



FINISAR[®]

**Q2 FY17 FINANCIAL RESULTS
CONFERENCE CALL**

December 8, 2016

Financial Presentation and Forward Looking Statements

- ◆ 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 gains or losses that occur relatively infrequently and/or that management considers to be outside of our ongoing core operating results. Finisar provides a complete reconciliation between GAAP and non-GAAP financial results 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 Q3FY17 is per earnings call on December 8, 2016 and is not being updated or confirmed as of any other date.

Q2 FY17 Highlights

Q2 FY17 revenues of \$369.9 million, an increase of 8.4% over Q1FY17

- Telecom revenues increased \$9.7 million, or 9.9%, over Q1FY17
- Datacom revenues increased \$18.8 million, or 7.7%, over Q1FY17
 - 100G datacom revenues increased approximately 30% over Q1FY17 and over 80% over Q2FY16

Q2 FY17 non-GAAP financial measures

- Gross margin of 37.2% compared to 33.1% in Q1FY17
- Operating margin of 18.5% compared to 12.8% in Q1 FY17
- Operating expenses of \$69.4 million or 18.8% of revenue compared to \$69.3 million or 20.3% of revenue in Q1FY17
- Earnings per diluted share \$0.58 compared to \$0.38 in Q1FY17

Strong balance sheet

- Cash and short term investments increased \$32.5 million during the quarter, to \$626.3 million as of October 30, 2016

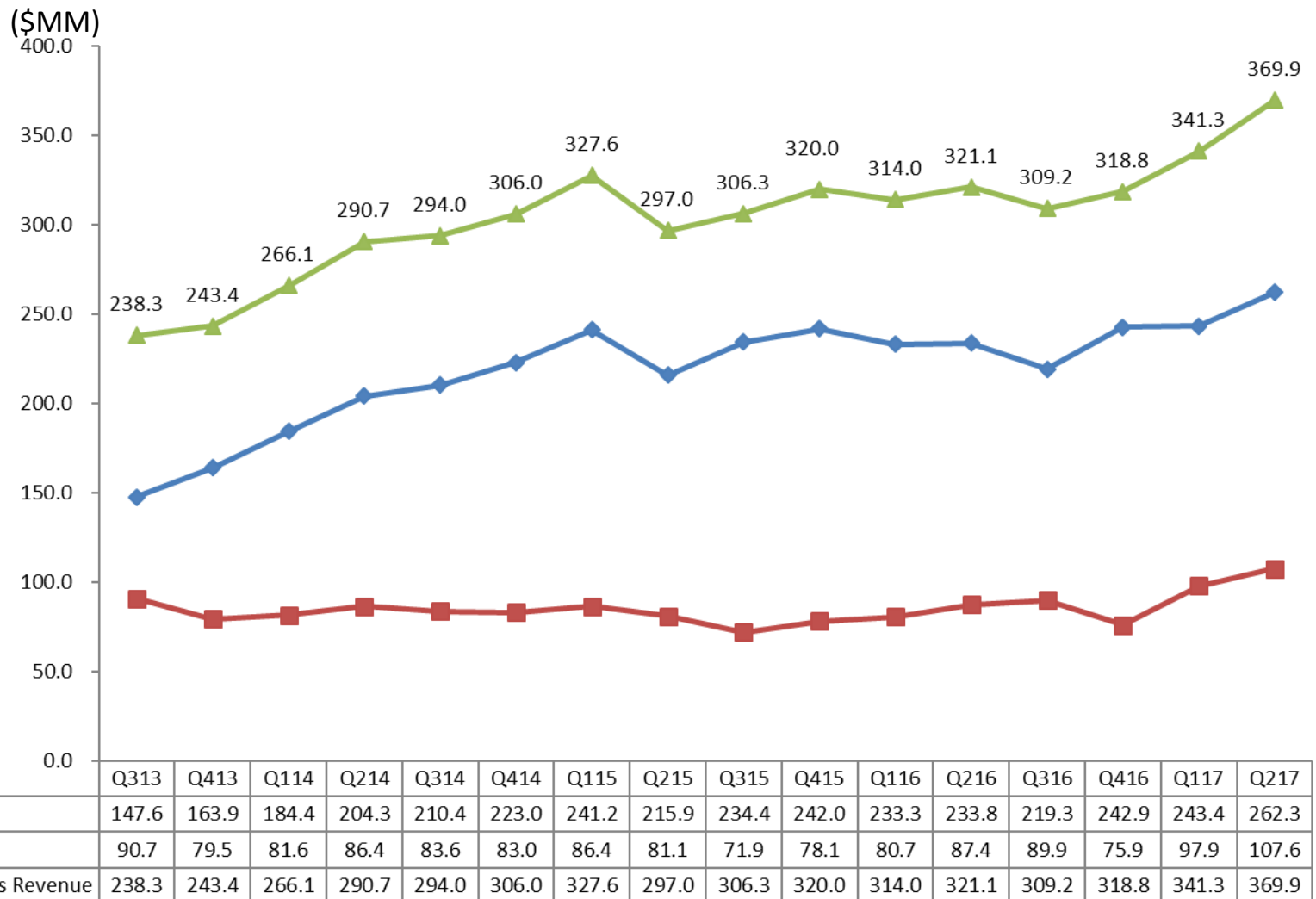
Quarterly Financial Results (GAAP)

