

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) August 30, 2007

Ciena Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-21969

23-2725311

(Commission File Number)

(IRS Employer Identification No.)

1201 Winterson Road, Linthicum, MD

21090

(Address of Principal Executive Offices)

(Zip Code)

(410) 865-8500

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 - RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 30, 2007, Ciena Corporation issued a press release announcing its financial results for the third fiscal quarter ended July 31, 2007. The text of the press release is furnished as Exhibit 99.1 to this Report. The information in this Report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended.

ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS

(c) The following exhibit is being filed herewith:

Exhibit Number	Description of Document
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Exhibit 99.1	Text of Press Release dated August 30, 2007, issued by Ciena Corporation, reporting its results of operations

for the third fiscal quarter ended July 31, 2007.

SIGNATURES

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

Ciena Corporation

Date: August 30, 2007

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

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

Ciena Reports Fiscal Third Quarter 2007 Results

Company Demonstrates Improved Operating Leverage and Delivers 5.9% Sequential, 34.4% Year-over-Year Revenue Growth

LINTHICUM, Md.--(BUSINESS WIRE)--August 30, 2007--Ciena(R) Corporation (NASDAQ:CIEN), the network specialist, today announced results for its fiscal third quarter ended July 31, 2007. Revenue for the third quarter totaled \$205.0 million, representing a 5.9% sequential increase from fiscal second quarter revenue of \$193.5 million, and an increase of 34.4% over the same period a year ago when the Company reported sales of \$152.5 million. For the nine months ended July 31, 2007, Ciena reported revenue of \$563.6 million, representing an increase of 39.5% over revenue of \$404.1 million for the same nine-month year-ago period.

On the basis of generally accepted accounting principles (GAAP), Ciena's net income for the fiscal third quarter 2007 was \$28.3 million, or \$0.29 per diluted share. This represents a 117.6% sequential increase from fiscal second quarter GAAP net income of \$13.0 million, and compares with a reported GAAP net loss of \$4.3 million, or a loss of \$0.05 per share, for the same period a year ago. For the nine-month period ended July 31, 2007, Ciena's reported GAAP net income was \$52.4 million, or \$0.57 per diluted share. This compares to a GAAP net loss of \$12.5 million, or \$0.15 per share, for the same nine-month year-ago period. Note that calculating diluted earnings per share for the fiscal third quarter 2007 and for the nine-month period ended July 31, 2007 requires that the interest expense of \$1.3 million and \$2.2 million for the periods respectively, associated with the Company's 0.25% and 0.875% convertible senior notes, be added to GAAP net income in order to arrive at the numerator for the earnings per share calculation.

"Consistent execution of our network specialist strategy has enabled Ciena to benefit from two significant industry trends: the demand for increasing network capacity and the transition to Ethernet/IP-based network infrastructures," said Gary Smith, Ciena president and CEO. "At the same time, we continue to drive actions resulting in improved financial performance across the Company."

Non-GAAP Presentation of Quarterly Results

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

	Quarter Ended July 31, 2006	Quarter Ended July 31, 2007
	-----	-----
Stock-based compensation-product	\$ 361	\$ 131
Stock-based compensation-services	211	225
Stock-based compensation-research and development	1,061	985
Stock-based compensation-sales and marketing	715	1,898
Stock-based compensation-general and administrative	594	1,724
Amortization of intangible assets	6,295	6,295
Legal settlement and related contingent fees	5,705	2,250
Restructuring costs (recoveries)	11,008	(1,196)
Recovery of doubtful accounts, net	(139)	-
	-----	-----
Adjustments related to income (loss) from operations	\$ 25,811	\$ 12,312
Gain on equity investments, net	(948)	(592)
	-----	-----
Total adjustments	\$ 24,863	\$ 11,720

	=====	=====
Income from Operations Reconciliation (GAAP/non-GAAP)		
GAAP income (loss) from operations	\$ (12,810)	\$ 16,028
Adjustments related to income (loss) from operations	25,811	12,312
	-----	-----
Adjusted (non-GAAP) income from operations	\$ 13,001	\$ 28,340
	=====	=====
Net Income Reconciliation (GAAP/non-GAAP)		
GAAP net income (loss)	\$ (4,285)	\$ 28,312
Adjustment for total adjustments noted above	24,863	11,720
	-----	-----
Adjusted (non-GAAP) net income	\$ 20,578	\$ 40,032
	=====	=====
Weighted average basic common shares outstanding	84,197	85,651
Weighted average dilutive potential common shares outstanding	92,952	101,568
GAAP diluted net income per share	\$ (0.05)	\$ 0.29
Adjusted (non-GAAP) diluted net income per share	\$ 0.23	\$ 0.41

Please see Appendix A for additional information about this table.

