

From the Desk of CEO Kevin Kennedy

There's been a lot of news for JDSU investors to digest over the last few months as several of our initiatives to accelerate the company's path to profitability achieved critical mass. These initiatives fall broadly into two categories: first, cost reducing the past, and second, expanding our market opportunity or fortifying our current businesses through profitable acquisitions.

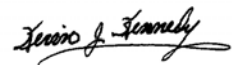
Cost reducing the past is critical to our future success because we have learned that, given the concentration of variable costs associated with communications products, we cannot expect to simply out-grow our challenges. Over the last several quarters, we have been transferring some of our communications' product manufacturing overseas in order to take advantage of lower cost manufacturing environments, such as our Shezhen, China facility. We have also been deepening our relationships with contract manufacturers in order to realize cost savings. Separately, we have also been divesting or phasing out products that do not make money for the company or that do not contribute to our longer term profitability objectives. Taken together, and when fully implemented in the quarter ending June 30, 2006, we expect these initiatives to deliver quarterly savings, in the aggregate, of \$20 million.

Cost reducing the past, by itself, is not enough to move JDS Uniphase to a position of strength.

And that brings me to the second category of initiatives, which is the expansion of our market opportunity and fortification of our current business through acquisition.

Few if any of our competitors can match our strong balance sheet. With more than \$1.3 billion in cash and cash equivalents as of March 31, 2005, JDSU has an opportunity that is unique in our industry, which is to both engage in major cost reduction activities and expand our opportunity through acquisition. The acquisition of Acterna, announced in May, is expected to strengthen our business not only by doubling our market opportunity in the communications space, but also by contributing non-GAAP gross margins that have historically been above JDS Uniphase's longer term target of 40%.

In summary, there is a great deal going on at JDS Uniphase. We are steadfastly focused on continued execution of our cost reduction programs, as well as on integration of Lightwave, Photonics Power, and Acterna, as each acquisition closes. I look forward to updating you on our progress in future quarters.



Acquisition of Acterna Inc Doubles Communications Addressable Market to \$5.0 Billion

As part of JDSU's plan to diversify its business, expand market opportunity, and ultimately reach profitability, the Company agreed to acquire privately held Acterna in May of 2005. Acterna is the world's largest provider of communications test and measurement (T&M) solutions for telecom and cable network providers, and will join JDSU as the newly formed Communication Test and Management Product Group.

Acterna will strengthen JDSU's product portfolio by adding internet protocol based services over optical long haul, metro, and broadband access media, including FTTH (fiber to the home), DSL and Cable, all of which are part of the recent developments in the communications market. The combined companies will be able to address a communications market estimated at over \$5 billion in annual sales (\$2.6 billion of which is in T&M).

Acterna also brings a large customer base, including many service providers such as Comcast, Verizon and SBC, which will enable JDSU to deepen its relationships with the end-users of our communications products.

JDS Uniphase will acquire Acterna for \$760 million, comprising \$450 million in cash and \$310 million in JDS Uniphase common stock, subject to customary closing conditions and approvals. The acquisition is expected to close in the quarter ending September 30, 2005, and is expected to be immediately financially accretive. Based on preliminary results for their fiscal year ending March 31, 2005, Acterna's revenue exceeded \$440 million, its non-GAAP gross margins exceeded 50%, and its non-GAAP EBITDA exceeded 11% of revenues.

Recent and Upcoming Events

JPMorgan Conference Presentation – May 16, 2005

(Webcast replay available at www.jdsu.com/investors)

Sanford Bernstein Conference Presentation – June 2, 2005

(Webcast replay available at www.jdsu.com/investors)

Supercomm – June 7-8, 2005

Laser 2005 – Week of June 13, 2005

Smith Barney Conference Presentation – CEO Kevin Kennedy to present on September 7, 2005

Fiscal Fourth Quarter and Year-end 2005 Earnings Results – August 18, 2005. Conference call at 2:00 p.m. Pacific.

