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Filed by CIENA Corporation  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934  
Commission File No. 0-30633  
Subject Company: ONI Systems Corp

# **CIENA and ONI Agree to Unite**

***Road Show Presentation***

***April 8 – April 12, 2002***

# Proxy Statement/Prospectus

Investors are urged to read the proxy statement/prospectus relating to the proposed merger that CIENA filed with the Securities and Exchange Commission because it contains important information. The proxy statement/prospectus and other documents CIENA and ONI filed with the SEC may be obtained for free at the SEC's web site, [www.sec.gov](http://www.sec.gov). These documents may also be obtained for free from CIENA or ONI. Requests to CIENA may be directed to CIENA, 1201 Winterson Rd., Linthicum, MD, 21090-2205, Attention: Investor Relations. Requests to ONI may be directed to 5965 Silver Creek Valley Road, San Jose, CA 95138, Attention: Investor Relations.

CIENA, its directors, executive officers and certain other members of management and employees may be soliciting proxies from CIENA stockholders. ONI, its directors, executive officers and certain other members of management and employees may be soliciting proxies from ONI stockholders.

# Forward-Looking Statements

This presentation includes certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements in this presentation include statements about future financial and operating results of CIENA and ONI on a combined basis, but are not limited to, synergies expected to be realized from the proposed CIENA/ONI transaction and the future business and opportunities of the combined company. These statements are based on our expectations and are subject to risks and uncertainties and actual results could vary materially from the expectations contained herein. The following factors, among others, could cause actual results to differ materially from those expressed or implied by the forward-looking statements: inability to obtain governmental or shareholder approvals for CIENA’s acquisition of ONI, the risk that the CIENA and ONI businesses will not be integrated successfully, the costs related to the merger; and other economic, business, competitive and/or regulatory factors affecting CIENA’s and ONI’s business generally.

More detailed information about these and other factors is set forth in the proxy statement/prospectus and in CIENA’s and ONI’s filings with the Securities and Exchange Commission, including CIENA’s Form 10-Q for the quarter ended January 31, 2002 and ONI’s Annual Report on Form 10-K for the year ended December 31, 2001, and subsequent reports, particularly in the Management’s Discussion and Analysis section and under Factors That May Affect Future Results. CIENA and ONI expressly disclaim any obligation to update their forward-looking statements whether as a result of new information, future events or otherwise.

# Transaction Highlights

- All outstanding ONI common shares to be exchanged for CIENA shares at 0.7104 ratio
- ONI security holders will own approximately 24% of the combined company
- No collars
- Accretive by late calendar 2003 with expected expense and manufacturing cost synergies
- Expected closing second/third quarter calendar 2002
- Required approvals include:
  - CIENA shareholders
  - ONI shareholders
  - SEC clearance
  - Hart-Scott Rodino clearance
- CIENA to assume outstanding ONI convertibles upon close







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Core Optical Networking Leader



Metropolitan Optical Networking Leader



**A NEW**



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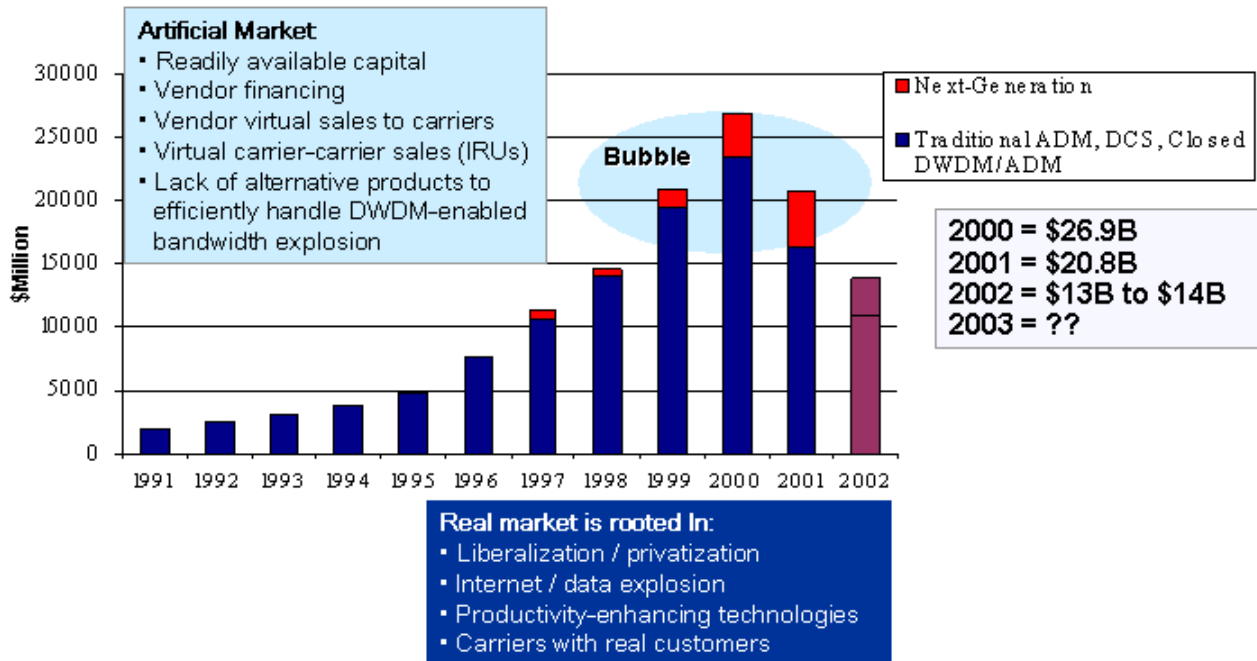
Next-Generation Optical Networking Leader

