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Applied Optoelectronics is Moving to Larger Manufacturing Facility in Taiwan

Larger Facility Needed for Data Center and FTTH Products Manufacturing

SUGAR LAND, Texas, April 8, 2014 (GLOBE NEWSWIRE) -- Applied Optoelectronics, Inc. (Nasdaq:AAOI), a leading provider of fiber-optic access network products for the cable broadband, internet data center, and fiber-to-the-home markets, today announced that it has executed a lease for a new and larger facility in Taiwan that nearly triples its manufacturing floor space, and provides 268,000 square feet of total space.

"Our facility expansion in Taiwan is consistent with the previously announced planned capital investment and manpower in order to support rising demand in our data center and FTTH markets," said Dr. Thompson Lin, AOI's Chairman and CEO. "We have simply outgrown our existing facility and we are pleased to have found a much larger facility that meets both our current and future needs. The facility more than triples our available floor space and is better suited for a manufacturing environment than our current space. Additionally, our new lease rate per foot is less than one-half that of our current lease, providing operational leverage. We plan to begin moving manufacturing operations, on a staged basis, to the new location in July and expect to complete the move by Q1 of 2015."

The company negotiated a 15-year term, standard renewal-notice terms and discounted lease rates in the first four years. AOI plans to invest approximately \$5.8 million to build-out the manufacturing clean rooms and premise improvements to ready the facility for manufacturing and R&D efforts. The company expects to fully vacate the current premises before the lease expires in Q1 of 2015.

AOI's existing facility in Taiwan occupies approximately 61,000 square feet on four floors in a high-rise building. The new facility is a more traditional manufacturing facility, located just 20 minutes from our current facility, and in a more suitable industrial park.

Forward-Looking Information

This press release contains forward-looking statements. These forward-looking statements involve risks and uncertainties, as well as assumptions and current expectations, which could cause the company's actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include but are not limited to: reduction in the size or quantity of customer orders; change in demand for the company's products due to industry conditions; changes in manufacturing operations; volatility in manufacturing costs; delays in shipments of products; disruptions in the supply chain; change in the rate of design wins or the rate of customer acceptance of new products; the company's reliance on a small number of customers for a substantial portion of its revenues; potential pricing pressure; a decline in demand for our customers products or their rate of deployment of their products; general conditions in the CATV, internet data center or FTTH markets; changes in the world economy (particularly in the United States, and China); the negative effects of seasonality; and other risks and uncertainties described more fully in the company's documents filed with or furnished to the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," or "estimates" or by other similar expressions that convey uncertainty of future events or outcomes. You should not rely on forward-looking statements as predictions of future events. All forward-looking statements in this press release are based upon information available to us as of the date hereof, and qualified in their entirety by this cautionary statement. Except as required by law, we assume no obligation to update forward-looking statements for any reason after the date of this press release to conform these statements to actual results or to changes in the company's expectations.

About Applied Optoelectronics

Applied Optoelectronics Inc. (AOI) is a leading developer and manufacturer of advanced optical products, including components, modules, and equipment. AOI's products are the building blocks for broadband fiber access networks around the world, where they are used in the CATV broadband, internet datacenter, and fiber-to-the-home markets. AOI supplies optical networking lasers, components and equipment to tier-1 customers in all three of these markets. In addition to its corporate headquarters, wafer fab and advanced engineering and production facilities in Sugar Land, TX, AOI has engineering and manufacturing facilities in Taipei, Taiwan and Ningbo, China. For additional information, visit www.aoi.com

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