

Alan S. Lowe
President CCOP, CEO-designate Lumentum

16th Annual B. Riley Investor Conference
May 13, 2015

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, (i) information and guidance about JDSU's plans to separate into two independent, publicly traded companies – Lumentum Holdings, Inc. ("Lumentum") and Viavi Solutions Inc., (ii) the composition of and markets for those companies, (iii) the anticipated benefits, timing, savings, costs and other impacts of the separation, (iv) any financial information about the entities once separated, including expected tax rates, operating margins and debt and (v) Lumentum's plans regarding its manufacturing, research and development and innovation strategies.

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 benefits and 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. These risks, along with others are described in JDSU's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K filed August 26, 2014 and its Quarterly Report on Form 10-Q filed May 5, 2015. Risks specific to the operation of Lumentum business following the separation are described in Lumentum's Form 10 Amendment filed April 23, 2015. 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. Neither JDSU nor Lumentum undertake any obligation to update these statements.

This presentation and the Q&A that follows includes non-GAAP financial measures which complement JDSU's consolidated GAAP financial statements. These non-GAAP financial measures are not intended to supersede or replace JDSU's GAAP financials. Please see JDSU's Fiscal Q3 2015 Earnings Call supplemental slides located in the Investor Relations section of its website at www.jdsu.com for a reconciliation of JDSU's GAAP results to its non-GAAP results.

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CREATING **TWO INDUSTRY LEADING COMPANIES**

JDSU

LUMENTUM

- **CCOP**
  - #1 in telecom optical components in 2014
  - Gaining share in datacom
  - Growth in commercial lasers
- **FY14 Revenues: $794.1M**
- **FY14 OM: 11.8%**
- **CEO-designate: Alan Lowe**

VIAVI

- **NE: #1 in field test in 2014**
- **SE: Strong investments in high growth market**
- **OSP: Leader in anti-counterfeiting**
- **FY14 Revenues: $949.5M**
- **FY14 OM: 16.0%**
- **President/CEO: Tom Waechter**

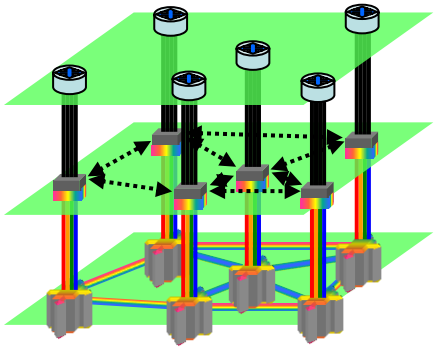
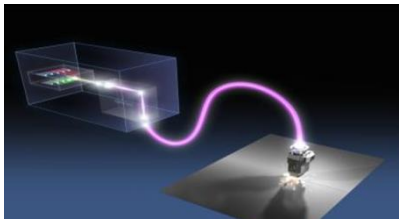
Lumentum information based on CCOP FY14 results. Not intended to be indicative of future performance as stand-alone entity.

