UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____ to_____

Commission file number: 001-34501

JUNIPER NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**77-0422528**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1133 Innovation Way **Sunnyvale, California**	**94089**
(Address of principal executive offices)	*(Zip code)*

(408) 745-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 374,928,303 shares of the Company's Common Stock, par value $0.00001, outstanding as of November 3, 2017 .

Juniper Networks, Inc.

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PART I — FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Juniper Networks, Inc.

Condensed Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net revenues:				
Product	$ 869.7	$ 928.2	$ 2,615.8	$ 2,543.3
Service	388.1	357.1	1,171.9	1,061.2
Total net revenues	1,257.8	1,285.3	3,787.7	3,604.5
Cost of revenues:				
Product	336.0	349.6	1,026.4	955.8
Service	149.4	136.2	440.4	401.9
Total cost of revenues	485.4	485.8	1,466.8	1,357.7
Gross margin	772.4	799.5	2,320.9	2,246.8
Operating expenses:				
Research and development	236.4	251.8	752.8	750.7
Sales and marketing	232.5	242.9	716.6	718.4
General and administrative	70.6	54.0	176.7	172.0
Restructuring charges	2.0	0.8	29.4	3.2
Total operating expenses	541.5	549.5	1,675.5	1,644.3
Operating income	230.9	250.0	645.4	602.5
Other expense, net	(5.1)	(13.4)	(33.8)	(47.2)
Income before income taxes	225.8	236.6	611.6	555.3
Income tax provision	60.1	64.2	157.3	151.5
Net income	$ 165.7	$ 172.4	$ 454.3	$ 403.8
Net income per share:				
Basic	$ 0.44	$ 0.45	$ 1.20	$ 1.06
Diluted	$ 0.43	$ 0.45	$ 1.18	$ 1.04
Shares used in computing net income per share:				
Basic	378.3	381.0	380.0	382.3
Diluted	382.7	384.5	386.5	387.9
Cash dividends declared per common stock	$ 0.10	$ 0.10	$ 0.30	$ 0.30

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Condensed Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income	$ 165.7	$ 172.4	$ 454.3	$ 403.8
Other comprehensive income (loss), net of taxes:				
Available-for-sale securities:				
Unrealized (losses) gains net of tax benefits of $0.5 and $0.2 during the three and nine months ended September 30, 2017, respectively, and tax provision of $0.3 and benefit of $0.4 for the corresponding periods of the fiscal year ended December 31, 2016 ("fiscal 2016"), respectively	(0.2)	(0.6)	1.4	5.4
Reclassification adjustment for realized net gains included in net income, net of tax provision of $0.9 during both the three and nine months ended September 2017, respectively, and net of tax provisions of zero and $0.5 for the corresponding periods of fiscal 2016, respectively	(1.9)	(0.3)	(2.0)	(1.1)
Net change on available-for-sale securities, net of taxes	(2.1)	(0.9)	(0.6)	4.3
Cash flow hedges:				
Unrealized gains (loss) net of tax provisions of $0.5 and $3.0, for the three and nine months ended September 30, 2017, respectively, and tax provisions of $0.6 and $1.2 for the corresponding periods of fiscal 2016, respectively	6.3	(0.3)	14.6	3.6
Reclassification adjustment for realized net gains included in net income, net of tax provisions of $0.8 and $1.7 during the three and nine months ended September 30, 2017, respectively, and tax provisions of $0.3 and $0.4 for the corresponding periods of fiscal 2016, respectively	(2.5)	(0.9)	(2.4)	(1.0)
Net change on cash flow hedges, net of taxes	3.8	(1.2)	12.2	2.6
Change in foreign currency translation adjustments	8.4	(6.9)	19.3	(1.1)
Other comprehensive income (loss), net of taxes	10.1	(9.0)	30.9	5.8
Comprehensive income	$ 175.8	$ 163.4	$ 485.2	$ 409.6

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Condensed Consolidated Balance Sheets
(In millions, except par values)

	September 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,363.7	$ 1,833.2
Short-term investments	922.0	752.3
Accounts receivable, net of allowances	724.3	1,054.1
Prepaid expenses and other current assets	273.3	332.3
Total current assets	4,283.3	3,971.9
Property and equipment, net	1,007.5	1,063.8
Long-term investments	913.6	1,071.8
Restricted cash and investments	64.9	99.9
Purchased intangible assets, net	133.0	130.2
Goodwill	3,096.2	3,081.7
Other long-term assets	245.8	237.2
Total assets	$ 9,744.3	$ 9,656.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 205.4	$ 221.0
Accrued compensation	166.2	233.6
Deferred revenue	977.4	1,032.0
Other accrued liabilities	236.3	249.3
Total current liabilities	1,585.3	1,735.9
Long-term debt	2,135.7	2,133.7
Long-term deferred revenue	485.5	449.1
Long-term income taxes payable	224.0	209.2
Other long-term liabilities	155.7	166.1
Total liabilities	4,586.2	4,694.0
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Convertible preferred stock, $0.00001 par value; 10.0 shares authorized; none issued and outstanding	—	—
Common stock, $0.00001 par value; 1,000.0 shares authorized; 377.2 shares and 381.1 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	—	—
Additional paid-in capital	8,211.0	8,281.6
Accumulated other comprehensive loss	(6.4)	(37.3)
Accumulated deficit	(3,046.5)	(3,281.8)
Total stockholders' equity	5,158.1	4,962.5
Total liabilities and stockholders' equity	$ 9,744.3	$ 9,656.5

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2017	2016
Cash flows from operating activities:		
Net income	$ 454.3	$ 403.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation expense	151.1	162.1
Depreciation, amortization, and accretion	169.7	151.9
(Gain) loss on investments and disposal of fixed assets, net	(6.7)	1.6
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, net	331.9	36.6
Prepaid expenses and other assets	51.2	(22.2)
Accounts payable	(11.5)	52.1
Accrued compensation	(60.6)	(77.0)
Income taxes payable	8.8	(7.5)
Other accrued liabilities	(21.1)	(49.8)
Deferred revenue	(21.2)	124.7
Net cash provided by operating activities	1,045.9	776.3
Cash flows from investing activities:		
Purchases of property and equipment	(97.6)	(162.9)
Purchases of available-for-sale investments	(1,298.6)	(1,251.9)
Proceeds from sales of available-for-sale investments	761.2	985.1
Proceeds from maturities and redemptions of available-for-sale investments	521.3	232.4
Proceeds from Pulse note receivable	75.0	—
Purchases of privately-held investments	(9.8)	(17.1)
Proceeds from sales of privately-held investments	1.3	9.5
Purchases of trading investments	(3.9)	(4.3)
Payments for business acquisitions, net of cash and cash equivalents acquired	(33.0)	(96.7)
Changes in restricted cash	—	(2.4)
Net cash used in investing activities	(84.1)	(308.3)
Cash flows from financing activities:		
Purchases and retirement of common stock	(395.5)	(323.9)
Proceeds from issuance of common stock	64.4	59.7
Payment of cash dividends	(113.5)	(114.4)
Payment of debt	—	(300.0)
Issuance of debt, net	—	494.0
Payment of financing obligations	—	(15.5)
Net cash used in financing activities	(444.6)	(200.1)
Effect of foreign currency exchange rates on cash and cash equivalents	13.3	0.2
Net increase in cash and cash equivalents	530.5	268.1
Cash and cash equivalents at beginning of period	1,833.2	1,420.9
Cash and cash equivalents at end of period	$ 2,363.7	$ 1,689.0

See accompanying Notes to Condensed Consolidated Financial Statements

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

Basis of Presentation

The unaudited Condensed Consolidated Financial Statements of Juniper Networks, Inc. (the “Company” or “Juniper”) have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The Condensed Consolidated Balance Sheet as of December 31, 2016 , has been derived from the audited Consolidated Financial Statements at that date. In the opinion of management, all adjustments, including normal recurring accruals, considered necessary for a fair presentation have been included. The results of operations for the three and nine months ended September 30, 2017 , are not necessarily indicative of the results that may be expected for the year ending December 31, 2017 , or any future period.

The information included in this Quarterly Report on Form 10-Q (“Report”) should be read in conjunction with “Management's Discussion and Analysis of Financial Condition and Results of Operations,” “Risk Factors,” “Quantitative and Qualitative Disclosures About Market Risk,” and the Consolidated Financial Statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K").

Excess tax benefits from share-based compensation in prior periods have been reclassified to conform to the current-period presentation in the Condensed Consolidated Statements of Cash Flows upon adoption of the accounting standard described in Note 2, *Summary of Significant Accounting Policies* . In addition, certain other amounts in the Condensed Consolidated Statements of Cash Flows have been reclassified to conform to the current-period presentation.

The preparation of the financial statements and related disclosures in accordance with U.S. GAAP requires the Company to make judgments, assumptions, and estimates that affect the amounts reported in the Condensed Consolidated Financial Statements and the accompanying notes. Actual results could differ materially from those estimates under different assumptions or conditions.

Note 2. Summary of Significant Accounting Policies

Except for the change in certain policies related to share-based compensation upon adoption of the accounting standard described below, there have been no material changes to the Company's significant accounting policies, compared to the accounting policies described in Note 2, *Significant Accounting Policies* , in Notes to Consolidated Financial Statements in Item 8 of Part II of the Form 10-K.

Recently Adopted Accounting Standard

On January 1, 2017, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-09 (Topic 718) *Compensation—Stock Compensation: Improvements to Employee Share-Based Payment Accounting* , which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, forfeiture, statutory tax withholding requirements, and classification on the statement of cash flows. The impact of the adoption on the Company's Condensed Consolidated Financial Statements was as follows:

- Forfeitures: The Company elected to account for forfeitures as they occur using a modified retrospective transition method, rather than estimating forfeitures, resulting in a cumulative-effect adjustment of $9.0 million , which increased the January 1, 2017 opening accumulated deficit balance on the Condensed Consolidated Balance Sheets.
- Income tax accounting: The Company is also required to record excess tax benefits and tax deficiencies related to stock- based compensation as income tax benefit or expense in the statement of operations prospectively when share-based awards vest or are settled. Upon adoption, the Company recognized the previously unrecognized excess tax benefits using the modified retrospective transition method, which resulted in no impact to the January 1, 2017 opening accumulated deficit balance as previously unrecognized excess tax effects were fully offset by a valuation allowance.

- Cash flow presentation of excess tax benefits: The Company is required to classify excess tax benefits along with other income tax cash flows as an operating activity either prospectively or retrospectively. The Company elected to apply the change in presentation to the statements of cash flows retrospectively and no longer classify the excess tax benefits from share-based compensation as a financing activity. For the nine months ended September 30, 2016, the Company reclassified $5.8 million of excess tax benefits from share-based compensation to operating activities from financing activities.

Recent Accounting Standards Not Yet Effective

In August 2017, the FASB issued ASU No. 2017-12 (Topic 815) *Derivatives and Hedging — Targeted Improvements to Accounting for Hedging Activities,* which expands an entity's ability to hedge financial and nonfinancial risk components and amends how companies assess effectiveness as well as changes the presentation and disclosure requirements. The new standard is to be applied on a modified retrospective basis and is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact of adoption on the Consolidated Financial Statements.

In May 2017, the FASB issued ASU No. 2017-09 (Topic 718) *Compensation—Stock Compensation: Scope of Modification Accounting,* which provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. The new standard is effective on a prospective basis for interim and annual periods beginning after December 15, 2017, with early adoption permitted.

In March 2017, the FASB issued ASU No. 2017-08 *Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities* which shortens the amortization period for the premium on certain purchased callable debt securities to the earliest call date. The ASU will not impact debt securities held at a discount. This standard is effective for annual reporting periods beginning after December 15, 2018, including interim reporting periods within those annual reporting periods, and is to be applied on a modified retrospective basis with early adoption permitted. The Company is currently evaluating the impact of adoption on the Consolidated Financial Statements.

In February 2017, the FASB issued ASU No. 2017-05 *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets,* which amends guidance on how entities account for the derecognition of a nonfinancial asset or an in substance nonfinancial asset that is not a business. This standard is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods, and is to be applied on either a retrospective or modified retrospective basis with early adoption permitted. The adoption of this standard will not have a material impact on the Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-04 (Topic 350) *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairmen* t, which removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the amended guidance, a goodwill impairment charge will now be recognized for the amount by which the carrying value of a reporting unit exceeds its fair value, not to exceed the carrying amount of goodwill. This ASU will be applied on a prospective basis and is effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted for any impairment tests performed after January 1, 2017.

In January 2017, the FASB issued ASU No. 2017-01 (Topic 805) *Business Combinations: Clarifying the Definition of a Business* , which clarifies the definition of a business and assists entities with evaluating when a set of transferred assets and activities is a business. This ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted and will be applied on a prospective basis.

In November 2016, the FASB issued ASU No. 2016-18 (Topic 230) *Statement of Cash Flow: Restricted Cash,* which provides guidance on the classification of restricted cash to be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. The amendments of this ASU are effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. The standard must be applied retrospectively to all periods presented. The adoption of this standard will not have a material impact on the cash flow activity presented on the Company's Consolidated Statements of Cash Flows.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

In October 2016, the FASB issued ASU No. 2016-16 (Topic 740) *Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory,* which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. This ASU will be effective for annual and interim reporting periods beginning after December 15, 2017 and is to be applied on a modified retrospective basis. Early adoption is permitted. The adoption of this standard will not have a material impact on the Consolidated Financial Statements.

In August 2016, the FASB issued ASU No. 2016-15 (Topic 230) *Statement of Cash Flow: Classification of Certain Cash Receipts and Cash Payments,* which clarifies how companies present and classify certain cash receipts and cash payments in the statement of cash flows. This pronouncement is effective for interim and annual reporting periods beginning after December 15, 2017 and will be applied on a retrospective basis. Early adoption is permitted. The adoption of this standard will not have a material impact on the Company's Consolidated Statements of Cash Flows.

In June 2016, the FASB issued ASU No. 2016-13 (Topic 326) *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments* , which provides more decision-useful information about the expected credit losses on financial instruments and changes the loss impairment methodology. This pronouncement is effective for reporting periods beginning after December 15, 2019, and interim periods within those fiscal years, using a modified retrospective adoption method. Early adoption is permitted. The Company is currently evaluating the impact that this standard will have on its Consolidated Financial Statements and disclosures.

In February 2016, the FASB issued ASU No. 2016-02 (Topic 842), *Leases* , which requires recognition of lease assets and lease liabilities on the balance sheet by lessees for leases classified as operating leases with a lease term of more than twelve months. This ASU should be applied on a modified retrospective basis and is effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this standard and has commenced the assessment phase to determine the approach for implementing this standard. The adoption of this standard is expected to have a material impact on the Company's Consolidated Balance Sheets and disclosures. The Company is still evaluating the impact this standard will have on the Consolidated Statements of Operations.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* , which changes how entities measure equity investments and present changes in the fair value of financial liabilities measured under the fair value option. The guidance also updates certain presentation and disclosure requirements. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. This ASU is to be applied on a prospective basis for amendments related to equity securities without readily determinable fair values, and all other amendments in this standard will be applied on a modified retrospective basis. For equity securities without readily determinable fair values, we expect to elect the measurement alternative, defined as cost, less impairments, adjusted by observable price changes. The Company does not anticipate that the adoption of the amendments that will be applied on a modified retrospective basis will have a material impact on the Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09 (Topic 606) *—Revenue from Contracts with Customers* and several amendments thereafter (“ASU 2014-09”), which provides guidance for revenue recognition that will supersede the revenue recognition requirements in Topic 605, and most industry specific guidance. The core principle for ASU 2014-09 is that revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017.

The Company intends to adopt ASU 2014-09 on January 1, 2018 retrospectively, applying the amendments to each prior reporting period presented and currently remains on schedule with its implementation and the preparation of its prior-period financial statements .

Upon adoption, the Company expects a material impact to the opening balance sheet as of January 1, 2016 related to the cumulative effect of adopting this standard, primarily due to the application of the new guidance in the areas of distributor sales, software revenue, contract acquisition costs, variable consideration, and revenue allocation. The Company continues to assess the impact of ASU 2014-09 including any changes to systems, processes, and the control environment as it works through the adoption in 2017, and there remain areas still to be fully concluded upon. In addition, there are ongoing interpretive reviews, which may alter

the Company's conclusions on key accounting assessments and the financial impact of ASU 2014-09 on the Company's Consolidated Financial Statements. For further information, refer to Note 2, *Significant Accounting Policies* , in Notes to Consolidated Financial Statements in Item 8 of Part II of the Form 10-K.

Note 3. Business Combinations

On September 18, 2017 , the Company acquired 100% of Cyphort, Inc. ("Cyphort") for $33.5 million of cash. The acquisition of Cyphort, a software company providing security analytics for advanced threat defense, is expected to strengthen Juniper's security product portfolio.

The following table summarizes the estimated fair value of the assets acquired at the acquisition date (in millions, except years):

	Amount
Net tangible assets	$ 1.4
Existing technology intangible asset (*)	15.4
Goodwill	16.7
Total	$ 33.5

(*) Weighted average estimated useful life of 5 years .

Under the terms of the acquisition agreement with Cyphort, the Company assumed certain share-based awards for continuing employees, which were granted in contemplation of future services. The fair value of these share-based awards was $3.8 million , which will be expensed as share-based compensation over the remaining service period.

Acquisition-related costs were not material during the three and nine months ended September 30, 2017 and were expensed in the period incurred within general and administrative expense in the Company's Condensed Consolidated Statements of Operations.

The operating results of this business combination from the date of acquisition were not material to the Company's consolidated balance sheets and results of operations. Pro forma results of operations for this acquisition have not been presented, as the financial impact to the Company's consolidated results of operations is not material. The primary areas of the preliminary purchase price allocation that are subject to change relate to certain legal and income tax matters.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 4. Cash Equivalents and Investments

Investments in Available-for-Sale and Trading Securities

The following table summarizes the Company's unrealized gains and losses and fair value of investments designated as available-for-sale and trading securities as of September 30, 2017 and December 31, 2016 (in millions):

	As of September 30, 2017				As of December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed income securities:								
Asset-backed securities	$ 288.1	$ —	$ (0.3)	$ 287.8	$ 303.0	$ 0.2	$ (0.2)	$ 303.0
Certificates of deposit	50.0	—	—	50.0	66.1	—	—	66.1
Commercial paper	124.0	—	—	124.0	147.7	—	—	147.7
Corporate debt securities	834.1	0.8	(0.8)	834.1	846.5	0.4	(2.0)	844.9
Foreign government debt securities	64.8	—	(0.1)	64.7	34.0	—	(0.1)	33.9
Time deposits	411.4	—	—	411.4	264.6	—	—	264.6
U.S. government agency securities	156.9	—	(0.4)	156.5	127.0	—	(0.3)	126.7
U.S. government securities	548.3	0.1	(0.4)	548.0	390.7	0.1	(0.4)	390.4
Total fixed income securities	2,477.6	0.9	(2.0)	2,476.5	2,179.6	0.7	(3.0)	2,177.3
Money market funds	990.7	—	—	990.7	592.2	—	—	592.2
Mutual funds	8.2	—	—	8.2	8.0	—	—	8.0
Publicly-traded equity securities	—	—	—	—	5.3	—	(0.7)	4.6
Total available-for-sale securities	3,476.5	0.9	(2.0)	3,475.4	2,785.1	0.7	(3.7)	2,782.1
Trading securities in mutual funds	26.1	—	—	26.1	21.0	—	—	21.0
Total	$ 3,502.6	$ 0.9	$ (2.0)	$ 3,501.5	$ 2,806.1	$ 0.7	$ (3.7)	$ 2,803.1
Reported as:								
Cash equivalents	$ 1,588.8	$ —	$ —	$ 1,588.8	$ 907.1	$ —	$ —	$ 907.1
Restricted investments	77.1	—	—	77.1	71.9	—	—	71.9
Short-term investments	922.3	0.1	(0.4)	922.0	753.4	0.1	(1.2)	752.3
Long-term investments	914.4	0.8	(1.6)	913.6	1,073.7	0.6	(2.5)	1,071.8
Total	$ 3,502.6	$ 0.9	$ (2.0)	$ 3,501.5	$ 2,806.1	$ 0.7	$ (3.7)	$ 2,803.1

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The following table presents the contractual maturities of the Company's total fixed income securities as of September 30, 2017 (in millions):

	Amortized Cost	Estimated Fair Value
Due in less than one year	$ 1,563.2	$ 1,562.9
Due between one and five years	914.4	913.6
Total	$ 2,477.6	$ 2,476.5

The following tables present the Company's available-for-sale securities that were in an unrealized loss position as of September 30, 2017 and December 31, 2016 (in millions):

	As of September 30, 2017					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed income securities:						
Asset-backed securities	$ 224.2	$ (0.3)	$ —	$ —	$ 224.2	$ (0.3)
Corporate debt securities	361.6	(0.5)	59.5	(0.3)	421.1	(0.8)
Foreign government debt securities	36.6	(0.1)	—	—	36.6	(0.1)
U.S. government agency securities	89.0	(0.2)	18.0	(0.2)	107.0	(0.4)
U.S. government securities	256.3	(0.4)	1.8	—	258.1	(0.4)
Total available-for-sale securities	$ 967.7	$ (1.5)	$ 79.3	$ (0.5)	$ 1,047.0	$ (2.0)

	As of December 31, 2016					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed income securities:						
Asset-backed securities	$ 122.2	$ (0.2)	$ —	$ —	$ 122.2	$ (0.2)
Corporate debt securities	470.8	(1.9)	76.7	(0.1)	547.5	(2.0)
Foreign government debt securities	20.3	(0.1)	—	—	20.3	(0.1)
U.S. government agency securities	106.7	(0.3)	—	—	106.7	(0.3)
U.S. government securities	254.1	(0.4)	—	—	254.1	(0.4)
Total fixed income securities	974.1	(2.9)	76.7	(0.1)	1,050.8	(3.0)
Publicly-traded equity securities	4.6	(0.7)	—	—	4.6	(0.7)
Total available-for-sale securities	$ 978.7	$ (3.6)	$ 76.7	$ (0.1)	$ 1,055.4	$ (3.7)

The Company had 582 and 494 investments in unrealized loss positions as of September 30, 2017 and December 31, 2016 , respectively. The gross unrealized losses related to these investments were primarily due to changes in market interest rates and stock prices.

