

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

December 11, 2003

Date of Report (Date of earliest event reported)

CIENA Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-21969 (Commission File No.)	23-2725311 (IRS Employer Identification No.)
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1201 Winterson Road, Linthicum, Maryland 21090

(Address of principal executive offices) (Zip Code)

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

Not applicable

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

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

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

On December 11, 2003, CIENA Corporation issued a press release announcing its financial results for the fourth fiscal quarter and fiscal year ended October 31, 2003. The text of the press release is furnished as Exhibit 99.1 to this Report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CIENA CORPORATION

Date: December 11, 2003

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

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

CIENA Reports Fourth Quarter and Fiscal Year 2003 Results

LINTHICUM, Md.--(BUSINESS WIRE)--Dec. 11, 2003--CIENA(R) Corporation (NASDAQ:CIEN), a leading global provider of innovative networking solutions, today reported its fourth quarter results for the period ending October 31, 2003. Revenue for the quarter totaled \$70.6 million, a 3% sequential increase and an increase of 14% from same period a year ago. On a generally accepted accounting principles (GAAP) basis, CIENA's reported net loss for the quarter was \$115.0 million, or a net loss of \$0.24 per share.

Revenue for the fiscal year ending October 31, 2003 totaled \$283.1 million, a 22% decrease from fiscal 2002. On a GAAP basis, CIENA's net loss for the fiscal year was \$386.5 million, or a net loss of \$0.87 per share, compared to the previous year's GAAP net loss of \$1.6 billion, or \$4.37 per share.

"CIENA continues to make strides toward sustained profitability," said Gary Smith, CIENA's president and chief executive officer. "Since the fourth quarter of last year we have worked to enable growth by entering four new markets and by adding nine new products to our solutions portfolio as a result of both acquisitions and strategic partnerships. During that same time, we have improved gross margins 17 points and reduced our ongoing operating expenses by 25%.

"Key to the success of CIENA's strategy of continued investment is establishing the foundation for future revenue growth," said Smith. "Overall, we believe we have made solid progress, and we are encouraged by what seems to be a greater level of stability in the telecom industry."

Non-GAAP Presentation

In evaluating the operating performance of its business, CIENA's management excludes certain charges or credits that are required by GAAP. These items, which are identified in the table below, share one or more of the following characteristics: they are unusual, and CIENA does not expect them to recur in the ordinary course of its business; they do not involve the expenditure of cash; they are unrelated to the ongoing operation of the business in the ordinary course; or their magnitude and timing is largely outside of the Company's control.

Item	Quarter Ended	Fiscal Year
	October 31, 2003	Ended October 31, 2003
	(in thousands)	(in thousands)
Deferred stock compensation	\$3,487	\$16,777
Amortization of intangible assets	6,416	17,870
In-process research and development	1,300	2,800
Restructuring costs	12,904	31,155
Goodwill and intangible impairment	29,596	29,596
Loss on equity investments, net	4,750	4,760
Loss on extinguishment of debt	-	20,606
Nortel settlement	-	2,500
Income tax benefit on adjusted net loss	20,031	91,975
	-----	-----
Total Adjustments	\$78,484	\$218,039
	=====	=====
GAAP Net Loss	\$(115,040)	\$(386,517)
Adjusted for items above	78,484	218,039
	-----	-----
Non GAAP Net Loss	\$(36,556)	\$(168,478)
	=====	=====

Please see Appendix A for additional information about this table.

These adjustments are not in accordance with GAAP, and making these adjustments may not permit meaningful comparisons to other companies. As of the quarter ended October 31, 2003, CIENA's weighted average shares outstanding were approximately 470,244,000. Adjusting CIENA's quarterly GAAP results as noted would reduce the Company's net loss in its fourth fiscal quarter to \$0.08 per share.

As of the fiscal year ended October 31, 2003, CIENA's weighted average shares outstanding were approximately 446,696,000. Adjusting CIENA's twelve-month GAAP results as noted would reduce the Company's net loss for the period to \$0.38 per share.

Fourth Quarter 2003 Performance Highlights

- Recognized revenue from 99 customers.
- Completed the acquisition of Akara Corporation, recognizing initial revenue from Akara's CN platform in the quarter and adding 16 new CN customers.
- Added six additional (non CN) first-time, revenue-generating customers in the quarter.
- Ended the quarter with cash and short- and long-term investments valued at \$1.63 billion, using cash of \$123 million in the quarter.
- Delivered lower-than-expected research and development, sales and marketing, and general and administrative operating expenses, despite the addition of a full quarter of WaveSmith-related expenses and the addition of Akara-related expenses.

