

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

July 11, 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 July 11, 2002, reporting its actual financial results for the second quarter ended June 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 July 11, 2002 reporting Sonus' actual financial results for the second quarter ended June 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: July 11, 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)

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

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SONUS NETWORKS REPORTS 2002 SECOND QUARTER FINANCIAL RESULTS

WESTFORD, MASS., JULY 11, 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 second quarter ended June 30, 2002.

Revenues for the second quarter of fiscal 2002 were \$21.3 million compared with \$52.6 million in the same period last year. Adjusted net loss for the second quarter of fiscal 2002 was \$10.5 million or \$0.06 per share compared with adjusted net income for the second quarter of fiscal 2001 of \$1.2 million or \$0.01 per share. Actual net loss for the second quarter of fiscal 2002 was \$17.8 million or \$0.09 per share compared with an actual net loss for the second quarter of fiscal 2001 of \$51.4 million or \$0.30 per share.

Revenues for the first six months of fiscal 2002 were \$42.5 million compared with \$94.1 million in the same period last year. Adjusted net loss for the first six months of fiscal 2002 was \$23.2 million or \$0.12 per share compared with adjusted net income for the first six months of fiscal 2001 of \$1.3 million or \$0.01 per share. Actual net loss for the first six months of fiscal 2002 was \$34.0 million or \$0.18 per share compared with an actual net loss for the first six months of fiscal 2001 of \$133.9 million or \$0.80 per share.

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

THREE MONTHS
 ENDED SIX
 MONTHS ENDED
 (\$ Millions)

JUNE 30,
 JUNE 30, ---

2002 2001
 2002 2001 --
 --- ---

Adjusted net income (loss)	(\$10.5)	\$ 1.2
Write-off of inventory and purchase commitments	-- -- (9.4)	
Stock-based compensation	(6.0)	(13.9)
Amortization of goodwill and purchased intangibles	(0.3)	(38.7)
Restructuring benefit (charges), net	(1.0)	--
	11.1	-- In-

process
research and
development

(40.0) -----

Actual net
income
(loss)
(\$17.8)
(\$51.4)
(\$34.0)
(\$133.9)
=====
=====
=====
=====

-- more --

Sonus Networks Reports 2002 Second Quarter Financial Results -- p.2/

"The telecommunications market remains very challenging, and continues to impact our financial results," said Hassan Ahmed, president and CEO, Sonus Networks. "During this period, we have been focused on managing our business and finances with precision and extending our market leadership. Today's announcement of Deutsche Telekom, the largest PTT in Europe, as our newest customer further validates the packet voice market, and is an important endorsement of Sonus and our packet voice solutions."

Concurrent with this release, Sonus announced that Deutsche Telekom's T-Systems International division has chosen Sonus to build out its next-generation VoIP network to provide multi-national corporations with enhanced voice services (see today's press release "T-Systems International Selects Sonus Networks to Provide Packet Voice Infrastructure and Services"). T-Systems will leverage the Sonus-based network to deliver services such as global voice VPN (virtual private network) and sophisticated call center routing facilities, with additional services to follow.

In May, Sonus announced that KDDI, one of the largest carriers in Japan, selected Sonus to provide packet voice infrastructure solutions to support the delivery of voice over IP (VoIP) services over KDDI's broadband network. By deploying Sonus' industry-leading media gateway, softswitch and management solutions, KDDI will be able to cost-effectively deliver a range of SIP-based voice services over its high-speed fiber optic infrastructure.

During the quarter, Sonus unveiled its SMARRT(TM) Cable solution, a next-generation packet voice solution specifically geared to the requirements of cable operators (MSOs). Building on packet technology already proven in carrier voice networks, Sonus' SMARRT Cable solution is designed for carrier-grade reliability, voice quality and features, and delivers voice services in a cost-effective and flexible PacketCable(TM) architecture.

To further drive the implementation of VoIP in broadband cable networks, Sonus and Motorola, Inc. Broadband Communications Sector are collaborating to create a comprehensive packet voice solution available for broadband network operators. The Motorola/Sonus end-to-end packet voice solution draws upon the extensive capabilities of two industry leaders - Motorola providing advanced IP access network solutions and Sonus providing telco-grade packet voice infrastructure products.

-- more --

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Also in the quarter, Sonus was named the worldwide market share leader for carrier-class packet voice equipment for the seventh consecutive quarter. Leading industry research firms In-Stat/MDR, Infonetics Research and Synergy Research Group issued first quarter 2002 market share reports confirming Sonus' continued leadership position in a number of market segments. Also in May, the Aberdeen Group released a report citing Sonus' deployment with Japanese carrier Fusion Communications as one of the most significant VoIP deployments of 2001.

