World’s Largest Supplier of Optical Solutions for the Communications Industry
Forward Looking Statements

This presentation contains forward-looking statements as defined under the Private Securities Litigation Act of 1995. Except for historical information, the matters discussed in this presentation contain forward-looking statements regarding future trends or events that involve risks and uncertainties. Please be aware that these statements are only predictions and that actual events or results may differ materially. Please refer to the Company’s Form 10-K and other interim reports as filed with the Securities and Exchange Commission for a discussion of those risk factors. The Company assumes no obligation to update the information in this presentation.

GAAP Reconciliation

References to financial measures in this presentation will include references to non-GAAP financial measures. In addition to reporting financial results in accordance with U.S. GAAP, Finisar provides supplemental information regarding its operating performance on a non-GAAP basis. Finisar believes this supplemental information provides investors and management with additional insight into its underlying core operating performance by excluding a number of non-cash and cash charges, as well as infrequently occurring gains or losses. Finisar provides a complete reconciliation between GAAP and non-GAAP financial information in its earnings release which is posted in the investors relations section of the company's web site www.finisar.com.

Financial guidance for fiscal Q2FY16 is per earnings call on September 10, 2015 and is not being updated or confirmed as of any other date.
Technology Innovator. Broad Product Portfolio. Trusted Partner.

- Optics industry leader with $1.2B+ annual revenue
- Founded in 1988
- IPO in 1999 (NASDAQ: FNSR)
- Best-in-class broad product line
- Vertically integrated with low cost manufacturing
- Experienced management team
- Significant focus on R&D and capacity expansion
- 14,000 employees
- 1300+ Issued U.S. patents

Market Share

Source: Ovum (Apr 2015)
Broad Product Portfolio and Customer Base

**DATACOM**

**PRODUCTS**
- SFP
- SFP+
- QSFP/QSFP28
- CFP2/CFP4
- CFP
- Optical Engine (BOA)
- CXP
- Active Optical Cables
- XFP
- X2/XENPAK

**CUSTOMERS**
- EMC²
- Intel
- Extreme Networks
- Cisco
- Brocade
- NetApp
- IBM
- Emulex
- Oracle
- H3C
- HP
- QLogic
- Mellanox

**TELECOM**

**PRODUCTS**
- SFP
- XFP
- SFP+
- CFP2-ACO
- Coherent Transponder
- ROADM line card
- WSS
- WDM Passives
- Amplifiers
- High speed components
- Tunable laser
- CATV
- PON

**CUSTOMERS**
- Alcatel-Lucent
- Ericsson
- Hitachi
- NOKIA
- Ciena
- NEC
- Coriant
- ADVA
- ECI
- Fujitsu
- Cyan
- Infineon

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Optical Transceivers for Datacom & Telecom

- QLogic HBA
- Brocade MLXe Router
- ALU 1830 PSS System
- Huawei OSN 8800
- Cisco Nexus Switches
- Infinera DTN-X System
# Industry’s Broadest Product Portfolio

<table>
<thead>
<tr>
<th>FINISAR</th>
<th>Avago</th>
<th>Sumitomo/ Excelight</th>
<th>JDSU</th>
<th>Oclaro</th>
<th>Oplink</th>
<th>Fujitsu</th>
<th>Source Photonics</th>
<th>NeoPhotonics</th>
<th>Accelink</th>
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</table>

## DATACOM

- Fibre Channel
- Ethernet
- Optical Engines
- InfiniBand
- Active Cables

## TELECOM

- SONET/SDH
- CWDM/DWDM
- Wireless
- FTTX
- WSS
- Passives
- Optical Amplifiers
- Coherent
- High Speed Components
Optics Growth Drivers

**Global IP Traffic (1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobile Data</th>
<th>Managed IP</th>
<th>Fixed Internet</th>
</tr>
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<tbody>
<tr>
<td>2014</td>
<td>59.8</td>
<td>72.3</td>
<td>88.3</td>
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<tr>
<td>2015</td>
<td>108.8</td>
<td>135.3</td>
<td>167.8</td>
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</table>

**Global Mobile Bandwidth (1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Mobile Data</th>
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<tbody>
<tr>
<td>2014</td>
<td>2.5</td>
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<tr>
<td>2015</td>
<td>4.2</td>
</tr>
<tr>
<td>2016</td>
<td>6.8</td>
</tr>
<tr>
<td>2017</td>
<td>10.7</td>
</tr>
<tr>
<td>2018</td>
<td>16.1</td>
</tr>
<tr>
<td>2019</td>
<td>24.3</td>
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</tbody>
</table>

**Internet Video Traffic (1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>CAGR 2014-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>23%</td>
</tr>
<tr>
<td>2015</td>
<td></td>
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<tr>
<td>2016</td>
<td></td>
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<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
</tbody>
</table>

**Cloud Services (2)**

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>$B</td>
<td>130</td>
<td>152</td>
<td>177</td>
<td>205</td>
<td>243</td>
<td>282</td>
<td></td>
</tr>
</tbody>
</table>

