JDSU Analyst Day
September 11, 2014

Safe Harbor

This presentation contains forward-looking statements under Section 27A of the Securities Act of 1934. Forward-looking statements are all statements we make other than those dealing specifically with historical matters. These forward-looking statements include, among other things, information and guidance about the Company's plans to separate the business into two independent, publicly traded companies, the composition of and markets for those companies, the plan to achieve the separation through a tax-free spinoff and any financial information about the entities once separated.

Any forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from current expectations. Risks related to the proposed spinoff discussed in these materials include receipt of necessary approvals, the ability to retain key employees, the ability to recognize anticipated cost savings, the ability of each entity to function as a stand-alone entity, customer retention and financing risks. In addition, completion of the spinoff will be subject to certain conditions, such as approval by our Board of Directors, receipt of tax opinions, effectiveness of a registration statement and foreign regulatory requirements. The Company also faces risks related to the operation of its existing business segments which are described in the Company's filings with the Securities and Exchange Commission, including the annual report on Form 10-K filed August 26, 2014. Please refer to these filings for additional factors that could cause actual results to materially differ from current expectations. The forward-looking statements included in this presentation are valid only as of today's date except where otherwise noted. JDSU undertakes no obligation to update these statements.

This presentation and the Q&A that follows includes non-GAAP financial measures which complement the Company's consolidated GAAP financial statements. These non-GAAP financial measures are not intended to supersede or replace the Company's GAAP financials. Please see our Fiscal Q4 2014 Earnings Call supplemental slides located in the Investor Relations section of our website at www.jdsu.com for a reconciliation of our GAAP results to our non-GAAP results.

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Agenda

TIME	EVENT	PRESENTER
9:00 – 9:05 am	Welcome/Overview	Bill Ong
9:05 – 9:15 am	Creating Two Market-Leading Companies	Tom Waechter
9:15 – 9:25 am	Why Now?	Rex Jackson
9:25 – 9:50 am	Q&A – Part 1	Bill Ong
9:50 – 10:10 am	Communications and Commercial Optical Products (CCOP)	Alan Lowe
10:10 – 10:30 am	Q&A – Part 2	Bill Ong
10:30 – 10:40 am	B R E A K	
10:40 – 11:00 am	Network Enablement and Service Enablement (NE/SE)	David Heard
11:00 – 11:15 am	Optical Security and Performance Products (OSP)	Luke Scrivanich
11:15 – 11:45 am	Q&A – Part 3	Bill Ong
11:45 – 12:30 pm	L U N C H	
12:30 – 1:30 pm	Product Demo Tour	Bill Ong

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Creating Two Market-Leading Companies

JDSU Analyst Day
September 11, 2014

Tom Waechter
President and CEO

Powerful End Market Forces at Work

Big Data



Internet of Everything



Cloud-Based Applications









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Rapid Change is Our Opportunity – Now



Customers moving to higher speeds and **software-defined** and **virtualized** networks … **FAST**

5 years of strong **innovation** and **operational improvements**

Invested for growth

NSE: Business value from application visibility

CCOP: Capacity demand drives network expansion

Opportunity to leverage the rapid pace of change for our customers and our shareholders

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Creating Two Leading Companies: Poised for Growth



JDSU

CCOP

- #1 in telecom optical components
- Gaining share in datacom
- Growth in commercial lasers
- SAM: $10B
- CAGR: 10%
- CEO-designate: Alan Lowe

NSE/OSP

- **NE**: #1 in field test
- **SE**: Strong investments in high growth market
- **OSP**: Leader in anti-counterfeiting
- SAM: $7B
- CAGR: 8%
- President/CEO: Tom Waechter

Sources for CCOP estimates: Ovum Total Optical Components Forecast, July 2014, and LightCounting Market Forecast, July 2014
Sources for NSE estimates: JDSU
Sources for OSP estimates: industry reports and JDSU

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Driving Shareholder Value



- Agile and Focused
- Improved Financial Profiles
- Clearer Investment Profiles
- Poised for Growth

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Why Now?

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Rex S. Jackson
Executive Vice President and CFO

Transforming Our Businesses – NSE



Network Enablement (2011-2014)

- Operational Improvements—metrics at record highs
- GM from 56% to a record 66.2%
- On original NSE model (even qtrs)
- Mobility $0-138M/yr in revenue
- Pruned low margin, low growth products
- Strong innovation (>50% revenue from products < 2 years old)
- Significant investments in higher margin products
- On path to virtualization

Service Enablement

- Since 2010: Managing down legacy service assurance business acquired from Agilent in 2010
- 2013-214: Establishing Next Generation Service Enablement
  - Enterprise Application Management
  - Location Intelligence
  - Big data assurance
  - PacketPortal
- GM > 60%

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Transforming Our Businesses – OSP



2010-2014

- Exited low margin hologram and commodity coatings businesses
- Doubled anti-counterfeiting capacity at Beijing plant
- Significant investments in coating capacity in Suzhou
- Early successes in investments in ChromaGuard™ for anti-counterfeiting and MicroNir spectrometer
- GM at 50%, consistently in model
- Raising model today

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Transforming Our Businesses – CCOP



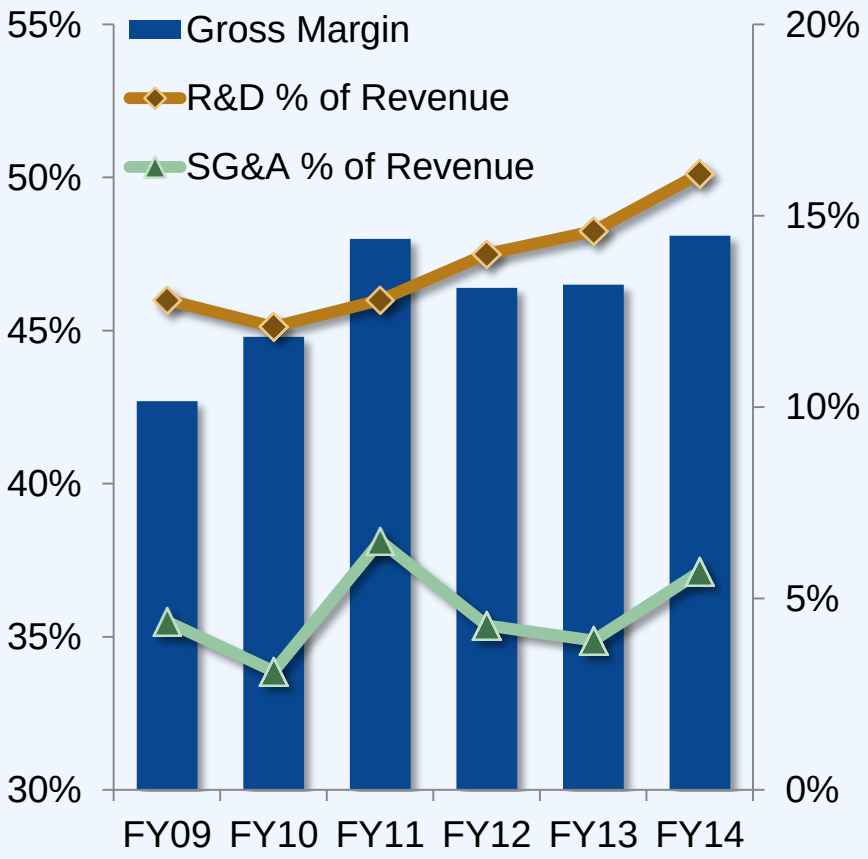
2010-2014

- Completed outsourcing back end to low cost locations
- Substantial operational improvements—operating margins from 6.7% to 11.8%
- Strong innovation (>50% revenue from products < 2 years old)
- Significant investments
  - Agile optical networking (tunables, TrueFlex)
  - Gaining datacom market share
  - Higher value, integrated products (blades, modules)
  - Fiber lasers
  - 100G

