



July 6, 2016

## **EMCORE to Issue Special Dividend of \$1.50 per share**

### **Company completes return of approximately \$85M to shareholders with special dividend**

ALHAMBRA, Calif., July 06, 2016 (GLOBE NEWSWIRE) -- EMCORE Corporation (NASDAQ:EMKR), a leading provider of Indium Phosphide (InP) optical chips, components, subsystems and systems for the broadband and specialty fiber optics market, announced today that it has completed its strategic review and will distribute \$1.50 per share via a special dividend payable on July 29, 2016 to shareholders of record as of July 18, 2016.

With this action, EMCORE's Board of Directors will have returned approximately \$85M of cash to its shareholders since June 2015, representing approximately 50% of the cash received from operations sold in the prior fiscal year.

"The return of cash to shareholders will strongly improve the Return on Assets of the business by reducing our overall capitalization, while maintaining flexibility to invest in new market opportunities to accelerate earnings growth," says Jeffrey Rittichier, President and CEO. "As previously stated, we're encouraged by the performance of our CATV and Fiber Optic Gyro businesses and see strong growth opportunities in these and other areas to continue improving our financial performance," added Rittichier.

"During my first year at EMCORE, we grew revenues 47% and improved gross margins 13 points from FY14 to FY15, positioning the company for profitable growth. Building on this progress, we returned \$45M to shareholders in June 2015 and began executing a strategic re-alignment of the manufacturing operations to drive margins higher. With the core operations of the business on improved footing, in December 2015 the Board and management began a comprehensive strategic review to strike the right balance between returning assets to shareholders and investing in growth opportunities. During this review period, we actively worked to eliminate risks to our balance sheet posed by the Sumitomo arbitration and other lingering liabilities. Given the recent successful outcome of the Sumitomo arbitration and the completion of our strategic review, we are pleased to announce this return of capital to our shareholders," continued Rittichier.

As part of the strategic review process, the company evaluated its growth opportunities in existing and adjacent markets, analyzed its products, technologies and production capabilities, and concluded that it could fully leverage its core competency in *Mixed-Signal Optics* in both existing and new markets. As *Mixed-Signal* devices have both analog and digital circuits on multiple chips, or even a single chip, the value of these solutions are often far greater than traditional digital applications, and as a result require a specialized expertise which is unique in the optics industry.

"Given EMCORE's existing leadership in *Mixed-Signal Optic* products such as DOCSIS 3.1 transmission devices, and emerging position in new products such as Fiber Optic Gyros and 5G Distributed Antenna System components for wireless applications, it became clear there is an opportunity to leverage our core *Mixed-Signal* competencies to penetrate new markets. EMCORE is uniquely positioned as a supplier of advanced *Mixed-Signal* solutions given our design expertise and our captive wafer fabrication facility," continued Rittichier. "*Mixed-Signal* technology is at the heart of all of our products, and is shared between Fiber Optic Gyros (Sensor) and our CATV (Transmission) products alike. As a matter of fact, if one were to open up one of our Fiber Gyros, one would see a miniature communication link that requires the same technologies, chip designs and production assets as our CATV products, giving us the ability to leverage our high volume infrastructure against lower volume, higher value added product," concluded Rittichier.

The Company is currently in a quiet period until it reports its fiscal third quarter results at which time the Company will host its regularly scheduled quarterly conference call. For more information regarding the special cash dividend please visit the investors section of the Company's website at <http://investor.emcore.com/downloads.cfm> for a copy of the Question and Answer document.

### **About EMCORE**

EMCORE Corporation designs and manufactures Indium Phosphide (InP) optical chips, components, subsystems and systems for the broadband and specialty fiber optics market. EMCORE was the pioneer in linear fiber optic transmission technology, and today is a leader in optical components, as well as a provider of complete end-to-end solutions for high-speed communications network infrastructures, enabling systems and service providers to meet growing demand for bandwidth and connectivity. EMCORE's advanced optical technologies are designed for cable television (CATV) and fiber-to-the-premise (FTTP) networks, telecommunications and data centers, satellite communications, aerospace and defense,

wireless networks, and broadcast and professional audio/video systems. With its world-class InP semiconductor wafer fabrication facility, EMCORE has fully vertically-integrated manufacturing capability and also provides contract design, foundry and component packaging services. EMCORE is headquartered in Alhambra, California, USA with InP wafer fabrication operations in Alhambra, and ISO 9001 certified manufacturing in Alhambra and Langfang, China. For further information, please visit <http://www.emcore.com>.

#### **Forward-looking statements:**

The information provided herein may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business and expansion into new markets. These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about EMCORE and are subject to risks and uncertainties that could cause actual results and events to differ materially from those stated in the forward-looking statements, including without limitation, the following: (a) the rapidly evolving markets for the Company's products and uncertainty regarding the development of these markets; (b) the Company's historical dependence on sales to a limited number of customers and fluctuations in the mix of products and customers in any period; (c) delays and other difficulties in commercializing new products; (d) the failure of new products: (i) to perform as expected without material defects, (ii) to be manufactured at acceptable volumes, yields, and cost, (iii) to be qualified and accepted by our customers, and (iv) to successfully compete with products offered by our competitors; (e) uncertainties concerning the availability and cost of commodity materials and specialized product components that we do not make internally; (f) actions by competitors; and (g) other risks and uncertainties discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, as updated by our subsequent periodic reports. Forward-looking statements contained in this press release are made only as of the date hereof, and EMCORE undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

#### Contact:

EMCORE Corporation

Jikun Kim

Chief Financial Officer

(626) 293-3400

[investor@emcore.com](mailto:investor@emcore.com)

#### Media

Joel Counter

Manager, Corporate Marketing Communications

(626) 999-7017

[media@emcore.com](mailto:media@emcore.com)

#### Investors

Erica Mannion

Sapphire Investor Relations, LLC

(617) 542-6180

[investor@emcore.com](mailto:investor@emcore.com)