JDS UNIPHASE CORPORATION
430 North McCarthy Boulevard
Milpitas, California 95035
(408) 546-5000

Notice of Annual Meeting of Stockholders and Proxy Statement

2013 Annual Report

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ENCOURAGE YOU TO READ THIS PROXY STATEMENT AND SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AS SOON AS POSSIBLE. FOR SPECIFIC INSTRUCTIONS ON HOW TO VOTE YOUR SHARES, PLEASE REFER TO INSTRUCTIONS (A) OR (B) BELOW, AS APPLICABLE.

(A) IF YOU ARE A HOLDER OF COMMON STOCK, PLEASE REFER TO (I) THE INSTRUCTIONS OF THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS YOU RECEIVED IN THE MAIL, (II) THE SECTION ENTITLED GENERAL INFORMATION BEGINNING ON PAGE 1 OF THIS PROXY STATEMENT, OR (III) IF YOU REQUESTED TO RECEIVE PRINTED PROXY MATERIALS, YOUR ENCLOSED PROXY CARD.

(B) IF YOU ARE A HOLDER OF EXCHANGEABLE SHARES, PLEASE REFER TO (I) THE SECTION ENTITLED GENERAL INFORMATION BEGINNING ON PAGE 1 OF THIS PROXY STATEMENT OR (II) YOUR ENCLOSED PROXY CARD.

CONSIDERING REGISTERING ELECTRONICALLY FOR STOCKHOLDER MATERIALS?

JDS Uniphase Corporation is pleased to take advantage of the Securities and Exchange Commission (the "SEC") rule allowing companies to furnish this Proxy Statement and Annual Report over the Internet to our Stockholders who hold Common Stock. We believe that this e-proxy process, also known as "Notice and Access" will expedite the receipt of proxy materials by our Stockholders, reduce our printing and mailing expenses and reduce the environmental impact of producing the materials required for our Annual Meeting.

Holders of Common Stock should refer to the "General Information" portion of the following Proxy Statement (beginning on page 1) or contact our Investor Relations hotline at 408-546-4445 for assistance regarding instructions on how to register for and thereafter access our Proxy Statement and Annual Report online.

Holders of Exchangeable Shares remain unaffected by the SEC rule and will continue to receive paper copies of the Proxy Statement and Annual Report.

Dear Stockholders,

Reflecting on fiscal year 2013, I am proud of JDSU's accomplishments, which position us for continued growth and profitability. We grew market share, made significant advances in product innovation, and drove operational improvements throughout the company.

Attractive Markets

Our market drivers remain strong. We live in one of the most exciting periods in the history of the networking industry. Consumer adoption of anywhere, anytime, any device communications is a key driver for our network-related businesses, leading to ever-increasing bandwidth demand and an unprecedented pace of change in network technologies. The deployment of new network infrastructure to support cloud-based computing, software-defined networks, and faster transmission speeds will be required to address these demands on the network. JDSU products and solutions support profitable, rapid network expansion, enable the agility necessary to deal with new, unpredictable communications patterns, and provide network visibility and intelligence required to ensure a high quality subscriber experience and new opportunities to monetize the network.

We also see positive trends in JDSU's other market segments. Easy access to affordable printing and other technologies means the need for sophisticated anti-counterfeiting solutions is on the rise. JDSU is trusted to protect the currencies of more than 100 countries. JDSU innovation is also behind the growing adoption of gesture recognition solutions for consumer products ranging from gaming platforms to televisions, computers and smart phones. In addition, the market for fiber lasers used in macro-machining applications continues to expand to meet the growing demand for faster, more precise cutting speeds and more cost-efficient manufacturing processes. JDSU continues to leverage its deep technology portfolio and innovative expertise to position the company for new growth opportunities in our core and adjacent markets.

Strategic Priorities

Our success is built on customer-focused, collaborative innovation. As a result of our continuing commitment to innovation, more than 60% of JDSU's network-related revenue in fiscal 2013 came from products released within the last two years. We have meaningfully extended our market leadership by consistently developing and launching new products and through strategic acquisitions. During fiscal 2013 we introduced several new products including a new line of optical components which address the fast-growing enterprise and data center markets, and our cloud-based StrataSync software platform. We also completed two acquisitions that expanded our wireless network and service enablement capabilities.

During fiscal 2013, we undertook a strategic review of our product portfolio and pruned product lines which were not accretive to our financial and strategic goals, strengthening the alignment of our product offerings with our customers' spending priorities.

We continue to build our operating leverage. Over the last 12 months, we significantly improved our manufacturing supply chain and IT footprint through consolidation and outsourcing. We are working to capture further shared service efficiencies leveraging the deployment of our global ERP system and leaner, reorganized corporate teams.

Financial Results

In fiscal 2013, JDSU delivered solid results despite challenging macroeconomic conditions. Net revenue of $1.68 billion and gross margin of 46.5% were approximately flat with fiscal 2012[1]. Gross margins for both the NSE (formerly CommTest) and CCOP segments improved year-on-year. Increased investments in R&D (14.6% of FY13 revenue compared to 14.0% in FY12) resulted in a slightly lower operating margin of 8.7% in fiscal 2013 compared to 9.3% in fiscal 2012 as we invested for future revenue and margin growth.

Total revenue for the last three fiscal years has been steady in the $1.7 to $1.8 billion range, up from $1.3 billion in fiscal 2009 and reflecting the continuing uncertainty in macroeconomic conditions and network operator spending. Even with steady revenues, our gross margins have expanded from 43% to 46% and EBITDA has increased from $99 to $214 million over the same period.

I am particularly proud of JDSU's cash flow performance. June 2013 was JDSU's 27th consecutive quarter of generating positive cash flow. Total cash from operations in fiscal 2013 totaled $187.8 million, nearly $70 million more than the $119.1 million generated in fiscal 2012, on comparable revenue. Net inventories declined $30 million between fiscal 2012 and fiscal 2013.

With our recently completed convertible debt offering, we now have over $1 billion of cash on our balance sheet, and we repurchased over 7.4 million shares in August.

Corporate Governance

JDSU advanced several efforts as part of our commitment to effective corporate governance practices and corporate citizenship. In September 2012, the board of directors approved an amendment to our bylaws to implement majority voting for director nominees in uncontested elections. In addition, last year our stockholders approved our board's proposal to declassify our board of directors. Beginning with this year's annual meeting, all directors elected at the meeting will serve one-year terms so that our board will be fully declassified following the 2015 annual meeting.

We also continued to focus upon environmental stewardship and transparency. Through reduced energy consumption and enhanced operating efficiencies, we reduced our carbon emissions by 15% in fiscal 2013, and we continue to participate with many leading companies in the Carbon Disclosure Project. JDSU was recently identified as a company leader on climate change action and achieved a position on the CDP S&P 500 Climate Performance Leadership Index. We have also made significant progress towards ensuring that conflict minerals are not used in our supply chain.

Finally, we recognize that there is increasing stockholder interest in greater transparency surrounding corporate political contributions. JDSU's Code of Business Conduct prohibits any contributions to political parties, candidates or political action committees on behalf of or in the name of the company unless approved by the legal department and the company's Chief Executive Officer. JDSU does not generally make political contributions of this nature, and none were approved in fiscal 2013.

Looking Ahead

Over the last three years, JDSU has diligently worked at setting the stage for future growth and profitability. While it has been difficult to predict the timing of network investments, we have maintained our focus on the things we can control. This includes forging stronger relationships with customers, ensuring our product portfolio is aligned with high-growth opportunities, and optimizing our operational cost structure.

We have expanded our addressable market beyond telecom, creating exciting products for new markets such as commercial lasers and gesture recognition technologies for consumer electronics. We are also growing our exposure to enterprise, including cloud and datacom, and public sector customers.

With the heaviest lifting on our operational initiatives behind us, the focus now is on top-line growth. I am confident that JDSU is well-positioned to benefit from growth in network investments. Our product portfolio, favorable long-term market trends, strong cash flow, robust balance sheet and a management team with a great track record for execution make me very confident in JDSU's competitive position.

Finally, I would like to thank our employees, who make possible all of JDSU's accomplishments because of their in-depth knowledge, expertise, dedication and global teamwork. I would also like to thank our customers, partners, suppliers and long-term investors for their continued support of JDSU.

We look forward to the opportunity to speak with you at the 2013 Annual Meeting of Stockholders in November.

Sincerely,

Thomas H. Waechter
President and Chief Executive Officer

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[1] All numbers non-GAAP unless noted otherwise. See Appendix C to the accompanying proxy statement for a reconciliation to the Company's most comparable GAAP numbers. JDSU's management uses these non-GAAP measures to evaluate and forecast JDSU's performance before gains, losses, or other charges that are considered by management to be outside of JDSU's core business segment operating results. JDSU believes that presenting these non-GAAP measures provides investors with greater transparency to the information used by management in its financial and operational decision making. JDSU further believes that providing this non-GAAP information helps investors understand JDSU's operating performance and evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance. This non-GAAP information is not intended to be considered in isolation or as a substitute for GAAP measures. Please see our Annual Report on Form 10-K, which is attached as Appendix A to the accompanying proxy statement, for the comparable GAAP results.

JDS UNIPHASE CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON NOVEMBER 13, 2013

DATE AND TIME	9:00 a.m., Pacific Time, on November 13, 2013
LOCATION	690 North McCarthy Boulevard Milpitas, California 95035 (408) 546-5000
PROPOSALS	1. To elect two Class I directors to serve until the 2014 annual meeting of Stockholders and until their successors are elected and qualified. 2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending June 28, 2014. 3. To consider a non-binding advisory vote on the compensation of our named executive officers. 4. To consider such other business as may properly come before the annual meeting and any adjournment or postponement thereof. These items of business are more fully described in the Proxy Statement which is attached and made a part hereof.
RECORD DATE	You are entitled to vote at the 2013 Annual Meeting of Stockholders (the "Annual Meeting") and any adjournment or postponement thereof if you were a Stockholder at the close of business on September 16, 2013.
VOTING	**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, YOU ARE URGED TO VOTE PROMPTLY TO ENSURE YOUR PRESENCE AND THE PRESENCE OF A QUORUM AT THE ANNUAL MEETING.** For specific instructions on how to vote your shares, and if you are a holder of Common Stock, please refer to (i) the Notice of Internet Availability of Proxy Materials (the "Notice") you received in the mail, (ii) the section entitled General Information beginning on page 1 of this Proxy Statement, or (iii) if you requested to receive printed proxy materials, your enclosed Proxy Card. If you are a holder of Exchangeable Shares, please refer to (i) the section entitled General Information beginning on page 1 of this Proxy Statement or (ii) your enclosed Proxy Card. As specified in the Notice, holders of Common Stock may vote their respective shares by using the Internet or the telephone. All Stockholders (whether you hold Common Stock or Exchangeable Shares) may also vote shares by marking, signing, dating and returning the Proxy Card in the enclosed postage-prepaid envelope. If you send in your Proxy Card and then decide to attend the Annual Meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the Proxy Statement.

By Order of the Board of Directors,

Thomas Waechter
Chief Executive Officer and President

Milpitas, California
October 1, 2013

JDS UNIPHASE CORPORATION
430 North McCarthy Boulevard
Milpitas, California 95035
(408) 546-5000

PROXY STATEMENT

GENERAL INFORMATION

Why am I receiving these proxy materials?

The Board of Directors (the "Board" or "Board of Directors") of JDS Uniphase Corporation, a Delaware corporation (the "Company"), is furnishing these proxy materials to you in connection with the Company's 2013 Annual Meeting of Stockholders (the "Annual Meeting"). The Annual Meeting will be held at 690 North McCarthy Boulevard, Milpitas, California 95035, on November 13, 2013 at 9:00 a.m., Pacific Time. You are invited to attend the Annual Meeting and are entitled and requested to vote on the proposals outlined in this proxy statement ("Proxy Statement"). This Proxy Statement and the accompanying proxy were first sent by mail to the Trustee for the Special Voting Share and holders of Exchangeable Shares on or about October 1, 2013. The Company has also sent printed copies of the proxy materials by mail to holders of Common Stock to each holder of Common Stock who has requested such copy.

What is "Notice and Access"?

The Securities and Exchange Commission adopted amendments to the proxy rules that change how companies must provide proxy materials. These rules are often referred to as "Notice and Access." Under the Notice and Access model, a company may select either of the following two options for making proxy materials available to stockholders:

- The full set delivery option; or

- The notice only option.

A company may use a single method for all its stockholders, or use full set delivery for some while adopting the notice only option for others.

This process reduces the amount of time it takes for stockholders to obtain the materials, reduces the printing and mailing expenses paid by the Company, and reduces the environmental impact of producing the materials. The Company is required to comply with these "Notice and Access" rules in connection with its Annual Meeting.

Other than holders of Exchangeable Shares, who will continue to receive printed copies of the proxy materials, most of our Stockholders who hold Common Stock will not receive printed copies of the proxy materials unless they request them. Instead, the "Notice of Internet Availability of Proxy Materials" (the "Notice"), which was mailed on or about October 1, 2013 to our Stockholders who held Common Stock as of the record date, will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or e-mail copy of our proxy materials, you should follow the instructions in the Notice for requesting such materials.

If I am a holder of Exchangeable Shares, do the "Notice and Access" rules apply to me?

No. The "Notice and Access" rules apply only to Stockholders of the Company who hold Common Stock. Accordingly, as a holder of Exchangeable Shares, you will continue to receive printed copies of the proxy materials.

What is the Full Set Delivery Option?

Under the full set delivery option, a company delivers all proxy materials to its stockholders as it would have done prior to the change in the rules. This can be by mail or, if a stockholder has previously agreed, by e-mail. In addition to delivering proxy materials to stockholders, a company must post all proxy materials on a publicly-accessible website and provide information to stockholders about how to access that website.

What is the Notice Only Option?

Under the notice only option, instead of delivering its proxy materials to stockholders, the company instead delivers a Notice to its stockholders directing them to the publicly accessible website on which the company has posted all of its proxy materials. This Notice includes, among other matters:

- information regarding the date and time of the meeting of stockholders as well as the items to be considered at the meeting and the company's recommendations regarding those items;

- information regarding the website where the proxy materials are posted; and

- various means by which a stockholder can request paper or e-mail copies of the proxy materials.

If a stockholder requests paper copies of the proxy materials, these materials must be sent to the stockholder within three business days. Additionally, paper copies must be sent via first class mail.

In connection with its Annual Meeting, the Company has elected to use the notice only delivery option with respect to the Company's holders of Common Stock. Accordingly, if you are a holder of Common Stock, you should have received the Notice, which provides instructions on how to access the proxy materials on-line.

Will the Company use the Notice Only option in the future?

The Company may choose to continue to use the notice only option in the future as a delivery option of its proxy materials with respect to its holders of Common Stock. By reducing the amount of materials that the Company is required to print and mail, the notice only option provides an opportunity for cost savings as well as conservation of natural resources. The Company plans to evaluate the possible cost savings as well as the possible impact on Stockholder participation as it considers future use of the notice only option.

As a Holder of Common Stock, what do I need to do?

If you would prefer to continue receiving paper copies of proxy materials, please mark the "Paper Copies" box on your Proxy Card (or provide this information when you vote telephonically or via the Internet).

As noted above, the Company must provide paper copies via first class mail to any Stockholder who, after receiving the Notice, nevertheless requests paper copies. Accordingly, even if you do not check the "Paper Copies" box now, you will still have the right to request delivery of a free set of proxy materials upon receipt of any Notice in the future. Because first class postage is significantly costlier than bulk mail rates and because each such request must be processed on a stockholder-by-stockholder basis, the cost of responding to a single request for paper copies is likely to be significantly greater than the per-stockholder cost the Company currently incurs in delivering proxy materials in bulk. Therefore, requests for paper copies could significantly undermine or eliminate expected cost savings associated with the notice only option.

By developing in advance a database of Common Stock holders who would prefer to continue receiving paper copies of proxy materials, the Company would be able to use the full set delivery option for these Stockholders — using bulk mail to deliver the paper copies — while using the notice only option for other Stockholders. We believe this would significantly reduce the number of requests for paper copies that the Company would need to process on a stockholder-by-stockholder basis and would position the Company to better capture cost savings should it continue to use the notice only option in the future. We appreciate your assistance in helping us develop this database through the Proxy Card, telephonic and internet voting processes.

If I am a holder of Common Stock, how do I obtain electronic access to the proxy materials?

The Notice will provide you with instructions regarding how to:

- View our proxy materials for the Annual Meeting on the Internet; and
- Instruct us to send our future proxy materials to you electronically by e-mail.

Choosing to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact of printing and mailing these materials on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

What if I prefer to receive paper copies of the materials?

If you are a holder of Exchangeable Shares, you will continue to receive printed copies of the proxy materials. If you are a holder of Common Stock and you prefer to receive paper copies of the materials, you may request a paper copy of the materials by (i) calling 1-800-579-1639; (ii) sending an e-mail to sendmaterial@proxyvote.com; or (iii) logging onto *www.ProxyVote.com*. There is no charge to receive the materials by mail. If requesting material by e-mail, please send a blank e-mail with the 12 digit "Control Number" (located on the second page of the Notice) in the subject line.

What proposals will be voted on at the Annual Meeting?

There are three proposals scheduled to be voted on at the Annual Meeting:

1. To elect two Class I directors to serve until the 2014 annual meeting of Stockholders and until their successors are elected and qualified.

2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm (hereinafter referred to as "independent auditors") for the fiscal year ending June 28, 2014.

3. To consider a non-binding advisory vote on the compensation of our named executive officers ("NEOs").

4. To consider such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

As to any other business which may properly come before the Annual Meeting, the persons named on the enclosed proxy card will vote according to their best judgment. The Company does not know now of any other matters to be presented or acted upon at the Annual Meeting.

What are the recommendations of the Company's Board of Directors?

The Board recommends that you vote "**FOR**" each of the proposals presented in this Proxy Statement.

Specifically, the Board recommends you vote:

- "**FOR**" the election of the two Class I directors,
- "**FOR**" the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending June 28, 2014, and
- "**FOR**" the approval of the Company's executive compensation programs.

What is the record date and what does it mean?

The record date for the Annual Meeting is September 16, 2013. The record date is established by the Board of Directors as required by Delaware law. Holders of shares of the Company's Common Stock and holders of Exchangeable Shares of JDS Uniphase Canada Ltd., a subsidiary of the Company, at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting and any adjournments or postponements thereof.

What shares can I vote?

Each Stockholder of the Company's common stock, par value $.001 per share ("Common Stock"), is entitled to one vote for each share of Common Stock owned as of the record date, and CST Trust Company (the "Trustee"), the holder of the Company's special voting share ("Special Voting Share"), is entitled to one vote for each exchangeable share of JDS Uniphase Canada Ltd., a subsidiary of the Company ("Exchangeable Shares"), outstanding as of the record date (other than Exchangeable Shares owned by the Company and its affiliates). Holders of Common Stock and Exchangeable Shares are collectively referred to as "Stockholders." Votes cast with respect to Exchangeable Shares will be voted through the Special Voting Share by the Trustee as directed by the holders of Exchangeable Shares, except votes cast with respect to Exchangeable Shares whose holders request to vote directly in person as proxy for the Trustee at the Annual Meeting.

At the record date, 228,926,668 shares of Common Stock were issued and outstanding, one Special Voting Share was issued and outstanding, and 3,395,717 Exchangeable Shares were issued and outstanding (excluding any Exchangeable Shares owned by the Company and its affiliates which are not voted). Each Exchangeable Share is exchangeable at any time, at the option of its holder, for one share of the Company's Common Stock.

What constitutes a quorum?

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of Common Stock and Exchangeable Shares outstanding and entitled to vote on the record date will constitute a quorum permitting the Annual Meeting to conduct its business.

How are abstentions and broker non-votes treated?

Under the General Corporation Law of the State of Delaware, an abstaining vote and a broker non-vote are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the Annual Meeting.

Broker non-votes are not included in the tabulation of the voting results on the election of directors or issues requiring approval of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting and, therefore, do not have an effect on Proposals 1, 2 or 3. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting authority with respect to that item and has not received instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held by them as nominee, brokers have the discretion to vote such shares only on routine matters. Where a matter is not considered routine, shares held by your broker will not be voted absent specific instruction from you, which means your shares may go unvoted and not affect the outcome if you do not specify a vote. None of the matters to be voted on at the Annual Meeting are considered routine, except for the ratification of the Company's independent auditors.

For the purpose of determining whether the Stockholders have approved matters, other than the election of directors, abstentions will have the same effect as a vote against the proposal.

What is the voting requirement to approve each of the proposals?

Proposal 1. Each director must be elected by the affirmative vote of a majority of the shares of Common Stock and the votes represented by the Special Voting Share (all taken together as one class, collectively, the "Voting Shares") cast with respect to such director by the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. This means that the number of votes cast "FOR" a director must exceed the number of votes cast "AGAINST" that director, with abstentions and broker non-votes not counted as votes cast as either "FOR" or "AGAINST" such director's election.

Proposal 2. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors requires the affirmative vote of a majority of the Voting Shares present or represented by proxy and entitled to vote on this proposal at the Annual Meeting. As a result, abstentions will have the same effect as votes against the proposal. Broker non-votes (if any) will have no effect on the outcome of this vote.

Proposal 3. Approval of the non-binding advisory vote on the Company's executive compensation programs requires the affirmative vote of a majority of the Voting Shares present or represented by proxy and entitled to vote on this proposal at the Annual Meeting. As a result, abstentions will have the same effect as votes against the proposal. Broker non-votes will have no effect on the outcome of this vote.

All shares of Common Stock and the Special Voting Share represented by valid proxies will be voted in accordance with the instructions contained therein. Votes with respect to Exchangeable Shares

represented by valid voting instructions received by the Trustee will be cast by the Trustee in accordance with those instructions. In the absence of instructions, proxies from holders of Common Stock will be voted in accordance with the recommendations set forth in the Proxy Statement. If no instructions are received by the Trustee from a holder of Exchangeable Shares, the votes to which such holder is entitled will not be exercised.

How do I vote my shares?

If you are a record holder of Common Stock, you can either attend the Annual Meeting and vote in person or give a proxy to be voted at the Annual Meeting:

- by mailing the enclosed proxy card;
- over the telephone by calling a toll-free number; or
- electronically, using the Internet and following the instructions provided in the Notice you received by mail.

The Internet and telephone voting procedures have been set up for your convenience and are designed to authenticate the Common Stock holders' identities, to allow the holders of Common Stock to provide their voting instructions, and to confirm that their instructions have been recorded properly. The Company believes the procedures which have been put in place are consistent with the requirements of applicable law. Specific instructions for record holders of Common Stock who wish to use the Internet or telephone voting procedures are set forth on the enclosed proxy card or in the Notice you received by mail.

If you are a record holder of Exchangeable Shares, you can either attend the Annual Meeting and vote in person or give a proxy to be voted at the Annual Meeting by mailing the enclosed voting instruction card to the Trustee.

If a holder of Exchangeable Shares does not provide the Trustee with voting instructions, your Exchangeable Shares will not be voted.

Who will tabulate the votes?

An automated system administered by Broadridge Financial Services, Inc. ("Broadridge") will tabulate votes cast by proxy at the Annual Meeting and a representative of the Company will tabulate votes cast in person at the Annual Meeting.

Is my vote confidential?

Proxy instructions, ballots and voting tabulations that identify individual Stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties, except (i) as necessary to meet applicable legal requirements, or (ii) to allow for the tabulation and/or certification of the vote.

Can I change my vote after submitting my proxy?

You may revoke your proxy at any time before the final vote at the Annual Meeting. You may do so by one of the following four ways:

- submitting another proxy card bearing a later date;

- sending a written notice of revocation to the Company's Corporate Secretary at 430 North McCarthy Boulevard, Milpitas, California, 95035;
- submitting new voting instructions via telephone or the Internet; or
- attending AND voting in person at the Annual Meeting.

If you hold Exchangeable Shares and you wish to direct the Trustee to change the vote attached to the Special Voting Share on your behalf, you should follow carefully the instructions provided by the Trustee, which accompany this Proxy Statement. The procedure for instructing the Trustee differs in certain respects from the procedure for delivering a proxy, including the place for depositing the instructions and the manner for revoking the proxy.

Who is paying for this proxy solicitation?

This solicitation is made by the Company. The Company will bear the cost of soliciting proxies, including preparation, assembly, printing and mailing of the Proxy Statement. If you are a holder of Common Stock and if you choose to access the proxy materials and/or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. The Company has retained the services of MacKenzie Partners as its proxy solicitor for this year for a fee of approximately $15,000 plus reasonable out-of-pocket costs and expenses. In addition, the Company will reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may be solicited by certain of the Company's directors, officers and regular employees, without additional compensation, either personally, by telephone, facsimile, or telegram.

How can I find out the voting results?

The Company will announce the preliminary results at the Annual Meeting and publish the final results in a Current Report on Form 8-K within four business days after the Annual Meeting. Stockholders may also find out the final results by calling the Company's Investor Relations Department at (408) 546-4445.

How do I receive electronic access to proxy materials for the current and future annual meetings?

Stockholders who have previously elected to receive the Proxy Statement and Annual Report over the Internet will be receiving an e-mail on or about October 1, 2013 with information on how to access Stockholder information and instructions for voting over the Internet. Stockholders of record may vote via the Internet until 11:59 p.m. Eastern Time, November 12, 2013.

If your shares are registered in the name of a brokerage firm and you have not elected to receive your Proxy Statement and Annual Report over the Internet, you still may be eligible to vote your shares electronically over the Internet. A large number of brokerage firms are participating in the ADP online program, which provides eligible Stockholders who receive a paper copy of this Proxy Statement the opportunity to vote via the Internet. If your brokerage firm is participating in ADP's program, your proxy card will provide instructions for voting online.

Stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies, which results in cost savings for the Company. If you are a Stockholder of record and would like to receive future Stockholder materials electronically, you can

elect this option by following the instructions provided when you vote your proxy over the Internet at *www.ProxyVote.com*.

If you chose to view future proxy statements and annual reports over the Internet, you will receive an e-mail notification next year with instructions containing the Internet address of those materials. Your choice to view future proxy statements and annual reports over the Internet will remain in effect until you contact either your broker or the Company to rescind your instructions. You do not have to elect Internet access each year.

If you elected to receive this Proxy Statement electronically over the Internet and would now like to receive a paper copy of this Proxy Statement so that you may submit a paper proxy in lieu of an electronic proxy, you should contact your broker or the Company.

How can I avoid having duplicate copies of the Proxy Statement sent to my household?

Some brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports, which results in cost savings for the Company. The practice of "householding" means that only one copy of the Proxy Statement and Annual Report,or notice of internet availability of proxy materials will be sent to multiple Stockholders who share an address. The Company will promptly deliver a separate copy of either document to any Stockholder who contacts the Company's Investor Relations Department at (408) 546-4445 or 430 North McCarthy Boulevard, Milpitas, California, 95035 Attention: Investor Relations, requesting such copies. If a Stockholder is receiving multiple copies of the Proxy Statement and Annual Report at the Stockholder's household and would like to receive a single copy of those documents for a Stockholder's household in the future, that Stockholder should contact their broker, other nominee record holder, or the Company's Investor Relations Department to request mailing of a single copy of the Proxy Statement and Annual Report.

When are Stockholder proposals due for next year's annual meeting?

In order for Stockholder proposals to be considered properly brought before an annual meeting by a Stockholder, the Stockholder must have given timely notice in writing to the Secretary of the Company. To be timely for the 2014 annual meeting of Stockholders (the "2014 Annual Meeting"), a Stockholder's notice must be received by the Company at its principal executive offices not less than 30 days nor more than 60 days prior to the meeting; provided, however, that in the event that less than 40 days' notice or prior public disclosure of the date of the meeting is given or made to Stockholders, notice by the Stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A Stockholder's notice to the Secretary must set forth as to each matter the Stockholder proposes to bring before the 2014 Annual Meeting: (i) a brief description of the business desired to be brought before the 2014 Annual Meeting and the text of the proposal or business; (ii) the name and record address of the Stockholder proposing such business and the beneficial owner, if any, on whose behalf the proposal is being made; (iii) a representation that the Stockholder is a holder of record of the Company's stock, is entitled to vote at the meeting and intends to appear in person or by proxy to propose the business specified in the notice; (iv) any material interest of the Stockholder or any proposing person in such business; (v) the number of shares owned beneficially and of record by the Stockholder or proposing person, including derivative interests, contracts or other agreements related to ownership or rights to vote the Company's shares and other economic interests in the Company's securities; and (vi) any other information required pursuant to Section 14 of the Exchange Act. Our Bylaws specify in greater detail the requirements as to the form and content of a Stockholder's notice. We recommend that any Stockholder wishing to bring any item before an annual meeting review a copy of our Bylaws, as amended and restated to date, which can be

found at *www.jdsu.com*. Subject to applicable laws and regulations, the Company has discretion over what Stockholder proposals will be included in the agenda for the 2014 Annual Meeting and/or in the related proxy materials.

Subject to applicable laws and regulations, the Company will also have discretionary authority to vote all shares for which it has proxies regarding a Stockholder proposal if the Company fails to receive notice of the Stockholder proposal for next year's annual meeting at least 45 days before the date in 2013 on which the Company filed this Proxy Statement (specifically, assuming the Company files this fiscal year 2013 proxy on October 1, 2013, the Company will have this discretionary authority if notice of a Stockholder proposal for the 2014 Annual Meeting is not received by the Company by August 17, 2014).

PROPOSAL 1

ELECTION OF CLASS I DIRECTORS

The Board is currently divided into three classes as nearly equal in number as possible. At the Company's 2012 Annual Meeting, Stockholders approved a proposal to declassify the Board. As a result, directors elected at this Annual Meeting will be elected for a one-year term. Directors previously elected for three-year terms will serve until the term for which they were elected expires, at which point the entire Board will be elected on an annual basis. As of October 1, 2013, the Board is composed of the following seven members:

Class	Directors	Term Expiration
I	Martin A. Kaplan and Keith Barnes	2013 Annual Meeting of Stockholders
II	Richard E. Belluzzo and Harold L. Covert	2015 Annual Meeting of Stockholders
III	Penelope A. Herscher, Masood Jabbar and Thomas Waechter	2014 Annual Meeting of Stockholders

At this Annual Meeting, the Stockholders will elect two Class I directors recommended by the Governance Committee (which serves as the Company's Nominating Committee) and nominated by the Board, each to serve a one-year term until the 2014 Annual Meeting of Stockholders and until a qualified successor is elected and qualified or until the director's earlier resignation or removal. The Board has no reason to believe that the nominees named below will be unable or unwilling to serve as a director if elected.

Considerations in Director Selection

The Company's Governance Committee is responsible for reviewing, evaluating and nominating individuals for election to the Company's Board. The Governance Committee selects nominees from a broad base of potential candidates. The Governance Committee's charter instructs it to seek qualified candidates regardless of race, color, religion, ancestry, national origin, gender, sexual orientation, etc. It is the Governance Committee's goal to nominate candidates with diverse backgrounds and capabilities, to reflect the diverse nature of the Company's stakeholders (security holders, employees, customers and suppliers), while emphasizing core excellence in areas pertinent to the Company's long term business and strategic objectives.

The Board believes that it is necessary for each of the Company's directors to possess many qualities and skills. When searching for new candidates, the Governance Committee seeks individuals of the highest ethical and professional character who will exercise sound business judgment. The Governance Committee also seeks people who are accomplished in their respective field, with superior credentials and recognition. In selecting nominees, the Governance Committee generally seeks active and former leaders of major complex organizations. The Governance Committee seeks individuals who can work effectively together to further the interests of the Company, while preserving their ability to differ with each other on particular issues. A candidate's specific background and qualifications are also reviewed in light of the particular needs of the Board at the time of an opening.

Each candidate must have an employment and professional record which demonstrates, in the judgment of the Governance Committee, that the candidate has sufficient and relevant experience and background, taking into account positions held and industries, markets and geographical locations served, to serve on the Board in the proposed capacity. In particular, the Governance Committee seeks candidates with at least two years of experience serving as the Chief Executive Officer, Chief Financial

Officer, Chief Operating Officer, Director, or the equivalent of such positions, of a well-respected publicly traded company.

Certain individual qualifications and skills of our directors that contribute to the Board's effectiveness as a whole are described in the following paragraphs.

Certain information about the Board of Directors nominees is furnished below.

Class I Directors — Nominees For One-Year Terms That Will Expire in 2014

Martin A. Kaplan
Age 76

Mr. Kaplan joined the Company's Board in October 1997 and served as the Chairman of the Board from May 2000 to November 2012. From May 1998 until his retirement in May 2000 after 40 years in the technology industry, Mr. Kaplan was Executive Vice President of Pacific Telesis, responsible for integration following the merger of SBC Communications, Inc. and Pacific Telesis Group, followed by the same role for other SBC mergers. From 1986 to 1997, he was Executive Vice President of Pacific Bell and President of Network Services. Earlier in his career he was the Finance Director for Pacific Bell. Mr. Kaplan also is a Director, Chairman of the Board and a member of the audit committee of Superconductor, Technologies. Within the past five years, Mr. Kaplan also served on the board of directors of Tekelec.

The Board determined that Mr. Kaplan has extensive business leadership, operational and technical experience in the telecommunications industry, including substantial experience in mergers and acquisitions. The Board also determined that his tenure as the Chairman of the Board gives him substantial insights into the workings of the Board and the operations of the Company. Finally, his experience on the Boards of Tekelec and Redback Networks, and as a member of the Governance and Nominating and Compensation Committee at Superconductor Technologies, the Compensation and Governance Committees of Tekelec and the Audit and Compensation Committee of Redback is useful in his service on the Company's Governance, Corporate Development and Compensation Committees.

Keith Barnes
Age 62

Mr. Barnes joined the Company's Board in October 2011. Mr. Barnes served as Chief Executive Officer of Verigy Ltd, a semiconductor automatic test equipment company, from 2006 through 2010 and Chairman of the Board of Verigy from 2008 through 2011. Prior to that he was Chairman and Chief Executive Officer of Electroglas, Inc. from 2003 through 2006 and Chairman and CEO of IMS from 1995 through 2001. Mr. Barnes is currently a member of the board of directors of Intermec, Inc., Spansion, Inc. and Mentor Graphics.

The Board determined that Mr. Barnes' extensive management experience as chief executive officer of several technology companies, test and measurement industry background, and international sales and marketing knowledge, along with his experience as a board member for several public technology companies, bring important perspective and expertise to the Board and its Audit and Corporate Development Committees.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION TO THE BOARD OF EACH OF THE NOMINEES NAMED ABOVE.

The Company's directors listed below will continue in office for the remainder of their terms or earlier in accordance with the Company's Bylaws. Information regarding the business experience of each such director is provided below.

Class II Directors Whose Terms Will Expire in 2015

Richard E. Belluzzo
Age 59

Mr. Belluzzo joined the Company's Board in February 2005 and has served as Chairman of the Board since November 2012. He is currently managing partner of Corso Partners LLC, where he consults with The Gores Group, a private equity firm, and Bravosolution, a private software company. From April 2011 to August 2012, he served as Executive Chairman of Quantum Corporation, a provider of backup, recovery and archive products and services. From 2002 to 2011, he was Chairman and Chief Executive Officer of Quantum Corporation. Prior to that, Mr. Belluzzo was President and Chief Operating Officer of Microsoft Corporation. Prior to becoming its President and Chief Operating Officer, Mr. Belluzzo served as Microsoft's group Vice President of the Personal Services and Devices Group, and was Group Vice President for the Consumer Group. Prior to Microsoft, Mr. Belluzzo was Chief Executive Officer of Silicon Graphics Inc. ("SGI"). Before SGI, Mr. Belluzzo held a series of increasingly senior roles at Hewlett Packard Company, culminating in his service as Executive Vice President of the Computer Products Organization. Mr. Belluzzo is currently a member of the board of directors, governance and nominating committee, and audit committee of PMC-Sierra (Vancouver, Canada) and a member of the board of directors and compensation committee of InfoBlox.

The Board determined that Mr. Belluzzo's background and experience as the Chief Executive Officer of public companies, as well as his deep knowledge of the technology industry, senior leadership roles and service on the boards of other prominent public companies allow him to contribute significantly to the Board and to its Compensation and Governance Committees.

Harold L. Covert
Age 66

Mr. Covert joined the Company's Board in January 2006. Since September 2011 Mr. Covert has served as Executive Vice President and Chief Financial Officer of Lumos Networks Corporation, a fiber-based service provider. From October 2010 to September 2011, Mr. Covert was an independent business consultant and private investor. From 2007 to 2010, Mr. Covert was President, Chief Financial Officer and Chief Operating Officer of Silicon Image, Inc., a provider of semiconductors for storage, distribution and presentation of high-definition content. Prior to joining Silicon Image, Mr. Covert was Executive Vice President and Chief Financial Officer at Openwave Systems, Inc., a public software and services company, from 2005 to 2007. From 2003 to 2005, Mr. Covert was Chief Financial Officer of Fortinet Inc., a worldwide provider of network security appliances. Mr. Covert served on Openwave's Board from 2003 to 2005 and was chairman of its audit committee. Prior to Openwave, Mr. Covert was Chief Financial Officer of Extreme Networks, a network infrastructure company, from 2001 to 2003 and Silicon Graphics, Inc., a public computer systems company, from 2000 to 2001. Prior to Silicon Graphics, he held a variety of financial and accounting positions over the course of over 20 years with high-technology companies including Chief Financial Officer of Adobe Systems, Inc. Mr. Covert is a member of the board of directors of Harmonic, Inc., and Solta Medical, Inc., and is the Chairman of each of their Audit Committees.

The Board determined that Mr. Covert has significant experience and service in leadership roles in finance and accounting obtained through his tenure as Chief Financial Officer of six publicly traded technology companies. The compliance, financial reporting and audit experience Mr. Covert gained in these positions in particular allows him to significantly contribute to the Company's Audit Committee as its chairman.

Class III Directors Whose Terms Will Expire in 2014

Penelope A. Herscher
Age 53

Ms. Herscher joined the Company's Board in July 2008. She currently holds the position of President and Chief Executive Officer of FirstRain, an enterprise software company. Prior to joining FirstRain, Ms. Herscher held the position of Executive Vice President and Chief Marketing Officer at Cadence Design Systems. From 1996 to 2002, Ms. Herscher was President and Chief Executive Officer of Simplex Solutions, which was acquired by Cadence in 2002. Before Simplex, she was an executive at Synopsys for eight years and started her career as an R&D engineer with Texas Instruments. Ms. Herscher serves on the board of directors of Rambus (where she is the Chair of the Compensation Committee) and FirstRain.

The Board determined that Ms. Herscher's experience as chief executive officer of several technology companies, her extensive marketing and technical background and her position on the Board and compensation committee at Rambus enables her to significantly contribute as a member of the Company's Board and in its Compensation and Governance Committees.

Masood Jabbar
Age 63

Mr. Jabbar joined the Company's Board in March 2006. Mr. Jabbar was Chief Executive Officer of XDS Inc. from 2004 to 2006. Prior to that, he worked at Sun Microsystems Inc. from 1986 to 2003, where he served in a series of progressively responsible roles including President of the Computer Systems Division, Chief Financial Officer of the $10 billion Sun Microsystems Computer Corporation, and Executive Vice President of Global Sales Operations. Mr. Jabbar's career at Sun culminated as Executive Vice President and Advisor to the Chief Executive Officer, where he was responsible for advising the CEO on critical strategic issues. Prior to joining Sun, Mr. Jabbar spent ten years in finance and accounting at Xerox Corporation, and two years at IBM Corporation. Mr. Jabbar is currently on the board of directors of Silicon Image, Inc. (where he is on the Audit and Compensation Committees) and RF Micro Devices, Inc. (where he is on the Audit and Corporate Development Committees). Within the past five years, Mr. Jabbar also served on the board of directors of MSC Software Corporation.

The Board determined that Mr. Jabbar brings significant mergers and acquisitions, global sales and marketing and operational expertise gained from his experience in executive roles at Sun Microsystems, Inc. In addition, Mr. Jabbar's experiences at Xerox and IBM and as a senior executive of Sun Microsystems provide the Board with valuable accounting and financial reporting expertise particular relevant to his service on the Company's Audit Committee. Finally, Mr. Jabbar's service on the Board's of several other technology companies provides valuable perspective in his role as a director and chair of the Company's Corporate Development Committee and member of the Audit Committee.

Thomas Waechter
Age 60

Thomas Waechter became Chief Executive Officer and President of the Company and joined the Company's Board in January 2009, prior to which he was Executive Vice President and President of the Communications Test & Measurement Group. Before joining the Company, Mr. Waechter was the chief operating officer of Harris Stratex Networks, an independent supplier of wireless transmission systems. As president and chief executive officer of Stratex Networks, he was instrumental in the merging of Stratex and Harris, while growing revenues substantially and improving profitability. Prior to that, Mr. Waechter was the president and chief executive officer of REMEC Corporation and has also served as president and chief executive officer of Spectrian Corporation. Additionally, he held a number of executive level positions during his 14-year career with multinational Schlumberger Limited. He holds a Bachelor of Business Administration from The College of William and Mary. Within the past five years, Mr. Waechter served on the board of directors of Stratex Networks and currently serves on the board of directors of Altera Corporation.

The Board determined that Mr. Waechter's day-to-day leadership of the Company provides him with intimate knowledge of the Company's operations. The Board also determined that Mr. Waechter's extensive operational and senior executive and Chief Executive Officer experience at other technology companies add substantial value to the Board and the Company.

CORPORATE GOVERNANCE

Code of Ethics

The Board and management of the Company believe that good corporate governance is an important component in enhancing investor confidence in the Company and increasing Stockholder value. Continuing to develop and implement best practices throughout our corporate governance structure is a fundamental part of our strategy to enhance performance by creating an environment that increases operational efficiency and ensures long-term productivity growth. Good corporate governance practices also ensure alignment with Stockholder interests by promoting fairness, transparency and accountability in business activities among employees, management and the Board.

Our corporate governance practices represent our commitment to the highest standards of corporate ethics, compliance with laws, financial transparency and reporting with objectivity and the highest degree of integrity. Steps we have taken to fulfill this commitment include, among others:

- All members of the Board are independent with the exception of the Company's Chief Executive Officer.
- All members of our Board committees are independent.
- The charters of the Board committees clearly establish their respective roles and responsibilities.
- All employees and members of the Board are responsible for complying with our Code of Business Conduct and our Insider Trading Policy.
- We have an anonymous hotline to encourage employees to report questionable activities to our Internal Audit and Legal Departments, and the Audit Committee.
- Our independent public accountants report directly to the Audit Committee.
- Our internal audit control function maintains critical supervision over the key areas of our business and financial controls and reports directly to our Audit Committee.
- We have established procedures for Stockholders to communicate with the Board by contacting the Investor Relations Department.
- The independent members of our Board and Board committees meet regularly without the presence of management.

The Company has adopted a Code of Ethics (known as the Code of Business Conduct) for its directors, officers and other employees. The Company will post on its website any amendments to, or waivers from, any provision of its Code of Business Conduct. A copy of the Code of Business Conduct is available on the Company's website at *www.jdsu.com*.

Director Independence

In accordance with current NASDAQ listing standards, the Board, on an annual basis, affirmatively determines the independence of each director and nominee for election as a director. Our director independence standards include all elements of independence set forth in the NASDAQ listing standards, and can be found in the "Corporate Governance" section of our website at *www.jdsu.com*.

The Board has determined that each of its directors, except for Mr. Waechter, was "independent" as determined by the relevant NASDAQ listing standard for board independence and for any committee on which such director served during fiscal year 2013.

Board Leadership

The Board has determined that it is in the best interests of the Company to maintain the Board chairperson and chief executive officer positions separately. The Board believes that having an outside, independent director serve as chairperson is the most appropriate leadership structure, as this enhances its independent oversight of management and the Company's strategic planning, reinforces the Board's ability to exercise its independent judgment to represent Stockholder interests, and strengthens the objectivity and integrity of the Board. Moreover, an independent chairperson can more effectively lead the Board in objectively evaluating the performance of management, including the chief executive officer, and guide it through appropriate Board governance processes.

Board Oversight of Risk

The Company takes a comprehensive approach to risk management. We believe risk can arise in every decision and action taken by the Company, whether strategic or operational. The Company, therefore, seeks to include risk management principles in all of its management processes and in the responsibilities of its employees at every level. Our comprehensive approach is reflected in the reporting processes by which our management provides timely and comprehensive information to the Board to support the Board's role in oversight, approval and decision-making.

Management is responsible for the day-to-day supervision of risks the Company faces, while the Board, as a whole and through its committees, has the ultimate responsibility for the oversight of risk management. Senior management attends Board meetings, provides presentations on operations including significant risks, and is available to address any questions or concerns raised by the Board. Additionally, our committees assist the Board in fulfilling its oversight responsibilities in certain areas. Generally, the committee with subject matter expertise in a particular area is responsible for overseeing the management of risk in that area. For example, the Audit Committee coordinates the Board's oversight of the Company's internal controls over financial reporting and disclosure controls and procedures. Management regularly reports to the Audit Committee on these areas. Also, the Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs as well as succession planning for senior executives. The Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure, and corporate governance topics. When any of the committees receives a report related to material risk oversight, the chairman of the relevant committee reports on the discussion to the full Board.

Board Committees and Meetings

During fiscal year 2013, the Board held ten meetings. The Board has four committees: an Audit Committee, Compensation Committee, Governance Committee, and Corporate Development Committee. The members of the committees during fiscal year 2013 are identified in the following table:

DIRECTOR	AUDIT	COMPENSATION	CORPORATE DEVELOPMENT	GOVERNANCE
Keith Barnes	X		X	
Richard E. Belluzzo		X		X
Harold L. Covert	CHAIR			
Penelope A. Herscher		CHAIR		X
Masood A. Jabbar	X		CHAIR	
Martin A. Kaplan		X	X	CHAIR[1]
Kevin J. Kennedy[2]			X	
Thomas Waechter				

Each director attended at least 75% of the aggregate of all meetings of the Board and any committees on which he or she served during fiscal year 2013 after becoming a member of the Board or after being appointed to a particular committee. The Company encourages, but does not require, its Board members to attend the annual Stockholders meeting. All then-current directors attended the 2012 Annual Meeting except Mr. Jabbar.

The Audit Committee met nine times in fiscal year 2013. The Audit Committee is responsible for assisting the full Board in fulfilling its oversight responsibilities relative to the Company's financial statements, financial reporting practices, systems of internal accounting and financial control, the internal audit function, annual independent audits of the Company's financial statements, and such legal and ethics programs as may established from time to time by the Board. The Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and may retain external consultants at its sole discretion. In addition, the Audit Committee considers whether the Company's independent auditors' provision of non-audit services is compatible with maintaining the independence of the independent auditors. The Board has determined that all members of the Audit Committee are "independent" as defined in the applicable rules and regulations of the SEC and NASDAQ. The Board has further determined that Harold L. Covert and Masood A. Jabbar are "audit committee financial expert(s)" as defined by Item 401(h) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A copy of the Audit Committee charter can be viewed at the Company's website at *www.jdsu.com.*

The Compensation Committee met seven times in fiscal year 2013. The Compensation Committee is responsible for ensuring that the Company adopts and maintains responsible and responsive compensation programs for its employees, officers and directors consistent with the long-range interests of Stockholders. The Compensation Committee also has the exclusive responsibility for the administration of the Company's employee stock purchase plans and equity incentive plans. The chair

1 As part of the Governance Committee's regular chair rotation, Mr. Kaplan assumed the Chair position from Mr. Belluzzo on November 14, 2012.

2 Mr. Kennedy resigned from the Board, effective August 16, 2012. Attendance only includes meetings for the period in which he was a director.

of the Compensation Committee reports on the Compensation Committee's actions and recommendations at Board meetings. In addition, the Compensation Committee has the authority to engage the services of outside advisors, experts and others to provide assistance as needed. During fiscal year 2013, the Compensation Committee engaged Compensia, Inc. ("Compensia"), a national compensation consulting firm, to assist with the Committee's analysis and review of the compensation of our executive officers. Compensia attends all Compensation Committee meetings, works directly with the Committee Chair and Committee members, and sends all invoices, including descriptions of services rendered, to the Committee Chair for review and payment approval. Compensia performed no work for the Company that was not in support of the Committee's charter nor authorized by the Committee Chair during fiscal year 2013. All members of the Compensation Committee are "independent" as that term is defined in the applicable NASDAQ rules and regulations. A copy of the Compensation Committee charter can be viewed at the Company's website at *www.jdsu.com*. Additional information on the Compensation Committee's processes and procedures for consideration of executive compensation are addressed in the "Compensation Discussion and Analysis" below.

The Corporate Development Committee met four times in fiscal year 2013. The Corporate Development Committee oversees the Company's strategic acquisition and investment activities. The Corporate Development Committee reviews and approves certain strategic transactions for which approval of the full Board is not required and makes recommendations to the Board regarding those transactions for which the consideration of the full Board is appropriate. A copy of the Corporate Development Committee charter can be viewed at the Company's website at *www.jdsu.com*.

The Governance Committee met five times in fiscal year 2013. The Governance Committee, which serves as the Company's nominating committee, reviews current trends and practices in corporate governance and recommends to the Board the adoption of programs pertinent to the Company. As provided in the charter of the Governance Committee, nominations for director may be made by the Governance Committee or by a Stockholder of record entitled to vote. The Governance Committee will consider and make recommendations to the Board regarding any Stockholder recommendations for candidates to serve on the Board. Stockholders wishing to recommend candidates for consideration by the Governance Committee may do so by writing to the Company's Investor Relations Department-Attention Governance Committee at 430 North McCarthy Boulevard, Milpitas, California 95035 providing the candidate's name, biographical data and qualifications, a document indicating the candidate's willingness to act if elected, and evidence of the nominating Stockholder's ownership of Company's stock not less than 30 days nor more than 60 days prior to the next annual meeting to assure time for meaningful consideration by the Governance Committee. There are no differences in the manner in which the Governance Committee evaluates nominees for director based on whether the nominee is recommended by a Stockholder. All members of the Governance Committee are "independent" as that term is defined in the applicable NASDAQ rules and regulations.

In reviewing potential candidates for the Board, the Governance Committee considers the individual's experience in the Company's industry, the general business or other experience of the candidate, the needs of the Company for an additional or replacement director, the personality of the candidate, the candidate's interest in the business of the Company, as well as numerous other subjective criteria. Of greatest importance is the individual's integrity, willingness to be involved and ability to bring to the Company experience and knowledge in areas that are most beneficial to the Company. The Governance Committee intends to continue to evaluate candidates for election to the Board on the basis of the foregoing criteria. A detailed description of the criteria used by the Governance Committee in evaluating potential candidates may be found in the charter of the Governance Committee.

The Governance Committee operates under a written charter setting forth the functions and responsibilities of the committee. A copy of the charter can be viewed at the Company's website at *www.jdsu.com.*

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between any member of the Company's Board or Compensation Committee and any member of the board of directors or compensation committee of any other companies, nor has such interlocking relationship existed in the past. None of Messrs. Belluzzo or Kaplan or Ms. Herscher, who served on the Company's Compensation Committee during fiscal year 2013, were at any time an officer or employee of JDSU. In addition, none of our executive officers serves as a member of the board of directors or compensation committee of any company that has one or more of its executive officers serving as a member of our Board or Compensation Committee.

Communication between Stockholders and Directors

Stockholders may communicate with the Company's Board through the Company's Secretary by sending an email to *bod@jdsu.com*, or by writing to the following address: Chairman of the Board, c/o Company Secretary, JDSU, 430 North McCarthy Boulevard, Milpitas, California 95035. The Company's Secretary will forward all correspondence to the Board, except for spam, junk mail, mass mailings, product complaints or inquiries, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate material. The Company's Secretary may forward certain correspondence, such as product-related inquiries, elsewhere within the Company for review and possible response.

Director Compensation

Each non-employee director of the Company is entitled to receive an annual cash retainer of $60,000 which is paid in quarterly installments of $15,000. During fiscal year 2013, each non-employee director received an annual grant of restricted stock units having a value on the date of grant of $150,000. The restricted stock units are subject to a grant agreement which provides for annual vesting over a three year period. Upon vesting each restricted stock unit is converted into one share of the Company's Common Stock. Upon retirement of a non-employee director, all unvested options and restricted shares of the Company's Common Stock will automatically become fully vested, and the exercise period for any such options will be extended to expire on the expiration date of such options, which is eight years from the date of grant.

Upon initial appointment to the Board, each non-employee director will receive a grant of restricted stock units having a value on the date of grant of $200,000.

In addition, each non-employee director serving on the Audit Committee receives an annual cash retainer of $15,000, whereas the director serving as the Audit Committee chair receives an annual cash retainer of $30,000. Each non-employee director serving on the Compensation Committee receives an annual cash retainer of $10,000, whereas the director serving as the Compensation Committee chair receives an annual cash retainer of $20,000. Each non-employee director serving on the Governance or Corporate Development Committees receives an annual cash retainer of $7,500, whereas the directors serving as the Governance or Corporate Development Committee chairs receive an annual cash retainer of $15,000.

In addition to the compensation described above, Mr. Belluzzo, who serves as Chairman of the Board as of November 12, 2012, receives an additional annual cash retainer of $100,000 as compensation for his services which is paid in quarterly installments of $25,000.

Directors who are also employed by the Company do not receive any compensation for their services as directors. All directors are reimbursed for expenses incurred in connection with attending Board and committee meetings.

All director compensation described above is summarized in the following table in the column titled "Board Compensation":

Compensation Element for Role	Board Compensation
General Board Service — Cash • Retainer • Meeting Fees	• $60,000 • Not applicable ("NA")

General Board Service — Equity
• Number of Options (Initial/Annual)
• RSU Value (Initial/Annual)
• Vesting Schedule
	• NA/NA
	• $200,000/$150,000
	  • Initial and annual grant vest annually over 3 years
	  • Number of shares determined using 30 calendar day average stock price prior to date of grant

Committee Service (No meeting fees)	Chair / Member Audit: $30,000 / $15,000 Compensation: $20,000 / $10,000 Governance/Corporate Development: $15,000 / $ 7,500
Non-Employee Board Chair • Additional Board Retainer • Additional Board Meeting Fee • Additional Equity	• $100,000 • NA • NA

Compensation Program Risk Assessment

Consistent with SEC disclosure requirements, in fiscal year 2013 a team composed of senior members of our human resources, finance and legal departments and our compensation consultant, Compensia, inventoried and reviewed elements of our compensation policies and practices. This team then reviewed these policies and practices with Company's management in an effort to assess whether any of our policies or practices create risks that are reasonably likely to have a material adverse effect on the Company. This assessment included a review of the primary design features of the Company's compensation policies and practices, the process for determining executive and employee compensation and consideration of features of our compensation program that help to mitigate risk. Management reviewed and discussed the results of this assessment with the Compensation Committee, which consulted with Compensia. Based on this review, we believe that our compensation policies and practices, individually and in the aggregate, do not create risks that are reasonably likely to have a material adverse effect on the Company.

Non-Management Directors' Compensation for Fiscal Year 2013

The director compensation policies summarized above resulted in the following total compensation for our non-management directors in fiscal year 2013:

DIRECTOR COMPENSATION TABLE

Name (1)	Fees Earned or Paid in Cash ($)	Stock Awards ($) (2)	Option Awards ($)	Total ($)
Keith Barnes (3)	86,537	155,096	0	241,633
Richard E. Belluzzo (4)	152,500	155,096	0	307,596
Harold L. Covert (5)	95,160	155,096	0	250,256
Penelope A. Herscher (6)	89,558	155,096	0	244,654
Masood A. Jabbar (7)	92,847	155,096	0	247,943
Martin A. Kaplan (8)	122,127	155,096	0	277,127
Kevin J. Kennedy (9)	0	0	0	0

(1) Thomas Waechter, the Company's Chief Executive Officer and President, is not included in this table as he is an employee of the Company and as such receives no compensation for his services as a director. Mr. Waechter's compensation is disclosed in the Summary Compensation Table.

(2) The amounts shown in this column are the grant date fair value in the period presented as determined pursuant to stock-based compensation accounting rule FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions used to calculate these amounts are set forth under Note 14 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for fiscal year 2013 filed with the SEC on August 23, 2013. Each non-employee director's annual grant was calculated by using the 30 calendar day average stock price prior to the date of grant. The intended value of the annual grant is then divided by this average in order to determine the number of restricted stock units granted.

(3) Mr. Barnes had no options and 34,815 restricted stock units outstanding at the end of fiscal year 2013.

(4) Mr. Belluzzo had 4,875 options and 25,699 restricted stock units outstanding at the end of fiscal year 2013.

(5) Mr. Covert had 8,250 options and 25,699 restricted stock units outstanding at the end of fiscal year 2013.

(6) Ms. Herscher had no options and 25,699 restricted stock units outstanding at the end of fiscal year 2013.

