

CIENA CORP
Form S-4
March 20, 2002

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As filed with the Securities and Exchange Commission on March 20, 2002

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CIENA Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3661
(Primary Standard Industrial
Classification Code Number)

23-2725311
(I.R.S. Employer
Identification Number)

1201 Winterson Road
Linthicum, MD 21090
(410) 865-8500

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Russell B. Stevenson, Jr.
Senior Vice President, General Counsel and Secretary
CIENA Corporation
1201 Winterson Road
Linthicum, MD 21090
(410) 865-8500

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies to:

Michael J. Silver
Amy Bowerman Freed
Stephanie D. Marks
Hogan & Hartson L.L.P.
111 South Calvert Street
Baltimore, MD 21202
(410) 659-2700

Richard L. Dickson
Horace L. Nash
David A. Bell
Fenwick & West LLP
Two Palo Alto Square
Palo Alto, CA 94306
(650) 494-0600

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the merger contemplated by the Agreement and Plan of Merger dated as of February 17, 2002, as such agreement may be amended, described in the enclosed Prospectus have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act of 1933 registration statement number of the earlier effective registration statement for the same

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offering. o _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act of 1933 registration statement number of the earlier effective registration statement for the same offering. o _____

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value(1)(2)	117,177,890	Not Applicable	\$966,585,628.58(3)	\$88,925.88

- (1) The Registration Statement covers the maximum number of shares of CIENA common stock which are expected to be issued in connection with the transactions described herein in the proposed merger of ONI Systems Corp. with and into CIENA, assuming the exercise of all currently outstanding stock options and warrants.
- (2) Includes corresponding rights to purchase shares of CIENA series A Junior Participating Preferred Stock pursuant to a Rights Agreement dated as of December 29, 1997, as amended, between CIENA and BankBoston N.A.
- (3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, by multiplying the average of the high and low prices of shares of ONI Systems common stock on March 19, 2002, as reported on Nasdaq by 164,946,353, the number of shares of ONI Systems common stock outstanding on the close of business on March 19, 2002, assuming the exercise of all currently outstanding stock options and warrants.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Preliminary Prospectus Dated March 20, 2002

Dear CIENA and ONI Systems stockholders:

On behalf of the boards of directors and management teams of both CIENA and ONI Systems, we are pleased to deliver our joint proxy statement/prospectus for the proposed merger involving CIENA and ONI Systems. Upon completion of the merger, holders of ONI Systems common stock will receive 0.7104 shares of CIENA common stock for each share of ONI Systems common stock they hold at that time. CIENA common stock is traded on the Nasdaq Stock Market under the trading symbol CIEN.

The boards of directors of CIENA and ONI Systems recommend that you vote in favor of the proposed merger.

The combination of our companies will create a company that is better positioned to serve the needs of communications service providers for next-generation optical networking products and will reduce both the capital and operating costs for our customers. There are significant financial benefits from the combination, including cost savings from the elimination of duplicative infrastructures and the opportunity to take advantage of economies of scale.

We encourage you to read this joint proxy statement/prospectus which includes important information about the merger. In addition, the section entitled Risk Factors beginning on page of this joint proxy statement/ prospectus contains a description of risks that you should consider in evaluating the merger.

Completion of the merger requires the approval of both CIENA and ONI Systems stockholders. CIENA and ONI Systems have scheduled special meetings of their stockholders to obtain these approvals on , 2002. Information regarding these special meeting is included in this joint proxy statement/ prospectus. The CIENA board of directors recommends that CIENA stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger. The ONI Systems board of directors recommends that ONI Systems stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger.

Your vote is very important. Please vote FOR your company s proposal by signing and dating the enclosed proxy card or voting instruction card today and returning it in the pre-addressed envelope provided.

Thank you for your support.

Gary B. Smith

Hugh C. Martin

Prospectus dated , 2002
First mailed to stockholders on or about , 2002

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus and proxy statement. Any representation to the contrary is a criminal offense.

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CIENA CORPORATION

1201 Winterson Road
Linthicum, Maryland 21090
(410) 865-8500

NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS

Time and Date , local time, on , 2002

Place BWI Marriott Hotel, 1743 W. Nursery Road, Linthicum, Maryland 21090

Item of Business To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger between CIENA Corporation and ONI Systems Corp. and approve the merger and the issuance of CIENA common stock contemplated by the Agreement and Plan of Merger.

Adjournments and Postponements Any action on the item described above may be considered at the special meeting at the time and on the date specified above or at any time and date to which the special meeting may properly be adjourned or postponed.

Record Date You are entitled to vote only if you were a CIENA stockholder at the close of business on , 2002.

Voting Your vote is very important. Whether or not you plan to attend the special meeting, we encourage you to read this joint proxy statement/ prospectus and submit your proxy or voting instructions for the special meeting as soon as possible. You may submit your proxy or voting instructions for the special meeting by completing, signing, dating and returning the proxy card or voting instruction card in the pre-addressed envelope provided. For specific instructions on how to vote your shares, please refer to the section entitled "The Special Meeting of CIENA Stockholders" beginning on page of this joint proxy statement/ prospectus and the instructions on the proxy card or voting instruction card.

By order of the Board of Directors

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

, 2002
Linthicum, Maryland

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ONI SYSTEMS CORP.

5965 Silver Creek Valley Road
San Jose, CA 95138
(408) 965-2600

NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS

Time and Date , local time, on , 2002

Place

Item of Business To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger between CIENA Corporation and ONI Systems Corp. and approve the merger contemplated by the Agreement and Plan of Merger.

