

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

May 9, 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 May 9, 2005, Sonus Networks, Inc. issued a press release reporting its financial results for the quarter ended March 31, 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 May 9, 2005 reporting financial results for the quarter ended March 31, 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: May 9, 2005

SONUS NETWORKS, INC.

By:

/s/ Ellen Richstone

Ellen Richstone
Chief Financial Officer

Exhibit Index

99.1 Press release of Sonus Networks, Inc. dated May 9, 2005 reporting financial results for the quarter ended March 31, 2005.

Sonus Networks Reports 2005 First Quarter Financial Results

CHELMSFORD, Mass.--(BUSINESS WIRE)--May 9, 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 first quarter ended March 31, 2005.

Revenues for the first quarter of fiscal 2005 were \$33.6 million compared with \$45.1 million in the fourth quarter of fiscal 2004. Net loss for the first quarter of fiscal 2005 was \$3.7 million or a loss of \$0.01 per share compared with net income for the fourth quarter of fiscal 2004 of \$6.3 million or \$0.02 per diluted share. Revenues for the first quarter of fiscal 2004 were \$36.5 million, and net income was \$3.0 million or \$0.01 per diluted share.

"We achieved a number of key objectives in the quarter, including strong order activity, the expansion of our customer base, establishment of new global partnerships and the introduction of new software for the ISP market. We are, of course, disappointed that our progress is not reflected in our revenue result this quarter," said Hassan Ahmed, chairman and CEO, Sonus Networks. "Looking ahead, the world's service providers will continue their migrations to VoIP, and we are pleased that Sonus has a leading position in this important market."

During the first quarter, Sonus announced four new customer deployments in North America and in Europe. In the U.S., America Online is deploying Sonus' technology to deliver its new Internet Phone Service, which is changing the very nature of voice service, making it a pathway not just for conversations, but also for a wide range of next-generation interactive applications. Also in the U.S., WebEx Communications is augmenting its WebEx MediaTone Network with a VoIP solution from Sonus to deliver new IP-based conferencing services to its customers. In Mexico, Marcatel is building out a VoIP network with Sonus to provide access services to businesses and cable operators. In Europe, Slovak Telecom has implemented a Sonus-based network to support the delivery of prepaid and postpaid calling services.

Demonstrating the scalability and reliability of the Sonus solution, three existing customers extended their Sonus-based networks during the first quarter. XO Communications announced their new business service, XOptions(R) Flex, which is the first in a series of the carrier's new enhanced services delivered over the XO national IP network and Sonus technology. Leveraging the Sonus Open Services Architecture(TM) (OSA), XO Communications will deliver a broad range of IP telephony applications and features to businesses throughout the United States. South Carolina-based NuVox also announced that it is introducing a new business VoIP service that will be delivered over its Sonus-based network. Further, Global Crossing, one of the first providers to decommission a legacy switch in the core of its network and replace it with a VoIP switch, announced that it is continuing to decommission legacy switches in four additional cities. This project is expected to create increased network efficiencies and enhance the seamless delivery of converged IP services.

Underscoring Sonus' success with both existing and new customers, the company was again ranked the number one provider of carrier-class packet voice equipment for the fourth quarter of 2004. Industry research firms reported that Sonus increased its market share in several segments of the carrier packet voice market, growing faster than the market and the competition in 2004. In-Stat/MDR and Synergy Research Group named Sonus the market share leader, recognizing Sonus as the top equipment vendor in several major service provider packet telephony market segments. Additionally, Sonus estimated that at the end of Q1, service providers globally were carrying an estimated 12 billion minutes per month of customer traffic on their Sonus-based networks.

In January 2005, Sonus entered into a global reseller agreement with Samsung Electronics Company. Under the terms of this non-exclusive agreement, Samsung is able to sell and support Sonus VoIP solutions to mobile operators around the world.

Continuing the expansion of its worldwide presence, Sonus announced the opening of a software development and regional support center in Bangalore, India. Sonus Networks India Pvt. Ltd. will concentrate on the development of VoIP applications, software design and quality assurance services in support of Sonus' product portfolio. The establishment of Sonus' center in India represents another phase in the company's commitment to providing VoIP applications and services to customers around the globe.

