

**UNITED STATES  
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**

June 20, 2008

**Date of Report (Date of earliest event reported)**

---

**SONUS NETWORKS, INC.**

(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation)

**000-30229**  
(Commission File Number)

**04-3387074**  
(IRS Employer  
Identification No.)

**7 TECHNOLOGY PARK DRIVE, WESTFORD, MASSACHUSETTS 01886**  
(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):

- o 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))
- 
- 

**Item 8.01. Other Events.**

On June 20, 2008, Sonus Networks, Inc. (the "Company") announced that it sent a letter, which is filed as Exhibit 99.3, to Legatum Capital, one of its shareholders, in response to Legatum's letter to the Company dated June 18, 2008. On June 12, 2008, the Company sent a letter, which is filed as Exhibit 99.2, to Legatum in response to Legatum's letters to the Company dated June 8 and June 11, 2008. On May 21, 2008, the Company sent a letter, which is filed as Exhibit 99.1, to Legatum following discussions with the Company.

**Item 9.01      Financial Statements and Exhibits.**

- (d) Exhibits
- 99.1 Letter from Sonus Networks to Legatum dated May 21, 2008.  
99.2 Letter from Sonus Networks to Legatum dated June 12, 2008.  
99.3 Letter from Sonus Networks to Legatum dated June 20, 2008.

**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.

**Exhibit Index**

- 99.1 Letter from Sonus Networks to Legatum dated May 21, 2008.
  - 99.2 Letter from Sonus Networks to Legatum dated June 12, 2008.
  - 99.3 Letter from Sonus Networks to Legatum dated June 20, 2008.
-



May 21, 2008

Christopher Chandler  
Legatum Capital  
Level 9, Convention Tower  
71082 Dubai, U.A.E.

Dear Mr. Chandler,

On behalf of Sonus Networks' Board of Directors, I want to extend our thanks for your continued commitment and support of Sonus' mission to transform people's lives around the globe with the power of voice.

I have reviewed the proposed plan that you shared at our last meeting with our Board of Directors. We already had initiated a review of many items that you have also independently proposed, such as the separation of the CEO and Chairman roles, corporate governance practices and a share repurchase program.

With Dr. Richard Nottenburg joining as President, CEO and a board member in mid-June, we believe it is appropriate to involve him in any discussion concerning corporate governance, board membership, strategic acquisitions or the potential use of the Company's cash for a share repurchase program.

As you can appreciate, the appointment of a new CEO is a significant event for the Company. As he will become the executive ultimately responsible for the operation and performance of the Company, we feel it reasonable to allow Dr. Nottenburg some time to familiarize himself with Sonus so he can formulate an opinion on the business changes he feels are necessary. We have shared your recommendations with Dr. Nottenburg and we intend to address your plan in detail after Dr. Nottenburg joins the Company. I want to assure you that the issues you highlighted will be carefully evaluated by the Board of Directors.

We understand your interest in moving quickly. We believe that the addition of Dr. Nottenburg will address many of your concerns. On behalf of the Board of Directors, we look forward to discussing your plan in more detail. Please feel free to contact me with any questions.

Yours sincerely,

Hassan M. Ahmed  
President, Chief Executive Officer and Chairman of the Board of Directors

---



June 12, 2008

Mark Stoleson  
 President  
 Legatum Limited  
 Level 9, Convention Tower  
 71082 Dubai, U.A.E.

Dear Mark,

Thank you for your letters dated June 8, 2008 and June 11, 2008. The Sonus Board of Directors values Legatum's input and appreciates your continued support of the Company.

The Board remains favorably inclined to the submission of qualified candidates to the Board of Directors by Legatum. At this point in time, the Board would consider qualified candidates for a single, new Board position to be created, but is not inclined at this time to create two new Board seats to be filled by your candidates as you have requested. We strongly disagree with your suggestion that Legatum is entitled to positions on the Board to reflect its proportional ownership in Sonus; all members of the Board represent the interests of all of the Company's shareholders.

As we discussed during our call on Saturday, June 7<sup>th</sup>, the Board has established procedures for reviewing Board candidates and intends to fully comply with those procedures in considering your candidates. We believe this process is consistent with best corporate practice in effect at other public companies.

On Saturday, we urged Legatum to identify its recommended candidates for the new Board position and, in your June 11 letter, you identified yourself and Derek Sheeler as the recommended candidates. The Nominating Committee will promptly and fairly consider your and Derek's candidacies consistent with its established process and publicly-disclosed standards for Board membership, including standards of independence, and the business and personal affiliations of the candidates and of Legatum. In connection with its review of any Legatum executive as a candidate, the Nominating Committee may have questions regarding Legatum's portfolio companies and source of funds, and expect that you would be able to provide the requested information.

