



Ciena Corporation

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Dougherty Investor Conference

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Forward-looking statements and non-GAAP measures

Information presented and related comments of presenters may contain forward-looking statements. Forward-looking statements include Ciena's business outlook for future periods as well as 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.

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All information, statements, and projections in this presentation and the related earnings call speak only as of the date of this presentation and related earnings call. Ciena assumes no obligation to update the information presented today, whether as a result of new information, future events or otherwise.

In addition, this presentation includes historical, and may include prospective, non-GAAP measures of Ciena's gross margin, operating expense, operating profit, net income, and net income per share. These measures are not intended to be a substitute for financial information presented in accordance with GAAP. A reconciliation of non-GAAP measures used in this presentation to Ciena's GAAP results for the relevant period can be found in the Appendix to this presentation.

About us

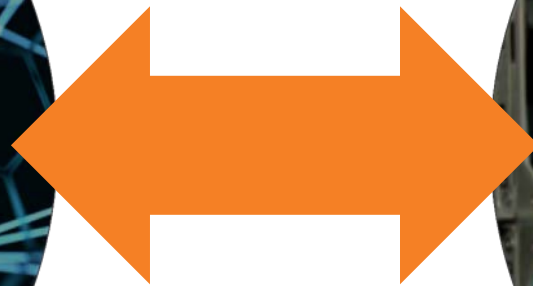
CIENA HELPS FACILITATE ON-DEMAND BUSINESS MODELS SO NETWORK OPERATORS CAN THRIVE IN A WEB-SCALE WORLD

We enable cloud services on-demand by driving an ecosystem for open software control and by building the programmable packet-optical network to deliver those services

HARDWARE	SOFTWARE	SERVICES
Converged packet-optical and Ethernet platforms	Automation of service creation, orchestration, and delivery across physical and virtual domains	Installation & Support Software-related Services
1,300+ customers across North America, CALA, EMEA & APAC	Serving 80% of the world's largest service providers	Aiding government, web-scale providers, MSOs, Fortune 2000 enterprises, and other private network operators
		~5,000+ employees in 80+ countries



