

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 of 15(d) of the
Securities Exchange Act of 1934

FEBRUARY 19, 1998
Date of Report (Date of earliest event reported)

CIENA CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	0-21969	23-2725311
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employer Identification No.)

1201 WINTERSON ROAD, , LINTHICUM, MD	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)

ITEM 5. OTHER EVENTS

This current report on Form 8-K provides financial information pertaining to the retroactive effect of the February 19, 1998 business combination of Ciena Corporation and ATI Telecom International Ltd., which was accounted for under the pooling of interest method of accounting.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto included in "Financial Statements and Supplementary Data".

	FOR THE PERIOD FROM INCEPTION (NOVEMBER 2, 1992) THROUGH OCTOBER 31, 1993(1)	YEAR ENDED OCTOBER 31, (1)			
		1994	1995	1996	1997
(in thousands except per share data)					
STATEMENT OF OPERATIONS DATA:					
Revenue	\$ 4,074	\$ 20,890	\$ 21,691	\$ 88,463	\$ 413,215
Cost of goods sold.....	2,757	15,638	16,185	47,315	166,472
Gross profit	1,317	5,252	5,506	41,148	246,743
Operating expenses					
Research and development.....	-	1,287	6,361	8,922	23,308
Selling and marketing.....	253	1,339	1,907	5,641	22,627
General and administrative.....	473	2,352	3,034	6,422	19,323
Total operating expenses.....	726	4,978	11,302	20,985	65,258
Income (loss) from operations.....	591	274	(5,796)	20,163	181,485
Other income (expense), net.....	(8)	(180)	172	653	7,185
Income (loss) before income taxes.....	583	94	(5,624)	20,816	188,670
Provision for income taxes.....	254	942	824	3,553	72,703
Net income (loss).....	\$ 329	\$ (848)	\$ (6,448)	\$ 17,263	\$ 115,967
Basic net income (loss) per common share.....	\$ 0.06	\$ (0.12)	\$ (0.51)	\$ 1.25	\$ 1.53
Diluted net income (loss) per common and dilutive potential common share.....	\$ 0.06	\$ (0.12)	\$ (0.51)	\$ 0.19	\$ 1.11
Weighted average basic common shares outstanding.....	5,331	7,317	12,717	13,817	75,802
Weighted average basic common and dilutive potential common shares outstanding.....	5,331	7,317	12,717	92,407	104,664
October 31, (1)					
	1993	1994	1995	1996	1997
(in thousands)					
BALANCE SHEET DATA:					
Cash and cash equivalents.....	\$ 2,447	\$ 4,440	\$ 8,261	\$ 24,040	\$ 268,588
Working capital.....	2,172	5,485	7,221	42,240	333,452
Total assets.....	4,897	12,076	17,706	79,676	463,279
Long-term obligations, excluding current portion.....	2,201	1,901	2,074	3,465	1,885
Mandatorily redeemable preferred stock.....	-	3,492	14,454	40,404	-
Stockholders' equity (deficit).....	461	(300)	(6,662)	10,783	372,414

(1) The Company has a 52 or 53 week fiscal year which ends on the Saturday nearest to the last day of October in each year. For purposes of financial statement presentation, each fiscal year is described as having ended on October 31. Fiscal 1994, 1995, and 1997 comprised 52 weeks and fiscal 1996 comprised 53 weeks.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with "Selected Consolidated Financial Data" and the Company's consolidated financial statements and notes thereto included elsewhere in this report on Form 8-K. The information in this Form 8-K contains certain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, the risk factors disclosed in the Company's annual report on Form 10-K for the fiscal year ended October 31, 1997 and risk factors contained in the Company's quarterly reports on Form 10-Q and current reports on Form 8-K filed thereafter. The information presented in this report is presented as of October 31, 1997 and has not been updated or changed to reflect any events subsequent to that date, other than the acquisition of ATI Telecom International Ltd.

OVERVIEW

This management discussion and analysis of financial condition and results of operations has been restated to give retroactive effect to the Company's February 1998 acquisition of ATI Telecom International Ltd., ("Alta"), a Canadian corporation headquartered in Norcross, Georgia, in a transaction valued at approximately \$52.5 million. Alta provides a range of engineering, furnishing and installation services for telecommunications service providers in the areas of transport, switching and wireless communications. Under the terms of the agreement, the Company acquired all of the outstanding shares of Alta in exchange for 1,000,000 shares of CIENA common stock. The transaction constituted a tax-free reorganization and has been accounted for as a pooling of interest under Accounting Principles Board Opinion No. 16. Accordingly, all prior period consolidated financial statements presented have been restated to include the combined results of operations, financial position and cash flows of Alta as though it had been a part of CIENA.

CIENA Corporation is a leading supplier of DWDM systems for fiberoptic communications networks. CIENA's DWDM systems alleviate capacity constraints and enable flexible provisioning of additional bandwidth on high-traffic routes in carriers' networks.

The Company completed its initial public offering of 5,750,000 shares, inclusive of 750,000 shares from the exercise of the underwriters' over-allotment option, at a price of \$23 per share on February 12, 1997. Net proceeds from the initial public offering were approximately \$121.8 million with an additional \$0.6 million received from the exercise of certain outstanding warrants. On July 8, 1997 the Company completed a public offering of 10,477,216 shares of which 1,252,060 shares were sold by the Company, inclusive of 252,060 shares from the exercise of the underwriters' over-allotment option, at a price of \$44 per share. Net proceeds to the Company from the July public offering were approximately \$52.2 million. The Company has added the net proceeds from the public offerings and from the exercise of the warrants to working capital. Pending use of the net proceeds, the Company has invested such funds in short-term, interest bearing investment grade obligations.

The Company recognizes product revenue in accordance with the shipping terms specified. For transactions where the Company has yet to obtain customer acceptance, revenue is deferred until the terms of acceptance are satisfied. Revenue for installation services is recognized as the services are performed unless the terms of the supply contract combine product acceptance with installation, in which case revenues for installation services are recognized when the terms of acceptance are satisfied and installation is completed. Revenues from installation service fixed price contracts are recognized on the percentage of costs incurred to date compared to estimated total costs for each contract. Amounts received in excess of revenue recognized are recorded as deferred revenue. For distributor sales where risks of ownership have not transferred, the Company recognizes revenue when the product is shipped through to the end user.

All of the Company's revenue of \$21.7 million for the fiscal year ended October 31, 1995 was derived from engineering, furnishing and installation services sales. The Company's revenue of \$88.5 million for the fiscal year ended October 31, 1996 was derived from MultiWave 1600 system sales to Sprint and from engineering, furnishing and installation services sales. Revenue for the fiscal year ended October 31, 1997 was \$413.2 million and consisted primarily of MultiWave 1600 systems sales to Sprint, WorldCom, DTI, and through the Company's Japanese distributor Nissho, to Teleway, and from engineering, furnishing and installation services sales. The DTI installation represented the Company's first deployment of the MultiWave 1600 as part of a newly built long distance fiberoptic route.

In June 1997, the Company signed an agreement to supply MultiWave 1600 systems to Mercury, a U.K. based subsidiary of Cable and Wireless Communications Group. The agreement calls for delivery and installation beginning in August 1997 and continuing through December 1997. The Company also entered into an agreement with BICC Cables, plc, to assist the Company in the delivery of service and support to Mercury in connection with this installation and operation. Revenue recognition for the entirety of the Mercury shipments has been deferred until completion of field testing.

In June 1997, the Company announced a next generation version of the MultiWave 1600 system, the MultiWave Sentry, which includes enhancements that significantly expand the ability of the MultiWave system to interface with data communications equipment in addition to other types of transmission equipment and increase the distance which can be spanned between transmission terminals. The Company also announced a trial evaluation agreement with AT&T, which calls for the Company to supply six 16-channel MultiWave Sentry systems for laboratory interoperability testing. In August 1997, the Company reached agreement on a five-year supply contract with AT&T. The supply agreement does not obligate AT&T to make any minimum purchases from the Company.

In September 1997, the Company signed an agreement through Nissho to supply MultiWave Sentry to Japan Telecom. The agreement calls for delivery and installation over several months beginning in October 1997. Revenue recognition for the Japan Telecom shipments has been deferred until completion of field testing and product acceptance.

The Company is engaged in continuing efforts to expand its manufacturing capabilities. In April 1997 the Company moved its non-manufacturing operating functions to an approximately 96,000 square foot facility near the Baltimore/Washington International Airport in Linthicum, Maryland. During the third quarter ended July 1997, the Company completed the process of renovating the vacated areas of the 50,500 square foot facility in Savage, Maryland for manufacturing capabilities. In March 1997, the Company signed a lease for an additional facility of approximately 57,000 square feet located in Linthicum to be used for manufacturing and support functions.

