

Stock Selection Guide®

The most widely used aid to
good investment judgment

Company SONUS NETWORKS INC Date 11/14/07

Prepared by Don Ames Data taken from NAIC Data

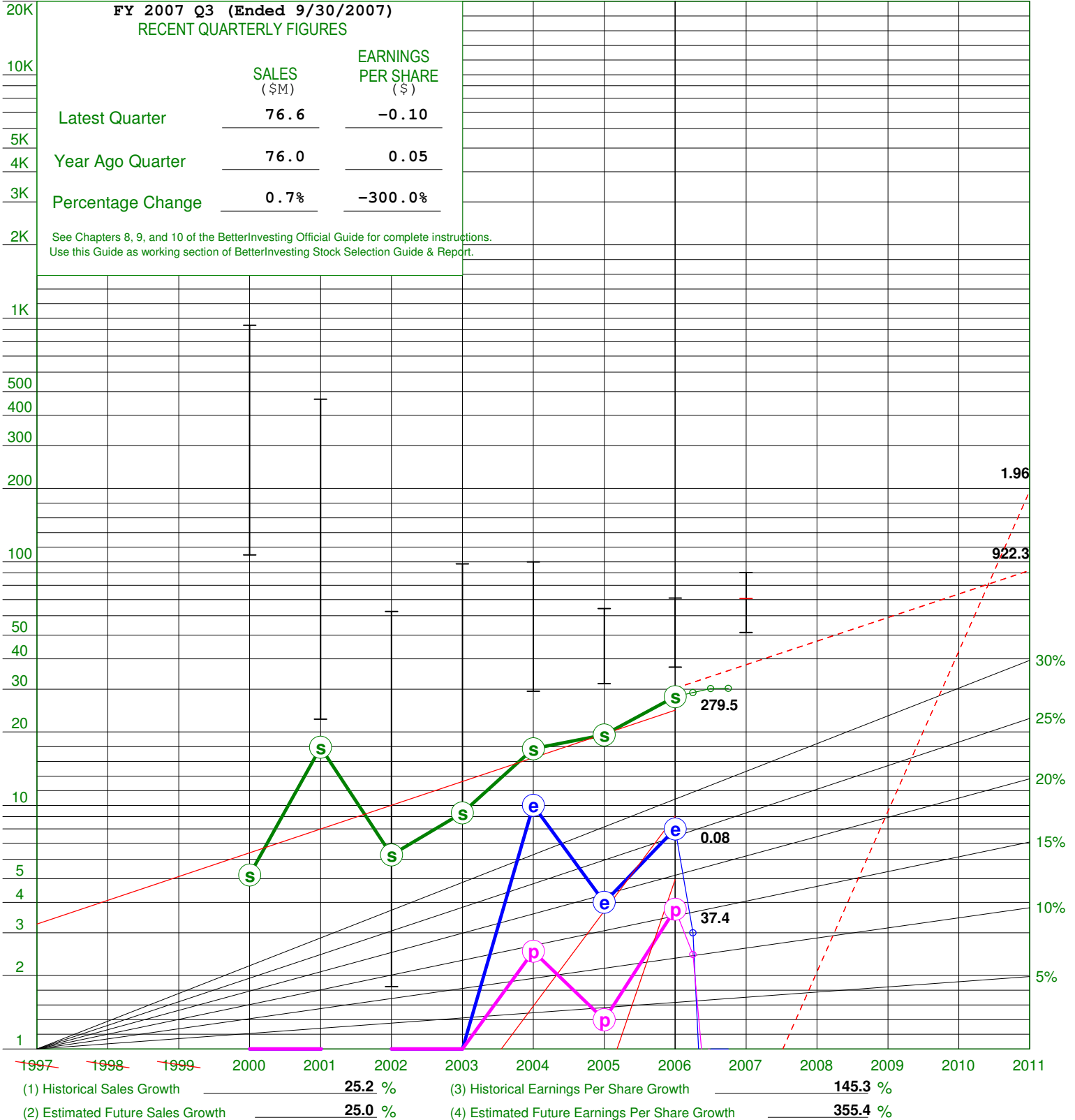
Where traded NASDAQ Major product/service Communicati

CAPITALIZATION --- Outstanding Amounts Reference _____

Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	259.8	0.0	0.0		
Debt (\$M)	0.0	% to Tot.Cap.	0.0	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

SONS



2 EVALUATING MANAGEMENT

Company

SONUS NETWORKS INC

(SONS)

