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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

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

July 28, 2004

Date of Report (Date of earliest event reported)

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SONUS NETWORKS, INC.  
(Exact Name of Registrant as Specified in its Charter)

DELAWARE

000-30229

04-3387074

-----  
(State or Other Jurisdiction  
of Incorporation)

-----  
(Commission File Number)

-----  
(IRS Employer  
Identification No.)

250 APOLLO DRIVE, CHELMSFORD, MASSACHUSETTS 01824  
(Address of Principal Executive Offices) (Zip Code)

(978) 614-8100

(Registrant's telephone number, including area code)

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Item 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information in this Current Report on Form 8-K and the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, 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 July 28, 2004, Sonus Networks, Inc. issued a press release reporting its financial results for the quarter and fiscal year ended December 31, 2003, and for its quarter ended March 31, 2004. A copy of the press release is attached as Exhibit 99.1 hereto.

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: July 28, 2004

SONUS NETWORKS, INC.

By: /s/ Albert A. Notini

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Albert A. Notini  
President and Chief Operating Officer

Exhibit Index

- 99.1 Press release of Sonus Networks, Inc. dated July 28, 2004 reporting financial results for the fourth quarter and fiscal year ended December 31, 2003, and for the first quarter ended March 31, 2004.

Sonus Networks Reports Financial Results for Q4 FY2003, Fiscal Year 2003 and Q1 FY2004

CHELMSFORD, Mass.--(BUSINESS WIRE)--July 28, 2004--Sonus Networks, Inc. (Nasdaq: SONSE), a leading supplier of service provider voice over IP (VoIP) infrastructure solutions, today reported its financial results for the fourth quarter and fiscal year ended December 31, 2003, and for its first quarter ended March 31, 2004. Sonus has restated its consolidated financial results for fiscal years 2001 and 2002 and the first three quarters of fiscal 2003 in its Form 10-K/A filed with the Securities and Exchange Commission (SEC) on July 28, 2004. Sonus today also filed its Form 10-Q for the first quarter of 2004 with the SEC. Sonus will hold a conference call to review its financial results at 8:15 am Eastern time, Thursday, July 29, 2004.

Today's filings bring the Company into compliance with the SEC requirements for the filing of its periodic reports. The Company received notice today from the Nasdaq Stock Market that it has determined to delist the Company's stock from the Nasdaq National Market effective as of the opening of the market on Monday, August 2, 2004. The Company has notified Nasdaq that it has filed its delinquent SEC reports. The Company has requested that its common stock remain listed on the Nasdaq National Market because the Company is now in compliance with Nasdaq's filing requirement and is awaiting a determination from Nasdaq.

"Today we reported our financial results through the first quarter of 2004, filed all the related securities filings and are once again in compliance with the SEC financial reporting requirements. The completion of our financial review forms a strong foundation for us to continue to build the company and expand our position in the market," said Hassan Ahmed, chief executive officer and chairman, Sonus Networks. "During this period in which we have invested significant energy in our financial review, our business has continued to thrive. We have announced new customers, extended our industry-leading solutions further into the wireless and access markets, significantly expanded our engineering, sales and services resources, and taken actions to strengthen our internal controls, processes and infrastructure. We are excited about the market opportunity for voice over IP and are confident in our ability to play a leadership role."

Revenues for the first quarter of fiscal 2004 were \$36.5 million compared with \$9.2 million in the first quarter of 2003. Net income for the first quarter of fiscal 2004 was \$3.0 million, or \$0.01 per share, compared with a net loss for the first quarter of fiscal 2003 of \$9.7 million, or \$0.05 per share.

Revenues for the fourth quarter of fiscal 2003 were \$46.4 million compared with \$12.5 million in the fourth quarter of fiscal 2002. Net income for the fourth quarter of fiscal 2003 was \$6.9 million, or \$0.03 per diluted share, compared with a net loss for the fourth quarter of fiscal 2002 of \$13.4 million, or \$0.07 per share. Revenues for fiscal year 2003 were \$93.2 million compared with \$93.9 million for fiscal year 2002. Net loss for fiscal year 2003 was \$15.1 million, or \$0.07 per share, compared with a net loss for fiscal year 2002 of \$73.8 million, or \$0.39 per share.

