

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

May 20, 2004

Date of Report (Date of earliest event reported)

CIENA Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-21969
(Commission File No.)

23-2725311
(IRS Employer
Identification No.)

1201 Winterson Road, Linthicum, Maryland 21090

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(410) 865-8500

Not applicable

(Former name or former address, if changed since last report)

Exhibit Index on Page 2

The information in this Report, including the exhibit, is furnished under Item 12 of Form 8-K and, pursuant to General Instruction B.6. thereunder, is not "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. Furthermore, the information in this Report, including the exhibit, is not incorporated by reference into the filings of the registrant under the Securities Act of 1933.

Item 12 -- Regulation FD Disclosure (Information Provided Under Item 12 Results of Operations and Financial Condition)

On May 20, 2004, CIENA Corporation issued a press release announcing its financial results for the fiscal quarter ended April 30, 2004. The text of the press release is furnished as Exhibit 99.1 to this Report.

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

Dated: May 20, 2004

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

Senior Vice President, General Counsel
and Secretary

CIENA Reports Second Quarter 2004 Results

LINTHICUM, Md.--(BUSINESS WIRE)--May 20, 2004--CIENA(R) Corporation (NASDAQ:CIEN), a leading global provider of innovative networking solutions, today reported its second fiscal quarter results for the period ending April 30, 2004. Revenue for the quarter totaled \$74.7 million, representing a 12.5% sequential increase and an increase of 1.6% for the same period a year ago. On a generally accepted accounting principles (GAAP) basis, CIENA's reported net loss for the quarter was \$76.2 million, or a net loss of \$0.16 per share.

"The last quarter was important for CIENA as we took significant and deliberate steps in two key areas aimed at improving our business in both the immediate and longer-term," said Gary Smith, CIENA's president and CEO. "First, with the acquisitions of Catena Networks and Internet Photonics, we have added products to help build CIENA into a leading provider of service-delivery solutions. Second, we initiated the next phase of strategic operating expense reductions that will improve our cost structure and shorten the path to our near-term goals of achieving cash flow breakeven and profitability."

Second Quarter 2004 Highlights

- Ended the quarter with cash and short- and long-term investments valued at \$1.46 billion, using cash of \$60 million in the quarter.
- Announced expected annualized cost savings of \$60 to \$70 million, including \$55 to \$65 million at the operating expense level, associated with closing the Company's San Jose, Calif., facility and related headcount reductions.
- Announced customer wins spanning CIENA's networking solutions portfolio including:
 - MCI's selection of CIENA as a strategic supplier for its new nationwide, ultra long-haul network.
 - Verizon's choice of CIENA's multiservice switching solutions to enhance the efficiency of its nationwide enterprise data services.
 - Red Electrica's deployment of CIENA solutions to expand its broadband services.
 - An exclusive agreement with UK-carrier, THUS, for CIENA's multiservice solutions in metro and edge applications.
 - Spanish Internet service provider, Arsys Internet's, selection of CIENA and reseller partner Laurel Networks, for a Broadband Remote Access Server (B-RAS) application.
- In addition, SBC recognized CIENA as an outstanding supplier for the superior performance of its DN 7000(TM) Series Multiservice Edge Switch.
- From a solutions perspective, CIENA announced and began deployments of the next-generation of its core networking capabilities with CoreStream(TM) Agility, designed to enable efficient delivery of high-growth broadband services, and also a new-generation CN 2000(TM) Storage Over SONET/SDH Platform to incorporate Dynamic Bandwidth Assignment capabilities and the latest ITU Generic Framing Procedure (GFP) standard.

In addition, on May 3, 2004, just following completion of CIENA's second fiscal quarter, the Company announced it had completed the acquisitions of Catena Networks, Inc. and Internet Photonics, Inc.

Non-GAAP Presentation

In evaluating the operating performance of its business, CIENA's management excludes certain charges or credits that are required by GAAP. These items, which are identified in the table below, 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.

