

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) December 10, 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 December 13, 2007, Ciena Corporation issued a press release announcing its financial results for its fourth fiscal quarter and fiscal year ended October 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 5.02 - APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

(c) On December 10, 2007, Ciena Corporation appointed James E. Moylan, Jr., 56, as Senior Vice President and Chief Financial Officer Designate. Mr. Moylan will assume responsibility as Chief Financial Officer from Mr. Chinnici following the filing of the company's Annual Report on Form 10-K. From June 2006 to November 2007, Mr. Moylan served as Executive Vice President and Chief

Financial Officer of Swett & Crawford, a wholesale insurance broker. From March 2004 to February 2006, Mr. Moylan served as Executive Vice President and Chief Financial Officer of PRG-Shultz International, Inc., a publicly held recovery audit and business services firm. From June 2002 to April 2003, Mr. Moylan served as Executive Vice President in charge of Composite Panel Distribution and Administration for Georgia-Pacific Corporation's building products distribution business. From November 1999 to May 2002, Mr. Moylan served as Senior Vice President and Chief Financial Officer of Sonat, Inc., an electronics contract manufacturing company.

Mr. Moylan will receive a \$385,000 annual salary and will be eligible for a target bonus of up to 75% of his base salary under Ciena's incentive bonus plan. This plan provides for any such bonus to be paid in quarterly amounts upon satisfaction of the corporate financial goals and any applicable functional performance goals established by the Compensation Committee for that fiscal quarter. Mr. Moylan will receive a \$150,000 signing bonus and is also eligible for reimbursement of certain relocation expenses, in an amount not to exceed \$200,000. The signing bonus and relocation benefits are subject to repayment by Mr. Moylan in the event that he voluntarily terminates his employment within one year of his date of hire. Mr. Moylan is a party to Ciena's standard executive change in control severance agreement, which provides severance benefits, including twelve months of salary, bonus and benefits continuation and acceleration of 50% of any unvested equity awards, in the event that his employment is terminated by Ciena or any successor entity without "cause," or, by him for "good reason," within one year following a "change in control." Mr. Moylan is also eligible to receive financial planning and tax preparation services and annual medical physicals on the same terms as provided to Ciena's other executive officers.

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 December 13, 2007, issued by Ciena Corporation, reporting its results of operations for its fourth fiscal quarter and fiscal year ended October 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: December 12, 2007

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

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

Ciena Reports Unaudited Fiscal Fourth Quarter
2007 and Year-End Results

Delivers 38% Annual Revenue Growth; Names New CFO

LINTHICUM, Md.--(BUSINESS WIRE)--Dec. 13, 2007--Ciena(R) Corporation (NASDAQ:CIEN), the network specialist, today announced unaudited results for its fiscal fourth quarter and year ended October 31, 2007. Revenue for the fourth quarter totaled \$216.2 million, representing a 5.5% sequential increase from fiscal third quarter revenue of \$205.0 million, and an increase of 35.2% over the same period a year ago when the Company reported revenue of \$160.0 million. For the fiscal year ended October 31, 2007, Ciena reported revenue of \$779.8 million, representing an increase of 38.2% over revenue of \$564.1 million for fiscal 2006.

On the basis of generally accepted accounting principles (GAAP), Ciena's net income for the fiscal fourth quarter 2007 was \$30.4 million, or \$0.30 per diluted share. This compares to fiscal third quarter GAAP net income of \$28.3 million, or \$0.29 per diluted share, and with a reported GAAP net income of \$13.1 million, or \$0.14 per diluted share, for the same period a year ago. For the fiscal year ended October 31, 2007, Ciena's reported GAAP net income was \$82.8 million, or \$0.87 per diluted share. This compares to a GAAP net income of \$0.6 million, or \$0.01 per diluted share, for fiscal year 2006.