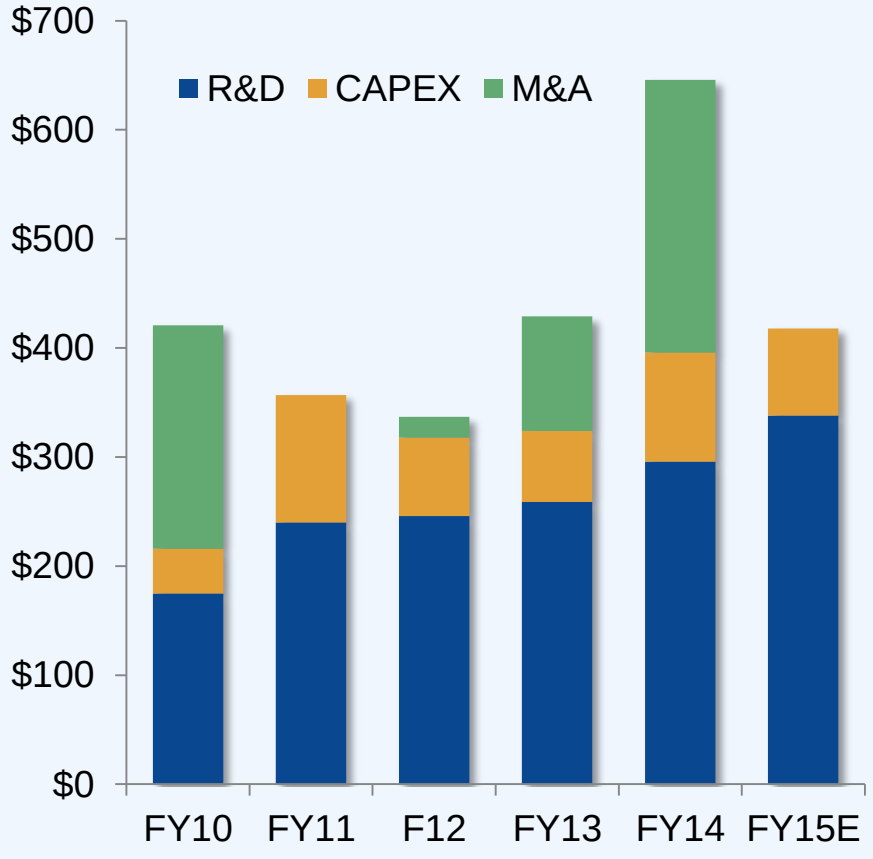
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Operationally Fit and Invested to Win

R&D, Strong Innovation and Operational Improvements → 540 bps GM Expansion



$2.5B Invested in New Products for Growth Markets



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Creating Two Leading Companies



CCOP

- FY14 Revenues: $794.1M
- FY14 GM: 32.5%
- FY14 OM: 11.8%
- FY14 OpInc: $93.5M

NSE/OSP

- FY14 Revenues: $949.5M
- FY14 GM: 61.2%
- FY14 OM: 16.0%
- FY14 OpInc: $152.3M

Non-GAAP; operating income excludes unallocated corporate expense of ~5-6% of revenue

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Expected Cost Reductions

POISED TO GROW
Two focused companies to deliver ~$50M in additional annual cost reductions, net of new public company costs for CCOP

Streamlined teams

Portfolio infrastructure elimination

Site consolidations

Establishing a new, lean CCOP infrastructure

Coupling SE growth potential with strong NE and OSP foundation

Focused, agile execution

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Roadmap to Completion

- Separation expected to occur through tax-free pro rata spinoff of CCOP to JDSU shareholders
- Corporate brand identities to be announced at a later date
- Separation subject to the satisfaction of closing conditions, including, among others:
  - Obtaining final approval from JDSU's Board of Directors;
  - Receipt of tax opinions;
  - Effectiveness of an applicable registration statement with the SEC; and
  - Satisfying foreign regulatory requirements

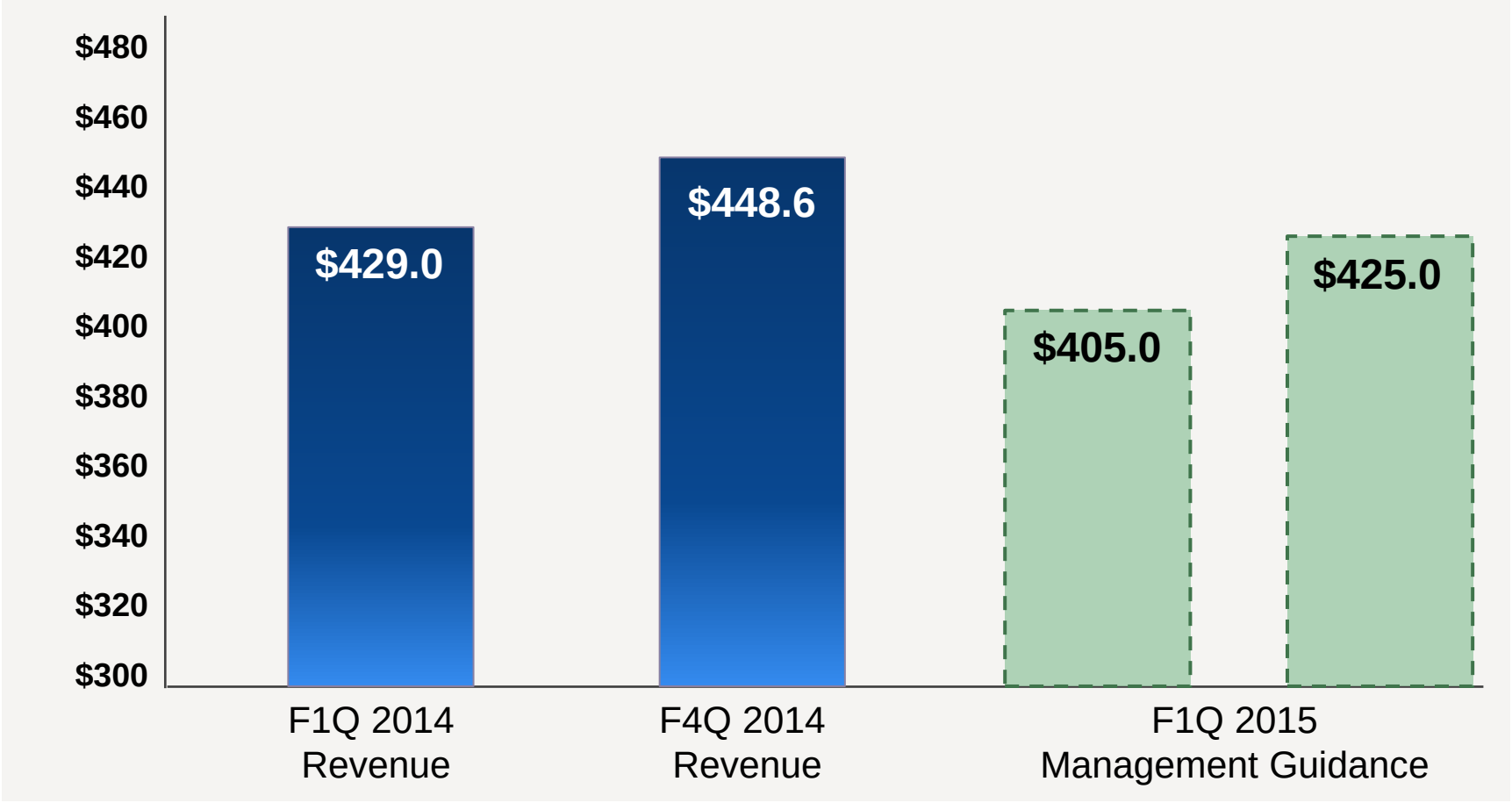
Expected to be completed by the third quarter of calendar 2015

