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

February 11, 2015
Date of Report (Date of earliest event reported)

SONUS NETWORKS, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	**001-34115**	**04-3387074**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4 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)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

The information under this Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), otherwise subject to the liabilities of that Section 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.

On February 18, 2015, Sonus Networks, Inc. (the "Company") issued a press release reporting its financial results for the quarter and year ended December 31, 2014, and posted supplementary financial and operational data on its website, www.sonus.net, in connection with the announcement of such financial results. Copies of the press release and the supplementary financial and operational data are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) On February 11, 2015, the Board of Directors of the Company appointed Brian O'Donnell, the Company's Vice President of Finance and Corporate Controller, as the principal accounting officer of the Company effective February 11, 2015. Mr. O'Donnell will assume the role as the Company's principal accounting officer from Mark T. Greenquist, who will continue to serve as the Company's Chief Financial Officer and principal financial officer.

Mr. O'Donnell, age 36, has served as the Company's Vice President of Finance and Corporate Controller since December 2012. Previously, he was the Company's Senior Director of Finance from June 2012 to December 2012, and Director of Revenue Operations from April 2011 to June 2012. Prior to joining the Company, he was employed by Deloitte & Touche LLP since 2002, where he most recently served as Senior Manager, Attestation Services from September 2009 to April 2011.

Pursuant to an offer letter dated November 19, 2012 (the "Employment Agreement"), Mr. O'Donnell receives an annual base salary of $200,000, less applicable state and federal withholdings, and is eligible to participate in the Company's annual cash incentive program, with a target bonus of 30% of his then-current annual base salary. Under certain circumstances, he is also due certain severance benefits upon his termination, including in the event of a Change of Control (as defined in the Employment Agreement), as outlined in the Employment Agreement. Mr. O'Donnell is an employee-at-will. The foregoing summary is qualified in its entirety by reference to the Employment Agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

In connection with Mr. O'Donnell's appointment as principal accounting officer, he entered into an indemnity agreement with the Company on the Company's standard form. Mr. O'Donnell has no family relationships with any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer of the Company. Mr. O'Donnell is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1 Employment Agreement between Sonus Networks, Inc. and Brian O'Donnell, accepted on November 19, 2012.

99.1 Press release of Sonus Networks, Inc. dated February 18, 2015 reporting its financial results for the quarter and year ended December 31, 2014, furnished hereto.

99.2 Supplementary Financial and Operational Data issued by Sonus Networks, Inc. on February 18, 2015, furnished hereto.

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: February 18, 2015

SONUS NETWORKS, INC.

By:
/s/ Jeffrey M. Snider
Jeffrey M. Snider
Senior Vice President, Chief Administrative Officer,
General Counsel and Secretary

Exhibit Index

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99.2 Supplementary Financial and Operational Data issued by Sonus Networks, Inc. on February 18, 2015, furnished hereto.

Exhibit 10.1

Sonus Networks, Inc.
4 Technology Park Drive, Westford, MA 01886

November 19, 2012

Mr. Brian O'Donnell
Sonus Networks, Inc.
4 Technology Park Drive
Westford, MA 01886

Dear Brian:

This letter confirms that you have accepted the role of Vice President of Finance and Corporate Controller of Sonus Networks, Inc. (the "Company") and will report to me, effective December 3, 2012. Your current duties as Senior Director of Finance will be transferred as soon as acceptable candidate(s) are identified and/or hired; until that time, you will retain those duties. As the Company's organization evolves, in addition to performing duties and responsibilities associated with the position of Vice President of Finance and Corporate Controller, you may be assigned other management duties and responsibilities as the Company may determine.

As discussed, the March 3, 2011 letter (your "Agreement") outlining the terms and conditions of your employment by Sonus Networks, Inc. is hereby amended as follows:

1. Base Compensation. Effective December 3, 2012, your base salary will be at the annualized rate of $200,000.00, less applicable state and federal tax withholdings, paid twice monthly in accordance with the Company's normal payroll practices.

2. Target Bonus. With this promotion, you will remain eligible to participate in the Company's annual cash incentive program, known as TIPS, during each year you are employed by the Company with a target bonus of 30% of your then-current annual base salary ("Target Bonus").

3. Stock Options Grant. You will be granted non-statutory options to purchase up to 50,000 shares of common stock of the Company, $0.001 par value per share, under the Company's 2007 Incentive Stock Plan, as amended (the "Plan"), subject to the terms of the Plan, requisite approval from the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee"), and the terms of a stock option agreement to be entered into between you and the Company, which shall reflect the terms of this letter. If approved by the Compensation Committee, the grant date of such options will be on the earliest 15th day of the month that next follows your promotion date or the first business day thereafter if that day is not a business day or is a holiday (the "Grant Date"). The per share exercise price will be the per share closing price of the Company's common stock on the Grant Date. Subject to the terms of this letter, the options shall vest and become exercisable as follows: (A) 25% of the shares (12,500 shares) shall vest on the first anniversary of the Grant Date and (B) the remaining 75%

of the shares (37,500) shall vest in equal monthly increments thereafter through the fourth anniversary of the Grant Date.

4. Restricted Stock Grant. You will also be granted 50,000 restricted shares of the Company's common stock under the Plan (the "Restricted Shares"), subject to the terms of the Plan, requisite approval from the Compensation Committee, and the terms of a restricted stock agreement to be entered into between you and the Company, which shall reflect the terms of this letter. The grant date of the Restricted Shares will be on the Grant Date and the Restricted Shares will vest as follows: (A) 25% of the Restricted Shares (or 12,500 Restricted Shares) shall vest on the first anniversary of the Grant Date and (B) 75% of the Restricted Shares (or 37,500 Restricted Shares) shall vest in six equal increments semi-annually thereafter through the fourth anniversary of the Grant Date.

