



Ciena Corporation

Summer 2018

Forward-looking statements and non-GAAP measures

Information in this presentation and related comments of presenters contain a number of forward-looking statements. These statements are based on current expectations, forecasts, assumptions and other information available to the Company as of the date hereof. Forward-looking statements include Ciena's long-term financial targets, prospective financial results, return of capital plans, business strategies, expectations about its addressable markets and market share, and business outlook for future periods, as well as statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future. Often, these can be identified by forward-looking words such as "target" "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words.

Ciena's actual results, performance or events may differ materially from these forward-looking statements made or implied due to a number of risks and uncertainties relating to Ciena's business, including: the effect of broader economic and market conditions on our customers and their business; changes in network spending or network strategy by our customers; seasonality and the timing and size of customer orders, including our ability to recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic mix of sales within the period; supply chain disruptions and the level of success relating to efforts to optimize Ciena's operations; changes in foreign currency exchange rates affecting revenue and operating expense; the impact of the tax cuts and jobs act; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including Ciena's Quarterly Report on Form 10-Q filed with the SEC on June 6, 2018 and Ciena's Annual Report on Form 10-K filed with the SEC on December 22, 2017.

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 any forward-looking or other information included in this presentation or related earnings calls, 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, EBITDA 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. Additional information can also be found in our press release filed this morning and in our reports on Form 10-Q filed with the Securities and Exchange Commission.

With respect to Ciena's expectations under "Business Outlook", Ciena is not able to provide a quantitative reconciliation of the adjusted (non-GAAP) gross margin and adjusted (non-GAAP) operating expense guidance measures to the corresponding gross profit and gross profit percentage, and operating expense GAAP measures without unreasonable efforts. Ciena cannot provide meaningful estimates of the non-recurring charges and credits excluded from these non-GAAP measures due to the forward-looking nature of these estimates and their inherent variability and uncertainty. For the same reasons, Ciena is unable to address the probable significance of the unavailable information.

Our Pedigree

We focus on three foundational strengths



Diversification

- Non-telco (34%/revenue) in FYQ2'18
 - Direct DCI (17%/revenue) – 2 of the top 5 customers are webscale
 - Waveserver: 84 customers
- APAC (India \$79M, above 10%) in FYQ2'18
- Investment in software: Packet Design acquisition



