



Q4 2010 FINANCIAL RESULTS CONFERENCE CALL

**TUESDAY, JANUARY 25, 2011
2:00 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 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 amortization of intangible assets, stock-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 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



RECORD REVENUE AND GROWING MARKET MOMENTUM EXITING 2010

- Q4 revenue up 26% Y/Y; 2010 revenue up 23%
- Positioned to deliver on multi-year growth agenda
- Preparing to launch new products focused on
Mobile Internet and Cloud Computing



CONTINUED OPERATIONAL EXCELLENCE IN Q4

- Strong bookings and backlog
- Driving improvement in operational execution
- Expanding operating margins
- Investing in sales & marketing and customer support

ADVANCING STRATEGIC AGENDA IN Q4

Mobile Internet

- Delivered first beta release of code for Project Falcon
- Launched Junos Pulse app
 - Introduced T4000

Cloud

- Shipped first beta version of Project Stratus data center fabric

Complemented Organic R&D with Acquisitions



Expanded partner relationships and built marketing muscle

LOOKING AHEAD TO 2011

- Economic climate continuing to improve
- Service Provider demand fundamentals intact
- Enterprise outlook healthy
- Mobile internet and cloud computing trends accelerating
- M&A strategy enhancing solutions

2011 OPERATING PRINCIPLES: EXECUTING ON A MULTI-YEAR GROWTH AGENDA



Assume macro economy will continue to improve



Drive another year of growth as part of multi-year growth agenda



Invest in sales & marketing as business scales



Drive year-over-year operating margin expansion



Leverage balance sheet to complement organic R&D with strategic acquisitions



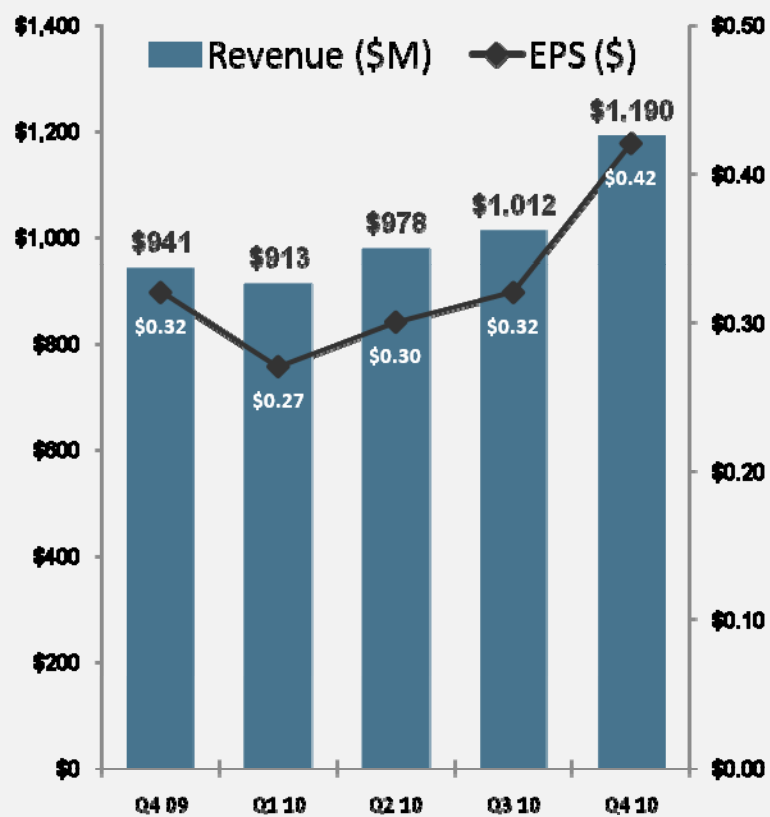
FINANCIAL REVIEW

Robyn Denholm, Chief Financial Officer



Q4'10 RESULTS: STRONG REVENUE QUARTER WITH SOLID PROFITABILITY

Revenue and Non-GAAP EPS



Solid Execution

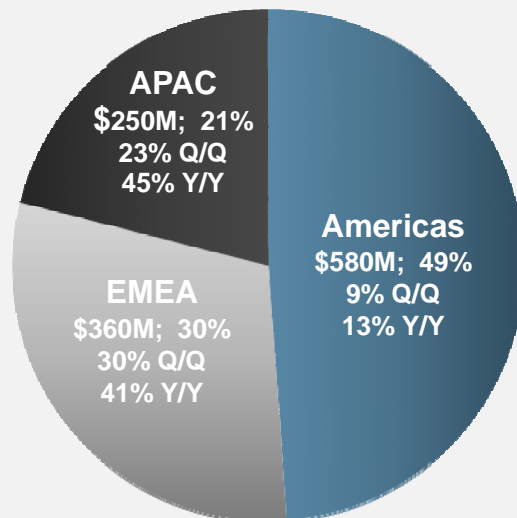
- Revenue grew 18% Q/Q, 26% Y/Y
- Non-GAAP Operating Margin of 24.5%
- Non-GAAP Diluted EPS grew 10 cents Q/Q and Y/Y and includes 3 cents positive benefit due to R & D tax credit

Strong Demand Metrics

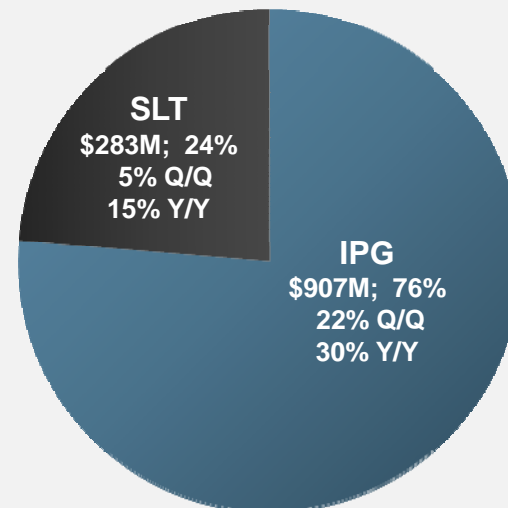
- Book to bill above 1
- Strong product backlog and deferred revenue balance
- Good momentum entering 2011