For available-for-sale debt securities that have unrealized losses, the Company evaluates whether (i) it has the intention to sell any of these investments and (ii) whether it is more likely than not that it will be required to sell any of these investments before recovery of the entire amortized cost basis. As of September 30, 2017 , the Company anticipates that it will recover the entire amortized cost basis of such available-for-sale debt securities and has determined that no other-than-temporary impairments associated with credit losses were required to be recognized during the three and nine months ended September 30, 2017 . During the three and nine months ended September 30, 2016 , there were no other-than-temporary impairments associated with these investments.

During the three and nine months ended September 30, 2017 and September 30, 2016 , there were no material gross realized gains or losses from either available-for-sale securities or from trading securities.

Restricted Cash and Investments

There have been no material changes to the composition of the Company's restricted cash and investments as described in Note 4, *Cash Equivalents and Investments* , in Notes to Consolidated Financial Statements in Item 8 of Part II of the Form 10-K. The restricted investments are designated as available-for-sale securities except relating to the non-qualified deferred compensation plan which are designated as trading securities. As of September 30, 2017 , total restricted cash and investments was $123.2 million , of which $58.3 million was included in prepaid expenses and other current assets and $64.9 million was included in restricted cash and investments on the Condensed Consolidated Balance Sheets.

Investments in Privately-Held Companies

As of September 30, 2017 and December 31, 2016 , the carrying values of the Company's investments in privately-held companies of $72.5 million and $62.7 million , respectively, were included in other long-term assets in the Condensed Consolidated Balance Sheets. These investments include debt and redeemable preferred stock securities that are carried at fair value, and non-redeemable preferred stock and common stock securities that are carried at cost. As of September 30, 2017 and December 31, 2016 , the carrying value of the investments accounted for under the cost method were $30.2 million and $19.0 million , respectively. See Note 5, *Fair Value Measurements* , for the Company's investments in privately-held companies that are carried at fair value.

The Company adjusts the carrying value for its investments in privately-held companies that are carried at cost for any impairment if the fair value is less than the carrying value of the respective assets on an other-than-temporary basis. There were no impairment charges for the three and nine months ended September 30, 2017 . During the three and nine months ended September 30, 2016 , the Company determined that certain investments in privately-held companies were other than-temporarily impaired, resulting in impairment charges of $4.5 million and $9.6 million , that were recorded within other expense, net in the Condensed Consolidated Statement of Operations.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 5. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table provides a summary of assets and liabilities measured at fair value on a recurring basis and as reported in the Condensed Consolidated Balance Sheets (in millions):

	Fair Value Measurements at September 30, 2017 Using:				Fair Value Measurements at December 31, 2016 Using:			
	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Remaining Inputs (Level 2)	Significant Other Unobservable Remaining Inputs (Level 3)	Total
Assets:								
Available-for-sale securities:								
Asset-backed securities	$ —	$ 287.8	$ —	$ 287.8	$ —	$ 303.0	$ —	$ 303.0
Certificates of deposit	—	50.0	—	50.0	—	66.1	—	66.1
Commercial paper	—	124.0	—	124.0	—	147.7	—	147.7
Corporate debt securities	—	834.1	—	834.1	—	844.9	—	844.9
Foreign government debt securities	—	64.7	—	64.7	—	33.9	—	33.9
Money market funds	990.7	—	—	990.7	592.2	—	—	592.2
Mutual funds	8.2	—	—	8.2	8.0	—	—	8.0
Publicly-traded equity securities	—	—	—	—	4.6	—	—	4.6
Time deposits	—	411.4	—	411.4	—	264.6	—	264.6
U.S. government agency securities	—	156.5	—	156.5	—	126.7	—	126.7
U.S. government securities	343.7	204.3	—	548.0	345.0	45.4	—	390.4
Total available-for-sale securities	1,342.6	2,132.8	—	3,475.4	949.8	1,832.3	—	2,782.1
Trading securities in mutual funds	26.1	—	—	26.1	21.0	—	—	21.0
Privately-held debt and redeemable preferred stock securities	—	—	42.3	42.3	—	—	43.7	43.7
Derivative assets:								
Foreign exchange contracts	—	8.5	—	8.5	—	0.9	—	0.9
Total assets measured at fair value	$ 1,368.7	$ 2,141.3	$ 42.3	$ 3,552.3	$ 970.8	$ 1,833.2	$ 43.7	$ 2,847.7
Liabilities:								
Derivative liabilities:								
Foreign exchange contracts	$ —	$ (0.6)	$ —	$ (0.6)	$ —	$ (4.9)	$ —	$ (4.9)
Total liabilities measured at fair value	$ —	$ (0.6)	$ —	$ (0.6)	$ —	$ (4.9)	$ —	$ (4.9)
Total assets, reported as:								
Cash equivalents	$ 947.9	$ 640.9	$ —	$ 1,588.8	$ 549.4	$ 357.7	$ —	$ 907.1
Restricted investments	77.1	—	—	77.1	71.9	—	—	71.9
Short-term investments	231.9	690.1	—	922.0	178.0	574.3	—	752.3
Long-term investments	111.8	801.8	—	913.6	171.5	900.3	—	1,071.8
Prepaid expenses and other current assets	—	8.5	—	8.5	—	0.9	—	0.9
Other long-term assets	—	—	42.3	42.3	—	—	43.7	43.7
Total assets measured at fair value	$ 1,368.7	$ 2,141.3	$ 42.3	$ 3,552.3	$ 970.8	$ 1,833.2	$ 43.7	$ 2,847.7
Total liabilities, reported as:								
Other accrued liabilities	$ —	$ (0.6)	$ —	$ (0.6)	$ —	$ (4.9)	$ —	$ (4.9)
Total liabilities measured at fair value	$ —	$ (0.6)	$ —	$ (0.6)	$ —	$ (4.9)	$ —	$ (4.9)

The Company's Level 2 available-for-sale fixed income securities are priced using quoted market prices for similar instruments or non-binding market prices that are corroborated by observable market data. The Company uses inputs such as actual trade data, benchmark yields, broker/dealer quotes, or alternative pricing sources with reasonable levels of price transparency which are obtained from quoted market prices, independent pricing vendors, or other sources, to determine the ultimate fair value of these assets. The Company's derivative instruments are classified as Level 2, as they are not actively traded and are valued using pricing models that use observable market inputs. The Company's policy is to recognize asset or liability transfers among Level 1, Level 2, and Level 3 at the beginning of the quarter in which a change in circumstances resulted in a transfer. During the three and nine months ended September 30, 2017 , the Company had no transfers between levels of the fair value hierarchy of its assets or liabilities measured at fair value.

All of the Company's privately-held debt and redeemable preferred stock securities are classified as Level 3 assets due to the lack of observable inputs to determine fair value. The Company estimates the fair value of its privately-held debt and redeemable preferred stock securities on a recurring basis using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure. During the three and nine months ended September 30, 2017 , there were no purchases, sales, gains, or losses related to privately-held debt and redeemable preferred stocks securities.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

As of September 30, 2017 , the Company had no assets required to be measured at fair value on a nonrecurring basis. Investments in privately-held companies, which are normally carried at cost, are measured at fair value on a nonrecurring basis due to events and circumstances that the Company identifies as materially impacting the carrying value of the investments. As of December 31, 2016 , certain investments in privately-held companies with a carrying value of $1.6 million were impaired and written-down to their fair value of zero and were classified as Level 3 assets due to lack of observable inputs to determine fair value. The Company estimates the fair value of its investments in privately-held companies using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure. The impairment charge was recorded to other expense, net in the Condensed Consolidated Statements of Operations.

As of September 30, 2017 and December 31, 2016 , the Company had no liabilities required to be measured at fair value on a nonrecurring basis.

Assets and Liabilities Not Measured at Fair Value

The carrying amounts of the Company's accounts receivable, accounts payable, and other accrued liabilities approximate fair value due to their short maturities. As of September 30, 2017 and December 31, 2016 , the estimated fair value of the Company's long-term debt in the Condensed Consolidated Balance Sheets was $2,274.8 million and $2,215.7 million , respectively, based on observable market inputs (Level 2). The carrying value of the promissory note issued to the Company in connection with the previously completed sale of Junos Pulse (the “Pulse Note”), of $58.5 million and $132.9 million approximates its fair value as of September 30, 2017 and December 31, 2016 . The Pulse Note is classified as a Level 3 asset due to the lack of observable inputs to determine fair value. See Note 8, *Other Financial Information* , for further information on the Pulse Note.

Note 6. Derivative Instruments

The Company uses derivatives to partially offset its market exposure to fluctuations in certain foreign currencies and does not enter into derivatives for speculative or trading purposes.

The notional amount of the Company's foreign currency derivatives are summarized as follows (in millions):

	As of	
	September 30, 2017	December 31, 2016
Cash flow hedges	$ 231.6	$ 172.0
Non-designated derivatives	147.1	—
Total	$ 378.7	$ 172.0

Cash Flow Hedges

The Company uses foreign currency forwards to hedge the Company's planned cost of revenues and operating expenses denominated in foreign currencies. These derivatives are designated as cash flow hedges. Execution of cash flow hedge derivatives typically occurs every month with maturities of eighteen months or less. As of September 30, 2017 , an estimated $8.8 million of existing gains or losses within accumulated other comprehensive loss is expected to be reclassified into earnings within the next 12 months.

The Company recognized an unrealized gain of $6.8 million and $17.6 million in accumulated other comprehensive loss for the effective portion of its derivative instruments for the three and nine months ended September 30, 2017 , respectively; and unrealized gains of $0.3 million and $4.8 million for the corresponding periods of the fiscal year ended December 31, 2016, respectively. The amounts reclassified out of accumulated other comprehensive loss to cost of revenues and operating expense in the Condensed Consolidated Statements of Operations was not material during the three and nine months ended September 30, 2017 and September 30, 2016 .

The ineffective portion of the Company's derivative instruments recognized in its Condensed Consolidated Statements of Operations was not material during the three and nine months ended September 30, 2017 and September 30, 2016 .

See Note 5, *Fair Value Measurements* , for the fair values of the Company's derivative instruments in the Condensed Consolidated Balance Sheets.

Non-Designated Derivatives

The Company also uses foreign currency forward contracts to mitigate variability in gains and losses generated from the remeasurement of certain monetary assets and liabilities denominated in foreign currencies. These foreign exchange forward contracts typically have maturities of approximately one month . The outstanding non-designated derivative instruments are carried at fair value. Changes in the fair value of these derivatives recorded in other expense, net within the Condensed Consolidated Statements of Operations were not material during the three and nine months ended September 30, 2017 and September 30, 2016 .

Note 7. Goodwill and Purchased Intangible Assets

Goodwill

The following table presents goodwill activity (in millions):

Balance as of December 31, 2016	$ 3,081.7
Additions due to business combination	16.7
Other [*]	(2.2)
Balance as of September 30, 2017	$ 3,096.2

[*] Other primarily consists of certain purchase accounting adjustments related to previously completed business combinations.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Purchased Intangible Assets

The Company's purchased intangible assets as of September 30, 2017 and December 31, 2016 , were $133.0 million and $130.2 million , respectively. The balance as of September 30, 2017 includes $15.4 million of purchased intangible assets related to the acquisition of Cyphort. See Note 3 *, Business Combinations* , for further details.

Amortization expense was $4.1 million and $12.6 million during the three and nine months ended September 30, 2017 , respectively, and $4.8 million and $12.9 million during the three and nine months ended September 30, 2016 , respectively.

Note 8. Other Financial Information

Inventory

Total inventory consisted of the following (in millions):

	As of	
	September 30, 2017	December 31, 2016
Production and service materials	$ 72.6	$ 75.6
Finished goods	18.3	19.9
Inventory	$ 90.9	$ 95.5
Reported as:		
Prepaid expenses and other current assets	$ 84.9	$ 91.4
Other long-term assets	6.0	4.1
Total	$ 90.9	$ 95.5

Note Receivable

In October 2014, the Company completed the sale of its Junos Pulse product portfolio. The Company received total consideration of $230.7 million , of which $105.7 million was in cash, net of a $19.3 million working capital adjustment, and $125.0 million was in the form of a non-contingent interest-bearing promissory note due to the Company on April 1, 2016.

In October 2015, the Company and the issuer of the Pulse Note mutually agreed to amend the original terms of the Pulse Note to, among other things:

- extend the maturity date from April 1, 2016 to December 31, 2018;
- provide that interest due on the Pulse Note through December 31, 2015 shall be paid in kind by increasing the outstanding principal amount of the note and increase the interest rate on the Pulse Note; and
- require a minimum payment of $75.0 million on or prior to April 1, 2017, less any principal amount previously pre-paid to the Company.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

In May 2017, the Company received payment of $75.0 million and the outstanding interest due. The Company and the issuer of the Pulse Note further mutually agreed to amend the terms of the Pulse Note to, among other things:

- extend the maturity date of the remaining outstanding amount of approximately $58.0 million from December 31, 2018 to September 30, 2022;
- provide that interest due after April 1, 2017 can be paid in kind by increasing the outstanding principal amount of the note or paid in cash;
- require the promissory note to be subordinated to other debt raised by the issuer; and
- entitle the Company to additional financial considerations if the issuer of the note and its affiliates meet certain conditions.

The Company considers notes receivable to be impaired when, based on current information and events, it is probable that the Company will not be able to collect the scheduled payments of principal or interest when due. No impairment charge was required for the Pulse Note as of September 30, 2017 . The outstanding balance of the Pulse Note, along with the accumulated interest paid in kind, of $58.5 million as of September 30, 2017 is classified as a long-term asset based on expected collection beyond twelve months from the Condensed Consolidated Balance Sheet date.

During the three and nine months ended September 30, 2017 , the interest income on the Pulse Note was $1.6 million and $6.5 million , respectively. During the three and nine months ended and September 30, 2016 , the related amount of interest income recognized was $2.7 million and $8.0 million , respectively.

Warranties

Changes during the nine months ended September 30, 2017 in the Company's warranty reserve as reported within other accrued liabilities in the Condensed Consolidated Balance Sheets were as follows (in millions):

Balance as of December 31, 2016	$	41.3
Provisions made during the period		29.6
Actual costs incurred during the period		(41.5)
Balance as of September 30, 2017	$	29.4

Deferred Revenue

Details of the Company's deferred revenue, as reported in the Condensed Consolidated Balance Sheets, were as follows (in millions):

	As of			
		September 30, 2017		December 31, 2016
Deferred product revenue:				
Undelivered product commitments and other product deferrals	$	309.3	$	302.4
Distributor inventory and other sell-through items		61.9		74.2
Deferred gross product revenue		371.2		376.6
Deferred cost of product revenue		(47.5)		(53.7)
Deferred product revenue, net		323.7		322.9
Deferred service revenue		1,139.2		1,158.2
Total	$	1,462.9	$	1,481.1
Reported as:				
Current	$	977.4	$	1,032.0
Long-term		485.5		449.1
Total	$	1,462.9	$	1,481.1

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Other Expense, Net

Other expense, net, consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest income	$ 14.7	$ 9.1	$ 37.1	$ 25.5
Interest expense	(25.3)	(25.1)	(75.6)	(72.6)
Gain on investments, net	4.7	1.9	6.7	0.1
Other	0.8	0.7	(2.0)	(0.2)
Other expense, net	$ (5.1)	$ (13.4)	$ (33.8)	$ (47.2)

Note 9. Restructuring Charges

During the first quarter of 2017, the Company initiated a restructuring plan (the “2017 Restructuring Plan”) to realign its workforce and increase operational efficiencies. During the second quarter of 2017, the Company undertook certain further actions under the 2017 Restructuring Plan, resulting in additional severance and contract termination costs that were recorded to restructuring charges in the Condensed Consolidated Statement of Operations.

During the three and nine months ended September 30, 2017 , the Company recorded $0.6 million and $26.0 million of severance costs, and $1.4 million and $3.4 million of contract terminations, respectively, that were recorded to restructuring charges in the Condensed Consolidated Statement of Operations. See Note 17, *Subsequent Events,* for discussion of the Company's restructuring activity subsequent to September 30, 2017 .

Restructuring liabilities are reported within other accrued liabilities in the Condensed Consolidated Balance Sheets. The following table provides a summary of changes in the restructuring liabilities primarily related to the 2017 Restructuring Plan initiated in February 2017 (in millions):

	December 31, 2016 (*)	Charges	Cash Payments	Other	September 30, 2017
Severance	$ 0.7	$ 26.0	$ (25.5)	$ (0.1)	$ 1.1
Contract terminations and other	0.5	3.4	(0.4)	0.1	3.6
Total	$ 1.2	$ 29.4	$ (25.9)	$ —	$ 4.7

(*) Consists of costs in connection with a prior restructuring plan that is substantially complete.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 10. Debt and Financing

Debt

The Company's long-term debt is summarized as follows (in millions, except percentages):

	As of September 30, 2017	
	Amount	Effective Interest Rates
Senior Notes ("Notes"):		
3.125% fixed-rate notes, due February 2019	$ 350.0	3.36%
3.300% fixed-rate notes, due June 2020	300.0	3.47%
4.600% fixed-rate notes, due March 2021	300.0	4.69%
4.500% fixed-rate notes, due March 2024, issued March 2014	350.0	4.63%
4.500% fixed-rate notes, due March 2024, issued February 2016	150.0	4.87%
4.350% fixed-rate notes, due June 2025	300.0	4.47%
5.950% fixed-rate notes, due March 2041	400.0	6.03%
Total senior notes	2,150.0	
Unaccreted discount and debt issuance costs	(14.3)	
Total	$ 2,135.7	

The Notes above are the Company’s senior unsecured and unsubordinated obligations, ranking equally in right of payment to all of the Company’s existing and future senior unsecured and unsubordinated indebtedness and senior in right of payment to any of the Company’s future indebtedness that is expressly subordinated to the Notes. Interest on the Notes is payable in cash semiannually.

The Company may redeem, either in whole or in part, the Senior Notes due 2020 at any time on or after May 15, 2020, the Senior Notes due 2025 at any time on or after March 15, 2025, and the other Notes at any time, in each case, according to the terms of the indentures governing the Notes.

In the event of a change of control repurchase event, the holders of the Notes may require the Company to repurchase for cash all or part of the Notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any. The indentures that govern the Notes also contain various covenants, including limitations on the Company's ability to incur liens or enter into sale-leaseback transactions over certain dollar thresholds. As of September 30, 2017 , the Company was in compliance with all covenants in the indentures governing the Notes.

Revolving Credit Facility

In June 2014, the Company entered into a Credit Agreement (“Credit Agreement”) with certain institutional lenders that provides for a $500.0 million unsecured revolving credit facility, with an option to increase the amount of the credit facility by up to an additional $200.0 million , subject to certain conditions. Revolving loans may be borrowed, repaid and reborrowed until June 27, 2019, at which time all amounts borrowed must be repaid. Borrowings under the Credit Agreement will bear interest at either i) a floating rate per annum equal to the base rate plus a margin of between 0.00% and 0.50% , depending on the Company's public debt rating or ii) a per annum rate equal to the reserve adjusted Eurocurrency rate , plus a margin of between 0.90% and 1.50% , depending on the Company's public debt rating. As of September 30, 2017 , the Company was in compliance with all covenants in the Credit Agreement, and no amounts were outstanding.

Financing Arrangements

The Company provides certain customers with access to extended financing arrangements that allow for longer payment terms than those typically provided by the Company by factoring accounts receivable to third-party financing providers (“financing providers”). The program does not and is not intended to affect the timing of the Company's revenue recognition. Under the

financing arrangements, proceeds from the financing providers are due to the Company within 1 to 90 days from the sale of the receivable. In these transactions with the financing providers, the Company surrenders control over the transferred assets.

Pursuant to the financing arrangements for the sale of receivables, the Company sold net receivables of $77.3 million and $132.6 million during the three and nine months ended September 30, 2017 , respectively, and $59.3 million and $73.4 million during the three and nine months ended September 30, 2016 , respectively. The Company received cash proceeds from financing providers of $57.6 million and $113.3 million during the three and nine months ended September 30, 2017 , respectively, and $30.0 million and $40.8 million during the three and nine months ended September 30, 2016 , respectively. As of September 30, 2017 and December 31, 2016 , the amounts owed by the financing providers were $32.9 million and $13.6 million , respectively, which were recorded in accounts receivable in the Condensed Consolidated Balance Sheets.

Note 11. Equity

Cash Dividends on Shares of Common Stock

During the nine months ended September 30, 2017 , the Company declared a quarterly cash dividend of $0.10 per share of common stock on January 26, 2017, April 25, 2017 and July 25, 2017, which was paid on March 22, 2017, June 22, 2017 and September 22, 2017, respectively, to stockholders of record on March 1, 2017, June 1, 2017, and September 1, 2017, respectively, in the aggregate amount of $113.5 million . Any future dividends, and the establishment of record and payment dates, are subject to approval by the Board of Directors (the “Board”) of the Company or an authorized committee thereof. See Note 17, *Subsequent Events,* for discussion of the Company's dividend declaration subsequent to September 30, 2017 .

Stock Repurchase Activities

In 2014 and 2015, the Board approved a stock repurchase program that authorized the Company to repurchase up to $2.1 billion of its common stock, including $1.2 billion pursuant to an accelerated share repurchase program, and subsequent increases to the authorization totaling $1.8 billion (“Stock Repurchase Program”). In February 2017, the Board authorized an additional $500.0 million increase to the Stock Repurchase Program for a total of $4.4 billion .

The following table summarizes the Company's repurchases and retirements of its common stock under its Stock Repurchase Program (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Shares repurchased	5.0	4.9	13.5	13.5
Average price per share	$ 28.16	$ 23.04	$ 28.85	$ 23.25
Amount repurchased	$ 140.0	$ 112.4	$ 390.0	$ 312.9

As of September 30, 2017 , there was $329.7 million of authorized funds remaining under the Stock Repurchase Program.

Future share repurchases under the Stock Repurchase Program will be subject to a review of the circumstances at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements. The Stock Repurchase Program may be discontinued at any time. See Note 17, *Subsequent Events,* for discussion of the Company's stock repurchase activity subsequent to September 30, 2017 .

In addition to repurchases under the Stock Repurchase Program, the Company also repurchases common stock from certain employees in connection with the net issuance of shares to satisfy minimum tax withholding obligations upon the vesting of certain stock awards issued to such employees. Repurchases associated with tax withholdings were not material during the three and nine months ended September 30, 2017 . Repurchases associated with tax withholdings were $1.4 million and $11.0 million for the three and nine months ended September 30, 2016 .

