SONUS NETWORKS, INC. Reconciliation of Non-GAAP and GAAP Financial Information (In thousands, except per share data)

		September 30,		Three months ende June 30,		September 30,		September 30,		nths ended September 30,	
	Notes		2009		2009		2008		2009		2008
Revenue		ć	22.544	<i>.</i>	26.220	¢	26.710	¢	00.007	¢	140 745
Service		\$	33,544 22,621	\$	36,320 25,287	\$	36,710 25,474	\$	89,267 69,517	\$	149,745 73,856
Total revenue		\$	56,165	\$	61,607	\$	62,184	\$	158,784	\$	223,601
Gross profit											
Product Service		\$	23,384 11,866	\$	25,573 14,719	\$	25,067 13,950	\$	62,226 36,531	\$	103,102 39,937
Total gross profit		\$	35,250	\$	40,292	\$	39,017	\$	98,757	\$	143,039
GAAP Gross margin - product			69.7%		70.4%		68.3%		69.7%		68.9%
Stock-based compensation expense	A		0.2%		0.4%		0.5%		0.3%		0.4%
Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit	B C		0.1% 0.0%		0.1% 0.0%		0.7% 0.0%		0.2% 0.0%		0.4% 0.0%
Non-GAAP Gross margin - product			70.0%		70.9%		69.5%		70.2%		69.7%
GAAP Gross margin - service			52.5%		58.2%		54.8%		52.6%		54.1%
Stock-based compensation expense Non-GAAP Gross margin - service	Α		2.1%		1.5%		2.1%		1.9%		3.0% 57.1%
-											
GAAP Total gross profit Stock-based compensation expense	А	\$	35,250 550	\$	40,292 502	\$	39,017 749	\$	98,757 1,633	\$	143,039 2,849
Amortization of intangible assets	B		40		48		263		184		573
Change in estimate - reduction of contingency for employment tax audit Non-GAAP Total gross profit	С	\$	35,840	\$	40,842	\$	40,029	\$	100,574	\$	(7)
GAAP Total gross margin			62.8%		65.4%		62.7%		62.2%		64.0%
Stock-based compensation expense % of revenue	Α		0.9%		0.8%		1.3%		1.0%		1.2%
Amortization of intangible assets % of revenue Change in estimate - reduction of contingency for employment tax audit % of revenue	B C		0.1%		0.1%		0.4% 0.0%		0.1% 0.0%		0.3% 0.0%
Non-GAAP Total gross margin	e		63.8%	_	66.3%		64.4%		63.3%		65.5%
GAAP Research and development expense		\$	14,141	\$	15,501	\$	18,240	\$	45,995	\$	57,101
Stock-based compensation expense	A		(774)		(1,102)		(1,373)		(2,643)		(6,708)
Change in estimate - reduction of contingency for employment tax audit Non-GAAP Research and development expense	С	\$	13,367	\$	14,399	\$	16,867	\$	43,352	\$	51 50,444
GAAP Sales and marketing expense		\$	11,527	\$	12,344	\$	17,520	\$	36,018	\$	55,412
Stock-based compensation expense	Α	φ	(885)	φ	(1,490)	φ	(987)	Ģ	(3,419)	φ	(4,168)
Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit	B C				-		(55)				(117) 96
Non-GAAP Sales and marketing expense	e	\$	10,642	\$	10,854	\$	16,478	\$	32,599	\$	51,223
GAAP General and administrative expense		\$	11,578	\$	10,186	\$	21,631	\$	32,259	\$	44,660
Stock-based compensation expense	A		(930)		(616)		(2,347)		(2,194)		(5,679)
Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition	C D		-		-		(1,685)		-		387 (1,685)
Non-GAAP General and administrative expense		\$	10,648	\$	9,570	\$	17,599	\$	30,065	\$	37,683
											10.100
GAAP Litigation settlements		\$	-	\$	-	\$	19,100	\$	-	\$	19,100
GAAP Litigation settlements Litigation settlements Non-GAAP Litigation settlements	Е	\$ \$	-	\$	-	\$	19,100 (19,100)	\$		\$	(19,100)
Litigation settlements Non-GAAP Litigation settlements	E	\$		\$	-	\$		\$	-	\$	
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring	E F	\$ \$	- - 1,533 (1,533)		(7) 7			s s	3,510 (3,510)	\$ \$	
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring		\$		\$. (7)	\$		\$	3,510	\$	
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Operating expenses	F	\$ \$	(1,533)	\$ \$	(7) 7 - 38,024	\$ \$	(19,100) - - - - 76,491	s s	3,510 (3,510) - 117,782	\$ \$	(19,100) - - - 176,273
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Non-GAAP Restructuring GAAP Operating expenses Stock-based compensation expense	F	\$ \$	(1,533)	\$ \$ \$	- - (7) 7 -	\$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -	\$ \$	3,510 (3,510)	\$ \$	(19,100) - - - 176,273 (16,555)