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

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LUMENTUM IS A **PURE PLAY OPTICAL** INVESTMENT OPPORTUNITY

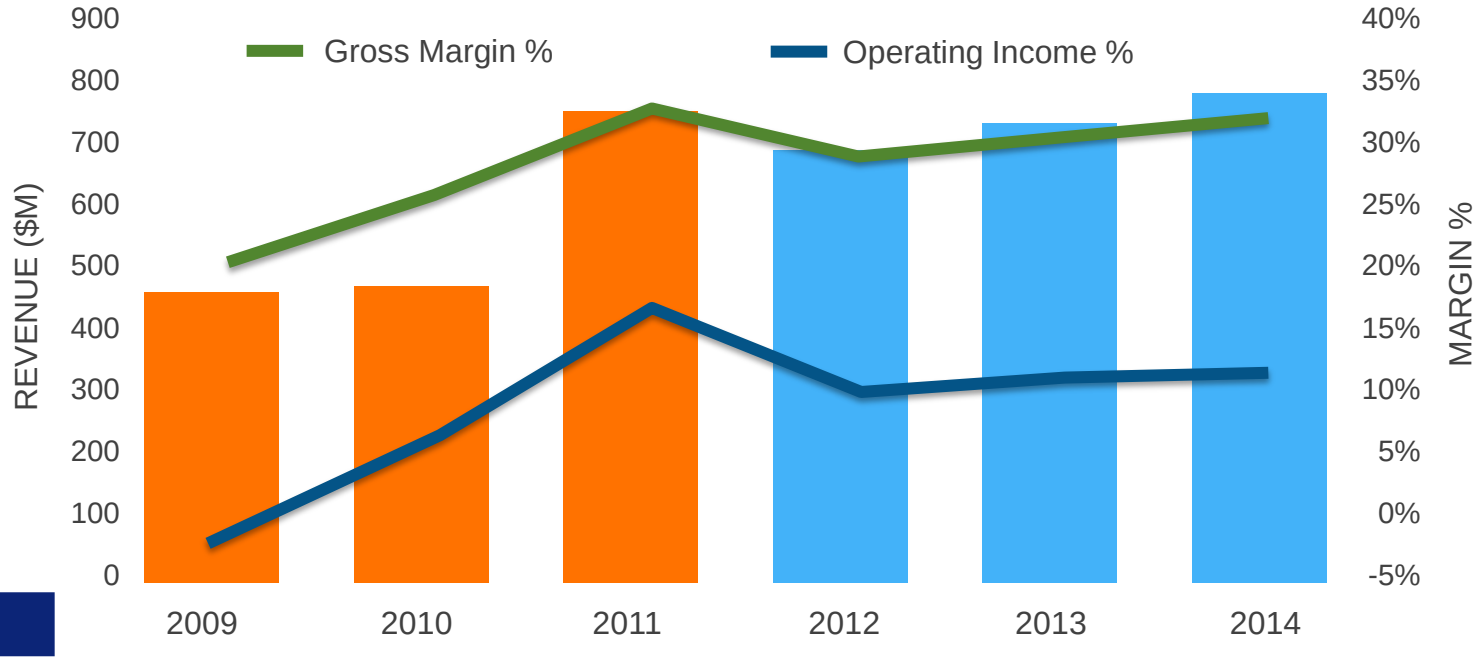
LUMENTUM

TELECOM	DATACOM	COMMERCIAL LASERS	3D SENSING
			
Broad portfolio of optical components and subsystems	Optical transceivers with focus on leading 100G transition	Laser solutions enabling high-value materials processing	Optical components for emerging PC and mobile device applications

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THE TIME IS RIGHT FOR CCOP SPIN-OFF

CCOP operationally fit and invested in growing markets



<FY09

INHERITED FROM THE TELECOM BOOM AND BUST

- Disjointed organization of prior acquisitions
- Unprofitable

BECOMING OPERATIONALLY FIT

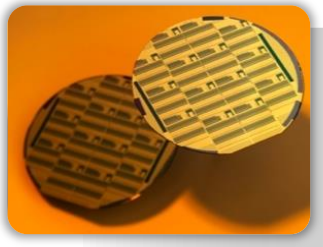
- Outsourcing of A&T
- Site consolidations
- Institute organization clarity and customer focus

INVESTING FOR THE FUTURE

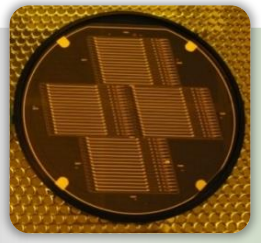
- Datacom, esp. 100G
- Fiber and ultrafast lasers
- 100G transmission
- Next gen ROADMs

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TELECOM/DATACOM **GLOBAL OPERATION**



Indium Phosphide
(InP)



Lithium Niobate
($LiNbO_3$)