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Fiscal 1Q 2015 Guidance – Reaffirmed

(Amounts non-GAAP and $millions)

Total Revenue Y/Y Increase/(Decline)	(5.6%)	(0.9%)
Total Revenue Q/Q Increase/(Decline)	(9.7%)	(5.3%)



Operating Margin	8.3%	8.7%	6.0%	8.0%

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Segment Guidance and Business Models

($M, non-GAAP)	F4Q14	F1Q15 Guidance*	Current Models	Pre-Separation Targets
CCOP				
Revenue	$196.9	$205 +/- $5	>$210	>$210
Gross Margin%	33.3%	-----	33-36%	33-35%
Operating Margin%	10.2%	13% +/- 1%	16-20%	12-14%
NE				
Revenue	$165.5	$125 +/- $5	NSE > $215	NE: $165
Gross Margin%	66.2%	-----	NSE > 64-66%	NE: 64-66%
Operating Margin%	20.4%	11% +/- 1%	NSE > 20-23%	NE: 17-21%
SE				
Revenue	$43.6	$42.5 +/- $2.5	N/A	$50
Gross Margin%	63.1%	-----	N/A	68-72%
Operating Margin%	(10.8%)	(6.0%) +/- 1.5%	N/A	Targeting breakeven in F4Q15
OSP				
Revenue	$42.6	$43 +/- $1	> $52	>$52
Gross Margin%	50.7%	-----	>50%	52-54%
Operating Margin%	33.3%	35% +/- 1%	34-37%	36-40%

**From August 12, 2014 earnings call.*
Original NSE model was adopted primarily for NE
Targets exclude unallocated corporate expense of ~5-6% of revenue, and do not reflect $50M OpEx savings estimate

JDSU

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Driving Shareholder Value



- Agile and Focused
- Improved Financial Profiles
- Clearer Investment Profiles
- Poised for Growth

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JDSU Analyst Day
September 11, 2014

Alan Lowe
Executive Vice President and President,
Communication and Commercial Optical Products (CCOP)

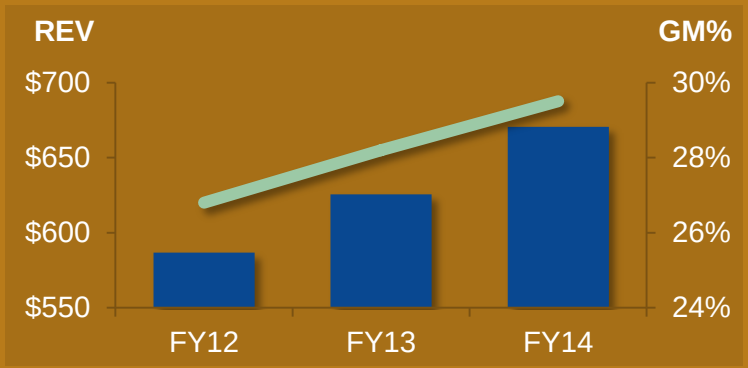
Optical Communications Business – At a Glance

INDUSTRY/TECHNOLOGY TRENDS

- Fixed Grid → TrueFlex®
- 100Gb: in the Core → in the Metro
- 40Gb → 100Gb Hyperscale Data Center
- Copper → Fiber in the enterprise driving 10Gb/40Gb growth

FINANCIAL PERFORMANCE

	FY12	FY13	FY14
REV	$586.8M	$625.6M	$670.6M
GM%	26.8%	28.2%	29.5%



MARKET TRENDS



BROAD OPTICAL PORTFOLIO

- Datacom – 17% CAGR
- Telecom
  - Transport – 9% CAGR
  - Transmission – 22% CAGR for 100G
- Consumer/Other
  - 3-D Sensing
  - Industrial Diode Lasers

Source: Ovum July 2014-2018 CAGR

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Customer Challenges – JDSU Solutions

Increased Density



Functionally Integrated Blades
Smaller Modules

Reduced Power Dissipation

1.5W 10Gb T-SFP+

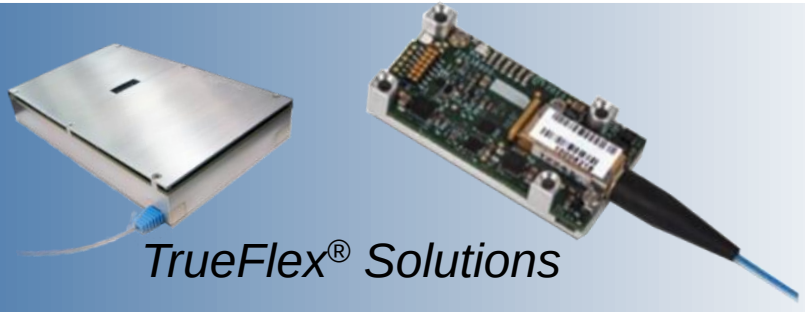


3.5W 100Gb QSFP28



Lower Power Modules

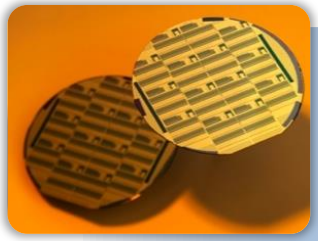
Increased Flexibility



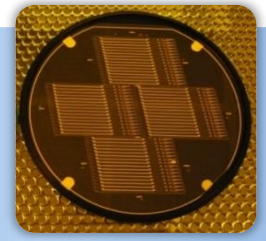
TrueFlex® Solutions

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Competitive Advantage: Vertical & Functional Integration