In September 1997 the Company leased an additional non-manufacturing facility of approximately 68,000 square feet in the Linthicum area, which it will use to transfer its principal executive offices in the second and third quarter of fiscal 1998. The Company's current 96,000 square foot facility would then be converted almost entirely to research and product development functions. The Company added leased non-manufacturing facilities during the fourth quarter of fiscal 1997 in Atlanta, Georgia and in Middletown, New Jersey. These facilities will be used for product development, customer support and other selling and marketing activities. The Company also expects to lease additional manufacturing facilities in the Linthicum area of approximately 50,000 to 100,000 square feet during fiscal 1998.

As of October 31, 1997 the Company and its subsidiaries employed approximately 990 persons, which was an increase of 615 persons over the approximate 375 employed on October 31, 1996.

RESULTS OF OPERATIONS

FISCAL YEARS ENDED 1995, 1996 AND 1997

REVENUE. The Company recognized \$373.8 million and \$54.8 million in MultiWave 1600 system revenue for the years ended October 31, 1997 and 1996, respectively. Revenue from engineering, furnishing and installation services was \$39.4 million and \$33.7 million for fiscal 1997 and fiscal 1996, respectively. During the fiscal year ended October 31, 1995 the Company's \$21.7 million in revenue was derived exclusively from engineering, furnishing and installation services sales. The Company began shipping the MultiWave 1600 system for field testing in May 1996 with customer acceptance by Sprint occurring in July 1996. The MultiWave 1600 system began carrying live traffic in the Sprint network in October 1996. Initial field trials, customer acceptance, and the carrying of live traffic each occurred during fiscal 1997 in the WorldCom, Teleway, and DTI networks.

Sprint and WorldCom accounted for \$179.4 million (43.4%) and \$184.5 million (44.7%), respectively of the Company's revenue during fiscal 1997. Revenue derived from foreign sales accounted for less than 3% of the Company's revenues during fiscal 1997. The Company expects fiscal 1998 revenue from both Sprint and WorldCom to account for a lower percentage of the Company's total fiscal 1998 revenue and also expects an increase over the fiscal 1997 in the percentage of 1998 revenue derived from foreign sales.

The Company expects a decrease in the amount of revenues from MultiWave 1600 systems in fiscal 1998 as compared to fiscal 1997. The Company expects this decline in MultiWave 1600 revenue will be offset by the initial product acceptance and revenue recognition from system sales of MultiWave Sentry, MultiWave FireFly, MultiWave 4000 and additional installation services but given the recent introduction of these products, there can be no assurance that this will be the case.

GROSS PROFIT. Cost of goods sold consists of component costs, direct compensation costs, warranty and other contractual obligations, royalties, license fees, and overhead related to the Company's manufacturing and engineering, furnishing and installation operations. Gross profit was \$246.7 million, \$41.1 million, and 5.5 million for fiscal years 1997, 1996, and 1995, respectively. Gross margin was 59.7%, 46.6%, and 25.4% for fiscal 1997, 1996, and 1995, respectively. The year to year increase in gross margin was primarily the result of a change in product mix from revenues largely derived from lower margin engineering, furnishing and installation sales to higher margin MultiWave product sales. The year to year increase was also attributable to fixed overhead costs being allocated over a larger revenue base, an improvement in manufacturing efficiencies, and reductions in component costs.

The Company's gross margins in the future may be under pressure by a number of factors, including competitive market pricing, manufacturing volumes and efficiencies and fluctuations in component costs. During fiscal 1998 the Company expects that future gross margins may be affected by the mix of product features and configurations sold in a period as well as the extent of installation services provided.

RESEARCH AND DEVELOPMENT EXPENSES. Research and development expenses were \$23.3 million, \$8.9 million, and \$6.4 million for fiscal 1997, 1996, and 1995, respectively. The approximate \$14.4 million or 161% increase from fiscal 1996 to 1997 and the approximate \$2.5 million or 40.3% increase from fiscal 1995 to fiscal 1996 in research and development expenses related to increased staffing levels, purchases of materials used in development of new or enhanced product prototypes, and outside consulting services in support of certain developments and design efforts. During fiscal 1997, 1996, and 1995 research and development expenses were 5.6%, 10.1%, and 29.3% of revenue, respectively. The Company expects that its research and development expenditures will continue to increase in absolute dollars and perhaps as a percentage of revenue during fiscal 1998 to support the continued development of the various DWDM products, the exploration of new or complementary technologies, and the pursuit of various cost reduction strategies. The Company has expensed research and development costs as incurred.

SELLING AND MARKETING EXPENSES. Selling and marketing expenses were \$22.6 million, \$5.6 million, and \$1.9 million for fiscal 1997, 1996, and 1995, respectively. The approximate \$17.0 million or 301% increase from fiscal 1996 to 1997 and the approximate \$3.7 million or 196% increase from fiscal 1995 to fiscal 1996 in selling and marketing expenses was primarily the result of increased staffing levels in the areas of sales, technical assistance and field support, and increases in commissions earned, trade show participation and promotional costs. During fiscal 1997, 1996, and 1995 selling and marketing expenses were 5.5%, 6.4%, and 8.8% of revenue, respectively. The Company anticipates that its selling and marketing expenses will increase in absolute dollars and perhaps as a percentage of revenue during fiscal 1998 as additional personnel are hired and additional offices are opened to allow the Company to pursue new market opportunities. The Company also expects the portion of selling and marketing expenses attributable to technical assistance and field support will increase as the Company's installed base of operational MultiWave systems increases.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses were \$19.3 million, \$6.4 million, and \$3.0 million for fiscal 1997, 1996, and 1995, respectively. The approximate \$12.9 million or 201% increase from fiscal 1996 to 1997 in general and administrative expenses was primarily the result of a \$7.5 million charge for actual and estimated legal and related costs associated with ongoing and pending litigation. The remaining \$5.4 million increase was primarily the result of increased staffing levels and outside consulting services. The approximate \$3.4 million or 112% increase from fiscal 1995 to 1996 in general and administrative expenses was also the result of increased staffing levels and outside consulting services. During fiscal 1997, 1996 and 1995, general and administrative expenses were 4.7%, 7.3%, and 14.0% of revenue, respectively. The Company believes that its general and administrative expenses will increase in absolute dollars and perhaps as a percentage of revenue during fiscal 1998 as a result of the expansion of the Company's administrative staff required to support its expanding operations and legal expenses associated with pending litigation.

OPERATING PROFIT (LOSS). The Company's operating profit for fiscal 1997 and 1996 was \$181.5 million or 43.9% of revenue, and \$20.2 million or 22.8%, respectively. During fiscal year 1995 the Company incurred a loss from

operations of \$5.8 million or 26.7% of revenue. The year to year increases in operating profits was primarily due to the comparable increases in revenues and gross profits derived from the Company's MultiWave systems. The Company expects that its operating profit will decrease as a percentage of revenue as it continues to hire additional personnel and increase operating expenses to support its business.

OTHER INCOME (EXPENSE), NET. Other income (expense), net, consists of interest income earned on the Company's cash and cash equivalents, net of interest expense associated with the Company's debt obligations. Other income (expense), net, was \$7.2 million, \$0.7 million, and \$0.2 million for fiscal 1997, 1996, and 1995, respectively. The year to year increase in other income (expense), net, was primarily the result of the investment of the net proceeds of the Company's stock offerings.

PROVISION FOR INCOME TAXES. During fiscal 1995, Alta was required to file separate Federal, State and Foreign income tax returns resulting in a tax expense of \$0.8 million. Also during fiscal 1995, no tax benefit was recorded for the losses derived from the Company's other operations as a valuation allowance had been recorded to offset the Company's net deferred tax assets, including possible future benefit from realization of tax operating loss carryforwards. The recording of such valuation allowance was based upon management's determination that realization of the net deferred tax assets was not "more likely than not" (as defined in Statement of Financial Accounting Standards No. 109, " Accounting for Income Taxes"). During fiscal 1996, the Company received product acceptance from its initial customer and commenced profitable operations, at which time the Company reversed its previously established deferred tax valuation allowance. The provision for income taxes for fiscal 1996 of \$3.6 million is net of a tax benefit of approximately \$4.6 million related to the reversal of the deferred tax valuation allowance. See Note 7 of Notes to Consolidated Financial Statements. The Company's provision for income taxes was 38.5% of pre-tax earnings, or \$72.7 million for fiscal 1997.

QUARTERLY RESULTS OF OPERATIONS

The tables below set forth the operating results and percentage of revenue represented by certain items in the Company's statements of operations for each of the eight quarters in the period ended October 31, 1997. This information is unaudited, but in the opinion of the Company reflects all adjustments (consisting only of normal recurring adjustments) that the Company considers necessary for a fair presentation of such information in accordance with generally accepted accounting principles. The results for any quarter are not necessarily indicative of results for any future period.