   You may elect under Section 83(b) of the Internal Revenue Code of 1986, as amended, to be taxed at the time the Restricted Shares are acquired on the Grant Date ("Section 83(b) Election"). A Section 83(b) Election, if made, must be filed with the Internal Revenue Service within thirty (30) days of the Grant Date. You are obligated to pay to the Company the amount of any federal, state, local or other taxes of any kind required by law to be withheld with respect to the granting (if a Section 83(b) Election is made) or vesting (if a Section 83(b) Election is not made) of the shares. If you do not make a Section 83(b) Election, you shall satisfy such tax withholding obligations by delivery to the Company, on each date on which shares vest, such number of shares that vest on such date as have a fair market value (calculated using the last reported sale price of the common stock of the Company on the NASDAQ Global Select Market on the trading date immediately prior to such vesting date) equal to the amount of the Company's withholding obligation; provided, however, that the total tax withholding cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Such delivery of shares to the Company shall be deemed to happen automatically, without any action required on your part, and the Company is hereby authorized to take such actions as are necessary to effect such delivery of shares to the Company.

5. Termination and Eligibility for Severance. Upon any termination of your employment (the "Date of Termination"), you will be paid (i) any and all earned and unpaid portion your base salary through the Date of Termination; (ii) any accrued but unused vacation pay owed to you in accordance with Company practices up to and including the Date of Termination; and (iii) any allowable and unreimbursed business expenses incurred through the Date of Termination that are supported by appropriate documentation in accordance with the Company's policies. Hereafter, items (i) through (iii) in this Section 5 are referred to as "Accrued Benefits." If you terminate your employment for any reason, or if the Company terminates your employment for Cause (as defined below), you will be entitled to receive only the Accrued Benefits.

   If your employment with the Company is terminated by the Company without Cause, the Company will provide you with the Accrued Benefits and, subject to the additional conditions of this letter, will continue to pay your then-current base salary, less applicable state and federal withholdings, in accordance with the Company's usual payroll practices, for a period of six (6) months following the Date of Termination.

If a Change of Control (as defined below) occurs to the Company and within the first 12-month period after such occurrence your employment is terminated by the Company for any reason other than Cause, or you terminate your employment for Good Reason (as defined below) at least six (6) months after the Change of Control occurs, the Company will provide you with the following severance and related post-termination benefits, subject to the additional conditions of this letter:

(a) The Company will continue to pay your then-current base salary, less applicable state and federal withholdings, in accordance with the Company's usual payroll practices, for a period of twelve (12) months following the Date of Termination;

(b) The Company will pay your then-current annual Target Bonus at 100% of target, less applicable state and federal withholdings, with such bonus to be paid at the same time and in the same form as the Target Bonus otherwise would be paid;

(c) The Company will continue to pay the Company's share of medical, dental and vision insurance premiums for you and your dependents between the Date of Termination and the earlier of (i) the date you accept other employment that provides you with commensurate insurance coverage; and (ii) the twelve (12) month anniversary of the Date of Termination; provided, that if immediately prior to the termination of your employment you were required to contribute towards the cost of such premiums as a condition of receiving such insurance, you may be required to continue contributing towards the cost of such premiums under the same terms and conditions as applied to you and your dependents immediately prior to the termination of your employment in order to receive such continued insurance coverage;

(d) Any stock options granted to you by the Company to purchase the Company's common stock that are unvested as of the Date of Termination and would have vested in the twelve (12) month period immediately following the Date of Termination will accelerate and immediately vest and become exercisable upon termination, and your stock options that are or become vested will remain outstanding and exercisable for the shorter of three (3) years following the Date of Termination or the original remaining life of the options; and

(e) Any Restricted Shares that are unvested as of the termination date and that would vest during the twelve (12) months following your termination will accelerate and immediately vest upon termination and such shares will be freely marketable.

Except for circumstances described in the first paragraph of this Section 5, the Company's provision of the benefits described in the remainder of Sections 5 hereof shall be conditioned upon (y) your executing and delivering to the Company a release of all claims of any kind or nature in favor of the Company in a form acceptable to the Company (the "Release Agreement"), and on such Release Agreement becoming effective as a matter of law; and (z) your compliance with the covenants in your Confidentiality Agreement. You will have twenty-one (21) days following your receipt of the Release Agreement to consider whether or not to accept it. If the Release Agreement is signed and delivered by you to the Company, you will have seven (7) days from the date of the delivery to revoke your acceptance of such agreement. All of the benefits described in this Section 5 will commence on the eighth (8^{th}) day following your

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delivery of the executed Release Agreement to the Company, provided that you have not revoked the Release Agreement. The Company shall have no further obligation to you in the event your employment with the Company terminates at any time, other than those obligations specifically set forth in this Section 5.

The Company may terminate your employment at any time with or without Cause by written notice to you specifying the Date of Termination. If you wish to terminate your employment for any reason, you agree to provide written notice to the Company at least thirty (30) days prior to the Date of Termination. If you seek to terminate your employment for Good Reason, the Company shall have ten (10) business days following its receipt of written notice of termination to cure the circumstance giving rise to Good Reason.

6. <u>Tax Implications of Termination Payments</u>. Subject to this Section 6, any payments or benefits required to be provided under Section 5 shall be provided only after the date of your "separation from service" with the Company as defined under Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A"). The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to you under Section 5:

(a) It is intended that each installment of the payments and benefits provided under Section 5 shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of your "separation from service" with the Company, you are not a "specified employee" (each within the meaning of Section 409A), then each installment of the payments and benefits shall be made on the dates and terms set forth in Section 5; and

(c) If, as of the date of your "separation from service" with the Company, you are a "specified employee" (each, for purposes of this Agreement, within the meaning of Section 409A), then:

(i) Each installment of the payments and benefits due under Section 5 that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined for the purposes of Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A; and

(ii) Each installment of the payments and benefits due under Section 10 that is not paid within the short-term deferral period or otherwise cannot be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) and that would, absent this subsection, be paid within the six-month period following your "separation from service" with the Company shall not be paid until the date that is six (6) months and one day after such separation from service (or, if earlier, upon your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of payments if and to the maximum extent that that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which your separation from service occurs.

7. Section 409A of the Code. This Agreement is intended to comply with the provisions of Section 409A and this Agreement shall, to the extent practicable, be construed in accordance therewith. Terms used in this Agreement shall have the meanings given such terms under Section 409A if and to the extent required in order to comply with Section 409A. Notwithstanding the foregoing, to the extent that this Agreement or any payment or benefit hereunder shall be deemed not to comply with Section 409A, then neither the Company, the Board of Directors nor its or their designees or agents shall be liable to you or any other person for any actions, decisions or determinations made in good faith.

