

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) May 31, 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:

- 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 May 31, 2007, Ciena Corporation issued a press release announcing its financial results for the second fiscal quarter ended April 30, 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 May 31, 2007, issued by Ciena Corporation, reporting

its results of operations for the second
fiscal quarter ended April 30, 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: May 31, 2007

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

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

Ciena Reports Fiscal Second Quarter 2007 Results

Company Delivers 17.2% Sequential, 47.5% Year-over-Year Revenue Growth

LINTHICUM, Md.--(BUSINESS WIRE)--May 31, 2007--Ciena(R) Corporation (NASDAQ:CIEN), the network specialist, today announced results for its fiscal second quarter ended April 30, 2007. Revenue for the second quarter totaled \$193.5 million, representing a 17.2% sequential increase from fiscal first quarter revenue of \$165.1 million, and an increase of 47.5% over the same period a year ago when the Company reported sales of \$131.2 million. For the six months ended April 30, 2007, Ciena reported revenue of \$358.6 million, representing an increase of 42.5% over revenue of \$251.6 million for the same six-month year-ago period.

On the basis of generally accepted accounting principles (GAAP), Ciena's net income for the fiscal second quarter 2007 was \$13.0 million, or net income of \$0.14 per diluted share. This compares with a reported GAAP net loss of \$1.9 million, or a net loss of \$0.02 per share, for the same period a year ago. For the six-month period ended April 30, 2007, Ciena's reported GAAP net income was \$24.1 million, or net income of \$0.26 per diluted share. This compares to a GAAP net loss of \$8.2 million, or a net loss of \$0.10 per share, for the same six-month year-ago period.

"Across all of our market segments, our customers' key operational focus is making the cost-effective transition from multiple, disparate networks to a converged, multi-purpose network infrastructure while simultaneously managing escalating bandwidth and quality-of-service requirements," said Gary Smith, Ciena president and CEO. "Several years ago, Ciena embarked on a strategy designed to position us to benefit from the network transition and convergence we're seeing emerge today, and we believe our persistent execution of that strategy, articulated in our FlexSelect(TM) Architecture and vision, is what has enabled us to deliver better-than-market 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 April 30,	Quarter Ended April 30,
	2006	2007
Stock-based compensation-product	\$375	\$362
Stock-based compensation-services	205	285
Stock-based compensation-research and development	1,421	1,085
Stock-based compensation-sales and marketing	948	1,866
Stock-based compensation-general and administrative	1,007	1,892
Amortization of intangible assets	6,295	6,295
Restructuring costs (recoveries)	3,014	(734)
Long-lived asset impairment	(3)	-
Recovery of doubtful accounts, net	(247)	-
Gain on lease settlement	(5,628)	-
Gain on extinguishment of debt	(362)	-
Total adjustments	\$7,025	\$11,051
GAAP net income (loss)	\$(1,910)	\$13,010
Adjustment for items above	7,025	11,051
Adjusted (non-GAAP) net income	\$5,115	\$24,061
Weighted average basic common shares outstanding	83,518	85,198

Weighted average dilutive potential common shares outstanding	87,457	93,737
Adjusted (non-GAAP) net income per share	\$0.06	\$0.26

Please see Appendix A for additional information about this table.

Adjusting Ciena's unaudited fiscal second quarter 2007 GAAP net income of \$13.0 million for the items noted above would increase the Company's adjusted (non-GAAP) net income in the quarter to \$24.1 million, or an adjusted (non-GAAP) net income of \$0.26 per adjusted diluted share. This compares with an adjusted (non-GAAP) net income of \$5.1 million, or an adjusted (non-GAAP) net income of \$0.06 per adjusted diluted share, in the same year-ago period.

Second Quarter 2007 Performance Highlights

- Achieved sequential quarterly revenue growth of 17.2% and year-over-year revenue growth of 47.5%.
- Delivered overall gross margin of 42.3% and product gross margin of 47.3%.
- Achieved positive cash flow with cash generated from operations in the quarter.
- Ended the fiscal second quarter 2007 with cash, cash equivalents and short- and long-term investments of \$1.2 billion.

Second Quarter 2007 Customer Highlights

- Star Telephone selected the CN 4200(TM) FlexSelect(TM) Advanced Services Platform for its core network infrastructure upgrade.
- Dreamline Co., Ltd. chose the CN 4200 to support the delivery of new Ethernet services for its growing base of leased-line customers in South Korea.
- RENATER, the national research and education network in France, deployed the CN 4200 across the organization's new metropolitan area network (MAN) in Paris.