	Fiscal Quarter Ended							
	Jan. 31, 1996	Apr. 30, 1996	Jul. 31, 1996	Oct. 31, 1996	Jan. 31, 1997	April 30, 1997	Jul. 31, 1997	Oct. 31 1997
	(in thousands, except per share data)							
Revenue	\$ 8,579	\$ 6,765	\$ 25,732	\$47,387	\$ 63,673	\$ 97,603	\$121,845	\$130,094
Cost of goods sold	6,449	5,138	14,036	21,692	28,253	40,400	47,569	50,250
Gross profit	2,130	1,627	11,696	25,695	35,420	57,203	74,276	79,844
Operating expenses:								
Research and development	2,473	1,746	1,964	2,739	3,050	4,699	7,245	8,314
Selling and marketing	990	1,068	1,609	1,974	3,070	4,946	6,722	7,889
General and administrative	1,175	1,023	1,711	2,513	7,003	2,797	3,241	6,282
Total operating expenses	4,638	3,837	5,284	7,226	13,123	12,442	17,208	22,485
Income (loss) from operations	(2,508)	(2,210)	6,412	18,469	22,297	44,761	57,068	57,359
Other income (expense), net	124	258	102	169	302	1,846	1,426	3,611
Income (loss) before income taxes	(2,384)	(1,952)	6,514	18,638	22,599	46,607	58,494	60,970
Provision (benefit) for income taxes	382	249	(4,276)	7,198	8,744	18,127	22,770	23,062
Net income (loss)	\$ (2,766)	\$ (2,201)	\$ 10,790	\$11,440	\$ 13,855	\$ 28,480	\$ 35,724	\$ 37,908
Basic net income (loss) per common share								
(1) (2)	\$ (0.21)	\$ (0.16)	\$ 0.77	\$ 0.81	\$ 0.97	\$ 0.31	\$ 0.36	\$ 0.38
Diluted net income (loss) per common share and dilutive potential common share								
(1) (2)	\$ (0.21)	\$ (0.16)	\$ 0.11	\$ 0.12	\$ 0.14	\$ 0.27	\$ 0.34	\$ 0.35
Weighted average basic common share (1)	13,115	13,862	14,057	14,178	14,216	92,644	98,021	99,786
Weighted average basic and common and dilutive potential common share (1)	13,115	13,862	95,970	97,755	100,425	105,456	106,296	107,308

	Fiscal Quarter Ended							
	Jan. 31, 1996	Apr. 30, 1996	Jul. 31, 1996	Oct. 31, 1996	Jan. 31, 1997	Apr. 30, 1997	Jul. 31, 1997	Oct. 31, 1997
	(as a percentage of revenue)							
Revenue	100.0	100.0	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	75.2	75.9	54.5	45.8	44.4	41.4	39.0	38.6
Gross profit	24.8	24.1	45.5	54.2	55.6	58.6	61.0	61.4
Operating expenses:								
Research and development	28.8	25.8	7.6	5.8	4.8	4.8	5.9	6.4
Selling and marketing	11.5	15.8	6.3	4.2	4.8	5.1	5.5	6.1
General and administrative	13.7	15.1	6.6	5.3	11.0	2.9	2.7	4.8
Total operating expenses	54.0	56.7	20.5	15.3	20.6	12.8	14.1	17.3
Income (loss) from operations	(29.2)	(32.6)	25.0	38.9	35.0	45.8	46.9	44.1
Other income (expense), net	1.4	3.8	0.4	0.4	0.5	1.9	1.2	2.8
Income (loss) before income taxes	(27.8)	(28.8)	25.4	39.3	35.5	47.7	48.1	46.9
Provision (benefit) for income taxes ..	4.5	3.7	(16.6)	15.2	13.7	18.6	18.7	17.7
Net income (loss)	(32.3)	(32.5)	42.0 %	24.1 %	21.8 %	29.1 %	29.4 %	29.2 %

(1) The diluted net income (loss) per common share and dilutive potential

common share include the weighted average outstanding basic and dilutive common shares which includes Common Stock, stock options and warrants using the treasury stock method and the assumed conversion of all outstanding shares of Convertible Preferred Stock into Common Stock for all periods stated, except for the quarters ended January 31, 1996 and April 30, 1996, which because a loss was incurred during these quarters, are presented using only basic shares outstanding. Basic shares outstanding includes only weighted average Common Stock outstanding.

- (2) The sum of the quarterly earnings per share for fiscal 1996 does not equal the reported annual earnings per share for fiscal 1996 due to the effect of using only basic shares outstanding for the quarters ended January 31, 1996 and April 30, 1996. The sum of the quarterly earnings per share for fiscal 1997 does not equal the reported annual earnings per share for fiscal 1997 due to the effect of the Company's stock issuances during the year.

QUARTERLY RESULTS OF OPERATIONS CONTINUED

The Company's quarterly operating results have varied and are expected to vary significantly in the future. These fluctuations may be caused by many factors, including, among others, the size and timing of customer orders and the related field testing and product acceptance cycle times; increases in manufacturing and operating expenses in anticipation of expected customer demand; effective transition and market acceptance of new and multiple product lines; competitive pricing pressures; mix of products and services sold; intellectual property litigation; and general economic conditions. As a result of the foregoing and other factors, the Company believes that period-to-period comparisons of its results of operations are not necessarily meaningful and should not be relied upon as indications of future performance.

The Company's revenue increased significantly on a quarter-to-quarter basis since the Company's initial customer acceptance of its' MultiWave systems during the quarter ended July 31, 1996 to the quarter ended July 31, 1997. The fourth quarter ended October 31, 1997 posted an increase in revenue as compared to the third quarter ended July 31, 1997 with moderating sequential growth in percentage terms as compared to the previous quarters. The moderating revenue growth in the fourth quarter of fiscal 1997 was attributable to a year-end wind-down of the annual capital equipment procurement cycle of one of the two primary customers of the Company.

Operating expenses have generally increased in absolute dollars over the quarters shown as the Company has increased staffing and related infrastructure costs in its research and development, selling and marketing, and administrative functions. Quarter-to-quarter growth in research and development was primarily attributable to increased staffing levels, purchases of materials used in the development of new or enhanced prototypes, and outside services in support of certain developments and design efforts. Quarter-to-quarter growth in selling and marketing was primarily the result of increased staffing levels in the areas of sales, technical assistance and field support, and increases in commissions earned, trade show participation and promotional costs. For the quarters ended January 31, 1997 and October 31, 1997, the increases in general and administrative costs were primarily the result of a \$5.0 and \$2.5 million charge, respectively, to accrue estimated legal and related costs associated with pending litigation.

LIQUIDITY AND CAPITAL RESOURCES

The Company financed its operations and capital expenditures from inception through fiscal 1996 principally through the sale of Convertible Preferred Stock for proceeds totaling \$40.6 million and capital lease financing totaling \$4.1 million. The Company completed its initial public offering of Common Stock in February 1997 and realized net proceeds of approximately \$121.8 million with an additional \$0.6 million received from the exercise of certain outstanding warrants. In July 1997, the Company completed a public offering of Common Stock and realized net proceeds of approximately \$52.2 million. During fiscal 1997 the Company also realized approximately \$53.1 million in tax benefits from the exercise of stock options and certain stock warrants. As of October 31, 1997, the Company had \$268.6 million in cash and cash equivalents.

The Company's operating activities used cash of \$5.2 million and \$1.2 million in fiscal 1995 and 1996, respectively, and provided cash of \$85.0 million for fiscal 1997. The cash used in operations in fiscal 1995 and 1996 was accounted for primarily by the Company's research and development activities relating to its early development of the MultiWave system. Cash provided by operations in fiscal 1997 was principally attributable to net income adjusted for the non-cash charges of depreciation, amortization, provisions for inventory obsolescence and warranty, increases in accounts payable, accrued expenses and income tax payable; offset by increases in accounts receivable and inventories due to increased revenue and to the general increase in business activity.

Cash used in investing activities in fiscal 1995, 1996 and 1997 were \$2.1 million, \$11.6 million and \$66.8 million, respectively. Included in investment activities were capital equipment expenditures in fiscal 1995, 1996 and 1997 of \$2.0 million, \$9.9 million and \$51.9 million, respectively. These capital equipment expenditures were primarily for test, manufacturing and computer equipment. The Company expects additional capital equipment

expenditures to be made during fiscal 1998 to support selling and marketing, manufacturing and product development activities. In addition, since its inception the Company's investing activities have included the use of \$17.3 million for the construction of leasehold improvements and expects to use an additional \$9.9 million of capital in the construction of leasehold improvements for its new facilities. The Company intends lease additional facilities of 50,000 to 100,000 square feet in mid-1998 and may spend up to \$5.0 million to \$10.0 million in improving such facilities as and to the extent necessary to meet expansion requirements.

The Company believes that its existing cash balance and cash flows expected from future operations will be sufficient to meet the Company's capital requirements for at least the next 18 to 24 months.