(7) Mr. Jabbar had 7,500 options and 25,699 restricted stock units outstanding at the end of fiscal year 2013.

(8) Mr. Kaplan had 8,750 options and 25,699 restricted stock units outstanding at the end of fiscal year 2013.

(9) Mr. Kennedy (who retired from the Board effective August 16, 2012) had no restricted stock units outstanding at the end of fiscal year 2013 from his duties as a director.

Relationships Among Directors or Executive Officers

There are no family relationships among any of the Company's directors or executive officers.

Certain Relationships and Related Person Transactions

Review and Approval of Related Person Transactions

We review all relationships and transaction in which the Company and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. The Company's legal staff is primarily responsible for the development and implementation of processes and controls to obtain information from the directors and executive officers with respect to related person transactions and for then determining, based on the facts and circumstances, whether the Company or a related person has a direct or indirect material interest in the transaction. On an annual basis, all directors and executive officers must respond to a questionnaire requiring disclosure about any related person transactions, arrangements or relationships (including indebtedness). As required under SEC rules, any transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in the Company's Proxy Statement. The Audit Committee reviews and approves or ratifies any related person transaction that is required to be disclosed. This review and approval process is evidenced in the minutes of the Audit Committee meetings.

Related Person Transactions

The Company has entered into an employment agreement with Thomas Waechter (see "Employment Contracts, Termination of Employment and Change in Control Arrangements" below).

Executive Officers

The following sets forth certain information regarding the Company's executive officers as of October 2, 2013:

Executive Officer	Age	Position
Thomas Waechter	60	Chief Executive Officer and President
Rex Jackson	53	Chief Financial Officer, Executive Vice President
Alan Lowe	51	Executive Vice President and President, Communications & Commercial Optical Products
David Heard	45	Executive Vice President and President, Network and Service Enablement
Luke Scrivanich	51	Senior Vice President and General Manager, Optical Security & Performance Products
Andrew Pollack	48	Senior Vice President, General Counsel and Secretary

Thomas Waechter became Chief Executive Officer and President of the Company in January 2009, prior to which he was Executive Vice President and President of the Communications Test & Measurement Group. Before joining the Company, Mr. Waechter was the chief operating officer of Harris Stratex Networks (now Aviat Networks), an independent supplier of wireless transmission systems. Prior to that, Mr. Waechter was the president and chief executive officer of REMEC Corporation and has also served as president and chief executive officer of Spectrian Corporation. Additionally, he held a number of executive level positions during his 14-year career with multinational Schlumberger Limited. He holds a Bachelor of Business Administration from The College of William and Mary. Mr. Waechter serves as a member of the board of Altera Corporation.

Rex Jackson became Chief Financial Officer and Executive Vice President of the Company in January 2013. Prior to which he served as Senior Vice President, Business Services. Prior to joining the Company in January 2011, Mr. Jackson served as executive vice president and chief financial officer at

Symyx Technologies from 2007 to 2010 where he had responsibility for finance, legal, IT and other corporate functions. From 2006 to 2007, Mr. Jackson served as senior vice president and general counsel for Avago Technologies. Prior to that, he held senior executive positions with Synopsys, Inc., AdForce, Inc. and Read-Rite Corporation. Mr. Jackson holds a B.A. from Duke University and a J.D. from Stanford University Law School.

Alan Lowe joined the Company in September 2007 as Senior Vice President of the Commercial Lasers business, and he became Executive Vice President and President, Communications & Commercial Optical Products in October 2008. Prior to joining the Company, Mr. Lowe was senior vice president, Customer Solutions Group at Asyst Technologies, Inc. a leader in automating semiconductor and flat panel display fabs. From 2000 to 2003, he was president and chief executive officer of Read-Rite Corporation, a manufacturer of thin-film recording heads for disk and tape drives. From 1989 to 2000, Mr. Lowe served in roles of increasing responsibility at Read-Rite, including president and chief operating officer, and senior vice president, customer business units. Prior to joining Read-Rite, he served in various sales positions with Microcom Corporation and IBM Corporation. Mr. Lowe holds bachelors degrees in computer science and business economics from the University of California, Santa Barbara, and also completed the Stanford Executive Program in 1994.

Luke Scrivanich became the Vice President and General Manager of Optical Security and Performance Products (OSP) in June 2012 and became Senior Vice President and General Manager of OSP in August 2012. Mr. Scrivanich joined the Company in April 2008 as Vice President and General Manager of Flex Products. Prior to joining the Company in 2008, Mr. Scrivanich was with PPG Industries where he served in general management, marketing and strategic planning positions for various divisions, including fine chemicals, optical products and coatings. He previously held senior marketing positions at AGR International, Inc., a manufacturer of packaging inspection equipment. Mr. Scrivanich holds a B.S. in Chemical Engineering from Cornell University and an M.B.A. from the Harvard Graduate School of Business Administration.

David Heard joined the Company in October 2010 as Executive Vice President and President of the Network and Service Enablement business. Prior to joining the Company, Mr. Heard was chief operating officer from 2007 to 2010 at BigBand Networks, Inc., a leading provider of digital video networking solutions. From 2004 to 2006, Mr. Heard served as president and chief executive officer of Somera Communications. From 2000 to 2004 Mr. Heard was president of the Systems Switching division at Tekelek/Santera, a leading VoIP gateway supplier. Prior to this role, Mr. Heard served for 10 years in broadband access and wireless networking, including VP/GM of Access Networks and various international posts at AT&T/Lucent. Mr. Heard was a Sloan Fellow and holds an M.S. in management from Stanford University, an MBA from the University of Dayton, Ohio, and B.A. in production and operations management from The Ohio State University.

Andrew Pollack became Senior Vice President, General Counsel and Secretary in April 2012, prior to which he served as Vice President, General Counsel and Secretary from August 2010 to April 2012. Before assuming the General Counsel role, Mr. Pollack held increasingly senior roles within the Company's legal department since joining the Company in 2000. Before joining the Company, Mr. Pollack was in private practice in the San Francisco Bay Area, focusing on general litigation, corporate and labor and employment maters. Mr. Pollack holds a B.A. in History from the University of California, Santa Barbara and a J.D. from Santa Clara University School of Law.

PROPOSAL 2

RATIFICATION OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending June 28, 2014, and the Board has directed that the selection of the independent auditors be submitted for ratification by the Stockholders at the Annual Meeting.

Although the Company is not required to seek Stockholder approval of its selection of the independent auditors, the Board believes it to be sound corporate governance to do so. If the appointment is not ratified, the Board will investigate the reasons for Stockholder rejection and will reconsider its selection of the independent auditors. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if the Audit Committee determines that such a change would be in the Company's and its Stockholders' best interests.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Audit and Non-Audit Fees

The following table presents fees billed for professional audit services rendered by PricewaterhouseCoopers LLP for the audit of the Company's annual financial statements for the years ended June 29, 2013 and June 30, 2012, respectively, and fees billed for other services rendered by PricewaterhouseCoopers LLP and during those periods.

	Fiscal 2013	Fiscal 2012
Audit Fees (1)	$3,884,024	$3,840,504
Audit-Related Fees (2)	561,751	140,000
Tax Fees (3)	286,946	470,236
All Other Fees (4)	746,443	86,860
Total	$5,479,164	$4,537,600

(1) Audit Fees are related to professional services rendered in connection with the audit of the Company's annual financial statements, the audit of internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, reviews of financial statements included in the Company's Quarterly Reports on Form 10-Q, and audit services provided in connection with other statutory and regulatory filings.

(2) Audit-Related Fees include assurance and related services provided for due diligence related to acquisitions, accounting consultations in connection with acquisition and consultations on corporate transactions.

(3) Tax Fees for fiscal 2013 include $81,266 for professional services rendered in connection with transfer pricing tax consulting and compliance, and $205,680 for tax audits, planning services and other tax consulting.

(4) All Other Fees in fiscal 2013 are related to consultations on operational process effectiveness and the annual Workforce Engagement Survey.

For fiscal year 2013, the Audit Committee considered whether audit-related services and services other than audit-related services provided by PricewaterhouseCoopers LLP are compatible with

maintaining the independence of PricewaterhouseCoopers LLP and concluded that the independence of PricewaterhouseCoopers LLP was maintained.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has adopted a policy for the pre-approval of services provided by the independent auditors. Under the policy, pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may also pre-approve particular services on a case-by-case basis. For each proposed service, the independent auditors are required to provide detailed back-up documentation at the time of approval. Pursuant to the Sarbanes-Oxley Act of 2002, the fees and services provided as noted in the table above were authorized and approved by the Audit Committee in compliance with the pre-approval policies and procedures described herein.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE YEAR ENDING JUNE 28, 2014.

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Company's goal for its executive compensation program is to attract, motivate and retain the superior executive talent necessary to achieve its business objectives. The Company believes that it can best drive long-term Stockholder value by establishing a strong pay-for-performance system, which provides the opportunity to earn above average compensation in return for achieving business and financial success.

At the Company's 2012 annual meeting of stockholders, approximately 74% of the votes cast were voted in favor of approving the compensation of the Company's Named Executive Officers ("NEOs"). The Company believes this affirms Stockholders' support of the Company's approach to executive compensation.

The Compensation Discussion and Analysis ("CD&A") section of this Proxy Statement includes a detailed description of the Company's compensation philosophy, as well as an analysis of how the compensation of its NEOs in fiscal year 2013 aligned with that philosophy. Highlights of the Company's compensation practices include:

- The Company compares the base salary, incentive payment and equity award components of its NEO compensation against a peer group to ensure that its compensation remains competitive.

- Approximately 50% of each executive's total target compensation is performance-based, consisting of cash incentive compensation and RSUs with performance-based vesting conditions, as described below.

- The Company emphasizes pay for performance. All cash incentive compensation paid to its NEOs is paid pursuant to the Company's Variable Pay Plan (the "VPP"). The VPP is generally available to all employees, and payments under the VPP are directly tied to attainment of Company objectives.

- 50% of the RSUs awarded to the Company's NEOs have time-based vesting requirements — the ultimate value of these awards is directly tied to the performance of the Company's stock, encouraging management to drive Stockholder value which also encouraging retention of key employees. The other 50% of RSUs awarded to the Company's NEOs have vesting requirements tied to the performance of the Company's stock as compared to the NASDAQ telecommunications index (the "Index"), and could vest at a higher or lower rate or not at all, based on such relative performance. We refer to these performance-based RSUs as market stock units, or "MSUs."

- The Company has stock ownership requirements which are designed to align the interest of its NEOs with those of its Stockholders and regularly monitors compliance with these requirements.

- The Company does not generally provide perquisites or other benefits to its NEOs that are not available to all employees.

- We regularly evaluate our compensation practices and modify our programs as appropriate to address evolving best practices. For example, in fiscal year 2012 we moved from performance-based stock options to MSUs, which are designed to be a more accurate indicator of the Company's performance than stock appreciation alone.

We urge Stockholders to read the CD&A section of this Proxy Statement beginning on page 32 which describes in more detail how our executive compensation practices operate and are designed to achieve our compensation objectives.

In accordance with section 14A of the Securities Exchange Act, Stockholders will have the opportunity to cast a non-binding, advisory vote on the compensation of our NEOs. You are encouraged to read the Executive Compensation section of this Proxy Statement, including the CD&A, along with the accompanying tables and narrative disclosure. Accordingly, we are asking you to approve, on an advisory basis, the compensation of the Company's NEOs, as described in the CD&A, the accompanying tables and the related narrative disclosure contained therein.

The following resolution will be submitted for Stockholder vote at the Annual Meeting:

"RESOLVED, that the stockholders approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in the Company's proxy statement for the 2013 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and related narrative discussion."

Although the advisory vote is non-binding, the Compensation Committee and the Board will review the results of the vote and the Compensation Committee will consider the results of the vote when making future compensation decisions. Unless the Board of Directors modifies its determination on the frequency of future advisory votes, the next advisory vote on the compensation of the Company's NEOs will be held at the fiscal 2014 annual meeting of stockholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE, ON AN ADVISORY BASIS, "FOR" THE APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS, AS DESCRIBED IN THE CD&A, THE COMPENSATION TABLES AND THE RELATED NARRATIVE DISCUSSION IN THIS PROXY STATEMENT.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to the Company with respect to the beneficial ownership as of August 14, 2013, by (i) all persons who are beneficial owners of five percent (5%) or more of the Company's Common Stock, including Exchangeable Shares, (ii) each director and nominee, (iii) the Company's executive officers, and (iv) all current directors and executive officers as a group.

As of August 14, 2013, there were 237,931,722 shares of the Company's Common Stock outstanding, including 3,395,717 Exchangeable Shares. The amounts and percentages of Common Stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission ("SEC") governing the determination of beneficial ownership of securities. Under the SEC rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of securities as to which such person has no economic interest.

	Number of Shares Beneficially Owned	
Name	**Number**	**Percentage**
5% or more Stockholders (1)		
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	27,884,711	11.8%
Wellington Management Company 280 Congress Street Boston, MA 02210	24,105,210	10.2%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355-2331	16,144,546	6.8%
Directors and Executive Officers		
Thomas Waechter (2)	602,593	*
Richard E. Belluzzo (3)	43,668	*
Harold L. Covert (4)	58,952	*
Andrew Pollack (5)	92,984	*
Penny Herscher (6)	30,864	*
Masood Jabbar (7)	57,690	*
Martin A. Kaplan (8)	50,274	*
Keith Barnes (9)	5,470	*
David W. Heard (10)	161,656	*
Rex S. Jackson (11)	139,043	*
Alan Lowe (12)	387,770	*
Luke Scrivanich (13)	98,855	*
All directors and executive officers as a group (12 persons) (14)	1,729,819	*

* Less than 1%.

(1) Based on information set forth in various Schedule 13 filings with the SEC current as of June 30, 2013 and the Company's outstanding common stock data contained in its 2013 Annual Report on Form 10-K.

(2) Includes (i) 390,000 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 191,942 RSUs which vest within 60 days of August 14, 2013, of which 111,282 are restricted stock unit awards, which we refer to as market stock units ("MSUs"). MSUs are reported at 100% of the target number of shares scheduled to vest within 60 days of August 14, 2013. The actual number of shares that vest will range from 0% to 150% of the target amount. Details of the conditions and terms under which the MSUs will vest are described on page 41 of this Proxy Statement.

(3) Includes 4,875 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013.

(4) Includes 8,250 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013.

(5) Includes (i) 66,274 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 26,710 RSUs which vest within 60 days of August 14, 2013, of which 13,333 are MSUs.

(6) Includes zero shares subject to stock options and RSUs currently exercisable or exercisable within 60 days of August 14, 2013.

(7) Includes 7,500 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013.

(8) Includes 8,750 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013.

(9) Includes zero shares subject to stock options and RSUs currently exercisable or exercisable within 60 days of August 14, 2013.

(10) Includes (i) 96,937 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 55,953 RSUs which vest within 60 days of August 14, 2013, of which 31,925 are MSUs.

(11) Includes (i) 70,312 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 42,391 RSUs which vest within 60 days of August 14, 2013, of which 24,039 are MSUs.

(12) Includes (i) 163,751 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 70,216 RSUs which vest within 60 days of August 14, 2013, of which 40,898 are MSUs.

(13) Includes (i) 71,787 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 16,569 RSUs which vest within 60 days of August 14, 2013, of which 11,333 are MSUs.

(14) Includes (i) 888,436 shares subject to stock options currently exercisable or exercisable within 60 days of August 14, 2013 and (ii) 403,781 RSUs which vest within 60 days of August 14, 2013, of which 232,810 are MSUs.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy

We believe that the quality, experience, skills, engagement and dedication of our executive officers are critical factors affecting the Company's performance and our ability to drive long-term growth of Stockholder value. These factors guide our primary executive compensation philosophy: that total compensation should be established at a competitive level to attract, motivate and retain the superior executive talent necessary to achieve our business objectives, thereby increasing long-term value and driving stockholder returns. Our compensation philosophy recognizes that retention of superior executive talent is enabled through reinforcement of a strong pay-for-performance compensation system which provides the opportunity to earn above average compensation in return for achieving business and financial success, and the sustained delivery of the results, leadership and innovation necessary to drive long-term growth of Stockholder value. Additionally, our compensation philosophy continues to evolve to align compensation with recognized best practices and to address current market realities. We recognize that we compete for executive talent in a highly competitive market not only within our industry, but also with companies outside our immediate product and geographic markets. Therefore, our compensation philosophy includes consideration of role-specific factors when determining executive compensation. Because we strive to maintain an egalitarian work environment, we do not normally provide perquisites or other benefits to our executive officers that are not generally available to all eligible employees.

In support of this compensation philosophy, the Compensation Committee of the Board (the "Committee") utilizes three primary compensation elements: (1) base salary, to attract and retain highly qualified executive talent; (2) the opportunity to earn semi-annual and other cash incentive bonuses, to incentivize and reward delivery of financial and business results; and (3) equity grants, including performance-based and time-based restricted stock units ("RSUs"), to reinforce longer-term retention and consistent performance. These are intended to align our executives' interests with those of our Stockholders by providing opportunities to derive compensation through equity ownership and the relative performance of our stock against the companies of the NASDAQ Telecommunications Index. Each of these compensation elements are discussed in detail below.

Throughout this proxy statement, the individuals who served as the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") during the fiscal year 2013, as well as the other individuals included in the Summary Compensation Table, are referred to as the "named executive officers" (or "NEOs"). Our NEOs for fiscal year 2013 were:

Named Executive Officer	Position
Thomas Waechter	Chief Executive Officer and President
Rex Jackson	Executive Vice President and Chief Financial Officer
Alan Lowe	Executive Vice President and President, Communications and Commercial Optical Products ("CCOP")
David Heard	Executive Vice President and President, Network and Service Enablement ("NSE")
Andrew Pollack	Senior Vice President, General Counsel and Secretary

Advisory Vote on Executive Compensation

We conducted a stockholder advisory vote on executive compensation at our 2012 Annual Meeting of Stockholders. We believe that it is important for our Stockholders to have an opportunity to have an advisory vote on executive compensation on an annual basis as a means to express their views regarding our executive compensation philospohy, our compensation policies and programs, and our decisions regarding executive compensation. The Board and the Committee value the opinions of our Stockholders and, to the extent that there is any significant vote against the compensation of the NEOs, will work to identify the specific concerns driving any votes against the NEOs' compensation and evaluate whether any actions are necessary to address those concerns.

At the 2012 Annual Meeting of Stockholders, approximately 74% of the votes cast were in favor of the NEOs' compensation as disclosed in the 2012 Proxy Statement. The Committee reviewed the final vote results and, in part based on this level of support as well as the Company's performance over the past year, determined that no significant changes to our executive compensation policies were necessary at this time.

Determining Executive Compensation

When setting NEO compensation, the Committee considers both the Company's overall performance and each NEO's performance against their individual objectives. The Committee also engages third-party consultants, as described below, to compare proposed NEO compensation against a group of the Company's peers to ensure that total compensation is competitive and meets the Company's goal of attracting , motivating and retaining the superior talent necessary to achieve the Company's business objectives and drive stockholder value.

The CEO periodically updates the Committee of his assessment of each executive officer's performance to ensure that compensation decisions are aligned with individual performance. In assessing each executive officer, the CEO reviews and documents each executive officer's performance, including accomplishments, areas of strength, areas for development and long-term potential. The CEO bases this evaluation on his personal knowledge of each executive officer's performance, actual results achieved and feedback provided by others. In addition, the independent members of the Committee have periodic formal and informal interactions with each NEO multiple times during the year, including discussions relative to the functions and/or business units for which such NEO is responsible. Prior to any Committee decision on compensation for NEOs, the CEO, working with the Senior Vice President of Human Resources, the Company's Compensation and Benefits group and Compensia, Inc. ("Compensia"), the Committee's independent compensation consultant, reviews the Company's financial and operational performance, the contributions of each individual NEO and the peer group data and provides a recommendation to the Committee for each NEO's compensation, except for himself. The Committee ultimately is responsible for the final determination of all compensation for NEOs other than the CEO.

The CEO's annual performance is reviewed periodically by the Committee and the independent members of the full Board using performance criteria developed by the Committee and approved by the full Board's independent directors. The CEO's performance criteria established for fiscal year 2013 and methodology used for their determination are discussed below. In assessing CEO performance, the Committee and independent members of the Board review Company business, operational and financial performance and other factors that may be included in the CEO performance criteria and feedback that may be obtained from the CEO's direct reports and other employees. The Committee also engages in discussions with the CEO regarding his performance against objectives set by the Board. The Committee recommends all elements of compensation for the CEO to the independent members of the Board, including salary and incentive-based and equity-based compensation, for the Board's review, consideration and approval.

NEOs are not present for, nor do they participate in, Committee or Board discussions or approvals regarding their own compensation.

The Committee begins with target cash and equity compensation amounts, relative to market data utilized for comparison purposes (as discussed below). These targets provide the Committee with a starting point for setting executive compensation; the actual compensation awarded is then adjusted higher, lower or kept the same based on a mix of factors including the experience, skills and anticipated future potential of the executive, the Company's business objectives, Company financial and operational performance, the comparability of the market data to the actual position and responsibilities of the executive and individual contributions made by the NEO. The following table sets forth a summary of the Committee's cash and equity compensation targets utilized for all NEO compensation decisions for fiscal year 2013. A detailed discussion of the Committee's objectives for each compensation element, the principles underlying the compensation targets relative to applicable benchmarks and the basis for actual compensation paid can be found in the paragraphs below.

	Base Salary	Cash Incentive Compensation	Total Target Cash Compensation	Long-Term Incentive Compensation (Equity)	Total Direct Compensation
Target Percentile	60th	60th	60th	65th	$60^{th} – 65^{th}$
Range	$50^{th} – 75^{th}$	$50^{th} – 75^{th}$	$50^{th} – 75^{th}$	$60^{th} – 75^{th}$	$50^{th} – 75^{th}$

To assist the Committee in its review of executive compensation, the Company's Human Resources Department and the Committee's primary external compensation consultant, Compensia, provide compensation data compiled both from executive compensation surveys (including proprietary surveys conducted by Radford Surveys + Consulting, Inc., and Compensia), and proxy statements and annual reports from companies that the Committee selects as a "peer group" of technology companies for executive compensation analysis purposes. The peer group used for comparison purposes by the Committee when considering executive compensation for fiscal year 2013 was determined based upon annual revenue (with peer companies generally ranging from approximately 50% to 180% of the Company's annual revenue) market capitalization (with peer companies generally ranging from approximately 50% to 450%), and other financial performance metrics. The peer group includes technology companies, such as customers, competitors or other similar companies with which the Company may compete in recruiting executive talent and that have one or more attributes significantly similar to JDSU, including markets, manufacturing profile, level of integration and enterprises with global operations. The peer group is reviewed annually by the Committee and may be amended from time to time based on the criteria stated above.

The list of peer group companies (the "Peer List") the Committee considered when setting executive compensation for fiscal year 2013 is:

> Altera Corp., ARRIS Group, Inc., Avago Technologies Limited, AVX Corporation, Bio-Rad Laboratories, Inc., Brocade Communications Systems, Inc., Ciena Corporation, F5 Networks, Inc., Finisar Corp., KLA-Tencor Corporation, LSI Corporation, Novellus Systems, Inc.,[3] PerkinElmer, Inc., Polycom, Inc., Tellabs, Inc., Teradyne, Inc., Trimble Navigation Limited and Xilinx Inc.[4]

[3] Novellus Systems, Inc. was acquired by Lam Research in June 2012.

[4] The Company's current peer list, which will be considered when setting executive compensation for fiscal year 2014, was amended to add Compuware, National Instruments and NetGear and remove Novellus.

In determining appropriate levels of executive compensation for fiscal year 2013, the Committee considered the Company's financial performance relative to the Peer List, as well as performance against the Company's competition and strategic and operational objectives in all three operating segments. In considering the Company's financial performance, the Committee looked at both the prior fiscal year and the prior three-year period, in keeping with the Company's focus on long-term growth and performance. The Committee also recognized that the Company had executed well against several key objectives despite a challenging macroeconomic environment and had taken important steps designed to improve its position for future growth and stock price appreciation in fiscal year 2013.[5] Financial and other performance metrics considered by the Committee included (all numbers except stock performance and segment information are non-GAAP—see Appendix B for a reconciliation to the most comparable GAAP numbers):

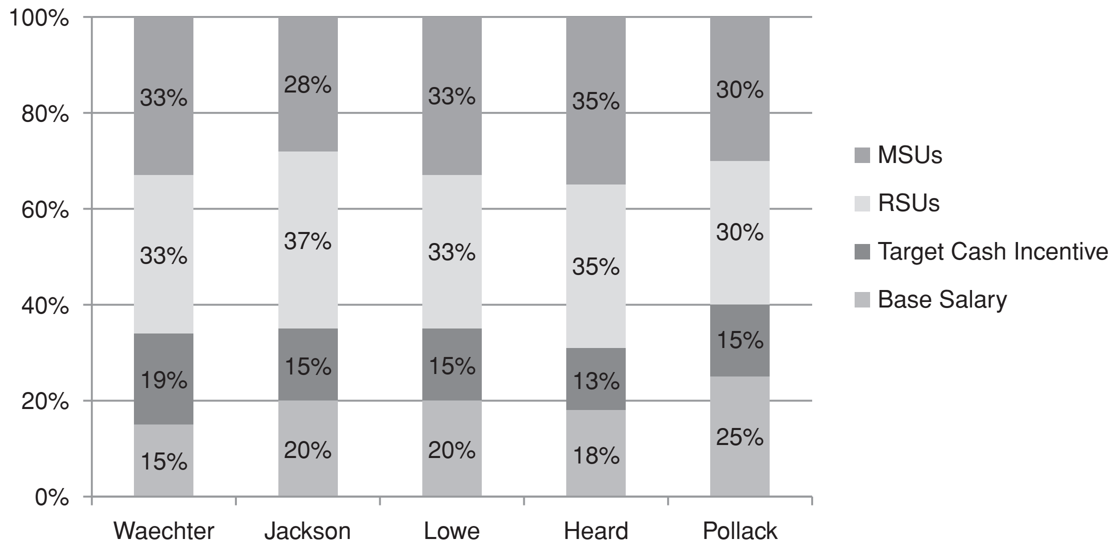
- the Company's relative total stockholder return ("TSR") of 65% against the Peer Group for the three-year period ending June 30;
- net income increased 224% from fiscal year 2009 to fiscal year 2012 from $42.4M to $137.3M;
- operating margin increased from 2.4% in fiscal year 2009 to 9.1% in fiscal year 2012;
- net revenue for the NSE segment increased 26% from $595.0M in fiscal year 2009 to $755.4M in fiscal year 2012;
- net revenue for the CCOP segment increased 46% from $481.1M in fiscal year 2009 to $701.6M in fiscal year 2012;
- operating income for the CCOP segment increased from $(8.6)M in fiscal year 2009 to $72.0M in fiscal year 2012;
- the Company took substantial steps to drive operational efficiency in its NSE segment by continuing to consolidate contract manufacturing and outsourcing repair services;
- the Company's rapid recovery from the impact of the flooding in Thailand during the second quarter of fiscal year 2012;
- revenue from new products (products less than 2 years old) accounted for over 50% of all revenue in fiscal year 2012;
- acquisitions of Dyaptive and GenComm expanded the Company's mobile and wireless portfolio and addressed new markets; and
- the global deployment of a single ERP (Oracle).

Elements of Executive Compensation

The fundamental policy of the Committee is to provide NEOs with competitive compensation opportunities based upon the overall financial and operational performance of the Company and the Company's individual operating segments, each NEO's specific current and anticipated future contributions to the financial and operational success of the Company and their personal performance relative to business performance objectives. It is the Committee's objective to have a significant portion

[5] The Company's relative TSR against the Peer Group for the one- and three-year periods ending on June 30, 2013 was 100% and 55%.

of each NEO's compensation contingent upon the Company's performance, and as applicable, individual operating segment performance, as well as upon his or her own individual contributions to the achievement of business objectives. The compensation package for NEOs is, and in fiscal year 2013 was, comprised of (i) base salary; (ii) the opportunity to earn semi-annual variable cash incentive payments; and (iii) long-term equity-based incentive awards with vesting tied to both the passage of time and performance conditions. As an executive officer's level of responsibility increases, a greater proportion of such executive's total target compensation is comprised of cash incentive bonuses and equity compensation vehicles in order to align total target compensation with the actual achievement of Company and operating segment business and financial performance objectives. As illustrated in the chart below, approximately 50% of the target total direct compensation to our NEOs was performance-based.[6]



The factors which the Committee considered in establishing the individual components of each NEO's compensation package for fiscal year 2013 are summarized below. The Committee may in its discretion apply different factors, particularly different measures of financial and business performance, in setting future NEO compensation.

Base Salary. The Company provides NEOs and other executives with a fixed base salary set at a level to allow the Company to attract, motivate and retain qualified executives. The base salary for each NEO is determined on the basis of the following factors: scope of responsibilities, experience, skill level, personal performance, and salary levels in effect for comparable positions within and outside the industry against which the Company competes for executive talent. The Committee also compares the compensation of its NEOs with the compensation of other executive officers for internal pay equity purposes. The weight given to each of these factors differs from individual to individual as the Committee deems appropriate and necessary to support the Company's business objectives. Salary levels generally are considered annually as part of the Company's performance review process as well as upon a promotion or other change of position or level of responsibility. Merit based increases to

6 In connection with Mr. Jackson's promotion to Executive Vice President and Chief Financial Officer in January 2013 he was granted additional time-based RSUs and performance-based market stock units ("MSUs"). Because the MSUs were not granted until fiscal year 2014, they are not reflected in the above chart. Had the MSUs been granted during fiscal year 2013, the percentage of Mr. Jackson's total target compensation allocated to RSUs and MSUs would have been equal.

salaries of the Company's NEOs other than the CEO are recommended by the CEO to the Committee, and all increases are based on the Committee's (and in the case of the CEO, the independent directors of the full Board) review and assessment of the individual's performance, skill set and competitive market factors.

In August 2012, the Committee approved an increase in Mr. Jackson's base salary to from $380,000 to $420,000 in connection with his appointment to the position of interim CFO. The increase recognized the increased responsibilities assumed by Mr. Jackson in connection with the assumption of these additional responsibilities and put him within the Company's salary target range. No further change was made to Mr. Jackson's base salary following his promotion to Executive Vice President and Chief Financial Officer in January 2013.

The Committee reviewed the base salaries of Mr. Lowe, Mr. Heard and Mr. Pollack in August and October 2012 and approved a merit increase in their base salaries for the remainder of fiscal year 2013. The merit increases were primarily driven by their individual contributions to the Company's business objectives. Mr. Waechter's base salary remained unchanged, because the Committee believed it was competitive against the market data and an increase was not required to further the Company's business objectives.

Named Executive Officer	FY 2012 Base Salary	FY 2013 Base Salary[7]	Percentage Increase
Thomas Waechter	$800,000	$800,000	—
Rex Jackson	$380,000	$420,000	10.5%
Alan Lowe	$520,000	$540,000	3.8%
David Heard	$425,000	$450,000	5.9%
Andrew Pollack	$330,000	$345,000	4.5%

In conducting its review of base salaries, the Committee determined that each of the base salaries approved for fiscal year 2013 were consistent with the compensation philosophy discussed above. The Committee further determined that each of the NEO's fiscal year 2013 base salary was within the Company's salary target range with the exception of Mr. Lowe. Mr. Lowe's base salary was determined to be above the 75th percentile, but the Committee felt that Mr. Lowe's base salary increase was warranted due to his level of experience, growth potential and ongoing significant contributions supported by the actual results delivered by the CCOP segment under Mr. Lowe's leadership including the three-year operating income growth noted above.

Cash Incentive Compensation. The Company utilizes a single cash incentive program for the significant majority of its employees globally, including all NEOs, known as the Variable Pay Plan ("VPP"). Under the VPP, semi-annual incentive bonuses, designed to reward short-term performance and achievement of designated results, may be earned by each participating employee. The Committee believes that having NEOs participate in the same incentive program as all other eligible employees promotes a common sense of purpose, alignment, and fairness while reducing the complexity of the Company's compensation programs. The goal used to determine whether payments are made is determined in a manner designed to align executives', other employees' and Stockholders' interests by making such payments under the VPP contingent on business performance objectives consistent with growing profitability and sustainable, long-term appreciation in Stockholder value.

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7 Messrs. Lowe's, Heard's and Pollack's increases were effective October 21, 2012. Mr. Jackson's increase was effective August 26, 2012.

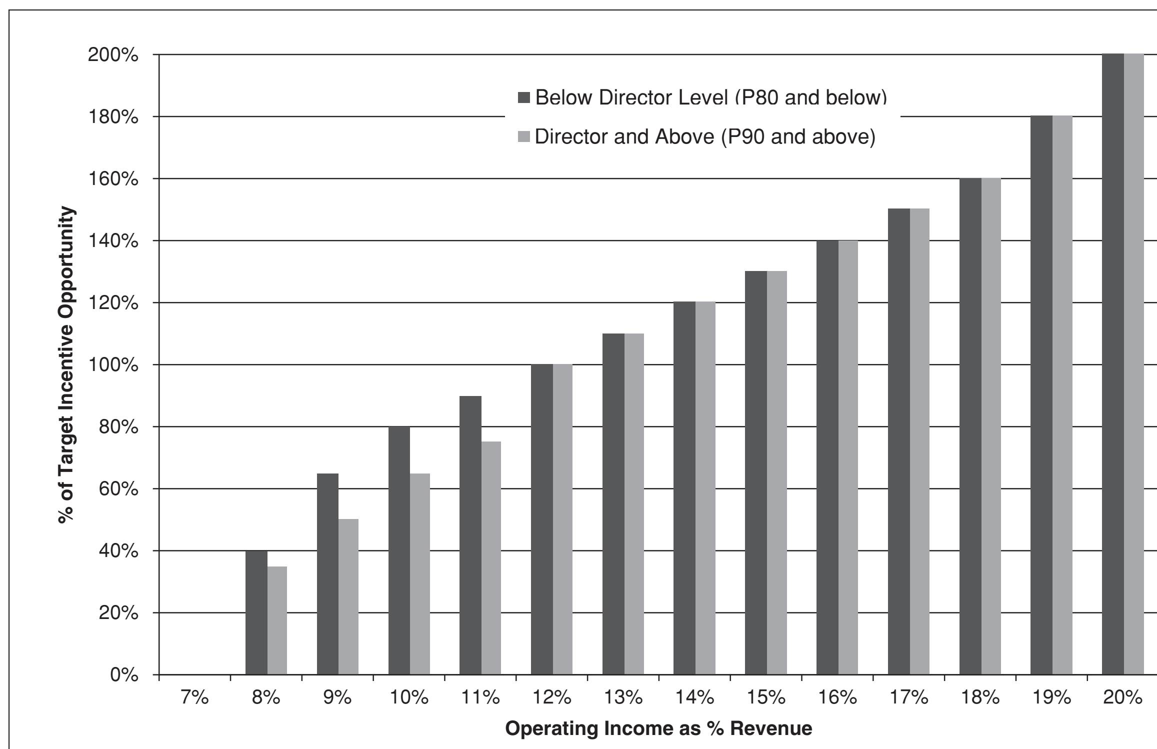
Each participant in the VPP is assigned a target incentive opportunity ("TIO") of a percentage of his or her base salary, based upon the individual's grade level within the Company's standard leveling structure for all Company employees. Each NEO's TIO is annually reviewed by the Committee and compared against the market data, including the Peer List and survey data, provided by Compensia. In August 2012, the Committee increased Mr. Jackson's TIO from 50% to 75% in connection with his appointment to the position of Interim CFO. For fiscal year 2013 the assigned TIOs for each of Mr. Lowe and Mr. Heard remained at 75%, which was at or slightly below the market 60th percentile. Mr. Pollack's TIO was increased from 50% to 60%, to align with the other members of the executive staff. Mr. Waechter's TIO remained at 120%. The Committee determined that each NEO's TIO for fiscal year 2013 was within the target range for cash incentive compensation.

The actual cash incentive payments earned by each employee annually under the VPP may be either less or greater than these target incentive percentages depending on whether and the extent to which the Company's performance goal is achieved in the fiscal year, and may range from 0% to 200% of each employee's assigned target cash incentive. Additionally, the actual incentive payment earned by all employees within any individual operating segment participating in the VPP may be adjusted lower or higher by a factor of 15% based upon the discretion of the CEO to adjust payments to under and over-performing segments or corporate functions, although any adjustment that would affect the CEO must be approved by the independent members of the Board. In the second quarter of fiscal year 2013, Mr. Waechter exercised this discretion to increase the VPP awards paid to employees in the Company's CCOP segment in recognition of the fact that CCOP exceeded its annual operating plan ("AOP") targets for the first half of fiscal year 2013. Mr. Lowe participated in the increased VPP award along with all employees in the CCOP segment. Actual incentive payments earned by our NEOs in fiscal year 2013 are indicated in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

Actual payments under the VPP are subject to achievement of the Company's operating income target. Although the operating income target was unchanged from the previous fiscal year, the absolute dollar value of the target for most employees increased in fiscal year 2013 due to an increase in the absolute dollar value of the AOP target. Actual payments under the VPP in fiscal year 2013 were determined based upon full Company non-GAAP operating income as a percentage of revenue. As reflected in the chart below, in order for NEOs to receive their target cash incentives for the full fiscal year, and subject to the application of CEO's and independent members of the Board's discretion as discussed above, the Company was required to deliver at least 132% of the operating income actually achieved by the Company in fiscal year 2012. The Committee anticipated that the incentive compensation which would be earned by NEOs for achieving the fiscal year 2013 AOP operating income objective would result in incentive payments of approximately 75% of target incentive payments due to the fact that the AOP set a Company-wide operating income target approximately 21% higher than that actually achieved in fiscal year 2012. The Committee determined that this structure would provide employees with incentives for growth while recognizing the continuing macroeconomic challenges facing the markets in which the Company operates.

In order to determine actual payments under the VPP in fiscal year 2013 for any given level of operating income, the Company utilized an approximately linear scale of full Company operating income, measured on a quarterly basis, where the operating income as a percentage of revenue level shown on the horizontal axis would yield the corresponding percentage of each individual's TIO on the vertical axis (as illustrated in the below graph). Participation also was separated into two tiers throughout the Company based upon employee grade level. Employees at the director level and above received VPP compensation at a reduced rate relative to achievement of operating income objectives than was required for VPP compensation received by those employees below the director level for all operating income levels below 12% of revenue.

The fiscal year 2013 scale is as follows:



The actual semi-annual VPP payment to each participant thus was calculated based upon the following formula (assuming Funding and excluding CEO and Board discretion):

Quarterly Eligible Base Pay Earnings (for the employee) × TIO % × Achievement % (based upon Company operating income)

Actual achievement for the Company for each fiscal quarter 2013 was as follows:

	H1 FY13 VPP Achievement			H2 FY13 VPP Achievement[8]	
	Q1'13	Q2'13		Q3'13	Q4'13
Participating Segments	All	CCOP	All Other Employees	All	All
Senior Manager & below	57.5%	100%	95.0%	8.0%	55.0%
Director & above	45.5%	100%	87.5%	7.0%[9]	44.0%

Long-Term Incentive Compensation. Long-term incentives can be provided through RSUs and stock option grants. In fiscal year 2012, the Committee transitioned from a policy of granting both RSUs and

[8] Third and fourth quarter VPP payments were calculated based on an adjusted operating income that excluded the impact of the Company's acquisition of Arieso Limited in March 2013.

[9] The Company's executive staff, which is comprised of the Company's 9 most senior officers (including all NEOs) recommended, and the Committee approved, that no VPP payments should be made to the executive staff for Q3'13.

stock options to granting only RSUs. The Committee believes that stock-based compensation aligns the interests of employees with long-term Stockholder value creation, providing each NEO with an incentive to manage the Company from the perspective of an owner driving long-term Stockholder value. The Committee also believes stock-based compensation provides the Company with an important long-term retention tool in a highly competitive market for executive talent. The Committee sets equity grant levels to executive officers based on a variety of factors, including the individual performance of the executive officer, an assessment of the value of the individual's current and anticipated future services to the Company, relative business criticality of the position held, the awards given to other executives, and the desire to keep the Company's overall compensation competitive. The number of shares of Common Stock subject to each grant is set at a level intended to create a meaningful opportunity for stock ownership and resulting compensation opportunity based on the executive officer's current position with the Company, the average size and potential returns of comparable awards made to executive officers in similar positions within the industry, the executive officer's potential for increased responsibility and promotion over the grant term, and the executive officer's personal performance in recent periods. The Committee also takes into account the value of vested and unvested equity incentives held by the executive officer in order to maintain an appropriate level of equity incentives for that executive officer. Additionally, the Committee generally grants equity awards to executive officers upon commencement of their employment with the Company or their promotion, with the level of award based on factors similar to those considered in connection with awards to existing executive officers. Finally, the Committee considers the number of shares of Common Stock which would be subject to proposed equity incentive awards to individual NEOs for consistency with the Committee's objective to limit actual net dilution attributable to equity awards to all Company employees to at or below a long-term average of approximately 3% per annum.

RSUs are granted with vesting requirements related to (a) continued service to encourage retention, or (b) the satisfaction of performance or financial goals or other conditions that are aligned with the Company's business and financial objectives and designed to support growth in long-term Stockholder value. In all cases, vesting of RSUs is contingent upon the executive officer's continued service with the Company.

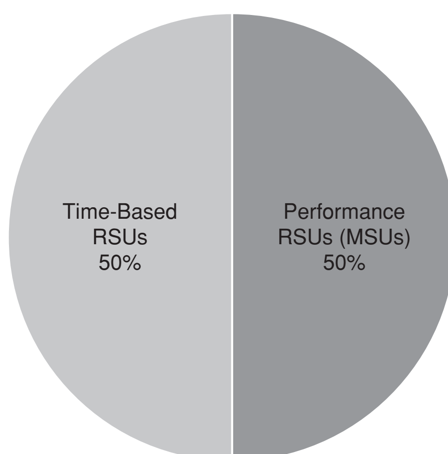
In order to ensure equity compensation awards are aligned with the Committee's commitment to pay-for-performance, it is the Committee's practice that:

- at least 50% of the target number of shares of all such equity awards to the Company's NEOs are performance-based and are earned or otherwise vest based on the achievement of reasonable performance targets; and

- performance criteria applicable to such performance-based equity awards and the difficulty of achievement of such criteria are disclosed in the proxy statement for each applicable fiscal year.

All equity compensation awards issued to the Company's NEOs in fiscal year 2013 complied with this practice which is illustrated below.

Equity Compensation*



* Based on target number of shares granted.

In August 2011, upon the recommendation of the Committee, the Board approved the use of performance-based RSUs, also known as market stock units ("MSUs") for executive officers in place of performance-based stock options. The Board believed that MSUs provide a more accurate measurement of the Company's relative performance and support the Company's pay-for-performance philosophy. When granting MSUs, the Committee assigns a target award for each grant. MSUs vest over three years, and the number of shares actually earned on each vesting date is determined by comparing the Company's total stockholder return ("TSR") for the relevant period against the TSR of the component companies of the NASDAQ Telecom Index (the "Index") on a straight-line scale from 0% to 150% as described in the following table.

Relative Performance	Percent of Target Award Vesting
Company TSR below 25th percentile	0%
Company TSR at 25th percentile	50%
Company TSR at 50th percentile	100%
Company TSR at or above 75th percentile	150%

TSR is initially calculated for a baseline period, which for grants made in fiscal year 2013, was July 15, 2012 through September 15, 2012 (the "Initial Measurement Period"). Vesting is then determined by comparing the TSR during each subsequent July 15 through September 15 of each year during the vesting period (the "Measurement Period") against the Initial Measurement Period.[10]

All of the Company's NEOs were awarded RSUs and MSUs in August 2012 as an element of the Company's fiscal year 2013 equity award and review process. Management recommended and the

[10] For purposes of calculating TSR, (a) dividends are assumed to have been reinvested, (b) share prices are rounded to the nearest $0.01 and dividends are rounded to the nearest $0.001, and (c) companies without a stock price history for the entire performance or averaging period are excluded.

Committee determined target award levels for each grade level of senior management consistent with the target range of market data based upon an estimated grant value. Actual recommended awards for each of the Company's NEOs were then adjusted based upon an analysis of each NEO's positioning relative to the TDC Target, individual performance and position assessments as discussed above. Consistent with the Company's commitment discussed above to ensure that at least 50% of the target number of shares subject to equity awards to NEOs are performance-based, each NEO was then awarded 50% of the target award level shares in the form of MSUs.[11] The remaining 50% of the shares subject to award were time-based RSUs (the "2013 Time-Based Awards"). The 2013 Time-Based Awards were subject to a vesting schedule providing that one third of the award will vest on the first anniversary of the grant date, with the remaining two thirds of the award vesting in eight equal quarterly installments thereafter, subject to continued employment with the Company. Actual awards to NEOs are shown in the Grants of Plan-Based Awards Table. The Committee determined that all actual annual equity awards to NEOs in fiscal year 2013 were consistent with the equity target range, except for Mr. Pollack and Mr. Jackson who were slightly above the target range. However, the Committee determined that when all components of compensation were considered for purposes of determining total direct compensation relative to the TDC Target, all NEOs were within or slightly above the target range.

Perquisites and Other Personal Benefits. We believe that it is critical that the Company maintain an egalitarian culture, and that our executive officers should not operate under different standards than other employees. Accordingly, the Company's healthcare, insurance, and other welfare and employee benefit programs are the same for all eligible employees, including executive officers. The Company generally does not have programs for providing personal benefit perquisites to NEOs, such as defraying the cost of financial or legal advice, personal entertainment, recreational club memberships or family travel. The Company has no outstanding loans of any kind to any of its executive officers, and it expects its officers to be role models under its Code of Business Conduct, which applies equally to all employees.

Compensation Recovery Policy

The Committee adopted the "JDSU Compensation Clawback Policy" (the "Policy") in February 2010. The Policy applies to cash incentive payments and equity compensation awards provided to Section 16 officers and directors under any applicable Company incentive plan. In the event of fraud or intentional misconduct of Section 16 officers or directors, the Committee may seek:

- repayment of any cash incentive payment,
- cancellation of unvested or unexercised equity incentive awards, and
- repayment of any compensation earned on previously exercised equity incentive awards,

where such payments, equity incentive awards and/or compensation earned on previously exercised equity incentive awards was predicated on results that were augmented by such fraud or intentional misconduct ("Excess Compensation"), whether or not such activity resulted in a financial restatement. The Committee will have sole discretion under the Policy, consistent with any applicable statutory requirements, to seek reimbursement of Excess Compensation.

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[11] When evaluating each NEO's performance-based target in comparison to the relevant market data, the Committee assumes for comparison purposes that MSUs will vest at 100% of the MSU target. Actual MSU grant awards are made at the 150% achievement level to ensure a sufficient number of shares will have been granted if the maximum TSR is achieved. However, actual vesting of the individual MSU award will range anywhere from 0% to 150%, as described above.

Further, following a restatement of the Company's financial statements, the Company will recover any compensation received by the Chief Executive Officer and Chief Financial Officer that is required to be recovered by Section 304 of the Sarbanes-Oxley Act of 2002.

For purposes of the Policy, Excess Compensation will be measured as the positive difference, if any, between the compensation earned by an Executive Officer and the compensation that would have been earned by the Executive Officer had the fraud or misconduct not occurred.

Executive Stock Ownership Policy

The Committee recommended and the full Board approved formal stock ownership requirements for non-employee directors and executive officers of the Company in fiscal year 2005 and amended this policy in August 2010. Under the policy in effect during fiscal year 2013, each non-employee director of the Company was required to have a minimum equity interest in the Company's stock at least equal to three times that non-employee director's annual cash retainer by the later to occur of the fifth anniversary of his or her first election to the Board or June 30, 2012. Likewise, each executive officer of the Company (except for the CEO) was required to have a minimum equity interest in the Company's stock at least equal to that executive officer's annual base salary by the later to occur of the fifth anniversary of his or her hire date (or, if later, promotion to executive officer) or June 30, 2010, and the CEO was required to have a minimum equity interest in the Company's stock at least equal to three times the CEO's then current annual base salary by the later to occur of the fifth anniversary of his or her promotion date or January 1, 2014. The shares that count towards this Company policy include stock owned outright, unvested and vested restricted stock and RSUs, and any stock options exercisable within 60 days of the valuation date. The equity incentive awards granted in fiscal year 2013 to each of the current named executive officers are listed in the Outstanding Equity At Fiscal Year End Table. Each of the non-employee directors and executive officers of the Company were in compliance with this policy during fiscal year 2013.

	Ownership Requirement	**Deadline for Compliance (the later of)**	
Non-Employee Directors	3x annual cash retainer	5th anniversary of election to the Board	June 30, 2012
Chief Executive Officer	3x annual base salary	5th anniversary of hire or promotion date	January 1, 2014
Executive Officers (excluding CEO)	1x annual base salary	5th anniversary of hire or promotion date	June 30, 2010

Both hedging and pledging of Company securities are prohibited by the Company's Insider Trading Policy.

Equity Grant Practices

All stock option awards made to our NEOs, as well as all other Company employees, have an exercise price equal to the fair market value of our common stock on the date of grant (though as noted above the MSUs only vest upon the achievement of certain conditions related to the performance of the Company's common stock). Fair market value is defined under our equity compensation plans as the closing market price of one share of our common stock on the NASDAQ Stock Market on the date of grant. The Committee generally makes grants to our NEOs and other senior management on a once-a-fiscal year basis, but the Committee retains the discretion to make additional awards to NEOs at other times in connection with the initial hiring of a new officer, for

retention purposes, or otherwise. New hire equity incentive awards are generally granted on the 15th day of the month immediately following the first day of employment of such new employee.

The Company does not have any program, plan or practice to time equity compensation grants to its executives in coordination with the release of material nonpublic information. The Company has not timed, nor does it plan to time, the release of material nonpublic information for the purpose of affecting the value of executive compensation, nor are equity compensation grants timed with regard to current share price or factors which may affect future share price.

Tax Considerations

The Committee endeavors to maximize deductibility of compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") to the extent practicable while maintaining a competitive, performance-based compensation program. Based on the amount of deductions the Company can take each year, the actual impact of the loss of deduction for compensation paid to any NEO over the $1 million limitation is extremely small and has a de minimus impact on the Company's overall tax position. For the foregoing reasons, the Committee, while considering tax deductibility as one of the factors in determining compensation, will not limit compensation to those levels or types of compensation that will be deductible. The Committee will, of course, consider alternative forms of compensation that, consistent with its compensation goals, preserve deductibility.

The Company's 2003 Equity Incentive Plan (the "2003 Plan") is structured such that compensation deemed paid to an executive officer when he or she exercises an outstanding option under the 2003 Plan, with an exercise price equal to the fair market value of the option shares on the grant date, will qualify as performance-based compensation which will not be subject to the $1 million limitation. In addition, other stock based awards issued under the 2003 Plan may be exempt from the $1 million limitation if such awards are subject to performance criteria and administered in accordance with Section 162(m) of the Code. The Company has discretion to issue other stock based awards which are intended to be exempt from the $1 million limitation as well as other stock based awards that are not intended to be exempt from the $1 million limitation.

Payments Upon a Termination or Change of Control

In August 2008, the Committee adopted a Change of Control Benefits Plan, which was amended in March 2013. Pursuant to the plan, eligible executives, including the NEOs (except for the CEO), will receive cash payments and accelerated vesting of options and other securities in the event of a qualifying termination within 12 months after a change of control of the Company. If the eligible executive has received an MSU award, the vesting will accelerate at 100% of the target amount of the award. In addition, pursuant to the employment agreement between the Company and Mr. Waechter, Mr. Waechter will receive payments and, in certain circumstances, acceleration of options and other securities, in the event he is terminated without Cause or resigns for Good Reason in connection with a change of control of the Company.

The Committee believes these agreements are beneficial to our stockholders because they minimize the uncertainty presented to our valuable workforce in the case of a change of control.

See "Potential Payments Made Upon Termination or Change of Control" below for a more complete summary of the terms of the Change of Control Benefits Plan and the employment agreement with Mr. Waechter, including estimates of the compensation that would have been payable to the NEOs had they been triggered on June 29, 2013, the final day of fiscal year 2013.

COMPENSATION COMMITTEE REPORT

The information contained in the following report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission, except to the extent that the Company specifically requests that the information be treated as soliciting material or incorporates it by reference into a document filed under the Securities Act or the Exchange Act. The information will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMPENSATION COMMITTEE

Penelope A. Herscher, Chair
Richard E. Belluzzo
Martin A. Kaplan

SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation of our chief executive officer, chief financial officer, and the three other most highly-paid executive officers (collectively, the "NEOs") in fiscal years 2013, 2012 and 2011.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Thomas Waechter	2013	800,000	0	4,794,600	0	408,923	4,000	6,007,523
Chief Executive Officer and	2012	784,615	0	4,614,052	0	373,281	4,000	5,775,948
President	2011	734,615	0	1,027,000	1,555,000	985,385	4,000	4,306,000
Rex Jackson	2013	412,308	0	1,532,234	0	131,553	4,000	2,080,095
Executive Vice President and								
Chief Financial Officer								
Alan Lowe	2013	533,077	0	1,731,384	0	181,206	4,000	2,449,667
Executive Vice President and	2012	506,154	0	1,730,352	0	111,926	4,000	2,352,432
President, Communications	2011	459,615	0	1,329,133	563,688	462,663	4,000	2,819,099
and Commercial Optical								
Products								
David Heard	2013	441,346	0	1,731,384	0	140,203	4,000	2,316,933
Executive Vice President and	2012	417,308	0	923,075	0	93,238	4,000	1,437,621
President, Network and Service	2011	269,231	0	548,020	817,330	89,827	116,422	1,840,830
Enablement								
Andrew Pollack	2013	339,808	0	948,267	0	86,466	4,000	1,378,541
Senior Vice President,								
General Counsel and								
Secretary								

(1) Amounts shown do not reflect compensation actually received by the NEO. Instead, the amounts shown are the grant date fair value in the period presented as determined pursuant to stock-based compensation accounting rule FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions used to calculate these amounts are set forth under Note 14 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for fiscal year 2013 filed with the SEC on August 23, 2013.

(2) All non-equity incentive plan compensation for fiscal year 2013 was paid pursuant to the Variable Pay Plan.

(3) All amounts represent 401(k) matching or 401(k) contributions by the Company other than the following:

- The Company paid $1,800 in relocation expenses to Mr. Heard during fiscal year 2011 to assist with his relocation to Germantown, Maryland.

Employment Contracts, Termination of Employment and Change in Control Arrangements

On December 17, 2008, the Company and Mr. Waechter entered into an employment agreement (the "Waechter Agreement"), pursuant to which Mr. Waechter became the Chief Executive Officer and President of the Company, effective January 1, 2009. Pursuant to the Waechter Agreement, Mr. Waechter's base salary was initially set at $700,000 and he was initially eligible to earn a cash incentive under the Company's VPP with a target bonus of 100% of his annual base salary. Mr. Waechter's base salary was increased by the Board in October 2010 and October 2011. Effective as of October 2011, Mr. Waechter's base salary was $800,000. In addition, in August 2011 and August 2013, the Board approved increases in Mr. Waechter's target bonus. Mr. Waechter's target bonus for fiscal year 2013 was 120% and for fiscal year 2014 is 135%. The Waechter Agreement was not amended in connection with these increases. However, provisions of the Waechter Agreement related to payments to be made in connection with a change of control were amended on March 21, 2013.

For a complete summary of the termination and change of control provisions of the above agreement, please see the section "Potential Payments Made Upon Termination or Change of Control" below. A complete summary of the 2008 Change of Control Benefits Plan that the Company adopted on August 29, 2008, as amended on August 9, 2011 and March 21, 2013, which explains the termination benefits available to the NEOs other than Mr. Waechter, can also be found under that section heading below.