Q4'10 REVENUE MIX: BROAD-BASED GROWTH

Geography



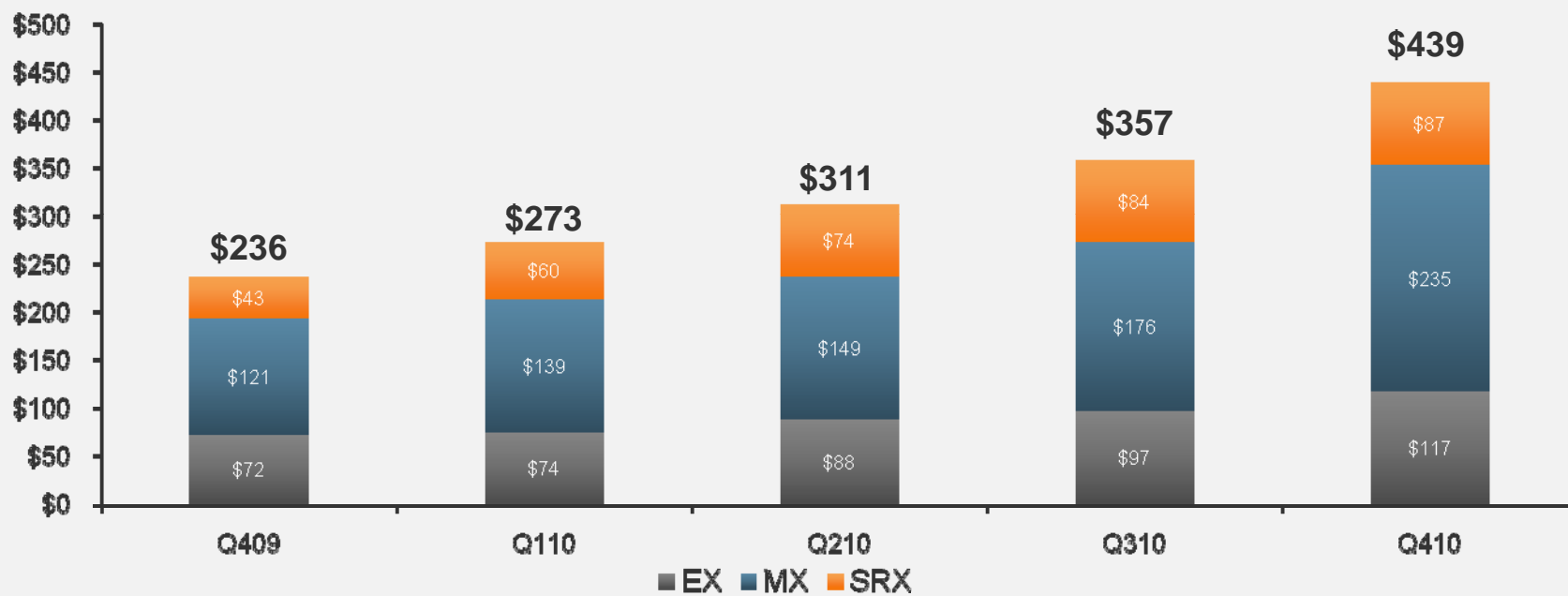
Segment



- Q/Q and Y/Y growth in all geographies and segments
- Good Q/Q growth in EMEA & APAC
- EX continued momentum, up 21% Q/Q to \$117M
- MX 3D gaining solid momentum, up 54% Q/Q to \$97M
- SRX gains continue, up 3% Q/Q to \$87M

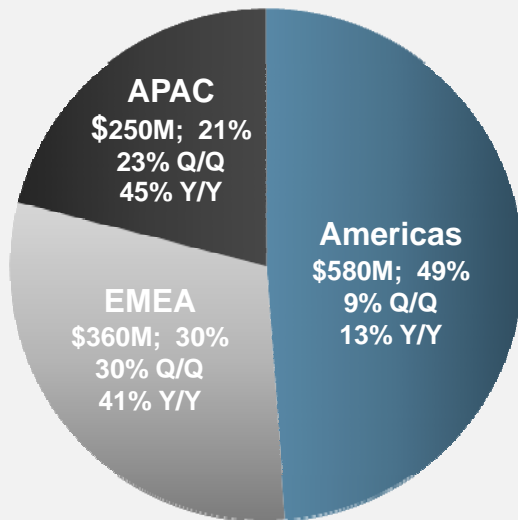
EX, MX, SRX: RETURN ON R&D INVESTMENT 23% SEQUENTIAL GROWTH & 86% Y/Y GROWTH

EX, MX and SRX Product Revenue \$439M

