

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) March 1, 2007

Ciena Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-21969

23-2725311

(Commission File Number)

(IRS Employer Identification No.)

1201 Winterson Road, Linthicum, MD

21090

(Address of Principal Executive Offices)

(Zip Code)

(410) 865-8500

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 - RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 1, 2007, Ciena Corporation issued a press release announcing its financial results for the first fiscal quarter ended January 31, 2007. The text of the press release is furnished as Exhibit 99.1 to this Report. The information in this Report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended.

ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS

(c) The following exhibit is being filed herewith:

Exhibit Number	Description of Document
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Exhibit 99.1	Text of Press Release dated March 1, 2007, issued by
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Ciena Corporation, reporting its results of operations
for the first fiscal quarter ended January 31, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ciena Corporation

Date: March 1, 2007

By: /S/ Russell B. Stevenson, Jr.

Russell B. Stevenson, Jr.
Senior Vice President, General Counsel
and Secretary

Ciena Reports Fiscal First Quarter 2007 Results

Company Delivers Twelfth Straight Quarter of Sequential Revenue Growth

LINTHICUM, Md.--(BUSINESS WIRE)--March 1, 2007--Ciena(R) Corporation (NASDAQ:CIEN), the network specialist, today announced results for its fiscal first quarter 2007 ended January 31, 2007. Revenue for the first quarter totaled \$165.1 million, representing a 3.2% sequential increase from fiscal fourth quarter revenue of \$160.0 million, and an increase of 37.1% over the same period a year ago when the Company reported sales of \$120.4 million.

On the basis of generally accepted accounting principles (GAAP), Ciena's net income for the fiscal first quarter 2007 was \$11.1 million, or net income of \$0.12 per diluted share. This compares with a reported GAAP net loss of \$6.3 million, or a net loss of \$0.08 per share, for the same period a year ago.

"As bandwidth demands escalate across multiple traffic types, service provider and enterprise customers alike are increasingly looking for solutions that allow them to transition their networks toward powerful converged network architectures capable of delivering any service at any time," said Gary Smith, Ciena's president and CEO. "Ciena's differentiated positioning as the transition specialist and our FlexSelect(TM) vision of next-generation networks are driving demand for our solutions worldwide, enabling us to deliver our twelfth sequential quarter of revenue growth."

Non-GAAP Presentation of Quarterly Results

In evaluating the operating performance of its business, Ciena's management excludes certain charges and credits that are required by GAAP. These items, which are identified in the table that follows (in thousands except per share data), share one or more of the following characteristics: they are unusual and Ciena does not expect them to recur in the ordinary course of its business; they do not involve the expenditure of cash; they are unrelated to the ongoing operation of the business in the ordinary course; or their magnitude and timing is largely outside of the Company's control.

	Quarter Ended January 31, ----- 2006	Quarter Ended January 31, ----- 2007
Stock-based compensation-product	\$ 135	\$ 221
Stock-based compensation-services	188	193
Stock-based compensation-research and development	1,637	743
Stock-based compensation-sales and marketing	1,046	1,040
Stock-based compensation-general and administrative	821	1,000
Amortization of intangible assets	6,295	6,295
Restructuring costs (recoveries)	2,015	(466)
Long-lived asset impairment	(3)	-
Recovery of doubtful accounts, net	(2,604)	(10)
Gain on lease settlement	(6,020)	-
Loss on equity investments, net	733	-
Gain on extinguishment of debt	(6,690)	-
	-----	-----
Total adjustments	\$ (2,447)	\$ 9,016
	=====	=====
GAAP net income (loss)	\$ (6,291)	\$ 11,056
Adjustment for items above	(2,447)	9,016
	-----	-----
Adjusted (non-GAAP) net (loss) income	\$ (8,738)	\$ 20,072
	=====	=====
Weighted average basic common shares outstanding	82,967	84,953
Weighted average dilutive potential common shares outstanding	82,967	93,259
Adjusted (non-GAAP) net (loss) income per share	\$ (0.11)	\$ 0.22

Please see Appendix A for additional information about this table.