We share your interest in moving the process forward quickly. However, as we have stated, the process cannot be completed responsibly prior to the June 20<sup>th</sup> annual meeting. We suggest that you and Derek arrange to meet with the members of the Nominating Committee as soon as practicable. We expect that both Brian Thompson and Ed Anderson, the members of the Nominating Committee, will be at the annual meeting on Friday, June 20<sup>th</sup> so we may be able to schedule the meetings then. You also may

want to take the opportunity to meet with the other Board members who are attending the annual meeting.

Due to Legatum's significant ownership position in Sonus and the access to material non-public information you or Derek or any other Legatum nominee would have as Sonus directors, and as is customary to protect the interests of all Sonus shareholders, we will require Legatum to enter into a comprehensive Shareholders Agreement, which would include among other provisions confidentiality and customary trading and standstill restrictions as a condition to the appointment of any Legatum nominee to the Board of Directors.

Finally, although we do not believe it is necessary to respond to each of the points in your June 8 letter, we disagree with a number of your factual statements and characterizations. Contrary to your assertions, the Board and Company management have been responsive and cooperative in their discussions with Legatum.

The Board shares your desire to work together in the best interests of the Company and its shareholders. We welcome your continued input and look forward to continue working with you in a productive and positive manner.

Yours sincerely,

Hassan M. Ahmed  
 Chairman of the Board of Directors

cc:      Sonus Board of Directors  
           Wilmer Cutler Pickering Hale and Dorr  
           Manatt Phelps & Phillips



June 20, 2008

**BY ELECTRONIC TRANSMISSION**

Mark Stoleson  
 President  
 Legatum Limited  
 Level 9, Convention Center  
 71082 Dubai  
 United Arab Emirates

Dear Mark,

As I have previously communicated to you, the Sonus Board of Directors values Legatum's input and appreciates your continued support of the Company. However, we were very disappointed in your letter and press release of June 18, 2008, because they are filled with mischaracterizations and misstatements.

You have misconstrued our offer to appoint a qualified Legatum designee to our Board of Directors subject to: (1) that individual being qualified by our Nominating Committee consistent with the Company's established practices; and (2) Legatum's willingness to enter into a shareholder agreement with the Company containing a customary standstill provision to address legitimate concerns of the Company. While it is true that any shareholder may nominate individuals to the Board of Directors consistent with the procedures set forth in the Company's Bylaws, we offered to create a specific Board seat and add a Legatum designee to our Board on the terms set forth above. There is a significant difference between a shareholder nominating a candidate for election at an annual meeting, and the Company actually appointing a shareholder's designated person to the Board of Directors. To the extent you did not understand this distinction, we hope this letter clarifies that the Board continues to be willing to make a significant concession to you in this regard on the terms described above.

We are surprised at Legatum's resistance to a shareholder agreement containing a customary standstill provision. As a member of the Board of Directors, your designee would have access to material nonpublic information of the Company. A standstill provision provides certainty and stability by preventing Legatum from exploiting its favorable position and significant ownership by engaging in coercive, unfair or abusive tactics that are not in the best interests of all shareholders. Contrary to your assertions, the standstill provision would not limit any action taken by your designee acting in his capacity as a director of the Company consistent with his fiduciary duties to the Company and all shareholders.

You also mischaracterize as discriminatory, and a means of entrenchment, the Board's requirement to review the source of funds for Legatum, or whatever entity or person is the actual holder of shares of the Company, in connection with appointing a Legatum designee to our Board. This is disingenuous and ignores the unique characteristics of the Company, its products and place within the national security infrastructure of the United States, as well as the foreign nature of the Legatum family of investment funds. First, we believe, and you understand, that the Company plays a critically important role in the communications infrastructure of the United States. Our customers include the largest telecommunications companies in the country. As a result, the Company is sensitive to the security and integrity of this critical infrastructure. Second, we currently do not know, and you have yet to provide us information about, what fund or funds actually own shares of our Company and the source of the funds used to purchase these shares.

In your most recent Schedule 13D/A filed on June 19, 2008, the following continue to be listed as the beneficial owners of the Company's common stock: Galahad Securities Limited, Legatum Capital Limited, Legatum Global Holdings Limited, Legatum Global Investment Limited, and Senate Limited, acting on behalf of that certain trust formed under the laws of The Cayman Islands as of 1 July 1996. In your letter to the Company dated June 13, 2008, wherein you disclosed your intention to file a notice with both the U.S. Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice, well after you were required to do so under, and in clear violation of, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, your counsel notified the Company that the acquiring entity of its common stock is Galahad Securities Limited, and that Galahad Securities Limited is an entity affiliated with another acquiring person, Christopher Chandler. And in your June 18 letter, you identify Legatum Limited as the Company's "major shareholder."