NETWORKS



COMPUTING

Driver 1: Metro networks

\$5B market ex-China with mid-single-digits growth

Heterogeneous environment requires optics, packets, and software

Ciena is #1 in North America, top 3 globally



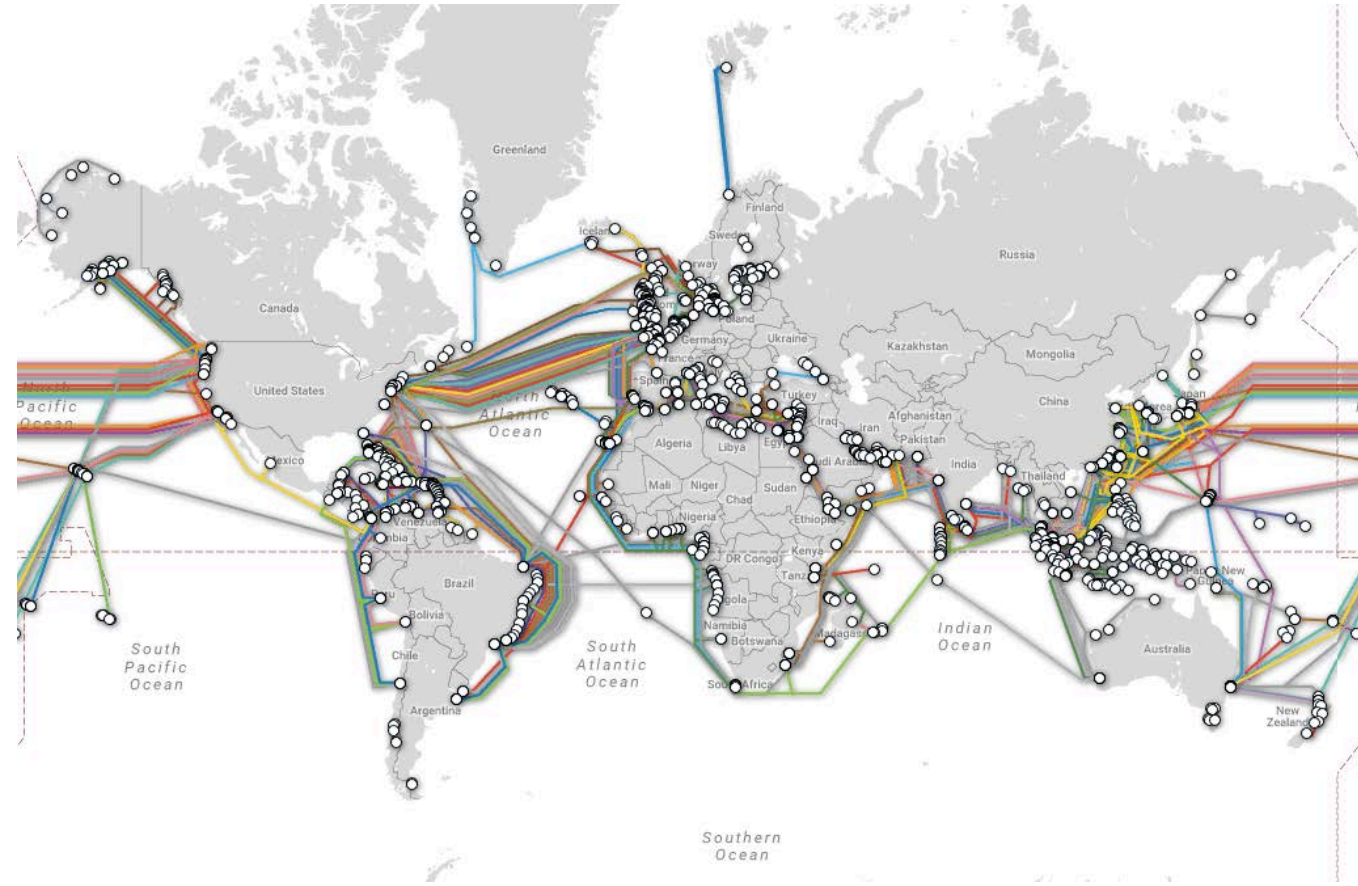
Driver 2: Submarine networks

“Dry plant” upgrade market: \$685M,
mid-teens growth

New cable builds will grow market 25%

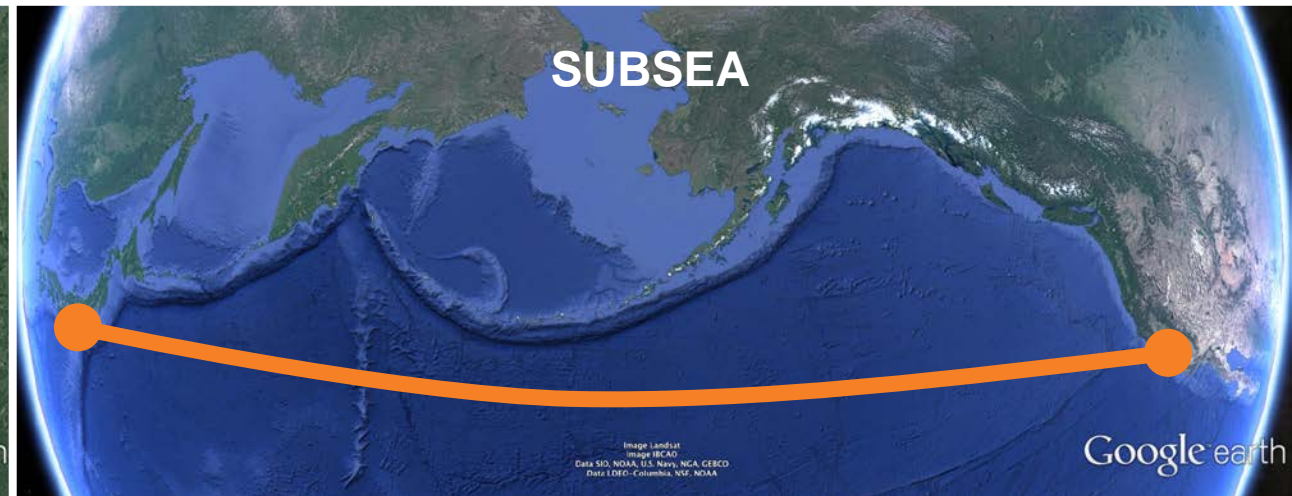
