



**FINISAR<sup>®</sup>**

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**Q4 FY16 FINANCIAL RESULTS  
CONFERENCE CALL**

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**June 16, 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 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](http://www.finisar.com).
  
- ◆ Financial guidance for fiscal Q1FY17 is per earnings call on June 16, 2016 and is not being updated or confirmed as of any other date.

# Q4 FY16 Highlights

Q4 FY16 revenues of \$318.8 million, an increase of 3.1% over Q3FY16

- Datacom revenues increased \$23.6 million, or 10.8%, over Q3
- Telecom revenues decreased by \$14.1 million, or (15.6)%, over Q3

Q4 FY16 non-GAAP financial measures

- Gross margin of 30.6% compared to 30.3% in Q3FY16
- Operating margin of 9.8% compared to 8.5% in Q3FY16
- Operating expenses of \$66.2 million compared to \$67.3 million in Q3FY16
- Earnings per diluted share \$0.29 compared to \$0.25 in Q3FY16

Strong balance sheet

- Cash and short term investments increased \$31.4 million during the quarter, to \$562.5 million as of May 1, 2016

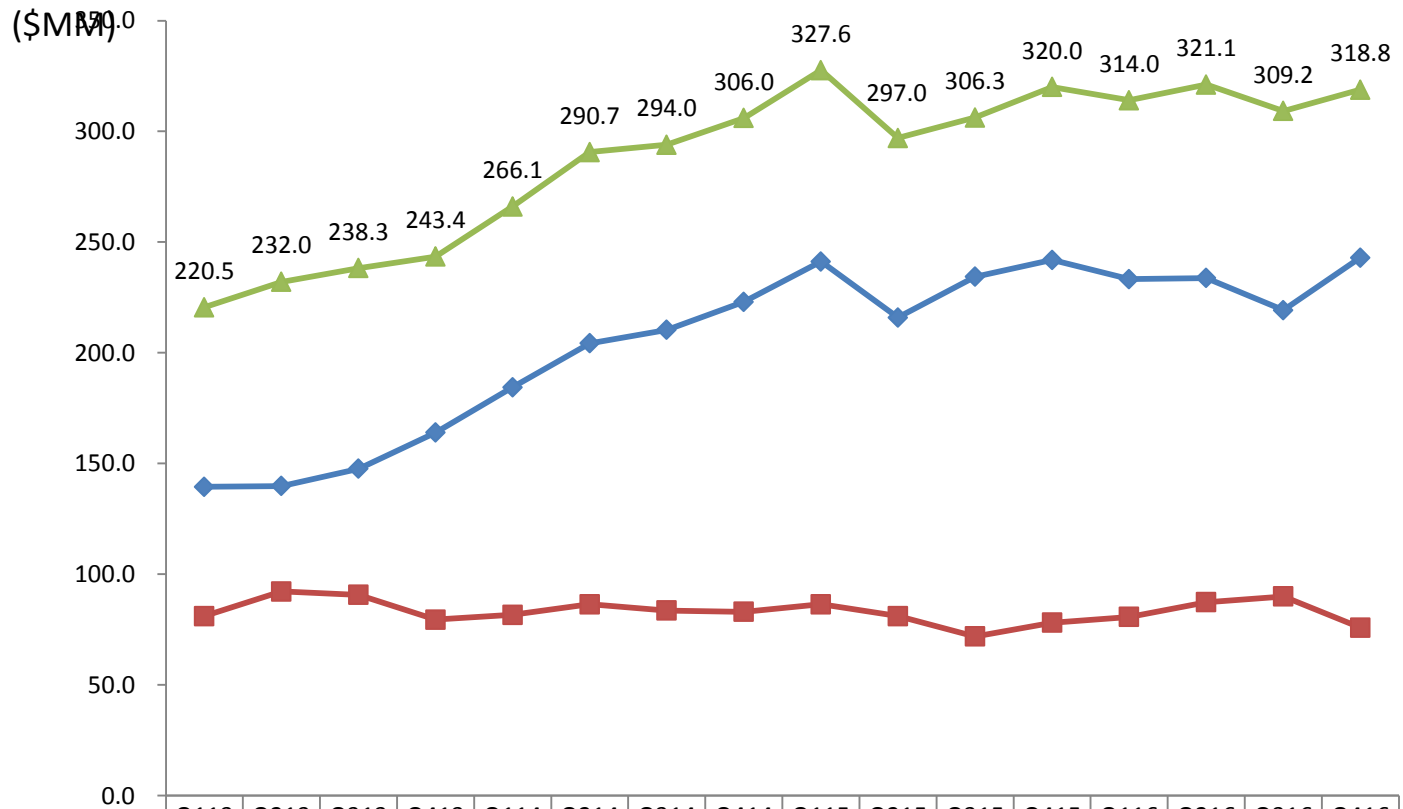
# Quarterly Financial Results (GAAP)

	Q4FY15	Q3FY16	Q4FY16	Q4FY16/Q3FY16 Change
<b>Revenue</b>	\$320.0M	\$309.2M	\$318.8M	3.1%
<b>Gross Margin (%)</b>	27.9%	28.4%	28.4%	0.0%
<b>Total Operating Expense</b>	\$78.9M	\$77.3M	\$76.3M	(1.3)%
<b>Operating Income</b>	\$10.3M	\$10.4M	\$14.1M	35.2%
<b>Net Income</b>	\$7.3M	\$12.1M	\$13.1M	8.2%
<b>EPS (Diluted)</b>	\$0.07	\$0.11	\$0.12	\$0.01

# Quarterly Financial Results (non-GAAP)

	Q4FY15	Q3FY16	Q4FY16	Q4FY16/Q3FY16 Change
<b>Revenue</b>	\$320.0M	\$309.2M	\$318.8M	3.1%
<b>Gross Margin (%)</b>	30.3%	30.3%	30.6%	0.3%
<b>Total Operating Expense</b>	\$68.2M	\$67.3M	\$66.2M	(1.6)%
<b>Operating Income</b>	\$28.8M	\$26.3M	\$31.2M	18.7%
<b>Net Income</b>	\$26.9M	\$26.6M	\$31.8M	19.6%
<b>EPS (Diluted)</b>	\$0.25	\$0.25	\$0.29	\$0.04

# Quarterly Revenue Trends



	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416
◆ Datacom	139.5	139.8	147.6	163.9	184.4	204.3	210.4	223.0	241.2	215.9	234.4	242.0	233.3	233.8	219.3	242.9
■ Telecom	81.1	92.2	90.7	79.5	81.6	86.4	83.6	83.0	86.4	81.1	71.9	78.1	80.7	87.4	89.9	75.9
▲ Total Optics Revenue	220.5	232.0	238.3	243.4	266.1	290.7	294.0	306.0	327.6	297.0	306.3	320.0	314.0	321.1	309.2	318.8

# Q1 FY17 Quarterly Guidance (non-GAAP)

<b>\$ Millions (except EPS)</b>	<b>Q4-16 Actual</b>	<b>Q1-17 Est.</b>
<b>Revenue</b>	<b>\$318.8</b>	<b>\$323-\$343</b>
<b>Gross margin</b>	<b>30.6%</b>	<b>~31%</b>
<b>Operating profit</b>	<b>\$31.2</b>	
<b>Operating margin</b>	<b>9.8%</b>	<b>9.9%-10.9%</b>
<b>EPS</b>	<b>\$0.29</b>	<b>\$0.27-\$0.33</b>

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