GRANTS OF PLAN-BASED AWARDS TABLE

The following table provides information about equity and non-equity awards granted to the NEOs in fiscal year 2013:

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Exercise or Base Price Of Option Awards	Grant Date Fair Value of Stock and Option Awards
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	($/Sh)	($)(2)
Thomas Waechter	8/22/2012	8/22/2012				90,000(3)	180,000(3)	270,000(3)			2,685,000
	8/22/2012	8/22/2012							180,000(4)		2,109,600
	N/A	N/A	33,600	960,000	1,920,000						N/A
Rex Jackson	8/22/2012	8/21/2012				25,000(3)	50,000(3)	75,000(3)			745,834
	8/22/2012	8/21/2012							50,000(4)		586,000
	1/15/2013	1/10/2013							15,000(5)		200,400
	N/A	N/A	11,025	315,000	630,000						N/A
Alan Lowe	8/22/2012	8/21/2012				32,500(3)	65,000(3)	97,500(3)			969,584
	8/22/2012	8/21/2012							65,000(4)		761,800
	N/A	N/A	14,175	405,000	810,000						N/A
David Heard	8/22/2012	8/21/2012				32,500(3)	65,000(3)	97,500(3)			969,584
	8/22/2012	8/21/2012							65,000(4)		761,800
	N/A	N/A	11,813	337,500	675,000						N/A
Andrew Pollack	8/22/2012	8/21/2012				15,000(3)	30,000(3)	45,000(3)			447,500
	8/22/2012	8/21/2012				5,000(3)	10,000(3)	15,000(3)			149,167
	8/22/2012	8/21/2012							30,000(4)		351,600
	N/A	N/A	7,245	207,000	414,000						N/A

(1) These columns show the potential cash value of the payout for each NEO under the Company's Variable Pay Plan ("VPP"), as described in the Compensation Discussion and Analysis above. The potential payouts are performance-driven and therefore completely at risk. The amounts actually earned by each NEO in fiscal year 2013 are summarized in the Summary Compensation Table above.

(2) The amounts shown in this column are the grant date fair value in the period presented as determined pursuant to stock-based compensation accounting rule FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions used to calculate these amounts are set forth under Note 14 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for fiscal year 2013 filed with the SEC on August 23, 2013. The NASDAQ closing price of our Common Stock was $11.72 on August 22, 2012 and $13.36 on January 15, 2013.

(3) These grants are restricted stock unit awards, which we refer to as market stock units ("MSUs"). The MSUs are performance-based stock units which will vest in three annual tranches based upon the Company's total stockholder return ("TSR") relative to the performance of the component companies of the NASDAQ Telecommunications Index over the three-year period. Details of the conditions and terms under which the MSUs will vest are described on page 41 of this Proxy Statement.

(4) These grants are time-based RSUs that vest ⅓ of the shares on the first anniversary of the grant date and the remainder of the shares in equal quarterly installments for two years thereafter.

(5) These grants are time-based RSUs that vest ⅓ of the shares on the first anniversary of the grant date and the remainder of the shares in equal annual installments for two years thereafter.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

The following table provides information regarding outstanding equity awards and applicable market values at the end of fiscal year 2013.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(1)
Thomas Waechter	60,000(2)	0	5.87	8/15/2017				
	30,000(2)	0	5.87	8/15/2017				
	91,625(5)	8,375	10.27	8/15/2018				
	183,250(6)	16,750	10.27	8/15/2018				
					8,375(8)	120,516		
					64,424(8)	927,061		
					180,000(8)	2,590,200		
							102,564(9)	1,475,896
							180,000(9)	2,590,200
Rex Jackson	0(11)	75,000	17.77	1/15/2019				
	21,093(10)	16,407	17.77	1/15/2019				
					18,750(12)	269,813		
					9,262(8)	133,280		
					50,000(8)	719,500		
					15,000(7)	215,850		
							14,746(9)	212,195
							50,000(9)	719,500
Alan Lowe	36,667(2)	0	5.87	8/15/2017				
	18,334(2)	0	5.87	8/15/2017				
	33,214(5)	3,036	10.27	8/15/2018				
	66,428(6)	6,072	10.27	8/15/2018				
					3,036(8)	43,688		
					24,160(8)	347,662		
					65,000(8)	935,350		
							38,464(9)	553,497
							65,000(9)	935,350
David Heard	29,375(10)	17,625	11.66	11/15/2018				
	58,750(11)	35,250	11.66	11/15/2018				
					23,500(12)	338,165		
					12,889(8)	185,473		
					65,000(8)	935,350		
							20,519(9)	295,268
							65,000(9)	935,350
Andrew Pollack	48,507(5)	4,434	10.27	8/15/2018				
	13,333(3)	6,667	17.77	1/15/2019				
					592(8)	8,519		
					5,000(7)	71,950		
					14,426(8)	207,590		
					6,667(7)	95,938		
					30,000(8)	431,700		
							30,000(9)	431,700
							10,000(9)	143,900

(1) Amounts reflecting market value of RSUs are based on the price of $14.39 per share, which was the closing price of our common stock as reported on NASDAQ on June 28, 2013.

(2) Fully vested stock option.

(3) Time-based stock option with ⅓ of the grant vesting on the first three anniversaries of the grant date.

(4) Performance-based stock options which vest in three equal annual installments. The options become exercisable upon the latter to occur of (i) the vesting schedule noted in the previous sentence and (ii) the appreciation of the price of the Company's common stock such that it will have traded at a minimum of a 25% premium to the exercise price of the options for at least 30 consecutive trading days.

(5) Time-based stock options that vest ⅓ of the awarded options on the first anniversary of the grant date and the remainder of the options in equal quarterly installments for two years thereafter.

(6) Performance-based stock options which vest ⅓ of the awarded options on the first anniversary of the grant date and the remainder of the awarded options in equal quarterly installments for two years thereafter. The options become exercisable upon the latter to occur of (i) the vesting schedule noted in the previous sentence and (ii) the appreciation of the price of the Company's common stock such that it will have traded at a minimum of a 25% premium to the exercise price of the options for at least 30 consecutive trading days.

(7) Time-based RSUs with ⅓ of the units vesting on each of the first three anniversaries of the grant date.

(8) Time-based RSUs that vest ⅓ of the awarded units on the first anniversary of the grant date and the remainder of the units in equal quarterly installments for two years thereafter.

(9) MSUs that vest in three annual tranches based upon the Company's total stockholder return ("TSR") relative to the performance of the component companies of the NASDAQ Telecommunications Index over the three-year period. The actual number of shares that vest range from 0% to 150% of the target amount for each vesting tranche. The number of MSUs disclosed in the table above reflects vesting at 100% of the target amount. Details of the conditions and terms under which the MSUs will vest are described on page 41 of this Proxy Statement.

(10) Time-based stock options that vest ¼ of the awarded options on the first anniversary of the grant date and the remainder of the awarded options in equal quarterly installments for three years thereafter.

(11) Performance-based stock options which vest ¼ of the awarded options on the first anniversary of the grant date and the remainder of the awarded options in equal quarterly installments for three years thereafter. The options become exercisable upon the latter to occur of (i) the vesting schedule noted in the previous sentence and (ii) the appreciation of the price of the Company's common stock such that it will have traded at a minimum of a 25% premium to the exercise price of the options for at least 30 consecutive trading days.

(12) Time-based RSUs with ¼ of the units vesting on each of the first four anniversaries of the grant date.

OPTION EXERCISES AND STOCK VESTED TABLE

The following Option Exercises and Stock Vested Table provides additional information about the value realized by the NEOs due to the vesting of restricted stock units during fiscal year 2013.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (2)
Thomas Waechter	83,334	966,674	205,332	2,516,352
Rex Jackson	0	0	29,765	375,707
Alan Lowe	0	0	74,500	914,238
David Heard	0	0	40,123	477,061
Andrew Pollack	9,634	87,958	39,088	466,308

(1) Represents the amounts realized based on the difference between the closing price of our Common Stock on NASDAQ on the date of exercise and the exercise price.

(2) Represents the amounts realized based on the product of the number of units vested and the closing price of our Common Stock on NASDAQ on the vesting day (or, if the vesting day falls on a day on which our stock is not traded, the prior trading day).

Potential Payments Made Upon Termination or Change of Control

The descriptions and table below reflect the amount of compensation to each of the NEOs of the Company in the event of termination of such executive's employment. The amounts of compensation shown below are payable to each NEO upon termination without cause or for good reason, following a change of control, for non-renewal of an employment contract and in the event of death or disability of the executive. The figures shown below assume that such termination was effective as of June 29, 2013 (and therefore use the closing price of our Common Stock on NASDAQ as of June 28, 2013 for all equity-based calculations), and thus include amounts earned through such time and are estimates of the amounts which would be paid out to the executives upon their termination. The actual amounts that would be paid can only be determined at the time of such executive's separation from the Company.

For a complete summary of the salary and bonus provisions of the employment agreement between the Company and Thomas Waechter, our Chief Executive Officer and President, please see the section "Employment Contracts, Termination of Employment and Change in Control Arrangements" following the Summary Compensation Table above. What follows below summarizes only the termination and change of control provisions of the Waechter Agreement.

The Waechter Agreement provides that in the event that Mr. Waechter's employment is terminated by the Company for reasons other than for Cause prior to any Change of Control (as both terms are defined in the Waechter Agreement) of the Company, subject to execution of a separation agreement and release of claims reasonably acceptable to the Company, Mr. Waechter will be entitled to receive: (i) a cash payment equivalent to two and one-half times his annual base salary as of the date of termination of employment; and (ii) Company paid COBRA benefits continuation for a period of the lesser of the maximum allowable COBRA period or 24 months.

The Waechter Agreement further provides that in the event that Mr. Waechter's employment is terminated by the Company for reasons other than for Cause or by Mr. Waechter for Good Reason upon or following any Change of Control (as these terms are defined in the Waechter Agreement) of the Company, subject to execution of a separation agreement and release of claims reasonably acceptable to the Company, Mr. Waechter will be entitled to receive: (i) a cash payment equivalent to

the sum of (A) three times his annual base salary as of the date of termination of employment, and (B) one year of his annual target bonus opportunity; (ii) right, title and entitlement to any unvested options, restricted stock units, or any other securities or similar incentives which have been granted or issued as of the date of termination of his employment, shall immediately vest; and (iii) Company paid COBRA benefits continuation for a period of the lesser of the maximum allowable COBRA period or 24 months.

The other NEOs are subject to the 2008 Change of Control Benefits Plan, as amended (the "Change of Control Plan"). The Change of Control Plan provides that in the event of a qualifying termination, and conditioned upon execution and delivery of an effective release of claims against the Company and related parties, each of the eligible executives will be entitled to receive (i) accelerated vesting of any unvested stock options and other securities or similar incentives held at the time of termination (including accelerated vesting of any performance-based awards at 100% of the target achievement level), (ii) a lump sum payment equal to two years' base salary (less applicable tax and other withholdings), and (iii) reimbursement of COBRA premiums for a period of the lesser of the maximum allowable COBRA period or 12 months. A qualifying termination under the Change of Control Plan is any involuntary termination without Cause, any voluntary termination for Good Reason, or any termination due to disability or death, in each case occurring upon or within 12 months following a Change of Control of the Company, as such terms are defined in the Change of Control Plan.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL TABLE

Name	Benefit	Before Change in Control Termination w/o Cause ($)(1)	Within Twelve Months After Change in Control Termination w/o Cause or for Good Reason($)(2)	Non-Renewal of Employment Contract($)	Death or Disability($)(3)
Thomas Waechter	Salary	2,000,000	3,480,000	0	0
	Securities	0	7,807,389	0	0
	COBRA	27,562	27,562	0	0
Rex Jackson	Salary	0	840,000	0	840,000
	Securities	0	2,270,138	0	2,270,138
	COBRA	0	20,002	0	20,002
Alan Lowe	Salary	0	1,080,000	0	1,080,000
	Securities	0	2,853,072	0	2,853,072
	COBRA	0	20,002	0	20,002
David Heard	Salary	0	900,000	0	900,000
	Securities	0	2,833,955	0	2,833,955
	COBRA	0	20,002	0	20,002
Andrew Pollack	Salary	0	690,000	0	690,000
	Securities	0	1,409,565	0	1,409,565
	COBRA	0	7,139	0	7,139

(1) Mr. Waechter's benefits in the column represent (a) a cash payment equivalent to 2.5 times his annual base salary as of the date of termination of employment; and (b) Company-paid COBRA benefits continuation for a period of the lesser of the maximum allowable COBRA period or 24 months. The other NEOs do not receive any potential payments in the event of their termination without cause before a change of control.

(2) All benefits in this column except for Mr. Waechter's represent (a) accelerated vesting of any unvested stock options and other securities or similar incentives held at the time of termination (including accelerated vesting of any performance-based awards at 100% of the target achievement level), (b) a lump sum payment equal to two years' base salary (less applicable tax and other withholdings), and (c) reimbursement of COBRA premiums for up to one year. Mr. Waechter's benefits in this column represent (x) a cash payment equivalent to three times his annual base salary as of the date of termination of employment plus his annual target bonus opportunity; (y) right, title and entitlement to any unvested options, restricted stock units, or any other securities or similar incentives which have been granted or issued as of the date of termination of his employment, shall immediately vest; and (z) Company paid COBRA benefits continuation for a period of the lesser of the maximum allowable COBRA period or 24 months.

(3) The 2008 Change of Control Benefits Plan, which covers all the NEOs other than Mr. Waechter, only provides benefits if a termination due to death or disability occurs within twelve months following a change of control. All benefits in this column therefore presume that the termination due to death or disability occurs within twelve months following a change of control and represent (a) accelerated vesting of any unvested stock options and other securities or similar incentives held at the time of termination, (including accelerated vesting of any performance-based awards at 100% of the target achievement level), (b) a lump sum payment equal to two years' base salary (less applicable tax and other withholdings), and (c) reimbursement of COBRA premiums for up to one year.

EQUITY COMPENSATION PLANS

The following table sets forth information about shares of the Company's Common Stock and Exchangeable Shares that may be issued under the Company's equity compensation plans, including compensation plans that were approved by the Company's Stockholders as well as compensation plans that were not approved by the Company's Stockholders. Information in the table is as of June 29, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans Approved by security holders	14,049,557(1)	$4.03	19,277,809(2)
Equity compensation plans Not approved by security holders (3)	555,611	4.33	835,462
Total / Weighted Ave./ Total (4)(5)	14,605,168	$4.04	20,113,271

(1) Represents shares of the Company's Common Stock issuable upon exercise of options and restricted stock units outstanding under the Company's 2003 Equity Incentive Plan. Excluding outstanding RSUs, which have no exercise price, as of June 29, 2013 there were options to purchase 5,381,877 shares outstanding at a weighted average exercise price of $10.51.

(2) Represents shares of the Company's Common Stock authorized for future issuance under the following equity compensation plans: 2003 Equity Incentive Plan (under which 14,048,859 shares remain available for grant); Amended and Restated 1998 Employee Stock Purchase Plan (under which 5,228,950 shares remain available for grant).

(3) Represents shares of the Company's Common Stock issuable upon exercise of options outstanding or authorized for future issuance under the following equity compensation plans: Amended and Restated 1993 Flexible Stock Incentive Plan and the 2005 Acquisition Equity Incentive Plan. Excluding outstanding RSUs, which have no exercise price, as of June 29, 2013 there were options to purchase 202,391 shares outstanding at a weighted average exercise price of $11.88.

(4) Excluding outstanding RSUs, which have no exercise price, as of June 29, 2013 there were options to purchase 5,584,268 shares outstanding at a weighted average exercise price of $10.56.

(5) As of June 29, 2013, options and rights to purchase an aggregate of 1,783 shares of the Company's Common Stock at a weighted average exercise price of $2.02 were outstanding under the following equity compensation plans, which options and rights were assumed in connection with the following merger and acquisition transactions: SDL, Inc. 1995 Stock Option Plan and Photonic Power System 2002 Stock Option Plan. No further grants or awards will be made under the assumed equity compensation plans, and the options outstanding under the assumed plans are not reflected in the table above.

The following are descriptions of the material features of the Company's equity compensation plans that were not approved by the Company's Stockholders:

1996 Non-Qualified Stock Option Plan

The Board of Directors adopted the 1996 Non-Qualified Stock Option Plan (the "1996 Plan") in November 1996. The 1996 Plan is administered by the Compensation Committee. Pursuant to the 1996 Plan, the Compensation Committee may grant nonqualified stock options only to employees,

independent contractors and consultants of the Company or any parent or subsidiary corporation of the Company. Only nonqualified stock options may be issued under the 1996 Plan. Stock options may not be granted to officers and directors of the Company. The 1996 Plan will continue in effect until terminated by the Board of Directors. The Company last granted stock options under the 1996 Plan on April 17, 1998. The Company presently does not intend to grant any additional options under the 1996 Plan and there are no options currently outstanding under the 1996 Plan.

An aggregate of 2,392,000 shares has been reserved for the grant of stock options under the 1996 Plan. Shares underlying awards that are forfeited or canceled are not counted as having been issued under the 1996 Plan. Stock options issued under the 1996 Plan must have an exercise price of not less than 85% of the fair market value of the Company's Common Stock on the date of grant of the option. Options are generally non-transferable. The term of all options granted under the Plan shall not exceed eight years from the date of grant.

2005 Acquisition Equity Incentive Plan

The Board of Directors adopted the 2005 Acquisition Equity Incentive Plan (the "2005 Plan") in August 2005. The 2005 Plan is administered by the Compensation Committee. Pursuant to the 2005 Plan, the Compensation Committee may grant stock options, SARs, Dividend Equivalent Rights, Restricted Stock, Restricted Stock Units and Performance Units to employees (including directors and officers) of the Company or any parent or subsidiary corporation of the Company, or any other such entity in which the Company holds a substantial ownership interest. Pursuant to NASDAQ listing rules regarding equity compensation plans not approved by security holders, the Company can and will only issue awards under the 2005 Plan to individuals joining the Company as a result of acquisitions or related strategic transactions, and not for new grants to continuing employees of the Company, nor to regular new hires. The 2005 Plan will continue in effect until terminated by the Board of Directors.

An aggregate of 2,800,000 shares has been reserved for the grant of awards under the 2005 Plan. As of June 29, 2013, there were 835,462 shares remaining available for future grants under the 2005 Plan. Shares underlying awards that are forfeited, canceled or expired are not counted as having been issued under the 2005 Plan. Stock options and any awards intended to qualify as performance-based compensation issued under the 2005 Plan must have an exercise price of not less than 100% of the fair market value of the Company's Common Stock on the date of grant of the award. Awards are generally non-transferable. The term of all awards granted under the Plan shall not exceed eight years from the date of grant.

AUDIT COMMITTEE REPORT

The information contained in the following report shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission, except to the extent that the Company specifically requests that the information be treated as soliciting material or incorporates it by reference into a document filed under the Securities Act or the Exchange Act. The information will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

The Audit Committee of the Board of Directors is responsible for assisting the full Board in fulfilling its oversight responsibilities relative to the Company's financial statements, financial reporting practices, systems of internal accounting and financial control, the internal audit function, annual independent audits of the Company's financial statements, and such legal and ethics programs as may be established from time to time by the Board. The Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and may retain external consultants at its sole discretion. The Audit Committee is composed solely of non-employee directors, as such term is defined in Rule 16b-3 under the Securities and Exchange Act of 1934, as amended, all of whom satisfy the independence, financial literacy and experience requirements of Section 10A of the Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act of 2002, rules applicable to NASDAQ-listed issuers, and any other regulatory requirements. All members of the Committee are required to have a working knowledge of basic finance and accounting, and at all times at least one member of the Committee qualifies as a "financial expert" as defined by the Sarbanes-Oxley Act of 2002.

Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report thereon. The Audit Committee has the general oversight responsibility with respect to the Company's financial reporting and reviews the scope of the independent audits, the results of the audits and other non-audit services provided by the Company's independent registered public accounting firm.

The following is the Report of the Audit Committee with respect to the Company's audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended June 29, 2013, which includes the consolidated balance sheets of the Company as of June 29, 2013 and June 30, 2012, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended June 29, 2013, and the notes thereto.

Review with Management

The Audit Committee has reviewed and discussed the Company's audited financial statements with management.

Review and Discussions with Independent Registered Public Accounting Firm

The Audit Committee has discussed with PricewaterhouseCoopers LLP ("PricewaterhouseCoopers"), the Company's independent registered public accounting firm, the matters required to be discussed by Statement on Accounting Standards No. 61, "Communications with Audit Committees" which as amended (AICPA, Professional Standards, Vol. 1. section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, which includes, among other items, matters related to the conduct of the audit of the Company's financial statements, and both with and

without management present, discussed and reviewed the results of PricewaterhouseCoopers' examination of the financial statements.

The Audit Committee has received the written disclosures letter from PricewaterhouseCoopers required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent public accountant's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers the independent public accountant's independence.

During the course of fiscal year 2013 management engaged in documentation, testing and evaluation of the Company's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The Audit Committee was kept apprised of the progress of the evaluation and provided oversight and advice to management during the process. In connection with this oversight, the Audit Committee received periodic updates provided by management and PricewaterhouseCoopers at Audit Committee meetings. At the conclusion of the process, management provided the Audit Committee with, and the Audit Committee reviewed, a report on the effectiveness of the Company's internal control over financial reporting. The Audit Committee continues to oversee the Company's efforts related to its internal control over financial reporting and management's preparations for the evaluation for fiscal year 2014.

Conclusion

Based on the review and discussions referred to above, the Audit Committee recommended to the Company's Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 29, 2013.

AUDIT COMMITTEE

Harold L. Covert, Chair
Keith Barnes
Masood Jabbar

BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers and any persons who directly or indirectly hold more than 10 percent of the Company's Common Stock ("Reporting Persons") to file reports of ownership and changes in ownership with the SEC. Reporting Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received and written representations from certain Reporting Persons that no such forms were required, the Company believes that during fiscal year 2013 all Reporting Persons complied with the applicable filing requirements on a timely basis.

OTHER MATTERS

The Company knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is intended that proxies in the enclosed form will be voted in respect thereof in accordance with the judgments of the persons voting the proxies.

ANNUAL REPORT ON FORM 10-K AND ANNUAL REPORT TO STOCKHOLDERS

THE COMPANY WILL PROVIDE, WITHOUT CHARGE, TO EACH PERSON SOLICITED A COPY OF THE FISCAL YEAR 2013 ANNUAL REPORT, INCLUDING FINANCIAL STATEMENTS AND SCHEDULES FILED THEREWITH UPON WRITTEN REQUEST TO THE CORPORATE SECRETARY, SENT TO:

JDS UNIPHASE CORPORATION
430 NORTH MCCARTHY BOULEVARD
MILPITAS, CALIFORNIA 95035.

By Order of the Board of Directors,

Thomas Waechter
Chief Executive Officer and President

Milpitas, California
October 1, 2013

APPENDIX A

2013 Annual Report

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 29, 2013

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 0-22874

JDS UNIPHASE CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	**94-2579683**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

430 North McCarthy Boulevard, Milpitas, California 95035
(Address of principal executive offices including Zip code)

(408) 546-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, par value of $0.001 per share Preferred Stock Purchase Rights	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

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

As of **December 29, 2012** the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was approximately $3.1 billion, based upon the closing sale prices of the common stock as reported on the NASDAQ Stock Market LLC. Shares of common stock held by executive officers and directors have been excluded from this calculation because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of **July 27, 2013**, the Registrant had 237,534,157 shares of common stock outstanding, including 3,395,717 exchangeable shares of JDS Uniphase Canada Ltd. Each exchangeable share is exchangeable at any time into common stock on a one-for-one basis, entitles a holder to dividend and other rights economically equivalent to those of the common stock, and through a voting trust, votes at meetings of stockholders of the Registrant.

Documents Incorporated by Reference: Portions of the Registrant's Notice of Annual Meeting of stockholders and Proxy Statement to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year end of June 29, 2013 are incorporated by reference into Part III of this Report.

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FORWARD-LOOKING STATEMENTS

Statements contained in this Annual Report on Form 10-K which are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. A forward-looking statement may contain words such as "anticipates," "believes," "can impact," "could," "continue," "estimates," "expects," "intends," "may," "ongoing," "plans," "potential," "projects," "should," "will," "will continue to be," "would," or the negative thereof or other comparable terminology regarding beliefs, plans, expectations or intentions regarding the future. Forward-looking statements include statements such as:

- *our expectations regarding demand for our products, including continued trends in end-user behavior and technological advancements that may drive such demand and the expected effects of overall market conditions on such demand;*
- *our belief that the Company is well positioned to benefit from certain industry trends and advancements, and our expectations of the role we will play in those advancements;*
- *our plans for growth and innovation opportunities;*
- *our plans to continue to operate as a Company comprised of a portfolio of businesses with a focus on optical and broadband innovation;*
- *financial projections and expectations, including profitability of certain business units, plans to reduce costs and improve efficiencies, the effects of seasonality on certain business units, continued reliance on key customers for a significant portion of our revenue, sources of revenue, sources of competition and pricing pressures, the future impact of certain accounting pronouncements and global economic conditions and our estimation of the potential impact and materiality of litigation that arises in the ordinary course of business;*
- *our plans for continued development, use and protection of our intellectual property;*
- *our strategies for achieving our current business objectives, including related risks and uncertainties;*
- *our plans relating to investments, acquisitions, partnerships and other strategic opportunities;*
- *our strategies for reducing our dependence on sole suppliers or otherwise mitigating the risk of supply chain interruptions;*
- *our research and development plans; and*
- *our expectations related to our products, including costs associated with the development of new products, product yields, quality and other issues.*

Management cautions that forward-looking statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause our actual results to differ materially from those projected in such forward-looking statements. These forward-looking statements are only predictions and are subject to risks and uncertainties including those set forth in Part I, Item 1A "Risk Factors" and elsewhere in this Annual Report on Form 10-K and in other documents we file with the Securities and Exchange Commission. Moreover, neither we assume nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements are made only as of the date of this Report and subsequent facts or circumstances may contradict, obviate, undermine or otherwise fail to support or substantiate such statements. We are under no duty to update any of the forward-looking statements after the date of this Form 10-K to conform such statements to actual results or to changes in our expectations.

PART I

ITEM 1. BUSINESS

General

Overview

JDS Uniphase Corporation ("JDSU," also referred to as "the Company," "we," "our," and "us") is a leading provider of communications test and measurement solutions and optical products for telecommunications service providers, wireless operators, cable operators, network-equipment manufacturers ("NEMs"), and enterprises. JDSU also is an established leader in providing anti-counterfeiting technologies for currencies and other high value documents and products. In addition, we leverage our core networking and optical technology expertise to deliver high-powered commercial lasers for manufacturing applications and expand into emerging markets, including gesture—recognition solutions for consumer electronics.

To serve our markets, JDSU operates the following business segments: Communications Test and Measurement ("CommTest"), which accounted for approximately 43.4% of net revenue in fiscal 2013; Communications and Commercial Optical Products ("CCOP"), which accounted for approximately 44.3% of net revenue in fiscal 2013; and Optical Security and Performance Products ("OSP"), which accounted for approximately 12.3% of net revenue in fiscal 2013.

Industry Trends

The trends that drive the communications networking industry influence our CommTest and CCOP businesses. Mobility, the widespread adoption of connected smart mobile devices and demand for high-speed broadband access to support video and other high-bandwidth applications are straining networks and creating new challenges for JDSU's customers. The growing use of social networking and cloud computing also make network traffic more unpredictable, generating sudden spikes in volume, and making it increasingly more challenging to deliver a quality end-user experience. Meeting these challenges requires greater network agility and more cost-effective means to build, deploy and maintain profitable, high performance networks. JDSU's optical and network and service enablement solutions are well positioned to benefit from these requirements as well as the deployment of next generation network technologies such as 4G/Long Term Evolution ("LTE"), higher-capacity transport solutions to support video communications ("40G/100G") and FTTx.

Trends related to the increasing threat of counterfeiting impact our OSP business. Counterfeiting for currency and other goods is on the rise, because penalties are relatively light and technological advances and cheaper distribution means have made counterfeiting easier than ever. JDSU enjoys long-standing relationships with government and leading commercial enterprises built on decades of anti-counterfeiting expertise leveraging our optically variable pigment technologies to protect the integrity of currency and other high value products and documents. We also provide critical optical solutions for government, healthcare and consumer markets.

In addition to network and anti-counterfeiting solutions, JDSU extends its technology expertise to solve complex problems and deliver unique solutions in other industries. For example, our high-precision lasers are used for a wide range of manufacturing applications, addressing the need for lower power consumption, reduced manufacturing footprint, increased productivity, and more cost-effective processes. In addition, JDSU's laser diodes and optical coatings are used for emerging gesture-recognition applications. Gesture recognition is an emerging market that allows a person to control technology with natural body gestures instead of using a remote, mouse or other device. Gesture-recognition systems simplify the way that people interact with technology, and are first being used in applications for gaming platforms.

Sales and Marketing

JDSU markets its products to telecommunications and cable service providers, NEMs, original equipment manufacturers ("OEM"), enterprises, government organizations, distributors and strategic partners worldwide. Each business segment has a dedicated sales force that communicates directly with customers' executive, technical, manufacturing, and purchasing personnel as needed to determine design, performance, and cost requirements. In addition, all business segments are working to expand opportunities in emerging geographic markets directly and through alternate channels of distribution.

A high level of support is necessary to develop and maintain long-term collaborative relationships with our customers. JDSU develops innovative products by engaging the customer at the initial design phase and continues to build the relationship as customer needs change and develop. Service and support are provided through JDSU offices and those of its partners worldwide.

Additional Information

JDSU was incorporated in California in 1979 and reincorporated in Delaware in 1993. JDSU is the product of several significant mergers and acquisitions including, among others, the combination of Uniphase Corporation and JDS FITEL in 1999, and the acquisition of Acterna, Inc. in 2005. Our strategy is to operate as a company comprised of a portfolio of businesses with a focus on optical innovation, communications network and service enablement, and anti-counterfeiting solutions.

We are subject to the requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, pursuant to which we file annual, quarterly and periodic reports, proxy statements and other information with the U.S. Securities and Exchange Commission ("SEC"). Such reports, proxy statements and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We also post all of our SEC filings on our website at www.jdsu.com/investors as soon as reasonably practicable after they are electronically filed with or furnished to the SEC.

Corporate Strategy

Our objective is to continue to be a leading provider for all markets and industries we serve. In support of our business segments, we are pursuing a corporate strategy that we believe will best position us for future opportunities. The key elements of our corporate strategy include:

- *Enable our customers through collaborative innovation*

  We are committed to working closely with our customers from initial product design and manufacturing through to solution deployment and training. We strive to engage with our customers at the early stages of development to provide them with the most innovative and timely products and services and ensure that our focus remains aligned with their emerging requirements. Our sales, customer support, product marketing, and development efforts are organized to maximize effectiveness in our customer interactions.

- *Maintain and improve our financial flexibility*

  We continue to take actions to maintain and improve our financial flexibility in order to support our global business operations and to enable additional investments in growth and innovation. Key elements of this strategy include maintaining a healthy balance sheet with a strong liquidity position, continuing to generate positive cash flow, diligently managing our cash conversion cycle, managing our capital structure to minimize cost of capital and preserve access

to additional financing, managing capital market risk and refinancing risk with periodic debt issuance and/or maintenance of revolving credit facilities, and maintaining healthy bank relationships.

- *Build a lean and scalable business*

  We continue to streamline our manufacturing operations and reduce costs by using contract manufacturers where appropriate and consolidating to reduce our footprint and total fixed costs. In addition, our shared corporate functions model cost-effectively provides our business segments with the centralized strength and depth of a larger company, while allowing each segment to remain focused and responsive to its own market needs.

- *Invest in profitable, market-based innovation*

  Based on current and anticipated demand, we continue to invest in research and development ("R&D") and through acquisitions and partnerships in new technologies, products and services that offer our customers increased value and strengthen the leadership position in our core markets. In fiscal 2013, we continued to invest in product development in line with our profitability and growth objectives. The acquisitions of GenComm Co., Ltd. ("GenComm") and Arieso Limited ("Arieso") expanded our mobile network and service enablement solutions.

- *Expand our global market presence*

  Long term, we expect higher rates of growth in the Asia-Pacific, Eastern Europe and Latin America regions. Therefore, we are developing products, sales, marketing and customer support to meet the specific customer requirements in these regions in order to serve these customers better.

Although we expect to successfully implement our strategy, internal and/or external factors could impact our ability to meet any, or all, of our objectives. These factors are discussed under Item 1A— Risk Factors.

Business Segments

JDSU operates in the following business segments: CommTest, CCOP and OSP. Each segment has its own engineering, manufacturing, sales, and marketing groups to better serve customers and respond quickly to market needs. In addition, our business segments share common corporate services that provide capital, infrastructure, resources, and functional support, allowing them to focus on core technological strengths to compete and innovate in their markets.

Communications Test and Measurement

The CommTest business provides network and service enablement solutions that enable the design, development, deployment, and maintenance of communication equipment and networks, and ensure the quality of services delivered to the end user. These solutions help accelerate the deployment of new services and lower operating expenses while improving performance and reliability. Included in the product portfolio are instruments, platforms, software, and services for wireless and wireline networks. These solutions provide visibility and intelligence across and at all layers of the network and are used in all phases of the network lifecycle, from R&D in the lab and production line validation to field deployment and service assurance. JDSU also provides network and service enablement solutions for private enterprise networks, including storage and storage-network technologies.

Moving forward in fiscal 2014, we will refer to our CommTest business segment by a new name, Network and Service Enablement ("NSE"). The name NSE more accurately reflects the value we bring to our customers and the evolution of our product portfolio, one that includes but goes beyond

communications test instruments by offering enhanced visibility across the network and up and down the network stack, including service and application performance.

Markets

JDSU provides instruments, software, and services for communications network operators and equipment manufacturers that deliver and/or operate broadband/IP networks (fixed and mobile) supporting voice, video, and data services as well as a wide range of applications. These solutions support the development and production of network equipment; the deployment of next generation network technologies and services; and ensure a high-quality customer experience.

Customers

CommTest customers include wireless and fixed 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, Reliance Communications, Softbank, Telefónica, Telmex, TimeWarner Cable, Verizon and Vodafone. CommTest customers also include many of the NEMs served by our CCOP segment, including Alcatel-Lucent, Ciena, Cisco Systems, Fujitsu and Huawei. JDSU communications test 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.

Trends

As content and application developer providers are developing new business models to expand their distribution capabilities, they are increasingly adopting on-line channels for rich broadband content such as music, gaming, video programming, and movies. Network operators are, in turn, planning to increase profitability and average revenue per user ("ARPU") by expanding the capabilities of their packet-based networks to increase their network capacity and to deliver sophisticated, more reliable levels of service required to meet the requirements of content providers, application developers and end users. To implement this strategy, network operators require improved network visibility and intelligence in order to ensure reliable network and service performance and to understand new opportunities to monetize their networks.

The proliferation of connected mobile devices, including smart phones and tablets, has driven network use and dependency to all-time highs. Communications service providers are competing with each other to offer content providers and consumers the ability to carry virtually any type of voice, data and video content to any device. With more applications and content available, potential benefits for service providers include increased ARPU and lower customer turnover due to better service quality, thus increasing profitability and long-term competitive advantage. Network operators also have opportunities to introduce new classes of service to content and application providers and end users if they can gain more insight into network use.

Additionally, growing bandwidth demand combined with the rapid pace at which technology continues to evolve means that network equipment manufacturers and operators require more cost-effective ways to design, build and deploy new network systems and technologies. Integrating legacy and next generation network technology and services create new challenges for communications service providers and undermine service quality and reliability.

These trends are driving shifts in capital spending in network technologies related to next-generation wireless, including 4G/LTE and Ethernet-based backhaul of mobile traffic from cell

towers; higher-capacity transport solutions to support video communications; and software-driven network and service enablement solutions.

Increasing deployments of higher speed networks, the expansion of IP-based services, the need to reduce deployment time and cost, and the importance of increasing ARPU results in demand for JDSU's network and service enablement solutions. These solutions support the rapid deployment of new services and sources of revenue, increase customer satisfaction by helping technicians complete installation and repair work quickly and correctly, and lower operating expenses by automating and improving network installation, maintenance, and management processes. Our broad portfolio of network and service enablement solutions positions us well to benefit from these developments.

Strategy

The CommTest business segment plans to improve profitability and increase revenue by continuing to develop and offer higher-margin, software-based solutions that can remotely and more cost-effectively gather network intelligence our customers need to deliver a quality end user experience, increase ARPU, reduce customer churn and lower operating expenses.

During the third quarter of fiscal 2013, JDSU approved a strategic plan to exit the legacy low-speed wireline product line, which resulted in a $2.2 million charge for accelerated amortization of related intangibles of which $1.8 million and $0.4 million is included in Amortization of acquired technologies and Amortization of other intangibles in the Consolidated Statement of Operations, respectively. In addition, we incurred $11.3 million of inventory charges included in Cost of sales in the Consolidated Statement of Operations primarily related to the write-off of inventory no longer being sold due to the legacy low-speed wireline product line exit.

Competition

JDSU competes against various companies, including Agilent, Anritsu, Danaher (i.e. Fluke and Tektronix), Exfo, Ixia and Spirent. While JDSU faces multiple competitors for each of its product families, it continues to have one of the broadest portfolios of wireline and wireless products and solutions available in the communications test and measurement industry.

Offerings

JDSU's CommTest business provides network and service enablement solutions that deliver end-to-end visibility and intelligence necessary for consistent, high-quality network, service, and application performance.

Network Enablement: JDSU's network enablement solutions include instruments and software that support the development and production of network systems in the lab and that turn-up, certify, troubleshoot, and optimize networks that are differentiated through superior efficiency, higher profitability, reliable performance, and greater customer satisfaction. Designed to be mobile, these products include instruments and software that access the network to perform installation and maintenance tasks. They help service provider technicians assess the performance of network elements and segments and verify the integrity of the information being transmitted across the network. These instruments are highly intelligent and have user interfaces that are designed to simplify operations and minimize the training required to operate them. JDSU network enablement solutions are also used by NEMs in the design and production of next-generation network equipment. Thorough testing by NEMs plays a critical role in producing the components and equipment that are the building blocks of network infrastructure.

Service Enablement: JDSU's service enablement solutions are embedded network systems—including microprobes and software—that collect and analyze network data to reveal the true customer experience and opportunities for new revenue streams. These solutions provide enhanced network management, control, optimization and differentiation for our customers. Using these solutions, JDSU customers are able to access and analyze the growing amount of network data from a single console, simplifying the process of deploying, provisioning and managing network equipment and services. These capabilities allow network operators to initiate service to new customers faster, decrease the need for technicians to make on-site service calls, help to make necessary repairs faster and, as a result, lower costs while providing higher quality and more reliable services.

JDSU also offers a range of product support and professional services designed to comprehensively address our customers' requirements. These services include repair, calibration, software support and technical assistance for our products. JDSU offers product and technology training as well as consulting services. JDSU professional services, provided in conjunction with system integration projects, include project management installation and implementation.

Communications and Commercial Optical Products

The CCOP business segment provides optical communications products used by NEMs for telecommunications and enterprise data communications. These products enable the transmission and transport of video, audio and text data over high-capacity fiber optic cables. Transmission products primarily consist of optical transceivers, optical transponders, and their supporting components such as modulators and source lasers, including innovative products such as the tunable SFP+. Transport products primarily consist of amplifiers and reconfigurable optical add/drop multiplexers ("ROADMs") and their supporting components such as pump lasers, passive devices, and arrayed waveguides ("AWGs"). In fact, many of today's most advanced optical networks are built on JDSU's transport and transmission components, modules and subsystems.

CCOP also provides lasers employed in a wide variety of OEM applications. JDSU laser products serve customers in markets and applications such as manufacturing, biotechnology, graphics and imaging, remote sensing, and precision machining such as drilling in printed circuit boards, wafer singulation, and solar cell scribing. These products include diode, direct-diode, diode-pumped solid-state, fiber, and gas lasers.

JDSU's gesture recognition solutions include gesture recognition light source product from the CCOP business segment. Gesture-recognition systems let a person control technology with natural body gestures instead of using a remote, mouse or other device. Emerging gesture-recognition systems simplify the way that people interact with technology, and are first being used in applications for gaming platforms.

In addition, our photonic power products include fiber optic-based systems for delivering and measuring electrical power.

Markets

The CCOP business segment participates in the optical communications and commercial laser markets.

JDSU optical communications products include a wide range of components, modules, and subsystems to support and maintain customers in our two market segments: telecommunications, including carrier networks for access (local), metro (intracity), long-haul (city-to-city and worldwide),

and submarine (undersea) networks; and enterprise data communications, including storage-access networks ("SANs"), local-area networks ("LANs"), and Ethernet wide-area networks ("WANs").

JDSU's portfolio of laser products includes components and subsystems used in a wide variety of OEM applications that range in output power from milliwatts to kilowatts and include ultraviolet ("UV"), visible, and infrared ("IR") wavelengths. JDSU supports customer applications in the biotechnology, graphics and imaging, remote sensing, materials processing and other precision machining arenas.

JDSU gesture recognition light source and optical filters products are integrated into gesture-recognition platforms, such as 3D sensors or set top boxes, to detect and extract external information from a person's movements. The information is then mapped into a 3D image, and incorporated into the system so that a person can easily manipulate an application.

JDSU photonic power products provide for a range of remote sensing applications, including those used by the electric power industry to measure power transmission.

Customers

CCOP's optical communications products customers include Adva, Alcatel-Lucent, Ciena, Cisco Systems, Ericsson, Fujitsu, Huawei, Infinera, Nokia Siemens Networks, and Tellabs. CCOP's lasers customers include Amada, ASML, Beckman Coulter, Becton Dickinson, Disco, Electro Scientific Industries, and KLA-Tencor.

Trends

Long-term trends suggest growth opportunities for CCOP. These trends are discussed, by market, below:

Optical Communications: To remain competitive, network operators worldwide must offer broader suites of digital services. To do this, they are migrating to Internet-protocol ("IP") networks, which effectively deliver triple-play services while lowering capital and operating costs of dense-wavelength-division multiplexing networks. In data communications, demand for broadband is driven by the growing needs of intra-company LAN and inter-company WAN networks. The growing demand for capacity encourages the adoption of optical communications products across the telecom sector, including long-haul, metro (core and access), and FTTx networks. It also increases demand for optical products in the storage and enterprise sectors, including LAN, SAN and WAN.

New, bandwidth-intensive applications can result in sudden and severe changes in demand almost anywhere on the network. Increasing agility in optical networks by employing ROADMs, tunable transponders, and other agile optical products provides an effective way to respond to unpredictable bandwidth demands and manage expenses. With more agile optical networks, a service provider can add capacity by using remote management applications rather than by dispatching technicians to perform manual operations in the field.

In addition, the high-end routers, switches, and cross-connect equipment that must handle legacy and IP traffic are becoming increasingly complex in order to meet higher bandwidth, scalability, speed, and reliability needs. Products must provide higher levels of functionality and performance in compact designs that must also meet requirements for emissions, cost, and reduced power consumption.

Deployment of fiber closer to the end user increases the availability of high-bandwidth services and should result in increased demand on the metro and long-haul networks into which these services feed. The dynamically reconfigurable nature of today's agile networks enables lower operating costs and other competitive advantages, allowing service providers to use and scale network capacity more flexibly, streamline service provisioning, accelerate rerouting around points of failure, and modify network topology through simple point-and-click network management systems.

JDSU is a leading provider of the optical products mentioned above which support the trends in this market. JDSU innovation, particularly in the area of photonic integrated circuits, which can replace many discrete components with a single photonic chip, is resulting in products that have more functionality, are smaller, require less power, and are more cost-effective. For example, the tunable XFP transceiver is 85% smaller than previous tunable models. JDSU also developed the industry's first tunable SFP+ transceiver for enterprise and metro networks. Higher levels of integration have also led to development of the Super Transport Blade ("STB"), which delivers all transport functions in a single, integrated platform, essentially replacing three blades with one.

JDSU, with its innovative optical communications and flexible, cost-effective transport portfolio, is positioned to be the supplier of choice for next-generation networks.

Lasers: As technology advances, high-tech and other vital industries increasingly turn to lasers when they need more precision, higher productivity, and energy efficient or "green" alternatives for problems that cannot be solved by mechanical, electronic or other means. For example, lasers have been used for years to help achieve the scale and precision needed in semiconductor processing. In biotech applications, lasers have been instrumental for advances (and new standard procedures) in cytology, hematology, genome sequencing, and crime scene investigations, among others. The long term trends in these industries should lead to increased demand for lasers.

In addition, demand continues for electronic products, as well as products and components in other industries, to offer greater functionality while becoming smaller, lighter, and less expensive. Product designs that achieve this are requiring precise micromachining and materials processing, such as micro bending, soldering and welding—especially for plastics. At the scale and processing speed needed, lasers are replacing mature mechanical tools such as drills for minute holes, or "vias," in printed circuit boards and saws and scribes for singulating silicon wafers, resulting in greater precision and productivity. As these trends continue, we believe that manufacturers and industries will increase their reliance on lasers in order to maintain or increase their competitiveness.

There is an increasing trend towards energy efficiency and "green" technology. Industries are using lasers to develop products that are smaller and lighter, and that increase productivity and yield, thereby lowering their energy consumption.

JDSU is well-positioned with key OEM providers of laser solutions to these industries. We continue to develop our laser portfolio to offer smaller and more cost-effective products designed specifically for the performance, integration, reliability and support needs of our OEM customers.

Strategy

In optical communications, we are focused on technology leadership through collaborative innovation with our customers, cost leadership, and functional integration. We will continue to align the latest technologies with best-in-class, scalable manufacturing and operations to drive the next phase of optical communications with highly integrated technologies that are faster, more agile, and more reliable, making us a valuable business and technology partner for NEMs.

JDSU leverages its long-term relationships with OEM customers to develop commercial laser innovation. Leveraging established manufacturing, engineering, telecommunications, and photonics expertise, JDSU delivers products that meet cost-of-ownership and reliability needs while delivering on volume production demands.

During the first quarter of fiscal 2013, JDSU approved a plan to exit the concentrated photovoltaic ("CPV") product line within CCOP and incurred a $2.6 million charge for accelerated amortization of related intangibles which is included in Amortization of acquired technologies in the Consolidated Statement of Operations.

Competition

JDSU competes against various public and private companies in markets served by CCOP. A partial list of public company competitors providing optical communications includes Finisar, Fujitsu, Furukawa Electric, Oclaro, Oplink Communications, and Sumitomo Electric. JDSU competitors in the laser market include Coherent, IPG Photonics, Rofin-Sinar, CVI-Melles, and the Spectra-Physics division of Newport Corporation. JDSU competes against Spectrolab and Emcore in the PV market.

In addition to these established companies, JDSU faces significant and focused competition from other companies and emerging startups. While each of its product families has multiple competitors, JDSU has a broad range of products and leading technologies that are aligned with industry trends and the needs of its customers.

Offerings

CCOP serves the optical communications and commercial laser markets.

Optical Communications: JDSU optical communications offerings address two market segments: telecommunications and enterprise data communications. In addition to a full selection of active and passive components, JDSU offers increasing levels of functionality and integration in modules, circuit packs, and subsystems for transmission, amplification, wavelength management, and more. Our optical communications product offerings are described below:

In the telecommunications market segment, we offer transmission and transport solutions for the synchronous optical network, synchronous-digital-hierarchy and wavelength-division multiplexer ("WDM") applications. Transmission products, such as our tunable transponder, transceiver, and transmitter modules, transmit and receive signals. JDSU also offers transmission components for the previously mentioned products, which include active components such as tunable lasers, detectors/receivers, and modulators.

JDSU transport products, such as ROADMs and other amplifiers, provide switching, routing and conditioning of signals. JDSU also provides components for transport, including passive components such as our attenuators, circulators, couplers/splitters/WDMs, gain flattening filters, hybrid interleavers, multiplexer/demultiplexers polarization components, switches, and wavelength lockers.

Industry-leading innovation led to the STB, which integrates all major optical transport functions (wavelength switching, preamplification, postamplification, and monitoring) into a single-slot blade. This all-in-one solution reduces the size, cost, and power requirements of optical components, incorporates nano wavelength selective switch technology, and enables greater chassis density and a smaller footprint.

In the enterprise data communications market segment, which relies on storing and moving vast amounts of data, JDSU offers transmission products, such as our optical transceivers for Fibre Channel and Gigabit Ethernet applications. JDSU transceivers are also used in Ethernet connections for servers, routers, hubs, and switches for Internet and e-mail services.

JDSU integrated fiber optic transceivers provide a high-speed, serial electrical interface for connecting processors, switches, and peripherals. They are available in hot-pluggable or pin-through-hole versions with a small footprint for use in compact system designs. This allows manufacturers to double the density of transceivers on a board compared to conventional designs.

For higher data transfer rates of 40G and 100G, JDSU offers vertical-cavity surface-emitting lasers ("VCSELs"). VCSELs reduce power consumption, heat, EMI, and cost while increasing speed, reliability, and link distance. Our compact arrays offer an innovative solution for the LANs, SANs, broadband Internet, and metro-area network applications that currently depend on high-end routers, switches, and cross-connect equipment to handle legacy and IP traffic.

Lasers: Our broad range of products includes diode-pumped solid-state, fiber, diode, direct-diode, and gas lasers such as argon-ion and helium-neon lasers. Diode-pumped solid-state and fiber lasers that provide excellent beam quality, low noise, and exceptional reliability are used in biotechnology, graphics and imaging, remote sensing, materials processing, and precision machining applications. Diode and direct-diode lasers address a wide variety of applications, including laser pumping, thermal exposure, illumination, ophthalmology, image recording, printing, plastic welding, and selective soldering. Gas lasers such as argon-ion and helium-neon lasers provide a stable, low-cost and reliable solution over a wide range of operating conditions, making them well suited for complex, high-resolution OEM applications such as flow cytometry, DNA sequencing, graphics and imaging, and semiconductor inspection. Photonic power is an innovative power-over-fiber delivery system that converts optical power to electrical power. Since it is delivered over non-conducting fiber optic cable, it is not affected by RF or EMI, is lighter, generates less heat, is spark-free, and can be used to drive sensors, gauges, actuators, low-power communications devices, and other electronic devices.

Optical Security and Performance Products

The OSP business segment leverages its core technology strengths of optics and materials science to manage light and color effects. With decades of experience in optical coating and authentication technology, OSP develops innovative anti-counterfeiting solutions for currency and other markets.

Markets

Our OSP segment provides overt and covert protection, primarily addressing the currency market. OSP also produces precise, high-performance, optical thin-film coatings for a variety of applications in consumer electronics, healthcare and government. For example, OSP's optical filters combine with CCOP's light source product to form JDSU's gesture-recognition solution for gaming platforms and other applications.

In addition, we offer, custom color solutions for product finishes and decorative packaging that can be applied to a wide variety of substrates. These include innovative optically-based color-shifting and other solutions that provide product enhancement for brands in the automotive, consumer electronics, sports apparel, and fast-moving consumer goods industries.

Customers

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

Trends

Counterfeiting for currency and other goods is on the rise because penalties are relatively light and technological advances and cheaper distribution means have made counterfeiting easier than ever. JDSU anti-counterfeiting technology has become a worldwide standard for currency protection. Other issues, such as product diversion where distributors divert products intended for lower-priced markets to higher-priced markets, increasingly require brand protection.

Demand for optical solutions to solve complex problems extends to the aerospace, defense and medical/environmental instrumentation markets, which require customized, high-precision coated products and optical components that selectively absorb, transmit, or reflect light to meet the performance requirements of sophisticated systems. Our custom optics products offer an array of advanced technologies and precision optics—from the UV to the far IR portion of the light spectrum. Most products are custom optical filters, on either a simple or complex irregular shape, that require from one to several hundred layers to create the coating.

Strategy

The expansion of optically variable pigment technology is a strategic imperative for JDSU as we look to expand our market leadership position and introduce innovative anti-counterfeiting solutions to our customers. We plan to continue investing in select optical coating technologies to advance our growth strategy in gesture recognition and other consumer electronic applications. In addition, JDSU plans to continue leveraging its intellectual property and leading expertise in optics, light management and material technology to develop new solutions in the government and healthcare markets.

During the fourth quarter of fiscal 2013, JDSU made a decision to cease production of certain legacy custom optic products at the end of their lifecycle, including anti-reflection products, solar cell covers, and front-surface mirrors for display and office automation applications as well as certain infrared and box coater solutions. JDSU expects to substantially phase out production of these solutions by the end of the second quarter of fiscal 2014.

Competition

JDSU's competitors in the markets addressed by OSP include providers of special-effect pigments like Merck KGA; coating companies such as Nidek, Toppan, and Toray; display-component companies such as Asahi, Fuji Photo-Optical, Nikon, and Nitto Optical; and optics companies such as Barr Associates and Deposition Sciences.

Offerings

OSP serves the anti-counterfeiting, custom optics, aerospace and defense, consumer and commercial electronic, instrumentation and lighting, customer color solutions markets and printing services markets.

Anti-counterfeiting: JDSU's optically variable pigment technology has become a standard used by governments worldwide for currency protection. This technology provides a color-shifting effect that enables positive, easy visual verification and deters counterfeiting.

Custom Optics: Optical thin-film coatings are submicroscopic (nanometer to micrometer) layers of materials, such as silicon or magnesium fluoride, that are applied to the surface of a substrate, including glass, plastic or metal. Thin-film coatings control the behavior of light to produce effects such as reflection, refraction, absorption, abrasion resistance, antiglare, oxygen and/or moisture transmission, and electrical conductivity for a variety of applications.

Aerospace and Defense: JDSU provides customized optics for solar-cell coverglass, thermal-control mirror technology, and optical sensors for aerospace applications. JDSU thin-film optics products can be found on spacecraft and satellites. In addition, JDSU supplies filters used in military applications such as infrared night-vision goggles and electronic countermeasures.

Consumer and Commercial Electronics: JDSU manufactures and sells coated optics for use in home and business display systems and 3D entertainment systems. These products include bandpass filters, mirrors, polarization compensators, heater panels and other coated optics, and assemblies. Products for the automation market include photo receptors and mirrors for photocopiers, scanners, computer-driven projectors, and facsimile machines.

Instrumentation and Lighting: JDSU provides multicavity and linear variable optical filters on a variety of substrates for applications including gas monitoring and analysis, thermal imaging, smart munitions, fire detection, spectroscopy, and pollution monitoring. These filters are also used in biomedical applications, semiconductor test systems, and test and measurement equipment. JDSU also provides advanced optical filters used to create dramatic lighting effects and rich, saturated color in intelligent lighting systems for entertainment and architectural lighting.

Custom Color Solutions: For product differentiation and brand enhancement, JDSU provides custom color solutions for a variety of applications using our ChromaFlair® and SpectraFlair® pigments to create color effects that emphasize body contours, create dynamic environments, or enhance products in motion. These pigments are added to paints, plastics, or textiles for products and packaging.

Printing Services: Proprietary printing processes and a current good manufacturing practices (“cGMP”) compliant environment deliver solutions for labels, closures, hang tags, and flexible packaging for authentication and custom color solutions. In addition, JDSU provides high quality flexographic and gravure printing for labels for retail and apparel, healthcare, food and beverage, automotive, consumer goods and personal care.

Acquisitions

As part of our strategy, we are committed to the ongoing evaluation of strategic opportunities and, where appropriate, the acquisition of additional products, technologies or businesses that are complementary to, or broaden the markets for our products. We believe we have strengthened our business model by expanding our addressable markets, customer base, and expertise, diversifying our product portfolio, and fortifying our core businesses through acquisition as well as through organic initiatives.

In March 2013, we completed the acquisition of Arieso based in the United Kingdom. Arieso is a provider of location-aware software solutions that enable mobile network operators to boost 2G, 3G and 4G/LTE network performance and enrich the mobile subscriber experience. Arieso brings high-caliber mobile software engineering expertise to address the rapidly growing deployment of small cells and challenges associated with limited spectrum capacity. Utilized by leading wireless network operators and NEMs, Arieso’s solutions locate, store and analyze data from billions of mobile connection events that translate into rich intelligence, which help enable mobile operators to optimize

network performance, improve customer experience and create new revenue-generating services. We acquired tangible and intangible assets and assumed liabilities of Arieso for a total purchase price of approximately $89.6 million in cash subject to working capital adjustments, including holdback payments of approximately $12.8 million which are reserved for potential breaches of representations and warranties. The holdback payments, minus any deductions for actual or pending claims, will be released more than one year after the closing date.

In August 2012, we completed the acquisition of GenComm based in Seoul, South Korea. GenComm is a provider of test and measurement solutions for troubleshooting, installation and maintenance of wireless base stations and repeaters. We acquired tangible and intangible assets and assumed liabilities of GenComm for a total purchase price of approximately $15.2 million in cash, including holdback payments of approximately $3.8 million which are reserved for potential breaches of representations and warranties. The holdback payments, minus any deductions for actual or pending claims, will be released more than one year after the closing date.

In January 2012, we completed the acquisition of Dyaptive Systems, Inc. ("Dyaptive") based in Vancouver, Canada. Dyaptive is a provider of wireless laboratory test tools for base station and network load simulators. We acquired tangible and intangible assets and assumed liabilities of Dyaptive for a total purchase price of approximately CAD 14.9 million (USD 14.8 million) in cash, including a holdback payment of approximately CAD 2.0 million (USD 2.0 million) which was paid during fiscal 2013.

Please refer to "Note 5. Mergers and Acquisitions" of Notes to Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for further discussion of the acquisitions completed during fiscal 2013, 2012 and 2011.

