



EMCORE Enters Into an Agreement to Sell a Majority Interest in Its Fiber Optics Business Resulting in the Completion of Its Restructuring

ALBUQUERQUE, NM--(Marketwire - February 3, 2010) - EMCORE Corporation (NASDAQ: EMKR), a leading provider of compound semiconductor-based components, subsystems and systems for the fiber optic and solar power markets, announced today it has entered into a share purchase agreement to create a joint venture with Tangshan Caofeidian Investment Corporation (TCIC), a Chinese investment company located in Caofeidian Industry Zone, Tangshan City, Hebei Province of China. Caofeidian Industry Zone is a fast developing area in the strategic Bohai Rim Economical Region with a total investment of US\$ 26.4 billion, and hosts a large number of corporations and enterprises, including China Capital Steel, Sinopec, and others.

The agreement provides for TCIC to purchase a sixty percent (60%) interest in EMCORE's Fiber Optics business (excluding its satellite communications and specialty photonics fiber optics product lines), which will be operated as a joint venture once the transaction is closed. The new joint venture entity will be named EMCORE Fiber Optics, Limited (EFO), and registered in Hong Kong. The agreement provides for TCIC to pay EMCORE approximately \$27.8 million in cash and provide an additional funding of \$27 million to EFO after the closing.

The Fiber Optics businesses included in this transaction are EMCORE's telecom, enterprise, cable TV (CATV), fiber-to-the-premises (FTTP), and video transport product lines. EMCORE will retain the satellite communications and specialty photonics fiber optics product lines as well as the satellite and terrestrial solar businesses.

Under the terms of the agreement, EMCORE's Executive Chairman and Chairman of the Board, Mr. Reuben F. Richards, Jr. will resign his position as Executive Chairman of EMCORE and will assume the role of CEO for EFO. In addition, certain other EMCORE senior executives and the employees currently working for the transferred product lines will be offered positions with EFO. EMCORE's President and CEO, Dr. Hong Q. Hou, will also serve as a Director of EFO, providing strategic and operational oversight to the joint venture.

Tangshan Caofeidian Investment Corporation nominated Dr. Yi Li as Chairman of the Board for EFO and TCIC will name a CFO to EFO subsequent to the closing.

Over the next several years, the joint venture will focus on developing a high volume, low cost manufacturing infrastructure and a local customer support organization to better serve the expanding customer base in China and worldwide. Furthermore, TCIC has committed to providing additional funding support for the JV's future strategic growth through acquisitions.

"This is one of the most transformational transactions in the history of EMCORE," stated Dr. Hong Hou. "This transaction creates two well capitalized, industry-leading companies within their respective industries and will enable EMCORE to focus on growing its photovoltaic and defense/homeland security businesses. This strategy was put into motion more than two years ago by our Board of Directors. We are very pleased to be entering into this joint venture with TCIC and look forward to continuing to expand our Fiber Optics business and creating value for our shareholders."

"EMCORE's advanced technology, broad product portfolio, and high-quality customer base are very impressive. TCIC plans to provide a competitive fulfillment infrastructure and expand the JV's customer penetration in Asia by strengthening the China operation." Mr. Wenhong Tang, Vice Mayor of Tangshan City, further commented, "EMCORE's Fiber Optics business is a great platform for future growth through accelerated new product development. We are committed to providing the resources needed to achieve this vision."

Mr. Richards stated, "This recapitalization allows the Fiber Optics business to aggressively expand its business penetration to major OEM customers worldwide, and accelerate new products to market. In addition to the organic growth, we will also pursue other strategic growth opportunities in the form of acquisitions to expand our business."

The transaction is expected to close within 90 days pending relevant government and regulatory approvals and the approvals of the Boards of Directors of both parties.

In conjunction with the establishment of the joint venture, EMCORE and TCIC also entered into a supplemental agreement pursuant to which EMCORE agrees to establish its China terrestrial concentrator photovoltaics (CPV) manufacturing and operations base in Caofeidian Industry Zone. The agreement includes a commitment by TCIC to provide EMCORE with the equivalent of US\$3,300,000 in RMB denominated loans, tax and rent incentives and assistance in developing EMCORE's solar power business in China.

EMCORE management will address the details of this transaction in its upcoming December quarter earnings conference call. EMCORE will announce the details of this earnings call in an upcoming press release, which will include information on how to access the call.

Jefferies & Company, Inc. acted as exclusive investment advisors to EMCORE for this transaction.

About EMCORE

EMCORE Corporation offers a broad portfolio of compound semiconductor-based products for the broadband, fiber optic, satellite and solar power markets. EMCORE's Fiber Optic segment offers optical components, subsystems and systems for high speed data and telecommunications networks, cable television (CATV) and fiber-to-the-premises (FTTP). EMCORE's Photovoltaic segment provides products for both satellite and terrestrial applications. For satellite applications, EMCORE offers high efficiency Gallium Arsenide (GaAs) solar cells, Covered Interconnect Cells (CICs) and panels. For terrestrial applications, EMCORE is adapting its high-efficiency GaAs solar cells for use in solar concentrator systems. For further information about EMCORE, visit <http://www.emcore.com>.

EMCORE was advised in connection with these matters by Jefferies & Company, Inc.

About Tangshan Caofeidian Investment Co., Ltd.

Tangshan Caofeidian Investment Co., Ltd. (TCIC) was established in March, 2006 in Caofeidian Industry Zone to provide financial and other supports to corporations and enterprises within the zone and promote local economic development. TCIC, under direct administration of Caofeidian Industry Zone, has funded numerous companies and projects in port, highway, and high technology areas.

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. Such forward-looking statements include, but are not limited to, any statement or implication that the transaction described herein will actually close and will produce the anticipated results described for EMCORE. Such forward-looking statements involve risks and uncertainties that, if realized, could materially impair EMCORE's results of operations, business, and financial condition. These risks and uncertainties include, but are not limited to, (a) the fact that the transaction is conditional on the approval of both parties' Boards of Directors means that the legal obligations of both parties are effectively unenforceable until such approvals are obtained; (b) the ability of both parties to satisfy the conditions necessary for the closing of the transaction, including obtaining the required governmental approvals in both the United States and the People's Republic of China[®] the ability of the Joint Venture and EMCORE to successfully transition the transferred fiber optics and photovoltaic businesses business; (d) the ability of the Joint Venture to retain critical employees of the transferred business; and the acceptance by the customers of the transferred business of the Joint Venture as a supplier; (e) the ability to transition certain key agreements, including lease arrangements, and (f) EMCORE's ability to successfully establish its new CPV facility. The forward-looking statements contained in this news release are made as of the date hereof and EMCORE does not assume any obligation to update the reasons why actual results could differ materially from those projected in the forward-looking statements.

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