

CIENA CORP
Form S-4
April 29, 2003

Table of Contents

As filed with the Securities and Exchange Commission on April 29, 2003

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

Kathy A Fields
Howard J. Beber
Testa, Hurwitz & Thibault, LLP
125 High Street
Boston, MA 02110
(617) 248-7000

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 April 9, 2003, as such agreement may be amended, described in the enclosed Prospectus have been satisfied or waived.

Edgar Filing: CIENA CORP - Form S-4

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. o _____

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 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)	36,047,498	Not Applicable	\$725,459(3)	\$58.69

- (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 WaveSmith Networks, Inc. with and into CIENA, assuming the exercise of all stock options and warrants that will be outstanding at closing.
- (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) Pursuant to Rule 457(f)(2), because there is currently no public trading market for WaveSmith common and preferred stock, the registration fee was computed on the basis of 1/3 of the par value of the shares of common and preferred stock of WaveSmith computed as of April 29, 2003. The par value equaled \$2,176,376.28 in the aggregate.

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.

Table of Contents

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 April 29, 2003. Subject to Completion.

Dear WaveSmith Stockholder:

After careful consideration, the boards of directors of WaveSmith Networks, Inc. and CIENA Corporation have approved the merger of WaveSmith with CIENA. I am pleased to provide to you the enclosed proxy statement/prospectus relating to a special meeting of the stockholders of WaveSmith to be held on _____, 2003, at [9:00 a.m.] Eastern Time, at the offices of Testa, Hurwitz & Thibault, LLP at 125 High Street, Boston, Massachusetts.

At the special meeting, you will be asked to vote, in person or by proxy, on the proposed merger of WaveSmith with CIENA. The merger will be effected pursuant to the agreement and plan of merger, dated as of April 9, 2003, by and between CIENA and WaveSmith. Pursuant to the agreement and plan of merger, each outstanding share of capital stock of WaveSmith will be converted into the right to receive shares of CIENA common stock in the amounts set forth in the agreement and plan of merger. CIENA will issue approximately 33 million shares in the merger to WaveSmith's stockholders, including shares underlying WaveSmith stock options and warrants. CIENA common stock is traded on the Nasdaq National Market under the symbol CIEN. The closing price for CIENA common stock reported on the Nasdaq National Market on April _____, 2003, was \$ _____ per share. If the merger is approved and consummated, WaveSmith will cease to exist as a separate entity. Following the merger, based on 434,980,818 outstanding shares of CIENA common stock as of April 25, 2003, and assuming that all of the WaveSmith stock options or warrants have been exercised, WaveSmith stockholders would own approximately 7.7% of the combined company and CIENA stockholders would own approximately 92.3% of the combined company. The merger is described more fully in the proxy statement/prospectus.

As described in the notice to stockholders dated April _____, 2003, if the proposed merger with CIENA is approved at the special meeting, WS Contract Corp., a Delaware corporation and wholly-owned subsidiary of WaveSmith, will merge with and into WaveSmith immediately prior to the merger of WaveSmith into CIENA. In connection with the merger of WS Contract Corp. into WaveSmith, the Third Amended and Restated Certificate of Incorporation of WaveSmith will be amended and restated in its entirety and the liquidation preferences of the shares of WaveSmith's preferred stock will be reduced.

WaveSmith's board of directors has carefully reviewed and considered the terms and conditions of the merger and the agreement and plan of merger and has concluded that the terms are fair to, and in the best interests of, WaveSmith and its stockholders. WaveSmith's board of directors recommends that you vote **FOR** approval and adoption of the merger and the agreement and plan of merger.

The agreement and plan of merger must be approved and adopted by the holders of (i) a majority of the outstanding shares of WaveSmith's common stock and preferred stock, voting as a single class on an as-converted basis, (ii) a majority of the outstanding shares of WaveSmith's series A and series A-1 preferred stock, voting together as a single class on an as-converted basis, (iii) 60% of the outstanding shares of WaveSmith's series B and series B-1 preferred stock, voting together as a single class on an as-converted basis, and (iv) 75% of the outstanding shares of WaveSmith's series C preferred stock, voting as a separate class on an as-converted basis. Stockholders of WaveSmith entitled to vote at the special meeting who collectively beneficially own approximately 25.5% of WaveSmith's common stock, 87.9% of WaveSmith's series A and A-1 preferred stock, on an as-converted basis, 81.0% of WaveSmith's series B and B-1 preferred stock, on an as-converted basis, 72.0% of WaveSmith's series C preferred stock, on an as-converted basis and 63.4% of WaveSmith's common stock and preferred stock together, on an as-converted basis, have already agreed to vote their shares in favor of the merger and the agreement and plan of merger. **You are encouraged to review the enclosed proxy statement/prospectus and in particular review the matters referred to under Risk Factors starting on page 8.** Whether or not you plan to attend the special meeting, please take the time to vote by promptly completing and mailing the enclosed proxy card in the postage-paid envelope provided. **Your vote is very important.**

