NEWS RELEASE

Lumentum Announces The Closing Of Datacom Product Line Sale To CIG

2019-04-18

- The previously announced divestiture of certain Lumentum datacom transceiver product lines to Cambridge Industries Group (CIG) closed on April 18, 2019
- The transaction is a key milestone in the shift in Lumentum's datacom strategy to focus on photonic chips
- Lumentum expects remaining datacom transceiver sales to decline to zero over the next 12-18 months
- As a result of the divestiture and its shift in datacom strategy, Lumentum expects fiscal fourth quarter datacom transceiver revenues to be approximately $20 million to 25 million lower than those of fiscal third quarter

MILPITAS, Calif., April 18, 2019 /PRNewswire/ -- Lumentum Holdings Inc. ("Lumentum") a leading provider of photonics products for optical networking and lasers for industrial and consumer markets, today announced the closing of its previously announced sale of certain datacom transceiver product lines to CIG. The transceiver product lines acquired by CIG were previously developed and manufactured by Lumentum's subsidiary Oclaro Japan, Inc. In connection with the closing of the transaction, Lumentum and CIG entered into a long-term supply agreement for Lumentum's photonic chips.

"The closing of the transaction with CIG is a key milestone in the shift in Lumentum's strategy to focus on photonic chips while continuing to participate in the anticipated large growth in datacom transceiver volumes driven by datacenter expansion and 5G wireless over the coming years," said Walter Jankovic, Lumentum's Senior Vice President and General Manager, Datacom. "We are highly focused on accelerating innovation at the photonic chip level and have a strong pipeline of new chip products."

As a result of the timing of the divestiture close, which occurred following the end of the fiscal third quarter, the divestiture will not impact Lumentum's financial results for the fiscal third quarter ended March 30, 2019. Lumentum expects revenue from datacom transceivers will decline in the fiscal fourth quarter relative to the fiscal third quarter by approximately $20 million to $25 million, with approximately $20 million of the decline related to the divestiture and an additional $5 million due to continuing declines in remaining datacom transceiver revenues. As part of the shift in Lumentum's datacom strategy to focus on photonic chips, it expects revenue from the remaining datacom transceiver product lines to decline to zero over the next 12-18 months. Lumentum will provide

guidance ranges for its fiscal fourth quarter incorporating the changes in its datacom product lines in its fiscal third quarter earnings release and call on May 7, 2019.

About Lumentum

Lumentum (NASDAQ: LITE) is a market-leading designer and manufacturer of innovative optical and photonic products enabling optical networking and laser applications worldwide. Lumentum optical components and subsystems are part of virtually every type of telecom, enterprise, and data center network. Lumentum lasers enable advanced manufacturing techniques and diverse applications including next-generation 3D sensing capabilities. Lumentum is headquartered in Milpitas, California with R&D, manufacturing, and sales offices worldwide. For more information, visit https://www.lumentum.com/en.

Cautionary Note Regarding Forward-Looking Statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Lumentum's expectations, strategy, plans or intentions. Forward-looking statements in this communication include statements regarding Lumentum's expectations regarding a decline in datacom transceiver sales, including timing of such decline, Lumentum's strategy with respect to datacom transceivers and photonic chips and the dynamics of the datacom transceiver market and Lumentum's outlook and guidance for the third quarter of fiscal 2019 and the effect of the divestiture on Lumentum's financial results in the third and fourth quarter of fiscal 2019. Lumentum's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

The forward-looking statements contained in this communication are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the year ended June 30, 2018 and our Quarterly Report on Form 10-Q for the fiscal quarter ended December 29, 2018. The forward-looking statements in this press release are based on information available to Lumentum as of the date hereof, and Lumentum disclaims any obligation to update any forward-looking statements, except as required by law.

Contact Information

Lumentum:

Investors: Chris Coldren, 408-404-0606; investor.relations@lumentum.com

Jim Fanucchi, 408-404-5400; jim@darrowir.com

Press: Sean Ogarrio, 408-546-5405; media@lumentum.com

View original content:http://www.prnewswire.com/news-releases/lumentum-announces-the-closing-of-datacom-product-line-sale-to-cig-300834904.html

SOURCE Lumentum