AUDITED FINANCIAL STATEMENTS

The following is an index to the audited consolidated financial statements:

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To the Board of Directors and
Stockholders of CIENA Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows and of changes in stockholders' equity (deficit) present fairly, in all material respects, the financial position of CIENA Corporation and subsidiaries at October 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

Falls Church, VA
November 26, 1997, except for Note 1 Principles of Consolidation, as to which
the date is February 19, 1998

CIENA CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	October 31,	
	1996	1997
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 24,040	\$ 268,588
Accounts receivable (net of allowance of \$233 and \$722).....	26,516	72,336
Inventories, net.....	13,228	41,109
Deferred income taxes.....	1,834	9,139
Prepaid expenses and other.....	1,646	3,093
	67,264	394,265
Total current assets.....		
Equipment, furniture and fixtures, net.....	11,972	67,618
Other assets.....	440	1,396
	\$ 79,676	\$ 463,279
	\$ 79,676	\$ 463,279
LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 9,363	\$ 24,760
Accrued liabilities.....	5,242	32,022
Income taxes payable.....	3,962	261
Deferred revenue.....	4,598	2,591
Other current obligations.....	1,859	1,179
	25,024	60,813
Total current liabilities.....		
Deferred income taxes.....	-	28,167
Other long-term obligations.....	3,465	1,885
	28,489	90,865
Total liabilities.....		
Commitments and contingencies.....	-	-
Mandatorily redeemable preferred stock - par value \$.01, 16,250,000 shares authorized:		
Series A - 4,500,000 shares authorized; 3,590,157 and zero shares issued and outstanding	3,492	-
Series B - 8,000,000 shares authorized; 7,354,092 and zero shares issued and outstanding	10,962	-
Series C - 3,750,000 shares authorized; 3,718,899 and zero shares issued and outstanding.....	25,950	-
Stockholders' equity:		
Preferred stock - par value \$.01; 20,000,000 shares authorized; zero shares issued and outstanding.....	-	-
Common stock - par value \$.01; 180,000,000 shares authorized; 14,191,585 and 100,287,653 shares issued and outstanding.....	142	1,003
Additional paid-in capital.....	407	245,219
Notes receivable from stockholders.....	(60)	(64)
Translation adjustment.....	-	(5)
Retained earnings.....	10,294	126,261
	10,783	372,414
Total stockholders' equity.....		
Total liabilities, mandatorily redeemable preferred stock and stockholders' equity.....	\$ 79,676	\$ 463,279
	\$ 79,676	\$ 463,279

CIENA CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Year Ended October 31,		
	1995	1996	1997
Revenue.....	\$ 21,691	\$ 88,463	\$ 413,215
Cost of goods sold.....	16,185	47,315	166,472
Gross profit.....	5,506	41,148	246,743
Operating expenses:			
Research and development.....	6,361	8,922	23,308
Selling and marketing.....	1,907	5,641	22,627
General and administrative.....	3,034	6,422	19,323
Total operating expenses.....	11,302	20,985	65,258
Income (loss) from operations.....	(5,796)	20,163	181,485
Interest and other income (expense), net.....	435	1,096	7,593
Interest expense.....	(263)	(443)	(408)
Income (loss) before income taxes.....	(5,624)	20,816	188,670
Provision for income taxes.....	824	3,553	72,703
Net income (loss).....	\$ (6,448)	\$ 17,263	\$ 115,967
Basic net income (loss) per common share.....	\$ (0.51)	\$ 1.25	\$ 1.53
Diluted net income (loss) per common share and dilutive potential common share.....	\$ (0.51)	\$ 0.19	\$ 1.11
Weighted average basic common shares outstanding	12,717	13,817	75,802
Weighted average basic common and dilutive potential common shares outstanding.....	12,717	92,407	104,664

The accompanying notes are an integral part of these consolidated financial statements.

CIENA CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(DOLLARS IN THOUSANDS)

	COMMON STOCK		ADDITIONAL PAID-IN-CAPITAL	NOTES RECEIVABLE FROM STOCKHOLDERS	FOREIGN CURRENCY TRANSLATION ADJUSTMENT	RETAINED EARNINGS (DEFICIT)	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
	SHARES	AMOUNT					
BALANCE AT OCTOBER 31, 1994.....	11,816,665	\$ 118	\$ 167	\$ (65)	\$ -	\$ (519)	\$ (299)
Exercise of warrants.....	1,075,000	11	11	-	-	-	22
Exercise of stock options.....	43,750	-	-	-	-	-	-
Repayment of receivables from stockholders.....	-	-	-	65	-	-	65
Dividend payable.....	-	-	-	-	-	(2)	(2)
Net loss.....	-	-	-	-	-	(6,448)	(6,448)
BALANCE AT OCTOBER 31, 1995.....	12,935,415	129	178	-	-	(6,969)	(6,662)
Exercise of warrants.....	676,425	7	-	-	-	-	7
Exercise of stock options.....	579,745	6	71	(60)	-	-	17
Compensation cost of stock options.....	-	-	2	-	-	-	2
Issuance of warrant for settlement of certain equity rights.....	-	-	156	-	-	-	156
Net income.....	-	-	-	-	-	17,263	17,263
BALANCE OF OCTOBER 31, 1996.....	14,191,585	142	407	(60)	-	10,294	10,783
Issuance of common stock, net of issuance costs.....	7,002,060	70	173,947	-	-	-	174,017
Conversion of Preferred Stock.....	74,815,740	748	40,256	-	-	-	41,004
Exercise of warrants.....	666,086	7	-	-	-	-	7
Exercise of stock options.....	3,612,182	36	859	(73)	-	-	822
Tax benefit from the exercise of stock options.....	-	-	29,709	-	-	-	29,709
Repayment of receivables from stockholders.....	-	-	-	69	-	-	69
Translation adjustment.....	-	-	-	-	(5)	-	(5)
Compensation cost of stock options and other adjustments.	-	-	41	-	-	-	41
Net income.....	-	-	-	-	-	115,967	115,967
BALANCE AT OCTOBER 31, 1997.....	100,287,653	\$ 1,003	\$245,219	\$ (64)	\$ (5)	\$126,261	\$ 372,414

The accompanying notes are an integral part of these consolidated financial statements.

CIENA CORPORATION
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (IN THOUSANDS)

	YEAR ENDED OCTOBER 31,		
	1995	1996	1997
Cash flows from operating activities:			
Net (loss) income	\$ (6,448)	\$ 17,263	\$ 115,967
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Non-cash charges from equity transactions.....	-	158	36
Write down of leasehold improvements and equipment.....	-	883	923
Depreciation and amortization.....	414	1,082	10,251
Provision for doubtful accounts.....	76	76	489
Provision for inventory excess and obsolescence.....	-	1,937	7,585
Provision for warranty and other contractual obligations.....	-	1,584	11,866
Changes in assets and liabilities:			
Increase in accounts receivable.....	(169)	(20,601)	(46,309)
Increase in inventories.....	-	(15,165)	(35,466)
Increase in deferred income tax assets.....	-	(1,834)	(7,305)
Increase in prepaid expenses and other assets.....	(9)	(1,009)	(2,403)
Increase in accounts payable and accruals.....	1,171	7,259	30,311
Increase (decrease) in income taxes payable.....	161	3,801	(3,701)
(Decrease) increase in deferred income tax liabilities.....	(392)	-	4,793
(Decrease) increase in deferred revenue and other obligations.....	(23)	3,386	(2,007)
Net cash (used in) provided by operating activities.....	(5,219)	(1,180)	85,030
Cash flows from investing activities:			
Additions to equipment, furniture and fixtures.....	(2,120)	(11,558)	(66,820)
Net cash used in investing activities.....	(2,120)	(11,558)	(66,820)
Cash flows from financing activities:			
Net proceeds from (repayment of) other obligations.....	111	2,543	(2,260)
Net proceeds from issuance of or subscription to mandatorily redeemable preferred stock.....	10,962	25,950	-
Net proceeds from issuance of common stock	22	24	175,446
Tax benefit related to exercise of stock options and warrants...	-	-	53,083
Repayment of notes receivable from stockholders.....	65	-	69
Net cash provided by financing activities.....	11,160	28,517	226,338
Net increase in cash and cash equivalents.....	3,821	15,779	244,548
Cash and cash equivalents at beginning of period.....	4,440	8,261	24,040
Cash and cash equivalents at end of period.....	\$ 8,261	\$ 24,040	\$ 268,588
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest.....	\$ 269	\$ 419	\$ 405
Income taxes.....	\$ 1,023	\$ 1,830	\$ 26,999
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:			
Issuance of common stock for notes receivable from stockholders.....	\$ -	\$ 60	\$ 73

The accompanying notes are an integral part of these consolidated financial statements.

CIENA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

Description of Business

CIENA Corporation (the "Company" or "CIENA"), a Delaware corporation, designs, manufactures and sells dense wavelength division multiplexing systems for fiberoptic telecommunications networks. During the period from November 2, 1992 to October 31, 1995, CIENA was a development stage company as defined in Statement of Financial Accounting Standards No. 7, "Development Stage Enterprises". Planned principal operations commenced during fiscal 1996 and, accordingly, CIENA is no longer considered a development stage company.