Second Quarter 2007 Product Highlights

- Announced FlexSelect(TM) for Ethernet, a comprehensive Ethernet strategy designed to make Ethernet a carrier-class, performance-grade convergence vehicle from the access network to the core.
- Introduced the 3000 Ethernet Access Series to provide access over any media for carrier Ethernet service delivery.
- Introduced the CN 5060(TM) Multiservice Carrier Ethernet Platform, a next-generation Ethernet-optimized platform that enables a cost-effective transition to converged Ethernet switching in metro and edge aggregation networks.
- Successfully completed interoperability testing and qualification of the CN 4200 FlexSelect Advanced Services Platform for both IBM's Geographically Dispersed Parallel Sysplex(TM) (GDPS(R)) business continuity solution and Server Time Protocol (STP), the new generation of technology for time synchronization of System Z(TM) mainframe server environments.

Business Outlook

"Given the demand pipeline we see today, we expect to deliver fiscal third quarter revenue growth of up to five percent from our fiscal second quarter, and we are increasing our fiscal 2007 annual growth expectations from between 27 to 30 percent growth to up to 36 percent growth," Smith said.

"In addition, the visibility we have into anticipated product mix leads us to believe we will be able to achieve this growth while delivering gross margin in a mid-40s range in our fiscal third quarter," said Smith. "Successfully achieving our revenue and gross margin goals would put us on track to achieve a significant milestone of 10 percent income from operations on an as-adjusted basis as soon

as our fiscal third quarter 2007."

Live Web Broadcast of Fiscal Second Quarter Results

Ciena will host a discussion of its fiscal second quarter results with investors and financial analysts today, Thursday, May 31, 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 March 2, 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: Several years ago, Ciena embarked on a strategy designed to position us to benefit from the network transition and convergence we're seeing emerge today, and we believe our persistent execution of that strategy, articulated in our FlexSelect(TM) Architecture and vision, is what has enabled us to deliver better-than-market revenue growth; given the demand pipeline we see today, we expect to deliver fiscal third quarter revenue growth of up to five percent from our fiscal second quarter, and we are increasing our annual growth expectations from between 27 to 30 percent growth to up to 36 percent growth for fiscal 2007; the visibility we have into anticipated product mix leads us to believe we will be able to achieve this growth while delivering gross margin in a mid-40s range in our fiscal third quarter; and successfully achieving our revenue and gross margin goals would put us on track to achieve a significant milestone of 10 percent income from operations on an as-adjusted basis as soon as our fiscal third 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,	April 30,
	2006	2007
Current assets:		
Cash and cash equivalents	\$220,164	\$470,306
Short-term investments	628,393	646,653
Accounts receivable, net	107,172	145,495
Inventories, net	106,085	118,790
Prepaid expenses and other	36,372	43,930
Total current assets	1,098,186	1,425,174
Long-term investments	351,407	105,556
Equipment, furniture and fixtures, net	29,427	37,567
Goodwill	232,015	232,015
Other intangible assets, net	91,274	76,749
Other long-term assets	37,404	45,995
Total assets	\$1,839,713	\$1,923,056

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$39,277	\$69,942
Accrued liabilities	79,282	84,476

Restructuring liabilities	8,914	7,065
Unfavorable lease commitments	8,512	7,653
Income taxes payable	5,981	6,479
Deferred revenue	19,637	36,097
Convertible notes payable	-	542,262
	-----	-----
Total current liabilities	161,603	753,974
Long-term deferred revenue	21,039	24,071
Long-term restructuring liabilities	26,720	22,694
Long-term unfavorable lease commitments	32,785	28,596
Other long-term obligations	1,678	1,594
Long-term convertible notes payable	842,262	300,000
	-----	-----
Total liabilities	1,086,087	1,130,929
	-----	-----
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 85,342,240 shares issued and outstanding	849	853
Additional paid-in capital	5,505,853	5,520,902
Unrealized gains on investments, net	(496)	(232)
Translation adjustment	(580)	(1,462)
Accumulated deficit	(4,752,000)	(4,727,934)
	-----	-----
Total stockholders' equity	753,626	792,127
	-----	-----
Total liabilities and stockholders' equity	\$1,839,713	\$1,923,056
	=====	=====

