B Riley & Co. Investor Conference
Mark Greenquist, CFO

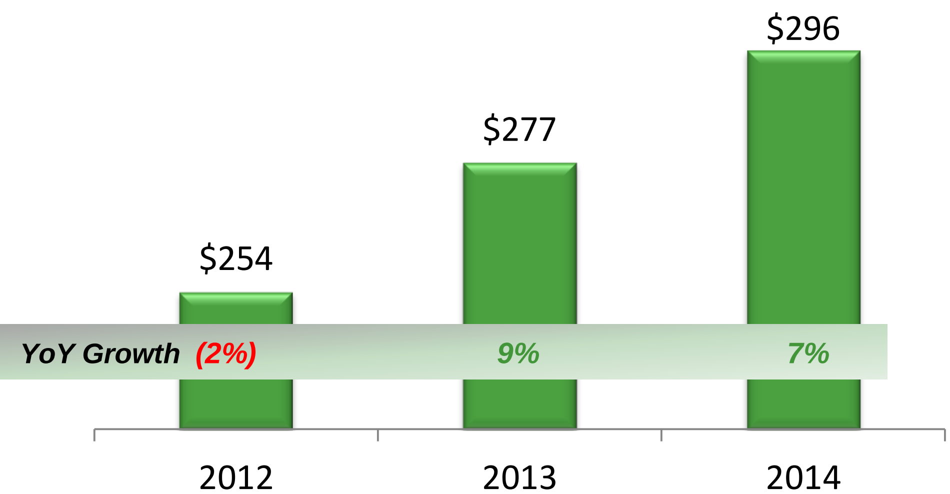
May 14, 2015

Cautionary Note Regarding Forward-Looking Statements

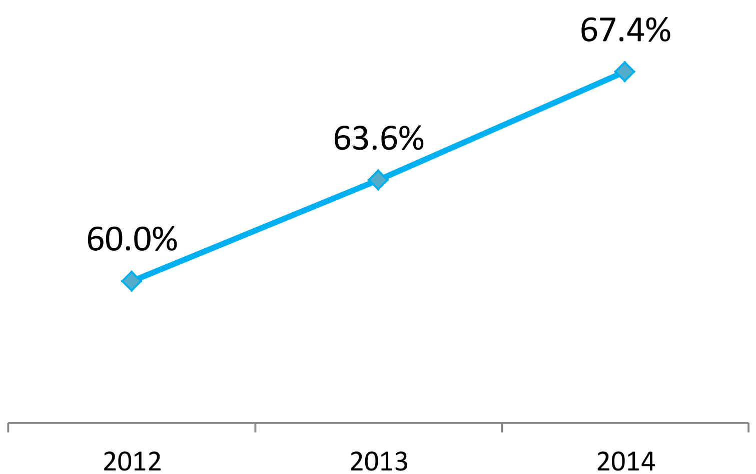
- The information in this presentation contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this release, including statements regarding our future results of operations and financial position, industry developments, business strategy, plans and objectives of management for future operations and plans for future cost reductions 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; adjustments identified in the course of the Company’s quarter-end accounting review; 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 cost reduction and restructuring activities; our ability to realize benefits from the NET and PT acquisitions and the 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; the impact of the reverse split of our common stock and 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 II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, Part II, Item 7A “Quantitative and Qualitative Disclosures About Market Risk,” and Part I, Item 1A “Risk Factors” in the Company’s Annual Report on Form 10-K filed with the SEC on February 25, 2015. Any forward-looking statement made by us in this presentation speaks only as of the date of this presentation. 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.
- **These slides supplement the remarks made on our April 22, 2015 earnings call which is available on the investor relations section of the Company’s website and should only be read in conjunction with such call (or a transcript / replay thereof).**

2012-2014 Financial Profile

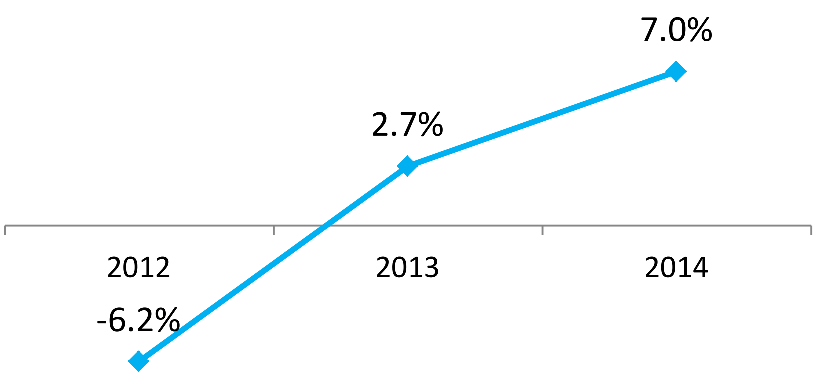
Revenue Growing ($M)



