

# Investor Fact Sheet - Second Quarter Fiscal 2013

# Quarter Ended December 29, 2012

# Net Revenue 500 400 300 100 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 GAAP Non-GAAP

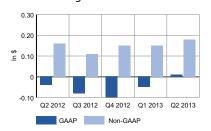
#### **Gross Margin**



#### Operating Expense as a Percent of Revenue



#### Diluted Earnings Per Share



JDSU provides non-GAAP financial measures to supplement its consolidated financial statements presented in accordance with GAAP. These non-GAAP financial measures are intended to supplement the users' overall understanding of the Company's current financial performance and its prospects for the future, and are not intended to supersede or replace the Company's GAAP results. A detailed reconciliation of the GAAP results to the non-GAAP results is provided in the JDSU 2013 Second Quarter Announcement, available at www.jdsu.com/investors.

#### **About JDSU**

JDSU innovates and collaborates with customers to build and operate some of the highest-performing and highest-value networks in the world. Our diverse technology portfolio also fights counterfeiting and enables high-powered commercial lasers for a range of applications. We provide these solutions through three business segments: Communications Test and Measurement, Communications and Commercial Optical Products, and Optical Security and Performance Products. To learn more about JDSU, please visit www.jdsu.com and www.jdsu.tv and follow us on twitter at twitter.com/jdsu.

#### Key Points for Q2 2013<sup>1</sup>

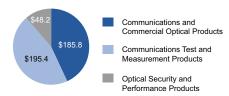
- Net revenue of \$429.4 million increased 2.0% compared to the prior quarter and increased 4.8% compared to the second quarter of fiscal 2012.
- Gross margin was 48.0% compared to 45.8% in the prior quarter and 47.1% in the second quarter of fiscal 2012.
- Operating margin was 11.4% compared to 9.2% in the prior quarter and 9.8% in the second quarter of fiscal 2012.
- Communications Test and Measurement revenue of \$195.4 million increased by 15.3% compared to the prior quarter and decreased 0.4% compared to the second quarter of fiscal 2012. Revenue from this segment represented 46% of total net revenue.
- Communications and Commercial Optical Products revenue of \$185.8 million decreased 4.7% compared to the prior quarter and increased 13.8% compared to the second quarter of fiscal 2012. Revenue from this segment represented 43% of total net revenue.
  - Optical Communications revenue of \$155.6 million decreased 4.5% compared to the prior quarter and increased 12.7% compared to the second quarter of fiscal 2012
  - Commercial Lasers revenue of \$30.2 million decreased 5.3% compared to the prior quarter and increased 20.3% compared to the second quarter of fiscal 2012.
- Optical Security and Performance Products revenue of \$48.2 million decreased 14.7% compared to the prior quarter and decreased 4.0% compared to the second quarter of fiscal 2012. Revenue from this segment represented 11% of total net revenue.
- Americas' customers represented 49.9% of total net revenue for the quarter. EMEA and Asia-Pacific customers represented 23.8% and 26.3%, respectively, of total net revenue for the quarter.
- The Company held \$740.2 million in total cash and investments and generated \$59.4 million of cash from operations for the quarter ended December 29, 2012.
- 1. All numbers are Non-GAAP unless stated otherwise. The Company has retrospectively adjusted its Consolidated Statements of Operations and the segment financials to reflect the sale of its holographic security business.



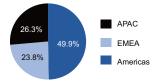
# Cash, Cash Equivalents, Short-Term Investments, Restricted Cash, and Debt



# Non-GAAP Revenue by Segment as of 12/29/12 (\$ millions)



#### Revenue by Region as of 12/29/12



#### Statistics as of December 29, 2012

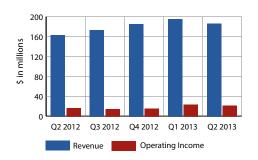
Exchanges	NASDAQ: JDSU / TSX: JDU	
Company headquarters	Milpitas, CA, USA	
52-week trading range	\$8.47 - \$15.17	
Shares outstanding (basic)	234.4 million	
Shares outstanding (diluted)	237.1 million	
Founded	1979	
IPO	November 17, 1993	
Headcount worldwide	4,805	
Fiscal year ends	June 29, 2013	

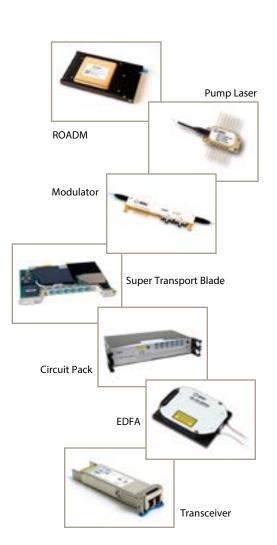
Q2 2013	Q1 2012	Q2 2012	
\$429.4M	\$420.9M	\$409.6M	
\$42.3M	\$35.0M	\$36.3M	
\$0.18	\$0.15	\$0.16	
	\$429.4M \$42.3M	\$429.4M \$420.9M \$42.3M \$35.0M	\$429.4M \$420.9M \$409.6M \$42.3M \$35.0M \$36.3M



# Communications and Commercial Optical Products Fact Sheet Quarter Ended December 29, 2012

#### Revenue and Operating Income





#### **OVERVIEW**

JDSU is a leader in communications and commercial optical products. JDSU supplies every major network equipment manufacturer with the optical products and solutions necessary to deploy new communications networks or maintain and upgrade existing communication networks. JDSU also provides fiber, solid-state, direct-diode, and gas lasers for a broad range of applications. The Communications and Commercial Optical Products (CCOP) segment contributed \$185.8 million, or 43.3% of JDSU's total non-GAAP revenue in Q2 2013.

