



Q3 2010 FINANCIAL RESULTS CONFERENCE CALL

**TUESDAY, OCTOBER 19, 2010
1:45 P.M. PACIFIC TIME**

Kevin Johnson, Chief Executive Officer
Robyn Denholm, Chief Financial Officer



FORWARD LOOKING STATEMENTS

Information, statements and projections contained in these presentation slides and related conference call concerning Juniper Networks' business outlook, economic and market outlook, future financial and operating results guidance, and overall future prospects are forward looking statements that involve a number of uncertainties and risks. Actual results 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; 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 (SEC). All information, statements and projections contained in these slides and related conference call speak only as of the date of this presentation and related conference call. Juniper Networks undertakes no obligation to update the information contained in these slides and related conference call in the event facts or circumstances subsequently change.

USE OF NON-GAAP FINANCIAL MEASURES

These presentation slides contain references to certain non-GAAP financial measures. For detailed reconciliation between the non-GAAP financial results presented in these slides and corresponding GAAP measures, please refer to the appendix at the end of this slide deck. In addition, for important commentary on why Juniper Networks considers non-GAAP information a useful view of the company's financial results, please see the Form 8-K filed today with the SEC. With respect to future financial guidance provided on a non-GAAP basis, we have excluded estimates for stock based compensation expense and related payroll taxes, amortization of intangible assets, restructuring charges and acquisition-related and other charges.

A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis due to the high variability and low visibility with respect to the charges which are excluded from these non-GAAP measures.



COMPANY REVIEW

Kevin Johnson, Chief Executive Officer



BUSINESS CLIMATE: KEY MARKETS REMAIN STRONG

Confident in strategy & ability to strengthen position in industry

Juniper delivers growth:

Revenue grew 23% Y/Y and 3% Q/Q

Non-GAAP EPS increased 39% Y/Y and 7% Q/Q

Y/Y growth in all geographies



Service Provider Growth 21% Y/Y

Enterprise Growth 26% Y/Y

PROGRESS AGAINST STRATEGIC AGENDA: MOBILE INTERNET & CLOUD COMPUTING



Mobile Internet

- Project Falcon continues to hit milestones
- Evolved Packet Core in customer trial by end of year
- MX 3D & Project Falcon address scaling wireless networks to support mobile Internet



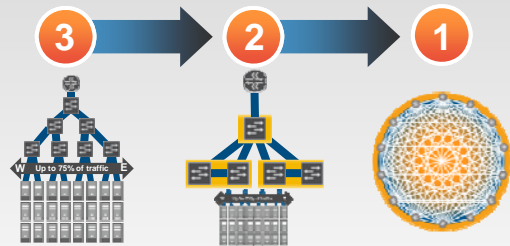
Security

- Strong global customer adoption of Mobile Secure solution
- Extended security focus with Junos® Pulse and SMobile
- Junos Pulse delivers robust security to mobile Internet



Datacenter

3-2-1 Architecture



EX Product Line



Core

- Continued design wins in the quarter with the T-1600
- Industry's only shipping standards-based 100GigE interfaces that are IP/MPLS capable