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Accumulated Other Comprehensive Loss, Net of Tax

The components of accumulated other comprehensive loss, net of related taxes, for the nine months ended September 30, 2017 were as follows (in millions):

	Unrealized Gains (Losses) on Available-for-Sale Securities [1]	Unrealized (Losses) Gains on Cash Flow Hedges [2]	Foreign Currency Translation Adjustments	Total
Balance as of December 31, 2016	$ 16.6	$ (4.5)	$ (49.4)	$ (37.3)
Other comprehensive gains before reclassifications	1.4	14.6	19.3	35.3
Amount reclassified from accumulated other comprehensive loss	(2.0)	(2.4)	—	(4.4)
Other comprehensive (loss) gains, net	(0.6)	12.2	19.3	30.9
Balance as of September 30, 2017	$ 16.0	$ 7.7	$ (30.1)	$ (6.4)

(1) The reclassifications out of accumulated other comprehensive loss during the nine months ended September 30, 2017 for realized gains on available-for-sale securities were not material, and were included in other expense, net, in the Condensed Consolidated Statements of Operations.

(2) The reclassifications out of accumulated other comprehensive loss during the nine months ended September 30, 2017 for realized gains on cash flow hedges were not material, and were included within cost of revenues, research and development, sales and marketing, and general and administrative in the Condensed Consolidated Statements of Operations.

Note 12. Employee Benefit Plans

Equity Incentive Plans

The Company has stock-based compensation plans pursuant to which it has granted stock options, restricted stock units (“RSUs”), and performance share awards (“PSAs”). The Company also maintains the Company's 2008 Employee Stock Purchase Plan (the “ESPP”) for all eligible employees.

As of September 30, 2017 , 35.3 million and 11.2 million shares were available for future issuance under the Company's 2015 Equity Incentive Plan (the "2015 Plan") and the ESPP, respectively, which includes an additional 23.0 million shares under the 2015 Plan and 9.0 million shares under the ESPP that were approved by the Company's stockholders in May 2017.

Stock Option Activities

The following table summarizes the Company’s stock option activity and related information as of and for the nine months ended September 30, 2017 (in millions, except for per share amounts and years):

	Outstanding Options			
	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of December 31, 2016	2.4	$ 29.20		
Exercised	(0.5)	14.97		
Expired/Canceled	(0.8)	31.09		
Balance as of September 30, 2017	1.1	$ 34.31	1.1	$ 3.1
As of September 30, 2017:				
Vested and expected-to-vest options	1.1	$ 34.31	1.1	$ 3.1
Exercisable options	1.0	$ 35.56	0.8	$ 2.1

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Restricted Stock Unit, Restricted Stock Award, and Performance Share Award Activities

The Company's RSU, restricted stock award ("RSA"), and PSA activity and related information as of and for the nine months ended September 30, 2017 were as follows (in millions, except per share amounts and years):

	Outstanding RSUs, RSAs, and PSAs			
	Number of Shares	Weighted Average Grant-Date Fair Value per Share	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of December 31, 2016	20.9	$ 24.05		
RSUs granted [1][3]	6.6	27.56		
RSUs assumed in acquisitions	0.1	26.91		
PSAs granted [2][3]	0.6	27.37		
RSUs vested	(6.0)	23.81		
RSAs vested	(0.4)	22.80		
PSAs vested	(0.5)	24.29		
RSUs canceled	(1.5)	24.57		
PSAs canceled	(0.5)	25.11		
Balance as of September 30, 2017	19.3	$ 25.23	1.1	$ 537.1

(1) Includes service-based and market-based RSUs.

(2) The number of shares subject to PSAs granted represents the aggregate maximum number of shares that may be issued pursuant to the award over its full term. The aggregate number of shares subject to these PSAs that would be issued if performance goals determined by the Compensation Committee of the Board are achieved at target is 0.4 million shares. Depending on achievement of such performance goals, the range of shares that could be issued under these awards is 0 to 0.6 million shares.

(3) The grant date fair value of RSUs and PSAs were reduced by the present value of dividends expected to be paid on the underlying shares of common stock during the requisite and derived service period as these awards are not entitled to receive dividends until vested. During the nine months ended September 30, 2017 , the Company declared a quarterly cash dividend of $0.10 per share of common stock on January 26, 2017, April 25, 2017, and July 25, 2017.

Employee Stock Purchase Plan

The ESPP is implemented in a series of offering periods, each currently six months in duration, or such other period as determined by the Board. Employees purchased approximately 1.2 million and 2.7 million shares of common stock through the ESPP at an average exercise price of $22.79 and $20.83 per share during the three and nine months ended September 30, 2017 , respectively. Employees purchased approximately 1.4 million and 2.7 million shares of common stock through the ESPP at an average exercise price of $19.29 and $19.66 per share during the three and nine months ended September 30, 2016 , respectively.

Share-Based Compensation Expense

Share-based compensation expense associated with stock options, RSUs, RSAs, PSAs, and ESPP was recorded in the following cost and expense categories in the Condensed Consolidated Statements of Operations (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Cost of revenues - Product	$ 1.5	$ 1.5	$ 3.8	$ 4.9
Cost of revenues - Service	3.9	3.5	13.5	11.3
Research and development	18.5	27.2	67.4	89.0
Sales and marketing	13.7	17.5	45.3	40.7
General and administrative	7.4	5.9	21.1	17.1
Total	$ 45.0	$ 55.6	$ 151.1	$ 163.0

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The following table summarizes share-based compensation expense by award type (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Stock options	$ 0.2	$ 1.5	$ 0.5	$ 3.7
RSUs, RSAs, and PSAs	41.0	50.3	138.9	147.6
ESPP	3.8	3.8	11.7	11.7
Total	$ 45.0	$ 55.6	$ 151.1	$ 163.0

As of September 30, 2017 , the unrecognized compensation cost related to unvested stock options, RSUs, RSAs, and PSAs was $309.8 million to be recognized over a weighted-average period of 1.6 years.

Note 13. Segments

The Company operates in one reportable segment. Our chief operating decision maker reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance, accompanied by disaggregated information about net revenues by product and service, customer vertical, and geographic region as presented below.

The following table presents net revenues by product and service (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Routing	$ 585.8	$ 620.2	$ 1,679.9	$ 1,699.0
Switching	212.6	222.5	730.2	607.2
Security	71.3	85.5	205.7	237.1
Total product	869.7	928.2	2,615.8	2,543.3
Total service	388.1	357.1	1,171.9	1,061.2
Total	$ 1,257.8	$ 1,285.3	$ 3,787.7	$ 3,604.5

In the first quarter of 2017, the Company began reporting revenue on the following key customer verticals: Cloud, Telecom/Cable, and Strategic Enterprise. A summary of the types of customers included in these verticals is as follows:

- Cloud: companies that are heavily reliant on the cloud for their business model's success. As an example, customers in the cloud vertical can include cloud service providers as well as enterprises that provide software-as-a-service, infrastructure-as-a-service, or platform-as-a-service.
- Telecom/Cable: includes wireline and wireless carriers and cable operators.
- Strategic Enterprise: generally is comprised of financial services; national, federal, state, and local governments; research and educational institutions, and enterprises not represented in the Cloud vertical.

The following table presents net revenues by customer vertical (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Cloud	$ 344.9	$ 359.4	$ 1,056.1	$ 911.5
Telecom/Cable	576.9	599.4	1,707.8	1,688.5
Strategic Enterprise	336.0	326.5	1,023.8	1,004.5
Total	$ 1,257.8	$ 1,285.3	$ 3,787.7	$ 3,604.5

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

The Company attributes revenues to geographic region based on the customer's shipping address. The following table presents net revenues by geographic region (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Americas:				
United States	$ 668.8	$ 684.6	$ 2,076.0	$ 1,924.9
Other	60.4	60.4	165.6	168.3
Total Americas	729.2	745.0	2,241.6	2,093.2
Europe, Middle East, and Africa	298.6	338.0	871.3	923.5
Asia Pacific	230.0	202.3	674.8	587.8
Total	$ 1,257.8	$ 1,285.3	$ 3,787.7	$ 3,604.5

Note 14. Income Taxes

The following table provides details of income taxes (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Income before income taxes	$ 225.8	$ 236.6	$ 611.6	$ 555.3
Income tax provision	$ 60.1	$ 64.2	$ 157.3	$ 151.5
Effective tax rate	*26.6%*	*27.1%*	*25.7%*	*27.3%*

The Company's effective tax rates during the three and nine months ended September 30, 2017 and September 30, 2016 , differ from the statutory rate primarily due to the benefit of the Section 199 deduction for U.S. production activities, the federal research and development credit, and earnings in foreign jurisdictions, which are subject to lower tax rates. Additionally, the Company's effective tax rates for the three and nine months ended September 30, 2017 were also impacted by the benefit from restructuring charges and excess tax benefits related to share-based compensation.

As of September 30, 2017 , the total amount of gross unrecognized tax benefits was $236.7 million , of which $204.2 million , if recognized, would favorably affect the Company's effective tax rate.

T he Company engages in continuous discussions and negotiations with tax authorities regarding tax matters in various jurisdictions. It is reasonably possible that the balance of unrecognized tax benefits could decrease up to $67.0 million within the next twelve months due to lapses of applicable statutes of limitations and the completion of tax review cycles in various tax jurisdictions. The balance primarily relates to matters involving U.S and non-U.S taxation of cross-border transactions and the utilization of losses.

Juniper Networks, Inc.

Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 15. Net Income per Share

The Company computed basic and diluted net income per share as follows (in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator:				
Net income	$ 165.7	$ 172.4	$ 454.3	$ 403.8
Denominator:				
Weighted-average shares used to compute basic net income per share	378.3	381.0	380.0	382.3
Dilutive effect of employee stock awards	4.4	3.5	6.5	5.6
Weighted-average shares used to compute diluted net income per share	382.7	384.5	386.5	387.9
Net income per share				
Basic	$ 0.44	$ 0.45	$ 1.20	$ 1.06
Diluted	$ 0.43	$ 0.45	$ 1.18	$ 1.04
Anti-dilutive shares	1.0	2.7	1.2	2.7

Note 16. Commitments and Contingencies

Commitments

Except for the items below, there have been no material changes to the Company's commitments compared to the commitments described in Note 16, *Commitments and Contingencies* , in Notes to Consolidated Financial Statements in Item 8 of Part II of the Form 10-K.

Clock-Signal, Supplier Component Remediation Liability

As of September 30, 2017 and December 31, 2016, the Company had approximately $0.8 million and $10.8 million , respectively, in other accrued liabilities on the Condensed Consolidated Balance Sheets for the expected remediation costs for certain products containing a defect in a clock-signal component manufactured by a third-party supplier. The Company has been advised by the component supplier that components may begin to fail after the product has been in operation for 18 months. The Company is in the process of implementing the remediation with its customers.

Guarantees

The Company enters into agreements with customers that contain indemnification provisions relating to potential situations where claims could be alleged that the Company’s products solely, or in combination with other third party products, infringe the intellectual property rights of a third-party. As of September 30, 2017 and December 31, 2016, the Company recorded $20.1 million and $28.9 million , respectively, for such indemnification obligations in other accrued liabilities and other long-term liabilities on the Condensed Consolidated Balance Sheets. During the nine months ended September 30, 2017 , $15.0 million of indemnification obligations expired and were therefore released.

Legal Proceedings

Investigations

The U.S. Securities and Exchange Commission ("SEC") and the U.S. Department of Justice ("DOJ") are conducting investigations into possible violations by the Company of the U.S. Foreign Corrupt Practices Act ("FCPA"). The Company is cooperating with these agencies regarding these matters. The Company’s Audit Committee, with the assistance of independent advisors, has been

investigating and conducting a thorough review of possible violations of the FCPA, and has made recommendations for remedial measures, including employee disciplinary actions in foreign jurisdictions, which the Company has implemented and continues to implement. The Company is unable to predict the duration, scope or outcome of the SEC and DOJ investigations, but believes that an adverse outcome is reasonably possible. However, the Company is not able to estimate a reasonable range of possible loss. The SEC and/or DOJ could take action against the Company or the Company could agree to settle. In such event, the Company could be required to pay substantial fines and sanctions and/or implement additional remedial measures; in addition, it may be determined that the Company violated the FCPA.

Other Litigations and Investigations

In addition to the investigations discussed above, the Company is involved in other investigations, disputes, litigations, and legal proceedings. The Company records an accrual for loss contingencies for legal proceedings when it believes that an unfavorable outcome is both (a) probable and (b) the amount or range of any possible loss is reasonably estimable. The Company intends to aggressively defend itself in these matters, and while there can be no assurances and the outcome of these matters is currently not determinable, the Company currently believes that none of these existing claims or proceedings are likely to have a material adverse effect on its financial position. Notwithstanding the foregoing, there are many uncertainties associated with any litigation and these matters or other third-party claims against the Company may cause the Company to incur costly litigation and/or substantial settlement charges. In addition, the resolution of any intellectual property litigation may require the Company to make royalty payments, which could adversely affect gross margins in future periods. If any of those events were to occur, the Company's business, financial condition, results of operations, and cash flows could be adversely affected. The actual liability in any such matters may be materially different from the Company's estimates, if any, which could result in the need to adjust the liability and record additional expenses.

Note 17. Subsequent Events

Restructuring Activities

Subsequent to September 30, 2017 , the Company amended the 2017 Restructuring Plan to further realign its workforce. The Company expects to record severance charges of approximately $23.0 million to $27.0 million related to headcount reductions in the fourth quarter of 2017.

Dividend Declaration

On October 24, 2017, the Company announced that it had declared a cash dividend of $0.10 per share of common stock payable on December 22, 2017 to stockholders of record as of the close of business on December 1, 2017.

Stock Repurchase Activities

Subsequent to September 30, 2017 , through the filing of this Report, the Company repurchased 4.0 million shares of its common stock, for an aggregate purchase price of $100.0 million at an average price of $24.80 per share, under the Stock Repurchase Program. Repurchases of approximately 3.6 million shares were settled prior to the filing of this Report and the remaining shares will be settled after the filing date. The Company has an aggregate of $229.7 million of authorized funds remaining under the Stock Repurchase Program, as of the filing date.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This Quarterly Report on Form 10-Q, which we refer to as the Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and the future results of Juniper Networks, Inc., which we refer to as "we," "us," "Juniper," or the "Company," that are based on our current expectations, estimates, forecasts, and projections about our business, economic and market outlook, our results of operations, the industry in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "would," "will," "could," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in this Report under the section entitled "Risk Factors" in Item 1A of Part II and elsewhere, and in other reports we file with the U.S. Securities and Exchange Commission, or the SEC. While forward-looking statements are based on reasonable expectations of our management at the time that they are made, you should not rely on them. We undertake no obligation to revise or update publicly any forward-looking statements for any reason, except as required by applicable law.

The following discussion is based upon our unaudited Condensed Consolidated Financial Statements included in Part 1, Item I, of this Report, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. In the course of operating our business, we routinely make decisions as to the timing of the payment of invoices, the collection of receivables, the manufacturing and shipment of products, the fulfillment of orders, the purchase of supplies, and the building of inventory and spare parts, among other matters. In making these decisions, we consider various factors, including contractual obligations, customer satisfaction, competition, internal and external financial targets and expectations, and financial planning objectives. Each of these decisions has some impact on the financial results for any given period.

To aid in understanding our operating results for the periods covered by this Report, we have provided an executive overview, which includes a summary of our business and market environment along with a financial results and key performance metrics overview. These sections should be read in conjunction with the more detailed discussion and analysis of our condensed consolidated financial condition and results of operations in this Item 2, our "Risk Factors" section included in Item 1A of Part II of this Report, and our unaudited Condensed Consolidated Financial Statements and Notes included in Item 1 of Part I of this Report, as well as our audited Consolidated Financial Statements and Notes included in Item 8 of Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 , or Form 10-K.

Business and Market Environment

Juniper designs, develops, and sells products and services for high-performance networks to enable customers to build scalable, reliable, secure and cost-effective networks for their businesses, while achieving agility, efficiency and value through automation.

Our products are sold in three geographic regions: Americas; Europe, Middle East, and Africa, or EMEA; and Asia Pacific, or APAC. We sell our high-performance network products and service offerings across routing, switching, and security. In addition to our products, we offer our customers worldwide services, including technical support, professional services, and education and training programs.

Further, our intent is to lead in the area of software solutions that simplify the operation of networks, and to allow our customers across our key verticals to deliver further value over their networks. We anticipate that our increased focus on software business models will result in an increase in software revenue as a percentage of total revenue over time.

In the first quarter of 2017, we began reporting revenue on the following key customer verticals: Cloud, Telecom/Cable, and Strategic Enterprise, which we believe better aligns with our business model compared to our previous reporting of revenue by Service Provider and Enterprise. A summary of the types of customers included in our key customer verticals is as follows:

- Cloud: companies that are heavily reliant on the cloud for their business model's success. As an example, customers in the cloud vertical can include cloud service providers as well as enterprises that provide software-as-a-service, infrastructure-as-a-service, or platform-as-a-service.

- Telecom/Cable: includes wireline and wireless carriers and cable operators.

- Strategic Enterprise: generally is comprised of financial services; national, federal, state, and local governments; research and educational institutions, and enterprises not represented in the Cloud vertical.

We continue to see significant opportunities from our shift toward the cloud, including large public and private data centers. We believe that network builders and operators are implementing cloud architectures to drive greater levels of operating efficiency and service agility. As these customers continue to grow, their architectures are evolving, and we believe our understanding of high performance networking technology, and our strategy to innovate, position us to capitalize on the industry transition to more modern, cost-efficient, scalable networks.

In switching, we see that cloud customers who can rapidly scale based on increased demand are in the process of adopting 100-Gigabit connections, or 100G. In the third quarter of 2017, this resulted in certain large deployment delays at our largest cloud customers as they prepare for this adoption which adversely impacted our switching revenue results. We expect switching to return to normalized spending patterns in the first half of 2018. In routing, we believe that certain large cloud customers are starting to transition their wide area networks from scale-up to a scale-out architecture as they continue to add capacity, which we expect may result in a transition by these customers from purchasing our MX product family to our PTX product family. We believe this architectural shift will lead to a near-term slowdown in our net revenues, especially with respect to our routing products. However, we are unable to predict the exact timing or duration of the transition, as it will vary from customer to customer.

Our overall cloud strategy has not changed and we continue to execute against our innovation roadmap, which includes our plan to continue to grow our relevance and our business in the cloud vertical.

In 2017, we continued to execute on our product strategy. We announced Cloud-Grade Networking, which we expect will accelerate agility and innovation with cloud customers. Cloud-Grade Networking builds on carrier-grade reach and reliability and enterprise-grade control and usability, bringing cloud-level agility and operational scale to networks everywhere. This announcement included two new foundational products:

- Junos Node Slicing: converges multiple concurrent network functions on the same physical routing infrastructure, letting customers optimize their infrastructure while offering differentiated services with enhanced operational and administrative isolation within a single chassis.

- Universal Chassis: a breakthrough system allowing customers to standardize on a hardware platform across their data center, core, and network edge. We believe the system will create significant value for our customers by enhancing their return on investment through reduced costs.

We also announced enhancements to our Software-Defined Secure Networks, or SDSN, platform and expanded our public cloud offering with the introduction of vSRX for Microsoft Azure. Our SDSN enhancements deliver pervasive security across multi-vendor environments, public clouds, and private clouds.

During the third quarter of 2017, we announced further cloud-based enhancements to our security portfolio. We introduced our Contrail Security product, a new security solution specifically designed to allow enterprises and Software-as-a-Service, or SaaS, cloud providers to protect applications running in multiple cloud environments. We also completed the acquisition of Cyphort Inc., a software company that provides security analytics for advanced threat defense. This acquisition is expected to strengthen the capabilities of our cloud-based threat prevention service, Sky Advanced Threat Prevention, or Sky ATP, by increasing efficiency and performance and providing additional threat detection functionalities and analytics.

Financial Results and Key Performance Metrics Overview

The following table provides an overview of our financial results and key financial metrics (in millions, except per share amounts, percentages, and days sales outstanding, or DSO):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	Change	% Change	2017	2016	Change	% Change
Net revenues	$ 1,257.8	$ 1,285.3	$ (27.5)	(2)%	$ 3,787.7	$ 3,604.5	$ 183.2	5 %
Gross margin	$ 772.4	$ 799.5	$ (27.1)	(3)%	$ 2,320.9	$ 2,246.8	$ 74.1	3 %
Percentage of net revenues	*61.4%*	*62.2%*			*61.3%*	*62.3%*		
Operating income	$ 230.9	$ 250.0	$ (19.1)	(8)%	$ 645.4	$ 602.5	$ 42.9	7 %
Percentage of net revenues	*18.4%*	*19.5%*			*17.0%*	*16.7%*		
Net income	$ 165.7	$ 172.4	$ (6.7)	(4)%	$ 454.3	$ 403.8	$ 50.5	13 %
Percentage of net revenues	*13.2%*	*13.4%*			*12.0%*	*11.2%*		
Net income per share:								
Basic	$ 0.44	$ 0.45	$ (0.01)	(2)%	$ 1.20	$ 1.06	$ 0.14	13 %
Diluted	$ 0.43	$ 0.45	$ (0.02)	(4)%	$ 1.18	$ 1.04	$ 0.14	13 %
Cash dividends declared per common stock	$ 0.10	$ 0.10	$ —	— %	$ 0.30	$ 0.30	$ —	— %
Operating cash flows					$ 1,045.9	$ 776.3	$ 269.6	35 %
Stock repurchase plan activity	$ 140.0	$ 112.4	$ 27.6	25 %	$ 390.0	$ 312.9	$ 77.1	25 %
DSO	52	53	(1)	(2)%				

	September 30, 2017	December 31, 2016	$ Change	% Change
Deferred revenue	$ 1,462.9	$ 1,481.1	$ (18.2)	(1)%
Product deferred revenue	$ 323.7	$ 322.9	$ 0.8	— %

- *Net Revenues:* Net revenues decreased during the three months ended September 30, 2017 , compared to the same period in 2016 , due to a decline in product revenues across all technologies. Lower routing revenue was driven by the timing of deployments of Telecom/Cable customers. The decline in switching revenue was primarily due to delay in timing of certain large cloud customer deployments related to the architectural shift to more modern, cost efficient and scalable networks. Our security business continued to undergo product transitions from our legacy products to our newer product offerings, resulting in a decline in revenues. Service revenue grew 9% year-over-year, driven by strong demand for professional services and strong renewal and attach rates of support contracts.

  We saw year-over-year revenue growth during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily driven by strong switching revenue growth from continued data center strength, particularly from our QFX product family, and from our Services business, which also remained strong.

  Of our top ten customers for the third quarter of 2017 , five were Cloud, four were Telecom/Cable, and one was Strategic Enterprise. Of these customers, one was located outside of the U.S.