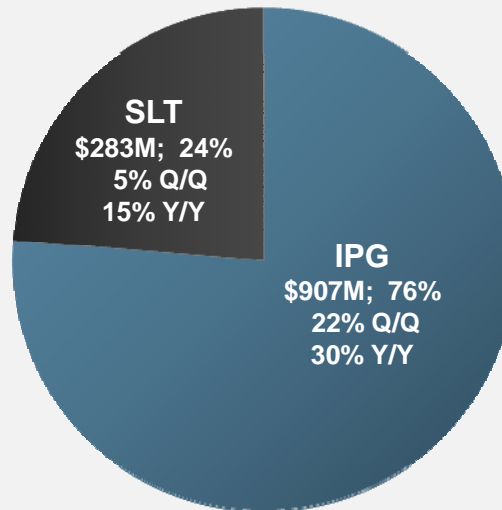


Q4'10 REVENUE MIX: BROAD-BASED GROWTH

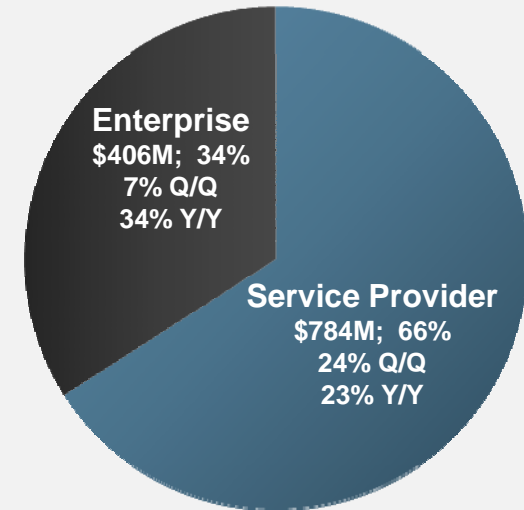
Geography



Segment



Markets



- Strong Service Provider growth, up 24% Q/Q and 23% Y/Y
- Q/Q and Y/Y growth in all geographies and segments
- Good Q/Q growth in EMEA & APAC
- EX continued momentum, up 21% Q/Q to \$117M
- MX 3D gaining solid momentum, up 54% Q/Q to \$97M
- SRX gains continue, up 3% Q/Q to \$87M
- Core routing secured key design wins and grew strongly, up 47% Q/Q, 39% Y/Y