Sources (1) Cisco VNI 2015 (2) Gartner 2015

Data for 2015 and beyond are estimates only.
Changes in Data Center Architectures Driving Optics

- Data Centers becoming larger, more modular, more homogeneous
- Network migrating from traditional 3-tier to flattened 2-tier topology
- Higher degree of east-west traffic across network
- More meshed connections, increasing use of optics in datacenter

Traditional ‘3-tier’ Tree Network

New ‘2-tier’ Leaf-Spine Network

East-West

Pod

Leaf Switch Layer

Spine Switch Layer

Access Layer

Aggregation Layer

Core Layer

North-South
Wireless Infrastructure: Strong Growth Ahead

Market Forecast
CAGR 25% (2013-2016)

- 2013: $444
- 2014: $572
- 2015: $739
- 2016: $871

Source: Lightcounting (Mar 2015)
Optical Communications Market Growth Projection

Source: Ovum (Jul 2014)
Includes OC WAN, Datacom, and Access (excludes FTTx)

2013-2019
CAGR 12%
Optics Market Leader with Growing Share

CY14 Total Market Share

<table>
<thead>
<tr>
<th>Vendor</th>
<th>2014 share</th>
<th>2013 share</th>
<th>% change</th>
<th>2013 rank</th>
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</thead>
<tbody>
<tr>
<td>Finisar</td>
<td>16.7%</td>
<td>15.9%</td>
<td>0.84%</td>
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<tr>
<td>JDSU</td>
<td>8.4%</td>
<td>8.6%</td>
<td>-0.17%</td>
<td>3</td>
</tr>
<tr>
<td>Avago</td>
<td>7.3%</td>
<td>8.7%</td>
<td>-1.32%</td>
<td>2</td>
</tr>
<tr>
<td>Sumitomo</td>
<td>6.0%</td>
<td>6.8%</td>
<td>-0.74%</td>
<td>5</td>
</tr>
<tr>
<td>Accelink</td>
<td>4.7%</td>
<td>4.5%</td>
<td>0.15%</td>
<td>7</td>
</tr>
<tr>
<td>Oclaro</td>
<td>4.6%</td>
<td>6.8%</td>
<td>-2.23%</td>
<td>4</td>
</tr>
<tr>
<td>Fujitsu Optical Components</td>
<td>4.1%</td>
<td>4.8%</td>
<td>-0.70%</td>
<td>6</td>
</tr>
<tr>
<td>NeoPhotonics</td>
<td>3.9%</td>
<td>3.8%</td>
<td>0.06%</td>
<td>8</td>
</tr>
<tr>
<td>II-VI</td>
<td>3.3%</td>
<td>1.9%</td>
<td>1.40%</td>
<td>11</td>
</tr>
<tr>
<td>Source Photonics</td>
<td>3.0%</td>
<td>2.9%</td>
<td>0.14%</td>
<td>10</td>
</tr>
</tbody>
</table>

Market Share Growth

- CY04: 9.2%
- CY06: 12.8%
- CY09: 13.3%
- CY11: 14.5%
- CY13: 15.9%
- CY14: 16.7%

Source: Ovum (Apr 2015)
Industry Technology Leadership

First to Market
100G QSFP28 SR-4

Establishing High-Volume
100G Interface

First to Demonstrate
100G QSFP28 LR-4 and CWDM under 3.5W

Enabling Higher Density
100G Longwave Ports

First to Demonstrate
5x7” Flex-Rate Coherent Transponder with Internal DSP

Next Gen 200G
cohere
technology for
datacenter and
metro/long haul
DWDM
applications

First to Market
25G SFP28 Transceiver

Enabling a New
Generation of High
Density 25G Ethernet
Switches and NIC
Cards
Flexgrid® LCoS WSS for ROADM Applications

Wavelength Selective Switches (WSS) and High Resolution Channel Monitors are designed for ROADM (Reconfigurable Optical Add/Drop Multiplexer) Applications in Long-Haul and Metro DWDM (Dense Wavelength Division Multiplexed) Networks

**Functionality Benefits**
- Reduced carrier OPEX spending
- Automated and dynamic routing of traffic enables software-defined optical networks (SDN)
- Remote and dynamic configurability minimizes manual intervention
- Reduced carrier CAPEX spending
- Flexgrid® optimizes utilization of fiber capacity through flexible channel bandwidth allocation
- High port count WSS enables efficient, flexible and scalable network growth

**Technology Advantages**
- Software programmable Liquid Crystal on Silicon (LCoS)
  - Common optical switching platform
  - Rapid development of new optical functionality
  - Mass customization enabled through software
  - Flexgrid® dynamic optimization of the channel grid

**Recent Product Announcements**
- Dual WSS introduced in 2013
  - Two high port count WSS integrated into a single module offering cost, space and power savings
- Low Profile Dual WSS Introduced in 2014
  - All the advantages of the dual WSS in a high-density module, enabling single slot ROADM linecard designs
- High Resolution Optical Channel Monitor (OCM) introduced in 2014
  - Based on coherent receiver technology, enables improved spectral efficiency and transmission reach
Differentiation Through Vertical Integration