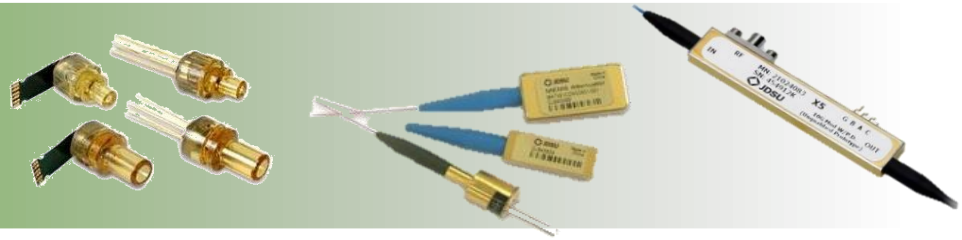
Silica/Silicon
(SiO_2/Si)



Gallium Arsenide
(GaAs)

Internal Wafer Fabrication

Sub-Assemblies and Components





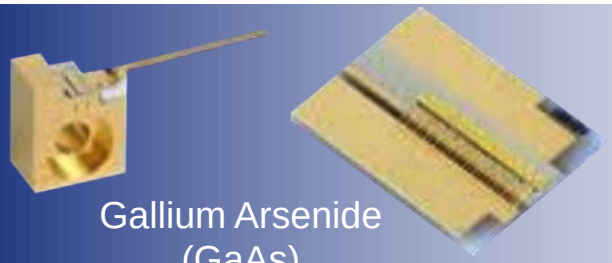
Modules and Circuit Packs

Vertical and functional integration core technology developed in-house with assembly and test at low-cost CMs

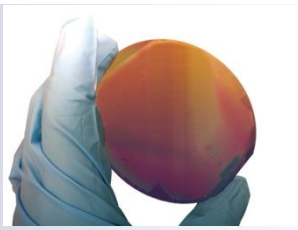
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LASERS AND 3D SENSING **SHARE OPERATIONS WITH TELECOM/DATACOM**

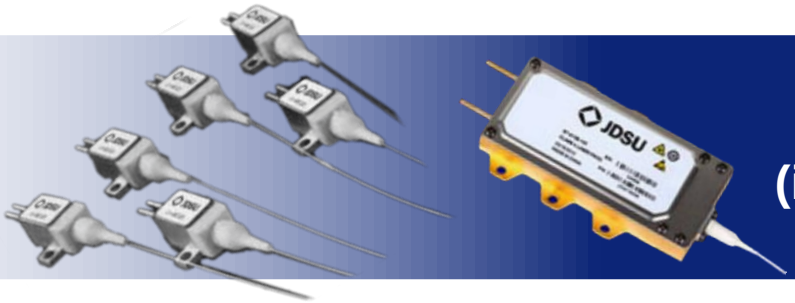
Internal Wafer Fabrication



Gallium Arsenide (GaAs)

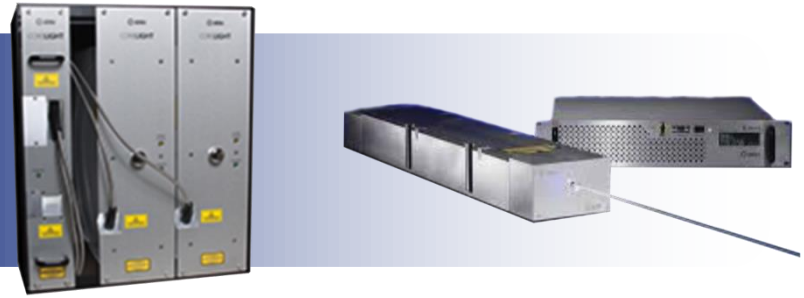


GaAs Wafer



Pump Sources (industrial diodes)

Commercial Lasers and Modules

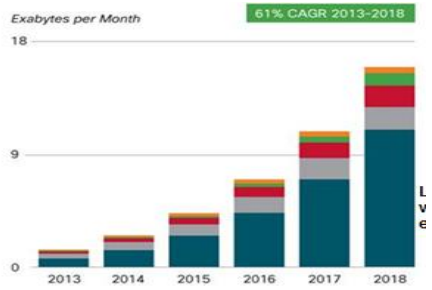


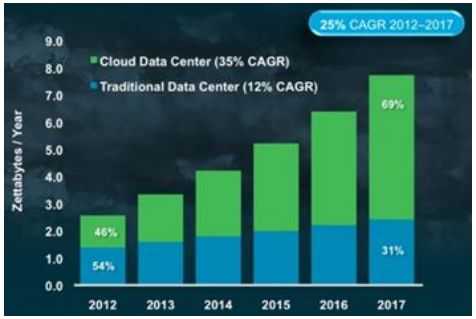
Vertical and functional integration core technology developed in-house with assembly and test at low-cost CMs