Restructuring Programs

We continue to consolidate product manufacturing taking into consideration our current investment strategy, product offerings, core competencies, opportunities to enhance cost efficiency, and the availability of alternative manufacturers, as appropriate. Among other things, we continue to strengthen our partnerships with contract manufacturers. In the last three fiscal years, we restructured and reorganized our segments to improve the efficiency of our manufacturing operations by consolidating or transferring operations to contract manufacturers. We also improved efficiency by reducing headcount in our R&D and sales organizations, consolidating the number of contract manufacturing locations worldwide and moving them to lower cost regions, and consolidating and centralizing similar functions to fewer sites to improve leverage. In the current fiscal year, we exited or initiated a plan to exit product lines and consolidated facilities in all three segments. Additionally, we continue to centralize many administrative functions such as information technology, human resources, and finance to take advantage of common processes and controls, and economies of scale.

Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations under Item 7 and the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for further discussion on these charges.

Research and Development

During fiscal 2013, 2012 and 2011, we incurred R&D expense of $258.5 million, $244.0 million and $238.0 million, respectively. The number of employees engaged in R&D was approximately 1,450 as of June 29, 2013, 1,400 as of June 30, 2012, and 1,450 as of July 2, 2011.

We devote substantial resources to R&D to develop new and enhanced products to serve our markets. Once the design of a product is complete, our engineering efforts shift to enhancing both product performance and our ability to manufacture it in greater volume and at lower cost.

In our CommTest segment, we develop portable test instruments for field service technicians, systems and software used in Network Operations Centers, and instruments used in the development, testing and production of communications network components, modules and equipment. We are increasing our focus on IP-based service assurance and customer experience management, and test instruments for wireless networks and services, while continuing to develop tools for fiber optic, optical transport, Ethernet, broadband access, video test and storage network testing. We have centers of excellence for product marketing and development in Asia, Europe and North America.

In our CCOP segment, we are increasing our focus on the most promising markets while maintaining our capability to provide products throughout the network. We are increasing our emphasis on self-aware network components and modules, such as ROADMs and tunable devices needed for long-haul and metro market segments, as well as expanding our transmission transceiver portfolio to support telecom, LAN, storage area network, and enterprise market segments. We are also responding to our customers' requests for higher levels of integration, including the integration of optics, electronics and software in our modules, subsystems, and circuit packs. We are providing optical technology for gesture-recognition systems that enable the control of technology by natural body gestures instead of using a remote, mouse, or other device. Emerging gesture-recognition systems simplify the way that people interact with technology, and are initially being used in applications for gaming platforms, computing and home entertainment. We continue to develop new product offerings in both solid-state and fiber lasers that take advantage of technologies and components developed within our CCOP segment. All these developments are targeted at serving customers engaging in biotechnology, graphics and imaging, remote sensing, and materials processing and precision micromachining markets.

In our OSP segment, our R&D efforts concentrate on developing more innovative solutions for our core business areas of anti-counterfeiting, consumer electronics and bio-medical devices. Our strong participation in the currency security market is being augmented with new advances in optically variable pigment technology. We are also developing anti-counterfeiting solutions for the consumer electronic markets. OSP leverages its optical coating technology expertise to develop applications for the government and defense markets. OSP has also developed new products for gesture recognition and smart phone sensors. OSP has also introduced an innovative handheld spectrometer solution with applications in the law enforcement, food and agriculture, and defense and security markets.

Manufacturing

As of June 29, 2013 our significant manufacturing facilities were located in China, France, Germany, and the United States. Additionally, our significant contract manufacturing partners were located in China, Mexico, Taiwan and Thailand.

Sources and Availability of Raw Materials

JDSU uses various suppliers and contract manufacturers to supply parts and components for the manufacture and support of multiple product lines. Although our intention is to establish at least two sources of supply for materials whenever possible, for certain components we have sole or limited source supply arrangements. We may not be able to procure these components from alternative sources at acceptable prices within a reasonable time, or at all; therefore the loss or interruption of such arrangements could have an impact on our ability to deliver certain products on a timely basis.

Patents and Proprietary Rights

Intellectual property rights that apply to our various products include patents, trade secrets, and trademarks. We do not intend to broadly license our intellectual property rights unless we can obtain adequate consideration or enter into acceptable patent cross-license agreements. As of June 29, 2013, we owned approximately 1,460 U.S. patents and approximately 880 foreign patents, and we have approximately 640 patent applications pending throughout the world.

Backlog

Backlog consists of purchase orders for services and for products which we have assigned shipment dates. As of June 29, 2013 our backlog was approximately $416 million as compared to $417 million at June 30, 2012. Because of possible changes in product delivery schedules and cancellation of product orders and because our sales often reflect orders shipped in the same quarter in which they are received, our backlog at any particular date is not necessarily indicative of actual revenue or the level of orders for any succeeding period.

Employees

We employed approximately 4,900 employees as of June 29, 2013, compared to approximately 4,950 and 5,000 as of June 30, 2012 and July 2, 2011, respectively. Our workforce as of June 29, 2013 included approximately 1,800 employees in manufacturing, 1,450 employees in R&D, 700 employees in general and administration, and 950 employees in sales and marketing, respectively.

Similar to other technology companies, we rely upon our ability to use stock options, "Full Value Awards," and other forms of stock-based compensation as key components of our executive and employee compensation structure. Full Value Awards include Restricted Stock, Restricted Stock Units, Performance Units and Performance Shares that are granted with the exercise price equal to zero and are converted to shares immediately upon vesting. Performance shares are granted based on the achievement of performance targets. Historically, these components have been critical to our ability to retain important personnel and offer competitive compensation packages. Without these components, we would be required to significantly increase cash compensation levels or develop alternative compensation structures to retain our key employees.

Outside of the United Sates, our businesses are subject to labor laws that differ from those in the United States. The Company follows statutory requirements, and in certain European countries it is common for a works council, consisting of elected employees, to represent the sites when discussing matters such as compensation, benefits or terminations of employment. We consider our employee relations to be very good.

ITEM 1A. RISK FACTORS

We have a history of net losses, and our future profitability is not assured.

Although we had net profits of $57.0 million and $71.6 million in fiscal 2013 and 2011, respectively, and we incurred a net loss of $55.6 million in fiscal 2012. JDSU operates as a portfolio company, comprised of many product lines, with diverse operating metrics and markets. As a result, our profitability in a particular period is impacted by both revenue and product mix due to the fact that gross margin varies significantly across our product portfolio and business segments. Additionally, for the last several years, we have undergone multiple manufacturing, facility, organizational and product line transitions. We expect some of these activities to continue for the foreseeable future. These activities are costly and impair our profitability objectives while ongoing. Specific factors that may undermine our financial objectives include, among others:

- uncertain future telecom carrier and cable operator capital and R&D spending levels, which particularly affects our CCOP and CommTest segments;
- adverse changes to our product mix, both fundamentally (resulting from new product transitions, the declining profitability of certain legacy products and the termination of certain products with declining margins, among other things) and due to quarterly demand fluctuations;
- intense pricing pressure across our product lines due to competitive forces, increasingly from Asia, and to a highly concentrated customer base for many of our product lines, which continues to offset many of the cost improvements we are realizing quarter over quarter;
- limited availability of components for our products which leads to higher component prices, particularly in our CCOP segment;
- increasing commoditization of previously differentiated products, and the attendant negative effect on average selling prices and profit margins, particularly in our CCOP segment;
- execution challenges, which limit revenue opportunities and harm profitability, market opportunities and customer relations;
- decreased revenue associated with terminated or divested product lines;
- redundant costs related to periodic transitioning of manufacturing to low-cost locations;
- ongoing costs associated with organizational transitions, consolidations and restructurings, which are expected to continue in the nearer term;
- continuing high levels of selling, general and administrative, (“SG&A”) expenses; and
- seasonal fluctuations in revenue from our CommTest segment.

Taken together, these factors limit our ability to predict future profitability levels and to achieve our long-term profitability objectives. While some of these factors may diminish over time as we improve our cost structure and focus on enhancing our product mix, several factors, such as continuous pricing pressure, increasing Asia-based competition, increasing commoditization of previously-differentiated products, a highly concentrated customer base for many of our product lines and seasonal CommTest segment revenue fluctuations, are likely to remain endemic to our businesses. If we fail to achieve profitability expectations, the price of our debt and equity securities, as well as our business and financial condition, may be materially adversely impacted.

Our operating results may be adversely affected by unfavorable economic and market conditions.

Economic conditions worldwide have from time to time contributed to slowdowns in the technology industry at large, as well as to the specific segments and markets in which we operate. The global economic downturn that began in 2008, and the slow pace of economic recovery, including but not limited to the effects on global credit markets, has led to increased uncertainty in the timing and overall demand from our customers. Continuing concerns about global economic conditions could decrease or delay customer spending, increase price competition for our products, increase our risk of excess and obsolete inventories and higher overhead costs as a percentage of revenue. Continued economic challenges could further negatively impact our operations by affecting the solvency of our customers, the solvency of our key suppliers or the ability of our customers to obtain credit to finance purchases of our products. If the global economy and credit markets deteriorate and our future sales decline, our financial condition and results of operations would likely be materially adversely impacted.

In particular, economic uncertainty in Europe has led to reduced demand in our optical communications product portfolios. If economic conditions in Europe do not recover or continue to deteriorate this may further adversely affect our operations. Actual or perceived currency or budget crises could increase economic uncertainty in Europe, and globally, which could have an adverse effect on our customers' operations and could further reduce demand for our products.

In addition, we have significant long-lived assets recorded on our balance sheet. We will continue to evaluate the recoverability of the carrying amount of our goodwill and long-lived assets on an ongoing basis, and we may incur substantial impairment charges, which would adversely affect our financial results. There can be no assurance that the outcome of such reviews in the future will not result in substantial impairment charges. Impairment assessment inherently involves judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact our assumptions as to prices, costs, holding periods or other factors that may result in changes in our estimates of future cash flows. Although we believe the assumptions we used in testing for impairment are reasonable, significant changes in any one of our assumptions could produce a significantly different result. If, in any period, our stock price decreases to the point where the fair value of the Company, as determined by our market capitalization, is less than our book value, this too could indicate a potential impairment and we may be required to record an impairment charge in that period.

The manufacture, quality and distribution of our products, as well as our customer relations, may be affected by several factors, including the rapidly changing market for our products, supply issues and internal restructuring efforts. We expect the impact of these issues will become more pronounced as we continue to introduce new product offerings and when overall demand increases.

Our success depends upon our ability to deliver both our current product offerings and new products and technologies on time and at acceptable cost to our customers. The markets for our products are characterized by rapid technological change, frequent new product introductions, substantial capital investment, changes in customer requirements and a constantly evolving industry. Our future performance will depend on the successful development, introduction and market acceptance of new and enhanced products that address these issues and provide solutions that meet our customers' current and future needs. As a technology company, we also constantly encounter quality, volume and cost concerns such as:

- Our continuing cost reduction programs, which include site and organization consolidations, asset divestitures, outsourcing the manufacture of certain products to contract manufacturers and reductions in employee headcount, require the re-establishment and re-qualification by our customers of complex manufacturing lines, as well as modifications to systems, planning and operational infrastructure. During this process, we have experienced, and continue to

experience additional costs, delays in re-establishing volume production levels, planning difficulties, inventory issues, factory absorption concerns, and systems integration problems.

- We have experienced increases in demand for certain of our products in the midst of our cost reduction programs, which have strained our execution abilities as well as those of our suppliers. Because of this, we at times experience periodic and varying capacity, workforce and materials constraints, enhanced by the impact of our ongoing product and operational transfers.
- We have experienced variability of manufacturing yields caused by difficulties in the manufacturing process, the effects from a shift in product mix, changes in product specifications and the introduction of new product lines. These difficulties can reduce yields or disrupt production and thereby increase our manufacturing costs and adversely affect our margin.
- We may incur significant costs to correct defective products (despite rigorous testing for quality both by our customers and by us), which could include lost future sales of the affected product and other products, and potentially severe customer relations problems, litigation and damage to our reputation.
- We are dependent on a limited number of vendors, who are often small and specialized, for raw materials, packages and standard components. We also rely on contract manufacturers around the world to manufacture certain of our products. Our business and results of operations have been, and could continue to be adversely affected by this dependency. Specific concerns we periodically encounter with our suppliers include stoppages or delays of supply, insufficient vendor resources to supply our requirements, substitution of more expensive or less reliable products, receipt of defective parts or contaminated materials, increases in the price of supplies, and an inability to obtain reduced pricing from our suppliers in response to competitive pressures. Additionally, the ability of our contract manufacturers to fulfill their obligations may be affected by economic, political or other forces that are beyond our control. Any such failure could have a material impact on our ability to meet customers' expectations and may materially impact our operating results.
- New product programs and introductions involve changing product specifications and customer requirements, unanticipated engineering complexities, difficulties in reallocating resources and overcoming resource limitations and with their increased complexity, which expose us to yield and product risk internally and with our suppliers.

These factors have caused considerable strain on our execution capabilities and customer relations. We have and could continue to see (a) periodic difficulty responding to customer delivery expectations for some of our products, (b) yield and quality problems, particularly with some of our new products and higher volume products, and (c) additional funds and other resources required to respond to these execution challenges. From time to time, we have had to divert resources from new product R&D and other functions to assist with resolving these matters. If we do not improve our performance in all of these areas, our operating results will be harmed, the commercial viability of new products may be challenged and our customers may choose to reduce or terminate their purchases of our products and purchase additional products from our competitors.

We rely on a limited number of customers for a significant portion of our sales.

We believe that we will continue to rely upon a limited number of customers for a significant portion of our revenues for the foreseeable future, particularly in our CCOP and OSP business segments. Any failure by us to continue capturing a significant share of these customers could materially harm our business. Dependence on a limited number of customers exposes us to the risk

that order reductions from any one customer can have a material adverse effect on periodic revenue. Further, to the extent that there is consolidation between communications equipment manufacturers and service providers, we will have increased dependence on fewer customers who may be able to exert increased pressure on our prices and other contract terms. Customer consolidation activity and periodic manufacturing and inventory initiatives could also create the potential for disruptions in demand for our products as a consequence of such customers streamlining, reducing or delaying purchasing decisions.

We have a strategic alliance with SICPA, our principal customer for our light interference microflakes that are used to, among other things, provide security features in currency. Under a license and supply agreement, we rely exclusively on SICPA to market and sell one of these product lines, optically variable pigment, for document authentication applications worldwide. The agreement requires SICPA to purchase minimum quantities of these pigments over the term of the agreement. If SICPA fails to purchase these quantities, as and when required by the agreement, our business and operating results (including, among other things, our revenue and gross margin) will be harmed as we may be unable to find a substitute marketing and sales partner or develop these capabilities ourselves.

We face a number of risks related to our strategic transactions.

Our strategy continues to include periodic acquisitions and divestitures of businesses and technologies. Strategic transactions of this nature involve numerous risks, including the following:

- difficulties and costs in integrating or disintegrating the operations, technologies, products, IT and other systems, facilities, and personnel of the affected businesses;
- inadequate internal control procedures and disclosure controls to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or poor integration of a target company's or business's procedures and controls;
- diversion of management's attention from normal daily operations of the business;
- potential difficulties in completing projects associated with in-process R&D;
- difficulties in entering markets in which we have no or limited prior experience and where competitors have stronger market positions;
- difficulties in obtaining or providing sufficient transition services and accurately projecting the time and cost associated with providing these services;
- an acquisition may not further our business strategy as we expected or we may overpay for, or otherwise not realize the expected return on, our investments;
- insufficient net revenue to offset increased expenses associated with acquisitions;
- potential loss of key employees of the acquired companies; and
- difficulty in forecasting revenues and margins.

Acquisitions may also cause us to:

- issue common stock that would dilute our current shareholders' percentage ownership and may decrease earnings per share;
- assume liabilities, some of which may be unknown at the time of the acquisitions;
- record goodwill and non-amortizable intangible assets that will be subject to impairment testing and potential periodic impairment charges;
- incur additional debt to finance such acquisitions;

- incur amortization expenses related to certain intangible assets; or
- acquire, assume, or become subject to litigation related to the acquired businesses or assets.

Certain of our products are subject to governmental and industry regulations, certifications and approvals.

The commercialization of certain of the products we design, manufacture and distribute through our CCOP and OSP segments may be more costly due to required government approval and industry acceptance processes. Development of applications for our light interference and diffractive microflakes may require significant testing that could delay our sales. For example, certain uses in cosmetics may be regulated by the U.S. Food and Drug Administration, which has extensive and lengthy approval processes. Durability testing by the automobile industry of our decorative microflakes used with automotive paints can take up to three years. If we change a product for any reason, including technological changes or changes in the manufacturing process, prior approvals or certifications may be invalid and we may need to go through the approval process again. If we are unable to obtain these or other government or industry certifications in a timely manner, or at all, our operating results could be adversely affected.

We face risks related to our international operations and revenue.

Our customers are located throughout the world. In addition, we have significant operations outside North America, including product development, manufacturing, sales and customer support operations.

In particular, as a result of our efforts to reduce costs, we have expanded our use of contract manufacturers in Shenzhen, China, and have expanded our R&D activities there. Our ability to operate in China may be adversely affected by changes in Chinese laws and regulations, such as those relating to taxation, import and export tariffs, environmental regulations, land use rights, intellectual property and other matters, which laws and regulations remain highly underdeveloped and subject to change, with little or no prior notice, for political or other reasons.

Our international presence exposes us to certain risks, including the following:

- currency fluctuations;
- our ability to comply with customs, import/export and other regulations of the countries in which we do business, together with any unexpected changes in such regulations;
- difficulties in establishing and enforcing our intellectual property rights;
- tariffs and other trade barriers;
- political, legal and economic instability in foreign markets, particularly in those markets in which we maintain manufacturing and product development facilities;
- difficulties in staffing and management;
- language and cultural barriers;
- seasonal reductions in business activities in the countries where our international customers are located;
- integration of foreign operations;
- longer payment cycles;
- difficulties in management of foreign distributors; and

- potential adverse tax consequences.

Net revenue from customers outside the Americas accounted for 50.9%, 49.9% and 51.8% of our total net revenue for fiscal 2013, 2012 and 2011, respectively. We expect that net revenue from customers outside North America will continue to account for a significant portion of our total net revenue. Lower sales levels that typically occur during the summer months in Europe and some other overseas markets may materially and adversely affect our business. In addition, the revenues we derive from many of our customers depend on international sales and further expose us to the risks associated with such international sales.

Our business and operations would be adversely impacted in the event of a failure of our information technology infrastructure.

We rely upon the capacity, reliability and security of our information technology infrastructure and our ability to expand and continually update this infrastructure in response to our changing needs. In some cases, we rely upon third party hosting and support services to meet these needs. Any failure to manage, expand and update our information technology infrastructure, any failure in the extension or operation of this infrastructure, or any failure by our hosting and support partners in the performance of their services could materially and adversely harm our business.

Despite our implementation of security measures, our systems are vulnerable to damages from computer viruses, natural disasters, unauthorized access and other similar disruptions. Any system failure, accident or security breach could result in disruptions to our operations. To the extent that any disruptions or security breach results in a loss or damage to our data, or in inappropriate disclosure of confidential information, it could cause significant damage to our reputation and affect our relationships with our customers and ultimately harm our business. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

Failure to maintain effective internal controls may adversely affect our stock price.

Effective internal controls are necessary for us to provide reliable financial reports and to effectively prevent fraud. The SEC, as directed by Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring public companies to include a report by management on the effectiveness of the Company's internal control over financial reporting in their annual reports on Form 10-K. In addition, our independent registered public accounting firm must report on the effectiveness of our internal control over financial reporting. Although we review our internal control over financial reporting in order to ensure compliance with these requirements, if we or our independent registered public accounting firm is not satisfied with our internal control over financial reporting or the level at which these controls are documented, designed, operated or reviewed, or if our independent registered public accounting firm interprets the requirements, rules and/or regulations differently from our interpretation, then they may issue a qualified report . This could result in a loss of investor confidence in the reliability of our financial statements, which ultimately could negatively impact our stock price.

In August 2013, we issued $650.0 million of 0.625% Senior Convertible Notes due 2033, which could cause dilution to our existing stockholders and lower our reported per share earnings.

We issued $650.0 million of indebtedness in August 2013 in the form of 0.625% Senior Convertible Notes due 2033 (the "Notes"). The issuance of these Notes substantially increased our principal payment obligations. The degree to which we are leveraged could materially and adversely affect our ability to successfully obtain financing for working capital, acquisitions, or other purposes and could make us more vulnerable to industry downturns and competitive pressures. In addition, the holders of

the Notes are entitled to convert the Notes into shares of our common stock or a combination of cash and shares of common stock under certain circumstances which would cause dilution to our existing stockholders and lower our reported per share earnings.

If we have insufficient proprietary rights or if we fail to protect those we have, our business would be materially harmed.

Our intellectual property rights may not be adequate to protect our products or product roadmaps.

We seek to protect our products and our product roadmaps in part by developing and/or securing proprietary rights relating to those products, including patents, trade secrets, know-how and continuing technological innovation. The steps taken by us to protect our intellectual property may not adequately prevent misappropriation or ensure that others will not develop competitive technologies or products. Other companies may be investigating or developing other technologies that are similar to our own. It is possible that patents may not be issued from any of our pending applications or those we may file in the future and, if patents are issued, the claims allowed may not be sufficiently broad to deter or prohibit others from making, using or selling products that are similar to ours. We do not own patents in every country in which we sell or distribute our products, and thus others may be able to offer identical products in countries where we do not have intellectual property protection. In addition, the laws of some territories in which our products are or may be developed, manufactured or sold, including Europe, Asia-Pacific or Latin America, may not protect our products and intellectual property rights to the same extent as the laws of the United States.

Any patents issued to us may be challenged, invalidated or circumvented. Additionally, we are currently a licensee in all of our operating segments for a number of third-party technologies, software and intellectual property rights from academic institutions, our competitors and others, and are required to pay royalties to these licensors for the use thereof. Unless we are able to obtain such licenses on commercially reasonable terms, patents or other intellectual property held by others could inhibit our development of new products, impede the sale of some of our current products, substantially increase the cost to provide these products to our customers, and could have a significant adverse impact on our operating results. In the past, licenses generally have been available to us where third-party technology was necessary or useful for the development or production of our products. In the future licenses to third-party technology may not be available on commercially reasonable terms, if at all.

Our products may be subject to claims that they infringe the intellectual property rights of others.

Lawsuits and allegations of patent infringement and violation of other intellectual property rights occur in our industry on a regular basis. We have received in the past, and anticipate that we will receive in the future, notices from third parties claiming that our products infringe their proprietary rights. Over the past few years there has been a marked increase in the number and potential severity of third-party patent infringement claims, primarily from two distinct sources. First, large technology companies, including some of our customers and competitors, are seeking to monetize their patent portfolios and have developed large internal organizations that have approached us with demands to enter into license agreements. Second, patent-holding companies, entities that do not make or sell products (often referred to as "patent trolls"), have claimed that our products infringe upon their proprietary rights. We will continue to respond to these claims in the course of our business operations. In the past, the resolution of these disputes has not had a material adverse impact on our business or financial condition, however this may not be the case in the future. Further, the litigation or settlement of these matters, regardless of the merit of the claims, could result in significant expense to us and divert the efforts of our technical and management personnel, whether or not we are successful. If we are unsuccessful, we could be required to expend significant resources to develop non-infringing

technology or to obtain licenses to the technology that is the subject of the litigation. We may not be successful in such development, or such licenses may not be available on terms acceptable to us, if at all. Without such a license, we could be enjoined from future sales of the infringing product or products, which could adversely affect our revenues and operating results.

The use of open source software in our products, as well as those of our suppliers, manufacturers and customers, may expose us to additional risks and harm our intellectual property position.

Certain of the software and/or firmware that we use and distribute (as well as that of our suppliers, manufacturers and customers) may be, be derived from, or contain, "open source" software, which is software that is generally made available to the public by its authors and/or other third parties. Such open source software is often made available under licenses which impose obligations in the event the software or derivative works thereof are distributed or re-distributed. These obligations may require us to make source code for the derivative works available to the public, and/or license such derivative works under a particular type of license, rather than the forms of license customarily used to protect our own software products. While we believe we have complied with our obligations under the various applicable licenses for open source software, in the event that a court rules that these licenses are unenforceable, or in the event the copyright holder of any open source software were to successfully establish in court that we had not complied with the terms of a license for a particular work, we could be required to release the source code of that work to the public and/or stop distribution of that work. Additionally, open source licenses are subject to occasional revision. In the event future iterations of open source software are made available under a revised license, such license revisions may adversely affect our ability to use such future iterations.

We face certain litigation risks that could harm our business.

We are and may become subject to various legal proceedings and claims that arise in or outside the ordinary course of business. The results of complex legal proceedings are difficult to predict. Moreover, many of the complaints filed against us do not specify the amount of damages that plaintiffs seek, and we therefore are unable to estimate the possible range of damages that might be incurred should these lawsuits be resolved against us. While we are unable to estimate the potential damages arising from such lawsuits, certain of them assert types of claims that, if resolved against us, could give rise to substantial damages. Thus, an unfavorable outcome or settlement of one or more of these lawsuits could have a material adverse effect on our financial condition, liquidity and results of operations. Even if these lawsuits are not resolved against us, the uncertainty and expense associated with unresolved lawsuits could seriously harm our business, financial condition and reputation. Litigation is costly, time-consuming and disruptive to normal business operations. The costs of defending these lawsuits have been significant, will continue to be costly and may not be covered by our insurance policies. The defense of these lawsuits could also result in continued diversion of our management's time and attention away from business operations, which could harm our business. For additional discussion regarding litigation, see the "Legal Proceedings" portion of this Annual Report.

We may be subject to environmental liabilities which could increase our expenses and harm our operating results.

We are subject to various federal, state and foreign laws and regulations governing the environment, including those governing pollution and protection of human health and the environment and, recently, those restricting the presence of certain substances in electronic products and holding producers of those products financially responsible for the collection, treatment, recycling and disposal of certain products. Such laws and regulations have been passed in several jurisdictions in which we operate, are often complex and are subject to frequent changes. We will need to ensure that we comply with such laws and regulations as they are enacted, as well as all environmental laws and regulations,

and as appropriate or required, that our component suppliers also comply with such laws and regulations. If we fail to comply with such laws, we could face sanctions for such noncompliance, and our customers may refuse to purchase our products, which would have a materially adverse effect on our business, financial condition and results of operations.

With respect to compliance with environmental laws and regulations in general, we have incurred and in the future could incur substantial costs for the cleanup of contaminated properties, either those we own or operate or to which we have sent wastes in the past, or to comply with such environmental laws and regulations. Additionally, we could be subject to disruptions to our operations and logistics as a result of such clean-up or compliance obligations. If we were found to be in violation of these laws, we could be subject to governmental fines and liability for damages resulting from such violations. If we have to make significant capital expenditures to comply with environmental laws, or if we are subject to significant expenditures in connection with a violation of these laws, our financial condition or operating results could be materially adversely impacted.

We are subject to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act that could subject us to additional costs and liabilities.

We are subject to the SEC rules implementing the requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which establish disclosure and reporting requirements for companies who use "conflict" minerals mined from the Democratic Republic of Congo and adjoining countries in their products. Complying with the disclosure requirements will require substantial diligence efforts to determine the source of any conflict minerals used in our products and may require third-party auditing of our diligence process. These efforts may require internal resources that would otherwise be directed towards operational activities.

Since our supply chain is complex, we may face reputational challenges if we are unable to sufficiently verify the origins of the conflict minerals used in our products. Additionally, if we are unable to satisfy those customers who require that all of the components of our products are certified as conflict free, they may choose a competitor's products which could materially impact our financial condition and operating results.

Certain provisions in our charter and under Delaware laws could hinder a takeover attempt.

We are subject to the provisions of Section 203 of the Delaware General Corporation Law prohibiting, under some circumstances, publicly-held Delaware corporations from engaging in business combinations with some stockholders for a specified period of time without the approval of the holders of substantially all of our outstanding voting stock. Such provisions could delay or impede the removal of incumbent directors and could make more difficult a merger, tender offer or proxy contest involving us, even if such events could be beneficial, in the short-term, to the interests of the stockholders. In addition, such provisions could limit the price that some investors might be willing to pay in the future for shares of our common stock. Our certificate of incorporation and bylaws contain provisions providing for the limitations of liability and indemnification of our directors and officers, allowing vacancies on our board of directors to be filled by the vote of a majority of the remaining directors, granting our board of directors the authority to establish additional series of preferred stock and to designate the rights, preferences and privileges of such shares (commonly known as "blank check preferred") and providing that our stockholders can take action only at a duly called annual or special meeting of stockholders, which may only be called by the Chairman of the board, the Chief Executive Officer or the board of directors. These provisions may also have the effect of deterring hostile takeovers or delaying changes in control or change in our management.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We own and lease various properties in the United States and in 25 other countries around the world. We use the properties for executive and administrative offices, data centers, product development offices, customer service offices, and manufacturing facilities. Our corporate headquarters of approximately 163,000 square feet is located in Milpitas, California. As of June 29, 2013, our leased and owned properties in total provided us with aggregate square footage of approximately 2.0 million, of which approximately 30,000 square feet is owned. Larger leased sites include properties located in China, Canada, France, Germany, Singapore and the United States. We believe that our existing properties, including both owned and leased sites, are in good condition and suitable for the conduct of our business.

From time to time we consider various alternatives related to our long-term facilities needs. While we believe our existing facilities are adequate to meet our immediate needs, it may become necessary to lease, acquire, or sell additional or alternative space to accommodate future business needs.

ITEM 3. LEGAL PROCEEDINGS

We are subject to a variety of claims and suits that arise from time to time in the ordinary course of our business. While management currently believes that resolving claims against us, individually or in aggregate, will not have a material adverse impact on its financial position, results of operations or statement of cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. Were an unfavorable final outcome to occur, there exists the possibility of a material adverse impact on our financial position, results of operations or cash flows for the period in which the effect becomes reasonably estimable.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the NASDAQ Global Select Market under the symbol "JDSU" and our exchangeable shares of JDS Uniphase Canada Ltd. are traded on the Toronto Stock Exchange under the symbol "JDU." Holders of exchangeable shares may tender their holdings for common stock on a one-for-one basis at any time. As of July 27, 2013, we had 237,534,157 shares of common stock outstanding, including 3,395,717 exchangeable shares. The closing price on July 26, 2013 was $14.51 for the common stock and CAD 14.84 for the exchangeable shares. The following table summarizes the high and low intraday sales prices for our common stock as reported on the NASDAQ Global Select Market during fiscal 2013 and 2012.

	High	Low
Fiscal 2013:		
Fourth Quarter	$14.90	$12.36
Third Quarter	15.63	12.38
Second Quarter	13.66	9.42
First Quarter	13.60	8.47
Fiscal 2012:		
Fourth Quarter	$14.75	$ 9.33
Third Quarter	15.17	10.44
Second Quarter	12.76	8.59
First Quarter	17.02	9.69

As of July 27, 2013, we had 5,487 holders of record of our common stock and exchangeable shares. We have not paid cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future.

During fiscal 2013, we repurchased $311.0 million aggregate principal amount of the 1% Senior Convertible Notes for $310.7 million in cash to fully retire these notes. Of this, we repurchased and redeemed $161.0 million principal amount of notes during the fourth quarter of fiscal 2013.

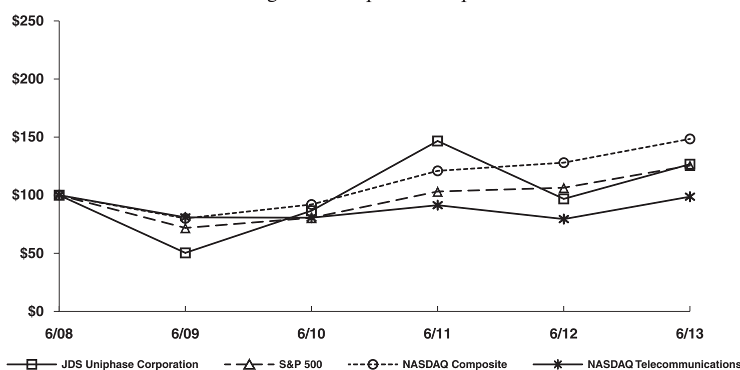
STOCK PERFORMANCE GRAPH

The information contained in the following graph shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference in such filing.

The following graph and table set forth the Company's total cumulative stockholder return, assuming reinvestment of dividends, of an investment of $100 in June 2008 and ending June 2013 in: (i) the Company's Common Stock, (ii) the S&P 500 Index, (iii) the NASDAQ Stock Market (U.S.) Index and, (iv) the NASDAQ Telecommunications Index. Historical stock price performance is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among JDS Uniphase Corporation



*$100 invested on 6/30/08 in stock or index.

	6/08	6/09	6/10	6/11	6/12	6/13
JDS Uniphase Corporation	100.00	50.35	86.62	146.65	96.83	126.67
S&P 500	100.00	71.82	80.52	103.18	106.42	125.49
NASDAQ Composite	100.00	80.03	91.99	120.96	128.00	148.42
NASDAQ Telecommunications	100.00	80.93	80.61	91.39	79.43	98.71

ITEM 6. SELECTED FINANCIAL DATA

This table sets forth selected financial data of JDSU, *in millions*, except share and per share amounts, for the periods indicated. This data should be read in conjunction with and is qualified by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Annual Report on Form 10-K and our audited consolidated financial statements, including the notes thereto and the other financial information included in Item 8 of this Form 10-K. The selected data in this section are not intended to replace the consolidated financial statements included in this report.

	Years Ended				
	June 29, 2013(6)(7)(8)(9)	June 30, 2012(6)	July 2, 2011(4)(5)(6)	July 3, 2010(1)(2)(3)(6)	June 27, 2009(1)(2)(6)
Consolidated Statement of Operations Data:					
Net revenue	$1,676.9	$1,662.4	$1,781.9	$1,347.3	$1,255.5
Gross profit	694.6	705.5	785.7	543.1	473.8
Amortization of other intangibles	12.7	21.7	25.9	21.7	20.9
Impairment of goodwill	—	—	—	—	702.5
Restructuring and related charges	19.0	12.4	14.8	17.7	38.5
Total operating expense	719.5	705.1	713.2	588.8	1,333.4
(Loss) income from operations	(24.9)	0.4	72.5	(45.7)	(859.6)
Income (loss) from continuing operations, net of tax	57.0	(26.1)	78.7	(51.2)	(865.9)
Loss from discontinued operations, net of tax	—	(29.5)	(7.1)	(10.6)	(43.6)
Net income (loss)	$ 57.0	$ (55.6)	$ 71.6	$ (61.8)	$ (909.5)
Income (loss) from continuing operations per share—basic	0.24	(0.11)	0.35	(0.23)	(4.02)
Loss from discontinued operations per share—basic	—	(0.13)	(0.03)	(0.05)	(0.20)
Net income (loss) per share—basic	$ 0.24	$ (0.24)	$ 0.32	$ (0.28)	$ (4.22)
Income (loss) from continuing operations per share—diluted	$ 0.24	$ (0.11)	$ 0.34	$ (0.23)	$ (4.02)
Loss from discontinued operations per share—diluted	—	(0.13)	(0.03)	(0.05)	(0.20)
Net income (loss) per share—diluted	$ 0.24	$ (0.24)	$ 0.31	$ (0.28)	$ (4.22)

	Years Ended				
	June 29, 2013(7)(8)	June 30, 2012	July 2, 2011	July 3, 2010(1)(3)	June 27, 2009(1)
Consolidated Balance Sheet Data:					
Cash, cash equivalents, short-term investments, and restricted cash	$ 515.9	$ 752.7	$ 728.7	$ 600.1	$ 695.5
Working capital	682.6	656.1	885.5	723.7	797.9
Total assets	1,715.2	1,869.5	1,950.7	1,703.6	1,668.1
Long-term obligations	206.2	176.6	466.7	444.0	423.7
Total stockholders' equity	1,161.3	1,038.8	1,065.4	908.7	934.5

(1) Effective June 28, 2009, the first day of fiscal 2010, we adopted authoritative guidance which applies to convertible debt securities that, upon conversion, may be settled by the issuer fully or

partially in cash. As a result, we have retrospectively applied this guidance to all past periods presented.

(2) During the first quarter of fiscal 2010, we sold certain non-core assets related to our wholly owned subsidiary da Vinci Systems LLC ("da Vinci"). As a result, the operations of da Vinci have been presented as discontinued operations for all periods presented.

(3) During the fourth quarter of fiscal 2010, we acquired the Network Solutions Division ("NSD") of Agilent Technologies, Inc. ("Agilent") in a transaction accounted for as a purchase. The Consolidated Statement of Operations for fiscal 2010 included the results of operations from NSD subsequent to May 1, 2010 and the Consolidated Balance Sheet as of July 3, 2010 included NSD's financial position.

(4) Effective July 4, 2010, the first day of fiscal 2011, we adopted authoritative guidance which applies to revenue arrangements with multiple deliverables and to certain software arrangements. We adopted both sets of guidance on a prospective basis for applicable transactions originating or materially modified on or after July 4, 2010.

(5) During the third quarter of fiscal 2011, we determined that it is more likely than not that a portion of the deferred tax assets of a foreign jurisdiction will be realized after considering all positive and negative evidence. Accordingly, a deferred tax valuation allowance release of $34.9 million was recorded as an income tax benefit during the quarter.

(6) During the first quarter of fiscal 2013, we entered into a definitive agreement to sell the hologram business ("Hologram Business") within our OSP segment which subsequently closed on October 12, 2012. As a result, the operations of the Hologram Business have been presented as discontinued operations for all periods presented.

(7) During the third quarter of fiscal 2013, we acquired Arieso, in a transaction accounted for as a purchase. The Consolidated Statements of Operations for fiscal 2013 included the results of Arieso subsequent to March 7, 2013 and the Consolidated Balance Sheet as of June 29, 2013 included Arieso's financial position.

(8) During the third quarter of fiscal 2013, we approved a strategic plan to exit CommTest's legacy low-speed wireline product line, which resulted in a $2.2 million charge for accelerated amortization of related intangibles of which $1.8 million and $0.4 million is included in Amortization of acquired technologies and Amortization of other intangibles in the Consolidated Statement of Operations, respectively. In addition, we incurred $11.3 million of inventory related charges included in Cost of sales in the Consolidated Statement of Operations primarily related to the write-off of inventory no longer being sold due to the legacy low-speed wireline product line exit.

(9) During the fourth quarter of fiscal 2013, we determined that it is more likely than not that a portion of the deferred tax assets of a non-U.S. jurisdiction will be realized after considering all positive and negative evidence. Accordingly, a deferred tax valuation allowance release of $107.9 million was recorded as an income tax benefit during the quarter.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Industries and Developments

JDSU provides communications test and measurement solutions and optical products for telecommunications service providers, cable operators, and network equipment manufacturers ("NEMs"). Our diverse technology portfolio also fights counterfeiting and enables commercial lasers for a range of applications.

To serve its markets, JDSU operates the following business segments:

- Communications Test and Measurement ("CommTest")
- Communications and Commercial Optical Products ("CCOP")
- Optical Security and Performance Products ("OSP")

Communications Test and Measurement

CommTest provides an integrated portfolio of network and service enablement solutions that provide end-to-end visibility and intelligence necessary for consistent, high-quality network, service, and application performance.

These solutions are made up of lab and field test instruments and customer experience management solutions ("CEM") supported by microprobes, monitoring software and optimization applications. This portfolio helps network operators and service providers effectively manage the continued growth of network traffic, devices and applications.

As a result of this continued and rapid growth, operators and providers are looking for new ways to drive business agility and generate revenue with innovative services, while continuing to focus on reducing operating costs and improving performance. To this end, CommTest is focused on providing world-class network and service enablement solutions, focusing investments on software and solutions offerings in high-growth markets while leveraging its instruments portfolio. These strategic investments are being placed globally to meet end-customer demand.

JDSU's network enablement solutions include instruments and software to build, turn-up, certify, troubleshoot, monitor, and optimize networks that are differentiated through superior efficiency, higher profitability, reliable performance, and greater customer satisfaction. These products include instruments and software that access the network to perform installation and maintenance tasks. Our service enablement solutions collect and analyze complete network data to reveal the true customer experience and opportunities for new revenue streams with enhanced management, control, optimization, and differentiation.

CommTest solutions address lab and production environments, field deployment and service assurance for Ethernet and IP services over wireless and fixed communications networks, including storage networks. CommTest's network and service enablement solutions include one of the largest test instrument portfolios in the industry, with hundreds of thousands of units in active use by major NEMs, operators and services providers worldwide. CommTest is leveraging this installed base and knowledge of network management methods and procedures to develop advanced customer experience solutions. These solutions let carriers remotely monitor performance and quality of service and applications performance throughout the entire network. Remote monitoring decreases operating expenses, while early detection increases uptime, preserves revenue, and lets operators better monetize their networks.

CommTest customers include wireless and fixed 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, Reliance Communications, Softbank, Telefónica, Telmex, TimeWarner Cable, Verizon and Vodafone. 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.

During the first quarter of fiscal 2013, we acquired GenComm Co., Ltd. (“GenComm”), a provider of test and measurement solutions for troubleshooting, installation and maintenance of wireless base stations and repeaters. During the third quarter of fiscal 2013, we acquired Arieso Limited (“Arieso”), a leading provider of location-aware software solutions that allow mobile network operators to improve the subscriber experience. Also, during the third quarter of fiscal 2013, we approved a strategic plan to exit the legacy low-speed wireline product line, which resulted in a $2.2 million charge for accelerated amortization of related intangibles of which $1.8 million and $0.4 million is included in Amortization of acquired technologies and Amortization of other intangibles in the Consolidated Statement of Operations, respectively. In addition, we incurred $11.3 million of inventory related charges included in Cost of sales in the Consolidated Statement of Operations primarily related to the write-off of inventory no longer being sold due to the legacy low-speed wireline product line exit.

Moving forward in fiscal 2014, we will refer to our CommTest business segment by a new name, Network and Service Enablement (“NSE”). The name NSE more accurately reflects the value we bring to our customers and the evolution of our product portfolio, one that includes but goes beyond communications test instruments by offering enhanced visibility across the network and up and down the network stack, including service and application performance.

Communications and Commercial Optical Products

CCOP is a leading provider of optical communications and commercial laser products and technologies and commercial laser components.

Serving telecommunications and enterprise data communications markets, CCOP products include components, modules, subsystems, and solutions for access (local), metro (intracity), long-haul (city-to-city and worldwide), and submarine (undersea) networks, as well as SANs, LANs and WANs. These products enable the transmission and transport of video, audio and text data over high-capacity fiber-optic cables. CCOP maintains leading positions in the fastest-growing optical communications segments, including ROADMs and tunable XFPs and SFPs. CCOP’s growing portfolio of pluggable transceivers supports LAN/SAN needs and the cloud for customers building proprietary data center networks.

OEMs use CCOP lasers—fiber, diode, direct-diode, diode-pumped solid-state, and gas—that offer low- to high-power output with UV, visible and IR wavelengths. This broad product portfolio addresses the needs of laser clients in applications such as micromachining, materials processing, bio-instrumentation, consumer electronics, graphics, and medical/dental. Core laser technologies include continuous-wave, q-switched and mode-locked lasers addressing application needs from continuous-wave to megahertz repetition rates. Photonic power products transport energy over optical fiber, enabling electromagnetic- and radio-interference-free power and data transmission for remote sensors such as high-voltage line current monitors.

Gesture-recognition systems use both CCOP's gesture recognition light source and OSP's gesture recognition optical filters. These systems simplify the way people interact with technology by enabling the use of natural body gestures, like the wave of a hand, instead of using a device like a mouse or remote control. Emerging markets for gesture recognition include gaming platforms, home entertainment and personal computing.

CCOP's optical communications products customers include Adva, Alcatel-Lucent, Ciena, Cisco Systems, Ericsson, Fujitsu, Huawei, Infinera, Nokia Siemens Networks, and Tellabs. CCOP's lasers customers include Amada, ASML, Beckman Coulter, Becton Dickinson, Disco, Electro Scientific Industries, and KLA-Tencor.

During the first quarter of fiscal 2013, we approved a plan to exit the concentrated photovoltaic product line. As a result we incurred a $2.6 million charge during the period for accelerated amortization of related intangibles which is included in Amortization of acquired technologies in the Consolidated Statement of Operations.

Optical Security and Performance Products

OSP designs, manufactures, and sells products targeting anti-counterfeiting, consumer electronics, government, healthcare, and other markets.

OSP's security offerings for the currency market include Optically Variable Pigment ("OVP®"), Optically Variable Magnetic Pigment ("OVMP®") and banknote thread substrates. OVP® enables a color-shifting effect used by banknote issuers and security printers worldwide for anti-counterfeiting applications on currency and other high-value documents and products. OVP® protects the currencies of more than 100 countries today. OSP also develops and delivers overt and covert anti-counterfeiting products primarily targeting the consumer-electronics markets.

Leveraging its expertise in spectral management and its unique high-precision coating capabilities, OSP improves the performance of a range of products in the consumer-electronics market. For example, gesture-recognition devices designed for gaming platforms use OSP optical filters.

OSP value-added solutions meet the stringent requirements of commercial and government customers in aerospace and defense. In the aerospace industry, JDSU precision optical filters are a critical component in satellite and spacecraft power- and temperature-control systems. OSP also supplies anti-reflection coatings, beamsplitters, optical filters, laser optics, solar reflectors, and mirrors for a variety of defense and security applications including guidance systems, high-energy laser systems, battlefield eye protection, infrared night-vision systems, and secure optical communications.

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

During the second quarter of fiscal 2013, we completed the sale of our hologram business ("Hologram Business"), which primarily addressed the transaction card market. We have presented our current and historical Consolidated Statements of Operations and segment financials to reflect the sale of this business. The historical results of this business are reflected as discontinued operations in accordance with the authoritative guidance under U.S. GAAP and are not included in our quarterly results from continuing operations for all periods presented. During the fourth quarter of fiscal 2013, we made a decision to cease production of certain legacy custom optic products at the end of their lifecycle, including anti-reflection products, solar cell covers, and front-surface mirrors for display and office automation applications as well as certain infrared and box coater solutions. We expect to substantially phase out production of these solutions by the end of the second quarter of fiscal 2014.

Recently Issued Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board ("FASB") issued authoritative guidance that requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This guidance is effective for us in the first quarter of fiscal 2015. We do not anticipate that the adoption of this guidance will have a material impact on its consolidated financial statements.

In March 2013, the FASB issued authoritative guidance that resolves the diversity in practice regarding the release into net income of the cumulative translation adjustment upon derecognition of a subsidiary or group of assets within a foreign entity. This guidance will be effective for us beginning in the first quarter of fiscal 2015. We do not anticipate that the adoption of this guidance will have a material impact on its consolidated financial statements, absent any material transactions involving the derecognition of subsidiaries or groups of assets within a foreign entity.

In December 2011, the FASB issued authoritative guidance that requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. In January 2013, the FASB issued authoritative guidance to clarify the scope of the guidance issued in December 2011. Specifically, the scope is specified to apply only to derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria contained in the authoritative guidance or subject to a master netting arrangement or similar agreement. This guidance will be effective for us beginning in the first quarter of fiscal 2014. We do not anticipate that the adoption of this guidance will have a material impact on its financial statement disclosures, absent any material transactions that fall within the scope of this authoritative guidance.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, net revenue and expenses, and the related disclosures. We base our estimates on historical experience, our knowledge of economic and market factors and various other assumptions that we believe to be reasonable under the circumstances. Estimates and judgments used in the preparation of our financial statements are, by their nature, uncertain and unpredictable, and depend upon, among other things, many factors outside of our control, such as demand for our products and economic conditions. Accordingly, our estimates and judgments may prove to be incorrect and actual results may differ from these estimates under different estimates, assumptions or conditions. We believe the following critical accounting policies are affected by significant estimates, assumptions and judgments used in the preparation of our consolidated financial statements:

Revenue Recognition

We recognize revenue when it is realized or realizable and earned. We consider revenue realized or realizable and earned when there is persuasive evidence of an arrangement, delivery has occurred,

the sales price is fixed or determinable, and collectability is reasonably assured. Delivery does not occur until products have been shipped or services have been provided, risk of loss has transferred and in cases where formal acceptance is required, customer acceptance has been obtained or customer acceptance provisions have lapsed. In situations where a formal acceptance is required but the acceptance only relates to whether the product meets its published specifications, revenue is recognized upon shipment provided all other revenue recognition criteria are met. The sales price is not considered to be fixed or determinable until all contingencies related to the sale have been resolved.

We reduce revenue for rebates and other similar allowances. Revenue is recognized only if these estimates can be reliably determined. Our estimates are based on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

In addition to the aforementioned general policies, the following are the specific revenue recognition policies for multiple-element arrangements and for each major category of revenue.

Multiple-Element Arrangements

In October 2009, the FASB issued authoritative guidance that applies to arrangements with multiple deliverables. The guidance eliminates the residual method of revenue recognition, on non-software arrangements, and allows the use of management's best estimate of selling price ("BESP") for individual elements of an arrangement when vendor-specific objective evidence ("VSOE") or third-party evidence ("TPE") is unavailable. In addition, the FASB issued authoritative guidance which removes non-software components of tangible products and certain software components of tangible products from the scope of existing software revenue guidance, resulting in the recognition of revenue similar to that for other tangible products. We adopted these standards at the beginning of our first quarter of fiscal 2011 on a prospective basis for applicable transactions originating or materially modified on or after July 3, 2010.

When a sales arrangement contains multiple deliverables, such as sales of products that include services, the multiple deliverables are evaluated to determine whether there are one or more units of accounting. Where there is more than one unit of accounting, then the entire fee from the arrangement is allocated to each unit of accounting based on the relative selling price. Under this approach, the selling price of a unit of accounting is determined by using a selling price hierarchy which requires the use of VSOE of fair value if available, TPE if VSOE is not available, or BESP if neither VSOE nor TPE is available. Revenue is recognized when the revenue recognition criteria for each unit of accounting are met.

We establish VSOE of selling price using the price charged for a deliverable when sold separately and, in remote circumstances, using the price established by management having the relevant authority. TPE of selling price is established by evaluating similar and interchangeable competitor goods or services in sales to similarly situated customers. When VSOE or TPE are not available then we use BESP. Generally, we are not able to determine TPE because our product strategy differs from that of others in our markets, and the extent of customization varies among comparable products or services from our peers. We establish BESP using historical selling price trends and considering multiple factors including, but not limited to geographies, market conditions, competitive landscape, internal costs, gross margin objectives, and pricing practices. When determining BESP, we apply significant judgment in establishing pricing strategies and evaluating market conditions and product lifecycles.

The determination of BESP is made through consultation with and approval by the Segment management. Segment management may modify or develop new pricing practices and strategies in the future. As these pricing strategies evolve, we may modify our pricing practices in the future, which may result in changes in BESP. The aforementioned factors may result in a different allocation of revenue

to the deliverables in multiple element arrangements from the current fiscal quarter, which may change the pattern and timing of revenue recognition for these elements but will not change the total revenue recognized for the arrangement.

To the extent that a deliverable(s) in a multiple-element arrangement is subject to specific guidance (for example, software that is subject to the authoritative guidance on software revenue recognition) we allocate the fair value of the units of accounting using relative selling price and that unit of accounting is accounted for in accordance with the specific guidance. Some of our product offerings include hardware that are integrated with or sold with software that delivers the functionality of the equipment. We believe that this equipment is not considered software related and would therefore be excluded from the scope of the authoritative guidance on software revenue recognition.

If the transactions entered into are materially modified on or after July 3, 2010 were subject to the previous accounting guidance, the reported net revenue amount during the year ended July 2, 2011, would decrease by approximately $7 million.

Hardware

Revenue from hardware sales is recognized when the product is shipped to the customer and when there are no unfulfilled company obligations that affect the customer's final acceptance of the arrangement. Any cost of warranties and remaining obligations that are inconsequential or perfunctory are accrued when the corresponding revenue is recognized.

Services

Revenue from services and system maintenance is typically recognized on a straight-line basis over the term of the contract. Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred. Revenue related to extended warranty and product maintenance contracts is deferred and recognized on a straight-line basis over the delivery period. We also generate service revenue from hardware repairs and calibration which is recognized as revenue upon completion of the service.

Software

Our software arrangements generally consist of a perpetual license fee and Post-Contract Support ("PCS"). Generally we have established VSOE of fair value for PCS contracts based on the renewal rate or the bell curve methodology. Revenue from maintenance, unspecified upgrades and technical support is recognized over the period such items are delivered. In multiple-element revenue arrangements that include software, software related and non-software-related elements are accounted for in accordance with the following policies.

- Non software and software related products are bifurcated based on a relative selling price
- Software related products are separated into units of accounting if all of the following criteria are met:
  - The functionality of the delivered element(s) is not dependent on the undelivered element(s).
  - There is VSOE of fair value of the undelivered element(s).
  - Delivery of the delivered element(s) represents the culmination of the earnings process for that element(s).

If these criteria are not met, the software revenue is deferred until the earlier of when such criteria are met or when the last undelivered element is delivered. If there is VSOE of the undelivered item(s) but no such evidence for the delivered item(s), the residual method is used to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered item(s) equals the total arrangement consideration less the aggregate VSOE of the undelivered elements. In cases where VSOE is not established for PCS, revenue is recognized ratably over the PCS period after all software deliverables have been made and the only undelivered item is PCS.

Allowances for Doubtful Accounts

We perform credit evaluations of our customers' financial condition. We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We record our bad debt expenses as SG&A expenses. When we become aware that a specific customer is unable to meet its financial obligations to us, for example, as a result of bankruptcy or deterioration in the customer's operating results or financial position, we record a specific allowance to reflect the level of credit risk in the customer's outstanding receivable balance. In addition, we record additional allowances based on certain percentages of our aged receivable balances. These percentages are determined by a variety of factors including, but not limited to, current economic trends, historical payment and bad debt write-off experience. We are not able to predict changes in the financial condition of our customers, and if circumstances related to our customers deteriorate, our estimates of the recoverability of our trade receivables could be materially affected and we may be required to record additional allowances. Alternatively, if we provide more allowances than we need, we may reverse a portion of such provisions in future periods based on our actual collection experience.

Stock-based Compensation

We estimate the fair value of stock options with service conditions and employee stock purchase plan awards ("ESPP") using the Black-Scholes-Merton option-pricing model and a single option award approach. This option-pricing model requires the input of highly subjective assumptions, including the award's expected life and the price volatility of the underlying stock. The expected stock price volatility assumption is determined using a combination of historical and implied volatility of our common stock. We use the Lattice model to estimate the fair value of certain performance-based options with market conditions ("market-condition options"). The fair value of the time-based Full Value Awards is based on the closing market price of our common stock on the date of award. We use a Monte Carlo simulation to estimate the fair value of certain performance-based Full Value Awards with market conditions ("MSUs").

Pursuant to the authoritative guidance, we are required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. When estimating forfeitures, we consider voluntary termination behavior as well as future workforce reduction programs. Estimated forfeiture is trued up to actual forfeiture as the equity awards vest. The total fair value of the equity awards, net of forfeiture, is recorded on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period, except for performance-based Full Value Awards and options with market conditions which are amortized based upon a graded vesting method.

Investments

Our investments in debt securities and marketable equity securities are primarily classified as available-for-sale investments or trading securities and are recorded at fair value. The cost of securities sold is based on the specific identification method. Unrealized gains and losses on available-for-sale

investments, net of tax, are reported as a separate component of our Consolidated Statements of Stockholders' Equity. Unrealized gains or losses on trading securities resulting from changes in fair value are recognized currently in earnings. Our short-term investments include securities with stated maturities of longer than twelve months which are classified as current assets as they are highly liquid and available to support current operations.

We periodically review our investments for impairment. If a debt security's market value is below amortized cost and we either intend to sell the security or it is more likely than not that we will be required to sell the security before its anticipated recovery, we record an other-than-temporary impairment charge to investment income (loss) for the entire amount of the impairment; if a debt security's market value is below amortized cost and we do not expect to recover the entire amortized cost of the security, we separate the other-than-temporary impairment into the portion of the loss related to credit factors, or the credit loss portion, and the portion of the loss that is not related to credit factors, or the non-credit loss portion. The credit loss portion is the difference between the amortized cost of the security and our best estimate of the present value of the cash flows expected to be collected from the debt security. The non-credit loss portion is the residual amount of the other-than-temporary impairment. The credit loss portion is recorded as a charge to income (loss), and the non-credit loss portion is recorded as a separate component of our Consolidated Statements of Comprehensive Income (Loss).