Adjournments and Postponements Any action on the item described above may be considered at the special meeting at the time and on the date specified above or at any time and date to which the special meeting may properly be adjourned or postponed.

Record Date You are entitled to vote only if you were an ONI Systems stockholder at the close of business on , 2002.

Voting Your vote is very important. Whether or not you plan to attend the special meeting, we encourage you to read this joint proxy statement/ prospectus and submit your proxy or voting instructions for the special meeting as soon as possible. You may submit your proxy or voting instructions for the special meeting by completing, signing, dating and returning the proxy card or voting instruction card in the pre-addressed envelope provided. For specific instructions on how to vote your shares, please refer to the section entitled "The Special Meeting of ONI Systems Stockholders" beginning on page of this joint proxy statement/ prospectus and the instructions on the proxy card or voting instruction card.

By order of the Board of Directors

Michael A. Dillon
Vice President, General Counsel and Secretary

 , 2002
San Jose, California

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This joint proxy statement/prospectus incorporates important business and financial information about CIENA and ONI Systems from documents that each company has filed with the Securities and Exchange Commission but that have not been included in or delivered with this joint proxy statement/ prospectus. For a listing of documents incorporated by reference into this joint proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page of this joint proxy statement/ prospectus.

CIENA will provide you with copies of this information relating to CIENA, without charge, upon written or oral request to:

CIENA Corporation
1202 Winterson Road
Linthicum, Maryland 21090
Attention: Investor Relations
Telephone Number: (410) 865-8500

In addition, you may obtain copies of this information by sending an e-mail to ir@ciena.com. A list of those stockholders entitled to vote at the special meeting will be available for inspection for ten days preceding the meeting at the address set forth above, and will also be available for inspection at the meeting itself.

ONI Systems will provide you with copies of this information relating to ONI Systems, without charge, upon written or oral request to:

ONI Systems Corp.
5965 Silver Creek Valley Road
San Jose, California 95138
Attention: Investor Relations
Telephone Number: (408) 571-4050

In addition, you may obtain copies of this information by sending an e-mail to ir@oni.com. A list of those stockholders entitled to vote at the special meeting will be available for inspection for ten days preceding the meeting at the address set forth above, and will also be available for inspection at the meeting itself.

In order for you to receive timely delivery of the documents in advance of the special meetings, CIENA or ONI Systems should receive your request no later than .

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why am I receiving this joint proxy statement/ prospectus?

A: CIENA and ONI Systems have agreed to combine their businesses under the terms of a merger agreement that is described in this joint proxy statement/ prospectus. A copy of the merger agreement is attached to this joint proxy statement/ prospectus as Annex A.

In order to complete the merger, CIENA and ONI Systems stockholders must approve and adopt the merger agreement and approve the merger. Each of CIENA and ONI Systems will hold a special meeting of its respective stockholders to obtain these approvals. This joint proxy statement/ prospectus contains important information about the merger and the special meeting of each of CIENA and ONI Systems, and you should read it carefully. The enclosed voting materials for the special meeting allow you to vote your shares of common stock without attending the special meeting.

Q: Why are CIENA and ONI Systems proposing the merger?

A: We believe that the merger of ONI Systems and CIENA will create one of the leading optical networking equipment companies in the world. We believe that together we will be a stronger and more competitive company by expanding our product offerings and accessing each other's customer relationships. For a complete description of CIENA's and ONI Systems' reasons for the merger, we encourage you to refer to pages .

Q: How do the boards of directors of CIENA and ONI Systems recommend that I vote?

A: The CIENA board of directors recommends that CIENA stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger.

The ONI Systems board of directors recommends that ONI Systems stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger.

For a more complete description of the recommendations of the boards of directors of CIENA and ONI Systems, see The Merger Recommendation of CIENA's Board of Directors and Reasons for the Merger on page and The Merger Recommendation of ONI Systems' Board of Directors and Reasons for the Merger on page .

Q: Have executive officers and directors of ONI Systems agreed to vote their shares in favor of the merger?

A: Yes. The executive officers and directors of ONI Systems and their affiliates have agreed to vote shares representing approximately 11.5% of ONI Systems' outstanding common stock as of February 17, 2002 in favor of the merger. See Terms of the Merger Agreement and Related Transactions' Stockholder Agreements on page .

Q: Are there risks that I should consider in deciding to vote for the merger?

A: Yes. For example, the combined company might not realize the expected benefits of the merger. In evaluating the merger, you should carefully consider the factors discussed in Risk Factors on page . You should also consider the risks associated with CIENA stock ownership and ONI Systems stock ownership which are incorporated by reference into this joint proxy statement/ prospectus. See Where You Can Find More Information on page .

Q: What will happen to CIENA and ONI Systems as a result of the merger?

A: If the merger is completed, ONI Systems will merge into CIENA. The merged businesses will continue to be conducted under the CIENA name.

Q: What will I receive in the merger?

A: *ONI Systems Stockholders:* ONI Systems stockholders will receive 0.7104 shares of CIENA common stock for each share of ONI Systems common stock they now own. Instead of a fractional share of CIENA common stock, you will be entitled to receive an amount of cash equal to the value of the fractional share remaining after aggregating all of your ONI Systems shares held based on the closing price of CIENA common

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stock on the closing date. After the merger, ONI Systems security holders will own approximately 24% of the outstanding shares of CIENA common stock on a fully diluted basis based on shares, options and warrants outstanding on February 17, 2002. For a more complete description of what you will receive in the merger, see Terms of the Merger Agreement and Related Transactions Treatment of Stock, Options and Warrants on page .