- *Gross Margin* : Our gross margin as a percentage of net revenues decreased during the three and nine months ended September 30, 2017 , compared to the same periods in 2016 , primarily due to customer mix and higher costs of certain memory components. The decrease was partially offset by improvements in our cost structure. Additionally, our gross margin as a percentage of net revenues for the nine month ended September 30, 2017 , compared to the same period in 2016, was impacted by product mix related to the strong performance of switching and by charges related to certain supplier component remediation.

- *Operating Margin:* Our operating income as a percentage of net revenues decreased during the three months ended September 30, 2017 , compared to the same period in 2016 , primarily due to the drivers described in the gross margin discussion above and lower net revenues, partially offset by a net decrease in our operating expenses from lower personnel-related costs and the effect of litigation settlement charges in 2017.

  Operating income as a percentage of net revenues increased during the nine months ended September 30, 2017, compared to the same period in 2016, primarily due to higher net revenues driven by strength in our Switching and Services business, partially offset by higher operating expenses primarily from restructuring charges and the drivers described in the gross margin discussion above.

- *Capital Return:* During the three and nine months ended September 30, 2017 , we repurchased 5.0 million and 13.5 million of shares of our common stock, respectively, and paid a quarterly cash dividend of $0.10 per share, for an aggregate amount of $37.7 million and $113.5 million , respectively.

- *Operating Cash Flow* s: Operating cash flows increased during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily due to an increase in cash collections from customers in the first half of 2017 due to higher invoicing activity during the fourth quarter of 2016, partially offset by higher payments for restructuring activities and an increase in cash paid for income taxes.

- *DSO:* DSO is calculated as the ratio of ending accounts receivable, net of allowances, divided by average daily net revenues for the preceding 90 days. DSO for the third quarter of 2017 decreased one day, compared to the same period in 2016 .

- *Product Deferred Revenue:* Product deferred revenue increased as of September 30, 2017 compared to December 31, 2016 , primarily due to shipments that have not met certain revenue recognition criteria, partially offset by the recognition of previously deferred revenue related to the completion of delivery to an APAC Telecom customer in the first quarter of 2017.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Condensed Consolidated Financial Statements and the accompanying notes. On an ongoing basis, we evaluate our estimates and assumptions. These estimates and assumptions are based on current facts, historical experience, and various other factors that we believe are reasonable under the circumstances to determine reported amounts of assets, liabilities, revenues, and expenses that are not readily apparent from other sources.

During the nine months ended September 30, 2017 , there were no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Form 10-K.

Recent Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies* , in the Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report, for a full description of the recently adopted accounting standard and recent accounting standards not yet effective, including the actual and expected dates of adoption and estimated effects on our consolidated results of operations and financial condition, which is incorporated herein by reference.

Results of Operations

The following table presents net revenues by product and service, customer vertical, and geographic region (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	$ Change	% Change	2017	2016	$ Change	% Change
Routing	$ 585.8	$ 620.2	$ (34.4)	(6)%	$ 1,679.9	$ 1,699.0	$ (19.1)	(1)%
Switching	212.6	222.5	(9.9)	(4)%	730.2	607.2	123.0	20 %
Security	71.3	85.5	(14.2)	(17)%	205.7	237.1	(31.4)	(13)%
Total Product	869.7	928.2	(58.5)	(6)%	2,615.8	2,543.3	72.5	3 %
Percentage of net revenues	*69.1%*	*72.2%*			*69.1%*	*70.6%*		
Total Service	388.1	357.1	31.0	9 %	1,171.9	1,061.2	110.7	10 %
Percentage of net revenues	*30.9%*	*27.8%*			*30.9%*	*29.4%*		
Total net revenues	$ 1,257.8	$ 1,285.3	$ (27.5)	(2)%	$ 3,787.7	$ 3,604.5	$ 183.2	5 %
Cloud	$ 344.9	$ 359.4	$ (14.5)	(4)%	$ 1,056.1	$ 911.5	$ 144.6	16 %
Percentage of net revenues	*27.4%*	*28.0%*			*27.9%*	*25.3%*		
Telecom/Cable	576.9	599.4	(22.5)	(4)%	1,707.8	1,688.5	19.3	1 %
Percentage of net revenues	*45.9%*	*46.6%*			*45.1%*	*46.8%*		
Strategic Enterprise	336.0	326.5	9.5	3 %	1,023.8	1,004.5	19.3	2 %
Percentage of net revenues	*26.7%*	*25.4%*			*27.0%*	*27.9%*		
Total net revenues	$ 1,257.8	$ 1,285.3	$ (27.5)	(2)%	$ 3,787.7	$ 3,604.5	$ 183.2	5 %
Americas:								
United States	$ 668.8	$ 684.6	$ (15.8)	(2)%	$ 2,076.0	$ 1,924.9	$ 151.1	8 %
Other	60.4	60.4	—	— %	165.6	168.3	(2.7)	(2)%
Total Americas	729.2	745.0	(15.8)	(2)%	2,241.6	2,093.2	148.4	7 %
Percentage of net revenues	*58.0%*	*58.0%*			*59.2%*	*58.1%*		
EMEA	298.6	338.0	(39.4)	(12)%	871.3	923.5	(52.2)	(6)%
Percentage of net revenues	*23.7%*	*26.3%*			*23.0%*	*25.6%*		
APAC	230.0	202.3	27.7	14 %	674.8	587.8	87.0	15 %
Percentage of net revenues	*18.3%*	*15.7%*			*17.8%*	*16.3%*		
Total net revenues	$ 1,257.8	$ 1,285.3	$ (27.5)	(2)%	$ 3,787.7	$ 3,604.5	$ 183.2	5 %

Three Months Ended September 30, 2017 compared with the Three Months Ended September 30, 2016

Product net revenues decreased during the three months ended September 30, 2017 , compared to the same period in 2016 , due to a decrease in revenue from routing products, and, to a lesser extent, switching, and security.

The year-over-year decrease in routing revenue was primarily driven by a decline in EMEA, and to a lesser extent, in the Americas within the Telecom/Cable vertical as a result of the timing of customer deployments, partially offset by revenue growth in APAC from certain strategic customers. Revenues from our MX and legacy routing products declined year-over-year, which was partially offset by a strong increase in revenues from our PTX products.

The decline in switching revenue during the three months ended September 30, 2017 , compared to the same period in 2016 , was primarily due to the timing of certain large deployments within our Cloud vertical. As growth continues for our large cloud customers, their architectures are evolving to more modern, cost efficient and scalable networks, which adversely impacted our switching revenue results. We also saw a decline in revenues from our EX products, partially offset by the continued year-over-year growth from our QFX family of products. In security, the year-over-year decline was primarily driven by a decrease in revenues from our SRX products.

Service net revenues increased during the three months ended September 30, 2017 , compared to the same period in 2016 , which was driven by strong demand for professional services and strong renewal and attach rates of support contracts.

Nine Months Ended September 30, 2017 compared with the Nine Months Ended September 30, 2016

Product net revenues increased during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily due to data center strength in switching, particularly from our QFX product family. The switching net revenue growth was driven by the Cloud vertical in the Americas. We expect that our data center switching portfolio will continue to drive revenue growth in our switching business in the foreseeable future.

The increase in switching revenues was partially offset by lower routing revenues primarily in EMEA, as well as a decline from legacy routing products, partially offset by a strong increase in revenues from our PTX products. We experienced a continued decline in revenues from our security business as our customers continue to transition to our newer product offerings, and we expect this transition to continue over the next few quarters.

Service net revenues also increased during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily due to strong renewal and attach rates of support contracts. Additionally, in the first quarter of 2017 we recognized previously deferred revenue of approximately $15.0 million related to the completion of delivery to an APAC Telecom customer.

Customer

No customer accounted for greater than 10% of our net revenues during the three and nine months ended September 30, 2017 and September 30, 2016.

Gross Margins

The following table presents gross margins (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	$ Change	% Change	2017	2016	$ Change	% Change
Product gross margin	$ 533.7	$ 578.6	$ (44.9)	(8)%	$ 1,589.4	$ 1,587.5	$ 1.9	—%
Percentage of product revenues	*61.4%*	*62.3%*			*60.8%*	*62.4%*		
Service gross margin	238.7	220.9	17.8	8 %	731.5	659.3	72.2	11%
Percentage of service revenues	*61.5%*	*61.9%*			*62.4%*	*62.1%*		
Total gross margin	$ 772.4	$ 799.5	$ (27.1)	(3)%	$ 2,320.9	$ 2,246.8	$ 74.1	3%
Percentage of net revenues	*61.4%*	*62.2%*			*61.3%*	*62.3%*		

Our gross margins as a percentage of net revenues have been and will continue to be affected by a variety of factors, including the mix and average selling prices of our products and services, new product introductions and enhancements, manufacturing and component costs, expenses for inventory obsolescence and warranty obligations, cost of support and service personnel, customer mix as we continue to expand our footprint with certain strategic customers, and the mix of distribution channels through which our products and services are sold.

Three Months Ended September 30, 2017 compared with the Three Months Ended September 30, 2016

Product gross margin

Product gross margin as a percentage of product revenues decreased during the three months ended September 30, 2017 , compared to the same period in 2016 , primarily due to (i) customer mix; (ii) higher costs of certain memory components; and (iii) lower net revenues. The decrease was partially offset by improvements in our cost structure. We expect similar gross margin dynamics to persist for the remainder of 2017. We expect that our product gross margin will continue to vary in the future due to the mix of products sold, geographic mix, and competitive pricing pressures. We believe product gross margins as a percentage of net revenues will improve over the long term from the continued expected acceptance of our new products and technologies, the expected increase in software revenues as a percentage of total revenues as we continue to focus on our software-based business models, and as we continue to manage costs within our supply chain.

Service gross margin

Service gross margin as a percentage of service net revenues decreased during the three months ended September 30, 2017 , compared to the same period in 2016 , primarily due to higher material costs and higher delivery costs related to growth in emerging markets.

Nine Months Ended September 30, 2017 compared with the Nine Months Ended September 30, 2016

Product gross margin

Product gross margin as a percentage of product revenues decreased during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily due to (i) customer mix as we continue to expand our footprint with certain strategic customers, particularly Cloud and Telecom/Cable in APAC; (ii) product mix related to the strong performance of Switching; and (iii) higher costs of certain memory components. The decrease was partially offset by improvements in our cost structure and higher net revenues. We expect similar gross margin dynamics to persist for the remainder of 2017. Additionally, our gross margin as a percentage of net revenues for the nine months ended September 30, 2017 , compared to the same period in 2016, was impacted by charges related to certain supplier component remediation.

Service gross margin

Service gross margin as a percentage of service net revenues increased during the nine months ended September 30, 2017 , compared to the same period in 2016 , due to higher revenue, including the recognition of previously deferred revenue related to the completion of delivery to an APAC Telecom customer, as well as improved cost optimization in labor and logistics and customer mix, partially offset by higher material costs and higher delivery costs related to growth in emerging markets.

Operating Expenses

The following table presents operating expenses (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	$ Change	% Change	2017	2016	$ Change	% Change
Research and development	$ 236.4	$ 251.8	$ (15.4)	(6)%	$ 752.8	$ 750.7	$ 2.1	— %
Percentage of net revenues	*18.8%*	*19.6%*			*19.9%*	*20.8%*		
Sales and marketing	232.5	242.9	(10.4)	(4)%	716.6	718.4	(1.8)	— %
Percentage of net revenues	*18.5%*	*18.9%*			*18.9%*	*19.9%*		
General and administrative	70.6	54.0	16.6	31 %	176.7	172.0	4.7	3 %
Percentage of net revenues	*5.6%*	*4.2%*			*4.6%*	*4.8%*		
Restructuring charges	2.0	0.8	1.2	150 %	29.4	3.2	26.2	819 %
Percentage of net revenues	*0.2%*	*0.1%*			*0.8%*	*0.1%*		
Total operating expenses	$ 541.5	$ 549.5	$ (8.0)	(1)%	$ 1,675.5	$1,644.3	$ 31.2	2 %
Percentage of net revenues	*43.1%*	*42.8%*			*44.2%*	*45.6%*		

Three Months Ended September 30, 2017 compared with the Three Months Ended September 30, 2016

During the three months ended September 30, 2017 , compared to the same period in 2016 , total operating expenses decreased primarily due to lower personnel-related expenses, including share-based compensation, salaries and wages, and variable compensation in research and development, or R&D, and to a lesser extent, in sales and marketing. The decrease was partially offset by litigation settlement charges within general and administrative expense, or G&A, pursuant to a settlement reached in November 2017 in connection with a legal proceeding. As a result, we recorded a charge within G&A expense in the Condensed Consolidated Statement of Operations during the three and nine months ended September 30, 2017 and a corresponding accrued liability on the Condensed Consolidated Balance Sheet as of September 30, 2017.

Nine Months Ended September 30, 2017 compared with the Nine Months Ended September 30, 2016

During the nine months ended September 30, 2017 , compared to the same period in 2016 , total operating expenses increased primarily due to charges recorded under the restructuring plan initiated in the first quarter of 2017 to realign our workforce and increase operational efficiencies, which we refer to as the 2017 Restructuring Plan. Subsequent to September 30, 2017 , we amended the 2017 Restructuring Plan to further realign our workforce. We expect to record severance charges of approximately $23.0 million to $27.0 million related to headcount reductions in the fourth quarter of 2017.

We also saw an increase in G&A expense resulting from the litigation settlement charges as described above, partially offset by a decline in other legal costs and acquisition related-costs. R&D expense increased due to higher costs related to certain R&D project realignments and higher prototype costs, partially offset by lower share-based compensation expense.

Other Expense, Net

The following table presents other expense, net (in millions, except percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	$ Change	% Change	2017	2016	$ Change	% Change
Interest income	$ 14.7	$ 9.1	$ 5.6	62 %	$ 37.1	$ 25.5	$ 11.6	45 %
Interest expense	(25.3)	(25.1)	(0.2)	1 %	(75.6)	(72.6)	(3.0)	4 %
Gain on investments, net	4.7	1.9	2.8	147 %	6.7	0.1	6.6	N/M
Other	0.8	0.7	0.1	14 %	(2.0)	(0.2)	(1.8)	N/M
Total other expense, net	$ (5.1)	$ (13.4)	$ 8.3	(62)%	$ (33.8)	$ (47.2)	$ 13.4	(28)%
Percentage of net revenues	*(0.4)%*	*(1.0)%*			*(0.9)%*	*(1.3)%*		

N/M - percentage is not meaningful.

Three and Nine Months Ended September 30, 2017 compared with the Three and Nine Months Ended September 30, 2016

Total other expense, net decreased during the three and nine months ended September 30, 2017 , compared to the same periods in 2016 , primarily due to an increase in interest income related to our debt securities, as a result of a larger balance in the portfolio and higher yields. We also saw an increase from gains on equity investments, primarily related to the sale of publicly-held investments during the three and nine months ended September 30, 2017 . In addition, we recorded impairment charges on certain investments in privately-held companies during the three and nine months ended September 30, 2016, and there were no such charges recorded during the three and nine months ended September 30, 2017.

Income Tax Provision

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017	2016	$ Change	% Change	2017	2016	$ Change	% Change
Income tax provision	$ 60.1	$ 64.2	$ (4.1)	(6)%	$ 157.3	$ 151.5	$ 5.8	4%
Effective tax rate	*26.6%*	*27.1%*			*25.7%*	*27.3%*		

Three Months Ended September 30, 2017 compared with the Three Months Ended September 30, 2016

The effective tax rate decreased during the three months ended September 30, 2017 , compared to the same period in 2016, primarily due to litigation settlement charges and a change in the geographic mix of earnings.

Nine Months Ended September 30, 2017 compared with the Nine Months Ended September 30, 2016

The effective tax rate decreased during the nine months ended September 30, 2017 , compared to the same period in 2016, primarily due to the benefits from restructuring and litigation settlement charges and excess tax benefits related to share-based compensation resulting from adoption of the accounting standard on January 1, 2017, as described in Note 2, *Summary of Significant Accounting Policies* , in the Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report.

As a result of recommendations by the Organisation for Economic Cooperation and Development, or OECD, on Base Erosion and Profit Shifting, or BEPS, certain countries in EMEA and APAC have either enacted new corporate tax legislation or are

considering enacting such legislation in the near future. We expect the effect of these reform measures to potentially impact long-standing tax principles, particularly as regards to transfer pricing. Consequently, we expect global tax authorities to increasingly challenge the Company's cost sharing and other intercompany arrangements, and the related sourcing of taxable profits in global jurisdictions. In 2016, we entered into discussions with the UK tax authorities and the Australian tax authorities regarding corporate tax reform legislation enacted by those countries.

Our effective tax rate could fluctuate significantly on a quarterly basis and could be adversely affected to the extent earnings are lower than anticipated in countries that have lower statutory rates and higher than anticipated in countries that have higher statutory rates. Our effective tax rate could also fluctuate due to changes in the valuation of our deferred tax assets or liabilities, or by changes in tax laws, regulations, or accounting principles, as well as certain discrete items. See Item 1A of Part II, "Risk Factors" of this Report for a description of relevant risks which may adversely affect our results.

Liquidity and Capital Resources

We have funded our business primarily through our operating activities and the issuance of our long-term debt. The following table presents our capital resources (in millions, except percentages):

	As of			
	September 30, 2017	December 31, 2016	$ Change	% Change
Working capital	$ 2,698.0	$ 2,236.0	$ 462.0	21 %
Cash and cash equivalents	$ 2,363.7	$ 1,833.2	$ 530.5	29 %
Short-term investments	922.0	752.3	169.7	23 %
Long-term investments	913.6	1,071.8	(158.2)	(15)%
Total cash, cash equivalents, and investments	4,199.3	3,657.3	542.0	15 %
Long-term debt	2,135.7	2,133.7	2.0	— %
Cash, cash equivalents, and investments, net	$ 2,063.6	$ 1,523.6	$ 540.0	35 %

Summary of Cash Flows

The following table summarizes cash flow activity from our Condensed Consolidated Statements of Cash Flows (in millions, except percentages):

	Nine Months Ended September 30,			
	2017	2016	$ Change	% Change
Net cash provided by operating activities (*)	$ 1,045.9	$ 776.3	$ 269.6	35 %
Net cash used in investing activities	$ (84.1)	$ (308.3)	$ 224.2	(73)%
Net cash used in financing activities (*)	$ (444.6)	$ (200.1)	$ (244.5)	122 %

(*) On January 1, 2017, we adopted the new accounting pronouncement on Improvements to Employee Share-Based Payment Accounting, requiring excess tax benefits to be presented as an operating activity in the consolidated statements of cash flows. We applied this provision on a retrospective basis. During the nine months ended September 30, 2016, $5.8 million of excess tax benefits have been reclassified from financing to operating activities to conform to the current-period presentation.

Operating Activities

Net cash provided by operations increase d during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily due to an increase in cash collections from customers in the first half of 2017 due to higher invoicing activity during the fourth quarter of 2016, partially offset by higher payments for restructuring activities and an increase in cash paid for income taxes.

Investing Activities

Net cash used in investing activities decreased during the nine months ended September 30, 2017 , compared to the same period in 2016 , primarily due to the receipt of $75.0 million in proceeds from the Pulse Note and lower payments for capital expenditures and business combinations during the nine months ended September 30, 2017 .

Financing Activities

Net cash used in financing activities increased during the nine months ended September 30, 2017 , compared to the same period in 2016 , partially due to an increase in purchases and retirement of our common stock during the nine months ended September 30, 2017 . During the nine months ended September 30, 2016 , we raised $494.0 million from our 2019 Notes and 2024 Notes and repaid $300.0 million of our 2016 Notes.

Capital Return

In 2014 and 2015, our Board of Directors, which we refer to as the Board, approved a stock repurchase program that authorized us to repurchase up to $2.1 billion of our common stock, including $1.2 billion pursuant to an accelerated share repurchase program, and subsequent increases to the authorization totaling $1.8 billion , which we refer to as the Stock Repurchase Program. In February 2017, the Board authorized an additional $500.0 million increase to the Stock Repurchase Program for a total of $4.4 billion .

During the three and nine months ended September 30, 2017 , we repurchased and retired approximately 5.0 million and 13.5 million shares of our common stock, at an average price of $28.16 and $28.85 per share, for an aggregate purchase price of $140.0 million and $390.0 million , respectively. As of September 30, 2017 , there was $329.7 million of authorized funds remaining under the Stock Repurchase Program.

In 2017, we are committed to returning approximately 50% of annual free cash flow to our shareholders, inclusive of share repurchases and dividends. Free cash flow is calculated as net cash provided by operating activities less capital expenditures.

Future stock repurchases under our stock repurchase program will be subject to a review of the circumstances at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements. See Note 17, *Subsequent Events,* in Notes to Condensed Consolidated Financial Statements in Item 1 Part I of this Report, for discussion of our stock repurchase activity subsequent to September 30, 2017 .

During the nine months ended September 30, 2017 , we declared a quarterly cash dividend of $0.10 per share of common stock on January 26, 2017, April 25, 2017 and July 25, 2017, which was paid on March 22, 2017, June 22, 2017 and September 22, 2017 respectively, to stockholders of record on March 1, 2017, June 1, 2017 and September 1, 2017, respectively, in the aggregate amount of $113.5 million . Any future dividends, and the establishment of record and payment dates, are subject to approval by the Board or an authorized committee thereof. See Note 17, *Subsequent Events,* in Notes to Condensed Consolidated Financial Statements in Item 1 Part I of this Report, for discussion of our dividend declaration subsequent to September 30, 2017 .

Revolving Credit Facility

As of September 30, 2017 , we were in compliance with all covenants and there were no amounts outstanding under our unsecured revolving credit facility that will expire in 2019, which enables borrowings up to $500.0 million, with the option to increase the amount of the credit facility by up to an additional $200.0 million.

Liquidity and Capital Resource Requirements

Liquidity and capital resources may be impacted by our operating activities as well as acquisitions, investments in strategic relationships, repurchases of additional shares of our common stock, and payment of cash dividends on our common stock. As of September 30, 2017 , 84% of our cash, cash equivalents, and investment balances were held outside of the U.S., which may be subject to U.S. taxes if repatriated.