# Agenda

- **Industry dynamics**
- **Carrier economics**
- **Deal benefits**

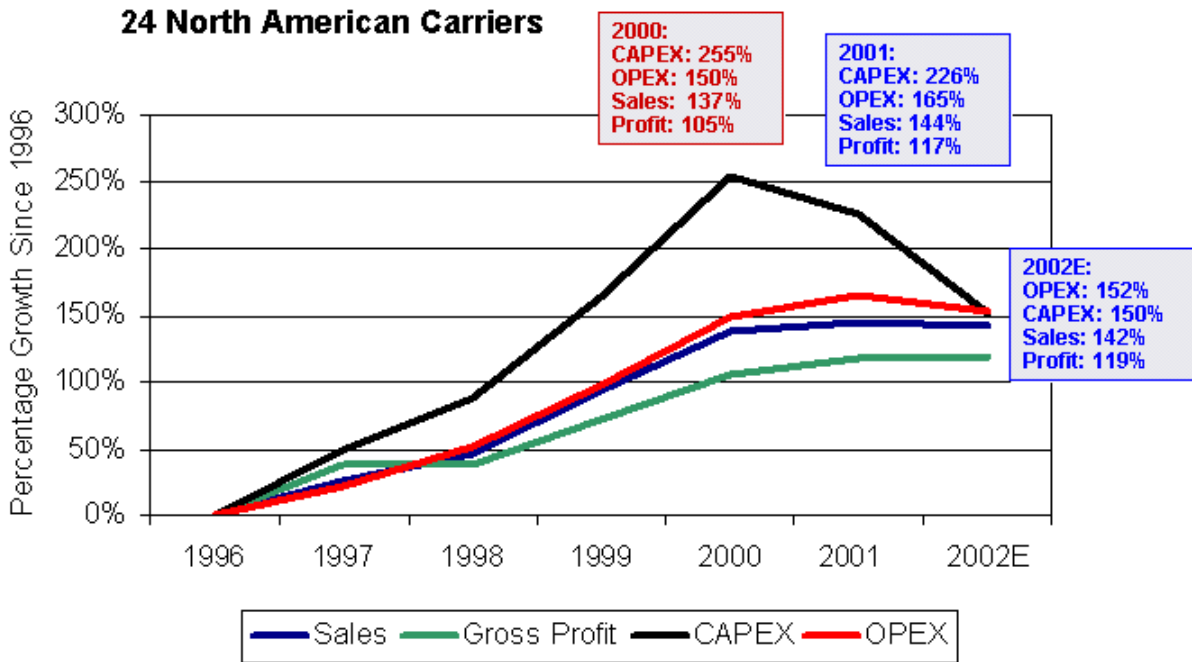


# Global Optical Networking Market Is Tough Following Bubble



The total optical networking market consists of both legacy and next-generation equipment. Legacy equipment includes: 1) voice-centric add/drop multiplexers; 2) closed DWDM-ADM systems; and 3) digital cross-connects. Next-generation equipment includes: 1) optical switches that can replace ADMs and/or digital cross-connects; 2) open longhaul DWDM systems; 3) regional/metro DWDM systems; and 4) data-centric metro switches / multi-service access devices.

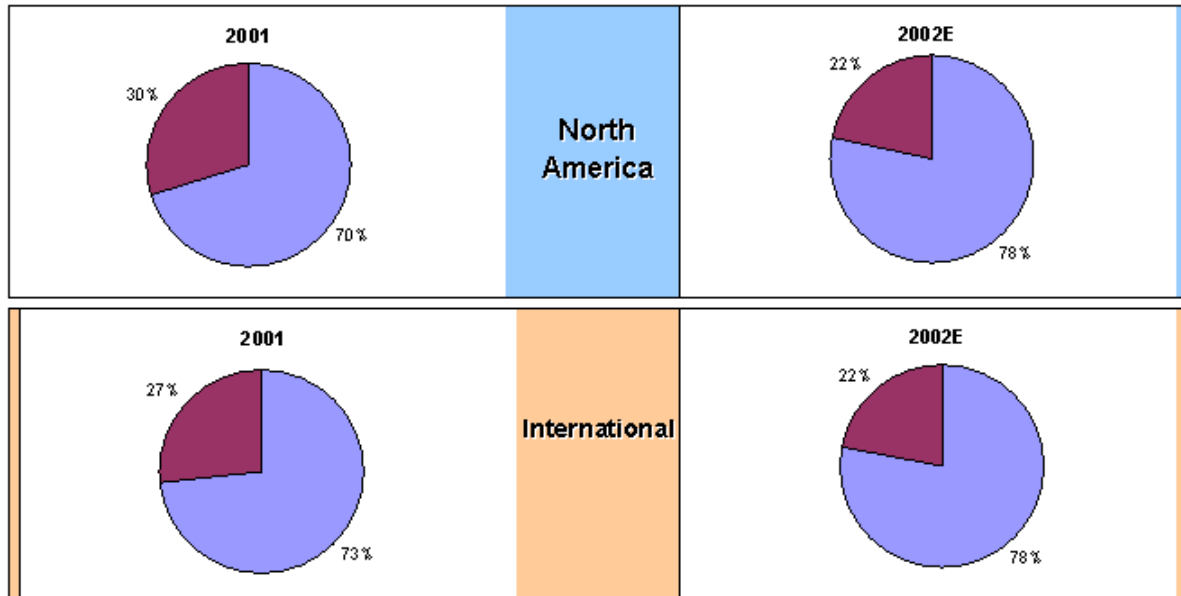
# Carriers Taking Steps To Correct Imbalances — Tackling Capex First



# Incumbents Likely to Represent Larger Portion Of Capital Spending In 2002

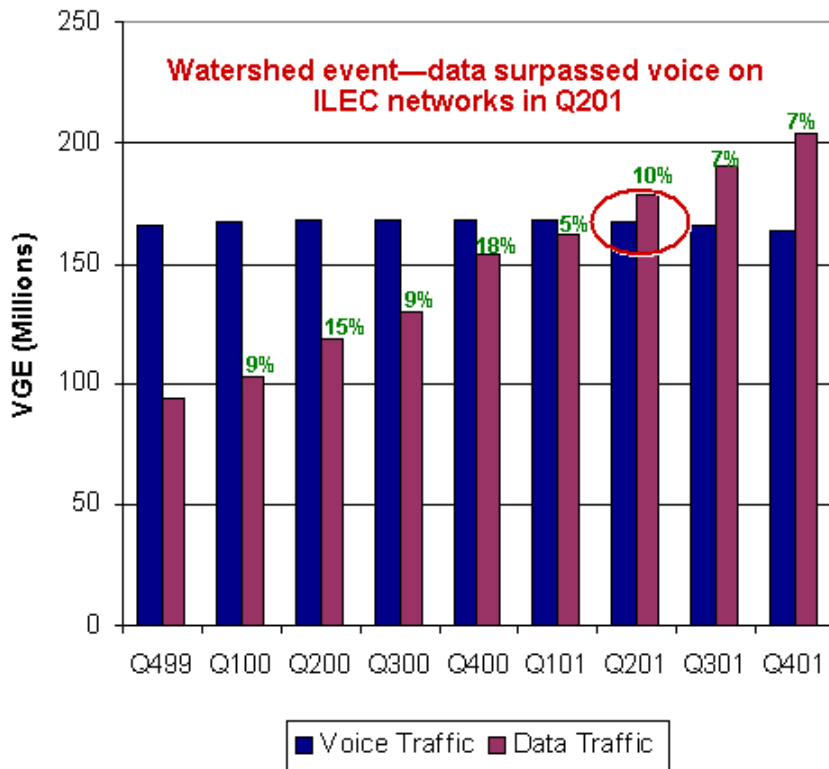
Incumbent carriers probably will = ~78% of capital spending in 2002

Incumbent Carriers:  Other Carriers: 



