

## Reverse Stock Split Fact Sheet and FAQ

### Basics of the Reverse Stock Split

**Q. What has JDSU Announced?**

A. On October 16, 2006 at 11:59 p.m. Eastern Time, JDSU effected a 1-for-8 reverse stock split.

**Q. Did JDSU stockholders approve this decision?**

A. Yes, at the 2005 Annual Meeting of Stockholders' on December 1, 2005, stockholders passed the proposal authorizing the Board to effect a reverse stock split in the range of 1-for-8 to 1-for-10 at any time before December 1, 2006. On September 21, 2006, JDSU announced that the Board had decided to effect a 1-for-8 reverse stock split on October 16, 2006.

**Q. What is a reverse stock split?**

A. A reverse stock split is best understood using a simple example. The graphic on the left shows the impact of the reverse split, assuming you have 8 shares that are trading at \$2.13 at the time of the split.

Monday, October 16, 2006 11:58 PM	Monday, October 16, 2006 11:59 PM
BEFORE REVERSE	AFTER REVERSE
 <p>8 × \$2.13 = <b>\$17.04</b></p>	 <p>1 × \$17.04 = <b>\$17.04</b></p>
TOTAL VALUE OF 8 SHARES: 8 × \$2.13 = <b>\$17.04</b>	TOTAL VALUE OF 1 SHARE: 1 × \$17.04 = <b>\$17.04</b>

**Q. What happened on the effective date?**

A. When the stock market opened on Tuesday, October 17, 2006, JDSU common stock began trading on a split-adjusted basis on NASDAQ under the temporary ticker symbol "JDSUD." The ticker symbol changed back to "JDSU" on November 14, 2006.

**Q. How many shares outstanding does JDSU have following the reverse split?**

A. The reverse split reduced the number of shares of the Company's common stock outstanding from approximately 1.7 billion to approximately 211 million.

**Q. Did the number of authorized shares change?**

A. Yes, the number of authorized shares decreased from 6 billion to 1 billion.

### Information for Stockholders

**Q. What if I own an odd number of shares? Will I receive fractional shares or cash?**

A. JDSU will not issue fractional shares as a result of the reverse stock split. For registered stockholders, the transfer agents for JDSU common stock (American Stock Transfer and Trust) and for JDU exchangeable shares (CIBC Mellon), aggregated all fractional shares and sold them on the open market shortly after the effective date. Following the sale, stockholders will receive a cash payment from the transfer agent in an amount equal to the stockholders' pro rata share of the total net proceeds of these sales. No transaction costs will be assessed. Stockholders with shares held in brokerage accounts are encouraged to contact their brokers with any questions as some brokers may have different procedures for payment of fractional shares.

**Q. What if I own fewer than 8 shares?**

A. Stockholders with fewer than eight JDSU shares will receive cash in lieu of fractional shares.

**Q. Will I receive interest for the time between the effective date and when I receive a cash payment in lieu of fractional shares?**

A. No, stockholders will not receive interest.

**Q. What if I hold a stock certificate? How do I get a certificate with the new number of shares?**

A. Registered holders of JDSU common stock, listed on NASDAQ, will receive a letter of transmittal shortly after the effective date with instructions for the exchange of stock certificates. American Stock Transfer and Trust will act as the exchange agent, and can be contacted at (800) 937-5449.

Registered holders of JDU Exchangeable Shares, listed on the Toronto Stock Exchange, will receive a letter of transmittal shortly after the effective date with instructions for the exchange of stock certificates. CIBC Mellon will act as the exchange agent, and can be contacted at (800) 387-0825.

**Q. What do I need to do if my shares are held in a brokerage account?**

A. Stockholders with shares in brokerage accounts will be contacted by their brokers with instructions.

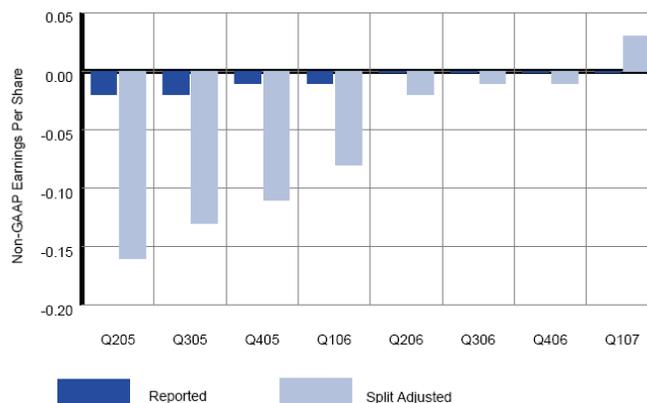
**Q. Did the reverse split also affect JDSU stock options, convertible notes, and equity compensation plans?**

A. Yes, proportional adjustments were made to all of the above.

**Other FAQ**

**Q. Why did JDSU effect a reverse stock split?**

A. The reverse stock split was effected in order to enhance investors' visibility into the company's improving profitability on a per share basis. 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.



**Q. Why would investors find JDSU stock more attractive following the reverse split?**

A. Lower priced stocks tend to be associated with higher volatility. As a result, some institutional investors either choose – or are restricted – from trading in stocks below the \$5 level.

**Q. How would a reverse split be expected to reduce transaction costs for investors?**

A. When buying or selling stock, many investors pay commissions that are based on the number of shares bought or sold. Because of our relatively low stock price, an investor desiring to invest a fixed amount of money in JDSU stock will buy more shares, and thus may pay more in commissions, than if our stock price were higher. By implementing a 1-for-8 reverse split, stockholders who pay commissions based on the number of shares bought or sold would pay 8 times lower total commissions. In addition, lower commissions may also make our stock an attractive investment to additional investors.

**Q. Why did the Board choose to effect the reverse now? Why did they wait so long?**

A. In an effort to minimize costs, JDSU sought authorization for the reverse split with the scheduled 2005 proxy, rather than sending out a separate request. Once authorized, the Board set general conditions for implementing the reverse, including achieving and maintaining non-GAAP EBITDA positive results. The Board also recognizes that the reverse stock split will provide more transparency of the company's improving profitability on a per share basis.