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The Fourteenth Annual

Needham Growth Conference

January 10-12th, 2012, New York City

II-VI Incorporated

The Leading Growth Company Focused Investment Bank for 27 Years

Needham

Forward Looking Statement Disclaimer

This presentation and the remarks of its presenter(s) contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of II-VI Incorporated. These statements are based on management’s current expectations and are inherently subject to uncertainties and changes in circumstances. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in global, political, economic, business, competitive, market and regulatory forces. More detailed information about II-VI Incorporated’s risks is contained in II-VI Incorporated’s filings with the SEC, including the report on Form 10-K for the fiscal year ended June 30, 2011 and the report on Form 10-Q for the fiscal quarter ended September 30, 2011. II-VI Incorporated does not undertake any obligation to update the forward-looking statements to reflect actual events, results, or any change in events, conditions, assumptions or other factors.

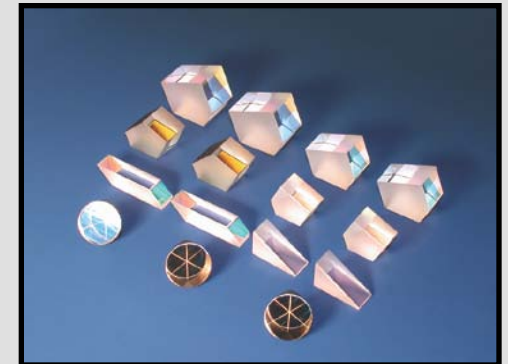
II-VI Snapshot

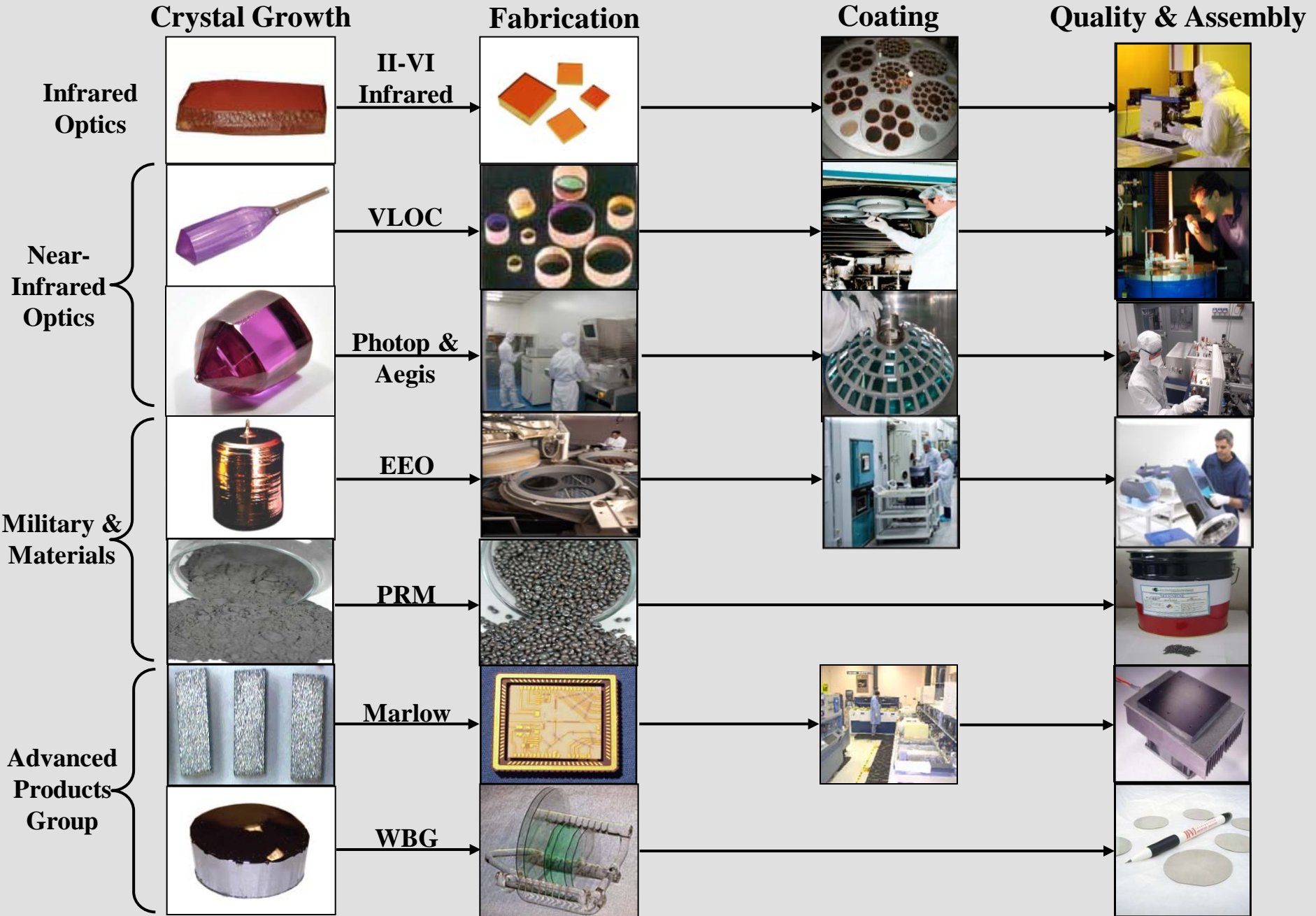
History: Founded in 1971, IPO in 1987, Nasdaq Listed - IIVI