Adjusting Ciena's unaudited fiscal first quarter 2007 GAAP net income of \$11.1 million for the items noted above would increase the Company's adjusted (non-GAAP) net income in the quarter to \$20.1 million, or an adjusted (non-GAAP) net income of \$0.22 per adjusted diluted share. This compares with an adjusted (non-GAAP) net loss of \$8.7 million, or an adjusted (non-GAAP) net loss of \$0.11 per share, in the same year-ago period.

First Quarter 2007 Performance Highlights

- Achieved sequential quarterly revenue growth of 3.2% and year-over-year quarterly revenue growth of 37.1%.
- Delivered overall gross margin of 44.6% and product gross margin of 48.7%.
- Ended the fiscal first quarter 2007 with cash, cash equivalents and short- and long-term investments of \$1.2 billion.

First Quarter 2007 Customer Highlights

- Verizon Business chose Ciena's CoreDirector(R) Multiservice Optical Switches to build a trans-Atlantic mesh network.
- Hargray Communications selected Ciena's CN 4200(TM) FlexSelect Advanced Services Platform to converge its regional transport network and deliver quad-play and business services.
- Cox Communications deployed Ciena's CoreDirector Multiservice Optical Switches in the super headend of its San Diego network to interconnect two metro rings.
- Cogeco Cable became Ciena's first cable network deployment in Canada with its use of the CN 4200 for its core infrastructure upgrade.
- USCarrier Telecom, LLC selected Ciena's CN 4200 to support multiservice aggregation for metropolitan and regional transport services.

Business Outlook

"Furthering our efforts to provide customers with a unique formula for facilitating network transition, we recently announced Ethernet enhancements to our FlexSelect Architecture, including new products," said Smith. "We're excited about the new opportunities we're targeting with these new features and platforms, which we expect to contribute to revenue growth this fiscal year, and we're even more excited about the increasing alignment we see between Ciena's comprehensive FlexSelect vision and the strategic direction in which our customers' networks are headed."

"During the last several years we've invested significantly to create a targeted solutions portfolio with the unified vision that Ethernet is the most efficient and economical foundation for next-generation, service-enabled networks," said Smith. "Whether incorporated in new features on our traditional optical platforms or forming the foundation of a completely new product, our FlexSelect vision already is a driving force behind our revenue growth and will be a factor in what we expect to be a five to ten percent sequential increase in revenue from our fiscal first quarter to our fiscal second quarter."

Live Web Broadcast of Fiscal First Quarter Results

Ciena will host a discussion of its fiscal first quarter results with investors and financial analysts today, Thursday, March 1, 2007 at 8:30 a.m. (Eastern). The live broadcast of the discussion will be available via Ciena's homepage at www.ciena.com. An archived version of the discussion will be available shortly following the conclusion of the live broadcast on the Investor Relations page of Ciena's Web site at: <http://www.ciena.com/investors/investors.htm>.

NOTE TO INVESTORS

This press release contains certain forward-looking statements

based on current expectations, forecasts and assumptions that involve risks and uncertainties. These statements are based on information available to the Company as of the date hereof; and Ciena's actual results could differ materially from those stated or implied, due to risks and uncertainties associated with its business, which include the risk factors disclosed in its Report on Form 10-K filed with the Securities and Exchange Commission on January 10, 2007.

Forward-looking statements include statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words. Forward-looking statements in this release include: we're excited about the new opportunities we're targeting with these new features and platforms, which we expect to contribute to revenue growth this fiscal year, and we're even more excited about the increasing alignment we see between Ciena's comprehensive FlexSelect vision and the strategic direction in which our customers' networks are headed; during the last several years we've invested significantly to create a broad, yet targeted solutions portfolio with the unified vision that Ethernet is the most efficient and economical foundation for next-generation, service-enabled networks; whether incorporated in new features for our traditional optical platforms or the foundation of a completely new product, our FlexSelect vision already is a driving force behind our revenue growth and will be a factor in what we expect to be a five to seven percent sequential increase in revenue from our fiscal first quarter to our fiscal second quarter. Ciena assumes no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.