8. Definitions. As used in this letter, the following terms shall have the following meanings:

(a) "*Cause*" means the occurrence of any of the following: (i) your indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of, a felony, a crime of moral turpitude, dishonesty, breach of trust or unethical business conduct, or any crime involving the Company, (ii) gross negligence or willful misconduct by you in the performance of your duties that is likely to have an adverse affect on the Company or its reputation; (iii) your commission of an act of fraud or dishonesty in the performance of your duties; (iv) repeated failure by you to perform your duties which are reasonably and in good faith requested by your manager, the Chief Executive Officer or the Board of Directors of the Company; or (v) material breach of this Agreement by you, which you do not cure within ten (10) days following receipt by you of such written notice notifying you of such breach, or (vi) breach by you of any obligation under your Noncompetition and Confidentiality Agreement with the Company.

(b) "Change in Control" as used in this Agreement shall mean the first to occur of any of the following:

a. any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company or its Affiliates), is or becomes the "beneficial owner" (as defined in Rule 1 3d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or you) representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities; or

b. in the event that the individuals who as of the date hereof constitute the Board of Directors, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the Board then still in office who either were members of the Board as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

c. the consummation of a merger or consolidation of the Company with or the sale of the Company to any other entity and, in connection with such merger, consolidation or sale; individuals who constitute the Board immediately prior to the time any agreement to effect such merger or consolidation is entered into fail for any reason to constitute at least a majority of the board of directors of the surviving or acquiring corporation following the consummation of such merger, consolidation or sale;

d. the stockholders of the Company approve a plan of complete liquidation of the Company; or

e. the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets to an entity not controlled by the Company.

(c) "Good Reason" means the occurrence of any of the following without your consent: (A) a reduction in your annual Base Salary set forth above; or (B) the assignment to you of a substantially lower position in the organization in terms of your title, responsibility, authority or status unless agreed to in writing by you, or (C) the relocation of the Company to a location that is more than fifty (50) miles from the Company's current headquarters location in Westford, MA.

You are, and will remain, an employee at will; nothing in this letter constitutes a guaranty of employment for any particular period. Except as modified by the terms of this letter, the terms of the Agreement will remain in full force and effect. Capitalized terms not defined in this letter have the same definitions given to them in the Agreement.

Very truly yours,

/s/ Maurice Castonguay
Maurice Castonguay
Senior Vice President & Chief Financial Officer

Accepted:

/s/ Brian O’Donnell	November 19, 2012
Brian O’Donnell	Date

Exhibit 99.1

Sonus

Sonus Networks Reports 2014 Fourth Quarter and Full Year Results

Company Delivers Record Customer Growth and Record Gross Margins

For Immediate Release: February 18, 2015

WESTFORD, Mass. — Sonus Networks, Inc. (Nasdaq: SONS), a global leader in enabling and securing real-time communications, today announced results for the fourth quarter and year ended December 31, 2014.

Financial Highlights

The following table summarizes the fourth quarter and full year results for fiscal 2014 and 2013 (in millions, except share and per share amounts). A 1-for-5 reverse split of the Company's common stock became effective on the NASDAQ Global Select Market as of the commencement of trading on January 30, 2015. EPS is presented on both a pre-reverse split and post-reverse split basis.

	Quarter Ended		Year Ended	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Total Company Revenue	$ 76.8	$ 76.2	$ 296.3	$ 276.7
Total Product Revenue	$ 46.6	$ 45.8	$ 182.5	$ 167.3
Total Growth-related Revenue(1)	$ 42.5	$ 41.6	$ 163.5	$ 129.9
Indirect Channel Product Revenue	$ 11.4	$ 8.8	$ 50.2	$ 33.2
GAAP Gross Margin	67.4%	63.5%	65.3%	62.3%
Non-GAAP Gross Margin	68.9%	64.7%	67.4%	63.6%
GAAP Loss from Operations as a % of Revenue	(2.5)%	(0.1)%	(5.8)%	(7.6)%
Non-GAAP Income from Operations as a % of Revenue (Operating Income Margin)	9.9%	8.5%	7.0%	2.7%
Pre-Reverse Split EPS				
GAAP (Loss) or Diluted EPS	$ (0.01)	$ 0.00	$ (0.07)	$ (0.08)
Non-GAAP Diluted EPS	$ 0.03	$ 0.02	$ 0.07	$ 0.02
Diluted Shares Outstanding	250.4	273.5	255.0	280.9
Post-Reverse Split EPS				
GAAP (Loss) or Diluted EPS	$ (0.04)	$ 0.00	$ (0.34)	$ (0.40)
Non-GAAP Diluted EPS	$ 0.15	$ 0.12	$ 0.37	$ 0.11
Diluted Shares Outstanding	50.1	54.7	51.0	56.1

"I am very proud of our performance in 2014. We continued to attract some of the best talent in the industry, expanded our product portfolio into new growth areas and became embedded in a growing number of Tier one service provider networks around the world," said Ray Dolan, president and chief executive officer. "We achieved a record high of 806 total customers in the fourth quarter of 2014, which is up almost 40% from the prior year. Our strong margin performance demonstrates that we have established a firm foundation to drive continued operating leverage. I look forward to 2015 as a breakout year for Sonus as we accelerate our financial performance and continue to strengthen our strategic industry leadership."

Mark Greenquist, chief financial officer, commented, "We delivered record gross margins in the fourth quarter driven by an increase in sales of higher margin products and capacity expansions. This strong performance underscores the progress we are making to drive continued and consistent results. In fact, the fourth quarter of 2014 marks the twelfth consecutive quarter since the Company began giving quarterly guidance that it has met or surpassed non-GAAP EPS expectations. The fourth quarter also marks the seventh consecutive profitable quarter for the Company on a non-GAAP basis. We look forward to building on this momentum in 2015."

Commercial Highlights

During 2014, the Company broadened its portfolio of award-winning products, including the Sonus SBC 7000, a market disrupting platform designed to scale to service providers' highest projections and support emerging services such as high definition (HD) voice and video and Voice over Long-Term Evolution (VoLTE). The Sonus SBC 7000 experienced the fastest time-to-revenue of any new product in the Company's history, representing more than $15 million in revenue in its first six months of commercial availability.

