



May 5, 2016

EMCORE Corporation Announces Financial Results for Fiscal Second Quarter

- | Consolidated Q2 revenue of \$21.5 million
- | Consolidated Q2 GAAP net income of \$4.0 million after taking into effect income from discontinued operations of \$4.1 million
- | Non-GAAP Q2 income from continuing operations of \$0.6 million and GAAP loss from continuing operations of \$0.2 million
- | Expected Q3 revenue of \$22 to \$24 million

ALHAMBRA, Calif., May 05, 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, today announced financial results for its second quarter ended March 31, 2016.

Financial Highlights - Second Quarter Ended March 31, 2016

Financial Highlights (in thousands)

	For the Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Revenue	\$ 21,532	\$ 22,490	\$ 19,057
Gross Profit	\$ 7,022	\$ 7,401	\$ 6,379
Operating (loss) income	\$ (367)	\$ 20	\$ (1,597)
Consolidated net income, including discontinued operations	\$ 3,982	\$ 987	\$ 3,052
Income from continuing operations - Non-GAAP	\$ 599	\$ 1,285	\$ 249

Financial Statement Highlights for the Second Quarter of Fiscal 2016:

- | Consolidated revenue was \$21.5 million, representing a 4.3% decrease from the immediate preceding quarter
- | Consolidated gross margin was 32.6%, a decrease from the 32.9% gross margin reported in the immediate preceding quarter
- | Non-GAAP income from continuing operations was \$0.6 million, a decrease of approximately \$0.7 million over the immediate preceding quarter
- | Consolidated net income of \$4.0 million, includes \$3.8 million of income from discontinued operations related to the SEI arbitration ruling, is a \$3.0 million increase compared to the immediate preceding quarter
- | Consolidated net income per share was \$0.15 compared to net income per share of \$0.04 in the immediate preceding quarter
- | Cash and cash equivalents was \$110.0 million at the end of the quarter

Business Outlook

The Company expects revenue for the third quarter ended June 30, 2016 to be in the range of \$22 to \$24 million.

Conference Call

The Company will discuss its financial results today at 4:30 p.m. ET. The call will be webcast at <http://investor.emcore.com/events.cfm>. A webcast will be available for replay following the conclusion of the call on the Company's website.

Conferences

Management will participate in the upcoming conferences:

- | B. Riley & Co. 17th Annual Investor Conference in Hollywood, CA on May 26, 2016

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 with InP wafer fabrication operations in Alhambra, and ISO 9001 certified manufacturing in Alhambra and Langfang, China. For further information about EMCORE, visit <http://www.emcore.com>.

Use of Non-GAAP Financial Measures

We disclose non-GAAP net income (loss) from continuing operations as a supplemental measure to U.S. GAAP loss from continuing operations regarding our operational performance. This financial measure excludes the impact of certain items that we do not believe are indicative of our core operating results; therefore, it has not been calculated in accordance with U.S. GAAP.

We believe that this additional non-GAAP financial measure is useful to investors in assessing our operating performance. We also use this financial measure internally to evaluate our operating performance and for planning and forecasting of future periods. In addition, financial analysts that follow us may focus on and publish both historical results and future projections based on our non-GAAP financial measure. We also believe that it is in the best interest of our investors to provide this non-GAAP information.

While we believe that this non-GAAP financial measure provides useful supplemental information to investors, there are limitations associated with the use of this non-GAAP financial measure. Our non-GAAP financial measure may not be reported by all of our competitors and it may not be directly comparable to similarly titled measures of other companies due to potential differences in calculation. We compensate for these limitations by using this non-GAAP financial measure as a supplement to U.S. GAAP and by providing a reconciliation of our non-GAAP financial measure to its most comparable U.S. GAAP financial measure.

Non-GAAP financial measures are not in accordance with or an alternative for U.S. GAAP. Our non-GAAP financial measure is not meant to be considered in isolation or as a substitute for comparable U.S. GAAP financial measures and it should be read only in conjunction with our consolidated financial statements prepared in accordance with U.S. GAAP.

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 Exchange Act of 1934. These forward-looking statements are largely based on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Such forward-looking statements include, in particular, projections about our future results included in our Exchange Act reports, statements about our plans, strategies, business prospects, changes and trends in our business and the markets in which we operate.

These forward-looking statements may be identified by the use of terms and phrases such as "anticipates", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "plans", "projects", "targets", "will", and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters such as the development of new products, enhancements or technologies, sales levels, expense levels and other statements regarding matters that are not historical are forward-looking statements. We caution that these forward-looking statements relate to future events or our future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance or achievements of our business or our industry to be materially different from those expressed or implied by any forward-looking statements.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, 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.

Neither management nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All forward-looking statements in this press release are made as of the date hereof, based on information available to us as of the date hereof, and subsequent facts or circumstances may contradict, obviate, undermine, or otherwise fail to support or substantiate such statements. We caution you not to rely on these statements without also considering the risks and uncertainties associated with these statements and our business that are addressed in our filings with the SEC that are available on the SEC's web site located at www.sec.gov, including the sections entitled "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. Certain information included in this press release may supersede or supplement forward-looking statements in our other Exchange Act reports filed with the SEC. We assume no obligation to update any forward-looking statement to conform such statements to actual results or to changes in our expectations, except as required by applicable law or regulation.

