

GAAP TO NON-GAAP RECONCILIATIONS

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Cost of revenues – Product	\$191,791	\$215,134	\$230,060	\$230,610	\$867,595	\$193,061	\$207,576	\$206,329	\$234,756	\$841,722
Stock-based compensation expense	(784)	(687)	(754)	(727)	(2,952)	(1,059)	(863)	(910)	(1,074)	(3,906)
Stock-based compensation related payroll tax	(23)	(35)	(6)	(1)	(65)	(2)	(14)	(32)	23	(25)
Amortization of purchased intangible assets	(1,369)	(1,369)	(1,369)	(1,369)	(5,476)	(1,369)	(1,369)	(1,369)	(904)	(5,011)
Non-GAAP Cost of revenues – Product	\$189,615	\$213,043	\$227,931	\$228,513	\$859,102	\$190,631	\$205,330	\$204,018	\$232,801	\$832,780
GAAP Cost of revenues – Service	\$73,045	\$74,147	\$77,519	\$73,660	298,371	\$75,451	\$78,385	\$80,379	\$81,865	\$316,080
Stock-based compensation expense	(2,345)	(2,251)	(2,413)	(2,240)	(9,249)	(2,815)	(2,794)	(2,904)	(3,192)	(11,705)
Stock-based compensation related payroll tax	(85)	(97)	(18)	(2)	(202)	(12)	(44)	(89)	70	(75)
Non-GAAP Cost of revenues – Service	\$70,615	\$71,799	\$75,088	\$71,418	\$288,920	\$72,624	\$75,547	\$77,386	\$78,743	\$304,300

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Gross margin	\$558,051	\$589,753	\$639,383	\$619,223	\$2,406,410	\$495,671	\$500,402	\$537,204	\$624,833	\$2,158,110
Stock-based compensation expense	3,129	2,938	3,167	2,967	12,201	3,874	3,657	3,814	4,266	15,611
Stock-based compensation related payroll tax	108	132	24	3	267	14	58	121	(93)	100
Amortization of purchased intangible assets	1,369	1,369	1,369	1,369	5,476	1,369	1,369	1,369	904	5,011
Non-GAAP Gross margin	\$562,657	\$594,192	\$643,943	\$623,562	\$2,424,354	500,928	\$505,486	\$542,508	\$629,910	\$2,178,832
GAAP Gross margin % of revenue	67.8%	67.1%	67.5%	67.1%	67.4%	64.9%	63.6%	65.2%	66.4%	65.1%
Stock-based compensation expense % of revenue	0.4%	0.3%	0.3%	0.3%	0.3%	0.5%	0.5%	0.4%	0.4%	0.4%
Stock-based compensation related payroll tax % of revenue	-	-	-	-	-	-	-	-	-	-
Amortization of purchased intangible assets % of revenue	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.1%	0.2%
Non-GAAP Gross margin % of revenue	68.4%	67.6%	68.0%	67.5%	67.9%	65.6%	64.3%	65.8%	66.9%	65.7%

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Research and development expense	\$170,646	\$186,357	\$194,014	\$180,134	\$731,151	\$185,400	\$183,894	\$185,204	\$187,210	\$741,708
Stock-based compensation expense	(10,147)	(11,994)	(12,780)	(12,042)	(46,963)	(14,680)	(14,981)	(14,327)	(15,294)	(59,282)
Stock-based compensation related payroll tax	(208)	(394)	(61)	(16)	(679)	(31)	(156)	(353)	407	(133)
Non-GAAP Research and development expense	\$160,291	\$173,969	\$181,173	\$168,076	\$683,509	\$170,689	\$168,757	\$170,524	\$172,323	\$682,293
GAAP Sales and marketing expense	\$185,948	\$190,338	\$200,600	\$206,054	\$782,940	\$181,243	\$170,575	\$177,345	\$204,875	\$734,038
Stock-based compensation expense	(6,705)	(9,102)	(10,946)	(9,475)	(36,228)	(9,844)	(10,341)	(10,675)	(11,070)	(41,930)
Stock-based compensation related payroll tax	(730)	(666)	(169)	(140)	(1,705)	(202)	(191)	(276)	155	(514)
Non-GAAP Sales and marketing expense	\$178,513	\$180,570	\$189,485	\$196,439	\$745,007	\$171,197	\$160,043	\$166,394	\$193,960	\$691,594

