

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) December 8, 2005

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 December 8, 2005, Ciena Corporation issued a press release announcing its financial results for the quarter and year ended October 31, 2005. 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

(d) The following exhibit is being filed herewith:

Exhibit Number	Description of Document
----------------	-------------------------

-
Exhibit 99.1

.....
Text of Press Release dated December 8, 2005, issued by
Ciena Corporation, reporting its results of operations for
the quarter and year ended October 31, 2005

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 8, 2005

By: /s/ Joseph R. Chinnici

Joseph R. Chinnici
Senior Vice President,
Finance and Chief Financial Officer

Ciena Reports Unaudited Fiscal Fourth Quarter
and Year-End Results; Quarterly Revenue of \$118.2 Million Represents
44% Year-over-Year Growth; Gross Margin Improves More Than 500 Basis
Points Sequentially

LINTHICUM, Md.--(BUSINESS WIRE)--Dec. 8, 2005--Ciena(R) Corporation (NASDAQ:CIEN), the network specialist, today announced unaudited results for its fiscal fourth quarter and year ending October 31, 2005.

Ciena's unaudited fiscal fourth quarter revenue was \$118.2 million, representing a 7% sequential increase from fiscal third quarter revenue of \$110.5 million and an increase of 44% over revenue of \$82.0 million for the same period a year ago. For the twelve months ending October 31, 2005, Ciena's unaudited revenue was \$427.3 million, representing an increase of 43% over revenue of \$298.7 million for the same year-ago period.

"In the last year, Ciena's employees have demonstrated extraordinary focus on execution of our strategy and, as a result, have driven the Company's significant revenue growth and meaningful financial performance improvement," said Ciena CEO and President, Gary Smith. "With our seventh sequential quarter of revenue growth, and with continued gross margin improvement, our fiscal fourth quarter's results demonstrate Ciena's steady progress toward profitability and positive cash flow, and more importantly, our continued progress toward future earnings growth."

On the basis of generally accepted accounting principles (GAAP), Ciena's unaudited fiscal fourth quarter net loss was \$252.9 million, or a net loss of \$0.44 per share. This loss compares to a GAAP net loss of \$495.1 million, or a net loss of \$0.87 per share, in the same period a year ago. In accordance with Statement of Financial Accounting Standards (SFAS) 142, an accounting rule that requires annual testing of possible goodwill impairment, the Company's unaudited fiscal fourth quarter 2005 GAAP net loss reflects a goodwill impairment loss of \$176.6 million, representing \$0.31 of the quarter's total GAAP net loss per share.

For the twelve months ending October 31, 2005, Ciena's GAAP net loss was \$435.7 million, or a net loss of \$0.76 per share. This compares to a GAAP net loss of \$789.5 million, or a net loss of \$1.51 per share, in the same twelve-month period a year ago.

Non-GAAP Presentation of Results

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 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.

- -0-

	Quarter Ended Oct. 31, 2004	Quarter Ended Oct. 31, 2005	Year Ended Oct. 31, 2004	Year Ended Oct. 31, 2005
Stock compensation costs	\$ 3,184	\$ 631	\$ 11,883	\$ 9,441
Amortization of intangible assets	11,381	8,514	30,839	38,782
In-process research and development	-	-	30,200	-
Restructuring costs	34,982	2,773	57,107	18,018
Goodwill impairment	371,712	176,600	371,712	176,600
Long-lived asset impairments	8,709	45,728	15,926	45,862
Recovery of use tax payments	-	-	(5,388)	-
Provision for (recovery of) doubtful accounts, net	-	(2)	(2,794)	2,602
Accelerated amortization of leasehold improvements	8,382	-	22,535	-
Loss on equity investments, net	4,500	500	4,107	9,486
Loss (gain) on				

extinguishment of debt	-	-	8,216	(3,882)
Income tax benefit on adjusted net loss	18,328	6,477	86,521	49,435
Total adjustments	\$ 461,178	\$ 241,221	\$ 630,864	\$ 346,344
GAAP Net Loss	\$(495,073)	\$(252,870)	\$(789,464)	\$(435,699)
Adjustment for items above	461,178	241,221	630,864	346,344
Adjusted (non-GAAP) net loss	\$ (33,895)	\$ (11,649)	\$(158,600)	\$ (89,355)
Weighted average basic common and dilutive potential shares outstanding	569,462	578,822	521,454	575,187
Adjusted (non-GAAP) net loss per share	\$ (0.06)	\$ (0.02)	\$ (0.30)	\$ (0.16)

Please see Appendix A for additional information about this table.

