

Quarterly Newsletter – December 2006

From the Desk of CEO Kevin Kennedy

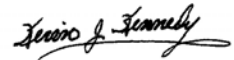
Our fiscal 2007 first quarter results, which included the achievement of positive non-GAAP net income and our fourth consecutive quarter of positive non-GAAP EBITDA, illustrate that our focus on profitability improvements is gaining momentum. While just another milestone on our journey to redefine JDSU, recording positive non-GAAP net income results for the first time in more than five years was certainly a significant accomplishment. Our 1-for-8 reverse stock split highlighted this important achievement, with non-GAAP EPS of \$0.03, compared to \$0.00 without adjusting for the reverse stock split.

Our Optical Communications, Advanced Optical Technologies, and Commercial Laser businesses collectively delivered sequential revenue growth for the first time in ten quarters, while all of our business segments recorded positive operating contributions.

With the bulk of the heavy lifting involved in our restructuring program almost behind us, we are constantly looking for ways to further improve JDSU's business model. Additional activities

discussed during our fiscal Q107 earnings call included exiting our Santa Barbara facility by the end of fiscal Q307, reducing the cost structure of some of our San Jose product lines, and further reductions in our North America assembly cost structure. Combined with previously announced actions at our Santa Rosa, Ottawa and Rochester sites, we are now targeting cost savings of \$4 million in fiscal Q207, \$7 million in fiscal Q307 and \$8 million in fiscal Q407, amounting to annualized cost savings of \$32 million.

While consolidation among our customers has created some pauses in purchase activity, the Optical Communications market continues to be favorable, with JDSU leading the way in the fast-growing Agile Optical Network segment. Specifically, JDSU enjoys a strong leadership position in ROADMs (Reconfigurable Optical Add/Drop Multiplexers) – in fact, we just announced that we have shipped our 10,000th ROADM. According to industry analyst Ovum-RHK, the number of ROADM unit shipments is expected to grow more than 40% between 2005 and 2009, and we believe that JDSU is well positioned to benefit.

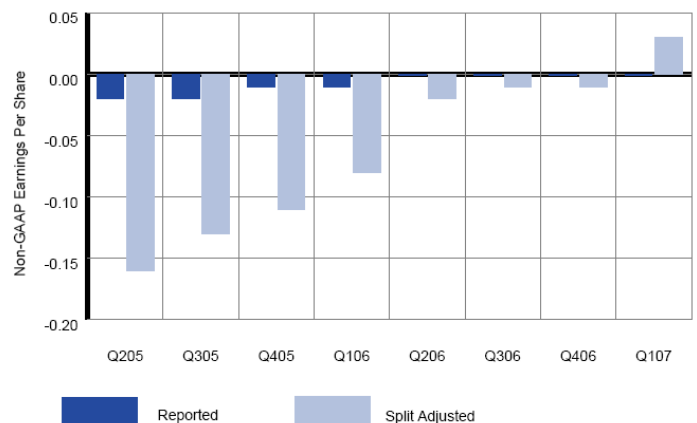


Impact of JDSU's One-for-Eight Reverse Stock Split

On October 16, 2006 JDSU effected a one-for-eight reverse stock split, following approval by the Company's stockholders on December 1, 2005. JDSU's common stock (listed on NASDAQ) and exchangeable shares of JDS Uniphase Canada Ltd. (listed on the Toronto Stock Exchange) began trading on a split adjusted basis when the market opened on Tuesday, October 17, 2006.

Upon execution, JDSU stockholders received one new share of stock for every eight shares held. Stockholders with fractional shares as a result of the reverse stock split received cash in lieu of fractional shares.

JDSU's reverse stock split was intended to enhance investors' visibility into the Company's improving profitability on a per share basis. The chart to the right illustrates that point, showing reported earnings per share before the reverse stock split, with 1.6 billion shares outstanding, and following the reverse stock split with 211 million shares outstanding.



The Company also believes that a higher share price could broaden JDSU's appeal to investors, in addition to reducing per share transaction fees and certain administrative costs.