Q3 '10 SUMMARY: CONTINUING TO EXECUTE



Expanding portfolio of products and solutions



Continuing to execute against operating principles



Strengthening all aspects of business



Strong Q4 ahead, positioning for 2011

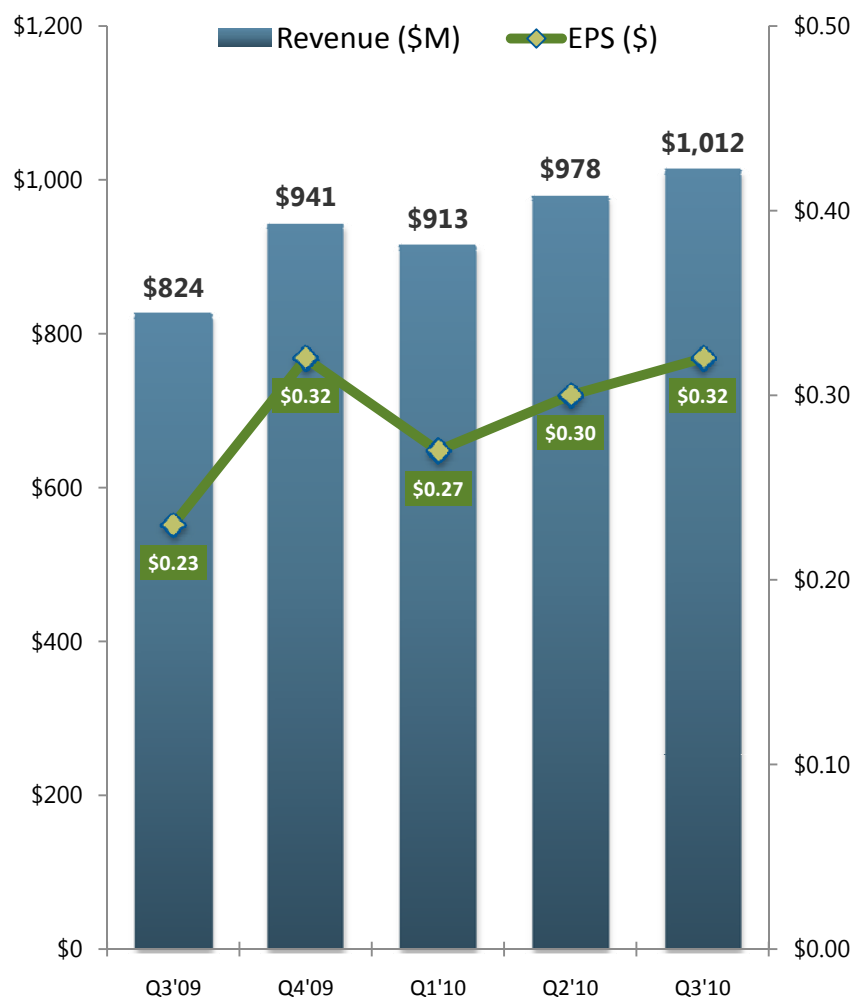


FINANCIAL REVIEW

Robyn Denholm, Chief Financial Officer



Q3 '10 RESULTS: UNDERLYING FUNDAMENTALS OF THE BUSINESS ARE STRONG



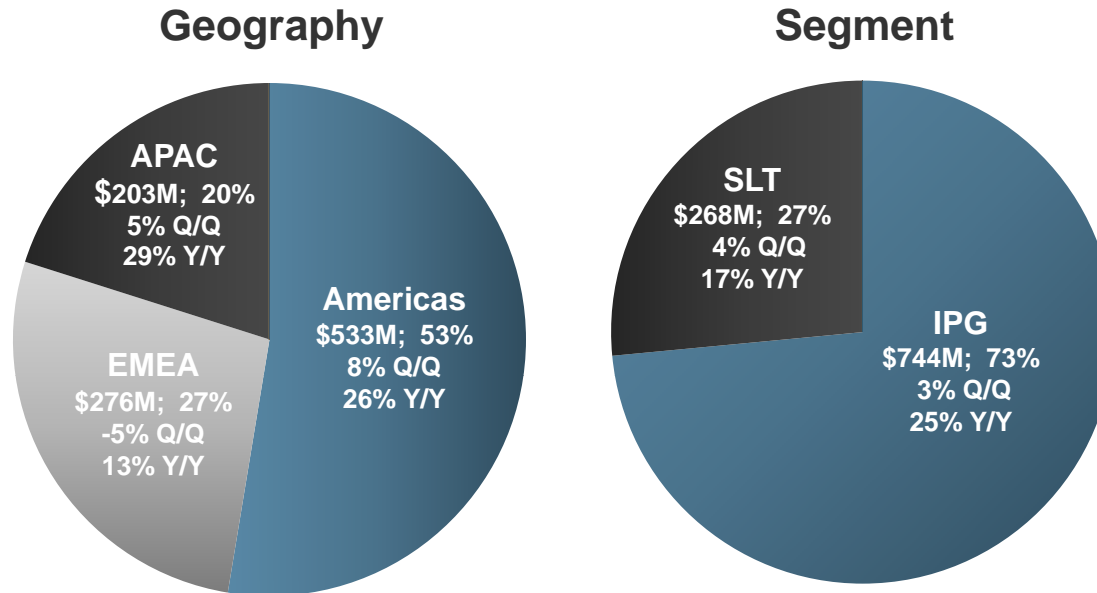
Solid Execution

- Revenue grew 3% Q/Q and 23% Y/Y
- Non-GAAP Operating Margin of 24.1%
- Non-GAAP Diluted EPS grew 2 cents Q/Q and 9 cents Y/Y

