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**JUNIPER NETWORKS REPORTS  
PRELIMINARY THIRD QUARTER 2011 FINANCIAL RESULTS**

- **Revenue: \$1,106 million, up 9% from Q3'10 and down 1% from Q2'11**
- **Operating Margin: 12.4% GAAP; 20.0% non-GAAP**
- **GAAP Net Income Per Share: \$0.16 diluted**
- **Non-GAAP Net Income Per Share: \$0.28 diluted, down 13% from Q3'10 and down 10% from Q2'11**

**SUNNYVALE, Calif., Oct. 18, 2011** - Juniper Networks (NYSE: JNPR), the industry leader in network innovation, today reported preliminary financial results for the three and nine months ended September 30, 2011, and provided its outlook for the three months ending December 31, 2011.

Net revenues for the third quarter of 2011 increased 9% on a year-over-year basis, and decreased 1% sequentially, to \$1,105.8 million.

The Company posted GAAP net income of \$83.7 million, or \$0.16 per diluted share, and non-GAAP net income of \$149.8 million, or \$0.28 per diluted share, for the third quarter of 2011. Included in the GAAP diluted income per share for the quarter is a \$0.02 dilutive impact associated with restructuring activities.

Non-GAAP net income per diluted share decreased 13% compared to the third quarter of 2010 and decreased 10% compared to the second 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 executed well this quarter, and we are seeing strong customer interest in our new innovations in the data center, enterprise mobility and Converged Supercore," said Kevin Johnson, chief executive officer at Juniper Networks. "While the macroeconomic environment dictates we remain agile, Juniper is on the right strategic course to deliver continued growth."

Juniper's operating margin for the third quarter of 2011 decreased to 12.4% on a GAAP basis from 15.3% in the second quarter of 2011, and from 19.3% in the prior year third quarter. Included in the GAAP operating margin is a \$16.8 million restructuring charge primarily related to workforce reductions. Non-GAAP operating margin for the third quarter of 2011 decreased to

20.0% from 21.6% in the second quarter of 2011 and from 24.1% in the prior year third quarter.

"The third quarter unfolded as we anticipated, and we achieved the performance objectives we had set for the September quarter," said Robyn Denholm, chief financial officer at Juniper Networks. "We will continue to carefully manage our expense structure with a focus on investing prudently in the resources that support our growth agenda and maintain our commitment to innovation."

### **Other Financial Highlights**

Total cash, cash equivalents and investments as of the third quarter of 2011 was \$4,130.3 million, compared to \$4,220.5 million as of the second quarter of 2011 and \$2,698.5 million as of the third quarter of 2010.

Juniper generated net cash from operations for the third quarter of 2011 of \$185.2 million, compared to net cash provided by operations of \$318.3 million, in the second quarter of 2011, and \$131.4 million in the third quarter of 2010.

Days sales outstanding in accounts receivable ("DSO") was 36 days in the third quarter of 2011, compared to 39 days in the prior quarter and 42 days in the third quarter of 2010.

Juniper repurchased approximately 8.9 million shares in the third quarter of 2011, at an average price of \$21.47 per share, or approximately \$191.0 million dollars.

Capital expenditures, as well as depreciation and amortization of intangible assets expense during the third quarter of 2011, were \$71.9 million and \$43.3 million, respectively.

### **Outlook**

While the long-term fundamentals driving demand for networking solutions are healthy, the macro environment and the impact of the environment on customer capex purchases continues to be uncertain.

- Juniper estimates revenue for the fourth quarter ending December 31, 2011, to be in the range of \$1.160 billion to \$1.220 billion.
- Juniper estimates that its non-GAAP gross margin will be in the range of between 65% and 67% in the fourth quarter.
- Juniper estimates that its non-GAAP operating expenses will increase sequentially and be lower as a percentage of revenue in the fourth quarter.
- Juniper expects its non-GAAP operating margin for the fourth quarter will be in the range of 21% to 23%.
- Juniper estimates that its non-GAAP net income per share will range between \$0.32 and \$0.36 on a diluted basis, assuming a flat share count and estimated non-GAAP tax rate of 27.5%.

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 Web Cast**

Juniper Networks will host a conference call web cast today, October 18, 2011, at 2:00 p.m. (Pacific Time), to be broadcast live over the Internet at:  
<http://www.juniper.net/company/investor/conferencecall.html>.

To participate via telephone, in the U.S. the toll free dial-in number is 877-407-8033; outside of the U.S. dial +1-201-689-8033. Please call ten minutes prior to the scheduled conference call time. The webcast replay of the conference call will be archived on the Juniper Networks website until December 13, 2011.

### **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).

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Statements in this release concerning Juniper Networks' business outlook, economic and market outlook, future financial and operating results, and overall future prospects are forward-looking statements that involve a number of uncertainties and risks. Actual results or events could differ materially from those anticipated in those forward-looking statements as a result of certain factors, including: general economic conditions globally or regionally; business and economic conditions in the networking industry; changes in overall technology spending and spending by communication service providers; the network capacity requirements of communication service providers; contractual terms that may result in the deferral of revenue; increases in and the effect of competition; the timing of orders and their fulfillment; manufacturing and supply chain constraints; ability to establish and maintain relationships with distributors, resellers and other partners; variations in the expected mix of products sold; changes in customer mix; changes in geography mix; customer and industry analyst perceptions of Juniper Networks and its technology, products and future prospects; delays in scheduled product availability; market acceptance of Juniper Networks products and services; rapid technological and market change; adoption of regulations or standards affecting Juniper Networks products, services or the networking industry; the ability to successfully acquire, integrate and manage businesses and technologies; product defects, returns or vulnerabilities; the ability to recruit and retain key personnel; significant effects of tax legislation and judicial or administrative interpretation of tax regulations; currency fluctuations; litigation; and other factors listed in Juniper Networks' most recent report on Form 10-Q filed with the Securities and Exchange Commission. All statements made in this press release are made only as of the date set forth at the beginning of this release.

Juniper Networks undertakes no obligation to update the information in this release in the event facts or circumstances subsequently change after the date of this press release.

Juniper Networks believes that the presentation of non-GAAP financial information provides important supplemental information to management and investors regarding financial and business trends relating to the company's financial condition and results of operations. For further information regarding why Juniper Networks believes that these non-GAAP measures provide useful information to investors, the specific manner in which management uses these measures, and some of the limitations associated with the use of these measures, please refer to the discussion below.