"By all accounts, 2007 was a momentous year for Ciena. In addition to achieving 38% annual revenue growth and delivering strong financial performance, we established ourselves as a leader in the emerging converged Ethernet infrastructure space with strong market validation for our FlexSelect Architecture and vision," said Gary Smith, Ciena president and CEO. "Our strong 2007 performance is the direct result of the individual efforts of every single Ciena employee, and in 2008 everyone at Ciena will continue to focus on driving revenue growth while working toward further operating performance improvement."

At October 31, 2007, Ciena had a \$1.7 billion total cash position, which includes \$892.1 million in cash and cash equivalents and \$856.1 million in short-term and long-term investments in marketable debt securities. The Company's fiscal fourth quarter and fiscal 2007 GAAP net income reflect a \$13.0 million loss related to investments in commercial paper issued by SIV Portfolio plc (formerly known as Cheyne Finance plc) and Rhinebridge LLC, two structured investment vehicles (SIVs) that entered into receivership and failed to make payment at maturity. At the time of purchase, each investment had a rating of A1+ by Standard and Poor's and P-1 by Moody's, their highest ratings respectively. After giving effect to this loss, Ciena's investment portfolio at October 31, 2007 included an estimated fair value of \$33.9 million related to these two SIVs.

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) and further described in Appendix A, 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. Management believes that the non-GAAP measures below provide useful information and meaningful insight to the operating performance of the business.

	Quarter Ended Oct. 31, 2006	Quarter Ended Oct. 31, 2007
	-----	-----
Stock-based compensation-product	\$ 204	\$ 543
Stock-based compensation-services	206	217
Stock-based compensation-research and development	938	836
Stock-based compensation-sales and		

marketing	706	1,920
Stock-based compensation-general and administrative	963	1,824
Amortization of intangible assets	6,296	6,465
Restructuring costs (recoveries)	(366)	(39)
Long-lived asset impairment	6	-
Recovery of doubtful accounts, net	(41)	(4)
Gain on lease settlement	-	(4,871)
	-----	-----
Adjustments related to income from operations	\$ 8,912	\$ 6,891
Loss, other than temporary, on marketable debt investments	-	13,013
	-----	-----
Adjustments related to net income	\$ 8,912	\$ 19,904
	=====	=====
Income from Operations Reconciliation (GAAP/non-GAAP)		
GAAP income from operations	\$ 3,881	\$ 27,120
Adjustments related to income from operations	8,912	6,891
	-----	-----
Adjusted (non-GAAP) income from operations	\$ 12,793	\$ 34,011
	=====	=====
Net Income Reconciliation (GAAP/non-GAAP)		
GAAP net income	\$ 13,081	\$ 30,410
Adjustments related to net income	8,912	19,904
	-----	-----
Adjusted (non-GAAP) net income	\$ 21,993	\$ 50,314
	=====	=====
Weighted average basic common shares outstanding		
	84,657	86,241
Weighted average dilutive potential common shares outstanding		
	93,146	108,811
Net Income per Share(1)		
GAAP diluted net income per share	\$ 0.14	\$ 0.30
Adjusted (non-GAAP) diluted net income per share	\$ 0.24	\$ 0.48

(1) Note that calculating diluted earnings per share for the fiscal fourth quarters 2006 and 2007 requires adding interest expense of approximately \$0.2 million associated with the Company's 0.25% convertible senior notes in 2006 and \$2.0 million associated with the Company's 0.25% and 0.875% convertible senior notes in 2007, to GAAP and adjusted net income in order to arrive at the numerator for the earnings per share calculation.

Adjusting Ciena's unaudited fiscal fourth quarter 2007 GAAP net income of \$30.4 million for the items noted above would increase the Company's adjusted (non-GAAP) net income in the quarter to \$50.3 million, or \$0.48 per diluted share (non-GAAP). This compares with an adjusted (non-GAAP) net income of \$22.0 million, or \$0.24 per diluted share (non-GAAP), in the same year-ago period.