Fourth Quarter 2003 Solution and Strategic Highlights

- Entered the extended SONET/SDH-based storage area networking (SAN) market with the acquisition of Akara.
- Integrated Ethernet multiplexing into ONLINE Edge.
- Entered the service edge router market with a worldwide reseller agreement with Laurel Networks.
- Entered the multiservice transport market with a worldwide reseller agreement with Luminous Networks.
- Reduced the cost of delivering storage extension services by introducing ESCON enhancements to the ONLINE Edge platform.
- Gained 'RUS Acceptance' from USDA's Rural Utilities Service on CIENA's metro networking solutions.

Business Outlook

"In the last year, we have substantially increased CIENA's addressable market and we believe, our future revenue and earnings potential, by entering new markets where we anticipate growth, predominantly as a result of the demand for a converged, all-service network," said Smith. "Going forward, we will look for additional opportunities to further expand our solution portfolio and to increase our addressable market through both additional partnerships and acquisitions.

"We expect that revenue in our first fiscal quarter will be flat to up as much as ten percent from our fiscal fourth quarter revenue, though as always, these expectations include some risk. We are growing increasingly confident about our position with a number of incumbent carriers and believe that the combination of new wins, our broader solutions offering and our expanding customer base will fuel meaningful revenue growth in fiscal 2004," concluded Smith.

Live Web Broadcast of Q4 and Fiscal Year Results Conference Call

CIENA will host a discussion of its fourth quarter and fiscal 2003 results with investors and financial analysts today, Thursday, December 11, 2003 at 8:30 a.m. (Eastern). The live broadcast of the discussion will be available via CIENA's homepage at www.CIENA.com. An archived version of the discussion will be available shortly following the conclusion of the live broadcast on the Investor Relations page of CIENA's website at: www.CIENA.com/investors.

NOTE TO CIENA INVESTORS

This press release contains certain forward-looking statements based on current expectations, forecasts and assumptions of CIENA (the Company) that involve risks and uncertainties. Forward-looking statements in this release, including: CIENA continues to make strides toward sustained profitability; key to the success of CIENA's strategy of continued investment is establishing the foundation for future revenue growth; overall, we believe we have made solid progress, and we are encouraged by what seems to be a greater level of stability in the telecom industry; in the last year, we have substantially increased CIENA's addressable market and we believe, our future revenue and earnings potential, by entering new markets where we

anticipate growth, predominantly as a result of the demand for a converged, all-service network; going forward, we will look for additional opportunities to further expand our solution portfolio and to increase our addressable market through both additional partnerships and acquisitions; we expect that revenue in our first fiscal quarter will be flat to up as much as ten percent from our fiscal fourth quarter revenue, though as always, these expectations include some risk; and, we are growing increasingly confident about our position with a number of incumbent carriers and believe that the combination of new wins, our broader solutions offering and our expanding customer base will fuel meaningful revenue growth in fiscal 2004, are based on information available to the Company as of the date hereof. The Company's actual results could differ materially from those stated or implied in such forward-looking statements, due to risks and uncertainties associated with the Company's business, which include the risk factors disclosed in the Company's Report on Form 10-K filed with the Securities and Exchange Commission on December 11, 2003. Forward-looking statements include statements regarding the Company's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words. The Company assumes no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.

(Consolidated Statements of Operations and Consolidated Balance Sheets follow)

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

	Quarter Ended October 31,		Year Ended October 31,	
	2002	2003	2002	2003
Revenue:				
Products	\$49,726	\$56,858	\$304,155	\$240,772
Services	12,192	13,786	57,000	42,364
Total revenue	61,918	70,644	361,155	283,136
Costs:				
Products	36,479	35,563	228,074	158,898
Services	15,322	14,189	81,485	56,489
Excess and obsolete inventory costs	1,592	(1,138)	286,475	(5,296)
Total cost of goods sold	53,393	48,614	596,034	210,091
Gross profit (loss)	8,525	22,030	(234,879)	73,045
Operating Expenses				
Research and development	61,355	45,809	239,619	199,699
Selling and marketing	32,012	26,389	130,276	103,193
General and administrative	14,883	7,737	52,612	38,478
Deferred stock compensation costs				
Research and development	4,396	2,688	15,672	12,824
Selling and marketing	911	606	3,560	2,728
General and administrative(1)	433	193	1,092	1,225
Amortization of intangible assets	3,003	6,416	8,972	17,870
In-process research and				