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP General and administrative expense	\$33,634	\$35,609	\$37,623	\$37,971	\$144,837	\$39,211	\$39,175	\$39,877	\$41,196	\$159,459
Stock-based compensation expense	(2,749)	(3,312)	(1,910)	(4,770)	(12,741)	(5,164)	(4,550)	(5,538)	(7,584)	(22,836)
Stock-based compensation related payroll tax	(50)	(54)	(7)	(1)	(112)	(12)	(31)	(38)	(4)	(85)
Non-GAAP General and administrative expense	\$30,835	\$32,243	\$35,706	\$33,200	\$131,984	\$34,035	\$34,594	\$34,301	\$33,608	\$136,538
GAAP Operating expense	\$415,357	\$429,303	\$437,427	\$429,349	\$1,711,436	\$414,473	\$404,712	\$409,249	\$618,981	\$1,847,415
Stock-based compensation expense	(19,601)	(24,408)	(25,636)	(26,287)	(95,932)	(29,688)	(29,872)	(30,540)	(33,948)	(124,048)
Stock-based compensation related payroll tax	(988)	(1,114)	(237)	(157)	(2,496)	(245)	(378)	(667)	558	(732)
Amortization of purchased intangible assets	(20,150)	(7,999)	(5,190)	(5,190)	(38,529)	(4,390)	(3,539)	(1,330)	(1,157)	(10,416)
Restructuring charges	-	-	-	-	-	(4,229)	(7,529)	(4,493)	(3,212)	(19,463)
Impairment charges	(4,979)	-	-	-	(4,979)	-	-	-	-	-
Litigation settlement charges	-	(9,000)	-	-	(9,000)	-	-	(1,000)	(181,331)	(182,331)
Non-GAAP Operating expense	\$369,639	\$386,782	\$406,364	\$397,715	\$1,560,500	\$375,921	\$363,394	\$371,219	\$399,891	\$1,510,425

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Operating income	\$142,694	\$160,450	\$201,956	\$189,874	\$694,974	\$81,198	\$95,690	\$127,955	\$5,852	\$310,695
Stock-based compensation expense	22,730	27,346	28,803	29,254	108,133	33,562	33,529	34,354	38,214	139,659
Stock-based compensation related payroll tax	1,096	1,246	261	160	2,763	259	436	788	(651)	832
Amortization of purchased intangible assets	21,519	9,368	6,559	6,559	44,005	5,759	4,908	2,699	2,061	15,427
Restructuring charges	-	-	-	-	-	4,229	7,529	4,493	3,212	19,463
Impairment charges	4,979	-	-	-	4,979	-	-	-	-	-
Litigation settlement charges	-	9,000	-	-	9,000	-	-	1,000	181,331	182,331
Non-GAAP Operating income	\$193,018	\$207,410	\$237,579	\$225,847	\$863,854	\$125,007	\$142,092	\$171,289	\$230,019	\$668,407

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Operating margin	17.3%	18.3%	21.3%	20.6%	19.5%	10.6%	12.2%	15.5%	0.6%	9.4%
Stock-based compensation expense	2.8%	3.1%	3.0%	3.2%	3.0%	4.4%	4.3%	4.2%	4.1%	4.2%
Stock-based compensation related payroll tax	0.1%	0.1%	0.1%	-	0.1%	-	-	0.1%	(0.1)%	0.1%
Amortization of purchased intangible assets	2.7%	1.1%	0.7%	0.7%	1.2%	0.8%	0.6%	0.3%	0.2%	0.5%
Restructuring charges	-	-	-	-	-	0.6%	1.0%	0.6%	0.3%	0.5%
Impairment charges	0.6%	-	-	-	0.1%	-	-	-	-	-
Litigation settlement charges	-	1.0%	-	-	0.3%	-	-	0.1%	19.3%	5.5%
Non-GAAP Operating margin	23.5%	23.6%	25.1%	24.5%	24.2%	16.4%	18.1%	20.8%	24.4%	20.2%