Today, Sonus announced that it has been named as a defendant in a securities class action lawsuit (STEINBERG V. SONUS NETWORKS, INC., ET AL., 02 CV 11315 D. Mass) alleging that the company made false and misleading statements about its products and business. Sonus has not yet filed a response to the complaint. The company believes that the claims are without merit and that it has substantial legal and factual defenses, which it intends to pursue vigorously.

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>.

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 May 10, 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 emerging 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.

SMART AND OPEN SERVICES ARCHITECTURE ARE TRADEMARKS OF SONUS NETWORKS. ALL OTHER COMPANY AND PRODUCT NAMES MAY BE TRADEMARKS OF THE RESPECTIVE COMPANIES WITH WHICH THEY ARE ASSOCIATED.

-- more --

Sonus Networks Reports 2002 Second Quarter Financial Results -- p.4/

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

JUNE 30,
DECEMBER 31,
2002 2001 --

(UNAUDITED)

ASSETS

CURRENT

ASSETS:

Cash, cash
equivalents
and

marketable
securities \$

104,710 \$

125,067

Accounts
receivable,
net 6,448

9,440

Inventories

9,847 18,865

Other

current

assets 1,804

2,952 -----

- Total

current

assets

122,809

156,324

PROPERTY AND
EQUIPMENT,
NET 16,978
23,335
GOODWILL,
NET 1,673
1,673
PURCHASED
INTANGIBLE
ASSETS, NET
2,074 2,863
OTHER
ASSETS, NET
561 689 -----

--- \$
144,095 \$
184,884
=====

LIABILITIES
AND
STOCKHOLDERS'
EQUITY
CURRENT
LIABILITIES:
Accounts
payable and
accrued
expenses \$
31,968 \$
36,301
Accrued
restructuring
expenses
5,083 8,596
Deferred
revenue
11,310
13,349
Current
portion of
long-term
obligations
848 1,055 --

----- Total
current
liabilities
49,209
59,301 LONG-
TERM
OBLIGATIONS,
LESS CURRENT
PORTION
2,037 12,698
CONVERTIBLE
SUBORDINATED
NOTES 10,000
10,000
STOCKHOLDERS'
EQUITY:
Common stock
206 205
Capital in
excess of
par value
861,042
860,883
Accumulated
deficit
(763,410)
(729,398)
Deferred
compensation
(14,786)
(28,721)
Treasury
stock (203)
(84) -----

Total
 stockholders'
 equity
 82,849
 102,885 ----

 --- \$
 144,095 \$
 184,884
 =====
 =====

-- more --

Sonus Networks Reports 2002 Second Quarter Financial Results -- p.5/

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

THREE MONTHS
 ENDED JUNE
 30, 2002 ----

 ----- ACTUAL
 ADJUSTED
 RESULTS
 ADJUSTMENTS
 RESULTS (A) -

 REVENUES \$
 21,295 \$ -- \$
 21,295 Cost
 of revenues
 9,948 --
 9,948 -----

 ----- GROSS
 PROFIT 11,347
 -- 11,347
 OPERATING
 EXPENSES:
 Research and
 development
 12,225 --
 12,225 Sales
 and marketing
 8,280 --
 8,280 General
 and
 administrative
 1,690 --
 1,690 Stock-
 based
 compensation
 5,950 (5,950)
 --
 Amortization
 of goodwill
 and purchased
 intangible
 assets 383
 (383) --
 Restructuring
 charges, net
 1,013 (1,013)

 --- Total
 operating
 expenses
 29,541
 (7,346)
 22,195 -----

----- LOSS
 FROM
 OPERATIONS
 (18,194)
 7,346
 (10,848)
 Interest
 expense (136)
 -- (136)
 Interest
 income 512 --
 512 -----

--- NET LOSS
 \$ (17,818) \$
 7,346
 \$(10,472)
 =====
 =====

BASIC AND
 DILUTED NET
 LOSS PER
 SHARE \$
 (0.09) \$
 (0.06)
 =====
 =====

SHARES USED
 IN
 COMPUTATION
 189,193
 189,193
 =====
 =====

THREE MONTHS
 ENDED JUNE
 30, 2001 ----

----- ACTUAL
 ADJUSTED
 RESULTS
 ADJUSTMENTS
 RESULTS (A) -

 REVENUES \$
 52,551 \$ -- \$
 52,551 Cost
 of revenues
 22,160 --
 22,160 -----

----- GROSS
 PROFIT 30,391
 -- 30,391
 OPERATING
 EXPENSES:
 Research and
 development
 16,697 --
 16,697 Sales
 and marketing
 10,615 --
 10,615
 General and
 administrative
 3,279 --
 3,279 Stock-
 based
 compensation
 13,847
 (13,847) --
 Amortization
 of goodwill
 and purchased
 intangible

assets 38,704
 (38,704) -- -

 Total
 operating
 expenses
 83,142
 (52,551)
 30,591 -----

 ----- LOSS
 FROM
 OPERATIONS
 (52,751)
 52,551 (200)
 Interest
 expense (113)
 -- (113)
 Interest
 income 1,473
 -- 1,473 -----