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TELECOM TRENDS

MOBILE TRAFFIC



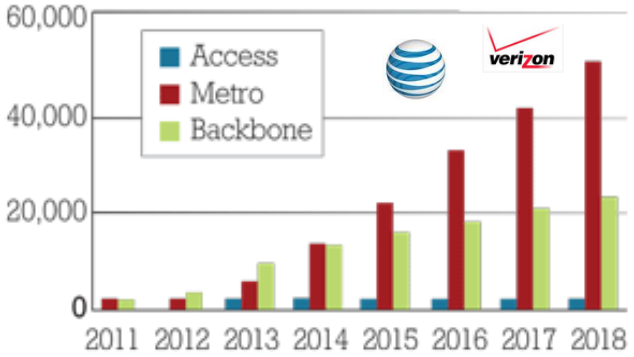


CLOUD

Mobile and cloud services are fueling >50%/yr traffic growth

Rapid emergence of 100G in long haul and metro

100G PORTS



Software Defined Networking at the transport layer: Slow, but inevitable adoption

WHITEBOXES

DOMAIN 2.0

Direct pluggable sales to carrier

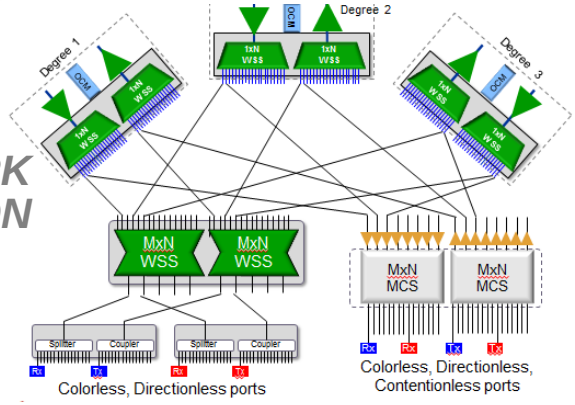
TRANSPORT NETWORKS

NG Metro

NETWORK VIRTUALIZATION

CDC

FLEX SPECTRUM



Telecom providers retooling toward data centric model – supply chain upheaval

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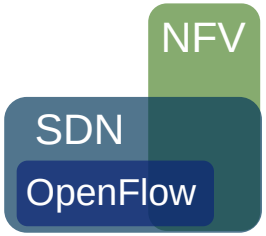
DATACOM TRENDS



WEB 2.0

Web 2.0 providers build own data centers





SDN

Puts pressure on traditional switch NEMs



CLOUD COMPUTING

Enterprises shift from “On Prem” to “Cloud”