FY11 End Markets Serviced:	Industrial	42%	Photovoltaic	4%
	Military	23%	Medical	4%
	Telecom	22%	All Other Markets	5%

FY11 Geographic Diversity: 61% of revenues were Non-U.S.

Growth Strategy: Combination of organic growth plus growth via acquisitions; Average annual growth since 1987 is 18% in revenues and 20% in earnings





Infrared Optics



FY11 Revenues	\$181M	
Est. Market Size	\$550M	
End Markets	Industrial	90%
	Military	10%

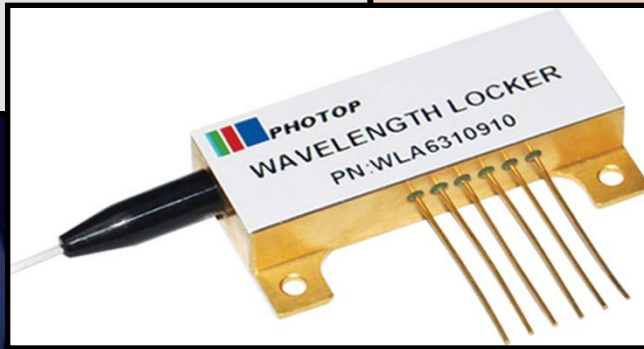


- **Leading supplier of optics, components and materials for industrial OEMs and aftermarket users of CO₂ lasers.**
- **U.S. based crystal growth plus manufacturing operations in U.S., Singapore, and China.**
- **Approximately 85% to 90% of industrial revenues derived from replacement optics and components to the installed base of over 55,000 high-power CO₂ lasers.**



- **Majority owner of HIGHYAG, a leading one-micron (fiber, diode-pumped solid-state and direct diode lasers) component OEM.**
- **FY11 bookings increased 39% vs. FY10.**

Near-Infrared Optics



FY11 Revenues	\$160M	
Est. Market Size	\$1.8B	
End Markets	Telecom	60%
	Industrial	20%
	Military	15%
	Medical	5%



- Leader in the manufacturing of precision optics and crystal components.
- Acquired Photop based in Fuzhou, China in January 2010 for \$94 million.
- Acquired Aegis in July 2011 for \$54.5 million.
- Manufacturing non-military products in China and Vietnam.

Update on Thailand Flooding



- Fabrinet, a company that manufactures products for Aegis and manufactures products for certain II-VI customers using II-VI products, announced on October 24, 2011 that flood waters infiltrated its Chokchai campus.
- Majority of Aegis activity with Fabrinet is through the Chokchai campus. The Chokchai campus could be non-operational through December 2011 or beyond. Fabrinet acknowledged that it may never again manufacture at the Chokchai location.
- II-VI announced on December 19, 2011 its initial assessment of the damages and the impact from the Thailand flooding. A charge for damaged machinery, equipment and inventory of between \$0.5 million to \$1.0 million after-tax (\$0.01 to \$0.02 EPS) will be taken in Q2 FY12, before consideration of any insurance recoveries which may be available to the Company.
- The most recent II-VI guidance for Q2 and full year FY12 includes the expected loss of revenues on Aegis products, the additional costs required for alternative manufacturing and assessing flood damages, and the above noted write-off.