 ----- NET
 INCOME (LOSS)
 \$ (51,391)
 \$52,551 \$
 1,160
 =====
 =====
 =====
 BASIC AND
 DILUTED NET
 INCOME (LOSS)
 PER SHARE \$
 (0.30) \$ 0.01
 (B) =====
 =====
 SHARES USED
 IN
 COMPUTATION
 171,329
 214,971 (B)
 =====
 =====

(A) These Adjusted Condensed Consolidated Statements of Operations are for informational purposes only and are not in accordance with US generally accepted accounting principles. These statements exclude the impact of the amortization of stock-based compensation, amortization of goodwill and purchased intangibles and restructuring charges.

(B) Represents only diluted net income per share as calculated under the treasury stock method.

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Sonus Networks Reports 2002 Second Quarter Financial Results -- p.6/

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

SIX MONTHS
 ENDED JUNE
 30, 2002 -----

 --- ACTUAL
 ADJUSTED
 RESULTS
 ADJUSTMENTS
 RESULTS (A) -

--- REVENUES

\$ 42,453 \$ --
\$ 42,453 Cost
of revenues:
Write-off of
inventory and
purchase
commitments
9,434 (9,434)
-- Other cost
of revenues
19,823 --
19,823 -----

Total cost of
revenues
29,257
(9,434)
19,823 -----

GROSS PROFIT
13,196 9,434
22,630

OPERATING
EXPENSES:

Research and
development
26,840 --
26,840 Sales
and marketing
16,687 --
16,687

General and
administrative
3,156 --
3,156 Stock-
based
compensation
11,693
(11,693) --

Amortization
of goodwill
and purchased
intangible
assets 789
(789) --

Restructuring
charges
(benefit),
net (11,128)
11,128 -- ---

- Total
operating
expenses
48,037
(1,354)

46,683 LOSS
FROM

OPERATIONS
(34,841)
10,788
(24,053)

Interest
expense (275)
-- (275)

Interest
income 1,104
-- 1,104 ----

NET LOSS \$
(34,012) \$
10,788 \$
(23,224)

=====
=====
=====

BASIC AND
DILUTED NET
LOSS PER
SHARE \$
(0.18) \$
(0.12)

=====
=====
SHARES USED
IN
COMPUTATION
187,593
187,593
=====
=====

SIX MONTHS
ENDED JUNE
30, 2002 ----

--- ACTUAL
ADJUSTED
RESULTS
ADJUSTMENTS
RESULTS (A) -

--- REVENUES
\$ 94,050 \$ --
\$ 94,050 Cost
of revenues
40,171 --
40,171 -----

GROSS PROFIT
53,879 --
53,879

OPERATING
EXPENSES:
Research and
development
30,616 --
30,616 Sales
and marketing
19,103 --
19,103

General and
administrative
5,942 --

5,942 Stock-
based
compensation
29,270
(29,270) --

Amortization
of goodwill
and purchased
intangible
assets 65,911
(65,911) --

In-process
research and
development
40,000
(40,000) -- -

--- Total
operating
expenses
190,842
(135,181)

55,661 LOSS
FROM
OPERATIONS
(136,963)
135,181

(1,782)
Interest
expense (281)
-- (281)
Interest
income 3,374
-- 3,374 ----

NET INCOME
(LOSS) \$
(133,870)
\$135,181 \$
1,311

=====
=====
=====

BASIC AND
DILUTED NET
INCOME (LOSS)
PER SHARE \$
(0.80) \$ 0.01
(B)

=====
=====

SHARES USED
IN
COMPUTATION
166,689
210,902 (B)

=====
=====

- (A) These Adjusted Condensed Consolidated Statements of Operations are for informational purposes only and are not in accordance with US generally accepted accounting principles. These statements exclude the impact of the write-off of inventory and purchase commitments, amortization of stock-based compensation, amortization of goodwill and purchased intangibles, restructuring charges (benefit) and in-process research and development expenses.
- (B) Represents only diluted net income per share as calculated under the treasury stock method.

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