(Unaudited Condensed Consolidated Balance Sheets, Statement of Operations and Cash Flows follow)

CIENA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

ASSETS

	October 31,	January 31,
	-----	-----
	2006	2007
	-----	-----
Current assets:		
Cash and cash equivalents	\$ 220,164	\$ 374,079
Short-term investments	628,393	496,628
Accounts receivable, net	107,172	139,422
Inventories, net	106,085	103,548
Prepaid expenses and other	36,372	46,400
	-----	-----
Total current assets	1,098,186	1,160,077
Long-term investments	351,407	314,377
Equipment, furniture and fixtures, net	29,427	32,867
Goodwill	232,015	232,015
Other intangible assets, net	91,274	84,011
Other long-term assets	37,404	38,309
	-----	-----
Total assets	\$ 1,839,713	\$ 1,861,656
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 39,277	\$ 37,997
Accrued liabilities	79,282	90,065
Restructuring liabilities	8,914	7,621
Unfavorable lease commitments	8,512	7,614
Income taxes payable	5,981	6,298
Deferred revenue	19,637	20,015
	-----	-----
Total current liabilities	161,603	169,610
Long-term deferred revenue	21,039	22,847
Long-term restructuring liabilities	26,720	24,579
Long-term unfavorable lease commitments	32,785	30,691
Other long-term obligations	1,678	1,582
Convertible notes payable	842,262	842,262
	-----	-----
Total liabilities	1,086,087	1,091,571
	-----	-----

Commitments and contingencies

Stockholders' equity:

 Preferred stock - par value \$0.01;

20,000,000 shares authorized; zero shares issued and outstanding	-	-
Common stock - par value \$0.01; 140,000,000 shares authorized; 84,891,656 and 85,054,714 shares issued and outstanding	849	851
Additional paid-in capital	5,505,853	5,511,921
Changes in unrealized gains on investments, net	(496)	(1,001)
Translation adjustment	(580)	(742)
Accumulated deficit	(4,752,000)	(4,740,944)
	-----	-----
Total stockholders' equity	753,626	770,085
	-----	-----
Total liabilities and stockholders' equity	\$ 1,839,713	\$ 1,861,656
	=====	=====

CIENA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Quarter Ended January 31,	
	2006	2007
	-----	-----
Revenues:		
Products	\$ 105,941	\$ 146,282
Services	14,489	18,819
	-----	-----
Total revenue	120,430	165,101
	-----	-----
Costs:		
Products	60,399	74,979
Services	9,576	16,494
	-----	-----
Total cost of goods sold	69,975	91,473
	-----	-----
Gross profit	50,455	73,628
	-----	-----
Operating expenses:		
Research and development	29,462	29,853
Selling and marketing	26,572	24,875
General and administrative	9,896	10,301
Amortization of intangible assets	6,295	6,295
Restructuring costs (recoveries)	2,015	(466)
Long-lived asset impairments	(3)	-
Recovery of doubtful accounts, net	(2,604)	(10)
Gain on lease settlement	(6,020)	-
	-----	-----
Total operating expenses	65,613	70,848
	-----	-----
Income (loss) from operations	(15,158)	2,780
Interest and other income, net	9,262	14,845
Interest expense	(6,053)	(6,148)
Loss on equity investments, net	(733)	-
Gain on extinguishment of debt	6,690	-
	-----	-----
Income (loss) before income taxes	(5,992)	11,477
Provision for income taxes	299	421
	-----	-----
Net income (loss)	\$ (6,291)	\$ 11,056
	=====	=====
Basic net income (loss) per common share	\$ (0.08)	\$ 0.13
	=====	=====
Diluted net income (loss) per potential common share	\$ (0.08)	\$ 0.12
	=====	=====
Weighted average basic common shares outstanding	82,967	84,953
	=====	=====
Weighted average dilutive potential common shares outstanding	82,967	93,259
	=====	=====