Note: North America figures exclude wireless spending

# Data Growth On ILEC Networks Is Like Nothing They Have Ever Seen...(US)



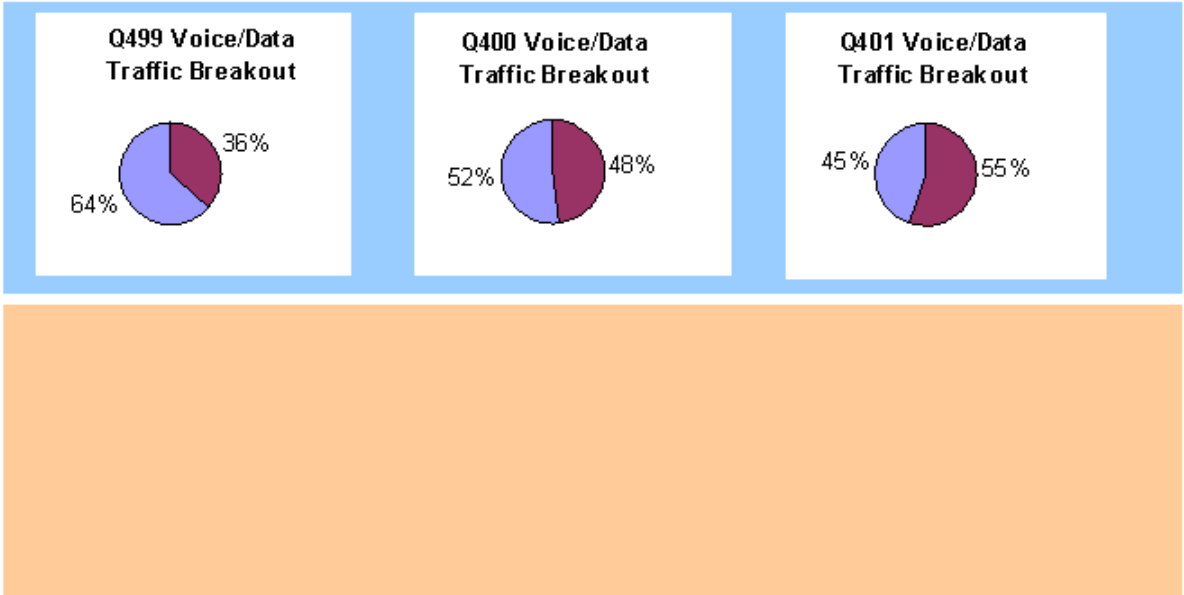
Data Yr-Yr Growth	
Q401	33%
Q301	47%
Q201	50%
Q101	56%

Data traffic on NA ILEC networks grew **33% yrlyr** through Q401.

Total traffic on US & European networks probably will grow **40% to 55%** annually for the next couple of years, depending largely on the macro-economy

# Gap Between Data Traffic / Revenue Growth Is Widening

Data now accounts for **55%** of US ILEC landline traffic... Data: ■ Voice: ■

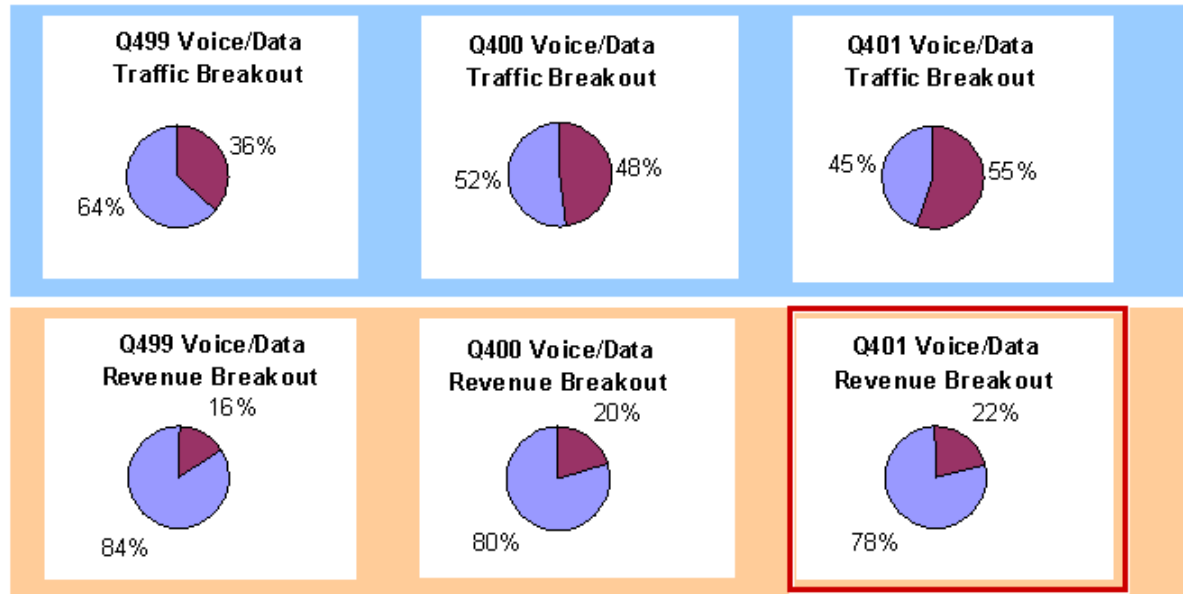




# Gap Between Data Traffic / Revenue Growth Is Widening

Data now accounts for **55%** of US ILEC landline traffic... but only accounts for **22%** of US ILEC voice + data revenues.

Data: ■ Voice: ■



# Carrier Economics



- Improve functionality
- Consolidate functionality
- Use fewer vendors

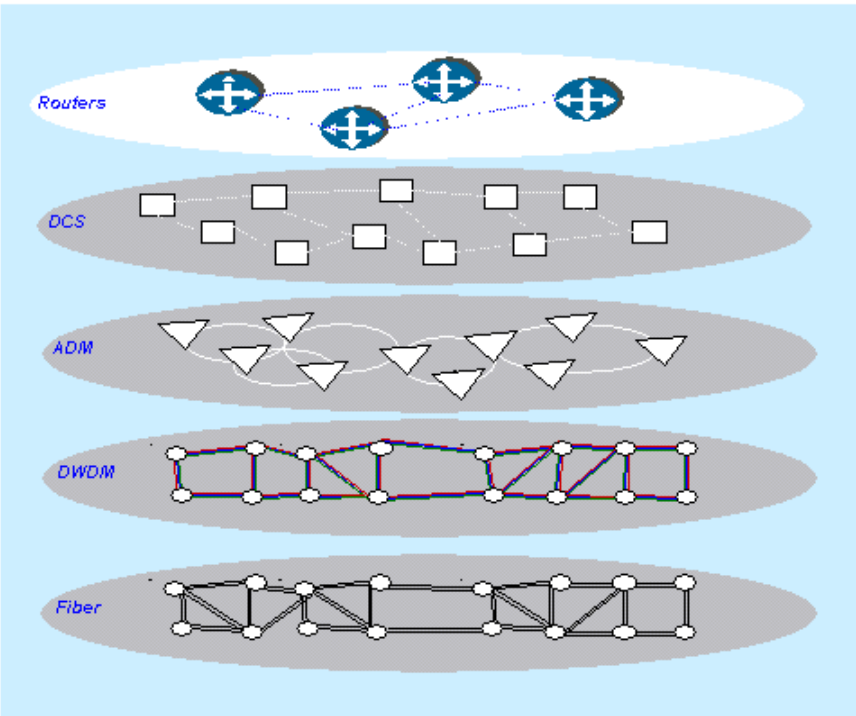


- Increase network automation
- Require fewer network elements
- Use less space and power
- Unify network management
- Use fewer vendors

