



Ribbon Communications Inc. Announces Proposed Offering of \$150.0 Million Convertible Senior Notes due 2023

FOR IMMEDIATE RELEASE: November 13, 2018

WESTFORD, Mass. – **Ribbon Communications Inc.** (the “Company”) (Nasdaq:RBBN), a global leader in secure and intelligent cloud communications, announced today that it intends to offer, subject to market conditions and other factors, \$150.0 million aggregate principal amount of convertible senior notes due 2023 in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). In connection with the offering, the Company expects to grant the initial purchasers a 30-day option to purchase up to an additional \$25.0 million aggregate principal amount of such notes, solely to cover over-allotments, if any.

The initial conversion price, interest rate and certain other terms of the notes will be determined by negotiations between the Company and the initial purchasers. The notes will be fully and unconditionally guaranteed, on a senior, unsecured basis, by Sonus Networks, Inc. (“Sonus”), a wholly owned subsidiary of the Company, and GENBAND US LLC (together with Sonus, the “guarantors”), a wholly owned subsidiary of Sonus. When issued, the notes and the guarantees will be senior unsecured obligations of the Company and the guarantors, respectively, subordinate to their respective obligations under the Company’s senior secured credit facility to the extent of the value of the assets securing such indebtedness. The notes will mature on November 15, 2023, unless repurchased or converted in accordance with their terms prior to such date. Prior to February 15, 2023, the notes will be convertible only upon satisfaction of certain conditions and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Upon conversion, the notes may be settled in shares of the Company’s common stock, cash or a combination of cash and shares of the Company’s common stock, at the Company’s option. Holders of the notes will have the right to require the Company to repurchase all or some of their notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of certain fundamental change events. The Company will also increase the conversion rate in certain circumstances for holders who convert their notes in connection with certain fundamental change events.

In connection with the offering of the notes, the Company expects to enter into privately negotiated convertible note hedge transactions with one or more of the initial purchasers or their respective affiliates and/or other financial institutions (in this capacity, the “option counterparties”). The convertible note hedge transactions are expected generally to reduce the potential dilution upon conversion of the notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be. These transactions will cover, subject to customary anti-dilution adjustments, the number of shares of the Company’s common stock that will initially underlie the notes, and are expected to reduce the potential equity dilution, and/or offset cash payments due, upon conversion of the notes. The Company also expects to enter into separate, privately-negotiated warrant transactions with the option counterparties at a higher strike price relating to the same number of shares of the Company’s common stock, subject to customary anti-dilution adjustments, pursuant to which the Company will sell warrants to the option counterparties. The sold warrants could have a dilutive effect on the Company’s earnings per share to the extent that the market price per share of the Company’s common stock exceeds the strike price of those warrants.

If the initial purchasers exercise their over-allotment option, the Company expects to enter into additional convertible note hedge transactions and additional warrant transactions with the option counterparties which will initially cover the number of shares of the Company’s common stock that will initially underlie the additional notes sold to the initial purchasers.

The Company intends to use a portion of the net proceeds from this offering and the proceeds from the warrant transactions to fund the cost of the convertible note hedge transactions. The Company intends to

use the remaining net proceeds from this offering to repay a promissory note owed to certain of its stockholders, to repay all outstanding amounts under its senior secured credit facility and for general corporate purposes, which could include the acquisition of, or investment in, technologies, solutions or businesses that complement the Company's business.

The Company has been advised that in connection with establishing their initial hedges of the convertible note hedge and warrant transactions, the option counterparties and/or their respective affiliates expect to enter into various cash-settled over-the-counter derivative transactions with respect to the Company's common stock and/or purchase shares of the Company's common stock in secondary market transactions concurrently with, or shortly after, the pricing of the notes. These activities could have the effect of increasing, or reducing the size of a decrease in, the market price of the notes and/or our common stock concurrently with or shortly after the pricing of the notes. In addition, the option counterparties and/or their respective affiliates may modify their hedge positions by unwinding these derivative transactions, entering into or unwinding additional cash-settled over-the-counter derivative transactions with respect to the Company's common stock and/or purchasing or selling the Company's common stock or other of the Company's securities in secondary market transactions from time to time following the pricing of the notes and prior to maturity of the notes (and are likely to do so during any observation period related to any conversion of the notes).

The potential effect, if any, of these transactions and activities on the market price of the Company's common stock or the notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could cause or avoid an increase or a decrease in the market price of the Company's common stock or the notes, which could affect the ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of the notes, it could affect the number of shares of the Company's common stock and value of the consideration that holders will receive upon conversion of the notes.

The notes will be offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The offer and sale of the notes and the common stock, if any, issuable upon conversion of the notes have not been registered under the Securities Act or the securities laws of any other jurisdiction, and the notes and such common stock may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

This press release does not and shall not constitute an offer to sell or the solicitation of an offer to buy any notes or common stock, nor shall there be any sale of notes or common stock in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state or any jurisdiction. Any offer, if at all, will be made only pursuant to Rule 144A under the Securities Act.

About Ribbon Communications

Ribbon Communications is a company with two decades of leadership in real-time communications. Built on world-class technology and intellectual property, the company delivers intelligent, secure, embedded real-time communications for today's world. The company transforms fixed, mobile and enterprise networks from legacy environments to secure IP and cloud-based architectures, enabling highly productive communications for consumers and businesses. With a global footprint, Ribbon's innovative, market-leading portfolio empowers service providers and enterprises with rapid service creation in a fully virtualized environment. The company's Kandy real-time communications software platform delivers a comprehensive set of advanced embedded and unified (CPaaS and UCaaS) communications capabilities that enables this transformation.

Important Information Regarding Forward-Looking Statements

The information in this release contains "forward-looking" statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this release, including without limitation the risk that the Company is unable to complete the offering, the warrant transactions and the convertible note hedge transactions on the expected terms, or at all; statements concerning the timing and size of the proposed offering of the notes, the warrant transactions and the convertible note

hedge transactions; risks related to market conditions; and the risk that the Company is unable to or does not use the proceeds in the offering as expected are forward-looking statements. Without limiting the foregoing, the words “believes”, “estimates”, “expects”, “expectations”, “intends”, “may”, and other similar language, whether in the negative or affirmative, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated in these forward-looking statements due to various risks, uncertainties and other important factors, including our ability to realize benefits from acquisitions that we have completed; the effects of disruption from the acquisitions we have completed, making it more difficult to maintain relationships with employees, customers or business partners; the timing of customer purchasing decisions and our recognition of revenues; economic conditions; our ability to recruit and retain key personnel; difficulties supporting our strategic focus on channel sales; difficulties retaining and expanding our customer base; difficulties leveraging market opportunities; the impact of restructuring and cost-containment activities; litigation; actions taken by significant stockholders; difficulties providing solutions that meet the needs of customers; market acceptance of our products and services; rapid technological and market change; our ability to protect our intellectual property rights; our ability to maintain partner, reseller, distribution and vendor support and supply relationships; higher risks in international operations and markets; the impact of increased competition; currency fluctuations; changes in the market price of our common stock; and/or failure or circumvention of our controls and procedures. For further information regarding risks and uncertainties associated with Ribbon Communications’ business, please refer to the “Risk Factors” section of Ribbon Communications’ most recent annual and quarterly report filed with the SEC. Any forward-looking statements represent Ribbon Communications’ views only as of the date on which such statement is made and should not be relied upon as representing Ribbon Communications’ views as of any subsequent date. While Ribbon Communications may elect to update forward-looking statements at some point, Ribbon Communications specifically disclaims any obligation to do so.

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