
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

August 8, 2005

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.)

250 APOLLO DRIVE, CHELMSFORD, MASSACHUSETTS 01824
(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))

The information in this Current Report on Form 8-K and the exhibit 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.

Item 2.02. Results of Operations and Financial Condition.

On August 8, 2005, Sonus Networks, Inc. issued a press release reporting its financial results for the quarter ended June 30, 2005. A copy of the press release is attached as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibit

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

99.1 Press release of Sonus Networks, Inc. dated August 8, 2005 reporting financial results for the quarter ended June 30, 2005.

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: August 8, 2005

SONUS NETWORKS, INC.

By:

/s/ Ellen Richstone

Ellen Richstone
Chief Financial Officer

Exhibit Index

- 99.1 Press release of Sonus Networks, Inc. dated August 8, 2005 reporting financial results for the quarter ended June 30, 2005.

Sonus Networks Reports 2005 Second Quarter Financial Results; Year-Over-Year Revenue Growth Driven by Strong Performance in Wireless

CHELMSFORD, Mass.--(BUSINESS WIRE)--Aug. 8, 2005--Sonus Networks, Inc. (Nasdaq: SONS), a leading supplier of service provider voice over IP (VoIP) infrastructure solutions, today reported its financial results for the second quarter ended June 30, 2005.

Revenues for the second quarter of fiscal 2005 were \$58.1 million compared with \$33.6 million in the first quarter of fiscal 2005 and \$42.4 million for the second quarter of fiscal 2004. Net income for the second quarter of fiscal 2005 was \$9.7 million or \$0.04 per diluted share compared with a net loss for the first quarter of fiscal 2005 of \$3.7 million or \$0.01 per diluted share, and compared with net income of \$4.9 million or \$0.02 per diluted share for the second quarter of fiscal 2004.

Revenues for the first six months of fiscal 2005 were \$91.7 million compared with \$78.9 million in the same period last year. Net income for the first six months of fiscal 2005 was \$6.1 million or \$0.02 per diluted share compared with net income for the first six months of fiscal 2004 of \$7.9 million or \$0.03 per diluted share.

"The expanded demand for our VoIP solutions over the last several quarters and our focus on execution resulted in a strong second quarter and first half of 2005 for Sonus," said Hassan Ahmed, chairman and CEO, Sonus Networks. "We also are pleased to have expanded our customer base and to have introduced several new products reflecting an increased pace of innovation on which we will continue to build our leadership position in the industry during the second half of 2005 and beyond."

During the second quarter, the Company launched several major new products that further extend its technology leadership position. At SUPERCOMM 2005, Sonus unveiled its industry-leading solutions that will enable wireline and wireless service providers to realize the benefits of an IP Multimedia Subsystem (IMS) architecture. The Sonus IMS solution allows customers to comply seamlessly and cost effectively with the developing IMS standards and to maximize their investment by delivering converged multimedia services over their existing Sonus architecture. The Sonus IMS solution was recently honored with the distinguished Frost & Sullivan Award for Technology Innovation.

The Company also announced the introduction of the IMX(TM) Application Platform, a web-based multimedia environment that enables wireline and wireless service providers to rapidly develop, integrate, and manage enhanced telecommunication applications and services. The IMX Platform further strengthens the value proposition of the Sonus Open Services Partner Alliance (OSPA(R)) by allowing service providers to take advantage of existing applications through Sonus' OSPA partners and also to launch new innovative applications from Sonus and its partners.

Sonus also launched the GSX4000(TM) Open Services Switch at SUPERCOMM 2005. The GSX4000 is an innovative, compact VoIP switch that is designed to deliver carrier-class functionality, reliability and manageability. Developed specifically for service providers, the GSX4000 enables operators to expand the reach of their VoIP networks into new geographic regions, to launch new applications, or to deploy IP-based multimedia services. Further, the GSX4000 enables network operators to deploy a more efficient network topology that reduces costs by eliminating the need to backhaul traffic to large central locations. Based on the award-winning GSX9000(TM), the GSX4000 allows service providers to cost-effectively extend the reach of their network boundaries with the same carrier-class functionality that is the hallmark of Sonus' products.

Continuing to expand its worldwide customer base, Sonus announced that Jupiter Telecommunications Co., Ltd. (J:COM) is implementing the Sonus platform as the foundation for its new VoIP network in order to deliver enhanced residential voice services to consumers throughout Japan. In conjunction with the deployment of their network, J:COM is also one of the first Sonus customers to deploy the IMX Application Platform.