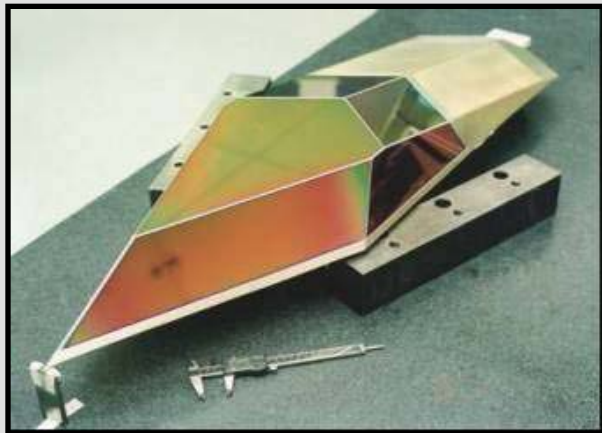
Military Infrared Optics



FY11 Revenues	\$49M
Est. Market Size	\$550M
End Market	Military 100%



- **Leading supplier of optical components, coatings, and assemblies for targeting, navigation, missile guidance, and thermal imaging systems.**



- **Acquired Max Levy Autograph, Inc. in December 2010, a manufacturer of micro-fine conductive mesh patterns providing protection for military aircraft and land vehicles.**
- **Continued growth of sapphire based products, including the Joint Strike Fighter (JSF) Optical Targeting System.**

- **Key supplier to major defense contractors including Lockheed-Martin, Raytheon, Northrop Grumman and BAE.**

Materials



FY11 Revenues	\$35M	
Est. Market Size	\$150M	
End Markets	Photovoltaic	60%
	Industrial	30%
	Agriculture	10%

- Acquired Pacific Rare Specialty Metals & Chemicals, Inc. (PRM) based in the Philippines in June 2007.
- Produces high purity Tellurium for thin-film photovoltaic applications and Selenium for industrial and agricultural applications.
- PRM supplies to other II-VI businesses in addition to external sales and also recycles scrap materials.
- Significant decrease in Tellurium pricing during Q2 FY12 led the Company to forecast an after-tax inventory write-down of approximately \$1.8 million to \$2.2 million (\$0.03 EPS) which was reflected in the December 19, 2011 guidance adjustments.

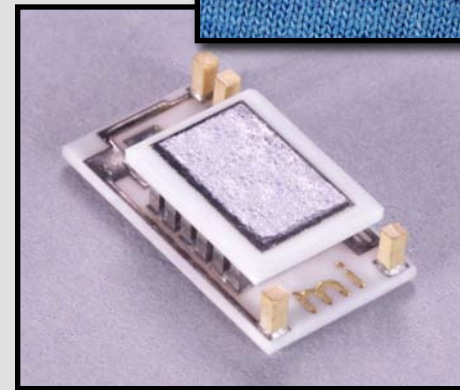
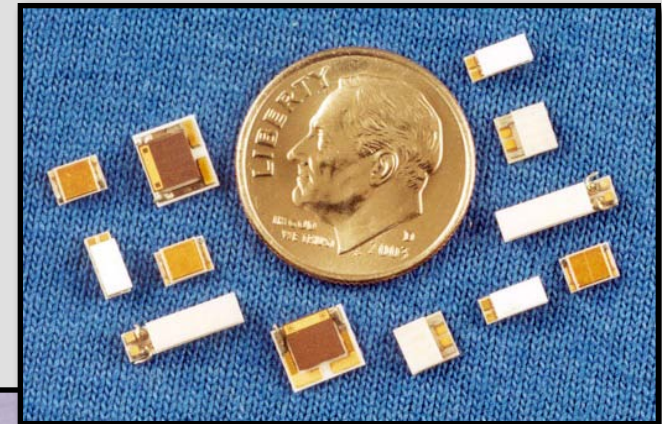


Thermo-electrics



- Acquired Marlow Industries in December 2004 for \$32 million.
- Global leader in thermo-electric solutions for cooling and power generation.
- Winner of the Malcolm Baldrige National Quality Award.
- Manufacturing non-military products in Vietnam.
- High-volume gesture recognition consumer application helped lead to strong revenues in FY11.

