

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

June 9, 2016

Date of Report (Date of earliest event reported)

SONUS NETWORKS, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State or Other Jurisdiction
of Incorporation)

001-34115

(Commission File Number)

04-3387074

(IRS Employer
Identification No.)

4 TECHNOLOGY PARK DRIVE, WESTFORD, MASSACHUSETTS 01886

(Address of Principal Executive Offices) (Zip Code)

(978) 614-8100

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On June 9, 2016, Mark T. Greenquist communicated to Sonus Networks, Inc. (the "Company") his intent to resign as Chief Financial Officer, principal financial officer and principal accounting officer of the Company to take a similar role at a leading e-commerce platform company. By mutual agreement, his resignation will be effective June 15, 2016. Mr. Greenquist is not resigning because of any disagreement relating to the Company's operations, policies or practices.

(c) Effective June 15, 2016, Susan M. Villare, the Company's Vice President of Financial Planning and Analysis, will be fulfilling the roles of Chief Financial Officer, principal financial officer and principal accounting officer of the Company on an interim basis, until a successor for Mr. Greenquist has been identified.

Ms. Villare, 47, has served as the Company's Vice President of Financial Planning and Analysis since February 2012. Previously, from 2008 to 2012, she served as the Vice President of Financial Planning and Analysis of BigBand Networks, Inc., a company that developed and sold network-based solutions that enable cable multiple system operators and telecommunications companies to offer video services across their networks and that was acquired by ARRIS Group in 2011. Prior to BigBand Networks, Inc., Ms. Villare was the Chief Financial Officer of Burst Media, a company that provided display advertising for specialty content web publishers, from 2007 to 2008. From 1999 to 2006, Ms. Villare served in various positions, including Chief Financial Officer of Enovia, a division of MatrixOne, Inc., a leading service provider of Internet collaborative software that was acquired by Dassault Systèmes in 2006. Before her in-house career, Ms. Villare was a senior auditor at PricewaterhouseCoopers LLP. Ms. Villare is a certified public accountant and holds a Bachelor of Science in Management from Boston College.

Ms. Villare has no family relationships with any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer of the Company. Ms. Villare is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01. Regulation FD Disclosure.

The information under this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), otherwise subject to the liabilities of that Section or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On June 13, 2016, the Company issued a press release to publicly reaffirm its previously announced financial guidance for the second quarter and full year 2016. The release, furnished with this Current Report on Form 8-K as an exhibit, was posted on the Company’s website (www.sonus.net) and distributed to the media through a newswire service.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release issued by Sonus Networks, Inc. on June 13, 2016, furnished hereto.

2

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 13, 2016

SONUS NETWORKS, INC.

By:

/s/ Jeffrey M. Snider

Jeffrey M. Snider

Senior Vice President, Chief Administrative Officer, General Counsel
and Secretary

3

Exhibit Index

99.1 Press release issued by Sonus Networks, Inc. on June 13, 2016, furnished hereto.

4



Sonus Announces Greenquist Departure and Affirms Q216 and FY2016 Outlook



For Immediate Release: June 13, 2016

WESTFORD, Mass. — Sonus Networks, Inc. (Nasdaq: SONS), a global leader in secure and intelligent Cloud communications, today announced that Mark Greenquist has resigned as Chief Financial Officer of the Company, effective June 15, 2016, to take a similar role at a leading e-commerce platform company. Susan Villare, Vice President of Financial Planning and Analysis, will fulfill the duties as interim Chief Financial Officer while the Company considers both internal and external candidates.

Ray Dolan, President and Chief Executive Officer, said, “We appreciate Mark’s contributions to Sonus over the past two and a half years, as we strengthened our culture of innovation and implemented our strategy for building a stronger business. We wish him well in his new role.”