On Behalf of the Board of Directors,

Thomas Burkardt
Chief Executive Officer and President

Edgar Filing: CIENA CORP - Form S-4

Prospectus dated _____, 2003
First mailed to stockholders on or about _____, 2003

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.

Table of Contents

WAVESMITH NETWORKS, INC.

35 Nagog Park
Acton, MA 01720
(978) 929-9100

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON _____, 2003

To the stockholders of WaveSmith Networks, Inc.:

A special meeting of the stockholders of WaveSmith Networks, Inc., a Delaware corporation, will be held at the offices of Testa, Hurwitz & Thibault, LLP, 125 High Street, Boston, Massachusetts, on _____, 2003 at [9:00 a.m.] Eastern Time for the following purposes:

1. To approve and adopt the merger and the agreement and plan of merger, dated as of April 9, 2003, by and between CIENA Corporation and WaveSmith pursuant to which WaveSmith will be merged with and into CIENA, with CIENA being the surviving corporation. A copy of the agreement and plan of merger is attached as Annex A to the proxy statement/prospectus accompanying this notice;
2. To grant discretionary authority to the WaveSmith board of directors to adjourn or postpone the WaveSmith special meeting to solicit additional votes to approve the merger, if necessary; and
3. To consider and act upon any other matter which may properly come before the special meeting.

This proxy statement/prospectus and the proxy card are being furnished to the stockholders of WaveSmith in connection with the solicitation of proxies by WaveSmith's board of directors for use at the special meeting of stockholders.

WaveSmith's board of directors has approved the merger and the agreement and plan of merger and recommends that you vote **FOR** approval and adoption of the merger and agreement and plan of merger and **FOR** the grant of discretionary authority to adjourn the special meeting. The proposals are described in more detail in the accompanying proxy statement/prospectus, which you should read in its entirety before voting.

The board of directors has fixed the close of business on _____, 2003 as the record date for determining the stockholders entitled to receive this notice, and to vote their shares at the meeting or any adjournment or postponement of the meeting. Only holders of record of common stock and preferred stock of WaveSmith at the close of business on the record date will be entitled to notice of, and to vote at, the meeting and any adjournment or postponement of the meeting. As of that date, there were (i) 79,787,626 shares of common stock outstanding, (ii) 185,000 shares of series A preferred stock outstanding, (iii) 9,015,000 shares of series A-1 preferred stock outstanding, (iv) 2,353,370 shares of series B preferred stock outstanding, (v) 33,333,331 shares of series B-1 preferred stock outstanding and (vi) 92,963,301 shares of series C preferred stock outstanding.

Each share of common stock is entitled to 1 vote on each matter brought properly before the meeting. Each share of preferred stock is entitled to a number of votes equal to the number of shares of common stock into which such share of preferred stock may be converted into pursuant to WaveSmith's certificate of incorporation. Each share of series A preferred stock is entitled to 2 votes for each matter brought properly before the meeting. Each share of series A-1 preferred stock is entitled to 3.51667 votes for each matter brought properly before the meeting. Each share of series B preferred stock is entitled to 1 vote for each matter brought properly before the meeting. Each share of series B-1 preferred stock is entitled to 2.4 votes for each matter brought properly before the meeting. Each share of series C preferred stock is entitled to 1 vote for each matter brought properly before the meeting.

The representation in person, or by properly executed proxy, of the holders of a majority of all shares of capital stock entitled to vote at the special meeting is necessary to constitute a quorum at the special meeting of WaveSmith. In connection with the separate votes by the series A and series A-1 preferred

Table of Contents

stock, series B and series B-1 preferred stock and series C preferred stock, one-third of the outstanding shares of such class or classes of capital stock, present in person or represented by proxy, shall constitute a quorum entitled to take action at the WaveSmith special meeting and in favor of the other proposals.