	Q2FY16	Q1FY17	Q2FY17	Q2FY17/Q1FY17 Change
Revenue	\$321.1M	\$341.3M	\$369.9M	8.4%
Gross Margin (%)	27.7%	31.7%	36.1%	4.4%
Total Operating Expense	\$79.7M	\$79.9M	\$80.9M	1.3%
Operating Income	\$9.4M	\$28.3M	\$52.8M	86.6%
Net Income	\$6.6M	\$23.9M	\$48.8M	103.6%
EPS (Diluted)	\$0.06	\$0.22	\$0.43	\$0.21

Quarterly Financial Results (non-GAAP)

	Q2FY16	Q1FY17	Q2FY17	Q2FY17/Q1FY17 Change
Revenue	\$321.1M	\$341.3M	\$369.9M	8.4%
Gross Margin (%)	30.0%	33.1%	37.2%	4.1%
Total Operating Expense	\$68.0M	\$69.3M	\$69.4M	0.1%
Operating Income	\$28.3M	\$43.5M	\$68.3M	56.8%
Net Income	\$26.9M	\$41.8M	\$65.2M	55.8%
EPS (Diluted)	\$0.25	\$0.38	\$0.58	\$0.20

Quarterly Revenue Trends



Q3 FY17 Quarterly Non-GAAP Guidance (1)

\$ Millions (except EPS)	Q1-17 Actual	Q2-17 Actual	Q3-17 Est.
Revenue	\$341.3	\$369.9	\$378-\$398
Gross margin	33.1%	37.2%	~37-38%
Operating profit	\$43.5	\$68.3	
Operating margin	12.8%	18.5%	~18.5%-19.5%
EPS	\$0.38	\$0.58	\$0.58-\$0.64

- Financial guidance for fiscal Q3FY17 is per earnings call on December 8, 2016 and is not being updated or confirmed as of any other date.

(1) Finisar has not provided a reconciliation of its third quarter outlook for non-GAAP gross margin, non-GAAP operating margin and non-GAAP earnings per fully diluted share because estimates of all of the reconciling items cannot be provided without unreasonable efforts. It is difficult to reasonably provide a forward-looking estimate of certain reconciling items between such non-GAAP forward-looking measures and the comparable forward-looking GAAP measures. Certain factors that are materially significant to Finisar's ability to estimate these items are out of its control and/or cannot be reasonably predicted, including with respect to restructuring charges, litigation settlements and resolutions and related costs, and the timing of tax related adjustments. Accordingly, a reconciliation of such non-GAAP forward-looking measures to the comparable forward-looking GAAP measures are not available within a reasonable range of predictability.