Robust Demand Metrics

- Book to bill well in excess of 1
- Exited Q3 with record product backlog; ~\$325M in Q3 vs. ~\$260M in Q2
- Strong deferred revenue balance
- Good momentum entering Q4

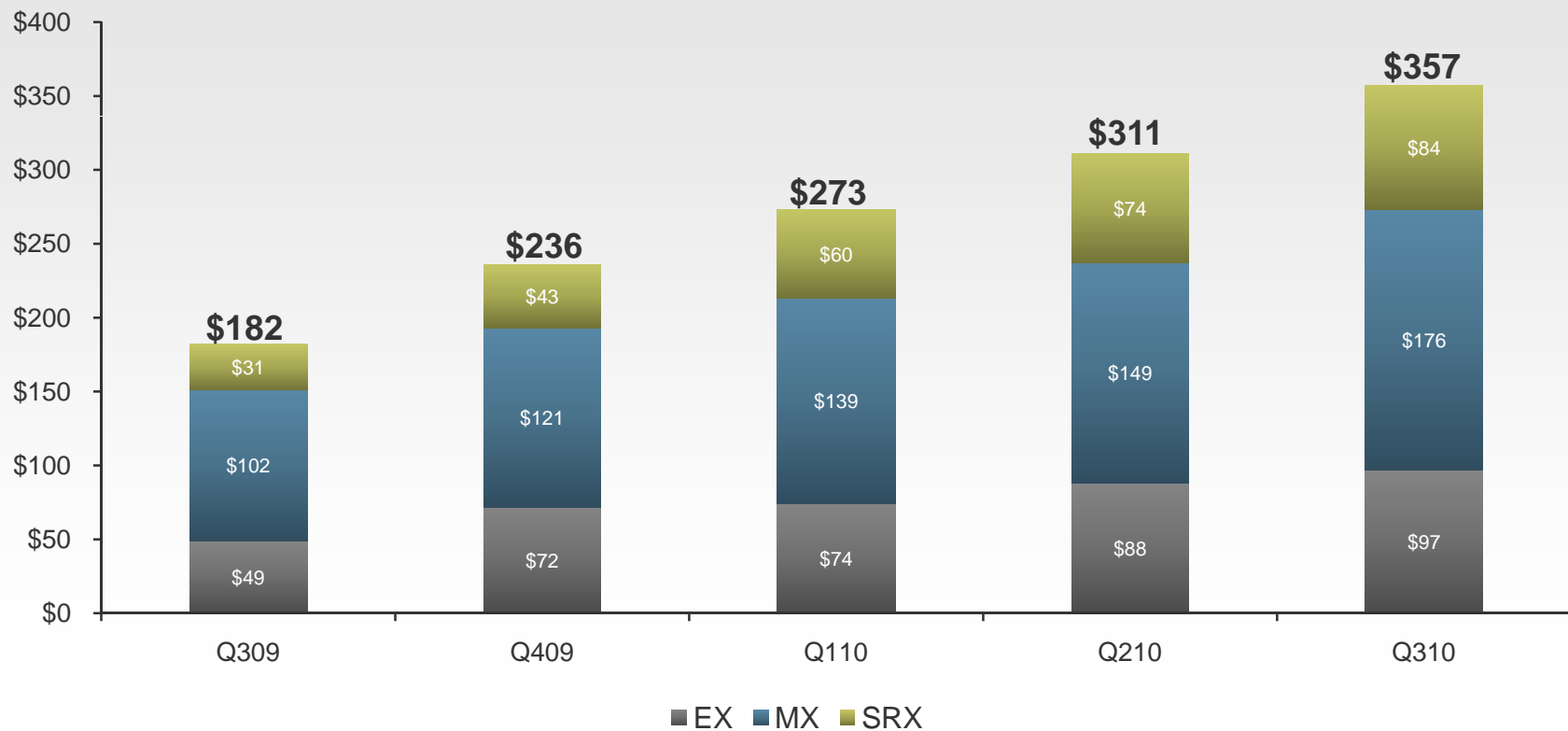
Q3 '10 REVENUE MIX



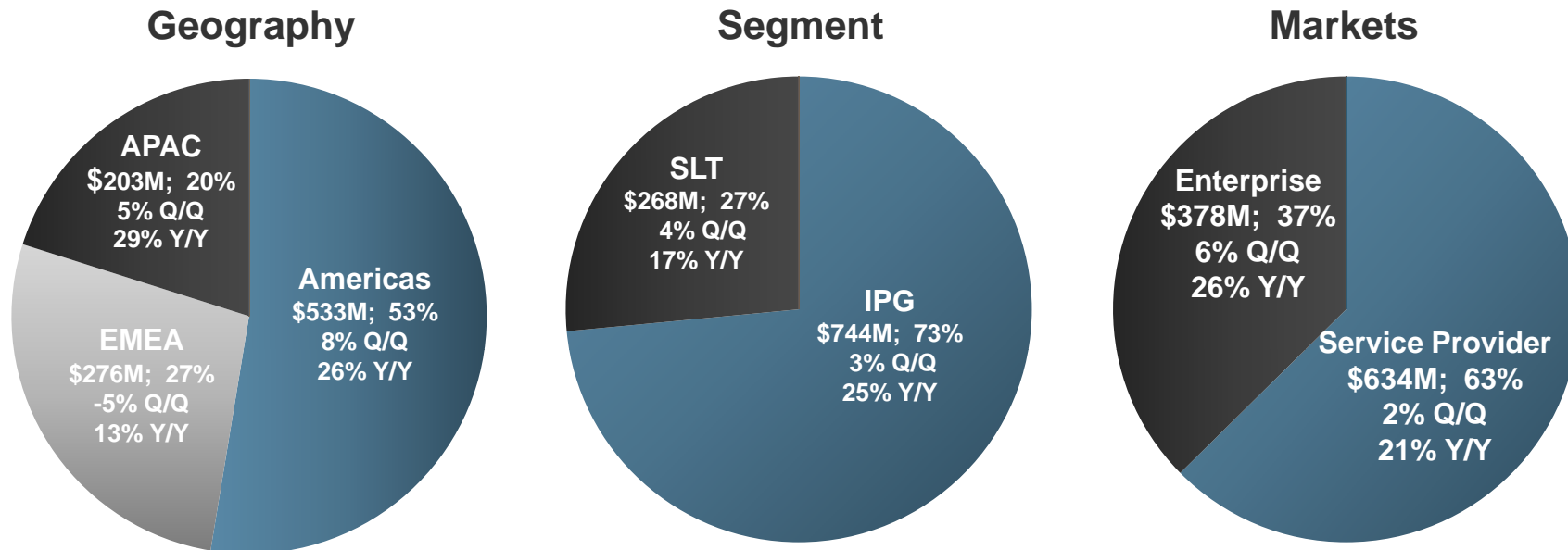
- Good Q/Q growth in Americas & Asia/Pac
- Y/Y growth in all geographies and segments
- EX continued momentum, up 10% Q/Q to \$102M
- MX 3D exceptionally strong ramp in demand, up 159% Q/Q to \$63M
- SRX gains continue, up 13% Q/Q to \$84M

EX, MX, SRX: RETURN ON R&D INVESTMENT 15% SEQUENTIAL GROWTH & 96% Y/Y GROWTH

EX, MX and SRX Product Revenue \$357M



Q3 '10 REVENUE MIX



- Good Q/Q growth in Americas & Asia/Pac
- Y/Y growth in all geographies and segments
- EX continued momentum, up 10% Q/Q to \$102M
- MX 3D exceptionally strong ramp in demand, up 159% Q/Q to \$63M
- SRX gains continue, up 13% Q/Q to \$84M
- Strength in content and cable, as well as U.S. regional service providers