Based on past performance and current expectations, we believe that our existing cash and cash equivalents, short-term, and long-term investments, together with cash generated from operations and access to capital markets and the revolving credit facility will be sufficient to fund our operations, planned stock repurchases and dividends, capital expenditures, commitments, and other liquidity requirements and anticipated growth for at least the next twelve months. However, our future liquidity and capital requirements may vary materially from those now planned depending on many factors, including, but not limited to, our growth rate, the timing and amount we spend to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced products and services, the costs to acquire or invest in businesses and technologies, and the risks and uncertainties detailed in the “Risk Factors” section of Item 1A of Part II of this Report.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Our exposures to market risk have not changed materially since December 31, 2016 . For quantitative and qualitative disclosures about market risk, see Item 7A Quantitative and Qualitative Disclosures About Market Risk, in our Form 10-K.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Attached as exhibits to this Report are certifications of our principal executive officer and principal financial officer, which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section includes information concerning the controls and related evaluations referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this Report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting during the third quarter of 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings*

The information set forth under the "Legal Proceedings" section in Note 16, *Commitments and Contingencies* , in Notes to Condensed Consolidated Financial Statements in Item 1 of Part I of this Report, is incorporated herein by reference.

Item 1A. *Risk Factors*

Factors That May Affect Future Results

Investments in our securities involve significant risks. Even small changes in investor expectations for our future growth and earnings, whether as a result of actual or rumored financial or operating results, changes in the mix of the products and services sold, acquisitions, industry changes, or other factors, could trigger, and have triggered in the past, significant fluctuations in the market price of our common stock. Investors in our securities should carefully consider all of the relevant factors disclosed by us, including, but not limited to, the following factors, that could affect our business, operating results and stock price.

Our quarterly results are unpredictable and subject to substantial fluctuations; as a result, we may fail to meet the expectations of securities analysts and investors, which could adversely affect the trading price of our common stock.

Our revenues and operating results may vary significantly from quarter-to-quarter due to a number of factors, many of which are outside of our control and any of which may cause our stock price to fluctuate.

The factors that may cause our quarterly results to vary quarter by quarter and be unpredictable include, but are not limited to: limited visibility into customer spending plans, changes in customer mix, changes in the mix of products and services sold, changes in the mix of geographies in which our products and services are sold, changing market and economic conditions, current and potential customer, partner and supplier consolidation and concentration, competition, long sales and implementation cycles, unpredictable ordering patterns, changes in the amount and frequency of share repurchases or dividends, regional economic and political conditions, and seasonality. For example, we, and many companies in our industry, experience adverse seasonal fluctuations in customer spending, particularly in the first quarter. In addition, while we may have backlog orders for products that have not shipped, we believe that our backlog may not be a reliable indicator of future operating results for a number of reasons, including project delays, changes in project scope and the fact that our customers may cancel purchase orders or change delivery schedules without significant penalty. Furthermore, market trends, competitive pressures, commoditization of products, seasonal rebates, increased component or logistics costs, issues with product quality, regulatory impacts and other factors may result in reductions in revenue or pressure on gross margins in a given period, which may necessitate adjustments to our operations. Such adjustments may be difficult or impossible to execute in the short or medium term.

As a result of these factors, as well as other variables affecting our operating results, we believe that quarter-to-quarter comparisons of operating results are not necessarily a good indication of what our future performance will be. It is likely that in some quarters, our operating results will be below our guidance, our long-term financial model or the expectations of securities analysts or investors, in which case the price of our common stock may decline and has declined in the past. Such a decline could also occur, and has occurred in the past, even when we have met our publicly stated revenues and/or earnings guidance.

Fluctuating economic conditions make it difficult to predict revenues and gross margin for a particular period and a shortfall in revenues or increase in costs of production may harm our operating results.

Our revenues and gross margin depend significantly on general economic conditions and the demand for products in the markets in which we compete. Economic weakness or uncertainty, customer financial difficulties, and constrained spending on network expansion and enterprise infrastructure have in the past resulted in, and may in the future result in, decreased revenues and earnings. Such factors could make it difficult to accurately forecast sales and operating results and could negatively affect our ability to provide accurate forecasts to our contract manufacturers and manage our contract manufacturer relationships and other expenses. In addition, economic instability or uncertainty, as well as continued turmoil in the geopolitical environment in many parts of the world, have, and may continue to, put pressure on economic conditions, which has led and could lead, to reduced demand for our products, to delays or reductions in network expansions or infrastructure projects, and/or higher costs of production. More generally-speaking, economic weakness may also lead to longer collection cycles for payments due from our customers, an increase in customer bad debt, restructuring initiatives and associated expenses, and impairment of investments. Furthermore, instability in the global markets may adversely impact the ability of our customers to adequately fund their expected expenditures, which could lead to delays or cancellations of planned purchases of our products or services. Our operating expenses are largely based on

anticipated revenue trends and a high percentage of our expenses is, and will continue to be, fixed in the short and medium term. Therefore, fluctuations in revenue could cause significant variations in our operating results and operating margins from quarter to quarter. Uncertainty about future economic conditions also makes it difficult to forecast operating results and to make decisions about future investments. Future or continued economic weakness, failure of our customers and markets to recover from such weakness, customer financial difficulties, increases in costs of production, and reductions in spending on network maintenance and expansion could result in price concessions in certain markets or have a material adverse effect on demand for our products and consequently on our business, financial condition, and results of operations.

We expect our gross margins and operating margins to vary over time, and the level of gross margins achieved by us in recent years may not be sustainable.

We expect our product and service gross margins to vary, both in the near-term and in the long-term, and the gross margins we have achieved in recent years may not be sustainable and may be adversely affected in the future by numerous factors, some of which have occurred and may occur in the future, including customer, vertical, product and geographic mix shifts, an increase or decrease in our software sales or services we provide, increased price competition in one or more of the markets in which we compete, changes in the actions of our competitors or their pricing strategies, which may be difficult to predict and respond to, modifications to our pricing strategy in order to gain footprint in certain markets or with certain customers, currency fluctuations that impact our costs or the cost of our products and services to our customers, increases in material, labor, or inventory carrying costs, excess product component or obsolescence charges from our contract manufacturers, issues with manufacturing or component quality or efficiencies, increased costs due to changes in component pricing or charges incurred due to inaccurately forecasting product demand, warranty related issues, or our introduction of new products and enhancements or entry into new markets with different pricing and cost structures. For example, in fiscal year 2016, our margins decreased compared to fiscal year 2015, primarily due to elevated pricing pressure and product mix. In fiscal year 2015, our margins increased compared to fiscal year 2014, as a result of higher restructuring and other charges recorded in 2014 but not in 2015, in connection with the restructuring plan we initiated in the first quarter of 2014. In fiscal year 2014, our margins declined compared to fiscal year 2013, as a result of higher inventory charges resulting from product rationalizations in connection with our 2014 restructuring plan and an industry-wide memory product quality defect for a component from a third party. We determine our operating expenses largely on the basis of anticipated revenues and a high percentage of our expenses are fixed in the short and medium term. As a result, a failure or delay in generating or recognizing revenue could cause significant variations in our operating results and operating margin from quarter-to-quarter. Failure to sustain or improve our gross margins reduces our profitability and may have a material adverse effect on our business and stock price.

Further, we will continue to remain diligent in our long-term financial objective to increase revenue and operating margins and manage our operating expenses as a percentage of revenue. We expect that our margins will vary with our ability to achieve these goals. We can provide no assurance that we will be able to achieve all or any of the goals of these plans or meet our announced expectations, in whole or in part, or that our plans will have the intended effect of improving our margins on the expected timeline, or at all.

Our success depends upon our ability to effectively plan and manage our resources and restructure our business through rapidly fluctuating economic and market conditions, and such actions may have an adverse effect on our financial and operating results.

Our ability to successfully offer our products and services in a rapidly evolving market requires an effective planning, forecasting, and management process to enable us to effectively scale and adjust our business and business models in response to fluctuating market opportunities and conditions.

From time to time, we have increased investment in our business by, for example, increasing headcount, acquiring companies, and increasing our investment in R&D, sales and marketing, and other parts of our business. Conversely, in 2014, to refocus the Company's strategy, optimize its structure and improve operational efficiencies, we implemented a new strategic focus, realigned our organization into a One-Juniper structure, reduced our workforce, consolidated and closed facilities, made changes to enhance efficiency, improved cost management measures and instituted a new capital allocation plan. In connection with our cost management measures, we implemented a substantial cost reduction plan accomplished through various restructuring activities across research and development, sales and marketing, and general and administrative. We recorded a goodwill impairment charge of $850.0 million in the fourth quarter of 2014 due to the underperformance of our Security reporting unit and product rationalizations. Further strategy-related pivots could lead to delays in achieving revenue and profit forecasts and result in additional impairment. In addition, in February 2017 we initiated the 2017 Restructuring Plan to realign our workforce and increase operational efficiencies. This included workforce reductions and contract terminations. As we assess the performance of our operating results against our long-term operating goals and evaluate potential opportunities for improvement, the 2017 Restructuring Plan has been

expanded and additional restructuring charges will be incurred in the fourth quarter of 2017 to further align our workforce. Some of our expenses are fixed costs that cannot be rapidly or easily adjusted in response to fluctuations in our business or numbers of employees. Rapid changes in the size, alignment or organization of our workforce, including sales account coverage, could adversely affect our ability to develop and deliver products and services as planned or impair our ability to realize our current or future business and financial objectives. Our ability to achieve the anticipated cost savings and other benefits from our restructuring initiatives within the expected time frame is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we are unsuccessful at implementing changes, or if other unforeseen events occur, our business and results of operations could be adversely affected.

A limited number of our customers comprise a material portion of our revenues and any changes in the way they purchase products and services from us could affect our business. In addition, there is an ongoing trend toward consolidation in the industry in which our customers and partners operate. Any decrease in revenues from our customers or partners could have an adverse effect on our net revenues and operating results.

A material portion of our net revenues depend on sales to a limited number of customers and distribution partners, particularly in our Telecom/Cable and Cloud verticals. Changes in the business requirements or focus, vendor selection, project prioritization, financial prospects, capital resources, and expenditures, or purchasing behavior (including product mix purchased or delays in deployment) of our key customers could significantly decrease our sales to such customers or could lead to delays or cancellations of planned purchases of our products or services, which increases the risk of quarterly fluctuations in our revenues and operating results. Any of these factors could adversely affect our business, financial condition, and results of operations.

In addition, in recent years, there has been movement towards consolidation in the telecommunications industry (for example, Liberty Global's acquisition of Cable & Wireless Communications, Charter Communications, Inc.'s acquisition of Time Warner Cable, Inc., CenturyLink, Inc.'s proposed acquisition of Level 3 Communications, Inc., and Vodafone India’s proposed acquisition of Idea Cellular Ltd.) and that consolidation trend has continued. Certain telecommunications companies have also announced their intent towards vertical consolidation through acquisitions of media and content companies, such as Verizon’s acquisition of Yahoo and AT&T’s proposed acquisition of Time Warner. If our customers or partners are parties to consolidation transactions they may delay, suspend or indefinitely reduce or cancel their purchases of our products or other direct or indirect unforeseen consequences could harm our business, financial condition, and results of operations.

We sell our products to customers that use those products to build networks and IP infrastructure, and if the demand for network and IP systems does not continue to grow, our business, financial condition, and results of operations could be adversely affected.

A substantial portion of our business and revenues depends on the growth of secure IP infrastructure and on the deployment of our products by customers that depend on the continued growth of IP services. As a result of changes in the economy, capital spending or the building of network capacity in excess of demand, all of which have in the past particularly affected telecommunications service providers, spending on IP infrastructure can vary, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, a number of our existing customers are evaluating the build-out of their next generation networks. During the decision-making period when our customers are determining the design of those networks and the selection of the software and equipment they will use in those networks, such customers may greatly reduce or suspend their spending on secure IP infrastructure. For example, in the third quarter of 2017, our switching results were adversely affected by spending delays from our largest cloud customers, who we believe are in the process of preparing to implement a networking architectural shift. The duration of the delay is difficult to predict, in part because each cloud customer will migrate their network architecture based on their own constraints. Such delays in purchases can make it more difficult to predict revenues from customers, can cause fluctuations in the level of spending by customers and, even where our products are ultimately selected, can have a material adverse effect on our business, financial condition, and results of operations

We face intense competition that could reduce our revenues and adversely affect our business and financial results.

Competition is intense in the markets that we serve. The network equipment market has historically been dominated by Cisco, with competition coming from other companies such as Nokia Corporation (following its acquisition of Alcatel-Lucent), Arista, Brocade, HPE, and Huawei. In the security market, we face intense competition from Cisco and Palo Alto Networks, as well as companies such as Check Point, F5 Networks, and Fortinet. Further, a number of other small public and private companies have products or have announced plans for new products to address the same challenges and markets that our products address.

In addition, actual or speculated consolidation among competitors, or the acquisition by, or of, our partners and/or resellers by competitors can increase the competitive pressures faced by us as customers may delay spending decisions or not purchase our products at all. For example, in recent years, Nokia Corporation merged with Alcatel-Lucent, HPE acquired Aruba Networks, Cisco acquired OpenDNS, Symantec Corporation acquired Blue Coat Systems, and Dell acquired EMC, which further consolidated our market. A number of our competitors have substantially greater resources and can offer a wider range of products and services for the overall network equipment market than we do. In addition, some of our competitors have become more integrated, including through consolidation, and offer a broader range of products and services, which could make their solutions more attractive to our customers. Many of our competitors sell networking products as bundled solutions with other IT products, such as computer and storage systems. If we are unable to compete successfully against existing and future competitors on the basis of product offerings or price, we could experience a loss in market share and revenues and/or be required to reduce prices, which could reduce our gross margins, and which could materially and adversely affect our business, financial condition, and results of operations. Our partners and resellers generally sell or resell competing products on a non-exclusive basis and consolidation could delay spending or require us to increase discounts to compete, which could also adversely affect our business.

The long sales and implementation cycles for our products, as well as our expectation that some customers will sporadically place large orders with short lead times, may cause our revenues and operating results to vary significantly from quarter-to-quarter.

A customer's decision to purchase certain of our products, particularly new products, involves a significant commitment of its resources and a lengthy evaluation and product qualification process. As a result, the sales cycle may be lengthy. In particular, customers making critical decisions regarding the design and implementation of large network deployments may engage in very lengthy procurement processes that may delay or impact expected future orders. Throughout the sales cycle, we may spend considerable time educating and providing information to prospective customers regarding the use and benefits of our products. Even after making the decision to purchase, customers may deploy our products slowly and deliberately. Timing of deployment can vary widely and depends on the skill set of the customer, the size of the network deployment, the complexity of the customer's network environment, and the degree of hardware and operating system configuration necessary to deploy the products. Customers with large networks usually expand their networks in large increments on a periodic basis. Accordingly, we may receive purchase orders for significant dollar amounts on an irregular basis. These long cycles, as well as our expectation that customers will tend to sporadically place large orders with short lead times, both of which may be exacerbated by the impact of global economic weakness, may cause revenues and operating results to vary significantly and unexpectedly from quarter-to-quarter.

The timing of product orders and/or our reliance on revenue from sales of software or subscriptions and professional, support and maintenance services may cause us to recognize revenue in a different period than the one in which a transaction takes place. This may make it difficult for investors to observe quarterly trends and may cause significant variations in our operating results and operating margin on a quarterly basis.

Generally, our network equipment products are stocked only in limited quantities by our distributors and resellers due to the cost, complexity and custom nature of configurations required by our customers; we generally build such products as orders are received. The volume of orders received late in any given fiscal quarter remains unpredictable. If orders for certain products are received late in any quarter, we may not be able to recognize revenue for these orders in the same period, which could adversely affect our ability to meet our expected revenues for such quarter.

In addition, services revenue accounts for a significant portion of our revenue, comprising 29%, 27%, and 26% of total revenue in fiscal year 2016, 2015, and 2014, respectively. Sales of new or renewal professional services, support and maintenance contracts may decline and/or fluctuate as a result of a number of factors, including end-customers' level of satisfaction with our products and services, the prices of our products and services or those offered by our competitors, and reductions in our end-customers' spending levels. We recognize professional services, support and maintenance revenue periodically over the term of the relevant service period.

The introduction of new software products and services is part of our intended strategy to expand our software business, and software revenues may be recognized periodically over the term of the relevant use period or subscription period. As a result, much of the software, subscription and support and maintenance revenue we report each fiscal quarter is the recognition of deferred revenue from software, subscription and support and maintenance contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed contracts in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter but will negatively affect our revenue in future fiscal quarters. Accordingly, the effect of significant downturns in new or renewed sales of our software, subscriptions or support and maintenance is not reflected in full in our operating results until future periods. Also, it is difficult for us to rapidly increase our software or services revenue through additional software or

services sales in any period, as revenue from new and renewal software, subscription and support and maintenance contracts must be recognized over the applicable service period.
Additionally, we determine our operating expenses largely on the basis of anticipated revenues and technology roadmap and a high percentage of our expenses are fixed in the short and medium term. As a result, a failure or delay in generating or recognizing revenue could cause significant variations in our operating results and operating margin from quarter-to-quarter.

If we do not successfully anticipate technological shifts, market needs and opportunities, and develop products, product enhancements and business strategies that meet those technological shifts, needs and opportunities, or if those products are not made available or strategies are not executed in a timely manner or do not gain market acceptance, we may not be able to compete effectively and our ability to generate revenues will suffer.

The markets for our products are characterized by rapid technological change, frequent new product introductions, changes in customer requirements, continuous pricing pressures and a constantly evolving industry. We cannot guarantee that we will be able to anticipate future technological shifts, market needs and opportunities or be able to develop new products, product enhancements or business strategies to meet such technological shifts, needs or opportunities in a timely manner or at all. For example, the move from traditional wide area network, or WAN, infrastructures towards software-defined WAN, or SD-WAN, has been receiving considerable attention. In our view, it will take several years to see the full impact of SD-WAN, and we believe the successful products and solutions in this market will combine hardware and software elements. If we fail to anticipate market requirements or opportunities or fail to develop and introduce new products, product enhancements or business strategies to meet those requirements or opportunities in a timely manner, it could cause us to lose customers, and such failure could substantially decrease or delay market acceptance and sales of our present and future products and services, which would significantly harm our business, financial condition, and results of operations. In addition, if we invest time, energy and resources in developing products for a market that doesn't develop, it could likewise significantly harm our business, financial condition, and results of operations. Even if we are able to anticipate, develop, and commercially introduce new products, enhancements or business strategies, there can be no assurance that new products, enhancements or business strategies will achieve widespread market acceptance.

In the past two years, we have announced a number of new products and enhancements to our hardware and software products across routing, switching and security. The success of our new products depends on several factors, including, but not limited to, component costs, timely completion and introduction of these products, prompt resolution of any defects or bugs in these products, our ability to support these products, differentiation of new products from those of our competitors and market acceptance of these products.

The introduction of new software products is part of our intended strategy to expand our software business. We have also begun to disaggregate certain software from certain hardware products, such that customers would be able to purchase or license our hardware and software products independently, which we expect could in time enable our hardware to be deployed with third party networking applications and services and our software to be used with third party hardware. The success of our strategy to expand our software business, including our strategy to disaggregate software from certain hardware products, is subject to a number of risks and uncertainties, including:

- the additional development efforts and costs required to create new software products and/or to make our disaggregated products compatible with multiple technologies;
- the possibility that our new software products or disaggregated products may not achieve widespread customer adoption;
- the potential that our strategy could erode our revenue and gross margins;
- the impact on our financial results of longer periods of revenue recognition and changes in tax treatment associated with software sales;
- the additional costs associated with regulatory compliance and changes we need to make to our distribution chain in connection with increased software sales;
- the ability of our disaggregated hardware and software products to operate independently and/or to integrate with current and future third party products; and
- issues with third party technologies used with our disaggregated products may be attributed to us.

If any of our new products or business strategies do not gain market acceptance or meet our expectations for growth, our ability to meet future financial targets may be adversely affected and our competitive position and our business and financial results could be harmed.

We are dependent on contract manufacturers with whom we do not have long-term supply contracts, and changes to or disruptions in those relationships or manufacturing processes, expected or unexpected, may result in delays that could cause us to lose revenues and damage our customer relationships.

We depend on independent contract manufacturers (each of which is a third-party manufacturer for numerous companies) to manufacture our products. Although we have contracts with our contract manufacturers, these contracts do not require them to manufacture our products on a long-term basis in any specific quantity or at any specific price. In addition, it is time-consuming and costly to qualify and implement additional contract manufacturer relationships. Therefore, if we fail to effectively manage our contract manufacturer relationships, which includes failing to provide accurate forecasts of our requirements, or if one or more of them experiences delays, disruptions, or quality control problems in our manufacturing operations, or if we had to change or add additional contract manufacturers or contract manufacturing sites, our ability to ship products to our customers could be delayed. We have experienced in the past and may experience in the future an increase in the expected time required to manufacture our products or ship products. Such delays could result in supply shortfalls that damage our ability to meet customer demand for those products and could cause our customers to purchase alternative products from our competitors. Also, the addition of manufacturing locations or contract manufacturers or the introduction of new products by us would increase the complexity of our supply chain management. Moreover, an increasing portion of our manufacturing is performed in China and other foreign countries and is therefore subject to risks associated with doing business outside of the United States, including the possibility of import tariffs or regional conflicts. Each of these factors could adversely affect our business, financial condition and results of operations.

If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience manufacturing delays, which would harm our business.

We provide demand forecasts for our products to our contract manufacturers and original design manufacturers, who order components and plan capacity based on these forecasts. If we overestimate our requirements, our original design or contract manufacturers may assess charges, or we may have liabilities for excess inventory, each of which could negatively affect our gross margins. For example, in certain prior quarters, our gross margins were reduced as a result of an inventory charge resulting from inventory we held in excess of forecasted demand. In addition, some optical modules we use are experiencing faster product transitions than previous years, which increases the risk that we could have excess inventory of those modules. Conversely, because lead times for required materials and components vary significantly and depend on factors such as the specific supplier, contract terms, and the demand for each component at a given time, and because our contract manufacturers are third-party manufacturers for numerous other companies, if we underestimate our requirements, as we have in certain prior quarters with respect to certain products, our contract manufacturers may have inadequate time, materials, and/or components required to produce our products, which could increase costs or delay or interrupt manufacturing of our products resulting in delays in shipments and deferral or loss of revenues and negatively impacting customer satisfaction.

System security risks, data protection breaches, and cyber-attacks could compromise our and our customers' proprietary information, disrupt our internal operations and harm public perception of our products, which could cause our business and reputation to suffer and adversely affect our stock price.