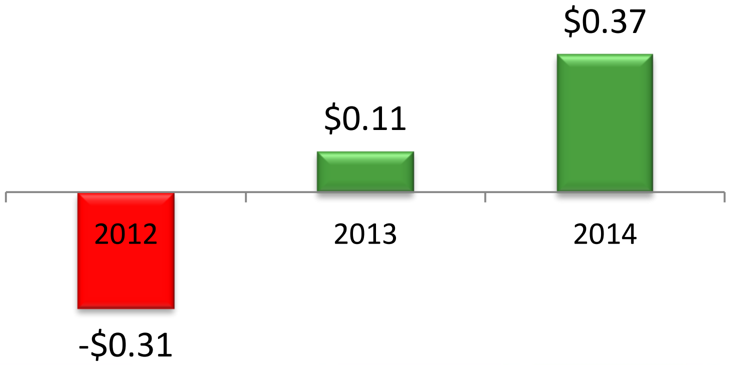
Gross Margins[1]



Operating Margins[1]



Earnings[1]



1) Non-GAAP financial measures; EPS presented on post-reverse split basis.

2015 Financial Profile

	Q115 Actuals	Q215 Guidance[2]	FY15 Guidance[2]
Total Company Revenue	$50.1M	$53M to $55M	$245M to $250M
Gross Margin[1]	61.5%[3]	64% to 65%	Not provided
Opex[1]	$43.5M	$42M to $43M	Not provided
Loss per Share[1]	$0.27	$0.14 to $0.18	$0.10 to $0.15
Basic Shares	49.4M	49.5M	49.5M
Cash and Investments	$112.8M	Above $100M	Above $100M

Return to Cash Flow Positive in 2H15

No Debt

1) Non-GAAP financial measures; please see reconciliation in presentation appendix
2) Guidance as provided 4/22/15
3) Gross margin excluding $2.7M of excess and obsolete inventory expense would otherwise have been 66.9%

Sonus

Context for 2015 Outlook

1. Outlook primarily reflects timing, lower spend, and longer RFP cycles, not competitive losses
2. Sonus remains well-positioned despite the near term pressures
3. We are controlling what we can, reducing costs as appropriate and continuing to invest in growth opportunities

Recent customer conversations and our ongoing RFP activity confirm that Sonus' technology is aligned with the technology strategies of our customers

Sonus Core Assets

Talented Employees

Strong Balance Sheet

Leading Technology and Products

Satisfied Customers

Strategic Network Positioning

A Transition Is Underway

The Old IP Network

Rigid Topology and Architecture
Hardware-Centric
Integrated Control and Data Planes
Decentralized Intelligence and Management

A Transition Is Underway

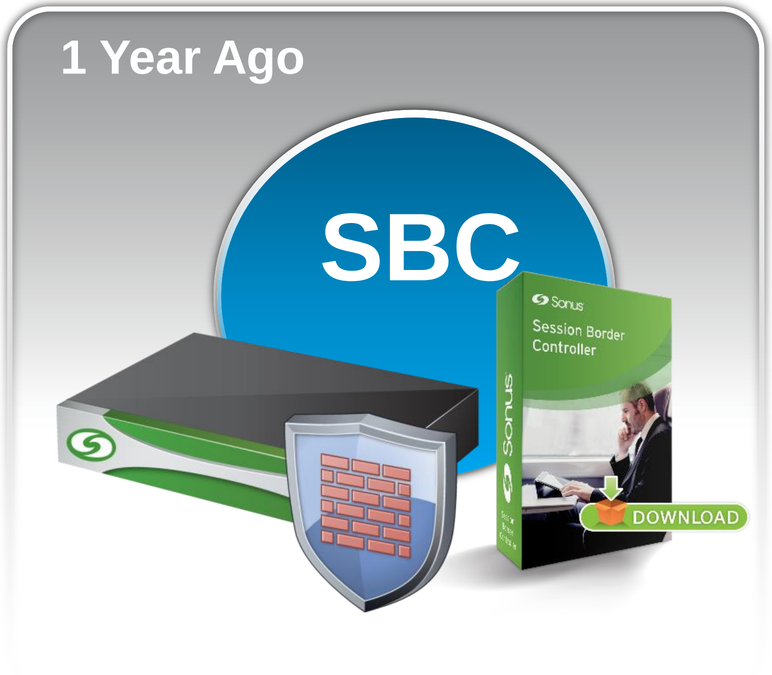
The Old IP Network

Rigid Topology and Architecture
Hardware-Centric
Integrated Control and Data Planes
Decentralized Intelligence and Management