Leading Technology & Innovation

- WaveLogic Ai: only viable 400G in market
- 29 Ai customers; 12 wins in Q2

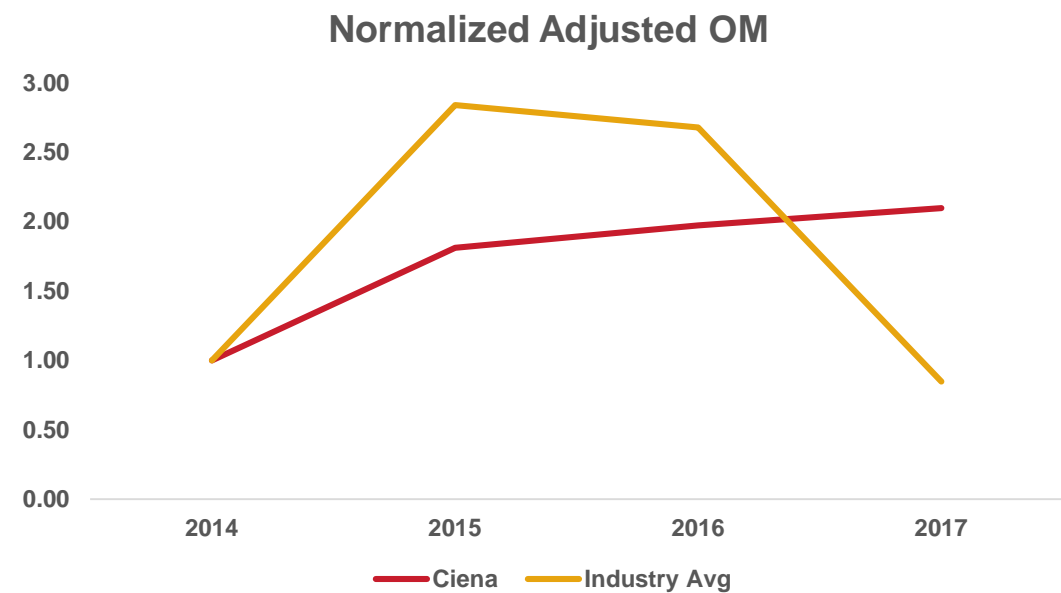
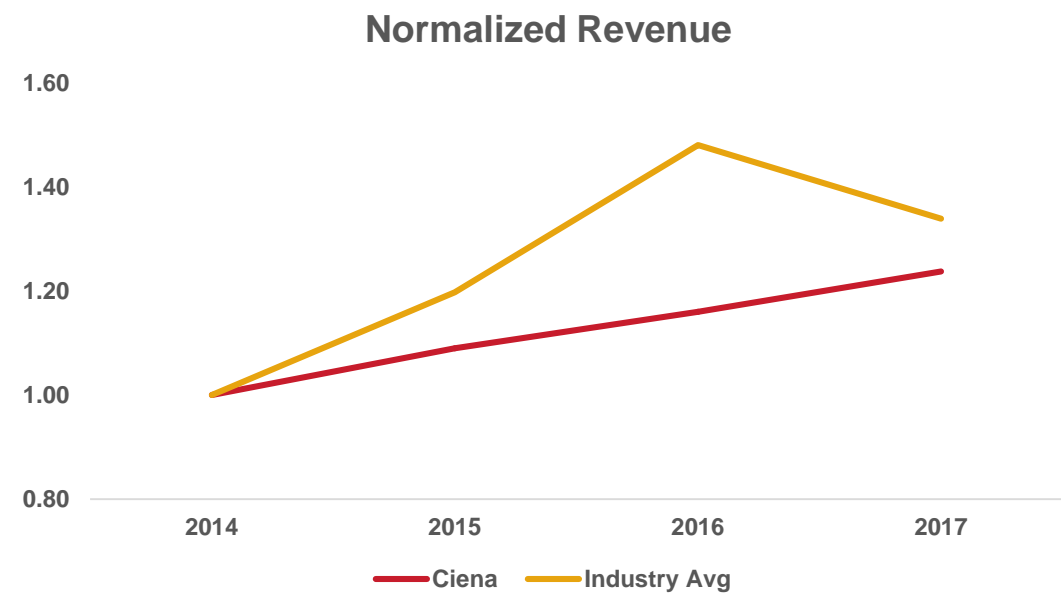


Global Scale

- Market leader: #1 or #2 in all of the markets we serve
- Best technology: only viable 400G solution
- Number of customers: 1,300+
- Sales people: over 750
- R&D force: over 2,600

Ciena has delivered consistent financial performance

Ciena has successfully managed periods of volatility that can impact the industry