Adjusting Ciena's unaudited fiscal third quarter 2007 GAAP net income of \$28.3 million for the items noted above would increase the Company's adjusted (non-GAAP) net income in the quarter to \$40.0 million. Adding the interest expense of \$1.3 million associated with the Company's 0.25% and 0.875% convertible senior notes to the adjusted (non-GAAP) net income in order to arrive at the numerator for the earnings per share calculation, results in an as-adjusted net income of \$0.41 per adjusted diluted share. This compares with an adjusted (non-GAAP) net income of \$20.6 million, or \$0.23 per adjusted diluted share, in the same year-ago period. Note that calculating the as-adjusted diluted earnings per share for the fiscal third quarter 2006 requires that interest expense of approximately \$0.5 million associated with the Company's 0.25% convertible senior notes be added to GAAP net income in order to arrive at the numerator for the earnings per share calculation.

Third Quarter 2007 Performance Highlights

- Achieved sequential quarterly revenue growth of 5.9% and year-over-year revenue growth of 34.4%.
- Delivered overall gross margin of 47.7% and product gross margin of 53.7%.
- Delivered GAAP income from operations of 7.8% of revenue and 13.8% of revenue on an as-adjusted basis.
- Completed a public offering of 0.875% Convertible Senior Notes due 2017, in aggregate principal amount of \$500 million.
- Ended the fiscal third quarter 2007 with cash, cash equivalents and short- and long-term investments of \$1.7 billion.

Third Quarter 2007 Customer Highlights

- BT has deployed Ciena's optical Ethernet transport and switching solutions at more than 100 sites across the UK to support the roll-out of its 21st Century Network (21CN).
- THUS plc chose the CN 4200(TM) FlexSelect(TM) Advanced Services Platform to support the delivery of a new high-capacity, next-generation network to the London Metropolitan Network (LMN).
- AboveNet, Inc., a leader in private metro optical networks and fiber-based connectivity solutions for businesses and carriers, is deploying Ciena's CoreStream(R) Agility Optical TransportSystem to upgrade its core optical network that

provides high-bandwidth, long-haul service between multiple metro networks throughout the U.S.

- Swedish University Network (SUNET) successfully rolled out its new 10-Gigabit Ethernet (GbE) network, OptoSUNET, using Ciena's FlexSelect Architecture including optical transmission, multiservice transport, Ethernet services and network management solutions.
- Internet2 FiberCo(R), a fiber holding company formed to support dark fiber initiatives for U.S. research and higher education, teamed with Ciena to provide a suite of customized professional services and optical networking equipment solutions to assist Internet2 members with planning, installing, and managing their advanced network infrastructures.
- Mid-Atlantic Crossroads (MAX) selected the CoreDirector(R) Multiservice Switch for use in the organization's production and research networking efforts.
- Children's Hospital Boston, one of the largest pediatric medical centers in the United States, deployed the CN 4200 FlexSelect Advanced Services Platform to enable high-speed optical connections between multiple locations throughout its Boston campus, and facilities in nearby Waltham and Needham, Mass., to ensure reliable, efficient data connectivity for critical applications and seamless business continuity and disaster recovery.
- JANET(UK) successfully delivered its first 40 Gbps service in a production environment across its UK national research and education network, using the new 40 Gbps capabilities of Ciena's CoreStream Agility Optical Transport System.

Third Quarter 2007 Product Highlights

- Ciena introduced its FlexSelect 40G Shelf, a universal solution to transition metro, regional, long-haul and ultra long-haul networks to 40 Gbps while providing a migration path for 100G networking.
- The Company announced the CN 4200 RS FlexSelect Advanced Services Platform, the latest expansion of the Company's flagship CN 4200 family of products and its FlexSelect Architecture vision for flexible, service-enabled transport.
- EMC(R) E-Lab(TM) qualified the CN 4200 FlexSelect Advanced Services Platform at 4G and 10G Fibre Channel capacities.
- The CN 4200 FlexSelect Advanced Services Platform achieved technical acceptance under the United States Department of Agriculture (USDA)'s Rural Development Telecommunications Program, which offers funding and low-cost loans to service providers investing in networks that serve rural communities.

