FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2017

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ___ to ___

Commission File Number 001-36632

EMCORE Corporation
(Exact name of registrant as specified in its charter)

New Jersey	**22-2746503**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2015 W. Chestnut Street, Alhambra, California, 91803
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(626) 293-3400**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes ¨ **No**

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x **Yes** ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. ¨ Large accelerated filer x **Accelerated filer** ¨ Non-accelerated filer ¨ Smaller reporting company ¨ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ¨ Yes x **No**

As of May 1, 2017, the number of shares outstanding of our no par value common stock totaled 26,827,319.

CAUTIONARY STATEMENT
REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are 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 and 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,” “should,” “targets,” “will,” “would,” and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters such as our expected liquidity, development of new products, enhancements or technologies, sales levels, expense levels, expectations regarding the outcome of legal proceedings and other statements regarding matters that are not historical are forward-looking statements. Management cautions 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. Factors that could cause or contribute to such differences in results and outcomes include 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 in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, as updated by our subsequent periodic reports. These cautionary statements apply to all forward-looking statements wherever they appear in this Quarterly Report.

Forward-looking statements are based on certain assumptions and analysis made in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors that we believe are appropriate under the circumstances. While these statements represent our judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results. All forward-looking statements in this Quarterly Report 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 this Quarterly Report and our Annual Report on Form 10-K for the fiscal year ended September 30, 2016. Certain information included in this Quarterly Report may supersede or supplement forward-looking statements in our other reports filed with the Securities and Exchange Commission. 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
FORM 10-Q
For The Quarterly Period Ended March 31, 2017

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EMCORE CORPORATION
Condensed Consolidated Statements of Operations and Comprehensive Income
For the Three and Six Months Ended March 31, 2017 and 2016
(in thousands, except net income (loss) per share)
(Unaudited)

	For the three months ended March 31,		For the six months ended March 31,	
	2017	2016	2017	2016
Revenue	$ 32,591	$ 21,532	$ 62,767	$ 44,022
Cost of revenue	21,553	14,510	41,686	29,599
Gross profit	11,038	7,022	21,081	14,423
Operating expense:				
Selling, general, and administrative	5,672	4,825	11,250	9,646
Research and development	3,141	2,564	5,340	5,124
Impairments	468	—	468	—
Total operating expense	9,281	7,389	17,058	14,770
Operating income (loss)	1,757	(367)	4,023	(347)
Other income (expense):				
Interest income, net	46	25	69	8
Foreign exchange gain (loss)	44	25	(359)	(110)
Total other income (expense)	90	50	(290)	(102)
Income (loss) from continuing operations before income tax benefit (expense)	1,847	(317)	3,733	(449)
Income tax benefit (expense)	8	155	(112)	153
Income (loss) from continuing operations	1,855	(162)	3,621	(296)
(Loss) income from discontinued operations, net of tax	(7)	4,144	(16)	5,265
Net income	$ 1,848	$ 3,982	$ 3,605	$ 4,969
Foreign exchange translation adjustment	276	43	16	(45)
Comprehensive income	$ 2,124	$ 4,025	$ 3,621	$ 4,924
Per share data:				
Net income (loss) per basic share:				
Continuing operations	$ 0.07	$ (0.01)	$ 0.14	$ (0.01)
Discontinued operations	(0.00)	0.16	(0.00)	0.20
Net income per basic share	$ 0.07	$ 0.15	$ 0.14	$ 0.19
Net income (loss) per diluted share:				
Continuing operations	$ 0.07	$ (0.01)	$ 0.13	$ (0.01)
Discontinued operations	(0.00)	0.16	(0.00)	0.20
Net income per diluted share	$ 0.07	$ 0.15	$ 0.13	$ 0.19
Weighted-average number of basic shares outstanding	26,622	25,942	26,449	25,818
Weighted-average number of diluted shares outstanding	27,585	25,942	27,366	25,818

The accompanying notes are an integral part of these condensed consolidated financial statements.

EMCORE CORPORATION
Condensed Consolidated Balance Sheets
As of March 31, 2017 and September 30, 2016
(in thousands, except per share data)
(unaudited)

	As of March 31, 2017	As of September 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 68,605	$ 63,905
Restricted cash	193	965
Accounts receivable, net of allowance of $13 and $36, respectively	17,411	18,432
Inventory	26,348	24,150
Prepaid expenses and other current assets	5,218	3,764
Total current assets	117,775	111,216
Property, plant, and equipment, net	14,203	12,213
Non-current inventory	3,330	3,531
Other non-current assets, net of allowance of $0	380	251
Total assets	$ 135,688	$ 127,211
LIABILITIES and SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,721	$ 10,575
Accrued expenses and other current liabilities	8,675	7,684
Total current liabilities	20,396	18,259
Asset retirement obligations	1,605	1,573
Other long-term liabilities	57	62
Total liabilities	22,058	19,894
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Preferred stock, $0.0001 par value, 5,882 shares authorized; none issued or outstanding	—	—
Common stock, no par value, 50,000 shares authorized; 33,737 shares issued and 26,827 shares outstanding as of March 31, 2017; 33,154 shares issued and 26,244 shares outstanding as of September 30, 2016	728,572	725,880
Treasury stock at cost; 6,910 shares	(47,721)	(47,721)
Accumulated other comprehensive income	595	579
Accumulated deficit	(567,816)	(571,421)
Total shareholders' equity	113,630	107,317
Total liabilities and shareholders' equity	$ 135,688	$ 127,211

The accompanying notes are an integral part of these condensed consolidated financial statements.

EMCORE CORPORATION
Condensed Consolidated Statements of Cash Flows
For the six months ended March 31, 2017 and 2016
(in thousands)
(unaudited)

	For the six months ended March 31,	
	2017	**2016**
Cash flows from operating activities:		
Net income	$ 3,605	$ 4,969
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion expense	1,685	1,081
Stock-based compensation expense	1,581	920
Provision adjustments related to doubtful accounts	7	4
Provision adjustments related to product warranty	303	234
Impairments	468	—
Recognition of previously deferred gain on sale of assets from discontinued operations	—	(3,804)
Other	574	(1,422)
Total non-cash adjustments	4,618	(2,987)
Changes in operating assets and liabilities:		
Accounts receivable	975	(2,017)
Inventory	(2,357)	228
Other assets	(1,582)	1,323
Accounts payable	1,489	1,172
Accrued expenses and other current liabilities	1,035	(2,413)
Total change in operating assets and liabilities	(440)	(1,707)
Net cash provided by operating activities	7,783	275
Cash flows from investing activities:		
Purchase of equipment	(4,567)	(2,685)
Net cash used in investing activities	(4,567)	(2,685)
Cash flows from financing activities:		
Proceeds from stock plans	779	597
Net cash provided by financing activities	779	597
Effect of exchange rate changes on foreign currency	(67)	113
Net increase (decrease) in cash and cash equivalents	3,928	(1,700)
Cash, cash equivalents and restricted cash at beginning of period	64,870	112,260
Cash, cash equivalents and restricted cash at end of period	$ 68,798	$ 110,560
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for interest	$ 38	$ 44
Cash paid during the period for income taxes	$ 79	$ 108
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Changes in accounts payable related to purchases of equipment	$ (255)	$ (191)
Issuance of common stock to Board of Directors	$ 410	$ 263

The accompanying notes are an integral part of these condensed consolidated financial statements.

EMCORE Corporation
Notes to our Condensed Consolidated Financial Statements
For the three and six months ended March 31, 2017
(unaudited)

NOTE 1. Description of Business

Business Overview

EMCORE Corporation together with its subsidiaries (referred to herein as the “Company”, “we”, “our”, or “EMCORE”), which was established in 1984 as a New Jersey corporation, designs and manufactures Indium Phosphide (InP) optical chips, components, subsystems and systems for the broadband and specialty fiber optics market. EMCORE is a provider of optical components, as well as 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), fiber-to-the-premises (FTTP) networks, telecommunications and data centers, satellite communications, aerospace and defense, wireless networks, and broadcast and professional audio/video systems. With its InP semiconductor wafer fabrication facility, EMCORE has fully vertically-integrated manufacturing capability and also provides contract design, foundry and component packaging services.

We currently have one reporting segment: Fiber Optics. In addition to organic growth and development of our existing Fiber Optics market, we intend to pursue other strategies to enhance shareholder value, which may include acquisitions, investments in joint ventures, partnerships, and other strategic alternatives, such as dispositions, reorganizations, recapitalizations or other similar transactions, the repurchase of shares of our outstanding common stock or payment of dividends to our shareholders, and we may engage financial and other advisers to assist in these efforts. Accordingly, the Strategy and Alternatives Committee of the Board of Directors and our management may from time to time be engaged in evaluating potential strategic opportunities and may enter into definitive agreements with respect to such transactions or other strategic alternatives.

Sale of Photovoltaics and Digital Products Businesses

In the fiscal year ended September 30, 2015, EMCORE completed the sale of the Company's Photovoltaics Business to SolAero Technologies Corporation (“SolAero”) pursuant to the Asset Purchase Agreement (the “Photovoltaics Agreement”) under which SolAero acquired substantially all of the assets, and assumed substantially all of the liabilities, primarily related to or used in connection with the Company's photovoltaics business, including EMCORE's subsidiaries EMCORE Solar Power, Inc. and EMCORE IRB Company, LLC (collectively, the “Photovoltaics Business” and, the sale of the Photovoltaics Business, the “Photovoltaics Asset Sale”) for $149.9 million in cash.

In the fiscal year ended September 30, 2015, EMCORE completed the sale of the Company's telecommunications business (the “Digital Products Business”) to NeoPhotonics Corporation, a Delaware corporation (“NeoPhotonics”) pursuant to the Asset Purchase Agreement (the “Digital Products Agreement”), under which NeoPhotonics acquired certain assets, and certain liabilities, related to the Company's Digital Products Business for an aggregate purchase price of $17.5 million.

No Photovoltaics Business or Digital Products Business assets or liabilities that were sold remain on the consolidated balance sheet as of March 31, 2017 or September 30, 2016. The financial results of the Photovoltaics Business and the Digital Products Business are presented as “discontinued operations” on the condensed consolidated statements of operations and comprehensive income for the three and six months ended March 31, 2017 and 2016. See Note 4 - Discontinued Operations for additional information. The notes to our condensed consolidated financial statements relate to our continuing operations only, unless otherwise indicated.

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim information, and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the Securities and Exchange Commission (SEC). Accordingly, they do not include all of the information and notes required by U.S. GAAP for annual financial statements. In our opinion, the interim financial statements reflect all normal adjustments that are necessary to provide a fair presentation of the financial results for the interim periods presented. Operating results for interim periods are not necessarily indicative of results that may be expected for an entire fiscal year. The condensed consolidated balance sheet as of September 30, 2016 has been derived from the audited consolidated financial statements as of such date as adjusted for discontinued operations. See Note 4 - Discontinued Operations for additional information. For a more complete understanding of our business, financial position, operating results, cash flows, risk factors and other matters, please refer to our Annual Report on Form 10-K for the fiscal year ended September 30, 2016.

NOTE 2. Recent Accounting Pronouncements

There have been no recent accounting pronouncements or changes in accounting pronouncements that are of significance, or of potential significance, to us other than those discussed below:

- In November 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18),* which provides amendments to current guidance to address the classification and presentation of changes in restricted cash or restricted cash equivalents. Specifically, there is no guidance to address how to classify and present changes in restricted cash or restricted cash equivalents that occur when there are transfers between cash, cash equivalents and restricted cash or restricted cash equivalents and when there are direct cash receipts into restricted cash or restricted cash equivalents. The new guidance is effective for annual periods beginning after December 15, 2017 and interim periods within those annual periods. Early adoption is permitted. This standard requires the use of the retrospective transition method. The Company early adopted ASU 2016-18 at the beginning of fiscal year 2017. Accordingly, for the six months ended March 31, 2017 and 2016, the Company reclassified restricted cash to be presented with cash and cash equivalents on the condensed consolidated statements of cash flows in the amount of $0.2 million and $0.5 million, respectively.

- In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230)*: *Classification of Certain Cash Receipts and Cash Payments*, which clarifies how companies present and classify certain cash receipts and cash payments in the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The Company early adopted ASU 2016-15 at the beginning of fiscal year 2017, but there was no impact on our Consolidated Financial Statements.

- In March 2016, the FASB issued ASU 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting.* ASU 2016-09 introduces targeted amendments intended to simplify the accounting for stock compensation. Specifically, the ASU requires all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) to be recognized as income tax expense or benefit in the consolidated statement of operations and comprehensive income. The new guidance is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The new standard will be effective for our fiscal year beginning October 1, 2017 and early adoption is permitted. We are currently evaluating the impact of this accounting standard update on our Consolidated Financial Statements.

- In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 introduces a lessee model that requires recognition of assets and liabilities arising from qualified leases on the consolidated balance sheets and disclosure of qualitative and quantitative information about lease transactions. This guidance is effective for fiscal years beginning after December 15, 2018 and interim periods within those years. The new standard will be effective for our fiscal year beginning October 1, 2019 and early adoption is permitted.

This update will be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company anticipates taking advantage of the practical expedient option. The operating lease obligations at the end of the second quarter of fiscal 2017 were approximately $1.3 million. The discounted minimum remaining rental payments will be the starting point for determining the right-of-use asset and lease liability. The Company expects that adoption of the new guidance will have a material impact on the consolidated balance sheets due to recognition of the right-of-use asset and lease liability related to current operating leases. The Company is continuing to evaluate the effect of this update on its consolidated financial statements and related disclosures.

- In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330): *Simplifying the Measurement of Inventory*. This standard requires inventory to be measured at the lower of cost and net realizable value. The guidance clarifies that net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This guidance is effective for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. The new standard will be effective for our fiscal year beginning October 1, 2017 and early adoption is permitted. We are currently evaluating the impact of this accounting standard update on our Consolidated Financial Statements.