FINANCIAL RESULTS (NON-GAAP)

	Q4'10	Q3'10	Q4'09	Q/Q Change	Y/Y Change
Revenue	\$1,189.9M	\$1,012.4M	\$941.5M	18%	26%
Gross Margin %	67.2%	67.5%	67.6%	-0.3pts	-0.4pts
R&D	\$230.7M	\$211.6M	\$172.3M	9%	34%
Sales & Marketing	\$240.6M	\$191.1M	\$200.1M	26%	20%
G&A	\$36.8M	\$36.2M	\$33.6M	1%	9%
Total Operating Expense	\$508.1M	\$438.9M	\$406.0M	16%	25%
Operating Margin %	24.5%	24.1%	24.4%	0.4pts	0.1pts
Net Income*	\$228.6M	\$171.5M	\$173.7M	33%	32%
EPS (Diluted)*	\$0.42	\$0.32	\$0.32	\$0.10	\$0.10

* 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 ~\$2.82B
- Cash flow from operations in the quarter was approximately \$371M

Share Repurchase

- Repurchased 5.4M shares or approximately \$177M

M&A

- Acquired Altor and Trapeze using net cash of ~\$241 million

Debt

- None

DSO

- 45 Days

Deferred Revenue

- Record balance of \$884M, up 13% Q/Q, up 17% Y/Y
 - Product deferred revenue up 12% Q/Q, up 20% Y/Y
 - Services deferred revenue up 13% Q/Q, up 16% Y/Y

Q1'11 GUIDANCE

3 MONTHS ENDING MARCH 31, 2011 *Non-GAAP (Except For Revenue And Share Count)*

Revenue	<ul style="list-style-type: none">▪ Range between \$1.06 billion and \$1.11 billion
Gross Margins	<ul style="list-style-type: none">▪ Within long-term target range of 66% to 68%
OPEX	<ul style="list-style-type: none">▪ Operating expenses to be higher as a percent of revenue and approximately flat on a dollar basis
Operating Margins	<ul style="list-style-type: none">▪ 22.0% plus or minus half a percentage point
EPS	<ul style="list-style-type: none">▪ Range between \$0.30 and \$0.33 per diluted share
Tax Rate	<ul style="list-style-type: none">▪ Approximately 28.5%
Share Count	<ul style="list-style-type: none">▪ Flat

2011 OPERATING PRINCIPLES: CONTINUING OUR MULTI-YEAR GROWTH AGENDA

- ✓ Assume macro economy will continue to improve
- ✓ Drive another year of growth as part of multi-year growth agenda
- ✓ Invest in sales & marketing as business scales
- ✓ Drive year-over-year operating margin expansion
- ✓ Leverage balance sheet to complement organic R&D with strategic acquisitions

APPENDIX



PERCENT OF REVENUE BY MARKET

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10
Total SP	68.7%	68.1%	65.3%	63.6%	67.9%	65.0%	63.4%	62.6%	65.9%
Total Enterprise	31.3%	31.9%	34.7%	36.4%	32.1%	35.0%	36.6%	37.4%	34.1%

SEGMENT OPERATING RESULTS

(in '000's except percentages)	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09	Q1'10	Q2'10	Q3'10	Q4'10	FY'10
IPG:												
Product revenue	\$586,945	\$2,301,844	\$454,356	\$469,888	\$471,976	\$562,978	\$1,959,198	\$556,127	\$590,212	\$607,593	\$757,652	\$2,511,584
Service revenue	115,349	424,012	112,788	114,057	123,229	132,363	482,437	122,569	130,144	136,475	149,502	538,690
Total	702,294	2,725,856	567,144	583,945	595,205	695,341	2,441,635	678,696	720,356	744,068	907,154	3,050,274
Operating margin	202,513	806,001	111,906	119,941	126,928	182,640	541,415	176,483	181,199	179,857	236,097	773,636
Operating margin as a % of segment revenue	28.8%	29.6%	19.7%	20.5%	21.3%	26.3%	22.2%	26.0%	25.2%	24.2%	26.0%	25.4%
SLT:												
Product revenue	\$158,915	\$609,116	\$133,507	\$137,071	\$162,098	\$176,118	\$608,794	\$165,074	\$183,846	\$193,590	\$204,557	\$747,067
Service revenue	62,284	237,404	63,532	65,347	66,609	69,995	265,483	68,848	74,098	74,749	78,230	295,925
Total	221,199	846,520	197,039	202,418	228,707	246,113	874,277	233,922	257,944	268,339	282,787	1,042,992
Operating margin	26,534	65,763	13,101	22,151	44,361	47,379	126,992	35,137	52,570	64,600	55,697	208,004
Operating margin as a % of segment revenue	12.0%	7.8%	6.6%	10.9%	19.4%	19.3%	14.5%	15.0%	20.4%	24.1%	19.7%	19.9%