Over the course of 2014, the Company introduced the Sonus PSX SWe, the virtualized platform of Sonus' Centralized Policy and Routing Engine, and the Sonus DSC SWe, a virtualized version of Sonus' Diameter Signaling Controller (DSC) product. Sonus has led the market to virtualization. These virtualized offerings followed the introduction of the Sonus SBC SWe (Software edition) in 2013. It is the only brand on the market to leverage a common, hardened code base across its hardware and software portfolios for core communications networks, providing customers holistic investment protection.

During 2014, the Company further strengthened its relationships with key partners and customers including BroadSoft, Genesys, Microsoft and the U.S. Department of Defense (DOD). Sonus' complete portfolio of session border controllers (SBCs) completed interoperability testing with BroadSoft's BroadWorks platform as well as with Genesys, a provider of customer experience and contact center solutions. Sonus' entire SBC portfolio has received Microsoft® Lync® 2013 qualification, including the Sonus SBC 7000, the highest capacity Lync-qualified e-SBC solution on the market. In addition, the Company's full portfolio of SBC products were added to the DOD approved products list and are now available to U.S. government customers via Westcon Group's General Services Administration (GSA) IT Schedule 70 program, the most widely used acquisition vehicle in the U.S. federal government.

During 2014, Sonus received numerous industry awards including the 2014 Excellence in SDN Award and the 2014 Unified Communications (UC) Product of the Year Award by TMC's INTERNET TELEPHONY magazine for the Sonus SBC SWe. The Company was also awarded the 2014 INTERNET TELEPHONY Lync Pioneer Award, an award given to companies that enable businesses to leverage the Microsoft Lync platform for enhanced UC and collaboration experiences.

Corporate Highlights

During 2014, the Company expanded its board of directors from nine to eleven directors, naming Matthew W. Bross, Chairman and Chief Executive Officer of Compass-EOS and former global Chief Technology Officer of Huawei Technologies, Williams Communications Group and British Telecom, and Richard J. Lynch, President of FB Associates, LLC and former Executive Vice President and Chief Technology Officer of Verizon Communications and Verizon Wireless, to its board of directors.

The Company also responded to shareholder feedback, including: terminating its shareholder rights plan (a poison pill adopted in 2008 and set to expire in June 2015); enhancing its pay-for-performance practices; instituting share ownership guidelines applicable for the Company's non-employee directors, chief executive officer and other Section 16 reporting officers; and adopting a formal clawback policy with respect to the Company's executive incentive compensation.

Share Repurchases

During the fourth quarter of 2014, the Company repurchased a total of approximately 0.2 million shares at an average price per share of approximately $17.00. As of December 31, 2014 the Company had repurchased approximately 9 million shares of common stock (approximately 16% of the shares that were outstanding prior to the beginning of its share repurchases) at an average price per share of $17.00 since the inception of its stock buyback program in July of 2013. As of December 31, 2014, the Company had 49.4 million shares of common stock outstanding. As of December 31, 2014 approximately $23 million remained available to the Company for potential share repurchases under the Company's current stock buyback program. The stock figures and share prices discussed above are adjusted to reflect the 1-for-5

reverse split of the common stock that was made effective on the NASDAQ Global Select Market as of the commencement of trading on January 30, 2015.

Cash & Investments

The Company ended the fourth quarter of 2014 with $148 million in cash, cash equivalents and investments, including the impact of the share repurchases previously described.

Growth-related Revenue (1)

The Company has substantially expanded the portfolio of products expected to contribute to its revenue growth. In addition to enhancing its industry leading portfolio of SBCs, products added recently to the Company's portfolio include DSCs (acquired from Performance Technologies, Incorporated (PT) in February 2014), and the technology assets acquired from Treq Labs, Inc. (Treq) in January 2015.

For full year 2014, the Company generated 68.1% of its Total Product revenue from Growth-related products, up from 58.2% for full year 2013 and 44.1% for full year 2012. Given this successful transformation and the expectation for this trend to continue, the Company intends to provide its outlook based on Total Company revenue beginning in fiscal 2015 and will no longer report revenue from growth-related vs. legacy products and services.

(1) Growth-related revenue in 2014 consisted primarily of SBCs and DSCs. Legacy revenue consisted primarily of Trunking and SS7 Signaling. Certain of our products contributed to either Growth-related revenue or Legacy revenue, depending on the use for which our customers purchased such products. For more information about how we determined whether products contributed to Growth-related revenue or Legacy revenue, please see our Quarterly Report on Form 10-Q for the quarter ended September 26, 2014, which was filed with the U.S. Securities and Exchange Commission on October 28, 2014.

Outlook

The Company's outlook is based on current indications for its business, which may change during the current quarter. Gross margin, operating expenses (opex) and EPS are presented on a non-GAAP basis. A reconciliation of the non-GAAP to GAAP outlook and a statement on the use of non-GAAP financial measures are included at the end of this press release.

	Q115	FY15
Total Company Revenue	$74 million	$326 to $330 million
Gross Margin	67.0% to 67.5%	Not provided
Opex	$47.5 to $48.0 million	Not provided
EPS	$0.03	$0.54 to $0.58
Diluted Shares Outstanding	50.5 million	51 million

Conference Call Details

Date: February 18, 2015
Time: 8:30 a.m. (ET)
Dial-in number: 800 736 4594
International Callers: + 1 212 231 2914

The Company will also offer a live, listen-only webcast of the conference call via the Sonus Networks Investor Relations website at http://investors.sonusnet.com/events.cfm where supporting materials including a presentation and supplementary financial and operational data have also been posted.

Replay Information

A telephone playback of the call will be available following the conference call until March 4, 2015 and can be accessed by calling 800 633 8284 or +1 402 977 9140 for international callers. The reservation number for the replay is 21759132.

Tags

Sonus Networks, Sonus, SONS, 2014 fourth quarter, full year 2014, earnings, results, IP-based network solutions, SBC, software SBC, session border controller, DSC, DEA, DRA, diameter signaling controller, diameter edge agent, diameter routing agent, SDN, policy, SIP trunking, Cloud, VoIP communications, unified communications, UC, VoIP, IP, media gateway, GSX.