CIENA Stockholders: A CIENA stockholder will continue with the same number of CIENA shares he or she now owns. These shares however, will represent a smaller proportion of the outstanding shares of the combined company.

Q: What are the federal income tax consequences of the merger?

A: In general, we expect that ONI Systems stockholders will not be required to pay federal income taxes as a result of exchanging ONI Systems shares for CIENA shares, except for taxes on any cash that is received in lieu of fractional shares. For a more complete description of the tax consequences of the merger, see The Merger Federal Income Tax Consequences on page .

Q: When and where will the special meetings take place?

A: *ONI Systems Stockholders:* The special meeting will be held on , 2002, at a.m., local time, at .

CIENA Stockholders: The special meeting will be held on , 2002, at a.m., local time, at the BWI Marriott Hotel, 1743 W. Nursery Road, Linthicum, Maryland 21090.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Your broker will not be able to vote your shares unless you provide instructions on how to vote your shares. You should instruct your broker to vote your shares following the directions provided by your broker. Without instructions, your shares will not be voted and you will, in effect, be voting against the merger.

Q: What happens if I do not vote?

A: Failure to vote or to give voting instructions to your broker or nominee will have the same effect as voting AGAINST the proposal to approve and adopt the merger agreement and approve the merger. Therefore, we urge you to vote. For a more complete description of voting, see The Special Meeting of CIENA Stockholders on page and The Special Meeting of ONI Systems Stockholders on page .

Q: When do CIENA and ONI Systems expect the merger to be completed?

A: CIENA and ONI Systems are working to complete the merger as quickly as possible. We hope to complete the merger during the second or third calendar quarter of 2002. However, we cannot predict the exact timing of the completion of the merger because the merger is subject to government and regulatory review processes and other conditions.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in this joint proxy statement/ prospectus. You should then complete and sign your proxy and return it in the enclosed return envelope as soon as possible so that your shares will be represented at your company's special meeting.

Q: Who must approve the merger?

A: In addition to the approvals of the boards of directors of CIENA and ONI Systems which have already been obtained, the stockholders of ONI Systems and CIENA must also approve the merger. For a more complete description of voting, see The Special Meeting of CIENA Stockholders on page and The Special Meeting of ONI Systems Stockholders on page .

Q: As an ONI Systems stockholder, will I be able to trade the CIENA common stock that I receive in connection with the merger?

A: The shares of CIENA common stock you receive in the merger will be freely tradable, unless you are an affiliate of ONI Systems. The shares will be listed on the Nasdaq Stock Market under the symbol CIEN. Generally, persons who are deemed to be

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affiliates of ONI Systems must comply with Rule 145 under the Securities Act of 1933 if they wish to sell or otherwise transfer any of the shares of CIENA common stock received in connection with the merger. You will be notified if you are an affiliate of ONI Systems.

Q: Can I change my vote after I mail my signed proxy?

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting of your company's stockholders. You can do this in one of three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy. If you choose either of these two methods, you must submit your notice of revocation or your new proxy for CIENA shares at the address on page [redacted] and for ONI Systems shares at the address on page [redacted]. Third, you can attend the special meeting of your company's stockholders and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow the directions received from your broker to change those instructions.

Q: What is the required vote to approve and adopt the merger agreement and approve the merger?

A: Approval and adoption of the merger agreement and approval of the merger requires the affirmative vote of the holders of a majority of the shares of each of CIENA common stock and ONI Systems common stock outstanding as of the record date.

Q: Should I send in my certificates now?

A: **No, you should not send in your stock certificates with your proxy.** You will receive instructions for exchanging your stock certificates if the merger is consummated.

Q: Who can help answer my questions?

A: If you have any questions about the merger, how to vote or revoke your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy, you should contact:

ONI Systems:

[proxy solicitor]

CIENA Corporation:

Georgeson Shareholder Communications, Inc.

1717 State Street

New York, New York 10004

Phone: (866) 800-0431

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*This summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that is important to you. You should carefully read this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* on page . In this joint proxy statement/prospectus, *we*, *us* and *our* may refer to either CIENA or ONI Systems, depending on the context in which they are used, and *you* and *your* refer to stockholders of ONI Systems or stockholders of CIENA, depending on the context in which they are used.*

The Companies (page)***CIENA Corporation***

1201 Winterson Road
Linthicum, Maryland 21090
(410) 865-8500

CIENA is a leader in the intelligent optical networking equipment industry. CIENA offers a portfolio of products for communications service providers worldwide. CIENA's customers include long-distance carriers, competitive and incumbent local exchange carriers, Internet service providers and wireless and wholesale carriers. CIENA offers optical transport and intelligent optical switching systems that enable service providers to provision, manage and deliver high-bandwidth services to their customers. CIENA has pursued a strategy to develop and leverage the power of disruptive technologies to change the fundamental economics of building carrier-class tele- and data-communications networks, thereby providing our customers with a competitive advantage. CIENA's intelligent optical networking products are designed to enable carriers to deliver any time, any size, any priority bandwidth to their customers.

ONI Systems Corp.