Under Delaware law and the charter documents of WaveSmith, approval and adoption of the merger and the agreement and plan of merger requires the affirmative votes of (i) a majority of the outstanding shares of WaveSmith's common stock and preferred stock, voting as a single class on an as-converted basis, (ii) a majority of the outstanding shares of WaveSmith's series A and series A-1 preferred stock, voting as a single class on an as-converted basis, (iii) 60% of the outstanding shares of WaveSmith's series B and series B-1 preferred Stock, voting as a single class on an as-converted basis and (iv) 75% of the outstanding shares of WaveSmith's series C preferred stock, voting as a separate class on an as-converted basis.

The board of directors has designated the two persons named on the enclosed proxy card, Thomas Burkardt and Gregg Savage, to serve as proxies in connection with the special meeting. All properly executed proxy cards will be voted (except to the extent that authority to vote has been withheld) and where a choice has been specified by the stockholder as provided in the proxy card, it will be voted in accordance with the specifications on the proxy card. If you sign and send in your proxy card and do not indicate how you want to vote, it will be voted in favor of approval of the merger and the agreement and plan of merger and in favor of the other proposals. You may revoke a proxy prior to its execution by giving written notice to Mr. Savage, the Secretary of WaveSmith, by submission of another proxy bearing a later date, or by voting in person at the special meeting. Such notice or later dated proxy will not affect a vote on any matter taken prior to the receipt of the proxy revocation by WaveSmith. Abstentions from voting identified as such on the proxy card are treated as present or represented for purposes of determining the presence or absence of a quorum at the special meeting. However, abstentions will have the same effect as votes against the merger and the agreement and plan of merger and the other proposals.

The proxy statement/prospectus materials are being mailed on or about _____, 2003 to holders of record of WaveSmith's capital stock as of _____, 2003. The principal executive office and mailing address of WaveSmith is 35 Nagog Park, Acton, MA 01720.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD, WHICH YOU MAY REVOKE AT ANY TIME PRIOR TO ITS USE. **PROMPTLY SIGNING AND RETURNING YOUR PROXY CARD WILL HELP ENSURE THE PRESENCE OF A QUORUM FOR THE MEETING.** A postage-paid, self-addressed envelope is enclosed for your convenience. Your shares will be voted at the meeting in accordance with your proxy.

By Order of the Board of Directors,

Thomas Burkardt, Chief Executive Officer
and President

TABLE OF CONTENTS

SUMMARY

RISK FACTORS

FORWARD-LOOKING STATEMENTS

THE SPECIAL MEETING OF WAVESMITH NETWORKS, INC. STOCKHOLDERS

THE MERGER

TERMS OF THE MERGER AGREEMENT AND RELATED TRANSACTIONS

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENT

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS Year Ended October 31, 2002 (In thousands, except per share data)

