



August 17, 2005

Oplink Reports Financial Results for the Fourth Quarter and Fiscal Year 2005

Fremont, Calif., August 17, 2005 -- Oplink Communications, Inc. (Nasdaq: OPLK), a leading Photonic Foundry and provider of optical networking components, today reported financial results for the fourth quarter and fiscal year 2005 ended July 3, 2005.

For the fourth quarter of fiscal year 2005, Oplink reported revenues of \$8.9 million, which represents an increase of 5.5% over revenues of \$8.4 million reported in the third quarter of fiscal 2005. The company reported net income of \$868,000, or \$0.01 per share, for the fourth quarter of fiscal 2005, as compared to a net loss of \$359,000, or \$0.00 per share, reported in the third quarter of fiscal 2005. Net income in the fourth quarter includes a non-recurring benefit of \$1.3 million primarily related to the resolution of vendor liabilities.

For fiscal year 2005, Oplink reported total revenues of \$34.4 million and a net loss of \$2.6 million, or \$0.02 per share. This compares to revenues of \$34.3 million and a net loss of \$6.4 million, or \$0.04 per share, reported for the fiscal year ended June 27, 2004.

Oplink had more than \$186 million in cash and cash equivalents and short and long-term investments at July 3, 2005.

"We are pleased with our financial results for the fourth quarter which wraps up a good year for Oplink," commented Joe Liu, president and CEO of Oplink. "During the year, we made further progress in controlling our expenses and continue to be encouraged by overall signs of growth in our industry. We were also successful in expanding our customer base and evolving our technological capabilities to new, higher growth markets.

"In the fourth quarter, we continued to be qualified for inclusion in some of our customers' next generation products and had good revenue contributions from Nortel, Marubun, ADVA and Huawei. We are looking to our future with optimism and believe that Oplink is well-positioned with a broadening product line and low cost manufacturing capabilities that will enable us to win market share as spending increases."

For the first quarter of fiscal 2006, Oplink expects sequential revenue growth of approximately 10 percent and a net loss per share of \$0.01, which includes the cost of expensing stock options resulting from the adoption of Statement of Financial Accounting Standards No. 123 (R).

The company presents each of the fiscal quarters and fiscal year end as if it ended on the last day of each calendar quarter or twelve-month period, respectively. The company operates and reports using interim fiscal quarters and twelve-month periods, which end on the Sunday closest to the end of each calendar quarter and twelve-month period. July 3, 2005 and June 27, 2004 represent the Sunday closest to the periods ended June 30, 2005 and June 30, 2004, respectively.

Conference Call Information

The company will host a corresponding conference call and live webcast at 2:00 p.m. Pacific Time on August 17, 2005. To access the conference call, dial 800-218-8862 US or Canada and 303-262-2140 for international callers. The webcast will be available live on the Investor Relations section of the company's corporate website at <http://investor.oplink.com> and via replay beginning approximately two hours after the completion of the call until the company's announcement of its financial results for the next quarter. An audio replay of the call will also be available to investors beginning at approximately 4:00 p.m. Pacific Time on August 17, 2005 until 11:59 p.m. Pacific Time on August 19, 2005, by dialing (800) 405-2236 ((303) 590-3000 for callers outside the U.S. and Canada) and entering pass code 11035772.

About Oplink

Incorporated in 1995, Oplink is a leading provider of design, integration and optical manufacturing solutions (OMS) for optical networking components and subsystems. The company offers advanced and cost-effective optical-electrical components and subsystem manufacturing through its facilities in Zhuhai and Shanghai, China. In addition, Oplink maintains a full complement of optical-centric front-end design, application, and customer service functions at its headquarters in Fremont, California. The company's customers include telecommunications, data communications and cable TV equipment manufacturers around the globe. Oplink is committed to providing fully customized, Photonic Foundry services incorporating its subsystems manufacturing capabilities. To learn more about Oplink, visit its web site at: <http://www.oplink.com/>.

This news release contains forward-looking statements, including without limitation statements regarding opportunities for continuing growth, anticipated broadening of Oplink's product line, Oplink's ability to win market share and the guidance given for anticipated revenue and earnings per share for the first quarter of fiscal 2006, that involve risks and uncertainties, which may cause Oplink's actual results to differ substantially from expectations. These risks include, but are not limited to, the potential widespread downturn in the overall economy in the United States and other parts of the world and the telecommunications industry, including reductions in telecommunication spending activity, possible reductions in customer orders, challenges to successfully integrate and realize anticipated benefits of acquisitions of businesses or technologies, Oplink's reliance upon third parties to supply its raw materials and equipment, intense competition in Oplink's target markets and potential pricing pressure that may arise from changing supply-demand conditions in the industry, the need to retain and motivate key personnel, risks associated with the protection of Oplink's, and possible infringement of others', intellectual property, and other risks detailed from time to time in Oplink's periodic reports filed with the Securities and Exchange Commission, including the company's latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

The foregoing information represents Oplink's outlook only as of the date of this press release, and Oplink undertakes no obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

[Financial Tables](#)

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