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**JUNIPER NETWORKS REPORTS  
PRELIMINARY THIRD QUARTER 2012 FINANCIAL RESULTS**

- **Revenue: \$1,118 million, up 4% from Q2'12 and up 1% from Q3'11**
- **Operating Margin: 3.8% GAAP; 16.9% non-GAAP**
- **GAAP Net Income Per Share: \$0.03 diluted, includes \$0.16 impact from restructuring and other charges**
- **Non-GAAP Net Income Per Share: \$0.22 diluted, up 16% from Q2'12 and down 21% from Q3'11**

**SUNNYVALE, Calif., Oct. 23, 2012** - Juniper Networks (NYSE: JNPR), the industry leader in network innovation, reported preliminary financial results for the three and nine months ended September 30, 2012, and provided its outlook for the three months ending December 31, 2012.

Net revenues for the third quarter of 2012 increased 4% sequentially, and increased 1% on a year-over-year basis, to \$1,118 million.

The Company posted GAAP net income of \$17 million, or \$0.03 per diluted share for the third quarter. The GAAP diluted income per share includes \$0.16 impact from restructuring and other charges. Non-GAAP net income was \$118 million, or \$0.22 per diluted share, for the third quarter of 2012.

Non-GAAP net income per diluted share increased 16% compared to the second quarter of 2012 and decreased 21% compared to the third quarter of 2011. The reconciliation between GAAP and non-GAAP results of operations is provided in a table immediately following the Share-Based Compensation Related Payroll Tax by Category table below.

Juniper's operating margin for the third quarter of 2012 decreased to 3.8% on a GAAP basis from 8.1% in the second quarter of 2012, and from 12.4% in the third quarter 2011. Non-GAAP operating margin for the third quarter of 2012 increased to 16.9% from 15.0% in the second quarter of 2012 and decreased from 20.0% in the third quarter of 2011.

“Juniper delivered top line revenue growth in the third quarter as we focus on excellence in execution throughout our business,” said Kevin Johnson, chief executive officer of Juniper Networks. “Our new products continue to gain traction in the marketplace, and we’re aligning our organization to sharpen our focus, enable agility and drive efficiency as we position for 2013.”

“Our third quarter results demonstrated a return to year-over-year revenue growth and improved operational performance,” said Robyn Denholm, chief financial officer of Juniper Networks. “Long-term demand fundamentals for high-performance networking continue to be positive, yet customers remain cautious in the near-term environment. We remain focused on executing our strategy to drive revenue

growth, and with our workforce restructuring largely complete, we're well prepared to capture the market opportunity ahead."

### **Other Financial Highlights**

Total cash, cash equivalents and investments as of September 30, 2012 were \$4,048 million, compared to \$4,272 million as of the second quarter of 2012 and \$4,130 million as of the third quarter of 2011.

Juniper generated net cash from operations for the third quarter of 2012 of \$173 million, compared to net cash provided by operations of \$212 million in the second quarter of 2012, and \$185 million in the third quarter of 2011.

Days sales outstanding in accounts receivable ("DSO") was 32 days in the third quarter of 2012, compared to 34 days in the prior quarter and 36 days in the third quarter of 2011.

Juniper repurchased approximately 14 million shares in the third quarter of 2012, at an average price of \$18.00 per share, or approximately \$250 million.

Capital expenditures, as well as depreciation and amortization of intangible assets expense during the third quarter of 2012 were \$87 million and \$48 million, respectively.

### **Outlook**

Long-term fundamentals driving demand for networking solutions are positive, and we are making good progress toward our revenue targets for our new products. Our outlook for the December quarter reflects our customers' continued caution in their investment decisions in what continues to be a challenging environment.

- Juniper estimates revenue for the fourth quarter ending December 31, 2012 to be in the range of \$1,100 million to \$1,130 million.
- Juniper estimates that its non-GAAP gross margin will be in the range of 63.5% to 64.5% for the fourth quarter.
- Juniper estimates that its non-GAAP operating expenses will be flat compared to the September quarter.
- Juniper expects its non-GAAP operating margin for the fourth quarter will be in the range of 14% to 16%.
- Juniper estimates that its non-GAAP net income per share will range between \$0.19 and \$0.22 on a diluted basis, assuming a flat share count and estimated non-GAAP tax rate of 32%.

All forward-looking non-GAAP measures exclude estimates for amortization of intangible assets, share-based compensation expenses, acquisition-related charges, restructuring charges, litigation settlement charges, gain or loss on equity investments, non-recurring income tax adjustments, valuation allowance on deferred tax assets, and income tax effect of non-GAAP exclusions. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis.

### **Conference Call Webcast**

The webcast replay of the conference call is archived on the Juniper Networks website. <http://www.juniper.net/company/investor/conferencecall.html>.

## **About Juniper Networks**

Juniper Networks is in the business of network innovation. From devices to data centers, from consumers to cloud providers, Juniper Networks delivers the software, silicon and systems that transform the experience and economics of networking. Additional information can be found at [Juniper Networks \(www.juniper.net\)](http://www.juniper.net) or connect with Juniper on [Twitter](#) and [Facebook](#).

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