About Sonus Networks

Sonus brings intelligence and security to real-time communications. By helping the world embrace the next generation of cloud-based SIP and 4G/LTE solutions, Sonus enables and secures latency-sensitive, mission critical traffic for VoIP, video, instant messaging and online collaboration. With Sonus, enterprises can give priority to real-time communications based on smart business rules while service providers can offer reliable, comprehensive and secure on-demand network services to their customers. With solutions deployed in more than 100 countries and nearly two decades of experience, Sonus offers a complete portfolio of hardware-based and virtualized Session Border Controllers (SBCs), Diameter Signaling Controllers (DSCs), Network as a Service capabilities, policy/routing servers and media and signaling gateways. For more information, visit www.sonus.net or call 1-855-GO-SONUS.

Important Information Regarding Forward-Looking Statements

The information in this release 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 in the “Outlook” section, statements regarding our future results of operations and financial position, business strategy, plans and objectives of management for future operations and plans for future product development and manufacturing, and statements regarding the results of the reverse split of our common stock and impact of the PT and Treq transactions on our financial results, business performance and product offerings, 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 our recognition of revenues; economic conditions; 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 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 I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, Part I, Item 3 “Quantitative and Qualitative Disclosures About Market Risk,” and Part II, Item 1A “Risk Factors” in the Company’s most recent Quarterly Report on Form 10-Q. Any forward-looking statement made by us in this release speaks only as of the date of this release. 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.

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 costs, including, but not limited to: cost of product revenue related to the fair value write-up of acquired inventory, stock-based compensation, amortization of intangible assets, impairment of intangible assets, depreciation expense related to the fair value write-up of acquired property and equipment, acquisition-related costs, divestiture costs, restructuring and other income arising from the settlement of litigation related to prepaid royalties for software licenses. We also consider the use of non-

GAAP operating income as a percentage of revenue (operating income margin) and non-GAAP earnings per share helpful in assessing the performance of the continuing operations of our business. While our management uses these 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.

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.

In the second quarter of 2013 we recorded $0.6 million of expense for the write-off of an intellectual property intangible asset which we determined was impaired as of June 28, 2013. We believe that excluding the impairment of intangible assets facilitates the comparison of our financial results to our historical operating results and to other companies in our industry.

On June 20, 2014, we sold the Multi-Protocol Server (MPS) business that we had acquired in connection with the acquisition of PT. We incurred $0.4 million of transaction costs related to this divestiture. We do not consider these divestiture costs to be related to our continuing operations. We believe that excluding divestiture costs facilitates the comparison of our financial results to our historical operating results and to other companies in our industry.

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 believe that excluding restructuring expense facilitates the comparison of our financial results to our historical operating results and to other companies in our industry.

In the first quarter of 2014, we recorded $2.25 million of other income related to the settlement of a litigation matter in which we recovered a portion of our losses related to the impairment of certain prepaid royalties for software licenses which we had written off in fiscal 2012. We believe that excluding the other income arising from this settlement facilitates the comparison of our results to our historical results and 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.

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SONUS NETWORKS, INC.
Condensed Consolidated Statements of Operations
(in thousands, except percentages and per share amounts)
(unaudited)

	Three months ended		
	December 31, 2014	September 26, 2014	December 31, 2013
Revenue:			
Product	$ 46,570	$ 44,900	$ 45,825
Service	30,228	28,316	30,328
Total revenue	76,798	73,216	76,153
Cost of revenue:			
Product	14,736	15,074	16,391
Service	10,270	10,240	11,376
Total cost of revenue	25,006	25,314	27,767
Gross profit	51,792	47,902	48,386
Gross margin:			
Product	68.4%	66.4%	64.2%
Service	66.0%	63.8%	62.5%
Total gross margin	67.4%	65.4%	63.5%
Operating expenses:			
Research and development	18,810	20,693	17,473
Sales and marketing	21,428	20,350	19,769
General and administrative	9,855	10,901	10,486
Acquisition-related	252	—	93
Restructuring	3,392	673	624
Total operating expenses	53,737	52,617	48,445
Loss from operations	(1,945)	(4,715)	(59)
Interest income (expense), net	25	(35)	116
Other income, net	206	5	1
Income (loss) before income taxes	(1,714)	(4,745)	58
Income tax (provision) benefit	(478)	(468)	214
Net income (loss)	$ (2,192)	$ (5,213)	$ 272
Income (loss) per share:			
Basic	$ (0.04)	$ (0.11)	$ 0.01
Diluted	$ (0.04)	$ (0.11)	$ —
Shares used to compute income (loss) per share:			
Basic	49,361	49,291	54,188
Diluted	49,361	49,291	54,699

SONUS NETWORKS, INC.
Condensed Consolidated Statements of Operations
(in thousands, except percentages and per share amounts)
(unaudited)

	Year ended	
	December 31, 2014	December 31, 2013
Revenue:		
Product	$ 182,455	$ 167,272
Service	113,871	109,461
Total revenue	296,326	276,733
Cost of revenue:		
Product	60,284	59,235
Service	42,637	45,038
Total cost of revenue	102,921	104,273
Gross profit	193,405	172,460
Gross margin:		
Product	67.0%	64.6%
Service	62.6%	58.9%
Total gross margin	65.3%	62.3%
Operating expenses:		
Research and development	79,396	69,559
Sales and marketing	80,141	78,365

General and administrative	43,937	40,107
Acquisition-related	1,558	93
Restructuring	5,625	5,411
Total operating expenses	210,657	193,535
Loss from operations	(17,252)	(21,075)
Interest income, net	75	405
Other income, net	2,536	3
Loss before income taxes	(14,641)	(20,667)
Income tax provision	(2,214)	(1,452)
Net loss	$ (16,855)	$ (22,119)
Loss per share		
Basic	$ (0.34)	$ (0.40)
Diluted	$ (0.34)	$ (0.40)
Shares used to compute loss per share:		
Basic	50,245	55,686
Diluted	50,245	55,686