EMCORE CORPORATION
Condensed Consolidated Statements of Operations
(in thousands, except per share data) (unaudited)

	For the Three Months Ended			For the Six Months Ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
Revenue	\$ 21,532	\$ 22,490	\$ 19,057	\$ 44,022	\$ 37,473
Cost of revenue	14,510	15,089	12,678	29,599	25,915
Gross profit	7,022	7,401	6,379	14,423	11,558
Operating expense (income):					
Selling, general, and administrative	4,825	4,821	5,954	9,646	14,581
Research and development	2,564	2,560	2,022	5,124	4,196
Gain from change in estimate on ARO obligation	—	—	—	—	(845)
Loss on sale of assets	—	—	—	—	228
Total operating expense	7,389	7,381	7,976	14,770	18,160
Operating (loss) income	(367)	20	(1,597)	(347)	(6,602)
Other income (expense):					
Interest income (expense), net	25	(17)	165	8	35
Foreign exchange gain (loss)	25	(135)	(6)	(110)	51
Change in fair value of financial instruments	—	—	86	—	122
Total other income (expense)	50	(152)	245	(102)	208
Loss from continuing operations before income tax benefit (expense)	(317)	(132)	(1,352)	(449)	(6,394)
Income tax benefit (expense)	155	(2)	396	153	2,308
Loss from continuing operations	(162)	(134)	(956)	(296)	(4,086)
Income from discontinued operations, net of tax	4,144	1,121	4,008	5,265	63,266
Net income	\$ 3,982	\$ 987	\$ 3,052	\$ 4,969	\$ 59,180
Per share data:					
Net (loss) income per basic and diluted share:					
Continuing operations	\$ (0.01)	\$ 0.00	\$ (0.03)	\$ (0.01)	\$ (0.13)
Discontinued operations	0.16	0.04	0.13	0.20	2.00
Net income per basic and diluted share	\$ 0.15	\$ 0.04	\$ 0.10	\$ 0.19	\$ 1.87
Weighted-average number of basic and diluted shares outstanding	25,942	25,697	32,077	25,818	31,640

EMCORE CORPORATION
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	As of March 31, 2016	As of September 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,031	\$ 111,885
Restricted cash	529	375
Accounts receivable, net	19,326	17,319
Inventory	16,792	17,130
Prepaid expenses and other current assets	4,362	4,976
Total current assets	151,040	151,685
Property, plant, and equipment, net	10,228	8,925
Other non-current assets, net	298	297
Total assets	\$ 161,566	\$ 160,907
LIABILITIES and SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,150	\$ 7,189
Deferred gain associated with sale of assets	—	3,400
Accrued expenses and other current liabilities	9,859	13,102
Total current liabilities	18,009	23,691
Asset retirement obligations	1,540	1,774
Total liabilities	19,549	25,465
Shareholders' equity:		
Common stock	763,654	762,003
Treasury stock	(47,721)	(47,721)
Accumulated other comprehensive income	802	847
Accumulated deficit	(574,718)	(579,687)
Total shareholders' equity	142,017	135,442
Total liabilities and shareholders' equity	\$ 161,566	\$ 160,907

We have provided a reconciliation of our non-GAAP income (loss) from continuing operations financial measure to its most directly comparable U.S. GAAP financial measure as indicated in the table below:

EMCORE Corporation
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
Loss from Continuing Operations
(in thousands, except per share data)
(unaudited)

For the Six Months

	For the Three Months Ended			Ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
Loss from continuing operations - US GAAP	\$ (162)	\$ (134)	\$ (956)	\$ (296)	\$ (4,086)
Adjustments:					
Amortization expense	—	—	6	—	12
Stock-based compensation expense	613	363	1,034	976	2,808
Income tax (benefit) expense	(155)	2	(396)	(153)	(2,308)
Accretion expense	15	15	52	30	68
Gain from change in estimate on ARO obligation	—	—	—	—	(845)
Compensation expense associated with sale of Businesses	—	—	353	—	2,471
Specific severance and restructuring charges	—	—	—	—	965
Foreign exchange (gain) loss	(25)	135	6	110	(51)
Loss on sale of assets	—	—	—	—	228
Change in fair value of financial instruments	—	—	(86)	—	(122)
Expenses associated with the legal arbitration and lawsuit	313	904	236	1,217	277
Total adjustments	761	1,419	1,205	2,180	3,503
Income (loss) from continuing operations - Non-GAAP	\$ 599	\$ 1,285	\$ 249	\$ 1,884	\$ (583)
Income (loss) from continuing operations - Non-GAAP per basic and diluted share	\$ 0.02	\$ 0.05	\$ 0.01	\$ 0.07	\$ (0.02)
Weighted average number of basic and diluted shares outstanding	25,942	25,697	32,077	25,818	31,640

Stock-based compensation expense

The effect of recording stock-based compensation expense was as follows:

Stock-based Compensation Expense	For the Three Months Ended			For the Six Months Ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
<i>(in thousands)</i>					
Cost of revenue	\$ 113	\$ 69	\$ 81	\$ 182	\$ 185
Selling, general, and administrative	420	188	849	608	2,414
Research and development	80	106	104	186	209
Total stock-based compensation expense	\$ 613	\$ 363	\$ 1,034	\$ 976	\$ 2,808

Contact:

EMCORE Corporation
Mark Weinswig
(626) 293-3400
investor@emcore.com

Sapphire Investor Relations, LLC
Erica Mannion or Michael Funari
(617) 542-6180
investor@emcore.com