Indium Phosphide (InP)



Lithium Niobate ($LiNbO_3$)



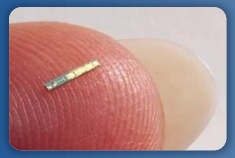
Silicon

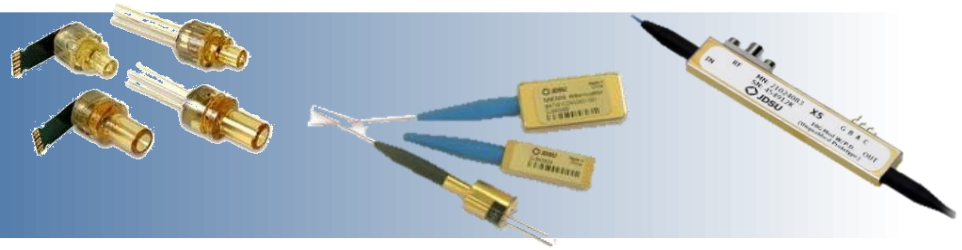


Gallium Arsenide (GaAs)

Internal Wafer Fabrication

Sub-Assemblies and Components





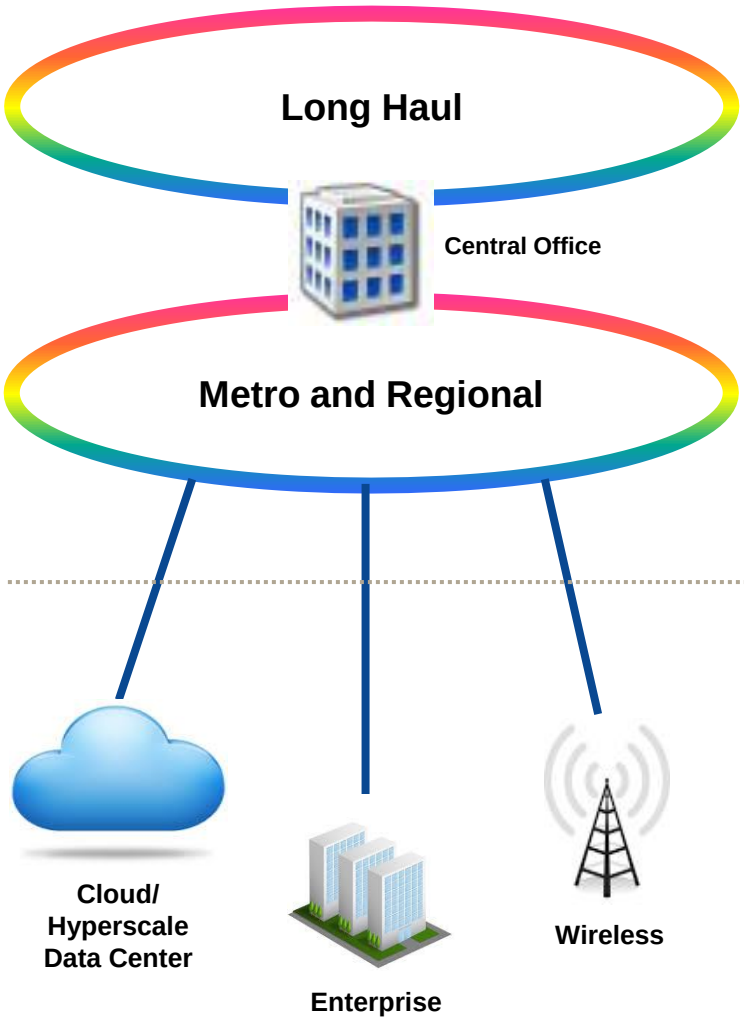


Modules and Circuit Packs

Core Technology Developed in House with Assembly & Test at Low Cost CMs

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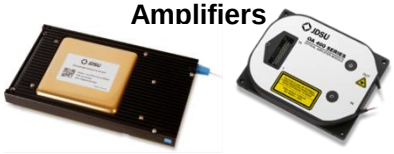
JDSU Optical Communications in the Network



Circuit Packs and Line Cards



TrueFlex® ROADMs and Amplifiers



Tunable XFP/SFP+



40Gb Coherent



100Gb Coherent CFP2



Modulators



ITLAs



Pump Lasers



Receivers



SFP, SFP+ and XFP Portfolio
1/10Gb Ethernet, 2/4/8/16Gb Fibre Channel, CPRI



40Gb QSFP+



100Gb Portfolio

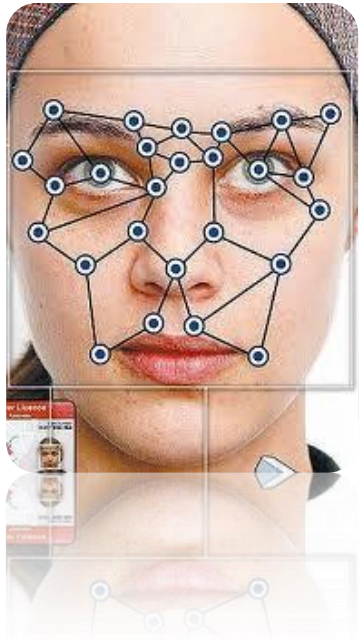


CFP2 CFP4 QSFP28

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Leveraging Core Technology & Infrastructure for 3-D Sensing

- Long history of leadership in gaming
- New uses and applications coming: computing, home entertainment, mobile
- Moving from pre-production to full production for first personal computer application





- JDSU's reliability track record key to customer engagements
- High level of customer engagement
- Timing and size of opportunities still unclear

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Commercial Lasers

Commercial Lasers Business – At a Glance

INDUSTRIAL APPLICATION

- Macro Material Processing
- Micro Material Processing
- Biomedical and Analytics Instrumentation