5965 Silver Creek Road
San Jose, CA 95138

ONI Systems develops, markets and sells optical communications networking equipment specifically designed to address the bandwidth and service limitations of metropolitan area and regional networks. Communications service providers can cost-effectively deploy ONI Systems products to relieve the traffic bottleneck in these networks and offer new revenue-generating services including wavelength, private-line, ethernet and data storage services. By deploying ONI Systems' equipment, service providers can rapidly build high-capacity flexible and scalable networks that are able to support multiple services on a single platform from their central offices at the core of their networks to their customers sites at the edge of their networks. In addition, ONI Systems' equipment can be introduced into a network without requiring complete replacement of the existing network infrastructure.

The Merger (page)

The merger agreement provides that ONI Systems will merge with and into CIENA and CIENA will be the surviving company. CIENA and ONI Systems hope to complete the merger during the second or third calendar quarter of 2002.

The merger agreement is included as Annex A to this joint proxy statement/prospectus. It is the legal document that governs the merger. We cannot predict the exact timing of the completion of the merger because the merger is subject to government and regulatory review processes and other conditions.

What You Will Receive in the Merger (page)

Each outstanding share of ONI Systems common stock will be cancelled and each ONI Systems stockholder will receive 0.7104 shares of CIENA common stock for each share of ONI Systems common stock that the stockholder owns. An ONI Systems stockholder will also receive a cash payment for any fraction of a share of CIENA common stock that the stockholder would otherwise be entitled to receive

For example, a stockholder who owns 10,000 shares of ONI Systems common stock on the closing date will receive 7,104 CIENA shares. A stockholder who owns 100 shares of ONI Systems will receive 71 shares of CIENA plus cash equal to 0.04 times the closing price of a share of CIENA stock on the Nasdaq National Market on the closing date.

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At the earliest practicable date after the completion of the merger, you will receive a letter of transmittal that will provide instructions on the procedure for exchanging your share certificates. For more information on how the election and exchange procedures work, see [Terms of the Merger Agreement and Related Transactions](#) [Exchange of Certificates; Fractional Shares](#) on page .

Please do not send your stock certificates at this time.

ONI Systems Employee Stock Options

Each outstanding option to purchase shares of ONI Systems common stock will be converted into an option to purchase a number of shares of CIENA common stock equal to the number of shares of ONI Systems common stock that were subject to the option multiplied by 0.7104. The exercise price per share for each ONI Systems option will be divided by 0.7104. Except for some acceleration of vesting for some officers, that will occur as a result of the merger under the terms of their offer letters from ONI Systems all other terms of the option will remain unchanged.

What is Needed to Complete the Merger (page)

Several conditions must be satisfied before the merger will be completed. These include:

adoption of the merger agreement and approval of the merger by stockholders representing a majority of the outstanding shares of each of ONI Systems and CIENA;

the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 must have expired or been terminated;

receipt by ONI Systems of an opinion of its tax counsel that, for U.S. federal income tax purposes, the merger is generally not taxable to ONI Systems or its stockholders;

receipt by CIENA of an opinion of its tax counsel that, for U.S. federal income tax purposes, the merger is generally not taxable to CIENA or its stockholders; and

other customary contractual conditions set forth in the merger agreement.

If the law permits, CIENA or ONI Systems may each waive conditions for the benefit of their company and stockholders and complete the merger even though one or more of these conditions has not been met. We cannot assure you that the conditions will be satisfied or waived or that the merger will occur.

Federal Income Tax Consequences (page)

The merger is intended to qualify as a reorganization under Section 368(a) of the Internal Revenue Code. CIENA and ONI Systems have respectively received opinions of Hogan & Hartson L.L.P. and Fenwick & West LLP that the merger will qualify as a reorganization if the merger takes place as described in the merger agreement. The opinions are based upon the assumption that factual representations made by CIENA and ONI Systems, which are ordinarily given in transactions of this type, will be correct when the merger closes. If the merger qualifies as a reorganization, no gain or loss will be recognized by CIENA or ONI Systems stockholders as a result of the merger, except with respect to cash received by ONI Systems stockholders in lieu of fractional shares. For a further discussion of the federal income tax consequences of the merger to CIENA and ONI Systems stockholders, see [The Merger](#) [Federal Income Tax Consequences](#). However, different tax consequences may apply to you because of your individual circumstances or because special tax rules apply to you, for example, if you:

are a tax-exempt organization;

are a dealer in securities;

are a financial institution;

are an insurance company;

are a non-United States person;

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acquired your shares of ONI Systems stock from the exercise of options or otherwise as compensation or through a qualified retirement plan; or

hold shares of ONI Systems stock as part of a straddle, hedge or conversion transaction.

These matters are very complicated. You should consult your tax advisor for a full explanation of the tax consequences of the merger to you.

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Accounting Treatment (page)

CIENA will account for the merger using the purchase method of accounting.

Governmental and Regulatory Approvals (page)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, CIENA and ONI Systems must notify U.S. antitrust authorities of the proposed merger and must observe a waiting period before it can be completed. Therefore, the merger cannot occur until this waiting period has expired or has been terminated by the antitrust authorities. In addition, foreign, state and other regulatory authorities may also need to approve or be notified of the merger before it can be completed. CIENA and ONI Systems have filed, or expect soon to file, all of the required applications or notices with these regulatory authorities. While neither CIENA nor ONI Systems knows of any reason why we would not be able to obtain the necessary approvals in a timely manner, we cannot be certain when or if we will receive them.