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

INFORMATION ABOUT CIENA

INFORMATION ABOUT WAVESMITH

SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND MORE THAN FIVE PERCENT

STOCKHOLDERS OF WAVESMITH

DESCRIPTION OF CIENA CAPITAL STOCK

COMPARISON OF STOCKHOLDER RIGHTS

OTHER MATTERS

WHERE YOU CAN FIND MORE INFORMATION

PART II INFORMATION NOT REQUIRED IN PROSPECTUS

Consent of PricewaterhouseCoopers LLP

Consent of Deloitte & Touche

Consent of KPMG LLP

Form of Proxy Card for WaveSmith Stockholders

Table of Contents**TABLE OF CONTENTS**

	Page
QUESTIONS AND ANSWERS ABOUT THE MERGER	iv
SUMMARY	1
RISK FACTORS	8
FORWARD-LOOKING STATEMENTS	11
THE SPECIAL MEETING OF WAVESMITH NETWORKS, INC. STOCKHOLDERS	12
General	12
Date, Time and Place	12
Purpose of the Special Meeting	12
Record Date and Voting	12
Voting of Proxies at the Special Meeting and Revocation of Proxies	14
Quorum and Abstentions	14
Board of Directors Recommendation	15
THE MERGER	16
General	16
Background of the Merger	16
CIENA's Reasons for the Merger	22
Recommendation of the WaveSmith's Board of Directors and Reasons for the Merger	24
Interests of Executive Officers and Directors in the Merger	26
Accounting Treatment	28
Listing on The Nasdaq Stock Market	28
Governmental and Regulatory Approvals	28
Federal Income Tax Consequences	28
Appraisal Rights of Dissenting Stockholders of WaveSmith	32
TERMS OF THE MERGER AGREEMENT AND RELATED TRANSACTIONS	35
General	35
Structure of the Merger	35
Management and Operations After the Merger	35
Treatment of Stock, Options and Warrants	35
Exchange of Certificates; Fractional Shares	36
Effective Time	37
Representations and Warranties	37
Business of WaveSmith Pending the Merger; Other Agreements	39
No Solicitation by WaveSmith	41
Additional Agreements of CIENA and WaveSmith	41
Indemnification and Escrow Arrangement	42
Directors' and Officers' Insurance and Indemnification	43
Conditions Precedent to Each Party's Obligation to Effect the Merger	43
Conditions Precedent to CIENA's Obligations	43
Conditions Precedent to WaveSmith's Obligations	43
Termination of the Merger Agreement	44
Waiver and Amendment of the Merger Agreement	45
Expenses	45
Stockholder Agreements	45
Restrictions on Resales by Affiliates	47
Merger of WS Contract Corp. into WaveSmith	48
UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENT	49
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS	50
INFORMATION ABOUT CIENA	52
General	52
Additional Information	52

Edgar Filing: CIENA CORP - Form S-4

INFORMATION ABOUT WAVESMITH	53
General	53
SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND MORE THAN FIVE PERCENT STOCKHOLDERS OF WAVESMITH	54

Table of Contents

	Page
DESCRIPTION OF CIENA CAPITAL STOCK	59
Authorized and Outstanding Capital Stock of CIENA	59
CIENA Common Stock	59
CIENA Preferred Stock	59
Limitation of Liability and Indemnification	59
Certain Charter and Statutory Provisions; Stockholder Rights Plan	60
Transfer Agent and Registrar	61
COMPARISON OF STOCKHOLDER RIGHTS	62
General	62
Capitalization	62
Voting Rights	62
Number and Classification of Directors	64
Removal of Directors	65
Filling Vacancies on the Board of Directors	65
Charter Amendments	65
Amendments to Bylaws	66
Action by Written Consent	66
Notice of Stockholder Actions	66
Right to Call Special Meeting of Stockholders	66
Dividends	67
Liquidation Rights	67
Conversion and Redemption	67
Registration Rights	68
Additional Rights of WaveSmith Stockholders	70
CIENA Side Letter	72
Stockholder Proposals	74
OTHER MATTERS	76
Legal Matters	76
Experts	76
Other Matters	76
WHERE YOU CAN FIND MORE INFORMATION	76
ANNEX A AGREEMENT AND PLAN OF MERGER	
ANNEX B SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW	
ANNEX C FORM OF STOCKHOLDER AGREEMENT	
ANNEX D FORM OF ESCROW AGREEMENT	

Table of Contents

This proxy statement/ prospectus incorporates important business and financial information about CIENA from documents that it has filed with the Securities and Exchange Commission but that have not been included in or delivered with this proxy statement/ prospectus. For a listing of documents incorporated by reference into this proxy statement/ prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 76 of this proxy statement/ prospectus.

CIENA will provide you with copies of this information, 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.

In order for you to receive timely delivery of the documents in advance of the special meeting, CIENA should receive your request no later than [date 5 business days prior to the meeting date].

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

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

A: The special meeting will be held on _____, 2003 at [9:00] a.m. local time, at the offices of Testa, Hurwitz & Thibault, LLP, 125 High Street, Boston, Massachusetts.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in this proxy statement/prospectus. You should then complete and sign your proxy card and return it in the enclosed return envelope as soon as possible so that your shares will be represented at WaveSmith's special meeting. If you sign, date and mail your proxy card without identifying how you want to vote, your proxy will be voted **FOR** the merger and **FOR** the grant of discretionary authority to adjourn the special meeting. If you do not vote, it will have the same effect as a vote **AGAINST** the proposals. You may also vote by appearing at the meeting and voting in person.

Q: Who must approve the merger?

