



Orckit Communications Reports 2007 Third Quarter Results

TEL AVIV, Israel, November 6 -- Orckit Communications Ltd. (NASDAQ: ORCT) today reported results for the third quarter and nine months ended September 30, 2007.

Revenues in the third quarter of 2007 were \$1.7 million compared to \$1.9 million in the previous quarter ended June 30, 2007 and \$15.0 million in the comparable quarter last year.

Net loss for the quarter ended September 30, 2007 was \$6.5 million, or \$(0.41) per share, compared to a net loss of \$6.4 million, or \$(0.40) per share, for the previous quarter ended June 30, 2007 and net income of \$985,000, or \$0.06 per diluted share, for the comparable quarter last year. Results for the quarters ended September 30, 2007 and June 30, 2007 included financial income of \$936,000 and \$1.6 million, respectively, which resulted from adjustments due to the conversion terms of the Company's convertible notes issued in March 2007. There was no such financial income in the comparable quarter last year.

Revenues for the nine months ended September 30, 2007 were \$8.1 million compared to \$54.6 million for the nine months ended September 30, 2006. Net loss for the nine months ended September 30, 2007 was \$18.5 million, or \$(1.17) per share, compared to net income of \$7.1 million, or \$0.42 per diluted share, for the nine months ended September 30, 2006. Results for the nine months ended September 30, 2007 included financial income of \$2.5 million which resulted from adjustments due to the conversion terms of the Company's convertible notes issued in March 2007. There was no such financial income in the comparable period last year.

Izhak Tamir, President of Orckit, commented, "We believe that 2007 has become an inflection point for Fiber To The Home (FTTH) deployment in the last mile, as it continues to gain momentum with large-scale deployments by first tier telecom service providers in the Far-East and in the U.S. Our metro solution, the CM-4000 Packet Transport Switch, offers carriers an optimal solution for providing high-end high-capacity video services and applications based on High-Definition IPTV.

Mr. Tamir added, "We continue to experience interest in the CM-4000 from carriers to complement high bandwidth local loop deployments with an ultra-high-bandwidth metro platform to meet network requirements for this new era. Evaluations of the CM-4000 are on track and we expect selections for commercial deliveries in 2008."

He concluded, "We are excited about the opportunities that lie ahead, and are encouraged by the potential that exists for our technology and product line as demand for high

capacity bandwidth continues to grow. We believe that current evaluations could lead to commercial deployments with first tier carriers world-wide, as our solutions and technology gain further recognition.”

Outlook and Guidance

For the quarter ending December 31, 2007, we expect revenues to be approximately \$1.7 million, with net income of approximately \$6.3 million and net income per diluted share of approximately \$0.37. The expected net income in the quarter ending December 31, 2007, compared to the net losses we have reported in the first three quarters of 2007, results from one-time income of approximately \$14.2 million derived from the settlement of a commercial dispute addressing legacy operations that was announced earlier this quarter. This guidance does not take into account financial income or loss due to valuation of conversion terms included in our \$25.8 million principal amount of convertible subordinated notes that were issued in March 2007. Such income or loss is subject to certain factors, including our share price, and cannot be estimated at this time. In the quarter ended September 30, 2007, we recognized \$936,000 of financial income as a result of adjustments due to these conversion terms.

Conference Call

Orckit Communications will host a conference call on November 6, 2007, at 11 a.m. EST. The call can be accessed by dialing 1-888-459-5609 in the United States and 1-973-321-1024 internationally. A replay of the call will be available at <http://www.orckit.com>. A replay of the call will be also available through November 13, 2007 at 11:59 p.m. at 1-877-519-4471 in the United States and 1-973-341-3080 internationally. To access this replay, enter the following code: 9282264.