In the ordinary course of business, we store sensitive data, including intellectual property, personal data, our proprietary business information and proprietary business information of our customers, suppliers and business partners on our networks. In addition, we store sensitive data through cloud-based services that may be hosted by third parties and in data center infrastructure maintained by third parties. The secure maintenance of this information is critical to our operations and business strategy. The growing cyber risk environment means that individuals, companies, and organizations of all sizes, including Juniper, are increasingly subject to the threat of intrusions on their networks and systems by a wide range of actors on an ongoing and regular basis. Despite our security measures, and those of our third-party vendors, our information technology and infrastructure may be vulnerable to penetration or attacks by computer programmers, hackers or sophisticated nation-state and nation-state supported actors or breached due to employee error or wrongful conduct, malfeasance, or other disruptions. If any breach compromises our networks, creates system disruptions or slowdowns or exploits security vulnerabilities of our products, the information stored on our networks or those of our customers could be accessed and modified, publicly disclosed, lost or stolen, and we may be subject to liability to our customers, suppliers, business partners and others, and suffer reputational and financial harm. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including "bugs", vulnerabilities and other problems that could unexpectedly interfere with the operation of our

networks or expose us or our products to cyber attacks. This can be true even for “legacy” products that have been determined to have reached an end of life engineering status but will continue to operate for a limited amount of time.

For example, in December 2015, we disclosed that we identified unauthorized code in our ScreenOS security system that could allow a knowledgeable attacker to gain administrative access to NetScreen devices and to decrypt VPN connections. Following the identification of the ScreenOS vulnerabilities, we launched an investigation into the matter, developed patched releases for the latest versions of ScreenOS and notified customers, all of which required significant time and attention from management and our employees. In addition, in April 2016, we made additional changes to ScreenOS in response to our additional analysis as a part of an update of ScreenOS. At this time, we do not have an estimate of third party costs related to the ScreenOS matter that could result from any third party claims brought against us, including, for example, indemnification for damages our customers may incur or actions instituted by governmental or regulatory entities that could result in fines or other penalties. Costs related to the ScreenOS matter, including the costs to resolve third party claims, may be material.

As a result of the ScreenOS matter, or any other actual or perceived breach of network security that occurs in our network or in the network of a customer of our products, regardless of whether the breach is attributable to our products, the market perception of the effectiveness of our products and our overall reputation could be harmed. As a large, well known provider of networking products, cyber attackers may specifically target our products or attempt to imitate us or our products in order to compromise a network. Because the techniques used by attackers, many of whom are highly sophisticated and well-funded, to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques or the vulnerabilities they have caused. This could impede our sales, manufacturing, distribution or other critical functions, which could have an adverse impact on our financial results. The economic costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software systems and security vulnerabilities, including the ScreenOS matter, could be significant and may be difficult to anticipate or measure, because the damage may differ based on the identity and motive of the attacker, which are often difficult to pinpoint. Additionally, we could be subject to regulatory investigations, potential fines and litigation in connection with a security breach or related issue and be liable to third parties for these types of breaches.

We are dependent on sole source and limited source suppliers for several key components, which makes us susceptible to shortages, quality issues or price fluctuations in our supply chain, and we may face increased challenges in supply chain management in the future.

We rely on single or limited sources of certain of our components. During periods of high demand for electronic products, component shortages are possible, and the predictability of the availability of such components may be limited. For example, some optical transceivers and memory components used in our networking solutions might experience extended lead times, given the demand in the market. Any future spike in growth in our business, or more likely in IT spending and the economy in general is likely to create greater short-term pressures on us and our suppliers to accurately forecast overall component demand and to establish optimal component inventories. If shortages or delays persist, the price of these components may increase, or the components may not be available at all. We may not be able to secure enough components at reasonable prices or of acceptable quality to build new products in a timely manner, and our revenues and gross margins could suffer until other sources can be developed. In addition, we have experienced, and from time-to-time may experience, component shortages or quality issues that resulted, or could result, in delays of product shipments and/or warranty or other claims. For example, in late 2016, we became aware of a defect in a clock-signal component from a third-party supplier that affected certain of our products and which resulted in remediation costs. As a result of this issue, we recorded a product cost of revenue charge that impacted our product gross margins for our fiscal year ended December 31, 2016 and three months ended March 31, 2017, and we may incur additional costs. We also currently purchase numerous key components, including ASICs and other semiconductor chips, from single or limited sources and many of our component suppliers are concentrated in China and Korea. In addition, there has been consolidation among certain suppliers of our components. For example, GLOBALFOUNDRIES acquired IBM’s semiconductor manufacturing business, Avago Technologies Limited acquired Broadcom Corporation and Intel Corporation acquired Altera Corporation. Consolidation among suppliers can result in the reduction of the number of independent suppliers of components available to us, which could negatively impact our ability to access certain component parts or the prices we have to pay for such parts. In addition, our suppliers may determine not to continue a business relationship with us for other reasons that may be beyond our control. Any disruptions to our supply chain could decrease our sales, earnings and liquidity or otherwise adversely affect our business and result in increased costs. Such a disruption could occur as a result of any number of events, including, but not limited to, increases in wages that drive up prices, the imposition of regulations, quotas or embargoes on key components, labor stoppages, transportation failures affecting the supply and shipment of materials and finished goods, the unavailability of raw materials, severe weather conditions, natural disasters, civil unrest, geopolitical developments, war or terrorism and disruptions in utility and other services.

The development of alternate sources for key components is time-consuming, difficult, and costly. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. Also, long-term supply and maintenance obligations to customers increase the duration for which specific components are required, which may further increase the risk of component shortages or the cost of carrying inventory. In the event of a component shortage or supply interruption from these suppliers, we may not be able to develop alternate or second sources in a timely manner. If we are unable to buy these components in quantities sufficient to meet our requirements on a timely basis, we will not be able to deliver products and services to our customers, which would seriously affect present and future sales, which would, in turn, adversely affect our business, financial condition, and results of operations.

In addition, the development, licensing, or acquisition of new products in the future may increase the complexity of supply chain management. Failure to effectively manage the supply of key components and products would adversely affect our business.

We rely on value-added and other resellers, as well as distribution partners, to sell our products, and disruptions to, or our failure to effectively develop and manage, our distribution channel and the processes and procedures that support it could adversely affect our ability to generate revenues from the sale of our products.

Our future success is highly dependent upon establishing and maintaining successful relationships with a variety of value-added and other reseller and distribution partners, including our worldwide strategic partners such as Ericsson, IBM, Dimension Data and NEC Corporation. The majority of our revenues are derived through value-added resellers and distributors, most of which also sell our competitors' products, and some of which sell their own competing products. Our revenues depend in part on the performance of these partners. The loss of or reduction in sales to our resellers or distributors could materially reduce our revenues. For example, in 2016, Nokia Corporation merged with Alcatel-Lucent, a competitor of ours, and in 2015 Cisco announced a partnership with Ericsson, which is one of our existing partners. Our competitors may in some cases be effective in leveraging their market share positions or in providing incentives to current or potential resellers and distributors to favor their products or to prevent or reduce sales of our products. If we fail to develop and maintain relationships with our partners, fail to develop new relationships with value-added resellers and distributors in new markets, fail to expand the number of distributors and resellers in existing markets, fail to manage, train or motivate existing value-added resellers and distributors effectively, determine that we cannot continue to do business with these partners for any reason or if these partners are not successful in their sales efforts, sales of our products may decrease, and our business, financial condition, and results of operations would suffer.

In addition, we recognize a portion of our revenues based on a sell-through model using information provided by our distributors. If those distributors provide us with inaccurate or untimely information, the amount or timing of our revenues could be adversely impacted.

Further, in order to develop and expand our distribution channel, we must continue to offer attractive channel programs to potential partners and scale and improve our processes and procedures that support the channel. As a result, our programs, processes and procedures may become increasingly complex and inherently difficult to manage. We have previously entered into OEM agreements with partners pursuant to which they rebrand and resell our products as part of their product portfolios. These types of relationships are complex and require additional processes and procedures that may be challenging and costly to implement, maintain and manage. Our failure to successfully manage and develop our distribution channel and the programs, processes and procedures that support it could adversely affect our ability to generate revenues from the sale of our products. We also depend on our global channel partners to comply with applicable legal and regulatory requirements. To the extent that they fail to do so, that could have a material adverse effect on our business, operating results, and financial condition.

Our ability to process orders and ship products in a timely manner is dependent in part on our business systems and performance of the systems and processes of third parties such as our contract manufacturers, suppliers, data center providers or other partners, as well as the interfaces between our systems and the systems of such third parties. If our systems, the systems and processes of those third parties, or the interfaces between them experience delays or fail, our business processes and our ability to build and ship products could be impacted, and our financial results could be harmed.

Some of our business processes depend upon our information technology, or IT, systems, the systems and processes of third parties, and the interfaces of our systems with the systems of third parties. For example, we are in the process of further consolidating our on-site data centers to the cloud and to off-site facilities that are hosted and controlled by third-parties. These cloud providers and off-site facilities are vulnerable to damage, interruption or performance problems from earthquakes, hurricanes, floods, fires, power loss, telecommunications failures, equipment failure, adverse events caused by operator error and similar events. In addition, because we lease our cloud storage space and off-site data center facilities, we cannot be assured that we will be able to expand our data center infrastructure to meet user demand in a timely manner, or on favorable economic terms. If we have issues receiving and processing data, this may delay our ability to provide products and services to our customers and damage our business. We

also rely upon the performance of the systems and processes of our contract manufacturers to build and ship our products. If those systems and processes experience interruption or delay, our ability to build and ship our products in a timely manner may be harmed. For example, we have experienced instances where our contract manufacturers were not able to ship products in the time periods expected by us, which prevented us from meeting our commitments to our customers. If we are not able to ship our products or if product shipments are delayed, our ability to recognize revenue in a timely manner for those products would be affected and our financial results could be harmed.

Integration of acquisitions could disrupt our business and harm our financial condition and stock price and may dilute the ownership of our stockholders.

We have made, and may continue to make, acquisitions in order to enhance our business. For example, in 2017 we acquired Cyphort Inc. and in 2016, we acquired AppFormix Inc., Aurrion, Inc. and BTI Systems Inc. Acquisitions involve numerous risks, including, but not limited to, problems combining the purchased operations, technologies or products, unanticipated costs and liabilities, diversion of management's attention from our core businesses, adverse effects on existing business relationships with suppliers and customers, risks associated with entering markets in which we have no or limited prior experience, and potential loss of key employees. There can be no assurance that we will be able to integrate successfully any businesses, products, technologies, or personnel that we might acquire. The integration of businesses that we may acquire is likely to be a complex, time-consuming, and expensive process and we may not realize the anticipated revenues or other benefits associated with our acquisitions if we fail to successfully manage and operate the acquired business. If we fail in any acquisition integration efforts and are unable to efficiently operate as a combined organization utilizing common information and communication systems, operating procedures, financial controls, and human resources practices, our business, financial condition, and results of operations may be adversely affected.

In connection with certain acquisitions, we may agree to issue common stock or assume equity awards that dilute the ownership of our current stockholders, use a substantial portion of our cash resources, assume liabilities, record goodwill and amortizable intangible assets that will be subject to impairment testing on a regular basis and potential periodic impairment charges, incur amortization expenses related to certain intangible assets, and incur large and immediate write-offs and restructuring and other related expenses, all of which could harm our financial condition and results of operations.

Telecommunications, cable and cloud service provider companies and our other large customers generally require onerous terms and conditions in our contracts with them. As we seek to sell more products to such customers, we may be required to agree to terms and conditions that could have an adverse effect on our business or ability to recognize revenues.

Telecommunications, cable and cloud service provider companies, which comprise a significant portion of our customer base, and other large companies, generally have greater purchasing power than smaller entities and, accordingly, often request and receive more favorable terms from suppliers. For example, our customers France Telecom-Orange and Deutsche Telekom AG have formed a company for the purpose of purchasing products from, and negotiating more favorable contractual terms with, suppliers. As we seek to sell more products to this class of customer, we may be required to agree to such terms and conditions, which may include terms that affect the timing of our ability to recognize revenue, increase our costs and have an adverse effect on our business, financial condition, and results of operations. Consolidation among such large customers can further increase their buying power and ability to require onerous terms.

In addition, service providers have purchased products from other vendors who promised but failed to deliver certain functionality and/or had products that caused problems or outages in the networks of these customers. As a result, these customers may request additional features from us and require substantial penalties for failure to deliver such features or may require substantial penalties for any network outages that may be caused by our products. These additional requests and penalties, if we are required to agree to them, may require us to defer revenue recognition from such sales, which may negatively affect our business, financial condition and results of operations. In addition, increased patent litigation brought against customers by non-practicing entities in recent years, may result, and in some cases has resulted, in customers requesting or requiring vendors to absorb a portion of the costs of such litigation or providing broader indemnification for litigation, each of which could increase our expenses and negatively affect our business, financial condition and results of operations.

We are a party to lawsuits, investigations, proceedings, and other disputes, which are costly to defend and, if determined adversely to us, could require us to pay fines or damages, undertake remedial measures or prevent us from taking certain actions, any or all of which could harm our business, results of operations, financial condition or cash flows.

We, and certain of our current and former officers and current and former members of our Board of Directors, have been or are subject to various lawsuits. We have been served with lawsuits related to employment matters, commercial transactions and patent infringement, as well as securities laws. As noted in Note 16, *Commitments and Contingencies* , in Notes to Consolidated Financial

Statements of this Report, under the heading of “Legal Proceedings”, the U.S. Securities and Exchange Commission, or the SEC, and the U.S. Department of Justice, or the DOJ, are conducting investigations into possible violations by the Company of the U.S. Foreign Corrupt Practices Act, or the FCPA, in a number of countries. The investigations relate to whether the Company or any third party on behalf of the Company gave money or anything else of value to any government official in violation of the FCPA. The Company’s Audit Committee, with the assistance of independent advisors, has been investigating and conducting a thorough review of possible violations of the FCPA, and has made recommendations for remedial measures, including employee disciplinary actions in foreign jurisdictions, which the Company has implemented and continues to implement. Litigation and investigations are inherently uncertain. We therefore cannot predict the duration, scope, outcome or consequences of litigation and government investigations. In connection with any government investigations, including those in which we are currently involved as described above, if the government takes action against us or we agree to settle the matter, we may be required to pay substantial fines and incur other sanctions, which may be material, and suffer reputational harm. The lawsuits and investigations are expensive and time-consuming to defend, settle, and/or resolve, and may require us to implement certain remedial measures that could prove costly or disruptive to our business and operations. The unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We are a party to litigation and claims regarding intellectual property rights, resolution of which may be time - consuming and expensive, as well as require a significant amount of resources to prosecute, defend, or make our products non-infringing.

Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. We expect that infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Third parties have asserted and may in the future assert claims or initiate litigation related to patent, copyright, trademark, and other intellectual property rights to technologies and related standards that are relevant to our products. The asserted claims and/or initiated litigation may include claims against us or our manufacturers, suppliers, partners, or customers, alleging that our products or services infringe proprietary rights. In addition, increased patent litigation brought by non-practicing entities in recent years may result, and in some cases has resulted, in our customers requesting or requiring us to absorb a portion of the costs of such litigation or providing broader indemnification for litigation, each of which could increase our expenses and negatively affect our business, financial condition and results of operations. Regardless of the merit of these claims, they have been and can be time-consuming, result in costly litigation, and may require us to develop non-infringing technologies, enter into license agreements, or cease engaging in certain activities or offering certain products or services. Furthermore, because of the potential for high awards of damages or injunctive relief that are not necessarily predictable, even arguably unmeritorious claims may be settled for significant amounts of money. If any infringement or other intellectual property claim made against us or anyone we are required to indemnify by any third-party is successful, if we are required to settle litigation for significant amounts of money, if we fail to develop non-infringing technology or if we incorporate infringing technology in our products or if we license required proprietary rights at material expense, our business, financial condition, and results of operations could be materially and adversely affected.

Regulation of our industry in general and the telecommunications industry in particular could harm our operating results and future prospects.

We are subject to laws and regulations affecting the sale of our products in a number of areas. For example, some governments have regulations prohibiting government entities from purchasing security products that do not meet specified indigenous certification criteria, even though those criteria may be in conflict with accepted international standards. Other regulations that may negatively impact our business include country of origin regulations. These types of regulations are in effect or under consideration in several jurisdictions where we do business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act includes disclosure requirements applicable to public companies regarding the use of “conflict minerals” mined from the Democratic Republic of Congo and adjoining countries, which we refer to collectively as the DRC, and procedures regarding a manufacturer's efforts to prevent the sourcing of such “conflict minerals.” These minerals are present in our products. In addition, the European Union reached agreement in late 2016 on a EU-wide conflict minerals rule under which most EU importers of tin, tungsten, tantalum, gold and their ores will have to conduct due diligence to ensure the minerals do not originate from conflict zones and do not fund armed conflicts. Large manufacturers also will have to disclose how they plan to monitor their sources to comply with the rules. The regulation was adopted in 2017 with compliance required by 2021.

In addition, environmental laws and regulations relevant to electronic equipment manufacturing or operations, including laws and regulations governing the hazardous material content of our products and laws relating to the collection of and recycling of electrical and electronic equipment, may adversely impact our business and financial condition. These laws and regulations include, among others, the European Union, or EU, Restriction on the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

Directive, or RoHS. The EU RoHS and the similar laws of other jurisdictions limit the content of certain hazardous materials, such as lead, mercury, and cadmium, in the manufacture of electrical equipment, including our products. Currently, our products comply with the EU RoHS requirements. However, certain exemptions are scheduled to lapse, or have lapsed, including an exemption for lead in network infrastructure equipment upon which we and our competitors had relied, which expired in July 2016. The lapse of this exemption, further changes to this or other laws, or passage of similar laws in the EU or other jurisdictions, would require us to cease selling non-compliant products in the EU and to reengineer our products to use components compatible with these regulations. This reengineering and component substitution could result in additional costs to us, disrupt our operations or logistics, and result in an adverse impact on our operating results. In addition, in validating the compliance of our products with applicable hazardous materials restrictions, we rely substantially on affirmations by our component suppliers as to the compliance of their products with respect to those same restrictions. Failure by our component suppliers to furnish accurate and timely information could subject us to penalties or liability for violation of such hazardous materials restrictions, interrupt our supply of products to the EU, and result in our customers refusing or being unable to purchase our products. Additionally, the EU and a number of other countries have adopted regulations requiring producers of electrical and electronic equipment to assume certain responsibilities for collecting, treating, recycling and disposing of products when they have reached the end of their useful life. Finally, the EU REACH regulations regulate the handling of certain chemical substances that may be used in our products.

In addition, as a contractor and subcontractor to U.S. government departments and agencies, we are subject to Federal regulations pertaining to our IT systems. For instance, as a subcontractor to the U.S. Department of Defense, or DOD, the Defense Federal Acquisition Regulation Supplement (DFARS) requires that our IT systems comply with the security and privacy controls described in National Institute of Standards and Technology Special Publication 800-171, or NIST SP 800-171 no later than December 31, 2017. The DFARS also requires that we flow the security control requirement down to certain of our own subcontractors. Failure to comply with these requirements could result in a loss of Federal government business, subject us to claims or other remedies for non-compliance and negatively impact our business, financial condition, and results of operations.

The telecommunications industry is highly regulated, and our business and financial condition could be adversely affected by changes in regulations relating to the Internet telecommunications industry. Currently, there are few laws or regulations that apply directly to access to or commerce on IP networks, but future regulations could include sales taxes on products sold via the Internet and Internet service provider access charges. We could be adversely affected by regulation of IP networks and commerce in any country where we market equipment and services to service providers or cloud provider companies. Regulations governing the range of services and business models that can be offered by service providers or cloud provider companies could adversely affect those customers' needs for products. For instance, the U.S. Federal Communications Commission has issued regulations governing aspects of fixed broadband networks and wireless networks. These regulations, which were challenged in court, and which the new Federal Communications Commission leadership is considering removing or modifying, might impact service provider and cloud provider business models and, as such, providers' needs for Internet telecommunications equipment and services. Also, many jurisdictions are evaluating or implementing regulations relating to cyber security, supply chain integrity, privacy and data protection, any of which can affect the market and requirements for networking and security equipment.

The adoption and implementation of additional regulations could reduce demand for our products, increase the cost of building and selling our products, result in product inventory write-offs, impact our ability to ship products into affected areas and recognize revenue in a timely manner, require us to spend significant time and expense to comply, and subject us to fines and civil or criminal sanctions or claims if we were to violate or become liable under such regulations. Any of these impacts could have a material adverse effect on our business, financial condition, and results of operations.

Governmental regulations and economic sanctions affecting the import or export of products generally or affecting products containing encryption capabilities could negatively affect our revenues and operating results.

The United States and various foreign governments have imposed controls and restrictions on the import or export of, among other things, our products that contain or use encryption technology. Most of our products contain or use encryption technology and, consequently, are subject to such controls, requirements and restrictions. In addition, from time to time, governmental agencies have proposed additional regulation of encryption technology, such as requiring certification, notifications, review of source code, limiting the encryption features or the escrow and governmental recovery of private encryption keys. For example, China has promulgated new cybersecurity regulations affecting networking products that may impair our ability to profitably market and sell our products in China. We sell our products to both commercial customers and, directly and indirectly, to governments around the world. Our ability to sell into substantial government markets (whether or not the products we sell include encryption) is vulnerable to changes in government procurement regulations, any associated local content requirements and changes in the government’s interpretation of such regulations. In addition, the U.S. government has broader sanctions and embargoes that generally forbid supply of most items to or involving certain countries, territories, governments, legal entities and individuals, including restrictions

imposed by the U.S. and EU on exports to Russia and Ukraine. We have implemented systems to detect and prevent sales into these countries or to prohibited entities or individuals, but there can be no assurance that they will always be effective.

Governmental regulation of encryption or IP networking technology and regulation of imports or exports, or our failure to obtain required import or export approval for our products, or related economic sanctions could harm our international and domestic sales and adversely affect our revenues and operating results. In addition, failure to comply with such regulations could result in harm to our reputation and ability to compete in international markets, penalties, costs, seizure of assets (including source code) and restrictions on import or export privileges or adversely affect sales to government agencies or government-funded projects.

Our actual or perceived failure to adequately protect personal data could adversely affect our business, financial condition and results of operations.

A variety of state, national, foreign, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These privacy- and data protection-related laws and regulations are evolving, with new or modified laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations. Compliance with these laws and regulations can be costly and can delay or impede the development and offering of new products and services.

For example, we previously relied upon adherence to the U.S. Department of Commerce's Safe Harbor Privacy Principles and compliance with the U.S.-EU Safe Harbor Framework, which we refer to as the Safe Harbor, agreed to by the U.S. Department of Commerce and the EU. The Safe Harbor, which established means for legitimizing the transfer of personal data by U.S. companies from the European Economic Area, or EEA, to the U.S., was invalidated in 2015 by a decision of the European Court of Justice, or the ECJ. Now that the EU and U.S. have implemented a successor privacy framework called the Privacy Shield, we are reviewing and documenting our practices required to obtain certification under the Privacy Shield, in addition to entering into EU Model Contracts with our vendors where appropriate and feasible in anticipation of the possibility that the Privacy Shield may be legally challenged or voided like Safe Harbor in an uncertain political environment. In addition, the EU General Data Protection Regulation, which will be effective in May 2018, is expected to result in substantial changes to our compliance obligations and a significant increase in potential administrative fines for non-compliance. Similarly, the June 2016 approval by voters in the United Kingdom, or U.K., of a referendum to leave the EU could require us to make additional changes to the way we conduct our business and transmit data between the U.S., U.K., EU and the rest of the world.