FINANCIAL RESULTS (NON-GAAP)

	Q3'10	Q2'10	Q3'09	Q/Q Change	Y/Y Change
REVENUE	\$1,012.4M	\$978.3M	\$823.9M	3%	23%
GROSS MARGIN %	67.5%	67.9%	66.5%	-0.4pts	1.0pts
R&D	\$211.6M	\$205.7M	\$170.5M	3%	24%
SALES & MARKETING	\$191.1M	\$187.3M	\$172.2M	2%	11%
G&A	\$36.2M	\$37.9M	\$34.3M	-4%	6%
TOTAL OPERATING EXPENSE	\$438.9M	\$430.9M	\$377.0M	2%	16%
OPERATING MARGIN %	24.1%	23.9%	20.8%	0.2pts	3.3pts
NET INCOME*	\$171.5M	\$164.0M	\$122.5M	5%	40%
EPS (DILUTED)*	\$0.32	\$0.30	\$0.23	\$0.02	\$0.09

* Net income and diluted EPS attributable to Juniper Networks exclude net income or loss pertaining to non-controlling interest

CASH FLOW AND BALANCE SHEET METRICS

Solid cash position

- Cash and investments ~\$2.7B
- Cash flow from operations in the quarter was approximately \$131M

Share repurchase

- Repurchased 5.0M shares or approximately \$135M

No debt

DSO: 42 days

Deferred revenue healthy balance of \$785M, up 2% Q/Q, up 22% Y/Y

- Product deferred revenue up 9% Q/Q, up 36% Y/Y
- Services deferred revenue down 1% Q/Q, up 16% Y/Y

Q4 '10 GUIDANCE

3 MONTHS ENDING DECEMBER 31, 2010

NON-GAAP (EXCEPT FOR REVENUE AND SHARE COUNT)

REVENUE	\$1,120M, plus or minus \$20 million
GROSS MARGINS	Within long-term target range of 66% to 68%
OPEX	Operating expenses to be slightly lower as a percent of revenue and increase on an actual basis
OPERATING MARGINS	Range between 24.5%, plus or minus half a point
EPS	Expect range from \$0.35 to \$0.37 per diluted share
TAX RATE	Approximately 30%
SHARE COUNT	Expect to be flat

On track to achieve 20% or higher top-line growth in 2010

2010 OPERATING PRINCIPLES: PLANNING FOR GROWTH



Assume macro economy will continue to improve



Accelerate out of the downturn and outpace the market recovery



Invest in innovations that deliver long-term value to our customers



Drive year-over-year operating margin expansion



Maintain a healthy balance sheet and generate strong cash flows

APPENDIX



PERCENT OF REVENUE BY MARKET

	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10
Total SP	72.7%	68.7%	68.1%	65.3%	63.6%	67.9%	65.0%	63.4%	62.6%
Total Enterprise	27.3%	31.3%	31.9%	34.7%	36.4%	32.1%	35.0%	36.6%	37.4%

SEGMENT OPERATING RESULTS

(in '000's except percentages)	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
IPG:											
Product revenue	\$610,289	\$586,945	\$2,301,844	\$454,356	\$469,888	\$471,976	\$562,978	\$1,959,198	\$556,127	\$590,212	\$607,593
Service revenue	118,976	115,349	424,012	112,788	114,057	123,229	132,363	482,437	122,569	130,144	136,475
Total	729,265	702,294	2,725,856	567,144	583,945	595,205	695,341	2,441,635	678,696	720,356	744,068
Operating margin	216,845	202,513	806,001	111,906	119,941	126,928	182,640	541,415	176,483	181,199	179,857
Operating margin as a % of segment revenue	29.7%	28.8%	29.6%	19.7%	20.5%	21.3%	26.3%	22.2%	26.0%	25.2%	24.2%
SLT:											
Product revenue	\$156,680	\$158,915	\$609,116	\$133,507	\$137,071	\$162,098	\$176,118	\$608,794	\$165,074	\$183,846	\$193,590
Service revenue	61,017	62,284	237,404	63,532	65,347	66,609	69,995	265,483	68,848	74,098	74,749
Total	217,697	221,199	846,520	197,039	202,418	228,707	246,113	874,277	233,922	257,944	268,339
Operating margin	20,734	26,534	65,763	13,101	22,151	44,361	47,379	126,992	35,137	52,570	64,600
Operating margin as a % of segment revenue	9.5%	12.0%	7.8%	6.6%	10.9%	19.4%	19.3%	14.5%	15.0%	20.4%	24.1%