11/14/07

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)		0.0	0.0	-96.7	-116.1	-107.6	-15.9	14.7	6.8	13.4	-17.7	UP	
B % Earned on Equity (E/S ÷ Book Value)		995.1	478.7	-63.3	-232.1	-126.4	-7.3	9.3	3.6	4.8	-23.2	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		7.070		HIGH THIS YEAR		9.030		LOW THIS YEAR		5.130	
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100				
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C							
1	2002	6.3	0.2	-0.35	NMF	NMF	0.000	0.0	0.0				
2	2003	9.8	1.0	-0.07	NMF	NMF	0.000	0.0	0.0				
3	2004	10.0	2.9	0.10	100.0	29.0	0.000	0.0	0.0				
4	2005	6.4	3.2	0.04	160.0	80.0	0.000	0.0	0.0				
5	2006	7.1	3.7	0.08	88.8	46.3	0.000	0.0	0.0				
6	TOTAL		4.9		88.8	46.3		0.0					
7	AVERAGE		1.6		88.8	46.3		0.0					
8	AVERAGE PRICE EARNINGS RATIO			67.6		9	CURRENT PRICE EARNINGS RATIO			-39.3			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~88.8~~ 22.6 X Estimate High Earnings/Share 1.96 = Forecast High Price \$ 44.3
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~46.3~~ 9.5 X Estimated Low Earnings/Share 0.08 = \$ 0.8
(3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 1.6
(3B7)

(c) Recent Severe Market Low Price = 3.2

(d) Price Dividend Will Support Present Divd. = 0.000 = 0.0
High Yield (H) 0.000

Selected Estimate Low Price = \$ 0.8
(4B1)

C ZONING

44.3 High Forecast Price Minus 0.8 Low Forecast Price Equals 43.5 Range. 1/3 of Range = 14.5
(4A1) (4B1) (C) (4CD)

(4C2) Lower 1/3 = (4B1) 0.8 to 15.3 (Buy)

(4C3) Middle 1/3 = 15.3 to 29.8 (Maybe)

(4C4) Upper 1/3 = 29.8 to 44.3 (4A1) (Sell)

Present Market Price of 7.070 is in the Buy Range
(4C5)

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 44.3 Minus Present Price 7.070
Present Price 7.070 Minus Low Price (4B1) 0.8 = 37.2 = 5.9 To 1
6.3 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 44.3
Present Market Price 7.070 = (6.266) X 100 = (626.6) - 100 = 526.6 % Appreciation
(4E)

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 0.000
Present Price of Stock \$ 7.070 = 0.000 X 100 = 0.0 Present Yield or % Returned on Purchase Price
(5A)

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 0.09 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 %
(5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 526.6
5 105.3 %
Average Yield (5B) 0.0 %
Average Total Annual Return Over the Next 5 Years (5C) 105.3 %
Present Price \$ 7.070
P.A.R. 0.0%
Average Yield 0.0%
Annual Appreciation 34.8%
% Compd Ann Rate of Ret 34.8%
Tot. Ret. 44.3%

Portfolio Management Guide

See Chapter 16 of the Investors Manual
for instructions on the use of this guide.

Stock SONUS NETWORKS INC

Analyst Don Ames

1 PRICE EARNINGS ZONES

Refer to Section 3, columns D and E, Line 7, of your Stock Selection Guide study of this company for the information in columns 2 and 3 below.

1	2	3	4	5	6
YEAR	Average Price Earnings Ratios for Previous Five Years		Sum of Cols. 2 and 3	Column 4 Divided by 2 Low P/E Guide Line	Column 5 Multiplied by 1½ High P/E Guide Line
	High	Low			
2003	-79.2	-7.7	-86.9	-43.4	-65.2
2004	-94.4	-9.3	-103.7	-51.9	-77.8
2005	-94.4	-9.3	-103.7	-51.9	-77.8
2006	-65.9	-5.6	-71.4	-35.7	-53.6
2007	88.8	46.3	135.1	67.6	101.3