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Other income and expense, net	\$17,590	\$11,688	\$9,740	\$(5,101)	\$33,917	\$264	\$1,273	\$1,733	\$(1,904)	\$1,366
Loss on investments	-	1,499	-	13,333	14,832	1,686	1,625	-	2,251	5,562
Non-GAAP Other income and expense, net	\$17,590	\$13,187	\$9,740	\$8,232	\$48,749	\$1,950	\$2,898	\$1,733	\$347	\$6,928
GAAP Provision for income tax	\$49,929	\$51,728	\$63,188	\$52,297	\$217,142	\$85,922	\$82,194	\$45,902	\$(17,185)	\$196,833
Non-recurring income tax charge	-	-	-	-	-	-	(52,124)	(4,559)	-	(56,683)
Valuation allowance on deferred tax assets	-	-	-	-	-	(61,755)	-	-	-	(61,755)
Income tax effect of non-GAAP exclusions	11,147	12,245	8,535	12,765	44,692	11,216	11,120	9,162	75,672	107,170
Non-GAAP Provision for income tax	\$61,076	\$63,973	\$71,723	\$65,062	\$261,834	\$35,383	\$41,190	\$50,505	\$58,487	\$185,565
Non-GAAP Income tax rate	29.0%	29.0%	29.0%	27.8%	28.7%	27.9%	28.4%	29.2%	25.4%	27.5%
Non-GAAP Income before income taxes and noncontrolling interest	\$210,608	\$220,597	\$247,319	\$234,079	\$912,603	\$126,957	\$144,990	\$173,022	\$230,366	\$675,335

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

(in '000's except per share amounts and percentages)	Q1'08	Q2'08	Q3'08	Q4'08	FY'08	Q1'09	Q2'09	Q3'09	Q4'09	FY'09
GAAP Net income (loss) attributable to Juniper Networks	\$110,355	\$120,410	\$148,508	\$132,476	\$511,749	\$(4,460)	\$14,769	\$83,786	\$22,904	\$116,999
Stock-based compensation expense	22,730	27,346	28,803	29,254	108,133	33,562	33,529	34,354	38,214	139,659
Stock-based compensation related payroll tax	1,096	1,246	261	160	2,763	259	436	788	(651)	832
Amortization of purchased intangible assets	21,519	9,368	6,559	6,559	44,005	5,759	4,908	2,699	2,061	15,427
Restructuring charges	-	-	-	-	-	4,229	7,529	4,493	3,212	19,463
Impairment charges	4,979	-	-	-	4,979	-	-	-	-	-
Litigation settlement charges	-	9,000	-	-	9,000	-	-	1,000	181,331	182,331
Loss on investments	-	1,499	-	13,333	14,832	1,686	1,625	-	2,251	5,562
Non-recurring income tax charge	-	-	-	-	-	-	52,124	4,559	-	56,683
Valuation allowance on deferred tax assets	-	-	-	-	-	61,755	-	-	-	61,755
Income tax effect of non-GAAP exclusions	(11,147)	(12,245)	(8,535)	(12,765)	(44,692)	(11,216)	(11,120)	(9,162)	(75,666)	(107,164)
Non-GAAP Net income	\$149,532	\$156,624	\$175,596	\$169,017	\$650,769	\$91,574	\$103,800	\$122,517	\$173,656	\$491,547

GAAP TO NON-GAAP RECONCILIATIONS (CONT.)

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Non-GAAP Net income	\$149,532	\$156,624	\$175,596	\$169,017	\$650,769	\$91,574	\$103,800	\$122,517	\$173,656	\$491,547
Non-GAAP Net income per share:										
Basic	\$0.29	\$0.30	\$0.32	\$0.32	\$1.23	\$0.17	\$0.20	\$0.23	\$0.33	\$0.94
Diluted	\$0.27	\$0.28	\$0.32	\$0.32	\$1.18	\$0.17	\$0.19	\$0.23	\$0.32	\$0.92
Shares used in computing non-GAAP net income per share:										
Basic	523,672	528,963	540,983	527,634	530,337	524,429	523,105	523,878	523,200	523,603
Diluted	560,407	559,328	554,350	534,817	551,433	530,705	532,850	538,132	538,887	534,015