

=====

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

October 9, 2002

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

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.)

5 CARLISLE ROAD, WESTFORD, MASSACHUSETTS 01886
(Address of Principal Executive Offices) (Zip Code)

(978) 692-8999

(Registrant's telephone number, including area code)

=====

ITEM 5. OTHER EVENTS.

A copy of Sonus' press release, dated October 9, 2002, reporting its actual financial results for the third quarter ended September 30, 2002, is attached as Exhibit 99.1 hereto and incorporated by reference herein.

The press release filed as an exhibit to this report includes "safe harbor" language pursuant to the Private Securities Litigation Reform Act of 1995, as amended, indicating that certain statements about Sonus' business contained in the press release are "forward-looking" rather than "historic." The press release also states that these and other risks relating to Sonus' business are set forth in the documents filed by Sonus with the Securities and Exchange Commission.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) EXHIBIT

99.1 Press release dated October 9, 2002 reporting Sonus' actual financial results for the third quarter ended September 30, 2002.

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: October 10, 2002

SONUS NETWORKS, INC.

By: /s/ Stephen J. Nill

Stephen J. Nill
Chief Financial Officer, Vice President of
Finance and Administration and Treasurer
(Principal Financial and Accounting Officer)

FOR IMMEDIATE RELEASE

For more information, please contact:

Investor Relations:
 Jocelyn Lynds
 978-589-8672
 jlynds@sonusnet.com

Media Relations:
 Beth Morrissey
 978-589-8579
 bmorrissey@sonusnet.com

SONUS NETWORKS REPORTS 2002 THIRD QUARTER FINANCIAL RESULTS

WESTFORD, MASS., OCTOBER 9, 2002 -Sonus Networks, Inc. (Nasdaq: SONS), a leading provider of voice infrastructure solutions for the new public network, today reported its financial results for the third quarter ended September 30, 2002. These results are consistent with the revised business outlook the Company provided on September 24, 2002.

Revenues for the third quarter of fiscal 2002 were \$7.4 million compared with \$40.3 million in the same period last year. Adjusted net loss for the third quarter of fiscal 2002 was \$14.6 million or \$0.08 per share compared with an adjusted net loss for the third quarter of fiscal 2001 of \$11.4 million or \$0.06 per share. Actual net loss for the third quarter of fiscal 2002 was \$21.6 million or \$0.11 per share compared with an actual net loss for the third quarter of fiscal 2001 of \$498.2 million or \$2.81 per share.

Revenues for the first nine months of fiscal 2002 were \$49.9 million compared with \$134.3 million in the same period last year. Adjusted net loss for the first nine months of fiscal 2002 was \$37.9 million or \$0.20 per share compared with an adjusted net loss for the first nine months of fiscal 2001 of \$10.1 million or \$0.06 per share. Actual net loss for the first nine months of fiscal 2002 was \$55.7 million or \$0.30 per share compared with an actual net loss for the first nine months of fiscal 2001 of \$632.0 million or \$3.71 per share.

A reconciliation of adjusted to actual net loss for the periods is as follows:

(\$ Millions)	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2002 ----	2001 ----	2002 ----	2001 ----
Adjusted net loss	(\$ 14.6)	(\$ 11.4)	(\$ 37.9)	(\$ 10.1)
Write-off of inventory and purchase commitments	--	--	(9.4)	--
Stock-based compensation	(4.0)	(39.1)	(15.7)	(68.3)
Amortization of goodwill and purchased intangibles	(0.4)	(41.4)	(1.1)	(107.3)
Write-off of goodwill and purchased intangibles	(1.7)	(376.7)	(1.7)	(376.7)
Restructuring benefit (charges), net	(0.9)	(25.8)	10.1	(25.8)
In-process research and development	--	(3.8)	--	(43.8)
	-----	-----	-----	-----
Actual net loss	(\$21.6)	(\$ 498.2)	(\$55.7)	(\$632.0)
	=====	=====	=====	=====

-- more --

"This continues to be a challenging period for the telecommunications industry, and that certainly has impacted our financial results for the quarter," said Hassan Ahmed, president and CEO, Sonus Networks. "During these times, we remain keenly focused on the priorities that we laid out at the beginning of the year - building our customer base, developing industry-leading technologies and preserving our financial strength. Our leading products and customer support capabilities give us a strong competitive position, and we have continued to add important new customers each quarter."

Sonus further expanded its customer base in the third quarter, announcing a deployment with Deutsche Telekom's T-Systems International Division. T-Systems has chosen Sonus to build out its next-generation voice over IP (VOIP) network to provide large multinational customers with enhanced voice services, such as Global Voice VPN (virtual private network) and sophisticated call center routing facilities.