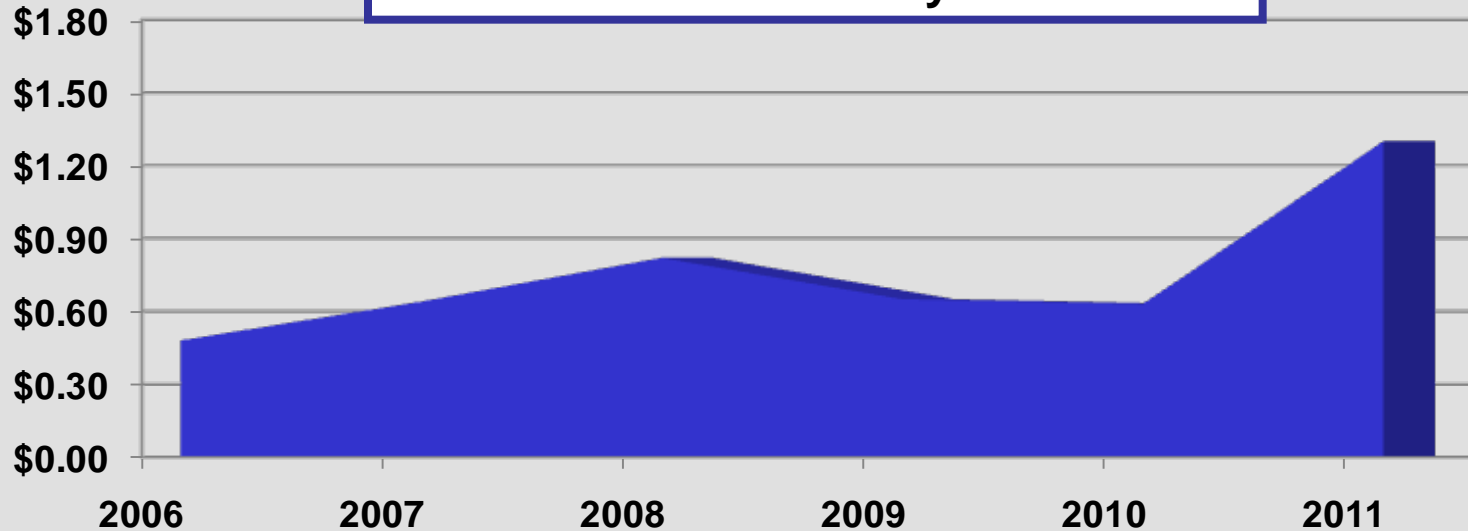
FY11 Revenues	\$64M	
Est. Market Size	\$300M	
End Markets	Military	25%
	Consumer	25%
	Telecom	20%
	Medical	20%
	Industrial	10%