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

	December 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 41,157	$ 72,423
Short-term investments	64,443	138,882
Accounts receivable, net	62,943	64,463
Inventory	22,114	21,793
Deferred income taxes	991	656
Other current assets	15,239	15,073
Total current assets	206,887	313,290
Property and equipment, net	17,845	19,102
Intangible assets, net	22,594	10,091
Goodwill	39,263	32,379
Investments	42,407	34,364
Deferred income taxes	1,043	2,121
Other assets	2,596	6,137
	$ 332,635	$ 417,484
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 7,497	$ 11,164
Accrued expenses	32,149	34,026
Current portion of deferred revenue	36,967	41,169
Convertible subordinated note	—	2,380
Current portion of long-term liabilities	794	672
Total current liabilities	77,407	89,411
Deferred revenue	8,009	10,528
Deferred income taxes	1,623	922
Other long-term liabilities	5,246	4,371
Total liabilities	92,285	105,232
Commitments and contingencies		
Stockholders equity:		
Common stock	49	53
Additional paid-in capital	1,226,226	1,280,655
Accumulated deficit	(991,347)	(974,492)
Accumulated other comprehensive income	5,422	6,036
Total stockholders' equity	240,350	312,252
	$ 332,635	$ 417,484

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

	Year ended	
	December 31, 2014	December 31, 2013
Cash flows from operating activities:		
Net loss	$ (16,855)	$ (22,119)
Adjustments to reconcile net loss to cash flows provided by operating activities:		
Depreciation and amortization of property and equipment	11,488	12,329
Amortization of intangible assets	4,597	4,546
Stock-based compensation	23,914	17,873
Impairment of intangible assets	—	600
Loss on disposal of property and equipment	292	54
Deferred income taxes	885	(553)
Changes in operating assets and liabilities:		
Accounts receivable	4,771	3,536
Inventory	5,414	4,150
Other operating assets	5,077	6,200
Accounts payable	(3,759)	(555)
Accrued expenses and other long-term liabilities	1,657	4,768
Deferred revenue	(7,439)	3,278
Net cash provided by operating activities	30,042	34,107
Cash flows from investing activities:		
Purchases of property and equipment	(9,541)	(6,949)
Business acquisition, net of cash acquired	(35,022)	—
Divestiture of business	2,000	—
Purchases of marketable securities	(112,800)	(182,491)
Sale/maturities of marketable securities	179,365	196,980
Cash proceeds from the sale of fixed assets	268	—
Net cash provided by investing activities	24,270	7,540
Cash flows from financing activities:		
Proceeds from sale of common stock in connection with employee stock purchase plan	2,882	1,888
Proceeds from exercise of stock options	10,117	2,669
Payment of tax withholding obligations related to net share settlements of restricted stock awards	(2,442)	(1,300)
Repurchase of common stock	(93,224)	(59,674)
Principal payments of capital lease obligations	(84)	(117)
Payment of debt	(2,380)	—
Net cash used in financing activities	(85,131)	(56,534)
Effect of exchange rate changes on cash and cash equivalents	(447)	(694)
Net decrease in cash and cash equivalents	(31,266)	(15,581)
Cash and cash equivalents, beginning of year	72,423	88,004
Cash and cash equivalents, end of period	$ 41,157	$ 72,423

SONUS NETWORKS, INC.
Supplemental Information
(In thousands)
(unaudited)

The following tables provide the details of the fair value write-up of acquired inventory, stock-based compensation, amortization of intangible assets and divestiture costs included in the Company's Condensed Consolidated Statements of Operations and the line items in which these amounts are reported.

	Three months ended		
	December 31, 2014	September 26, 2014	December 31, 2013
Fair value write-up of acquired inventory			
Cost of revenue - product	$ —	$ 364	$ —
Stock-based compensation			
Cost of revenue - product	$ 50	$ 104	$ 53
Cost of revenue - service	377	381	289
Cost of revenue	427	485	342
Research and development expense	1,176	1,521	1,214
Sales and marketing expense	1,138	1,747	1,149

General and administrative expense	1,960	2,748	2,031
Operating expense	4,274	6,016	4,394
Total stock-based compensation	$ 4,701	$ 6,501	$ 4,736
Amortization of intangible assets			
Cost of revenue - product	$ 703	$ 701	$ 560
Sales and marketing	492	494	526
Operating expense	492	494	526
Total amortization of intangible assets	$ 1,195	$ 1,195	$ 1,086
Divestiture costs			
General and administrative	$ —	$ 30	$ —

SONUS NETWORKS, INC.
Supplemental Information
(In thousands)
(unaudited)

The following tables provide the details of the fair value write-up of acquired inventory, stock-based compensation, amortization of intangible assets, impairment of intangible assets, divestiture costs and a litigation settlement related to prepaid licenses included in the Company's Condensed Consolidated Statements of Operations and the line items in which these amounts are reported.

	Year ended	
	December 31, 2014	December 31, 2013
Fair value write-up of acquired inventory		
Cost of revenue - product	$ 1,782	$ —
Stock-based compensation		
Cost of revenue - product	$ 337	$ 181
Cost of revenue - service	1,449	1,050
Cost of revenue	1,786	1,231
Research and development expense	5,759	3,616
Sales and marketing expense	5,437	4,780
General and administrative expense	10,932	8,246
Operating expense	22,128	16,642
Total stock-based compensation	$ 23,914	$ 17,873
Amortization of intangible assets		
Cost of revenue - product	$ 2,708	$ 2,242
Research and development	—	200
Sales and marketing	1,889	2,104
Operating expense	1,889	2,304
Total amortization of intangible assets	$ 4,597	$ 4,546
Impairment of intangible assets		
Research and development	$ —	$ 600
Divestiture costs		
General and administrative	$ 435	$ —
Litigation settlement - prepaid licenses		
Other income, net	$ 2,250	$ —

SONUS NETWORKS, INC.
Reconciliation of Non-GAAP and GAAP Financial Measures - Historical
(in thousands, except percentages and per share amounts)
(unaudited)

