



FINISAR[®]

**Q3 FY16 FINANCIAL RESULTS
CONFERENCE CALL**

March 10, 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.

- ◆ Financial guidance for fiscal Q4FY16 is per earnings call on March 10, 2016 and is not being updated or confirmed as of any other date.

Q3 FY16 Highlights

Q3 FY16 revenues of \$309.2 million, a decrease of 3.7% over Q2FY16

- Telecom revenues increased \$2.6 million, or 2.9%, over Q2
- Datacom revenues decreased by \$14.5 million, or (6.2)%, over Q2

Q3 FY16 non-GAAP financial measures

- Gross margin of 30.3% compared to 30.0% in Q2FY16
- Operating expenses of \$67.3 million compared to \$68.0 million in Q2FY16
- Earnings per diluted share \$0.25 compared to \$0.25 in Q2FY16

Strong balance sheet

- Cash and short term investments increased \$10.3 million, to \$531.1 million as of January 31, 2016

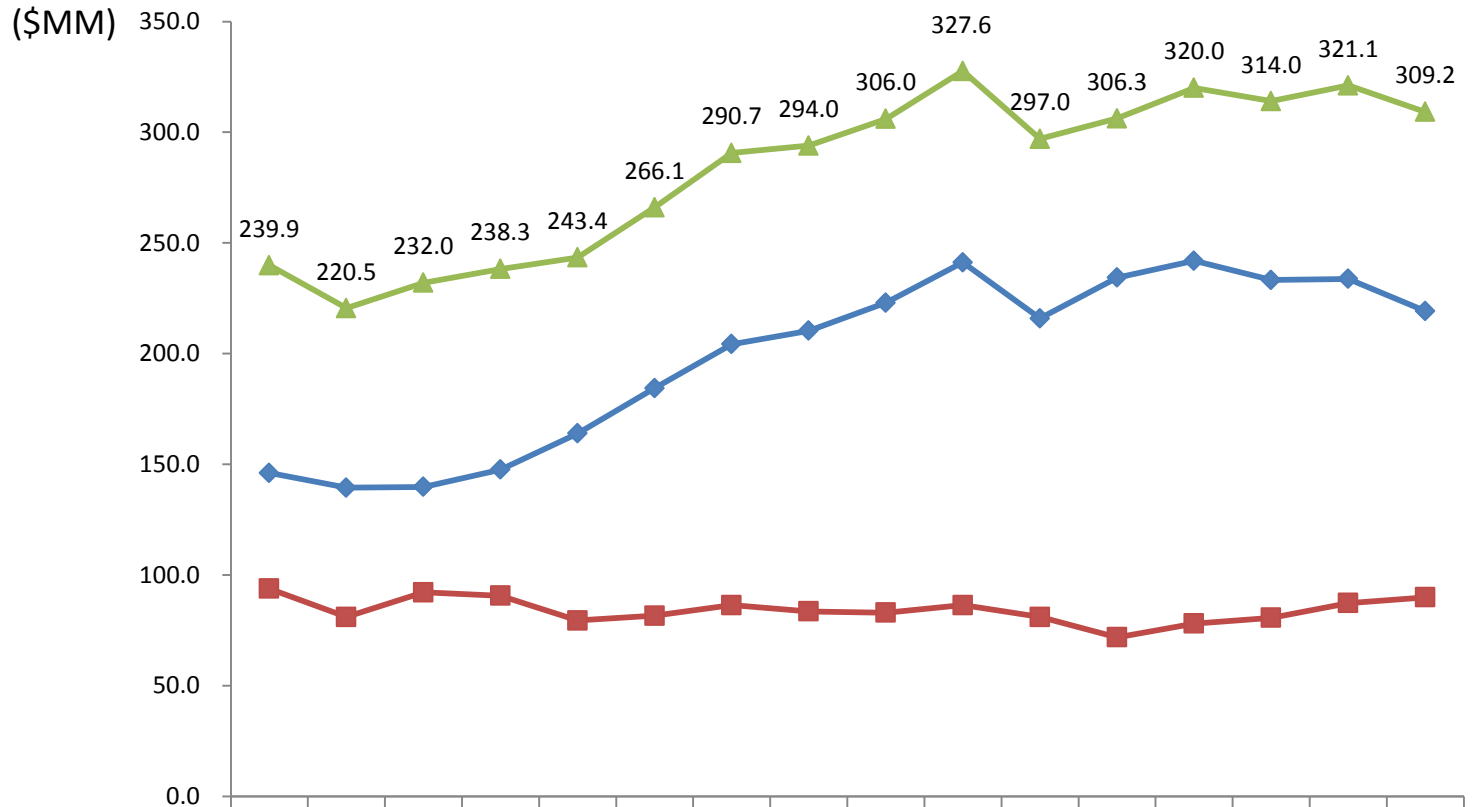
Quarterly Financial Results (GAAP)

	Q3FY15	Q2FY16	Q3FY16	Q3FY16/Q2FY16 Change
Revenue	\$306.3M	\$321.1M	\$309.2M	(3.7)%
Gross Margin (%)	25.5%	27.7%	28.4%	0.6%
Total Operating Expense	\$74.6M	\$79.7M	\$77.3M	(3.1)%
Operating Income	\$3.4M	\$9.4M	\$10.4M	11.6%
Net Income	\$1.7M	\$6.6M	\$12.1M	81.9%
EPS (Diluted)	\$0.02	\$0.06	\$0.11	\$0.05

Quarterly Financial Results (non-GAAP)

	Q3FY15	Q2FY16	Q3FY16	Q3FY16/Q2FY16 Change
Revenue	\$306.3M	\$321.1M	\$309.2M	(3.7)%
Gross Margin (%)	30.0%	30.0%	30.3%	0.3%
Total Operating Expense	\$65.1M	\$68.0M	\$67.3M	(1.1)%
Operating Income	\$26.9M	\$28.3M	\$26.3M	(6.9)%
Net Income	\$26.7M	\$26.9M	\$26.6M	(0.9)%
EPS (Diluted)	\$0.25	\$0.25	\$0.25	\$0.00

Quarterly Revenue Trends



	Q412	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415	Q116	Q216	Q316
◆ Datacom	146.1	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
■ Telecom	93.8	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
▲ Total Optics Revenue	239.9	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

Q4 FY16 Quarterly Guidance (non-GAAP)

\$ Millions (except EPS)	Q1-16 Actual	Q2-16 Actual	Q3-16 Actual	Q4-16 Est.
Revenue	\$314.0	\$321.1	\$309.2	\$307-\$327
Gross margin	30.2%	30.0%	30.3%	~30%
Operating profit	\$26.5	\$28.3	\$26.3	
Operating margin	8.4%	8.8%	8.5%	8.2%-9.2%
EPS	\$0.23	\$0.25	\$0.25	\$0.22-\$0.28

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