A: In addition to the approvals of the boards of directors of CIENA and WaveSmith which have already been obtained, the following approvals of the stockholders of WaveSmith must be obtained:

holders of a majority of WaveSmith's common stock and preferred stock, voting as a single class on an as-converted basis;

holders of a majority of WaveSmith's series A and series A-1 preferred stock, voting together as a single class on an as-converted basis;

holders of 60% of WaveSmith's series B and series B-1 preferred stock, voting together as a single class on an as-converted basis; and

holders of 75% of WaveSmith's series C preferred stock, voting as a separate class on an as-converted basis.

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 WaveSmith'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 at the address on page 14. 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: 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 proxy statement/prospectus or the enclosed proxy, you should contact Gregg Savage, WaveSmith's Chief Financial Officer and Secretary at (978) 489-2103.

Table of Contents

SUMMARY

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

The Companies (page 52)

CIENA Corporation

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

CIENA is a leader in intelligent optical networking systems and software, offering telecommunications network solutions to service providers and enterprises worldwide. CIENA's customers include long-distance carriers, local exchange carriers, Internet service providers, wireless and wholesale carriers, systems integrators, governmental, large businesses and non-profit institutions. CIENA offers network solutions that enable service providers to provision, manage and deliver economic, high-bandwidth services to their customers.

WaveSmith Networks, Inc.

35 Nagog Park
Acton, MA 01720
(978) 929-9100

WaveSmith designs, develops and markets a next generation multi-service switch platform designed to empower telecommunications carriers to cap their investments in aging technology, while they begin deploying next-generation platforms. In this way, WaveSmith's products embrace carriers' near-term, tactical requirements as well as their longer-term strategic visions. WaveSmith's Distributed Node (DN) multi-service switch platform is designed from the ground up to sustain and leverage today's layer 2 infrastructure while incorporating an evolutionary path to future technologies.

Vote Required (page 13)

Under Delaware law and WaveSmith's certificate of incorporation, the following stockholder approvals are required:

holders of a majority of WaveSmith's common stock and preferred stock, voting as a single class on an as-converted basis;

holders of a majority of WaveSmith's series A and series A-1 preferred stock, voting together as a single class on an as-converted basis;

holders of 60% of WaveSmith's series B and series B-1 preferred stock, voting together as a single class on an as-converted basis; and

holders of 75% of WaveSmith's series C preferred stock, voting as a separate class on an as-converted basis.

There were 79,787,626 shares of WaveSmith common stock and 137,850,002 shares of WaveSmith preferred stock, comprised of 185,000 shares of WaveSmith series A preferred stock, 9,015,000 shares of WaveSmith series A-1 preferred stock, 2,353,370 shares of WaveSmith series B preferred stock, 33,333,331 shares of WaveSmith series B-1 preferred stock and 92,963,301 shares of WaveSmith series C preferred stock outstanding as of April 28, 2003. Each holder of WaveSmith common stock is entitled to one vote per share and each holder of WaveSmith preferred stock is entitled to one vote for each full share of common stock into which its shares of preferred stock are convertible.

As of the record date, WaveSmith's officers and directors and their affiliates owned approximately 48.8% of WaveSmith's outstanding common stock, 87.9% of WaveSmith's outstanding series A and A-1 preferred stock on an as-converted basis, 81.0% of WaveSmith's outstanding series B and B-1 preferred stock on an as-converted basis and 54.1% of WaveSmith's outstanding series C preferred stock on an as-converted basis.

Edgar Filing: CIENA CORP - Form S-4

Several WaveSmith stockholders beneficially owning in the aggregate the following numbers of shares entered into agreements under which they agreed to vote their shares in favor of the merger and approval of the merger agreement:

182,175,585 shares, representing 63.4% of WaveSmith's common stock and preferred

1

Table of Contents

stock, voting as a single class on an as-converted basis;

28,203,689 shares, representing 87.9% of WaveSmith's series A and series A-1 preferred stock, together on an as-converted basis;

66,666,661 shares, representing 81.0% of WaveSmith's series B and series B-1 preferred stock, together on an as-converted basis; and

66,961,835 shares, representing 72.0% of WaveSmith's series C preferred stock, as a separate class on an as-converted basis.

Additionally, CIENA's wholly-owned subsidiary, MultiWave Investment, Inc., owns 16,666,667 shares of series C preferred stock, representing 17.9% of WaveSmith's series C preferred stock, which it intends to vote in favor of the merger and approval of the merger agreement.

The Merger (page 16)

The merger agreement provides that WaveSmith will merge with and into CIENA and CIENA will be the surviving company.