#### **OPTICAL COMMUNICATIONS**

#### MARKET DRIVERS

- Increasing consumer demand for broadband Internet services and newer technologies, such as HDTV, interactive TV and video on demand, that strain network capacity
- Service provider rollout of next generation broadband and optical networks incorporating 40/100 G transmission and "self aware" capabilities
- Advanced consumer wireless technologies, such as 4G, which require increased network bandwidth as they enable newer wireless applications
- Convergence of services: service provider delivery of "bundled" services to consumers, including combinations of Internet, wireless, wireline and cable services

#### **COMPETITIVE DIFFERENTIATORS**

- A foundation of innovation including GaAs, InP, LiNbO<sub>3</sub>, PLC, photonic integration and functional integration
- Vertical integation including chips, components, modules, subsystems, and SuperTransport Blades
- One of the broadest optical portfolios including telecom transport, telecom transmission, datacom, and consumer electronics
- Collaborative partnership to solve real world problems

#### PRODUCT PORTFOLIO

The JDSU OC portfolio is built upon our expertise in both photonic and functional integration, delivering one of the industry's broadest portfolios of component, module, and subsystem products for optical networks

- Telecom Transport: TrueFlex<sup>™</sup>, ROADMs, EDFAs, circuit packs, SuperTransport Blades, pump lasers, passives
- Telecom Transmission: Transponders, Transceivers, Tunable-XFP, modulators, source lasers, and receivers
- Datacom: Transceivers and TOSA/ROSA

#### **CUSTOMERS**

Customers for our Optical Communications products include Adva, Alcatel-Lucent, Ciena, Cisco Systems, Ericsson, Fujitsu, Huawei, Infinera, Nokia Siemens Networks, and Tellabs.





**IDL Series** 

#### **LASERS**

#### MARKET DRIVERS

- Replacement of CO2 lasers with fiber lasers for macro-machining applications, such as sheet metal cutting and welding
- Steadily increasing demand for mobile communication, computing and other microelectronic products requiring high-throughput, high-precision laser manufacturing solutions
- Advances in cytometry, hematology, and genome sequencing instrumentation requiring reliable, low-noise laser sources
- Need for increased process flexibility and reduced manufacturing cycle time favoring laser-based over conventional mechanical semiconductor and microelectronics manufacturing processes

#### **COMPETITIVE DIFFERENTIATORS**

- Broad portfolio of reliable, high-performance, stable lasers
- Proven ability to form long-term strategic partnerships with market-leading system integrators
- Ability to leverage in-house telecom capabilities and components such as highreliability pump diodes

#### PRODUCT PORTFOLIO

The JDSU product portfolio includes fiber, continuous-wave, q-switched, and mode-locked lasers with various output power levels and wavelengths optimized for a broad range of applications.

- Macromachining applications such as metal cutting and welding
- Precision micromachining and materials processing such as semiconductor wafer dicing,
   LED scribing and via hole drilling
- Fluorescence applications including DNA sequencing, cytometry and hematology
- Sensing applications including semiconductor inspection, tracking and profiling, particle sizing, and flow analysis
- Consumer Electronics: Diode lasers for gesture recognition

#### **CUSTOMERS**

Customers for JDSU Commercial Lasers include Amada, ASML, Beckman Coulter, Becton Dickinson, Disco, Electro Scientific Industries, and KLA-Tencor.

JDSU Investor Relations 430 North McCarthy Boulevard Milpitas, CA 95035

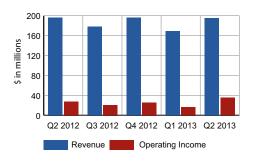
Last updated February 2013



## Communications Test and Measurement Fact Sheet

### Quarter Ended December 29, 2012

#### Revenue and Operating Income





From back: T-BERD/MTS-8000, T-BERD/MTS-6000, and T-BERD/MTS-4000



ONT 100G Test Solution

JDSU Investor Relations 430 North McCarthy Boulevard Milpitas, CA 95035

Last updated February 2013

#### **OVERVIEW**

The Communications Test & Measurement (CommTest) business supports network and services enablement for global customers with an integrated portfolio of advanced field test and lab instruments, intelligent probes, and service assurance supported by monitoring software and optimization applications. These help our customers effectively manage the unprecedented growth of traffic, devices and applications on their networks. Continual improvements in operations combined with emphasis on market-leading R&D innovation secures a leading position in segments including optical fiber, mobility, storage area network applications and all communications field test. CommTest contributed \$195.4 million or 45.5% of total non-GAAP revenue in Q2 2013.