- In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* which will supersede most current U.S. GAAP guidance on this topic. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* to clarify two aspects of the guidance within ASU No. 2014-09 on identifying performance obligations and the licensing implementation guidance. Under the new standards, recognition of revenue occurs when the seller satisfies a performance obligation by transferring to the customer promised goods or services in an amount that reflects the consideration the entity expects to receive for those goods or services. The new standard, as amended through December 2016, will be effective for our fiscal year beginning October 1, 2018 and early adoption is permitted as of October 1, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. We have established a cross-functional coordinated implementation team to implement ASU 2014-09. We are in the process of identifying and implementing changes to our systems, processes and internal controls to meet the reporting and disclosure requirements.

  Upon initial evaluation, we believe that the key revenue streams will be split between product sales and firm fixed price contracts, which comprise the majority of our business. Based upon the evaluation completed to date, the Company believes that the pattern of revenue recognition for these revenue streams will generally be at a point-in-time for product sales and over a period of time for firm fixed price contracts, consistent with current guidance. The Company is still in the process of evaluating the impact of the standard and its effect on the Company’s financial statements and related disclosures. The Company has not yet adopted a transition method.

NOTE 3. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the unaudited condensed consolidated balance sheets that sum to the total of the same amounts shown in the unaudited statements of cash flows:

(in thousands)	As of March 31, 2017	As of September 30, 2016	As of March 31, 2016
Cash and cash equivalents	$ 68,605	$ 63,905	$ 110,031
Restricted cash	193	965	529
Total cash, cash equivalents an restricted cash	$ 68,798	64,870	110,560

The Company's restricted cash includes cash balances which are legally or contractually restricted to use. The Company's restricted cash is included in current assets as of March 31, 2017 and September 30, 2016.

NOTE 4. Discontinued Operations

Sale of Photovoltaics Business

In the fiscal year ended September 30, 2015, EMCORE completed the sale of the Company's Photovoltaics Business to SolAero pursuant to the Photovoltaics Agreement under which SolAero acquired substantially all of the assets, and assumed substantially all of the liabilities, primarily related to or used in connection with the Company's Photovoltaics Business for $149.9 million in cash.

On December 22, 2015, we settled all of the outstanding rights and obligations of a solar power venture in Spain, including outstanding non-current receivables, for a payment of $0.7 million. The outstanding non-current receivables had a net book value of $0 at the time of settlement as they were fully allowed for previously. The resulting gain was recorded in the discontinued operations of the Photovoltaics Business for the six months ended March 31, 2016.

The following table presents the statements of operations for the discontinued operations of the Photovoltaics Business:

	For the three months ended March 31,		For the six months ended March 31,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Revenue	$ —	$ —	$ —	—
Cost of revenue	12	—	12	—
Gross loss	(12)	—	(12)	—
Operating expense (income)	5	(34)	8	(821)
(Loss) income from discontinued operations before income tax expense	(17)	34	(20)	821
Income tax expense	—	(19)	—	(28)
(Loss) income from discontinued operations, net of tax	$ (17)	$ 15	$ (20)	$ 793

Included in discontinued operations of the Photovoltaics Business during the three and six months ended March 31, 2016 were $9,200 and $0.1 million, respectively, of New Mexico incentive tax credits received. There were no incentive tax credits received during the three and six months ended March 31, 2017.

Sale of Digital Products Business

In the fiscal year ended September 30, 2015, EMCORE completed the sale of the Company's Digital Products Business to NeoPhotonics pursuant to the Digital Products Agreement, under which NeoPhotonics acquired certain assets, and certain liabilities, related to the Company's Digital Products Business for an aggregate purchase price of $17.5 million.

In December 2015, we entered into an agreement to terminate our lease and related obligations associated with a facility in Newark, California which we abandoned effective February 2016 following the sale of the Digital Products Business. As a result of this agreement, we paid $0.2 million and recorded a gain of $0.3 million on the lease termination in the discontinued operations of the Digital Products Business during the six months ended March 31, 2016. See Note 9 - Accrued Expenses and Other Current Liabilities.

Included in cost of revenue for the three and six months ended March 31, 2016 is $0.4 million due to a reduction in expected product warranty liabilities from a settlement associated with the Digital Products Business.

During the three and six months ended March 31, 2016, we recognized the deferred gain of $3.4 million and reversal of other liabilities of $0.4 million, that had been recorded as of September 30, 2015, resulting in a credit of $3.8 million to deferred gain on sale of assets within discontinued operations of the Digital Products Business as the result of the favorable ruling from the SEI arbitration. Also see Note 12- Commitments and Contingencies.

The following table presents the statements of operations for the discontinued operations of the Digital Products Business:

(in thousands)	For the three months ended March 31, 2017	For the three months ended March 31, 2016	For the six months ended March 31, 2017	For the six months ended March 31, 2016
Revenue	$ —	$ —	$ —	$ —
Cost of revenue	(1)	(445)	—	(494)
Gross profit	1	445	—	494
Operating income	(9)	(32)	(4)	(330)
Recognition of previously deferred gain on sale of assets	—	3,804	—	3,804
Income from discontinued operations before income tax expense	10	4,281	4	4,628
Income tax expense	—	(152)	—	(156)
Income from discontinued operations, net of tax	$ 10	$ 4,129	$ 4	$ 4,472

NOTE 5. Fair Value Accounting

Accounting Standards Codification Topic 820 ("ASC 820"), *Fair Value Measurements,* establishes a valuation hierarchy for disclosure of the inputs to valuation techniques used to measure fair value. This standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the assets or liabilities, either directly or indirectly, through market corroboration, for substantially the full term of the financial instrument.
- Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets or liabilities at fair value.

Classification of an asset or liability within this hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs.

Cash consists primarily of bank deposits or highly liquid short-term investments with a maturity of three months or less at the time of purchase. Restricted cash represents temporarily restricted deposits held as compensating balances against short-term borrowing arrangements.

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, other current assets, and accounts payable approximate fair value because of the short maturity of these instruments.

NOTE 6. Accounts Receivable

The components of accounts receivable consisted of the following:

(in thousands)	As of March 31, 2017	As of September 30, 2016
Accounts receivable, gross	$ 17,424	$ 18,468
Allowance for doubtful accounts	(13)	(36)
Accounts receivable, net	$ 17,411	$ 18,432

The allowance for doubtful accounts is based on the age of receivables and a specific identification of receivables considered at risk of collection.

The following table summarizes changes in the allowance for doubtful accounts for the three and six months ended March 31, 2017 and 2016.

Allowance for Doubtful Accounts *(in thousands)*	For the three months ended March 31,		For the six months ended March 31,	
	2017	2016	2017	2016
Balance at beginning of period	$ 33	$ 325	$ 36	$ 462
Provision adjustment - expense, net of recoveries	7	—	7	4
Write-offs and other adjustments - additions (deductions) to receivable balances	(27)	(222)	(30)	(363)
Balance at end of period	$ 13	$ 103	$ 13	$ 103

NOTE 7. Inventory

The components of inventory consisted of the following:

(in thousands)	As of March 31, 2017	As of September 30, 2016
Raw materials	$ 16,099	$ 16,095
Work in-process	5,988	5,687
Finished goods	7,591	5,899
Inventory balance at end of period	$ 29,678	$ 27,681
Current portion	$ 26,348	$ 24,150
Non-Current portion	3,330	3,531

The non-current inventory balance of $3.3 million and $3.5 million as of March 31, 2017 and September 30, 2016, respectively, is comprised entirely of raw materials which we acquired as part of a last time purchase as a result of the vendor announcing they would cease manufacturing a part.

NOTE 8. Property, Plant, and Equipment, net

The components of property, plant, and equipment, net consisted of the following:

(in thousands)	As of March 31, 2017	As of September 30, 2016
Equipment	$ 30,823	$ 28,247
Furniture and fixtures	1,109	1,109
Computer hardware and software	2,977	2,860
Leasehold improvements	1,985	1,896
Construction in progress	2,579	1,779
Property, plant, and equipment, gross	39,473	35,891
Accumulated depreciation	(25,270)	(23,678)
Property, plant, and equipment, net	$ 14,203	$ 12,213

In March 2017, in connection with our opening a new manufacturing facility in China, we identified equipment with a net book value of approximately $0.6 million that would no longer be utilized after the planned move later in fiscal year 2017. After taking into consideration the costs of disposal and estimated net funds from the sale of the equipment of approximately $0.1 million, we recorded a charge to impairments of approximately $0.5 million in the three and six months ended March 31, 2017.

NOTE 9. Accrued Expenses and Other Current Liabilities

The components of accrued expenses and other current liabilities consisted of the following:

(in thousands)	As of March 31, 2017	As of September 30, 2016
Compensation	$ 3,829	$ 3,628
Warranty	899	871
Professional fees	405	761
Customer deposits	40	38
Income and other taxes	1,024	944
Severance and restructuring accruals	931	642
Other	1,547	800
Accrued expenses and other current liabilities	$ 8,675	$ 7,684

Compensation: Compensation is primarily comprised of accrued employee salaries, taxes and benefits.

Income and other taxes: For the three months ended March 31, 2017, the Company recorded income tax benefit of $8,000 and $0 within income from continuing operations and discontinued operations, respectively. For the three months ended March 31, 2016, the Company recorded $0.2 million of income tax benefit from continuing operations losses and $0.2 million of income tax expense within income from discontinued operations. For the six months ended March 31, 2017, the Company recorded approximately $0.1 million of income tax expense from continuing operations and $0 of income tax benefit within income from discontinued operations. For the six months ended March 31, 2016, the Company recorded $0.2 million of income tax benefit from continuing operations losses and $0.2 million of income tax expense within income from discontinued operations. The income tax expense within discontinued operations includes estimated alternative minimum tax and other adjustments prescribed by ASC 740 in allocating expected annual income tax expense (benefit) between continuing operations and discontinued operations.

Severance and restructuring accruals: In connection with the abandonment of our Newark, California facility following the closing of the sale of the Digital Products Business, we accrued for the remaining lease costs through the lease termination in May 2016. In December 2015, we entered into an agreement to terminate this lease and related obligations, including AROs (defined below), as of February 2016 for a payment of $0.2 million. As a result of the agreement, we recorded a gain of $0.3 million on the lease termination. The resulting gain was recorded in the discontinued operations of the Digital Products Business for the six months ended March 31, 2016. See Note 4 - Discontinued Operations.

On June 7, 2016, the Company's former Chief Financial Officer ("CFO") notified the Company that he would resign as the Company's CFO, effective as of June 20, 2016 (the "Separation Date"). The Company and the former CFO entered into a separation agreement and general release, dated June 7, 2016 (the "Separation Agreement"), which includes mutual releases by the former CFO and the Company of all claims related to his employment and service relationship with, and termination of employment and service from, the Company. The Separation Agreement provides for, among other things, the continuation of his base salary for 64 weeks, benefits for 16 months, outplacement services for a period of not more than 1 year and with a value not in excess of $15,000 and immediate vesting of all his outstanding non-vested equity awards, other than his most recent equity award. These payments are not contingent upon any future service by the former CFO. The Company recorded a charge of approximately $0.4 million in the fiscal year ended September 30, 2016 related to this Separation Agreement.

In an effort to better align our current and future business operations, in May 2016 the Company announced a reduction in its workforce by approximately 30 individuals and recorded a charge for severance for the affected employees in the amount of $0.3 million in the fiscal year ended September 30, 2016. In November 2016, the Company announced an additional reduction in the workforce of approximately 5 individuals and recorded a charge of $0.2 million in the six months ended March 31, 2017 related to the outsourcing of our satellite communications assembly operations.

In March 2017, the Company announced an additional workforce reduction of approximately 14 individuals and recorded a charge of $0.1 million in the three and six months ended March 31, 2017 related to the outsourcing of our wafer fabrication lab. Also, in March 2017, in connection with our planned opening of a new manufacturing facility in China to reduce costs and improve efficiency later in fiscal year 2017, we accrued for a reduction of approximately 265 individuals and recorded a charge of $0.5 million in the three and six months ended March 31, 2017.

Our severance and restructuring-related accruals specifically relate to the separation agreements and reduction in force discussed above and non-cancelable obligations associated with an abandoned leased facility. Expense related to severance and restructuring accruals is included in selling, general, and administrative expense on our statements of operations and comprehensive income. The following table summarizes the changes in the severance accrual account:

(in thousands)	**Severance-related accruals**	
Balance as of September 30, 2016	$	642
Expense - charged to accrual		846
Payments and accrual adjustments		(557)
Balance as of March 31, 2017	$	931

Warranty: We generally provide product and other warranties on our components, power systems, and fiber optic products. Certain parts and labor warranties from our vendors can be assigned to our customers. Our reported financial position or results of operations may be materially different under changed conditions or when using different estimates and assumptions. In the event that estimates or assumptions prove to differ from actual results, adjustments are made in subsequent periods to reflect more current information.

The following table summarizes the changes in our product warranty accrual accounts:

Product Warranty Accruals	**For the three months ended March 31,**		**For the six months ended March 31,**	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Balance at beginning of period	$ 791	$ 1,564	$ 871	$ 1,664
Provision for product warranty - expense	215	88	303	234
Adjustments and utilization of warranty accrual	(107)	(550)	(275)	(796)
Balance at end of period	$ 899	$ 1,102	$ 899	$ 1,102

NOTE 10. Credit Facilities

On November 11, 2010, we entered into a Credit and Security Agreement (the "Credit Facility") with Wells Fargo Bank, N.A. ("Wells Fargo"). The Credit Facility is secured by the Company's assets and is subject to a borrowing base formula based on the Company's eligible accounts receivable, inventory, and machinery and equipment accounts.

On November 10, 2015, we entered into a Seventh Amendment of the Credit Facility, which extended the maturity date of the facility to November 2018 and adjusted the interest rate to LIBOR plus 2.5%. The Credit Facility currently provides us with a revolving credit line of up to $15.0 million that can be used for working capital requirements, letters of credit, and other general corporate purposes.

As of March 31, 2017, there were no amounts outstanding under this Credit Facility and the Company was in compliance with all financial covenants. Also, as of March 31, 2017, the Credit Facility had approximately $0.5 million reserved for one stand-by letter of credit and $13.2 million available for borrowing. As of May 1, 2017, there was no outstanding balance under this Credit Facility.