Following an important ruling by the Federal Communications Commission that requires VoIP service providers to supply Enhanced 911 (E-911) emergency calling capabilities to their customers as a mandatory feature of their service, Sonus announced its continued support of the delivery of these critical services to consumers through seamless connectivity to the Public Switched Telephone Network (PSTN). The Company also reported that several Sonus customers, including Level 3 Communications, are already utilizing Sonus' platform to support delivery of E-911.

During the second quarter, Sonus continued to focus on expanding its global presence through strategic partnerships. The Company

announced partnerships with NK Networks to address the market opportunity in Western Europe, and with TFJY to expand the Company's distribution channel in China. In the U.S., Sonus announced its first major alliance with a major consumer electronics retailer, Belkin Corporation. Sonus and Belkin have successfully completed interoperability testing between Sonus' Voice over Broadband (VoBB) solutions and Belkin's line of VoIP broadband phone adapters, enabling service providers and consumers to simplify the configuration and provisioning process for consumer VoIP systems.

On June 8, 2005, Sonus announced that it received written notification from the Securities and Exchange Commission regarding the formal inquiry that the SEC undertook in connection with the Company's previously announced independent investigation of its financial reporting. The SEC notified the Company that its investigation had been terminated and that no enforcement action had been recommended.

"Looking ahead, the market for next-generation packet voice equipment continues to expand. Our continued product leadership and solid market momentum highlight our unique strategy for addressing the convergence of the world's communications infrastructures. We are pleased with the decision by network operators around the world to rely on Sonus for the development of their voice networks. We believe that this underscores our position in the market and our ability to continue to lead the market's evolution," concluded Ahmed.

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 comprehensive IP Multimedia Subsystem (IMS) solution, Sonus addresses the full range of carrier applications, including residential and business voice services, wireless voice and multimedia, trunking and tandem switching, carrier interconnection and enhanced services. Sonus' voice infrastructure solutions are deployed in service provider networks worldwide. Founded in 1997, Sonus is headquartered in Chelmsford, Massachusetts of U.S. 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, dated March 15, 2005, and the "Cautionary Statements" section of Sonus' Quarterly Report on Form 10-Q, dated May 9, 2005, both 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: the impact of material weaknesses in our disclosure controls and procedures and our internal control over financial reporting on our ability to report our financial results timely and accurately; the unpredictability of our quarterly financial results; risks associated with our international expansion and growth; consolidation in the telecommunications industry; and potential costs resulting from pending securities litigation against the company. 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 is a trademark of Sonus Networks. All other company and product names may be trademarks of the respective companies with which they are associated.

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

	Three Months Ended June 30, 2005	Three Months Ended March 31, 2005	Three Months Ended June 30, 2004
Revenues:			
Product	\$ 41,339	\$ 22,458	\$ 30,587
Service	16,754	11,152	11,774
Total revenues	58,093	33,610	42,361

Cost of revenues:			
Product	15,404	6,843	9,714
Service	5,651	5,269	4,227
	-----	-----	-----
Total cost of revenues	21,055	12,112	13,941
	-----	-----	-----
Gross profit	37,038	21,498	28,420
	-----	-----	-----
Gross profit %:			
Product	62.7%	69.5%	68.2%
Service	66.3%	52.8%	64.1%
Total gross profit	63.8%	64.0%	67.1%
Operating expenses:			
Research and development	11,098	11,017	8,923
Sales and marketing	11,504	9,027	8,635
General and administrative	6,477	6,800	5,745
Stock-based compensation	4	-	136
Amortization of purchased intangible assets	-	-	600
	-----	-----	-----
Total operating expenses	29,083	26,844	24,039
	-----	-----	-----
Income (loss) from operations	7,955	(5,346)	4,381
	-----	-----	-----
Interest expense	(121)	(128)	(121)
Interest income	2,222	1,875	891
	-----	-----	-----
Income (loss) before provision for income taxes	10,056	(3,599)	5,151
Provision for income taxes	311	96	217
	-----	-----	-----
Net income (loss)	\$ 9,745	\$ (3,695)	\$ 4,934
	=====	=====	=====
Net income (loss) per share:			
Basic	\$ 0.04	\$ (0.01)	\$ 0.02
Diluted	\$ 0.04	\$ (0.01)	\$ 0.02
Shares used in computation:			
Basic	248,249	247,877	245,390
Diluted	250,651	247,877	250,127