Inventory Valuation

We assess the value of our inventory on a quarterly basis and write-down those inventories which are obsolete or in excess of our forecasted usage to their estimated realizable value. Our estimates of realizable value are based upon our analysis and assumptions including, but not limited to, forecasted sales levels by product, expected product lifecycle, product development plans and future demand requirements. Our product line management personnel play a key role in our excess review process by providing updated sales forecasts, managing product rollovers and working with manufacturing to maximize recovery of excess inventory. If actual market conditions are less favorable than our forecasts or actual demand from our customers is lower than our estimates, we may be required to record additional inventory write-downs. If actual market conditions are more favorable than anticipated, inventory previously written down may be sold, resulting in lower cost of sales and higher income from operations than expected in that period.

Goodwill Valuation

We test goodwill for possible impairment on an annual basis in our fourth quarter and at any other time if events occur or circumstances indicate that the carrying amount of goodwill may not be recoverable. Circumstances that could trigger an impairment test include, but are not limited to: a significant adverse change in the business climate or legal factors; an adverse action or assessment by a regulator; change in customer, target market and strategy; unanticipated competition; loss of key personnel; or the likelihood that a reporting unit or significant portion of a reporting unit will be sold or otherwise disposed.

To simplify testing goodwill for impairment, the authoritative guidance allows an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. If an entity determines that as a result of the qualitative assessment that it is more likely than not (i.e. >50% likelihood) that the fair value of a reporting unit is less than its carrying amount, then the quantitative test is required. Otherwise, no further testing is required.

Application of the goodwill impairment test requires judgments, including: identification of the reporting units; assigning assets and liabilities to reporting units; assigning goodwill to reporting units; a

qualitative assessment to determine whether there are any impairment indicators; determining the fair value of each reporting unit; forecasting of future operating results used in the preparation of the estimated future cash flows, including forecasted revenues and costs, timing of overall market growth and our percentage of that market, discount rates and growth rates in terminal values.

We base our estimates on historical experience and on various assumptions about the future that we believe are reasonable based on available information. Unanticipated events and circumstances may occur that affect the accuracy of our assumptions, estimates and judgments. For example, if the price of our common stock were to significantly decrease combined with other adverse changes in market conditions, thus indicating that the underlying fair value of our reporting units may have decreased, we might be required to reassess the value of our goodwill in the period such circumstances were identified.

Long-lived Asset Valuation (Property, Plant and Equipment and Intangible Assets)

Long-lived assets held and used

We test long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amounts may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amounts of the long-lived assets or asset groups and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisals in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Long-lived assets held for sale

Long-lived assets are classified as held for sale when certain criteria are met, which include: management commitment to a plan to sell the assets; the availability of the assets for immediate sale in their present condition; an active program to locate buyers and other actions to sell the assets has been initiated; whether the sale of the assets is probable and their transfer is expected to qualify for recognition as a completed sale within one year; whether the assets are being marketed at reasonable prices in relation to their fair value; and how unlikely it is that significant changes will be made to the plan to sell the assets.

We measure long-lived assets to be disposed of by sale at the lower of carrying amount or fair value less cost to sell. Fair value is determined using quoted market prices or the anticipated cash flows discounted at a rate commensurate with the risk involved.

Income Taxes

In accordance with the authoritative guidance on accounting for income taxes, we recognize income taxes using an asset and liability approach. This approach requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax

returns. The measurement of current and deferred taxes is based on provisions of the enacted tax law and the effects of future changes in tax laws or rates are not anticipated.

The authoritative guidance provides for recognition of deferred tax assets if the realization of such deferred tax assets is more likely than not to occur. With the exception of certain international jurisdictions, we have determined that at this time it is more likely than not that deferred tax assets attributable to the remaining jurisdictions will not be realized, primarily due to uncertainties related to our ability to utilize our net operating loss carryforwards before they expire. Accordingly, we have established a valuation allowance for such deferred tax assets. If there is a change in our ability to realize our deferred tax assets, then our tax provision may decrease in the period in which we determine that realization is more likely than not.

The authoritative guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes the recognition threshold and measurement attributes for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Additionally, it provides guidance on recognition, classification, and disclosure of tax positions. We are subject to income tax audits by the respective tax authorities in all of the jurisdictions in which we operate. The determination of tax liabilities in each of these jurisdictions requires the interpretation and application of complex and sometimes uncertain tax laws and regulations. We recognize liabilities based on our estimate of whether, and the extent to which, additional tax liabilities are more likely than not. If we ultimately determine that the payment of such a liability is not necessary, then we reverse the liability and recognize a tax benefit during the period in which the determination is made that the liability is no longer necessary.

The recognition and measurement of current taxes payable or refundable and deferred tax assets and liabilities requires that we make certain estimates and judgments. Changes to these estimates or a change in judgment may have a material impact on our tax provision in a future period.

Warranty Accrual

We provide reserves for the estimated costs of product warranties at the time revenue is recognized. We estimate the costs of our warranty obligations based on our historical experience of known product failure rates, use of materials to repair or replace defective products and service delivery costs incurred in correcting product failures. In addition, from time to time, specific warranty accruals may be made if unforeseen technical problems arise. Should our actual experience relative to these factors differ from our estimates, we may be required to record additional warranty reserves. Alternatively, if we provide more reserves than we need, we may reverse a portion of such provisions in future periods.

Restructuring Accrual

In accordance with authoritative guidance on accounting for costs associated with exit or disposal activities, generally costs associated with restructuring activities are recognized when they are incurred. However, in the case of leases, the expense is estimated and accrued when the property is vacated. Given the significance of, and the timing of the execution of such activities, this process is complex and involves periodic reassessments of estimates made from the time the property was vacated, including evaluating real estate market conditions for expected vacancy periods and sub-lease income. Additionally, a liability for post-employment benefits for workforce reductions related to restructuring activities is recorded when payment is probable, the amount is reasonably estimable, and the obligation relates to rights that have vested or accumulated. We continually evaluate the adequacy of the remaining liabilities under our restructuring initiatives. Although we believe that these estimates

accurately reflect the costs of our restructuring plans, actual results may differ, thereby requiring us to record additional provisions or reverse a portion of such provisions.

Pension and Other Postretirement Benefits

The funded status of our retirement-related benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at fiscal year end, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation (“PBO”) and for the non-pension postretirement benefit plan the benefit obligation is the accumulated postretirement benefit obligation (“APBO”). The PBO represents the actuarial present value of benefits expected to be paid upon retirement. The APBO represents the actuarial present value of postretirement benefits attributed to employee services already rendered. The fair value of plan assets represents the current market value of cumulative Company contributions made to an irrevocable trust fund, held for the sole benefit of participants. Unfunded or partially funded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a retirement and non-pension postretirement benefit obligation equal to this excess. The current portion of the retirement-related benefit obligation represents the actuarial present value of benefits payable in the next 12 months in excess of the fair value of plan assets, measured on a plan-by-plan basis. This liability is recorded in other current liabilities in the Consolidated Balance Sheets.

Net periodic pension cost (income) is recorded in the Consolidated Statement of Operations and includes service cost, interest cost, expected return on plan assets, amortization of prior service cost and (gains) losses previously recognized as a component of accumulated other comprehensive income. Service cost represents the actuarial present value of participant benefits earned in the current year. Interest cost represents the time value of money cost associated with the passage of time. (Gains) losses arise as a result of differences between actual experience and assumptions or as a result of changes in actuarial assumptions. Prior service cost (credit) represents the cost of benefit improvements attributable to prior service granted in plan amendments. (Gains) losses and prior service cost (credit) not recognized as a component of net periodic pension cost (income) in the Consolidated Statement of Operations as they arise are recognized as a component of accumulated other comprehensive income in the Consolidated Balances Sheets, net of tax. Those (gains) losses and prior service cost (credit) are subsequently recognized as a component of net periodic pension period cost (income) pursuant to the recognition and amortization provisions of applicable accounting standards.

The measurement of the benefit obligation and net periodic pension cost (income) is based on our estimates and actuarial valuations provided by third-party actuaries which are approved by our management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases, and mortality rates. We evaluate these assumptions annually at a minimum. In estimating the expected return on plan assets, we consider historical returns on plan assets, adjusted for forward-looking considerations, inflation assumptions and the impact of the active management of the plan’s invested assets.

Loss Contingencies

We are subject to the possibility of various loss contingencies arising in the ordinary course of business. We consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss in determining loss contingencies. An estimated loss is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required.

RESULTS OF OPERATIONS

The results of operations for the current period are not necessarily indicative of results to be expected for future periods. The following table summarizes selected Consolidated Statements of Operations items (*in millions, except for percentages*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Segment net revenue:			
CommTest	43.4%	45.4%	45.1%
CCOP	44.3	42.2	43.2
OSP	12.3	12.4	11.7
Net revenue	100.0	100.0	100.0
Cost of sales	54.8	54.1	52.7
Amortization of acquired technologies	3.8	3.5	3.2
Gross profit	41.4	42.4	44.1
Operating expenses:			
Research and development	15.4	14.7	13.4
Selling, general and administrative	25.6	25.7	24.4
Amortization of other intangibles	0.8	1.3	1.4
Restructuring and related charges	1.1	0.7	0.8
Total operating expenses	42.9	42.4	40.0
(Loss) income from operations	(1.5)	—	4.1
Interest and other income (expense), net	(0.2)	0.8	0.3
Interest expense	(1.1)	(1.6)	(1.4)
(Loss) income from continuing operations before income taxes	(2.8)	(0.8)	3.0
(Benefit from) provision for income taxes	(6.2)	0.7	(1.4)
Income (loss) from continuing operations, net of tax	3.4	(1.5)	4.4
Loss from discontinued operations, net of tax	—	(1.8)	(0.4)
Net income (loss)	3.4%	(3.3)%	4.0%

Financial Data for Fiscal 2013, 2012 and 2011

The following table summarizes selected Consolidated Statement of Operations items (*in millions*, except for percentages):

	2013	2012	Change	Percentage Change	2012	2011	Change	Percentage Change
Segment net revenue:								
CommTest	$ 728.9	$ 754.8	$(25.9)	(3.4)%	$ 754.8	$ 803.0	$ (48.2)	(6.0)%
CCOP	742.2	701.6	40.6	5.8	701.6	770.8	(69.2)	(9.0)
OSP	205.8	206.0	(0.2)	(0.1)	206.0	208.1	(2.1)	(1.0)
Net revenue	$1,676.9	$1,662.4	$ 14.5	0.9%	$1,662.4	$1,781.9	$(119.5)	(6.7)%
Gross profit	$ 694.6	$ 705.5	$(10.9)	(1.5)%	$ 705.5	$ 785.7	$ (80.2)	(10.2)%
Gross margins	41.4%	42.4%			42.4%	44.1%		
Research and development	258.5	244.0	14.5	5.9%	244.0	238.0	6.0	2.5%
Percentage of net revenue	15.4%	14.7%			14.7%	13.4%		
Selling, general and administrative	429.3	427.0	2.3	0.5%	427.0	434.5	(7.5)	(1.7)%
Percentage of net revenue	25.6%	25.7%			25.7%	24.4%		
Amortization of intangibles	76.0	80.3	(4.3)	(5.4)%	80.3	82.8	(2.5)	(3.0)%
Percentage of net revenue	4.6%	4.8%			4.8%	4.6%		
Restructuring and related charges	19.0	12.4	6.6	53.2%	12.4	14.8	(2.4)	(16.2)%
Percentage of net revenue	1.1%	0.7%			0.7%	0.8%		
Loss from discontinued operations, net of tax	—	(29.5)	29.5	(100.0)%	(29.5)	(7.1)	(22.4)	315.5%
Percentage of net revenue	—%	(1.8)%			(1.8)%	(0.4)%		

Net Revenue

Net revenue increased by $14.5 million, or 0.9%, during fiscal 2013 compared to fiscal 2012. This increase was primarily due to an incremental increase in volume in our CCOP segment in fiscal 2013 and the fact that fiscal 2012 reflected a reduction in CCOP net revenue of approximately $15 million due to the regional flooding in Thailand which temporarily suspended operations at one of our primary contract manufacturers, Fabrinet (the "Thailand Flooding Impact"). This was partially offset by a decline in CommTest net revenue primarily due to the exit and wind down of certain products.

CommTest net revenue decreased by $25.9 million, or 3.4%, during fiscal 2013 compared to fiscal 2012. This decrease was driven by $54.0 million of net revenue decreases primarily from our Broadband and Networking and Services product lines. These decreases were primarily due to (i) the exit of certain CPO products in the prior year, (ii) the wind down of legacy low-speed wireline products and (iii) procurement delays at a key customer. This was partially offset by $28.1 million of net revenue increases primarily from our Mobility product line driven by new products from the acquisitions of Dyaptive Systems, Inc. ("Dyaptive") and GenComm.

CCOP net revenue increased $40.6 million, or 5.8%, during fiscal 2013 compared to fiscal 2012. This increase was driven by $77.4 million of net revenue increases primarily from our Pluggables, Gesture Recognition Light Source, Modulators, and Tunables product lines. These increases were primarily due to (i) higher demand from key customers, (ii) strong demand for new products and (iii) the recovery from the Thailand Flooding Impact of fiscal 2012. This was partially offset by $36.8 million of net revenue decreases primarily from our ROADMs, Passive Components and Gas Lasers product lines, primarily due to lower demand from key customers for these products.

OSP net revenue remained relatively flat in fiscal 2013 compared to fiscal 2012, decreasing by $0.2 million, or 0.1%. This decrease was driven by $7.6 million of net revenue decreases from our Consumer and Industrial product line primarily due to lower demand for defense products as a result of reductions in government spending and reduced orders for display and 3D products. This was partially offset by $7.4 million of net revenue increases primarily from our Anti-Counterfeiting product line driven by pigment security demand.

Net revenue in fiscal 2012 decreased 6.7%, or $119.5 million, to $1,662.4 million from $1,781.9 million in fiscal 2011. The decrease was primarily due to a decline in volume in our CommTest and CCOP segments.

Net revenue decreased by $48.2 million in our CommTest segment primarily due to uncertainty in the macro-economic environment which reduced carriers' spending in North America broadly across products in the instruments product portfolio. Carriers are spending cautiously as their end customers are delaying purchases, particularly in Europe and North America. This decrease was partially offset by growth within the instruments product portfolio and the customer experience management ("CEM") product portfolio in the Asia-Pacific region. Net revenue decreased by $69.2 million in our CCOP segment. The decrease was primarily driven by a decline in volume due to reduced demand in our optical communications product portfolios arising from uncertainty in the macro-economic environment, particularly in Europe, flooding in Thailand and price reductions in line with business expectations. This decline was partially offset by an increase in volume and demand in our Pluggables and Fiber Lasers product lines. Within the optical communications product portfolio, volume declined in our gesture recognition products compared to the successful launch of these products in fiscal 2011. Volume also declined in our Circuit Packs and ROADMs product lines. During the second fiscal quarter of 2012 flooding in Thailand temporarily suspended operations of Fabrinet, one of CCOP's primary manufacturing partners, affecting net revenue by approximately $15 million. Net revenue in our OSP segment decreased $2.1 million primarily due to reduced demand for our gesture recognition products, which was partially offset by increases in our currency products.

Going forward, we expect to continue to encounter a number of industry and market risks and uncertainties that may limit our visibility, and consequently, our ability to predict future revenue, profitability and general financial performance, and that could create quarter over quarter variability in our financial measures. For example, continued economic issues in Europe have led to uncertain demand in our CommTest and optical communications product portfolios and we cannot predict when or to what extent this uncertainty will be resolved. Our revenues, profitability, and general financial performance may also be affected by: (a) strong pricing pressures, particularly within our optical communications markets, due to, among other things, a highly concentrated customer base, increasing competition, particularly from Asia-based competitors, and a general commoditization trend for certain products; (b) high product mix variability, particularly in our CCOP and CommTest markets, which affects revenue and gross profit; (c) continuing service provider seasonality, which causes demand, revenue and profitability volatility at each level of the communications industry; (d) the current trend of communication industry consolidations, which is expected to continue, that directly affects our CCOP and CommTest customer bases and adds additional risk and uncertainty to our financial and business predictability; and (e) activities related to our program of contract manufacturing transitions in our CommTest segment that present additional supply chain and product delivery disruption risks, yield and quality concerns and risk of increased cost. These risks limit our ability to predict longer-term revenue, profitability and general financial performance.

We operate primarily in three geographic regions: Americas, Europe Middle East and Africa ("EMEA") and Asia-Pacific. The following table presents net revenue by geographic regions (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Net revenue:			
Americas	$ 822.5	$ 833.2	$ 859.4
EMEA	381.2	400.7	473.8
Asia-Pacific	473.2	428.5	448.7
Total net revenue	$1,676.9	$1,662.4	$1,781.9

Net revenue is assigned to geographic regions based on customer shipment locations. Net revenue from customers outside the Americas for the fiscal years ended 2013, 2012 and 2011 represented 50.9%, 49.9% and 51.8% of net revenue, respectively. Net revenue from customers in the Americas for the fiscal years ended 2013, 2012 and 2011 included net revenue from the United States of $630.8 million, $673.6 million and $679.1 million, respectively. We expect revenue from customers outside of North America to continue to be an important part of our overall net revenue and an increasing focus for net revenue growth opportunities.

During fiscal 2013, 2012 and 2011, no single customer accounted for more than 10% of net revenue.

Gross Margin

Gross margin in fiscal 2013 decreased 1.0 percentage point to 41.4% from 42.4% in fiscal 2012. The decrease in gross margin was primarily due to (i) inventory charges and accelerated amortization of acquired developed technology related to the strategic exit of the legacy low-speed wireline product line in fiscal 2013, (ii) an increase in amortization expense of acquired developed technology primarily due to recent acquisitions and (iii) CCOP net revenue, which yields lower gross margin than our other two segments, represented a higher percentage of consolidated net revenue in fiscal 2013 compared to fiscal 2012. This was partially offset by improvements in CCOP gross margin primarily due to a more favorable product mix and improvements in yield in fiscal 2013.

Gross margin in fiscal 2012 decreased 1.7 percentage points to 42.4% from 44.1% in fiscal 2011. The decrease in gross margin was primarily due to declines in net revenue and unfavorable product mix in our CCOP and OSP segments. Net revenue decreased in our optical communications product portfolios of our CCOP segment, particularly in our gesture recognition products and Circuit Pack and ROADMs product lines, due to reductions in pricing and volume which reduced absorption of manufacturing costs and decreased operating efficiency. Additionally, our CCOP segment experienced higher production variances as a result of flooding in Thailand which temporarily suspended the operations of Fabrinet, one of CCOP's primary manufacturing partners, during the second fiscal quarter of 2012. Net revenue decreased in our gesture recognition products of our OSP segment, due to reductions in volume, which reduced absorption of manufacturing costs. Additionally, the decline in gross margin in our OSP segment was due to a decline in the pricing of certain currency products. Gross margin in our CommTest segment remained relatively flat in fiscal 2012 compared to fiscal 2011.

As discussed in more detail under "Net Revenue" above, we sell products in certain markets that are consolidating, undergoing product, architectural and business model transitions, have high customer concentrations, are highly competitive (increasingly due to Asia-Pacific-based competition), are price sensitive and/or are affected by customer seasonal and mix variant buying patterns. We expect these factors to continue to result in variability of our gross margin.

Research and Development

R&D expense increased $14.5 million, or 5.9%, in fiscal 2013 compared to the same period a year ago. This increase was driven by a $15.6 million increase in labor and benefits expense primarily due to higher headcount associated with our continued investment in product development coupled with higher variable incentive and stock-based compensation in fiscal 2013. This was partially offset by a $2.0 million decrease in facilities expense primarily due to the exit from certain sites in connection with restructuring activities in our CommTest segment in fiscal 2013.

R&D expense in fiscal 2012 increased 2.5%, or $6.0 million, to $244.0 million from $238.0 million in fiscal 2011. The increase in R&D expense was primarily due to increased investment in R&D projects to develop new product platforms and drive future growth, particularly in our CCOP segment. The increase was partially offset by reductions in our CommTest segment's R&D spending as a result of restructuring activities, reductions in headcount, and decreased variable incentive pay due to a decrease in operating income. Total R&D headcount decreased from approximately 1,450 in fiscal 2011 to 1,400 in fiscal 2012.

We believe that continuing our investments in R&D is critical to attaining our strategic objectives. We plan to continue to invest in R&D and new products that will further differentiate us in the marketplace and expect our investment in dollar terms to increase in future quarters.

Selling, General and Administrative ("SG&A")

SG&A expense increased $2.3 million, or 0.5%, in fiscal 2013 compared to fiscal 2012. This increase was primarily driven by a $15.3 million increase in labor and benefits expense primarily due to higher headcount coupled with higher compensation. This was partially offset by reductions in legal expenses primarily due to the absence in fiscal 2013 of a $7.9 million legal expense in fiscal 2012 related to a litigation settlement and $4.7 million of net decreases in various other expenses.

SG&A expense in fiscal 2012 decreased 1.7%, or $7.5 million, to $427.0 million from $434.5 million in fiscal 2011. The decrease in SG&A expense was primarily due to decreased variable incentive pay and lower sales commissions due to a decrease in net revenue and operating income, partially offset by increased investment in information technology and a litigation settlement. Please refer to "Note 17. Commitment and Contingencies" for more information on legal proceedings.

We intend to continue to focus on reducing our SG&A expense as a percentage of revenue. However, we have in the recent past experienced, and may continue to experience in the future, certain non-core expenses, such as mergers and acquisitions-related expenses and litigation expenses, which could increase our SG&A expenses and potentially impact our profitability expectations in any particular quarter.

Amortization of Intangibles

Amortization of intangibles for fiscal 2013 decreased $4.3 million, or 5.4%, to $76.0 million from $80.3 million in fiscal 2012.

Amortization of intangibles for fiscal 2012 decreased $2.5 million, or 3.0%, to $80.3 million from $82.8 million in fiscal 2011.

Restructuring and Related Charges

We continue to seek to reduce costs through targeted restructuring efforts intended to consolidate and rationalize business functions and related locations based on core competencies and cost efficiencies, to align the business in response to the market conditions. We estimate annualized cost savings of approximately $23.2 million excluding any one-time charge as a result of the restructuring activities initiated in the past year. See "Note 11. Restructuring and Related Charges" for more detail.

As of June 29, 2013, our total restructuring accrual was $16.5 million.

During the twelve months ended June 29, 2013, we recorded $19.0 million in restructuring and related charges. The charges are a combination of new and previously announced restructuring plans and are primarily the result of the following:

(i) During the fourth quarter of fiscal 2013, management approved a plan to re-align certain functions related to the CCOP segment to drive organizational efficiency and enhance the product line marketing leadership. As a result, a restructuring charge of $1.2 million was recorded for severance and employee benefits for 28 employees primarily in manufacturing, R&D and SG&A functions located in the North America and Asia. As of June 29, 2013, 21 employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of the second quarter of fiscal 2014.

(ii) During the fourth quarter of fiscal 2013, management approved a plan in our OSP segment to realign its operations to focus on priority markets such as Anti-Counterfeiting, Consumer and Industrial and Other offerings in government, aerospace and defense which resulted in ceasing production of certain legacy products such as anti-reflection coatings and front-surface mirrors for display and office automation applications, solar cell covers, and select infrared products that use our MAC, custom display, and some box coater production platforms which were at the end of their lifecycle. The business segment intends to phase out production of these product offerings by the end of the second quarter of fiscal 2014 and de-commission and dispose of certain production equipment as part of the plan. This will result in consolidation of manufacturing operations and office space in our site in Santa Rosa, CA and reduction of workforce by approximately 126 employees primarily in in manufacturing, R&D and SG&A functions located in the United States. As a result, a restructuring charge of $3.7 million was recorded for severance and employee benefits. As of June 29, 2013, no employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of second quarter of fiscal 2014.

(iii) During the fourth quarter of fiscal 2013, management approved a plan to consolidate workspace in Germantown, Maryland and Beijing, China, primarily used by the CommTest segment. As of June 29, 2013, we have exited the affected facilities in both Germantown and Beijing under the plan. We accrued $4.2M exit costs in accordance with authoritative guidance related to lease and contract terminations. The fair value of the remaining contractual obligations, net of sublease income as of June 29, 2013 was $5.0 million. Payments related to the lease costs are expected to be paid by first quarter of fiscal 2014 and second quarter of fiscal 2021 for the facilities in Beijing and Germantown, respectively.

(iv) During the third quarter of fiscal 2013, management approved a plan to transition certain functions related to the CCOP segment to an offshore contract manufacturer to align with our continuous efforts for supply chain optimization. As a result, a restructuring charge of $0.9 million was recorded for severance and employee benefits for

44 employees primarily in manufacturing, R&D and SG&A functions located in the United States. As of June 29, 2013, 4 employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of the first quarter of fiscal 2015.

(v) During the second quarter of fiscal 2013, management approved a plan to align the Company's investment strategy in its CommTest segment with customer spending priorities in high-growth product lines such as wireless network assurance and eliminate positions in R&D, sales and operations organization that supported low-growth product lines. As a result, a restructuring charge of $3.0 million was recorded for severance and employee benefits for 63 employees primarily in manufacturing, R&D and SG&A functions located in North America, Europe and Asia. As of June 29, 2013, 53 employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of the fourth quarter of fiscal 2014.

(vi) During the first quarter of fiscal 2013, management approved a plan to terminate the CPV product line within the CCOP segment based on limited opportunities for market growth. As a result, a restructuring charge of $0.4 million was recorded for severance and employee benefits for 9 employees primarily in manufacturing, R&D and SG&A functions located in United States, Europe, and Asia. As of June 29, 2013, all 9 employees have been terminated and fully paid.

(vii) The Company also incurred restructuring and related charges from previously announced restructuring plans in fiscal 2013 on the following: (i) $4.3 million additional severance and employee benefits primarily to adjust the accrual for the CommTest Operation and Repair Outsourcing Restructuring announced during the fourth quarters of fiscal 2012 arising from 64 employees added to the original plan; (ii) $0.8 million for transfer costs and lease construction costs in CommTest as the result of the repair outsourcing initiative announced by management during the fourth quarter of fiscal 2012; and (iii) $0.5 million for the exit of two leased sites in CommTest for the plan announced during the fourth quarter of fiscal 2012. Payments related to the additional severance and benefits accrual in fiscal 2013 are expected to be paid by the end of the fourth quarter of fiscal 2014.

During the twelve months ended June 30, 2012, we incurred restructuring expenses of $12.5 million, of which $0.1 million was attributable to the Hologram Business and is presented in the Consolidated Statements of Operations as a component of Loss from discontinued operations, net of tax. The charges are a combination of new and previously announced restructuring plans and are primarily the result of the following:

(i) During the fourth quarter of fiscal 2012, management approved the CommTest Operation and Repair Outsourcing Restructuring Plan which focuses on three areas in the CommTest segment: (1) moving the repair organization to a repair outsourcing partner; (2) reorganizing the R&D global team because of portfolio prioritization primarily in the CEM business to consolidate key platforms from several sites to single site; (3) reorganizing Global Sales to focus on strategic software growth, wireless growth, and to ensure sales account resources on the most critical global growth accounts. As a result, a restructuring charge of $4.3 million was recorded towards severance and employee benefits for 117 employees in manufacturing, R&D and SG&A functions. Payments related to the severance and benefits accrual are expected to be paid by the end of the fourth quarter of fiscal 2014.

(ii) During the fourth quarter of fiscal 2012, management approved the OSP Business Consolidation plan to consolidate and re-align the various business units within its OSP segment to improve synergies. As a result, a restructuring charge of $0.8 million was

recorded towards severance and employee benefits for 17 employees primarily in manufacturing, R&D and SG&A functions. Of this $0.8 million restructuring charge, $0.1 million was attributable to the Hologram Business relating to severance and employee benefits for 1 employee and is presented in the Consolidated Statements of Operations as a component of Loss from discontinued operations, net of tax. Payments related to the severance and benefits accrual were paid off by the third quarter of fiscal 2013.

(iii) During the third quarter of fiscal 2012, management approved the CommTest Manufacturing Support Consolidation Plan to continue to consolidate its manufacturing support operations in the CommTest segment, by reducing the number of contract manufacturer locations worldwide and moving most of them to lower cost regions such as Mexico and China. As a result, a restructuring charge of $2.8 million was recorded towards severance and employee benefits for 80 employees in manufacturing, R&D and SG&A functions. Payments related to the severance and benefits accrual are expected to be paid by the first quarter of fiscal 2014.

(iv) During the second quarter of fiscal 2012, management approved the CommTest Solution Business Restructuring Plan to re-organize the CEM business of the CommTest segment to improve business efficiencies with greater focus on the mobility and video software test business, and to re-organize CommTest's global operations to reduce costs by moving towards an outsourcing model. As a result, a restructuring charge of $1.7 million was recorded towards severance and employee benefits for 57 employees in manufacturing, R&D and SG&A functions. Payments related to the remaining severance and benefits accrual were paid off by the second quarter of fiscal 2013.

(v) During the second quarter of fiscal 2012, management approved the CommTest Germantown Tower Restructuring Plan to consolidate workspace in Germantown, Maryland, primarily used by the CommTest segment. As of December 31, 2011, we have exited the workspace in Germantown under the plan. We accrued $0.6 million exit costs in accordance with authoritative guidance related to lease and contract terminations. The fair value of the remaining contractual obligations, net of sublease income as of June 30, 2012 was $0.5 million. Payments related to the lease costs are expected to be paid by the end of the second quarter of fiscal 2019.

(vi) During the first quarter of fiscal 2012, management approved the CCOP Fiscal Q1 2012 Plan to restructure certain CCOP segment functions and responsibilities to drive efficiency and segment profitability in light of current economic conditions. As a result, a restructuring charge of $1.1 million was recorded towards severance and employee benefits for 40 employees in manufacturing, R&D and SG&A functions. Payments related to the severance and benefits were paid off by the second quarter of fiscal 2012.

(vii) We also incurred restructuring and related charges from previously announced restructuring plans in fiscal 2012 on the following: (i) $0.5 million benefit arising primarily from $1.2 million benefit to adjust down the previous accrual of employee severance and benefits under CommTest Sales and Market Rebalancing Plan due to management's decision to re-locate employees and realize co-location efficiencies, offset by $0.7 million on severance and employee benefits, primarily on continued implementation of the CommTest Germany Restructuring Plan; (ii) $1.6 million for manufacturing transfer costs in the CommTest and OSP segments which were the result of the transfer of certain production processes into existing sites in the United States or to contract manufacturers; and (iii) $0.1 million charge arising primarily from $1.0 million lease termination cost under CommTest Market Rebalancing Restructuring Plan, offset by $0.9 million benefit to

adjust the accrual for previously restructured leases in the CommTest segment which were the result of our continued efforts to reduce and/or consolidate manufacturing locations.

During the twelve months ended July 2, 2011, we incurred restructuring expenses of $14.8 million. The charges are a combination of new and previously announced restructuring plans and are primarily the result of the following:

(i) During the third quarter of fiscal 2011, management approved a plan to outsource a portion of manufacturing in the OSP segment to a contract manufacturer resulting in termination of employment and manufacturing transfer costs. As a result, a restructuring charge of $1.1 million was recorded consisting of $0.4 million towards manufacturing transfer costs and $0.7 million towards severance and related employee benefits for approximately 35 employees in manufacturing operations. Payments related to the severance and benefits were paid off by the first quarter of fiscal 2012.

(ii) During the fourth quarter of fiscal 2011, the Company approved the CommTest Sales Rebalancing Plan to reorganize the sales organization and one of our product portfolios in the segment to focus efforts on higher growth technologies and regions. As a result, a restructuring charge of $4.6 million was recorded towards severance and employee benefits for approximately 110 employees in manufacturing, R&D and SG&A functions. Payments related to the severance and benefits were paid off by the fourth quarter of fiscal 2012.

(iii) We also incurred restructuring and related charges from previously announced restructuring plans in fiscal 2011 on the following: (i) $1.2 million on severance and employee benefits, primarily on continued implementation of the CommTest Germany Restructuring Plan; (ii) $2.1 million for manufacturing transfer costs in the CommTest and CCOP segments which were the result of the transfer of certain production processes into existing sites in the U.S. or to contract manufacturers; and (iii) $0.4 million benefit arising primarily from $0.8 million benefit to adjust the accrual for previously restructured leases in the CommTest segment which were the result of our continued efforts to reduce and/or consolidate manufacturing locations offset by accrual for previously restructured leases.

Our restructuring and other lease exit cost obligations are net of sublease income or lease settlement estimates of approximately $5.4 million. Our ability to generate sublease income, as well as our ability to terminate lease obligations and recognize the anticipated related savings, is highly dependent upon the economic conditions, particularly commercial real estate market conditions in certain geographies, at the time we negotiate the lease termination and sublease arrangements with third parties as well as the performances by such third parties of their respective obligations. While the amount we have accrued represents the best estimate of the remaining obligations we expect to incur in connection with these plans, estimates are subject to change. Routine adjustments are required and may be required in the future as conditions and facts change through the implementation period. If adverse macroeconomic conditions continue, particularly as they pertain to the commercial real estate market, or if, for any reason, tenants under subleases fail to perform their obligations, we may be required to reduce estimated future sublease income and adjust the estimated amounts of future settlement agreements, and accordingly, increase estimated costs to exit certain facilities. Amounts related to the lease expense, net of anticipated sublease proceeds, will be paid over the respective lease terms through fiscal 2021.

Interest and Other Income (Expense), Net

Interest and other income (expense), net decreased by $16.9 million during fiscal 2013, to $4.1 million of expense from $12.8 million of income during fiscal 2012. This decrease was primarily driven by (i) a reduction in other income primarily due to the absence in 2013 of $9.4 million of insurance proceeds received in fiscal 2012 from our claims on loss associated with the Thailand flooding, (ii) $3.4 million of additional loss realized from the repurchase of $150.0 million aggregate principal amount of 1% Senior Convertible Notes at or below par during fiscal 2013 and (iii) a $2.8 million unfavorable variance in foreign exchange results in fiscal 2013 compared to fiscal 2012. This was partially offset by a $0.6 million decrease in various other expenses.

During fiscal 2012, interest and other income (expense), net increased by $7.2 million, to $12.8 million of income from $5.6 million of income in fiscal 2011. The increase was primarily due to $9.4 million of other income recorded in fiscal 2012 related to the insurance proceeds received from our claims on loss associated with the Thailand flooding. This increase was partially offset by $0.7 million loss on repurchase of convertible notes in fiscal 2012.

Interest Expense

Interest expense decreased by $9.4 million, or 34.4%, to $17.9 million from $27.3 million in fiscal 2013 compared to fiscal 2012. The decrease in interest expense during fiscal 2013 was primarily due to repurchases of $150.0 million of the aggregate principal amount of the 1% Senior Convertible Notes during the first three quarters of fiscal 2013 and the redemption of the remaining $161.0 million aggregate principal amount of our 1% Senior Convertible Notes in the fourth quarter of fiscal 2013.

During fiscal 2012, interest expense increased by $1.9 million, or 7.5%, to $27.3 million from $25.4 million in fiscal 2011, primarily due to an increase in accretion of debt discount cost.

(Benefit from) Provision for Income Tax

Fiscal 2013 Tax Expense / Benefit

We recorded an income tax benefit of $103.9 million for 2013. The expected tax benefit derived by applying the federal statutory rate to our loss before income taxes for fiscal 2013 differed from the income tax benefit recorded primarily due to a net reduction in our valuation allowance related to valuation allowance releases, utilization of foreign net operating losses, and the recognition of tax credits generated during the current year.

During fiscal 2013, we determined that it is more likely than not that the deferred tax assets of a subsidiary in a non-U.S. jurisdiction (the "foreign subsidiary") will be realized after considering all positive and negative evidence. Prior to fiscal 2013, because of significant negative evidence including principally continued economic uncertainty in the industry in the foreign jurisdiction specifically and reorganization activity that would adversely affect the foreign subsidiary's future operations and profitability on a continuing basis in future years, we determined that it was more likely than not that the deferred tax assets would not be realized. However, during fiscal 2013, the foreign subsidiary had realized cumulative pre-tax income for the preceding three years and had forecasted future pre-tax income sufficient to realize its deferred tax assets. Upon considering the relative impact of all evidence, both negative and positive, and the weight accorded to each, we concluded that it was more likely than not that the deferred tax assets of the foreign subsidiary would be realized and that the applicable valuation allowance should be released.

Accordingly, a net deferred tax valuation allowance release of $107.9 million was recorded as an income tax benefit during the year. Our conclusion that it is more likely than not that the deferred tax

assets will be realized is strongly influenced by our forecast of the foreign subsidiary's future taxable income. We believe our forecast of the foreign subsidiary's future taxable income is reasonable; however, it is inherently uncertain. Therefore, if the foreign subsidiary realizes material unforeseen losses, then our ability to realize the deferred tax assets may become uncertain and an additional charge to increase the valuation allowance may be recorded.

In addition, during fiscal 2013 we recorded net income tax expense of $4.0 million attributable to the results of our worldwide operations.

Based on a jurisdiction by jurisdiction review of anticipated future income and due to the continued economic uncertainty in the industry, management has determined that in many of our jurisdictions, it is more likely than not that our net deferred tax assets will not be realized in those jurisdictions. During fiscal 2013, the valuation allowance for deferred tax assets decreased by $87.9 million. The decrease was primarily related to the valuation allowance release mentioned above. We are routinely subject to various federal, state and foreign audits by taxing authorities. We believe that adequate amounts have been provided for any adjustments that may result from these examinations.

Fiscal 2012 Tax Expense / Benefit

We recorded an income tax expense of $12.0 million for fiscal 2012. The expected tax benefit derived by applying the federal statutory rate to our loss before income taxes for fiscal 2012 differed from the income tax expense recorded primarily as a result of domestic and foreign losses that were not benefited due to valuation allowances.

Based on a jurisdiction by jurisdiction review of anticipated future income and due to the continued economic uncertainty in the industry, management has determined that in most of our jurisdictions, it is more likely than not that our net deferred tax assets will not be realized in those jurisdictions. During fiscal 2012, the valuation allowance for deferred tax assets increased by $25.8 million. The increase was primarily due to domestic and foreign tax net operating losses sustained during the fiscal year, offset by utilization and expiration of domestic and foreign net operating losses. We are routinely subject to various federal, state and foreign audits by taxing authorities. We believe that adequate amounts have been provided for any adjustments that may result from these examinations.

Fiscal 2011 Tax Expense / Benefit

We recorded an income tax benefit of $26.0 million for fiscal 2011. The expected tax expense derived by applying the federal statutory rate to our income before income taxes for fiscal 2011 differed from the income tax benefit recorded primarily due to a net reduction in our valuation allowance related to the valuation allowance release and utilization of domestic and foreign net operating losses.

During fiscal 2011, we determined that it is more likely than not that a portion of the deferred tax assets of a subsidiary in a non-U.S. jurisdiction (the "foreign subsidiary") will be realized after considering all positive and negative evidence. Prior to fiscal 2011, because of significant negative evidence including principally continued economic uncertainty in the industry in the foreign jurisdiction specifically and reorganization activity that would adversely affect the foreign subsidiary's future operations and profit levels on a continuing basis in future years, we determined that it was more likely than not that the deferred tax assets would not be realized. However, during fiscal 2011, the foreign subsidiary had realized cumulative pre-tax income for the preceding three years and as a result of the finalization of our reorganization plans during the year had forecasted future pre-tax income sufficient to realize a portion of its deferred tax assets prior to the expiration of its operating losses and tax

credit carryforwards. Upon considering the relative impact of all evidence, both negative and positive, and the weight accorded to each, we concluded that it was more likely than not that a portion of the deferred tax assets of the foreign subsidiary would be realized and that such portion of the valuation allowance should be released.

Accordingly, a deferred tax valuation allowance release of $34.9 million was recorded as an income tax benefit during the year. Our conclusion that it is more likely than not that a portion of such deferred tax assets will be realized is strongly influenced by our forecast of future taxable income. We believe our forecast of future taxable income is reasonable; however, it is inherently uncertain. Therefore, if we realize materially less future taxable income than forecasted or have material unforeseen losses, then our ability to generate sufficient income necessary to realize a portion of the deferred tax assets may be reduced and an additional charge to increase the valuation allowance may be recorded. Conversely, if we generate taxable income materially greater than what was forecasted, then a further release of valuation allowance may be possible.

Based on a jurisdiction by jurisdiction review of anticipated future income and due to the continued economic uncertainty in the industry, management has determined that in most of our jurisdictions, it is more likely than not that our net deferred tax assets will not be realized in those jurisdictions. During fiscal 2011, the valuation allowance for deferred tax assets decreased by $91.4 million. The decrease was primarily related to the valuation release mentioned above and the utilization and expiration of domestic and foreign net operating losses. We are routinely subject to various federal, state and foreign audits by taxing authorities. We believe that adequate amounts have been provided for any adjustments that may result from these examinations.

Discontinued Operations

During the second quarter of fiscal 2013, we completed the sale of the Hologram Business within the previous AOT reportable segment to OpSec Security Inc. and received gross proceeds of $11.5 million in cash, subject to an earn-out clause. Based on an assessment to be performed following the one-year period subsequent to the closing date (the "earn-out period"), the buyer may be required to pay up to a maximum additional amount of $4.0 million contingent on the Hologram Business exceeding a pre-determined revenue target during the earn-out period. No amount related to the earn-out clause will be recognized unless it is realized or realizable, in accordance with authoritative guidance. If any amount related to the earn-out clause meets the recognition criteria it will be included as a component of discontinued operations in the Consolidated Statements of Operations.

Net revenue of the Hologram Business for fiscal 2013, 2012 and 2011 was $5.2 million, $19.7 million, and $22.6 million, respectively. Net loss from discontinued operations was zero, $29.5 million, and $7.1 million for fiscal 2013, 2012 and 2011, respectively. Net loss from discontinued operation in fiscal 2012 primarily related to impairment charges on long-lived assets. There was no tax effect associated with the discontinued operation for any periods presented.

Operating Segment Information ***(dollars in millions)***

	2013	2012	Change	Percentage Change	2012	2011	Change	Percentage Change
Communications Test and Measurement								
Net Revenue	$728.9	$754.8	$(25.9)	(3.4)%	$754.8	$803.0	$(48.2)	(6.0)%
Operating income	83.1	98.3	(15.2)	(15.5)	98.3	119.4	(21.1)	(17.7)
Operating Margin	11.4%	13.0%			13.0%	14.9%		
Communications and Commercial Optical Products								
Net Revenue	$742.2	$701.6	$ 40.6	5.8%	$701.6	$770.9	$(69.3)	(9.0)%
Operating income (loss)	82.4	72.0	10.4	14.4	72.0	130.0	(58.0)	(44.6)
Operating Margin	11.1%	10.3%			10.3%	16.9%		
Optical Securities and Performance Products								
Net Revenue	$205.8	$206.0	$ (0.2)	(0.1)%	$206.0	$208.0	$ (2.0)	(1.0)%
Operating income	73.2	72.5	0.7	1.0	72.5	77.7	(5.2)	(6.7)
Operating Margin	35.6%	35.2%			35.2%	37.4%		

Communications Test and Measurement

CommTest operating margin decreased 1.6 percentage points during fiscal 2013 to 11.4% from 13.0% in fiscal 2012. The decrease was primarily driven by a 3.4% decrease in net revenue as discussed above, partially offset by an improvement in gross margin primarily due to (i) a more favorable product mix as net revenue from higher margin products increased compared to fiscal 2012, particularly from new products from the acquisitions of Dyaptive and GenComm in our Mobility product line, (ii) savings obtained through restructuring activities to consolidate and rationalize business functions, and (iii) savings associated with the recent outsourcing of our repair operations and ongoing efforts to outsource manufacturing and reduce the number of contract manufacturing partners.

The decrease in CommTest net revenue fiscal 2012 and fiscal 2011 was primarily due to uncertainty in the macro-economic environment in North America within the instruments product portfolio, slightly offset by growth in the Asia-Pacific region. The decline in operating income was primarily driven by the decrease in net revenue, partially offset by reductions in SG&A and R&D expense as a result of savings obtained through our targeted restructuring activities to consolidate and rationalize business functions to achieve cost efficiencies within the CommTest segment.

Communications and Commercial Optical Products

CCOP operating margin increased 0.8 percentage points during fiscal 2013 to 11.1% from 10.3% in fiscal 2012. The increase was primarily driven by an improvement in gross margin primarily due to a more favorable product mix and improvement in yield in fiscal 2013. Also contributing to the increase in operating margin was a 5.8% increase in net revenue as discussed above. This was partially offset by an increase in R&D and SG&A expense primarily due to higher R&D headcount and increased variable incentive compensation in fiscal 2013.

The decrease in CCOP net revenue between fiscal 2012 and 2011 was due was primarily due to uncertainty in the macro-economic environment in Europe impacting our optical communications product portfolio, flooding in Thailand and price reductions in line with business expectations. Specifically, volume declined in our gesture recognition products compared to the successful launch of

these products in fiscal 2011 and in our Circuit Packs and ROADMs product lines. The decline in operating income was primarily due to decreased net revenue, paired with increased investments in R&D.

Optical Security and Performance Products

OSP operating margin increased 0.4 percentage points during fiscal 2013 to 35.6% from 35.2% in fiscal 2012. The increase was primarily driven by reductions in SG&A expense due to a one-time benefit from a litigation settlement related to an insurance claim in fiscal 2013 and due to lower labor and benefits expense. This was partially offset by (i) a decline in gross margin driven by factory underutilization and charges associated with the announced exit of certain product lines and (ii) an increase in R&D expense primarily due to spending on key innovation initiatives.

The decrease in OSP net revenue between fiscal 2012 and fiscal 2011 was primarily due reduced demand for our gesture recognition products, which was partially offset by increases in our currency products. The decline in operating income was primarily due to reduced demand in gesture recognition products and a decline in pricing for certain currency products, resulting in reduced absorption of manufacturing costs.

Liquidity and Capital Resources

Our cash investments are made in accordance with an investment policy approved by the Audit Committee of our Board of Directors. In general, our investment policy requires that securities purchased be rated A-1/P-1, A/A2 or better. In November, 2012, the policy was amended to allow an allocation to securities rated A-2/P-2, BBB/Baa2 or better, with such allocation not to exceed 10% of any investment portfolio. Securities that are downgraded subsequent to purchase are evaluated and may be sold or held at management's discretion. No security may have an effective maturity that exceeds 37 months, and the average duration of our holdings may not exceed 18 months. At any time, no more than 5% or $5 million (whichever is greater) of each investment portfolio may be concentrated in a single issuer other than the U.S. or sovereign governments or agencies. Our investments in debt securities and marketable equity securities are primarily classified as available-for-sale investments or trading assets and are recorded at fair value. The cost of securities sold is based on the specific identification method. Unrealized gains and losses on available-for-sale investments are reported as a separate component of stockholders' equity. We did not hold any investments in auction rate securities, mortgage backed securities, collateralized debt obligations, or variable rate demand notes at June 29, 2013 and virtually all debt securities held were of investment grade (at least BBB-/Baa3). As of June 29, 2013, U.S. entities owned approximately 82.6% of our cash and cash equivalents, short-term investments and restricted cash.

As of June 29, 2013, the majority of our cash investments have maturities of 90 days or less and are of high credit quality. Although we intend to hold these investments to maturity, in the event that we are required to sell any of these securities under adverse market conditions, losses could be recognized on such sales. During the twelve months ended June 29, 2013, we have not realized material investment losses but can provide no assurance that the value or the liquidity of our other investments will not be impacted by adverse conditions in the financial markets. In addition, we maintain cash balances in operating accounts that are with third party financial institutions. These balances in the U.S. may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. While we monitor the cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail.

Fiscal 2013

We had a combined balance of cash and cash equivalents, short-term investments and restricted cash of $515.9 million at June 29, 2013, a decrease of $236.8 million from June 30, 2012. Cash and cash equivalents decreased by $120.1 million in the twelve months ended June 29, 2013, primarily due to $306.8 million used to repurchase our 1% Senior Convertible Notes, $83.2 million used for the acquisitions of business, and $65.1 million used for the purchase of property, plant and equipment, offset by net cash inflows of $110.0 million provided by the maturities, sales and purchases of investments, and cash provided by operating activities of $187.8 million.

Cash provided by operating activities was $187.8 million, resulting from our net income adjusted for non-cash items such as depreciation, amortization and stock-based compensation of $279.4 million offset by changes in operating assets and liabilities that used $91.6 million. Changes in operating assets and liabilities related primarily to an increase in net deferred taxes of $119.5 million, due to a $107.9 million non-cash release of deferred tax valuation allowances in a non-U.S. jurisdiction, a decrease in accounts payable of $16.1 million primarily due to an increase in payments prior to year end enabled by stronger operating cash flows in fiscal 2013, and a decrease in accrued payroll and related expenses of $9.4 million, offset by a decrease in accounts receivable of $39.2 million primarily driven by our collection efforts and a decrease in inventory of $27.2 million primarily due to an increase in shipments and further leveraging our contract manufacturing supply chain management.

Cash used in investing activities was $25.0 million, primarily related to cash used for the acquisitions of GenComm and Arieso of $83.2 million, and cash used for the purchase of property, plant and equipment of $65.1 million offset by net cash inflows provided by the maturities, sales and purchases of investments of $110.0 million, and net proceeds from sale of the Hologram Business of $11.2 million. Investments made during the twelve months ended June 29, 2013 included new technology, laboratory and manufacturing equipment, the set up and improvements to facilities, and upgrading information technology systems.

Cash used in financing activities was $283.8 million, primarily related to the repurchase of our 1% Senior Convertible Notes in the amount of $306.8 million, offset by proceeds from the exercise of stock options and the issuance of common stock under our employee stock purchase plan of $25.7 million.

Fiscal 2012

We had a combined balance of cash and cash equivalents, short-term investments and restricted cash of $752.7 million at June 30, 2012, an increase of $24.0 million from July 2, 2011. Cash and cash equivalents increased by $5.7 million in the twelve months ended June 30, 2012, primarily due to cash provided by operating activities of $119.1 million, offset by $72.2 million used for the purchases of property, plant and equipment, net cash outflows of $26.6 million used for the purchase of available-for-sale investments, $12.5 million used for the acquisition of QuantaSol and Dyaptive and $1.9 million used in financing activities.

Cash provided by operating activities was $119.1 million, resulting from our net loss adjusted for non-cash items such as depreciation, amortization, impairment of long-lived assets and stock-based compensation of $199.4 million, and changes in operating assets and liabilities that used $80.3 million related primarily to a decrease in accounts payable of $29.2 million, a decrease in accrued payroll and related expenses of $25.3 million, an increase in other current and non-current assets of $14.8 million, a decrease in accrued expenses and other current and non-current liabilities of $11.1 million, and an increase in inventories of $7.7 million, offset by a decrease in accounts receivable of $17.2 million primarily due to decrease in net revenue compared with fiscal 2011.

The $29.2 million decrease in accounts payable was primarily due to timing of purchases and payments. The $25.3 million decrease in accrued payroll and related expenses was primarily due to timing of salary and payroll tax payments and lower bonus and commission accruals. The $14.8 million increase in other current and non-current assets was primarily due to higher advances to our contract manufacturers to support future growth and increases in value-added tax receivables and prepayments of license and maintenance fees. The $11.1 million decrease in other current and non-current liabilities was mainly due to timing of invoicing and lower accrual related to contract manufacturing scrap expenses.

Cash used by investing activities was $105.7 million, primarily related to cash used for the purchase of property, plant and equipment of $72.2 million, net cash outflows used for the purchase of available-for-sale investments of $26.6 million, and cash used for the acquisition of QuantaSol and Dyaptive of $12.5 million, offset by proceeds from sale of assets of $2.1 million. Since we continue to invest in new technology, laboratory equipment, and manufacturing capacity to support revenue growth across all three segments, significant investments were made during fiscal 2012 to increase our manufacturing capacity in Asia and the U.S. and to upgrade our information technology systems.

Our financing activities used cash of $1.9 million, related to repayments of the carrying amount and reacquisition of the equity component of our 1% Senior Convertible Notes in the amount of $13.2 million, payments made on financing obligations of $11.6 million primarily related to software licenses, and payments for issuance cost of our revolving credit facility of $1.9 million, offset by proceeds from the exercise of stock options and the issuance of common stock under our employee stock purchase plan of $17.9 million and proceeds from financing obligation of $6.9 million related to the Eningen sale and leaseback transaction.

Fiscal 2011

We had a combined balance of cash and cash equivalents, short-term investments and restricted cash of $728.7 million at July 2, 2011, an increase of $128.6 million from July 3, 2010. Significant inflows included $205.3 million provided by operating activities and $38.1 million from the exercise of stock options and the issuance of stock under employee stock plans. Significant outflows included $116.7 million of cash used for purchases of property, plant and equipment. Cash and cash equivalents increased by $55.2 million in fiscal 2011, primarily due to the above-referenced items offset by purchases of available-for-sale investments in excess of sales and maturities of $70.0 million.

Operating activities provided $205.3 million of cash during fiscal 2011, resulting from our net income adjusted for non-cash items such as depreciation, amortization, and various gains and losses of $288.8 million, together with changes in operating assets and liabilities that used $83.5 million related primarily to an increase in trade receivable of $52.8 million due to the increase in sales, an increase in inventories of $38.6 million, an increase in net deferred taxes of $35.6 million primarily due to a $34.9 million release of a deferred tax valuation allowance, an increase in other current and non-current assets of $9.7 million and a decrease in accrued expenses and other current and non-current liabilities of $15.0 million offset by an increase in deferred revenue of $44.1 and an increase of $9.7 million in accounts payable.

Cash used by investing activities was $188.3 million during fiscal 2011, primarily due to $116.7 million of cash used for purchases of property and equipment, $73.6 million for purchases of available-for-sale investments, net of maturities and sales of investments, offset by $3.6 million from the sale of our Fabrinet investment. Since we continue to invest in new technology, lab equipment, and manufacturing capacity to support revenue growth across all three segments, significant investments were made during fiscal 2011 to increase our manufacturing capacity in China and the United States, to

set up and /or improve facilities and purchase equipment to support our NSD business, and to upgrade our information technology systems.

Our financing activities provided cash of $31.1 million, primarily related to proceeds from the exercise of stock options and issuance of stock under employee stock plans of $38.1 million offset by the payments on financing obligations of $6.8 million.

Contractual Obligations

The following summarizes our contractual obligations at June 29, 2013, and the effect such obligations are expected to have on our liquidity and cash flow over the next five years (*in millions*):

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations					
Asset retirement obligations—expected cash payments	$ 9.2	$ 0.4	$ 5.5	$ 1.0	$ 2.3
Purchase obligations (1)	130.3	115.3	14.3	0.7	—
Operating lease obligations (1)	127.7	27.5	45.1	28.8	26.3
Software financing obligations (1)	1.9	1.9	—	—	—
Pension and postretirement benefit payments (2)	96.3	5.2	11.1	12.4	67.6
Other non-current liabilities related to acquisition holdbacks (3)	3.6	—	3.2	0.4	—
Total	$369.0	$150.3	$79.2	$43.3	$96.2

(1) See "Note 17. Commitments and Contingencies" for more information.

(2) See "Note 15. Employee Benefit Plans" for more information.

(3) See "Note 5. Mergers and Acquisitions" for more information.

As of June 29, 2013, operating lease obligations of $10.2 million in connection with our restructuring and related activities were accrued in our Consolidated Balance Sheet. Operating lease obligations of $2.9 million were included in Other current liabilities and $7.3 million was accrued in Other non-current liabilities in our Consolidated Balance Sheet.

Purchase obligations represent legally-binding commitments to purchase inventory and other commitments made in the normal course of business to meet operational requirements. Of the $130.3 million of purchase obligations as of June 29, 2013, $35.2 million are related to inventory and the $95.1 million are non-inventory items.

As of June 29, 2013, our other non-current liabilities primarily relate to asset retirement obligations, pension and financing obligations which are presented in various lines in the preceding table.

As we are unable to reasonably predict the timing of settlement of liabilities related to unrecognized tax benefits including penalties and interest, the table does not include $28.1 million of such liabilities recorded on our Consolidated Balance Sheet as of June 29, 2013.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as such term is defined in rules promulgated by the SEC, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Acquisitions

As part of our strategy, we are committed to the on-going evaluation of strategic opportunities and, where appropriate, the acquisition of additional products, technologies or businesses that are complementary to, or broaden the markets for our products. We believe we strengthened our business model by expanding our addressable market, customer base, and expertise, diversifying our product portfolio, and fortifying our core businesses through acquisition as well as through organic initiatives.

In March 2013, we completed the acquisition of Arieso based in the United Kingdom. We acquired tangible and intangible assets and assumed liabilities of Arieso for a total purchase price of approximately $89.6 million in cash subject to working capital adjustments, including holdback payments of approximately $12.8 million which are reserved for potential breaches of representations and warranties. The holdback payments, minus any deductions for actual or pending claims, will be released more than one year after the closing date.