Mark, who actually owns and controls our stock, Legatum? Galahad? Christopher Chandler? Senate Limited? Or is it one or more of the other offshore funds you control? More importantly, given the unique geopolitical and security environment in which we operate, our place in the national security infrastructure of the United States and your foreign characteristics, why are you refusing to provide us with the information we need to assure our customers that your new role will not jeopardize their interests? Surely, you must recognize the Board's fiduciary obligation to understand the Legatum entities and its source of funds prior to appointing a Legatum designee to the Board.

Your operating base in Dubai, United Arab Emirates, the foreign jurisdiction of each fund you purport to manage and your ownership interest in the Company, when combined with our sensitive and critical position in the national communications infrastructure, as well as our unique customer base, does indeed result in your deserving of special treatment prior to joining the Board. Our other significant shareholders and directors do not share your unique characteristics. To mischaracterize this under the rubric of "entrenchment" unfortunately ignores the reality in which you and we must conduct business.

We were encouraged to learn this morning that you intend to make a voluntary filing with the Committee on Foreign Investment in the United States (CFIUS) under the Exon-Florio Amendment to the Defense Production Act of 1950 in conjunction with your

ownership in the Company. We trust that you will follow through with the CFIUS filing and request that you provide us with the same information.

Your suggestion that we had an obligation “to supplement [our] proxy materials to reflect the recent material management and Board changes and send out new proxy cards” is also misleading. As we have previously disclosed in our public filings, our Board has selected Dr. Richard Nottenburg to become our Chief Executive Officer. As is customary, and as we also announced publicly, he has joined our Board of Directors. Furthermore, in connection with Rich Nottenburg’s hiring, we separated the roles of Chairman of the Board and CEO, which was one of the corporate governance suggestions made by Legatum.

There is no legal or other requirement that compels the Company to seek or obtain shareholder approval or to supplement the proxy materials for these appointments. Rich Nottenburg is not a candidate for election at this year’s annual meeting, therefore, no amendment of the proxy card is necessary. The Board appointed Rich Nottenburg to fill the seat vacated by Mr. Notini, who resigned from the Board last year and whose term would have expired in 2009. Consistent with our Bylaws, Rich Nottenburg will hold his board seat for Mr. Notini’s unexpired term and shareholders will be able to vote on Rich Nottenburg’s election to the Board at the 2009 Annual Meeting.

Under Delaware law and our charter and bylaws, the Board of Directors, not the shareholders, have the authority and responsibility to manage the business and affairs of the Company. Appointing management is one manifestation of this critical role. To infer that there is a duty to submit a decision regarding the hiring of executive management to a shareholder vote is misleading to our other shareholders and unhelpful if you truly want to work constructively with the Board of Directors.

You also disingenuously suggest that the Company has ignored your suggested proposals. To the contrary, the Company has considered these proposals, many of which have been inappropriate and reflect a lack of appreciation of our business and best corporate governance practices:

- That Sonus acquire a small IP PBX company to compete with Cisco and Avaya in the enterprise market, which is a mature market that has already undergone consolidation;
- That Sonus engage in a highly dilutive transaction to acquire a marginal software company;
- That, following such an acquisition, Sonus hire as its CEO the software company’s CEO, who has never led a public company and would not have been an appropriate candidate; and
- That Sonus allow Legatum to appoint two directors to the Board without knowing the identity or qualifications of the candidates and in circumvention of the Board’s established standards and policies with respect to board appointments. Moreover, Legatum had initially indicated that it would nominate industry experts to enhance the skill set of the Board for the benefit of all shareholders. However, Legatum then

simply nominated you and another Legatum executive in what can only be perceived as a self-serving undertaking.

While the Board continues to support your submission of a qualified candidate to the Board and to review your corporate governance proposals, the Board has significant concerns whether Legatum understands Sonus’ business and the industry in which it operates and appreciates the importance of the Board’s compliance with best corporate practices and its established procedures in fulfilling its fiduciary obligations.

In light of the fact that you, not the Company, issued a press release and brought the discussions into the public eye, your statement that “[I]t would be in everyone’s best interests if we can find a way to avoid taking this discussion public...” appears hypocritical.

Now that you have brought the discussion into the public eye, we believe that it is vital for both the Company and Legatum to be completely transparent. We have nothing to hide. Our performance is a matter of public record, and we intend to continue to be transparent. We only ask that you do the same. We again ask that you give us the information we request so that we can confirm that there is no national security issue or concern related to foreign government or foreign control in connection with your “major shareholder” status in our Company.

We continue to welcome Legatum’s participation on the Company’s Board subject to the conditions we have described and are prepared to commence the process of qualifying your designee and reviewing the information we have requested.

We remain willing to meet with you to discuss these issues in person, as well as negotiating and executing a mutually satisfactory shareholder agreement. Please contact Rich Nottenburg to arrange a mutually convenient time for such a meeting.

Yours sincerely,

Hassan M. Ahmed  
Chairman of the Board of Directors

cc:      Sonus Board of Directors  
          Wilmer Cutler Pickering Hale and Dorr  
          Manatt Phelps & Phillips