Termination of the Merger Agreement; Expenses (page)

CIENA and ONI Systems may mutually agree at any time to terminate the merger agreement without completing the merger, even if the ONI Systems or CIENA stockholders have approved it. Either party (so long as it has not materially breached the merger agreement) may terminate the merger if:

the merger has not been consummated by September 30, 2002;

ONI Systems or CIENA stockholders do not approve the merger; or

if a court forbids the merger to occur.

ONI Systems may terminate the merger agreement prior to obtaining stockholder approval if the ONI Systems board of directors determines to enter into an alternative transaction that it views as superior or if CIENA's board of directors changes its recommendation to stockholders in favor of the merger. CIENA may similarly terminate the merger agreement if ONI Systems' board of directors withdraws, modifies or amends, in any respect adverse to CIENA, its recommendation to stockholders in favor of the merger. ONI Systems agreed to pay CIENA a termination fee of \$36.7 million if the merger agreement is terminated because of a change in ONI Systems' board of directors recommendation (unless due to a material adverse effect on CIENA) or if ONI Systems accepts an alternative superior proposal. ONI Systems would also be required to pay this termination fee if there is a change in ONI Systems' board of directors recommendation and CIENA terminates the agreement, or ONI Systems stockholders do not approve the merger, and there is a publicly announced third party offer to acquire ONI Systems, which ONI Systems accepts within 12 months of the termination. The merger agreement also requires ONI Systems to reimburse CIENA for CIENA's out-of-pocket expenses, up to a maximum of \$2 million, in those situations where the termination fee is payable.

CIENA agreed to pay ONI Systems a similar fee and expense reimbursement if ONI Systems terminates the merger agreement because of a change in the CIENA board of director's recommendation, except that if ONI Systems' board of directors terminates the merger agreement because of a change in the CIENA board of directors recommendation or the CIENA stockholders do not approve the merger and there is a publicly announced third party offer to acquire CIENA, which offer CIENA accepts within 12 months of the termination, CIENA in most cases will pay ONI Systems a termination fee of \$87.2 million, plus expenses of \$2 million. There are also circumstances where terminations may occur without payment of any termination fees.

No Solicitation by ONI Systems (page)

Under the merger agreement, ONI Systems agreed not to solicit, enter into, negotiate or participate in discussions regarding an acquisition proposal directly or indirectly, as described further on page . However, this provision does not prohibit ONI Systems from providing information or entering into negotiations with a person in response to an unsolicited written bona fide acquisition proposal if ONI Systems' board of directors determines in good faith that the acquisition proposal is reasonably likely to be consummated, the proposal if consummated would result in a transaction that is more favorable to ONI Systems stockholders than the merger with CIENA and that taking that action is necessary to fulfil its fiduciary duties to stockholders. ONI Systems has agreed to inform CIENA promptly of

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any acquisition proposal and inquiries with respect to an acquisition proposal. The ONI Systems board of directors may also change its recommendation in favor of the merger if it concludes in good faith, after consultation with outside counsel, that changing its recommendation is necessary to satisfy its fiduciary duty to ONI stockholders under applicable law, but ONI Systems would nevertheless be required to convene and hold the special meeting unless the merger agreement is earlier terminated by CIENA due to the change in recommendation, and a termination fee may then be payable under those circumstances.

Restrictions on Resales of CIENA Common Stock (page)

All shares of CIENA common stock to be issued to ONI Systems stockholders in the merger will be freely tradable, unless the holder is considered an affiliate of ONI Systems, and will be listed on the Nasdaq Stock Market under the symbol CIEN.

Waiver and Amendment (page)

CIENA and ONI Systems may agree to amend the merger agreement prior to the time the merger becomes effective, subject to applicable law. Either of us can waive our right to require the other party to adhere to the terms and conditions of the merger agreement, if the law allows, at any time prior to the time the merger becomes effective.

Interests of ONI Systems Executive Officers and Directors in the Merger (page)

In considering the recommendation of the ONI Systems board of directors about the merger, you should be aware of the interests which executive officers and directors of ONI Systems have in the merger that are different from your and their interests as stockholders. William Cumpston and Rohit Sharma have entered into employment agreements with CIENA. Hugh Martin has entered into a consulting agreement with CIENA. Contemporaneously with the approval of the merger agreement, the ONI Systems board of directors approved the grant of options to purchase 750,000 and 550,000 shares of ONI Systems common stock to Messrs. Cumpston and Sharma, respectively. The exercise price of these options is \$5.21, the fair market value of ONI Systems common stock on February 21, 2001. The merger agreement requires CIENA to indemnify directors and officers of ONI Systems for events occurring before the merger, including events that are related to the merger. The ONI Systems board of directors recognized all those interests described above and concluded that those interests did not detract from the fairness of the merger to the stockholders of ONI Systems who are not executive officers or directors of ONI Systems.

Reasons for the Merger and Recommendation of the CIENA Board of Directors (page)

THE CIENA BOARD OF DIRECTORS RECOMMENDS THAT CIENA STOCKHOLDERS VOTE **FOR** THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT AND APPROVE THE MERGER.