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Ono-GAAP Restructuring GAAP Operating expenses Stock-based compensation expense Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit	F A B C	\$ \$	(1,533)	\$ \$ \$	(7) 7 38,024 (3,208) -	\$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -	\$ \$	3,510 (3,510) - 117,782	\$ \$	(19,100) - - - - - - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Operating expenses Stock-based compensation expense Amorization of intangible assets	F A B	\$ \$	(1,533)	\$ \$ \$	(7) 7 - 38,024	\$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -	\$ \$	3,510 (3,510) - 117,782	\$ \$	(19,100) - - - 176,273 (16,555) (117) 534 (1,685)
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Operating expenses Stock-based compensation expense Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring	F A B C D	\$ \$ \$	(1,533) 	\$ \$ \$	- (7) 7 - 38,024 (3,208) - - - - 7	\$ \$ \$	(19,100) - - - - - - - - - - - - - - (1,685) - - (19,100) -	\$ \$ \$ \$	3,510 (3,510) - 117,782 (8,256) - (3,510)	\$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -
Litigation settlements Ann-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Operating expenses Annorization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earmout settlement - Zynetix acquisition Litigation settlements	F A B C D E	\$ \$ \$ \$	(1,533) 38,779 (2,589) - - -	\$ \$ \$ \$	(7) 7 38,024 (3,208) - - -	\$ \$ \$	(19,100) - - - - - - - - - - (1,685)	\$ \$	- - - - - - - - - - - - - - - - - - -	\$ \$	(19,100) - - - 176,273 (16,555) (117) 534 (1,685)
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Restructuring GAAP Operating expense Anoritzation of intangible asets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Non-GAAP Operating expenses GAAP Income (loss) from operations	F A B C D E F	\$ \$ \$	(1,533) 38,779 (2,589) (2,589) (1,533) 34,657 (3,529)	\$ \$ \$	- (7) 7 - 38,024 (3,208) - - 7 7 34,823 2,268	\$ \$ \$	(19,100) - - - - - - - - - - - - -	\$ \$ \$ \$	3,510 (3,510) (3,510) (3,510) (3,510) (106,016 (19,025)	\$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Ron-GAAP Restructuring GAAP Operating expenses Stock-based compensation expenses Amotization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Restructuring Non-GAAP Operating expenses GAAP Income (loss) from operations Stock-based compensation expense Amotization of intangible assets	F A B C D E F F A B	\$ \$ \$ \$	(1,533) - - - - - - - - - - - - - - - - - -	\$ \$ \$ \$	- (7) 7 - 38,024 (3,208) - - - 7 34,823	\$ \$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -	\$ \$ \$ \$	- - - - - - - - - - - - - - - - - - -	\$ \$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -
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Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Operating expenses Stock-based compensation expense Amoritzation of intangible asets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Stock-based compensation expenses Amoritzation of intangible asets Change in estimate - reduction of contingency for employment tax audit Earnout settlements Stock-based compensation expenses Amoritzation of intangible asets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements	F A B C D E F A B C D E	\$ \$ \$ \$	(1,533) 38,779 (2,589) (2,589) (1,533) 34,657 (3,529) 3,139 40 - -	\$ \$ \$ \$	- (7) 7 - 38,024 (3,208) - 7 7 34,823 2,268 3,710 48 - -	\$ \$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -	\$ \$ \$ \$	- - - - - - - - - - - - - - - - - - -	\$ \$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring GAAP Restructuring GAAP Restructuring Stock-based compensation expense Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Non-GAAP Operating expenses GAAP Income (loss) from operations Stock-based compensation expense Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Non-GAAP Operating expenses Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition	F A B C D E F F A B C D	\$ \$ \$ \$	(1,533) 38,779 (2,589) (2,589) (2,589) (1,533) 34,657 (3,529) 3,139 40 -	\$ \$ \$ \$	(7) 7 38,024 (3,208) - - 7 34,823 2,268 3,710 4,8	\$ \$ \$ \$	(19,100) 	\$ \$ \$ \$	3,510 (3,510) - - - (8,256) - - (3,510) 106,016 (19,025) 9,889	\$ \$ \$ \$	(19,100) - - - - - - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Non-GAAP Restructuring GAAP Restructuring GAAP Restructuring GAAP Restructuring GAAP Restructuring GAAP Restructuring Cond-based compensation expense Amoritzation of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Non-GAAP