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Applied Optoelectronics Increases Capital Investment to Expand Manufacturing Capacity for Data Center Products

Capacity Expansion for 10G and 40G Products for Web 2.0 Customers

SUGAR LAND, Texas, Feb. 13, 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 is expanding manufacturing capacity to address strong demand for its data center transceiver products.

"Given the robust demand for our 10G and 40G data center transceiver products, we are accelerating our capital spending plans," said James L. Dunn, AOI's CFO. "We had planned to invest a total of \$2.0 million for data center production expansion in calendar 2014. However, we now expect to deploy nearly that entire amount in the first half of 2014 with further investment anticipated in the second half of 2014. In addition to equipment expansion, in January, we added a third production shift in Taiwan and a second shift in Houston to bolster laser production."

Global trends such as the move to cloud computing and the growing number of mobile devices are straining data centers globally as the need for bandwidth increases. As a result, content providers are upgrading their data centers from 1G copper connections to 10G and 40G optical connections. In November 2013, AOI announced the release of its new short-reach and long-reach 40G transceivers, ahead of original launch dates. An expanded transceiver product line at varied data rates and distances allows AOI to offer the comprehensive solutions increasingly demanded by today's Web 2.0 datacenter operators while fully leveraging its laser manufacturing capabilities.

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-inc.com.

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