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. 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, 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; risks associated with the investigation of the company by the SEC; 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		
	March 31, 2005	December 31, 2004	March 31, 2004
Revenues	\$ 33,610	\$ 45,083	\$ 36,532
Cost of revenues	12,112	13,757	12,400
Gross profit	21,498	31,326	24,132
Gross profit %	64.0%	69.5%	66.1%
Operating expenses:			
Research and development	11,017	9,348	8,928
Sales and marketing	9,027	8,935	6,860
General and administrative	6,800	7,385	4,827
Stock-based compensation	-	65	379
Amortization of purchased intangible assets	-	601	600
Total operating expenses	26,844	26,334	21,594
Income (loss) from operations	(5,346)	4,992	2,538
Interest expense	(128)	(119)	(122)
Interest income	1,875	1,477	765
Income (loss) before provision for income taxes	(3,599)	6,350	3,181
Provision for income taxes	96	89	167
Net income (loss)	\$ (3,695)	\$ 6,261	\$ 3,014
Net income (loss) per share:			
Basic	\$ (0.01)	\$ 0.03	\$ 0.01
Diluted	\$ (0.01)	\$ 0.02	\$ 0.01
Shares used in computation:			
Basic	247,877	247,134	244,607
Diluted	247,877	256,443	255,592

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

	March 31, 2005	December 31, 2004

Assets		
Current assets:		
Cash, cash equivalents and marketable securities	\$303,824	\$292,076
Accounts receivable, net	27,631	32,486
Inventory, net	31,256	28,346
Other current assets	11,653	10,891

Total current assets	374,364	363,799
Property and equipment, net	11,145	8,217
Long-term marketable securities	7,488	21,029
Other assets	864	783

	\$393,861	\$393,828
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Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$26,942	\$26,894
Accrued restructuring expenses	189	186
Current portion of deferred revenue	69,267	65,105
Current portion of long-term liabilities	25	30

Total current liabilities	96,423	92,215

Long-term deferred revenue, less current portion	22,746	25,960
Long-term liabilities, less current portion	614	613
Convertible subordinated note	10,000	10,000
Stockholders' equity:		
Common stock	250	250
Capital in excess of par value	1,051,875	1,049,142
Accumulated deficit	(787,780)	(784,085)
Treasury stock	(267)	(267)

Total stockholders' equity	264,078	265,040

	\$393,861	\$393,828
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SONUS NETWORKS, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)

	Three Months Ended		
	March 31, 2005	December 31, 2004	March 31, 2004

Cash flows from operating activities:			
Net income (loss)	\$ (3,695)	\$ 6,261	\$ 3,014
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,476	1,617	1,632
Tax benefit from stock options exercised	-	67	-
Stock-based compensation	-	65	379
Amortization of purchased intangible assets	-	601	600
Changes in current assets and liabilities			
Accounts receivable	4,855	2,916	(8,308)
Inventory	(2,910)	(780)	(1,553)
Other current assets	(762)	1,970	(1,455)
Accounts payable	1,334	(2,445)	2,403
Accrued expenses	(1,330)	38	(1,169)
Deferred revenue	948	3,076	7,760

Net cash provided by (used in) operating activities	(84)	13,386	3,303
Cash flows from investing activities:			
Purchase of property and equipment	(4,303)	(2,696)	(2,230)
Maturities (purchases) of marketable securities, net	2,977	(8,118)	15,910
Other assets	(81)	(20)	136
Net cash provided by (used in) investing activities	(1,407)	(10,834)	13,816
Cash flows from financing activities:			
Sales of common stock in connection with employee stock purchase plan	2,313	-	796
Proceeds from exercise of stock options	420	2,565	400
Payments of long-term liabilities	(58)	(31)	(59)
Net cash provided by financing activities	2,675	2,534	1,137
Net increase in cash and cash equivalents	1,184	5,086	18,256
Cash and cash equivalents, beginning of period	121,931	116,845	133,715
Cash and cash equivalents, end of period	\$ 123,115	\$ 121,931	\$151,971

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