Operating expenses Amoritzation of intangible assets GAAP Income (loss) from operations Noci-based compensation expenses Amoritzation of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Restructuring Non-GAAP Income (loss) from operations	F A B C D E F A B C D E	<u>s</u> <u>s</u> <u>s</u> <u>s</u>	(1,533) 38,779 (2,589) (2,589) (2,589) (1,533) 34,657 (3,529) 3,139 400 0 1,533 1,183	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	- (7) 7 - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u>	3,510 (3,510) (3,510) (3,510) (3,510) (106,016 (19,025) 9,889 184	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Non-GAAP Restructuring GAAP Restructuring GAAP Restructuring GAAP Operating expenses Amorization of intangible assets Amorization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnouting Non-GAAP Operating expenses CoAAP Corrent (loss) from operations NocAAP Income (loss) from operations NocAAP Income (loss) from operations CoAAP Income (loss) from operations CoAP Income (loss)	F A B C D E F A B C D E	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(1,533) 38,779 (2,589) (1,533) 34,657 (3,529) 3,159 40 - - - 1,533 1,183 12 2	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	- (7) 7 - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) 	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>		<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -
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Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Stock-based compensation expense Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Non-GAAP Operating expenses Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Respenses Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Non-GAAP Income (loss) from operations GAAP Income (loss) from operations GAAP Other income (expense) Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Non-GAAP Other income (expense) GAAP Loss from discontinued operations, net of tax	F A B C D E F F G	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(1,533) 38,779 (2,589) (1,533) 34,657 (3,529) 3,159 40 - - - 1,533 1,183 12 2	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	- (7) 7 - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) 	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>		<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -
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Lifigation settlements AnAP Activation settlements AAAP Restructuring Restructuring Non-GAAP Restructuring CAAP Operating expenses Cock-based compensation expense Amortization of intangible assets Chanage in estimate - reduction of contingency for employment tax audit Earnout settlement - Zypeitx acquisition Lifigation settlements Restructuring Non-GAAP Operating expenses CAAP Income (loss) from operations Stock-based compensation expense CAAP Income (loss) from operations CAAP Other income (expense) CAAP Liss from discontinued operations, net of tax Loss from discontinued operations, net of tax Coss Form discontinued operations Coss Form discontinued operations Coss Form discontinued operations Coss	F A B C D E F G G H H A B C D	s s s s s s s s s s s s	(1,533) 38,779 (2,589) (2,533) 34,657 (3,529) 3,153 (3,529) 3,153 12 - - - (3,397) 3,139	s s s s s s s s s s s s s s s s s s	(7) 7 38.024 (3,208) - - - - - - - - - - - - -	s s s s s s s s s s s s s s s s s s	(19,100) 	5 5 5 5 5 5 5 5 5 5	- - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -
Lifigation settlements Non-GAAP Lifigation settlements GAAP Restructuring Restructuring Control Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Earnout settlement - Zynetix acquisition Lifigation settlements Control Contingency for employment tax audit Control Control Contingency for employment tax audit Control Conted Control Control Control Control Co	F A B C D E F G G H	s s s s s s s s s s s s	(1.533) 38,779 (2,589) (1.533) 34,657 (3,529) 3,139 40 - - - - - - - - - - - - -	s s s s s s s s s s s s s s s s s s	(7) 7 38,024 (3,208)	s s s s s s s s s s s s s s s s s s	(19,100) 	5 5 5 5 5 5 5 5 5 5	- - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring CGAAP Restructuring CGAAP Restructuring