The merger agreement is included as Annex A to this proxy statement/prospectus. It is the legal document that governs the merger.

Reasons for the Merger and Recommendation of the WaveSmith Board of Directors (page 24)

The WaveSmith board of directors has determined that the merger is advisable and in the best interests of WaveSmith and its stockholders. The WaveSmith board of directors recommends that WaveSmith stockholders vote **FOR** the proposal to approve and adopt the merger agreement and approve the merger.

See The Merger Recommendation of the WaveSmith Board of Directors and Reasons for the Merger for the reasons supporting the WaveSmith board of directors' recommendations.

What you will receive in the Merger (page 35)

In the merger, you will receive a fraction of a share of CIENA common stock for each share of WaveSmith common stock or preferred stock that you own, in each case as determined by application of the formulas set forth under Terms of the Merger Agreement and Related Transactions Treatment of Stock, Options and Warrants. You will receive cash for any fractional share of CIENA common stock that you would otherwise receive in the merger.

The formulas by which the number of shares of CIENA common stock to be received for each share of WaveSmith capital stock are fixed. The number of shares of CIENA common stock to be received for each share of WaveSmith capital stock is subject to adjustment only in the event that WaveSmith's fully-diluted outstanding capital stock changes due to option issuances, stock repurchases and similar events. Any issuance of WaveSmith capital stock due to the exercise of options or warrants currently outstanding will not affect the exchange ratios, as they are calculated on a fully-diluted, or fully-exercised, basis. WaveSmith stockholders will not know the value of the CIENA common stock they will receive in the merger when the special meeting of the WaveSmith stockholders is held. The value of the CIENA common stock will depend upon its market price when the merger is completed. The number of shares of CIENA common stock received will depend upon the number of shares of WaveSmith capital stock outstanding on the day the merger is completed.

For example, if the total number of shares of WaveSmith capital stock outstanding on a fully-diluted basis on the day the merger is completed is 291,698,422, which is the number of shares of capital stock outstanding on a fully-diluted basis on the record date, the following exchange ratios, rounded to the nearest ten thousandth, would apply:

Class of WaveSmith Stock	Exchange Ratio
Common Stock	0.0852
Series A Preferred	0.3857
Series A-1 Preferred	0.4423
Series B Preferred	0.2512
Series B-1 Preferred	0.3118
Series C Preferred	0.1458

Edgar Filing: CIENA CORP - Form S-4

The following chart gives a few examples of the number of shares of CIENA common stock that a holder of 100 shares of WaveSmith common stock would receive in the merger, assuming the application of the exchange ratio from the above table, and the value of those shares at a range of prices of CIENA common stock. The chart does not include cash received for fractional shares or cash paid in respect of dissenting shares.

Table of Contents

Illustrative Closing Price of CIENA Common Stock at Closing	Number of Shares of CIENA Common Stock Issued at Closing to the Holder of 100 Shares of WaveSmith Common Stock	Value of Shares of CIENA Common Stock Issued at Closing to the Holder of 100 Shares of WaveSmith Common Stock
\$ 6.50	8	\$ 52.00
\$ 5.50	8	\$ 44.00
\$ *	8	
\$ 4.50	8	\$ 36.00
\$ 3.50	8	\$ 28.00

* The closing price of CIENA common stock on _____, 2003.
See Terms of the Merger Agreement and Related Transactions Exchange of Certificates; Fractional Shares on page 36.

Please do not send your stock certificates at this time.

Total Consideration CIENA Will Pay

At the effective time of the merger, CIENA will issue approximately 35,407,695 shares of its common stock in exchange for all WaveSmith outstanding common and preferred stock, including shares of series C preferred stock owned by MultiWave Investment, Inc. As of April 25, 2003, these shares have an aggregate value of approximately \$149 million. Additionally, CIENA will assume the obligation to issue an additional approximately 639,803 shares of CIENA common stock on the exercise of outstanding options and warrants. This assumes that the number of shares of WaveSmith’s capital stock outstanding on a fully-diluted basis on the day the merger is completed is 291,698,422.

Appraisal Rights of Dissenting Stockholders (page 32)

If you object to the merger, Delaware law permits you to seek relief as a dissenting stockholder and have the fair value of your shares of WaveSmith common stock and WaveSmith preferred stock determined by a court and paid to you in cash.