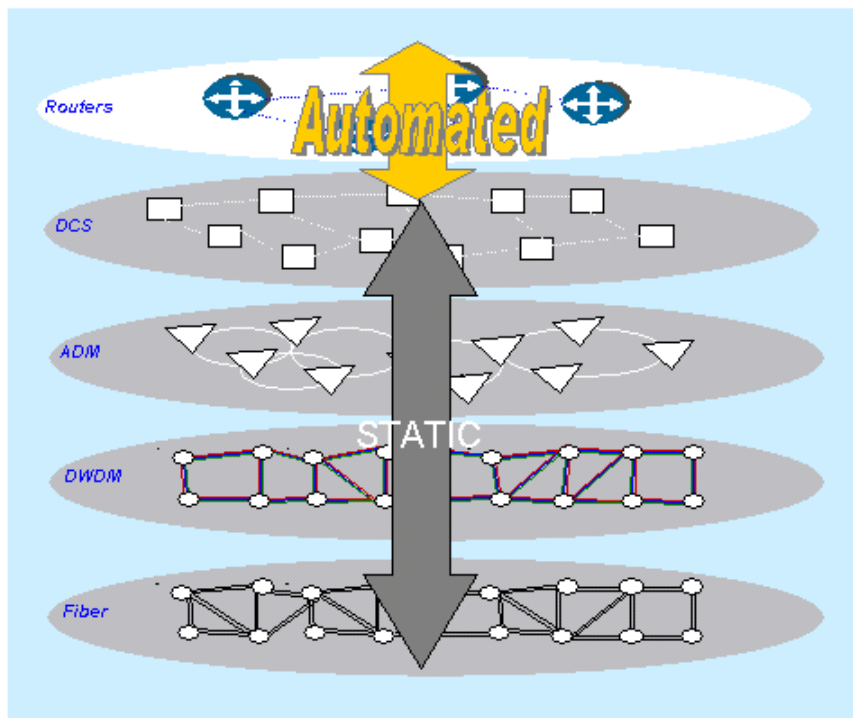


- Generate data revenue
- Improve bandwidth mgmnt
- Enable quality of service
- Create new services
- Provide broader range of services

# Increasing Network Automation



# Increasing Network Automation

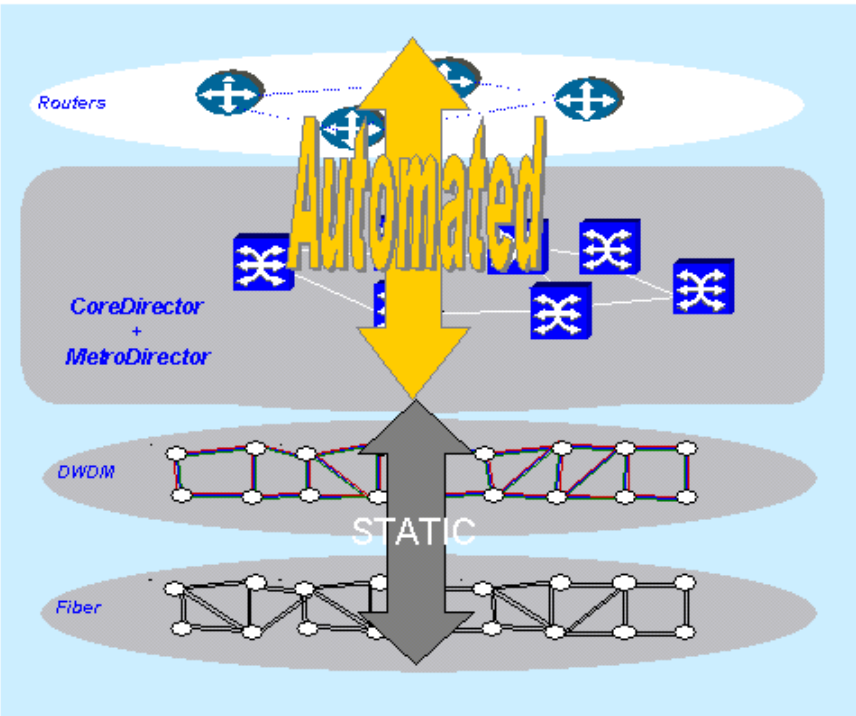


Legacy Network



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# Increasing Network Automation



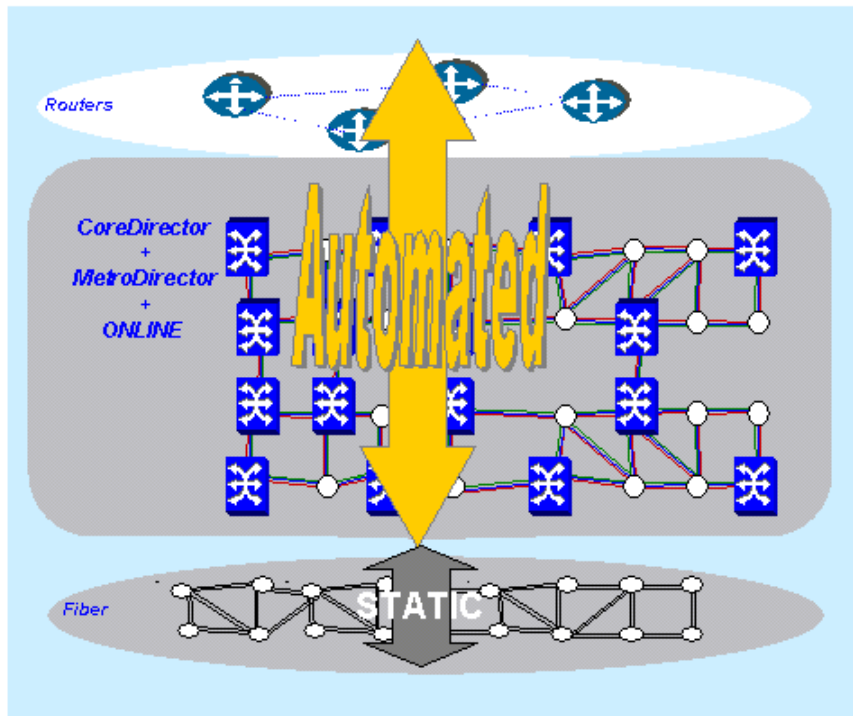
**Network with  
CoreDirector™  
& MetroDirector™**



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# Increasing Network Automation