Our actual or alleged failure to comply with applicable laws and regulations, or to protect personal data, could result in enforcement actions, significant penalties or other legal action against us or our customers or suppliers, which could result in negative publicity, increase our operating costs, subject us to claims or other remedies and have a material adverse effect on our business, financial condition, and results of operations.

Our ability to develop, market, and sell products could be harmed if we are unable to retain or hire key personnel.

Our future success depends upon our ability to recruit and retain the services of executive, engineering, sales and marketing, and support personnel. The supply of highly qualified individuals, in particular engineers in very specialized technical areas, or sales people with specialized industry expertise, is limited and competition for such individuals is intense. None of our officers or key employees is bound by an employment agreement for any specific term. The loss of the services of any of our key employees, the inability to attract or retain personnel in the future or delays in hiring required personnel, engineers and sales people, and the complexity and time involved in replacing or training new employees, could delay the development and introduction of new products, and negatively impact our ability to market, sell, or support our products.

A number of our team members are foreign nationals who rely on visas and entry permits in order to legally work in the United States and other countries. In recent years, the United States has increased the level of scrutiny in granting H-1(B), L-1 and other business visas. In addition, the current U.S. administration has indicated that immigration reform is a priority. Compliance with United States immigration and labor laws could require us to incur additional unexpected labor costs and expenses or could restrain our ability to retain skilled professionals. Any of these restrictions could have a material adverse effect on our business, results of operations and financial conditions.

Our financial condition and results of operations could suffer if there is an additional impairment of goodwill or other intangible assets with indefinite lives.

We are required to test intangible assets with indefinite lives, including goodwill, annually or more frequently if certain circumstances change that would more likely than not reduce the fair value of a reporting unit and intangible assets below their carrying values. As of September 30, 2017, our goodwill was $3,096.2 million and intangible assets with indefinite lives was $49.0 million . When the carrying value of a reporting unit's goodwill exceeds its implied fair value of goodwill, or if the carrying amount of an intangible asset with an indefinite life exceeds its fair value, a charge to operations is recorded. Either event would result in incremental expenses for that quarter, which would reduce any earnings or increase any loss for the period in which the impairment was determined to have occurred.

In the past, we recorded a goodwill impairment charge of $850.0 million due to the underperformance of our Security reporting unit and product rationalizations.

From time to time, economic weakness has contributed to extreme price and volume fluctuations in global stock markets that have reduced the market price of many technology company stocks, including ours. Declines in our level of revenues due to restructuring or cost reductions or declines in our operating margins, or sustained declines in our stock price, increase the risk that goodwill and intangible assets with indefinite lives may become impaired in future periods.

During the three months ended June 30, 2017, we concluded that there were sufficient indicators to require us to perform an interim goodwill impairment analysis on our Security reporting unit. Based on our analysis, we determined that our Security reporting unit's goodwill was not impaired. However, our goodwill impairment analysis is sensitive to changes in key assumptions used in our analysis, such as expected future cash flows, the degree of volatility in equity and debt markets, and our stock price. If the assumptions used in our analysis are not realized, it is possible that an impairment charge may need to be recorded in the future. We cannot accurately predict the amount and timing of any impairment of goodwill or other intangible assets. However, any such impairment would have an adverse effect on our results of operations.

Changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results.

Our future effective tax rates could be subject to volatility or adversely affected by the following: earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated earnings in countries where we have higher statutory rates; changes in the valuation of our deferred tax assets and liabilities; expiration of, or lapses in, the R&D tax credit laws applicable to us; transfer pricing adjustments related to certain acquisitions, including the license of acquired intangibles under our intercompany R&D cost sharing arrangement; costs related to intercompany restructuring; tax effects of share-based compensation; challenges to our methodologies for valuing developed technology or intercompany arrangements; or changes in tax laws, regulations, accounting principles, or interpretations thereof. On October 5, 2015, the Organisation for Economic Co-operation and Development, or OECD, an international association of 35 countries including the U.S., published final proposals under its Base Erosion and Profit Shifting, or BEPS, Action Plan. The BEPS Action Plan includes fifteen Actions to address BEPS in a comprehensive manner and represents a significant change to the international corporate tax landscape. These proposals, as adopted by countries, may increase tax uncertainty and adversely affect our provision for income taxes. Furthermore, the current U.S. administration and key members of Congress have made public statements indicating that tax reform is a priority. Certain changes to U.S. tax laws, including limitations on the ability to defer U.S. taxation on earnings outside of the United States until those earnings are repatriated to the United States, could affect the tax treatment of our foreign earnings. In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service, or IRS, and other tax authorities. It is possible that tax authorities may disagree with certain positions we have taken and any adverse outcome of such a review or audit could have a negative effect on our financial position and operating results. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, but the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made. There can be no assurance that the outcomes from continuous examinations will not have an adverse effect on our business, financial condition, and results of operations.

We may face difficulties enforcing our proprietary rights, which could adversely affect our ability to compete.

We generally rely on a combination of patents, copyrights, trademarks, and trade secret laws and contractual restrictions on disclosure of confidential and proprietary information, to establish and maintain proprietary rights in our technology and products. Although we have been issued numerous patents and other patent applications are currently pending, there can be no assurance that any of our patent applications will result in issued patents or that any of our patents or other proprietary rights will not be challenged, invalidated, infringed or circumvented or that our rights will, in fact, provide competitive advantages to us or protect our technology, any of which could result in costly product redesign efforts, discontinuance of certain product offerings and other competitive harm.

In addition, despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. We generally enter into confidentiality or license agreements with our employees, consultants, vendors, and customers, and generally limit access to and distribution of our proprietary information. However, we cannot assure you that we have entered into such agreements with all parties who may have or have had access to our confidential information or that the agreements we have entered into will not be breached. We cannot guarantee that any of the measures we have taken will prevent misappropriation of our technology.

Furthermore, the laws of some foreign countries may not protect our proprietary rights to the same extent as do the laws of the United States. The outcome of any actions taken in these foreign countries may be different than if such actions were determined under the laws of the United States. Although we are not dependent on any individual patents or group of patents for particular segments of the business for which we compete, if we are unable to protect our proprietary rights in a market, we may find ourselves at a competitive disadvantage to others who need not incur the substantial expense, time, and effort required to create innovative products that have enabled our success.

We are subject to risks arising from our international operations, which may adversely affect our business, financial condition, and results of operations.

We derive a substantial portion of our revenues from our international operations, and we plan to continue expanding our business in international markets. We conduct significant sales and customer support operations directly and indirectly through our distributors and VARs in countries throughout the world and depend on the operations of our contract manufacturers and suppliers that are located outside of the United States. In addition, a portion of our R&D and our general and administrative operations are conducted outside the United States. In some countries, we may experience reduced intellectual property protection.

As a result of our international operations, we are affected by economic, business regulatory, social, and political conditions in foreign countries, including the following:

- changes in general IT spending,
- the imposition of government controls, inclusive of critical infrastructure protection;
- changes or limitations in trade protection laws or other regulatory requirements, which may affect our ability to import or export our products from various countries;
- varying and potentially conflicting laws and regulations;
- fluctuations in local economies;
- wage inflation or a tightening of the labor market;
- tax policies that could have a business impact;
- potential import tariffs imposed by the United States and the possibility of reciprocal tariffs by foreign countries;
- data privacy rules and other regulations that affect cross border data flow; and
- the impact of the following on customer spending patterns: political considerations, unfavorable changes in tax treaties or laws, natural disasters, epidemic disease, labor unrest, earnings expatriation restrictions, misappropriation of

intellectual property, military actions, acts of terrorism, political and social unrest and difficulties in staffing and managing international operations.

Any or all of these factors could have a material adverse impact on our business, financial condition, and results of operations.

In addition, the June 2016 approval by voters in the U.K. of a referendum to leave the EU and the U.K.'s formal initiation of the exit process in March 2017, commonly referred to as Brexit, has caused, and may continue to cause, uncertainty in the global markets. The U.K.'s exit from the EU, if implemented, will take some period of time to complete and could result in regulatory changes that impact our business. For example, changes to the way service providers conduct business and transmit data between the U.K. and the EU could require us to make changes to the way we handle customer data. We will also review the impact of any resulting changes to EU or U.K. law that could affect our operations, such as labor policies, financial planning, product manufacturing, and product distribution. Political and regulatory responses to the vote are still developing and we are in the process of assessing the impact the vote may have on our business as more information becomes available. Nevertheless, because we conduct business in the EU, including the U.K., any of the effects of Brexit, including those we cannot anticipate, could have a material adverse effect on our business, operating results, financial condition and cash flows.

Moreover, local laws and customs in many countries differ significantly from or conflict with those in the United States or in other countries in which we operate. In many foreign countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. regulations applicable to us. There can be no assurance that our employees, contractors, channel partners, and agents will not take actions in violation of our policies and procedures, which are designed to ensure compliance with U.S. and foreign laws and policies. Violations of laws or key control policies by our employees, contractors, channel partners, or agents could result in termination of our relationship, financial reporting problems, fines, and/or penalties for us, or prohibition on the importation or exportation of our products, and could have a material adverse effect on our business, financial condition and results of operations.

Our products are highly technical and if they contain undetected defects, errors or malware or do not meet customer quality expectations, our business could be adversely affected, and we may be subject to additional costs or lawsuits or be required to pay damages in connection with any alleged or actual failure of our products and services.

Our products are highly technical and complex, are critical to the operation of many networks, and, in the case of our security products, provide and monitor network security and may protect valuable information. Our products have contained and may contain one or more undetected errors, defects, malware, or security vulnerabilities. Some errors in our products may only be discovered after a product has been installed and used by end-customers. For example, in December 2015, we disclosed that we identified unauthorized code in ScreenOS that could allow a knowledgeable attacker to gain administrative access to NetScreen devices and to decrypt VPN connections.

Any errors, defects, malware or security vulnerabilities discovered in our products after commercial release could result in monetary penalties, negative publicity, loss of revenues or delay in revenue recognition, loss of customers, loss of future business and reputation, penalties, and increased service and warranty cost, any of which could adversely affect our business, financial condition, and results of operations. Following the identification of the ScreenOS vulnerabilities, we launched an investigation into the matter, developed patched releases for the latest versions of ScreenOS and notified customers, all of which required significant time and attention from management and our employees. In addition, in the event an error, defect, malware, or vulnerability is attributable to a component supplied by a third-party vendor, we may not be able to recover from the vendor all of the costs of remediation that we may incur. In addition, we could face claims for product liability, tort, or breach of warranty or indemnification. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention. If our business liability insurance coverage is inadequate, or future coverage is unavailable on acceptable terms or at all, our financial condition and results of operations could be harmed. Moreover, if our products fail to satisfy our customers' quality expectations for whatever reason, the perception of and the demand for our products could be adversely affected.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Because a substantial portion of our business is conducted outside the United States, we face exposure to adverse movements in non-U.S. currency exchange rates. These exposures may change over time as business practices evolve and could have a material adverse impact on our financial condition and results of operations.

The majority of our revenues and expenses are transacted in U.S. Dollars. We also have some transactions that are denominated in foreign currencies, primarily the British Pound, Chinese Yuan, Euro, and Indian Rupee related to our sales and service operations

outside of the United States. An increase in the value of the U.S. Dollar could increase the real cost to our customers of our products in those markets outside the United States in which we sell in U.S. Dollars. This could negatively affect our ability to meet our customers' pricing expectations in those markets and may result in erosion of gross margin and market share. A weakened U.S. Dollar could increase the cost of local operating expenses and procurement of raw materials to the extent we must purchase components in foreign currencies.

Currently, we hedge currency exposures associated with certain assets and liabilities denominated in nonfunctional currencies and periodically hedge anticipated foreign currency cash flows, with the aim of offsetting the impact of currency fluctuations on these exposures. However, hedge activities can be costly, and hedging cannot fully offset all risks, including long-term declines or appreciation in the value of the U.S. Dollar. If our attempts to hedge against these risks are not successful, or if long-term declines or appreciation in the value of the U.S. Dollar persist, our financial condition and results of operations could be adversely impacted.

A portion of the transaction consideration we received from the divestiture of our Junos Pulse product portfolio is in the form of a non-contingent seller promissory note and we may not receive the amount owed to us (including accrued interest), including in the time frame contemplated, by the buyer under the note.

In the fourth quarter of fiscal 2014, we completed the sale of our Junos Pulse product portfolio to an affiliate of Siris Capital, a private equity firm, for total consideration of $230.7 million, of which $125.0 million was in the form of an 18-month non-contingent interest-bearing promissory note issued to the Company. On October 2, 2015, we and the issuer of the promissory note agreed to modify the original terms of the note to extend the maturity date from April 1, 2016 to December 31, 2018. On May 1, 2017, we received a principal payment in the amount of $75.0 million and outstanding interest on the note and we and the issuer agreed to further amend the terms of the note with respect to the remaining approximately $58.0 million to, among other things, extend the maturity date from December 31, 2018 to September 30, 2022, provide that interest due can be paid in kind by increasing the outstanding principal amount of the note and subordinate the note to other debt issued by senior lenders. Since a portion of the transaction consideration is in the form of a non-contingent seller promissory note and the note is subordinated to debt issued by senior lenders, there is the risk that we may not receive the amount owed to us (including accrued interest), including in the time frame contemplated, under the note. In the event that the promissory note is not repaid on the terms we contemplate, any collection or restructuring efforts we undertake may be costly and require significant time and attention from our management and there is no guarantee that we will be able to recover the amounts owed to us in full.

If we fail to adequately evolve our financial and managerial control and reporting systems and processes, our ability to manage and grow our business will be negatively affected.

Our ability to successfully offer our products and implement our business plan in a rapidly evolving market depends upon an effective planning and management process. We will need to continue to improve our financial and managerial control and our reporting systems and procedures in order to manage our business effectively in the future. If we fail to effectively improve our systems and processes, our ability to manage our business, financial condition, and results of operations may be negatively affected.

If our products do not interoperate with our customers' networks, installations will be delayed or cancelled and could harm our business.

Our products are designed to interface with our customers' existing networks, each of which have different specifications and utilize multiple protocol standards and products from other vendors. Many of our customers' networks contain multiple generations of products that have been added over time as these networks have grown and evolved. Our products must interoperate with many or all of the products within these networks as well as future products in order to meet our customers' requirements. If we find errors in the existing software or defects in the hardware used in our customers' networks, we may need to modify our software or hardware to fix or overcome these errors so that our products will interoperate and scale with the existing software and hardware, which could be costly and could negatively affect our business, financial condition, and results of operations. In addition, if our products do not interoperate with those of our customers' networks, demand for our products could be adversely affected or orders for our products could be cancelled. This could hurt our operating results, damage our reputation, and seriously harm our business and prospects.

Our products incorporate and rely upon licensed third-party technology, and if licenses of third-party technology do not continue to be available to us or are not available on terms acceptable to us, our revenues and ability to develop and introduce new products could be adversely affected.

We integrate licensed third-party technology into certain of our products. From time to time, we may be required to renegotiate our current third party licenses or license additional technology from third-parties to develop new products or product enhancements

or to facilitate new business models. Third-party licenses may not be available or continue to be available to us on commercially reasonable terms. The failure to comply with the terms of any license, including free open source software, may result in our inability to continue to use such license. Some of our agreements with our licensors may be terminated for convenience by them. In addition, we cannot be certain that our licensors are not infringing the intellectual property rights of third parties or that our licensors have sufficient rights to the licensed intellectual property in all jurisdictions in which we may sell our products. Third party technology we incorporate into our products that is deemed to infringe on the intellectual property of others may result, and in some cases has resulted, in limitations on our ability to source technology from those third parties, restrictions on our ability to sell products that incorporate the infringing technology, increased exposure to liability that we will be held responsible for incorporating the infringing technology in our products and increased costs involved in removing that technology from our products or developing substitute technology. Our inability to maintain or re-license any third-party licenses required in our products or our inability to obtain third-party licenses necessary to develop new products and product enhancements, could require us, if possible, to develop substitute technology or obtain substitute technology of lower quality or performance standards or at a greater cost, any of which could delay or prevent product shipment and harm our business, financial condition, and results of operations.

We are required to evaluate the effectiveness of our internal control over financial reporting and publicly disclose material weaknesses in our controls. Any adverse results from such evaluation may adversely affect investor perception, and our stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 requires our management to assess the effectiveness of our internal control over financial reporting and to disclose in our filing if such controls were unable to provide assurance that a material error would be prevented or detected in a timely manner. We have an ongoing program to review the design of our internal controls framework in keeping with changes in business needs, implement necessary changes to our controls design and test the system and process controls necessary to comply with these requirements. If in the future, our internal controls over financial reporting are determined to be not effective resulting in a material weakness or significant deficiency, investor perceptions regarding the reliability of our financial statements may be adversely affected which could cause a decline in the market price of our stock and otherwise negatively affect our liquidity and financial condition.

Failure to maintain our credit ratings could adversely affect our cost of funds and related margins, liquidity, competitive position and access to capital markets.

The major credit rating agencies routinely evaluate our indebtedness. This evaluation is based on a number of factors, which include financial strength as well as transparency with rating agencies and timeliness of financial reporting. There can be no assurance that we will be able to maintain our credit ratings and failure to do so could adversely affect our cost of funds and related margins, liquidity, competitive position and access to capital markets.

We may be unable to generate the cash flow to satisfy our expenses, make anticipated capital expenditures or service our debt obligations, including the Notes and the Revolving Credit Facility.

As of September 30, 2017 , we have issued $2,150.0 million in aggregate principal amount of senior notes, which we refer to collectively as the Notes, and had $2,135.7 million in outstanding long-term debt (see discussion in Note 10, *Debt and Financing* , in the Notes to Consolidated Financial Statements of this Report). In June 2014, we entered into a Credit Agreement with certain institutional lenders that provides for a five year $500.0 million unsecured revolving credit facility, which we refer to as the Revolving Credit Facility, with an option to increase the Revolving Credit Facility by up to an additional $200.0 million. The Credit Agreement will terminate in June 2019, at which point all amounts borrowed must be repaid. As of September 30, 2017 , no amounts were outstanding under the Credit Agreement.

We may not be able to generate sufficient cash flow to enable us to satisfy our expenses, make anticipated capital expenditures or service our indebtedness, including the Notes and the Revolving Credit Facility (if drawn upon). Our ability to pay our expenses, satisfy our debt obligations, refinance our debt obligations and fund planned capital expenditures will depend on our future performance, which will be affected by general economic, financial, competitive, legislative, regulatory and other factors beyond our control. Based upon current levels of operations, we believe cash flow from operations and available cash will be adequate for at least the next twelve months to meet our anticipated requirements for working capital, capital expenditures and scheduled payments of principal and interest on our indebtedness, including the Notes and the Revolving Credit Facility (if drawn upon). However, if we are unable to generate sufficient cash flow from operations or to borrow sufficient funds in the future to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt (including the Notes), repatriate off-shore cash to the U.S. at unfavorable tax rates or obtain additional financing. There is no assurance that we will be able to refinance our debt, sell assets or borrow more money on terms acceptable to us, or at all.

The indentures that govern the Notes contain various covenants that limit our ability and the ability of our subsidiaries to, among other things:

- incur liens;
- incur sale and leaseback transactions; and
- consolidate or merge with or into, or sell substantially all of our assets to, another person.

The Credit Agreement contains two financial covenants along with customary affirmative and negative covenants that include the following:

- maintenance of a leverage ratio no greater than 3.0x and an interest coverage ratio no less than 3.0x
- covenants that limit or restrict the ability of the Company and its subsidiaries to, among other things, grant liens, merge or consolidate, dispose of all or substantially all of its assets, change their accounting or reporting policies, change their business and incur subsidiary indebtedness, in each case subject to customary exceptions for a credit facility of this size and type.

As a result of these covenants, we are limited in the manner in which we can conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Accordingly, these restrictions may limit our ability to successfully operate our business. A failure to comply with these restrictions could lead to an event of default, which could result in an acceleration of the indebtedness. Our future operating results may not be sufficient to enable compliance with these covenants to remedy any such default. In addition, in the event of an acceleration, we may not have or be able to obtain sufficient funds to make any accelerated payments, including those under the Notes, and the Revolving Credit Facility (if drawn upon).

Our failure to pay quarterly dividends to our stockholders or the failure to meet our commitments to return capital to our stockholders could have a material adverse effect on our stock price.

Our ability to pay quarterly dividends or achieve our intended capital return policy will be subject to, among other things, our financial position and results of operations, available cash and cash flow, capital and debt service requirements, use of cash for acquisitions and other factors. Any failure to pay or increase future dividends as announced, or a reduction or discontinuation of quarterly dividends could have a material adverse effect on our stock price.

We have announced that, beginning in 2017, we intend to target a capital return policy, inclusive of share repurchases and dividends, of approximately 50% of annual free cash flow. Free cash flow is calculated as net cash provided by operating activities less capital expenditures. Any failure to meet our commitments to return capital to our stockholders could have a material adverse effect on our stock price.

The investment of our cash balance and our investments in government and corporate debt securities are subject to risks, which may cause losses and affect the liquidity of these investments.

At September 30, 2017 , we had $2,363.7 million in cash and cash equivalents and $1,835.6 million in short- and long-term investments. We have invested these amounts primarily in asset-backed securities, certificates of deposit, commercial paper, corporate debt securities, foreign government debt securities, money market funds, mutual funds, publicly-traded equity securities, time deposits, U.S. government agency securities, and U.S. government securities. Certain of these investments are subject to general credit, liquidity, market, sovereign debt, and interest rate risks. Our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value of our publicly traded debt or equity investments is judged to be other-than-temporary. These market risks associated with our investment portfolio may have a material adverse effect on our liquidity, financial condition, and results of operations.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated bylaws provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, the U.S. District Court for the District of Delaware) is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim

of breach of fiduciary duty owed by any of our current or former directors, officers, or other employees to us or to our stockholders; (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law, our restated certificate of incorporation, or our bylaws; (iv) any action or proceeding asserting a claim as to which Delaware General Corporation Law confers jurisdiction on the Court of Chancery or (v) any action asserting a claim governed by the internal affairs doctrine. The exclusive forum provisions in our bylaws may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our current or former directors, officers, or other employees, which may discourage such lawsuits against us and our current or former directors, officers, and other employees. Alternatively, if a court were to find the exclusive forum provisions contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material and adverse impact on our business.