Fiscal Years Ended June 30th

Diluted Earnings Per Share: 22% Average Annual Growth Last 5 Years

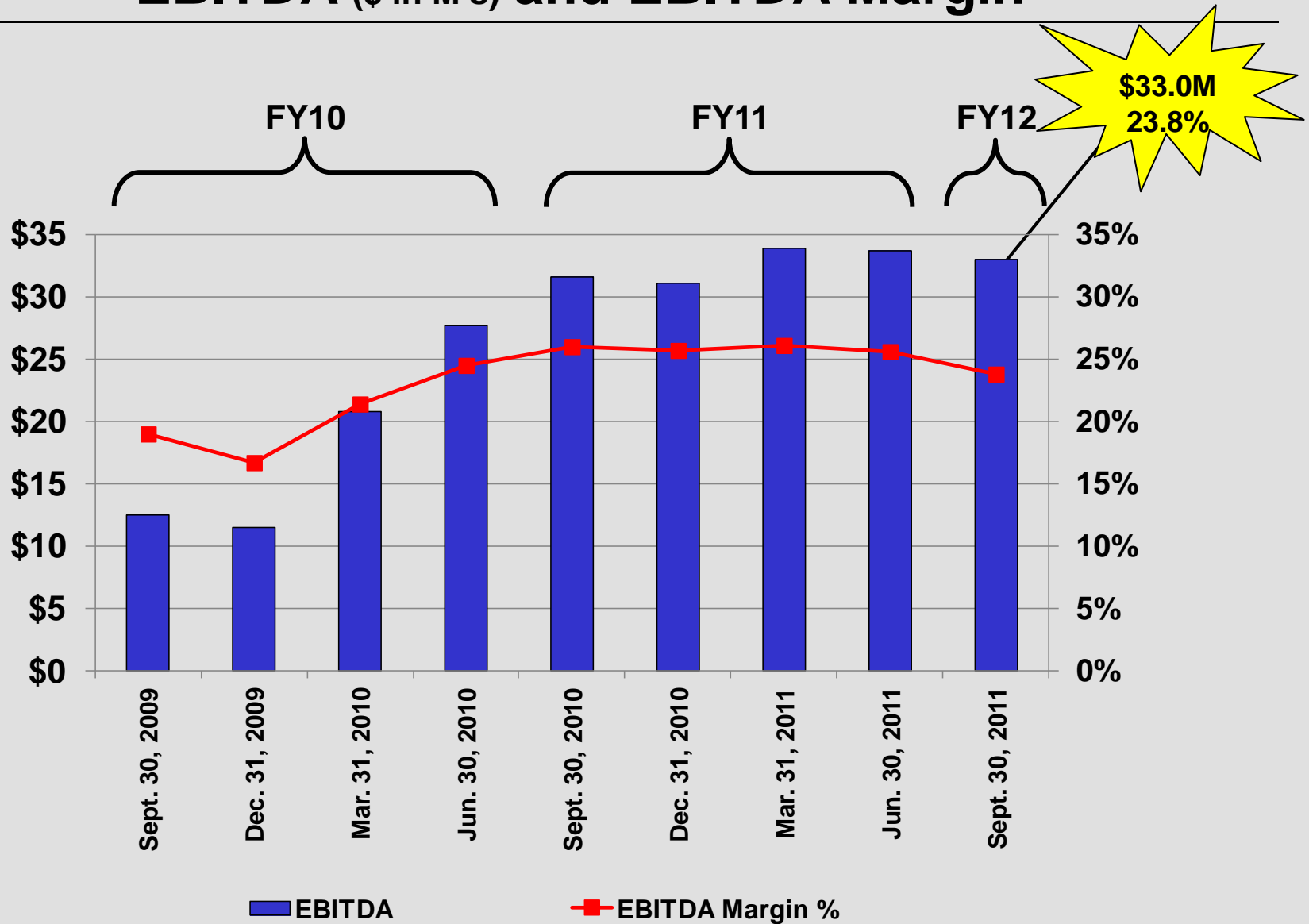
**II-VI has been profitable since 1973;
39 consecutive years.**



