13-Dec-01

CIENA CORPORATION FINANCIAL MODEL PROJECTIONS

ProForma numbers

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL REVENUES % Change Y-O-Y	\$1,603,300	\$1,202,475 -25%	\$1,322,723 10%	\$1,454,995 10%	\$1,600,494 10%	\$1,760,544 10%	\$1,936,598 10%	\$2,130,258 10%	\$2,343,284 10%	\$2,577,612 10%
COST OF SALES % Total Revenues	\$904,261 56.40%	\$811,671 67.50%	\$859,770 65.00%	\$945,747 65.00%	\$1,040,321 65.00%	\$1,144,353 65.00%	\$1,258,789 65.00%	\$1,384,668 65.00%	\$1,523,134 65.00%	\$1,675,448 65.00%
GROSS PROFIT % Total Revenues	\$699,039 43.60%	\$390,804 32.50%	\$462,953 35.00%	\$509,248 35.00%	\$560,173 35.00%	\$616,190 35.00%	\$677,809 35.00%	\$745,590 35.00%	\$820,149 35.00%	\$902,164 35.00%
R & D % Total Revenues	\$230,875 14.40%	\$240,495 20.00%	\$191,795 14.50%	\$210,974 14.50%	\$232,072 14.50%	\$255,279 14.50%	\$280,807 14.50%	\$308,887 14.50%	\$339,776 14.50%	\$373,754 14.50%
SG&A % Total Revenues	\$208,429 13.00%	\$240,495 20.00%	\$198,408 15.00%	\$218,249 15.00%	\$240,074 15.00%	\$264,082 15.00%	\$290,490 15.00%	\$319,539 15.00%	\$351,493 15.00%	\$386,642 15.00%
TOTAL OPERATING EXPENSES % Total Revenues	\$439,304 27.40%	\$480,990 40.00%	\$390,203 29.50%	\$429,223 29.50%	\$472,146 29.50%	\$519,360 29.50%	\$571,296 29.50%	\$628,426 29.50%	\$691,269 29.50%	\$760,396 29.50%
OPERATING INCOME % Total Revenues	\$259,735 16.20%	-\$90,186 -7.50%	\$72,750 5.50%	\$80,025 5.50%	\$88,027 5.50%	\$96,830 5.50%	\$106,513 5.50%	\$117,164 5.50%	\$128,881 5.50%	\$141,769 5.50%
INTEREST EXPENSE % Total Revenues	\$7,200 0.45%	\$7,000 0.58%	\$7,000 0.53%	\$7,000 0.48%	\$7,000 0.44%	\$7,000 0.40%	\$ 0	\$0 0.00%	\$ 0	\$0
OTHER INCOME / (EXPENSE) % Total Revenues	\$45,000 4.98%	\$16,000 1.97%	\$14,000 1.63%	\$10,000 1.06%	\$5,000 0.48%	\$ 0	0.00%	\$0 0.00%	\$ 0	\$0 0.00%
INCOME BEFORE TAXES % Total Revenues	\$297,535 18.56%	-\$81,186 -6.75%	\$79,750 6.03%	\$83,025 5.71%	\$86,027 5.38%	\$89,830 5.10%	\$106,513 5.50%	\$117,164 5.50%	\$128,881 5.50%	\$141,769 5.50%
TAXES Tax Rate	\$99,674 33.50%	\$0 0.00%	\$26,716 33.50%	\$27,813 33.50%	\$28,819 33.50%	\$30,093 33.50%	\$35,682 33.50%	\$39,250 33.50%	\$43,175 33.50%	\$47,493 33.50%
NET INCOME AFTER TAXES	\$197,861	-\$81,186	\$53,034	\$55,211	\$57,208	\$59,737	\$70,831	\$77,914	\$85,706	\$94,276
SHARES O/S	334,717	359,717	384,717	409,717	434,717	459,717	484,717	509,717	534,717	559,717
EPS	\$0.59	(\$0.23)	\$0.14	\$0.13	\$0.13	\$0.13	\$0.15	\$0.15	\$0.16	\$0.17
EPS GROWTH USING ABOVE EPS	#VALUE!	-138.18%	-161.08%	-2.25%	-2.34%	-1.26%	12.46%	4.60%	4.86%	5.09%
INPUT A POSSIBLE PRICE / SHARE	15	12	12	13	13	14	14	14	14	14
MARKET CAP. USING ABOVE PRICE	\$5,020,755	\$4,316,604	\$4,616,604	\$5,326,321	\$5,651,321	\$6,436,038	\$6,786,038	\$7,136,038	\$7,486,038	\$7,836,038
P/E RATIO USING ABOVE DATA	25.38	-53.17	87.05	96.47	98.79	107.74	95.81	91.59	87.35	83.12
PEG RATIO USING ABOVE DATA	#VALUE!	0.38	-0.54	-42.96	-42.17	-85.63	7.69	19.89	17.98	16.34
PRICE / REVENUES USING ABOVE DATA	3.13	3.59	3.49	3.66	3.53	3.66	3.50	3.35	3.19	3.04
TIMES INTEREST EARNED	36.07	(12.88)	10.39	11.43	12.58	13.83	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PRICE / GROWTH FLOW RATIO (PGFR) PGFR cheap = 5	11.91	43.98	18.38	19.44	18.93	19.74	18.61	17.76	16.91	#DIV/0!

PGFR cheap = 5 PGFR normal = 11 PGFR high > 15