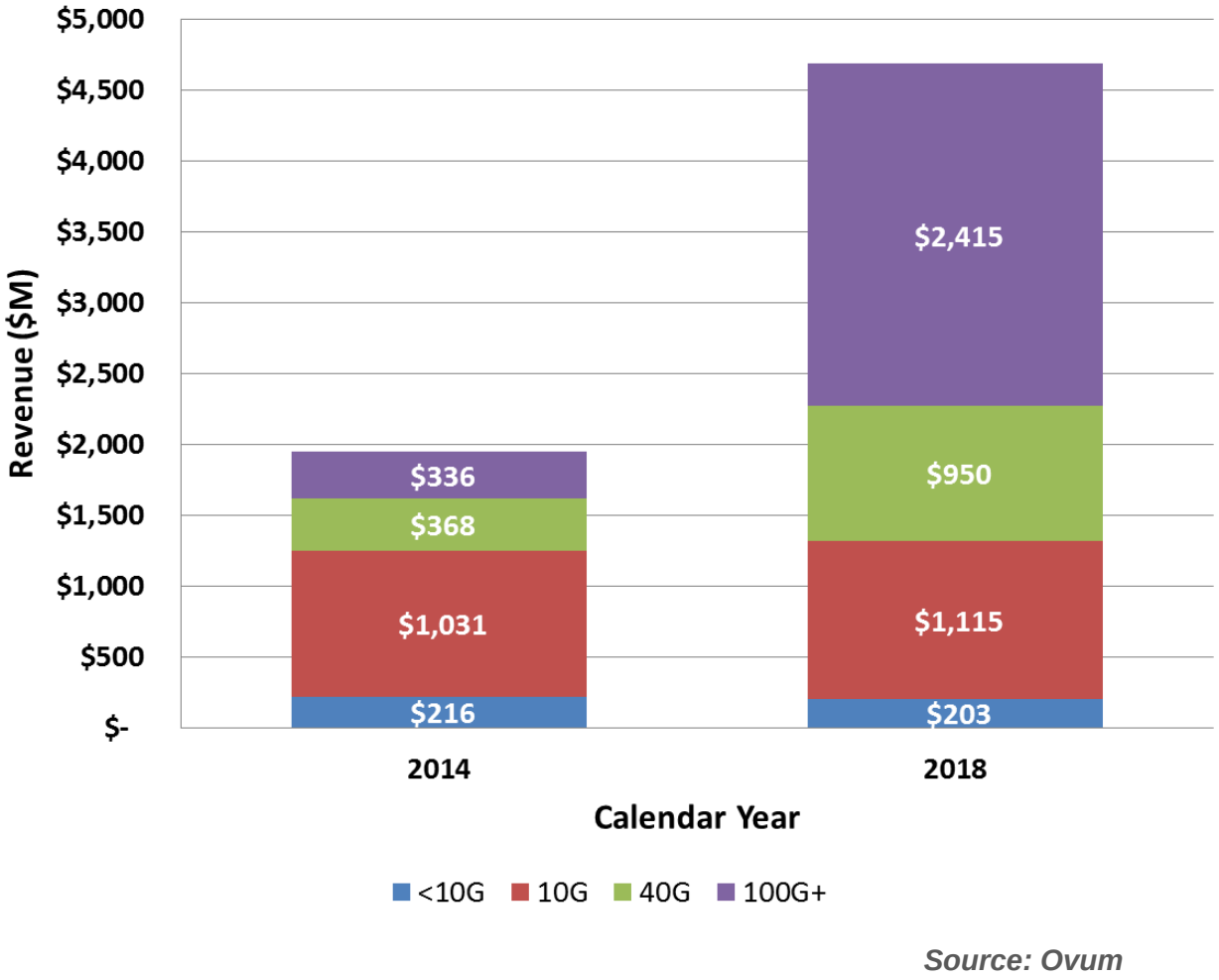
SUPPLY CHAIN

Qualifying and sourcing direct from suppliers

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40/100G DRIVING GROWTH IN DATACOM

Datacom Transceiver Revenue by Data Rate



Source: Ovum

5-Year CAGR
100G: 60%+
40G: 25%+

Market Attributes

- **Web 2.0 fuels growth**
- **10G volume growth**
- **Data center 40G now, 100G ramps in 2016+**
- **Fibre Channel flat**

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3D SENSING TRENDS

Gaming was the early adopter of 3D sensing with limited market breadth

Embedding 3D sensing in mobile computing products has begun with all major players… pace picking up

Applications extend into facial recognition, 3D scanning, 3D printing, depth measurement, eye-tracking…