Principles of Consolidation

During the fiscal year ended October 31, 1997, the Company formed four wholly owned subsidiaries for the purpose of segregating aspects of the Company's business. The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

On February 19, 1998 the Company completed a merger with ATI Telecom International Ltd., ("Alta"), a Canadian corporation headquartered in Norcross, Georgia, in a transaction valued at approximately \$52.5 million. Alta provides a range of engineering, furnishing and installation services for telecommunications service providers in the areas of transport, switching and wireless communications. Under the terms of the agreement the Company exchanged 1,000,000 shares of its common stock for all the common stock of Alta. The merger constituted a tax-free reorganization and has been accounted for as a pooling of interests under Accounting Principles Board Opinion No. 16. Accordingly, all prior period consolidated financial statements presented have been restated to include the combined results of operations, financial position and cash flows of Alta as though it had been a part of CIENA.

Prior to the merger, Alta's year ended on December 31. In recording the business combination, Alta's prior period financial statements have been restated to a year ended October 31, to conform to CIENA's fiscal year end.

All intercompany transactions between CIENA and Alta have been eliminated in consolidation. Certain reclassifications were made to Alta financial statements to conform to CIENA's presentation. No material adjustments were made to conform to CIENA's accounting policies.

The following table shows the separate historical results of CIENA and Alta for the periods prior to the consummation of the merger of the two entities:

(in thousands)

	Year Ended October 31,			Quarter Ended January 31,
	1995	1996	1997	1998 (unaudited)
Revenues:				
CIENA	\$ -	\$ 54,838	\$ 373,827	\$ 134,267
Alta	21,691	33,625	39,531	11,349
Intercompany eliminations	-	-	(143)	(524)
Consolidated total, as restated	\$ 21,691	\$ 88,463	\$ 413,215	\$ 145,092
Net Income (loss):				
CIENA	\$ (7,629)	\$ 14,718	\$ 112,945	\$ 39,768
Alta	1,181	2,545	3,022	(70)
Consolidated total, as restated	\$ (6,448)	\$ 17,263	\$ 115,967	\$ 39,698

Fiscal Year

The Company has a 52 or 53 week fiscal year which ends on the Saturday nearest to the last day of October in each year (November 1, 1997; November 2, 1996; and October 28, 1995). For purposes of financial statement presentation, each fiscal year is described as having ended on October 31. Fiscal 1997 and 1995 comprised 52 weeks and fiscal 1996 comprised 53 weeks.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, together with amounts disclosed in the related notes to the financial statements. Particularly sensitive estimates include reserves for warranty and other contractual obligations and for excess and obsolete inventories. Actual results could differ from the recorded estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market, with cost determined on the first-in, first-out basis. The Company records a provision for excess and obsolete inventory whenever such an impairment has been identified.

Equipment, Furniture and Fixtures

Equipment, furniture and fixtures are recorded at cost. Depreciation and amortization are computed using the straight-line method over useful lives of 2-5 years for equipment, furniture and fixtures and of 6-10 years for leasehold improvements.

Concentrations

Substantially all of the Company's cash and cash equivalents are custodied with four major U.S. financial institutions. The majority of the Company's cash equivalents include U.S. Government Federal Agency Securities and overnight repurchase agreements. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally these deposits may be redeemed upon demand and therefore, bear minimal risk.

Historically, the Company has relied on a limited number of customers for a substantial portion of its revenue. In terms of total revenue, the Company's largest two customers have been Sprint and WorldCom who combined for greater than 88% of the Company's fiscal 1997 revenue. The Company expects that a significant portion of its future revenue will continue to be generated by a limited number of customers. The loss of any of these customers or any substantial reduction in orders by any of these customers could materially adversely affect the Company's operating results. Additionally, the Company's access to certain raw materials is dependent upon single and sole source suppliers. The inability of any supplier to fulfill supply requirements of the Company could impact future results.

The Company performs ongoing credit evaluations of its customers and generally does not require collateral from its customers. The Company maintains allowances for potential losses, and has not incurred any significant losses to date. As of October 31, 1996 all of the Company's trade accounts receivable were derived from Sprint, and both Sprint and WorldCom accounted for more than 84% of the trade accounts receivable as of October 31, 1997.

Revenue Recognition

The Company recognizes product revenue in accordance with the shipping terms specified. For transactions where the Company has yet to obtain customer acceptance, revenue is deferred until the terms of acceptance are satisfied. Revenue for installation services is recognized as the services are performed unless the terms of the supply contract combine product acceptance with installation, in which case revenues for installation services are

recognized when the terms of acceptance are satisfied and installation is completed. Revenues from installation service fixed price contracts are recognized on the percentage of costs incurred to date compared to estimated total costs for each contract. Amounts received in excess of revenue recognized are recorded as deferred revenue. For distributor sales where risks of ownership have not transferred, the Company recognizes revenue when the product is shipped through to the end user.

Revenue-Related Accruals

The Company provides for the estimated costs to fulfill customer warranty and other contractual obligations upon the recognition of the related revenue. Such reserves are determined based upon actual warranty cost experience, estimates of component failure rates, and management's industry experience. The Company's contractual sales arrangements generally do not permit the right of return of product by the customer after the product has been accepted.

Research and Development

The Company charges all research and development costs to expense as incurred.

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 (SFAS No. 109), "Accounting for Income Taxes". SFAS No. 109 is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, and for operating loss and tax credit carryforwards. In estimating future tax consequences, SFAS No. 109 generally considers all expected future events other than the enactment of changes in tax laws or rates. Tax savings resulting from deductions associated with stock options and certain stock warrants are credited directly to additional paid in capital when realization of such benefit is fully assured and to deferred tax liabilities prior to such point. See Note 7.

Foreign Currency Translation

The majority of the Company's foreign branches and subsidiaries use the U.S. dollar as their functional currency as the U.S. parent exclusively funds the branches and subsidiaries' operations with U.S. dollars. The net gain (loss) on foreign currency remeasurement and exchange rate changes for fiscal 1995, 1996, and 1997 was immaterial.

Computation of Basic Net Income per Common Share and Diluted Net Income per Common and Dilutive Potential Common Share

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share" (SFAS No. 128). SFAS No. 128 simplifies the earnings per share (EPS) computation and replaces the presentation of primary EPS with a presentation of basic EPS. This statement also requires dual presentation of basic and diluted EPS on the face of the income statement for entities with a complex capital structure and requires a reconciliation of the numerator and denominator used for the basic and diluted EPS computations. The Company has implemented SFAS No. 128 in fiscal 1998, as required. Accordingly, all prior period EPS data has been restated.

The following is a reconciliation of the numerators and denominators of the basic net income per common share ("basic EPS") and diluted net income per common and dilutive potential common share ("diluted EPS"). Basic EPS is computed using the weighted average number of common shares outstanding. Diluted EPS is computed using the weighted average number of common shares outstanding, stock options and warrants using the treasury stock method and shares issued upon conversion of all outstanding shares of Mandatorily Redeemable Preferred Stock. (in thousands except per share amounts)

For the Year Ended October 31, 1995

	(Loss) (Numerator)	Shares (Denominator)	Per Share Amount

BASIC EPS			
(Loss) available to common stockholders	\$ (6,448)	12,717	\$ (0.51)
			=====
EFFECT OF DILUTIVE SECURITIES			
No effect due to anti-dilution	-	-	

DILUTED EPS			
(Loss) available to common stockholders	\$ (6,448)	12,717	\$ (0.51)
			=====

For the Year Ended October 31, 1996

	Income (Numerator)	Shares (Denominator)	Per Share Amount

BASIC EPS			
Income available to common stockholders	\$ 17,263	13,817	\$ 1.25
			=====
EFFECT OF DILUTIVE SECURITIES			
Stock options and warrants	-	8,533	
Conversion of Preferred Stock	-	70,057	

DILUTED EPS			
Income available to common stockholders + assumed conversions	\$ 17,263	92,407	\$ 0.19
			=====

For the Year Ended October 31, 1997

	Income (Numerator)	Shares (Denominator)	Per Share Amount

BASIC EPS			
Income available to common stockholders	\$ 115,967	75,802	\$ 1.53
			=====
EFFECT OF DILUTIVE SECURITIES			
Stock options and warrants	-	8,774	
Conversion of Preferred Stock	-	20,088	

DILUTED EPS			
Income available to common stockholders + assumed conversions	\$ 115,967	104,664	\$ 1.11
			=====

Software Development Costs

Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed", requires the capitalization of certain software development costs incurred subsequent to the date technological feasibility is established and prior to the date the product is generally available

for sale. The capitalized cost is then amortized over the estimated product life. The Company defines technological feasibility as being attained at the time a working model is completed. To date, the period between achieving technological feasibility and the general availability of such software has been short and software development costs qualifying for capitalization have been insignificant. Accordingly, the Company has not capitalized any software development costs.

