



October 18, 2000

Finisar Corporation Announces Completion of Acquisition of Sensors Unlimited, Inc.

SUNNYVALE, Calif.--(BUSINESS WIRE)--Oct. 18, 2000--Finisar Corporation (Nasdaq:FNSR) a leading provider of gigabit fiber optic solutions for high-speed data networks, announced that the acquisition of privately-held Sensors Unlimited, Inc. was completed today. Sensors Unlimited, headquartered in Princeton, New Jersey, is the world's leading supplier of optical components that monitor the performance of dense wavelength division multiplexing (DWDM) systems.

Under the terms of the previously announced acquisition agreement, Sensors Unlimited stockholders will be entitled to receive approximately 19.3 million shares of Finisar Common Stock, including shares issuable upon exercise of options assumed in the merger. Finisar will also pay seller transaction costs totaling approximately \$16.4 million. The closing price of Finisar's Common Stock on October 17, 2000 was \$35.00 per share, giving the transaction an approximate value of \$700 million.

"The acquisition of Sensors Unlimited underscores Finisar's commitment to provide the key enabling technologies that will support the growing demand for bandwidth over optic networks," stated Jerry Rawls, Finisar's President and CEO. "Sensors brings a wealth of optoelectronics talent and experience which we can leverage to fabricate high-speed photodetectors and receivers for the datacom, metro access and telecom markets."

Sensors Unlimited will operate as a subsidiary of Finisar at its current facility in Princeton, New Jersey. Greg Olsen, Sensors Unlimited's founder and its President and CEO, has joined Finisar as an Executive Vice President and a member of Finisar's Board of Directors. Olsen will also continue to serve as President and CEO of the Sensors Unlimited subsidiary.

For the fiscal year ended December 31, 1999, Sensors Unlimited recorded product revenues of \$8.4 million and pretax income of \$3.3 million (as an S corporation). For the nine months ended September 30, 2000, Sensors Unlimited recorded unaudited product revenues of \$15.3 million and pretax income of \$5.0 million (as an S corporation). Historically, a substantial portion of Sensor's expenses for research and development have been offset by government research contracts. The acquisition will be accounted for as a purchase, and the operations of Sensors Unlimited will be included in Finisar's operating results beginning in October 2000.

About Finisar: Finisar Corporation (Nasdaq:FNSR) is a leading provider of fiber optic subsystems and network performance test systems which enable high-speed data communications over Gigabit Ethernet local area networks (LANs), Fibre Channel storage area networks (SANs), metropolitan and wide area data network applications (MANs and WANs) and CATV. The Company is focused on the application of digital fiber optics to provide a broad line of high-performance, reliable, value-added optical subsystems for networking and storage equipment manufacturers. The Company's headquarters are located at 1308 Moffett Park Drive, Sunnyvale, CA 94089 with additional operations in Princeton, N.J. For more information, visit the Company's web site at <http://www.finisar.com> or Sensors Unlimited at <http://www.sensorsinc.com>.