development	-	1,300	-	2,800
Restructuring costs	78,691	12,904	225,429	31,155
Goodwill and intangible impairment	557,286	29,596	557,286	29,596
Provision for doubtful accounts	-	-	14,813	-
	-----	-----	-----	-----
Total operating expenses	752,970	133,638	1,249,331	439,568
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Loss from operations	(744,445)	(111,608)	(1,484,210)	(366,523)
Interest and other income, net	16,370	9,662	61,145	42,959
Interest expense	(15,583)	(7,997)	(45,339)	(36,331)
Loss on equity investments, net	(9,937)	(4,750)	(15,677)	(4,760)
Loss on extinguishment of debt	(2,683)	-	(2,683)	(20,606)
	-----	-----	-----	-----
Loss before income taxes	(756,278)	(114,693)	(1,486,764)	(385,261)
Provision (benefit) for income taxes	(1,508)	347	110,735	1,256
	-----	-----	-----	-----
Net loss	\$(754,770)	\$(115,040)	\$(1,597,499)	\$(386,517)
	=====	=====	=====	=====
Basic and diluted net loss per common share and dilutive potential common share	\$(1.75)	\$(0.24)	\$(4.37)	\$(0.87)
	=====	=====	=====	=====
Weighted average basic common and dilutive potential common shares outstanding	431,257	470,244	365,202	446,696
	=====	=====	=====	=====

(1) During the quarter and year ended October 31, 2002 general and administrative costs include \$1.8 million related to the settlement of Pirelli litigation. During the year ended October 31, 2003 general and administrative costs include \$2.5 million related to the settlement of Nortel litigation.

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

	October 31,	
	2002	2003
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ASSETS		
Current assets:		
Cash and cash equivalents	\$377,189	\$309,665
Short-term investments	1,130,414	796,809
Accounts receivable, net	28,680	43,600
Inventories, net	47,023	44,995
Prepaid expenses and other	54,351	34,334
	-----	-----
Total current assets	1,637,657	1,229,403
Long-term investments	570,861	519,744
Equipment, furniture and fixtures, net	196,951	114,930
Goodwill	212,500	336,039
Other intangible assets, net	62,457	108,408
Other long-term assets	70,596	69,641
	-----	-----
Total assets	\$2,751,022	\$2,378,165
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$39,841	\$44,402
Accrued liabilities	132,588	98,926
Restructuring liabilities	27,423	14,378
Unfavorable lease commitments	7,630	9,380

Income taxes payable	-	4,640
Deferred revenue	15,388	14,473
Other current obligations	948	-
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Total current liabilities	223,818	186,199
Long-term deferred revenue	15,444	14,547
Long-term restructuring liabilities	65,742	52,164
Long-term unfavorable lease commitments	70,124	61,312
Other long-term obligations	5,009	2,698
Convertible notes payable	843,616	730,428
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Total liabilities	1,223,753	1,047,348
	-----	-----
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - par value \$0.01; 20,000,000 shares authorized; zero shares issued and outstanding	-	-
Common stock - par value \$0.01; 980,000,000 shares authorized; 432,842,481 and 473,214,856 shares issued and outstanding	4,328	4,732
Additional paid-in capital	4,683,865	4,861,182
Deferred stock compensation	(24,983)	(9,664)
Notes receivable from stockholders	(3,866)	(448)
Accumulated other comprehensive income	8,840	2,447
Accumulated deficit	(3,140,915)	(3,527,432)
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Total stockholders' equity	1,527,269	1,330,817
	-----	-----
Total liabilities and stockholders' equity	\$2,751,022	\$2,378,165
	=====	=====

Appendix A

The adjustments management makes in analyzing CIENA's fourth quarter and fiscal 2003 GAAP results are as follows:

- Deferred stock compensation costs - a non-cash expense largely unrelated to normal operations, and which arises under GAAP accounting from the assumption of unvested stock options issued by any companies we acquire, including Cyras, ONI and WaveSmith.
- Amortization of intangible assets - a non-cash expense unrelated to normal operations arising from acquisitions of intangible assets, principally developed technology acquired in the Cyras, ONI, WaveSmith and Akara acquisitions which CIENA is required to amortize over its expected useful life.
- In-process research and development - a non-recurring expense related to acquired technology.
- Restructuring costs - non-recurring charges, unrelated to normal operations, incurred as the result of reducing the size of the Company's operations to align its resources with the reduced size of the telecommunications market as well as the result of targeting new segment opportunities within the overall market.
- Goodwill and intangible impairment - a non-cash expense unrelated to normal operations.
- Loss on equity investments, net - a decline in the fair market value of an equity investment that is determined to be other-than-temporary.
- Loss on extinguishment of debt - a non-recurring expense, unrelated to normal operations.
- Nortel litigation - a non-recurring expense, unrelated to normal operations incurred in the first quarter fiscal 2003 and included in general and administrative expense for fiscal 2003.
- Income tax benefit on adjusted net loss - the income tax charge or benefit on the adjusted net loss, which is a necessary adjustment for consistency. The Company currently has a full valuation allowance for GAAP reporting purposes and accordingly does not recognize a tax benefit for losses generated.

ABOUT CIENA

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

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