NOTE 11. Income and other Taxes

For the three months ended March 31, 2017 and 2016, the Company recorded income tax benefit from continuing operations of approximately $8,000 and $0.2 million, respectively. For the three months ended March 31, 2017 and 2016, the Company recorded income tax expense from discontinued operations of approximately $0 and $0.2 million, respectively. For the six months ended March 31, 2017 and 2016, the Company recorded income tax expense from continuing operations of approximately $0.1 million and income tax benefit from continuing operations of $0.2 million, respectively. For the six months ended March 31, 2017 and 2016, the Company recorded income tax expense from discontinued operations of approximately $0 and $0.2 million, respectively. Income tax expense is comprised of estimated alternative minimum tax allocated between continuing operations and discontinued operations as prescribed by ASC 740 and foreign tax expense included within continuing operations.

For the three months ended March 31, 2017 and 2016, the effective tax rate on continuing operations was 0.4% and 48.9% , respectively. The lower tax rate for the three months ended March 31, 2017 was primarily due to changes in the Company's estimated results in the current year as compared to the prior year. The higher tax rate for the three months ended March 31, 2016 was primarily due to permanent differences, state tax benefits and foreign tax rate differentials. The Company uses estimates to forecast the results from continuing operations for the current fiscal year as well as permanent differences between book and tax accounting.

For the six months ended March 31, 2017 and 2016, the effective tax rate on continuing operations was 3.0% and 34.1%, respectively. The lower tax rate for the six months ended March 31, 2017 was primarily due to changes in the Company's estimated results in the current year as compared to the prior year. The higher tax rate for the six months ended March 31, 2016 was primarily due to permanent differences, state tax benefits and foreign tax rate differentials. The Company uses estimates to forecast the results from continuing operations for the current fiscal year as well as permanent differences between book and tax accounting.

We have not provided for U.S. federal and state income taxes on non-U.S. subsidiaries' undistributed earnings as of March 31, 2017 because we plan to indefinitely reinvest the unremitted earnings of our non-U.S. subsidiaries.

All deferred tax assets have a full valuation allowance at March 31, 2017. However, on a quarterly basis, the Company will evaluate the positive and negative evidence to assess whether the more likely than not criteria, mandated by ASC 740, has been satisfied in determining whether there will be further adjustments to the valuation allowance.

During the three and six months ended March 31, 2017 and 2016, there were no material increases or decreases in unrecognized tax benefits. As of March 31, 2017 and September 30, 2016, we had approximately $0.3 million of interest and penalties accrued as tax liabilities on our condensed consolidated balance sheet.

The Company’s Board of Directors has adopted a Tax Benefits Preservation Plan (the “Rights Plan”) to help preserve the value of our net operating losses and tax credit carryforwards by reducing the risk of limitation of these deferred tax assets. The Rights Plan was approved by the Company’s shareholders on March 10, 2015. The Rights Plan is intended to reduce the likelihood that the Company will experience an ownership change for purposes of Internal Revenue Code Section 382 by discouraging any person or group from becoming a “5% shareholder” or increasing their ownership of the Company’s common stock if they are already a “5% shareholder.”

NOTE 12. Commitments and Contingencies

Operating Lease Obligations: We lease certain facilities and equipment under non-cancelable operating leases. Operating lease amounts exclude renewal option periods, property taxes, insurance, and maintenance expenses on leased properties. Our facility leases typically provide for rental adjustments for increases in base rent (up to specific limits), property taxes, insurance, and general property maintenance that would be recorded as rent expense. Rent expense was approximately $0.4 million and $0.3 million for the three months ended March 31, 2017 and 2016, respectively, and approximately $0.7 million and $0.6 million for the six months ended March 31, 2017 and 2016, respectively. There are no off-balance sheet arrangements other than our operating leases.

Asset Retirement Obligation: We have known conditional AROs, such as certain asset decommissioning and restoration of rented facilities to be performed in the future. Our ARO includes assumptions related to renewal option periods for those facilities where we expect to extend lease terms. The Company recognizes its estimate of the fair value of its ARO in the period incurred in long-term liabilities. The fair value of the ARO is also capitalized as property, plant and equipment.

In future periods, the ARO is accreted for the change in its present value and capitalized costs are depreciated over the useful life of the related assets. If the fair value of the estimated ARO changes, an adjustment will be recorded to both the ARO and the asset retirement capitalized cost. Revisions in estimated liabilities can result from revisions of estimated inflation rates, changes in estimated retirement costs, and changes in the estimated timing of settling the ARO. The fair value of our ARO was estimated by discounting projected cash flows over the estimated life of the related assets using credit adjusted risk-free rates which ranged from 1.20% to 4.20%. There was no ARO settled during the three and six months ended March 31, 2017. See discussion below regarding ARO settlements during the three and six months ended March 31, 2016. Accretion expense of $17,000 and $15,000 was recorded during the three months ended March 31, 2017 and 2016, respectively. Accretion expense of $34,000 and $30,000 was recorded during the six months ended March 31, 2017 and 2016, respectively.

EMCORE leases its primary facility in Alhambra, California covering six buildings where manufacturing, research and development, and general and administrative work is performed. Several leases related to these facilities expired in 2011, and were being maintained on a month-to-month basis. In November 2014, a new lease for four of the six buildings was signed, which was retroactively effective on October 1, 2014. The new lease extended the terms of the lease for three years plus a three year option to extend the lease and clarified the obligations and restoration work necessary to restore the buildings back to the requirements in the lease.

The Company’s ARO consists of legal requirements to return the existing leased facilities to their original state and certain environmental work to be performed due to the presence of a manufacturing fabrication operation and significant changes to the facilities over the past thirty years.

During the six months ended March 31, 2016, the Company entered into an agreement to terminate the lease and related obligations, including ARO, in Newark, California for a one-time settlement payment of $0.2 million. As a result of this agreement and payment, the Company reduced its ARO associated with the Newark facility by $0.3 million.

Indemnifications: We have agreed to indemnify certain customers against claims of infringement of intellectual property rights of others in our sales contracts with these customers. Historically, we have not paid any claims under these indemnification obligations. In March 2012, we entered into a Master Purchase Agreement with SEI, pursuant to which we agreed to sell certain assets and transfer certain obligations. Under the terms of the Master Purchase Agreement, we agreed to indemnify SEI for up to $3.4 million of potential claims and expenses for the two-year period following the sale and we recorded this amount as a deferred gain on our balance sheet as a result of these contingencies.

On September 23, 2014, SEI filed for arbitration against EMCORE, in accordance with the terms of the Master Purchase Agreement between the parties. SEI was seeking $47.5 million from EMCORE, relating to numerous claims. On April 12, 2016, the International Court of Arbitration tribunal rejected SEI's claims. The panel ruled that EMCORE owed SEI none of the amounts SEI sought in the arbitration and that the Company was entitled to collect the $1.9 million held in escrow, which was received in June 2016. The Company was also entitled to recover $2.6 million in fees and costs from SEI, which was received in June 2016. During the fiscal year ended September 30, 2016, we recognized a gain associated with the release of $3.4 million of previously recorded gain associated with the sale of assets and reversal of other liabilities of $0.4 million, resulting in a credit of $3.8 million to recognition of previously deferred gain on sale of assets within discontinued operations of the Digital Products Business. During the fiscal year ended September 30, 2016, we recognized the $2.6 million recovery of previously incurred litigation fees and costs incurred by EMCORE within operating income as such represented the recovery of previously incurred legal expenses. See Note 4 - Discontinued Operations.

Legal Proceedings: We are subject to various legal proceedings, claims, and litigation, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of these matters is currently not determinable, we do not expect the resolution of these matters to have a material adverse effect on our business, financial position, results of operations, or cash flows. However, the results of these matters cannot be predicted with certainty. Professional legal fees are expensed when incurred. We accrue for contingent losses when such losses are probable and reasonably estimable. In the event that estimates or assumptions prove to differ from actual results, adjustments are made in subsequent periods to reflect more current information. Should we fail to prevail in any legal matter or should several legal matters be resolved against the Company in the same reporting period, then the financial results of that particular reporting period could be materially affected.

a) Intellectual Property Lawsuits

We protect our proprietary technology by applying for patents where appropriate and, in other cases, by preserving the technology, related know-how and information as trade secrets. The success and competitive position of our product lines are impacted by our ability to obtain intellectual property protection for our research and development efforts. We have, from time to time, exchanged correspondence with third parties regarding the assertion of patent or other intellectual property rights in connection with certain of our products and processes.

b) Mirasol Class Action

On December 15, 2015, Plaintiff Christina Mirasol (“Mirasol”), on her own behalf and on behalf of a putative class of similarly situated individuals composed of current and former non-exempt employees of the Company working in California since December 15, 2011, filed a complaint against the Company in the Superior Court of California, Los Angeles County. The complaint alleged seven causes of action related to: (1) failure to pay overtime; (2) failure to provide meal periods; (3) failure to pay minimum wages; (4) failure to timely pay wages upon termination; (5) failure to provide compliant wage statements; (6) unfair competition under the California Business and Professions Code § 17200 et seq.; and (7) penalties under the Private Attorneys General Act. The claims were premised primarily on the allegation that Mirasol and the putative class members were not provided with their legally required meal periods. Mirasol sought recovery on her own behalf and on behalf of the putative class in an unspecified amount for compensatory and liquidated damages as well as for declaratory relief, injunctive relief, statutory penalties, pre-judgment interest, costs and attorneys’ fees.

In exchange for a one-time cash payment offered by the Company, certain current and former employees previously agreed to release the Company from all potential claims related to the matters alleged in the Mirasol lawsuit. The Company had recorded an accrual for these amounts at September 30, 2016 that was not material to the Company's results of operations, financial condition or cash flows, which had been recorded within Operating Expenses for the fiscal year ended September 30, 2016. On January 6, 2017, the Company and Mirasol agreed to a class action settlement of $0.3 million with regards to all outstanding claims. The parties are currently preparing a formal settlement agreement, which will require approval by the Court. During the six months ended March 31, 2017, the Company recorded an accrual of $0.2 million within Operating Expenses related to the settlement.

c) Mirasol Wrongful Termination Lawsuit

In August 2016, EMCORE was served with a second lawsuit by former employee Mirsaol, in the Superior Court of Los Angeles alleging that the Company violated California's employment laws in terminating her employment in November 2015. By her complaint, Mirasol asserted five causes of action: (1) wrongful termination in violation of public policy; (2) discrimination on the basis of disability and/or medical condition; (3) failure to accommodate; (4) failure to engage in the interactive process; and (5) intentional infliction of emotional distress. On September 26, 2016, Mirasol dismissed the fifth cause of action for intentional infliction of emotional distress. Mirasol alleged that EMCORE wrongfully terminated her at the conclusion of a Family and Medical Act leave, without engaging in the interactive process of offering to provide her with reasonable accommodations. The plaintiff sought general, special, and punitive damages. On January 6, 2017, the Company and Mirasol agreed to a settlement of $50,000 with regards to all outstanding claims. This amount was paid as of March 31, 2017.

NOTE 13. Equity

Equity Plans

We provide long-term incentives to eligible officers, directors, and employees in the form of equity-based awards. We maintain three equity incentive compensation plans, collectively described below as our "Equity Plans":

- the 2000 Stock Option Plan,
- the 2010 Equity Incentive Plan ("2010 Plan"), and
- the 2012 Equity Incentive Plan ("2012 Plan").

We issue new shares of common stock to satisfy awards issued under our Equity Plans.

The Board of Directors (the "Board") of the Company previously approved, subject to stockholder approval, amendments to the 2012 Plan that would, among other changes, (1) increase the limit on the aggregate number of shares of common stock that may be delivered pursuant to awards granted under the 2012 Plan by 2,400,000 shares to a new aggregate share limit of 5,301,366 shares; (2) extend the ability to grant performance-based awards under the 2012 plan through the first annual meeting of shareholders that occurs in 2022; (3) extend the term of the 2012 Plan until March 17, 2027; (4) increase the annual limits on the number of different types of awards that may be granted to an individual under the 2012 Plan, so a participant may receive (a) a maximum of 200,000 stock options, 200,000 stock appreciation rights, 200,000 shares of restricted stock, 200,000 restricted stock units, 200,000 stock purchase rights and 200,000 share awards in any fiscal year of the Company, (b) in connection with their initial year of service, up to an additional 400,000 stock options, 400,000 stock appreciation rights, 400,000 shares of restricted stock, 400,000 restricted stock units, 400,000 stock purchase rights and 400,000 share awards, and (c) a maximum of $1,000,000 in cash earned in connection with the grant of performance units in any fiscal year; and (5) require all awards granted under the Amended 2012 Plan to have a minimum vesting period of one year and no award may vest earlier than the first anniversary of the grant date of the award. The Company's stockholders approved the amendments to the 2012 Plan on March 17, 2017.

Stock Options

Most of our stock options vest and become exercisable over a four to five year period and have a contractual life of 10 years. Certain stock options awarded are intended to qualify as incentive stock options pursuant to Section 422A of the Internal Revenue Code.

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The following table summarizes stock option activity under the Equity Plans for the six months ended March 31, 2017:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (*) (in thousands)
Outstanding as of September 30, 2016	750,338	$16.84		
Granted	—	—		
Exercised	(146,119)	$3.26		$ 856
Forfeited	(5,204)	$4.99		
Expired	(132,071)	$19.64		
Outstanding as of March 31, 2017	466,944	$20.43	2.13	$ 447
Exercisable as of March 31, 2017	410,541	$22.59	1.25	$ 202
Vested and expected to vest as of March 31, 2017	457,244	$20.76	1.99	$ 405

(*) Intrinsic value for stock options represents the "in-the-money" portion or the positive variance between a stock option's exercise price and the underlying stock price. For the six months ended March 31, 2016, the intrinsic value of options exercised was $80,000.

As of March 31, 2017, there was approximately $0.1 million of unrecognized stock-based compensation expense, net of estimated forfeitures, related to non-vested stock options granted under the Equity Plans which is expected to be recognized over an estimated weighted average life of 3.3 years.