2 PRICE ZONES

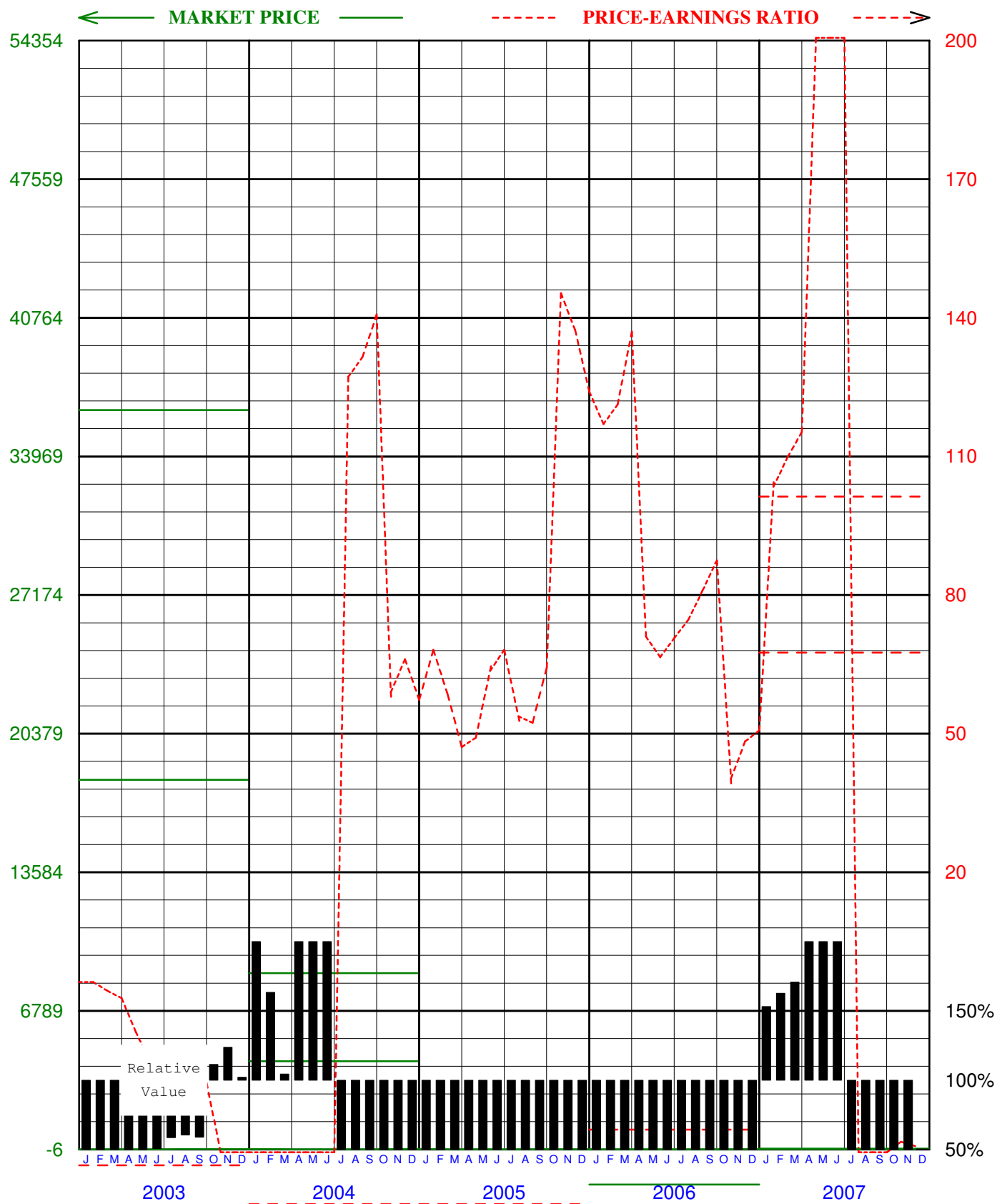
See Section 4C of Stock Selection Guide. 1 below is top of Buy Zone. 2 Below is bottom of Sell Zone

YEAR	1. Consider Buying Below	2.Consider Selling Above
2003	18,118.4	36,234.0
2004	4,318.3	8,635.9
2005	-6,168.9	-12,337.0
2006	-1,721.1	-3,442.0
2007	15.3	29.8

