Sonus Networks' Acquisition of Taqua

September 27, 2016

- **Significant Customer Benefits Anticipated – Network Transformation**
- **Accelerates and Strengthens Sonus Mobility Strategy (VMC)**
- **Projected Revenue Growth Acceleration with Compelling Synergies**
- **Leverages Sonus Global GTM Reach**

Cautionary Note Regarding Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements in the title slide, "Key Anticipated Benefits from the Taqua Acquisition", "Taqua Historical Financial Highlights", "Complementary Products – Mobile", "Projected Total Addressable Market (TAM) Expansion", "Strategic Benefits", and "Taqua Forward-Looking Projections" sections regarding our future results of operations and financial position, business strategy, strategic position, plans and objectives of management for future operations and plans for future product development and manufacturing, and statements regarding the impact of the Taqua transaction on Sonus' 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 customer purchasing decisions and 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 and cost-containment activities; our ability to realize benefits from the Network Equipment Technologies, Inc. (NET), Performance Technologies, Incorporated (PT), and Taqua LLC (Taqua) acquisitions and the Treq Labs, Inc. (Treq) asset acquisition; the effects of disruption from the NET, PT, Treq, and Taqua 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, Treq and Taqua 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; 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 presentation speaks only as of the date of this presentation. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Key Anticipated Benefits from the Taqua Acquisition

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Anticipated Customer benefits

- **Add complementary products to enhance Network Transformation solutions, accelerating service providers' transition to unified software-based networks**
- **Address mobile operators with proven field-deployed solutions**
- **Strengthen Sonus' position within key current customer RFPs**

Anticipated Solutions benefits

- **Enter mobile in a much more profound way via Taqua's VMC addressing IMS, VoLTE and VoWiFi markets**
- **Sonus SBCs complement Taqua's architecture, expanding CSCF market opportunity**
- **Increase Sonus' TAM by ~60%, leveraging Sonus' sales coverage and driving operating scale**

Anticipated Financial impact

- **Taqua represents compelling opportunity to re-accelerate Sonus' revenue growth**
- **Expected to be mildly dilutive to 4Q16 EPS and accretive to future EPS**
- **Up-front cash consideration of $20 million paid at transaction close, plus the potential for additional cash payments if certain annual revenue thresholds are exceeded**

Taqua Highlights

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Key Products:

Virtual Mobile Core (VMC) – Virtualized IMS Services Core for VoLTE / VoWiFi

T7000 – Class 5 end-office switch & wireless media gateway

T7100 – Multimedia Controller used in IP Peering applications

- **Taqua was founded in 1998.**
- **Hundreds of carriers utilize Taqua to cost-effectively provide a full array of revenue-generating broadband and mobile applications to all types of communication devices.**
  - Over 400 next-generation IP Voice systems deployed world-wide supporting over 4 million subscribers.
- **Approximately 80 employees.**
- **Headquartered in Richardson, Texas with satellite offices in Silicon Valley and Massachusetts.**

Taqua Historical Financial Highlights

	Trailing 12 months ended June 30, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Revenue	**$16.8M**	**$28.3M**	**$25.2M**
GAAP Gross Margin	**61.0%**	**72.7%**	**68.7%**
GAAP Opex	**$21.0M**	**$21.4M**	**$17.2M**
Non-GAAP Opex[1]	**$18.7M**	**$19.1M**	**$16.0M**
GAAP operating income / (loss)	**($10.8M)**	**($0.8M)**	**$0.1M**
Non-GAAP operating income / (loss)[1]	**($8.5M)**	**$1.5M**	**$1.3M**

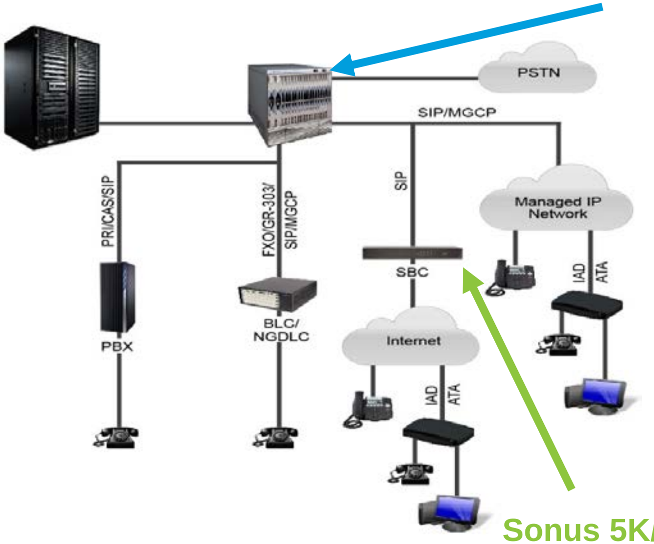
1) Non-GAAP financial measures; please see reconciliation in presentation appendix.