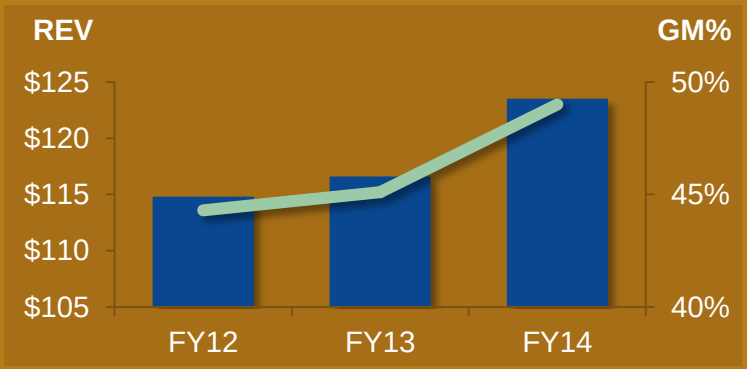
MARKET TRENDS

- Disruptive Technology: CO_2 to Fiber
- Miniaturization of consumer electronics



FINANCIAL PERFORMANCE

	FY12	FY13	FY14
REV	$114.8M	$116.6M	$123.5M
GM%	44.3%	45.1%	49.0%



PRODUCT PORTFOLIO

- Fiber Lasers
- Solid-State Lasers
- Ultra-Fast Lasers
- Gas Lasers

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Commercial Lasers Market



INDUSTRIAL LASERS MARKET-2014

Macro (kW) Materials Processing (fiber)	Micro- Materials Processing (solid-state)	Biomedical & analytics instrumentation (gas/solid-state)
CUTTING ~75% / WELDING / OTHER ~25%		
$1,500M (>5% CAGR)	$600M (10-15% CAGR)	$400M (0-5% CAGR)

$2.5B SAM Opportunity
JDSU Served Market

Source: Strategies Unlimited, JDSU estimates



Gen1 4kW Fiber Laser Engine



Gen2 4kW Fiber Laser Engine



Gen2 6kW Fiber Laser Engine (Preview)



High power ns UV Laser



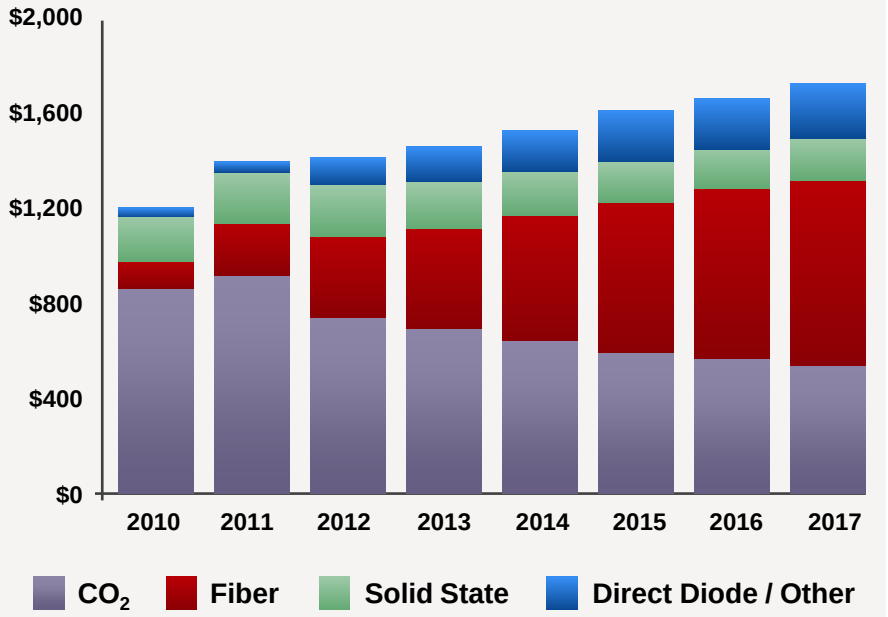
High power ps UV Laser

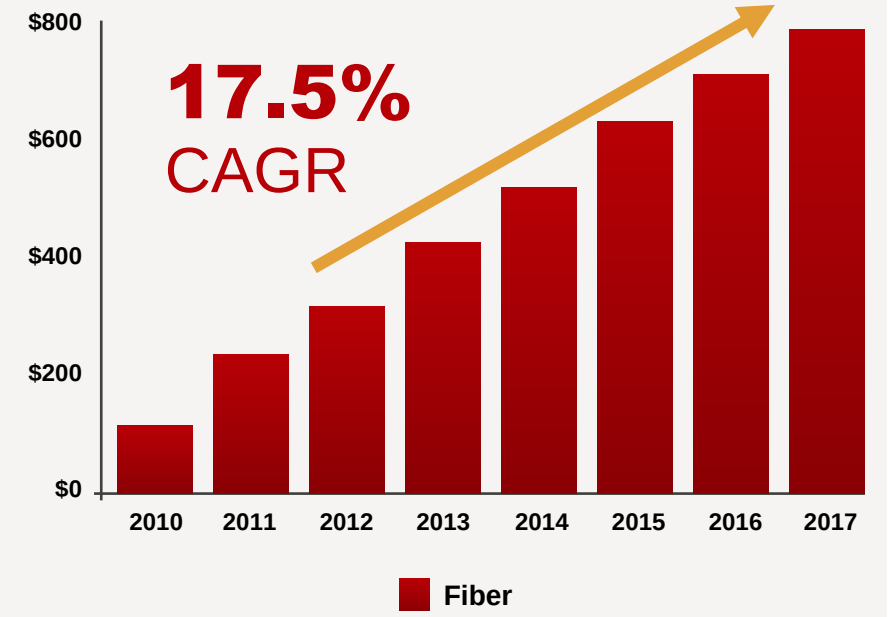
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Market Impact of kW Fiber Lasers

Industrial kW+ Laser Revenue Trend





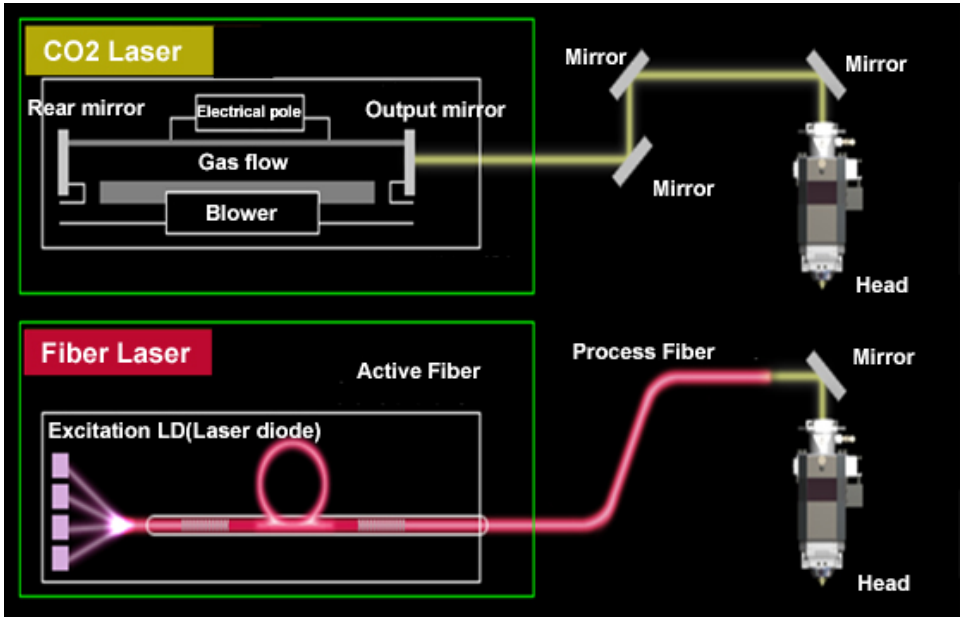
CO_2 Laser has limitations – market share decline