3 CUMULATIVE EARNINGS AND CURRENT PRICE-EARNINGS RATIO COMPUTATIONS

1	2	3	4	5	6	7	8	9	10	11	12
3 Months Ending	Earnings per Share	Total Earnings for last 4 Quarters	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting
03/03	-0.05	-0.22	04/03	3.20	NMF	05/03	4.63	NMF	06/03	4.84	NMF
06/03	-0.03	-0.27	07/03	6.86	NMF	08/03	7.09	NMF	09/03	6.93	NMF
09/03	-0.02	-0.17	10/03	8.23	NMF	11/03	9.14	NMF	12/03	7.54	NMF
12/03	0.03	-0.07	01/04	8.54	NMF	02/04	5.93	NMF	03/04	3.79	NMF
03/04	0.01	-0.01	04/04	3.80	NMF	05/04	5.60	NMF	06/04	4.78	NMF
06/04	0.02	0.04	07/04	5.09	127.3	08/04	5.26	131.5	09/04	5.63	140.8
09/04	0.04	0.10	10/04	5.90	59.0	11/04	6.61	66.1	12/04	5.73	57.3
12/04	0.02	0.09	01/05	6.13	68.1	02/05	5.27	58.6	03/05	4.24	47.1
03/05	-0.01	0.07	04/05	3.44	49.1	05/05	4.45	63.6	06/05	4.77	68.1
06/05	0.04	0.09	07/05	4.84	53.8	08/05	4.71	52.3	09/05	5.79	64.3
09/05	-0.02	0.03	10/05	4.36	145.3	11/05	4.12	137.3	12/05	3.72	124.0
12/05	0.03	0.04	01/06	4.68	117.0	02/06	4.85	121.2	03/06	5.48	137.0
03/06	0.02	0.07	04/06	4.97	71.0	05/06	4.66	66.6	06/06	4.95	70.7
06/06	0.03	0.06	07/06	4.48	74.7	08/06	4.86	81.0	09/06	5.25	87.5
09/06	0.05	0.13	10/06	5.23	40.2	11/06	6.28	48.3	12/06	6.59	50.7
12/06	-0.03	0.07	01/07	7.24	103.4	02/07	7.69	109.9	03/07	8.07	115.3
03/07	-0.02	0.03	04/07	7.73	257.7	05/07	8.67	289.0	06/07	8.52	284.0
06/07	-0.03	-0.03	07/07	6.84	NMF	08/07	5.78	NMF	09/07	6.10	NMF
09/07	-0.10	-0.18	10/07	6.90	NMF	11/07	7.07	NMF	12/07		
12/07			01/08			02/08			03/08		
03/08			04/08			05/08			06/08		
06/08			07/08			08/08			09/08		
09/08			10/08			11/08			12/08		
12/08			01/09			02/09			03/09		

4 CHART OF PRICES AND PRICE-EARNINGS RATIO



PERT Worksheet-A

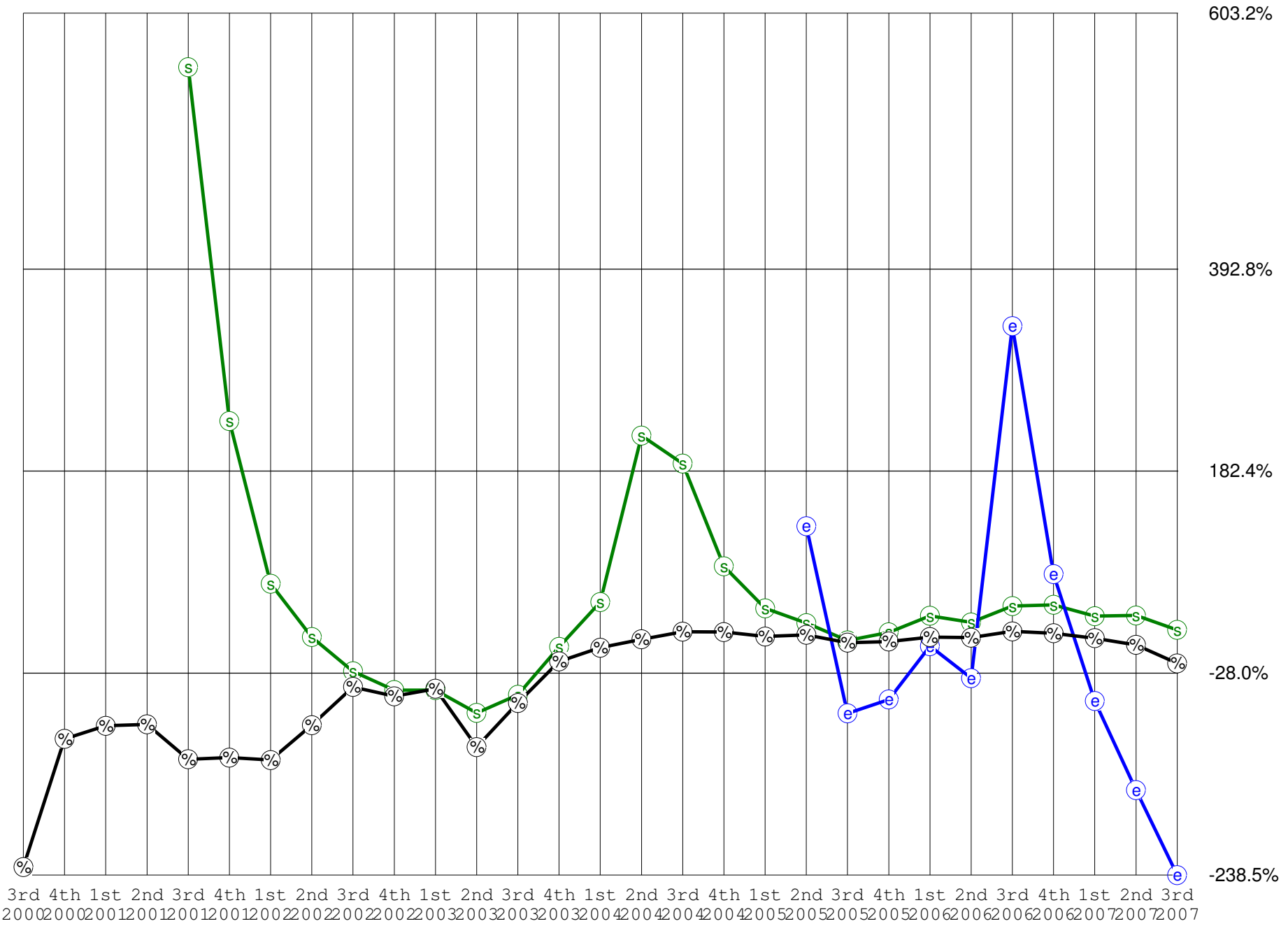
Company SONUS NETWORKS INC (SONS)