Valuation Assumptions

There were no stock option grants for the three and six months ended March 31, 2017. The fair value of each stock option grant for the three and six months ended March 31, 2016, excluding the adjustment for a special dividend paid in July 2016, was estimated on the date of grant using the Black-Scholes option valuation model, adhering to the straight-line attribution approach using the following weighted-average assumptions, of which the expected term and stock price volatility rate are highly subjective:

	For the three months ended March 31,		For the six months ended March 31,	
	2017	2016	2017	2016
Black-Scholes weighted average assumptions:				
Expected dividend rate	—%	—%	—%	—%
Expected stock price volatility rate	—%	61.0%	—%	61.3%
Risk-free interest rate	—%	1.5%	—%	1.6%
Expected term (in years)	—	6.0	—	6.0
Weighted average grant date fair value per share of stock options granted:	$ —	$ 2.97	$ —	$ 3.64

Expected Dividend Yield: The Black-Scholes valuation model calls for a single expected dividend rate as an input. Although we paid a special dividend in July 2016, no dividend rate was assumed in the valuation.

Expected Stock Price Volatility Rate: The fair values of stock-based payments were calculated using the Black-Scholes valuation method with a volatility factor based on our historical common stock prices.

Risk-Free Interest Rate: The risk-free interest rate used in the Black-Scholes valuation method was based on the implied yield that was available on U.S. Treasury zero-coupon notes with an equivalent remaining term. Where the expected terms of stock-based awards do not correspond with the terms for which interest rates are quoted, we performed a straight-line interpolation to determine the rate from the available maturities.

Expected Term: Expected term represents the period that our stock-based awards are expected to be outstanding and was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of stock-based awards.

Estimated Pre-vesting Forfeitures: We are required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. If we use different assumptions for estimating stock-based compensation expense in future periods or if actual forfeitures differ materially from our estimated forfeitures, the change in our non-cash stock-based compensation expense could adversely affect our results of operations.

Restricted Stock

Restricted stock units (RSUs) granted to employees under the 2010 Plan and 2012 Plan typically vest over 3 to 4 years and are subject to forfeiture if employment terminates prior to the lapse of the restrictions. RSUs are not considered issued or outstanding common stock until they vest.

The following table summarizes the activity related to RSUs for the six months ended March 31, 2017:

Restricted Stock Activity	**Restricted Stock Units**	
	Number of Shares	**Weighted Average Grant Date Fair Value**
Non-vested as of September 30, 2016	878,416	$4.25
Granted	267,009	$8.04
Vested	(304,971)	$4.04
Forfeited	(5,051)	$4.14
Non-vested as of March 31, 2017	835,403	$5.53

As of March 31, 2017, there was approximately $3.7 million of remaining unamortized stock-based compensation expense, net of estimated forfeitures, associated with RSUs, which will be expensed over a weighted average remaining service period of approximately 2.7 years. The 0.8 million outstanding non-vested RSUs have an aggregate intrinsic value of approximately $7.5 million and a weighted average remaining contractual term of 1.7 years. For the six months ended March 31, 2017 and 2016, the intrinsic value of RSUs vested was approximately $2.8 million and $1.4 million, respectively. Of the 0.8 million outstanding non-vested RSUs at March 31, 2017, approximately 0.8 million are expected to vest and have an aggregate intrinsic value of approximately $6.9 million and a weighted average remaining contractual term of 1.7 years. For the six months ended March 31, 2016, the weighted average grant date fair value of RSUs granted was $5.22.

On October 18, 2016, the Company granted 70,000 RSUs with a grant date fair value of $0.4 million to its CEO, Jeffrey Rittichier, that will vest in 4 equal annual installments beginning on October 18, 2017.

Performance Stock

Performance based restricted stock units (PSUs) granted to employees under the 2012 Plan typically vest over 1 to 3 years and are subject to forfeiture if employment terminates prior to the lapse of the restrictions. PSUs are not considered issued or outstanding common stock until they vest. PSUs that are granted to our executive officers and key employees are provided as long-term incentive compensation that is based on relative total shareholder return, which measures our performance against that of our competitors.

On October 18, 2016, the Company granted our CEO, Mr. Rittichier, 100,000 target PSUs with a grant date fair value of $0.7 million and our CFO, Jikun Kim, 195,180 target PSUs with a grant date fair value of $1.4 million.

The PSUs issued will vest based on a combination of the relative total shareholder return of EMCORE'S stock compared to the Russell Microcap Index and the executive's continued employment. The total number of shares to be issued to each individual ranges from zero (0) to 200% of the target PSUs granted. Between zero (0) and 200% of one third of the target PSUs will vest, if at all, on each of October 17, 2017, 2018 and 2019.

On December 14, 2016, the Company granted 71,669 target PSUs with a grant date fair value of $1.0 million to certain employees. The PSUs issued will vest based on a combination of the relative total shareholder return of EMCORE's stock compared to the Russell Microcap Index and the employee's continued employment. The total number of shares to be issued to each individual may range from zero (0) to 200% of the target PSUs granted. Between zero (0) and 200% of the target PSUs will vest, if at all, on December 14, 2019.

The following table summarizes the activity related to PSUs for the six months ended March 31, 2017:

Performance Stock Activity	**Performance Stock Units**	
	Number of Shares (at Target)	**Weighted Average Grant Date Fair Value**
Non-vested as of September 30, 2016	—	$0.00
Granted	366,849	$8.34
Vested	—	$0.00
Forfeited	—	$0.00
Non-vested as of March 31, 2017	366,849	$8.34

As of March 31, 2017, there was approximately $2.2 million of remaining unamortized stock-based compensation expense, net of estimated forfeitures, associated with PSUs, which will be expensed over a weighted average remaining service period of approximately 1.8 years. The 0.4 million outstanding non-vested PSUs have an aggregate intrinsic value of approximately $3.3 million and a weighted average remaining contractual term of 1.8 years. For the six months ended March 31, 2017 and 2016, there were no PSUs vested. Of the 0.4 million outstanding non-vested PSUs at March 31, 2017, approximately 0.3 million are expected to vest and have an aggregate intrinsic value of approximately $3.1 million and a weighted average remaining contractual term of 1.8 years. There were no PSUs granted during the six months ended March 31, 2016.

Stock-based compensation

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

Stock-based Compensation Expense - by award type	**For the three months ended March 31,**		**For the six months ended March 31,**	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Employee stock options	$ 11	$ 10	$ 22	$ 16
Restricted stock awards and units	369	453	723	719
Performance stock units	371	—	639	—
Employee stock purchase plan	66	56	118	111
Outside director fees in common stock	12	94	90	130
Total stock-based compensation expense	$ 829	$ 613	$ 1,592	$ 976

Stock-based Compensation Expense - by expense type	For the three months ended March 31,		For the six months ended March 31,	
(in thousands)	2017	2016	2017	2016
Cost of revenue	$ 147	$ 113	$ 240	$ 182
Selling, general, and administrative	563	420	1,133	608
Research and development	119	80	219	186
Total stock-based compensation expense	$ 829	$ 613	$ 1,592	$ 976

The stock-based compensation expense above relates to continuing operations. Stock-based compensation within selling, general and administrative expense was higher for three and six months ended March 31, 2017 due to stock-based compensation expense associated with the grants of PSUs. Included within discontinued operations is $(20,000) and $(0.1) million of stock based compensation expense for the three months ended March 31, 2017 and 2016, respectively. Included within discontinued operations is $(11,000) and $(0.1) million of stock based compensation expense for the six months ended March 31, 2017 and 2016, respectively.

401(k) Plan

We have a savings plan that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under this savings plan, participating employees may defer a portion of their pretax earnings, up to the Internal Revenue Service annual contribution limit. Since June 2015, all employer contributions are made in cash. Our matching contribution in cash for the three months ended March 31, 2017 and 2016 was approximately $0.2 million and $0.1 million, respectively. Our matching contribution in cash for the six months ended March 31, 2017 and 2016 was approximately $0.3 million and $0.2 million, respectively.

Income (Loss) Per Share

The following table sets forth the computation of basic and diluted net income (loss) per share:

Basic and Diluted Net Income (Loss) Per Share *(in thousands, except per share)*	**For the three months ended March 31,**		**For the six months ended March 31,**	
	2017	**2016**	**2017**	**2016**
Numerator:				
Income (loss) from continuing operations	$ 1,855	$ (162)	$ 3,621	$ (296)
(Loss) income from discontinued operations	(7)	4,144	(16)	5,265
Undistributed earnings allocated to common shareholders for basic and diluted net income per share	1,848	3,982	3,605	4,969
Denominator:				
Denominator for basic net income per share - weighted average shares outstanding	26,622	25,942	26,449	25,818
Dilutive options outstanding, unvested stock units and ESPP	963	—	917	—
Denominator for diluted net income per share - adjusted weighted average shares outstanding	27,585	25,942	27,366	25,818
Net income (loss) per basic share:				
Continuing operations	$ 0.07	$ (0.01)	$ 0.14	$ (0.01)
Discontinued operations	(0.00)	0.16	(0.00)	0.20
Net income per basic share	$ 0.07	$ 0.15	$ 0.14	$ 0.19
Net income (loss) per diluted share:				
Continuing operations	$ 0.07	$ (0.01)	$ 0.13	$ (0.01)
Discontinued operations	(0.00)	$ 0.16	(0.00)	0.20
Net income per diluted share	$ 0.07	$ 0.15	$ 0.13	$ 0.19
Weighted average antidilutive options, unvested restricted stock units and awards, unvested performance stock units and ESPP shares excluded from the computation	370	721	550	794
Average market price of common stock	$ 9.11	$ 5.44	$ 7.99	$ 6.19

For diluted income (loss) per share, the denominator includes all outstanding common shares and all potential dilutive common shares to be issued. For the three and six months ended March 31, 2017, we excluded 0.4 million and 0.6 million, respectively, of weighted average outstanding stock options, RSUs and PSUs from the calculation of diluted net income per share because their effect would have been anti-dilutive. The anti-dilutive stock options and unvested stock were excluded from the computation of diluted net income (loss) per share for the three and six months ended March 31, 2016 due to the Company incurring a net loss for that period.

Employee Stock Purchase Plan

We maintain an Employee Stock Purchase Plan ("ESPP") that provides employees an opportunity to purchase common stock through payroll deductions. The ESPP is a 6-month duration plan with new participation periods beginning on February 25 and August 26 of each year. The purchase price is set at 85% of the average high and low market price of our common stock on either the first or last day of the participation period, whichever is lower, and annual contributions are limited to the lower of 10% of an employee's compensation or $25,000.

Future Issuances

As of March 31, 2017, we had common stock reserved for the following future issuances:

Future Issuances	Number of Common Stock Shares Available for Future Issuances
Exercise of outstanding stock options	466,944
Unvested restricted stock units	835,403
Unvested performance stock units	366,849
Purchases under the employee stock purchase plan	973,322
Issuance of stock-based awards under the Equity Plans	2,732,130
Purchases under the officer and director share purchase plan	88,741
Total reserved	5,463,389

NOTE 14. Geographical Information

We evaluate our reportable segment pursuant to ASC 280, *Segment Reporting.* The Company's Chief Executive Officer is the chief operating decision maker and he assesses the performance of the operating segment and allocates resources to the segment based on its business prospects, competitive factors, net revenue, operating results, and other non-GAAP financial ratios. Based on this evaluation, the Company operates as a single reportable segment.

Revenue: The following tables set forth revenue by geographic region with revenue assigned to geographic regions based on our customers' billing address.

Revenue by Geographic Region	For the three months ended March 31,		For the six months ended March 31,	
(in thousands)	2017	2016	2017	2016
United States	$ 25,930	$ 15,369	$ 50,684	$ 29,182
Asia	4,772	4,638	8,491	10,977
Europe	1,695	1,371	3,325	3,534
Other	194	154	267	329
Total revenue	$ 32,591	$ 21,532	$ 62,767	$ 44,022

Significant Customers: Significant customers are defined as customers representing greater than 10% of our consolidated revenue. Revenue from three of our significant customers represented 74% of our consolidated revenue for both the three and six months ended March 31, 2017. Revenue from two of our significant customers represented 51% of our consolidated revenue for the three and six months ended March 31, 2016.

Long-lived Assets: Long-lived assets consist of property, plant, and equipment. As of March 31, 2017 and September 30, 2016, approximately 39% and 38%, respectively, of our long-lived assets were located in the United States. The remaining long-lived assets are primarily located in China.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with the financial statements and the notes thereto included in Financial Statements under Item 1 within this Quarterly Report. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See Cautionary Statement Regarding Forward-Looking Statements.

Business Overview

EMCORE Corporation together with its subsidiaries (referred to herein as the "Company," "we," "our," or "EMCORE") 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 leading provider of 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.

Sumitomo Electric Industries Ltd. ("SEI")

In March 2012, we entered into a Master Purchase Agreement with SEI, pursuant to which we agreed to sell certain assets and transfer certain obligations. Under the terms of the Master Purchase Agreement, we agreed to indemnify SEI for up to $3.4 million of potential claims and expenses for the two-year period following the sale and we recorded this amount as a deferred gain on our balance sheet as a result of these contingencies.

On September 23, 2014, SEI filed for arbitration against EMCORE, as required under the Master Purchase Agreement between the parties. SEI was seeking $47.5 million from EMCORE, relating to numerous claims. On April 12, 2016, the International Court of Arbitration tribunal rejected SEI's claims. The panel ruled that EMCORE owed SEI none of the amounts SEI sought in the arbitration and that the Company was entitled to collect the $1.9 million held in escrow, which was received in June 2016 and was included in cash at June 30, 2016. The Company was also entitled to recover $2.6 million in fees and costs from SEI, which was received in June 2016. During the fiscal year ended September 30, 2016, we recognized a gain associated with the release of $3.4 million of previously deferred gain associated with the sale of assets and reversal of other liabilities of $0.4 million, resulting in a credit of $3.8 million to recognition of previously deferred gain on sale of assets within discontinued operations of the Digital Products Business. During the fiscal year ended September 30, 2016, we recognized the $2.6 million recovery of fees and costs incurred by EMCORE within operating income as such represented the recovery of previously incurred legal expenses. See Note 4 - Discontinued Operations in the notes to the consolidated financial statements for more information.