Item	Quarter Ended		6 Months Ended	
	April 30, 2004		April 30, 2004	
	(in thousands)		(in thousands)	
Deferred stock compensation	\$	1,902	\$	4,746
Amortization of intangible assets		3,395		6,791
Accelerated amortization of leasehold improvements		1,649		1,649
Restructuring costs		5,185		8,578
Recovery of use tax payments		(1,931)		(1,931)
Recovery of doubtful accounts, net		(2,794)		(2,794)
Gain on equity investments, net		(139)		(593)
Loss on extinguishment of debt		-		8,216
Income tax benefit on adjusted net loss		24,402		45,437
		-----		-----
Total Adjustments	\$	31,669	\$	70,099
		=====		=====
GAAP Net Loss	\$	(76,216)	\$	(152,924)
Adjusted for items above		31,669		70,099
		-----		-----
Non GAAP Net Loss	\$	(44,547)	\$	(82,825)
		=====		=====

Please see Appendix A for additional information about this table.

These adjustments are not in accordance with GAAP, and making these adjustments may not permit meaningful comparisons to other companies.

As of the quarter ended April 30, 2004, CIENA's weighted average shares outstanding were approximately 475,189,000. Adjusting CIENA's quarterly GAAP results as noted would reduce the Company's net loss in its second fiscal quarter to \$0.09 per share.

For the six months ended April 30, 2004, CIENA's weighted average shares outstanding were approximately 474,192,000. Adjusting CIENA's six month GAAP results as noted would reduce the Company's net loss for the period to \$0.17 per share.

Business Outlook

"While it appears the industry has achieved a certain level of stability, customers are maintaining an overall cautious and focused approach to spending," said CIENA's Smith. "Spending in the core of the network remains a secondary priority as service providers focus on getting more users on to their networks and generating more revenue from that traffic. With the addition of new service delivery platforms from Catena and Internet Photonics, CIENA is better positioned to benefit from that focus.

"In part as a result of our broader portfolio reach, we expect revenue for our third fiscal quarter will increase by as much as 30 percent from our fiscal second quarter revenue," said Smith.

Live Web Broadcast of Q2 Results

CIENA will host a discussion of this morning's announcements with investors and financial analysts today, Thursday, May 20, 2004 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 website at: www.CIENA.com/investors.

NOTE TO INVESTORS

This press release contains certain forward-looking statements based on current expectations, forecasts and assumptions of CIENA (the Company) that involve risks and uncertainties. Forward-looking statements in this release, including but not limited to: we initiated the next phase of strategic operating expense reductions that will improve our cost structure and shorten the path to our near-term goals of achieving cash flow breakeven and profitability; while it appears the industry has achieved a certain level of stability, customers are maintaining an overall cautious and focused approach to spending; spending in the core of the network remains a secondary priority as service providers focus on getting more users on to their networks and generating more revenue from that traffic; with the addition of new

service delivery platforms from Catena and Internet Photonics, CIENA is better positioned to benefit from that focus; and, in part as a result of our broader portfolio reach, we expect revenue for our third fiscal quarter will increase by as much as 30 percent from our fiscal second quarter revenue, are based on information available to the Company as of the date hereof. The Company's actual results could differ materially from those stated or implied in such forward-looking statements, due to risks and uncertainties associated with the Company's business, which include the risk factors disclosed in the Company's Report on Form 10-Q, which we expect to file with the Securities and Exchange Commission on May 20, 2004. Forward-looking statements include statements regarding the Company'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. The Company assumes no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.

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

	Quarter Ended		Six Months Ended	
	April 30, 2003	April 30, 2004	April 30, 2003	April 30, 2004
Revenues:				
Products	\$ 63,399	\$ 62,422	\$ 124,620	\$ 117,096
Services	10,141	12,277	19,394	24,017
Total revenue	73,540	74,699	144,014	141,113
Costs:				
Products	40,406	56,289	79,983	90,849
Services	14,919	10,188	29,551	21,489
Total cost of goods sold	55,325	66,477	109,534	112,338
Gross profit	18,215	8,222	34,480	28,775
Operating expenses:				
Research and development	52,193	46,479	105,927	93,656
Selling and marketing	25,663	25,075	52,268	50,543
General and administrative	8,066	5,992	22,772	13,083
Deferred stock compensation costs:				
Research and development	3,406	1,408	7,204	3,613
Selling and marketing	676	415	1,435	933
General and administrative	346	79	720	200
Amortization of intangible assets	3,421	3,395	6,975	6,791
Restructuring costs	2,724	5,185	2,724	8,578
Recovery of use tax payments	-	(1,931)	-	(1,931)
Recovery of doubtful accounts, net	-	(2,794)	-	(2,794)
Total operating expenses	96,495	83,303	200,025	172,672
Loss from operations	(78,280)	(75,081)	(165,545)	(143,897)
Interest and other income, net	11,131	5,614	24,432	13,292
Interest expense	(8,061)	(6,473)	(20,264)	(13,857)
Gain (loss) on equity investments, net	-	139	(10)	593
Loss on extinguishment of debt	-	-	(20,606)	(8,216)