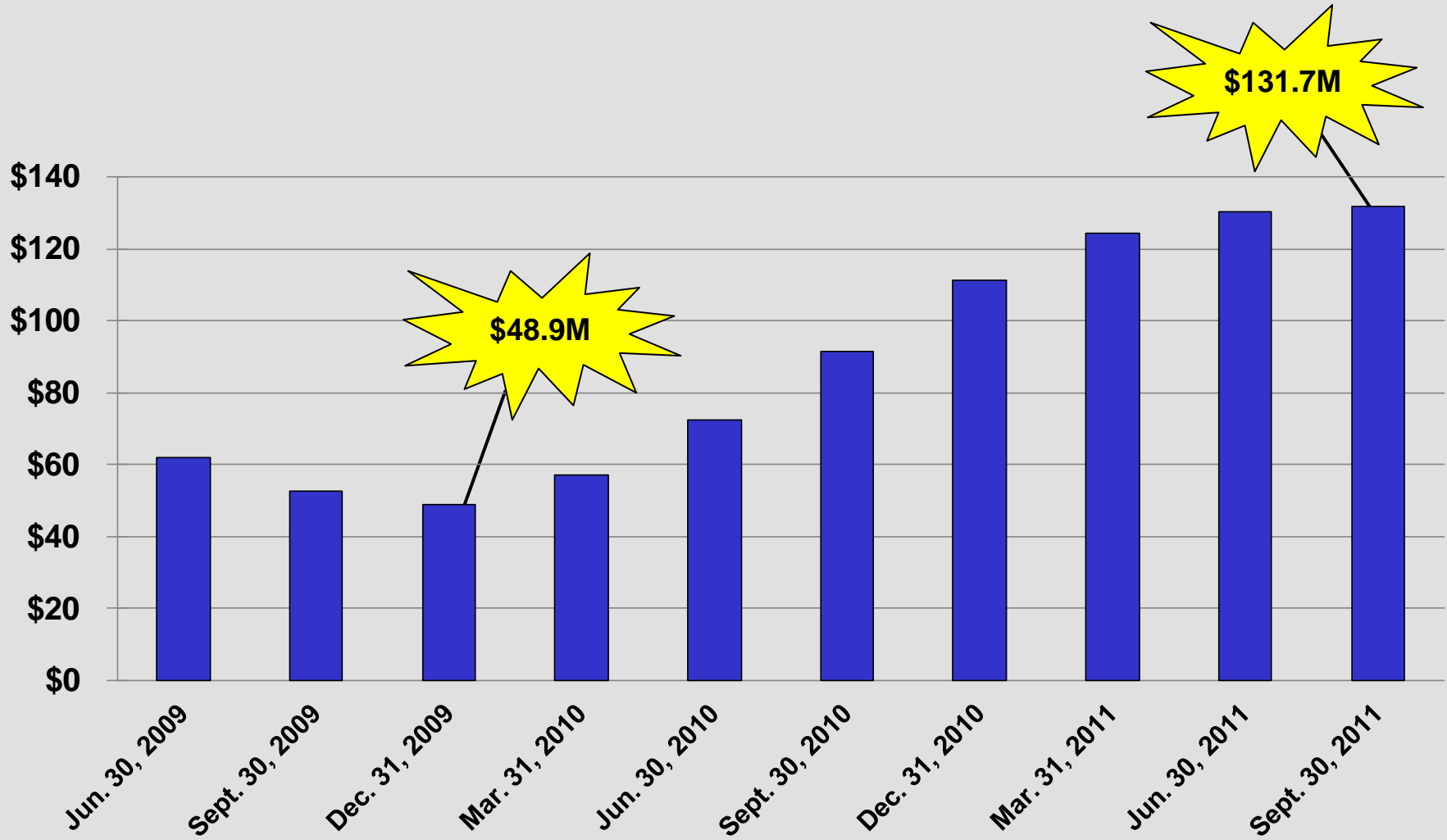
2006 excludes non-cash, non-tax write-off of goodwill.

2008 excludes gain on sale of equity investment.