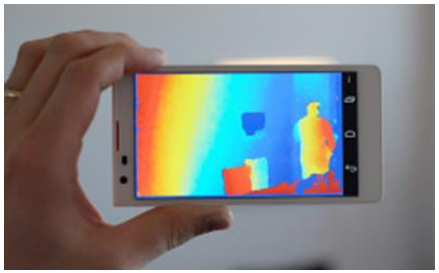
2010

GAMING



2015

ULTRABOOKS



2016

MOBILE

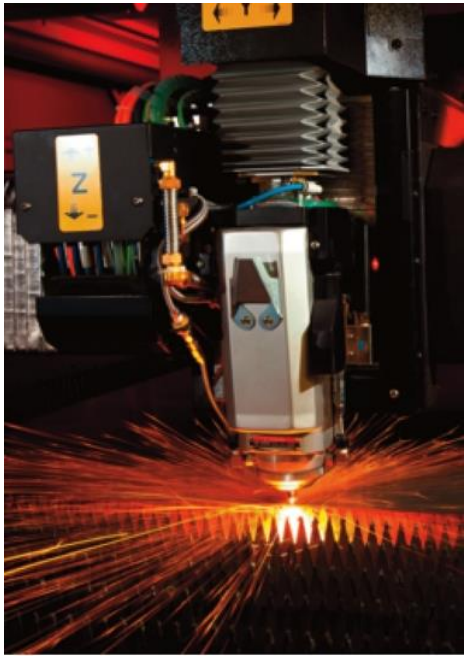


2016+

NEXT GEN LIVING ROOM

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COMMERCIAL LASERS MARKET



Macro (kW) Materials Processing (CO_2 Replacement)

CUTTING	WELDING / OTHER
~75%	25%

$1,500M
(>5% CAGR)

Micro-Materials Processing (Mechanical Tool Replacement)

$600M
(10-15% CAGR)

Biomedical and Analytics Instrumentation (Long Lifecycle)

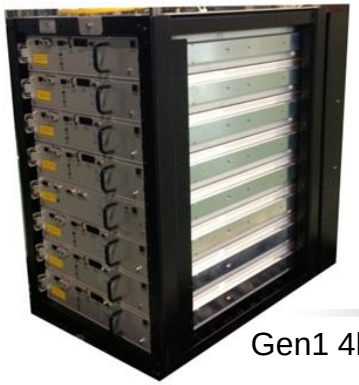
$400M
(0-5% CAGR)

$2.5B SAM Opportunity
JDSU Served Market

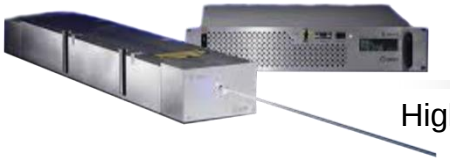
Source: Strategies Unlimited, JDSU estimates