INVESTMENT THESIS: Sonus' scale will drive higher revenues and lower costs, returning Taqua to profitable growth.

Complementary Products – Fixed

Class 5 / Class 4

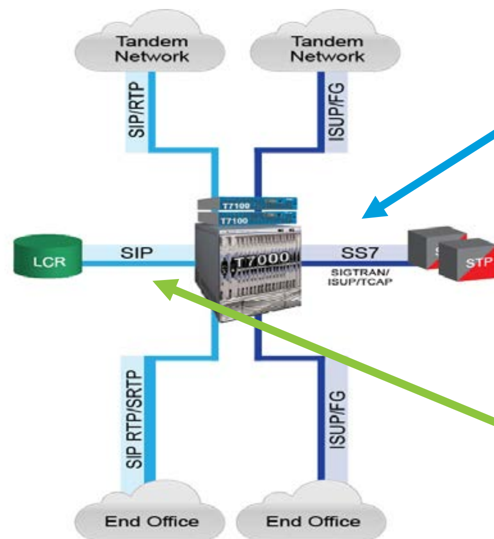
Class 5 Replacement



Taqua T7000 Intelligent Switching System

Sonus 5K/7K SBCs

Class 4 Tandem Replacement



Taqua T7000 / T7100

Sonus DSC8000 STP provides SS7 / SIGTRAN switching / routing

Sonus PSX provides LCR database

Class 5 Replacement Programs typically require SBCs for IP interconnect

Class 4 Tandem Programs require connections to STPs and often Least Cost Routing databases

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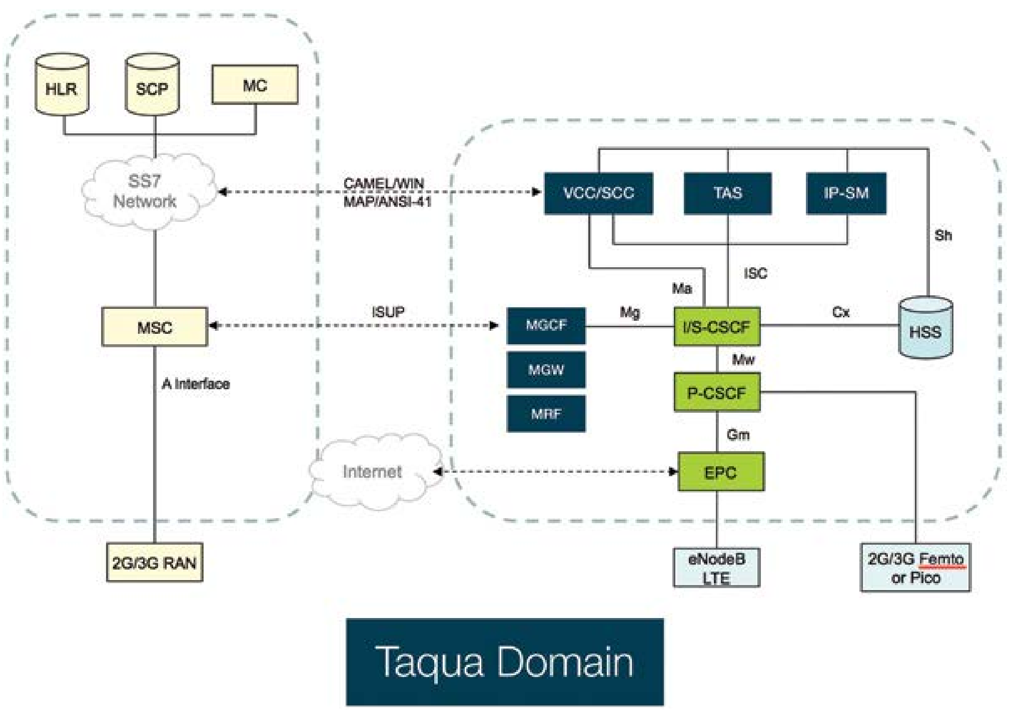
Complementary Products – Mobile

