



Orckit Communications Reports 2008 First Quarter Results

TEL AVIV, Israel, April 30, 2008 -- Orckit Communications Ltd. (NASDAQ: ORCT) today reported results for the first quarter ended March 31, 2008.

Revenues in the first quarter of 2008 were \$2.0 million compared to \$1.8 million in the previous quarter ended December 31, 2007 and \$4.5 million in the comparable quarter last year.

Net loss for the quarter ended March 31, 2008 was \$7.7 million, or \$(0.47) per share, compared to net income of \$6.4 million, or \$0.38 per diluted share, for the previous quarter ended December 31, 2007 and a net loss of \$5.6 million, or \$(0.36) per share, for the first quarter of 2007. Results for the previous quarter ended December 31, 2007 include one-time income of \$14.2 million derived from a payment to the Company in connection with the settlement of a commercial dispute related to the Company's legacy operations.

Key Highlights for the quarter:

- Corrigent's CM-100 and CM-4000 product lines were selected by Media Broadcast as a main network infrastructure building block to be deployed by Deutsche Telekom for a leading cable operator in Germany. Deployments in Lower Saxony and Bavaria in Germany begin this year, and rollouts in additional regions for the leading cable operator are expected to occur over the next several years. First shipments of CM products in Germany have commenced.
- Carriers in Asia and the US continued their evaluation of the CM product line to support their deployment plans, with commercial selections expected in 2008.
- Corrigent participated in a panel at the OFC/NFOEC 2008 conference, together with representatives from U.S. telecom carriers Verizon and AT&T. The panel reviewed alternative strategies for the migration of carriers from TDM to packet networks. Corrigent presented its approach with respect to delivering converged TDM and packet services over Ethernet transport networks and the interworking mechanisms to facilitate this migration.
- Corrigent participated in the Fiber Optics Expo 2008 tradeshow in Tokyo, Japan and presented its approach with respect to scaling network-side interfaces in-service to up to 100Gbps, in 10Gbps increments.

Izhak Tamir, President of Orckit, commented "Product deliveries to Media Broadcast have begun, and are expected to ramp up as the year progresses and the initial deployments for the two networks in Germany proceed. We believe that this win increases the confidence that carriers have in our product maturity and technology leadership, and positions us favorably in the eyes of carriers as we work to transform trials and evaluations into commercial selections."

"Telecom carriers continue to evaluate optimized platforms to support the convergence of voice, video and data services over packet networks. These advanced services, including high-definition, on-demand and mobile video, as well as next-generation wireless technology such as WiMAX, are expected to drive the demand for the CM product families going forward. We believe that additional carriers will recognize the benefits of the CM product line and make our platform the solution of choice for these applications."

Outlook and Guidance

For the quarter ending June 30, 2008, we expect revenues to be approximately \$3.0 million, with a net loss of approximately \$8.5 million, or approximately \$(0.52) per share. 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.

Conference Call

Orckit Communications will host a conference call on April 30, 2008, 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 May 7, 2008 at 11:59 p.m. at 1-800-642-1687 in the United States and 1-706-645-9291 internationally. To access this replay, enter the following code: 41742717.

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
(In thousands, except per share data)

	Three Months Ended	
	March 31	
	<u>2008</u>	<u>2007</u>
Revenues	\$ 1,992	\$ 4,526
Cost of revenues	990	2,044
Gross profit	<u>1,002</u>	<u>2,482</u>
Research and development expenses, net	5,816	4,974
Selling, marketing general and administrative expenses	4,481	4,011
Total operating expenses	<u>10,297</u>	<u>8,985</u>
Operating loss	<u>(9,295)</u>	<u>(6,503)</u>
Financial income, net	1,136	890
Adjustments due to convertible notes conversion terms	<u>419</u>	<u>0</u>
Total financial income, net	<u>1,555</u>	<u>890</u>
Net loss	\$ <u>(7,740)</u>	\$ <u>(5,613)</u>
Net loss per share - basic	\$ <u>(0.47)</u>	\$ <u>(0.36)</u>
Net loss per share - diluted	\$ <u>(0.47)</u>	\$ <u>(0.36)</u>
Weighted average number of shares outstanding - basic	<u>16,362</u>	<u>15,709</u>
Weighted average number of shares outstanding - diluted	<u>16,362</u>	<u>15,709</u>

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

March 31
2008

December 31
2007

ASSETS

Current assets:

Cash and short term marketable securities	\$	73,941	\$	68,225
Trade receivables		132		49
Other receivables		2,031		1,632
Inventories		1,286		1,347
Total current assets		<u>77,390</u>		<u>71,253</u>

Long term marketable securities

Severance pay fund

Property and equipment, net

Deferred issuance costs, net

Long term marketable securities		22,276		34,142
Severance pay fund		3,874		3,454
Property and equipment, net		1,258		1,384
Deferred issuance costs, net		735		781
Total assets	\$	<u>105,533</u>	\$	<u>111,014</u>
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Trade payables	\$	4,022	\$	4,292
Accrued expenses and other payables		7,888		8,240
Deferred income		880		1,045
Total current liabilities		<u>12,790</u>		<u>13,577</u>

Long term liabilities:

Principal amount of convertible subordinated notes		31,214		28,723
Adjustments due to convertible notes conversion terms		<u>(4,132)</u>		<u>(3,247)</u>
Convertible subordinated notes, net		27,082		25,476
Accrued severance pay and other		4,997		4,553
		<u>32,079</u>		<u>30,029</u>

Total liabilities

Shareholders' equity

Total liabilities		44,869		43,606
Shareholders' equity		60,664		67,408
Total liabilities and shareholders' equity	\$	<u>105,533</u>	\$	<u>111,014</u>
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