 8 years; Andrew California Corp., 10 years. He is a Senior Life Member of IEEE and Member, SPIE and OSA.

Stephen Montgomery, BA, MBA/Technology Management.

Mr. Montgomery has specialized in communication network products and services demand forecasting since 1990. Mr. Montgomery is the Director of the Fiber Optics Components group and the Network Communication Products group at Electronicast Consultants and heads the Tokyo office. He also is the Director of several conferences. He has given numerous presentations and published a number of articles on optical fiber markets, technology, applications and installations. He is a member of the Editorial Advisory Board of Lightwave magazine. Mr. Montgomery is a member of the OSA, the IEEE and the Fiber Optic Association, Inc. (FOA).

———— CONTINUING COMMITMENT ————

Electronicast is committed to continuing research and forecasting in broadband networks and products, photonics and fiber optics technologies, and their markets, as well as research in related areas. Other related programs include:

- Passive Optical Components Market Forecast Service
- Optoelectronic Packages and Packaging Forecast
- Automated Assembly and Test of Fiber Optic Components Forecast
- Broadband-To-The-Premise Fiber Optic Components Forecast
- Fiber Optic Installation Apparatus Forecast
- Optical Fiber Amplifier, Gain Blocks and Components Forecast
- Internal Optical Interconnects Market Forecast
- Fiber Optic Cable (Glass & Plastic) Market Forecast
- Fiber Optic Connector Market Forecast
- WDM, TDM & Fiber Global Markets & Technology Forecast

These network programs have been supported by Electronicast's communication network component and system studies, and numerous special studies.

———— DELIVERABLES ————

Market Forecast Report: ElectroniCast provides report text on the product market forecast in Adobe Acrobat (PDF) on CD.

Consulting and strategic support services: Specifically, we encourage our clients to make use of our inquiry services as a basis for ongoing dialogue with our analysts at no additional charge.

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Subscription: The fee for this report is \$4,995. This includes the final report on CD Rom, or emailed PDF, plus consultation access to the report authors.

———— QUALIFICATIONS OF ELECTRONICAST CONSULTANTS ————

Electronicast Consultants is uniquely qualified to undertake this project. Its activities in analyzing the technologies and markets for fiber optics have given it unparalleled component and application databases. Its detailed and diligent research have provided the basis for projects of unusual complexity.

Electronicast Consultants' Fiber Optics analysis and Telecom Network forecasts are widely utilized in strategic planning at the world's major telecommunications and data communications companies with significant investments in lightwave technology. Specialized communications and fiber optics trade press often cite by leading business publications and Electronicast's fiber optics forecasts and analyses.

———— ABOUT ELECTRONICAST CONSULTANTS ————

Electronicast Consultants specializes in forecasting for the communication network, fiber optic, optoelectronic and photonic industries. This includes technology forecasting, markets and applications forecasting, strategic planning and consulting. Electronicast Consultants conducts both multiclient studies and custom, focused single-client studies.

Electronicast Consultants, as a technology-based independent forecasting firm, serves industrial companies, trade associations, government agencies, telecommunications companies and the financial community. Reduction of the risk of major investment decisions is the main benefit provided. Electronicast's goal is to understand the challenges and opportunities facing clients and to provide timely, accurate information for strategic planning.

———— RESEARCH AREAS ————

Electronicast Consultants covers all areas of the data and communication industries and fields impacted by communications, including:

- Systems and networks
- Equipment and subsystems
- Components and devices
- Materials and parts/devices

Most of the Electronicast projects are in the data communication, telecommunication networks and services, fiber optics, and photonics fields.

FIBER OPTIC FUSION SPLICER GLOBAL MARKET FORECAST-Executive Study Service Service Agreement

The undersigned hereby authorizes and directs ELECTRONICAST CONSULTANTS to furnish research and consulting service necessary to prepare the multiclient service Fiber Optic Fusion Splicer Global Market Forecast-Executive Study Service for the base fee of US\$4,995.

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