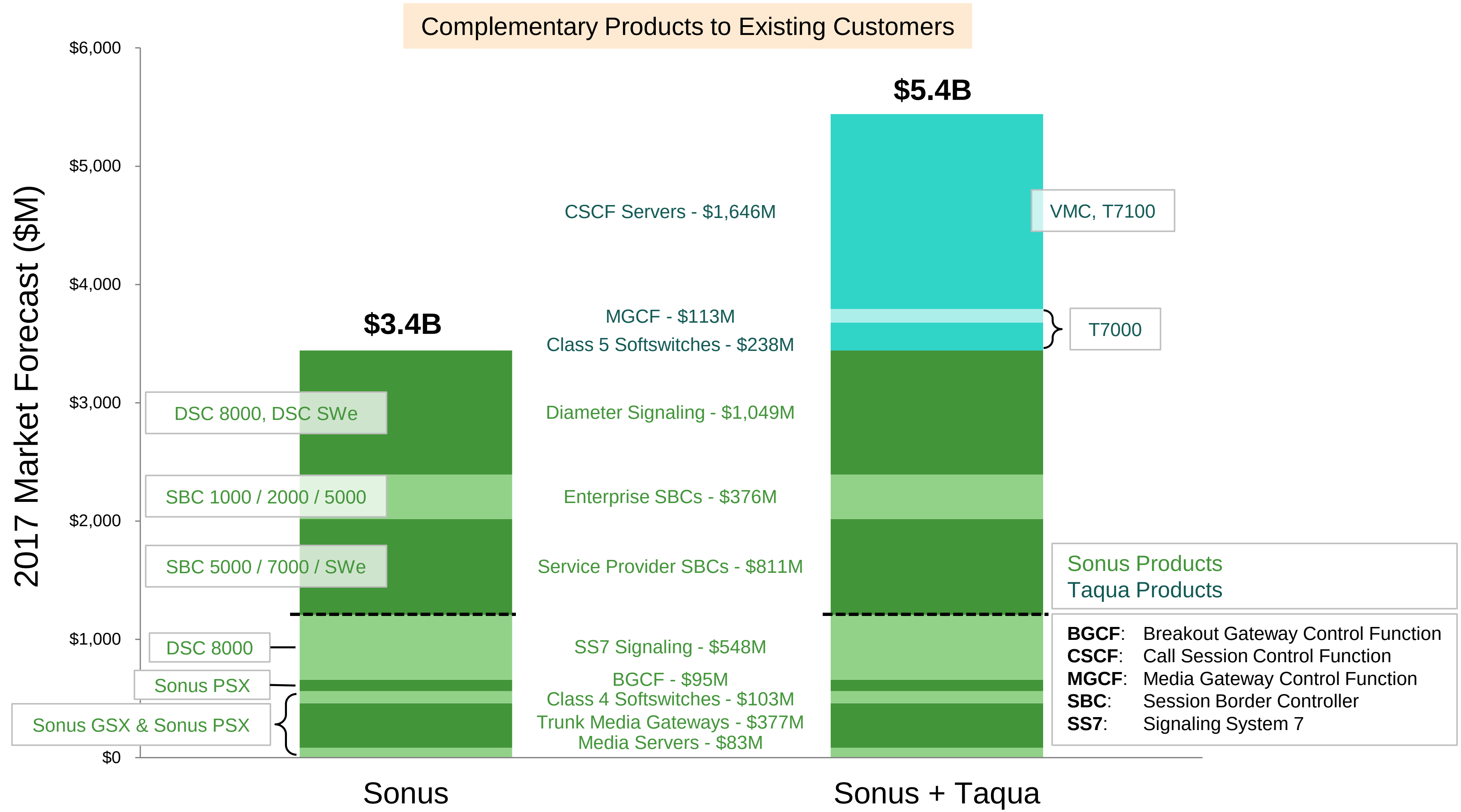
- **Taqua's Virtualized Mobile Core (VMC) combines standard functions required for VoLTE / VoWiFi solutions.**
- **Sonus provides both the critical Session Border Controller (SBC) and the Diameter Edge / Core Router.**
- **Combination of Sonus and Taqua products provides a more complete solution for evolving VoLTE / VoWiFi markets.**

VoLTE / VoWiFi



Note: Joint solution is deployable in 2G, 3G and 4G architectures

Projected Total Addressable Market (TAM) Expansion



Sources: IHS Infonetics and Exact Ventures estimates; see appendix for further details.

Strategic Benefits

Well-aligned with Sonus' growth strategy and customer base.

Expected to accelerate Sonus' mobility strategy by adding a Virtualized Mobile Core (VMC) Platform and IP Multimedia Subsystem (IMS) Service Core solutions.

- The combination of Taqua's VMC products with Sonus' critical SBCs and Diameter Edge / Core Routers provides a complete solution for the evolving VoLTE / VoWiFi markets.
- The acquisition is anticipated to strengthen Sonus' mobile sales channel and enhance sales opportunities within new mobile customers both domestically and internationally.

Expected to expand Sonus' fixed portfolio by adding a Class 5 Softswitch (called T7000) for Network Transformation projects and a Multimedia Controller used in IP Peering applications (called T7100), both of which are complementary to Sonus' current product offerings.

Expected to expand Sonus market within the IMS, VoLTE and VoWiFi segments.

Taqua Forward-Looking Projections

Forecast for Q416 on a stand-alone basis

- Total revenue is projected to be between $4 million and $5 million.
- The impact on GAAP income (loss) per share is projected to be between ($0.04) and ($0.02).
- The impact on Non-GAAP income (loss) per share[1] is projected to be between ($0.02) and $0.00.