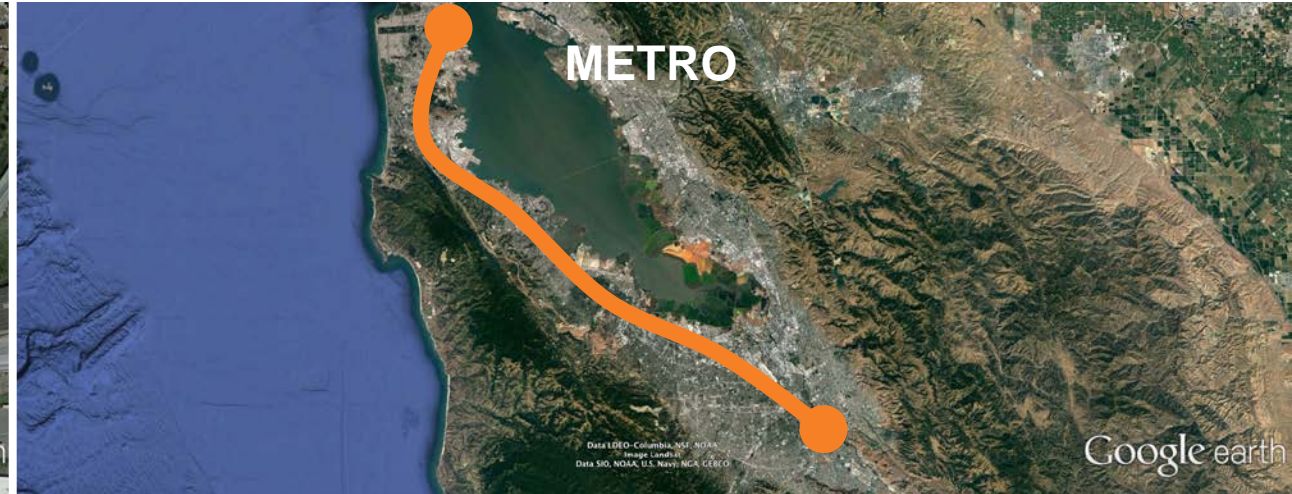
Capacity per fiber is a key buying criterion

Ciena recently named #1 globally



Map source: Telegeography <http://www.submarinecablemap.com/>

Driver 3: Data center interconnect



Driver 3: Data center interconnect

\$2-2.5B market ex-China
with low-double-digit growth

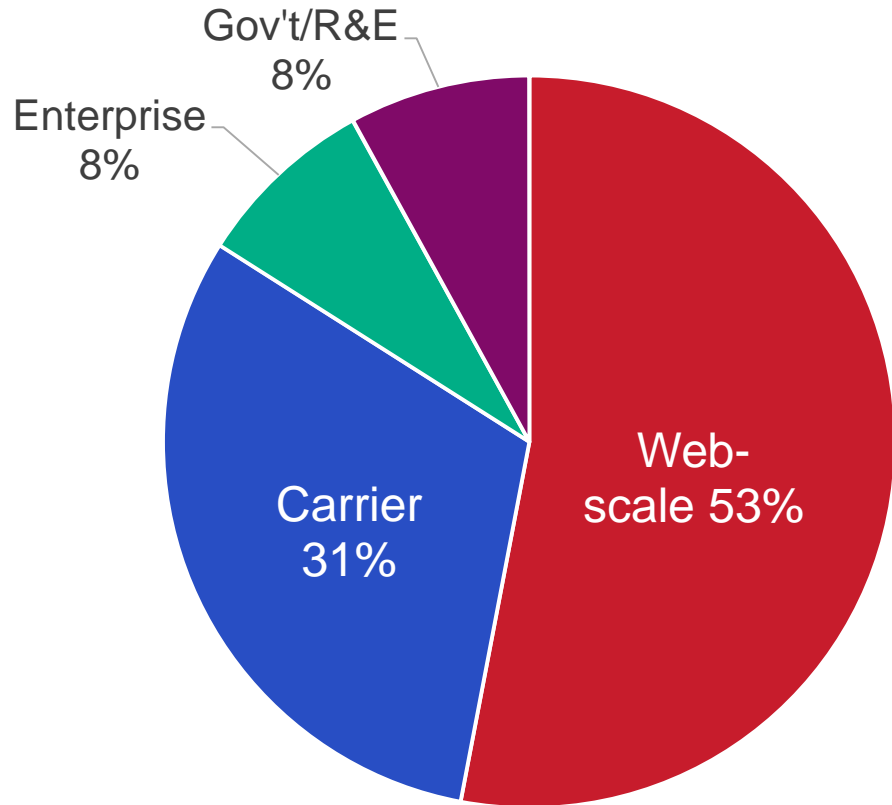
Openness plus optical capacity and
performance is key