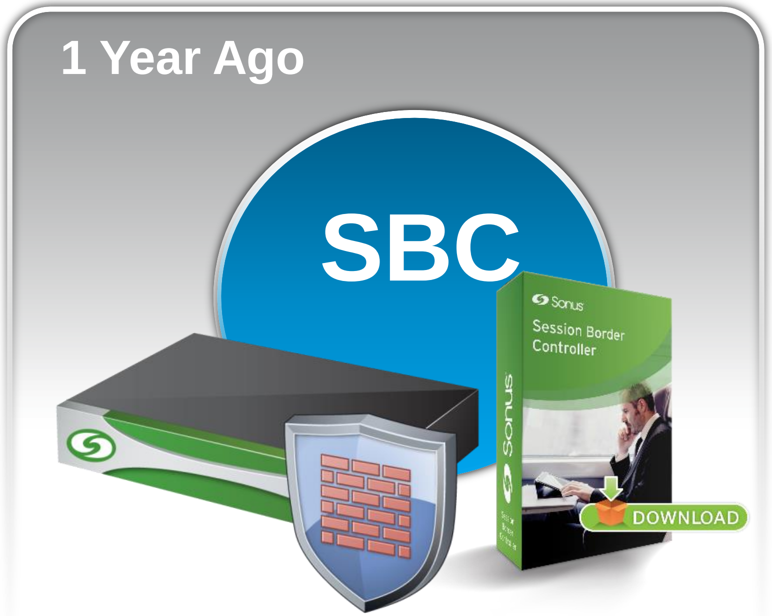
The New IP Network

Fluid Topology and Architecture
Software-Centric
Disaggregated Control and Data Planes
Centralized Intelligence and Management

Path to Virtualization



Completely Virtualized Portfolio



Sonus leverages a common, hardened code base across its hardware and software portfolios, providing customers an easy migration path from today's appliance/hardware based networks to NFV and the Cloud

Sonus Is Strategically Positioned

Applications (SaaS) Embedding Real-Time Communications

Sonus Leading the Industry to Virtualization

Sonus Trusted in the World's Largest SP Networks

Sonus DNA in Security, Policy, Interworking, Signaling and Scale Future

Thank You

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, amortization of intangible assets, acquisition-related costs and restructuring. 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 ability of readers of our financial statements to compare our financial results to our historical operating results and to other companies in our industry.

Discussion of Non-GAAP Financial Measures

- 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 consider certain transition, integration and other acquisition-related costs to be unpredictable and dependent on a significant number of factors that may be outside of our control. We do not consider these acquisition-related costs to be related to the continuing operations of the acquired business or the Company. In addition, the size, complexity and/or volume of an acquisition, which often drives the magnitude of acquisition-related costs, may not be indicative of such future costs. We believe that excluding acquisition-related costs facilitates the comparison of our financial results to our historical operating results and to other companies in our industry.
- We have recorded restructuring expense to streamline operations and reduce operating costs by closing and consolidating certain facilities and reducing our worldwide workforce. We review our restructuring accruals regularly and record adjustments to these estimates as required. We recorded such an adjustment to our results for the current quarter, the effect of which was a restructuring credit of $0.3 million. We believe that excluding restructuring expense and credits facilitates the comparison of our financial results to our historical operating results and to other companies in our industry.
- 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.

GAAP to Non-GAAP Reconciliation

	Three months ending June 26, 2015			
	Range			
Gross margin				
GAAP outlook		61.0%		62.1%
Stock-based compensation expense		0.9%		0.9%
Amortization of intangible assets		2.1%		2.0%
Non-GAAP outlook		64.0%		65.0%
Operating expenses				
GAAP outlook	$	52.6	$	53.6
Stock-based compensation expense		(5.2)		(5.2)
Amortization of intangible assets		(0.4)		(0.4)
Restructuring		(5.0)		(5.0)
Non-GAAP outlook	$	42.0	$	43.0
Loss per share				
GAAP outlook	$	(0.43)	$	(0.39)
Stock-based compensation expense		0.12		0.12
Amortization of intangible assets		0.03		0.03
Restructuring		0.10		0.10
Non-GAAP outlook	$	(0.18)	$	(0.14)

	Year ending December 31, 2015			
	Range			
Loss per share				
GAAP outlook	$	(0.80)	$	(0.75)
Stock-based compensation expense		0.43		0.43
Amortization of intangible assets		0.12		0.12
Acquisition-related expense		*		*
Restructuring		0.10		0.10
Non-GAAP outlook	$	(0.15)	$	(0.10)