#### Restatement of Consolidated Financial Statements

As a result of the financial review, Sonus has restated its consolidated financial results for fiscal years 2001 and 2002 and the first three quarters of fiscal 2003 as embodied in its Form 10-K/A. As previously reported, the primary impact of the restatements is the adjustment to the timing of revenue recognition and certain other financial statement accounts. Principal adjustments to revenue relate to the timing of revenue where the revenue has been deferred and recognized in subsequent periods. In addition, other material restatements include adjustments to purchase accounting, impairments, accruals and deferred compensation.

An overview of adjustments by period is as follows:

- 2003 - Restated revenues for the first nine months of 2003 were \$46.8 million compared with \$66.0 million as initially reported. Restated deferred revenues as of September 30, 2003 were \$85.2 million compared with \$34.0 million as initially reported. Accrued expenses as of September 30, 2003 were \$17.5 million compared with \$32.9 million as initially reported. Restated net loss was \$22.0 million, or \$0.10 per share, compared with \$6.4 million, or \$0.03 per share, as initially reported.
- 2002 - Restated revenues for fiscal 2002 were \$93.9 million compared with \$62.6 million as initially reported. Restated deferred revenues as of December 31, 2002 were \$59.8 million compared with \$29.2 million as initially reported. Accrued expenses as of December 31, 2002 were \$16.5 million compared with \$33.4 million as initially reported. Restated net loss was \$73.8 million, or \$0.39 per share, compared with \$68.5 million, or \$0.36 per share, as initially reported.
- 2001 - Restated revenues for fiscal 2001 were \$128.8 million compared

with \$173.2 million as initially reported. Restated deferred revenues as of December 31, 2001 were \$60.4 million compared with \$13.3 million as initially reported. Accrued expenses as of December 31, 2001 were \$18.4 million compared with \$27.7 million as initially reported. Restated net loss was \$635.6 million, or \$3.68 per share compared with \$645.4 million, or \$3.74 per share, as initially reported.

Sonus' restated annual financial statements are included in its Amendment No. 1 on Form 10-K/A on file with the SEC. Investors are encouraged to read this filing for a more complete description of the financial restatement. For the purpose of restating its consolidated financial statements for the first three quarters of 2003 and 2002, consistent with the restatements in the Company's Form 10-K/A, Sonus anticipates amending its previously filed quarterly reports on Form 10-Q for each of the first three quarters of 2003, as soon as practicable.

Sonus also reported that Stephen J. Nill, its vice president of business operations and former chief financial officer, has resigned at the request of the company.

#### Company Conference Call, Webcast and Replay Information

Date: Thursday, July 29, 2004

Time: 8:15 am Eastern

To listen via telephone: Dial-in number: +1-800-633-8410 or +1-212-896-6053

To listen via the Internet: Sonus will host a live webcast of the conference call. To access the webcast, visit the Sonus Networks Investor Relations site at <http://www.sonusnet.com>.

Replay: A telephone playback of the call will be available following the conference and can be accessed by calling +1-402-977-9140 or +1-800-633-8284. The access code for the replay is 21204187. The telephone playback will be available through August 12, 2004.

The webcast will be available on the Sonus Networks Investor Relations site through July 29, 2005. To access the replay of the webcast, visit the Investor Relations site at <http://www.sonusnet.com>.

#### About Sonus Networks

Sonus Networks, Inc. is a leading provider of voice over IP (VoIP) infrastructure solutions for wireline and wireless service providers. With its Open Services Architecture (OSA), Sonus delivers end-to-end solutions addressing a full range of carrier applications, including trunking and tandem switching, residential and business access, network border switching and enhanced services. Sonus' voice infrastructure solutions, including media gateways, softswitches and network management systems, are deployed in service provider networks worldwide. Sonus, founded in 1997, is headquartered in Chelmsford, Massachusetts. Additional information on Sonus is available at <http://www.sonusnet.com>.

This release may contain forward-looking statements regarding future events that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. Readers are referred to the "Risk Factors" section of Sonus' Annual Report on Form 10-K/A dated July 28, 2004 and filed with the SEC, and the "Cautionary Statements" section of Sonus' Quarterly Report on Form 10-Q, dated July 28, 2004 and filed with the SEC, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. Risk factors include, among others, uncertainties regarding the timing of the Company's completion of the filing of its Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, the possibility that Sonus may be delisted from Nasdaq, risks as to the litigation and SEC investigation with respect to the foregoing and related matters, unforeseen issues encountered in the completion of the audit and uncertainties regarding the extent to which prior period financial statements will be restated. In addition, any forward-looking statements represent Sonus' views only as of today and should not be relied upon as representing Sonus' views as of any subsequent date. While Sonus may elect to update forward-looking statements at some point, Sonus specifically disclaims any obligation to do so.