Q216 and FY16 Guidance

Today the Company also reconfirmed its second quarter and full year 2016 guidance, as provided on April 27, 2016. The Company’s guidance is based on current indications for its business, which is subject to change. Gross margin, operating expenses and diluted earnings per share are presented on a non-GAAP basis. A reconciliation of the non-GAAP to GAAP guidance and a statement on the use of non-GAAP financial measures are included at the end of this press release.

| | <u>Q216 Guidance</u> | <u>FY16 Guidance</u> |
|---|------------------------------|--------------------------------|
| Total Company Revenue | \$59 million to \$60 million | \$255 million to \$265 million |
| Non-GAAP Gross Margin(1) | 68.5% | Not provided |
| Non-GAAP Operating Expenses(1) | \$38 million to \$39 million | Not provided |
| Non-GAAP Diluted Earnings per Share(1) | \$0.03 to \$0.04 | \$0.27 to \$0.34 |
| Diluted Shares | 50 million | 50 million |

(1) Please see the reconciliation of Non-GAAP and GAAP financial measures in the press release appendix.

Tags

Sonus Networks, Sonus, SONS, IP-based network solutions, SBC, DSC, SWe, SDN, software edition, software SBC, session border controller, session management, SIP trunking, Cloud VoIP communications, unified communications, UC, VoIP, IP, media gateway, GSX.

About Sonus Networks

Sonus brings intelligence and security to real-time communications. By helping the world embrace the next generation of cloud-based SIP and 4G/LTE solutions, Sonus enables and secures latency-sensitive, mission critical traffic for VoIP, video, instant messaging and online collaboration. With Sonus,

enterprises can give priority to real-time communications based on smart business rules while service providers can offer reliable, comprehensive and secure on-demand network services to their customers. With solutions deployed in more than 100 countries and nearly two decades of experience, Sonus offers a complete portfolio of hardware-based and virtualized session border controllers (SBCs), diameter signaling controllers (DSCs), policy/routing servers, network intelligence applications, media and signaling gateways and network analytics tools. For more information, visit www.sonus.net or call 1-855-GO-SONUS.

Important Information Regarding Forward-Looking Statements

This press 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 statements in the section “Q216 and FY16 Guidance”, statements regarding our future results of operations and financial position, business strategy, strategic position, plans and objectives of management for future operations and plans for future product development and manufacturing, are forward-looking statements. Without limiting the foregoing, the words “anticipates”, “believes”, “could”, “estimates”, “expects”, “expectations”, “intends”, “may”, “plans”, “seeks”, “projects” 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 could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, 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 activities; our ability to realize benefits from the Network Equipment Technologies, Inc. (NET) and Performance

Technologies, Incorporated (PT) acquisitions and the Treq Labs, Inc. (Treq) asset acquisition; the effects of disruption from the PT and Treq transactions, making it more difficult to maintain relationships with employees, customers, business partners or government entities; the success implementing the integration strategies of NET, PT and Treq assets; 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. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We therefore caution you against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in these forward-looking statements are discussed in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations", Part I, Item 3 "Quantitative and Qualitative Disclosures About Market Risk" and Part II, Item 1A "Risk Factors" in the Company's most recent Quarterly Report on Form 10-Q. Any forward-looking statement made by us in this release speaks only as of the date of this release. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Sonus is a registered trademark of Sonus Networks, Inc. All other Company and product names may be trademarks of the respective companies with which they are associated.

Discussion of Non-GAAP Financial Measures

Sonus management uses a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of the business, making operating decisions, planning and forecasting future periods, and determining payments under compensation programs. Our annual financial plan is prepared both on a GAAP and non-GAAP basis, and the non-GAAP annual financial plan is approved by our board of directors. Continuous budgeting and forecasting for revenue and expenses are conducted on a non-GAAP basis (in addition to GAAP) and actual results on a non-GAAP basis are assessed against the annual financial plan. We consider the use of non-GAAP financial measures helpful in assessing the core performance of our continuing operations and liquidity, and when planning and forecasting future periods. By continuing operations, we mean the ongoing results of the business excluding certain expenses and credits, including, but not limited to: stock-based compensation and amortization of intangible assets. We consider the use of non-GAAP earnings (loss) per share helpful in assessing the performance of the continuing operations of our business. While our management uses non-GAAP financial measures as a tool to enhance their understanding of certain aspects of our financial performance, our management does not consider these measures to be a substitute for, or superior to, GAAP measures. In addition, our presentations of these measures may not be comparable to similarly titled measures used by other companies. These non-GAAP financial measures should not be considered alternatives for, or in isolation from, the financial information prepared and presented in accordance with GAAP.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to Sonus' financial measures reflect the exclusion of items that are recurring and will be reflected in our financial results for the foreseeable future.