The CIENA board of directors has determined that the merger is advisable and in the best interests of CIENA and its stockholders. The CIENA board of directors made this determination based on its review of:

the potential strategic benefits of the merger, including (among other things) the complementary nature of the technologies and products of CIENA and ONI Systems; the advantages of combining their respective management, sales forces and technical teams; and the prospect of an improved competitive and market position of the combined company.

the potential financial implications of the merger, including (among other things) CIENA's management's views as to the business, results of operations and financial condition, technology, management and competitive position of CIENA and ONI Systems; potential cost savings and synergies; current and prospective financial market and commercial conditions; and the opinion of Morgan Stanley referred to below.

the potential adverse effects of the merger, including (among other things) the risk that the potential benefits of the merger might not be realized; risks relating to integrating the businesses; the possibility of management and employee disruption; and the potential disruption of customer relationships.

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The CIENA board of directors did not quantify or assign relative weight to the factors summarized above. For a more complete discussion of the CIENA board of directors' reasons for the merger, see "The Merger Recommendation of CIENA's Board of Directors and Reasons for the Merger" beginning on page [] of this joint proxy statement/prospectus.

Reasons for the Merger and Recommendation of the ONI Systems Board of Directors (page [])

THE ONI SYSTEMS BOARD OF DIRECTORS RECOMMENDS THAT ONI SYSTEMS STOCKHOLDERS VOTE **FOR** THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT AND APPROVE THE MERGER.

The ONI Systems board of directors has determined that the merger is advisable and in the best interests of ONI Systems and its stockholders. The ONI Systems board of directors made this determination and its determination to recommend approval of the merger based on its review of:

the potential strategic benefits of the merger, including (among other things) the complementary nature of the technologies and products of CIENA and ONI Systems; the advantages of combining their respective management, sales forces and technical teams; and the prospect of an improved competitive and market position of the combined company.

the potential financial implications of the merger, including (among other things) ONI Systems' management's views as to the business, results of operations and financial condition, technology, management and competitive position of CIENA and ONI Systems; potential cost savings and synergies; CIENA's pre-announcement of its anticipated financial condition and results of operations; current and prospective financial market and commercial conditions; possible alternative transactions; and the opinions of Goldman Sachs referred to below.

the potential adverse effects of the merger, including (among other things) the risk that the potential benefits of the merger might not be realized; risks relating to integrating the businesses; the possibility of management and employee disruption; and the potential disruption of customer relationships.

The ONI Systems board of directors did not quantify or assign relative weight to the factors summarized above. For a more complete discussion of the ONI Systems board of directors' reasons for the merger, see "The Merger Recommendation of the ONI Systems Board of Directors and Reasons for the Merger" beginning on page [] of this joint proxy statement/prospectus.

Opinion of CIENA's Financial Advisor (page [])

On February 15, 2002, Morgan Stanley delivered its oral opinion to the CIENA board of directors, subsequently confirmed in writing, that, as of February 15, 2002, the exchange ratio pursuant to the merger agreement was fair to CIENA from a financial point of view. The full text of Morgan Stanley's opinion, which identifies assumptions made, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D to this joint proxy statement/prospectus. Stockholders of CIENA are urged to, and should, read this opinion in its entirety. Morgan Stanley's opinion does not constitute a recommendation as to how any shareholder of CIENA should vote with respect to the merger.

Opinion of ONI Systems' Financial Advisor (page [])

On February 15, 2002, Goldman Sachs proffered its oral opinion to the board of directors of ONI Systems, which opinion was subsequently confirmed in writing on February 17, 2002 that, as of the date of that opinion, the exchange ratio of 0.7104 shares of CIENA common stock to be received for each share of ONI Systems common stock pursuant to the merger agreement was fair from a financial point of view to the holders of shares of ONI Systems common stock. In addition, on March 18, 2002, at the request of the board of directors of ONI Systems, Goldman Sachs delivered its opinion to the board of directors of ONI Systems that, as of the date of that opinion, the exchange ratio was fair from a financial point of view to the holders of shares of ONI Systems common stock, which opinion was subsequently confirmed in writing by means of an opinion letter dated as of March 18, 2002. The full text of the written opinion of Goldman Sachs dated March 18, 2002, which identifies assumptions made, matters considered and limitations on

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the review undertaken in connection with the opinion, is attached as Annex E to this joint proxy statement/ prospectus. The terms of the opinion letter dated February 17, 2002 were substantially identical to the terms of the opinion letter dated March 18, 2002. Stockholders of ONI Systems are urged to, and should, read this opinion in its entirety. The opinion of Goldman Sachs does not constitute a recommendation as to how any stockholder of ONI Systems should vote with respect to the merger.

Differences in the Rights of Stockholders (page)

If you own ONI Systems common stock and receive CIENA common stock in the merger you would become a stockholder of CIENA upon completion of the merger. Your rights would continue to be governed by Delaware law but your rights would be governed by CIENA s certificate of incorporation, bylaws and stockholder rights plan, rather than ONI Systems certificate of incorporation and bylaws. Your rights as a stockholder of CIENA would differ from your rights as a stockholder of ONI Systems. To review these differences in more detail, see CIENA Capital Stock and Comparison of Stockholder Rights on page .

Special Meeting of CIENA Stockholders (page)

The special meeting will be held on , 2002 at a.m. at the BWI Marriott Hotel, 1743 W. Nursery Road, Linthicum, Maryland 21090. At the special meeting, you will be asked to vote to adopt the merger agreement and to approve the merger.

You can vote, or submit a proxy to vote, at the special meeting if you were a record holder of CIENA common stock at the close of business on , 2002. You can vote your shares by attending the meeting and voting in person or you can mark the enclosed proxy card with your vote, sign it and mail it in the enclosed return envelope. You can revoke your proxy at any time before it is exercised.