EBITDA (\$ in M's) and EBITDA Margin

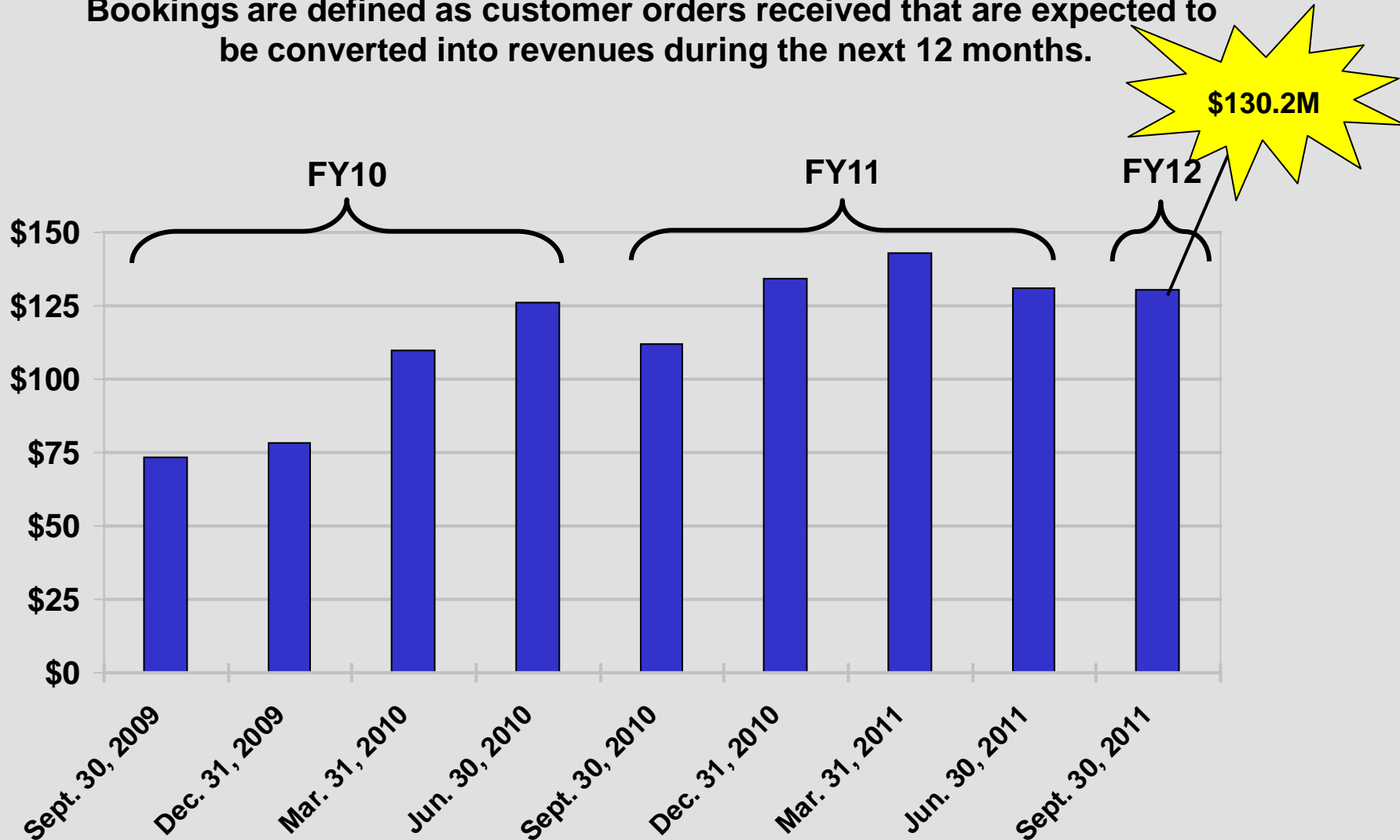


Trailing 12-Month EBITDA (\$ in M's)



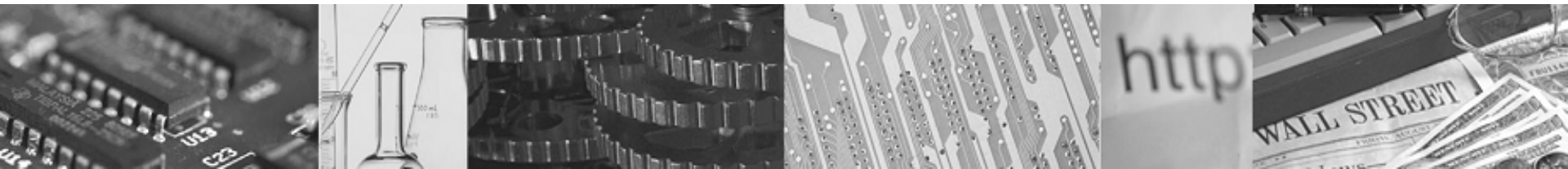
Bookings (\$ in M's)

Bookings are defined as customer orders received that are expected to be converted into revenues during the next 12 months.



Balance Sheet Highlights – September 30, 2011

Cash and cash equivalents	\$111 Million
Debt	\$26 Million
Equity	\$547 Million
Working capital	\$288 Million



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