Gen2 4kW Fiber Laser Engine



Gen1 4kW Fiber Laser Engine



High power ns UV Laser

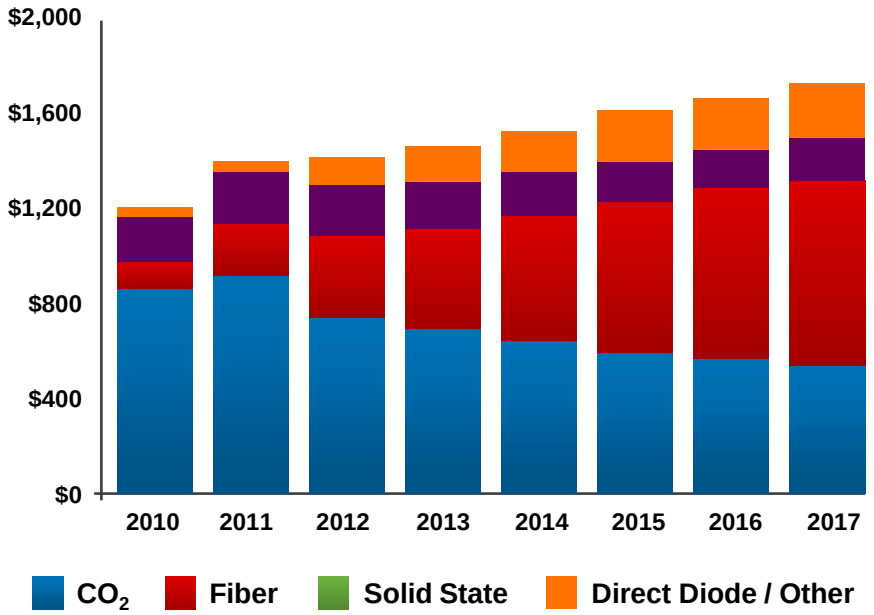


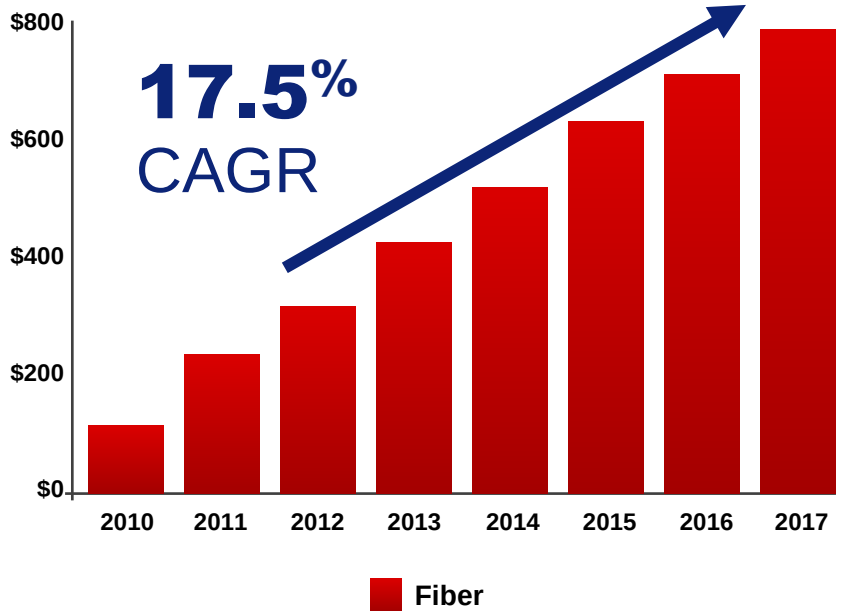
High power ps UV Laser

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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