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

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
	-----	-----
Revenues:		
Product	\$ 63,797	\$ 56,832
Service	27,906	22,061
	-----	-----
Total revenues	91,703	78,893
	-----	-----
Cost of revenues:		
Product	\$ 22,247	\$ 17,855
Service	10,920	8,486
	-----	-----
Total cost of revenues	33,167	26,341
	-----	-----
Gross profit	58,536	52,552
	-----	-----
Gross profit %:		
Product	65.1%	68.6%
Service	60.9%	61.5%
Total gross profit	63.8%	66.6%
Operating expenses:		
Research and development	22,115	17,851
Sales and marketing	20,531	15,495
General and administrative	13,277	10,572
Stock-based compensation	4	515
Amortization of purchased intangible assets	-	1,200
	-----	-----
Total operating expenses	55,927	45,633
	-----	-----

Income from operations	2,609	6,919
Interest expense	(249)	(243)
Interest income	4,097	1,656
Income before provision for income taxes	6,457	8,332
Provision for income taxes	407	384
Net income	\$ 6,050	\$ 7,948
Net income per share:		
Basic	\$ 0.02	\$ 0.03
Diluted	\$ 0.02	\$ 0.03
Shares used in computation:		
Basic	248,064	244,906
Diluted	252,709	253,480

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

	June 30, 2005	December 31, 2004
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 303,994	\$ 292,076
Accounts receivable, net	62,062	32,486
Inventory, net	30,546	28,346
Other current assets	12,020	10,891
Total current assets	408,622	363,799
Property and equipment, net	12,650	8,217
Long-term marketable securities	7,411	21,029
Other assets	822	783
	\$ 429,505	\$ 393,828
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,296	\$ 26,894
Accrued restructuring expenses	191	186
Current portion of deferred revenue	87,433	65,105
Convertible subordinated note	10,000	-
Current portion of long-term liabilities	44	30
Total current liabilities	126,964	92,215
Long-term deferred revenue, less current portion	27,428	25,960
Long-term liabilities, less current portion	600	613
Convertible subordinated note	-	10,000
Stockholders' equity:		
Common stock	251	250
Capital in excess of par value	1,052,564	1,049,142
Accumulated deficit	(778,035)	(784,085)
Treasury stock	(267)	(267)
Total stockholders' equity	274,513	265,040
	\$ 429,505	\$ 393,828

SONUS NETWORKS, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)

Three Months Ended June 30,	Three Months Ended March 31,	Three Months Ended June 30,
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	2005	2005	2004
	-----	-----	-----
Cash flows from operating activities:			
Net income (loss)	\$ 9,745	\$ (3,695)	\$ 4,934
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,626	1,476	1,271
Tax benefit from stock options exercised	225	-	-
Stock-based compensation	4	-	136
Amortization of purchased intangible assets	-	-	600
Changes in current assets and liabilities			
Accounts receivable	(34,431)	4,855	152
Inventory	710	(2,910)	(4,909)
Other current assets	(367)	(762)	(6,169)
Accounts payable	1,994	1,334	2,975
Accrued expenses	314	(1,330)	591
Deferred revenue	22,848	948	(1,754)
	-----	-----	-----
Net cash provided by (used in) operating activities	2,668	(84)	(2,173)
	-----	-----	-----
Cash flows from investing activities:			
Purchase of property and equipment	(3,070)	(4,303)	(2,063)
Maturities (purchases) of marketable securities, net	(2,917)	2,977	(21,640)
Other assets	42	(81)	192
	-----	-----	-----
Net cash used in investing activities	(5,945)	(1,407)	(23,511)
	-----	-----	-----
Cash flows from financing activities:			
Sales of common stock in connection with employee stock purchase plan	-	2,313	-
Proceeds from exercise of stock options	461	420	-
Payments of long-term liabilities	(8)	(58)	(52)
	-----	-----	-----
Net cash provided by (used in) financing activities	453	2,675	(52)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(2,824)	1,184	(25,736)
	-----	-----	-----
Cash and cash equivalents, beginning of period	123,115	121,931	151,971
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Cash and cash equivalents, end of period	\$120,291	\$123,115	\$126,235
	=====	=====	=====

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