If you are a WaveSmith stockholder and wish to dissent, you must deliver to WaveSmith, prior to the vote on the merger at the special meeting, a written demand for appraisal of your shares. You also must not vote in favor of the merger agreement. To not vote in favor of the merger agreement, you can either:

vote no in person at the special meeting or by proxy;

abstain from voting;

fail to vote; or

if you returned a duly executed proxy and revoke your proxy prior to the special meeting.

Beneficial owners of WaveSmith common stock or WaveSmith preferred stock whose shares are held of record by another person, such as a bank, broker or nominee, and who wish to seek appraisal, should instruct the record holder to follow the appraisal procedures of Delaware law. The relevant provisions of Delaware law are technical in nature and complex. If you wish to exercise appraisal rights and obtain appraisal of the fair value of your shares, you may wish to consult with legal counsel, because the failure to comply strictly with these provisions may result in waiver or forfeiture of your appraisal rights.

A copy of the relevant section of Delaware law governing this process is attached as Annex B to this prospectus and proxy statement.

Indemnification and Escrow Agreement (page 42)

Edgar Filing: CIENA CORP - Form S-4

If the merger occurs, all holder of WaveSmith capital stock who have not elected the appraisal rights described above, will be obligated to indemnify CIENA and its affiliates against losses due to, among other things, the breach or inaccuracy of any of WaveSmith's representations and warranties made in the merger agreement. This obligation is limited to 10% of the total number of shares of CIENA common stock issued in the merger to holders of outstanding WaveSmith capital stock and 10% of the total number of shares of CIENA common stock which is allocable to vested WaveSmith options which are assumed in the merger. An escrow arrangement will be established at closing to hold these amounts. Michael Feinstein, who is a member of WaveSmith's board of directors and a senior principal of Atlas Venture will serve as Stockholder Representative on behalf of all former WaveSmith stockholders. Investment funds affiliated with Atlas Venture are significant stockholders of WaveSmith. See Security Ownership of Directors, Executive Officers and More Than Five Percent Stockholders of WaveSmith. The escrow

Table of Contents

and indemnification obligations will end one year after closing. At that time, the escrowed shares will be released to the former WaveSmith stockholders, reduced by any amounts paid or reserved for claims made by CIENA. WaveSmith stockholders will also contribute a total of 53,011 shares of CIENA common stock to the escrow fund to pay the expenses of the Stockholder Representative. These shares had a value of \$250,000 on April 9, 2003 and a value of approximately \$223,706 on April 25, 2003. See Terms of the Merger Agreement and Related Transactions Indemnification and Escrow Arrangement.

Consequently, in some circumstances you could be required to forfeit to CIENA some of the CIENA common stock you would otherwise receive in the merger.

What is Needed to Complete the Merger (page 43)

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

adoption of the merger by the WaveSmith stockholders as described above;

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

other customary contractual conditions set forth in the merger agreement.

If the law permits, CIENA or WaveSmith may each waive conditions for the benefit of its company and stockholders and complete the merger even though one or more of these conditions has not been met. WaveSmith's stockholder approval cannot be waived. If a material condition is waived by WaveSmith, we will resolicit the vote of its stockholders. We cannot assure you that the conditions will be satisfied or waived or that the merger will occur.

Termination of the Merger Agreement; Expenses (page 45)

CIENA and WaveSmith may mutually agree at any time to terminate the merger agreement without completing the merger, even if the WaveSmith 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 August 15, 2003, or, if extended by CIENA under certain conditions, October 15, 2003;

WaveSmith stockholders do not approve the merger; or

a court forbids the merger to occur.

WaveSmith may terminate the merger agreement prior to obtaining stockholder approval, so long as it has not materially breached the merger agreement, if:

the WaveSmith board of directors determines to enter into an alternative transaction that it views as superior to the merger, and

CIENA does not match the offer made in the other transaction.

CIENA may also terminate the merger agreement if WaveSmith's board of directors withdraws, modifies or amends, in any respect adverse to CIENA, its recommendation in favor of the merger or determines to pursue another transaction it considers superior.

WaveSmith has agreed to pay CIENA a termination fee of \$5.1 million if the merger agreement is terminated under either of these circumstances and specified other circumstances if a third party has made an offer to acquire WaveSmith. The merger agreement also requires WaveSmith to reimburse CIENA for its out-of-pocket expenses, up to a maximum of \$500,000, in those situations where the termination fee is payable.