About Orckit Communications

Orckit Communications Ltd. is a leading provider of advanced telecom equipment targeting high capacity broadband services. Our products include Corrigent's CM product line of metro optical transport solutions, based on RPR and MPLS technologies, delivering packet transmission services in the metro area. For more information on Orckit see www.orckit.com

Certain matters discussed in this news release are forward-looking statements that involve a number of risks and uncertainties including, but not limited to, risks in product development plans and schedules, rapid technological change, changes and delays in product approval and introduction, customer acceptance of new products, the impact of competitive products and pricing, market acceptance, the lengthy sales cycle, exchange rate fluctuations, fluctuation in order size, proprietary rights of the Company and its competitors, need for additional financing, the ability to repay the convertible notes, risk of operations in Israel, government regulation, dependence on third parties to manufacture products, general economic conditions and other risk factors detailed in the Company's United States Securities and Exchange Commission filings. Orckit assumes no obligation to update the information in this release.

TABLES TO FOLLOW

ORCKIT COMMUNICATIONS LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(US\$ in thousands, except per share data)

	Three Months Ended September 30		Nine Months Ended September 30	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues	\$ 1,694	\$ 14,961	\$ 8,120	\$ 54,626
Cost of revenues	889	6,933	3,911	26,318
Gross profit	<u>805</u>	<u>8,028</u>	<u>4,209</u>	<u>28,308</u>
Research and development expenses, net	4,969	3,640	14,840	11,862
Selling, marketing general and administrative expenses	4,387	4,236	12,492	11,801
Total operating expenses	<u>9,356</u>	<u>7,876</u>	<u>27,332</u>	<u>23,663</u>
Operating income (loss)	<u>(8,551)</u>	<u>152</u>	<u>(23,123)</u>	<u>4,645</u>
Financial income, net	1,130	833	2,117	2,454
Adjustments due to convertible notes conversion terms	<u>936</u>	<u>0</u>	<u>2,545</u>	<u>0</u>
Total financial income, net	2,066	833	4,662	2,454
Net income (loss)	<u>\$ (6,485)</u>	<u>\$ 985</u>	<u>\$ (18,461)</u>	<u>\$ 7,099</u>
Net income (loss) per share - basic	<u>\$ (0.41)</u>	<u>\$ 0.06</u>	<u>\$ (1.17)</u>	<u>\$ 0.46</u>
Net income (loss) per share - diluted	<u>\$ (0.41)</u>	<u>\$ 0.06</u>	<u>\$ (1.17)</u>	<u>\$ 0.42</u>
Weighted average number of shares outstanding - basic	<u>15,845</u>	<u>15,588</u>	<u>15,777</u>	<u>15,343</u>
Weighted average number of shares outstanding - diluted	<u>15,845</u>	<u>16,282</u>	<u>15,777</u>	<u>16,775</u>

**ORCKIT COMMUNICATIONS LTD.
CONSOLIDATED BALANCE SHEETS
(US\$ in thousands)**

		September 30 <u>2007</u>		December 31 <u>2006</u>
Current assets:				
Cash and short term marketable securities	\$	58,996	\$	46,011
Trade receivables		122		1,581
Other receivables		3,174		2,077
Inventories		1,496		3,464
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Total current assets		63,788		53,133
Long term marketable securities		34,673		40,561
Severance pay fund		3,308		3,173
Property and equipment, net		1,572		2,490
Deferred issuance costs, net		827		0
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Total assets	\$	104,168	\$	99,357
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LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Trade payables	\$	3,973	\$	4,907
Accrued expenses and other payables		9,905		10,134
Deferred income		1,327		3,196
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Total current liabilities		15,205		18,237
Long term liabilities :				
Convertible subordinated notes		27,528		0
Adjustments due to convertible notes conversion terms		(2,983)		<u>0</u>
Convertible subordinated notes, net		24,545		0
Accrued severance pay and other		4,934		4,257
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Total long term liabilities		29,479		4,257
Total liabilities		44,684		22,494
Shareholders' equity		59,484		76,863
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Total liabilities and shareholders' equity	\$	104,168	\$	99,357
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