Sonus is a registered trademark of Sonus Networks. Open Services Architecture, GSX9000, Insignus and Sonus Insight are trademarks of Sonus Networks. All other trademarks, service marks, registered trademarks, or registered service marks are the property of their respective owners.

SONUS NETWORKS, INC.  
Condensed Consolidated Statements of Operations  
(In thousands, except per share data)

Year Ended December 31, 2001

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As Reported Adjustments As Restated

Revenues	\$173,199	\$(44,399)	\$128,800
Cost of revenues	75,698	(12,920)	62,778
Gross profit	97,501	(31,479)	66,022
Gross profit %	56.3%	70.9%	51.3%
Operating expenses:			
Research and development	65,004	(1,108)	63,896
Sales and marketing	42,267	(1,391)	40,876
General and administrative	13,068	(241)	12,827
Stock-based compensation	75,500	(1,368)	74,132
Amort. Of goodwill and purchased intangible assets	107,759	(37,208)	70,551
Write-off of goodwill and purchased intangible assets	374,735	17,652	392,387
Restructuring charges, net	25,807	(18,486)	7,321
In-process research and development	43,800	800	44,600
Total operating expenses	747,940	(41,350)	706,590
Income (loss) from operations	(650,439)	9,871	(640,568)
Interest expense	(567)	(58)	(625)
Interest income	5,574	-	5,574
Net income (loss)	\$(645,432)	\$9,813	\$(635,619)
Net income (loss) per share:			
Basic	\$(3.74)	\$0.06	\$(3.68)
Diluted	\$(3.74)	\$0.06	\$(3.68)
Shares used in computation:			
Basic	172,382	523	172,905
Diluted	172,382	523	172,905

SONUS NETWORKS, INC.  
Condensed Consolidated Balance Sheet  
(In thousands)

December 31, 2001			
	As Reported	Adjustments	As Adjusted
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$125,067	\$(54)	\$125,013
Accounts receivable, net	9,440	1,241	10,681
Inventory	18,865	11,437	30,302
Other current assets	2,952	3,356	6,308
Total current assets	156,324	15,980	172,304
Property and equipment, net	23,335	208	23,543
Purchased intangible assets, net	4,536	15,453	19,989
Other assets, net	689	(319)	370
	\$184,884	\$31,322	\$216,206
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued expenses	\$36,301	\$(5,584)	\$30,717
Accrued restructuring expenses	8,596	(5,935)	2,661
Current portion of deferred revenue	13,349	43,110	56,459
Current portion of long-term obligations	1,055	(483)	572
Total current liabilities	59,301	31,108	90,409
Long-term deferred revenue, less current portion	-	3,942	3,942
Long-term liabilities, less current portion	12,698	(11,409)	1,289
Convertible subordinated notes	10,000	-	10,000

Stockholders' equity:			
Common stock	205	-	205
Capital in excess of par value	860,883	(1,778)	859,105
Accumulated deficit	(729,398)	9,813	(719,585)
Deferred compensation	(28,721)	(354)	(29,075)
Treasury stock	(84)	-	(84)
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Total stockholders' equity	102,885	7,681	110,566
	-----	-----	-----
	\$184,884	\$31,322	\$216,206
	=====	=====	=====

SONUS NETWORKS, INC.  
Condensed Consolidated Statements of Operations  
(In thousands, except per share data)