Accounting for Stock Options

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (SFAS No. 123), "Accounting for Stock-Based Compensation," which is effective for the Company's consolidated financial statements for fiscal years 1996 and 1997. SFAS No. 123 allows companies to either account for stock-based compensation under the new provision of SFAS No. 123 or using the intrinsic value method provided by Accounting Principles Board Opinion No. 25 (APB No. 25), "Accounting for Stock Issued to Employees," but requires pro forma disclosure in the footnotes to the financial statements as if the measurement provisions of SFAS No. 123 had been adopted. The Company has elected to continue to account for its stock based compensation in accordance with the provisions of APB No.25 and present pro forma disclosures required by SFAS No. 123. See Note 6.

Newly Issued Accounting Standards

In June 1997, the FASB issued SFAS No. 130, "Comprehensive Income." SFAS No. 130 becomes effective for the Company's fiscal year 1999 and requires reclassification of earlier financial statements for comparative purposes. SFAS No. 130 requires that changes in the amounts of certain items, including foreign currency translation adjustments and gains and losses on certain securities be shown in the financial statements. SFAS No. 130 does not require a specific format for the financial statement in which comprehensive income is reported, but does require that an amount representing total comprehensive income be reported in that statement. The Company believes the adoption of SFAS No. 130 will not have a material effect on the consolidated financial statements.

Also in June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." This Statement will change the way public companies report information about segments of their business in annual financial statements and requires them to report selected segment information in their quarterly reports issued to stockholders. It also requires entity-wide disclosures about the products and services an entity provides, the material countries in which it holds assets and reports revenues, and its major customers. The Statement is effective for the Company's fiscal year 1999. The Company believes the adoption of SFAS No. 131 will not have a material effect on the consolidated financial statements.

Reclassification

Certain prior year amounts have been reclassified to conform to current year consolidated financial statement presentation.

(2) INVENTORIES

Inventories are comprised of the following (in thousands):

	October 31,	
	1996	1997
Raw materials.....	\$ 8,585	\$ 27,716
Work-in-process.....	3,629	5,679
Finished goods.....	2,951	15,180
	-----	-----
	15,165	48,575
Less reserve for excess and obsolescence.....	(1,937)	(7,466)
	-----	-----
	\$ 13,228	\$ 41,109
	=====	=====

The following is a table depicting the activity in the Company's reserve for excess and obsolescence (in thousands):

	October 31,	
	1996	1997
Beginning balance.....	\$ -	\$ 1,937
Provision charged to operations.....	1,937	7,585
Amounts written off to reserve.....	-	(2,056)
	-----	-----
Ending balance.....	\$ 1,937	\$ 7,466
	=====	=====

(3) EQUIPMENT, FURNITURE AND FIXTURES

Equipment, furniture and fixtures are comprised of the following (in thousands):

	October 31,	
	1996	1997
Equipment, furniture and fixtures.....	\$ 12,396	\$ 65,444
Leasehold improvements.....	1,141	13,953
	-----	-----
	13,537	79,397
Accumulated depreciation and amortization.....	(2,028)	(12,279)
Construction-in-progress.....	463	500
	-----	-----
	\$ 11,972	\$ 67,618
	=====	=====

(4) ACCRUED LIABILITIES

Accrued liabilities are comprised of the following (in thousands):

	October 31,	
	1996	1997
Warranty and other contractual obligations.....	\$ 1,584	\$ 12,205
Accrued compensation.....	2,314	8,284
Legal and related costs.....	300	4,577
Consulting and outside services.....	-	3,219
Unbilled construction-in-process and leasehold improvements.....	50	1,427
Other.....	994	2,310
	-----	-----
	\$ 5,242	\$ 32,022
	=====	=====

(5) LINE OF CREDIT

In November 1996, the Company entered into an unsecured line of credit agreement with a bank, which provided for borrowings of up to \$15,000,000. The Company had no borrowings against the line of credit during fiscal 1997. In November 1997, the line of credit agreement expired.

(6) STOCKHOLDERS' EQUITY

Changes in and Conversion of Mandatorily Redeemable Convertible Preferred Stock

As a result of the February 1997 initial public offering, all shares of Convertible Preferred Stock converted into 73,315,740 shares of Common Stock and warrants to purchase 300,000 shares of Convertible Preferred Stock were exercised for \$600,000 and converted into 1,500,000 shares of Common Stock.

Public Offerings

In February 1997, the Company successfully completed its initial public offering of Common Stock. The Company sold 5,750,000 shares, inclusive of 750,000 shares from the exercise of the underwriters over-allotment option, at a price of \$23 per share. Net proceeds from the offering were approximately \$121,800,000 with an additional \$600,000 received from the exercise of 300,000 shares of outstanding Convertible Preferred Stock warrants.

In July 1997 the Company completed a public offering of 10,477,216 shares of Common Stock of which 1,252,060 shares were sold by the Company inclusive of 252,060 shares from the exercise of the underwriters over-allotment option, at a price of \$44 per share. Net proceeds to the Company from the public offering were approximately \$52,200,000.

Stock Incentive Plans

The Company has an Amended and Restated 1994 Stock Option Plan (the "1994 Plan"). Under the 1994 Plan, 20,050,000 shares of the Company's authorized but unissued Common Stock are reserved for options issuable to employees. These options are immediately exercisable upon grant, and both the options and the shares issuable upon exercise of the options generally vest to the employee over a four year period. The Company has the right to repurchase any exercised and non-vested shares at the original purchase price from the employees upon termination of employment. In June 1996 the Company approved the 1996 Outside Directors Stock Option Plan (the "1996 Plan"). Under the 1996 Plan, 750,000 shares of the Company's authorized but unissued Common Stock are reserved for options issuable to outside members of the Company's Board of Directors. These options vest to the director over periods from one to three years, depending on the type of option granted, and are exercisable once vested. Under the 1994 Plan and the 1996 Plan, options may be incentive stock options or non-statutory options, and the exercise price for each option shall be established by the Board of Directors provided, however, that the exercise price per share shall not be not less than the fair market value for incentive stock options and not less than 85% of fair market value for non-statutory stock options.

Following is a summary of the Company's stock option activity:

	Shares (in thousands)	Weighted Average Exercise Price
	-----	-----
Balance at October 31, 1994	3,560	\$0.02
Granted	3,856	0.03
Exercised	(44)	0.02
Canceled	(431)	0.02

Balance at October 31, 1995	6,941	0.03
Granted	5,901	1.85
Exercised	(579)	0.14
Canceled	(1,180)	0.18

Balance at October 31, 1996	11,083	0.97
Granted	1,737	32.81
Exercised	(3,612)	0.27
Canceled	(98)	0.52

Balance at October 31, 1997	9,110	\$7.33
	=====	

At October 31, 1997 approximately 156,000 shares of Common Stock subject to repurchase by the Company had been issued upon the exercise of options and approximately 1.7 million of the total outstanding options were vested and not subject to repurchase by the Company upon exercise.

The following table summarizes information with respect to stock options outstanding at October 31, 1997:

	Options Outstanding			Options Not Subject to Repurchase Upon Exercise	
	Number Outstanding at Oct. 31, 1997	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number at Oct. 31, 1997	Weighted Average Exercise Price
Range of Exercise Price	-----	-----	-----	-----	-----
\$ 0.02 - \$ 0.03	2,586,000	7.14	\$ 0.03	1,203,000	\$ 0.03
\$ 0.06 - \$ 0.40	810,000	8.22	\$ 0.26	165,000	\$ 0.28
\$ 0.52 - \$ 1.66	983,000	8.53	\$ 1.18	152,000	\$ 1.21
\$ 2.34 - \$ 4.34	2,839,000	8.66	\$ 2.52	89,000	\$ 3.12
\$ 4.44 - \$18.00	935,000	9.07	\$ 15.52	47,000	\$ 9.17
\$23.88 - \$58.88	957,000	9.71	\$ 45.61	-	\$ -
	-----			-----	
	9,110,000	8.33	\$ 7.33	1,656,000	\$ 0.58
	=====			=====	

Pro forma Stock-Based Compensation

The Company has elected to continue to follow the provisions of APB No. 25 for financial reporting purposes and has adopted the disclosure-only provisions of SFAS No. 123. Accordingly, no compensation cost has been recognized for the Company's stock option plans. Had compensation cost for the Company's stock option plans been determined based on the fair value at the grant date for awards in fiscal years 1996 and 1997 consistent with the provisions of SFAS No. 123, the Company's net income and net income per share for fiscal years 1996 and 1997 would have been decreased to the pro forma amounts indicated below (in thousands, except per share amounts):

	Fiscal Years	
	1996	1997
Net income applicable to common stockholders - as reported	\$ 17,263	\$ 115,967
Net income applicable to common stockholders - pro forma	\$ 16,770	\$ 110,404
Basic net income per share - as reported	\$ 1.25	\$ 1.53
Basic net income per share - pro forma	\$ 1.21	\$ 1.46
Diluted net income per share - as reported	\$ 0.19	\$ 1.11
Diluted net income per share - pro forma	\$ 0.18	\$ 1.05

The above pro forma disclosures are not necessarily representative of the effects on reported net income or loss for future years.