All numbers are GAAP

* Q3'10 numbers are preliminary pending the filing of our Quarterly Report on Form 10-Q

FINANCIAL RESULTS (GAAP)

	Q3'10	Q2'10	Q3'09	Q/Q Change	Y/Y Change
REVENUE	\$1,012.4M	\$978.3M	\$823.9M	3%	23%
GROSS MARGIN %	66.9%	67.5%	65.9%	-0.6pts	1.0pts
TOTAL OPERATING EXPENSE	\$482.3M	\$475.0M	\$415.3M	2%	16%
OPERATING MARGIN %	19.3%	18.9%	15.5%	0.4pts	3.8pts
NET INCOME*	\$134.5M	\$130.5M	\$83.8M	3%	61%
EPS (DILUTED)*	\$0.25	\$0.24	\$0.16	\$0.01	\$0.09

* Net income and diluted EPS attributable to Juniper Networks exclude net income or loss pertaining to non-controlling interest

Special Q3'10 items:

- Net income on a GAAP basis includes acquisition-related and other charges of \$1.5 million. Combined, these items represent less than \$0.01 per diluted share.

GAAP TO NON-GAAP RECONCILIATIONS

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Cost of revenues – Product	\$193,061	\$207,576	\$206,329	\$234,756	\$841,722	\$222,381	\$231,752	\$247,033
Stock-based compensation expense	(1,059)	(863)	(910)	(1,074)	(3,906)	(1,105)	(997)	(991)
Stock-based compensation related payroll tax	(2)	(14)	(32)	23	(25)	(71)	(40)	(20)
Amortization of purchased intangible assets	(1,369)	(1,369)	(1,369)	(904)	(5,011)	(25)	(308)	(1,414)
Non-GAAP Cost of revenues – Product	\$190,631	\$205,330	\$204,018	\$232,801	\$832,780	\$221,180	\$230,407	\$244,608
GAAP Cost of revenues – Service	\$68,830	\$72,405	\$74,300	\$75,452	\$290,987	\$78,216	\$86,610	\$87,587
Stock-based compensation expense	(2,460)	(2,490)	(2,615)	(2,922)	(10,487)	(3,494)	(3,242)	(3,155)
Stock-based compensation related payroll tax	(12)	(44)	(89)	70	(75)	(165)	(152)	(53)
Non-GAAP Cost of revenues – Service	\$66,358	\$69,871	\$71,596	\$72,600	\$280,425	\$74,557	\$83,216	\$84,379

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Gross margin	\$502,292	\$506,382	\$543,283	\$631,246	\$2,183,203	\$612,021	\$659,938	\$677,787
Stock-based compensation expense	3,519	3,353	3,525	3,996	14,393	4,599	4,239	4,146
Stock-based compensation related payroll tax	14	58	121	(93)	100	236	192	73
Amortization of purchased intangible assets	1,369	1,369	1,369	904	5,011	25	308	1,414
Non-GAAP Gross margin	\$507,194	\$511,162	\$548,298	\$636,053	\$2,202,707	\$616,881	\$664,677	\$683,420
GAAP Gross margin % of revenue	65.7%	64.4%	65.9%	67.1%	65.8%	67.1%	67.5%	66.9%
Stock-based compensation expense % of revenue	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.5%
Stock-based compensation related payroll tax % of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization of purchased intangible assets % of revenue	0.2%	0.2%	0.2%	0.1%	0.2%	0.0%	0.0%	0.1%
Non-GAAP Gross margin % of revenue	66.4%	65.0%	66.5%	67.6%	66.4%	67.6%	67.9%	67.5%

