

FINISAR CORP
 Form 424B3
 February 26, 2010

Filed Pursuant to Rule 424(b)(3) and (c)
 Registration No. 333-163788

PROSPECTUS SUPPLEMENT NO. 1
DATED FEBRUARY 26, 2010
TO
PROSPECTUS DATED JANUARY 15, 2010
FINISAR CORPORATION
 \$100,000,000
 of
 5.0% Convertible Senior Notes
 due October 15, 2029
 and
 Shares of Common Stock
 Issuable Upon Conversion of the Notes

This prospectus supplements the prospectus dated January 15, 2010 of Finisar Corporation relating to the public offering and sale by the selling securityholders described below. This prospectus supplement contains information on ownership of principal amount of notes beneficially owned and offered and shares of our common stock issuable upon conversion of the notes. This prospectus supplement should be read in conjunction with the prospectus, and this prospectus supplement is qualified by reference to the prospectus, except to the extent that the information provided by this prospectus supplement supersedes the information contained in the prospectus.

SEE RISK FACTORS BEGINNING ON PAGE 6 OF THE PROSPECTUS TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE BUYING THE NOTES OR OUR COMMON STOCK.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The table and related footnotes on pages 55-58 of the prospectus setting forth information concerning the selling securityholders are amended and updated by the addition of the following information:

Selling Securityholder (1)	Principal Amount of Notes Beneficially		Number of Shares of Common Stock		
	Owned and Offered Hereby (1)	Percentage of Notes Outstanding (2)	Beneficially Owned(1)(2)	Offered Hereby	Owned After Completion of the Offering (3)
AQR DELTA Master Account, L.P. (4)	600,000	*	56,206	56,206	0
AQR DELTA Sapphire Fund, L.P. (5)	300,000	*	28,103	28,103	0
Bancroft Fund Ltd. (6)	1,000,000	1.00	93,676	93,676	0
CNH CA Master Fund, L.P. (7)	2,050,000	2.05	192,037	192,037	0
Ellsworth Fund Ltd. (6)	1,000,000	1.00	93,676	93,676	0

	Principal Amount of Notes Beneficially		Number of Shares of Common Stock		
	Owned and Offered	Percentage of Notes Outstanding	Owned(1)(2) Beneficially	Offered Hereby	Owned After Completion of the Offering (3)
Selling Securityholder (1)	Hereby (1)				
Nicholas Investment Partners (8)	1,500,000	1.50	140,515	140,515	0
Nisswa Convertibles Master Fund Ltd. (9)	3,500,000	3.50	327,868	327,868	0
Opportunistic Convertible Arbitrage Fund, Ltd. (10)	850,000	*	79,625	79,625	0
Piper Jaffray & Co. (11)	2,854,000	2.85	267,353	267,353	0

* Less than 1%

(1) Amounts indicated may be in excess of the total amount registered due to sales or transfers exempt from the registration requirements of the Securities Act since the date upon which the selling holders provided to us in the information regarding their notes.

(2) Assumes a conversion rate of 93.6768 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial

conversion price of approximately \$10.68 per share of common stock) and a cash payment in lieu of any fractional share interest.

However, this conversion price will be subject to adjustment as described under

Description of Notes

Conversion Rights. As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future. This prospectus shall also cover any additional shares of our common stock which become issuable in connection with the shares registered for sale hereby by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in

the number of
outstanding
shares of our
common stock.

- (3) Assumes the sale of all notes and shares of common stock issuable upon conversion thereof offered pursuant to this prospectus.
- (4) This selling securityholder is a non-public entity. AQR Capital Management, LLC is the investment advisor of this selling securityholder and as such has sole voting and dispositive power over the securities held by the selling securityholder. Clifford S. Asness, Ph.D, Robert J. Krail, John M. Liew, Ph.D, David G. Kabiller, CFA, Jacques A. Friedman, Oktay Kurbanov, Ronen Israel and Lars Nielsen are the investment principals for AQR Capital Management, LLC.

- (5) This selling securityholder is a non-public entity. AQR Capital Management, LLC is the investment advisor of the selling securityholder and has delegated investment management authority to CNH Partners, LLC (CNH). As sub-advisor, CNH has sole voting and dispositive power over the securities held by the selling securityholder and exercises full discretionary control relating to all investment decisions made on behalf of the selling securityholder. Clifford S. Asness, Ph.D, David G. Kabiller, CFA, Robert J. Krail, John M. Liew, Ph.D, Jacques A. Friedman, Oktay Kurbanov, Bradley D. Asness, Ronen Israel, Lars Nielsen, Michael

Mendelson,
Stephen Mellas
and Gregor
Andrade, Ph.D
are the
investment
principals for
AQR Capital
Management,
LLC. Mark
Mitchell and
Todd Pulvino
are the
investment
principals for
CNH.

- (6) This selling securityholder is a publicly-held registered investment company. Thomas Dinsmore has voting and dispositive power over the securities that this selling securityholder beneficially owns.
- (7) This selling securityholder is a non-public entity. AQR Capital Management, LLC is the investment advisor of this selling securityholder and as such has sole voting and dispositive power over the securities held by the selling

securityholder.
Clifford S.
Asness, Ph.D,
Robert J. Krail,
John M. Liew,
Ph.D, David G.
Kabiller, CFA,
Jacques A.
Friedman,
Oktay
Kurbanov,
Ronen Israel
and Lars
Nielsen are the
investment
principals for
AQR Capital
Management,
LLC.

- (8) This selling securityholder is a publicly-held registered investment company. John Wylie is the portfolio manager, and has voting and dispositive power over the securities that this selling securityholder beneficially owns.
-

(9) This selling securityholder is a non-public entity. Brian Taylor, Managing Member of Pine River Capital Management LLC, the selling securityholder's investment manager, has voting and investment control over the securities that this selling securityholder beneficially owns.

(10) This selling securityholder is a non-public entity. AQR Capital Management, LLC, a Delaware limited liability company and wholly-owned subsidiary of AQR Capital Management Holdings, LLC, is the investment manager of this selling securityholder and as such has sole voting and dispositive power over the securities held by the selling securityholder and exercises full discretionary control relating to all investment decisions made on behalf of the selling securityholder. Clifford S. Asness, Ph.D, David G. Kabiller, CFA, Robert J. Krail, John M. Liew, Ph.D, Brian K. Hurst, Jacques A. Friedman, Oktay Kurbanov, Ronen Israel, Lars Nielsen, Michael Mendelson, Stephen Mellas and Gregor Andrade, Ph.D are the investment principals for AQR Capital Management, LLC.

(11) Piper Jaffray & Co. is a registered broker-dealer who acquired the securities

for investment purposes.
The securities were not
acquired as compensation
for
underwriting/broker-dealer
activities. Please see the
discussion under Plan of
Distribution for the
required disclosure
regarding the foregoing
broker-dealer.

The date of this prospectus supplement is February 26, 2010.