Sonus continued to develop new industry partnerships through the Open Services Partner Alliance(sm) (OSPA), broadening Sonus' solutions offerings for enhanced services, access solutions and QOS management. New partners joining the OSPA during the quarter include Innomedia, Personeta, Psytechnics, Skywave, Terayon and Unisys.

Sonus also announced that for the eighth consecutive quarter, the Company has been ranked the leading provider of carrier-class packet voice equipment. Respected industry research firms In-Stat/MDR, Infonetics Research and Synergy Research Group issued Q2 2002 market share reports naming Sonus the industry leader in key packet voice market segments.

ABOUT SONUS NETWORKS

Sonus Networks, Inc., is a leading provider of packet voice infrastructure products for the new public network. With its Open Services Architecture(TM) (OSA), Sonus delivers end-to-end solutions addressing a full range of carrier applications, including trunking, residential access and Centrex, tandem switching, and IP voice termination, as well as enhanced services. Sonus' award-winning 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 Westford, Massachusetts. Additional information on Sonus is available at <http://www.sonusnet.com>.

-- more --

THIS RELEASE MAY CONTAIN PROJECTIONS OR OTHER FORWARD-LOOKING STATEMENTS REGARDING FUTURE EVENTS OR THE FUTURE FINANCIAL PERFORMANCE OF SONUS 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 SONUS' QUARTERLY REPORT ON FORM 10-Q, DATED AUGUST 14, 2002 AND FILED WITH THE SEC, WHICH IDENTIFIES IMPORTANT RISK FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. THESE RISK FACTORS INCLUDE, AMONG OTHERS, THE ADVERSE EFFECT OF RECENT DEVELOPMENTS IN THE TELECOMMUNICATIONS INDUSTRY, THE WEAKENED FINANCIAL POSITION OF MANY SERVICE PROVIDERS, SONUS' ABILITY TO GROW ITS CUSTOMER BASE, DEPENDENCE ON NEW PRODUCT OFFERINGS, MARKET ACCEPTANCE OF ITS PRODUCTS, RAPID TECHNOLOGICAL AND MARKET CHANGE AND MANUFACTURING AND SOURCING RISKS.

SONUS IS A REGISTERED TRADEMARK OF SONUS NETWORKS. OPEN SERVICES ARCHITECTURE IS A TRADEMARK OF SONUS NETWORKS AND OPEN SERVICES PARTNER ALLIANCE IS A SERVICE MARK OF SONUS NETWORKS. ALL OTHER COMPANY AND PRODUCT NAMES MAY BE TRADEMARKS OF THE RESPECTIVE COMPANIES WITH WHICH THEY ARE ASSOCIATED.

-- more --

SONUS NETWORKS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	----- (UNAUDITED)	-----
ASSETS		
CURRENT ASSETS:		
Cash, cash equivalents and marketable securities	\$ 92,107	\$ 125,067
Accounts receivable, net	2,957	9,440
Inventories	9,427	18,865
Other current assets	2,456	2,952
	-----	-----
Total current assets	106,947	156,324
PROPERTY AND EQUIPMENT, net	13,950	23,335
GOODWILL, net	--	1,673
PURCHASED INTANGIBLE ASSETS, net	1,707	2,863
OTHER ASSETS, net	485	689
	-----	-----
	\$ 123,089	\$ 184,884
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 26,429	\$ 36,301
Accrued restructuring expenses	4,479	8,596
Deferred revenue	10,941	13,349
Current portion of long-term obligations	1,845	1,055
	-----	-----
Total current liabilities	43,694	59,301
LONG-TERM OBLIGATIONS, less current portion	3,682	12,698
CONVERTIBLE SUBORDINATED NOTES	10,000	10,000
STOCKHOLDERS' EQUITY:		
Common stock	207	205
Capital in excess of par value	860,111	860,883
Accumulated deficit	(785,048)	(729,398)
Deferred compensation	(9,345)	(28,721)
Treasury stock	(212)	(84)
	-----	-----
Total stockholders' equity	65,713	102,885
	-----	-----
	\$ 123,089	\$ 184,884
	=====	=====