In August 2012, we completed the acquisition of GenComm based in Seoul, South Korea. We acquired tangible and intangible assets and assumed liabilities of GenComm for a total purchase price of approximately $15.2 million in cash, including holdback payments of approximately $3.8 million which are reserved for potential breaches of representations and warranties. The holdback payments, minus any deductions for actual or pending claims, will be released more than one year after the closing date.

In January 2012, we completed the acquisition of Dyaptive based in Vancouver, Canada. We acquired tangible and intangible assets and assumed liabilities of Dyaptive for a total purchase price of approximately CAD 14.9 million (USD 14.8 million) in cash, including a holdback payment of approximately CAD 2.0 million (USD 2.0 million) which is due in December 2012.

Please refer to "Note 5. Mergers and Acquisitions" of our Notes to Consolidated Financial Statements.

Employee Equity Incentive Plan

Our stock option and Full Value Award program is a broad-based, long-term retention program that is intended to attract and retain employees and align stockholder and employee interests. As of June 29, 2013, we had available for issuance 14.9 million shares of common stock for grant primarily under our Amended and Restated 2003 Equity Incentive Plan (the "2003 Plan") and 2005 Acquisition Equity Incentive Plan (the "2005 Plan"). The exercise price for the options is equal to the fair market value of the underlying stock at the date of grant. Options generally become exercisable over a four-year or three-year period and, if not exercised, expire from five to ten years post grant date. "Full Value Awards" refer to Restricted Stock Units ("RSUs") and Performance Units that are granted with the exercise price equal to zero and are converted to shares immediately upon vesting. These Full Value Awards are performance-based, time-based, or a combination of both and are expected to vest over one to four years. The fair value of the time-based Full Value Awards is based on the closing market price of our common stock on the date of award. Refer to "Note 14. Stock-Based Compensation" for more detail.

Pension and Other Postretirement Benefits

As a result of acquiring Acterna in August 2005 and NSD in May 2010, we sponsor pension plans for certain past and present employees in the United Kingdom ("UK") and Germany. We also are responsible for the nonpension postretirement benefit obligation of a previously acquired subsidiary. Most of these plans have been closed to new participants and no additional service costs are being accrued, except for the plans assumed during fiscal 2010 in connection with the NSD acquisition. The UK plan is partially funded and the German plans, which were initially established as "pay-as-you-go" plans, are unfunded. The authoritative guidance of pension and other postretirement benefits requires the recognition of the funded status of the pension plans and nonpension postretirement benefit plans (retirement-related benefit plans) as an asset or a liability in the Consolidated Balance Sheets. The authoritative guidance also requires the recognition of changes in that funded status in the year in which they occur through the Gains and (losses) not affecting retained earnings, net of tax, and the recognition of previously unrecognized gains/(losses), prior service costs/(credits) and transition assets as a component of Accumulated gains and (losses) not affecting retained earnings in the Consolidated Statement of Stockholders' Equity. The funded status of a retirement plan is the difference between the projected benefit obligation and the fair value of its plan assets. The projected benefit obligation is the actuarial present value of all benefits attributed by the plan's benefit formula to employee service. At June 29, 2013, our pension plans were under funded by $95.4 million since the projected benefit obligation exceeded the fair value of its plan assets. Similarly, we had accrued $0.9 million related to our non-pension postretirement benefit plan.

We anticipate future annual outlays related to the German plans will approximate estimated future benefit payments. These future benefit payments have been estimated based on the same actuarial assumptions used to measure our projected benefit obligation and currently are forecasted to range between $4.3 million and $5.1 million per annum. In addition, we expect to contribute approximately $0.7 million to the UK plan during fiscal 2013.

During fiscal 2013 and fiscal 2012, we contributed GBP 0.5 million and GBP 0.3 million or approximately $0.7 million and $0.4 million, respectively, to our UK pension plan. These contributions allowed us to comply with regulatory funding requirements.

A key actuarial assumption in calculating the net periodic cost and the projected benefit obligation ("PBO") is the discount rate. Changes in the discount rate impact the interest cost component of the net periodic benefit cost calculation and PBO due to the fact that the projected benefit obligation ("PBO") is calculated on a net present value basis. Decreases in the discount rate will generally increase pre-tax cost, recognized expense and the PBO. Increases in the discount rate tend to have the opposite effect. We estimate a 50 basis point decrease or increase in the discount rate would cause a corresponding increase or decrease, respectively, in the PBO of approximately $7.7 million based upon data as of June 29, 2013.

Liquidity and Capital Resources Requirement.

Our primary liquidity and capital spending requirements over the next 12 months will be the funding of our operating activities and capital expenditures. As of June 29, 2013 our expected commitments for capital expenditures totals approximately $10.1 million. We believe that our existing cash balances, investments and availability under our revolving credit facility will be sufficient to meet our liquidity and capital spending requirements. However, there are a number of factors that could positively or negatively impact our liquidity position, including:

- global economic conditions which affect demand for our products and services and impact the financial stability of our suppliers and customers;

- changes in accounts receivable, inventory or other operating assets and liabilities which affect our working capital;
- increase in capital expenditure to support the revenue growth opportunity of our business;
- the tendency of customers to delay payments or to negotiate favorable payment term to manage their own liquidity positions;
- timing of payments to our suppliers;
- factoring or sale of accounts receivable;
- volatility in fixed income, credit, and foreign exchange markets which impact the liquidity and valuation of our investment portfolios;
- possible investments or acquisitions of complementary businesses, products or technologies;
- issuance or repurchase of debt or equity securities;
- potential funding of pension liabilities either voluntarily or as required by law or regulation, and
- compliance with covenants and other terms and conditions related to our financing arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Exchange Risk

We utilize foreign exchange forward contracts and other instruments, including option contracts, to hedge foreign currency risk associated with foreign currency denominated monetary assets and liabilities, primarily certain short-term intercompany receivables and payables. Our foreign exchange forward contracts and other instruments are accounted for as derivatives whereby the fair value of the contracts are reflected as other current assets or other current liabilities and the associated gains and losses are reflected in Interest and other income (expense), net in the Consolidated Statements of Operations. Our hedging programs reduce, but do not eliminate, the impact of currency exchange rate movements. The gains and losses on those derivatives are expected to be offset by re-measurement gains and losses on the foreign currency denominated monetary assets and liabilities.

The following table provides information about our foreign currency forward contracts outstanding as of June 29, 2013. The forward contracts, most with a term of less than 120 days, were transacted near month end; therefore, the fair value of the contracts is not significant.

(in millions)	Contract Amount (Local Currency)	Contract Amount (USD)
Australian Dollar (contracts to sell AUD / buy USD)	AUD 6.3	$ 5.8
Brazilian Real (contracts to sell BRL / buy USD)	BRL 14.3	6.3
Canadian Dollar (contracts to buy CAD / sell USD)	CAD 65.1	62.0
Swiss Franc (contracts to buy CHF / sell USD)	CHF 1.6	1.7
Chinese Renmimbi (contracts to buy CNY / sell USD)	CNY 214.0	34.4
Euro (contracts to buy EUR / sell USD)	EUR 61.3	79.7
British Pound (contracts to sell GBP / buy USD)	GBP 6.8	10.4
Indian Rupee (contracts to sell INR / buy USD)	INR 441.0	7.3
South Korean Won (contracts to sell KRW / buy USD)	KRW 3,900.0	3.4
Mexican Peso (contracts to buy MXN / sell USD)	MXN 81.6	6.1
Malaysian Ringgit (contracts to buy MYR / sell USD)	MYR 2.6	0.8
Singapore Dollar (contracts to sell SGD / buy USD)	SGD 53.9	42.3
Turkish Lira (contracts to sell TRY / buy USD)	TRY 3.9	2.0
Total notional amount of outstanding Foreign Exchange Contracts		$262.2

The counterparties to these hedging transactions are creditworthy multinational banks. The risk of counterparty nonperformance associated with these contracts is not considered to be material. Notwithstanding our efforts to mitigate some foreign exchange risks, we do not hedge all of our foreign currency exposures, and there can be no assurances that our mitigating activities related to the exposures that we do hedge will adequately protect us against the risks associated with foreign currency fluctuations.

Investments

We maintain an investment portfolio in a variety of financial instruments, including, but not limited to, U.S. government and agency securities, corporate obligations, money market funds, asset-backed securities, and other investment-grade securities. The majority of these investments pay a fixed rate of interest. The securities in the investment portfolio are subject to market price risk due to changes in interest rates, perceived issuer creditworthiness, marketability, and other factors. These investments are generally classified as available-for-sale and, consequently, are recorded on our Consolidated Balance Sheets at fair value with unrealized gains or losses reported as a separate component of Stockholders' equity.

Investments in both fixed-rate and floating-rate interest earning instruments carry a degree of interest rate risk. The fair market values of our fixed-rate securities decline if interest rates rise, while floating-rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may be less than expectations because of changes in interest rates or we may suffer losses in principal if we sell securities that have experienced a decline in market value because of changes in interest rates.

The following table (*in millions*) presents the hypothetical changes in fair value in the available-for-sale debt instruments held at June 29, 2013 that are sensitive to changes in interest rates. These instruments are not leveraged or hedged and are held for purposes other than trading. Investments in money market funds and similar investment funds that seek to maintain a constant net asset value per unit of investment are not considered to be subject to market price risk and are not included in this sensitivity analysis. The modeling technique used measures the change in fair values arising from selected potential changes in interest rates. Market changes reflect immediate hypothetical parallel shifts in the yield curve of plus or minus 50 basis points ("BPS"), 100 BPS, and 150 BPS. Beginning fair values represent the market value, excluding accrued interest and dividends at June 29, 2013.

	Valuation of Securities Given an Interest Rate Decrease of "X" BPS			Fair Value as of June 29, 2013	Valuation of Securities Given an Interest Rate Increase of "X" BPS		
	150 BPS	100 BPS	50 BPS		50 BPS	100 BPS	150 BPS
U.S. treasuries	$ 12.1	$ 12.0	$ 12.0	$ 12.0	$ 11.9	$ 11.9	$ 11.9
U.S. agencies	53.5	53.1	52.7	52.4	52.0	51.6	51.2
Municipals	12.8	12.8	12.7	12.7	12.6	12.6	12.5
Asset-backed securities	15.5	15.4	15.4	15.2	15.2	15.1	15.1
Corporate securities	136.4	136.0	135.5	135.0	134.6	134.1	133.6
Total	$230.3	$229.3	$228.3	$227.3	$226.3	$225.3	$224.3

We seek to mitigate the credit risk of our portfolio of fixed-income securities by holding only high-quality, investment-grade obligations with effective maturities of 37 months or less. We also seek to mitigate marketability risk by holding only highly liquid securities with active secondary or resale markets. However, the investments may decline in value or marketability due to changes in perceived credit quality or changes in market conditions.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of JDS Uniphase Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of JDS Uniphase Corporation and its subsidiaries at June 29, 2013 and June 30, 2012, and the statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended June 29, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 29, 2013, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PRICEWATERHOUSECOOPERS LLP

San Jose, California
August 23, 2013

JDS UNIPHASE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(*in millions, except per share data*)

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Net revenue	$1,676.9	$1,662.4	$1,781.9
Cost of sales	919.0	898.3	939.3
Amortization of acquired technologies	63.3	58.6	56.9
Gross profit	694.6	705.5	785.7
Operating expenses:			
Research and development	258.5	244.0	238.0
Selling, general and administrative	429.3	427.0	434.5
Amortization of other intangibles	12.7	21.7	25.9
Restructuring and related charges	19.0	12.4	14.8
Total operating expenses	719.5	705.1	713.2
(Loss) income from operations	(24.9)	0.4	72.5
Interest and other income (expense), net	(4.1)	12.8	5.6
Interest expense	(17.9)	(27.3)	(25.4)
(Loss) income from continuing operations before income taxes	(46.9)	(14.1)	52.7
(Benefit from) provision for income taxes	(103.9)	12.0	(26.0)
Income (loss) from continuing operations, net of tax	57.0	(26.1)	78.7
Loss from discontinued operations, net of tax	—	(29.5)	(7.1)
Net income (loss)	$ 57.0	$ (55.6)	$ 71.6
Basic net income (loss) per share from:			
Continuing operations	$ 0.24	$ (0.11)	$ 0.35
Discontinued operations	—	(0.13)	(0.03)
Net income (loss)	$ 0.24	$ (0.24)	$ 0.32
Diluted net income (loss) per share from:			
Continuing operations	$ 0.24	$ (0.11)	$ 0.34
Discontinued operations	—	(0.13)	(0.03)
Net income (loss)	$ 0.24	$ (0.24)	$ 0.31
Shares used in per share calculation:			
Basic	235.0	230.0	224.4
Diluted	239.3	230.0	232.6

See accompanying notes to consolidated financial statements.

JDS UNIPHASE CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(*in millions, except per share data*)

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Net income (loss)	$57.0	$(55.6)	$71.6
Other comprehensive income (loss):			
Net change in cumulative translation adjustments	5.8	(9.4)	12.1
Unrealized gains and losses on investments, net of tax:			
Unrealized net holding gains arising during period, net of tax	0.2	—	1.8
Less: reclassification adjustments included in Net income (loss)	(0.5)	(1.2)	(4.1)
Change in defined benefit obligation, net of tax:			
Unrealized actuarial gains (losses) arising during the period	(4.4)	(14.3)	7.9
Amortization of actuarial gains	—	(0.4)	—
Net change in other comprehensive income (loss)	1.1	(25.3)	17.7
Comprehensive income (loss)	$58.1	$(80.9)	$89.3

See accompanying notes to consolidated financial statements.

JDS UNIPHASE CORPORATION

CONSOLIDATED BALANCE SHEETS
(in millions, except share and par value data)

	June 29, 2013	June 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 281.0	$ 401.1
Short-term investments	205.2	320.5
Restricted cash	29.7	31.1
Accounts receivable, net (Note 6)	273.3	305.8
Inventories, net	145.8	174.5
Prepayments and other current assets	95.3	77.2
Total current assets	1,030.3	1,310.2
Property, plant and equipment, net	247.0	252.9
Goodwill	115.1	68.7
Intangibles, net	149.7	178.8
Deferred income taxes	155.5	40.1
Other non-current assets	17.6	18.8
Total assets	$ 1,715.2	$ 1,869.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 97.7	$ 117.6
Accrued payroll and related expenses	77.0	68.6
Income taxes payable	18.7	20.7
Deferred revenue	71.9	81.2
Accrued expenses	37.1	35.3
Short-term debt	—	292.8
Other current liabilities	45.3	37.9
Total current liabilities	347.7	654.1
Other non-current liabilities	206.2	176.6
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred Stock, $0.001 par value; 1 million shares authorized; 1 share at June 29, 2013 and June 30, 2012, issued and outstanding		
Common Stock, $0.001 par value; 1 billion shares authorized; 237 million shares at June 29, 2013 and 232 million shares at June 30, 2012, issued and outstanding	0.2	0.2
Additional paid-in capital	69,760.1	69,695.7
Accumulated deficit	(68,607.6)	(68,664.6)
Accumulated other comprehensive income	8.6	7.5
Total stockholders' equity	1,161.3	1,038.8
Total liabilities and stockholders' equity	$ 1,715.2	$ 1,869.5

See accompanying notes to consolidated financial statements.

JDS UNIPHASE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(*in millions*)

	Years Ended		
	June 29, 2013	**June 30, 2012**	**July 2, 2011**
OPERATING ACTIVITIES:			
Net income (loss)	$ 57.0	$ (55.6)	$ 71.6
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation expense	68.4	70.3	64.1
Amortization of acquired technologies and other intangibles	76.2	87.5	89.1
Stock-based compensation	56.5	49.1	41.4
Amortization of debt issuance costs and accretion of debt discount	12.9	20.9	19.5
Loss on disposal and impairment of long-lived assets	3.5	22.7	1.5
Other	4.9	4.5	1.6
Changes in operating assets and liabilities, net of impact of acquisitions of businesses and dispositions of assets:			
Accounts receivable	39.2	17.2	(52.8)
Inventories	27.2	(7.7)	(38.6)
Other current and non-current assets	(15.3)	(14.8)	9.7
Accounts payable	(16.1)	(29.2)	9.7
Income taxes payable	0.1	(0.8)	(4.0)
Deferred revenue, current and non-current	1.1	(5.1)	44.1
Deferred taxes, net	(119.5)	(3.5)	(35.6)
Accrued payroll and related expenses	(9.4)	(25.3)	(1.0)
Accrued expenses and other current and non-current liabilities	1.1	(11.1)	(15.0)
Net cash provided by operating activities	187.8	119.1	205.3
INVESTING ACTIVITIES:			
Purchases of available-for-sale investments	(466.6)	(444.8)	(355.3)
Maturities of investments	287.7	316.6	177.6
Sales of investments	288.9	101.6	107.7
Changes in restricted cash	1.6	3.5	(2.3)
Acquisitions of business, net of cash acquired	(83.2)	(12.5)	—
Acquisition of property, plant and equipment	(65.1)	(72.2)	(116.7)
Proceeds received from the sale of a business and assets, net of selling costs	11.7	2.1	0.7
Net cash used in investing activities	(25.0)	(105.7)	(188.3)
FINANCING ACTIVITIES:			
Redemption of convertible debt	(306.8)	(13.2)	(0.2)
Payment of financing obligations	(2.5)	(11.6)	(6.8)
Payment of debt issuance costs	(0.2)	(1.9)	—
Proceeds from financing obligations	—	6.9	—
Proceeds from exercise of employee stock options and employee stock purchase plan	25.7	17.9	38.1
Net cash (used in) provided by financing activities	(283.8)	(1.9)	31.1
Effect of exchange rates on cash and cash equivalents	0.9	(5.8)	7.1
(Decrease) increase in cash and cash equivalents	(120.1)	5.7	55.2
Cash and cash equivalents at beginning of period	401.1	395.4	340.2
Cash and cash equivalents at end of period	$ 281.0	$ 401.1	$ 395.4
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 4.8	$ 6.0	$ 5.8
Cash paid for taxes	14.3	16.2	15.3
Non-cash transactions:			
Purchase of infrastructure technology equipment and licenses	—	3.2	7.1

See accompanying notes to consolidated financial statements.

JDS UNIPHASE CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance at July 3, 2010	221.1	$0.2	$69,574.0	$(68,680.6)	$ 15.1	$ 908.7
Net income	—	—	—	71.6	—	71.6
Comprehensive income	—	—	—	—	17.7	17.7
Shares issued under employee stock plans, net of tax effects	6.5	—	25.7	—	—	25.7
Stock-based compensation	—	—	41.7	—	—	41.7
Balance at July 2, 2011	227.6	0.2	69,641.4	(68,609.0)	32.8	1,065.4
Net loss	—	—	—	(55.6)	—	(55.6)
Comprehensive loss	—	—	—	—	(25.3)	(25.3)
Shares issued under employee stock plans, net of tax effects	4.3	—	5.0	—	—	5.0
Stock-based compensation	—	—	49.5	—	—	49.5
Reacquisition of equity component related to convertible debt repurchase	—	—	(0.2)	—	—	(0.2)
Balance at June 30, 2012	231.9	0.2	69,695.7	(68,664.6)	7.5	1,038.8
Net income	—	—	—	57.0	—	57.0
Comprehensive income	—	—	—	—	1.1	1.1
Shares issued under employee stock plans, net of tax effects	5.5	—	9.9	—	—	9.9
Stock-based compensation	—	—	56.5	—	—	56.5
Reacquisition of equity component related to convertible debt repurchase	—	—	(2.0)	—	—	(2.0)
Balance at June 29, 2013	237.4	$0.2	$69,760.1	$(68,607.6)	$ 8.6	$1,161.3

See accompanying notes to consolidated financial statements.

JDS UNIPHASE CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business

JDS Uniphase Corporation ("JDSU") is a leading provider of communications test and measurement solutions and optical products for telecommunications service providers, cable operators, and network equipment manufacturers. JDSU technologies also enable broadband and optical innovation in many essential industries such as biomedical and environmental instrumentation, semiconductor processing, aerospace and defense, and brand protection. In addition, our optical coatings are used in visual display and decorative product differentiation applications.

Fiscal Years

The Company utilizes a 52-53 week fiscal year ending on the Saturday closest to June 30th. The Company's fiscal 2013 ended on June 29, 2013 and was a 52 week year. The Company's fiscal 2012 ended on June 30, 2012 was a 52 week year. The Company's fiscal 2011 ended on July 2, 2011 was a 52 week year.

Principles of Consolidation

The consolidated financial statements have been prepared in accordance in accordance with U.S. GAAP and include the Company and its wholly-owned subsidiaries. All inter-company accounts and transactions have been eliminated.

Out-of-Period Adjustments

During the year ended June 29, 2013, the Company recorded out-of-period adjustments that impacted cost of sales and other income related to prior fiscal years. The impact of the out-of-period adjustments recorded by the Company resulted in a $2.5 million increase in net income during the year ended June 29, 2013. Management and the Audit Committee have concluded these errors, both individually and in aggregate, were not material to any prior year financial statements and the impact of correcting these errors in the current year is not material to the full year fiscal 2013 financial statements, accordingly the Company recorded the correction of these errors in fiscal 2013.

Discontinued Operations

During the second quarter of fiscal 2013, the Company closed the sale of its hologram business ("Hologram Business") to OpSec Security Inc. for $11.5 million in cash. The Consolidated Statements of Operations have been recast to present the Hologram Business as discontinued operations as described in "Note 19. Discontinued Operations." Unless noted otherwise, discussion in the Notes to Consolidated Financial Statements pertain to continuing operations.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, the reported amount of net revenue and expenses and the disclosure of commitments and contingencies during the reporting periods. The Company bases estimates on historical experience and on various assumptions about the future believed

to be reasonable based on available information. The Company's reported financial position or results of operations may be materially different under changed conditions or when using different estimates and assumptions, particularly with respect to significant accounting policies. If estimates or assumptions differ from actual results, subsequent periods are adjusted to reflect more current information.

Cash and Cash Equivalents

The Company considers highly liquid instruments such as treasury bills, commercial paper and other money market instruments with original maturities of 90 days or less at the time of purchase to be cash equivalents.

Restricted Cash

At June 29, 2013 and June 30, 2012, the Company's short-term restricted cash balances were $29.7 million and $31.1 million, respectively, and the Company's long-term restricted cash balances were $6.5 million and $6.6 million, respectively. They primarily include interest-bearing investments in bank certificates of deposit and money market funds which act as collateral supporting the issuance of letters of credit and performance bonds for the benefit of third parties.

Investments

The Company's investments in debt securities and marketable equity securities are primarily classified as available-for-sale investments or trading securities and are recorded at fair value. The cost of securities sold is based on the specific identification method. Unrealized gains and losses on available-for-sale investments, net of tax, are reported as a separate component of stockholders' equity. Unrealized gains or losses on trading securities resulting from changes in fair value are recognized currently in earnings. The Company's short-term investments include securities with stated maturities of longer than twelve months which are classified as current assets as they are highly liquid and available to support current operations.

The Company periodically reviews these investments for impairment. If a debt security's market value is below amortized cost and the Company either intends to sell the security or it is more likely than not that the Company will be required to sell the security before its anticipated recovery, the Company records an other-than-temporary impairment charge to investment income (loss) for the entire amount of the impairment; if a debt security's market value is below amortized cost and the Company does not expect to recover the entire amortized cost of the security, the Company separates the other-than-temporary impairment into the portion of the loss related to credit factors, or the credit loss portion, and the portion of the loss that is not related to credit factors, or the non-credit loss portion. The credit loss portion is the difference between the amortized cost of the security and the Company's best estimate of the present value of the cash flows expected to be collected from the debt security. The non-credit loss portion is the residual amount of the other-than-temporary impairment. The credit loss portion is recorded as a charge to income (loss), and the non-credit loss portion is recorded as a separate component of other comprehensive income (loss).

Fair Value of Financial Instruments

The carrying amounts of certain of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable, and deferred compensation liability, approximate fair

value because of their short maturities. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. There is an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the assumptions about the factors that market participants would use in valuing the asset or liability.

Estimates of fair value of fixed-income securities are based on third party, market-based pricing sources which the Company believes to be reliable. These estimates represent the third parties' good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale. For instruments that are not actively traded, estimates may be based on current treasury yields adjusted by an estimated market credit spread for the specific instrument. The fair market value of the Company's 1% Senior Convertible Notes fluctuates with interest rates and with the market price of the stock, but does not affect the carrying value of the debt on the balance sheet. Refer to the Company's "Note 10. Debts and Letters of Credit" for more detail.

Inventories

Inventory is valued at standard cost, which approximates actual cost computed on a first-in, first-out basis, not in excess of net realizable market value. The Company assesses the valuation on a quarterly basis and writes down the value for estimated excess and obsolete inventory based upon estimates of future demand, including warranty requirements.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed by the straight-line method over the following estimated useful lives of the assets: 10 to 50 years for building and improvements, 2 to 20 years for machinery and equipment, and 2 to 5 years for furniture, fixtures, software and office equipment. Leasehold improvements are amortized by the straight-line method over the shorter of the estimated useful lives of the assets or the term of the lease.

Costs related to software acquired, developed or modified solely to meet the Company's internal requirements and for which there are no substantive plans to market are capitalized in accordance with the authoritative guidance on accounting for the costs of computer software developed or obtained for internal use. Only costs incurred after the preliminary planning stage of the project and after management has authorized and committed funds to the project are eligible for capitalization. Costs capitalized for computer software developed or obtained for internal use are included in Property, Plant and Equipment on the Consolidated Balance Sheets.

Goodwill

Goodwill represents the excess of the purchase price of an acquired enterprise or assets over the fair value of the identifiable assets acquired and liabilities assumed. The Company tests for impairment of goodwill on an annual basis in the fourth quarter and at any other time when events occur or circumstances indicate that the carrying amount of goodwill may not be recoverable. See "Note 8. Goodwill" for more detail.

Circumstances that could trigger an impairment test include, but are not limited to: a significant adverse change in the business climate or legal factors; an adverse action or assessment by a regulator; change in customer, target market and strategy; unanticipated competition; loss of key personnel; or the likelihood that a reporting unit or significant portion of a reporting unit will be sold or otherwise disposed.

In accordance with the authoritative guidance, when assessing goodwill for impairment the Company first assesses qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. If the result of the qualitative assessment is that it is more likely than not (i.e. > 50% likelihood) that the fair value of a reporting unit is less than its carrying amount, then the quantitative test is required. Otherwise, no further testing is required.

Under the quantitative test, if the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recorded in the Consolidated Statements of Operations as "Impairment of goodwill". Measurement of the fair value of a reporting unit is based on one or more of the following fair value measures including: amounts at which the unit as a whole could be bought or sold in a current transaction between willing parties; using present value techniques of estimated future cash flows; or using valuation techniques based on multiples of earnings or revenue, or a similar performance measure.

Intangible Assets

Intangible assets consist primarily of intellectual property acquired and purchased intangible assets. Purchased intangible assets primarily include acquired developed technologies (developed and core technology), proprietary know-how, trade secrets, trademarks and trade names, and customer base. Intangible assets are amortized using the straight-line method over estimated useful lives which is the period during which expected cash flows support the fair value of such intangible assets.

Long-lived Asset Valuation (Property, Plant and Equipment and Intangible Assets)

Long-lived assets held and used

The Company tests long-lived assets for recoverability, at the asset group level, when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; or current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances.

Long-lived assets held for sale

Long-lived assets are classified as held for sale when certain criteria are met, which include: management commitment to a plan to sell the assets; the availability of the assets for immediate sale in

their present condition; an active program to locate buyers and other actions to sell the assets has been initiated; whether the sale of the assets is probable and their transfer is expected to qualify for recognition as a completed sale within one year; whether the assets are being marketed at reasonable prices in relation to their fair value; and how unlikely it is that significant changes will be made to the plan to sell the assets.

The Company measures long-lived assets to be disposed of by sale at the lower of carrying amount or fair value less cost to sell. Fair value is determined using quoted market prices or the anticipated cash flows discounted at a rate commensurate with the risk involved.

Pension and Other Postretirement Benefits

The funded status of the Company's retirement-related benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at fiscal year end, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation ("PBO") and for the nonpension postretirement benefit plan the benefit obligation is the accumulated postretirement benefit obligation ("APBO"). The PBO represents the actuarial present value of benefits expected to be paid upon retirement. The APBO represents the actuarial present value of postretirement benefits attributed to employee services already rendered. The fair value of plan assets represents the current market value of cumulative company contributions made to an irrevocable trust fund, held for the sole benefit of participants, which are invested by the trust fund. Unfunded or partially funded plans, with the benefit obligation exceeding the fair value of plan assets, are aggregated and recorded as a retirement and nonpension postretirement benefit obligation equal to this excess. The current portion of the retirement-related benefit obligation represents the actuarial present value of benefits payable in the next 12 months in excess of the fair value of plan assets, measured on a plan-by-plan basis. This liability is recorded in other current liabilities in the Consolidated Balance Sheets.

Net periodic pension cost (income) is recorded in the Consolidated Statements of Operations and includes service cost, interest cost, expected return on plan assets, amortization of prior service cost and (gains) losses previously recognized as a component of accumulated other comprehensive income. Service cost represents the actuarial present value of participant benefits earned in the current year. Interest cost represents the time value of money cost associated with the passage of time. (Gains) losses arise as a result of differences between actual experience and assumptions or as a result of changes in actuarial assumptions. Prior service cost (credit) represents the cost of benefit improvements attributable to prior service granted in plan amendments. (Gains) losses and prior service cost (credit) not recognized as a component of net periodic pension cost (income) in the Consolidated Statements of Operations as they arise are recognized as a component of accumulated other comprehensive income in the Consolidated Balance Sheets, net of tax. Those (gains) losses and prior service cost (credit) are subsequently recognized as a component of net periodic pension period cost (income) pursuant to the recognition and amortization provisions of applicable accounting standards.

The measurement of the benefit obligation and net periodic pension cost (income) is based on the Company's estimates and actuarial valuations provided by third-party actuaries which are approved by the Company's management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases, and mortality rates. The Company evaluates these assumptions annually at a minimum. In estimating the

expected return on plan assets, the Company considers historical returns on plan assets, adjusted for forward-looking considerations, inflation assumptions and the impact of the active management of the plan's invested assets.

Concentration of Credit and Other Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments, trade receivables and foreign currency forward contracts. The Company's cash and cash equivalents and short-term investments are held in safekeeping by large, creditworthy financial institutions. The Company invests its excess cash primarily in U.S. government and agency bonds securities, corporate securities, money market funds, asset-backed securities, and other investment-grade securities. The Company has established guidelines relative to credit ratings, diversification and maturities that seek to maintain safety and liquidity of these investments. The Company's foreign exchange derivative instruments expose the Company to credit risk to the extent that the counterparties may be unable to meet the terms of the agreements. The Company seeks to mitigate such risk by limiting its counterparties to major financial institutions and by spreading such risk across several major financial institutions. In addition, the potential risk of loss with any one counterparty resulting from such risk is monitored by the Company on an ongoing basis.

The Company performs credit evaluations of its customers' financial condition and generally does not require collateral from its customers. These evaluations require significant judgment and are based on a variety of factors including, but not limited to, current economic trends, historical payment, bad debt write-off experience, and financial review of the customer.

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. When the Company becomes aware that a specific customer is unable to meet its financial obligations, the Company records a specific allowance to reflect the level of credit risk in the customer's outstanding receivable balance. In addition, the Company records additional allowances based on certain percentages of aged receivable balances. These percentages take into account a variety of factors including, but not limited to, current economic trends, historical payment and bad debt write-off experience. The Company classifies bad debt expenses as selling, general and administrative ("SG&A") expense.

The Company is not able to predict changes in the financial stability of its customers. Any material change in the financial status of any one or a group of customers could have a material adverse effect on the Company's results of operations and financial condition. Although such losses have been within management's expectations to date, there can be no assurance that such allowances will continue to be adequate. The Company has significant trade receivables concentrated in the telecommunications industry. While the Company's allowance for doubtful accounts balance is based on historical loss experience along with anticipated economic trends, unanticipated financial instability in the telecommunications industry could lead to higher than anticipated losses. No one customer accounted for greater than 10% of accounts receivables and revenue during the periods presented.

The Company generally uses a rolling twelve month forecast based on anticipated product orders, customer forecasts, product order history and backlog to determine its material requirements. Lead times for the parts and components that the Company orders vary significantly and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. If the

forecast does not meet actual demand, the Company may have excess or shortfalls of some materials and components, as well as excess inventory purchase commitments. The Company could experience reduced or delayed product shipments or incur additional inventory write-downs and cancellation charges or penalties, which would increase costs and could have a material adverse impact on the Company's results of operations.

Foreign Currency Forward Contracts

The Company conducts its business and sells its products directly to customers primarily in North America, Europe and Asia. In the normal course of business, the Company's financial position is routinely subject to market risks associated with foreign currency rate fluctuations due to balance sheet positions in foreign currencies. The Company evaluates foreign exchange risks and utilizes foreign currency forward contracts to reduce such risks, hedging the gains or losses generated by the remeasurement of significant foreign currency denominated monetary assets and liabilities. The fair value of these contracts is reflected as other assets or other liabilities and the change in fair value of these foreign currency forward contracts is recorded as income or loss in the Company's Consolidated Statements of Operations as a component of Interest and other income (expense), net to largely offset the change in fair value of the foreign currency denominated monetary assets and liabilities which is also recorded as a component of interest and other income (expense), net.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated into U.S. dollars at exchange rates in effect at the balance sheet date, with the resulting translation adjustments directly recorded to a separate component of accumulated other comprehensive income, within Shareholder's Equity. Income and expense accounts are translated at the prior month balance sheet exchange rates, which are deemed to approximate average monthly rate. Gains and losses from re-measurement of assets and liabilities denominated in currencies other than the respective functional currencies are included in the Consolidated Statements of Operations as a component of Interest and other income (expense), net.

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. Delivery does not occur until products have been shipped or services have been provided, risk of loss has transferred and in cases where formal acceptance is required, customer acceptance has been obtained or customer acceptance provisions have lapsed. In situations where a formal acceptance is required but the acceptance only relates to whether the product meets its published specifications, revenue is recognized upon shipment provided all other revenue recognition criteria are met. The sales price is not considered to be fixed or determinable until all contingencies related to the sale have been resolved.

The Company reduces revenue for rebates and other similar allowances. Revenue is recognized only if these estimates can be reliably determined. The Company's estimates are based on its historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

In addition to the aforementioned general policies, the following are the specific revenue recognition policies for multiple-element arrangements and for each major category of revenue.

Multiple-Element Arrangements

In October 2009, the FASB issued authoritative guidance that applies to arrangements with multiple deliverables. The guidance eliminates the residual method of revenue recognition, on non-software arrangements, and allows the use of management's best estimate of selling price ("BESP") for individual elements of an arrangement when vendor-specific objective evidence ("VSOE") or third-party evidence ("TPE") is unavailable. In addition, the FASB issued authoritative guidance which removes non-software components of tangible products and certain software components of tangible products from the scope of existing software revenue guidance, resulting in the recognition of revenue similar to that for other tangible products. The Company adopted these standards at the beginning of its first quarter of fiscal year 2011 on a prospective basis for applicable transactions originating or materially modified on or after July 3, 2010.

When a sales arrangement contains multiple deliverables, such as sales of products that include services, the multiple deliverables are evaluated to determine whether there are one or more units of accounting. Where there is more than one unit of accounting, then the entire fee from the arrangement is allocated to each unit of accounting based on the relative selling price. Under this approach, the selling price of a unit of accounting is determined by using a selling price hierarchy which requires the use of VSOE of fair value if available, TPE if VSOE is not available, or BESP if neither VSOE nor TPE is available. Revenue is recognized when the revenue recognition criteria for each unit of accounting are met.

The Company establishes VSOE of selling price using the price charged for a deliverable when sold separately and, in remote circumstances, using the price established by management having the relevant authority. TPE of selling price is established by evaluating similar and interchangeable competitor goods or services in sales to similarly situated customers. When VSOE or TPE are not available the Company then uses BESP. Generally, the Company is not able to determine TPE because its product strategy differs from that of others in our markets, and the extent of customization varies among comparable products or services from its peers. The Company establishes BESP using historical selling price trends and considering multiple factors including, but not limited to geographies, market conditions, competitive landscape, internal costs, gross margin objectives, and pricing practices. When determining BESP, the Company applies significant judgment in establishing pricing strategies and evaluating market conditions and product lifecycles.

The determination of BESP is made through consultation with and approval by the segment management. Segment management may modify or develop new pricing practices and strategies in the future. As these pricing strategies evolve, we may modify our pricing practices in the future, which may result in changes in BESP. The aforementioned factors may result in a different allocation of revenue to the deliverables in multiple element arrangements from fiscal 2011, which may change the pattern and timing of revenue recognition for these elements but will not change the total revenue recognized for the arrangement.

To the extent that a deliverable(s) in a multiple-element arrangement is subject to specific guidance (for example, software that is subject to the authoritative guidance on software revenue recognition) the Company allocates the fair value of the units of accounting using relative selling price

and that unit of accounting is accounted for in accordance with the specific guidance. Some product offerings include hardware that are integrated with or sold with software that delivers the functionality of the equipment. The Company believes that this equipment is not considered software related and would therefore be excluded from the scope of the authoritative guidance on software revenue recognition.

If the transactions entered into or materially modified on or after July 3, 2010 were subject to the previous accounting guidance, the reported net revenue amount during the year ended July 2, 2011, would decrease by approximately $7 million.

Hardware

Revenue from hardware sales is recognized when the product is shipped to the customer and when there are no unfulfilled company obligations that affect the customer's final acceptance of the arrangement. Any cost of warranties and remaining obligations that are inconsequential or perfunctory are accrued when the corresponding revenue is recognized.

Services

Revenue from services and system maintenance is typically recognized on a straight-line basis over the term of the contract. Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred. Revenue related to extended warranty and product maintenance contracts is deferred and recognized on a straight-line basis over the delivery period. The Company also generate service revenue from hardware repairs and calibration which is recognized as revenue upon completion of the service.

Software

The Company's software arrangements generally consist of a perpetual license fee and PCS. Generally the Company has established VSOE of fair value for PCS contracts based on the renewal rate or the bell curve methodology. Revenue from maintenance, unspecified upgrades and technical support is recognized over the period such items are delivered. In multiple-element revenue arrangements that include software, software related and non-software-related elements are accounted for in accordance with the following policies.

- Non-software and software related products are bifurcated based on a relative selling price
- Software related products are separated into units of accounting if all of the following criteria are met:
  - The functionality of the delivered element(s) is not dependent on the undelivered element(s).
  - There is VSOE of fair value of the undelivered element(s).
  - Delivery of the delivered element(s) represents the culmination of the earnings process for that element(s).

If these criteria are not met, the software revenue is deferred until the earlier of when such criteria are met or when the last undelivered element is delivered. If there is VSOE of the undelivered item(s) but no such evidence for the delivered item(s), the residual method is used to allocate the

arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered item(s) equals the total arrangement consideration less the aggregate VSOE of the undelivered elements. In cases where VSOE is not established for PCS, revenue is recognized ratably over the PCS period after all software deliverables have been made and the only undelivered item is PCS.

Warranty

The Company provides reserves for the estimated costs of product warranties at the time revenue is recognized. It estimates the costs of its warranty obligations based on its historical experience of known product failure rates, use of materials to repair or replace defective products and service delivery costs incurred in correcting product failures. In addition, from time to time, specific warranty accruals may be made if unforeseen technical problems arise.

Shipping and Handling Costs

The Company records costs related to shipping and handling of revenue in cost of sales for all periods presented.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising costs totaled $0.8 million, $1.2 million and $1.4 million in fiscal 2013, 2012 and 2011, respectively.

Research and Development (“R&D”) Expense

Costs related to R&D, which primarily consists of labor and benefits, supplies, facilities, consulting, and outside service fees, are charged to expense as incurred, except as follows: capitalization of material software development costs begins when a product’s technological feasibility has been established in accordance with the authoritative accounting guidance. To date, the period between achieving technological feasibility, which the Company has defined as the establishment of a working model, and which typically occurs when beta testing commences, and the general availability of such software has been very short. Accordingly, software development costs have been expensed as incurred.

Stock-Based Compensation

Stock-based compensation is measured at grant date, based on the fair value of the award, and recognized in expense over the requisite service period. The Company estimates the fair value of stock options with service conditions and employee stock purchase plan awards (“ESPP”) using the Black-Scholes-Merton (“BSM”) option-pricing model and a single option award approach. This option-pricing model requires the input of highly subjective assumptions, including the award’s expected life and the price volatility of the underlying stock. The expected stock price volatility assumption is determined using a combination of historical and implied volatility of the Company’s common stock. The Company uses the Lattice model to estimate the fair value of certain performance-based options with market conditions (“market-condition options”). The fair value of the time-based Full Value Awards is based on the closing market price of the Company’s common stock on the date of award. The Company uses the Monte Carlo simulation to estimate the fair value of certain performance-based Full Value Awards with market conditions (“MSUs”).

The Company estimates the expected forfeiture rate and only recognizes expense for those shares expected to vest. When estimating forfeitures, the Company considers voluntary termination behavior as well as future workforce reduction programs. Estimated forfeiture is trued up to actual forfeiture as the equity awards vest. The total fair value of the equity awards, net of forfeiture, is recorded on a straight-line basis over the requisite service period of the awards, which is generally the vesting period, except for performance-based Full Value Awards and market-condition options which are amortized based upon graded vesting method.

Income Taxes

In accordance with the authoritative guidance on accounting for income taxes, the Company recognizes income taxes using an asset and liability approach. This approach requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in its consolidated financial statements or tax returns. The measurement of current and deferred taxes is based on provisions of the enacted tax law and the effects of future changes in tax laws or rates are not anticipated.

The authoritative guidance provides for recognition of deferred tax assets if the realization of such deferred tax assets is more likely than not to occur. With the exception of certain international jurisdictions, the Company has determined that at this time it is more likely than not that deferred tax assets attributable to the remaining jurisdictions will not be realized, primarily due to uncertainties related to its ability to utilize its net operating loss carryforwards before they expire. Accordingly, the Company has established a valuation allowance for such deferred tax assets. If there is a change in the Company's ability to realize its deferred tax assets, then its tax provision may decrease in the period in which it determines that realization is more likely than not.

The authoritative guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes the recognition threshold and measurement attributes for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Additionally, it provides guidance on recognition, classification, and disclosure of tax positions. The Company is subject to income tax audits by the respective tax authorities in all of the jurisdictions in which it operates. The determination of tax liabilities in each of these jurisdictions requires the interpretation and application of complex and sometimes uncertain tax laws and regulations. The Company recognizes liabilities based on its estimate of whether, and the extent to which, additional tax liabilities are more likely than not. If the Company ultimately determines that the payment of such a liability is not necessary, then it reverses the liability and recognizes a tax benefit during the period in which the determination is made that the liability is no longer necessary.

The recognition and measurement of current taxes payable or refundable and deferred tax assets and liabilities requires that the Company make certain estimates and judgments. Changes to these estimates or a change in judgment may have a material impact on the Company's tax provision in a future period.

Restructuring Accrual

In accordance with authoritative guidance on accounting for costs associated with exit or disposal activities, generally costs associated with restructuring activities are recognized when they are incurred.

However, in the case of leases, the expense is estimated and accrued when the property is vacated. Given the significance of, and the timing of the execution of such activities, this process is complex and involves periodic reassessments of estimates made from the time the property was vacated, including evaluating real estate market conditions for expected vacancy periods and sub-lease income. Additionally, a liability for post-employment benefits for workforce reductions related to restructuring activities is recorded when payment is probable, the amount is reasonably estimable, and the obligation relates to rights that have vested or accumulated. The Company continually evaluates the adequacy of the remaining liabilities under its restructuring initiatives. Although the Company believes that these estimates accurately reflect the costs of its restructuring plans, actual results may differ, thereby requiring the Company to record additional provisions or reverse a portion of such provisions.

Loss Contingencies

The Company is subject to the possibility of various loss contingencies arising in the ordinary course of business. The Company considers the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as its ability to reasonably estimate the amount of loss in determining loss contingencies. An estimated loss is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The Company regularly evaluates current information available to determine whether such accruals should be adjusted and whether new accruals are required.

Asset Retirement Obligations

Asset retirement obligations ("ARO") are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the Company records period-to-period changes in the ARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The Company derecognizes ARO liabilities when the related obligations are settled. At June 29, 2013 and June 30, 2012, $0.4 million and $1.6 million of ARO was included in the Consolidated Balance Sheets in Other current liabilities and the remainder of $8.8 million and $9.2 million was included in Other non-current liabilities.

(in millions)	Balance at Beginning of Period	Liabilities Incurred	Liabilities Settled	Accretion Expense	Revisions to Estimates	Balance at End of Period
Asset Retirement Obligations:						
Year ended June 29, 2013	$10.8	—	(1.8)	0.5	(0.3)	$ 9.2
Year ended June 30, 2012	$10.3	0.4	(0.5)	0.6	—	$10.8

Note 2. Recently Issued Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board ("FASB") issued authoritative guidance that requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that

would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This guidance is effective for the Company in the first quarter of fiscal 2015. The Company does not anticipate that the adoption of this guidance will have a material impact on its consolidated financial statements.

In March 2013, FASB issued authoritative guidance that resolves the diversity in practice regarding the release into net income of the cumulative translation adjustment upon derecognition of a subsidiary or group of assets within a foreign entity. This guidance will be effective for the Company beginning in the first quarter of fiscal 2015. The Company does not anticipate that the adoption of this guidance will have a material impact on its consolidated financial statements, absent any material transactions involving the derecognition of subsidiaries or groups of assets within a foreign entity.

In December 2011, the FASB issued authoritative guidance that requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. In January 2013, the FASB issued authoritative guidance to clarify the scope of the guidance issued in December 2011. Specifically, the scope is specified to apply only to derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria contained in the authoritative guidance or subject to a master netting arrangement or similar agreement. This guidance will be effective for the Company beginning in the first quarter of fiscal 2014. The Company does not anticipate that the adoption of this guidance will have a material impact on its financial statement disclosures, absent any material transactions that fall within the scope of this authoritative guidance.

Note 3. Earnings Per Share

The following table sets forth the computation of basic and diluted net income (loss) per share (*in millions*, *except per share data*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Numerator:			
Income (loss) from continuing operations, net of tax	$ 57.0	$ (26.1)	$ 78.7
Income (loss) from discontinued operations, net of tax	—	(29.5)	(7.1)
Net income (loss)	$ 57.0	$ (55.6)	$ 71.6
Denominator:			
Weighted-average number of common shares outstanding			
Basic	235.0	230.0	224.4
Effect of dilutive securities from stock-based benefit plans	4.3	—	8.2
Diluted	239.3	230.0	232.6
Income (loss) from continuing operations, net of tax—basic	$ 0.24	$ (0.11)	$ 0.35
Income (loss) from discontinued operations, net of tax—basic	—	(0.13)	(0.03)
Net income (loss)—basic	$ 0.24	$ (0.24)	$ 0.32
Income (loss) from continuing operations, net of tax—diluted	$ 0.24	$ (0.11)	$ 0.34
Income (loss) from discontinued operations, net of tax—diluted	—	(0.13)	(0.03)
Net income (loss)—diluted	$ 0.24	$ (0.24)	$ 0.31

The following table sets forth the weighted-average potentially dilutive securities excluded from the computation of the diluted income (loss) per share because their effect would have been anti-dilutive (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Stock options and ESPP	2.3	9.9	3.8
Restricted shares and stock units	2.2	7.7	—
Total potentially dilutive securities	4.5	17.6	3.8

The 1% convertible notes are not included in the table above. The par amount of convertible notes is payable in cash equal to the principal amount of the notes plus any accrued and unpaid interest and then the "in-the-money" conversion benefit feature at the conversion price above $30.30 per share is payable in shares of the Company's common stock or cash. See "Note 10. Debts and Letters of Credit" for more details.

Note 4. Accumulated Other Comprehensive Income

The Company's accumulated other comprehensive income consists of the accumulated net unrealized gains or losses on available-for-sale investments, foreign currency translation adjustments, and defined benefit obligation.

At June 29, 2013 and June 30, 2012, balances for the components of accumulated other comprehensive income were as follows (*in millions*):

	Unrealized gains (losses) on available-for-sale investments	Foreign currency translation adjustments, net of tax	Defined benefit obligation, net of tax(1)	Total
Beginning balance as of June 30, 2012	$(2.8)	$10.6	$(0.3)	$ 7.5
Other comprehensive income (loss) before reclassification	0.2	5.8	(4.4)	1.6
Amounts reclassified from accumulated other comprehensive income (2)	(0.5)	—	—	(0.5)
Net current-period other comprehensive (loss) income	(0.3)	5.8	(4.4)	1.1
Ending balance as of June 29, 2013	$(3.1)	$16.4	$(4.7)	$ 8.6

(1) Refer to "Note 15. Employee Defined Benefit Plan" for more details on the computation of net periodic cost for pension plans.

(2) Amount represents realized gain on the sale of available-for-sale securities and is included as a component of Interest and other income (expense), net in the Consolidated Statement of Operations for the year ended June 29, 2013. There was no tax impact on the sale.

Note 5. Mergers and Acquisitions

Fiscal 2013 Acquisitions

Arieso Limited ("Arieso")

On March 7, 2013 ("Arieso Closing Date"), the Company completed the acquisition of Arieso, a privately-held company headquartered in the United Kingdom. Arieso is a provider of location-aware software solutions that enable mobile network operators to boost 2G, 3G and 4G/Long Term evolution ("LTE") network performance and enrich the mobile subscriber experience.

Arieso brings high-caliber mobile software engineering expertise to the Company to address the rapidly growing deployment of small cells and challenges associated with limited spectrum capacity. Utilized by leading wireless network operators and equipment manufacturers, Arieso's solutions locate, store and analyze data from billions of mobile connection events that translate into rich intelligence, which help enable mobile operators to optimize network performance, improve customer experience and create new revenue-generating services. Arieso will be integrated in the Company's Communications Test and Measurement segment ("CommTest").

The Company acquired all outstanding shares of Arieso for approximately $89.6 million in cash subject to working capital adjustments, including holdback payments of approximately $12.8 million

which are reserved for potential breaches of representations and warranties. The holdback payments, minus any deductions for actual or pending claims, will be released more than one year after the Arieso Closing Date.

The Company accounted for the transaction in accordance with the authoritative guidance on business combinations; therefore, the tangible and intangible assets acquired and liabilities assumed were recorded at fair value on the acquisition date.

The purchase price was allocated as follows *(in millions)*:

Net tangible assets acquired	$ 0.2
Intangible assets acquired:	
Developed technology	32.8
Customer relationships	14.5
Order backlog	1.4
Goodwill	40.7
Total purchase price	$89.6

The amounts above are considered preliminary and are subject to change once the Company receives certain information it believes is necessary to finalize its determination of the fair value of assets acquired and liabilities assumed under the acquisition.

The following table summarizes the components of the tangible assets acquired at fair value (*in millions*):

Cash	$ 4.1
Accounts receivable	8.4
Property and equipment	0.6
Accounts payable	(0.3)
Accrued expenses, net of other assets	(1.4)
Employee related liabilities	(1.4)
Deferred revenue	(1.7)
Deferred tax liabilities, net	(8.1)
Net tangible assets acquired	$ 0.2

Acquired intangible assets are classified as Level 3 assets for which fair value is derived from valuation based on inputs that are unobservable and significant to the overall fair value measurement. The fair value of acquired developed technology, customer relationships and order backlog was determined based on an income approach using the discounted cash flow method. The acquired developed technology and customer relationship intangible assets are being amortized over their estimated useful lives of five years. Order backlog is being amortized over four months.

The goodwill arising from this acquisition is primarily attributed to sales of future products and services and the assembled workforce of Arieso. Goodwill will be assigned to the CommTest segment and is not deductible for tax purposes. Goodwill is not being amortized but is reviewed annually for impairment or more frequently if impairment indicators arise, in accordance with authoritative guidance.

In accordance with the authoritative guidance, the Company expensed $1.8 million of acquisition-related costs incurred as SG&A expense in the Company's Consolidated Statement of Operations for the twelve months ended June 29, 2013.

The estimated amount of Arieso's net revenue and net loss (excluding acquisition-related costs), included in the Company's Consolidated Statement of Operations for the twelve months ended June 29, 2013 was $1.4 million and $9.9 million respectively. Arieso's net revenue and earnings disclosed above reflect management's best estimate, based on information available at the reporting date.

The following table presents certain unaudited pro forma information for illustrative purposes only, for fiscal 2013 and fiscal 2012 as if Arieso had been acquired on July 3, 2011. The unaudited estimated pro forma information combines the historical results of Arieso with the Company's consolidated historical results and includes certain adjustments reflecting the estimated impact of fair value adjustments for the respective periods. The pro forma information is not indicative of what would have occurred had the acquisition taken place on July 3, 2011. Additionally, the pro forma financial information does not include the impact of possible business model changes and does not reflect pro forma adjustments to conform accounting policies between Arieso and the Company. The Company expects to achieve further business synergies, including revenue growth, as a result of the acquisition that are not reflected in the pro forma amounts that follow. As a result, actual results will differ from the unaudited pro forma information presented *(unaudited, in millions)*:

	Year Ended	
	June 29, 2013	**June 30, 2012**
Pro forma net revenue	$1,680.6	$1,676.0
Pro forma net income (loss) from continuing operations, net of tax	46.5	(35.3)

GenComm Co., Ltd. ("GenComm")

On August 17, 2012 ("GenComm Closing Date"), the Company completed the acquisition of Seoul, South Korea-based GenComm, a provider of test and measurement solutions for troubleshooting, installation and maintenance of wireless base stations and repeaters. The Company acquired tangible and intangible assets and assumed liabilities of GenComm for a total purchase price of approximately $15.2 million in cash, including holdback payments of approximately $3.8 million which are reserved for potential breaches of representations and warranties. The holdback payments, minus any deductions for actual or pending claims, will be released more than one year after the GenComm Closing Date. After the GenComm Closing Date, GenComm was integrated in the Company's CommTest segment.

The Company accounted for the transaction in accordance with the authoritative guidance on business combinations; therefore, the tangible and intangible assets acquired and liabilities assumed were recorded at fair value on the acquisition date.

The purchase price was allocated as follows *(in millions)*:

Net tangible assets acquired	$ 5.9
Intangible assets acquired:	
Developed technology	3.2
Customer relationships	0.2
Order backlog	0.2
Goodwill	5.7
Total purchase price	$15.2

The following table summarizes the components of the tangible assets acquired at fair value (*in millions*):

Cash	$ 1.9
Accounts receivable	2.3
Inventories	2.4
Property and equipment	2.9
Tax liabilities, net	(1.7)
Employee related liabilities	(1.5)
Other assets and liabilities, net	(0.4)
Net tangible assets acquired	$ 5.9

Acquired intangible assets are classified as Level 3 assets for which fair value is derived from valuation based on inputs that are unobservable and significant to the overall fair value measurement. The fair value of acquired developed technology, customer relationships and order backlog was determined based on an income approach using the discounted cash flow method. The acquired developed technology and customer relationship intangible assets are being amortized over their estimated useful lives of four years. Order backlog was fully amortized as of September 29, 2012.

The goodwill arising from this acquisition is primarily attributed to sales of future products and services and the assembled workforce of GenComm. Goodwill has been assigned to the CommTest segment and is not deductible for tax purposes. Goodwill is not being amortized but is reviewed annually for impairment or more frequently if impairment indicators arise, in accordance with authoritative guidance.

GenComm's results of operations have been included in the Company's consolidated financial statements subsequent to the date of acquisition. Pro forma results of operations have not been presented because the effect of the acquisition was not material to prior period financial statements.

Fiscal 2012 Acquisition

Dyaptive Systems Inc. ("Dyaptive")

In January 2012, the Company completed the acquisition of Dyaptive based in Vancouver, Canada. The Company acquired tangible and intangible assets and assumed liabilities of Dyaptive for a total purchase price of CAD 14.9 million (approximately USD 14.8 million) in cash, including a holdback payment of CAD 2.0 million (approximately USD 2.0 million). The holdback payment of

CAD 2.0 million (approximately USD 2.0 million) was made during the three months ended December 29, 2012.

Dyaptive is a provider of wireless laboratory test tools for base station and network load simulators. The Company acquired Dyaptive to strengthen its laboratory product portfolio and to offer field service and production test tools that are complementary to its current products. After the closing date, Dyaptive was integrated in the Company's CommTest segment.

The Company accounted for the transaction in accordance with the authoritative guidance on business combinations; therefore, the tangible and intangible assets acquired and liabilities assumed were recorded at fair value on the acquisition date.