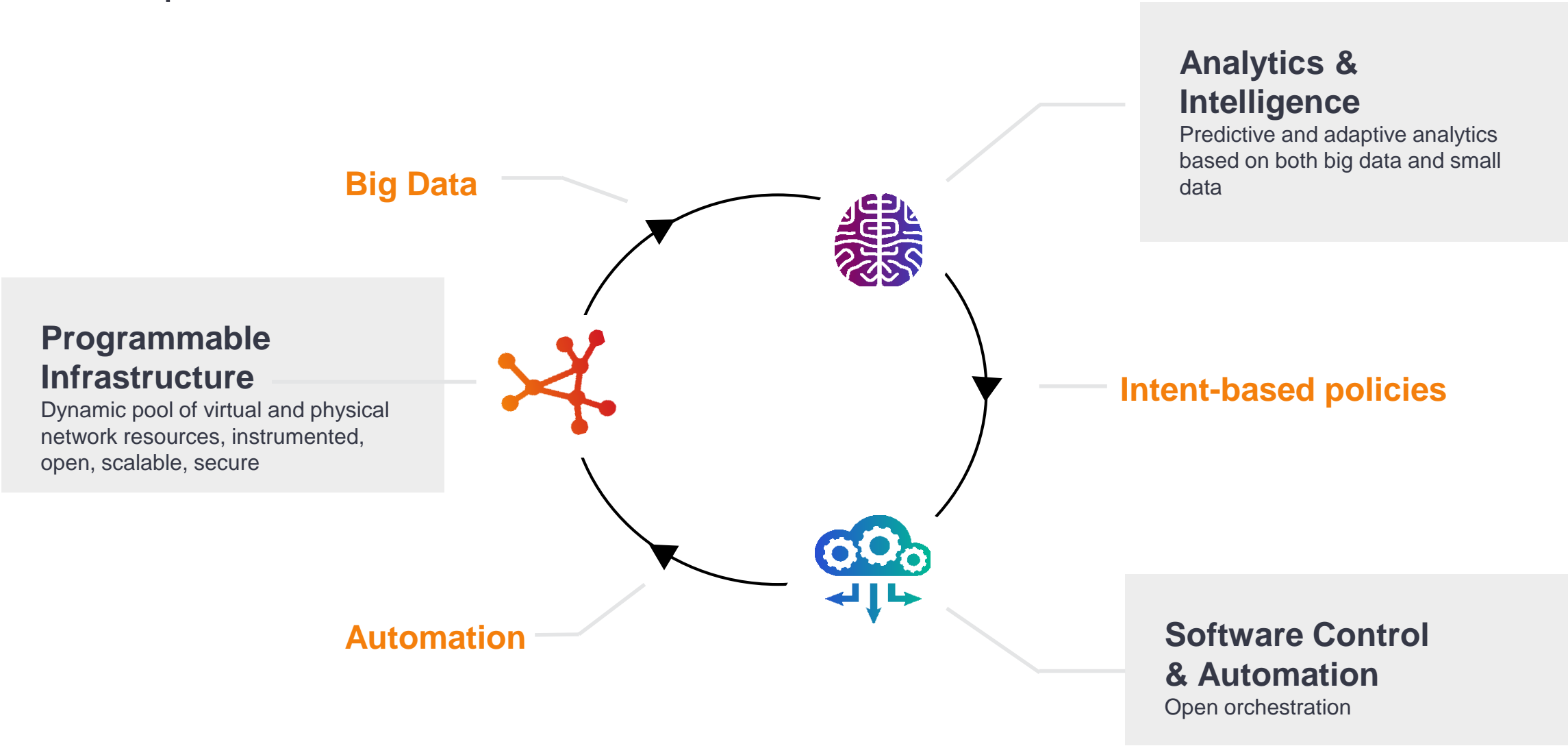


*Industry Average: ACIA, ADTN, ADVA, CSCO, INFN, JNPR and NOKIA IP Networks segment
Ciena results for each fiscal year provided on a pro forma basis to represent a comparative 12/31 fiscal year



