



FINISAR[®]

**Q4 FY18 FINANCIAL RESULTS
CONFERENCE CALL**

June 14, 2018

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 gains or losses that occur relatively infrequently and/or that management considers to be outside of our ongoing core operating results. Finisar provides a complete reconciliation between GAAP and non-GAAP financial results 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 Q1 FY19 is per earnings call on June 14, 2018 and is not being updated or confirmed as of any other date.

Q4 FY18 Summary

Q4 FY18 revenues of \$310.1 million compared to \$332.4 in Q3FY18

- Datacom revenues decreased \$18.1 million, or -6.8%, compared to Q3FY18
 - Primarily due to a decline in revenues for our VCSEL laser arrays for 3D sensing applications
- Telecom revenues decreased \$4.2 million, or -6.4%, compared to Q3FY18
 - Primarily due to the full three-month impact of the annual telecom price reductions

Q4 FY18 non-GAAP financial measures

- Gross margin of 24.7% compared to 28.6% in Q3FY18
- Operating margin of 1.5% compared to 6.8% in Q3FY18
- Earnings per diluted share \$0.05 compared to \$0.20 in Q3FY18

Strong balance sheet

- Cash and short term investments of \$1.2 billion as of April 29, 2018

Quarterly Financial Results (GAAP)

| | Q4FY17 | Q3FY18 | Q4FY18 | Q4FY18/Q3FY18 Change |
|--------------------------------|----------|-----------|-----------|-------------------------|
| Revenue | \$357.5M | \$332.4M | \$310.1M | (6.7)% |
| Gross Margin (%) | 35.0% | 26.5% | 20.2% | (6.3)% |
| Total Operating Expense | \$84.3M | \$94.2M | \$89.3M | (5.2)% |
| Operating Income (loss) | \$40.8M | \$(6.1M) | \$(26.7M) | N/A |
| Net Income (loss) | \$130.2M | \$(55.7M) | \$(18.3M) | N/A |
| EPS (Diluted) | \$1.13 | \$(0.49) | \$(0.16) | \$0.33 |

Quarterly Financial Results (non-GAAP)

| | Q4FY17 | Q3FY18 | Q4FY18 | Q4FY18/Q3FY18 Change |
|--------------------------------|----------|----------|----------|-------------------------|
| Revenue | \$357.5M | \$332.4M | \$310.1M | (6.7)% |
| Gross Margin (%) | 36.2% | 28.6% | 24.7% | (3.9)% |
| Total Operating Expense | \$71.0M | \$72.4M | \$72.0M | (0.5)% |
| Operating Income | \$58.4M | \$22.7M | \$4.6M | (79.9)% |
| Net Income | \$57.5M | \$22.8M | \$5.8M | (74.7)% |
| EPS (Diluted) | \$0.50 | \$0.20 | \$0.05 | \$(0.15) |

FY18 Summary

FY18 revenues of \$1.316 billion, an decrease of 9.2% over FY17

- Telecom revenues decreased \$120.0 million, or -29.5%, over FY17
 - Primarily due to lower demand from our Chinese OEM customers
- Datacom revenues decreased \$12.8 million, or 1.2%, over FY17
 - Primarily due to lower demand from our Chinese OEM customers

FY18 non-GAAP financial measures

- Gross margin of 29.7% compared to 35.9% in FY17
- Operating margin of 7.5% compared to 16.6% in FY17
- Operating expenses of \$292.2 million or 22.2% of revenue compared to \$280.3 million or 19.3% of revenue in FY17
- Earnings per diluted share \$0.86 compared to \$2.03 in FY17

Strong balance sheet

- Cash and short term investments of \$1.2 billion as of April 29, 2018

Annual Financial Results (GAAP)