CGAAP Restructuring CGAAP Restructuring CGAAP Restructuring CGAAP Compensation expenses Amortization of intangible assets CGAAP Income (loss) from operations CGAAP Constinuent of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring CGAAP Constinuent of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements CGAAP Constinuent of Contingency for employment tax audit Earnout settlement - reduction of contingency for employment tax audit Earnout settlement - reduction of contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements CGAAP Constinuent operations, net of tax Loss from discontinued operations CGAAP Net income (toss) CGAAP Net income (toss) Litigation settlements CGAAP Net income Compensation CGAAP Net income (toss) Litigation settlements CGAAP Net income Compensation CGAP Net income Compensation CGAP Net income Compe	F A B C D E F G H A B C D E F G	s s s s s s s s s s s s	(1.533) 38,779 (2,589) (1,533) 34,657 (3,529) 3,139 40 - - - - - - - - - - - - -	s s s s s s s s s s s s s s s s s s	(7) 7 38,024 (3,208) - - - 7 34,823 2,268 3,710 4,83 - - (7) (7) 6,019 19 - - - - - - - - - - - - - - - - -	s s s s s s s s s s s s s s s s s s	(19,100) 	5 5 5 5 5 5 5 5 5 5	- - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -
Litigation settlements Ano-GAAP Litigation settlements GAAP Restructuring Restructuring CGAAP Qerating expenses Stock-based compensation expense Amortization of intangible assets Compensition expense Compensition expens	F A B C D E F G H A B C D E F F	s s s s s s s s s s s s	(1.533) 38,779 (2,589) (1.533) 34,657 (3,529) 3,139 40 - - - - - - - - - - - - -	s s s s s s s s s s s s s s s s s s	(7) 7 38,024 (3,208)	s s s s s s s s s s s s s s s s s s	(19,100) 	5 5 5 5 5 5 5 5 5 5	- - - - - - - - - - - - - -	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(19,100) - - - - - - - - - - - - -
Lingation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring Code-Based compensation expense: Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Non-GAAP Operating expenses Amortization of intangible assets Code-Based compensation expenses Code-Based compensation expenses Code-Based compensation expenses Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Restructuring Restructuring Code-Based compensation expenses Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Code-Based Compensation expense Code Date Income (loss) from operations Code-Date Income (loss) from operations Code-Date Income (loss) from operations, net of tax Code-Date Income (loss) from operations, net of tax Code-Date Income (loss) Code-Based compensation expense Code Income (loss) from operations, net of tax Code-Date Income (loss) Code-Based compensation expense Code-Date Income (loss) Code-Date Income	F A B C D E F G H A B C D E F G	<u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u> <u>s</u>	(1.533) 38,779 (2.589) (2.589) (3.529) 3.139 40 - - - - - - - - - - - - -	s s s s s s s s s s s s s	(7) (7) 7 38,024 (3,208) 3,208) 3,208 3,2108 3,2108 48 48 - - - - - - - - - - - - -	s s s s s s s s s s s s s s	(19,100) 	5 5 5 5 5 5 5 5 5 5		s s s s s s s s s s s s s s	(19,100) - - - - - - - - - - - - -
Litigation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Son-GAAP Restructuring GAAP Operating expenses Amorization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zyneitx acquisition Litigation settlements Restructuring Non-GAAP Operating expenses Amorization of intangible assets ChAP Income (loss) from operations Amorization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Non-GAAP Operating expenses ChAP Income (loss) from operations ChAP Income (loss) from operations ChAP Other income (expense) Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Non-GAAP Other income (expense) ChAP Loss from discontinued operations, net of tax Non-GAAP Other income (expense) Stock-based compensation expense Amorization of intangible assets ChAP Loss from discontinued operations, net of tax ChaP ChaP tentements Restructuring Stock-based compensation expense Amorization of intangible assets ChAP Loss from discontinued operations, net of tax ChAP Loss from discontinued operations, net of tax ChaP expense (expense) Stock-based