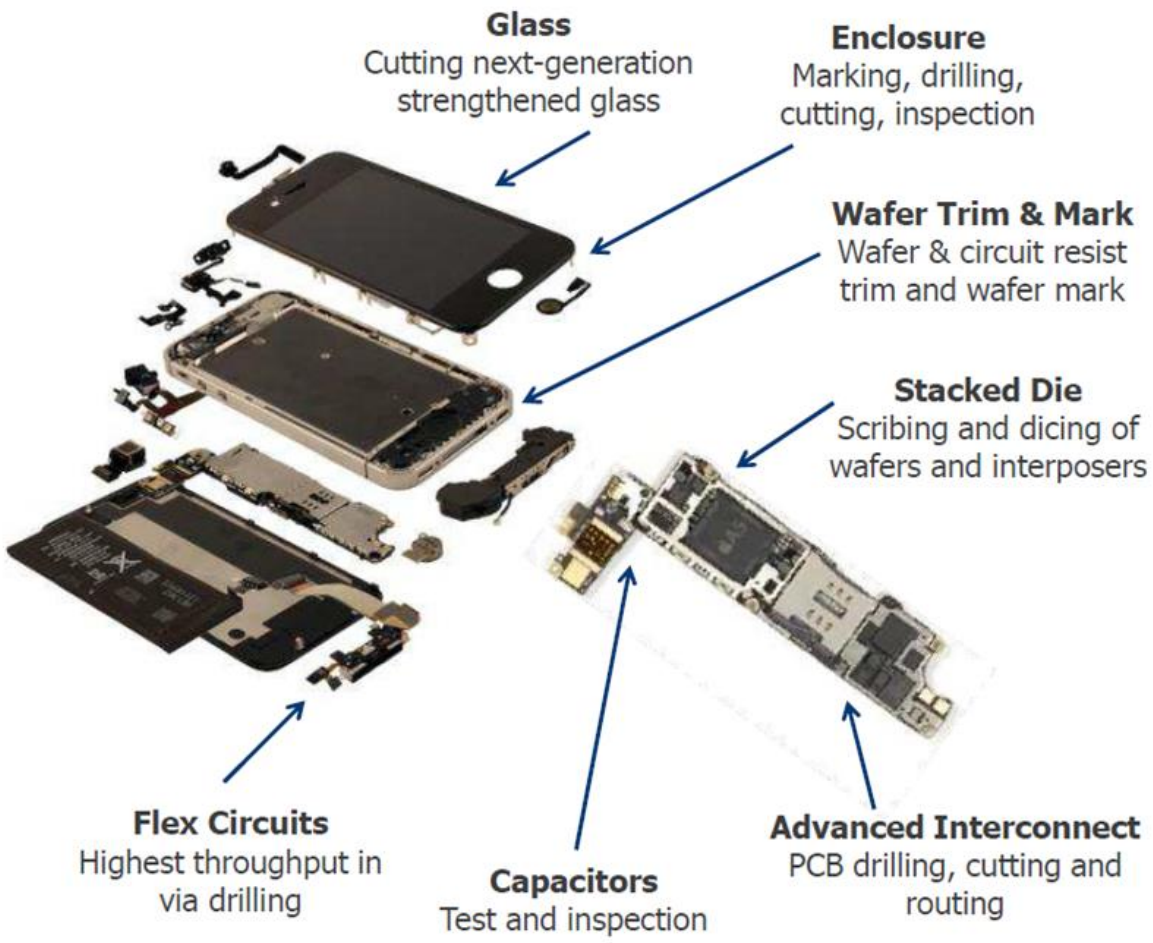
Source: Strategies Unlimited, 2014

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LASER MICRO MATERIALS PROCESSING OF **CONSUMER ELECTRONICS**

>1B Smartphones and Tablets in 2014; 13% CAGR (Gartner)

- Si IC singulation
- MEMS, RF & power devices
- PCB via holes
- Si/glass/other interposers
- LED flash singulation
- Ceramics cutting
- Marking, cutting, drilling, welding
- TFT annealing, AMOLED
- Hydro/oleo-phobic surfaces



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CCOP/LUMENTUM MARKETS SERVED

	TELECOM	DATACOM	COMMERCIAL LASERS	3D SENSING
MARKET SIZE	$4B	$2B	$3B	$0.1B
GROWTH RATE (5YR CAGR)	10%	15%	6%	23%
CCOP REVENUE MIX	63%	15%	16%	7%
KEY STRENGTHS	Customer Intimacy	100G Technology (>60% CAGR)	Lasers for materials processing (>15% CAGR)	Quality/ Reliability

**Ovum, Strategies Unlimited , JDSU estimates & FY14 results*

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AS CCOP TRANSITIONS TO **LUMENTUM**

Telecom leadership

- 100G in the Core → 100G Metro expansion
- TrueFlex® ROADM and line cards
- 100G component leadership → 100G modules
- Tunable XFP and SFP+

Datacom opportunity

- Hyperscale data centers, copper out of Enterprise
- Leadership in 100G transition (CFP2/4, QSFP28, SiP)

Lasers opportunity

- Macro machining (cutting and welding)
- Micro machining (nanosecond and ultra-fast)

Enable next-generation 3D sensing

- **Optical pure play**
- **Technology leadership**
- **Invested in high growth markets**
- **All products leverage same global operation**

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JDSU **SUMMARY**

LUMENTUM

- Greater focus and agility to respond to opportunities.
- Structure: expected effective cash tax rate <10%; no long-term debt.
- Lumentum operating margin model: including costs as a separate public company, expected to be 4.0% less than existing segment operating margins ±0.5%.

VIAVI (Viavi Solutions)

- Transformation of hardware-centric NSE portfolio with investments in virtualization and new software solutions.

Separation

- Targeted: C3Q 2015
- Lumentum Form 10: Filed Feb 26, 1st amendment filed on Apr 23.

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THANK YOU