



November 21, 2000

## Finisar Corporation Announces Acquisition of Demeter Technologies

SUNNYVALE, Calif.--(BUSINESS WIRE)--Nov. 21, 2000--Finisar Corporation (Nasdaq:FNSR), a leading provider of gigabit fiber optic solutions for high-speed data networks, today announced it has completed the acquisition of privately-held Demeter Technologies, Inc. Demeter Technologies, headquartered in El Monte, California, is focused on the development of long wavelength Fabry Perot (FP) and Distributed Feedback (DFB) lasers for datacom and telecommunications applications.

### Live Webcast

Additional information about Finisar's acquisition of Demeter Technologies will be available in a webcast at [www.finisar.com](http://www.finisar.com) scheduled for today, November 21, at 5:00 pm EDT (2:00 pm PDT). A replay of this webcast will be available beginning approximately eight hours later.

### Background

Demeter Technologies was founded in August 2000. The founders of Demeter have extensive experience in manufacturing laser diodes in large volumes. With its early access to semiconductor processing equipment for epitaxial growth and ability to employ world class manufacturing techniques, Demeter has already demonstrated state-of-the-art laser diodes that can be directly modulated at speeds up to 10 gigabits per second. With the acquisition of Demeter, Finisar gains access to this fundamental technology in its quest to extend its capabilities as a provider of next generation fiber optic network equipment for Gigabit Ethernet, Fibre Channel and SONET.

"Demeter adds another dimension to the Finisar story," said Jerry Rawls, Finisar's President and CEO. "As a vertically integrated manufacturer of FP and DFB lasers, Demeter will play a key role in our strategy to bring new low cost solutions for datacom networks and metropolitan access," added Rawls.

"With Finisar's reputation for developing high-speed optics for Fibre Channel and Gigabit Ethernet networks and our ability to provide the lasers that will power a new generation of high-speed fiber optic subsystems, we should be able to accelerate our plans to become an important merchant supplier of emitter technology to both Finisar and others," said Ted Young, Demeter's President and CEO.

Under the terms of the agreement, Demeter Technologies merged with a wholly-owned subsidiary of Finisar, and Demeter's stockholders received approximately 6.6 million shares of Finisar Common Stock, including shares issuable upon exercise of options assumed in the merger. The transaction will be accounted for as a purchase and is intended to qualify as a tax-free reorganization. The closing price of Finisar's Common Stock on November 20, 2000 was \$22.13 per share, giving the transaction an approximate value of \$146 million. The acquisition was completed on November 21, 2000 and will be included in the financial results of Finisar for the third fiscal quarter ending January 31, 2001.

Following the merger, Demeter Technologies will operate as a subsidiary of Finisar at its current facility in El Monte, California. Ted Young, Demeter's President and CEO, will continue to serve as President and CEO of the Demeter Technologies subsidiary.

The agreement with Demeter Technologies was signed and completed on November 21, 2000. As such, Finisar will consolidate the results of Demeter Technologies as of this date.

### 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), and wide-area and metropolitan data networking applications (WANs and MANs). 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. For more information, visit the Company's web site at <http://www.finisar.com>.

### SAFE HARBOR UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The statements contained in this press release that are not purely historical are forward-looking statements within the meaning

of Section 21E of the Securities and Exchange Act of 1934, as amended, including statements regarding Finisar's expectations, beliefs, intentions, or strategies regarding the future. All forward-looking statements included in this press release are based upon information available to Finisar as of the date hereof, and Finisar assumes no obligation to update any such forward-looking statements. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially from those projected. These risks include those associated with the rapidly evolving markets for Finisar's products and uncertainty regarding the development of these markets; Finisar's historical dependence on sales to a limited number of customers and fluctuations in the mix of customers in any period; ongoing new product development and introduction of new and enhanced products; the challenges of rapid growth; intensive competition; and potential problems related to the assimilation and integration of the operations, technologies and products of two recently acquired companies, Sensors Unlimited and Demeter Technologies, as well as those of Transwave Fiber and Shomiti Systems which Finisar has agreed to acquire. Other risks relating to Finisar's business are set forth in Finisar's Annual Report on Form 10-K and other interim reports as filed with the Securities and Exchange Commission.