compensation expense Amorization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zyneitx acquisition Litigation settlements Restructuring ChaP expense (compensation expense Amorization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlement - Zyneitx acquisition Litigation settlements Restructuring Restructur	F A B C D E F G H A B C D E F G	s s s s s s s s s s s s s s s s s s s s	(1.533) 38,779 (2.589) (2.589) (3.529) 3.139 40 - - - - - - - - - - - - -		- (7) 7 38,024 (3,208) - - - - - - - - - - - - -		(19,100) 	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	- - - - - - - - - - - - - -		(19,100) - - - - - - - - - - - - -
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Lingation settlements Non-GAAP Litigation settlements GAAP Restructuring Restructuring Non-GAAP Restructuring CAAP Operating expenses Stock-based compensation expenses Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Earnout settlements Restructuring Non-GAAP Operating expenses CAAP Income (loss) from operations CAAP Restructuring Non-GAAP Income (loss) from operations CAAP Income (loss) from operations CAAP Conter income (expense) CAAP Conter income (expense) CAAP Conter income (expense) CAAP Income (loss) from operations CAAP Income (loss) from operations CAAP Conter income (expense) CAAP Conter income (expense) CAAP Conter income (expense) CAAP Loss from discontinued operations, net of tax Non-GAAP Conter income (expense) CAAP Loss from discontinued operations, net of tax Conse (Jose) Contingency for employment tax audit Earnout settlements Restructuring CAAP Loss from discontinued operations, net of tax Conse (Jose) Contingency for employment tax audit Earnout settlements CAAP Loss from discontinued operations, net of tax Conse (Jose) Contingency for employment tax audit Earnout settlement - reduction of contingency for employment tax audit Conse (Jose) Contingency for employment tax audit Conse (Jose) Contingency for employment tax audit Conse (Jose) Contingency for employment tax audit Earnout settlement - Taynetix acquisition Litigation settlements Restructuring Conse Loss from discontinued operations, net of tax Conse (Jose) Contingency for employment tax audit Earnout settlement - Zynetix acquisition Litigation settlements Restructuring Conse Loss from Governations Conse Loss from discontinued operations, net of tax Conse Loss from discontin	F A B C D E F G H A B C D E F G	s s s s s s s s s s s s s s s s s s s s	(1.533) 38,779 (2.589) (3.529) 34,657 (3.529) 3.139 40 40 - - - - - - - - - - - - -		- (7) 7 38,024 (3,208) - - - - - - - - - - - - -		(19,100) 	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	- - - - - - - - - - - - - -		(19,100) - - - - - - - - - - - - -

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SONUS NETWORKS, INC. Reconciliation of Non-GAAP and GAAP Financial Information Gross Profit to R&D Spend Ratio - Trailing 12 Months (In thousands, except Ratio)

				Three months ended								
			30-Sep-08		31-Dec-08		31-Mar-09		30-Jun-09	30	30-Sep-09	
	Notes		(Q	3 2008)	(Q4	2008)	(Q1 2009)	(Q2 2009)	((23 2009)	
GAAP Gross profit Stock-based compensation expense Amortization of intangible assets Change in estimate - reduction of contingency for employment tax audit Non-GAAP Gross profit	A B C		\$ \$	39,017 749 263 40,029		39,812 616 279 (1) 40,706		215 96 	502 48		35,250 550 40 35,840	
GAAP Research and development expense Stock-based compensation expense Change in estimate - reduction of contingency for employment tax audit Non-GAAP Research and development expense	A C		\$ \$	18,240 (1,373) - 16,867		15,997 (1,213) 1 14,785	(53 (67) -	(1,102	2)	14,141 (774) - 13,367	
Non-GAAP Gross Profit to R&D Spend Ratio - Trailing 12 Months Twelve Months (Four Quarters) Ended September 30, 2009 Non-GAAP Gross profit Non-GAAP Research and development expense Non-GAAP Gross Profit to R&D Spend Ratio (a)/(b)	I \$ \$	141,280 (a) 58,137 (b) 2.4										
Twelve Months (Four Quarters) Ended June 30, 2009 Non-GAAP Gross profit Non-GAAP Research and development expense Non-GAAP Gross Profit to R&D Spend Ratio (c)/(d)	\$ \$ \$	145,469 (c) 61,637 (d) 2.4										

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