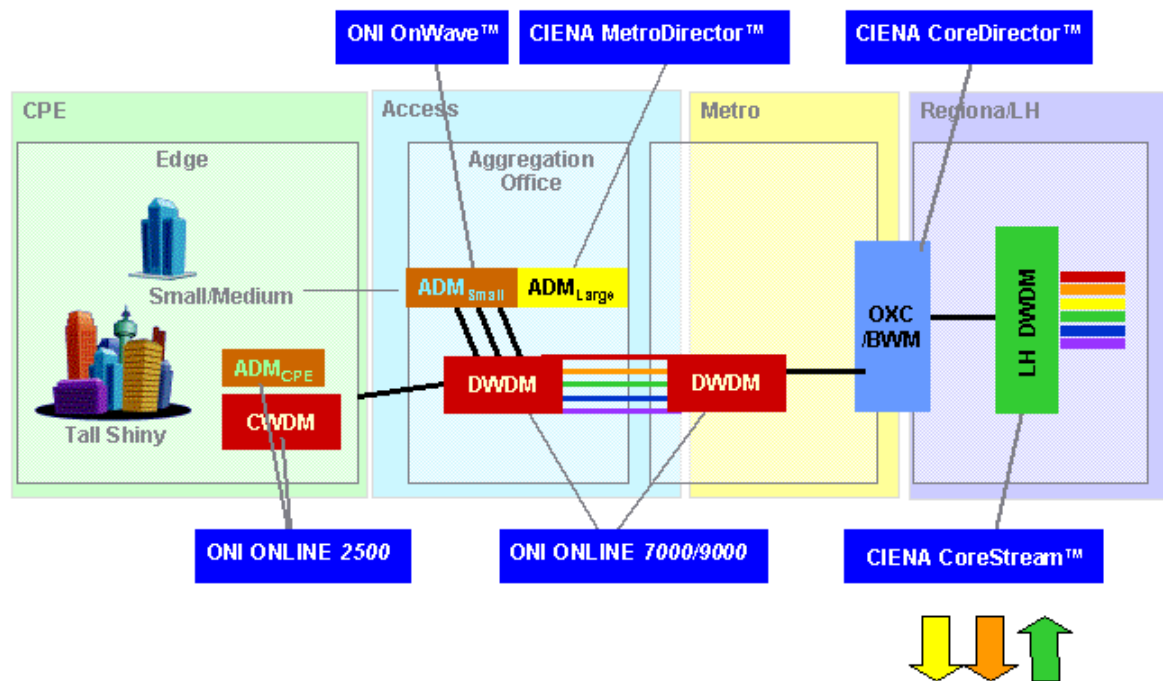
**Network with  
CoreDirector™  
& MetroDirector™**

**Adding ONI  
ONLINE™**

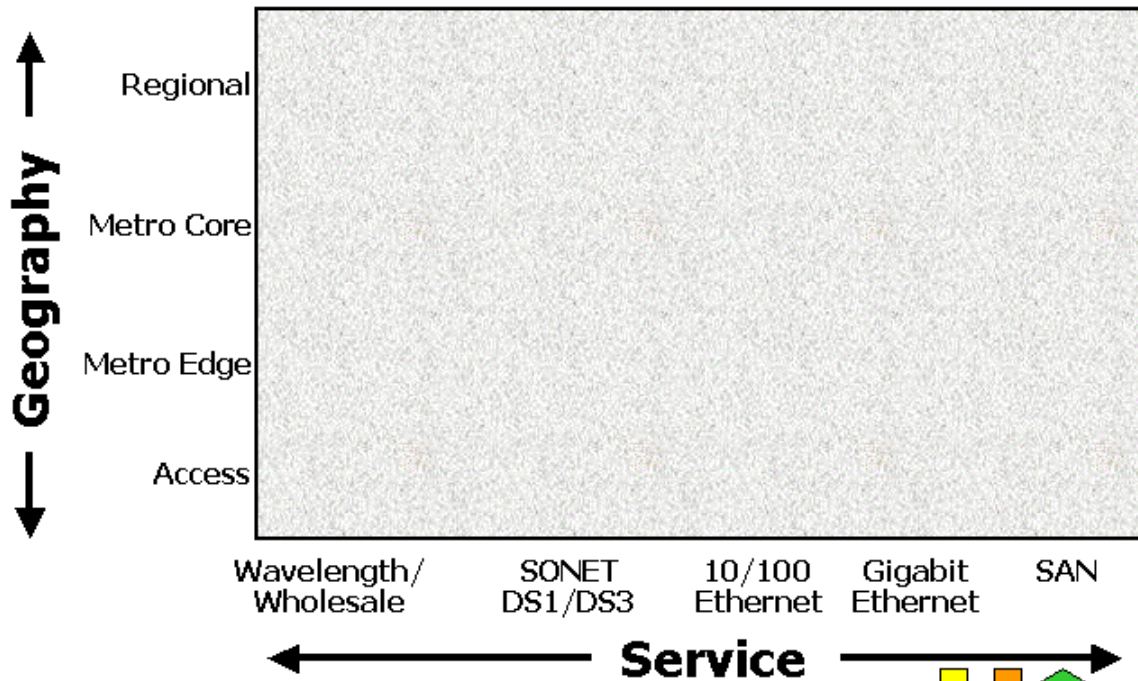


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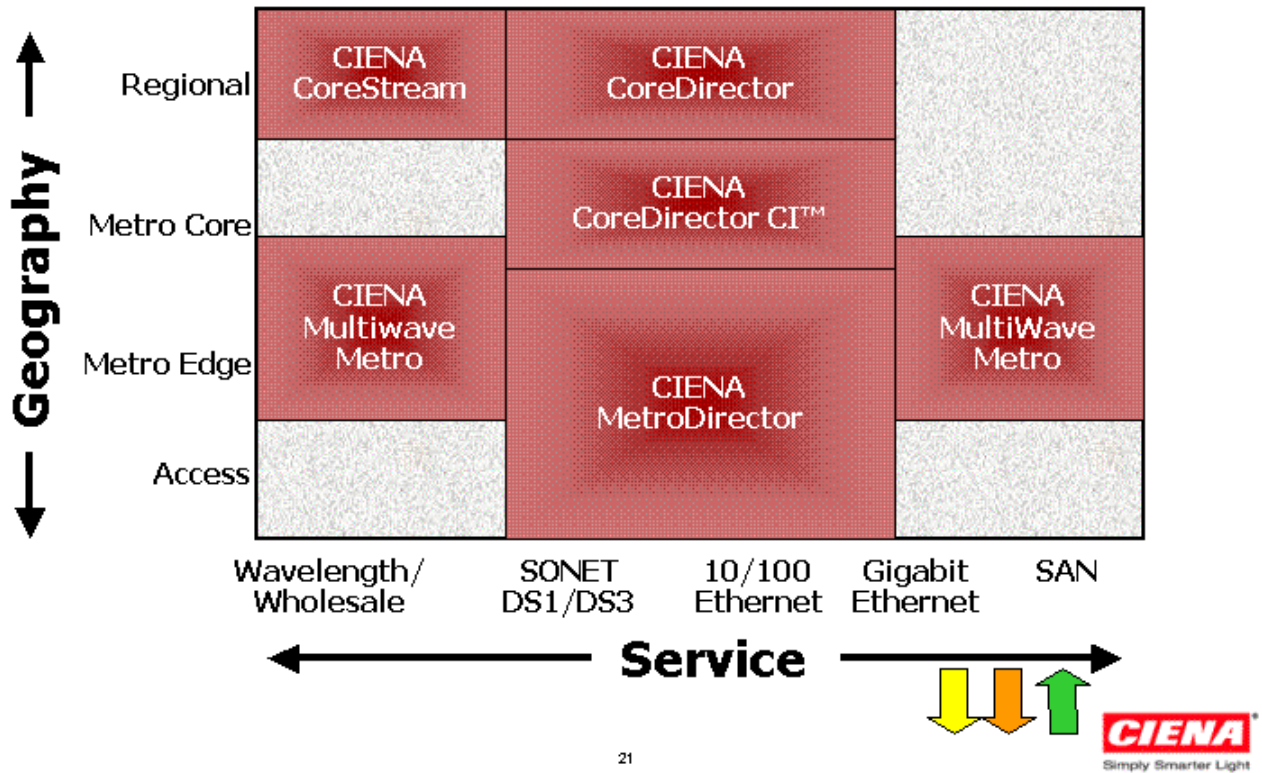
# Offering Network-Wide Solutions



