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

	Nine Months Ended July 31,	
	2008	2009
Cash flows from operating activities:		
Net income (loss)	$ 64,290	$ (554,495)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of discount on marketable securities	(1,827)	(858)
Realized loss due to impairment of marketable debt investments	5,114	-
Non-cash loss on cost method investments	-	5,328
Depreciation of equipment, furniture and fixtures and amortization of leasehold improvements	13,345	16,270
Goodwill impairment	-	455,673
Share-based compensation	24,406	26,075
Amortization of intangibles	27,942	23,804
Deferred tax provision	1,640	-
Provision for doubtful accounts	55	42
Provision for inventory excess and obsolescence	13,841	11,126
Provision for warranty	11,234	13,620
Other	3,455	1,487
Changes in assets and liabilities:		
Accounts receivable	(32,070)	18,128
Inventories	(4,694)	(7,274)
Prepaid expenses and other	(616)	(1,696)
Accounts payable, accruals and other obligations	(7,927)	(5,799)
Income taxes payable	(5,515)	-
Deferred revenue	9,554	4,073
Net cash provided by operating activities	122,227	5,504
Cash flows from investing activities:		
Payments for equipment, furniture, fixtures and intellectual property	(22,947)	(17,630)
Restricted cash	1,420	(1,914)
Purchase of available for sale securities	(180,613)	(926,621)
Proceeds from maturities of available for sale securities	820,177	321,554
Proceeds from sale of available for sale securities	-	523,137
Acquisition of business, net of cash acquired	(210,016)	-
Net cash provided by (used in) investing activities	408,021	(101,474)
Cash flows from financing activities:		
Repayment of 3.75% convertible notes payable	(542,262)	-
Repayment of indebtedness of acquired business	(12,363)	-
Proceeds from issuance of common stock and warrants	5,246	533
Net cash provided by (used in) financing activities	(549,379)	533
Effect of exchange rate changes on cash and cash equivalents	173	500
Net decrease in cash and cash equivalents	(19,131)	(95,437)
Cash and cash equivalents at beginning of period	892,061	550,669
Cash and cash equivalents at end of period	$ 873,103	$ 455,732
Supplemental disclosure of cash flow information		
Cash paid (refunded) during the period for:		
Interest	$ 14,969	$ 4,748
Income taxes, net	$ 2,673	$ 250
Non-cash investing and financing activities		
Purchase of equipment in accounts payable	$ 1,717	$ 1,205
Value of common stock issued in acquisition	$ 62,359	$ -
Fair value of vested options assumed in acquisition	$ 9,912	$ -