Fourth Quarter 2007 Performance Highlights

- Achieved sequential quarterly revenue growth of 5.5% and year-over-year revenue growth of 35.2%.
- Delivered overall gross margin of 50.5% and product gross margin of 55.0%.
- Delivered GAAP income from operations of 12.5% of revenue and adjusted income from operations of 15.7% of revenue.
- Ended the fiscal fourth quarter 2007 with cash, cash equivalents and short- and long-term investments of \$1.7 billion.

Fourth Quarter 2007 Customer and Product Highlights

- VSNL, a leading communications solutions provider and member of the Tata Group, deployed Ciena's CoreDirector(R)

Multiservice Optical Switches to create the first nationwide intelligent optical mesh network in India.

- Ciena's FlexSelect(TM) 40G Shelf was honored by the International Engineering Consortium (IEC) with an InfoVision Award for Network Core Innovation and Advances.
- AboveNet, Inc., a leader in fiber optic connectivity solutions, deployed Ciena's CN 4200(TM) FlexSelect Advanced Services Platform throughout its metro networks to power a variety of private networks transporting Ethernet, IP and other managed services.
- Ciena's CN 4200 FlexSelect Advanced Services Platform was honored by R&D Magazine as one of the 100 most technologically significant products introduced to the marketplace in the past year.

New CFO Named

Ciena also announced today that it named James E. Moylan, Jr., 56, to succeed outgoing CFO, Joseph Chinnici. Most recently, Mr. Moylan was Executive Vice President and Chief Financial Officer at Swett & Crawford, a private equity-owned wholesale insurance broker. His diverse public company experience includes CFO roles at PRG - Shultz International and at SCI Systems, Inc. where he played a key role in the company's merger with Sanmina. Mr. Moylan holds an M.B.A. from Harvard and a B.S. in Industrial Engineering from Georgia Tech Institute of Technology. Mr. Moylan will assume CFO responsibility at Ciena following the filing of the Company's 2007 Form 10-K.

"I can't thank Joe enough for his support and contribution to the business over the years. We wish him all the best in his future endeavors," said Smith. "I am confident that Jim's business acumen, global perspective and significant experience will be valuable assets to Ciena, and I look forward to working with him through the next phase of Ciena's growth."

Business Outlook

"As we look into fiscal 2008, we believe Ciena is poised to benefit not only from capacity-related growth but also from the transition to next-generation, converged Ethernet-based network infrastructures," said Smith. "We believe that Ciena's focus on targeted segments of growth markets will enable us to continue to grow faster than our overall market. We expect to deliver up to 5% sequential revenue growth in our fiscal first quarter and 20% annual revenue growth in fiscal 2008."

Separately today, Ciena also announced that BT has selected the CN 3000(TM) Ethernet Access Series as one of its preferred Network Termination Equipment (NTE) platforms for its 21st Century Network (21CN). The agreement extends BT's partnership with Ciena, which already supplies optical Ethernet transport and switching solutions for the 21CN transmission domain, by enabling BT to provide Ethernet access in the last mile to support the roll-out of new 21CN services and applications (see related announcement: "BT Selects Ciena's CN 3000 Ethernet Access Series to Support its 21st Century Network").

Live Web Broadcast of Fiscal Fourth Quarter and Year-End Results

Ciena will host a discussion of its fiscal fourth quarter and year-end results with investors and financial analysts today, Thursday, December 13, 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 website 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-Q filed with the Securities and Exchange Commission on August 31, 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: in 2008 everyone at Ciena will continue to focus on driving revenue growth while working toward further operating performance improvement; as we look into fiscal 2008, we believe Ciena is poised to benefit not only from capacity-related growth but also from the transition to next-generation, converged Ethernet-based network infrastructures; we believe that Ciena's focus on targeted segments of growth markets will enable us to continue to grow faster than our overall market; and, we expect to deliver up to 5% sequential revenue growth in our fiscal first quarter and 20% annual revenue growth in fiscal 2008. Ciena 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
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