Fiber Laser provides higher power performance – 17.5% CAGR growth

Source: Strategies Unlimited, 2014

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Fiber vs. CO_2 Lasers in Macro Materials Processing



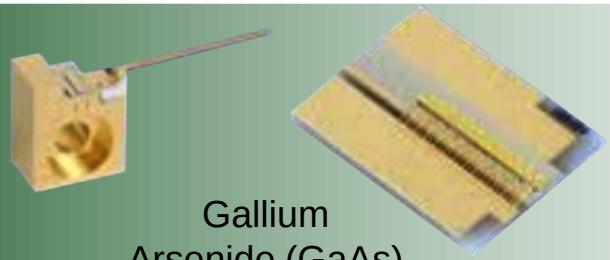
CHARACTERISTICS

	BEAM QUALITY	EFFICIENCY	FOOTPRINT	INITIAL COST	COST OF OWNERSHIP
Fiber Laser	✔✔	✔	✔	—	✔✔
CO_2	—	✖	✖	✔✔	✖

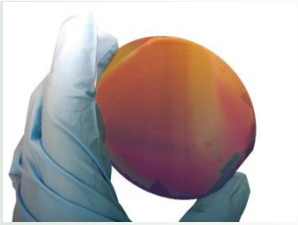
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Vertical & Functional Integration: Optimizing Cost & Performance

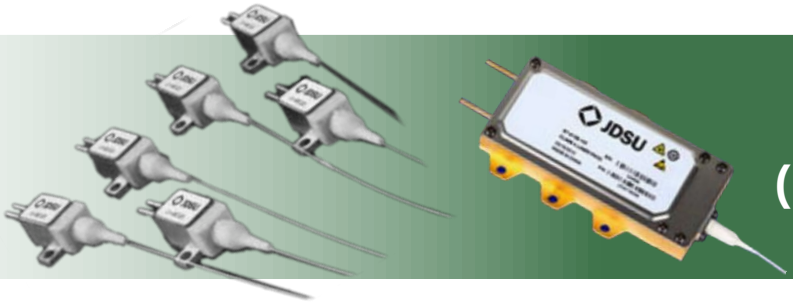
Internal Wafer Fabrication



Gallium Arsenide (GaAs)

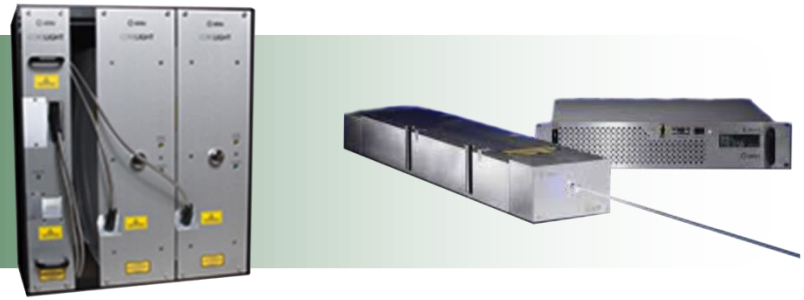


GaAs Wafer



Pump Sources (industrial diodes)

Commercial Lasers and Modules



Core Technology Developed in House with Assembly & Test at Low Cost CMs

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CCOP Positioned for Success

Operationally FIT | **Invested to WIN** | **Poised to GROW**

A Stand-Alone Business Focused on
Execution, Growth, and Improved Margins

Maintain #1 Position in Telecom
- TrueFlex®
- 100G in the Core → Metro
- Leadership in Tunable XFP and SFP+

Win BIG in Datacom
- Hyperscale Data Centers
- Copper out of the Enterprise
- Leadership in 100G transition (CFP2, CFP4, QSFP28, SiP)

Grow Lasers to > 25% of Revenue
- Macro Machining (cutting & welding)
- Micro Machining (nanosecond and ultra-fast)

Enable Next Generation 3-D Sensing

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11:45 – 12:30 pm	L U N C H	
12:30 – 1:30 pm	Product Demo Tour	Bill Ong

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September 11, 2014

David Heard
Executive Vice President and President,
Network Enablement and Service Enablement (NE/SE)

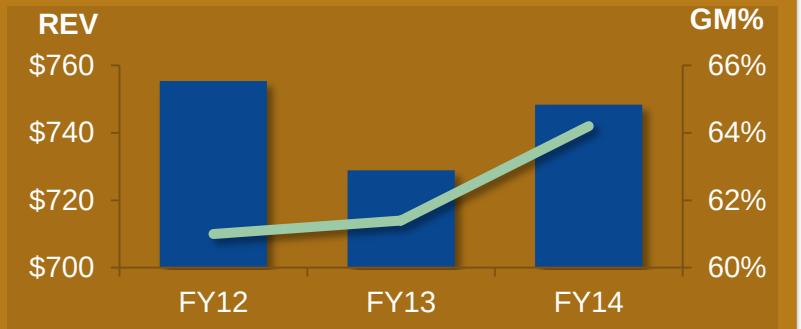
Network Enablement and Service Enablement – At A Glance

HIGHLIGHTS

- Market leader in Network Enablement at business model
- New Service Enablement business building scale
- New entry into Enterprise markets
- Portfolio aligned with SDN/NFV
- Gaining new operating leverage

FINANCIAL PERFORMANCE

	FY12	FY13	FY14
REV	$755.4M	$728.9M	$748.3M
GM%	61.0%	61.4%	64.2%



MARKET OPPORTUNITIES

- Network virtualization
- Mobility (LTE/4G)
- Fiber build-outs
- Faster Access, Transport
- Application performance management

NETWORK ENABLEMENT

- Fiber
- Mobility
- Ethernet
- Broadband Access



SERVICE ENABLEMENT

- Location Intelligence
- Mobile Assurance
- Performance Management
- PacketPortal

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Market Drivers Stronger Than Ever

Big Data	Internet of Everything	Cloud-Based Applications







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End-to-End Visibility and Intelligence

Enabling Our Customers to Navigate Change

NETWORK AND SERVICE ENABLEMENT

Network Enablement

Build and Maintain the Network

Design | Build | Turn-Up
Certify | Troubleshoot | Optimize



Instruments | Software | Services

Service Enablement

Ensure Customer Experience

Monitor | Collect Data
Analyze | Optimize

Intelligent Devices | Software

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NE: Market Leading Business with a Long Runway

Market Leader

#1 in the field instruments market and taking share

Product portfolio refreshed and focused on highest growth segments

Only company with a path to virtualization across the end-to-end portfolio

Advantage: core competence, culture, experience and customer trust

StrataSync

Fiber	Mobility	Ethernet	Media Access & Content	Virtual Apps
				
BERD/MTS-5800	CellAdvisor	Optical Network Tester	OneExpert	TrueSpeed

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NE Product Line Aligned with Customer Challenges

