



## Bookham and Avanex Close Merger

### *New Combined Company Named "Oclaro"*

**SAN JOSE, Calif., – April 27, 2009** – Bookham, Inc. (NASDAQ: BKHM), and Avanex Corporation (NASDAQ: AVNX), today announced they have closed their merger, thereby creating one of the largest suppliers of optical components, modules and subsystems to the long-haul and metro telecommunications markets. Also announced today, the newly combined company will be named Oclaro, Inc. The "Oclaro" name was created through a combination of the words "Optical" and "Clarity," to communicate Oclaro's bold clarity of vision and focus on photonics innovation with a complete portfolio of technology, components, modules and subsystems for fiber optic communications. The company's stock will trade on the NASDAQ Global Market with the stock symbol "OCLR," beginning at the start of trading on April 28, 2009.

"The closing of this merger is a significant milestone in our quest to be a predominant force in the fiber optics industry," said Alain Couder, president and CEO, Oclaro. "By uniting the best components expertise of Bookham with the modules and subsystems best expertise of Avanex, Oclaro has the necessary products and technologies under one roof to become a market setter in the future of the fiber optic market."

Oclaro is well positioned to serve the fast-growing telecommunications market, where new applications such as video streaming, social networking, and cloud computing are driving ever-increasing Internet traffic, with a strong demand for more throughput and performance. Oclaro, through the combination of Bookham and Avanex, now has the core technologies to capitalize on that anticipated growth. In addition, the company has a strategy to leverage its core technologies to expand into adjacent markets, including industrial, defense, life sciences, semiconductor, and scientific, with diversification providing both the potential for significant new revenue streams and strategic technological advantage.

"The completion of this transaction is a big step forward for the optical components industry, and one we believe will produce a company capable of thriving in a rapidly consolidating industry," commented Andrew Schmitt, Directing Analyst, Optical, at Infonetics Research.

"The combined product portfolios and customer bases of Bookham and Avanex should see Oclaro positioned as one of the market leaders in metro and long-haul networks, with combined revenues placing the company firmly in the tier 1 bracket."



Under the terms of the merger agreement, Avanex shareholders will receive, at a fixed exchange ratio, 5.426 shares of Bookham common stock for every share of Avanex common stock. As of the close of today's trading, Avanex's stock will no longer trade on the NASDAQ stock market. In two separate special shareholder meetings shareholders overwhelmingly supported the merger with 95.79% of the total Bookham shareholders' votes cast approving the issuance of shares in the merger, and 98.73% of the total Avanex shareholders' votes cast approving the merger.

In addition to approving the proposed merger with Avanex, Bookham's shareholders approved an amendment to Bookham's restated certificate of incorporation to increase the number of authorized shares of Bookham common stock to 450,000,000 shares (on a pre-reverse stock split basis); and approved the proposal to amend Bookham's restated certificate of incorporation that, upon Board approval, would effect a reverse stock split of the issued and outstanding shares of Bookham (now Oclaro) common stock (within a certain range) and a corresponding proportionate reduction in the total number of authorized shares of Bookham (now Oclaro) common stock and preferred stock.

Oclaro currently expects that the combination will be Adjusted EBITDA positive in the September 2009 quarter, the first full quarter after the close of the transaction. The company also expects to generate at least \$7 million of quarterly cost savings by the end of the fourth full quarter post-close, which at that time would represent approximately \$28 million, or more, annually.

"The combined in-house and outsourced manufacturing operations are expected to give Oclaro significant production flexibility, which in turn is expected to drive gross margin improvement," said Couder. "Overall, Oclaro is a well capitalized, liquid company. With substantial combined cash and no outstanding debt, Oclaro has a strong balance sheet from day one."

#### **Oclaro Structure and Leadership Team**

Oclaro headquarters will be in San Jose, California, with management of the combined companies consisting of executives and board members from both organizations. Alain Couder will be the president and CEO of Oclaro. Jim Haynes will be the chief operating officer of Oclaro. In addition, Jerry Turin will be the chief financial officer for Oclaro.