Stock-based compensation is different from other forms of compensation, as it is a non-cash expense. For example, a cash salary generally has a fixed and unvarying cash cost. In contrast, the expense associated with an equity-based award is generally unrelated to the amount of cash ultimately received by the employee, and the cost to us is based on a stock-based compensation valuation methodology and underlying assumptions that may vary over time. We believe that excluding non-cash stock-based compensation expense from our operating results facilitates the comparison of our financial statements to compare our financial results to our historical operating results and to other companies in our industry.

We exclude the amortization of acquired intangible assets from non-GAAP expense and income measures. These amortization amounts are inconsistent in frequency and amount and are significantly impacted by the timing and size of acquisitions. Although we exclude amortization of acquired intangible assets from our non-GAAP expenses, we believe that it is important for investors to understand that intangible assets contribute to revenue generation. We believe that excluding the non-cash amortization of intangible assets facilitates the comparison of our financial results to our historical operating results and to other companies in our industry as if the acquired intangible assets had been developed internally rather than acquired.

We believe that providing non-GAAP information to investors, in addition to the GAAP presentation, will allow investors to view the financial results in the way management views the operating results. We further believe that providing this information helps investors to better understand our financial performance and evaluate the efficacy of the methodology and information used by our management to evaluate and measure such performance.

For more information

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SONUS NETWORKS, INC.
Reconciliation of Non-GAAP and GAAP Financial Measures - Guidance
(in millions, except percentages and per share amounts)
(unaudited)

| | Three months ending June 30, 2016 | |
|---------------------|--------------------------------------|-------|
| | Range | |
| Revenue | \$ 59 | \$ 60 |
| Gross margin | | |
| GAAP outlook | 65.2% | 65.2% |

| | | |
|-----------------------------------|--------------|--------------|
| Stock-based compensation expense | 0.8% | 0.8% |
| Amortization of intangible assets | 2.5% | 2.5% |
| Non-GAAP guidance | <u>68.5%</u> | <u>68.5%</u> |

Operating expenses

| | | |
|-----------------------------------|----------------|----------------|
| GAAP outlook | \$ 43.0 | \$ 44.0 |
| Stock-based compensation expense | (4.7) | (4.7) |
| Amortization of intangible assets | (0.3) | (0.3) |
| Non-GAAP guidance | <u>\$ 38.0</u> | <u>\$ 39.0</u> |

Loss per share

| | | |
|-----------------------------------|----------------|----------------|
| GAAP outlook | \$ (0.11) | \$ (0.10) |
| Stock-based compensation expense | 0.10 | 0.10 |
| Amortization of intangible assets | 0.04 | 0.04 |
| Non-GAAP guidance | <u>\$ 0.03</u> | <u>\$ 0.04</u> |

Year ending December 31, 2016 Range

| | | |
|---------|---------------|---------------|
| Revenue | <u>\$ 255</u> | <u>\$ 265</u> |
|---------|---------------|---------------|

Income (loss) per share

| | | |
|-----------------------------------|----------------|----------------|
| GAAP outlook | \$ (0.26) | \$ (0.19) |
| Stock-based compensation expense | 0.38 | 0.38 |
| Amortization of intangible assets | 0.15 | 0.15 |
| Non-GAAP guidance | <u>\$ 0.27</u> | <u>\$ 0.34</u> |