Sale of Photovoltaics and Digital Products Businesses

On September 17, 2014, EMCORE entered into an Asset Purchase Agreement (the "Photovoltaics Agreement") with SolAero Technologies Corporation ("SolAero") (formerly known as Photon Acquisition Corporation) under which SolAero acquired substantially all of the assets, and assumed substantially all of the liabilities, primarily related to or used in connection with the Company's photovoltaics business, including EMCORE's subsidiaries EMCORE Solar Power, Inc. and EMCORE IRB Company, LLC (collectively, the "Photovoltaics Business" and, the sale of the Photovoltaics Business, the "Photovoltaics Asset Sale") for $149.9 million in cash, prior to a $0.1 million working capital adjustment pursuant to the Photovoltaics Agreement finalized and paid by EMCORE during the fiscal year ended September 30, 2015. On December 10, 2014, EMCORE completed the Photovoltaics Asset Sale.

On October 22, 2014, EMCORE entered into an Asset Purchase Agreement (the “Digital Products Agreement”) with NeoPhotonics Corporation, a Delaware corporation (“NeoPhotonics”), under which the Company sold certain assets, and transferred certain liabilities, of the Company's telecommunications business (the “Digital Products Business”) to NeoPhotonics for an aggregate purchase price of $17.5 million, subject to certain adjustments.

On January 2, 2015, EMCORE completed the sale of the Digital Products Business for $1.5 million in cash and an adjusted Promissory Note balance of $15.5 million. On April 17, 2015, NeoPhotonics paid in full the outstanding balance of the Promissory Note of $15.5 million, plus accrued interest of $0.2 million.

The Photovoltaics Asset Sale and Digital Products Asset Sale are reported as discontinued operations. See Note 4 - Discontinued Operations in the notes to the consolidated financial statements for additional disclosures.

Strategic Plan

In addition to organic growth and development of our existing fiber optics business, we intend to pursue other strategies to enhance shareholder value. The Strategy and Alternatives Committee of the Company's Board of Directors (the “Strategy and Alternatives Committee”), which was established in December 2013, is charged with overseeing the Company’s strategic plan and evaluating strategic opportunities and alternatives available to the Company, including potential mergers, acquisitions, divestitures and other key strategic transactions outside the ordinary course of the Company’s business. Accordingly, the Strategy and Alternatives Committee may from time to time consider strategic opportunities to enhance shareholder value, which may include acquisitions, investments in joint ventures, partnerships, and other strategic alternatives such as dispositions, reorganizations, recapitalizations or other similar transactions, the repurchase of shares of our outstanding common stock or payment of dividends to our shareholders, and may engage financial and other advisers to assist it in these efforts. Accordingly, the Strategy and Alternatives Committee of the Board of Directors and our management may from time to time be engaged in evaluating potential strategic opportunities and we may enter into definitive agreements with respect to such transactions or other strategic alternatives. However, there is no assurance that the Strategy and Alternatives Committee will identify further strategic opportunities that the Company will determine to pursue, or that the consideration of any such opportunity would result in the completion of a strategic transaction.

Results of Operations

The following table sets forth our consolidated statements of operations data expressed as a percentage of revenue:

	For the three months ended March 31,		For the six months ended March 31,	
	2017	2016	2017	2016
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	66.1	67.4	66.4	67.2
Gross profit	33.9	32.6	33.6	32.8
Operating expense:				
Selling, general, and administrative	17.4	22.4	17.9	21.9
Research and development	9.6	11.9	8.5	11.6
Impairments	1.4	—	0.7	—
Total operating expense	28.4	34.3	27.1	33.5
Operating income (loss)	5.5	(1.7)	6.5	(0.7)
Other income (expense):				
Interest income, net	0.1	0.1	0.1	—
Foreign exchange gain (loss)	0.1	0.1	(0.6)	(0.2)
Total other income (expense)	0.2	0.2	(0.5)	(0.2)
Income (loss) from continuing operations before income tax benefit (expense)	5.7	(1.5)	6.0	(0.9)
Income tax benefit (expense)	—	0.8	(0.2)	0.2
Income (loss) from continuing operations	5.7	(0.7)	5.8	(0.7)
(Loss) income from discontinued operations, net of tax	—	19.2	—	12.0
Net income	5.7 %	18.5 %	5.7 %	11.3 %

Comparison of Financial Results for the Three Months Ended March 31, 2017 and 2016

(in thousands, except percentages)	For the three months ended March 31,			
	2017	**2016**	**$ Change**	**% Change**
Revenue	$ 32,591	$ 21,532	$ 11,059	51.4%
Cost of revenue	21,553	14,510	7,043	48.5%
Gross profit	11,038	7,022	4,016	57.2%
Operating expense:				
Selling, general, and administrative	5,672	4,825	847	17.6%
Research and development	3,141	2,564	577	22.5%
Impairments	468	—	468	N/A
Total operating expense	9,281	7,389	1,892	25.6%
Operating income (loss)	1,757	(367)	2,124	578.7%
Other income:				
Interest income, net	46	25	21	84.0%
Foreign exchange gain	44	25	19	76.0%
Total other income	90	50	40	80.0%
Income (loss) from continuing operations before income tax benefit	1,847	(317)	2,164	682.6%
Income tax benefit	8	155	(147)	(94.8)%
Income (loss) from continuing operations	1,855	(162)	2,017	1,245.1%
(Loss) income from discontinued operations, net of tax	(7)	4,144	(4,151)	(100.2)%
Net income	$ 1,848	$ 3,982	$ (2,134)	(53.6)%

Revenue

For the three months ended March 31, 2017, revenue increased 51.4% compared to the prior year driven by significantly higher sales of our CATV products primarily to U.S. customers.

Gross Profit

Our cost of revenue consists of raw materials, compensation expense including non-cash stock-based compensation expense, depreciation expense and other manufacturing overhead costs, expenses associated with excess and obsolete inventories, and product warranty costs. Historically, our cost of revenue as a percentage of revenue, which we refer to as our gross margin, has fluctuated significantly due to product mix, manufacturing yields and sales volumes, and inventory and specific product warranty charges.

Consolidated gross margins were 33.9% and 32.6% for the three months ended March 31, 2017 and 2016, respectively.

Stock-based compensation expense within cost of revenue totaled approximately $0.1 million during the three months ended March 31, 2017 and 2016.

For the three months ended March 31, 2017, gross margins increased when compared to the same period in the prior year. The increase in gross margins for the three months ended March 31, 2017 was primarily due to product mix and higher utilization of the manufacturing facility, as we increased production output, resulting in higher levels of absorption.

Selling, General and Administrative (SG&A)

SG&A consists primarily of compensation expense including non-cash stock-based compensation expense related to executive, finance, and human resources personnel, as well as sales and marketing expenses, professional fees, legal and patent-related costs, and other corporate-related expenses.

Stock-based compensation expense within SG&A totaled approximately $0.6 million and $0.4 million during the three months ended March 31, 2017 and 2016, respectively. The increase in stock based compensation within SG&A during the three months ended March 31, 2017 when compared to the same period in the prior year is primarily due to the value of Performance Stock Units granted during fiscal year 2017.

SG&A expense for the three months ended March 31, 2017 was higher than the amount reported in the same period during the prior year primarily due to higher compensation costs, severance, including the $0.5 million related to our opening a new manufacturing facility in China during the three months ended March 31, 2017, and stock-based compensation partially offset by lower legal and professional expenses.

As a percentage of revenue, SG&A expenses were 17.4% and 22.4% for the three months ended March 31, 2017 and 2016, respectively. The decrease in SG&A expense as a percentage of revenue in the three months ended March 31, 2017 compared to the same period in 2016 is due to the increase in revenues in the three months ended March 31, 2017.

Research and Development (R&D)

R&D consists primarily of compensation expense including non-cash stock-based compensation expense, as well as engineering and prototype costs, depreciation expense, and other overhead expenses, as they related to the design, development, and testing of our products. Our R&D costs are expensed as incurred. We believe that in order to remain competitive, we must invest significant financial resources in developing new product features and enhancements and in maintaining customer satisfaction worldwide.

Stock-based compensation expense within R&D totaled approximately $0.1 million during the three months ended March 31, 2017 and 2016.

R&D expense for the three months ended March 31, 2017 was higher than the amounts reported in the same period during the prior year primarily due to higher compensation costs and increased project spending.

As a percentage of revenue, R&D expenses were 9.6% and 11.9% for the three months ended March 31, 2017 and 2016, respectively. The decrease in R&D expense as a percentage of revenue in the three months ended March 31, 2017 compared to the same period in 2016 is due to the increase in revenues in the three months ended March 31, 2017.

Impairments

In March 2017, in connection with our opening a new manufacturing facility in China, we identified equipment with a net book value of approximately $0.6 million that would no longer be utilized after the planned move later in fiscal year 2017. After taking into consideration the costs of disposal and estimated net funds from the sale of the equipment of approximately $0.1 million, we recorded a charge to impairments of approximately $0.5 million in the three months ended March 31, 2017. Also see Note 8 - Property, Plant and Equipment, net in the notes to the condensed consolidated financial statements for additional information.

Operating Income

Operating income represents revenue less the cost of revenue and direct operating expenses incurred. Operating income is a measure of profit and loss that executive management uses to assess performance and make decisions. As a percentage of revenue, our operating income (loss) was 5.5% and (1.7)% for the three months ended March 31, 2017 and 2016, respectively. The increase in operating income as a percentage of revenue in the three months ended March 31, 2017 compared to the same period in 2016 is due to the increase in revenues and operating income in the three months ended March 31, 2017.

Other Income (Expense)

Interest Income, net

Interest income for the three months ended March 31, 2017 was higher than the amount reported in the same period in the prior year due to higher interest income earned on cash and cash equivalents balances.

Foreign Exchange

Gains from foreign currency transactions denominated in currencies other than the U.S. dollar, both realized and unrealized, are recorded as foreign exchange gain on our consolidated statements of operations and comprehensive income. The gains recorded relate to the change in value of the Yuan Renminbi relative to the U.S. dollar.

Income Tax (Expense) Benefit

For the three months ended March 31, 2017, the Company recorded income tax benefit from continuing operations of approximately $8,000 and $0 within income from discontinued operations.

For the three months ended March 31, 2016, the Company recorded income tax benefit from continuing operations of approximately $0.2 million from continuing operations and an income tax expense of approximately $0.2 million within income from discontinued operations.

Our Board of Directors has adopted a Tax Benefits Preservation Plan (the "Rights Plan") to help preserve the value of our net operating losses and other favorable tax attribute carryovers by reducing the risk of limitation of these deferred tax assets. The Rights Plan was approved by our shareholders on March 10, 2015. The Rights Plan is intended to reduce the likelihood that we will experience an ownership change for purposes of Internal Revenue Code Section 382 by discouraging any person or group from becoming a "5% shareholder" or increasing their ownership of our common stock if they are already a "5% shareholder." Although the Rights Plan is intended to reduce the likelihood of an "ownership change" that could adversely affect us, there is no assurance that the Rights Plan will prevent all transfers of our common stock that could result in such an "ownership change."

Income from Discontinued Operations, Net of Tax

(in thousands, except percentages)	For the three months ended March 31,			
	2017	**2016**	**$ Change**	**% Change**
Revenue	—	—	$ —	N/A
Cost of revenue	11	(445)	456	102.5%
Gross (loss) profit	(11)	445	(456)	(102.5)%
Operating expense	(4)	(66)	(62)	(93.9)%
Recognition of previously deferred gain on sale of assets	—	3,804	(3,804)	NA
Income from discontinued operations before income tax expense	(7)	4,315	(4,322)	(100.2)%
Income tax expense	—	(171)	171	100.0%
(Loss) income from discontinued operations, net of tax	$ (7)	$ 4,144	$ (4,151)	(100.2)%

During the three months ended March 31, 2016, we recorded income from discontinued operations from the Photovoltaics Business and Digital Products Business of $15,000 and $4.1 million, respectively.

Included in cost of revenue for the three months ended March 31, 2016 is $0.4 million due to a reduction in expected product warranty liabilities from a settlement agreement associated with the Digital Products Business.

During the three months ended March 31, 2016, we recognized a gain associated with the release of the $3.4 million deferred gain and reversal of other liabilities of $0.4 million, that had been recorded as of September 30, 2015, resulting in a credit of $3.8 million to recognition of previously deferred gain on sale of assets within discontinued operations of the Digital Products Business as the result of the favorable ruling from the SEI arbitration. Also see Note 12 - Commitments and Contingencies in the notes to the condensed consolidated financial statements for additional information.

Comparison of Financial Results for the Six Months Ended March 31, 2017 and 2016

(in thousands, except percentages)	For the six months ended March 31,			
	2017	2016	$ Change	% Change
Revenue	$ 62,767	$ 44,022	$ 18,745	42.6%
Cost of revenue	41,686	29,599	12,087	40.8%
Gross profit	21,081	14,423	6,658	46.2%
Operating expense:				
Selling, general, and administrative	11,250	9,646	1,604	16.6%
Research and development	5,340	5,124	216	4.2%
Impairments	468	—	468	N/A
Total operating expense	17,058	14,770	2,288	15.5%
Operating income (loss)	4,023	(347)	4,370	1,259.4%
Other income (expense):				
Interest income, net	69	8	61	762.5%
Foreign exchange loss	(359)	(110)	(249)	(226.4)%
Total other expense	(290)	(102)	(188)	(184.3)%
Income (loss) from continuing operations before income tax (expense) benefit	3,733	(449)	4,182	931.4%
Income tax (expense) benefit	(112)	153	(265)	(173.2)%
Income (loss) from continuing operations	3,621	(296)	3,917	1,323.3%
(Loss) income from discontinued operations, net of tax	(16)	5,265	(5,281)	(100.3)%
Net income	$ 3,605	$ 4,969	$ (1,364)	(27.5)%

Revenue

For the six months ended March 31, 2017, revenue increased 42.6% compared to the prior year driven by significantly higher sales of our CATV products primarily to U.S. customers.

Gross Profit

Our cost of revenue consists of raw materials, compensation expense including non-cash stock-based compensation expense, depreciation expense and other manufacturing overhead costs, expenses associated with excess and obsolete inventories, and product warranty costs. Historically, our cost of revenue as a percentage of revenue, which we refer to as our gross margin, has fluctuated significantly due to product mix, manufacturing yields and sales volumes, and inventory and specific product warranty charges.

Consolidated gross margins were 33.6% and 32.8% for the six months ended March 31, 2017 and 2016, respectively.