CIENA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

(unaudited)

	Three Months Ended January 31,	
	2006	2007
Cash flows from operating activities:		
Net income (loss)	\$ (6,291)	\$ 11,056
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Early extinguishment of debt	(6,690)	-
Amortization of premium (discount) on marketable securities	1,176	(1,249)
Non-cash loss from equity investments	733	-
Depreciation and amortization of equipment, furniture and fixtures	5,312	3,150
Stock compensation	4,183	3,289
Amortization of intangibles	7,263	7,263
Provision for inventory excess and obsolescence	3,000	4,763
Provision for warranty and other contractual obligations	2,470	4,791
Other	608	715
Changes in assets and liabilities:		
Accounts receivable	(8,350)	(32,250)
Inventories	(18,046)	(2,226)
Prepaid expenses and other	10,151	(11,289)
Accounts payable and accrued liabilities	(30,813)	(1,810)
Income taxes payable	61	317
Deferred revenue and other obligations	3,195	2,186
Net cash used in operating activities	(32,038)	(11,294)
Cash flows from investing activities:		
Additions to equipment, furniture, fixtures and intellectual property	(4,375)	(6,590)
Restricted cash	1,102	(521)
Purchases of available for sale securities	(63,641)	(88,632)
Maturities of available for sale securities	136,219	258,171
Net cash provided by investing activities	69,305	162,428
Cash flows from financing activities:		
Repayment of convertible notes payable	(98,772)	-
Proceeds from exercise of stock options	2,117	2,781
Net cash provided by (used in) financing activities	(96,655)	2,781
Net increase (decrease) in cash and cash equivalents	(59,388)	153,915
Cash and cash equivalents at beginning of period	358,012	220,164
Cash and cash equivalents at end of period	\$ 298,624	\$ 374,079

Appendix A

The adjustments management makes in analyzing Ciena's fiscal first quarter 2007 GAAP results are as follows:

- Stock-based compensation costs - A non-cash expense incurred in accordance with SFAS 123R using the modified prospective application transition method.
- Amortization of intangible assets - a non-cash expense arising from acquisitions of intangible assets, principally developed technology, which Ciena is required to amortize over its expected useful life.
- Restructuring costs (recoveries) - infrequent charges or

recoveries incurred as the result of reducing the size of the Company's operations to align its resources with the reduced size of the telecommunications market as well as the result of targeting new segment opportunities within the overall market, which the Company feels are not reflective of its ongoing operating costs.

- Long-lived asset impairment - infrequent charges, incurred as a result of excess equipment classified as held for sale which the Company feels are not reflective of its ongoing operating costs.
- Recovery of doubtful accounts - an infrequent gain unrelated to normal operations resulting from the recovery of a previously assessed doubtful payment due to a customer's financial condition.
- Gain on lease settlement - an infrequent gain unrelated to normal operations resulting from termination of obligations under a lease for an unused facility.
- Loss on equity investments, net - an infrequent loss related to changes in the value of the Company's equity investments which the Company feels is not reflective of its ongoing operating costs.
- Gain on extinguishment of debt - an infrequent gain related to the early extinguishment of outstanding debt.

About Ciena

Ciena Corporation is the network specialist, focused on expanding the possibilities for its customers' networks while reducing their cost of ownership. The Company's systems, software and services target and cure specific network pain points so that telcos, cable operators, governments and enterprises can best exploit the new applications that are driving their businesses forward. For more information, visit www.ciena.com.

CONTACT: Ciena Corporation
Press Contact:
Nicole Anderson, 410-694-5786
pr@ciena.com
or
Investor Contact:
Jessica Towns, 888-243-6223
ir@ciena.com