Further, under a letter agreement entered into by CIENA, WaveSmith and MultiWave Investment,

Inc., a wholly-owned subsidiary of CIENA in connection with WaveSmith's series C preferred stock financing in September 2002, if prior to July 1, 2003 WaveSmith enters into a business combination with a party other than CIENA, WaveSmith will be liable to CIENA for a termination fee equal to 5% of the value of that transaction.

Edgar Filing: CIENA CORP - Form S-4

In the event that:

CIENA terminates the merger agreement for reasons other than because the WaveSmith board of directors determined to enter into an alternative transaction that it views as superior to the merger;

WaveSmith terminates the merger agreement because the August 15 or October 15 expiration date occurs, stockholder approval is not obtained or an order of a court prevents completion of this transaction; or

4

Table of Contents

the merger agreement is terminated by either party because the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 has not expired or been terminated, then, the reseller agreement between CIENA and WaveSmith, the letter agreement referred to above between CIENA, MultiWave Investment, Inc. and WaveSmith and the agreements CIENA has with several holders of WaveSmith capital stock will also terminate.

Merger of WS Contract Corp. into WaveSmith

As part of the negotiations of the terms of the merger of WaveSmith into CIENA, WaveSmith and CIENA agreed that the CIENA stock to be issued as consideration in connection with the merger should be distributed in a manner that differed from the results obtained under the existing charter documents of WaveSmith. The distribution agreed upon by the parties resulted in a greater number of shares being allocated to the holders of WaveSmith common stock. Stockholders of WaveSmith have approved the merger of WS Contract Corp. into WaveSmith and the related changes to the charter documents of WaveSmith immediately prior to the merger of WaveSmith into CIENA to implement this change. The changes to the WaveSmith charter documents reduces the preference amounts for each series of preferred stock of WaveSmith as follows:

Class of Stock	Original Preference Amount	New Preference Amount
Series A Preferred Stock	\$ 1.25	\$ 1.016030
Series A-1 Preferred Stock	1.25	0.673904
Series B Preferred Stock	0.90	0.783015
Series B-1 Preferred Stock	0.90	0.506835
Series C Preferred Stock	0.45	0.286181

See Terms of the Merger Agreement and Related Transactions Merger of WS Contract Corp. into WaveSmith.

Federal Income Tax Consequences (page 28)

In the opinion of Hogan & Hartson L.L.P., counsel to CIENA, and Testa, Hurwitz & Thibault, LLP, counsel to WaveSmith, the merger will qualify as a tax-free reorganization. As a general matter, therefore, no gain or loss will be recognized by WaveSmith stockholders on the exchange of their WaveSmith capital stock for CIENA common stock pursuant to the reorganization, except with respect to cash received in lieu of fractional shares and cash received in exchange of WaveSmith shares by WaveSmith stockholders who dissent to the merger. There is an exception to the general tax-free treatment, however, resulting from the merger of WS Contract Corp. into WaveSmith immediately prior to the merger of WaveSmith into CIENA. This transaction will cause the value of the WaveSmith common stock to be increased, resulting in WaveSmith common stockholders receiving a greater number of shares of CIENA common stock pursuant to the merger than such stockholders would have received if the merger of WS Contract Corp. into WaveSmith had not occurred. Although the matter is not free from doubt, CIENA and WaveSmith believe that this additional value should be taxed to the WaveSmith common stockholders as ordinary income. For a further discussion of the federal income tax consequences of these transactions, see The Merger Federal Income Tax Consequences. Different tax consequences may apply to you because of your individual circumstances or because special tax rules apply to you.

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

Table of Contents

SUMMARY SELECTED CONSOLIDATED HISTORICAL

FINANCIAL DATA OF CIENA

Summary Selected Consolidated Historical Financial Data of CIENA

The information in the following summary selected consolidated financial data as of October 31, 1998, 1999, 2000, 2001 and 2002 and for the years ended October 31, 1998, 1999, 2000, 2001 and 2002 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 proxy statement/prospectus. See "Where You Can Find More Information" which begins on page 76. CIENA's financial statements as of October 31, 2001 and 2002 and for each of the three years ended October 31, 2002 were audited by PricewaterhouseCoopers LLP, independent accountants. Selected financial information as of January 31, 2002 and 2003 and for the three months then ended is derived from CIENA's unaudited consolidated financial statements, which are incorporated into this 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 1998, 1999, 2000 and 2002 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,

1998