# Expanding Service Applications

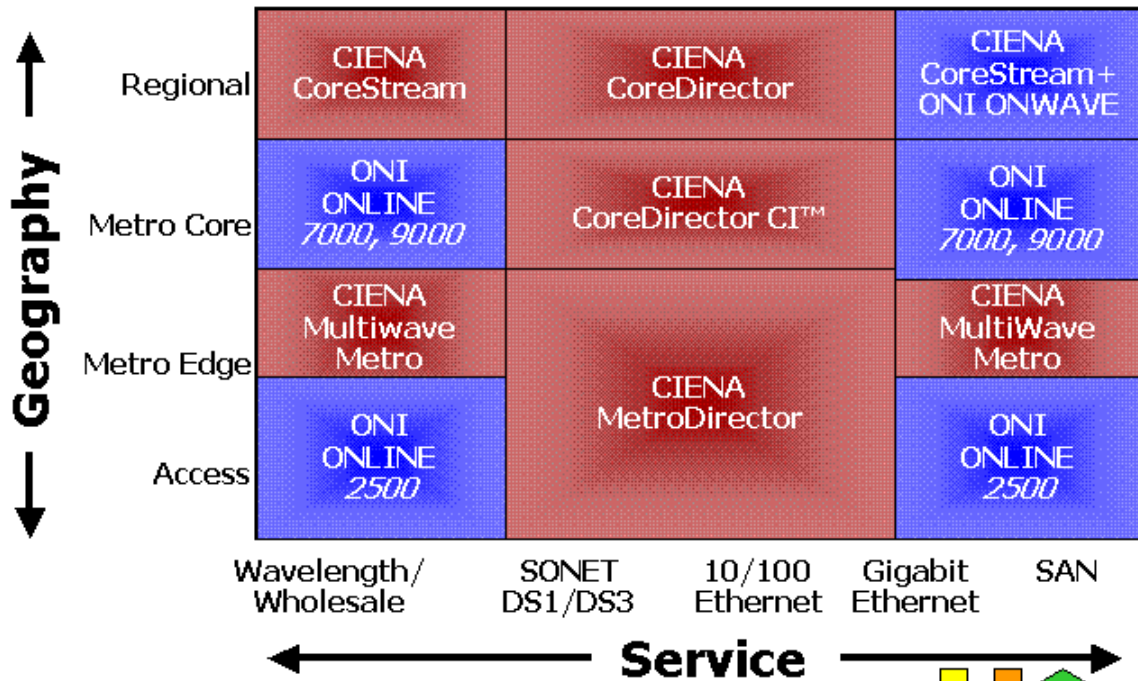


# Expanding Service Applications



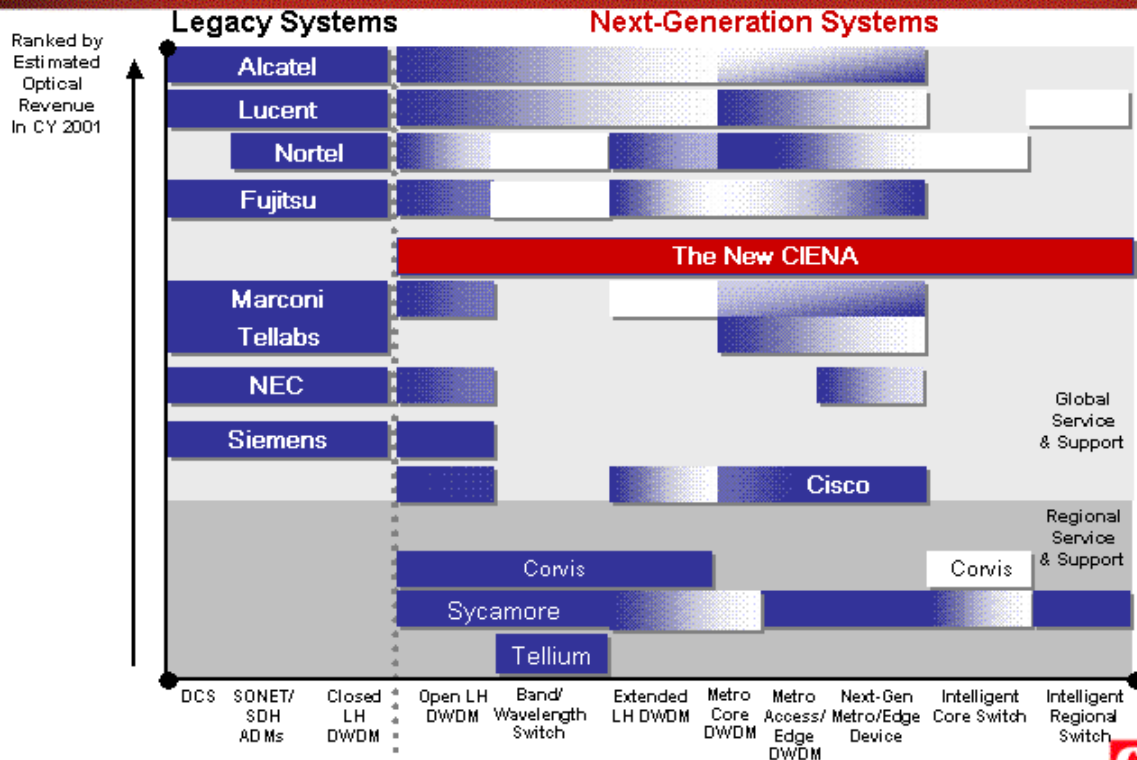


# Expanding Service Applications





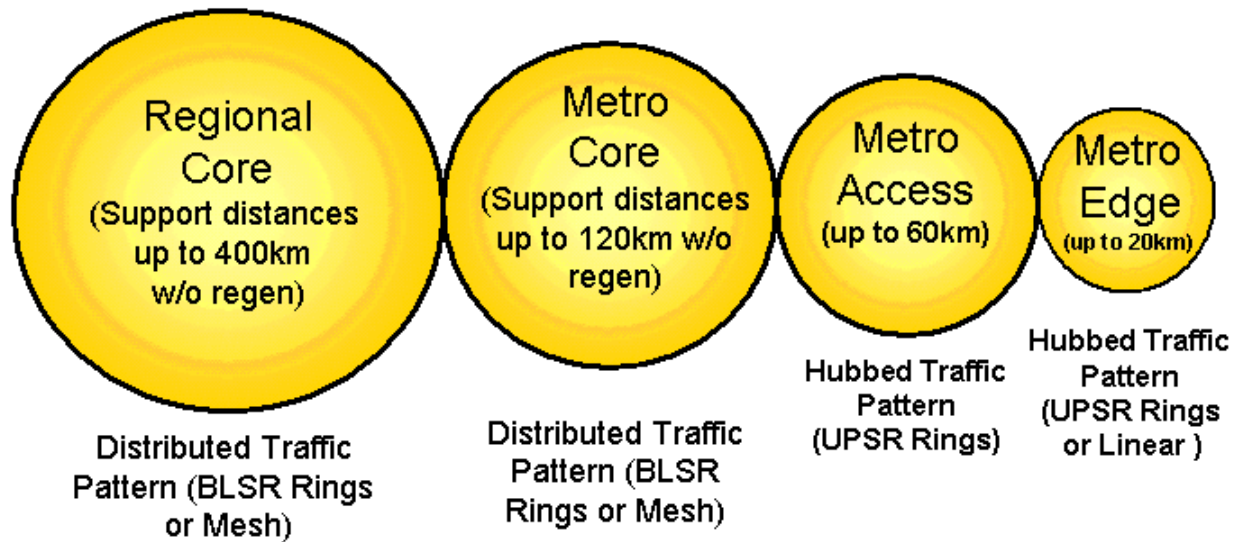