Stock-based compensation expense within cost of revenue totaled approximately $0.2 million during the six months ended March 31, 2017 and 2016.

For the six months ended March 31, 2017, gross margins increased when compared to the same period in the prior year. The increase in gross margins for the six months ended March 31, 2017 was primarily due to product mix and higher utilization of the manufacturing facility, as we increased production output, resulting in higher levels of absorption.

Selling, General and Administrative (SG&A)

SG&A consists primarily of compensation expense including non-cash stock-based compensation expense related to executive, finance, and human resources personnel, as well as sales and marketing expenses, professional fees, legal and patent-related costs, and other corporate-related expenses.

Stock-based compensation expense within SG&A totaled approximately $1.1 million and $0.6 million during the six months ended March 31, 2017 and 2016, respectively. The increase in stock based compensation within SG&A during the six months ended March 31, 2017 when compared to the same period in the prior year is primarily due to the value of Performance Stock Units granted during the six months ended March 31, 2017.

SG&A expense for the six months ended March 31, 2017 was higher than the amount reported in the same period during the prior year primarily due to higher compensation costs, severance, including the $0.5 million related to our opening a new manufacturing facility in China during the six months ended March 31, 2017, and stock-based compensation.

As a percentage of revenue, SG&A expenses were 17.9% and 21.9% for the six months ended March 31, 2017 and 2016, respectively. The decrease in SG&A expense as a percentage of revenue in the six months ended March 31, 2017 compared to the same period in 2016 is due to the increase in revenues in the six months ended March 31, 2017.

Research and Development (R&D)

R&D consists primarily of compensation expense including non-cash stock-based compensation expense, as well as engineering and prototype costs, depreciation expense, and other overhead expenses, as they related to the design, development, and testing of our products. Our R&D costs are expensed as incurred. We believe that in order to remain competitive, we must invest significant financial resources in developing new product features and enhancements and in maintaining customer satisfaction worldwide.

Stock-based compensation expense within R&D totaled approximately $0.2 million during the six months ended March 31, 2017 and 2016.

R&D expense for the six months ended March 31, 2017 was higher than the amounts reported in the same period during the prior year primarily due to higher compensation costs and increased project spending.

As a percentage of revenue, R&D expenses were 8.5% and 11.6% for the six months ended March 31, 2017 and 2016, respectively. The decrease in R&D expense as a percentage of revenue in the six months ended March 31, 2017 compared to the same period in 2016 is due to the increase in revenues and lower R&D expense in the six months ended March 31, 2017.

Impairments

In March 2017, in connection with our opening a new manufacturing facility in China, we identified equipment with a net book value of approximately $0.6 million that would no longer be utilized after the planned move later in fiscal year 2017. After taking into consideration the costs of disposal and estimated net funds from the sale of the equipment of approximately $0.1 million, we recorded a charge to impairments of approximately $0.5 million in the six months ended March 31, 2017. Also see Note 8 - Property, Plant and Equipment, net in the notes to the condensed consolidated financial statements for additional information.

Operating Income

Operating income represents revenue less the cost of revenue and direct operating expenses incurred. Operating income is a measure of profit and loss that executive management uses to assess performance and make decisions. As a percentage of revenue, our operating income was 6.5% and (0.7)% for the six months ended March 31, 2017 and 2016, respectively. The increase in operating income as a percentage of revenue in the six months ended March 31, 2017 compared to the same period in 2016 is due to the increase in revenues and operating income in the six months ended March 31, 2017.

Other Income (Expense)

Interest Income, net

Interest income for the six months ended March 31, 2017 was higher than the amount reported in the same period in the prior year due to higher interest income earned on cash and cash equivalents balances.

Foreign Exchange

Losses from foreign currency transactions denominated in currencies other than the U.S. dollar, both realized and unrealized, are recorded as foreign exchange loss on our consolidated statements of operations and comprehensive income. The losses recorded relate to the change in value of the Yuan Renminbi relative to the U.S. dollar.

Income Tax (Expense) Benefit

For the six months ended March 31, 2017, the Company recorded income tax expense from continuing operations of approximately $0.1 million, and $0 within income from discontinued operations.

For the six months ended March 31, 2016, the Company recorded income tax benefit from continuing operations of approximately $0.2 million and $0.2 million of income tax expense within income from discontinued operations.

Income from Discontinued Operations, Net of Tax

(in thousands, except percentages)	For the six months ended March 31,			
	2017	**2016**	**$ Change**	**% Change**
Revenue	—	—	$ —	N/A
Cost of revenue	12	(494)	506	102.4%
Gross (loss) profit	(12)	494	(506)	(102.4)%
Operating expense (income)	4	(1,151)	(1,155)	(100.3)%
Recognition of previously deferred gain on sale of assets	—	3,804	(3,804)	NA
(Loss) income from discontinued operations before income tax expense	(16)	5,449	(5,465)	(100.3)%
Income tax expense	—	(184)	184	100.0%
(Loss) income from discontinued operations, net of tax	$ (16)	$ 5,265	$ (5,281)	(100.3)%

During the six months ended March 31, 2016, we recorded income from discontinued operations from the Photovoltaics Business and Digital Products Business of $0.8 million and $4.5 million, respectively.

Included in cost of revenue for the six months ended March 31, 2016 is $0.4 million due to a reduction in expected product warranty liabilities from a settlement agreement associated with the Digital Products Business.

During the six months ended March 31, 2016, we recognized a gain associated with the release of the $3.4 million deferred gain and reversal of other liabilities of $0.4 million, that had been recorded as of September 30, 2015, resulting in a credit of $3.8 million to recognition of previously deferred gain on sale of assets within discontinued operations of the Digital Products Business as the result of the favorable ruling from the SEI arbitration. Also see Note 12 - Commitments and Contingencies in the notes to the condensed consolidated financial statements for additional information.

Order Backlog

EMCORE's product sales are made pursuant to purchase orders, often with short lead times. These orders are subject to revision or cancellation and often are made without deposits. Products typically ship within the same quarter in which a purchase order is received; therefore, our order backlog at any particular date is not necessarily indicative of actual revenue or the level of orders for any succeeding period.

Liquidity and Capital Resources

Historically, we have consumed cash from operations and, until recently, in most periods we have incurred operating losses from continuing operations. We have managed our liquidity position through the sale of assets and cost reduction initiatives, as well as, from time to time in prior periods, borrowings from our Credit Facility (defined below) and capital markets transactions.

As of March 31, 2017, cash and cash equivalents totaled $68.6 million and net working capital totaled approximately $97.4 million. Net working capital, calculated as current assets minus current liabilities, is a financial metric we use which represents available operating liquidity. For the six months ended March 31, 2017, we earned net income of $3.6 million. With respect to measures related to liquidity:

- Tender Offer: On June 15, 2015, we completed the modified “Dutch auction” tender offer (the “Tender Offer”) and purchased 6.9 million shares of our common stock at a purchase price of $6.55 per share, for an aggregate cost of $45.0 million excluding fees and expenses. Repurchased common stock was recorded to treasury stock. We incurred costs of $0.7 million in connection with the Tender Offer, which were recorded to treasury stock.

- Dividend Payment: On July 5, 2016, the Company declared a special cash dividend of $1.50 per share, or a total of $39.2 million. The dividend was paid on July 29, 2016 to shareholders of record as of July 18, 2016.

- Resolution of Outstanding Litigation: In June 2016 we collected $2.6 million in fees and costs from Sumitomo Electric Industries, Ltd. (“SEI”) and $1.9 million held in escrow as the result of the favorable ruling from the SEI arbitration. See Note 12 - Commitments and Contingencies.

- Mirasol Settlements: In January 2017, we entered into an agreement to settle all outstanding claims of the Mirasol class action lawsuit for $0.3 million and the wrongful termination lawsuit for $50,000 and recorded a charge during the six months ended March 31, 2017 of $0.2 million. See Note 12- Commitments and Contingencies.

- Credit Facility: On November 11, 2010, we entered into a Credit and Security Agreement (Credit Facility) with Wells Fargo Bank, N.A. (“Wells Fargo”). The Credit Facility, as it has been amended through its seventh amendment on November 10, 2015, currently provides us with a revolving credit of up to $15.0 million through November 2018 that can be used for working capital requirements, letters of credit, and other general corporate purposes. The Credit Facility is secured by the Company's assets and is subject to a borrowing base formula based on the Company's eligible accounts receivable, inventory, and machinery and equipment accounts. See Note 10 - Credit Facilities in the notes to the consolidated financial statements for additional disclosures. As of May 1, 2017, there was no outstanding balance under this Credit Facility.

We believe that our existing balances of cash and cash equivalents, cash flows from operations and amounts expected to be available under our Credit Facility will provide us with sufficient financial resources to meet our cash requirements for operations, working capital, and capital expenditures for at least the next twelve months, and thereafter for the foreseeable future. At the discretion of our Board, we may use our existing balances of cash and cash equivalents to provide liquidity to our shareholders through one or more additional special dividends or the repurchase of additional shares of our outstanding common stock, make investments in our other businesses, pursue other strategic opportunities or a combination thereof. In addition, should we require more capital than what is generated by our operations, for example to fund significant discretionary activities, such as business acquisitions, we could elect to raise capital in the U.S. through debt or equity issuances. These alternatives could result in higher effective tax rates, increased interest expense, and/or dilution of our earnings. We have borrowed funds in the past and continue to believe we have the ability to do so at reasonable interest rates.

Cash Flow

The Consolidated Statements of Cash Flows for the six months ended March 31, 2017 and 2016, respectively, reflect cash flows from both the continuing and discontinued operations of the Company.

Net Cash Provided By Operating Activities

Operating Activities *(in thousands, except percentages)*	For the six months ended March 31,			
	2017	2016	$ Change	% Change
Net cash provided by operating activities	$ 7,783	$ 275	$ 7,508	2,730.2%

Fiscal 2017:
For the six months ended March 31, 2017, our operating activities provided cash of $7.8 million primarily due to our net income of $3.6 million, depreciation, amortization and accretion expense of $1.7 million, stock-based compensation expense of $1.6 million, other changes of $0.6 million, impairment charge of $0.5 million and warranty provision of $0.3 million partially offset by a change in our operating assets and liabilities (or working capital components, which includes non-current inventory) of $0.4 million. The change in our operating assets and liabilities was primarily the result of an increase in accounts payable of approximately $1.5 million, accrued expenses and other liabilities of $1.0 million and a decrease in accounts receivable of $1.0 million partially offset by an increase in inventory of $2.4 million and other assets of $1.6 million.

Fiscal 2016:
For the six months ended March 31, 2016, our operating activities provided cash of $0.3 million primarily due to depreciation, amortization and accretion expense of $1.1 million, stock-based compensation expense of $0.9 million, warranty provision of $0.2 million, and our net income of $5.0 million, partially offset by decreases in our current assets and liabilities (or working capital components) of $1.7 million, the recognition of previously deferred gain on sale of assets from discontinued operations of $3.8 million and other items of $1.4 million. The change in our current assets and liabilities was primarily the result of an increase in accounts receivable of $2.0 million and a decrease in accrued expenses and other liabilities of $2.4 million, partially offset by a decrease in inventory of $0.2 million and other assets of $1.3 million and an increase in accounts payable of approximately $1.2 million.

Working Capital Components:

Accounts Receivable: We generally expect the level of accounts receivable at any given quarter to reflect the level of sales in that quarter. Our accounts receivable balances have fluctuated historically due to the timing of account collections, timing of product shipments, and/or change in customer credit terms.

Inventory: We generally expect the level of inventory at any given quarter to reflect the change in our expectations of forecasted sales. Our inventory balances have fluctuated historically due to the timing of customer orders and product shipments, changes in our internal forecasts related to customer demand, as well as adjustments related to excess and obsolete inventory and the purchase of non-current inventory.

Accounts Payable: The fluctuation of our accounts payable balances is primarily driven by changes in inventory purchases as well as changes related to the timing of actual payments to vendors.

Accrued Expenses: Our largest accrued expense typically relates to compensation. Historically, fluctuations of our accrued expense accounts have primarily related to changes in the timing of actual compensation payments, receipt or application of advanced payments, adjustments to our warranty accrual, and accruals related to professional fees.

Net Cash Used In Investing Activities

Investing Activities *(in thousands, except percentages)*	For the six months ended March 31,			
	2017	2016	$ Change	% Change
Net cash used in investing activities	$ (4,567)	$ (2,685)	$ (1,882)	(70.1)%

Fiscal 2017:
For the six months ended March 31, 2017, our investing activities used $4.6 million of cash for capital expenditures.

Fiscal 2016:
For the six months ended March 31, 2016, our investing activities used $2.7 million of cash for capital expenditures.

Net Cash Provided By Financing Activities

Financing Activities *(in thousands, except percentages)*	For the six months ended March 31,			
	2017	2016	$ Change	% Change
Net cash provided by financing activities	$ 779	$ 597	$ 182	30.5%

Fiscal 2017:
For the six months ended March 31, 2017, our financing activities provided cash of $0.8 million from proceeds from stock transactions.

Fiscal 2016:
For the six months ended March 31, 2016, our financing activities provided cash of $0.6 million from proceeds from stock plan transactions..

Contractual Obligations and Commitments

Our contractual obligations and commitments for the remainder of fiscal 2017 and over the next five fiscal years are summarized in the table below:

(in thousands)	Total	2017	2018 to 2019	2020 to 2021	2022 and later
Purchase obligations	$ 14,666	$ 14,292	$ 374	$ —	$ —
Asset retirement obligations	1,824	45	—	1,720	59
Operating lease obligations	1,264	377	595	292	—
Total contractual obligations and commitments	$ 17,754	$ 14,714	$ 969	$ 2,012	$ 59

Interest payments are not included in the contractual obligations and commitments table above since they are insignificant to our consolidated results of operations.

The contractual obligations and commitments table above also excludes unrecognized tax benefits because we are unable to reasonably estimate the period during which this obligation may be incurred, if at all. As of March 31, 2017, we had unrecognized tax benefits of $0.3 million.

Purchase Obligations
Our purchase obligations represent agreements to purchase goods or services that are enforceable and legally binding, that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions.