Business Outlook

"Our strategy of prioritizing our investments and targeting high growth market segments has enabled us to grow faster than the overall market for the past two years, and at this point, we are on track to do so once again with annual revenue growth of up to 37 percent in fiscal 2007," said Smith. "At the same time, as evidenced by this quarter's performance, we remain focused on maximizing the operating leverage in our business model."

Live Web Broadcast of Fiscal Third Quarter Results

Ciena will host a discussion of its fiscal third quarter results with investors and financial analysts today, Thursday, August 30, 2007 at 8:30 a.m. (Eastern). The live broadcast of the discussion will be available via Ciena's homepage at www.ciena.com. An archived version of the discussion will be available shortly following the conclusion of the live broadcast on the Investor Relations page of Ciena's website at: <http://www.ciena.com/investors/investors.htm>.

NOTE TO INVESTORS

This press release contains certain forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties. These statements are based on information

available to the Company as of the date hereof; and Ciena's actual results could differ materially from those stated or implied, due to risks and uncertainties associated with its business, which include the risk factors disclosed in its Report on Form 10-Q filed with the Securities and Exchange Commission on June 1, 2007. Forward-looking statements include statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words. Forward-looking statements in this release include: our strategy of prioritizing our investments and targeting high growth market segments has enabled us to grow faster than the overall market for the past several years, and at this point, we are on track to do so once again with annual revenue growth of up to 37 percent in fiscal 2007; and, at the same time, as evidenced by this quarter's performance, we remain focused on maximizing the operating leverage in our business model. Ciena assumes no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.

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

ASSETS

	October 31, ----- 2006	July 31, ----- 2007
Current assets:		
Cash and cash equivalents	\$ 220,164	\$ 724,271
Investments in marketable debt securities	628,393	1,004,492
Accounts receivable, net	107,172	117,806
Inventories, net	106,085	105,141
Prepaid expenses and other	36,372	43,382
	-----	-----
Total current assets	1,098,186	1,995,092
Investments in marketable debt securities	351,407	8,354
Equipment, furniture and fixtures, net	29,427	41,462
Goodwill	232,015	232,015
Other intangible assets, net	91,274	69,486
Other assets	37,404	67,270
	-----	-----
Total assets	\$ 1,839,713	\$ 2,413,679
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 39,277	\$ 51,798
Accrued liabilities	79,282	92,862
Restructuring liabilities	8,914	7,164
Unfavorable lease commitments	8,512	8,406
Income taxes payable	5,981	6,676
Deferred revenue	19,637	33,146
Convertible notes payable	-	542,262
	-----	-----
Total current liabilities	161,603	742,314
Deferred revenue	21,039	26,978
Restructuring liabilities	26,720	21,188
Unfavorable lease commitments	32,785	26,473
Other obligations	1,678	1,503
Convertible notes payable	842,262	800,000
	-----	-----
Total liabilities	1,086,087	1,618,456
	-----	-----
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - par value \$0.01; 20,000,000 shares authorized; zero shares issued and outstanding	-	-
Common stock - par value \$0.01; 140,000,000 shares authorized; 84,891,656 and 85,948,654 shares issued and outstanding	849	859
Additional paid-in capital	5,505,853	5,495,915
Unrealized loss on investments, net	(496)	(279)
Translation adjustment	(580)	(1,650)
Accumulated deficit	(4,752,000)	(4,699,622)
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Total stockholders' equity	753,626	795,223
Total liabilities and stockholders' equity	\$ 1,839,713	\$ 2,413,679