CUSTOMER CHALLENGES

Workforce Efficiency
- M&A, cost pressure
- Aging workforce

Reduce Capital Intensity

Constant Connectivity
- New SLAs
- Retention

Optimize Business Services

MARKET GROWTH RATES

FOCUSED PORTFOLIO	GROWTH 2014-18
MAC	
- Access	(5-6%)
- Cable	2-4%
Mobility Test	4-5%
Fiber Test	4-5%
Ethernet Test	3-4%
StrataSync	New
Virtual Apps	New
Total NE	**4%**

Source: JDSU

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Network Enablement Fact Sheet

SAM: $2.7B, CAGR 4%

PROFILE

Sales Cycle: 1-6 months
Deal Value: $1K-$1M
Seasonal, 70-75% Book/Ship
Strong Cash Flow



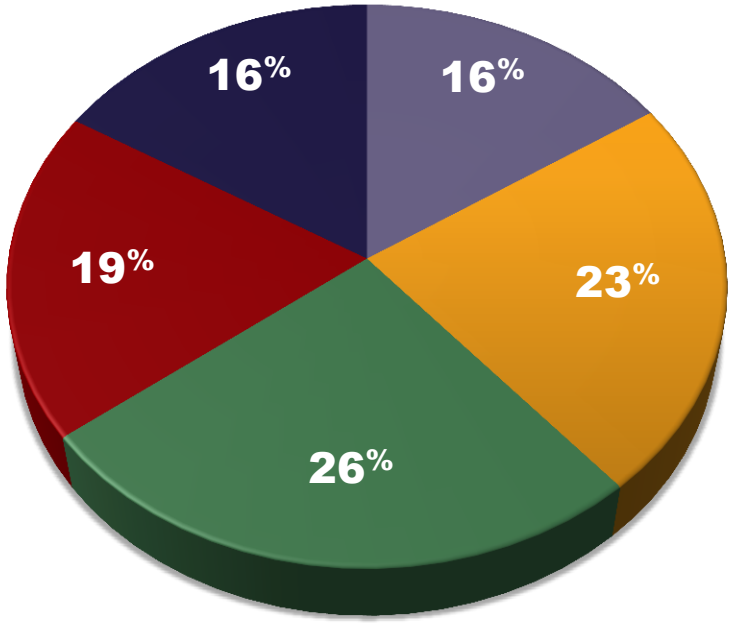
GLOBAL CUSTOMERS

at&t
中国移动通信 CHINA MOBILE
verizon
HUAWEI
Telefonica
vodafone
comcast
TELMEX
ciena

COMPETITORS

Anritsu Test and Measurement Solutions
Anite
EXFO
SPIRENT

2015 SAM



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SE: Leveraging Industry Dislocation

Seat at the table



- Strong position with carriers and new entry position in Enterprise
- Solid solutions portfolio, aligned with big data, mobility, SDN and NFV
  - Disruptive new mobile assurance driving displacement
  - Growing Location Intelligence pipeline
  - Network Instruments driving record pipeline
- Emerging revenue synergies driving large pipeline and cross-product pull

NEW ARCHITECTURES

NFV: Network Functions Virtualization

SDN: Software-Defined Network

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SE Solutions Aligned to Growth Opportunities

CUSTOMER CHALLENGES

Market Competitiveness

- Internet fast lanes (SLA)
- New revenue generation
- App performance

Big Data Scale

Architecture and Standards

- NFV
- SDN
- LTE-A, 5G

MARKET GROWTH RATES

FOCUSED PORTFOLIO	GROWTH 2014-18
Location Intelligence	20%+
Network Performance Management	10%+
Mobile Analytics & Assurance	7-9%
PacketPortal	Emerging
Legacy Assurance	(20-25%)
Total SE	**11-12%**

Source: JDSU

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PacketPortal – Smart Network Application Platform

- Strong pull from our Clients
  - Three (3) Tier 1 revenue customers
  - Over 80 trials complete
- Commercial applications across the portfolio
  - Three (3) high demand applications
- Direct alignment with SDN and NFV
  - Three (3) of top five (5) global carriers issued RFPs for NFV-ready intelligent optics

Looking Ahead



- Pipeline is building
- Expect by year end:
  - Additional Tier 1 wins
  - Additional NEM adoptions

LEADING LIGHTS 10TH ANNIVERSARY WINNER

SMALL CELL FORUM SMALL CELL INDUSTRY Awards 2014

FROST & SULLIVAN

2013 BEST PRACTICES AWARD

GLOBAL GIGABIT ETHERNET TEST EQUIPMENT PRODUCT LINE STRATEGY LEADERSHIP AWARD

Source: JDSU

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Service Enablement Fact Sheet

SAM: $3.1B, CAGR 12%

PROFILE

Sales Cycle: 12-24 months
Deal Value: $100K-$15M+
Strong Backlog and
Deferred Revenue Growth



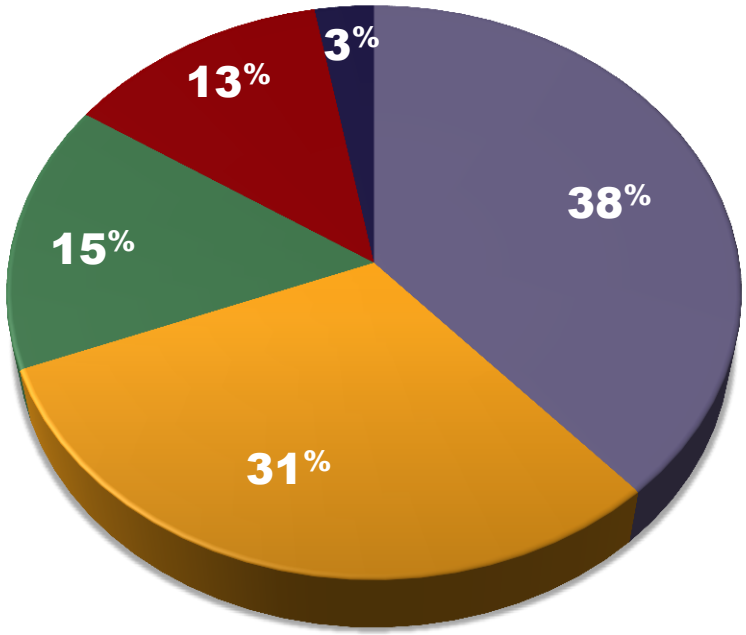
GLOBAL CUSTOMERS

at&t, bharti, Claro, BT, COX, CISCO, ERICSSON, hp, 3M, L'ORÉAL

COMPETITORS

amdocs, IXIA, Tektronix Communications, riverbed, NETSCOUT

2015 SAM



- Network Performance Management
- Mobile Analytics & Assurance
- Legacy
- PacketPortal Solutions
- Location Intelligence