	Three months ended		
	December 31, 2014	September 26, 2014	December 31, 2013

GAAP gross margin - product	68.4%	66.4%	64.2%
Stock-based compensation expense	0.1%	0.2%	0.1%
Amortization of intangible assets	1.5%	1.6%	1.3%
Fair value write-up of acquired inventory	0.0%	0.8%	0.0%
Non-GAAP gross margin - product	70.0%	69.0%	65.6%
GAAP gross margin - service	66.0%	63.8%	62.5%
Stock-based compensation expense	1.3%	1.4%	0.9%
Non-GAAP gross margin - service	67.3%	65.2%	63.4%
GAAP total gross margin	67.4%	65.4%	63.5%
Stock-based compensation expense	0.6%	0.7%	0.4%
Amortization of intangible assets	0.9%	0.9%	0.8%
Fair value write-up of acquired inventory	0.0%	0.5%	0.0%
Non-GAAP total gross margin	68.9%	67.5%	64.7%
GAAP total gross profit	$ 51,792	$ 47,902	$ 48,386
Stock-based compensation expense	427	485	342
Amortization of intangible assets	703	701	560
Fair value write-up of acquired inventory	—	364	—
Non-GAAP total gross profit	$ 52,922	$ 49,452	$ 49,288
GAAP research and development expense	$ 18,810	$ 20,693	$ 17,473
Stock-based compensation expense	(1,176)	(1,521)	(1,214)
Non-GAAP research and development expense	$ 17,634	$ 19,172	$ 16,259
GAAP sales and marketing expense	$ 21,428	$ 20,350	$ 19,769
Stock-based compensation expense	(1,138)	(1,747)	(1,149)
Amortization of intangible assets	(492)	(494)	(526)
Non-GAAP sales and marketing expense	$ 19,798	$ 18,109	$ 18,094
GAAP general and administrative expense	$ 9,855	$ 10,901	$ 10,486
Stock-based compensation expense	(1,960)	(2,748)	(2,031)
Divestiture costs	—	(30)	—
Non-GAAP general and administrative expense	$ 7,895	$ 8,123	$ 8,455
GAAP operating expenses	$ 53,737	$ 52,617	$ 48,445
Stock-based compensation expense	(4,274)	(6,016)	(4,394)
Amortization of intangible assets	(492)	(494)	(526)
Divestiture costs	—	(30)	—
Acquisition-related expense	(252)	—	(93)
Restructuring	(3,392)	(673)	(624)
Non-GAAP operating expenses	$ 45,327	$ 45,404	$ 42,808
GAAP loss from operations	$ (1,945)	$ (4,715)	$ (59)
Fair value write-up of acquired inventory	—	364	—
Stock-based compensation expense	4,701	6,501	4,736
Amortization of intangible assets	1,195	1,195	1,086
Divestiture costs	—	30	—
Acquisition-related expense	252	—	93
Restructuring	3,392	673	624
Non-GAAP income from operations	$ 7,595	$ 4,048	$ 6,480
GAAP loss from operations as a percentage of revenue	-2.5%	-6.4%	-0.1%
Fair value write-up of acquired inventory	0.0%	0.5%	0.0%
Stock-based compensation expense	6.1%	8.9%	6.3%
Amortization of intangible assets	1.6%	1.6%	1.4%
Divestiture costs	0.0%	*	0.0%
Acquisition-related expense	0.3%	0.0%	0.1%
Restructuring	4.4%	0.9%	0.8%
Non-GAAP income from operations as a percentage of revenue	9.9%	5.5%	8.5%
GAAP net income (loss)	$ (2,192)	$ (5,213)	$ 272
Fair value write-up of acquired inventory	—	364	—
Stock-based compensation expense	4,701	6,501	4,736
Amortization of intangible assets	1,195	1,195	1,086
Divestiture costs	—	30	—
Acquisition-related expense	252	—	93
Restructuring	3,392	673	624
Non-GAAP net income	$ 7,348	$ 3,550	$ 6,811
Diluted earnings per share or (loss) per share			

GAAP	$	(0.04)	$	(0.11)	$	—
Non-GAAP	$	0.15	$	0.07	$	0.12
Shares used to compute diluted earnings per share or (loss) per share						
GAAP shares used to compute diluted earnings per share or (loss) per share		49,361		49,291		54,699
Non-GAAP shares used to compute diluted earnings per share		50,067		50,260		54,699

* Less than 0.01%

SONUS NETWORKS, INC.
Reconciliation of Non-GAAP and GAAP Financial Measures - Historical
(in thousands, except percentages and per share amounts)
(unaudited)

	Year ended			
	December 31, 2014		December 31, 2013	
GAAP gross margin - product		67.0%		64.6%
Stock-based compensation expense		0.2%		0.1%
Amortization of intangible assets		1.4%		1.3%
Fair value write-up of acquired inventory		1.0%		0.0%
Non-GAAP gross margin - product		69.6%		66.0%
GAAP gross margin - service		62.6%		58.9%
Stock-based compensation expense		1.2%		0.9%
Non-GAAP gross margin - service		63.8%		59.8%
GAAP total gross margin		65.3%		62.3%
Stock-based compensation expense		0.6%		0.4%
Amortization of intangible assets		0.9%		0.9%
Fair value write-up of acquired inventory		0.6%		0.0%
Non-GAAP total gross margin		67.4%		63.6%
GAAP total gross profit	$	193,405	$	172,460
Stock-based compensation expense		1,786		1,231
Amortization of intangible assets		2,708		2,242
Fair value write-up of acquired inventory		1,782		—
Non-GAAP total gross profit	$	199,681	$	175,933
GAAP research and development expense	$	79,396	$	69,559
Stock-based compensation expense		(5,759)		(3,616)
Amortization of intangible assets		—		(200)
Impairment of intangible assets		—		(600)
Non-GAAP research and development expense	$	73,637	$	65,143
GAAP sales and marketing expense	$	80,141	$	78,365
Stock-based compensation expense		(5,437)		(4,780)
Amortization of intangible assets		(1,889)		(2,104)
Non-GAAP sales and marketing expense	$	72,815	$	71,481
GAAP general and administrative expense	$	43,937	$	40,107
Stock-based compensation expense		(10,932)		(8,246)
Divestiture costs		(435)		—
Non-GAAP general and administrative expense	$	32,570	$	31,861
GAAP operating expenses	$	210,657	$	193,535
Stock-based compensation expense		(22,128)		(16,642)
Amortization of intangible assets		(1,889)		(2,304)
Impairment of intangible assets		—		(600)
Divestiture costs		(435)		—
Acquisition-related expense		(1,558)		(93)
Restructuring		(5,625)		(5,411)
Non-GAAP operating expenses	$	179,022	$	168,485
GAAP loss from operations	$	(17,252)	$	(21,075)
Fair value write-up of acquired inventory		1,782		—
Stock-based compensation expense		23,914		17,873
Amortization of intangible assets		4,597		4,546
Impairment of intangible assets		—		600
Divestiture costs		435		—