ASSETS

	October 31,	
	2006	2007
Current assets:		
Cash and cash equivalents	\$ 220,164	\$ 892,061
Short-term investments	628,393	822,185
Accounts receivable, net	107,172	104,078
Inventories	106,085	102,618
Prepaid expenses and other	36,372	47,817
Total current assets	1,098,186	1,968,759
Long-term investments	351,407	33,946
Equipment, furniture and fixtures, net	29,427	46,671
Goodwill	232,015	232,015
Other intangible assets, net	91,274	67,144
Other long-term assets	37,404	67,738
Total assets	\$ 1,839,713	\$ 2,416,273

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 39,277	\$ 55,389
Accrued liabilities	79,282	90,922
Restructuring liabilities	8,914	1,026
Unfavorable lease commitments	8,512	-
Income taxes payable	5,981	7,768
Deferred revenue	19,637	33,025
Convertible notes payable	-	542,262
Total current liabilities	161,603	730,392
Long-term deferred revenue	21,039	30,615
Long-term restructuring liabilities	26,720	3,662
Long-term unfavorable lease commitments	32,785	-
Other long-term obligations	1,678	1,450
Convertible notes payable	842,262	800,000
Total liabilities	1,086,087	1,566,119
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 86,752,069 shares issued and outstanding	849	868
Additional paid-in capital	5,505,853	5,519,741
Changes in unrealized gains on investments, net	(496)	350
Translation adjustment	(580)	(1,593)
Accumulated deficit	(4,752,000)	(4,669,212)
Total stockholders' equity	753,626	850,154

Total liabilities and stockholders' equity \$ 1,839,713 \$ 2,416,273
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CIENA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Quarter Ended October 31,		Year Ended October 31	
	2006	2007	2006	2007
Revenues:				
Products	\$ 141,469	\$ 193,652	\$ 502,427	\$ 695,289
Services	18,483	22,538	61,629	84,480
Total revenue	159,952	216,190	564,056	779,769
Costs:				
Products	73,955	87,185	263,667	337,866
Services	13,241	19,859	42,608	79,634
Total cost of goods sold	87,196	107,044	306,275	417,500
Gross profit	72,756	109,146	257,781	362,269
Operating Expenses:				
Research and development	26,561	34,130	111,069	127,296
Selling and marketing	26,302	32,655	104,434	118,015
General and administrative	10,117	13,690	47,476	50,262
Amortization of intangible assets	6,296	6,465	25,181	25,350
Restructuring costs (recoveries)	(366)	(39)	15,671	(2,435)
Long-lived asset impairments	6	-	-	-
Gain on lease settlement	-	(4,871)	(11,648)	(4,871)
Recovery of doubtful accounts, net	(41)	(4)	(3,031)	(14)
Total operating expenses	68,875	82,026	289,152	313,603
Income (loss) from operations	3,881	27,120	(31,371)	48,666
Interest and other income, net	15,741	25,277	50,245	76,483
Interest expense	(6,149)	(7,769)	(24,165)	(26,996)
Loss, other than temporary, on marketable debt investments	-	(13,013)	-	(13,013)
Gain on equity investments, net	-	-	215	592
Gain on extinguishment of debt	-	-	7,052	-
Income before income taxes	13,473	31,615	1,976	85,732
Provision for income taxes	392	1,205	1,381	2,944
Net income	\$ 13,081	\$ 30,410	\$ 595	\$ 82,788

Basic net income				
per common share	\$ 0.15	\$ 0.35	\$ 0.01	\$ 0.97
	=====	=====	=====	=====
Diluted net income				
per common share				
(2)	\$ 0.14	\$ 0.30	\$ 0.01	\$ 0.87
	=====	=====	=====	=====
Weighted average				
basic common				
shares				
outstanding	84,657	86,241	83,840	85,525
	=====	=====	=====	=====
Weighted average				
dilutive				
potential common				
share outstanding	93,146	108,811	85,011	99,605
	=====	=====	=====	=====

(2) Note that calculating diluted earnings per share for the quarters ended October 31, 2006 and 2007 requires adding interest expense of \$0.2 million associated with the Company's 0.25% convertible senior notes in 2006 and \$2.0 million associated with the Company's 0.25% and 0.875% convertible senior notes in 2007, to GAAP net income in order to arrive at the numerator for the earnings per share calculation. For the fiscal year ended October 31, 2007, interest expense of \$4.1 million associated with the Company's 0.25% and 0.875% convertible senior notes must be added to GAAP net income in order to arrive at the numerator for the earnings per share calculation.