Recent and Upcoming Events

All webcast replays are available at www.jdsu.com/investors

Reverse Stock Split Effective Date – Oct. 16, 2006

Fiscal 2007 1st Quarter Earnings Results – Nov. 2, 2006

Annual Stockholders' Meeting – Nov. 14, 2006

JDSU at Credit Suisse Technology Conference – Nov. 29, 2006

Photonics West – Jan. 20-25, 2007

Fiscal 2007 2nd Quarter Earnings Results – TBD

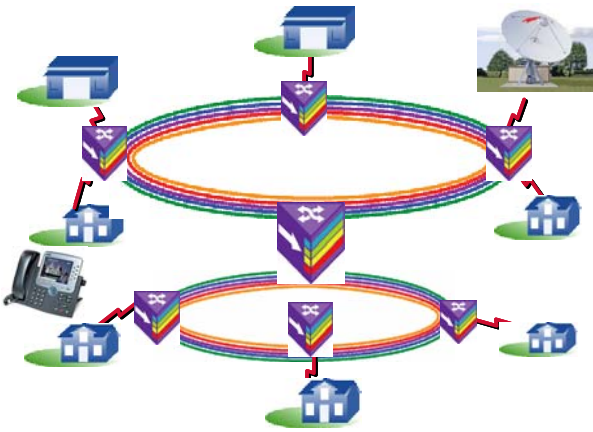
Merrill Lynch Telecom Conference – Feb. 28, 2007

Goldman Sachs Conference – March 1, 2007

ROADMs Gaining Momentum

If you track developments in the Optical Communications market, an acronym you'll want to be familiar with is ROADM. A ROADM is a reconfigurable optical add/drop multiplexer that allows network operators to remotely switch and add wavelengths in and out of a particular switching node, as opposed to a fixed optical add/drop multiplexer that cannot be controlled remotely. With our track record of optical innovation, JDSU was one of the first companies to bring ROADMs to market. Today we are the only company to offer the three technologies: Wave Blockers, WSS ROADMs and PLC ROADMs, and on December 5, 2006, JDSU announced that we had reached the significant milestone of shipping our 10,000th ROADM.

The demand for Agile Optical Networks, of which ROADMs are an important component, is driven by the new "on-demand" era of video services – specifically triple-play services (voice, video, data), content (such as music), and video for mobile applications. Rapidly changing business models create demand for increased bandwidth at rates which are often unpredictable, which means the service providers need flexibility in their networks more than ever before. An Agile Optical Network allows service providers to make quick changes to their networks, giving customers uninterrupted access to services.



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 first quarter of fiscal 2007. 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

Recent News In Brief

9/26/06 – JDSU announced that our Photonic Power business unit received R&D Magazine's 2006 R&D 100 award for its innovative system that delivers power and data over fiber, as opposed to the more traditional medium – cable.

10/17/06 – JDSU acquired the intellectual property of wavelength selective switch (WSS) module company Metconnex for \$2.5 million. At the same time, Metconnex was liquidated and JDSU's pending litigation against Metconnex was dismissed.

10/25/06 – JDSU announced a collaboration that allows ULVAC to manufacture, supply and service JDSU's innovative UCP-1 optical coating platform in the Asia-Pacific market. ULVAC designs, manufactures, and markets equipment and materials for industrial applications of vacuum technology.

11/16/06 – JDSU announced that stockholders approved all three proposals that were presented for consideration in our 2006 Proxy Statement, which included amending and restating our 2003 Equity Incentive Plan and re-electing Mr. Richard E. Belluzzo, Mr. Harold L. Covert and Mr. Masood Jabbar to serve on JDSU's Board for a 3-year term ending in 2009.

During the past few months, our **Communications T&M** team has made many announcements, including:

- Being selected by Shanghai Telecom for IPTV installation and Quality of Service Assurance.
- Receiving the International Engineering Consortium's (IEC's) 2006 InfoVision Award for our *NetComplete™ VoIP Service Assurance Solution*.
- Being chosen as a formal T&M partner for Alcatel's IPTV Ecosystem.