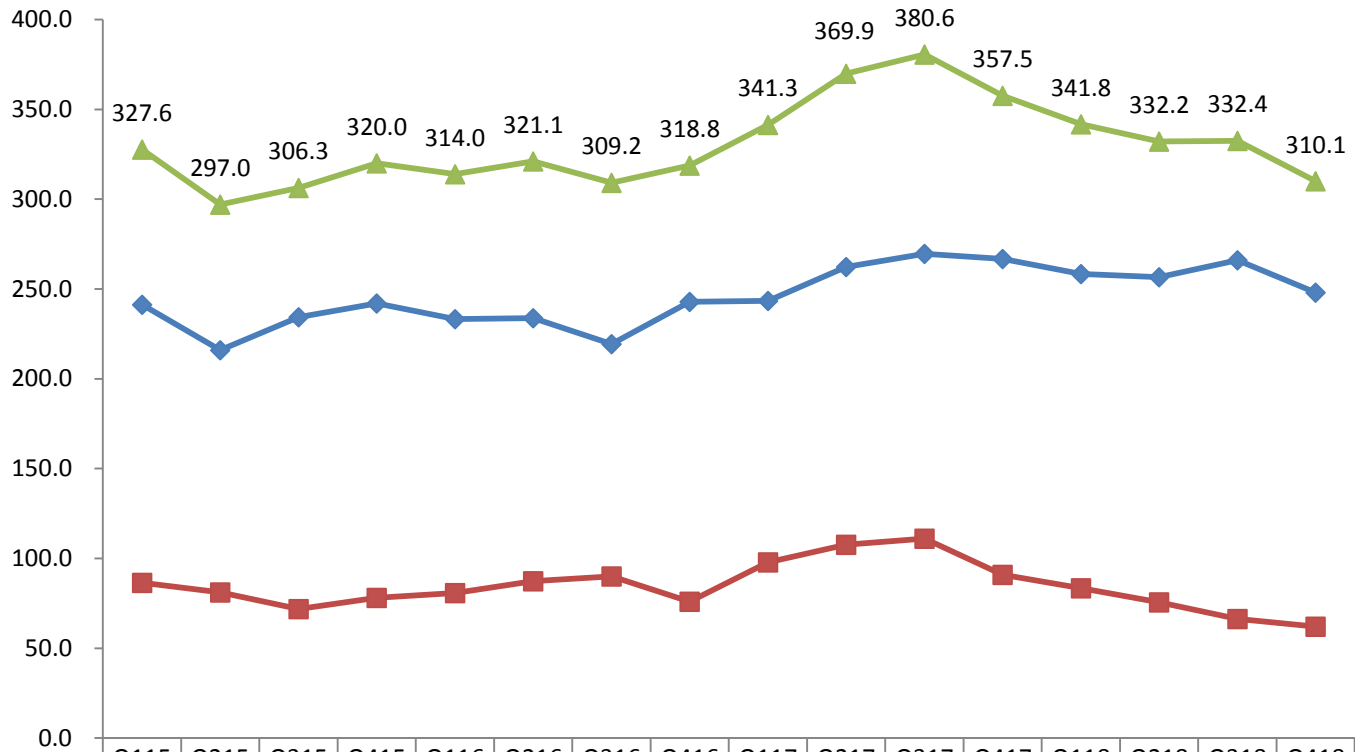
| | FY17 | FY18 | FY18/FY17 Change |
|--------------------------------|-------------|-------------|-----------------------------|
| Revenue | \$1,449.3M | \$1,316.5M | (9.2)% |
| Gross Margin (%) | 34.8% | 27.5% | (7.3)% |
| Total Operating Expense | \$326.8M | \$355.7M | 8.8% |
| Operating Income | \$176.9M | \$6.5M | (96.3)% |
| Net Income (Loss) | \$249.3M | \$(48.3)M | (119.4)% |
| EPS (Diluted) | \$2.19 | \$(0.42) | \$(2.61) |

Annual Financial Results (non-GAAP)

| | FY17 | FY18 | FY18/FY17 Change |
|--------------------------------|-------------|-------------|-----------------------------|
| Revenue | \$1,449.3M | \$1,316.5M | (9.2)% |
| Gross Margin (%) | 35.9% | 29.7% | (6.2)% |
| Total Operating Expense | \$280.3M | \$292.2M | 4.3% |
| Operating Income | \$240.6M | \$99.2M | (58.8)% |
| Net Income | \$231.7M | \$100.4M | (56.7)% |
| EPS (Diluted) | \$2.03 | \$0.86 | \$(1.17) |

Quarterly Revenue Trends

(\$MM)



| | Q115 | Q215 | Q315 | Q415 | Q116 | Q216 | Q316 | Q416 | Q117 | Q217 | Q317 | Q417 | Q118 | Q218 | Q318 | Q418 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ◆ Datacom | 241.2 | 215.9 | 234.4 | 242.0 | 233.3 | 233.8 | 219.3 | 242.9 | 243.4 | 262.3 | 269.5 | 266.7 | 258.3 | 256.6 | 266.1 | 248.0 |
| ■ Telecom | 86.4 | 81.1 | 71.9 | 78.1 | 80.7 | 87.4 | 89.9 | 75.9 | 97.9 | 107.6 | 111.1 | 90.9 | 83.5 | 75.6 | 66.3 | 62.1 |
| ▲ Total Optics Revenue | 327.6 | 297.0 | 306.3 | 320.0 | 314.0 | 321.1 | 309.2 | 318.8 | 341.3 | 369.9 | 380.6 | 357.5 | 341.8 | 332.2 | 332.4 | 310.1 |

Q1 FY19 Quarterly Non-GAAP Guidance (1)

| \$ Millions (except EPS) | Q4-18 Actual | Q1-19 Est. |
|-------------------------------------|-------------------------|-----------------------|
| Revenue | \$310.1 | \$305-\$325 |
| Gross margin | 24.7% | 26%-27% |
| Operating profit | \$4.6 | |
| Operating margin | 1.5% | 4%-5% |
| EPS | \$0.05 | \$0.10-\$016 |

- Financial guidance for fiscal Q1FY19 is per earnings call on June 14, 2018 and is not being updated or confirmed as of any other date.

(1) Finisar has not provided a reconciliation of its first quarter outlook for non-GAAP gross margin, non-GAAP operating margin and non-GAAP earnings per fully diluted share because estimates of all of the reconciling items cannot be provided without unreasonable efforts. It is difficult to reasonably provide a forward-looking estimate of certain reconciling items between such non-GAAP forward-looking measures and the comparable forward-looking GAAP measures. Certain factors that are materially significant to Finisar's ability to estimate these items are out of its control and/or cannot be reasonably predicted, including with respect to restructuring charges, litigation settlements and resolutions and related costs, and the timing of tax related adjustments. Accordingly, a reconciliation of such non-GAAP forward-looking measures to the comparable forward-looking GAAP measures are not available within a reasonable range of predictability.