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Research and development expense	\$185,400	\$183,894	\$185,204	\$187,210	\$741,708	\$206,994	\$224,768	\$231,151
Stock-based compensation expense	(14,680)	(14,981)	(14,327)	(15,294)	(59,282)	(16,986)	(18,679)	(19,315)
Stock-based compensation related payroll tax	(31)	(156)	(353)	407	(133)	(755)	(430)	(228)
Non-GAAP Research and development expense	\$170,689	\$168,757	\$170,524	\$172,323	\$682,293	\$189,253	\$205,659	\$211,608
GAAP Sales and marketing expense	\$187,864	\$176,555	\$183,424	\$211,288	\$759,131	\$192,375	\$202,303	\$204,704
Stock-based compensation expense	(10,199)	(10,645)	(10,964)	(11,340)	(43,148)	(11,728)	(13,853)	(13,439)
Stock-based compensation related payroll tax	(202)	(191)	(276)	155	(514)	(432)	(1,150)	(153)
Non-GAAP Sales and marketing expense	\$177,463	\$165,719	\$172,184	\$200,103	\$715,469	\$180,215	\$187,300	\$191,112

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP General and administrative expense	\$39,211	\$39,175	\$39,877	\$41,196	\$159,459	\$43,138	\$45,880	\$43,773
Stock-based compensation expense	(5,164)	(4,550)	(5,538)	(7,584)	(22,836)	(7,248)	(7,832)	(7,491)
Stock-based compensation related payroll tax	(12)	(31)	(38)	(4)	(85)	(97)	(111)	(39)
Non-GAAP General and administrative expense	\$34,035	\$34,594	\$34,301	\$33,608	\$136,538	\$35,793	\$37,937	\$36,243
GAAP Operating expense	\$421,094	\$410,692	\$415,328	\$625,394	\$1,872,508	\$451,749	\$474,960	\$482,251
Stock-based compensation expense	(30,043)	(30,176)	(30,829)	(34,218)	(125,266)	(35,962)	(40,364)	(40,245)
Stock-based compensation related payroll tax	(245)	(378)	(667)	558	(732)	(1,284)	(1,691)	(420)
Amortization of purchased intangible assets	(4,390)	(3,539)	(1,330)	(1,157)	(10,416)	(1,137)	(1,204)	(917)
Restructuring charges	(4,229)	(7,529)	(4,493)	(3,212)	(19,463)	(8,105)	(264)	(181)
Other charges – acquisition related charges	-	-	-	-	-	-	(541)	(1,525)
Other charges – legal settlement	-	-	(1,000)	(181,331)	(182,331)	-	-	-
Non-GAAP Operating expense	\$382,187	\$369,070	\$377,009	\$406,034	\$1,534,300	\$405,261	\$430,896	\$438,963

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Operating income	\$81,198	\$95,690	\$127,955	\$5,852	\$310,695	\$160,272	\$184,978	\$195,536
Stock-based compensation expense	33,562	33,529	34,354	38,214	139,659	40,561	44,603	44,391
Stock-based compensation related payroll tax	259	436	788	(651)	832	1,520	1,883	493
Amortization of purchased intangible assets	5,759	4,908	2,699	2,061	15,427	1,162	1,512	2,331
Restructuring charges	4,229	7,529	4,493	3,212	19,463	8,105	264	181
Other charges – acquisition related charges	-	-	-	-	-	-	541	1,525
Other charges – legal settlement	-	-	1,000	181,331	182,331	-	-	-
Non-GAAP Operating income	\$125,007	\$142,092	\$171,289	\$230,019	\$668,407	\$211,620	\$233,781	\$244,457