QUARTERLY DATA									LAST 12 MONTHS DATA								
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES
03/99								-10.5						-2.6			
06/99								-10.5						-5.3			
09/99								-10.5						-7.9			
12/99	-0.84		-9.54	0.0		0.00		-26.1						-14.4			
03/00	-0.69		-16.04	-1,467.1		1.09		0.0						-11.8			
06/00	-0.24		-15.35	-235.8		6.51		-0.5						-9.3			
09/00	-0.09		-12.38	-79.5		15.57		-5.3	-1.86	-53.31	-230.1	23.2	4.2	-8.0			
12/00	-0.04	NMF	-6.27	-21.9	NMF	28.60	NMF	5.0	-1.06	-50.04	-96.7	51.8	0.1	-0.2			
03/01	-0.26	NMF	-42.48	-102.4	NMF	41.50	3,696.8	0.8	-0.63	-76.48	-83.0	92.2	0.0	0.0			
06/01	-0.30	NMF	-51.39	-97.8	NMF	52.55	707.1	0.0	-0.69	-112.52	-81.4	138.2	-0.1	0.1			
09/01	-0.52	NMF	-91.84	-228.0	NMF	40.29	158.8	-0.4	-1.12	-191.98	-117.8	162.9	-2.6	1.4	NMF	NMF	603.2
12/01	-0.08	NMF	-15.39	-39.6	NMF	38.86	35.9	5.7	-1.16	-201.09	-116.1	173.2	-3.1	1.5	NMF	NMF	234.6
03/02	-0.14	NMF	-21.93	-106.9	NMF	20.51	-50.6	-19.5	-1.04	-180.54	-118.6	152.2	6.4	-3.5	NMF	NMF	65.1
06/02	0.02	NMF	4.61	8.9	NMF	51.78	-1.5	13.0	-0.72	-124.54	-82.2	151.4	0.4	-0.3	NMF	NMF	9.6
09/02	-0.12	NMF	-18.48	-201.7	NMF	9.16	-77.3	-25.5	-0.32	-51.18	-42.5	120.3	3.4	-6.6	NMF	NMF	-26.2
12/02	-0.07	NMF	-13.14	-105.3	NMF	12.48	-67.9	-4.5	-0.31	-48.94	-52.1	93.9	4.5	-9.1	NMF	NMF	-45.8
03/03	-0.05	NMF	-9.67	-105.0	NMF	9.21	-55.1	-2.7	-0.22	-36.68	-44.4	82.6	1.8	-4.9	NMF	NMF	-45.7
06/03	-0.03	-250.0	-7.27	-47.3	-257.7	15.37	-70.3	10.9	-0.27	-48.56	-105.1	46.2	2.6	-5.4	NMF	NMF	-69.5
09/03	-0.02	NMF	-5.00	-22.5	NMF	22.25	143.0	4.1	-0.17	-35.08	-59.2	59.3	-0.7	2.0	NMF	NMF	-50.7
12/03	0.03	NMF	7.11	15.3	NMF	46.38	271.8	-9.2	-0.07	-14.83	-15.9	93.2	-0.1	0.8	NMF	NMF	-0.8
03/04	0.01	NMF	3.18	8.7	NMF	36.53	296.7	19.7	-0.01	-1.98	-1.6	120.5	-0.1	6.4	NMF	NMF	45.9
06/04	0.02	NMF	5.15	12.2	NMF	42.36	175.7	2.9	0.04	10.44	7.1	147.5	0.5	4.4	NMF	NMF	219.3
09/04	0.04	NMF	10.48	22.4	NMF	46.76	110.2	3.9	0.10	25.92	15.1	172.0	1.1	4.3	NMF	NMF	190.1
12/04	0.02	-33.3	6.35	14.1	-10.6	45.08	-2.8	19.2	0.09	25.16	14.7	170.7	2.9	11.4	NMF	NMF	83.2
03/05	-0.01	-200.0	-5.00	-14.7	-257.1	33.95	-7.1	50.4	0.07	16.99	10.1	168.2	3.2	19.1	NMF	NMF	39.5
06/05	0.04	100.0	9.87	17.2	91.5	57.37	35.4	-1.6	0.09	21.70	11.8	183.2	3.9	18.0	125.0	107.8	24.2
09/05	-0.02	-150.0	-4.46	-9.7	-142.5	45.98	-1.7	-11.6	0.03	6.76	3.7	182.4	1.0	14.1	-70.0	-73.9	6.0
12/05	0.03	50.0	9.12	15.7	43.6	58.07	28.8	17.0	0.04	9.52	4.9	195.4	1.3	13.5	-55.6	-62.2	14.4
03/06	0.02	NMF	6.61	11.0	NMF	60.00	76.7	22.9	0.07	21.13	9.5	221.4	1.4	6.7	0.0	24.4	31.7
06/06	0.03	-25.0	9.32	14.5	-5.6	64.48	12.4	17.5	0.06	20.58	9.0	228.5	2.4	11.4	-33.3	-5.2	24.8
09/06	0.05	NMF	15.07	19.8	NMF	76.01	65.3	14.7	0.13	40.11	15.5	258.6	7.2	18.0	333.3	493.5	41.8
12/06	-0.03	-200.0	6.44	8.1	-29.4	79.00	36.0	223.7	0.07	37.43	13.4	279.5	26.1	69.7	75.0	293.0	43.1
03/07	-0.02	-200.0	-6.39	-9.0	-196.6	71.15	18.6	18.6	0.03	24.44	8.4	290.6	16.8	68.6	-57.1	15.7	31.3
06/07	-0.03	-200.0	-11.22	-14.9	-220.4	75.49	17.1	30.5	-0.03	3.90	1.3	301.6	2.8	71.9	-150.0	-81.0	32.0
09/07	-0.10	-300.0	-42.84	-55.9	-384.3	76.57	0.7	-37.5	-0.18	-54.00	-17.9	302.2	-31.8	58.8	-238.5	-234.6	16.9
12/07								0.5						3.0			