1) Non-GAAP financial measures; please see reconciliation in presentation appendix.

Appendix

Projected TAM Expansion Sources of Information

- Product market size figures per *IHS Infonetics Service Provider VoIP and IMS Equipment and Subscribers*, August 2016:
  - BGCF, Class 4 Softswitches, Class 5 Softswitches, CSCF Servers, Media Servers, MGCF, Service Provider SBCs, Trunk Media Gateways
- Diameter Signaling figure per *IHS Infonetics Diameter Signaling Control Market*, January 2016
- Enterprise SBC figure per *IHS Infonetics Enterprise Session Border Controllers Quarterly Market Tracker*, September 2016
- SS7 Signaling figure per *Exact Ventures SS7 Signaling Transfer Points (STP), Forecast & Vendor Report 2015-2020*, November 2015

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Non-GAAP Financial Measures

Sonus management uses a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of the business, making operating decisions, planning and forecasting future periods, and determining payments under compensation programs. Our annual financial plan is prepared both on a GAAP and non-GAAP basis, and the non-GAAP annual financial plan is approved by our board of directors. Continuous budgeting and forecasting for revenue and expenses are conducted on a non-GAAP basis (in addition to GAAP) and actual results on a non-GAAP basis are assessed against the annual financial plan. We consider the use of non-GAAP financial measures helpful in assessing the core performance of our continuing operations and liquidity, and when planning and forecasting future periods. By continuing operations, we mean the ongoing results of the business excluding certain expenses and credits, including, but not limited to: stock-based compensation, amortization of intangible assets, restructuring and certain gains and losses included in other income (expense). We consider the use of non-GAAP earnings (loss) per share helpful in assessing the performance of the continuing operations of our business. While our management uses non-GAAP financial measures as a tool to enhance their understanding of certain aspects of our financial performance, our management does not consider these measures to be a substitute for, or superior to, GAAP measures. In addition, our presentations of these measures may not be comparable to similarly titled measures used by other companies. These non-GAAP financial measures should not be considered alternatives for, or in isolation from, the financial information prepared and presented in accordance with GAAP.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to Sonus’ financial measures reflect the exclusion of items that are recurring and will be reflected in our financial results for the foreseeable future.

Non-GAAP Financial Measures (continued)

We have calculated Taqua's stand-alone non-GAAP Operating expenses, non-GAAP Operating income (loss) and the impact on non-GAAP income (loss) per share using the same principles we apply to calculating our non-GAAP financial measures. We consider the use of these non-GAAP financial measures helpful in assessing the performance of the continuing operations of the acquired Taqua business. While our management uses non-GAAP financial measures as a tool to enhance their understanding of certain aspects of the financial performance of acquired entities, 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.

We will record amortizable intangible assets in connection with our acquisition of Taqua. We exclude the amortization of such 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 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 assessment of the financial results of Taqua's continuing operations on a stand-alone basis and provides better comparability to our non-GAAP financial results as well as those of other companies.

We expect to record restructuring expense in connection with the acquisition of Taqua. We believe that excluding restructuring expense facilitates the assessment of the financial results of Taqua's continuing operations on a stand-alone basis and provides better comparability to our non-GAAP financial results as well as those of other companies, as there are no future revenue streams or other benefits associated with these costs.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, the adjustments to Taqua's financial measures reflect the exclusion of items that may be recurring and will reflected in Sonus' consolidated financial results for the foreseeable future.

Non-GAAP Financial Measures (continued)

SONUS NETWORKS, INC.
Reconciliation of Non-GAAP and GAAP Financial Measures
Taqua, LLC on a Stand-Alone Basis
(in millions, except per share amounts)
(unaudited)

Historical Financial Information	Year ended December 31, 2015	Year ended December 31, 2014	Trailing 12 months ended June 30, 2016
GAAP Operating expenses	$ 21.4	$ 17.2	$ 21.0
Amortization of intangible assets	(2.3)	(1.2)	(2.3)
Impairment of intangible assets	-	*	-
Non-GAAP Operating expenses	$ 19.1	$ 16.0	$ 18.7
GAAP Operating income (loss)	$ (0.8)	$ 0.1	$ (10.8)
Amortization of intangible assets	2.3	1.2	2.3
Impairment of intangible assets	-	*	-
Non-GAAP Operating income (loss)	$ 1.5	$ 1.3	$ (8.5)

* Less than $0.1 million

Outlook	Three months ending December 31, 2016 Range	
Inpact on income (loss) per share		
GAAP outlook	$ (0.04)	$ (0.02)
Amortization of intangible assets	0.01	0.01
Restructuring	0.01	0.01
Non-GAAP outlook	$ (0.02)	$ -

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Thank You

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