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NE/SE Positioned for Success

Operationally **FIT**

Invested to **WIN**

Poised to **GROW**

Focused on the High Growth Markets

Establishing a focused brand to take advantage of industry dislocation

- Attractive high growth markets
- High operating leverage with additional cost savings

#1 market position and gaining share in Network Enablement (NE) business

- At business model, with strong margins and cash generation
- Leading the way to virtualization, with a refreshed product portfolio

Positioned to win in the $3B+ service enablement market

- F4Q14 bookings grew 11% YoY
- F4Q14 backlog and deferred grew 23% YoY

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JDSU Analyst Day
September 11, 2014

Luke Scrivanich
Senior Vice President
Optical Security and Performance (OSP) Products

Optical Security & Performance Products – At a Glance

HIGHLIGHTS

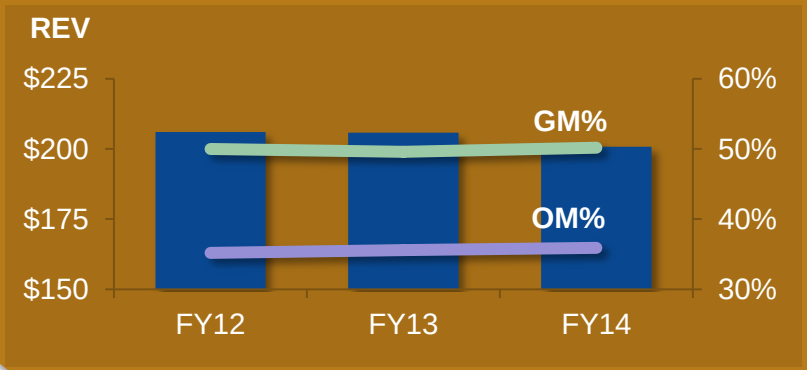
- Extend market leadership in overt Anti-Counterfeiting technology
- Leverage core capability in optical coating with emerging opportunities
- Exited $25M low margin / low growth business; focus on high growth markets

MARKET TRENDS

- Global growth of cash in circulation
- Growing sophistication of counterfeiting methods
- Higher performance demands for sensors in consumer electronics

FINANCIAL PERFORMANCE

	FY12	FY13	FY14
REV	$206.0M	$205.8M	$200.8M
GM%	50.0%	49.6%	50.1%
OM%	35.2%	35.6%	35.9%



KEY OFFERINGS

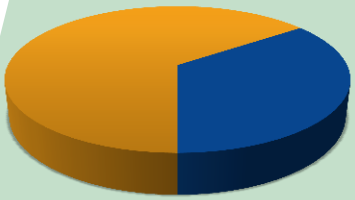
- Anti-Counterfeiting
  - Optically Variable Pigment (OVP™)
  - Optically Variable Magnetic Pigment (OVMP™)
  - Security thread substrate
- Consumer Electronics & Government
  - Optical Filters
- Emerging Opportunities
  - Micro Spectrometer for new markets

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Strategic Vision: Priority Markets

Leveraging competency in Precision Optics for Collaborative Innovation





ANTI-COUNTERFEITING



CONSUMER ELECTRONICS



GOVERNMENT



HEALTHCARE

Leadership and core business in anti-counterfeiting

Emerging opportunities for growth in 3 market segments

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OSP – SAM Opportunity

END-MARKET	2014	CAGR
Anti-counterfeiting	**$ 450M**	**5%**
Optical coating	**$ 400M**	**9%**
Handheld spectrometer	**$ 300M**	**11%**
Total SAM	**$ 1,100M+**	**6-8%**

Targeted end-markets driving long-term growth for OSP

Source: Industry reports, JDSU estimates

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Anti-Counterfeiting



JDSU Competing in Attractive Markets- Solving Customer Problems

MARKET DRIVERS	JDSU VALUE ADD
Ubiquity, trust, convenience and privacy of cash	Easy to authenticate security that transcends language and culture
375 billion notes in circulation; **150 billion** printed each year	World-class operations in US and China to meet global demand
Advances in low cost/high quality imaging and printing technologies	Strong IP, broad product portfolio and roadmap for emerging needs
Emerging new substrates (polymer) and printing methods	Strong collaboration with industry leaders to meet application needs

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Anti-Counterfeiting



JDSU Well Positioned in Market

- Strong technical, commercial and operational barriers to entry
- Long-term contracts with key customers in place
- Collaborative innovation with market leaders
- Ability to expand market share (footprint) with new products and applications
- Monitoring developments with alternative payments

JDSU RESULTS

Trusted to protect the currencies of more than **110** countries

OVMP gaining adoption with design wins in **51** countries

4 countries now feature newly launched thread substrate

JDSU

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Anti-Counterfeiting: Pigment Technology

Unique Vacuum Coating Technology



Key Attributes

State-of-the-art vacuum roll coating technology

Proprietary intellectual property

Engineered material: color through physics

Sophisticated process controls and tight supply chain security

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Anti-Counterfeiting Leadership



JDSU OVP™
Incorporated into SICPA OVI®

JDSU OVMP™
Incorporated into SICPA SPARK®



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Anti-Counterfeiting: SPARK® Live (Utilizes JDSU OVMP™)

Smaller Particle Size

Nickel Free

New Designs

LAUNCHED APRIL 2014



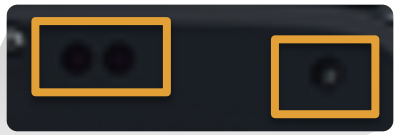
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Consumer Electronics: JDSU Enabling Innovation



BACK CAMERA
3-D Sensing,
Autofocus lens

Proximity,
ambient light
and (in the
future) UV
sensor





FRONT
CAMERA
3-D Sensing,
RGB NIR (low
light imaging),
Autofocus
lens

Enabling consumer electronic customers with our **TECHNOLOGY**

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Government: Defense Applications



LASER EYE PROTECTION

Very high optical density (OD) and high-layer count dielectric coatings

NIGHT VISION

Block specified wavelengths while maintaining high in-band transmittance



Longstanding legacy of enabling key government programs and ongoing collaboration to support government research labs

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Emerging Instrumentation Opportunity: Handheld Spectrometer

Robust, low power and ultra-compact spectrometer leveraging unique optical filter technology



Applications in **pharmaceuticals, security and food/agriculture**

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OSP Positioned for Success

Operationally **FIT**

Invested to **WIN**

Poised to **GROW**

Extend Leadership in Currency & Leverage Thin Film Coatings

Strong Market Drivers

- Continued growth of cash
- Increasing sophistication of counterfeiter's demands robust overt security
- Higher performance sensors & displays

Market Positioning

- Leader in banknote anti-counterfeiting; technology used by 110+ countries
- Core capability in optical coating; extend capabilities and capacity
- Emerging opportunities in consumer electronics, government and healthcare

Financial Model

- High barriers to entry
- Long-term contracts
- Consistent profitability

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