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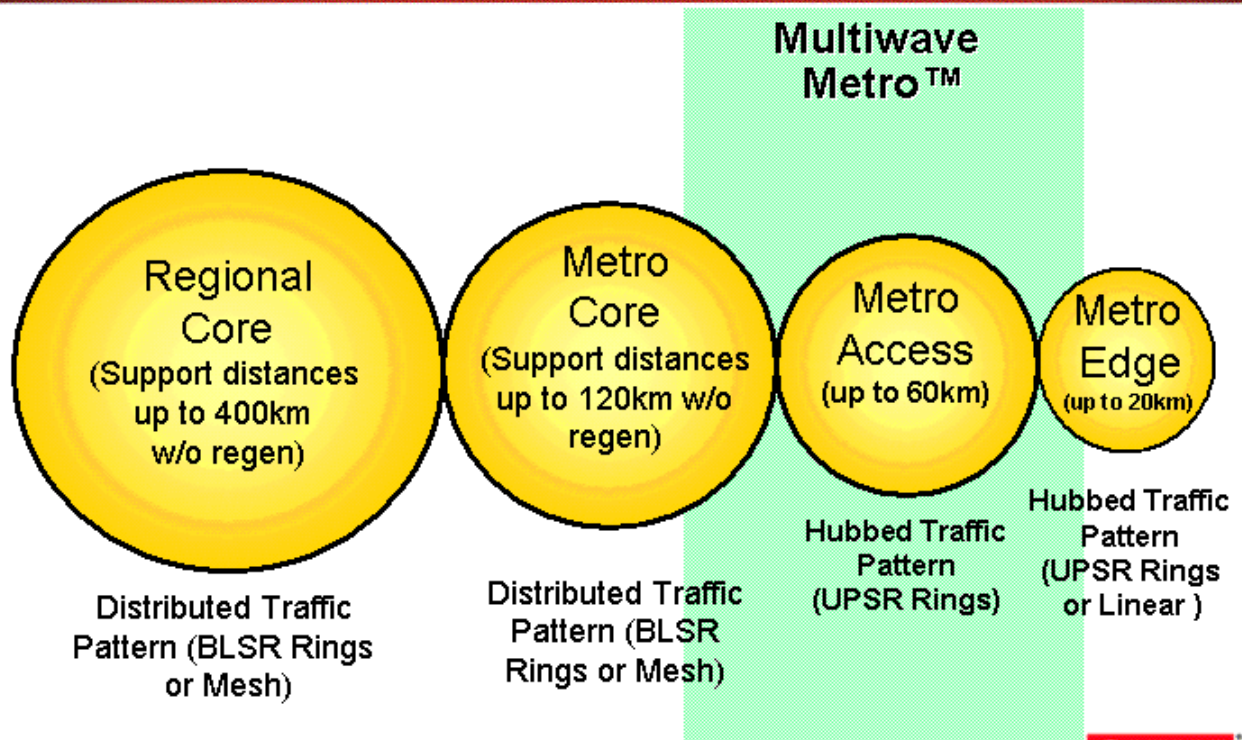
## Deal Benefits

- Larger addressable Metro market for CIENA
- Customer diversification
- Revenue enhancement
- Cost synergies