The aggregate fair value and weighted average fair value of each option granted in fiscal years 1996 and 1997 were approximately \$6.7 million and \$33.6 million, and \$1.14 and \$19.33, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions for fiscal years 1996 and 1997:

	1996	1997
Expected volatility	60%	60%
Risk-free interest rate	6.1%	5.8%
Expected life	3 yrs.	3 yrs.
Expected dividend yield	0%	0%

(7) INCOME TAXES

Income before income taxes and the provision for income taxes consists of the following (in thousands):

	October 31,	
	1996	1997
	-----	-----
Income before income taxes.....	\$20,816	\$188,670
	=====	=====
Provision for income taxes:		
Current:		
Federal.....	\$ 4,483	\$67,744
State.....	694	7,373
Foreign.....	210	98
	-----	-----
Total current.....	5,387	75,215
	-----	-----
Deferred:		
Federal.....	(1,690)	(2,015)
State.....	(144)	(497)
Foreign.....	-	-
	-----	-----
Total deferred.....	(1,834)	(2,512)
	-----	-----
Provision for income taxes.....	\$ 3,553	\$72,703
	=====	=====

In fiscal 1995, the tax provision was comprised primarily of a tax benefit of approximately \$3.1 million which was offset by a valuation allowance of the same amount.

In fiscal 1995, the tax provision differed from the expected tax benefit, computed by applying the U.S. federal statutory rate of 35% to the loss before income taxes, principally due to the effect of increases in the valuation allowance. In fiscal 1997 and 1996, the tax provision reconciles to the amount computed by multiplying income before income taxes by the U.S. federal statutory rate of 35% as follows:

	October 31,	
	1996	1997
	-----	-----
Provision at statutory rate.....	35.0 %	35.0 %
Reversal of valuation allowance.....	(20.0)	-
State taxes, net of federal benefit..	2.7	2.6
Other.....	(0.6)	0.9
	-----	-----
	17.1 %	38.5 %
	=====	=====

The significant components of deferred tax assets and liabilities were as follows (in thousands):

	October 31,	
	1996	1997
Deferred tax assets:		
Reserves and accrued liabilities	\$ 1,452	\$ 9,281
Depreciation and other	382	-
Net operating loss and credit carry forward	1,609	1,555
Capital loss carry forward	940	-
	-----	-----
Gross deferred tax assets	\$ 4,383	\$ 10,836
Valuation allowance	(2,549)	(1,697)
	-----	-----
Net deferred tax asset	\$ 1,834	\$ 9,139
	=====	=====
Deferred tax liabilities:		
Equipment leases	\$ -	\$ 3,985
Services	-	19,389
Depreciation and other	-	4,793
	-----	-----
Deferred tax liabilities	\$ -	\$ 28,167
	=====	=====

As of October 31, 1997 the Company assumed net operating loss carryforwards of approximately \$4.5 million through its acquisition of Alta which begin expiring in fiscal 2002.

The income tax provisions do not reflect the tax savings resulting from deductions associated with the Company's stock option plans or the exercise of certain stock warrants. Tax benefits of approximately \$29.7 million and \$23.4 million from exercises of stock options and certain stock warrants, respectively, were credited directly to additional paid-in-capital and to long-term deferred income taxes for fiscal 1997, respectively.

(8) EMPLOYEE BENEFIT PLANS

In January 1995, the Company adopted a 401(k) defined contribution profit sharing plan. The plan covers all full-time employees who are at least 21 years of age, have completed three months of service and are not covered by a collective bargaining agreement where retirement benefits are subject to good faith bargaining. Participants may contribute up to 15% of pre-tax compensation, subject to certain limitations. The Company may make discretionary annual profit sharing contributions of up to the lesser of \$30,000 or 25% of each participant's compensation. In fiscal 1997 the Company revised the plan to include an employer matching contribution equal to 100% of the first 3% of participating employee contributions, with a five year vesting plan applicable to the Company's contribution. The Company has made no profit sharing contributions to date. During fiscal 1997 the Company made matching contributions of approximately \$300,000.

(9) COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments

The Company has certain minimum obligations under noncancelable operating leases expiring on various dates through 2006 for equipment and facilities. Future annual minimum rental commitments under noncancelable operating leases at October 31, 1997 are as follows (in thousands):

Fiscal year ending October 31,

1998	\$ 4,536
1999	4,946
2000	4,817
2001	4,639
2002	4,008
Thereafter	13,015

	\$35,961
	=====

Rental expense for fiscal 1995, 1996 and 1997 was approximately \$207,000, \$717,000 and \$2,652,000, respectively.

Litigation

Pirelli Litigation. On December 20, 1996, a U.S. affiliate of Pirelli SpA ("Pirelli") filed suit in U.S. District Court in Delaware, alleging willful infringement by the Company of five U.S. patents held by Pirelli. The lawsuit seeks treble damages, attorneys' fees and costs, as well as preliminary and permanent injunctive relief against the alleged infringement. On February 10, 1997, the Company filed its answer denying infringement, alleging inequitable conduct on the part of Pirelli in the prosecution of certain of its patents, and stating a counterclaim against the relevant Pirelli parties for a declaratory judgment finding the Pirelli patents invalid and/or not infringed. Two of the five patents in suit have since been removed from the litigation.

On March 14, 1997, the Company filed suit against Pirelli in U.S. District Court in the Eastern District of Virginia, alleging willful infringement by Pirelli of three U.S. patents held or co-owned by the Company, one of which was withdrawn in September 1997. The lawsuit seeks treble damages, attorneys' fees and costs, as well as permanent injunctive relief against the alleged infringement. The patents relate to certain of Pirelli's cable television equipment and fiberoptic communications equipment. Motions for summary judgment by both parties are currently pending on the issue of infringement as it relates to the cable television patent, and Pirelli has also filed a motion for summary judgment of invalidity on this patent. As to the second of the two patents, on December 5, 1997, the court issued an order granting partial summary judgment for Pirelli on the issue of non-infringement, and denying Pirelli's motion for summary judgment of invalidity of this patent.

In February 1997, the Company filed a complaint against Pirelli with the International Trade Commission ("ITC"), based on the Company's belief that a 32 channel DWDM system announced by Pirelli infringed at least two of the Company's patents. The Company's complaint sought a ban on the importation of this product into the U.S. A formal investigative proceeding was instituted by the ITC on April 3, 1997. On November 24, 1997, the parties settled the matter by entry of a Consent Order. Under the Consent Order, Pirelli has agreed not to import into the United States WDM systems which infringe upon the Company's patented in fiber Bragg gratings-based WDM systems.

The Company has accrued \$7.5 million for legal fees associated with their involvement in the above litigation; \$4.3 million of that accrual is remaining at October 31, 1997, which the Company considers sufficient to account for all anticipated legal fees. The Company continues to believe its MultiWave systems do not infringe any valid claim of the three remaining Pirelli patents and believes certain Pirelli patents and/or claims are invalid.

Kimberlin Litigation. On November 20, 1996, a stockholder and entities controlled by that stockholder (the "plaintiffs") who provided initial equity capital during the formation of the Company and participated in the Series C Preferred Stock financing, filed suit in U. S. District Court for the Southern District of New York against the Company and certain directors of the Company (the "defendants"), alleging that the plaintiffs were entitled to purchase additional shares of Series C Preferred Stock at the time of the closing of the Series C Preferred Stock financing, but were denied that opportunity by the defendants. The lawsuit claims breach of contract, breach of fiduciary duty and violation of Securities Commission Rule 10b-5 by the defendant. On January 6, 1997, the Company filed its answer to the plaintiffs' complaint, and filed a counterclaim. The plaintiffs amended their complaint in May 1997 alleging a violation of federal insider trading laws. There has not been a trial date set by the judge.

The Company believes that the Plaintiffs' claims and amended claims are without merit and intends to defend itself vigorously. The Company has moved for summary judgment on the entire matter, but there is no assurance the judgment will be granted.

The Company has agreed to indemnify its customers for liability incurred in connection with the infringement of a third-party's intellectual property rights. Although the Company has not received notice from any customer advising the Company of any alleged infringement of a third-party's intellectual property rights, there can be no assurance that such indemnification of alleged liability will not be required from the Company in the future.

(10) FOREIGN SALES

The Company has sales and marketing operations located outside the United States in the United Kingdom, Canada, Philippines, Belgium and Japan. The Company has distributor or marketing representative arrangements covering Austria, Germany, Italy and Switzerland in Europe, and the Republic of Korea and Japan in Asia. The Company also has representative support in Brazil. Included in revenues are export sales of approximately \$6.0 million, \$3.5 million, and \$11.7 million in fiscal years 1995, 1996 and 1997, respectively.