Ciena is #1 globally

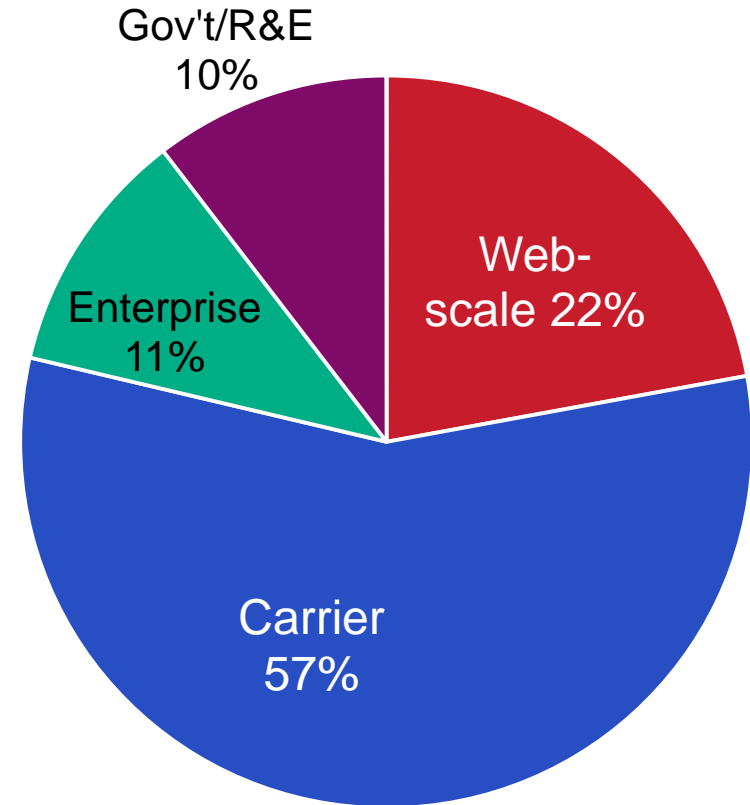


Data Center Interconnect by region

NORTH AMERICA



CALA + EMEA + APAC



Source: Ovum *Global Data Center Analyzer: 3H15* (Sep 2015)
plus Ciena analysis

Three important product advantages in the current environment

Coherent optical performance



Solution breadth



Openness & software

blueplanet®

Open APIs

Ciena's transformation

	SIX YEARS AGO	TODAY
Customers	~300	1,300+
Multi-application service provider customers	~50% of top 20	~90% of top 20
Customer concentration	One customer drove ~40%	Top 5 customers drive ~40%
Product portfolio	Optical	Networking platforms
Software portfolio	Network Management System	Network virtualization, management, control and orchestration
Services portfolio	Attached services	Global services Software-related Services

Our strategic transformation has driven differentiated market and financial performance

Q3 2016 results

Revenue	As-adjusted gross margin	As-adjusted opex	As-adjusted operating margin	Cash balance
\$671M	46.8%	\$223M	13.5%	\$1.27B