All numbers are GAAP

* Q4'10 and FY'10 numbers are preliminary pending the filing of our Annual Report on Form 10-K

FINANCIAL RESULTS (GAAP)

	Q4'10	Q3'10	Q4'09	Q/Q Change	Y/Y Change
REVENUE	\$1,189.9M	\$1,012.4M	\$941.5M	18%	26%
GROSS MARGIN %	66.6%	66.9%	67.1%	-0.3pts	-0.5pts
TOTAL OPERATING EXPENSE	\$565.2M	\$482.3M	\$625.4M	17%	-10%
OPERATING MARGIN %	19.1%	19.3%	0.6%	-0.2pts	18.5pts
NET INCOME*	\$190.2M	\$ 134.5M	\$22.9M	41%	731%
EPS (DILUTED)*	\$0.35	\$0.25	\$0.04	\$0.10	\$0.31

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

Special Q4'10 items:

- Net income on a GAAP basis includes acquisition-related charges of \$4.3 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	Q4'10	FY'10
GAAP Cost of revenues – Product	\$193,061	\$207,576	\$206,329	\$234,756	\$841,722	\$222,381	\$231,752	\$247,033	\$299,699	\$1,000,865
Stock-based compensation expense	(1,059)	(863)	(910)	(1,074)	(3,906)	(1,105)	(997)	(991)	(1,260)	(4,353)
Stock-based compensation related payroll tax	(2)	(14)	(32)	23	(25)	(71)	(40)	(20)	(66)	(197)
Amortization of purchased intangible assets	(1,369)	(1,369)	(1,369)	(904)	(5,011)	(25)	(308)	(1,414)	(2,554)	(4,301)
Non-GAAP Cost of revenues – Product	\$190,631	\$205,330	\$204,018	\$232,801	\$832,780	\$221,180	\$230,407	\$244,608	\$295,819	\$992,014
GAAP Cost of revenues – Service	\$68,830	\$72,405	\$74,300	\$75,452	\$290,987	\$78,216	\$86,610	\$87,587	\$98,241	\$350,654
Stock-based compensation expense	(2,460)	(2,490)	(2,615)	(2,922)	(10,487)	(3,494)	(3,242)	(3,155)	(3,632)	(13,523)
Stock-based compensation related payroll tax	(12)	(44)	(89)	70	(75)	(165)	(152)	(53)	(319)	(689)
Non-GAAP Cost of revenues – Service	\$66,358	\$69,871	\$71,596	\$72,600	\$280,425	\$74,557	\$83,216	\$84,379	\$94,290	\$336,442

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	Q4'10	FY'10
GAAP Gross margin	\$502,292	\$506,382	\$543,283	\$631,246	\$2,183,203	\$612,021	\$659,938	\$677,787	\$792,001	\$2,741,747
Stock-based compensation expense	3,519	3,353	3,525	3,996	14,393	4,599	4,239	4,146	4,892	17,876
Stock-based compensation related payroll tax	14	58	121	(93)	100	236	192	73	385	886
Amortization of purchased intangible assets	1,369	1,369	1,369	904	5,011	25	308	1,414	2,554	4,301
Non-GAAP Gross margin	\$507,194	\$511,162	\$548,298	\$636,053	\$2,202,707	\$616,881	\$664,677	\$683,420	\$799,832	\$2,764,810
GAAP Gross margin % of revenue	65.7%	64.4%	65.9%	67.1%	65.8%	67.1%	67.5%	66.9%	66.6%	67.0%
Stock-based compensation expense % of revenue	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.5%	0.4%	0.4%
Stock-based compensation related payroll tax % of revenue	0.0%	0.0%	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%	0.2%	0.1%
Non-GAAP Gross margin % of revenue	66.4%	65.0%	66.5%	67.6%	66.4%	67.6%	67.9%	67.5%	67.2%	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	Q4'10	FY'10
GAAP Research and development expense	\$185,400	\$183,894	\$185,204	\$187,210	\$741,708	\$206,994	\$224,768	\$231,151	\$254,942	\$917,855
Stock-based compensation expense	(14,680)	(14,981)	(14,327)	(15,294)	(59,282)	(16,986)	(18,679)	(19,315)	(23,481)	(78,461)
Stock-based compensation related payroll tax	(31)	(156)	(353)	407	(133)	(755)	(430)	(228)	(793)	(2,206)
Non-GAAP Research and development expense	\$170,689	\$168,757	\$170,524	\$172,323	\$682,293	\$189,253	\$205,659	\$211,608	\$230,668	\$837,188
GAAP Sales and marketing expense	\$187,864	\$176,555	\$183,424	\$211,288	\$759,131	\$192,375	\$202,303	\$204,704	\$257,690	\$857,072
Stock-based compensation expense	(10,199)	(10,645)	(10,964)	(11,340)	(43,148)	(11,728)	(13,853)	(13,439)	(15,929)	(54,949)
Stock-based compensation related payroll tax	(202)	(191)	(276)	155	(514)	(432)	(1,150)	(153)	(1,177)	(2,912)
Non-GAAP Sales and marketing expense	\$177,463	\$165,719	\$172,184	\$200,103	\$715,469	\$180,215	\$187,300	\$191,112	\$240,584	\$799,211