	Year Ended December 31, 2003		Year Ended December	31, 2002
	As Reported	As Reported	Adjustments	As Restated
	-----	-----	-----	-----
Revenues	\$93,210	\$62,558	\$31,359	\$93,917
Cost of revenues	37,909	40,302	11,274	51,576
	-----	-----	-----	-----
Gross profit	55,301	22,256	20,085	42,341
Gross profit %	59.3%	35.6%	64.0%	45.1%
Operating expenses:				
Research and development	32,190	45,308	(717)	44,591
Sales and marketing	23,169	27,863	(77)	27,786
General and administrative	10,475	6,141	(893)	5,248
Stock-based compensation	3,418	19,495	(2,624)	16,871
Amort. Of goodwill and purchased intangible assets	2,408	1,514	2,715	4,229
Write-off of goodwill and purchased intangible assets	-	1,848	9,102	10,950
Restructuring charges, net	-	(10,125)	17,864	7,739
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Total operating expenses	71,660	92,044	25,370	117,414
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Income (loss) from operations	(16,359)	(69,788)	(5,285)	(75,073)
Interest expense	(610)	(676)	1	(675)
Interest income	2,135	1,994	(1)	1,993
	-----	-----	-----	-----
Income (loss) before provision for income taxes	(14,834)	(68,470)	(5,285)	(73,755)
Provision for income taxes	302	-	86	86
	-----	-----	-----	-----
Net income (loss)	\$(15,136)	\$(68,470)	\$(5,371)	\$(73,841)
	=====	=====	=====	=====
Net income (loss) per share:				
Basic	\$(0.07)	\$(0.36)	\$(0.03)	\$(0.39)
Diluted	\$(0.07)	\$(0.36)	\$(0.03)	\$(0.39)
Shares used in computation:				
Basic	220,696	189,889	1,119	191,008
Diluted	220,696	189,889	1,119	191,008

SONUS NETWORKS, INC.  
Condensed Consolidated Statements of Operations  
(In thousands, except per share data)

	Three Months Ended December 31, 2003		Three Months Ended December	31, 2002
	As Reported	As Reported	Adjustments	As Restated
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Revenues	\$46,384	\$12,660	\$(184)	\$12,476
Cost of revenues	17,295	6,298	911	7,209
Gross profit	29,089	6,362	(1,095)	5,267
Gross profit %	62.7%	50.3%	595.1%	42.2%
Operating expenses:				
Research and development	7,945	8,783	494	9,277
Sales and marketing	6,990	5,656	788	6,444
General and administrative	6,338	538	(2,001)	(1,463)
Stock-based compensation	802	3,841	(915)	2,926
Amort. Of goodwill and purchased intangible assets	602	359	317	676
Write-off of goodwill and purchased intangible assets	-	175	(175)	-
Restructuring charges, net	-	16	951	967
Total operating expenses	22,677	19,368	(541)	18,827
Income (loss) from operations	6,412	(13,006)	(554)	(13,560)
Interest expense	(204)	(238)	-	(238)
Interest income	897	424	-	424
Income (loss) before provision for income taxes	7,105	(12,820)	(554)	(13,374)
Provision for income taxes	204	-	21	21
Net income (loss)	\$6,901	\$(12,820)	\$(575)	\$(13,395)
Net income (loss) per share:				
Basic	\$0.03	\$(0.07)	\$-	\$(0.07)
Diluted	\$0.03	\$(0.07)	\$-	\$(0.07)
Shares used in computation:				
Basic	242,983	195,648	459	196,107
Diluted	258,607	195,648	459	196,107

SONUS NETWORKS, INC.  
Condensed Consolidated Balance Sheets  
(In thousands)

	December 31, 2003	December 31, 2002		
	As Reported	As Reported	Adjustments	As Adjusted
Assets				
Current assets:				
Cash, cash equivalents and marketable securities	\$305,392	\$111,167	\$6,971	\$118,138
Accounts receivable, net	23,754	2,956	1,666	4,622
Inventory	13,739	10,776	(327)	10,449
Other current assets	6,935	3,806	(290)	3,516
Total current assets	349,820	128,705	8,020	136,725
Property and equipment, net	5,009	11,174	372	11,546
Purchased intangible assets, net	2,402	1,174	3,636	4,810
Other assets, net	1,193	480	(44)	436
	\$358,424	\$141,533	\$11,984	\$153,517



Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable and accrued expenses	\$25,413	\$37,521	\$(17,407)	\$20,114
Accrued restructuring expenses	565	3,143	(812)	2,331
Current portion of deferred revenue	62,698	29,235	22,493	51,728
Current portion of long-term obligations	182	1,606	-	1,606
-----				
Total current liabilities	88,858	71,505	4,274	75,779
Long-term deferred revenue, less current portion	24,302	-	8,024	8,024
Long-term liabilities, less current portion	829	3,293	-	3,293
Convertible subordinated notes	10,000	10,000	-	10,000
Stockholders' equity:				
Common stock	247	207	-	207
Capital in excess of par value	1,043,581	858,126	(4,566)	853,560
Accumulated deficit	(808,562)	(797,868)	4,442	(793,426)
Deferred compensation	(564)	(3,469)	(190)	(3,659)
Treasury stock	(267)	(261)	-	(261)
-----				
Total stockholders' equity	234,435	56,735	(314)	56,421
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	\$358,424	\$141,533	\$11,984	\$153,517
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SONUS NETWORKS, INC.  
Condensed Consolidated Statements of Operations  
(In thousands, except per share data)