A B C D E F G H I J K L M N O P Q R S T

PERT Worksheet-A Graph

Company SONUS NETWORKS INC (SONS)



PERT Worksheet-B

Company SONUS NETWORKS INC

Symbol SONS

										% PAYOUT		
YEAR	EPS	PRICE RANGE		P/E RATIO		5 YR AVG P/E RATIO			DIV/ SHARE	THIS YEAR	5 YR AVG	% HIGH YIELD
		HIGH	LOW	HIGH	LOW	HIGH	AVG	LOW				
1997				NMF	NMF							
1998	-1.42			NMF	NMF							
1999	-1.84			NMF	NMF							
2000	-0.52	93.7	10.7	NMF	NMF				.000	NMF		.0
2001	-1.17	46.5	2.3	NMF	NMF				.000	NMF		.0
2002	-0.35	6.3	0.2	NMF	NMF				.000	NMF		.0
2003	-0.07	9.8	1.0	NMF	NMF				.000	NMF		.0
2004	0.10	10.0	2.9	100.0	29.4				.000	.0		.0
2005	0.04	6.4	3.2	160.8	79.0				.000	.0		.0
2006	0.08	7.1	3.7	88.6	46.1	88.6	67.4	46.1	.000	.0		.0
10 Year	Avg.			88.6	46.1		67.4					
A	B	C	D	E	F	G	H	I	J	K	L	M