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	Q4'10	FY'10
GAAP General and administrative expense	\$39,211	\$39,175	\$39,877	\$41,196	\$159,459	\$43,138	\$45,880	\$43,773	\$45,068	\$177,859
Stock-based compensation expense	(5,164)	(4,550)	(5,538)	(7,584)	(22,836)	(7,248)	(7,832)	(7,491)	(8,100)	(30,671)
Stock-based compensation related payroll tax	(12)	(31)	(38)	(4)	(85)	(97)	(111)	(39)	(182)	(429)
Non-GAAP General and administrative expense	\$34,035	\$34,594	\$34,301	\$33,608	\$136,538	\$35,793	\$37,937	\$36,243	\$36,786	\$146,759
GAAP Operating expense	\$421,094	\$410,692	\$415,328	\$625,394	\$1,872,508	\$451,749	\$474,960	\$482,251	\$565,203	\$1,974,163
Stock-based compensation expense	(30,043)	(30,176)	(30,829)	(34,218)	(125,266)	(35,962)	(40,364)	(40,245)	(47,510)	(164,081)
Stock-based compensation related payroll tax	(245)	(378)	(667)	558	(732)	(1,284)	(1,691)	(420)	(2,152)	(5,547)
Amortization of purchased intangible assets	(4,390)	(3,539)	(1,330)	(1,157)	(10,416)	(1,137)	(1,204)	(917)	(972)	(4,230)
Restructuring charges	(4,229)	(7,529)	(4,493)	(3,212)	(19,463)	(8,105)	(264)	(181)	(2,255)	(10,805)
Acquisition related charges	-	-	-	-	-	-	(541)	(1,525)	(4,276)	(6,342)
Litigation settlement charges	-	-	(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	\$508,038	\$1,783,158

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	Q4'10	FY'10
GAAP Operating income	\$81,198	\$95,690	\$127,955	\$5,852	\$310,695	\$160,272	\$184,978	\$195,536	\$226,798	\$767,584
Stock-based compensation expense	33,562	33,529	34,354	38,214	139,659	40,561	44,603	44,391	52,402	181,957
Stock-based compensation related payroll tax	259	436	788	(651)	832	1,520	1,883	493	2,537	6,433
Amortization of purchased intangible assets	5,759	4,908	2,699	2,061	15,427	1,162	1,512	2,331	3,526	8,531
Restructuring charges	4,229	7,529	4,493	3,212	19,463	8,105	264	181	2,255	10,805
Acquisition related charges	-	-	-	-	-	-	541	1,525	4,276	6,342
Litigation settlement charges	-	-	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	\$291,794	\$981,652

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	Q4'10	FY'10
GAAP Operating margin	10.6%	12.2%	15.5%	0.6%	9.4%	17.6%	18.9%	19.3%	19.1%	18.8%
Stock-based compensation expense	4.4%	4.3%	4.2%	4.1%	4.2%	4.4%	4.6%	4.4%	4.3%	4.3%
Stock-based compensation related payroll tax	0.0%	0.0%	0.1%	-0.1%	0.1%	0.2%	0.2%	0.0%	0.2%	0.2%
Amortization of purchased intangible assets	0.8%	0.6%	0.3%	0.2%	0.5%	0.1%	0.2%	0.2%	0.3%	0.2%
Restructuring charges	0.6%	1.0%	0.6%	0.3%	0.5%	0.9%	0.0%	0.0%	0.2%	0.3%
Acquisition related charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	0.2%
Litigation settlement charges	0.0%	0.0%	0.1%	19.3%	5.5%	0.0%	0.0%	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%	24.5%	24.0%