The purchase price was allocated as follows (*in millions, in USD*):

Net tangible assets acquired	$ 3.4
Intangible assets acquired:	
Developed technology	6.2
Customer relationships	2.3
Others	0.9
Goodwill	2.0
Total purchase price	$14.8

The following table summarizes the components of the tangible assets acquired and liabilities assumed at fair value (*in millions*):

Cash	$ 4.0
Accounts receivable	0.9
Inventories	0.8
Property and equipment	0.5
Accounts payable	(0.2)
Deferred revenue	(0.3)
Employee related liabilities	(2.3)
Net tangible assets acquired	$ 3.4

Acquired intangible assets are classified as Level 3 assets for which fair value is derived from valuation based on inputs that are unobservable and significant to the overall fair value measurement. The fair value of acquired developed technology and customer relationships was determined based on an income approach using the discounted cash flow method. The acquired developed technology and customer relationship intangible assets are being amortized over their estimated useful lives of four years.

The goodwill arising from this acquisition is primarily attributed to sales of future products and services and the assembled workforce of Dyaptive. Goodwill has been assigned to the CommTest segment and is not deductible for tax purposes. Goodwill is not being amortized but is reviewed annually for impairment or more frequently if impairment indicators arise, in accordance with authoritative guidance.

Dyaptive's results of operations have been included in the Company's consolidated financial statements subsequent to the date of acquisition. Pro forma results of operations have not been presented because the effect of the acquisition was not material to prior period financial statements.

Note 6. Balance Sheet and Other Details

Accounts Receivable Reserves and Allowances

The components of account receivable reserves and allowances were as follows (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Allowance for doubtful accounts	$2.1	$2.2
Allowance for sales returns and other	0.1	0.4
Total accounts receivable reserves and allowances	$2.2	$2.6

The activities and balances for allowance for doubtful accounts are as follows (in millions):

	Balance at Beginning of Period	Charged to Costs and Expenses	Deduction(1)	Balance at End of Period
Allowance for doubtful accounts:				
Year ended June 29, 2013	$2.2	$0.3	$(0.4)	$2.1
Year ended June 30, 2012	2.3	1.8	(1.9)	2.2
Year ended July 2, 2011	2.6	0.5	(0.8)	2.3

(1) Write-offs of uncollectible accounts, net of recoveries.

Inventories, Net

Inventories are stated at the lower of cost or market, and include material, labor and manufacturing overhead costs. The components of inventories, net were as follows (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Finished goods	$ 85.7	$ 89.5
Work in process	37.0	37.3
Raw materials	23.1	47.7
Inventories, net	$145.8	$174.5

Property, Plant and Equipment, Net

The components of property, plant and equipment, net were as follows (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Land	$ 14.6	$ 14.1
Buildings and improvements	34.9	35.8
Machinery and equipment	453.8	421.3
Furniture, fixtures, software and office equipment	132.9	166.1
Leasehold improvements	92.7	95.3
Construction in progress	14.9	33.0
	743.8	765.6
Less: Accumulated depreciation	(496.8)	(512.7)
Property, plant and equipment, net	$ 247.0	$ 252.9

At June 29, 2013 and June 30, 2012, net included $21.8 million and $23.8 million, respectively, in land and buildings related to the Santa Rosa and Eningen Transactions (as defined in "Note 17. Commitments and Contingencies" below) accounted for under the financing method. See "Note 17. Commitments and Contingencies" for more detail.

During fiscal 2013, 2012 and 2011, the Company recorded $68.3 million, $69.2 million, and $63.3 million, respectively, of depreciation expense.

Prepayments and Other Current Assets

The components of prepayments and other current assets were as follows (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Prepayments	$36.0	$30.9
Advances to contract manufacturers	14.6	18.4
Deferred income tax	3.9	2.3
Refundable income taxes	2.3	4.7
Other receivables	26.1	13.0
Assets held for sale	2.2	—
Other current assets	10.2	7.9
Prepayments and other current assets	$95.3	$77.2

As of June 29, 2013, land and buildings owned in Switzerland met the held for sale criteria in accordance with the authoritative guidance. Accordingly, the Company has classified the land and buildings as an asset held for sale which is recorded as a component of Prepayments and other current assets in the Consolidated Balance Sheet as of June 29, 2013.

Other Current Liabilities

The components of other current liabilities were as follows (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Deferred compensation plan	$ 4.2	$ 4.6
Warranty accrual	6.0	8.1
VAT liabilities	5.6	2.7
Restructuring accrual	10.3	8.6
Deferred taxes	1.0	3.1
Other	18.2	10.8
Other current liabilities	$45.3	$37.9

Other Non-Current Liabilities

The components of other non-current liabilities were as follows (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Pension accrual and post-employment benefits	$ 92.0	$ 85.2
Deferred taxes	11.0	4.7
Restructuring accrual	6.2	4.0
Financing obligation	32.4	35.4
Non-current income taxes payable	13.4	9.3
Asset retirement obligations	8.8	9.2
Long-term deferred revenue	25.8	16.1
Other	16.6	12.7
Other non-current liabilities	$206.2	$176.6

Interest and Other Income (Expense), Net

The components of interest and other income (expense), net were as follows (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Interest income	$ 2.7	$ 3.5	$ 3.9
Foreign exchange gains (losses), net	(2.5)	0.3	(1.5)
Proceeds from insurance claims (1)	—	9.4	—
Loss on repurchase of Convertible Notes	(4.1)	(0.7)	—
Gain on sale of investments	0.5	1.6	3.4
Other income (expense), net	(0.7)	(1.3)	(0.2)
Interest and other income (expense), net	$(4.1)	$12.8	$ 5.6

(1) During second quarter of fiscal 2012, one of the Company's primary Communications and Commercial Optical Products segment ("CCOP") manufacturing partners, Fabrinet, experienced significant flooding which resulted in suspension of operations for a portion of the quarter. As a result, the Company filed an insurance claim for business interruption and miscellaneous property losses related to the event. During the fourth quarter of fiscal 2012, the Company received $10.5 million net of deductibles from the insurance company of which $9.4 million was recorded in Interest and other income (expense), net.

Note 7. Investments and Fair Value Measurements

Available-For-Sale Investments

The Company's investments in marketable debt and equity securities were primarily classified as available-for-sale investments.

At June 29, 2013 the Company's available-for-sale securities were as follows (*in millions*):

	Amortized Cost / Carrying Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt securities:				
U.S. treasuries	$ 12.0	$ —	$ —	$ 12.0
U.S. agencies	52.4	—	—	52.4
Municipal bonds and sovereign debt instruments	12.7	—	—	12.7
Asset-backed securities	15.5	—	(0.3)	15.2
Corporate securities	135.1	0.7	(0.1)	135.7
Total debt available-for-sale securities	$227.7	$0.7	$(0.4)	$228.0

The Company generally classifies debt securities as cash equivalents, short-term investments, or other non-current assets based on the stated maturities; however, certain securities with stated maturities of longer than twelve months which are highly liquid and available to support current operations are classified as short-term investments. As of June 29, 2013, of the total estimated fair

value, $26.2 million was classified as cash equivalents, $201.0 million was classified as short-term investments and $0.8 million was classified as other non-current assets.

In addition to the amounts presented above, at June 29, 2013, the Company's short-term investments classified as trading securities, related to the deferred compensation plan, were $4.2 million, of which $0.8 million were invested in debt securities, $0.3 million were invested in money market instruments and funds and $3.1 million were invested in equity securities. Trading securities are reported at fair value, with the unrealized gains or losses resulting from changes in fair value recognized in Interest and other income (expense), net.

The Company recorded no other-than-temporary impairment charges in fiscal 2013. During fiscal 2012 and 2011, the Company recorded other-than-temporary impairment charges of $0.3 million and $0.2 million, respectively, on asset-backed securities.

At June 29, 2013, the Company's total gross unrealized losses on available-for-sale securities, aggregated by type of investment instrument, were as follows (*in millions*):

	Less than 12 Months	Greater than 12 Months	Total
Asset-backed securities	$ —	$0.3	$0.3
Corporate securities	0.1	—	0.1
Total gross unrealized losses	$0.1	$0.3	$0.4

At June 29, 2013, contractual maturities of the Company's debt securities classified as available-for-sale securities were as follows (*in millions*):

	Amortized Cost / Carrying Cost	Estimated Fair Value
Amounts maturing in less than 1 year	$146.3	$147.0
Amounts maturing in 1 - 5 years	80.4	80.2
Amounts maturing more than 5 years	1.0	0.8
Total debt available-for-sale securities	$227.7	$228.0

At June 30, 2012, the Company's available-for-sale securities were as follows (*in millions*):

	Amortized Cost / Carrying Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt securities:				
U.S. treasuries	$ 52.0	$ —	$ —	$ 52.0
Agencies:				
U.S.	65.1	0.2	—	65.3
Foreign	3.3	—	—	3.3
Municipal bonds and sovereign debt instruments	11.4	—	—	11.4
Asset-backed securities	21.9	0.2	(0.4)	21.7
Corporate securities	183.6	1.3	(0.1)	184.8
Total debt available-for-sale securities	$337.3	$1.7	$(0.5)	$338.5

The Company generally classifies debt securities as cash equivalents, short-term investments, or other non-current assets based on the stated maturities; however, certain securities with stated maturities of longer than twelve months which are highly liquid and available to support current operations are classified as short-term investments. As of June 30, 2012, of the total estimated fair value, $21.3 million was classified as cash equivalents, $315.9 million was classified as short-term investments, and $1.3 million was classified as other non-current assets.

In addition to the amounts presented above, at June 30, 2012, the Company's short-term investments classified as trading securities, related to the deferred compensation plan, were $4.6 million, of which $0.9 million were invested in debt securities, $0.5 million were invested in money market instruments and funds and $3.2 million were invested in equity securities. Trading securities are reported at fair value, with the unrealized gains or losses resulting from changes in fair value recognized in Interest and other income (expense), net.

At June 30, 2012, the Company's total gross unrealized losses on available-for-sale securities, aggregated by type of investment instrument, were as follows (*in millions*):

	Less than 12 Months	Greater than 12 Months	Total
Asset-backed securities	$ —	$0.4	$0.4
Corporate securities	0.1	—	0.1
Total gross unrealized losses	$0.1	$0.4	$0.5

Marketable Equity Investments

As of June 29, 2013 and June 30, 2012, the Company did not hold any marketable equity securities that are classified as available-for-sale securities.

During the first quarter of fiscal 2011, the Company sold 393,150 shares of common stock in Fabrinet at $10.0 per share and recognized a gain of $3.3 million, the difference between the net proceeds of $3.7 million and the cost of $0.4 million.

Fair Value Measurements

Assets measured at fair value at June 29, 2013 are summarized below *(in millions)*:

		Fair value measurement as of June 29, 2013	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets:			
Debt available-for-sale securities:			
U.S. treasuries	$ 12.0	$ 12.0	$ —
U.S. agencies	52.4	—	52.4
Municipal bonds and sovereign debt instruments	12.7	—	12.7
Asset-backed securities	15.2	—	15.2
Corporate securities	135.7	—	135.7
Total debt available-for-sale securities	228.0	12.0	216.0
Money market funds	211.6	211.6	—
Trading securities	4.2	4.2	—
Total assets (1)	$443.8	$227.8	$216.0

(1) $201.6 million in cash and cash equivalents, $205.2 million in short-term investments, $29.7 million in restricted cash, and $7.3 million in other non-current assets on the Company's consolidated balance sheets.

The Company's cash and investment instruments are classified within Level 1 or Level 2 of the fair value hierarchy based on quoted prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

- Level 1 includes financial instruments for which quoted market prices for identical instruments are available in active markets. Level 1 assets of the Company include money market funds and U.S. Treasury securities as they are traded in active markets with sufficient volume and frequency of transactions.
- Level 2 includes financial instruments for which the valuations are based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities. Level 2 instruments of the Company generally include certain U.S. and foreign government and agency securities, commercial paper, corporate and municipal bonds and notes, asset-backed securities, and foreign currency forward contracts. To estimate their fair value, the Company utilizes pricing models based on market data. The significant inputs for the valuation model usually include benchmark yields, reported trades, broker and dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data, and industry and economic events.
- Level 3 includes financial instruments for which fair value is derived from valuation based on inputs that are unobservable and significant to the overall fair value measurement.

As of June 29, 2013 and June 30, 2012, the Company did not hold any Level 3 investment securities.

Foreign Currency Forward Contracts

The Company has foreign subsidiaries that operate and sell the Company's products in various markets around the world. As a result, the Company is exposed to foreign exchange risks. The Company utilizes foreign exchange forward contracts and other instruments to manage foreign currency risk associated with foreign currency denominated assets and liabilities, primarily certain short-term intercompany receivables and payables and to reduce the volatility of earnings and cash flows related to foreign-currency transactions.

The forward contracts, most with a term of less than 120 days, were transacted near month end; therefore, the fair value of the contracts as of both June 29, 2013 and June 30, 2012 is not significant. The change in the fair value of these foreign currency forward contracts is recorded as gain or loss in the Company's Consolidated Statements of Operations as a component of Interest and other income (expense), net.

Note 8. Goodwill

Goodwill

The following table presents the changes in goodwill allocated to the reportable segments (*in millions*):

	Communications Test & Measurement	Optical Security and Performance Products(1)	Total
Balance as of July 2, 2011 (2)	$ 59.1	$8.3	$ 67.4
Goodwill from Dyaptive Acquisition (5)	2.0	—	2.0
Currency translation adjustments related to acquisition	(0.7)	—	(0.7)
Balance as of June 30, 2012 (3)	$ 60.4	$8.3	$ 68.7
Goodwill from GenComm Acquisition (5)	5.7	—	5.7
Goodwill from Arieso Acquisition (5)	40.7	—	40.7
Balance as of June 29, 2013 (4)	$106.8	$8.3	$115.1

(1) During the first quarter of fiscal 2013, the reporting structure of the Advanced Optical Technologies reportable segment ("AOT") was reorganized and its previous reporting units, which consisted of the Custom Optics Product Group ("COPG"), Flex Products Group ("Flex") and Authentication Solutions Group ("ASG") (excluding the Hologram Business), were merged into the new Optical Security and Performance Products reportable segment ("OSP"), having one single reporting unit, replacing AOT. As the entire $8.3 million balance of AOT's goodwill at June 30, 2012 was attributable to the Flex reporting unit, the Company reclassified AOT's goodwill to OSP. The Company closed the sale of the Hologram Business, a component of the ASG reporting unit, during the second quarter of fiscal 2013. As there was zero goodwill attributable to the ASG reporting unit as of June 30, 2012, the sale does not impact goodwill. Refer to "Note 18. Operating Segments" and "Note 19. Discontinued Operations" for further information.

(2) Gross goodwill balances for CCOP, CommTest, and OSP were $5,111.3 million, $542.2 million, and $92.8 million, respectively as of July 2, 2011. Accumulated impairment for CCOP, CommTest, and OSP were $5,111.3 million, $483.1 million, and $84.5 million, respectively as of July 2, 2011.

(3) Gross goodwill balances for CCOP, CommTest, and OSP were $5,111.3 million, $543.5 million, and $92.8 million, respectively as of June 30, 2012. Accumulated impairment for CCOP, CommTest, and OSP were $5,111.3 million, $483.1 million, and $84.5 million, respectively as of June 30, 2012.

(4) Gross goodwill balances for CCOP, CommTest, and OSP were $5,111.3 million, $589.9 million, and $92.8 million, respectively as of June 29, 2013. Accumulated impairment for CCOP, CommTest, and OSP were $5,111.3 million, $483.1 million, and $84.5 million, respectively as of June 29, 2013.

(5) See "Note 5. Mergers and Acquisitions" of the Notes to Consolidated Financial Statements for detail.

The following table presents gross goodwill and accumulated impairment balances for the fiscal years ended June 29, 2013, and June 30, 2012 (*in millions*):

	June 29, 2013	June 30, 2012
Gross goodwill balance	$ 5,794.0	$ 5,747.6
Accumulated impairment losses	(5,678.9)	(5,678.9)
Net goodwill balance	$ 115.1	$ 68.7

Impairment of Goodwill

The Company reviews goodwill for impairment annually during the fourth quarter of the fiscal year or more frequently if events or circumstances indicate that an impairment loss may have occurred. No triggering events were noted during the interim periods of fiscal 2013, 2012 or 2011 and thus, the Company reviewed goodwill for impairment during the fourth quarter. The Company determined that, based on its cash flow structure, organizational structure and the financial information that is provided to and reviewed by management for the period ended fiscal 2013, its reporting units are: CommTest, Optical Communications, Lasers, and OSP. For the periods ended fiscal 2012 and 2011, the Company's reporting units were: CommTest, CCOP, COPG, ASG, and Flex.

Fiscal 2013

Under the qualitative assessment of the authoritative guidance for impairment testing, the Company concluded that it was not more likely than not that the fair value of the reporting units that currently have goodwill recorded exceeded its carrying amount. In assessing the qualitative factors, the Company considered the impact of these key factors: change in industry and competitive environment, market capitalization, earnings multiples, budgeted-to-actual operating performance from prior year, and consolidated company stock price and performance etc. As such, it was not necessary to perform the two-step goodwill impairment test at this time and hence the Company recorded no impairment charge in accordance with its annual impairment test.

Fiscal 2012

Under the qualitative assessment of the authoritative guidance for impairment testing, the Company concluded that it was not more likely than not that the fair value of the reporting units that currently have goodwill recorded exceeded its carrying amount. In assessing the qualitative factors, the Company considered the impact of these key factors: change in industry and competitive environment, market capitalization, earnings multiples, budgeted-to-actual operating performance from prior year,

and consolidated company stock price and performance etc. As such, it was not necessary to perform the two-step goodwill impairment test at this time and hence the Company recorded no impairment charge in accordance with its annual impairment test.

Fiscal 2011

Under the first step of the authoritative guidance for impairment testing, the fair value of the reporting units was determined based on a combination of the income approach, which estimates the fair value based on the future discounted cash flows, and the market approach, which estimates the fair value based on comparable market prices. Based on the first step of the analysis, the Company determined that the fair value of each reporting unit is significantly above its carrying amount. As such, the Company was not required to perform the second step analysis on any reporting unit to determine the amount of the impairment loss. The Company recorded no impairment charge in accordance with its annual impairment test.

Note 9. Acquired Developed Technology and Other Intangibles

The following tables present details of the Company's acquired developed technology and other intangibles (*in millions*):

As of June 29, 2013	Gross Carrying Amount	Accumulated Amortization	Net
Acquired developed technology	$546.8	$(437.4)	$109.4
Other	218.8	(178.5)	40.3
Intangibles, net	$765.6	$(615.9)	$149.7

As of June 30, 2012	Gross Carrying Amount	Accumulated Amortization	Net
Acquired developed technology	$534.8	$(398.6)	$136.2
Other	279.3	(236.7)	42.6
Intangibles, net	$814.1	$(635.3)	$178.8

Other intangibles consists of patents, trademarks, trade names, proprietary know-how and trade secrets, customer and secure government relationships, customer backlog, and non-competition agreements.

During fiscal 2013, the Company approved a strategic plan to exit the low-speed wireline product line within the CommTest segment and incurred a $2.2 million charge for accelerated amortization of related intangible assets, of which $1.8 million and $0.4 million is included in Amortization of acquired technologies and in Amortization of other intangibles in the Consolidated Statement of Operations, respectively. Also during fiscal 2013 the Company approved a plan to exit the concentrated photovoltaic ("CPV") product line within CCOP and incurred a $2.6 million charge for accelerated amortization of related intangibles which is included in Amortization of acquired technologies in the Consolidated Statement of Operations.

During fiscal 2012, the Company recorded an impairment charge of $18.8 million on the carrying amount of other intangibles related to the Hologram Business in accordance with the authoritative guidance. This charge has been presented in the Consolidated Statements of Operations as a component of Loss from discontinued operations, net of tax and is included in the Accumulated amortization line in the preceding table. Refer to "Note 19. Discontinued Operations" for more details.

During fiscal 2011, the Company recorded no impairment in the carrying amount of acquired developed technology and other intangibles as a result of impairment analyses performed in accordance with authoritative guidance.

During fiscal 2013, 2012 and 2011, the Company recorded $76.0 million, $80.3 million and $82.8 million, respectively, of amortization related to acquired developed technology and other intangibles. The following table presents details of the Company's amortization *(in millions)*:

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Cost of sales	$63.3	$58.6	$56.9
Operating expense	12.7	21.7	25.9
Total	$76.0	$80.3	$82.8

Based on the carrying amount of acquired developed technology and other intangibles in continuing operations as of June 29, 2013, and assuming no future impairment of the underlying assets, the estimated future amortization is as follows (*in millions*):

Fiscal Years	
2014	$ 50.5
2015	43.1
2016	22.3
2017	19.1
2018	10.8
Thereafter	3.9
Total amortization	$149.7

Note 10. Debts and Letters of Credit

The Company has no debt as of June 29, 2013 and short-term debt of $292.8 million as of June 30, 2012. The principal amount of $311.0 million under 1% Senior Convertible Notes outstanding as of June 30, 2012 was either repurchased or repaid in fiscal 2013.

The Company was in compliance with all debt covenants as of June 29, 2013.

1% Senior Convertible Notes

On June 5, 2006, the Company completed an offering of $425.0 million aggregate principal amount of 1% Senior Convertible Notes due 2026. Proceeds from the notes amounted to $415.9 million after issuance costs. As of June 29, 2013, no amounts were outstanding. The notes bore interest at a rate of

1.0% per year and were convertible into a combination of cash and shares of the Company's common stock at a conversion price of $30.30 per share. Interest on the notes was payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2006. The stated maturity of the notes was May 15, 2026.

Upon adoption of authoritative guidance which applies to the 1% Senior Convertible Notes, the Company calculated the carrying value of the liability component at issuance as the present value of its cash flows using a discount rate of 8.1%, based on the 7-year swap rate plus credit spread as of the issuance date. The credit spread for JDSU was based on the historical average "yield to worst" rate for BB-rated issuers. The carrying value of the liability component was determined to be $266.5 million. The equity component, or debt discount, of the notes was determined to be $158.5 million. The debt discount was accreted using the effective interest rate of 8.1% over the period from issuance date through May 15, 2013 as a non-cash charge to interest expense.

The $9.1 million of costs incurred in connection with the issuance of the notes were capitalized and bifurcated into debt issuance cost of $5.7 million and equity issuance cost of $3.4 million. The debt issuance cost was amortized to interest expense using the effective interest method from issuance date through May 15, 2013.

During the first three quarters of fiscal 2013, the Company repurchased $150.0 million aggregate principal amount of the notes for $149.7 million in cash. In connection with the repurchase, a loss of $4.1 million was recognized in Interest and other income (expense), net in accordance with the authoritative guidance.

On May 15, 2013, the holders of the notes exercised their put right and required the Company to purchase an aggregate of $160.6 million principal amount of notes, and the remaining $0.4 million was redeemed by the Company before the fiscal year end.

The carrying amount of the liability component was $292.8 million as of June 30, 2012 with principal amount of $311.0 million and unamortized discount of $18.2 million; and the carrying amount of the equity component was $158.3 million as of June 30, 2012.

Based on quoted market prices as of June 30, 2012, the fair market value of the 1% Senior Convertible Notes was approximately $307.3 million. The 1% Senior Convertible Notes were classified within level 2 as they were not actively traded in markets; and the bond parity derivatives related to the convertible notes were classified within level 1 since the quoted market price for identical instrument were available in active markets. The fair value of the bond parity derivatives was approximately zero as of June 30, 2012.

The following table presents the effective interest rate and the interest expense for the contractual interest and the accretion of debt discount (*in millions, except for the effective interest rate*):

	Years Ended	
	June 29 2013	**June 30 2012**
Effective interest rate	8.1%	8.1%
Interest expense-contractual interest	$ 1.8	$ 3.2
Accretion of debt discount	12.0	20.1

The increase of the debt related to the interest accretion is treated as a non-cash adjustment and the repayment and redemption of the debt is classified as a financing activity within the Consolidated Statement of Cash Flows.

Revolving Credit Facility

On January 20, 2012, the Company entered into an agreement (the "Credit Agreement") for a five-year, $250.0 million revolving credit facility that matures in January 2017. The Company may elect to increase the principal amount available under the Credit Agreement by up to an additional $100 million which amount may be allocated as either an increase to the revolving loan commitments or as an add-on term loan, in each case subject to the conditions provided in the Credit Agreement. None of the lenders are currently obligated to provide such additional commitments or term loans. Borrowings under the credit facility bear an annual interest rate, at the Company's option, equal to either (i) the Alternate Base Rate (as defined in the Credit Agreement) plus the applicable margin for base rate loans, which ranges between 0.75% and 2.00%, based on the Company's leverage ratio or (ii) the Adjusted LIBO Rate (as defined in the Credit Agreement) plus the applicable margin for Eurocurrency loans, which ranges between 1.75% and 3.00%, based on the Company's leverage ratio. The Company is required to pay a commitment fee on the unutilized portion of the facility of between 0.25% and 0.50%, based on the Company's leverage ratio.

Obligations under the Credit Agreement are guaranteed by certain wholly owned domestic subsidiaries of the Company ("the Guarantors"). The Company's obligations under the Credit Agreement have been collateralized by a pledge of substantially all assets of the Company and the Guarantors (subject to certain exclusions), full pledges of equity interests in certain domestic subsidiaries and partial pledges of equity interests in certain foreign subsidiaries. The Company has also agreed to maintain at least $200 million of cash and permitted investments in accounts which are subject to a control agreement.

The Credit Agreement contains certain affirmative and negative covenants applicable to the Company and its subsidiaries, which include, among other things, restrictions on their ability to (i) incur additional indebtedness, (ii) make certain investments, (iii) acquire other entities, (iv) dispose of assets, (v) incur liens and (vi) make certain payments including those related to dividends or repurchase of equity. The Credit Agreement also contains financial maintenance covenants, including a maximum senior secured leverage ratio, a maximum total leverage ratio, a minimum interest coverage ratio and the requirement to maintain minimum liquidity.

The $1.9 million of costs incurred in connection with the issuance of the revolving credit facility were capitalized and are being amortized to interest expense on a straight-line basis over five years based on the contractual term of the revolving credit facility. As of June 29, 2013, the unamortized portion of debt issuance cost related to the revolving credit facility was $1.3 million, and was included in Other current assets and Other non-current assets on the Consolidated Balance Sheets.

There was no drawdown under the facility during fiscal 2013, and the outstanding balance as of June 29, 2013 is zero.

Outstanding Letters of Credit

As of June 29, 2013, the Company had 15 standby letters of credit totalling $33.5 million.

Note 11. Restructuring and Related Charges

The Company continues to take advantage of opportunities to further reduce costs through targeted restructuring events intended to consolidate its operations and rationalize the manufacturing of its products based on core competencies and cost efficiencies, together with the need to align the business in response to the market conditions. As of June 29, 2013, the Company's total restructuring accrual was $16.5 million. During the twelve months ended June 29, 2013 and June 30, 2012, the Company recorded $19.0 million and $12.5 million in restructuring and related charges, respectively. Of the $12.5 million in restructuring and related charges recorded during fiscal 2012, $0.1 million attributable to the Hologram Business is presented in the Consolidated Statements of Operations as a component of Loss from discontinued operations, net of tax. The Company's restructuring charges can include severance and benefit costs to eliminate a specified number of positions, facilities and equipment costs to vacate facilities and consolidate operations, and lease termination costs. The timing of associated cash payments is dependent upon the type of restructuring charge and can extend over multiple periods.

Summary of Restructuring Plans

The adjustments to the accrued restructuring expenses related to all of the Company's restructuring plans described below for the twelve months ended June 29, 2013, were as follows *(in millions)*:

	Balance June 30, 2012	Fiscal Year 2013 Charges	Cash Settlements	Non-cash Settlements and Other Adjustments	Balance June 29, 2013
Fiscal 2013 Plans					
CCOP Product Line Marketing Restructuring Plan (Workforce Reduction)	$ —	$ 1.2	$ (0.7)	$ —	$ 0.5
OSP Operational Realignment Plan (Workforce Reduction)	—	3.7	—	—	3.7
CommTest Lease Restructuring Plan (Lease Costs)	—	4.2	(0.1)	0.9	5.0
CCOP Outsourcing Plan (Workforce Reduction)	—	0.9	(0.2)	—	0.7
CommTest Wireless Business Restructuring Plan (Workforce Reduction)	—	3.0	(2.0)	—	1.0
CCOP CPV Plan (Workforce Reduction)	—	0.4	(0.4)	—	—
Fiscal 2012 Plans					
CommTest Operation and Repair Outsourcing Restructuring Plan:					
Workforce Reduction	$ 3.9	$ 4.0	$ (5.9)	$ —	$ 2.0
Facilities and Equipment	—	0.8	(0.8)	—	—
Lease Costs	—	0.5	(0.8)	0.4	0.1
Total CommTest Operation and Repair Outsourcing	3.9	5.3	(7.5)	0.4	2.1
OSP Business Consolidation Plan (Workforce Reduction)	0.8	—	(0.8)	—	—
CommTest Manufacturing Support Consolidation Plan (Workforce Reduction)	2.5	0.2	(2.6)	—	0.1
CommTest Germantown Restructuring Plan (Lease Costs)	0.5	—	—	—	0.5
Other plans	0.2	—	(0.2)	—	—
Fiscal 2011 Plans					
CommTest Market Rebalancing Restructuring Plan:					
Workforce Reduction	$ 0.1	$ —	$ (0.1)	$ —	$ —
Lease Costs	1.0	—	(0.4)	—	0.6
Total CommTest Market Rebalancing Restructuring Plan	$ 1.1	$ —	$ (0.5)	$ —	$ 0.6
Plans Prior to Fiscal 2011	3.6	0.1	(1.5)	0.1	2.3
Total	$12.6	$19.0	$(16.5)	$ 1.4	$16.5
Ottawa Lease Exit Costs	$ 4.6	$ 0.4	$ (1.2)	$(0.1)	$ 3.7

As of June 29, 2013 and June 30, 2012, the Company included the long-term portion of the restructuring liability of $6.2 million and $4.0 million, respectively, as "restructuring accrual", a

component under Other non-current liabilities, and the short-term portion as "restructuring accrual", a component under Other current liabilities in the Consolidated Balance Sheets.

The Company had also previously recorded lease exit charges, net of assumed sub-lease income in prior fiscal years related to the Ottawa facility that was included in selling, general and administrative expenses. The fair value of the remaining contractual obligations, net of sublease income is $3.7 million and $4.6 million as of June 29, 2013 and June 30, 2012 respectively. The Company included the long-term portion of the contract obligations of $2.7 million and $3.7 million in Other non-current liabilities as of each period end, and the short-term portion in Other current liabilities in the Consolidated Balance Sheets. The payments related to these lease costs are expected to be paid by the end of the third quarter of fiscal 2018.

Fiscal 2013 Plans

CCOP Product Line Marketing Restructuring Plan

During the fourth quarter of fiscal 2013, management approved a plan to re-align certain functions related to the CCOP segment to drive organizational efficiency and enhance the product line marketing leadership. As a result, a restructuring charge of $1.2 million was recorded for severance and employee benefits for 28 employees primarily in manufacturing, R&D and SG&A functions located in the North America and Asia. As of June 29, 2013, 21 employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of the second quarter of fiscal 2014.

OSP Operational Realignment Plan

During the fourth quarter of fiscal 2013, management approved a plan in its OSP segment to realign its operations to focus on priority markets such as Anti-counterfeiting, Consumer and Industrial and Other offerings in government, aerospace and defense which resulted in ceasing production of certain legacy products such as anti-reflection coatings and front-surface mirrors for display and office automation applications, solar cell covers, and select infrared products that use our MAC, custom display, and some box coater production platforms which were at the end of their lifecycle. The business segment intends to phase out production of these product offerings by the end of the second quarter of fiscal 2014 and de-commission and dispose of certain production equipment as part of the plan. This will result in consolidation of manufacturing operations and office space in our site in Santa Rosa, CA and reduction of workforce by approximately 126 employees primarily in in manufacturing, R&D and SG&A functions located in the United States. As a result, a restructuring charge of $3.7 million was recorded for severance and employee benefits. As of June 29, 2013, no employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of second quarter of fiscal 2014.

CommTest Lease Restructuring Plan

During the fourth quarter of fiscal 2013, management approved a plan to consolidate workspace in Germantown, Maryland and Beijing, China, primarily used by the CommTest segment. As of June 29, 2013, the Company had exited the affected facilities in both Germantown and Beijing under the plan. The fair value of the remaining contractual obligations, net of sublease income as of June 29, 2013 was $5.0 million. Payments related to the lease costs are expected to be paid by first quarter of fiscal 2014 and second quarter of fiscal 2021 for the facilities in Beijing and Germantown, respectively.

CCOP Outsourcing Plan

During the third quarter of fiscal 2013, management approved a plan to transition certain functions related to the CCOP segment to an offshore contract manufacturer to align with our continuous efforts for supply chain optimization. As a result, a restructuring charge of $0.9 million was recorded for severance and employee benefits for 44 employees primarily in manufacturing, R&D and SG&A functions located in the United States. As of June 29, 2013, 4 employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of the first quarter of fiscal 2015.

CommTest Wireless Business Restructuring Plan

During the second quarter of fiscal 2013, management approved a plan to align the Company's investment strategy in its CommTest segment with customer spending priorities in high-growth product lines such as wireless network assurance and eliminate positions in R&D, sales and operations organization that supported low-growth product lines. As a result, a restructuring charge of $3.0 million was recorded for severance and employee benefits for 63 employees primarily in manufacturing, R&D and SG&A functions located in North America, Europe and Asia. As of June 29, 2013, 53 employees have been terminated and payments related to remaining severance and benefits accrual are expected to be paid by the end of the fourth quarter of fiscal 2014.

CCOP CPV Plan

During the first quarter of fiscal 2013, management approved a plan to terminate the CPV product line within the CCOP segment based on limited opportunities for market growth. As a result, a restructuring charge of $0.4 million was recorded for severance and employee benefits for 9 employees primarily in manufacturing, R&D and SG&A functions located in United States, Europe, and Asia. As of June 29, 2013, all 9 employees have been terminated and fully paid.

Fiscal 2012 Plans

CommTest Operation and Repair Outsourcing Restructuring Plan

During the fourth quarter of fiscal 2012, management approved a plan which focuses on three areas in the CommTest segment: (1) moving the repair organization to a repair outsourcing partner; (2) reorganizing the R&D global team because of portfolio prioritization primarily in the CEM ("Customer Experience Management") business to consolidate key platforms from several sites to a single site, and (3) reorganizing Global Sales to focus on strategic software growth, wireless growth, and to ensure sales account resources on the most critical global growth accounts. This action will occur over the next several quarters and affected 168 employees in manufacturing, R&D and SG&A functions and resulted in the exit of workspaces in Techpoint Singapore and Atlanta, Georgia. The fair value of the remaining contractual obligations, net of sublease income as of June 29, 2013, was $0.1 million. The employees being affected are located in North America, Europe, Latin America and Asia. During the twelve months ended June 29, 2013, the Company adjusted the accrual for $4.0 million of additional severance and employee benefits arising from 64 employees added to the original plan, $0.8 million for transfer costs and lease construction costs as the result of the repair outsourcing initiative, and $0.5 million for the exit of workspaces in Techpoint Singapore and Atlanta, Georgia. As of June 29, 2013, 143 of these employees have been terminated and payments related to

the remaining severance and benefits accrual are expected to be paid by the end of the fourth quarter of fiscal 2014.

OSP Business Consolidation Plan

During the fourth quarter of fiscal 2012, management approved a plan to consolidate and re-align the various business units primarily within its OSP segment to improve synergies. As a result of this plan 15 employees in manufacturing, R&D and SG&A functions located in the United States and Europe were impacted. Payments related to severance and benefits were paid by the third quarter of fiscal 2013.

CommTest Manufacturing Support Consolidation Plan

During the third quarter of fiscal 2012, management approved a plan to continue to consolidate its manufacturing support operations in the CommTest segment by reducing the number of contract manufacturer locations worldwide and moving most of them to lower cost regions such as Mexico and China. This action will occur over the next several quarters and affected 77 employees in manufacturing and SG&A functions. The employees being affected are located in United States, Europe and Asia. As of June 29, 2013, 75 employees have been terminated and payments related to the severance and benefits accrual are expected to be paid by the end of the first quarter of fiscal 2014.

CommTest Germantown Restructuring Plan

During the second quarter of fiscal 2012, management approved a plan to consolidate workspace in Germantown, Maryland, primarily used by the CommTest segment. As of December 31, 2011, the Company exited the workspace in Germantown under the plan. The fair value of the remaining contractual obligations, net of sublease income as of June 29, 2013 was $0.5 million. Payments related to the lease costs are expected to be paid by the end of the second quarter of fiscal 2019.

Other plans

Other plans account for an immaterial portion of the total restructuring accrual, with minimal or no revisions recorded.

Fiscal 2011 Plans

CommTest Market Rebalancing Restructuring Plan

During the third quarter of fiscal 2011, management approved a plan for the CommTest segment to focus on higher growth products and services in lower cost markets with higher growth potential. This resulted in termination of employment, exit of three facilities and manufacturing transfer costs. As of June 30, 2012, all employees had been terminated. The fair value of the remaining contractual obligations with respect to the facilities exited, net of sublease income as of June 29, 2013 was $0.6 million. Payments related to the lease costs are expected to be paid by the end of the second quarter of fiscal 2016.

Plans Prior to Fiscal 2011

The restructuring accrual for plans that commenced prior to fiscal year 2011 was $2.3 million. Of this amount, $1.6 million is related to severance and benefits accrual for the CommTest Germany Restructuring Plan which commenced in the fourth quarter of fiscal 2009. Payments related to the severance and benefits accrual are expected to be paid by the end of the fourth quarter of fiscal 2016. The remaining balance consists of immaterial lease obligation accruals from various restructuring plans that commenced prior to fiscal year 2011.

Note 12. Income Taxes

The Company's (loss) income before income taxes consisted of the following (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Domestic	$(98.8)	$(76.7)	$44.6
Foreign	51.9	33.1	1.0
(Loss) income before income taxes	$(46.9)	$(43.6)	$45.6

The Company's income tax (benefit) expense consisted of the following *(in millions)*:

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Federal:			
Current	$ —	$ —	$ (0.1)
Deferred	(0.7)	0.6	1.4
	(0.7)	0.6	1.3
State:			
Current	—	0.2	0.1
Deferred	—	0.1	0.2
	—	0.3	0.3
Foreign:			
Current	18.4	16.1	11.6
Deferred	(121.6)	(5.0)	(39.2)
	(103.2)	11.1	(27.6)
Total income tax (benefit) expense	$(103.9)	$12.0	$(26.0)

During fiscal 2013, the Company determined that it is more likely than not that the deferred tax assets of a subsidiary in a non-U.S. jurisdiction (the "foreign subsidiary") will be realized after considering all positive and negative evidence. Prior to fiscal 2013, because of significant negative evidence including principally continued economic uncertainty in the industry in the foreign jurisdiction specifically and reorganization activity that would adversely affect the foreign subsidiary's future operations and profitability on a continuing basis in future years, the Company determined that it was more likely than not that the deferred tax assets would not be realized. However, during fiscal 2013,

the foreign subsidiary had realized cumulative pre-tax income for the preceding three years and had forecasted future pre-tax income sufficient to realize its deferred tax assets. Upon considering the relative impact of all evidence, both negative and positive, and the weight accorded to each, the Company concluded that it was more likely than not that the deferred tax assets of the foreign subsidiary would be realized and that the applicable valuation allowance should be released.

Accordingly, a net deferred tax valuation allowance release of $107.9 million was recorded as an income tax benefit during the year. The Company's conclusion that it is more likely than not that the deferred tax assets will be realized is strongly influenced by its forecast of the foreign subsidiary's future taxable income. The Company believes its forecast of the foreign subsidiary's future taxable income is reasonable; however, it is inherently uncertain. Therefore, if the foreign subsidiary realizes material unforeseen losses, then its ability to realize the deferred tax assets may become uncertain and an additional charge to increase the valuation allowance may be recorded.

In addition, during fiscal 2013 the Company recorded net income tax expense of $4.0 million attributable to the results of its worldwide operations.

The federal deferred tax benefit primarily relates to the other comprehensive income intraperiod tax allocation rules. The foreign current expense primarily relates to the Company's profitable operations in certain foreign jurisdictions. The foreign deferred tax benefit primarily relates to the releases of the deferred tax valuation allowance referred to above and to the amortization of foreign intangibles.

There was no material tax benefit associated with exercise of stock options for the fiscal years ended June 29, 2013, June 30, 2012 and July 2, 2011.

A reconciliation of the Company's income tax (benefit) expense at the federal statutory rate to the income tax (benefit) expense at the effective tax rate is as follows (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Income tax (benefit) expense computed at federal statutory rate	$ (16.4)	$(15.2)	$ 15.9
Foreign rate differential	(2.4)	(3.8)	(1.0)
Valuation allowance	(84.5)	23.7	(44.0)
Reversal of previously accrued taxes	(0.7)	(1.5)	(6.1)
Tax credits	(1.4)	(1.2)	—
Non-deductible expenses	4.4	6.0	4.0
Other	(2.9)	4.0	5.2
Income tax (benefit) expense	$(103.9)	$ 12.0	$(26.0)

The components of the Company's net deferred taxes consisted of the following (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Gross deferred tax assets:			
Tax credit carryforwards	$ 150.1	$ 148.0	$ 140.1
Net operating loss carryforwards	2,303.0	2,288.2	2,273.4
Inventories	16.3	15.3	15.5
Accruals and reserves	41.8	41.0	43.6
Other	127.7	102.3	102.1
Acquisition-related items	95.9	127.2	155.4
Gross deferred tax assets	2,734.8	2,722.0	2,730.1
Valuation allowance	(2,549.1)	(2,637.0)	(2,611.2)
Deferred tax assets	185.7	85.0	118.9
Gross deferred tax liabilities:			
Acquisition-related items	(26.5)	(35.2)	(65.1)
Undistributed foreign earnings	(8.3)	(2.9)	(2.3)
Other	(3.5)	(12.3)	(20.4)
Deferred tax liabilities	(38.3)	(50.4)	(87.8)
Total net deferred tax assets (liabilities)	$ 147.4	$ 34.6	$ 31.1

As of June 29, 2013, the Company had federal, state and foreign tax net operating loss carryforwards of $5,947.0 million, $2,044.1 million and $867.0 million, respectively, and federal, state and foreign research and other tax credit carryforwards of $80.2 million, $39.8 million and $42.1 million, respectively. Of this amount, approximately $92.3 million when realized will be credited to additional paid-in capital. The Company's policy is to account for the utilization of tax attributes under a with-and-without approach. The tax net operating loss and tax credit carryforwards will expire at various dates through 2033 if not utilized. Utilization of the tax net operating losses may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state and foreign provisions. Loss carryforward limitations may result in the expiration or reduced utilization of a portion of the Company's net operating losses.

U.S. income and foreign withholding taxes associated with the repatriation of earnings of foreign subsidiaries have not been provided on $217.9 million of undistributed earnings for certain foreign subsidiaries. The Company intends to reinvest these earnings indefinitely outside of the United States. The Company estimates that an additional $9.8 million of U.S. income or foreign withholding taxes would have to be provided if these earnings were repatriated back to the U.S.

The valuation allowance decreased by $87.9 million in fiscal 2013, increased by $25.8 million in fiscal 2012, and decreased by $91.4 million in fiscal 2011. The decrease during fiscal 2013 was primarily due to the release of the deferred tax valuation allowance for non-U.S. jurisdictions. The increase during fiscal 2012 was primarily due to increases in domestic and foreign tax net operating losses sustained during the year, offset by utilization and expiration of domestic and foreign net operating losses. The decrease during fiscal 2011 was primarily due to release of the deferred tax valuation

allowance for a non-U.S. jurisdiction and the utilization and expiration of domestic and foreign net operating losses.

Approximately $514.7 million of the valuation allowance as of June 29, 2013 was attributable to pre-fiscal 2006 windfall stock option deductions, the benefit of which will be credited to paid-in-capital if and when realized through a reduction in income tax payable. Beginning with fiscal 2006, the Company began to track the windfall stock option deductions off-balance sheet. If and when realized, the tax benefit associated with those deductions will be credited to additional paid-in-capital.

During fiscal 2011, the Company determined that it is more likely than not that a portion of the deferred tax assets of a subsidiary in a non-U.S. jurisdiction (the "foreign subsidiary") will be realized after considering all positive and negative evidence. Prior to fiscal 2011, because of significant negative evidence including principally continued economic uncertainty in the industry in the foreign jurisdiction specifically and reorganization activity that would adversely affect the foreign subsidiary's future operations and profit levels on a continuing basis in future years, the Company determined that it was more likely than not that the deferred tax assets would not be realized. However, during fiscal 2011, the foreign subsidiary had realized cumulative pre-tax income for the preceding three years and as a result of the finalization of the Company's reorganization plans during the year had forecasted future pre-tax income sufficient to realize a portion of its deferred tax assets prior to the expiration of its operating losses and tax credit carryforwards. Upon considering the relative impact of all evidence, both negative and positive, and the weight accorded to each, the Company concluded that it was more likely than not that a portion of the deferred tax assets of the foreign subsidiary would be realized and that such portion of the valuation allowance should be released.

Accordingly, a deferred tax valuation allowance release of $34.9 million was recorded as an income tax benefit during the year. The Company's conclusion that it is more likely than not that a portion of such deferred tax assets will be realized is strongly influenced by its forecast of future taxable income. The Company believes its forecast of future taxable income is reasonable; however, it is inherently uncertain. Therefore, if the Company realizes materially less future taxable income than forecasted or has material unforeseen losses, then its ability to generate sufficient income necessary to realize a portion of the deferred tax assets may be reduced and an additional charge to increase the valuation allowance may be recorded. Conversely, if the Company generates taxable income materially greater than what was forecasted, then a further release of valuation allowance may be possible.

A reconciliation of unrecognized tax benefits between July 3, 2010 through June 29, 2013 is as follows (*in millions*):

Balance at July 3, 2010	$65.2
Additions based on the tax positions related to the current year	3.6
Reductions for lapse of statute of limitations	(3.6)
Additions due to foreign currency rate fluctuation	(0.5)
Reductions based on the tax positions related to the prior year	(0.7)
Balance at July 2, 2011	64.0
Additions based on the tax positions related to the current year	3.4
Reductions for lapse of statute of limitations	(1.9)
Reductions due to foreign currency rate fluctuation	(1.5)
Reductions based on the tax positions related to the prior year	(2.7)
Balance at June 30, 2012	61.3
Additions based on the tax positions related to the current year	23.7
Reductions for lapse of statute of limitations or for audit settlements	(1.2)
Reductions due to foreign currency rate fluctuation	(0.7)
Reductions based on tax credit expiration	(2.4)
Balance at June 29, 2013	$80.7

The liabilities for unrecognized tax benefits relate primarily to the allocations of revenue and costs among the Company's global operations and the validity of some non-U.S. net operating losses. In addition, utilization of the Company's tax net operating losses may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state and foreign provisions. As a result, loss carryforward limitations may result in the expiration or reduced utilization of a portion of the Company's net operating losses.

Included in the balance of unrecognized tax benefits at June 29, 2013 are $24.5 million of tax benefits that, if recognized, would impact the effective tax rate. Also included in the balance of unrecognized tax benefits at June 29, 2013 are $56.2 million of tax benefits that, if recognized, would result in adjustments to the valuation allowance.

The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits within the income tax provision. The amount of interest and penalties accrued as of June 29, 2013 and June 30, 2012 was approximately $24.1 million and $23.0 million, respectively. During fiscal 2013, the Company's accrued interest and penalties was increased by $1.1 million primarily because of the lapse of statute of limitations and foreign currency rate fluctuations. The unrecognized tax benefits that may be recognized during the next twelve months is approximately $ 21.3 million.

The following table summarizes the Company's major tax jurisdictions and the tax years that remain subject to examination by such jurisdictions as of June 29, 2013:

Tax Jurisdictions	Tax Years
United States	2009 and onward
Canada	2006 and onward
China	2008 and onward
France	2008 and onward
Germany	2008 and onward

Note 13. Stockholders' Equity

Preferred Stock

In February 2003, the Company amended and restated its Stockholder Rights Agreement (the "Company Rights Agreement") and currently each share of the Company's outstanding common stock is associated with eight rights. Each right entitles stockholders to purchase 1/100,000 share of the Company's Series B Preferred Stock at an exercise price of $21.00. The rights only become exercisable in certain limited circumstances following the tenth day after a person or group announces an acquisition of or tender offers for 15% or more of the Company's common stock. For a limited period of time following the announcement of any such acquisition or offer, the rights are redeemable by the Company at a price of $0.01 per right. If the rights are not redeemed, each right will then entitle the holder to purchase common stock having the value of twice the then-current exercise price. For a limited period of time after the exercisability of the rights, each right, at the discretion of the Company's Board of Directors, may be exchanged for either 1/100,000 share of Series B Preferred Stock or one share of common stock per right. The rights expired on June 22, 2013.

The Company's Board of Directors has the authority to issue up to 499,999 shares of undesignated preferred stock (in addition to the 500,000 shares of designated Series B Preferred Stock) and to determine the powers, preferences and rights and the qualifications, limitations or restrictions granted to or imposed upon any wholly unissued shares of undesignated preferred stock and to fix the number of shares constituting any series and the designation of such series, without the consent of the Company's stockholders. The preferred stock could be issued with voting, liquidation, dividend and other rights superior to those of the holders of common stock. The issuance of Series B Preferred Stock or any preferred stock subsequently issued by the Company's Board of Directors, under some circumstances, could have the effect of delaying, deferring or preventing a change in control.

Exchangeable Shares of JDS Uniphase Canada Ltd.

On June 30, 1999, in connection with the merger with JDS FITEL, JDS Uniphase Canada Ltd., a subsidiary of the Company, adopted a Rights Agreement (the "Original Exchangeable Rights Agreement") substantially equivalent to the Company Rights Agreement. In February 2003, in connection with the amendment and restatement of the Company Rights Agreement, the Original Exchangeable Rights Agreement was amended and restated (as amended and restated, the "Exchangeable Rights Agreement"). Under the Exchangeable Rights Agreement, each exchangeable share issued has an associated right (an "Exchangeable Share Right") entitling the holder of such Exchangeable Share Right to acquire additional exchangeable shares on terms and conditions substantially the same as the terms and conditions upon which a holder of shares of common stock is entitled to acquire either 1/100,000 share of the Company's Series B Preferred Stock or, in certain

circumstances, shares of common stock under the Company Rights Agreement. The definitions of beneficial ownership, the calculation of percentage ownership and the number of shares outstanding and related provisions of the Company Rights Agreement and the Exchangeable Rights Agreement apply, as appropriate, to shares of common stock and exchangeable shares as though they were the same security. The Exchangeable Share Rights are intended to have characteristics essentially equivalent in economic effect to the Rights granted under the Company Rights Agreement. The Company has the right to force conversion of the exchangeable shares in fiscal 2014.

Note 14. Stock-Based Compensation

Stock-Based Benefit Plans

Stock Option Plans

As of June 29, 2013, the Company had 14.6 million shares of stock options and Full Value Awards (as defined below) issued and outstanding to employees and directors under the Company's 2005 Acquisition Equity Incentive Plan (the "2005 Plan"), Amended and Restated 2003 Equity Incentive Plan (the "2003 Plan") and various other plans the Company assumed through acquisitions. The exercise price for stock options is equal to the fair value of the underlying stock at the date of grant. The Company issues new shares of common stock upon exercise of stock options. Options generally become exercisable over a three-year or four-year period and, if not exercised, expire from five to ten years after the date of grant.

On November 14, 2006, the Company's shareholders approved an amendment and restatement of the 2003 Plan, under which (1) 12,500,000 shares of Common Stock were added to the pool of shares reserved for issuance under the 2003 Plan and (2) all future grants of "Full Value Awards" (as defined below) will reduce the share reserve by one and one-half shares for each share subject to such Awards. On November 12, 2008, the Company's shareholders approved the following amendments to the 2003 Plan. The first amendment increased the number of shares that may be issued under the 2003 Plan by 12,000,000. The second amendment increased the maximum number of shares granted to any employee in any fiscal year to 1,000,000. On November 30, 2010, the Company's shareholders approved an amendment to the 2003 Plan to increase the number of shares that may be issued under this plan by 12,200,000 shares. On November 14, 2012, the Company's shareholders approved the following amendments to the 2003 Plan. The first amendment increased the number of shares that may be issued under this plan by 10,000,000 shares. The second amendment extended the 2003 Plan's terms for an additional ten year period after the date of approval of the amendment.

On August 17, 2005, the Company's Board of Directors adopted and approved the Flexible Stock Incentive—2005 Plan (the "2005 Plan"). Pursuant to Section 3(a) of the 2005 Plan, and in accordance with the registration requirements of the Securities Act of 1933, the Company registered 16.0 million shares, which have been reserved for issuance under the 2005 Plan. The adoption and approval of the 2005 Plan did not affect any of the options granted under the Flexible Stock Incentive—Amended and Restated 1993 Plan which was adopted in fiscal 1993, as amended, and currently outstanding, all of which remain exercisable in accordance with their terms. On May 2, 2010, the Company's Board of Directors approved to increase the 2005 Acquisition Equity Incentive Plan by 800,000 shares.

As of June 29, 2013, 14.9 million shares of common stock, primarily under the 2003 Plan and the 2005 Plan, were available for grant.

Employee Stock Purchase Plans

In June 1998, the Company adopted the JDS Uniphase Corporation 1998 Employee Stock Purchase Plan, as amended (the "1998 Purchase Plan"). The 1998 Purchase Plan, which became effective August 1, 1998, provides eligible employees with the opportunity to acquire an ownership interest in the Company through periodic payroll deductions and provides a discounted purchase price as well as a look-back period. The 1998 Purchase Plan is structured as a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986. However, the 1998 Purchase Plan is not intended to be a qualified pension, profit sharing or stock bonus plan under Section 401(a) of the Internal Revenue Code of 1986 and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. The 1998 Purchase Plan will terminate upon the earlier of August 1, 2018 or the date on which all shares available for issuance have been sold. Of the 50.0 million shares authorized to be issued under the 1998 Purchase Plan, 5.2 million shares remained available for issuance as of June 29, 2013.

Effective with the purchase period that began on February 1, 2006, the 1998 Purchase Plan was modified to provide a 5% discount and a six month look-back period. Previously, the 1998 Purchase Plan had provided a 15% discount and up to a two year look-back period.

Full Value Awards

"Full Value Awards" refer to RSUs and Performance Units that are granted with the exercise price equal to zero and are converted to shares immediately upon vesting. These Full Value Awards are performance-based, time-based, or a combination of both and expected to vest over one to four years. The fair value of the time-based Full Value Awards is based on the closing market price of the Company's common stock on the date of award.

Stock-Based Compensation

The impact on the Company's results of operations of recording stock-based compensation by function for fiscal 2013, 2012 and 2011 was as follows (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Cost of sales	$ 9.3	$ 7.7	$ 5.4
Research and development	13.5	11.6	8.6
Selling, general and administrative	33.5	29.3	26.9
	$56.3	$48.6	$40.9

Approximately $2.0 million of stock-based compensation was capitalized to inventory at June 29, 2013.

Stock Option Exchange

On November 5, 2010, the Company completed an Offer to Exchange Certain Stock Options for a Number of Restricted Stock Units, Replacement Options or Cash (the "Exchange Offer"). Pursuant to the Exchange Offer, 3,555,241 eligible stock options were tendered, representing approximately 83% of

the total stock options eligible for exchange. The Company granted a total of 230,494 new RSUs and 64,763 replacement options in exchange for the eligible stock options surrendered. The grant date fair value of the new RSUs and the exercise price of the replacement options is $11.40, which was the closing price of the Company's common stock on November 5, 2010 as reported by the NASDAQ Stock Market. The Company also paid a total of $0.2 million to certain participating employees who would have received in the aggregate less than 100 RSUs or replacement options upon exchange.

The stock option exchange was accounted for as a modification of the options tendered for exchange pursuant to the authoritative guidance of stock-based compensation. Approximately $0.4 million of incremental cost, as well as approximately $0.2 million of unamortized expense related to the cancelled options will be recognized over one or two years, the modified requisite service period of the replaced awards.

Stock Option Activity

The Company granted no stock options during fiscal 2013 and 2012. The Company granted 3.6 million shares of stock options during fiscal 2011. The total intrinsic value of options exercised during the year ended June 29, 2013 was $11.5 million. In connection with these exercises, the tax benefit realized by the Company was immaterial due to the fact that the Company has no material benefit in foreign jurisdictions and a full valuation allowance on its domestic deferred tax assets.

As of June 29, 2013, $1.5 million of unrecognized stock-based compensation cost related to stock options remains to be amortized. That cost is expected to be recognized over an estimated amortization period of 1.0 years.