Adjusting Ciena's unaudited fiscal fourth quarter 2005 GAAP net loss of \$252.9 million for the items noted above would reduce the Company's net loss in the quarter to \$11.6 million, or a loss of \$0.02 per share. This compares with an adjusted net loss of \$33.9 million, or a loss of \$0.06 per share, in the same year-ago period.

Adjusting Ciena's unaudited twelve-month fiscal year 2005 GAAP net loss of \$435.7 million for the items noted above would reduce the Company's net loss for the year to \$89.4 million, or a loss of \$0.16 per share. This compares with an adjusted net loss of \$158.6 million, or a loss of \$0.30 per share, in the same year-ago period.

These adjustments are not in accordance with GAAP, and making these adjustments may not permit meaningful comparisons to other companies.

- -0-

Fourth Quarter 2005 Operational Highlights

- Ciena delivered sequential revenue growth of 7% and year-over-year revenue growth of 44%.
- As a result of continued product and manufacturing-related cost reductions and product mix in the quarter, overall gross margin improved more than 500 basis points, from 34.1% in the fiscal third quarter to 39.9% in the fiscal fourth quarter.
- Improved product gross margin from 35.6% in the fiscal third quarter to 42.2% in the fiscal fourth quarter.
- Improved services-related gross margin from 22.5% in the fiscal third quarter to 24.5% in the fiscal fourth quarter.
- Ciena used \$8.9 million in cash for operations in the fiscal fourth quarter compared to fiscal third quarter cash use of \$39.3 million (which was inclusive of a \$12.9 million semi-annual interest payment on the Company's outstanding 3.75% convertible notes).
- Ciena ended the fiscal fourth quarter 2005 with cash and short- and long-term investments of \$1.11 billion.
- Ciena expanded the Company's global presence with the launch of a research and development centre located in Gurgaon, India.

Fourth Quarter 2005 Customer and Product Highlights

- Ciena strengthened its relationship with EMC Corporation, adding the Ciena CN 4200(TM) FlexSelect Advanced Services Platform to the EMC(R) Select Program and joining the EMC Authorized Services Network's (ASN) Solution Alliances.
- Telecom Ottawa announced the availability of a suite of SONET, WDM and storage extension services enabled by Ciena platforms and designed to provide Canadian federal government agencies, as well as enterprises and carriers, with reliable,

high-performance 10-Gigabit Ethernet (GbE) connectivity throughout the Ottawa metropolitan region.

- Adelphia Communications Corporation, a leading U.S. cable provider, deployed Ciena's optical Ethernet platforms across western New York to interconnect 106 school districts serving 189,000 students with a wide range of applications for distance learning, including video conferencing and broadband data networking.
- HSE&DEM, the Republic of Slovenia's largest producer of electricity, selected Ciena's next-generation optical multiservice switches, optical multiplexers, storage extension platforms and network management systems to interconnect its locations nationwide with a reliable, high-performance Adaptive WAN(TM) (wide area network) to deliver IT services used in the production and delivery of electrical energy to customers.
- Ciena successfully completed interoperability testing and qualification of its ONLINE Metro(TM) Multiservice DWDM Platform for IBM GDPS eServer zSeries mainframe environments. IBM's validation of ONLINE Metro was based upon the successful completion of test scenarios on IBM zSeries mainframes deemed vital to GDPS operation.

Business Outlook

"We continue to see signs of improving overall market strength and expect our network specialist approach will enable us to continue to grow faster than the market in 2006," said Smith. "In addition, as a result of relentless execution across the Company, including our ongoing efforts to reduce product and manufacturing-related costs, we expect to demonstrate gross margin improvement over the course of the year," said Smith. "Provided we execute on plan, we believe we are well positioned to achieve profitability on an as-adjusted basis during a quarter prior to the end of fiscal 2006."

"We expect our fiscal first quarter revenue will be flat to up slightly from our fiscal fourth quarter revenue, and we expect to see sequential gross margin improvement in our fiscal first quarter," concluded Smith.