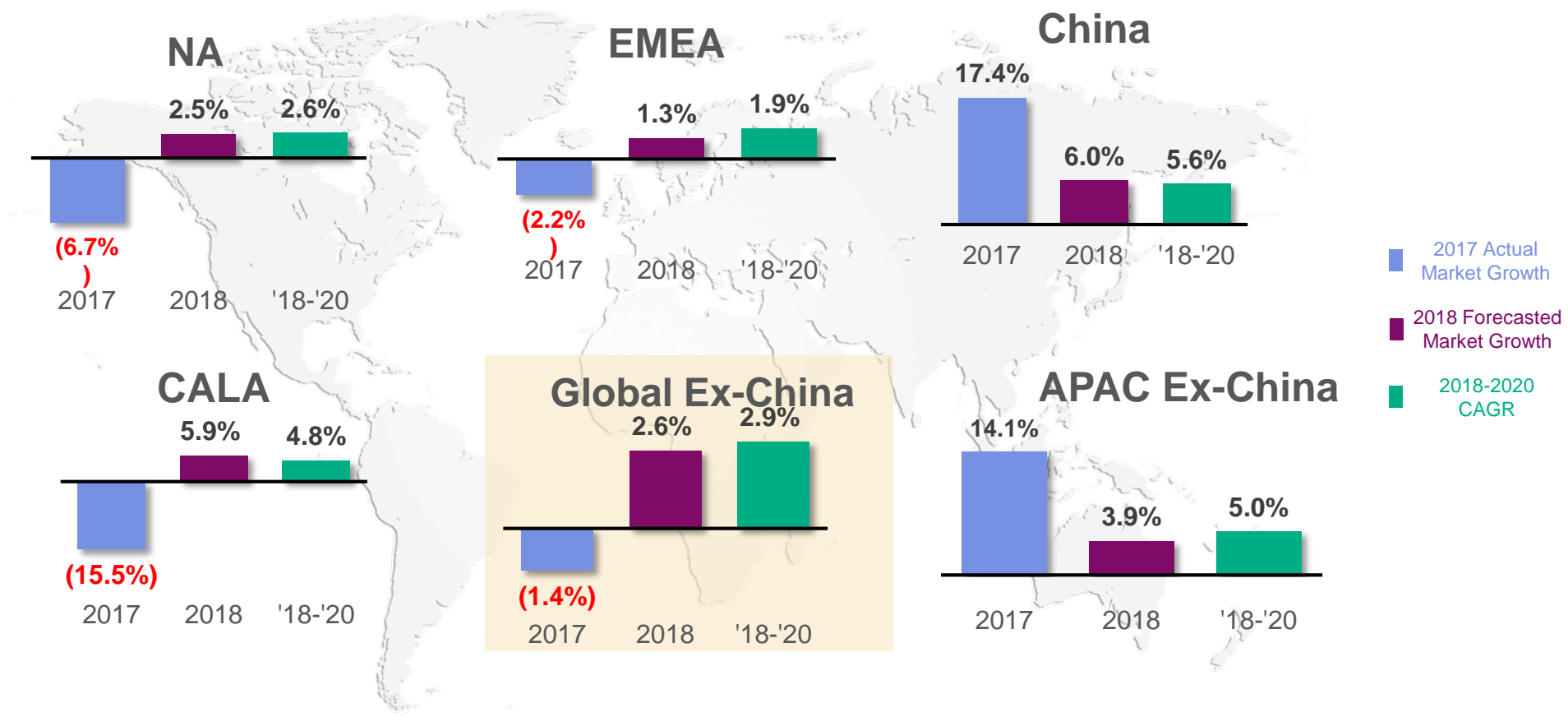
Market Context

The adaptive network



Market Growth

Global Ex-China forecasted annual growth of 2.6% for 2018; Q1 2018 actuals flat Y/Y*



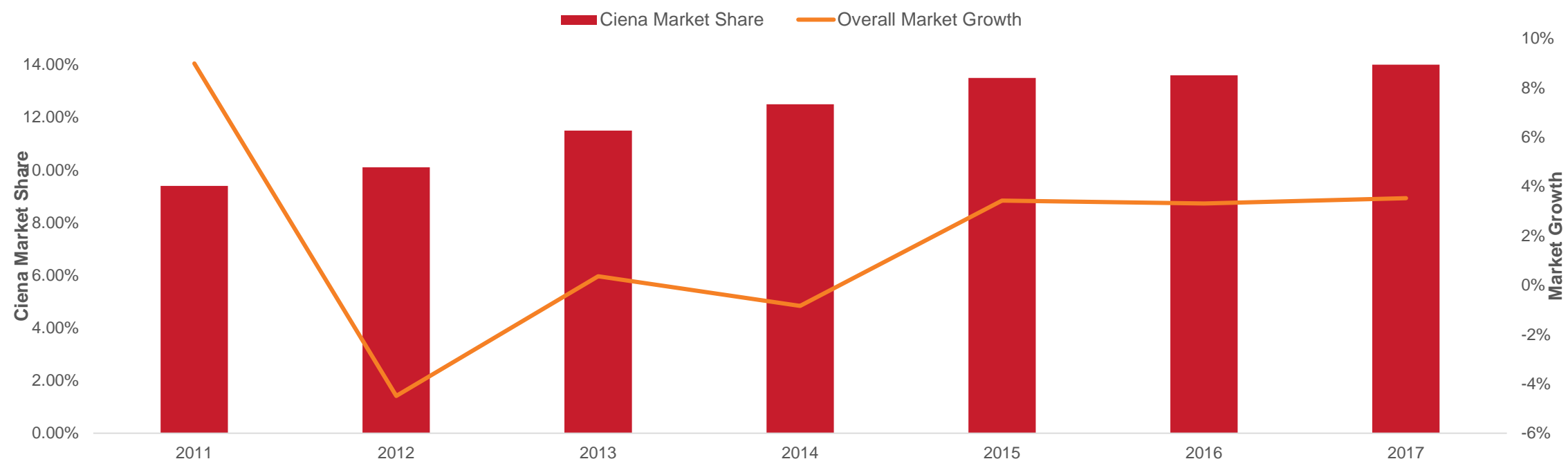
Ciena has a history of taking share and growing faster than the market