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

	Year Ended October 31,	
	2006	2007
	-----	-----
Cash flows from operating activities:		
Net income	\$ 595	\$ 82,788
Adjustments to reconcile net income to net cash provided by used in operating activities:		
Early extinguishment of debt	(7,052)	-
Amortization of premium (discount) on marketable securities	(823)	(14,191)
Non-cash loss from equity investments and marketable securities	733	13,013
Depreciation and amortization of leasehold improvements	16,401	12,833
Stock compensation	14,042	19,572
Amortization of intangibles	29,050	29,220
Provision for doubtful accounts	-	-
Provision for inventory excess and obsolescence	9,012	12,180
Provision for warranty and other contractual obligations	14,522	12,743
Other	2,028	2,984
Changes in assets and liabilities:		
Accounts receivable	(34,386)	3,094
Inventories	(65,764)	(8,713)
Prepaid expenses and other	4,056	(20,568)
Accounts payable and accruals	(59,161)	(57,462)
Income taxes payable	196	1,787
Deferred revenue and other obligations	(2,842)	22,964
	-----	-----
Net cash provided by (used in) operating activities	(79,393)	112,244
	-----	-----
Cash flows from investing activities:		
Purchases of equipment, furniture, fixtures and intellectual property	(17,760)	(35,167)
Restricted cash	4,552	(13,277)

Purchase of available for sale securities	(1,090,409)	(864,012)
Proceeds from maturities of available for sale securities	851,084	989,705
Minority equity investments, net	948	(181)
	-----	-----
Net cash provided by (used in) investing activities	(251,585)	77,068
	-----	-----
Cash flows from financing activities:		
Proceeds from issuance of convertible notes payable	300,000	500,000
Repurchase of 3.75% convertible notes payable	(98,410)	-
Debt issuance costs	(7,990)	(11,750)
Purchase of call spread option	(28,457)	(42,500)
Proceeds from issuance of common stock and warrants	27,987	36,835
	-----	-----
Net cash provided by financing activities	193,130	482,585
	-----	-----
Net increase (decrease) in cash and cash equivalents	(137,848)	671,897
Cash and cash equivalents at beginning of period	358,012	220,164
	-----	-----
Cash and cash equivalents at end of period	\$ 220,164	\$ 892,061
	=====	=====

Appendix A

The adjustments management makes in analyzing Ciena's fiscal fourth quarter 2007 and 2006 GAAP results are as follows:

- Stock-based compensation costs - a non-cash expense incurred in accordance with SFAS 123(R).
- 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 aligning the Company's resources with perceived market opportunity, including new market segments within the overall market.
- Long-lived asset impairment - non-recurring 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, net - an infrequent gain unrelated to normal operations resulting from the recovery of an amount due that was previously assessed a doubtful payment due to customer financial condition.
- Gain on lease settlement - an infrequent gain unrelated to normal operations resulting from the termination of lease obligations for an unused facility.
- Loss, other than temporary, on marketable debt investments - an infrequent loss related to Ciena's investments in commercial paper issued by two structured investment vehicles (SIVs) exposed to market risks stemming from mortgage-related assets that they hold. After giving effect to estimated realized losses of \$13.0 million, Ciena's investment portfolio at October 31, 2007 included commercial paper with an estimated fair value of \$33.9 million related to these two SIVs.

About Ciena

Ciena specializes in network transition. We provide the flexible platforms, intelligent software and professional services to build converged networks for enhanced services and applications. With a growing global presence, Ciena leverages its heritage of practical innovation to deliver maximum performance and economic value in communications networks worldwide. For more information, visit www.ciena.com.

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