Asset Retirement Obligations ("ARO")
We have known conditional ARO conditions, such as certain asset decommissioning and restoration of rented facilities to be performed in the future. Our ARO includes assumptions related to renewal option periods where we expect to extend facility lease terms. Revisions in estimated liabilities can result from revisions of estimated inflation rates, escalating retirement costs, and changes in the estimated timing of settling the ARO. See Note 12 - Commitments and Contingencies in the notes to the consolidated financial statements for additional information related to our ARO's.

Operating Leases
Operating leases include non-cancelable terms and exclude renewal option periods, property taxes, insurance and maintenance expenses on leased properties. See Note 12 - Commitments and Contingencies in the notes to the consolidated financial statements for additional information related to our operating lease obligations.

Off-Balance Sheet Arrangements
We do not have any off-balance sheet arrangements other than our operating leases described above that have or are reasonably likely to have a current or future material effect on our consolidated financial condition, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as of the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. If these estimates differ significantly from actual results, the impact to the condensed consolidated financial statements may be material. There have been no material changes in our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for the year ended September 30, 2016. Please refer to Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 for a discussion of our critical accounting policies and estimates.

Geographical Information

See Note 14- Geographical Information in the notes to the condensed consolidated financial statements for disclosures related to geographic revenue and significant customers.

Recent Accounting Pronouncements
See Note 2 - Recent Accounting Pronouncements in the notes to the condensed consolidated financial statements for disclosures related to recent accounting pronouncements.

Restructuring Accruals
See Note 9 - Accrued Expenses and Other Current Liabilities in the notes to the condensed consolidated financial statements for disclosures related to our severance and restructuring-related accrual accounts.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risks

For Quantitative and qualitative disclosures about market risk affecting the Company, see Item 7A - Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the fiscal year ended September 30, 2016. We do not believe the Company's exposure to market risk has changed materially since September 30, 2016.

ITEM 4. Controls and Procedures

a. Evaluation of Disclosure Controls and Procedures

Our management, with the participation of its Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer and Accounting Officer), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of March 31, 2017. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

b. Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended) during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. Other Information

ITEM 1. Legal Proceedings

See the disclosures under the caption "Legal Proceedings" in Note 12- Commitments and Contingencies in the notes to our condensed consolidated financial statements for disclosures related to our legal proceedings, which disclosures are incorporated herein by reference.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2016, which could materially affect our business, financial condition or future results. We do not believe the Company's risks have changed materially since we filed our Annual Report on Form 10-K on December 7, 2016. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not Applicable.

ITEM 3. Defaults Upon Senior Securities

Not Applicable.

ITEM 4. Mine Safety Disclosures

Not Applicable.

ITEM 5. Other Information

Not Applicable.

ITEM 6. Exhibits

3.1	EMCORE Corporation 2012 Equity Incentive Plan, as amended and restated on January 19, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 20, 2017)
10.1†	EMCORE Corporation 2012 Equity Incentive Plan, as amended and restated on January 19, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 20, 2017)
10.2**	Directors' Compensation Policy (Amended March 17, 2017)
10.3**	Directors' Form of Award Agreement under the 2012 Equity Incentive Plan
31.1**	Certificate of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certificate of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1***	Certificate of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2***	Certificate of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.

† Management contract or compensatory plan
** *Filed herewith*
*** *Furnished herewith*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EMCORE CORPORATION

Date:	**May 4, 2017**	By:	**/s/ Jeffrey Rittichier**
			Jeffrey Rittichier
			Chief Executive Officer (Principal Executive Officer)
Date:	**May 4, 2017**	By:	**/s/ Jikun Kim**
			Jikun Kim
			Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 10.2

EMCORE CORPORATION

DIRECTORS' COMPENSATION POLICY

(Amended Effective as of March 17, 2017)

Directors of EMCORE Corporation (the "Company") who are not employed by the Company or one of its subsidiaries ("non-employee directors") are entitled to the compensation set forth below for their service as a member of the Board of Directors (the "Board") of the Company. The Board has the right to amend this policy from time to time.

Cash Compensation	
All Board Members	
Annual Cash Retainer	$37,000
Board Committee Chairpersons	
Annual Audit Committee Chairperson Retainer	$20,000
Annual Compensation Committee Chairperson Retainer	$9,500
Annual Nominating Committee Chairperson Retainer	$8,000
Annual Strategy and Alternatives Committee Chairperson Retainer	$8,000
Other Board Committee Members	
Annual Audit Committee Member Retainer	$10,000
Annual Compensation Committee Member Retainer	$5,000
Annual Nominating Committee Member Retainer	$3,000
Annual Strategy and Alternatives Committee Member Retainer	$3,000

Equity Compensation	
Annual Equity Award	$54,000
Annual Chairperson Equity Award	$42,500

<u>Cash Compensation</u>

Each non-employee director will be entitled to an annual cash retainer while serving on the Board in the amount set forth above (the "Annual Cash Retainer"). A non-employee director who serves as the Chairperson of the Audit Committee, the Compensation Committee, the Nominating Committee or the Strategy and Alternatives Committee of the Board will be entitled to an additional annual cash retainer while serving in that position in the applicable amount set forth above (an "Additional Committee Chair Retainer"). A non-employee director who serves as a member of the Audit Committee, the Compensation Committee, the Nominating Committee or the Strategy and Alternatives Committee of the Board (but is not Chairperson of such Board committee) will be entitled to an additional annual cash retainer while serving in that position in the applicable amount set forth above (an "Additional Committee Member Retainer").

The amounts of the Annual Cash Retainer, Additional Committee Chair Retainer and Additional Committee Member Retainer reflected above are expressed as annualized amounts. These retainers will be paid on a quarterly basis, at the end of each quarter in arrears, and will be pro-rated if a non-employee director serves (or serves in the corresponding position, as the case may be) for only a portion of the quarter (with the proration based on the number of calendar days in the quarter that the director served as a non-employee director or held the particular position, as the case may be).

Equity Compensation

Annual Equity Award

On the date of each annual meeting of the Company's shareholders (beginning with the 2016 annual meeting of shareholders), each non-employee director serving as a director immediately following such annual meeting will automatically be granted an award of restricted stock units (an "Annual Equity Award") determined by dividing (1) the Annual Equity Award grant value set forth above by (2) the per-share closing price of the Company's common stock on the date of such annual meeting (rounded down to the nearest whole unit). Notwithstanding the foregoing, the Annual Equity Award to be granted to the non-employee directors on the date of the Company's 2016 annual meeting of shareholders held on March 17, 2017 shall be determined by dividing (1) the Annual Equity Award grant date value set forth above multiplied by a fraction (not greater than one), the numerator of which is 441 (the number of days between (and including) January 1, 2017 to March 17, 2018, the first anniversary of the Company's 2016 annual meeting of shareholders), and the denominator of which is 365, by (2) the per-share closing price of the Company's common stock on the date of such annual meeting (rounded down to the nearest whole unit). Each Annual Equity Award will vest on the first anniversary of the grant date (or, if the Company's next annual meeting of shareholders occurs prior to such vesting date, on the day prior to that annual meeting), subject to the non-employee director's continued service on the Board through such vesting date.

For each new non-employee director appointed or elected to the Board other than on the date of an annual meeting of the Company's shareholders, on the date that the new non-employee director first becomes a member of the Board, the new non-employee director will automatically be granted a pro-rata portion of the Annual Equity Award (a "Pro-Rata Annual Equity Award") determined by dividing (1) a pro-rata portion of the Annual Equity Award grant value set forth above by (2) the per-share closing price of the Company's common stock on the date the new non-employee director first became a member of the Board (rounded down to the nearest whole unit). The pro-rata portion of the Annual Equity Award grant value for purposes of a Pro-Rata Annual Equity Award will equal the Annual Equity Award grant value set forth above multiplied by a fraction (not greater than one), the numerator of which is 12 minus the number of whole months that as of the particular grant date had elapsed since the Company's last annual meeting of shareholders at which Annual Equity Awards were granted by the Company to non-employee directors, and the denominator of which is 12. Each Pro-Rata Annual Equity Award will vest on the first anniversary of the last annual meeting of shareholders at which Annual Equity Awards were granted by the Company to non-employee directors (or, if the Company's next annual meeting of shareholders occurs prior to such vesting date, on the day prior to that annual meeting), subject to the non-employee director's continued service on the Board through such vesting date.

Annual Chairperson Equity Award

On the date of each annual meeting of the Company's shareholders (beginning with the 2016 annual meeting of shareholders), each non-employee director then serving as the Chairperson of the Board immediately following such annual meeting will automatically be granted an award of restricted stock units (an "Annual Chairperson Equity Award") determined by dividing (1) the Annual Chairperson Equity Award grant value set forth above by (2) the per-share closing price of the Company's common stock on the date of such annual meeting (rounded down to the nearest whole unit). Notwithstanding the foregoing, the Annual Chairperson Equity Award to be granted to the non-employee directors on the date of the Company's 2016 annual meeting of shareholders held on March 17, 2017 shall be determined by dividing (1) the Annual Chairperson Equity Award grant date value set forth above multiplied by a fraction (not greater than one), the numerator of which is 441 (the number of days between (and including) January 1, 2017 to March 17, 2018, the first anniversary of the Company's 2016 annual meeting of shareholders), and the denominator of which is 365, by (2) the per-share closing price of the Company's common stock on the date of such annual meeting (rounded down to the nearest whole unit) Each Annual Chairperson Equity Award will vest in full on the first anniversary of the grant date (or, if the Company's annual meeting of shareholders in the year following the year in which the award was granted occurs prior to such vesting date, on the day prior to that annual meeting), subject to the non-employee director's continued service on the Board through such vesting date; provided, however that a non-employee director that ceases to serve as Chairperson after the date of the last annual meeting of shareholders and prior to the first anniversary of such meeting date (but remains a non-employee director of the Board) shall be entitled to vest in a pro-rata portion of any outstanding Annual Chairperson Equity Award determined by multiplying (1) the number of restricted stock units subject to such Annual Chairperson Equity Award by (2) a fraction (not greater than one), the numerator of which is the number of months that as of such date have elapsed since the Company's last annual meeting of shareholders at which the Annual Chairperson Equity Award was granted by the Company to the Chairperson of the Board and the denominator of which is 12 (rounded down to the nearest whole unit).

For a non-employee director that is newly appointed to serve as Chairperson of the Board other than on the date of an annual meeting of the Company's shareholders, on the date that the new non-employee director first becomes Chairperson, the new Chairperson of the Board will automatically be granted a pro-rata portion of the Annual Chairperson Equity Award (a "Pro-Rata Annual Chairperson Equity Award") determined by dividing (1) a pro-rata portion of the Annual Chairperson Equity Award grant value set forth above by (2) the per-share closing price of the Company's common stock on the date the new non-employee director first became Chairperson (rounded down to the nearest whole unit). The pro-rata portion of the Annual Chairperson Equity Award grant value for purposes of a Pro-Rata Annual Chairperson Equity Award will equal the Annual Chairperson Equity Award grant value set forth above multiplied by a fraction (not greater than one), the numerator of which is 12 minus the number of whole months that as of the particular grant date had elapsed since the Company's last annual meeting of shareholders at which an Annual Chairperson Equity Award was granted by the Company to the Chairperson of the Board and the denominator of which is 12. Each Pro-Rata Annual Chairperson Equity Award will vest on the first anniversary of the last annual meeting of shareholders at which Annual Equity Awards were granted by the Company to non-employee directors (or, if the Company's next annual meeting of shareholders occurs prior to such vesting date, on the day prior to that annual meeting), subject to the non-employee director's continued service on the Board through such vesting date.

General

Unless otherwise determined by the Board, each award of restricted stock units will be made under and subject to the terms and conditions of the Company's 2012 Equity Incentive Plan or any other equity compensation plan approved by the Company's shareholders and in effect at the time of grant (the "Equity Plan").

Restricted stock unit awards granted under the Equity Plan are generally forfeited as to the unvested portion of the award upon the non-employee director's termination of service as a director for any reason. However, vesting of a non-employee director's outstanding and unvested restricted stock units will accelerate should the director's services terminate due to the director's death or Disability (as defined in the Equity Plan).

<u>Expense Reimbursement</u>

All directors will be entitled to reimbursement from the Company for their reasonable travel (including airfare and ground transportation), lodging and meal expenses incident to meetings of the Board or committees thereof or in connection with other Board related business.

EXHIBIT 10.3

EMCORE Corporation 2012 Equity Incentive Plan

Restricted Stock Unit Award Agreement

To: []

EMCORE Corporation, a New Jersey corporation (the "***Company***"), has granted you an award (the "***Award***") of [] restricted stock units (the "***Restricted Stock Units***") under the EMCORE Corporation 2012 Equity Incentive Plan, as adopted effective January 25, 2012, and as further amended from time to time (the "***Plan***"), conditioned upon your agreement to the terms and conditions described below. Each Restricted Stock Unit represents, on the books of the Company, a unit which is equivalent to one share of the Company's common stock, no par value per share (the "***Common Stock***"). The effective "***Grant Date***" will be [], subject to your promptly signing and returning a copy of this Agreement (as defined below) to the Company.

This Restricted Stock Unit Award Agreement (the "***Agreement***") evidences the Award of the Restricted Stock Units. This Agreement and the Award of the Restricted Stock Units are made in consideration of your service relationship with the Company. The Award is subject in all respects to and incorporates by reference the terms and conditions of the Plan and any terms and conditions relating to Restricted Stock Units and specifies other applicable terms and conditions of your Restricted Stock Units.

A copy of the Plan and the Prospectus for the Plan, as amended from time to time (the "***Prospectus***"), is being provided or made available to you in connection with the Award. By executing this Agreement, you acknowledge that you have received a copy of the Plan and the Prospectus. You may request additional copies of the Plan or Prospectus by contacting EMCORE Corporation, Attn: Chief Financial Officer, 2015 West Chestnut Street, Alhambra, CA 91803. You also may request from the Secretary of the Company copies of the other documents that make up a part of the Prospectus (described more fully at the end of the Prospectus), as well as all reports, proxy statements and other communications distributed to the Company's security holders generally.

