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

	Six Months Ended April 30,	
	2008	2009
Cash flows from operating activities:		
Net income (loss)	$ 52,567	$ (528,041)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of discount on marketable securities	(1,632)	(904)
Non-cash loss on cost method investments	-	3,135
Depreciation and amortization of leasehold improvements	8,567	10,830
Impairment of goodwill	-	455,673
Share-based compensation	15,752	17,591
Amortization of intangibles	17,165	15,930
Deferred tax provision	1,296	-
Provision for doubtful accounts	55	42
Provision for inventory excess and obsolescence	10,540	8,809
Provision for warranty	7,083	9,235
Other	2,373	1,129
Changes in assets and liabilities:		
Accounts receivable	(25,990)	21,728
Inventories	(20,456)	(6,626)
Prepaid expenses and other	5,816	6,253
Accounts payable, accruals and other obligations	7,883	(16,371)
Income taxes payable	(5,656)	-
Deferred revenue	13,202	3,572
Net cash provided by operating activities	88,565	1,985
Cash flows from investing activities:		
Payments for equipment, furniture, fixtures and intellectual property	(14,172)	(12,632)
Restricted cash	(4,929)	(109)
Purchase of available for sale securities	-	(719,165)
Proceeds from maturities of available for sale securities	762,150	239,072
Proceeds from sale of available for sale securities	-	523,137
Acquisition of business, net of cash acquired	(209,965)	-
Net cash provided by investing activities	533,084	30,303
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	4,578	539
Net cash provided by (used in) financing activities	(550,047)	539
Effect of exchange rate changes on cash and cash equivalents	189	(15)
Net increase in cash and cash equivalents	71,602	32,827
Cash and cash equivalents at beginning of period	892,061	550,669
Cash and cash equivalents at end of period	$ 963,852	$ 583,481
Supplemental disclosure of cash flow information		
Cash paid (refunded) during the period for:		
Interest expense	$ 13,159	$ 2,560
Income taxes, net	$ 1,598	$ (281)
Non-cash investing and financing activities		
Purchase of equipment in accounts payable	$ 1,923	$ 605
Value of common stock issued in acquisition	$ 62,359	$ -
Fair value of vested options assumed in acquisition	$ 9,912	$ -