The following is a summary of stock option activities *(amount in millions except per share amounts)*:

	Options Outstanding	
	Number Of Shares	Weighted-Average Exercise Price
Balance as of July 3, 2010	16.8	$21.54
Granted	3.6	11.91
Exercised	(4.1)	7.71
Forfeited	(0.5)	5.99
Canceled	(4.9)	52.52
Balance as of July 2, 2011	10.9	10.42
Exercised	(1.4)	5.84
Forfeited	(0.6)	7.03
Canceled	(0.7)	26.32
Balance as of June 30, 2012	8.2	10.02
Exercised	(2.0)	7.64
Forfeited	(0.2)	10.86
Canceled	(0.4)	15.69
Balance as of June 29, 2013	5.6	10.56

The following table summarizes significant ranges of outstanding and exercisable options as of June 29, 2013:

	Options Outstanding				Options Exercisable			
Range of Exercise Prices	Number of Shares	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)	Number of Shares	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)
$ 0.00 — 10.00 . . .	2,162,791	3.9	$ 5.25	$19.8	2,155,368	3.9	$ 5.25	$19.7
10.01 — 20.00 . . .	2,728,702	4.7	11.61	8.6	2,313,328	4.6	11.42	7.6
20.01 — 30.00 . . .	693,255	2.7	22.94	—	580,755	2.1	23.03	—
30.01 — 100.00 . . .	1,303	0.7	35.54	—	1,303	0.7	35.54	—
	5,586,051	4.1	10.56	$28.4	5,050,754	4.0	10.12	$27.3

The aggregate intrinsic value in the table above represents the total pretax intrinsic value, based on the Company's closing stock price of $14.39 as of June 29, 2013, which would have been received by the option holders had all option holders exercised their options as of that date. The total number of in-the-money options exercisable as of June 29, 2013 was 4.2 million.

ESPP Activity

The compensation expense in connection with the Company's employee stock purchase plan for the year ended June 29, 2013 was $1.9 million. The expense related to the plan is recorded on a straight-line basis over the relevant subscription period.

The following table summarizes the shares issued and the fair market value at purchase date, pursuant to the Company's employee stock purchase plan during the year ended June 29, 2013:

Purchase date	January 31, 2013	July 31, 2012
Shares issued	541,475	499,356
Fair market value at purchase date	$ 14.51	$ 9.84

As of June 29, 2013, $0.2 million of unrecognized stock-based compensation cost related to ESPP remains to be amortized. That cost is expected to be recognized through the first quarter of fiscal 2014.

Full Value Awards Activity

During fiscal 2013, 2012 and 2011, the Company's Board of Directors approved the grant of 6.5 million, 5.0 million and 3.6 million Full Value Awards to the Company's Board of Directors and employees and recorded $49.4 million, $35.7 million, and $26.7 million of such compensation expenses, respectively.

As of June 29, 2013, $72.4 million of unrecognized stock-based compensation cost related to Full Value Awards remains to be amortized. That cost is expected to be recognized over an estimated amortization period of 2.1 years.

A summary of the status of the Company's nonvested Full Value Awards as of June 29, 2013 and changes during the same period is presented below (*amount in millions, except per share amounts*):

	Full Value Awards			
	Performance shares	Non-performance shares	Total number of shares	Weighted-average grant-dated fair value
Nonvested at July 3, 2010	0.3	5.1	5.4	8.49
Awards granted	0.1	3.5	3.6	12.34
Awards vested	(0.4)	(2.1)	(2.5)	9.02
Awards forfeited	—	(0.5)	(0.5)	9.43
Nonvested at July 2, 2011	—	6.0	6.0	10.49
Awards granted	0.5	4.5	5.0	12.31
Awards vested	—	(3.0)	(3.0)	9.01
Awards forfeited	—	(0.8)	(0.8)	11.67
Nonvested at June 30, 2012	0.5	6.7	7.2	12.37
Awards granted	0.7	5.8	6.5	12.40
Awards vested	(0.1)	(3.6)	(3.7)	11.74
Awards forfeited	(0.1)	(0.9)	(1.0)	12.58
Nonvested at June 29, 2013	1.0	8.0	9.0	12.61

During fiscal 2013 and 2012, the Company granted 0.7 million and 0.5 million MSUs. These MSUs shares represent the target amount of grants and the actual number of shares awarded upon vesting of the MSUs may be higher or lower depending upon the achievement of the relevant market conditions. The majority of MSUs vest in equal annual installments over three years based on the attainment of certain total shareholder return performance measures and the employee's continued service through the vest date. The aggregate grant-date fair value of MSUs granted during fiscal 2013 and 2012 was estimated to be $10.7 million and $9.3 million, respectively, and was calculated using a Monte Carlo simulation.

Full Value Awards are converted into shares upon vesting. Shares equivalent in value to the minimum withholding taxes liability on the vested shares are withheld by the Company for the payment of such taxes. During fiscal 2013, 2012 and 2011, the Company paid $15.9 million, $12.8 million and $12.5 million, respectively, and classified the payments as operating cash outflows in the Consolidated Statement of Cash Flows.

Valuation Assumptions

The Company estimates the fair value of the MSUs on the date of grant using a Monte Carlo simulation with the following assumptions:

	Years Ended	
	June 29, 2013	June 30, 2012
Volatility of common stock	57.5%	68.7%
Average volatility of peer companies	58.3%	68.4%
Average correlation coefficient of peer companies	0.3208	0.3383
Risk-free interest rate	0.4%	0.7%

The Company estimates the fair value of the majority of stock options and ESPP using a BSM valuation model. The fair value is estimated on the date of grant using the BSM option valuation model with the following weighted-average assumptions:

	Employee Stock Option Plans			Employee Stock Purchase Plans		
	2013	2012	2011	2013	2012	2011
Expected term (*in years*)	NA	NA	4.7	0.5	0.5	0.5
Expected volatility	NA	NA	58.2%	53.9%	52.5%	49.9%
Risk-free interest rate	NA	NA	1.4%	0.1%	0.2%	0.2%

Expected Term: The Company's expected term represents the period that the Company's 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.

Expected Volatility: The Company determined that a combination of the implied volatility of its traded options and historical volatility of its stock price based on the expected term of the equity instrument most appropriately reflects market expectation of future volatility. Implied volatility is based on traded options of the Company's common stock with a remaining maturity of six months or greater.

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

Expected Dividend: The BSM valuation model calls for a single expected dividend yield as an input. The Company has not paid and does not anticipate paying any dividends in the near future.

Estimated Pre-vesting Forfeitures: When estimating forfeitures, the Company considers voluntary termination behavior as well as future workforce reduction programs. Estimated forfeiture rates are trued-up to actual forfeiture results as the stock-based awards vest.

Note 15. Employee Benefit Plans

Employee 401(k) Plans

The Company sponsors the JDS Uniphase Corporation Employee 401(k) Retirement Plan (the "401(k) Plan"), a Defined Contribution Plan under ERISA, which provides retirement benefits for its eligible employees through tax deferred salary deductions. The 401(k) Plan allows employees to contribute up to 50% of their annual compensation, with contributions limited to $17,500 in calendar year 2013 as set by the Internal Revenue Service.

Effective January 1, 2007, the Plan provided for a 100% match of employees' contributions up to the first 3% of annual compensation and 50% match on the next 2% of compensation. Effective January 1, 2009, through the remainder of fiscal 2009, there was no Company match. Effective April 2010, the Company restored employer matching contributions to all eligible participants who have completed 180 days of service with JDSU. All matching contributions are made in cash and vest immediately. The Company's matching contributions to the 401(k) Plan were $7.4 million, $7.1 million, and $7.6 million in fiscal 2013, 2012 and 2011, respectively.

Deferred Compensation Plans

The Company also provides a non-qualified retirement plan for the benefit of certain eligible employees in the U.S. This plan is designed to permit employee deferral of a portion of salaries in excess of certain tax limits and deferral of bonuses. This plan's assets are designated as trading securities in the Company's Consolidated Balance Sheets. See "Note 7. Investments and Fair Value Measurements" for more detail. Effective January 1, 2011, the Company suspended all employee contribution into the plan.

Employee Defined Benefit Plans

The Company sponsors qualified and non-qualified pension plans for certain past and present employees in the UK and Germany. The Company also is responsible for the nonpension postretirement benefit obligation of a previously acquired subsidiary. Most of the plans have been closed to new participants and no additional service costs are being accrued, except for the plans assumed during fiscal 2010 in connection with the NSD acquisition. Benefits are generally based upon years of service and compensation or stated amounts for each year of service. As of June 29, 2013 the UK plan was partially funded while the other plans were unfunded. The Company's policy for funded plans is to make contributions equal to or greater than the requirements prescribed by law or regulation. For unfunded plans, the Company pays the postretirement benefits when due. Future estimated benefit payments are summarized below. No other required contributions to defined benefit plans are expected in fiscal 2013, but the Company, at its discretion, can make contributions to one or more of the defined benefit plans.

The Company accounts for its obligations under these pension plans in accordance with authoritative guidance which requires the Company to record its obligation to the participants, as well as the corresponding net periodic cost. The Company determines its obligation to the participants and its net periodic cost principally using actuarial valuations provided by third-party actuaries. The obligation the Company records in its Consolidated Balance Sheets is reflective of the total projected benefit obligation ("PBO") and the fair value of plan assets.

The following table presents the components of the net periodic cost for the pension and benefits plans (*in millions*):

	Pension Benefit Plans			Other Post Retirement Benefit Plans		
	2013	2012	2011	2013	2012	2011
Service cost	$ 0.3	$ 0.2	$ 0.3	$—	$ —	$ —
Interest cost	4.4	5.5	5.3	—	0.1	0.1
Expected return on plan assets	(1.2)	(1.4)	(1.2)	—	—	—
Recognized actuarial (gains)/losses	—	(0.4)	—	—	—	—
Net periodic benefit cost	$ 3.5	$ 3.9	$ 4.4	$—	$0.1	$0.1

The Company's accumulated other comprehensive income includes unrealized net actuarial (gains)/ losses. The amount expected to be recognized in net periodic benefit cost during fiscal 2014 is $0.1 million.

The changes in the benefit obligations and plan assets of the pension and benefits plans were (*in millions*):

	Pension Benefit Plans		Other Post Retirement Benefit Plans	
	2013	2012	2013	2012
Change in benefit obligation:				
Benefit obligation at beginning of year	$111.9	$108.7	$ 1.1	$ 0.9
Service cost	0.3	0.2	—	—
Interest cost	4.4	5.5	—	0.1
Actuarial (gains)/losses	6.2	15.3	(0.2)	0.1
Benefits paid	(4.9)	(4.8)	—	—
Foreign exchange impact	3.1	(13.0)	—	—
Benefit obligation at end of year	$121.0	$111.9	$ 0.9	$ 1.1
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 23.5	$ 23.4	$ —	$ —
Actual return on plan assets	2.7	1.1	—	—
Employer contributions	4.8	4.5	—	—
Benefits paid	(4.9)	(4.8)	—	—
Foreign exchange impact	(0.5)	(0.7)	—	—
Fair value of plan assets at end of year	$ 25.6	$ 23.5	$ —	$ —
Funded status	$(95.4)	$(88.4)	$(0.9)	$(1.1)
Accumulated benefit obligation	$120.2	$111.3		

	Pension Benefit Plans		Other Post Retirement Benefit Plans	
	2013	2012	2013	2012
Amount recognized in the Consolidated Balance Sheets at end of year				
Current liabilities	$ 4.3	$ 4.3	$ —	$ —
Non-current liabilities	91.1	84.1	0.9	1.1
Net amount recognized at end of year	$95.4	$ 88.4	$0.9	$1.1
Amount recognized in Accumulated Other Comprehensive Income at end of year				
Actuarial gains/(losses), net of tax	$(4.7)	$ (0.3)	$ —	$ —
Net amount recognized at end of year	$(4.7)	$ (0.3)	$ —	$ —
Other changes in plan assets and benefit obligations recognized in Other Comprehensive Income (Loss)				
Net actuarial gains/(losses)	$(4.4)	$(14.3)	$ —	$ —
Amortization of accumulated net actuarial gains	—	(0.4)	—	—
Total recognized in other comprehensive income (loss)	$(4.4)	$(14.7)	$ —	$ —

During fiscal 2013 and fiscal 2012, the Company contributed GBP 0.5 million and GBP 0.3 million or approximately $0.7 million and $0.4 million, respectively, to its UK pension plan. These contributions allowed the Company to comply with regulatory funding requirements.

Assumptions

Underlying both the calculation of the PBO and net periodic cost are actuarial valuations. These valuations use participant-specific information such as salary, age, years of service, and assumptions about interest rates, compensation increases and other factors. At a minimum, the Company evaluates these assumptions annually and makes changes as necessary.

The discount rate reflects the estimated rate at which the pension benefits could be effectively settled. In developing the discount rate, the Company considered the yield available on an appropriate AA corporate bond index, adjusted to reflect the term of the scheme's liabilities as well as a yield curve model developed by the Company's actuaries.

The expected return on assets was estimated by using the weighted average of the real expected long term return (net of inflation) on the relevant classes of assets based on the target asset mix and adding the chosen inflation assumption.

The following table summarizes the weighted average assumptions used to determine net periodic cost and benefit obligation for the Company's UK and German pension plans, and other postretirement benefit plans.

	Pension Benefit Plans			Other Post Retirement Benefit Plans		
	2013	2012	2011	2013	2012	2011
Weighted-average assumptions used to determine net periodic cost:						
Discount rate	4.0%	5.4%	4.8%	4.0%	5.6%	5.8%
Expected long-term return on plan assets	5.2	6.0	6.0	—	—	—
Rate of pension increase	2.0	1.8	1.8	—	—	—
Weighted-average assumptions used to determine benefit obligation at end of year:						
Discount rate	3.7%	4.0%	5.4%	4.6%	4.0%	5.6%
Rate of pension increase	2.2	2.0	1.8	—	—	—

Investment Policies and Strategies

The Company's investment objectives for its funded pension plan are to ensure that there are sufficient assets available to pay out members' benefits as and when they arise and that should the plan be discontinued at any point in time there would be sufficient assets to meet the discontinuance liabilities. To achieve the objectives, the trustees of the plan are responsible for regularly monitoring the funding position and managing the risk by investing in assets expected to outperform the increase in value of the liabilities in the long term and by investing in a diversified portfolio of assets in order to minimize volatility in the funding position. The trustees invest in a range of frequently traded funds ("pooled funds") rather than direct holdings in individual securities to maintain liquidity, achieve diversification and reduce the potential for risk concentration. The funded plan assets are managed by professional third-party investment managers.

Fair Value Measurement of Plan Assets

The following table sets forth the plan's assets at fair value and the percentage of assets allocations as of June 29, 2013.

				Fair value measurement as of June 29, 2013	
	Target Allocation	Total	Percentage of Plan Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets:					
Global equity	36-44%	$10.7	42.0%	$ —	$10.7
Fixed income	45-55	12.1	47.0	—	12.1
Other	8-12	2.7	11.0	—	2.7
Cash	—	0.1	—	0.1	—
Total assets		$25.6	100.0%	$0.1	$25.5

The following table sets forth the plan's assets at fair value and the percentage of assets allocations as of June 30, 2012.

	Target Allocation	Total	Percentage of Plan Assets	Fair value measurement as of June 30, 2012
				Significant Other Observable Inputs (Level 2)
Assets:				
Global equity	36-44%	$ 9.3	40.0%	$ 9.3
Fixed income	45-55	11.9	50.0	11.9
Other	8-12	2.3	10.0	2.3
Total assets		$23.5	100.0%	$23.5

The Company's pension assets consist of multiple institutional funds ("pension funds") of which the fair values are based on the quoted prices of the underlying funds. Pension funds are classified as Level 2 assets since such funds are not directly traded in active markets.

Global equity consists of one index fund that invests approximately 60% in UK equities as represented by the FTSE All-Share Index and 40% in overseas equities as represented by the appropriate sub-divisions of FTSE All-World Index.

Fixed income consists of two funds that invest primarily in index-linked Gilts (over 5 year) and sterling-denominated investment grade corporate bonds, respectively.

Other consists of several funds that primarily invest in equity index, private equity, global real estate, infrastructure, and high yield bonds funds.

Future Benefit Payments

The following table reflects the total expected benefit payments to defined benefit pension plan participants. These payments have been estimated based on the same assumptions used to measure the Company's PBO at year end and include benefits attributable to estimated future compensation increases.

(in millions)	Pension Benefit Plans	Other Post Retirement Benefit Plans
2014	$ 5.2	$ —
2015	5.8	—
2016	5.2	0.1
2017	6.2	0.1
2018	6.0	0.1
Thereafter	67.0	0.6
Total	$95.4	$0.9

Note 16. Related Party Transactions

KLA-Tencor Corporation ("KLA-Tencor")

During fiscal 2011, 2012 and a portion of fiscal 2013, one member of the Board of Directors of JDSU was also a member of the Board of Directors of KLA-Tencor, a publicly held company which provides process control and yield management solutions for semiconductor manufacturing. KLA-Tencor is a customer of the Company. As of August 16, 2012, the member resigned from the Board of Directors of JDSU and KLA-Tencor was no longer a related party.

Transactions and balances with the Company's related parties were as follows (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Sales:			
KLA-Tencor (1)	$—	$7.4	$6.4
	$—	$7.4	$6.4

	Years Ended	
	June 29, 2013	June 30, 2012
Accounts Receivable:		
KLA-Tencor (1)	$—	$0.9
	$—	$0.9

(1) There were no material transactions between the Company and KLA-Tencor during the period when KLA-Tencor was a related party of the Company in fiscal 2013.

Note 17. Commitments and Contingencies

Operating Leases

The Company leases certain real and personal property from unrelated third parties under non-cancelable operating leases that expire at various dates through fiscal 2023. Certain leases require the Company to pay property taxes, insurance and routine maintenance, and include escalation clauses. As of June 29, 2013, future minimum annual lease payments under non-cancellable operating leases were as follows (*in millions*):

2014	$ 27.5
2015	25.2
2016	19.9
2017	15.8
2018	13.0
Thereafter	26.3
Total minimum operating lease payments	$127.7

Included in the future minimum lease payments table above is $10.2 million related to lease commitments in connection with the Company's restructuring activities. See "Note 11. Restructuring and Related Charges" for more detail.

The aggregate future minimum rentals to be received under non-cancellable subleases totaled $2.0 million as of June 29, 2013. Rental expense relating to building and equipment was $26.0 million, $27.5 million and $24.6 million in fiscal 2013, 2012 and 2011, respectively.

Purchase Obligations

Purchase obligations of $130.3 million as of June 29, 2013, represent legally-binding commitments to purchase inventory and other commitments made in the normal course of business to meet operational requirements. Although open purchase orders are considered enforceable and legally binding, the terms generally allow the option to cancel, reschedule and adjust the requirements based on the Company's business needs prior to the delivery of goods or performance of services. Obligations to purchase inventory and other commitments are generally expected to be fulfilled within one year.

The Company depends on a limited number of contract manufacturers, subcontractors, and suppliers for raw materials, packages and standard components. The Company generally purchases these single or limited source products through standard purchase orders or one-year supply agreements and has no significant long-term guaranteed supply agreements with such vendors. While the Company seeks to maintain a sufficient safety stock of such products and maintains on-going communications with its suppliers to guard against interruptions or cessation of supply, the Company's business and results of operations could be adversely affected by a stoppage or delay of supply, substitution of more expensive or less reliable products, receipt of defective parts or contaminated materials, increases in the price of such supplies, or the Company's inability to obtain reduced pricing from its suppliers in response to competitive pressures.

Financing Obligations—Eningen, Santa Rosa and Payment Plan Agreements for Software Licenses

Eningen

On December 16, 2011, the Company executed and closed the sale and leaseback transaction of certain buildings and land in Eningen, Germany (the "Eningen Transactions"). The Company sold approximately 394,217 square feet of land, nine buildings with approximately 386,132 rentable square feet, and parking areas. The Company leased back approximately 158,154 rentable square feet comprised of two buildings and a portion of a basement of another building (the "Leased Premises"). The lease term is 10 years with the right to cancel a certain portion of the lease after 5 years. The gross cash proceeds received from the transaction were approximately €7.1 million.

Concurrent with the sale and lease back, the Company has provided collateral in case of a default by the Company relative to future lease payments for the Leased Premises. Due to this continuing involvement, the related portion of the cash proceeds and transaction costs, associated with the Leased Premises and other buildings which the Company continues to occupy, was recorded under the financing method in accordance with the authoritative guidance on leases and sales of real estate. Accordingly, the carrying value of these buildings and associated land will remain on the Company's books and the buildings will continue to be depreciated over their remaining useful lives. The portion of the proceeds received have been recorded as a financing obligation, a portion of the lease payments are recorded as a decrease to the financing obligation and a portion is recognized as interest expense. Imputed rental income from the buildings sold but not leased back and currently being occupied is recorded as a reduction in the financing obligation.

The Company completed the consolidation and exited one of the buildings, which it previously occupied and is not being leased, during the fourth quarter of fiscal 2012. Upon exit, the Company had no form of continuing involvement for the aforementioned building and associated land. The Company accordingly removed the carrying value of the building, the associated land and the financing liability and recognized a gain of $0.5 million.

During the year ended June 30, 2012, the Company recognized a loss, net of transaction costs, of $0.2 million on sale of the remaining five buildings and associated land on which there is no form of continuing involvement.

As of June 29, 2013, of the total financing obligation related to the Eningen Transactions, $0.1 million was included in Other current liabilities, and $5.0 million was included in Other non-current liabilities. As of June 30, 2012, of the total financing obligation related to the Eningen Transactions, $0.1 million was included in Other current liabilities, and $4.9 million was included in Other non-current liabilities.

Santa Rosa

On August 21, 2007, the Company entered into a sale and lease back of certain buildings and land in Santa Rosa, California (the "Santa Rosa Transactions"). The Company sold approximately 45 acres of land, 13 buildings with approximately 492,000 rentable square feet, a building pad, and parking areas. The Company leased back 7 buildings with approximately 286,000 rentable square feet. The net cash proceeds received from the transaction were $32.2 million. The lease terms range from a one-year lease with a one-year renewal option to a ten-year lease with two five-year renewal options.

The Company has an ongoing obligation to remediate environmental matters, impacting the entire site, as required by the North Coast Regional Water Quality Control Board which existed at the time of sale. Concurrent with the sale and lease back, the Company has issued an irrevocable letter of credit for $3.8 million as security for the remediation of the environmental matter that remains in effect until the issuance of a notice of no further action letter from the North Coast Regional Water Quality Control Board. In addition, the lease agreement for one building included an option to purchase at fair market value, at the end of the lease term. Due to these various forms of continuing involvement the transaction was recorded under the financing method in accordance with the authoritative guidance on leases and sales of real estate.

Accordingly, the value of the buildings and land will remain on the Company's books and the buildings will continue to be depreciated over their remaining useful lives. The proceeds received have been recorded as a financing obligation, a portion of the lease payments are recorded as a decrease to the financing obligation and a portion is recognized as interest expense. Imputed rental income from the buildings sold but not leased back is recorded as a reduction in the financing obligation.

As of June 29, 2013, $1.1 million was included in Other current liabilities, and $27.4 million was included in Other non-current liabilities. As of June 30, 2012, $0.9 million was included in Other current liabilities, and $28.5 million was included in Other non-current liabilities.

The lease payments due under the agreement reset to fair market rental rates upon the Company's execution of the renewal options.

Payment Plan Agreements for Software Licenses

During fiscal 2011and 2009, the Company capitalized approximately $7.1 million and $11.1 million, respectively, of cost incurred for the purchase of perpetual software licenses issued by the same supplier, in accordance with the authoritative accounting guidance. The Company entered into a three-year payment plan agreement ("PPA") with the supplier towards software licenses and technical

support purchased in fiscal 2009, which was paid in full during fiscal 2012. The Company entered into a four-year PPA with the supplier towards software licenses and technical support purchased in fiscal 2011. Under this PPA, payments are made annually starting the first quarter of fiscal 2012. The principal portion of the payment is accounted for as a financing activity and the interest portion is accounted for as an operating activity in the statement of cash flows. As of June 29, 2013, the Company's remaining contractual commitment was $1.9 million, which is due in fiscal 2014.

During the fiscal years 2013, 2012 and 2011, the Company recorded amortization expense of $3.6 million, $3.6 million and $2.2 million, respectively, for these licenses.

Guarantees

In accordance with authoritative guidance which requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. In addition, disclosures about the guarantees that an entity has issued, including a tabular reconciliation of the changes of the entity's product warranty liabilities, are required.

The Company from time to time enters into certain types of contracts that contingently require the Company to indemnify parties against third-party claims. These contracts primarily relate to: (i) divestiture agreements, under which the Company may provide customary indemnifications to purchasers of the Company's businesses or assets; (ii) certain real estate leases, under which the Company may be required to indemnify property owners for environmental and other liabilities, and other claims arising from the Company's use of the applicable premises; and (iii) certain agreements with the Company's officers, directors and employees, under which the Company may be required to indemnify such persons for liabilities arising out of their employment relationship.

The terms of such obligations vary. Generally, a maximum obligation is not explicitly stated. Because the obligated amounts of these types of agreements often are not explicitly stated, the overall maximum amount of the obligations cannot be reasonably estimated. Historically, the Company has not been obligated to make significant payments for these obligations, and no liabilities have been recorded for these obligations on its balance sheet as of June 29, 2013 and June 30, 2012.

Product Warranties

In general, the Company offers a three-month to one-year warranty for most of its products. The Company provides reserves for the estimated costs of product warranties at the time revenue is recognized. The Company estimates the costs of its warranty obligations based on its historical experience of known product failure rates, use of materials to repair or replace defective products and service delivery costs incurred in correcting product failures. In addition, from time to time, specific warranty accruals may be made if unforeseen technical problems arise with specific products. The Company periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

The following table presents the changes in the Company's warranty reserve during fiscal 2013 and fiscal 2012 (*in millions*):

	Years Ended	
	June 29, 2013	June 30, 2012
Balance as of beginning of year	$ 8.1	$ 7.9
Provision for warranty	8.9	9.5
Utilization of reserve	(7.2)	(7.9)
Adjustments related to pre-existing warranties (including changes in estimates)	(2.9)	(1.4)
Balance as of end of year	$ 6.9	$ 8.1

Legal Proceedings

During the first quarter of fiscal 2012, the Company received an unfavorable arbitrator's decision in a legal dispute unrelated to current or future quarters. The arbitrator's decision was related to, and contrary to the result of, an action which commenced in 2006 in the Western District of Pennsylvania in which the Company was a nominal plaintiff. The Pennsylvania matter was resolved in the Company's favor in 2009 and was subsequently affirmed by a Federal Appeals Court in January 2011. The arbitration award was confirmed at the California State Superior Court in October, 2011. On March 5, 2012 the Pennsylvania District Court denied JDSU's request to vacate the arbitration award, and the parties subsequently reached a settlement agreement on March 22, 2012 pursuant to which the Company paid $7.9 million on April 2, 2012 in full and final settlement of the matter. The related charge is included as a component of SG&A expense in the Company's Consolidated Statement of Operations.

The Company is subject to a variety of claims and suits that arise from time to time in the ordinary course of our business. While management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on its financial position, results of operations or statement of cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. Were an unfavorable final outcome to occur, there exists the possibility of a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the effect becomes reasonably estimable.

Tax Matters

The Company had been subject to Texas franchise tax audits related to allocated taxable surplus capital for Texas report years 2002 through 2007. The range of the potential total tax liability related to these audits had been estimated to be from $0 million to $34.2 million, plus interest and penalties. During the year ended June 29, 2013, the Company agreed to settle the audits for $0.1 million in total tax and interest.

Note 18. Operating Segments and Geographic Information

The Company evaluates its reportable segments in accordance with the authoritative guidance on segment reporting. The Company's Chief Executive Officer, Thomas H. Waechter, is the Company's Chief Operating Decision Maker ("CODM") pursuant to the guidance. The CODM allocates resources

to the segments based on their business prospects, competitive factors, net revenue and operating results.

The Company is a leading provider of communications test and measurement solutions and optical products for telecommunications service providers, cable operators, and network equipment manufacturers ("NEMs"), and enterprises. JDSU's diverse technology portfolio also fights counterfeiting and enables commercial lasers for a range of manufacturing applications.

Effective July 1, 2012, the reporting structure of the previous AOT business segment was reorganized and its previous reporting units, which consisted of COPG, Flex and ASG (excluding the Hologram Business), were merged into the new OSP business segment, having one single reporting unit, replacing the AOT business segment. The Hologram Business was previously presented within the AOT business segment; however, because it is presented as discontinued operations for financial reporting purposes as of September 29, 2012, it has been excluded from the segment results below.

The Company's reportable segments are:

(i) Communications Test and Measurement Business Segment:

CommTest network and service enablement solutions provide end-to-end visibility and intelligence necessary for consistent, high-quality network, service, and application performance. These solutions speed time-to-revenue by accelerating the deployment of new products and services, lower operating expenses and improve network performance and reliability. Included in the product portfolio are test tools, platforms, microprobes, software, and services for wireless and fixed networks.

(ii) Communications and Commercial Optical Products Business Segment:

CCOP provides components, modules, subsystems, and solutions used by communications equipment providers for telecommunications and enterprise data communications. These products enable the transmission of video, audio, and text data over high-capacity, fiber-optic cables. The product portfolio includes transmitters, receivers, amplifiers, ROADMs, optical transceivers, multiplexers and demultiplexers, switches, optical-performance monitors and couplers, splitters and circulators.

CCOP also provides a broad laser portfolio that addresses the needs of OEM clients for applications such as micromachining, materials processing, bioinstrumentation, consumer electronics, graphics, medical/dental, and optical pumping. JDSU products include diode, direct-diode, diode-pumped solid-state, fiber and gas lasers.

(iii) Optical Security and Performance Products Business Segment:

OSP provides innovative optical security solutions, with a strategic focus on serving the anti-counterfeiting market through advanced security pigments, thread substrates and printed features for the currency, pharmaceutical and consumer electronic segments. OSP also provides thin-film coating solutions for 3D and gesture-recognition applications.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The Company evaluates segment performance based on operating income (loss), excluding certain infrequent or unusual items.

The amounts shown as Corporate consist of certain unallocated corporate-level operating expenses. In addition, the Company does not allocate stock-based compensation, acquisition-related charges and amortization of intangibles, restructuring and related charges, non-operating income and expenses, or other non-recurring charges to its segments as highlighted in the table below.

Information on reportable segments is as follows (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Net revenue:			
Communications Test and Measurement	$ 728.9	$ 755.4	$ 814.7
Communications and Commercial Optical Products	742.2	701.6	770.9
Optical Security and Performance Products	205.8	206.0	208.0
Deferred revenue related to purchase accounting adjustment	—	(0.6)	(11.7)
Net revenue	$1,676.9	$1,662.4	$1,781.9
Operating income (loss):			
Communications Test and Measurement	$ 83.1	$ 98.3	$ 119.4
Communications and Commercial Optical Products	82.4	72.0	130.0
Optical Security and Performance Products	73.2	72.5	77.7
Corporate	(92.9)	(88.9)	(96.1)
Total segment operating income	145.8	153.9	231.0
Unallocated amounts:			
Stock-based compensation	(56.4)	(48.6)	(40.9)
Acquisition-related charges and amortization of intangibles	(77.3)	(80.0)	(94.6)
Loss on disposal of long-lived assets	(3.6)	(1.2)	(1.5)
Restructuring and related charges	(19.0)	(12.4)	(14.8)
Other charges related to non-recurring activities (1)	(14.4)	(11.3)	(6.7)
Interest and other income	(4.1)	12.8	5.6
Interest expense	(17.9)	(27.3)	(25.4)
(Loss) income from continuing operations before income taxes	$ (46.9)	$ (14.1)	$ 52.7

(1) During the third quarter of fiscal 2013, the Company incurred $11.3 million of inventory related charges, included in Cost of sales, primarily related to a write-off of inventory no longer being sold due to a strategic plan to exit the legacy low-speed wireline product line approved in the third quarter of fiscal 2013.

The Company operates primarily in three geographic regions: Americas, Europe, Middle East and Africa (“EMEA”) and Asia-Pacific. The following table presents net revenue and identifiable assets by geographic regions (*in millions*):

	Years Ended		
	June 29, 2013	June 30, 2012	July 2, 2011
Net revenue:			
Americas	$ 822.5	$ 833.2	$ 859.4
EMEA	381.2	400.7	473.8
Asia-Pacific	473.2	428.5	448.7
Total net revenue	$1,676.9	$1,662.4	$1,781.9

Net revenue was assigned to geographic regions based on the customers’ shipment locations. Net revenue for Americas included net revenue from United States of $630.8 million, $673.6 million and $679.1 million, for the fiscal years ended June 29, 2013, June 30, 2012 and July 2, 2011, respectively, based on customers’ shipment location.

During fiscal 2013, 2012 and 2011, no customer accounted for more than 10% of net revenue.

Long-lived assets, namely net property, plant and equipment were identified based on the operations in the corresponding geographic areas (*in millions*).

	Years Ended	
	June 29, 2013	June 30, 2012
United States	$110.4	$108.1
Other Americas	13.4	14.0
China	74.8	80.6
Thailand	23.2	24.8
Other Asia-Pacific	9.6	7.5
EMEA	15.7	17.9
Total long-lived assets	$247.0	$252.9

Note 19. Discontinued Operations

During the second quarter of fiscal 2013, the Company closed the sale of the Hologram Business, previously within the OSP reportable segment, to OpSec Security Inc. and received gross proceeds of $11.5 million in cash.

In accordance with the applicable accounting guidance for the disposal of long-lived assets, the results of the Hologram Business are presented as discontinued operations and, as such, have been excluded from both continuing operations and segment results for all periods presented.

Net revenue of the Hologram Business for fiscal 2013, 2012 and 2011 was $5.2 million, $19.7 million and $22.6 million, respectively. Net loss from discontinued operations was zero, $29.5 million, and $7.1 million for fiscal 2013, 2012 and 2011, respectively. Net loss from discontinued operation in fiscal 2012 primarily related to impairment charges on long-lived assets. There was no tax effect associated with the discontinued operation.

During fiscal 2013 the Company recorded a gain of $0.6 million as a component of Loss from discontinued operations, net of tax on the Consolidated Statement of Operations in connection with the sale of the Hologram Business, calculated as follows *(in millions):*

Gross Proceeds	$ 11.5
Less: carrying value of net assets	(10.6)
Less: selling costs	(0.3)
Gain	$ 0.6

The carrying value of the net assets sold as of October 12, 2012 are as follows *(in millions)*:

	October 12, 2012
Accounts receivable, net	$ 2.7
Inventories, net	4.4
Property, plant and equipment, net	0.8
Intangibles, net	5.8
Accounts payable and accrued expenses	(1.5)
Other current and non-current liabilities	(1.6)
Total net assets held for sale	$10.6

Note 20. Quarterly Financial Information (Unaudited)

The following table presents the Company's quarterly consolidated statements of operations for fiscal 2013 and 2012 (*in millions, except per share data*):

	June 29, 2013	March 30, 2013	December 29, 2012	September 29, 2012	June 30, 2012	March 31, 2012	December 31, 2011	October 1, 2011
Net revenue	$ 421.3	$405.3	$429.4	$420.9	$434.0	$403.3	$409.3	$415.8
Cost of sales (4)	229.0	233.0	225.8	231.2	237.6	221.4	219.4	219.9
Amortization of acquired technologies (4)	14.6	17.0	14.6	17.1	14.8	14.1	15.4	14.3
Gross profit	177.7	155.3	189.0	172.6	181.6	167.8	174.5	181.6
Operating expenses:								
Research and development	67.6	65.8	63.5	61.6	63.8	62.0	58.9	59.3
Selling, general and administrative	111.9	107.3	105.4	104.7	106.9	104.5	105.3	110.3
Amortization of other intangibles (4)	3.9	3.1	2.2	3.5	5.5	5.7	5.4	5.1
Restructuring and related charges	12.9	0.4	3.0	2.7	4.9	2.0	4.0	1.5
Total operating expenses	196.3	176.6	174.1	172.5	181.1	174.2	173.6	176.2
(Loss) income from operations	(18.6)	(21.3)	14.9	0.1	0.5	(6.4)	0.9	5.4
Interest and other income (expense), net (2)	(0.4)	(0.9)	(2.4)	(0.4)	10.6	0.2	1.0	1.0
Interest expense	(2.5)	(4.2)	(5.1)	(6.1)	(7.2)	(6.9)	(6.6)	(6.6)
(Loss) income from continuing operations before income taxes	(21.5)	(26.4)	7.4	(6.4)	3.9	(13.1)	(4.7)	(0.2)
(Benefit from) provision for income taxes (5)	(113.0)	1.6	4.1	3.4	2.5	3.1	3.0	3.4
Income (loss) from continuing operations, net of tax	91.5	(28.0)	3.3	(9.8)	1.4	(16.2)	(7.7)	(3.6)
Loss from discontinued operations, net of tax (3)	1.0	—	0.8	(1.8)	(23.6)	(1.2)	(2.5)	(2.2)
Net income (loss)	$ 92.5	$(28.0)	$ 4.1	$(11.6)	$(22.2)	$(17.4)	$(10.2)	$ (5.8)
Basic net income (loss) per share from:								
Continuing operations	$ 0.39	$(0.12)	$ 0.02	$(0.04)	$ 0.01	$(0.07)	$(0.03)	$(0.02)
Discontinued operations	—	—	—	(0.01)	(0.11)	(0.01)	(0.01)	(0.01)
Net income (loss) (1)	$ 0.39	$(0.12)	$ 0.02	$(0.05)	$(0.10)	$(0.08)	$(0.04)	$(0.03)
Diluted net income (loss) per share from:								
Continuing operations	$ 0.38	$(0.12)	$ 0.02	$(0.04)	$ 0.01	$(0.07)	$(0.03)	$(0.02)
Discontinued operations	—	—	—	(0.01)	(0.11)	(0.01)	(0.01)	(0.01)
Net income (loss) (1)	$ 0.38	$(0.12)	$ 0.02	$(0.05)	$(0.10)	$(0.08)	$(0.04)	$(0.03)
Shares used in per share calculation:								
Basic	236.9	235.9	234.4	232.8	231.7	230.6	229.4	228.4
Diluted	241.1	235.9	237.1	232.8	231.7	230.6	229.4	228.4

(1) Net income (loss) per share is computed independently for each of the quarters presented. Therefore, the sum of the quarterly basic and diluted net income (loss) per share amounts do not equal the annual basic and diluted net income (loss) per share amount for fiscal 2013 or fiscal 2012, respectively.

(2) During the quarter ended June 30, 2012, the Company received $10.5 million, net of deductibles, from the insurance company against the claim filed for business interruption and miscellaneous property losses arising due to flooding at one of the Company's manufacturing partner, of which $9.4 million was recorded as other income in Interest and other income (expense), net.

(3) During the quarter ended June 30, 2012, the Company recorded an impairment of long-lived assets of $21.5 million related to its Hologram Business which has been presented as Loss from discontinued operations, net of tax in accordance with the authoritative guidance. See "Note 19. Discontinued Operations" for more detail.

(4) During the quarter ended March 30, 2013, the Company approved a strategic plan to exit CommTest's legacy low-speed wireline product line, which resulted in a $2.2 million charge for accelerated amortization of related intangibles of which $1.8 million and $0.4 million is included in Amortization of acquired technologies and Amortization of other intangibles in the Consolidated Statement of Operations, respectively. In addition, the Company incurred $11.3 million of inventory related charges included in Cost of sales in the Consolidated Statement of Operations primarily related to the write-off of inventory no longer being sold due to the legacy low-speed wireline product line exit.

(5) During the quarter ended June 29, 2013, the Company determined that it is more likely than not that a portion of the deferred tax assets of a non-U.S. jurisdiction will be realized after considering all positive and negative evidence. Accordingly, a deferred tax valuation allowance release of $107.9 million was recorded as an income tax benefit during the quarter.

Note 21. Subsequent Events

On August 21, 2013, the Company completed an offering of $650.0 million aggregate principal amount of 0.625% Senior Convertible Debentures due 2033 (the "Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended.

The Notes are unsecured obligations of the Company and bear interest at a rate of 0.625% per year. Interest on the Notes is payable in cash semi-annually in arrears on February 15 and August 15 of each year. In certain circumstances and during certain periods, the Notes may be converted at the option of holders into cash up to their principal amount, and into cash, shares of the Company's common stock, or a combination of cash and the Company's common stock at the Company's election for the conversion value above the principal amount. The initial conversion price is approximately $18.83 per share, which will be subject to customary anti-dilution adjustments. The Notes mature on August 15, 2033, unless earlier converted, redeemed or repurchased.

Proceeds from the offering of the Notes amounted to approximately $636.3 million after deducting the initial purchasers' discounts and offering expenses. Concurrently with the offering, the Company used $100.0 million of the net proceeds to repurchase approximately 7.4 million shares of its outstanding common stock at $13.45 per share in privately negotiated transactions. The remaining net proceeds will be used for general corporate purposes.

On August 21, 2013, the Company terminated its existing $250.0 million revolving credit facility, which had no amounts outstanding upon termination. See "Note 10. Debts and Letters of Credit" for more details.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Based on the evaluation of our disclosure controls and procedures (as defined in the Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act) required by Exchange Act Rules 13a-15(b) or 15d-15(b), our chief executive officer and our chief financial officer have concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective.

(b) MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our management, including our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under the framework in *Internal Control—Integrated Framework,* our management concluded that our internal control over financial reporting was effective as of June 29, 2013. The Company's internal control over financial reporting as of June 29, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in this Annual Report on Form 10-K under Item 8.

(c) CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting as defined in Exchange Act Rule 13a-15(f) that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding the Company's executive officers and directors required by this Item is incorporated by reference to the section entitled "Proposal One—Elections of Directors" in the Company's Definitive Proxy Statement in connection with the 2013 Annual Meeting of Stockholders (the "Proxy Statement"), which will be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended June 29, 2013. Information required by Item 405 of Regulation S-K is incorporated by reference to the section entitled "Beneficial Ownership Reporting Compliance" in the Proxy Statement.

The Company has adopted a code of ethics entitled the "JDS Uniphase Code of Business Conduct," which is applicable to all employees, officers and directors of the Company. The full text of the JDS Uniphase Code of Business Conduct is included under the Company's Corporate Governance information available at the Company's website at www.jdsu.com.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item is incorporated by reference to the sections entitled "Executive Compensation," "Compensation Discussion and Analysis," "Director Compensation," "Corporate Governance—Compensation Committee Interlocks and Insider Participation," and "Compensation Committee Report" in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management is incorporated by reference to the section entitled "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement.

Information regarding the Company's stockholder approved and non-approved equity compensation plans is incorporated by reference to the section entitled "Equity Compensation Plans" in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item is incorporated by reference to the sections entitled "Certain Relationships and Related Person Transactions," and "Code of Ethics," "Director Independence," and "Board Committees and Meetings" under the "Corporate Governance" heading in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item is incorporated by reference to the section entitled "Audit and Non-Audit Fees" in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following items are filed as part of this Annual Report on Form 10-K:

1. Financial Statements:

	Page
Report of Independent Registered Public Accounting Firm	66
Consolidated Statements of Operations—Years Ended June 29, 2013, June 30, 2012 and July 2, 2011	67
Consolidated Statements of Comprehensive Income (Loss)—Years Ended June 29, 2013, June 30, 2012 and July 2, 2011	68
Consolidated Balance Sheets—June 29, 2013 and June 30, 2012	69
Consolidated Statements of Cash Flows—Years Ended June 29, 2013, June 30, 2012 and July 2, 2011	70
Consolidated Statements of Stockholders' Equity—Years Ended June 29, 2013, June 30, 2012 and July 2, 2011	71
Notes to Consolidated Financial Statements	72

2. Financial Statement Schedules:

All financial statement schedules have been omitted because the required information is not present in amounts sufficient to require submission of the schedule, not applicable, or because the required information is included in the Consolidated Financial Statements or Notes thereto.

3. Exhibits:

See Item 15(b)

(b) Exhibits:

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed with the Securities and Exchange Commission.

		Incorporated by Reference			
Exhibit No.	Exhibit Description	Form	Exhibit	Filing Date	Filed Herewith
3.1	Second Restated Certificate of Incorporation	8-K	3.1	8/29/11	
3.3	Certificate of Designation of the Series B Preferred Stock	8-K	3.1	8/29/11	
3.4	Certificate of Designation of the Special Voting Stock	8-K	3.1	8/29/11	
3.5	Amended and Restated Bylaws of JDS Uniphase Corporation	8-K	3.5	9/18/12	
3.6	Certificate of Amendment of Certificate of Designation of the Series B Preferred Stock	8-K	3.6	8/29/11	
3.7	Amendment to Certificate of Incorporation	10-Q	3.1	2/6/13	
4.1	Exchangeable Share Provisions attaching to the Exchangeable Shares of JDS Uniphase Canada Ltd. (Formerly 3506967 Canada Inc.)	14A		6/2/99	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
4.2	Voting and Exchange Trust Agreement dated July 6, 1999, between JDS Uniphase, JDS Uniphase Canada Ltd. and CIBC Mellon Trust Company	10-K	4.2	9/1/99	
4.3	Exchangeable Share Support Agreement dated July 6, 1999, between JDS Uniphase, JDS Uniphase Canada Ltd. and JDS Uniphase Nova Scotia Company	10-K	4.3	9/1/99	
4.4	Indenture dated August 21, 2013	8-K	4.1	8/21/13	
4.5	Form of 0.625% Senior Convertible Debentures due 2033	8-K	4.2	8/21/13	
10.2	Amended and Restated 1993 Flexible Stock Incentive Plan (Amended and Restated as of November 9, 2001)	10-Q	10.1	2/11/02	
10.3	Amended and Restated 1998 Employee Stock Purchase Plan	10-K	10.3	8/30/11	
10.4	Amended and Restated 1999 Canadian Employee Stock Purchase Plan (Amended and Restated as of July 31, 2002)	10-K	10.4	9/17/02	
10.5	2005 Acquisition Equity Incentive Plan	10-K	10.3	8/30/11	
10.6	2005 Acquisition Equity Incentive Plan Form of Stock Option Award Agreement	10-K	10.6	9/30/05	
10.7	2005 Acquisition Equity Incentive Plan Form of Restricted Stock Unit Award Agreement	10-K	10.7	9/30/05	
10.8	2008 Change of Control Benefits Plan	8-K	10.2	3/22/13	
10.9	Form of Indemnification Agreement	8-K	10.9	8/15/11	
10.10	Amended and Restated 2003 Equity Incentive Plan	10-Q	10.10	2/6/13	
10.12	Promotion Letter for Alan Lowe	10-Q	10.22	11/12/09	
10.16	Employment Agreement for Thomas Waechter	8-K	10.25	12/18/08	
10.17	Form of Deferred Stock Unit Award Agreement	8-K	10.18	10/9/07	
10.20	2003 Equity Incentive Plan Form of Stock Option Award Agreement (for the U.S.)	10-K	10.20	8/31/10	
10.21	2003 Equity Incentive Plan Form of Stock Option Award Agreement (for China)	10-K	10.21	8/31/10	
10.22	2003 Equity Incentive Plan Form of Stock Option Award Agreement (for France)	10-K	10.22	8/31/10	
10.23	2003 Equity Incentive Plan Form of Stock Option Award Agreement (for the Rest of World)	10-K	10.23	8/31/10	
10.24	2003 Equity Incentive Plan Form of Restricted Stock Unit Award Agreement (for the U.S.)	10-K	10.24	8/31/10	
10.25	2003 Equity Incentive Plan Form of Restricted Stock Unit Award Agreement (for China)	10-K	10.25	8/31/10	

Exhibit No.	Exhibit Description	Incorporated by Reference Form	Exhibit	Filing Date	Filed Herewith
10.26	2003 Equity Incentive Plan Form of Restricted Stock Unit Award Agreement (for France)	10-K	10.26	8/31/10	
10.27	2003 Equity Incentive Plan Form of Restricted Stock Unit Award Agreement (for the Rest of World)	10-K	10.27	8/31/10	
10.28	Amendment to Amended and Restated 1998 Employee Stock Purchase Plan	14A	App. E	9/25/09	
10.29	Credit Agreement dated January 20, 2012, among JDS Uniphase Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	10.1	1/26/12	
10.30	Pledge and Security Agreement dated January 20, 2012, among JDS Uniphase Corporation, certain subsidiary guarantors party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	10.2	1/26/12	
10.31	2003 Equity Incentive Plan Form of Market Stock Unit Award Agreement				X
10.32	Amendment to Employment Agreement for Thomas Waechter	8-K	10.1	3/22/13	
10.33	Verbal Agreement with Roy Bie	8-K	n/a	7/3/13	
21.1	Subsidiaries of JDS Uniphase Corporation				X
23.1	Consent of Independent Registered Public Accounting Firm (PricewaterhouseCoopers LLP)				X
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	XBRL Instance Document				X
101.SCH	XBRL Taxonomy Extension Schema Document				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				X

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 23, 2013

JDS UNIPHASE CORPORATION

By: /s/ REX S. JACKSON

Rex S. Jackson
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ THOMAS H. WAECHTER Thomas H. Waechter	President, Chief Executive Officer (Principal Executive Officer) and Director	August 23, 2013
/s/ REX S. JACKSON Rex S. Jackson	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	August 23, 2013
/s/ KEITH BARNES Keith Barnes	Director	August 23, 2013
/s/ RICHARD BELLUZZO Richard Belluzzo	Chairman	August 23, 2013
/s/ HAROLD L. COVERT Harold L. Covert	Director	August 23, 2013
/s/ PENELOPE HERSCHER Penelope Herscher	Director	August 23, 2013
/s/ MASOOD JABBAR Masood Jabbar	Director	August 23, 2013
/s/ MARTIN A. KAPLAN Martin A. Kaplan	Director	August 23, 2013

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-4 (No. 333-148292), Form S-3 (Nos. 333-27931, 333-70351, 333-91827, 333-39436, 333-48930, 333-70858, 333-75590, 333-110527, 333-139181 and 333-185491) and S-8 (Nos. 333-39423, 333-62465, 333-70339, 333-81911, 333-81909, 333-90301, 333-91313, 333-96481, 333-36114, 333-40696, 333-46846, 333-50176, 333-50502, 333-53642, 333-55182, 333-55560, 333-55796, 333-58718, 333-74226, 333-99745, 333-110497, 333-125647, 333-128737, 333-139182, 333-149399 and 333-185492) of JDS Uniphase Corporation of our report dated August 23, 2013 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Annual Report on Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP

San Jose, California
August 23, 2013

Exhibit 31.1

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

I, Thomas H. Waechter, certify that:

1. I have reviewed this Annual Report on Form 10-K of JDS Uniphase Corporation;

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(s) 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(s) 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.

Dated: August 23, 2013

/s/ THOMAS H. WAECHTER

Thomas H. Waechter
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Rex S. Jackson, certify that:

1. I have reviewed this Annual Report on Form 10-K of JDS Uniphase Corporation;

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(s) 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(s) 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.

Dated: August 23, 2013

/s/ REX S. JACKSON

Rex S. Jackson
Executive Vice President and Chief
Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

JDS UNIPHASE CORPORATION
CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of JDS Uniphase Corporation (the "Company") for the year ended June 29, 2013 as filed with the Securities and Exchange Commission (the "Report"), I, Thomas H. Waechter, Chief Executive Officer (Principal Executive Officer) of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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 at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: August 23, 2013

/s/ THOMAS H. WAECHTER

Thomas H. Waechter
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

JDS UNIPHASE CORPORATION
CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of JDS Uniphase Corporation (the "Company") for the year ended June 29, 2013 as filed with the Securities and Exchange Commission (the "Report"), I, Rex S. Jackson, Executive Vice President and Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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 at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: August 23, 2013

/s/ REX S. JACKSON

Rex S. Jackson
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

APPENDIX B

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO MOST DIRECTLY COMPARABLE GAAP MEASURES

The Compensation Discussion and Analysis ("CD&A") beginning on page 32 of this Proxy Statement contains non-GAAP financial measures. The tables below reconcile the non-GAAP financial measures in the CD&A to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). For GAAP operating income, please see Note 18 in the Notes to Consolidated Financial Statements filed on Form 10-K for the year ended June 29, 2013, attached as Appendix A to this Proxy Statement.

JDS UNIPHASE CORPORATION
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES
(in millions, except per share data)
(unaudited)

	Twelve Months Ended	
	June 30, 2012	June 27, 2009
	Net income (loss)	Net income (loss)
GAAP measures	$ (55.6)	$(909.5)
Items reconciling GAAP net income & EPS to Non-GAAP net income & EPS:		
Deferral of revenues related to purchase accounting adjustment	0.6	1.3
Cost of sales	6.8	7.7
Amortization of acquired technologies	58.6	48.9
Impairment of acquired developed technologies	—	4.9
Total related to gross profit	66.0	62.8
Research and development	11.6	9.4
Selling, general and administrative	40.6	36.7
Amortization of intangibles	21.7	20.9
Impairment of goodwill	—	702.5
Loss on disposal and impairment of long-lived assets	1.2	13.1
Restructuring and related charges	12.4	38.5
In-process research and development	—	0.1
Total related to operating expenses	87.5	821.2
Non-operating expenses	10.1	18.5
Benefit from income taxes	—	—
Discontinued operations	29.5	43.6
Total related to net income & EPS	193.1	946.1
Non-GAAP measures	$137.5	$ 36.6
	Diluted EPS	Diluted EPS
Fully diluted Non-GAAP EPS	$ 0.59	$ 0.17
Diluted shares used in per share calculation	234.3	216.4

JDS UNIPHASE CORPORATION
RECONCILIATION OF GAAP NET REVENUE TO NON-GAAP NET REVENUE
(in millions, unaudited)

	Twelve Months Ended	
	June 30, 2012	June 27, 2009
GAAP net revenue	$1,662.4	$1,255.5
Deferral of revenues related to purchase accounting adjustment	0.6	1.3
Non-GAAP net revenue	$1,663.0	$1,256.8

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO MOST DIRECTLY COMPARABLE GAAP MEASURES

The Letter to Stockholders that accompanies this Proxy Statement contains non-GAAP financial measures. The tables below reconcile the non-GAAP financial measures in the Stockholder Letter to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). For GAAP information, please see Consolidated Financial Statements filed on Form 10-K for the year ended June 29, 2013, attached as Appendix A to this Proxy Statement.

JDS UNIPHASE CORPORATION
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES
(in millions, except per share data)
(unaudited)

	Twelve Months Ended			
	June 29, 2013	June 30, 2012	July 2, 2011	June 27, 2009
	Net income (loss)	Net income (loss)	Net income (loss)	Net income (loss)
GAAP measures	$ 57.0	$(55.6)	$ 71.6	$(909.5)
Items reconciling GAAP net income & EPS to Non-GAAP net income & EPS:				
Deferral of revenues related to purchase accounting adjustment	—	0.6	11.7	1.3
Cost of sales	21.4	6.8	5.9	7.7
Amortization of acquired technologies	63.3	58.6	56.9	48.9
Impairment of acquired developed technologies	—	—	—	4.9
Total related to gross profit	84.7	66.0	74.5	62.8
Research and development	13.6	11.6	8.8	9.4
Selling, general and administrative	37.1	40.6	33.0	36.7
Amortization of intangibles	12.7	21.7	25.9	20.9
Impairment of goodwill	—	—	—	702.5
Loss on disposal and impairment of long-lived assets	3.6	1.2	1.5	13.1
Restructuring and related charges	19.0	12.4	14.8	38.5
In-process research and development	—	—	—	0.1
Total related to operating expenses	86.0	87.5	84.0	821.2
Non-operating expenses	15.7	10.1	14.7	18.5
Benefit from income taxes	(111.6)	—	(34.9)	—
Discontinued operations	—	29.5	7.1	43.6
Total related to net income & EPS	74.8	193.1	145.4	946.1
Non-GAAP measures	$ 131.8	$137.5	$217.0	$ 36.6
	Diluted EPS	Diluted EPS	Diluted EPS	Diluted EPS
Fully diluted Non-GAAP EPS	$ 0.55	$ 0.59	$ 0.93	$ 0.17
Diluted shares used in per share calculation	239.3	234.3	232.6	216.4

JDS UNIPHASE CORPORATION
RECONCILIATION OF GAAP NET REVENUE TO NON-GAAP NET REVENUE
(in millions, unaudited)

	Twelve Months Ended			
	June 29, 2013	**June 30, 2012**	**July 2, 2011**	**June 27, 2009**
GAAP net revenue	$1,676.9	$1,662.4	$1,781.9	$1,255.5
Deferral of revenues related to purchase accounting adjustment	—	0.6	11.7	1.3
Non-GAAP net revenue	$1,676.9	$1,663.0	$1,793.6	$1,256.8