# Metropolitan Transport Market Space

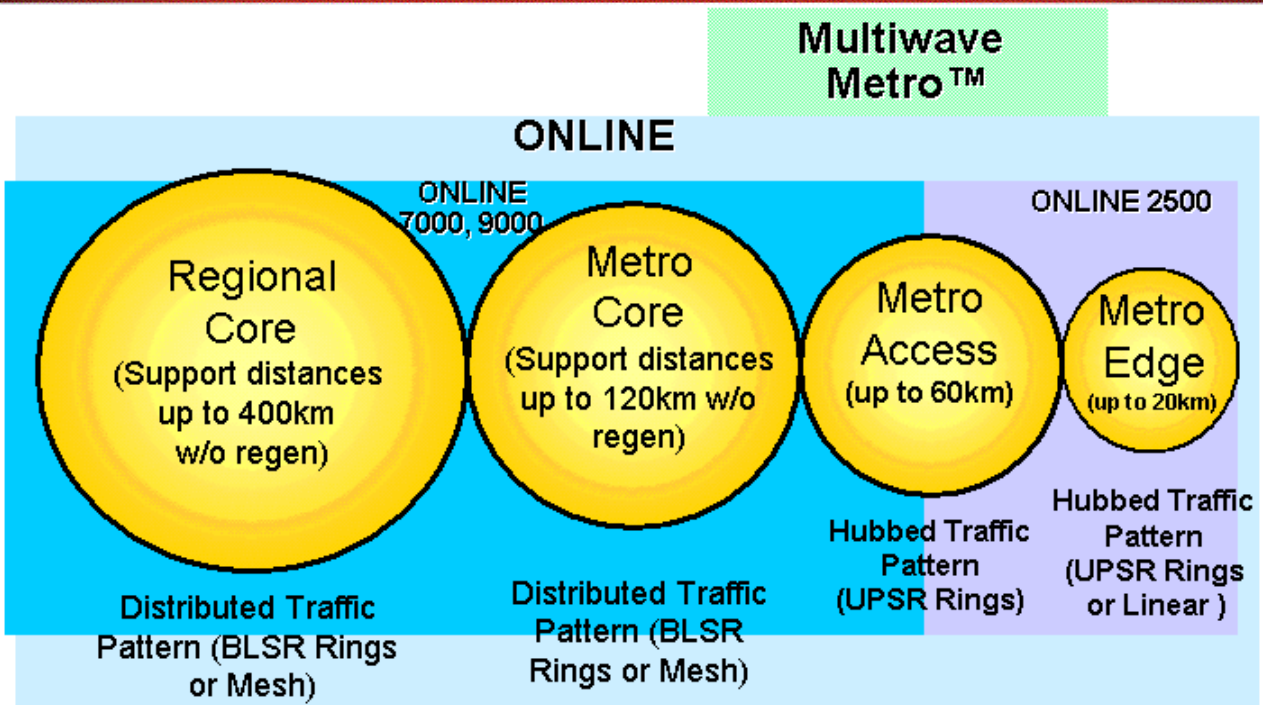


# Metropolitan Transport Market Space



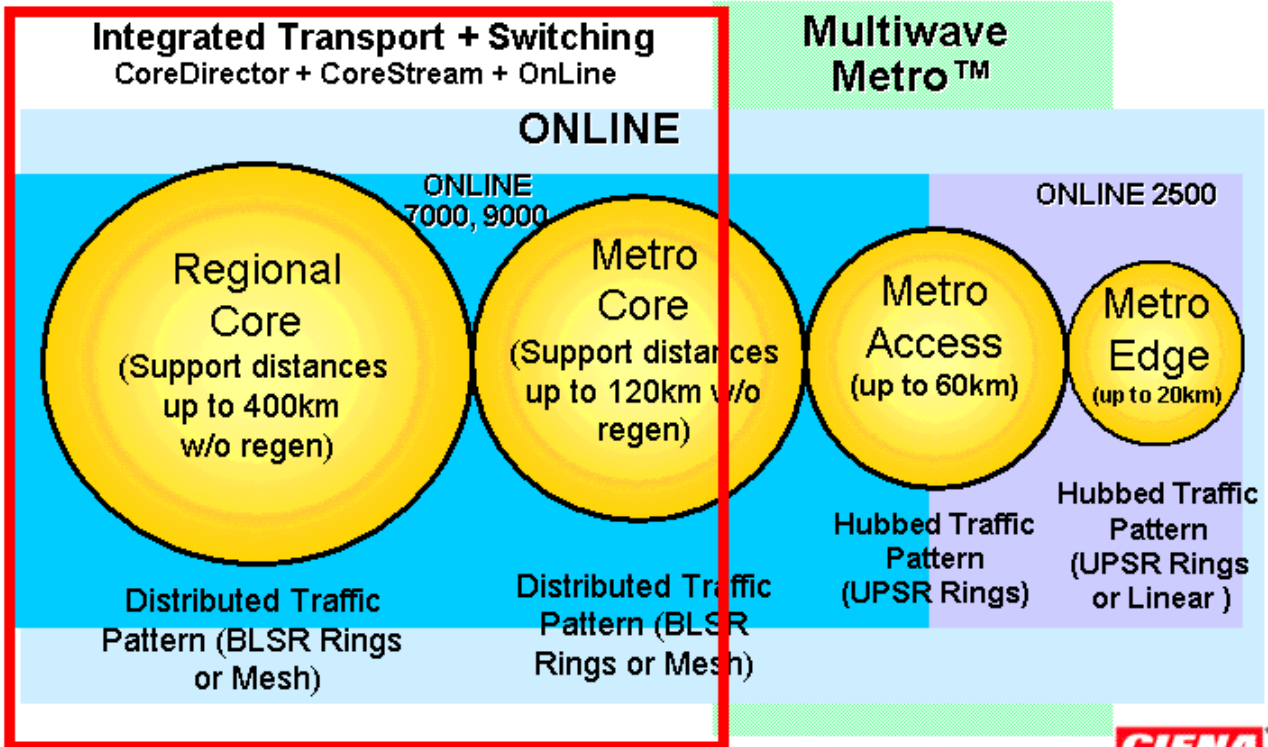


# Metropolitan Transport Market Space



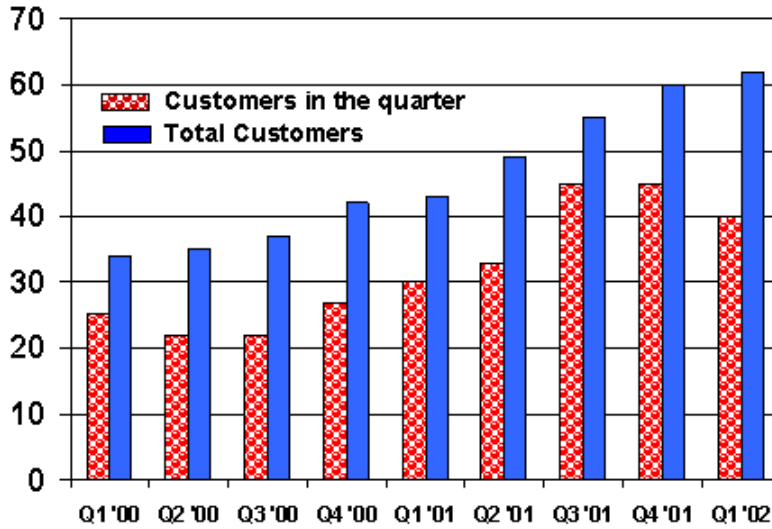


# Metropolitan Transport Market Space



# Customer Diversification

## CIENA Customer Base = 60+\*



Including:

- AT&T
- Bell South
- Cable & Wireless
- Sprint
- Qwest
- Verizon

**ONI brings 20+\*  
new customer  
relationships (with  
product pull-thru  
potential) to CIENA**

\*Customers included in historic revenues as of January 31, 2002 for CIENA, and as of December 31, 2001 for ONI.

# Revenue Enhancement

- Larger addressable Metro market for CIENA
- Cross-selling and product pull-through opportunities
- End-to-end network solution more appealing to customers
- Services focus at edge drives demand for bandwidth in core
- Enhances ability to compete for incumbent carrier business

# Cost Synergies

**Expected annualized opex cost savings  
greater than \$55 - \$65 million**

Expected savings:

- Eliminate redundancies
  - Parallel development efforts
  - Duplicate infrastructures
- Leverage economies of scale

**Additional savings created through  
manufacturing efficiencies**

# Summary

Combining the **leader in core optical networking** with the **leader in metro optical networking** to create:

- a new next-generation optical networking leader capable of offering end-to-end best-of-breed solutions
- a stronger, more formidable competitor vs. incumbent equipment providers
- an organization with enhanced selling potential to incumbent carriers worldwide