*Signal AI, 24 May 2018
Source: IHS, Dell'Oro, Signal AI, Ovum, Ciena analysis



Market share growth

Ciena has consistently increased market share in both times of market growth and decline



Ciena has #1 market share ex-China*

Market: total optical transport including WDM, multiservice multiplexer and optical switch
*Signal AI, 24 May 2018

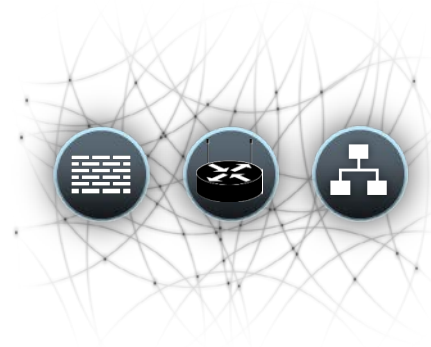


Unique market conditions driving the Network Automations growth

A confluence of market conditions is accelerating the Network Automations segment



Growing adoption of **smart connected devices** and the advent of the 5G explosion



Critical need for **network bandwidth management and visibility** in the network



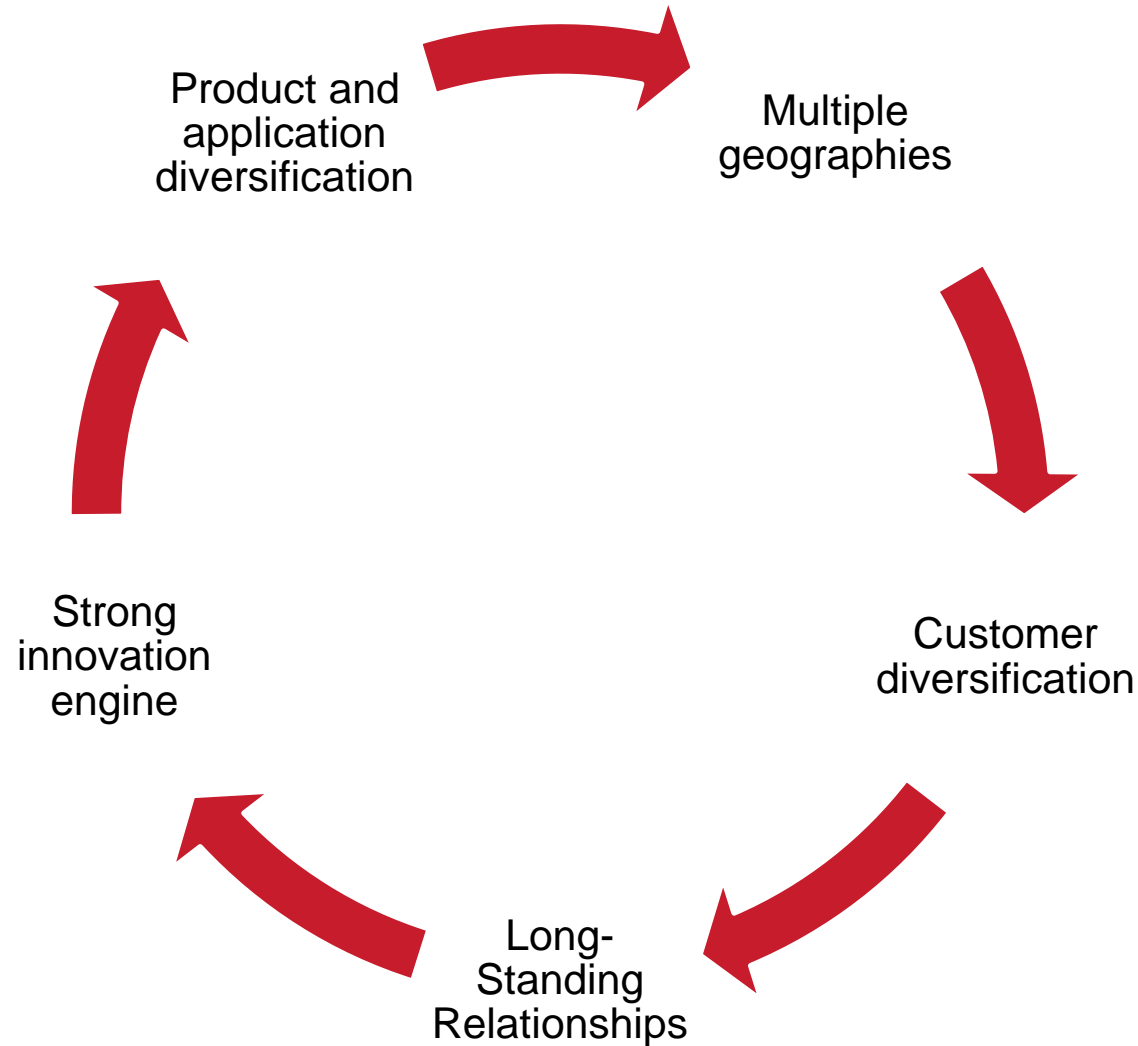
Rise in the adoption of **virtual and software-defined networking** infrastructure