1. Terminology; Conflicts. The Glossary at the end of this Agreement includes definitions of certain capitalized words used in this Agreement. All terms not defined in this Agreement (including the Glossary) have the meanings given in the Plan. Unless otherwise specifically provided in this Agreement, in the event of any conflict, ambiguity or inconsistency between or among any defined term in this Agreement or the Plan, the provisions of, first, the Plan and second, this Agreement, will control in that order of priority, except in the case of Section 14 of this Agreement, which will control in all cases.

2. Terms and Conditions of Award. The following terms and conditions will apply:

(a) *Vesting Condition*. All of the Restricted Stock Units are nonvested and forfeitable as of the Grant Date. So long as you continue to be a Service Provider through the applicable date upon which vesting is scheduled to occur, 100% of the Restricted Stock Units will vest and become nonforfeitable on [], which is the first anniversary of the Company's most recent annual meeting of shareholders (or, if the Company's next annual meeting of shareholders occurs prior to such vesting date, on the day prior to that annual meeting).

(b) *Continued Service Vesting Condition*. In order for any of your Restricted Stock Units to become vested and nonforfeitable, you must either (1) continue to be a Service Provider through the applicable vesting date, or (2) experience a termination as a Service Provider as a result of your death or Disability prior to the applicable vesting date. Except as provided in this Agreement or the Company's Director Compensation Policy as in effect as of the date of this Agreement, none of the Restricted Stock Units will become vested and nonforfeitable after you cease to be a Service Provider, and any Restricted Stock Units that are nonvested and forfeitable as of the date you cease to be a Service Provider shall terminate for no consideration.

(c) *Change in Control*. If a Change in Control occurs while any of your Restricted Stock Units are outstanding, your Restricted Stock Units shall be subject to the provisions of the Plan, including, without limitation, Article XV of the Plan.

(d) *Termination of Service*. If you cease to be a Service Provider for any reason, all Restricted Stock Units that are not then vested and nonforfeitable will, after giving effect to any accelerated vesting as a result of your ceasing to be a Service Provider, be immediately forfeited for no consideration.

(e) *Settlement*. Any Restricted Stock Units subject to this Award that become vested and nonforfeitable shall be paid in an equivalent number of whole shares of Common Stock (with any fractional Restricted Stock Units rounded down to the nearest whole number of shares of Common Stock) as soon as practicable following the applicable vesting date, but in any event no later than the 15^{th} day of the third calendar month following the end of the calendar year in which the vesting date occurs; provided that any Restricted Stock Units that become vested and nonforfeitable in connection with or following a Change in Control will be paid no later than the 30^{th} day following the applicable vesting date. Upon issuance, such shares of Common Stock may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated in compliance with Applicable Law, this Agreement and any other agreement to which such shares are subject. Your settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company. The Company will not be required to issue fractional shares of Common Stock upon settlement of the Restricted Stock Units.

3. <u>Restrictions on Transfer</u>. You may not sell, assign, transfer, pledge, hedge, hypothecate, encumber or dispose of in any way (whether by operation of law or otherwise) any Restricted Stock Units, and Restricted Stock Units may not be subject to execution, attachment or similar process. Any sale or transfer, or purported sale or transfer, shall be null and void. The Company will not be required to recognize on its books any action taken in contravention of these restrictions.

4. <u>Issuance of Shares</u>.

(a) Notwithstanding any other provision of this Agreement, you may not sell the shares of Common Stock acquired upon vesting of the Restricted Stock Units unless such shares are registered under the Securities Act, or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other Applicable Law and any applicable insider trading policy of the Company governing the Common Stock and you may not sell the shares of Common Stock if the Company determines that such sale would not be in material compliance with such Applicable Law or insider trading policy.

(b) The shares of Common Stock issued in settlement of the Restricted Stock Units shall be registered in your name. The Company will deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker on your behalf. If you are deceased (or in case of your Disability and if necessary) at the time that a delivery of share certificates is to be made, the certificates will be delivered to your executor, administrator, legally authorized guardian or personal representative. The Company may at any time place legends referencing any Applicable Law restrictions on all certificates representing shares of Common Stock issued pursuant to this

Agreement, and the certificate shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. You will, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Agreement in your possession in order to carry out the provisions of this Section 4(b).

(c) The grant of the Restricted Stock Units and the shares of Common Stock issued in settlement of the Restricted Stock Units will be subject to and in compliance with all applicable requirements of Applicable Law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any Applicable Law. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Restricted Stock Units, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law and to make any representation or warranty with respect thereto as may be requested by the Company.

(d) *Postponement of Delivery*. The Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following:

(i) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any Applicable Law;

(ii) compliance with any requests for representations; and

(iii) receipt of proof satisfactory to the Company that a person seeking such shares on your behalf upon your Disability (if necessary), or upon your estate's behalf after your death, is appropriately authorized.

5. Tax Withholding. If any withholding is required under Applicable Laws, the Company shall be entitled to require a cash payment by or on your behalf (including, without limitation, subject to such procedures as the Administrator may adopt, pursuant to a broker-assisted "cashless" arrangement with a third party who facilitates the sale of shares of Common Stock deliverable upon any payment of Restricted Stock Units) and/or to deduct from other amounts payable to you any sums required by federal, state or local tax law to be withheld with respect to the grant, vesting or payment of the Restricted Stock Units in whole or in part. The Company may, in its discretion, agree that it will, upon any payment of shares of Common Stock in respect of the Restricted Stock Units, automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then Fair Market Value, to satisfy any withholding obligations of the Company with respect to such distribution of shares at the applicable withholding rates.

6. Adjustments for Corporate Transactions and Other Events.

(a) *Adjustment Events*. Upon an Adjustment Event, the number of Restricted Stock Units and the number of such Restricted Stock Units that are nonvested and forfeitable will, without further action of the Administrator, be adjusted to reflect such event pursuant to the provisions of Section 15.1 of the Plan. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares with respect to the Restricted Stock Units as a result of the Adjustment Event. Adjustments under this Section 6 will be made by the Administrator, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive. No fractional Restricted Stock Units will result from any such adjustments. Any such adjustment shall be consistent with section 162(m) of the Code to the extent the Restricted Stock Units are subject to such section of the Code.

(b) *Binding Nature of Agreement*. The terms and conditions of this Agreement will apply with equal force to any additional and/or substitute securities received by you in exchange for, or by virtue of your granting of, the Restricted Stock Units, whether as a result of any Adjustment Event or other similar event, except as otherwise determined by the Administrator. If the Restricted Stock Units are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity, or other property (including cash), then the rights of the Company under this Agreement will inure to the benefit of the Company's successor, and this Agreement will apply to the securities or other property received upon such conversion, exchange or distribution in the same manner and to the same extent as the Restricted Stock Units.

7. Dividend Equivalent Rights. As of each date that the Company pays an ordinary cash dividend on its outstanding Common Stock for which the related record date occurs after the Grant Date and prior to the date all Restricted Stock Units subject to the Award have either been paid or have terminated, the Company shall credit you with an additional number of Restricted Stock Units equal to (a) the amount of the ordinary cash dividend paid by the Company on a single share of Common Stock on that date, multiplied by (b) the number of Restricted Stock Units subject to the Award outstanding and unpaid as of such record date (including any Restricted Stock Units previously credited under this Section 7 and with such total number subject to adjustment pursuant to Section 15.1 of the Plan and this Agreement), divided by (c) the closing price of a share of Common Stock on that date. Any Restricted Stock Units credited pursuant to the foregoing provisions of this Section 7 will be subject to the same vesting, payment, termination and other terms, conditions and restrictions as the original Restricted Stock Units to which they relate. No crediting of Restricted Stock Units will be made pursuant to this Section 7 with respect to any Restricted Stock Units which, as of the related record date, have either been paid or have terminated.

8. No Right to Continued Employment or Service. The Award shall not confer upon you any right to be retained as a Service Provider. Nothing in the Plan or this Agreement shall confer on you the right to receive any future Awards under the Plan.

9. No Rights as Stockholder. You shall not have any rights as a stockholder of the Company with respect to any shares of Common Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Common Stock are issued to you in respect thereof. No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate or certificates are issued, except as provided in Section 6 and Section 7 of this Agreement.

10. The Company's Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Entire Agreement. This Agreement, inclusive of the Plan incorporated into this Agreement, contains the entire agreement between you and the Company with respect to the Restricted Stock Units. Any and all existing oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement by any person with respect to the Award or the Restricted Stock Units are superseded by this Agreement and are void and ineffective for all purposes.

12. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan will govern.

13. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Restricted Stock Units as determined in the discretion of the Administrator, except as provided in the Plan or in any other written document signed by you and the Company. This Agreement may not be amended, modified or supplemented orally.

14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New Jersey applicable to contracts executed and to be performed entirely within such state, without regard to the conflict of law provisions thereof.

15. Severability. If a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

16. Further Assurances. You agree to use your reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for your benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein. The Company may require you to furnish or execute such other documents as the Company shall reasonably deem necessary (a) to evidence such exercise or (b) to comply with or satisfy the requirements of Applicable Law.

17. Investment Representation. If at the time of settlement of all or part of the Restricted Stock Units, the Common Stock is not registered under the Securities Act and/or there is no current prospectus in effect under the Securities Act with respect to the Common Stock, you shall execute, prior to the issuance of any shares of Common Stock in settlement of the Restricted Stock Units to you by the Company, an agreement (in such form as the Administrator may specify) in which you, among other things, represent, warrant and agree that you are acquiring the shares acquired under this Agreement for your own account, for investment only and not with a view to the resale or distribution thereof, that you have knowledge and experience in financial and business matters, that you are capable of evaluating the merits and risks of owning any shares of Common Stock acquired under this Agreement, that you are a person who is able to bear the economic risk of such ownership and that any subsequent offer for sale or distribution of any of such shares shall be made only pursuant to (a) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the shares being offered or sold, or (b) a specific exemption from the registration requirements of the Securities Act, it being understood that to the extent any such exemption is claimed, you shall, prior to any offer for sale or sale of such shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Administrator, from counsel for or approved by the Administrator, as to the applicability of such exemption thereto.

18. Headings. Section headings are used in this Agreement for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

19. Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

20. Section 409A. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

21. Interpretation. The Administrator shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Administrator under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

22. Authorization to Share Personal Data. You authorize any Affiliate of the Company that employs or retains you or that otherwise has or lawfully obtains personal data relating to you to divulge or

transfer such personal data to the Company or to a third party, in each case in any jurisdiction, if and to the extent appropriate in connection with this Agreement or the administration of the Plan.

23. Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such delivery, to the Company or you, as the case may be, at the following addresses or to such other address as the Company or you, as the case may be, shall specify by notice to the other:

(i) if to the Company, to it at:
EMCORE Corporation

2015 West Chestnut Street

Alhambra, CA 91803

Attention: Chief Financial Officer

Fax: (626) 293-3424

(ii) if to you, to your most recent address as shown on the books and records of the Company or Affiliate employing or retaining you.

All such notices and communications shall be deemed to have been received on the date of delivery if delivered personally or on the third business day after the mailing thereof.

24. Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Awards evidenced hereby, you acknowledge: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) that the Award does not create any contractual or other right to receive future grants of Awards; (c) that participation in the Plan is voluntary; and (d) that the future value of the Common Stock is unknown and cannot be predicted with certainty.

25. Consent to Electronic Delivery. By entering into this Agreement and accepting the Award evidenced hereby, you hereby consent to the delivery of information (including, without limitation, information required to be delivered to you pursuant to Applicable Law) regarding the Company and its Affiliates, the Plan, this Agreement and the Award via Company web site or other electronic delivery.

26. Clawback Policy. The Restricted Stock Units are subject to the terms of the Company's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of Applicable Law, any of which could in certain circumstances require repayment or forfeiture of the Restricted Stock Units or any shares of Common Stock or other cash or property received with respect to the Restricted Stock Units (including any value received from a disposition of the shares acquired upon payment of the Restricted Stock Units).

27. Counterparts. This Agreement may be executed in counterparts (including electronic signatures or facsimile copies), each of which will be deemed an original, but all of which together will constitute the same instrument.

{The Glossary follows on the next page.}

GLOSSARY

(a) ""***Securities Act***" means the Securities Act of 1933 and the rules promulgated thereunder, as amended.

(b) "***You***"; "***Your***". You means the recipient of the Restricted Stock Units as reflected in the first paragraph of this Agreement. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to the estate, personal representative, or beneficiary to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the words "you" and "your" will be deemed to include such person.

{*The signature page follows.*}

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of [Date].

EMCORE CORPORATION

By:

Date:

The undersigned hereby represents that he/she has read the Prospectus and is familiar with the Plan's terms. The undersigned hereby acknowledges that he/she has carefully read this Agreement and agrees, on behalf of himself/herself and on behalf of his/her beneficiaries, estate and permitted assigns, to be bound by all of the provisions set forth herein, and that the Award and Restricted Stock Units are subject to all of the terms and provisions of this Agreement, and of the Plan under which it is granted, as the Plan and this Agreement may be amended in accordance with their respective terms. The undersigned agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator concerning any questions arising under this Agreement or the Plan with respect to the Award or Restricted Stock Units.

WITNESS

AWARD RECIPIENT

Date:

Exhibit 31.1

EMCORE CORPORATION
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey Rittichier certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EMCORE Corporation ("Report");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

    d. Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 4, 2017**

By: **/s/ Jeffrey Rittichier**
Jeffrey Rittichier
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

EMCORE CORPORATION
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jikun Kim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EMCORE Corporation ("Report");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

    d. Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 4, 2017**

By: **/s/ Jikun Kim**
Jikun Kim
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

STATEMENT REQUIRED BY 18 U.S.C. §1350, AS ADOPTED PURSUANT TO §906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of EMCORE Corporation (the "Company") for the quarterly period ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey Rittichier, Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 4, 2017**

By: **/s/ Jeffrey Rittichier**
Jeffrey Rittichier
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filings.

Exhibit 32.2

STATEMENT REQUIRED BY 18 U.S.C. §1350, AS ADOPTED PURSUANT TO §906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of EMCORE Corporation (the "Company") for the quarterly period ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jikun Kim, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 4, 2017**	By: **/s/ Jikun Kim**
	Jikun Kim
	Chief Financial Officer
	(Principal Financial and Accounting Officer)

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filings.