Live Web Broadcast of Unaudited Fiscal Fourth Quarter Results

Ciena will host a discussion of its unaudited fiscal fourth quarter results with investors and financial analysts today, Thursday, December 8, 2005 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 September 1, 2005. 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: with our seventh sequential quarter of revenue growth, and continued gross margin improvement, our fiscal fourth quarter's results demonstrate Ciena's steady progress toward profitability and positive cash flow, and more importantly, our continued progress toward future earnings growth; we continue to see signs of improving overall market strength and expect our network specialist approach will enable us to continue to grow faster than the market in 2006; as a result of relentless execution across the Company, including our ongoing efforts to reduce product and manufacturing-related costs, we expect to demonstrate gross margin improvement over the course of the year; provided we execute on plan, we believe we are well positioned to achieve profitability on an as-adjusted basis during a quarter prior to the end of fiscal 2006; we expect our fiscal first quarter revenue will be flat to up slightly

from our fiscal fourth quarter revenue and we expect to see continued gross margin improvement sequentially in our fiscal first quarter. Ciena assumes no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.

- -0-

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

ASSETS

	October 31,	
	2004	2005
Current assets:		
Cash and cash equivalents	\$ 202,623	\$ 372,781
Short-term investments	753,251	579,531
Accounts receivable, net	45,878	72,786
Inventories, net	47,614	49,333
Prepaid expenses and other	29,906	27,491
Total current assets	1,079,272	1,101,922
Long-term investments	329,704	155,944
Equipment, furniture and fixtures, net	51,252	28,090
Goodwill	408,615	232,015
Other intangible assets, net	208,015	120,324
Other long-term assets	60,196	36,934
Total assets	\$ 2,137,054	\$ 1,675,229

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 31,509	\$ 43,868
Accrued liabilities	76,045	76,491
Restructuring liabilities	16,203	15,492
Unfavorable lease commitments	9,902	9,011
Income taxes payable	3,354	5,785
Deferred revenue	21,566	27,817
Total current liabilities	158,579	178,464
Long-term deferred revenue	16,010	15,701
Long-term restructuring liabilities	65,180	54,285
Long-term unfavorable lease commitments	51,341	41,364
Other long-term obligations	1,522	1,296
Convertible notes payable	690,000	648,752
Total liabilities	982,632	939,862
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; 571,656,659 and 580,340,947 shares issued and outstanding	5,717	5,803
Additional paid-in capital	5,482,175	5,489,613
Deferred stock compensation	(13,761)	(2,286)
Notes receivable from stockholders	(48)	-
Changes in unrealized gains on investments, net	(2,488)	(4,673)
Translation adjustment	(277)	(495)
Accumulated deficit	(4,316,896)	(4,752,595)
Total stockholders' equity	1,154,422	735,367
Total liabilities and stockholders' equity	\$ 2,137,054	\$ 1,675,229

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

(unaudited)

	Quarter Ended October 31,		Year Ended October 31,	
	2004	2005	2004	2005
Revenue:				
Products	\$ 68,774	\$ 102,909	\$ 250,210	\$ 374,275
Services	13,231	15,274	48,497	52,982
Total revenue	82,005	118,183	298,707	427,257
Costs:				
Products	47,543	59,484	186,461	248,931
Services	10,281	11,535	40,493	42,136
Total cost of goods sold	57,824	71,019	226,954	291,067
Gross profit	24,181	47,164	71,753	136,190
Operating expenses:				
Research and development	47,432	31,805	198,850	132,841
Selling and marketing	28,248	28,178	108,259	110,618
General and administrative	7,222	7,544	27,274	33,082
Stock compensation costs:				
Research and development	1,041	356	6,514	4,404
Selling and marketing	1,904	147	4,051	4,404
General and administrative	239	128	1,318	633
Amortization of intangible assets	11,381	8,514	30,839	38,782
In-process research and development	-	-	30,200	-
Restructuring costs	34,982	2,773	57,107	18,018
Goodwill impairment	371,712	176,600	371,712	176,600
Long-lived asset impairments	8,709	45,728	15,926	45,862
Recovery of sale, export, use tax liabilities and payments	-	-	(5,388)	-
Provision (benefit) for doubtful accounts	-	(2)	(2,794)	2,602
Total operating expenses	512,870	301,771	843,868	567,846
Loss from operations	(488,689)	(254,607)	(772,115)	(431,656)
Interest and other income (expense), net	4,680	8,524	22,908	28,311
Interest expense	(6,487)	(6,082)	(26,813)	(25,430)
Loss on equity investments, net	(4,500)	(500)	(4,107)	(9,486)
Gain (loss) on extinguishment of debt	-	-	(8,216)	3,882
Loss before income taxes	(494,996)	(252,665)	(788,343)	(434,379)
Provision for income taxes	77	205	1,121	1,320
Net loss	\$(495,073)	\$(252,870)	\$(789,464)	\$(435,699)
Basic and diluted loss per common share and dilutive potential common share	\$ (0.87)	\$ (0.44)	\$ (1.51)	\$ (0.76)
Weighted average basic common and dilutive potential common shares outstanding	569,462	578,822	521,454	575,187