Network downtime caused through human errors

Drastically reduce TTM to meet expectations of “Internet Speed” customer base

A foundation for consistent progression

Ciena has cultivated a unique blend of resources that promotes consistency and growth



Financials

Most recent fiscal quarter

Q2 2018 RESULTS

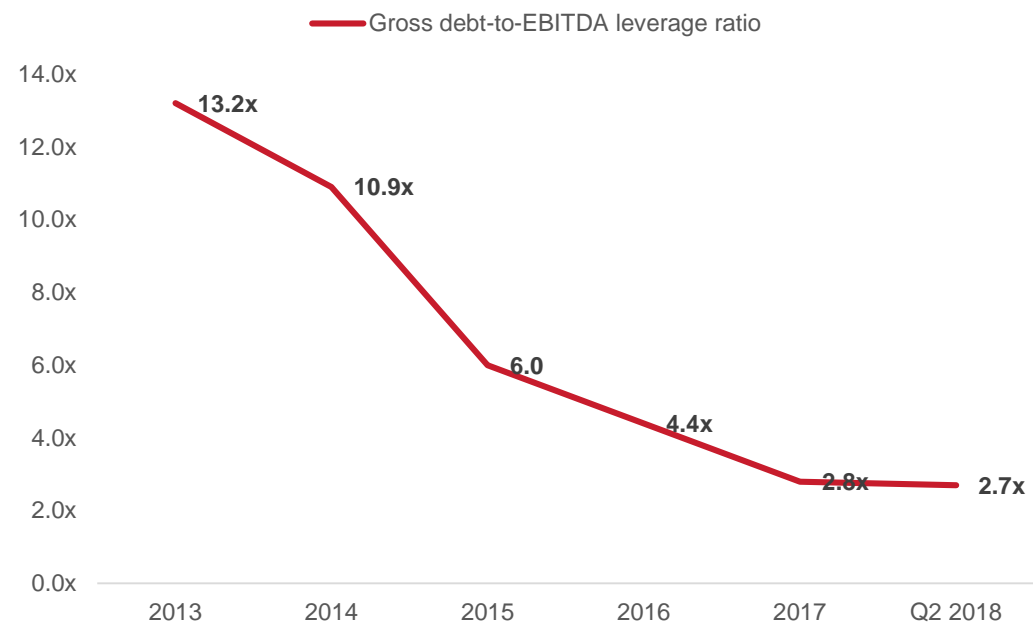
Revenue	As-adjusted gross margin	As-adjusted opex	As-adjusted operating margin	Cash balance
\$730.3M	40.7%	\$240.6M	7.7%	\$980M

- Robust global demand, evidenced by largest-ever order quarter
- Continued market share gains, including #1 in webscale
- New opportunities in fast-growing markets – APAC / India, subsea, webscale, non-U.S. Tier 1 service providers
- Confident in our three-year financial performance targets