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	Q4'10	FY'10
GAAP Other income (expense), net	\$264	\$1,273	\$1,733	(\$1,904)	\$1,366	\$1,459	\$4,065	\$205	\$4,841	\$10,570
(Gain) loss on investments	1,686	1,625	-	2,251	5,562	-	(3,232)	-	(5,421)	(8,653)
Non-GAAP Other income and expense, net	\$1,950	\$2,898	\$1,733	\$347	\$6,928	\$1,459	\$833	\$205	\$(580)	\$1,917
GAAP Income tax provision (benefit)	\$85,922	\$82,194	\$45,902	(\$17,185)	\$196,833	(\$2,879)	\$58,700	\$61,404	\$41,556	\$158,781
Non-recurring income tax adjustment	-	(52,124)	(4,559)	-	(56,683)	54,069	-	-	-	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	21,219	59,258
Non-GAAP Provision for income tax	\$35,383	\$41,190	\$50,505	\$58,487	\$185,565	\$65,167	\$70,830	\$73,336	\$62,775	\$272,108
Non-GAAP Income tax rate	27.9%	28.4%	29.2%	25.4%	27.5%	30.6%	30.2%	30.0%	21.6%	27.7%
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	\$291,214	\$983,569

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	Q4'10	FY'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	\$190,233	\$618,402
Stock-based compensation expense	33,562	33,529	34,354	38,214	139,659	40,561	44,603	44,391	52,402	181,957
Stock-based compensation related payroll tax	259	436	788	(651)	832	1,520	1,883	493	2,537	6,433
Amortization of purchased intangible assets	5,759	4,908	2,699	2,061	15,427	1,162	1,512	2,331	3,526	8,531
Restructuring charges	4,229	7,529	4,493	3,212	19,463	8,105	264	181	2,255	10,805
Acquisition related charges	-	-	-	-	-	-	541	1,525	4,276	6,342
Litigation settlement charges	-	-	1,000	181,331	182,331	-	-	-	-	-
(Gain) loss on investments	1,686	1,625	-	2,251	5,562	-	(3,232)	-	(5,421)	(8,653)
Non-recurring income tax adjustment	-	52,124	4,559	-	56,683	(54,069)	-	-	-	(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)	(21,219)	(59,258)
Non-GAAP Net income	\$91,574	\$103,800	\$122,517	\$173,656	\$491,547	\$146,417	\$163,952	\$171,532	\$228,589	\$710,490

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	Q4'10	FY'10
Non-GAAP Net income	\$91,574	\$103,800	\$122,517	\$173,656	\$491,547	\$146,417	\$163,952	\$171,532	\$228,589	\$710,490
Non-GAAP Net income per share:										
Basic	\$0.17	\$0.20	\$0.23	\$0.33	\$0.94	\$0.28	\$0.31	\$0.33	\$0.44	\$1.36
Diluted	\$0.17	\$0.19	\$0.23	\$0.32	\$0.92	\$0.27	\$0.30	\$0.32	\$0.42	\$1.32
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	523,556	522,444
Diluted	530,705	532,850	538,132	538,887	534,015	536,718	538,947	534,880	541,464	538,790

IMPACT OF Q4'10 ACQUISITIONS

Balance Sheet (Purchase Accounting)

(\$ in millions)	Trapeze (12/31/10)	Altor (12/31/10)	Total Q4'10
Goodwill	\$90	\$76	\$166
Acquired Intangible Assets	56	21	77
Net Assets	6	5	11
Total Purchase Price	\$152	\$102	\$254

Income Statement

(\$ in millions)	Trapeze	Altor	Total
	Q4'10	Q4'10	
Revenue	\$ 1.2	\$ -	\$ 1.2
COGS	(0.4)	-	(0.4)
OPEX (Non-GAAP)	(0.9)	(0.4)	(1.3)
Net Operating Loss (Non-GAAP)	(0.1)	(0.4)	(0.5)