(11) SUBSEQUENT EVENTS (UNAUDITED)

Acquisitions

Astracom

The company has signed a letter of intent to enter into an Agreement and Plan of Merger with Astracom, Inc. ("Astracom"), an early stage telecommunications company which was incorporated on November 20, 1996, and is located in Atlanta, Georgia. The transaction is expected to be completed during the December 1997 period. The purchase price is expected to be approximately \$13.1 million and consists of the issuance of 169,754 shares of CIENA common stock, the payment of \$2.4 million in cash, and the assumption of certain stock options. Based on preliminary estimates, the Company believes the purchase price represents approximately \$11.4 million in goodwill and other intangibles, and approximately \$1.7 million in net assets assumed, and that the amortization period for the intangibles, based on management's estimate of the useful life of the acquired technology, is between five to seven years.

The operations of the acquired company are not material to the consolidated financial statements of the Company, and accordingly, separate pro forma financial information has not been presented for fiscal year 1997 as if Astracom had been acquired as of November 20, 1996.

Terabit

During April 1998 the Company completed an Agreement and Plan of Reorganization with Terabit Technology, Inc. ("Terabit"), a developer of optical components known as photodetector or optical receivers. Terabit is located in Santa Barbara, California. The purchase price was approximately \$11.5 million and consisted of the issuance of 134,390 shares of CIENA common stock, the payment of \$1.1 million in cash, and the assumption of certain stock options. The transaction was recorded using the purchase accounting method with the purchase price representing approximately \$9.5 million in purchased research and development, 1.8 million in goodwill and other intangibles, and approximately \$0.2 million in net assets assumed. The amortization period for the intangibles, based on management's estimate of the useful life of the acquired technology, is five years. The operations of Terabit are not material to the consolidated financial statements of the Company, and accordingly, separate pro forma financial information has not been presented.

Resolution of Litigation with Pirelli

On June 1, 1998 the Company announced the resolution of all pending litigation with Pirelli. The terms of the settlement involved the dismissal of Pirelli's three lawsuits against the Company that were pending in Delaware, dismissal of the Company's legal proceedings against Pirelli in the United States International Trade Commission, payment to Pirelli of \$30.0 million and certain running royalties due to Pirelli, a worldwide, non-exclusive cross-license to each party's patent portfolios, and a five-year moratorium on future litigation between the parties. As a result of the settlement, the Company plans to record a one time charge in its fiscal quarter ended July 31, 1998, of approximately \$20.0 million. The payment of future royalties due to Pirelli is based upon future revenues derived from the licensed technology. The Company does not expect the future royalty payments to have a material impact on the Company's business, financial condition and or results of operations.

ADDITIONAL SUPPLEMENTAL DATA (UNAUDITED)

The historical consolidated financial results of CIENA for prior periods have been restated to include the financial position and results of operations of Alta. In the opinion of management, financial statements included in this report reflect all normal recurring adjustments which the Company considers necessary for the fair presentation of the results of operations for the interim period covered and of the financial position of the Company at the date of the interim balance sheet. The following unaudited consolidated balance sheet and consolidated statement of operations shows the historical results of the combined CIENA and Alta for the period ending January 31, 1998 which was prior to the consummation of the merger of the two entities:

CIENA CORPORATION
 CONSOLIDATED BALANCE SHEET
 (IN THOUSANDS, EXCEPT SHARE DATA)
 (UNAUDITED)

	January 31, 1998

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 257,425
Marketable debt securities	31,089
Accounts receivable, net	89,305
Inventories, net	61,388
Deferred income taxes	9,706
Prepaid expenses and other	5,102

Total current assets	454,015
Equipment, furniture and fixtures, net	83,538
Goodwill and other intangible assets	10,978
Other assets	2,574

Total assets	\$ 551,105
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 33,472
Accrued liabilities	34,754
Income taxes payable	17,417
Deferred revenue	3,026
Other current obligations	988

Total current liabilities	89,657
Deferred income taxes	29,146
Other long-term obligations	1,942

Total liabilities	120,745
Commitments and contingencies	-
Stockholders' equity:	
Preferred stock - par value \$.01; 20,000,000 shares authorized; zero shares issued and outstanding	-
Common stock - par value \$.01; 360,000,000 shares authorized; 101,093,109 shares issued and outstanding	1,011
Additional paid-in capital	263,543
Notes receivable from stockholders	(116)
Translation adjustment	(37)
Retained earnings	165,959

Total stockholders' equity	430,360

Total liabilities and stockholders' equity	\$ 551,105
	=====

CIENA CORPORATION
 CONSOLIDATED STATEMENT OF OPERATIONS
 (IN THOUSANDS, EXCEPT SHARE DATA)
 (UNAUDITED)

	Quarter Ended January 31, ----- 1998 -----
Revenue	\$145,092
Cost of goods sold	58,980

Gross profit	86,112

Operating expenses	
Research and development	10,203
Selling and marketing	9,968
General and administrative	3,792

Total operating Expenses	23,963

Income (loss) from operations	62,149
Interest and other income (expense), net	3,775
Interest expense	(84)

Income (loss) before income taxes	65,840
Provision (benefit) for income taxes	26,142

Net income (loss)	\$39,698
	=====
Basic net income per common share	\$0.39
	=====
Diluted net income per common share and dilutive potential common share	\$0.37
	=====
Weighted average basic common shares outstanding	100,641
	=====
Weighted average basic common and dilutive potential common shares outstanding	107,552
	=====

Item 7. Financial Statement and Exhibits.

Exhibit -----	Description -----
23.2	Consent of Independent Accountants
27.1	Restated Financial Data Schedule (filed only electronically with the SEC)
27.2	Restated Financial Data Schedule (Filed only electronically with the SEC)

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: June 23, 1998

By: /s/ Joseph R. Chinnici

Joseph R. Chinnici
Sr. Vice President, Finance and
Chief Financial Officer
(Principal Financial Officer)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-1 (Nos. 333-17729 and 333-28325) and in the Registration Statement on Form S-8 (Nos. 333-27131 and 333-52467) of CIENA Corporation of our report dated November 26, 1997, except for Note 1-Principles of Consolidation, as to which the date is February 19, 1998 appearing in Item 5 of this Current Report on Form 8-K.

Price Waterhouse LLP
Falls Church, Virginia
June 17, 1998

This schedule contains restated Summary Financial Information as a result of a pooling of interest and is extracted from the Balance Sheet, Statement of Operation and Statement of Cash Flows included in the Company's Form 8-K report dated February 19, 1998, for the period ending October 31, 1996 and October 31, 1997, and is qualified in its entirety by reference to such financial statements.

1,000

12-MOS		12-MOS	
OCT-31-1996		OCT-31-1997	
NOV-01-1995		NOV-01-1996	
OCT-31-1996		OCT-31-1997	
	24,040		268,588
	0		0
	26,749		73,058
	233		722
	13,228		41,109
	67,264		394,265
	14,000		79,897
	2,028		12,279
	79,676		463,279
25,024		60,813	
	0		0
40,404		0	
	0		0
	142		1,003
	10,641		371,411
79,676			
	463,279		
	88,463		413,215
88,463		413,215	
	47,315		166,472
	47,315		166,472
	20,985		65,258
	0		0
	443		408
	20,816		188,670
	3,553		72,703
17,263		115,967	
	0		0
	0		0
	0		0
	17,263		115,967
	1.25		1.53
	0.19		1.11

This schedule contains restated Summary Financial Information as a result of a pooling of interest and is extracted from the Balance Sheet, Statement of Operation and Statement of Cash Flows included in the Company's Form 8-K report dated February 19, 1998, for the period ending October 31, 1996 and October 31, 1997, and is qualified in its entirety by reference to such financial statements.

1,000

3-MOS	3-MOS	3-MOS	3-MOS	3-MOS
OCT-31-1997	OCT-31-1997	OCT-31-1997	OCT-31-1997	OCT-31-1998
NOV-01-1996	FEB-01-1997	MAY-01-1997	NOV-01-1997	JAN-31-1998
JAN-31-1997	APR-30-1997	JUL-31-1997	JAN-31-1998	
	33,021	183,804	247,281	257,425
	0	0	0	31,089
36,971	41,903	67,413	89,833	89,833
233	692	722	528	528
16,145	22,859	29,103	61,388	61,388
92,373	254,379	350,869	454,015	454,015
	22,602	40,996	61,375	101,339
3,140	4,806	7,970	17,801	17,801
112,586	291,172	404,855	551,105	551,105
44,458	55,284	81,016	89,657	89,657
	0	0	0	0
40,404	0	0	0	0
	0	0	0	0
	145	972	993	1,011
112,586	24,519	215,075	301,248	429,349
	291,172	463,279	551,105	551,105
	63,673	97,603	121,845	145,092
63,673	97,603	121,845	145,092	145,092
	28,253	40,400	47,569	58,980
28,253	40,400	47,569	58,980	58,980
13,123	12,442	17,208	23,963	23,963
0	0	0	0	0
129	105	87	84	84
22,599	46,607	58,494	65,840	65,840
8,744	18,127	22,770	26,142	26,142
13,855	28,480	35,724	39,698	39,698
	0	0	0	0
0	0	0	0	0
	0	0	0	0
13,855	28,480	35,724	39,698	39,698
0.97	0.31	0.36	0.39	0.39
0.14	0.27	0.34	0.37	0.37