Strengthening balance sheet

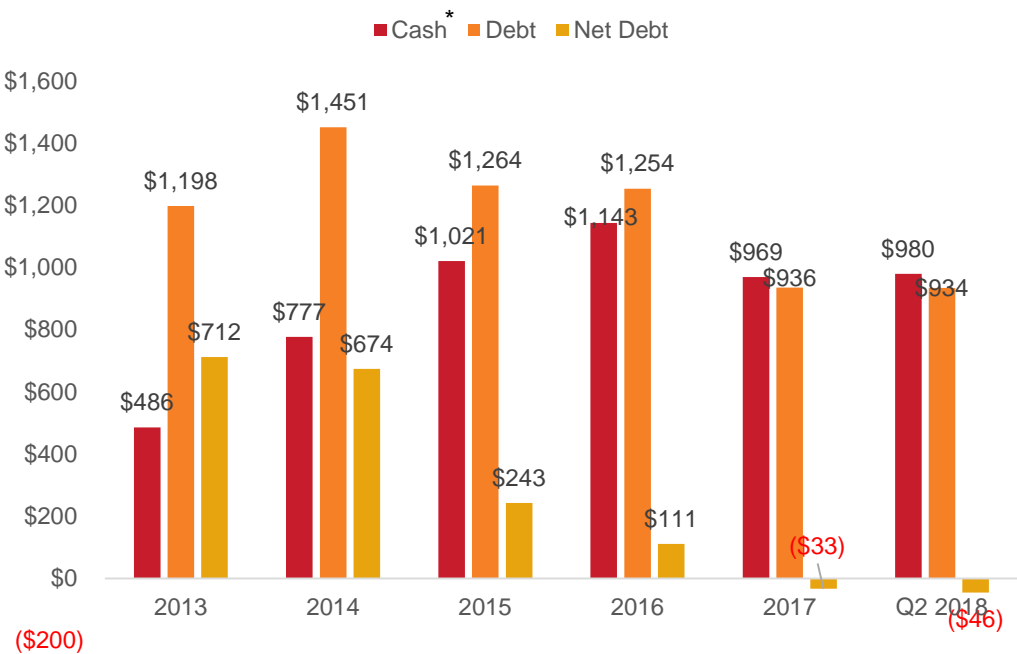
Ciena has improved its leverage and reduced its debt position

Leverage Trend



Net Debt (Cash) Position

(in millions)



*Cash & cash equivalents

Capital allocation priorities

Ciena is proactively managing dilution and taking steps to return capital to shareholders

Debt Exchange Offer

Intend to cash settle ~\$288M (14.3M shares) of our 2018 convertible notes

Stock Buyback

Board authorized share repurchase program of up to \$300M of Ciena common stock through the end of fiscal 2020

Business Expansion

Retain a minimum of \$700M to \$800M for organic reinvestment to drive R&D innovation and expand go-to-market efforts, and for growth through accretive M&A

Business Outlook

Q3'18¹

Revenue	\$775M to \$805M
Adjusted Gross Margin	Low 40s percentage range
Adjusted Operating Expense	Approximately \$242M to \$245M

Fiscal 2018¹

Revenue Growth	7% to 9%
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Long-Term Targets (Three Years)²

Revenue Growth	Approximately 5% to 7% annually
Adjusted Operating Margin	15% on an annualized basis
Adjusted Earnings Per Share Growth	Approximately 14% to 16% annually
Free cash flow	Approximately 60% to 70% of adjusted operating income annually

¹ Projections or outlook with respect to future operating results are only as of May 31, 2018, the date presented on the related earnings call. Actual results may differ materially from these forward looking statements. Ciena assumes no obligation to update this information, whether as a result of new information, future events or otherwise.

² Projections or outlook with respect to future operating results are only as of December 7, 2017, the date presented on the related earnings call. Actual results may differ materially from these forward looking statements. Ciena assumes no obligation to update this information, whether as a result of new information, future events or otherwise.

Long-term financial targets

Ciena’s strategic drivers play a key role in our performance

Three-year annual revenue growth targets	
Optical Systems	Approximately 4% to 6%
Attached Services	Approximately 4% to 6%
Packet Networking	Approximately 6% to 8%
Software and Related Services	Approximately 14% to 16%
Components	Approximately \$50M in annual revenue**

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***Projection indicates goal by the end of the next three fiscal years*

Thank You