Acquisition of Photonic Power Systems

On June 6, 2005, JDS Uniphase announced the acquisition of Photonic Power Systems, Inc., the pioneering provider of photonic power for the delivery of power over fiber. Photonic power replaces copper and batteries for remote sensors, coaxial cable in wireless applications, and oil or gas-filled measurement transformers in high voltage applications. This new technology can be leveraged across multiple markets, including medical, wireless communications, electrical power, industrial sensor, and aerospace applications. The deal, which closed in May, 2005, is not anticipated to have a material impact on non-GAAP EBITDA.

Manufacturing Consolidation Initiatives

In April, JDS Uniphase announced the consolidation of its North American manufacturing operations. The consolidation includes the elimination of 850 positions by December 31, 2005, of which approximately 700 are in manufacturing. Overall, manufacturing headcount is expected to be reduced by just over 15%. The affected sites are:

- ◆ **Ewing, NJ** – Transfer of selected product lines to Shenzhen, China, and transfer of manufacturing facility to Fabrinet.
- ◆ **Melbourne, FL** – Transfer of product lines to Shenzhen, China and to contract manufacturer.
- ◆ **Mountain Lakes, NJ** – Transfer to Fabrinet.
- ◆ **Santa Rosa, CA** – Phase out of certain display products including high volume consumer light engines and coated microdisplay windows.

The consolidation plan is part of JDSU's strategy to achieve profitability by reducing cost structure and eliminating non-core products. As a result of these initiatives, the Company expects to save \$4 million in the first quarter of fiscal 2006, \$8 million in the second quarter of fiscal 2006, and \$16 million in the third quarter of fiscal 2006. When fully implemented, the Company expects to achieve the full targeted quarterly savings of \$20 million from the fourth quarter of fiscal 2006.

Other Fourth Quarter 2005 News In Brief

4/13/2005 – JDSU announced the general availability of its SecureShift Phantom labels, which provide enhanced security and visual identification. In recent years, holographic technology has become so widely available that brand owners are looking for an alternative technology more difficult for counterfeiters to replicate.

5/20/05 – JDS Uniphase's 912,000 square foot Ottawa campus in Canada will be sold to construction and management company Minto Developments. The transaction is expected to close in the quarter ending June 30, 2005, and includes a lease back option to JDSU for 12-18 months.

5/31/05 – Emcore announced the purchase of JDSU's analog cable TV (CATV) and radio frequency (RF) over fiber specialty business, and the agreement to purchase between \$2.8 and \$3.8 million of related components over the next two years. JDSU and Emcore have also entered into a bilateral "preferred supplier" agreement, under which the two companies will supply various optical components to each other.

6/1/2005 – JDSU announced that BellSouth Corporation, one of the largest communications companies in the U.S., has selected the Company's WaveReady™ platform for passive optical transport in the loop portion of its next-generation broadband network.

6/13/2005 – David Vellequette was named senior vice president and chief financial officer after standing in as the senior financial officer since February 2005. Previously, Mr. Vellequette was Vice President and Operations Controller for the Company.

Safe Harbor Statement

Certain statements in this document constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1934. "Forward-looking" statements are all statements made by us, other than those dealing specifically with historical matters and any statements we make about the conduct of our business or finances up to this moment. All other statements made by us are forward-looking statements which include any information provided on future business operations and guidance regarding our future financial performance. Actual results may differ materially from those projected in the forward-looking statements. Factors that could cause actual results to materially differ from those in the forward-looking statements are discussed in the Company's Securities and Exchange Commission Filings.

This document includes Non-GAAP financial measures where indicated. These non-GAAP financial measures complement the Company's consolidated financial statements presented in accordance with GAAP. However, these non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results. A detailed reconciliation of historical GAAP results to the historical non-GAAP results is provided in the "Non-GAAP Condensed Consolidated Statement of Operations" schedule to our news release announcing the financial results of the third quarter of fiscal 2005. A discussion of the GAAP measures excluded from the forward-looking non-GAAP measures is provided in the "Business Outlook" paragraph of the news release. The news release is located in the Investor Relations section of our web site at www.jdsu.com