#### **T&M MARKET DRIVERS**

- Growth of connected devices to exceed 50B by 2020—far exceeding the world population
- Bandwidth-intensive streaming video to comprise more than 60% of global web traffic by 2015
- Steep demand for wireless services and applications: by 2016, annual smartphone sales reach 1B and annual application downloads exceed 108B
- Continued growth of broadband services: by 2016, FTTH subscribers exceed 120M and IPTV subscribers exceed 170M
- Expansion of network infrastructures in developing regions

#### **KEY DIFFERENTIATORS**

- Deep engagement with global customers
- Innovation leadership that brings game-changing solutions to market including TrueSpeed, PacketPortal, StataSync and PacketInsight
- Global, technically skilled sales organization
- Largest installed base of customers
- Global centers of excellence for R&D

#### PRODUCT PORTFOLIO

Our leading portfolio of instruments, software and services address every stage of network and services enablement and include solutions for lab and production test, field network test, and service assurance applications. R&D investment and innovation mirrors the highest growth segments within our addressable markets, including:

- Broadband infrastructure
- Mobility
- Media access and content (video)
- Cloud and data center

#### **CUSTOMERS**

Today our customers face unique challenges: monetize services and earn revenue from bits rather than minutes; improve network performance and reliability; and equip a new generation of employees to proactively address issues that impact the customer experience.

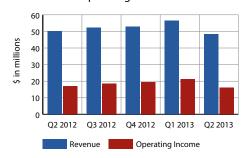
CommTest customers include fixed and wireless services providers, NEMs, government organizations and large corporate customers. These include major telecom, mobility and cable operators such as AT&T, Bell Canada, Bharti Airtel Limited, British Telecom, China Mobile, China Telecom, Chunghwa Telecom, Comcast, CSL, Deutsche Telecom, France Telecom, Telefónica, Telmex, TimeWarner Cable and Verizon. CommTest customers also include many of the NEMs served by our CCOP segment, including Alcatel-Lucent, Ciena, Cisco Systems, Fujitsu and Huawei. JDSU test and measurement customers also include chip and infrastructure vendors, storage-device manufacturers, storage-network and switch vendors, and deployed private enterprise customers. Storage-segment customers include Brocade, Cisco Systems, and EMC.



# Optical Security and Performance Products Fact Sheet

# Quarter Ended December 29, 2012

#### Revenue and Operating Income





Anti-Counterfeiting



**Consumer Electronics** 



Government

JDSU Investor Relations 430 North McCarthy Boulevard Milpitas, CA 95035

Last updated February 2013

#### **OVERVIEW**

The Optical Security and Performance Products (OSP) segment leverages its core technology strengths of optics and materials science to manage light and color effects. With over six decades of experience in optical coating technology, OSP provides innovative optical security and performance products targeted to customers in the anticounterfeiting, consumer electronics, government, healthcare and other markets. OSP contributed \$48.2 million, or 11.2% of IDSU's total non-GAAP revenue in O2 2013.

#### **OSP MARKET DRIVERS**

- Document security, brand protection, and anti-counterfeiting
- Increasingly sophisticated optical technologies in consumer electronics
- Intelligence gathering, situational awareness and battlefield protection systems

#### COMPETITIVE DIFFERENTIATORS

- Unique coating platforms designed to deliver precision at scale
- Global manufacturing capability
- Trusted partner for commercial and government customers for over six decades

#### PRODUCT PORTFOLIO

OSP's flagship security offering, Optically Variable Pigment (OVP\*), enables a color-shifting effect used by issuers of banknotes and security printers worldwide for anti-counterfeiting applications on currency and other high value documents and products. OVP\* is used to protect the currencies of more than 100 countries today. In addition to OVP\*, OSP has a developed a range of other offerings targeted toward the currency market including Optically Variable Magnetic Pigment (OVMP\*), and banknote thread substrates. Complementing its offerings to the currency market, OSP also develops and delivers overt and covert anti-counterfeiting products targeted the pharmaceuticals and consumer electronics markets.

OSP plays a role in improving the performance attributes of a range of products serving the consumer electronics market. For example, OSP bandpass filters are currently used for gesture-recognition devices designed for the gaming market and OSP components for phase and polarization control enhance contrast for home theater projection systems. OSP also provides glasses and color filter wheels for 3D cinema applications.

OSP provides value-added solutions to meet the stringent requirements of commercial and government customers in aerospace and defense. For aerospace customers, JDSU precision optical filters are a critical component in satellite and spacecraft power systems and temperature control. OSP also supplies antireflection coatings, beamsplitters, optical filters, laser optics, solar reflectors, and mirrors for a variety of defense applications.

Additionally, OSP supplies optical performance products for a variety of additional applications in the automotive, biomedical, entertainment and office automation markets.

#### **CUSTOMERS**

The OSP segment serves customers such as 3M, Barco, Kingston, Lockheed Martin, Northrup Grumman, Pan Pacific, Seiko Epson, and SICPA.