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Year Ended October 31,	
	2004	2005
Cash flows from operating activities:		
Net loss	\$ (789,464)	\$ (435,699)
Adjustments to reconcile net loss to net cash used in operating activities:		
Early extinguishment of debt	8,216	(3,882)
Amortization of premium on marketable securities	26,924	13,636
Non-cash loss from equity investments	4,107	9,486
Non-cash impairment of long-lived assets	15,926	45,862
Accretion of convertible notes payable	599	-
In-process research and development	30,200	-
Depreciation and amortization of leasehold improvements	72,213	33,377
Goodwill impairment	371,712	176,600
Stock compensation	11,883	9,441
Amortization of intangibles	34,708	42,651
Provision for doubtful accounts	284	2,602
Provision for inventory excess and obsolescence	4,172	5,232
Provision for warranty and other contractual obligations	8,351	9,738
Other	3,449	3,218
Changes in assets and liabilities:		
Accounts receivable	(2,562)	(29,510)
Inventories	962	(6,951)
Deferred income tax asset	-	-
Prepaid expenses and other	15,253	7,420
Accounts payable and accruals	(67,671)	(19,633)
Income taxes payable	(1,286)	2,431
Deferred revenue and other obligations	6,589	5,942
	-----	-----
Net cash used in operating activities	(245,435)	(128,039)
	-----	-----
Cash flows from investing activities		
Additions to equipment, furniture, fixtures and intellectual property	(32,999)	(11,315)
Proceeds from sale of equipment, furniture and fixtures	1,857	278
Purchase of available for sale securities	(696,344)	(578,846)
Maturities of available for sale securities	897,738	910,505
Acquisition of business, net of cash acquired	4,864	-
Minority equity investments, net	(4,407)	4,882
	-----	-----
Net cash provided by investing activities	170,709	325,504
	-----	-----
Cash flows from financing activities:		
Net proceeds from (repayment of) other obligations	100	-
Repayment of convertible notes payable	(49,243)	(36,913)
Proceeds from issuance of common stock and warrants	16,780	9,558
Repayment of notes receivable from stockholders	47	48
	-----	-----
Net cash used in financing activities	(32,316)	(27,307)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(107,042)	170,158
Cash and cash equivalents at beginning of period	309,665	202,623
	-----	-----
Cash and cash equivalents at end of period	\$ 202,623	\$ 372,781
	=====	=====

Appendix A

The adjustments management makes in analyzing Ciena's fiscal fourth quarter 2004 and 2005 GAAP results are as follows:

- Stock compensation costs - a non-cash expense (unrelated to share-based payment expense under SFAS 123(R) which the Company adopted in its fiscal first quarter 2006), which arises under GAAP accounting from the assumption of unvested stock options issued by any companies we acquire and which the Company feels is not reflective of its ongoing operating costs.
- 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 and which the Company feels is not reflective of its ongoing operating costs.
- In-process research and development - a non-recurring expense related to in-process technology that, as of the date of acquisition, has not reached technological feasibility and has no alternative future use.
- Restructuring costs - non-recurring charges 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.
- Goodwill impairment - non-cash expense resulting from the decline in the forecasted market demand for the Company's products.
- Long-lived asset impairments - non-recurring charges, incurred as a result of excess equipment classified as held for sale which the Company feels are not reflective of its ongoing operating costs.
- Recovery of use tax payments - a non-recurring gain unrelated to normal operations
- Provision for (recovery of) doubtful accounts - a non-recurring charge unrelated to normal operations resulting from an assessment of doubtful payment due to a customer's financial condition.
- Accelerated amortization of leasehold improvements - a non-cash expense related to the closure of our San Jose, California facility.
- Loss on equity investments, net - a non-recurring gain or loss related to changes in the value of the Company's equity investments which the Company feels is not reflective of its ongoing operating costs.
- Loss (gain) on extinguishment of debt - a non-recurring gain or loss related to the early extinguishment of outstanding debt.
- 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 is the network specialist, focused on expanding the possibilities for its customers' networks while reducing their cost of ownership. The Company's systems, software and services target and cure specific network pain points so that telcos, cable operators, governments and enterprises can best exploit the new applications that are driving their businesses forward. For more information, visit www.ciena.com.

CONTACT: Ciena Corporation
Press Contact:
Nicole Anderson, 410-694-5786
pr@ciena.com
or
Investor Contact:
Jessica Towns, 888-243-6223
ir@ciena.com