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Operating margin	10.6%	12.2%	15.5%	0.6%	9.4%	17.6%	18.9%	19.3%
Stock-based compensation expense	4.4%	4.3%	4.2%	4.1%	4.2%	4.4%	4.6%	4.4%
Stock-based compensation related payroll tax	0.0%	0.0%	0.1%	-0.1%	0.1%	0.2%	0.2%	0.0%
Amortization of purchased intangible assets	0.8%	0.6%	0.3%	0.2%	0.5%	0.1%	0.2%	0.2%
Restructuring charges	0.6%	1.0%	0.6%	0.3%	0.5%	0.9%	0.0%	0.0%
Other charges – acquisition related charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Other charges – legal settlement	0.0%	0.0%	0.1%	19.3%	5.5%	0.0%	0.0%	0.0%
Non-GAAP Operating margin	16.4%	18.1%	20.8%	24.4%	20.2%	23.2%	23.9%	24.1%

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Other income and expense, net	\$264	\$1,273	\$1,733	(\$1,904)	\$1,366	\$1,459	\$4,065	\$205
Loss (gain) on investments	1,686	1,625	-	2,251	5,562	-	(3,232)	-
Non-GAAP Other income and expense, net	\$1,950	\$2,898	\$1,733	\$347	\$6,928	\$1,459	\$833	\$205
GAAP Income tax provision (benefit)	\$85,922	\$82,194	\$45,902	(\$17,185)	\$196,833	(\$2,879)	\$58,700	\$61,404
Non-recurring income tax (charge) benefit	-	(52,124)	(4,559)	-	(56,683)	54,069	-	-
Valuation allowance on deferred tax assets	(61,755)	-	-	-	(61,755)	-	-	-
Income tax effect of non-GAAP exclusions	11,216	11,120	9,162	75,672	107,170	13,977	12,130	11,932
Non-GAAP Provision for income tax	\$35,383	\$41,190	\$50,505	\$58,487	\$185,565	\$65,167	\$70,830	\$73,336
Non-GAAP Income tax rate	27.9%	28.4%	29.2%	25.4%	27.5%	30.6%	30.2%	30.0%
Non-GAAP Income before income taxes and noncontrolling interest	\$126,957	\$144,990	\$173,022	\$230,366	\$675,335	\$213,079	\$234,614	\$244,662

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
GAAP Net income (loss) attributable to Juniper Networks	(\$4,460)	\$14,769	\$83,786	\$22,904	\$116,999	\$163,115	\$130,511	\$134,543
Stock-based compensation expense	33,562	33,529	34,354	38,214	139,659	40,561	44,603	44,391
Stock-based compensation related payroll tax	259	436	788	(651)	832	1,520	1,883	493
Amortization of purchased intangible assets	5,759	4,908	2,699	2,061	15,427	1,162	1,512	2,331
Restructuring charges	4,229	7,529	4,493	3,212	19,463	8,105	264	181
Other charges – acquisition related charges	-	-	-	-	-	-	541	1,525
Other charges – legal settlement	-	-	1,000	181,331	182,331	-	-	-
Loss (gain) on investments	1,686	1,625	-	2,251	5,562	-	(3,232)	-
Non-recurring income tax charge (benefit)	-	52,124	4,559	-	56,683	(54,069)	-	-
Valuation allowance on deferred tax assets	61,755	-	-	-	61,755	-	-	-
Income tax effect of non-GAAP exclusions	(11,216)	(11,120)	(9,162)	(75,666)	(107,164)	(13,977)	(12,130)	(11,932)
Non-GAAP Net income	\$91,574	\$103,800	\$122,517	\$173,656	\$491,547	\$146,417	\$163,952	\$171,532

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10
Non-GAAP Net income	\$91,574	\$103,800	\$122,517	\$173,656	\$491,547	\$146,417	\$163,952	\$171,532
Non-GAAP Net income per share:								
Basic	\$0.17	\$0.20	\$0.23	\$0.33	\$0.94	\$0.28	\$0.31	\$0.33
Diluted	\$0.17	\$0.19	\$0.23	\$0.32	\$0.92	\$0.27	\$0.30	\$0.32
Shares used in computing non-GAAP net income per share:								
Basic	524,429	523,105	523,878	523,200	523,603	521,141	524,463	520,581
Diluted	530,705	532,850	538,132	538,887	534,015	536,718	538,947	534,880