**Integrated Circuit Design**
- World-class foundries
- Highest volume shipping in the industry

**Optical Package Design**
Majority of optical components are designed and manufactured in-house

**Lasers and Photo Detectors**
Majority of revenue contains internally designed and manufactured optical chips

**High-volume, Low Cost Manufacturing**
Ipoh, Malaysia  Wuxi, China

Advantages: Cost, Quality, Technical Leadership, IP Protection
Strategic Acquisitions in a Consolidating Industry

**PRODUCTS**

- **infineon**
  - 10 Gbps Technology
  - Jan 2005

- **Big Bear Networks**
  - 40 Gbps Technology
  - Nov 2005

- **Optium**
  - ROADM, CATV, 10-40Gbps
  - Aug 2008

- **BROADWAY**
  - System on a Transceiver for PON
  - Sept 2010

**VERTICAL INTEGRATION / TECHNOLOGY**

- **Genoa**
  - Long wavelength FP DFB lasers
  - April 2003

- **AZNA**
  - CML Technology 10-40Gbps
  - Mar 2007

- **RED-C Optical Networking**
  - Amplifier Technology (EDFA/Raman/Hybrid)
  - Jul 2012

- **New Focus**
  - Passive components
  - May 2002

- **Honeywell**
  - Short wavelength VCSEL lasers
  - Mar 2004

- **Ignis**
  - Syntune tunable lasers
  - May 2011

- **u²t photonics**
  - InP Receivers & Photodetectors
  - Jan 2014
Financial Overview
**Q1 FY16 Highlights**

Q1 FY16 revenues of $314.0 million, a decrease of 1.9% over Q4FY15

- Q4FY15 had 14 weeks vs. 13 weeks in Q1FY16
- Average weekly revenue increased 5.7%

Q1 FY16 non-GAAP financial measures

- Gross margin of 30.2% compared to 30.3% in Q4FY15
- Operating expenses of $68.4 million compared to $68.2 million in Q4FY15
- Operating income decreased by $2.3 million or 8.0% over Q4FY15
- Operating margin decreased to 8.4% compared to 9.0% in Q4FY15
- Earnings per diluted share $0.23 compared to $0.25 in Q4FY15

**Strong balance sheet**

- Cash and short term investments increased $5.5 million, to $495.7 million as of August 2, 2015
Quarterly Revenue Trends

<table>
<thead>
<tr>
<th></th>
<th>Q112</th>
<th>Q212</th>
<th>Q312</th>
<th>Q412</th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
<th>Q414</th>
<th>Q115</th>
<th>Q215</th>
<th>Q315</th>
<th>Q415</th>
<th>Q116</th>
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<tbody>
<tr>
<td>Datacom</td>
<td>228.2</td>
<td>241.5</td>
<td>243.0</td>
<td>239.9</td>
<td>220.5</td>
<td>232.0</td>
<td>238.3</td>
<td>243.4</td>
<td>266.1</td>
<td>290.7</td>
<td>294.0</td>
<td>306.0</td>
<td>327.6</td>
<td>297.0</td>
<td>306.3</td>
<td>320.0</td>
<td>314.0</td>
</tr>
<tr>
<td>Telecom</td>
<td>129.1</td>
<td>128.5</td>
<td>133.7</td>
<td>146.1</td>
<td>139.5</td>
<td>139.8</td>
<td>147.6</td>
<td>163.9</td>
<td>184.4</td>
<td>204.3</td>
<td>210.4</td>
<td>223.0</td>
<td>241.2</td>
<td>215.9</td>
<td>234.4</td>
<td>242.0</td>
<td>233.3</td>
</tr>
<tr>
<td>Total Optics Revenue</td>
<td>228.2</td>
<td>241.5</td>
<td>243.0</td>
<td>239.9</td>
<td>220.5</td>
<td>232.0</td>
<td>238.3</td>
<td>243.4</td>
<td>266.1</td>
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<td>306.3</td>
<td>320.0</td>
<td>314.0</td>
</tr>
</tbody>
</table>
### Q2 FY16 Quarterly Guidance (non-GAAP)

<table>
<thead>
<tr>
<th>$ Millions (except EPS)</th>
<th>Q1-16 Actual</th>
<th>Q2-16 Est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$314.0</td>
<td>$304-$324</td>
</tr>
<tr>
<td>Gross margin</td>
<td>30.2%</td>
<td>~30%</td>
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<tr>
<td>Operating profit</td>
<td>$26.5M</td>
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<tr>
<td>Operating margin</td>
<td>8.4%</td>
<td>8%-9%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.23</td>
<td>$0.20-$0.26</td>
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<th>CY13</th>
<th>CY14</th>
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<tbody>
<tr>
<td>Share</td>
<td>9.2%</td>
<td>12.8%</td>
<td>13.3%</td>
<td>14.5%</td>
<td>15.9%</td>
<td>16.7%</td>
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Source: Ovum (Apr 2015)
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