Loss before income taxes	(75,210)	(75,801)	(181,993)	(152,085)
Provision for income taxes	251	415	610	839
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Net loss	\$(75,461)	\$(76,216)	\$(182,603)	\$(152,924)
	=====	=====	=====	=====
Basic and diluted net loss per common share and dilutive potential common share	\$ (0.17)	\$ (0.16)	\$ (0.42)	\$ (0.32)
	=====	=====	=====	=====
Weighted average basic common and dilutive potential common shares outstanding	433,932	475,189	433,330	474,192
	=====	=====	=====	=====

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

	October 31, 2003	April 30, 2004
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 309,665	\$ 218,145
Short-term investments	796,809	824,929
Accounts receivable, net	43,600	38,593
Inventories, net	44,995	34,457
Prepaid expenses and other	34,334	42,388
	-----	-----
Total current assets	1,229,403	1,158,512
Long-term investments	519,744	416,199
Equipment, furniture and fixtures, net	114,930	100,123
Goodwill	336,039	335,974
Other intangible assets, net	108,408	99,681
Other long-term assets	69,641	67,346
	-----	-----
Total assets	\$2,378,165	\$2,177,835
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 44,402	\$ 38,532
Accrued liabilities	98,926	89,797
Restructuring liabilities	14,378	12,605
Unfavorable lease commitments	9,380	9,467
Income taxes payable	4,640	5,596
Deferred revenue	14,473	16,373
	-----	-----
Total current liabilities	186,199	172,370
Long-term deferred revenue	14,547	16,964
Long-term restructuring liabilities	52,164	45,888
Long-term unfavorable lease commitments	61,312	56,362
Other long-term obligations	2,698	2,741
Convertible notes payable	730,428	690,000
	-----	-----
Total liabilities	1,047,348	984,325
	-----	-----
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; 980,000,000 shares authorized; 473,214,856 and 476,940,672 shares issued and outstanding	4,732	4,769
Additional paid-in capital	4,861,182	4,874,950
Deferred stock compensation	(9,664)	(4,572)
Notes receivable from stockholders	(448)	(448)
Accumulated other comprehensive income		

(loss)	2,447	(833)
Accumulated deficit	(3,527,432)	(3,680,356)
	-----	-----
	1,330,817	1,193,510
	-----	-----
Total liabilities and stockholders' equity	\$2,378,165	\$2,177,835
	=====	=====

Appendix A

The adjustments management makes in analyzing CIENA's first quarter fiscal 2004 GAAP results are as follows:

- Deferred stock compensation costs - a non-cash expense largely unrelated to normal operations, and which arises under GAAP accounting from the assumption of unvested stock options issued by any companies we acquire.
- Amortization of intangible assets - a non-cash expense unrelated to normal operations arising from acquisitions of intangible assets, principally developed technology acquired in the Cyrus, ONI, WaveSmith, and Akara acquisitions, which CIENA is required to amortize over its expected useful life.
- Accelerated amortization of leasehold improvements - a non-cash expense related to the planned closing of our San Jose, California facility.
- Restructuring costs - non-recurring charges, unrelated to normal operations, 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.
- Recovery of use tax payments - a non-recurring gain unrelated to normal operations.
- Recovery of doubtful accounts, net - a non-recurring gain unrelated to normal operations due to payment received from a customer from which payment was previously deemed doubtful due to the customer's financial condition.
- Gain on equity investments, net - a non-recurring gain unrelated to normal operations.
- Loss on extinguishment of debt - a non-recurring expense, unrelated to normal operations.
- Income tax benefit on adjusted net loss - the income tax charge or benefit on the adjusted net loss, which is a necessary adjustment for consistency. The Company currently has a full valuation allowance for GAAP reporting purposes and accordingly does not recognize a tax benefit for losses generated.

ABOUT CIENA

CIENA Corporation delivers innovative network solutions to the world's largest service providers and enterprises, increasing the cost-efficiency of current services while enabling the creation of new carrier-class data services built upon the existing network infrastructure. Additional information about CIENA can be found at www.ciena.com.

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