Special Meeting of ONI Systems Stockholders (page)

The special meeting will be held on , 2002 at a.m. at . At the special meeting, you will be asked to vote to adopt the merger agreement and to approve the merger.

You can vote, or submit a proxy to vote, at the special meeting if you were a record holder of ONI Systems common stock at the close of business on , 2002. You can vote your shares by attending the meeting and voting in person or you can mark the enclosed proxy card with your vote, sign it and mail it in the enclosed return envelope. You can revoke your proxy at any time before it is exercised.

Vote Required (page)

Holders of a majority of the outstanding shares of CIENA common stock must vote in favor of adoption of the merger agreement before the merger can occur. There were shares of CIENA common stock outstanding as of . Each holder of CIENA common stock is entitled to one vote per share. CIENA s officers, directors and their affiliates owned % of CIENA s outstanding stock as of the record date.

Holders of a majority of the outstanding shares of ONI Systems common stock must vote in favor of adoption of the merger agreement before the merger can occur. There were shares of ONI Systems common stock outstanding as of , 2002. Each holder of ONI Systems common stock is entitled to one vote per share. ONI Systems officers, directors and their affiliates owned % of ONI Systems outstanding stock as of the record date.

Neither CIENA nor ONI Systems stockholders are entitled to dissenters rights of appraisal for their shares under the Delaware General Corporation Law in connection with the merger.

Stockholder Agreements (page)

In connection with the merger agreement, several executive officers and directors of ONI Systems and their affiliates owning in the aggregate shares of ONI Systems common stock, representing approximately 11.5% of the outstanding ONI Systems common stock as of the record date, entered into agreements under which they agreed to vote their shares in favor of the merger. The form of this stockholder agreement is attached as Annex B to this joint proxy statement/ prospectus.

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**SUMMARY SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA
OF CIENA AND ONI SYSTEMS**

Summary Selected Consolidated Historical Financial Data of CIENA

The information in the following summary selected consolidated financial data as of October 31, 1997, 1998, 1999, 2000 and 2001 and for the years ended October 31, 1997, 1998, 1999, 2000 and 2001 is derived from CIENA's audited consolidated financial statements. You should read this information in conjunction with the financial statements and notes to the consolidated financial statements which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" which begins on page . CIENA's financial statements as of October 31, 2000 and 2001 and for each of the three years ended October 31, 2001 were audited by PricewaterhouseCoopers LLP, independent accountants. Selected financial information as of January 31, 2001 and 2002 and for the three months then ended is derived from CIENA's unaudited consolidated financial statements, which are incorporated into this joint proxy statement/prospectus by reference. CIENA has a 52 or 53 week fiscal year, which ends on the Saturday nearest to the last day of October in each year. For purposes of financial statement presentation, each fiscal year is described as having ended on October 31. Fiscal 1997, 1998, 1999 and 2000 comprised 52 weeks and fiscal 2001 comprised 53 weeks. Historical events are not necessarily indicative of results to be expected in the future and results of interim periods are not necessarily indicative of the results of the entire year.

	As of October 31,					As of January 31,	
	1997	1998	1999	2000	2001	2001	2002
	(in thousands)						
Balance Sheet Data:							
Cash and cash equivalents	\$273,286	\$250,714	\$143,440	\$143,187	\$397,890	\$176,725	\$472,533
Working capital	338,078	391,305	427,471	639,675	1,936,707	724,025	1,653,035
Total assets	468,247	602,809	677,835	1,027,201	3,317,301	1,167,152	3,218,778
Long-term obligations, excluding current portion	1,900	3,029	4,881	4,882	869,865	4,986	695,740
Stockholders' equity	\$377,278	\$501,036	\$530,473	\$809,835	\$2,128,982	\$921,861	\$2,068,365

	Year Ended October 31,					Three Months Ended January 31,	
	1997	1998	1999	2000	2001	2001	2002
	(in thousands, except per share data)						
Statement of Operations Data:							
Revenue	\$413,215	\$508,087	\$482,085	\$858,750	\$1,603,229	\$351,989	\$162,156
Cost of goods sold	166,472	256,014	299,769	477,393	904,549	191,837	139,687
Gross profit	246,743	252,073	182,316	381,357	698,680	160,152	22,469
Operating expenses:							
Research and development (exclusive of \$0, \$0, \$0, \$0, \$17,825, \$0 and \$3,951 deferred stock compensation costs)	23,773	71,186	101,006	125,434	235,831	42,504	64,756
Selling and marketing (exclusive of \$0, \$0, \$0, \$0, \$8,336, \$0 and \$956 deferred stock compensation costs)	22,627	47,343	61,603	90,922	146,949	29,636	37,600

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General and administrative (exclusive of \$40, \$40, \$40, \$40, \$15,206, \$90 and \$227 deferred stock compensation costs)	11,436	18,428	22,696	33,960	57,865	11,145	13,655
Settlement of accrued contract obligation				(8,538)			
Deferred stock compensation costs	40	40	40	40	41,367		5,134
Amortization of goodwill		2,341	3,197	3,197	177,786	898	
Amortization of intangible assets		229	438	438	4,413	109	1,813
In-process research and development		9,503			45,900		
Restructuring costs					15,439		6,828