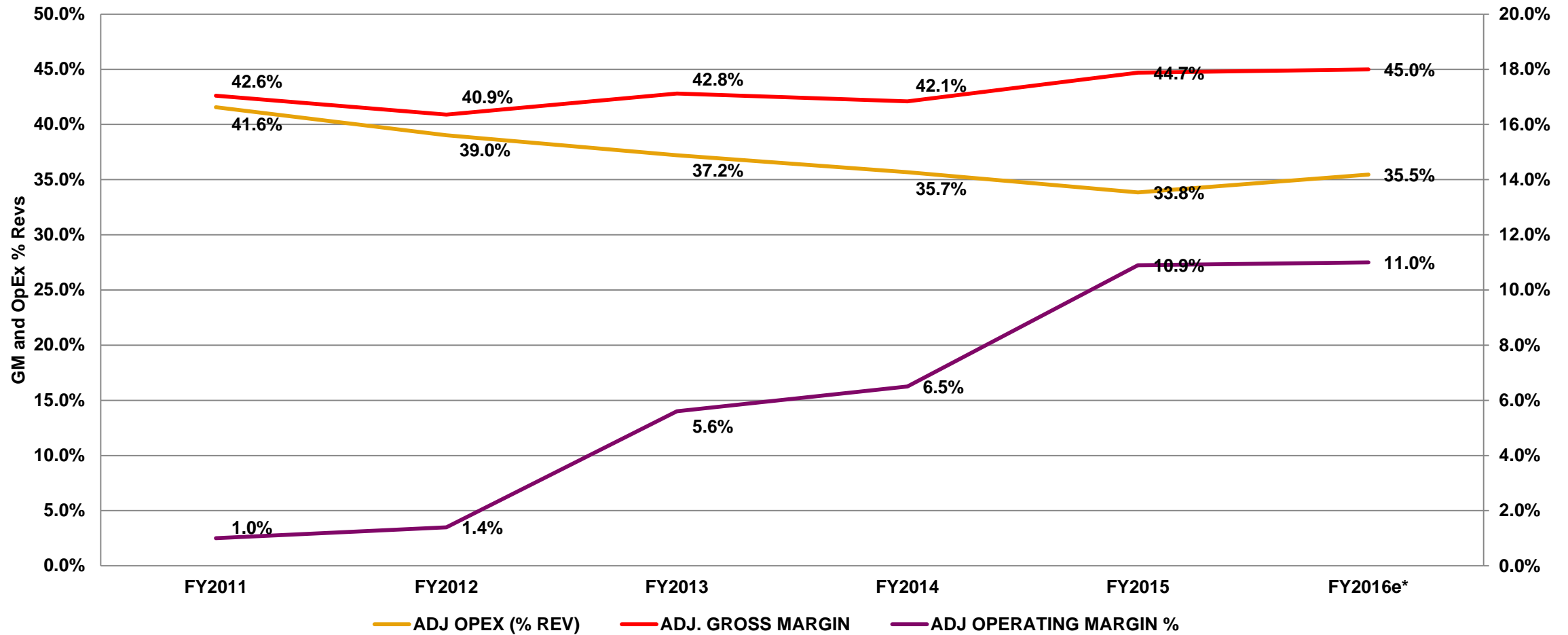
Strong Q3 revenue and improved profitability
Share Gains and Regional Diversification
Non-telco infrastructure revenue at 37%, a record
Web-scale revenue (direct) over 12%, a record

Business Outlook¹

Q4'16	
Revenue	\$700M to \$730M
Adjusted Gross Margin	Mid-40s percentage range
Adjusted Operating Expense	Approximately \$230M-\$235M
Fiscal 2016	
Revenue Growth	5% to 8%, approximately at mid-point
Adjusted Gross Margin	Mid-40s percent range
Adjusted Operating Expense	Approximately \$225M/quarter
Adjusted Operating Margin %	10% to 12%
Next-stage financial milestone - 3 to 4 years	
Adjusted Operating Margin %	15%

¹ Projections or outlook with respect to future operating results are only as of September 1, 2016 the date presented on the related earnings call. Ciena assumes no obligation to update this information, whether as a result of new information, future events, or otherwise.

Increased operating leverage and sustainable momentum



Ciena's performance reflects our long-held view of the market as well as our long-term corporate strategy aimed at diversifying the business for sustainable growth in revenue and profitability

Thank You