Acquisition-related expense	1,558	93
Restructuring	5,625	5,411
Non-GAAP income from operations	$ 20,659	$ 7,448
GAAP loss from operations as a percentage of revenue	-5.8%	-7.6%
Fair value write-up of acquired inventory	0.6%	0.0%
Stock-based compensation expense	8.1%	6.5%
Amortization of intangible assets	1.6%	1.6%
Impairment of intangible assets	0.0%	0.2%
Divestiture costs	0.1%	0.0%
Acquisition-related expense	0.5%	0.0%
Restructuring	1.9%	2.0%
Non-GAAP income from operations as a percentage of revenue	7.0%	2.7%
GAAP Other income, net	$ 2,536	$ 3
Litigation settlement - prepaid licenses	(2,250)	—
Non-GAAP Other income, net	$ 286	$ 3
GAAP net loss	$ (16,855)	$ (22,119)
Fair value write-up of acquired inventory	1,782	—
Stock-based compensation expense	23,914	17,873
Amortization of intangible assets	—	4,546
Impairment of intangible assets	4,597	600
Divestiture costs	435	—
Acquisition-related expense	1,558	93
Restructuring	5,625	5,411
Litigation settlement - prepaid licenses	(2,250)	—
Non-GAAP net income	$ 18,806	$ 6,404
Diluted earnings per share or (loss) per share		
GAAP	$ (0.34)	$ (0.40)
Non-GAAP	$ 0.37	$ 0.11
Shares used to compute diluted earnings per share or (loss) per share		
GAAP shares used to compute loss per share	50,245	55,686
Non-GAAP shares used to compute diluted earnings per share	50,996	56,145

SONUS NETWORKS, INC.
Reconciliation of Non-GAAP and GAAP Financial Measures - Outlook
(in millions, except percentages and per share amounts)
(unaudited)

	Three months ended March 27, 2015	
	Range	
Revenue	$ 74	$ 74
Gross margin		
GAAP outlook	65.4%	65.9%
Stock-based compensation expense	0.7%	0.7%
Amortization of intangible assets	0.9%	0.9%
Non-GAAP outlook	67.0%	67.5%
Operating expenses		
GAAP outlook	$ 55.1	$ 55.6
Stock-based compensation expense	(6.3)	(6.3)
Amortization of intangible assets	(0.3)	(0.3)
Restructuring	(1.0)	(1.0)
Non-GAAP outlook	$ 47.5	$ 48.0
Income (loss) per share		
GAAP outlook	$ (0.14)	$ (0.14)
Stock-based compensation expense	0.13	0.13
Amortization of intangible assets	0.02	0.02
Restructuring	0.02	0.02
Non-GAAP outlook	$ 0.03	$ 0.03

	Year ended December 31, 2015	
	Range	
Revenue	$ 326	$ 330

Income (loss) per share		
GAAP outlook	$ (0.10)	$ (0.06)
Stock-based compensation expense	0.54	0.54
Amortization of intangible assets	0.08	0.08
Restructuring	0.02	0.02
Non-GAAP outlook	$ 0.54	$ 0.58

Exhibit 99.2

Sonus Networks, Inc.
Supplementary Financial and Operational Data

$(000s)	FY14	Q414	Q314	Q214	Q114	FY13	Q413	Q313	Q213	Q113
Revenue										
Product	182,455	46,570	44,900	45,845	45,140	167,272	45,825	40,712	42,939	37,796
Services	113,871	30,228	28,316	29,725	25,602	109,461	30,328	27,387	26,254	25,492
Total Revenue	**296,326**	**76,798**	**73,216**	**75,570**	**70,742**	**276,733**	**76,153**	**68,099**	**69,193**	**63,288**
Growth-related Revenue										
Product	124,281	31,461	31,367	28,630	32,823	97,431	32,161	21,311	20,449	23,510
Growth-related as % Total Product Revenue	***68%***	***68%***	***70%***	***62%***	***73%***	***58%***	***70%***	***52%***	***48%***	***62%***
Services	39,263	11,012	9,915	10,239	8,097	32,491	9,437	8,030	8,559	6,465
Growth-related Revenue	**163,544**	**42,473**	**41,282**	**38,869**	**40,920**	**129,922**	**41,598**	**29,341**	**29,008**	**29,975**
Growth-related as % Total Revenue	***55%***	***55%***	***56%***	***51%***	***58%***	***47%***	***55%***	***43%***	***42%***	***47%***

% of Total Revenue	FY14	Q414	Q314	Q214	Q114	FY13	Q413	Q313	Q213	Q113
Revenue										
Product	62%	61%	61%	61%	64%	60%	60%	60%	62%	60%
Services	38%	39%	39%	39%	36%	40%	40%	40%	38%	40%
Growth-related Revenue										
Product	76%	74%	76%	74%	80%	75%	77%	73%	70%	78%
Services	24%	26%	24%	26%	20%	25%	23%	27%	30%	22%
Revenue by Geography										
Domestic	71%	70%	70%	71%	73%	69%	66%	66%	74%	69%
International	29%	30%	30%	29%	27%	31%	34%	34%	26%	31%

% of Product Revenue	FY14	Q414	Q314	Q214	Q114	FY13	Q413	Q313	Q213	Q113
Revenue by Channel										
Direct	73%	75%	62%	71%	82%	80%	81%	73%	84%	83%
Indirect	27%	25%	38%	29%	18%	20%	19%	27%	16%	17%

Operating Statistics	FY14	Q414	Q314	Q214	Q114	FY13	Q413	Q313	Q213	Q113
10% Customers										
Number of 10% customers	1	1	2	1	1	1	1	1	2	2
Name of 10% customers	AT&T	AT&T	CenturyLink AT&T	AT&T	AT&T	AT&T	CenturyLink	AT&T	AT&T Verizon	US Gov't AT&T
Top 5 Customers as % of Revenue	**36%**	**27%**	**47%**	**40%**	**42%**	**39%**	**43%**	**36%**	**47%**	**50%**
Number of Total Customers*		**806**	**718**	**798**	**612**		**580**	**560**	**539**	**541**
Number of New Customers*	**856**	**228**	**228**	**227**	**173**	**670**	**146**	**171**	**190**	**163**
Number of New Customers* with Growth-related Content	**788**	214	199	214	161	**552**	122	131	161	138

*Customer Count reflects end customer and excludes customers with maintenance only revenue of less than $5k on a quarterly basis.