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	Year Ended October 31,					Three Months Ended January 31,	
	1997	1998	1999	2000	2001	2001	2002
	(in thousands, except per share data)						
Goodwill impairment					1,719,426		
Pirelli litigation	7,500	30,579					
Merger related costs		2,548	13,021				
Provision for doubtful accounts	489	806	250	28,010	(6,579)		
Total operating expenses	65,865	183,003	202,251	273,463	2,438,397	84,292	129,786
Income (loss) from operations	180,878	69,070	(19,935)	107,894	(1,739,717)	75,860	(107,317)
Other income (expense), net	7,178	12,830	13,944	12,680	32,988	4,209	361
Income (loss) before income taxes	188,056	81,900	(5,991)	120,574	(1,706,729)	80,069	(106,956)
Provision (benefit) for income taxes	72,488	36,200	(2,067)	39,187	87,333	26,823	(36,365)
Net income (loss)	\$ 115,568	\$ 45,700	\$ (3,924)	\$ 81,387	\$ (1,794,062)	\$ 53,246	\$ (70,591)
Basic net income (loss) per common share	\$ 0.76	\$ 0.19	\$ (0.01)	\$ 0.29	\$ (5.75)	\$ 0.19	\$ (0.22)
Diluted net income (loss) per common and dilutive potential common share	\$ 0.55	\$ 0.18	\$ (0.01)	\$ 0.27	\$ (5.75)	\$ 0.18	\$ (0.22)
Weighted average basic common shares outstanding	151,928	235,980	267,042	281,621	311,815	287,001	327,620
Weighted average basic common and dilutive potential common shares outstanding	209,686	255,788	267,042	299,662	311,815	300,956	327,620

Significant events affecting CIENA's operating trends. The comparability of CIENA's operating results is affected by a number of significant and nonrecurring items recognized in some periods as well as acquisitions. In fiscal 1997, CIENA incurred special charges of \$7.5 million related to the Pirelli litigation. In fiscal 1998, CIENA incurred special charges of \$30.6 million related to the Pirelli litigation, \$2.6 million of merger related costs associated with an unsuccessful merger and \$9.5 million in-process research and development charge associated with the acquisition of Terabit Technologies. In fiscal 1999, CIENA incurred \$13.0 million of merger related costs associated with Omnia and Lightera. In fiscal 2000, CIENA incurred \$28.0 million of additional provision for doubtful accounts associated with the write-off of customer receivables. In fiscal 2001, CIENA recorded a goodwill impairment of \$1,719.4 million related to the Cyras acquisition, an in-process research and development charge of \$45.9 million in connection with the Cyras acquisition, and restructuring costs to close facilities and terminate employees of \$15.4 million. CIENA consummated the acquisition of Cyras Systems, Inc. on March 29, 2001. During the three months ended January 31, 2002, CIENA recorded \$6.8 million of restructuring costs associated with exiting facilities and terminating employees.

Table of Contents**Summary Selected Consolidated Historical Financial Data of ONI Systems**

The information in the following summary selected consolidated financial data is derived from ONI Systems' audited consolidated financial statements. You should read this information in conjunction with the financial statements and notes to the consolidated financial statements which are incorporated by reference into this joint proxy statement/ prospectus. See "Where You Can Find More Information" which begins on page . ONI Systems' financial statements as of December 31, 2000 and 2001 and for each of the three years ended December 31, 2001 were audited by KPMG LLP, independent accountants. The historical results are not necessarily indicative of results to be expected for any future period.

	As of December 31,				
	1998	1999	2000	2001	
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 19,092	\$ 80,023	\$ 852,360	\$ 338,511	
Working capital	19,627	81,758	917,608	415,336	
Total assets	21,312	100,942	1,015,468	916,355	
Long term obligations, excluding current portion	79	367	300,187	300,048	
Total stockholders' equity	\$ 20,565	\$ 91,728	\$ 677,644	\$ 557,780	
	(In thousands, except per share data)				
	Period from October 20, 1997 (inception) to December 31, 1997	Years Ended December 31,			
	1997	1998	1999	2000	2001
Consolidated Statements of Operations Data:					
Revenue	\$	\$ 1,733	\$ 3,034	\$ 59,662	\$ 195,680
Costs of goods sold, excluding amortization of deferred stock compensation:					
Product sales		1,208	1,032	39,980	121,281
Inventory related charges					45,335
Gross profit		525	2,002	19,682	29,064
Operating expenses:					
Research and development, excluding amortization of deferred stock compensation	39	4,009	24,858	53,654	78,355
Sales and marketing, excluding amortization of deferred stock compensation	21	649	4,557	25,304	51,322
General and administrative, excluding amortization of deferred stock compensation	49	1,591	3,455	16,385	37,388
Restructuring and impairment charges					17,350
Amortization of deferred stock compensation	89	3,310	11,422	66,413	27,009
Amortization of goodwill and intangibles			1,842	3,594	9,067
Common stock warrant expense			2,891	4,545	
In-process research and development			170		8,240
Total operating expenses	198	9,559	49,195	169,895	228,731

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Operating loss	(198)	(9,034)	(47,193)	(150,213)	(199,667)
Interest and other income (expense), net	(1)	183	623	13,333	11,813
Loss before income taxes	(199)	(8,851)	(46,570)	(136,880)	(187,854)
Income taxes		1	2	7	412
Net loss	(199)	(8,852)	(46,572)	(136,887)	(188,266)
Beneficial conversion of preferred stock				(4,242)	

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**Period from
October 20, 1997
(inception) to**

Years Ended December 31,