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

	Quarter Ended July 31,		Nine Months Ended July 31,	
	2006	2007	2006	2007
Revenues:				
Products	\$137,809	\$182,143	\$360,958	\$501,637
Services	14,690	22,808	43,146	61,942
Total revenue	152,499	204,951	404,104	563,579
Costs:				
Products	70,356	84,383	189,712	250,681
Services	10,479	22,903	29,367	59,775
Total cost of goods sold	80,835	107,286	219,079	310,456
Gross profit	71,664	97,665	185,025	253,123
Operating expenses:				
Research and development	26,190	31,671	84,508	93,166
Selling and marketing	24,903	30,303	78,132	85,360
General and administrative	16,217	14,564	37,359	36,572
Amortization of intangible assets	6,295	6,295	18,885	18,885
Restructuring costs (recoveries)	11,008	(1,196)	16,037	(2,396)
Long-lived asset impairments	-	-	(6)	-
Recovery of doubtful accounts, net	(139)	-	(2,990)	(10)
Gain on lease settlement	-	-	(11,648)	-
Total operating expenses	84,474	81,637	220,277	231,577
Income (loss) from operations	(12,810)	16,028	(35,252)	21,546
Interest and other income, net	14,045	19,464	34,504	51,206
Interest expense	(6,148)	(6,931)	(18,016)	(19,227)
Gain on equity investments, net	948	592	215	592
Gain on extinguishment of debt	-	-	7,052	-
Income (loss) before income taxes	(3,965)	29,153	(11,497)	54,117
Provision for income taxes	320	841	989	1,739
Net income (loss)	\$ (4,285)	\$ 28,312	\$ (12,486)	\$ 52,378
Basic net income (loss) per common share	\$ (0.05)	\$ 0.33	\$ (0.15)	\$ 0.61
Diluted net income (loss) per potential common share	\$ (0.05)	\$ 0.29	\$ (0.15)	\$ 0.57
Weighted average basic common shares outstanding	84,197	85,651	83,568	85,268
Weighted average dilutive potential common shares outstanding	84,197	101,568	83,568	95,107

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

(unaudited)

	Nine Months Ended July 31,	
	2006	2007
Cash flows from operating activities:		
Net income (loss)	\$ (12,486)	\$ 52,378
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Early extinguishment of debt	(7,052)	-
Amortization of premium (discount) on marketable securities	2,058	(8,093)
Non-cash loss from equity investments	733	-
Depreciation of equipment, furniture and fixtures; and amortization of leasehold improvements	13,173	9,407
Stock compensation	10,953	14,258
Amortization of intangible assets	21,788	21,788
Provision for inventory excess and obsolescence	6,158	8,860
Provision for warranty	10,885	8,910
Other	1,236	1,754
Changes in assets and liabilities:		
Accounts receivable	(16,852)	(10,634)
Inventories	(52,646)	(7,916)
Prepaid expenses and other	1,282	(16,776)
Accounts payable, accrued liabilities and other obligations	(42,744)	3,316
Income taxes payable	70	695
Deferred revenue	(917)	19,448
Net cash provided by (used in) operating activities	(64,361)	97,395
Cash flows from investing activities:		
Additions to equipment, furniture and fixtures	(13,332)	(21,442)
Restricted cash	1,347	(11,904)
Purchases of available for sale marketable debt securities	(403,664)	(564,399)
Maturities of available for sale marketable debt securities	485,916	539,663
Minority equity investments, net	948	411
Net cash provided by (used in) investing activities	71,215	(57,671)
Cash flows from financing activities:		
Proceeds from issuance of convertible senior notes	300,000	500,000
Repurchase of 3.75% convertible notes	(98,410)	-
Debt issuance costs	(7,990)	(11,431)
Purchase of call spread option	(28,457)	(42,500)
Proceeds from exercise of stock options	22,225	18,314
Net cash provided by financing activities	187,368	464,383
Net increase in cash and cash equivalents	194,222	504,107
Cash and cash equivalents at beginning of period	358,012	220,164
Cash and cash equivalents at end of period	\$ 552,234	\$ 724,271

Appendix A

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

- Stock-based compensation costs - A non-cash expense incurred in accordance with SFAS 123R using the modified prospective application transition method.
- Amortization of intangible assets - a non-cash expense arising from acquisitions of intangible assets, principally developed technology, which Ciena is required to amortize over its expected useful life.

- Legal settlement and related contingent fees - included in general and administrative expenses during our third quarter of fiscal 2007 were \$2.3 million in expenses associated with patent litigation settlements. Included in general and administrative expenses in the third quarter of fiscal 2006 were \$5.7 million in contingent fees paid to outside counsel and advisors resulting from the settlement of patent litigation with Nortel Networks.
- Restructuring costs (recoveries) - infrequent charges or recoveries incurred as the result of reducing the size of the Company's operations to align its resources with the reduced size of the telecommunications market, as well as the result of targeting new segment opportunities within the overall market, which the Company feels are not reflective of its ongoing operating costs.
- Recovery of doubtful accounts - an infrequent gain unrelated to normal operations resulting from the recovery of a previously assessed doubtful payment due to a customer's financial condition.
- Gain on equity investments, net - a non-recurring loss or gain related to changes in the value of the Company's equity investments which the Company feels is not reflective of its ongoing operating costs.

About Ciena

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

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