The company's organization will be structured around three customer-facing operating units focused on Transmission, Regeneration and Optical Routing, and Advanced Photonic Solutions as follows:

<i>Division</i>	<i>Products</i>	<i>Leadership</i>
<i>Transmission</i>	<i>10G and 40G Optical Components, Transponders, and Tunable Transceivers</i>	<i>Adrian Meldrum - EVP</i>
<i>Regeneration and Optical Routing</i>	<i>Amplification (Components, Gain Blocks, Controlled Amplifier Modules, Subsystems); Dispersion (Fixed DC and Tunable DC); Wavelength Routing (WSS, Passives, Interleavers, and Subsystems)</i>	<i>Richard Smart - EVP</i>
<i>Advanced Photonics Solutions</i>	<i>High Power Lasers and VCSELS; Photonics Tools and Filters</i>	<i>Yves LeMaitre - EVP</i>

The combined company starts Day 1 with approximately 2,500 employees at 13 sites around the world. Oclaro's product offerings comprise the necessary hardware components, modules, software and subsystems that form the basis for the next generation of fiber optics systems. In addition, the company operates centers of excellence for technology development and component manufacturing in the U.S. and Europe, research and development support centers in Asia, and assembly and test and contract manufacturing capabilities in Asia, providing the company the advantages of economies of scale.

### **About Oclaro**

Oclaro, with headquarters in San Jose, California, is a tier 1 provider of high performance optical components, modules and subsystems to the telecommunications market, and is one of the largest providers to metro and long haul network applications. Oclaro, the result of the combination of Bookham, Inc. and Avanex Corporation on April 27, 2009, leverages proprietary core technologies and vertically integrated product development to provide its customers with cost-effective and innovative optical devices, modules and subsystems. The company serves a broad customer base, combining in-house and outsourced manufacturing to maximize flexibility and drive improved gross margin. Its photonic technologies also serve selected potential high growth markets, including industrial, defense,



life sciences, semiconductor, and scientific, with diversification providing both significant potential revenue streams and strategic technological advantage. Oclaro is a global company, with leading chip fabrication facilities in the U.K., Switzerland and Italy, and manufacturing sites in the US, Thailand and China.

Oclaro, the Oclaro logo and all other Oclaro product names and slogans are trademarks or registered trademarks of Oclaro, Inc. in the USA or other countries.

### **Forward-Looking Statements**

This release contains statements about management's future expectations, plans or prospects of Oclaro, Inc. and its business that constitute forward-looking statements for the purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995, including statements regarding (i) Oclaro's role in shaping the markets it serves, (ii) Oclaro's ability to grow into adjacent markets, (iii) gross margin improvements in the future, (iv) potential for growth in the markets Oclaro serves and (v) statements containing the words "target," "believe," "plan," "anticipate," "expect," "estimate," "will," "should," "ongoing," and similar expressions. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the impact of continued uncertainty in world financial markets and the resulting reduction in demand for our products, the inability of Oclaro, Inc. to perform as expected following the closing of the merger with Avanex Corporation, the inability to realize the expected benefits and synergies as a result of the of the merger with Avanex Corporation, increased costs related to downsizing and compliance with regulatory requirements in connection with such downsizing and consolidation efforts, the lack of availability of credit or opportunity for equity based financing, as well as the factors described in Oclaro's most recent registration statement on Form S-4, most recent annual report on Form 10-K, most recent quarterly reports on Form 10-Q and other documents we periodically file with the SEC. These factors include continued demand for optical components, changes in inventory and product mix, no further degradation in the exchange rate of the United States dollar relative to U.K., China and Switzerland currencies, as well as the Euro, and the continued ability of the Company to maintain requisite financial resources. The forward-looking statements included in this announcement represent Oclaro's view as of the date of this presentation. Oclaro anticipates that subsequent events and developments may cause Oclaro's views and expectations to change. However, Oclaro specifically disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this release. Those forward-looking statements should not be relied upon as representing Oclaro's views as of any date subsequent to the date of this presentation.