	Three Months Ended March 31, 2004		Three Months Ended March 31, 2003	
	As Reported	As Reported	Adjustments	As Restated
Revenues	\$36,532	\$16,019	\$(6,810)	\$9,209
Cost of revenues	12,400	5,430	(1,337)	4,093
Gross profit	24,132	10,589	(5,473)	5,116
Gross profit %	66.1%	66.1%	80.4%	55.6%
Operating expenses:				
Research and development	8,928	7,702	3	7,705
Sales and marketing	6,860	5,274	(1,303)	3,971
General and administrative	4,827	1,080	759	1,839
Stock-based compensation	379	894	30	924
Amort. of goodwill and purchased intangible assets	600	271	331	602
-----				
Total operating expenses	21,594	15,221	(180)	15,041
-----				
Income (loss) from operations	2,538	(4,632)	(5,293)	(9,925)
Interest expense	(122)	(130)	-	(130)
Interest income	765	381	-	381
-----				
Income (loss) before provision for income taxes	3,181	(4,381)	(5,293)	(9,674)
Provision for income taxes	167	-	33	33
-----				
Net income (loss)	\$3,014	\$(4,381)	\$(5,326)	\$(9,707)

Net income (loss) per share:				
Basic	\$0.01	\$(0.02)	\$(0.03)	\$(0.05)
Diluted	\$0.01	\$(0.02)	\$(0.03)	\$(0.05)
Shares used in computation:				
Basic	244,607	198,703	-	198,703
Diluted	255,592	198,703	-	198,703

SONUS NETWORKS, INC.  
Condensed Consolidated Balance Sheets  
(In thousands)

	March 31, 2003			
	March 31, 2004	As Reported	Adjustments	As Adjusted
<b>Assets</b>				
<b>Current assets:</b>				
Cash, cash equivalents and marketable securities	\$301,924	\$106,236	\$410	\$106,646
Accounts receivable, net	32,062	2,454	2,300	4,754
Inventory	15,292	11,287	1,683	12,970
Other current assets	8,390	4,488	684	5,172
<b>Total current assets</b>	<b>357,668</b>	<b>124,465</b>	<b>5,077</b>	<b>129,542</b>
Property and equipment, net	5,607	9,226	391	9,617
Purchased intangible assets, net	1,802	903	3,305	4,208
Long-term marketable securities	5,814	-	-	-
Other assets, net	1,057	494	(79)	415
	<b>\$371,948</b>	<b>\$135,088</b>	<b>\$8,694</b>	<b>\$143,782</b>
<b>Liabilities and Stockholders' Equity</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	\$26,972	\$33,840	\$(17,232)	\$16,608
Accrued restructuring expenses	285	1,513	-	1,513
Current portion of deferred revenue	65,242	31,831	24,274	56,105
Current portion of long-term obligations	153	1,527	-	1,527
<b>Total current liabilities</b>	<b>92,652</b>	<b>68,711</b>	<b>7,042</b>	<b>75,753</b>
Long-term deferred revenue, less current portion	29,518	-	7,263	7,263
Long-term liabilities, less current portion	754	2,660	-	2,660
Convertible subordinated notes	10,000	10,000	-	10,000
<b>Stockholders' equity:</b>				
Common stock	248	207	-	207
Capital in excess of par value	1,044,866	858,514	(4,553)	853,961
Accumulated deficit	(805,548)	(802,249)	(884)	(803,133)
Deferred compensation	(275)	(2,494)	(174)	(2,668)
Treasury stock	(267)	(261)	-	(261)
<b>Total stockholders' equity</b>	<b>239,024</b>	<b>53,717</b>	<b>(5,611)</b>	<b>48,106</b>
	<b>\$371,948</b>	<b>\$135,088</b>	<b>\$8,694</b>	<b>\$143,782</b>

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