--more--

SONUS NETWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30, 2002			THREE MONTHS ENDED SEPTEMBER 30, 2001		
	US GAAP RESULTS	ADJUSTMENTS	ADJUSTED RESULTS (A)	US GAAP RESULTS	ADJUSTMENTS	ADJUSTED RESULTS (A)
REVENUES	\$ 7,445	\$--	\$ 7,445	\$ 40,286	\$--	\$ 40,286
Cost of revenues	4,747	--	4,747	18,129	--	18,129
GROSS PROFIT	2,698	--	2,698	22,157	--	22,157
OPERATING EXPENSES:						
Research and development	9,685	--	9,685	18,746	--	18,746
Sales and marketing	5,520	--	5,520	12,660	--	12,660
General and administrative	2,445	--	2,445	3,330	--	3,330
Stock-based compensation	3,962	(3,962)	--	39,069	(39,069)	--
Amortization of goodwill and purchased intangible assets	367	(367)	--	41,368	(41,368)	--
Write-off of goodwill and purchased intangible assets	1,673	(1,673)	--	376,719	(376,719)	--
Restructuring charges (benefit), net	987	(987)	--	25,807	(25,807)	--
In-process research and development	--	--	--	3,800	(3,800)	--
Total operating expenses	24,639	(6,989)	17,650	521,499	(486,763)	34,736
LOSS FROM OPERATIONS	(21,941)	6,989	(14,952)	(499,342)	486,763	(12,579)
Interest expense	(163)	--	(163)	(147)	--	(147)
Interest income	466	--	466	1,328	--	1,328
NET LOSS	\$ (21,638)	\$ 6,989	\$ (14,649)	\$ (498,161)	\$ 486,763	\$ (11,398)
BASIC AND DILUTED NET LOSS PER SHARE	\$ (0.11)		\$ (0.08)	\$ (2.81)		\$ (0.06)
SHARES USED IN COMPUTATION	191,823		191,823	177,313		177,313

(A) These Adjusted Condensed Consolidated Statements of Operations are for informational purposes only and are not in accordance with US generally accepted accounting principles (GAAP). These statements exclude the amortization of stock-based compensation, amortization of goodwill and purchased intangible assets, the write-off of goodwill and purchased intangible assets, restructuring charges (benefit) and in-process research and development expenses.

-more-

SONUS NETWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30, 2002			NINE MONTHS ENDED SEPTEMBER 30, 2001		
	US GAAP RESULTS	ADJUSTMENTS	ADJUSTED RESULTS (A)	US GAAP RESULTS	ADJUSTMENTS	ADJUSTED RESULTS (A)
REVENUES	\$ 49,898	\$ --	\$ 49,898	\$ 134,336	\$ --	\$ 134,336
Cost of revenues:						
Write-off of inventory and purchase commitments	9,434	(9,434)	--	--	--	--
Other cost of revenues	24,570	--	24,570	58,300	--	58,300
Total cost of revenues	34,004	(9,434)	24,570	58,300	--	58,300
GROSS PROFIT	15,894	9,434	25,328	76,036	--	76,036
OPERATING EXPENSES:						
Research and development	36,525	--	36,525	49,362	--	49,362
Sales and marketing	22,207	--	22,207	31,763	--	31,763
General and administrative	5,601	--	5,601	9,272	--	9,272
Stock-based compensation	15,655	(15,655)	--	68,339	(68,339)	--
Amortization of goodwill and purchased intangible assets	1,156	(1,156)	--	107,279	(107,279)	--
Write-off of goodwill and purchased intangible assets	1,673	(1,673)	--	376,719	(376,719)	--
Restructuring charges (benefit), net	(10,141)	10,141	--	25,807	(25,807)	--
In-process research and development	--	--	--	43,800	(43,800)	--
Total operating expenses	72,676	(8,343)	64,333	712,341	(621,944)	90,397
LOSS FROM OPERATIONS	(56,782)	17,777	(39,005)	(636,305)	621,944	(14,361)
Interest expense	(438)	--	(438)	(428)	--	(428)
Interest income	1,570	--	1,570	4,702	--	4,702
NET LOSS	\$ (55,650)	\$ 17,777	\$ (37,873)	\$ (632,031)	\$ 621,944	\$ (10,087)
BASIC AND DILUTED NET LOSS PER SHARE	\$ (0.30)		\$ (0.20)	\$ (3.71)		\$ (0.06)
SHARES USED IN COMPUTATION	188,620		188,620	170,220		170,220

(A) These Adjusted Condensed Consolidated Statements of Operations are for informational purposes only and are not in accordance with US generally accepted accounting principles (GAAP). These statements exclude the impact of the write-off of inventory and purchase commitments, amortization of stock-based compensation, amortization of goodwill and purchased intangible assets, the write-off of goodwill and purchased intangible assets, restructuring charges (benefit) and in-process research and development expenses.

###