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

	Quarter Ended April 30,		Six Months Ended April 30,	
	2006	2007	2006	2007
	-----	-----	-----	-----
Revenues:				
Products	\$117,208	\$173,212	\$223,149	\$319,494
Services	13,967	20,315	28,456	39,134
	-----	-----	-----	-----
Total revenue	131,175	193,527	251,605	358,628
	-----	-----	-----	-----
Costs:				
Products	58,957	91,319	119,356	166,298
Services	9,312	20,378	18,888	36,872
	-----	-----	-----	-----
Total cost of goods sold	68,269	111,697	138,244	203,170
	-----	-----	-----	-----
Gross profit	62,906	81,830	113,361	155,458
	-----	-----	-----	-----
Operating expenses:				
Research and development	28,856	31,642	58,318	61,495
Selling and marketing	26,657	30,182	53,229	55,057
General and administrative	11,246	11,707	21,142	22,008
Amortization of intangible assets	6,295	6,295	12,590	12,590
Restructuring costs (recoveries)	3,014	(734)	5,029	(1,200)
Long-lived asset impairments	(3)	-	(6)	-
Recovery of doubtful accounts, net	(247)	-	(2,851)	(10)
Gain on lease settlement	(5,628)	-	(11,648)	-
	-----	-----	-----	-----
Total operating expenses	70,190	79,092	135,803	149,940
	-----	-----	-----	-----
Income (loss) from operations	(7,284)	2,738	(22,442)	5,518
Interest and other income, net	11,197	16,897	20,459	31,742
Interest expense	(5,815)	(6,148)	(11,868)	(12,296)
Loss on equity investments, net	-	-	(733)	-

Gain on extinguishment of debt	362	-	7,052	-
Income (loss) before income taxes	(1,540)	13,487	(7,532)	24,964
Provision for income taxes	370	477	669	898
Net income (loss)	\$(1,910)	\$13,010	\$(8,201)	\$24,066
Basic net income (loss) per common share	\$(0.02)	\$0.15	\$(0.10)	\$0.28
Diluted net income (loss) per potential common share	\$(0.02)	\$0.14	\$(0.10)	\$0.26
Weighted average basic common shares outstanding	83,518	85,198	83,251	85,076
Weighted average dilutive potential common shares outstanding	83,518	93,737	83,251	93,491

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

	Six Months Ended April 30,	
	2006	2007
Cash flows from operating activities:		
Net income (loss)	\$(8,201)	\$24,066
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Early extinguishment of debt	(7,052)	-
Amortization of premium on marketable securities	1,955	(3,052)
Non-cash loss from equity investments	733	-
Depreciation and amortization of leasehold improvements	9,691	6,298
Stock compensation	8,118	8,937
Amortization of intangibles	14,525	14,525
Provision for inventory excess and obsolescence	4,376	6,385
Provision for warranty and other contractual obligations	6,815	7,111
Other	1,280	872
Changes in assets and liabilities:		
Accounts receivable	(3,813)	(38,323)
Inventories	(34,119)	(19,090)
Prepaid expenses and other	5,264	(12,173)
Accounts payable, accrued liabilities and other obligations	(60,318)	17,741
Income taxes payable	(133)	498
Deferred revenue	15,312	19,492
Net cash provided by (used in) operating activities	(45,567)	33,287
Cash flows from investing activities:		
Additions to equipment, furniture, fixtures and intellectual property	(8,531)	(14,438)
Restricted cash	1,837	(5,549)
Purchases of available for sale securities	(130,837)	(213,219)
Maturities of available for sale securities	299,657	444,126
Minority equity investments, net	-	(181)
Net cash provided by investing activities	162,126	210,739
Cash flows from financing activities:		
Proceeds from issuance of 0.25% convertible senior notes payable	300,000	-
Repurchase of 3.75% convertible notes payable	(98,410)	-
Debt issuance costs	(7,652)	-
Purchase of call spread option	(28,457)	-
Proceeds from exercise of stock options	16,171	6,116

Net cash provided by financing activities	181,652	6,116
Net increase in cash and cash equivalents	298,211	250,142
Cash and cash equivalents at beginning of period	358,012	220,164
Cash and cash equivalents at end of period	\$656,223	\$470,306

Appendix A

The adjustments management makes in analyzing Ciena's fiscal second 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.
- 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.

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