Uninsured losses could harm our operating results.

We self-insure against many business risks and expenses, such as intellectual property litigation and our medical benefit programs, where we believe we can adequately self-insure against the anticipated exposure and risk or where insurance is either not deemed cost-effective or is not available. We also maintain a program of insurance coverage for various types of property, casualty, and other risks. We place our insurance coverage with various carriers in numerous jurisdictions. The types and amounts of insurance that we obtain vary from time to time and from location to location, depending on availability, cost, and our decisions with respect to risk retention. The policies are subject to deductibles, policy limits, and exclusions that result in our retention of a level of risk on a self-insurance basis. In addition, our insurance coverage may not be adequate to compensate us for all losses or failures that may occur. Losses not covered by insurance could be substantial and unpredictable and could adversely affect our financial condition and results of operations.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides a summary of stock repurchases during the three months ended September 30, 2017 (in millions, except per share amounts):

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [1]
July 1 - July 31, 2017	—	$ —	—	$ 469.7
August 1 - August 31, 2017	5.0	$ 28.16	5.0	$ 329.7
September 1 - September 30, 2017	—	$ —	—	$ 329.7
Total	5.0		5.0	

[1] Shares were repurchased under our Board approved Stock Repurchase Program, which authorized us to purchase an aggregate of up to $4.4 billion of our common stock. Future share repurchases will be subject to a review of the circumstances in place at that time and will be made from time to time in private transactions or open market purchases as permitted by securities laws and other legal requirements. This program may be discontinued at any time.

Item 6. *Exhibits*

Exhibit Number	Description of Document
10.1	Form of Change of Control Agreement for Certain Officers, approved for use on August 29, 2017 (which is incorporated herein by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on August 31, 2017) ++
10.2	Form of Severance Agreement for Certain Officers, approved for use on August 29, 2017 (which is incorporated herein by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on August 31, 2017) ++
10.3	Compensation Letter, dated August 9, 2017, between Juniper Networks, Inc. and Anand Athreya*++
10.4	Employment Offer Letter, dated June 23, 2017, between Juniper Networks, Inc. and Bikash Koley*++
10.5	Change of Control Agreement, dated September 5, 2017, between Juniper Networks, Inc. and Bikash Koley*++
10.6	Severance Agreement, dated September 5, 2017, between Juniper Networks, Inc. and Bikash Koley*++
12.1	Computation of Ratio of Earnings to Fixed Charges*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350**
101	The following materials from Juniper Network Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, and (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

*Filed herewith.
**Furnished herewith.
++Indicates management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant had duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Juniper Networks, Inc.

November 7, 2017 By: /s/ Kenneth B. Miller

Kenneth B. Miller

Executive Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

November 7, 2017 By: /s/ Terrance F. Spidell

Terrance F. Spidell

Vice President, Corporate Controller and Chief Accounting Officer
(Duly Authorized Officer and Principal Accounting Officer)

EXHIBIT 10.3

Anand S. Athreya

August 9, 2017

Dear Andy,

I want to thank you for your contributions to Juniper. Below you will find updated details of your compensation, including **a special cash and RSU award** .

Base Salary

Effective June 1, 2017, your base salary will be **$460,000** which represents an increase of 12.2% to your current base salary of $410,159. You will receive an appropraite adjustment for the months of June and July based on your salary at that time. Your salary will continue to be paid in accordance with the company's standard payroll practices.

Executive Annual Incentive Plan

You will continue to be a participant in Juniper's 2017 Executive Annual Incentive Plan (the "AIP") and 2017 50/50 Plan. Your annual target incentive under the AIP will continue to be 100% of your base salary.

Restricted Cash Award

Juniper wishes to award you a special cash bonus in the amount of **$530,000** to encourage you to continue to make outstanding contributions to the Company. This cash award will be paid to you November 30, 2018, less applicable taxes, withholdings or other deductions, provided you (i) remain an active employee of Juniper (or one of its subsidiaries) through and including November 30, 2018 and (ii) do not voluntarily terminate your employment or are not terminated for "cause" prior to that date. In addition, in the event that a Change of Control (as defined in your then current change of control agreement (your "agreement") with Juniper Networks, Inc. ("Juniper")) occurs on or prior to November 30, 2018 and your Equity Compensation Awards (as defined in your agreement) are subject to accelerated vesting as a result of your termination from Juniper pursuant to the terms of your agreement, then at such time (if any) that you are entitled to receive your cash payment pursuant to the terms of your agreement, you will receive the special cash bonus (less applicable taxes, withholdings or other deductions) to the extent not previous paid to you. For purposes of this letter, "cause" will have the definition ascribed thereto in your then current severance agreement with Juniper, provided that if you are at any time prior to the payment of the special cash bonus not subject to a severance agreement with Juniper, "cause" will mean:

(i) an act of personal dishonesty taken by you in connection with your responsibilities as an employee and intended to result in substantial personal enrichment to you; or

(ii) you are convicted of, or plead nolo contendere to a felony; or

(iii) a willful act by you which constitutes gross misconduct and which is injurious to Juniper; or

(iv) following delivery to you of a written demand for performance from Juniper which describes the basis for Juniper's reasonable belief that you have not substantially performed your duties, continued violations by you of your obligations to Juniper which are demonstrably willful and deliberate on your part.

Equity Award

Subject to compliance with applicable U.S. federal and state securities laws, the Compensation Committee of the Board of Directors has approved that you be granted on August 18, 2017 **6,080** Restricted Stock Units (RSU) of Juniper Networks, Inc. Common Stock. These RSUs will vest in full on November 20, 2018, assuming you remain an active employee of Juniper (or one of its subsidiaries) through and including November 20, 2018. This RSU award will be subject to the terms of the Juniper Networks, Inc. 2015 Equity Incentive Plan, the related RSU award agreement and any applicable sub-plan.

The contents of this letter are sensitive and confidential. This letter does not give rise to any agreement to employ you for any period discussed above or for any specific period. Your employment with Juniper, its subsidiaries and their respective successors remains "at will". As a result, you are free to resign at any time, for any reason or for no reason, as you deem appropriate, and Juniper, its subsidiaries and their respective successors will have a similar right and may conclude its employment relationship with you at any time, with or without cause. In signing this letter, you acknowledge that you have not relied upon any statement made by Juniper, or any of its representatives or employees, with regard to the terms of your employment unless the representation is specifically included in this written letter.

Congratulations and thank you for your continued contributions to Juniper's success.

Please sign this letter, then scan and email a copy to Dena Priolo (dpriolo@juniper.net).

/s/ Rami Rahim	August 9, 2017
Rami Rahim	Date

Agreed and Accepted:

/s/ Anand Athreya	August 9, 2017
Anand Athreya	Date

EXHIBIT 10.4

June 23, 2017

Bikash Koley

Dear Bikash:

We are pleased to offer you the position of **Executive Vice President, Chief Technology Officer** at Juniper Networks, Inc. ("Juniper" or the "Company") reporting to **Rami Rahim, Chief Executive Officer.** Your primary work location will be **Sunnyvale, CA.**

This offer is contingent upon a successful background investigation.

Your offer is composed of the following components:

Offer Component	Offer Amount	Currency	Frequency
Base Compensation	$500,000.00	USD	Annual
RSU	300,000.00	RSU	Standard Vesting
Hiring Bonus	$500,000.00	USD	One Time after starting

Base Compensation : In consideration of your services, you will be paid an annual salary rate as mentioned above which will be paid semi-monthly, less applicable taxes and deductions in accordance with the Company's normal payroll processing.

Bonus: For the remainder of 2017, you will be eligible to participate in Juniper's Executive Annual Incentive Plan (the "Plan") with an annualized bonus target of 100% of your annual base salary. The actual amount of the bonus could be higher or lower than the bonus target depending on Company and individual performance. This Plan is a discretionary bonus program that Juniper funds based on the achievement of business results and objectives established by Juniper, such as corporate financial results and results of Company strategic goals. Once the total funding level is established by Juniper, and prorated based on your hire date, the Compensation Committee (or a subcommittee) of the Board of Directors (the "Committee") will determine in its discretion any bonus amount for executive officers based on its assessment of corporate and individual performance. Accordingly, there is no specified or guaranteed amount that you will receive or become entitled to, and the Plan is subject to change or discontinuation at any time.

With respect to the following fiscal year, you may be eligible to participate in the Executive Annual Incentive Plan in the form of Juniper's 50/50 Program ("Program") if Juniper elects to continue this Program. Under this Program, subject to your continued employment, a portion of your bonus will be paid in cash and the remainder will be paid in equity.

- As for the equity portion, Juniper will take half of your bonus target set forth above and multiply it by 1.5 resulting in seventy-five percent (75%) of your bonus target to be paid in the form of equity. The vesting of this equity will be performance based (e.g., the achievement of corporate financial results). If the performance conditions are achieved, fifty percent (50%) of the equity award will vest in the first quarter of the following fiscal year for which the performance conditions relate to (e.g., 50% of the equity would vest in the first quarter of 2019 based on 2018 results) and the remaining fifty percent (50%) will vest the following year. This equity award will be subject to your acceptance of a performance share award agreement, which along with the Juniper equity incentive plan governing the award and applicable sub-plans, will set out additional terms and conditions of the grant.
- As for the cash portion, the amount (if any) of the bonus that will be payable will be determined by the total funding level established by Juniper under the Plan, and then as further determined by the Committee. The bonus amount of cash that you would then be entitled to receive under the Plan is then offset by the half of your bonus target used to determine the equity grant for this Program.

Hiring Bonus : In addition, you will be offered a hiring bonus (less applicable withholding at the supplemental tax rate) in the amount of $500,000.00. This bonus is conditioned on you remaining employed over a two (2) year period and will be paid to you with your first or second paycheck. Should you voluntarily terminate your employment with Juniper within twenty-four months of employment, you will be responsible for repayment (pro-rated) of the total gross bonus amount to the Company.

Restricted Stock Units: Subject to compliance with applicable U.S. federal and state securities laws, you will be granted Restricted Stock Units (RSU) of Juniper Networks, Inc. Common Stock. The RSUs will vest cumulatively over a period of three years as long as you remain an employee of Juniper or one of its subsidiaries, with 34% of the shares vesting on the one-year anniversary of the vesting start date and 33% vesting on second and third anniversaries of the vesting start date. The RSU grant will be subject to your acceptance of an RSU award agreement, which, along with the Juniper equity incentive plan governing the RSU award and applicable sub-plans, will set out additional terms and conditions of the grant.

Confidential Information and Assignment Agreement : You agree to abide by the Company's Confidential Information and Invention Assignment Agreement, a copy of which will be furnished to you and must be signed and returned before any employment relationship commences.

Arbitration: Any claim, dispute or controversy arising out of this agreement, the interpretation, validity or enforcement of this Agreement or the alleged breach thereof shall be submitted by the parties to final, binding and confidential arbitration by the American Arbitration Association ("AAA"), in San Francisco, California, conducted before a single arbitrator under the then-applicable AAA rules. **By agreeing to this arbitration procedure, you and the Company waive the right to resolve any such dispute, claim or demand through a trial by jury or judge or by administrative proceeding.** You will have the right to be represented by legal counsel at any arbitration proceeding. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be available under applicable law in a court proceeding; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The Company shall pay all AAA arbitration fees, except the amount of such fees equivalent to the filing fee you would have paid if the claim had been litigated in court. Nothing in this offer letter is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any arbitration, including but not limited to any disputes or claims relating to or arising out of the misuse or appropriation of the Company's trade secrets or confidential and proprietary information. Judgment may be entered on the award of the arbitration in any court having jurisdiction.

Other Company Agreements: Upon commencement of your employment, as a condition of your employment, you will need to sign the Worldwide Code of Business Conduct and Ethics Acknowledgment and the Reporting Ethics Concerns Acknowledgement and Agreement. A copy of the Code can be found on our public website at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx. Within the first few weeks following your hire date, you will be instructed to complete various ethics and compliance training courses. Completion of the assigned courses is required for all employees. In addition, as an executive officer of the Company, you will be required to sign an Executive Compensation Recovery Agreement, which, along with Juniper's Executive Compensation Recovery Policy, will be furnished to you. Further, you will be eligible to enter into Juniper's standard form of Indemnification Agreement and the form of Severance Agreement and Change of Control Agreement furnished to you with this agreement.

Miscellaneous: For purposes of federal immigration law, you will be required to provide to Juniper documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three business days of your date of hire, or our employment relationship with you may be terminated. Please bring the appropriate documents on your first day of employment.

This offer is contingent upon your obtaining the requisite immigration status and employment authorization. If you are a foreign national requiring work authorization to begin employment, you must contact the Company's Immigration Department at immigration@juniper.net to initiate the visa process. The Company will submit a petition on your behalf to obtain employment authorization, as well as file visa applications for your immediate dependent family members. The Company will pay the legal fees and costs related to these filings. Because the number of work visas available each year is limited by the U.S. government, the Company reserves the right to withdraw or suspend this offer if the Company is not able to obtain work authorization for you in a reasonable period of time. Please note that if you currently have employment authorization such as practical, curricular or academic training (F-1 or J-1), you must contact the Company's Immigration Department before beginning employment.

In the event your employment includes frequent business travel, the time you spend working outside your home state may result in additional tax reporting and tax payment liabilities. Although Juniper may pro-rate your state tax withholdings, it will be your responsibility to determine and comply with any resulting income tax obligations.

This agreement, together with all agreements incorporated by reference herein, forms your complete and exclusive agreement with the Company concerning the subject matter hereof. The terms in this agreement supersede any other representations or agreements made to you by any party, whether oral or written. This agreement is to be governed by the laws of the state of

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California without reference to conflicts of law principles. In case any provision contained in this agreement shall, for any reason, be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the other provisions of this agreement, and such provision will be reformed, construed and enforced so as to render it valid and enforceable consistent with the general intent of the parties insofar as possible under applicable law. With respect to the enforcement of this agreement, no waiver of any right hereunder shall be effective unless it is in writing. This agreement may be executed in more than one counterpart, and signatures transmitted via facsimile shall be deemed equivalent to originals.

At-Will Employment: If you accept this offer, you understand and agree that your employment with the Company is for no specified period and constitutes "at will" employment. As a result, you will be free to resign at any time, for any reason or no reason. The Company will similarly have the right to end its employment relationship with you at any time, with or without notice and with or without cause. You understand and agree that any representation to the contrary is unauthorized and not valid unless obtained in writing and signed by the Chief Executive Officer or the Senior Vice President, General Counsel.

You may accept this offer by signing below and emailing a scanned copy to Felicia Mayo at fmayo@juniper.net in our Talent Acquisition organization.

Please keep in mind that this offer will expire on June 29, 2017.

We are delighted to have you join us at Juniper Networks. Welcome Aboard!

Very truly yours,

/s/ Rami Rahim

Rami Rahim
Chief Executive Officer
Juniper Networks, Inc.

I accept the terms of this letter:

Bikash Koley

/s/ Bikash Koley	June 29, 2017
Signature	Date Signed

Start Date: August 14, 2017

EXHIBIT 10.5

JUNIPER NETWORKS, INC.
CHANGE OF CONTROL AGREEMENT

This Change of Control Agreement (the "Agreement") is made and entered into by and between Bikash Koley (the "Employee") and Juniper Networks, Inc., a Delaware Corporation (the "Company"), effective on the last date signed below.

RECITALS

1. It is expected that the Company from time to time will consider the possibility of an acquisition by another company or other change of control. The Board of Directors of the Company (the "Board") recognizes that such consideration can be a distraction to the Employee and can cause the Employee to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined herein) of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide the Employee with an incentive to continue his or her employment and to motivate the Employee to maximize the value of the Company upon a Change of Control for the benefit of its stockholders.

3. The Board believes that it is imperative to provide the Employee with certain severance benefits upon certain terminations of employment following a Change of Control. These benefits will provide the Employee with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change of Control.

4. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement shall terminate upon the later of (i) January 1, 2021 or (ii) if a Change of Control has occurred on or before January 1, 2021 (or if a definitive agreement relating to a Change in Control has been signed by the Company on or before January 1, 2021 and the closing of that transaction occurs on or before October 1, 2021), the date that all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and the Employee acknowledge that the Employee's employment is and shall continue to be at-will, as defined under applicable law, except as may otherwise be specifically provided under the terms of any written formal employment agreement or offer letter between the Company and the Employee (an "Employment Agreement"). If the Employee's employment terminates for any reason, including (without limitation) any termination prior to a Change of Control, the Employee shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement or under his or her Employment Agreement, or as may otherwise be available in accordance with the Company's established employee plans.

3. Severance Benefits .

(a) Involuntary Termination Other than for Cause or Voluntary Termination for Good Reason Following a Change of Control Period . If within twelve (12) months following a Change of Control (i) the Employee terminates his or her employment with the Company (or any parent or subsidiary of the Company) for "Good Reason" (as defined herein), or (ii) the Company (or any parent or subsidiary of the Company) terminates the Employee's employment for other than "Cause" (as defined herein), and the Employee signs and does not revoke a release of claims with the Company, in substantially the form attached hereto as Exhibit A , but which may be updated to reflect changes in law and regulations (the "Release"), then the Employee shall receive the following severance from the Company:

(i) Severance Payment . The Employee shall be entitled to receive a lump-sum severance payment (less applicable withholding taxes) equal to 150% of the Employee's annual base salary (as in effect immediately prior to (A) the Change of Control, or (B) the Employee's termination, whichever is greater) plus 150% of the Employee's target bonus for the fiscal year in which the Change of Control or the Employee's termination occurs, whichever is greater).

(ii) Equity Compensation Acceleration . One hundred percent (100%) of Employee's then unvested outstanding stock options, stock appreciation rights, performance shares, restricted stock units and other Company equity compensation awards (the "Equity Compensation Awards") that vest based on time (such as an option that vests 25% on the first anniversary of grant and 1/48 th monthly thereafter) shall immediately vest and became exercisable (and any rights of repurchase by the Company or restriction on sale shall lapse). With respect to Equity Compensation Awards that vest wholly or in part based on factors other than time, such as performance (whether individual or based on external measures such as Company performance, market share, stock price, etc.), (i) any portion for which the measurement or performance period or performance measures have been completed and the resulting quantities have been determined or calculated, shall immediately vest and become exercisable (and any rights of repurchase by the Company or restriction on sale shall lapse) and (ii) the remaining portions shall immediately vest and become exercisable (and any rights of repurchase by the Company or restriction on sale shall lapse) in an amount equal to the number that would be calculated if the performance measures were achieved at the target level (for example, if the employee were granted 300 three-year performance shares, where (a) the amount that can be earned is determined each year based on performance against annual performance targets but the entire amount vests at the end of the three years based upon continued service, and (b) at target performance levels the employee could earn 1/3 of the amount each year and (c) the first year had been completed and the performance resulted in a calculation that 85 shares were earned and (d) the employee is terminated prior to the completion of year 2, then the amount that would vest and become immediately exercisable would be 285 shares -- representing the 85 shares calculated for year 1 and the target amount of 100 shares for each of year 2 and year 3); provided however, that if there is no "target" number, then the number that vest shall be 100% of the amounts that could vest with respect to that measurement period. Any Company stock options and stock appreciation rights shall thereafter remain exercisable following the Employee's employment termination for the period prescribed in the respective option and stock appreciation right agreements.

(iii) Continued Employee Benefits Payment . In lieu of continuation of benefits, Employee shall receive $36,000 (whether or not Employee elects COBRA).

(b) Timing of Severance Payments.

(i) *Payment Timing* . One half of the severance payment to which Employee is entitled shall be paid by the Company to Employee in cash on the 53rd calendar day after Employee's termination of employment, subject to any delay required to avoid additional taxation under Internal Revenue Code Section 409A and the final regulations and any guidance promulgated thereunder ("Section 409A"). The other half of the severance payment to which Employee is entitled shall be paid by the Company to Employee in cash on the first payroll date that is on or after six months and one day following Employee's termination of employment. If the Employee should die before all amounts have been paid, such unpaid amounts shall be paid in a lump-sum payment (less any withholding taxes) to the Employee's designated beneficiary, if living, or otherwise to the personal representative of the Employee's estate.

(ii) *Release Effectiveness.* The receipt of any severance pursuant to Section 3(a) will be subject to Employee signing and not revoking the Release and further subject to the Release becoming effective within fifty-two (52) days following Employee's termination of employment.

(c) Voluntary Resignation; Termination for Cause . If the Employee's employment with the Company terminates (i) voluntarily by the Employee other than for Good Reason, or (ii) for Cause by the Company, then the Employee shall not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

(d) Termination Outside of Change of Control Period . In the event the Employee's employment is terminated for any reason, either prior to the occurrence of a Change of Control or after the twelve (12) month period following a Change of Control, then the Employee shall be entitled to receive severance and any other benefits only as may then be established under the Company's existing written severance and benefits plans and practices or pursuant to other written agreements with the Company.

(e) Section 409A .

(i) Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination (other than due to death) or resignation, then the severance payable to Employee, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits") that are payable within the first six (6) months following Employee's termination of employment, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following his termination but prior to the six (6) month anniversary of his termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(ii) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. "Section 409A Limit" will mean the lesser of two (2) times: (i) Employee's annualized compensation based upon the annual rate of pay paid to Employee during the Employee's taxable year preceding the Employee's taxable year of Employee's termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee's employment is terminated.

(iv) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

4. Conditional Nature of Severance Payments and Benefits .

(a) Noncompete . Employee acknowledges that the nature of the Company's business is such that if Employee were to become employed by, or substantially involved in, the business of a competitor of the Company during the twelve (12) months following the termination of Employee's employment with the Company, it would be very difficult for Employee not to rely on or use the Company's trade secrets and confidential information. Thus, to avoid the inevitable disclosure of the Company's trade secrets and confidential information, Employee agrees and acknowledges that Employee's right to receive the severance benefits set forth in Section 3(a) (to the extent Employee is otherwise entitled to such payments) shall be, to the extent permissible under applicable law, conditioned upon Employee not directly or indirectly engaging in (whether as an employee, consultant, agent, proprietor, principal, partner, stockholder, corporate officer, director or otherwise), nor having any ownership interested in or participating in the financing, operation, management or control of, any person, firm, corporation or business in Competition (as defined herein) with Company. Notwithstanding the foregoing, Employee may, without violating this Section 4, own, as a passive investment, shares of capital stock of a corporation or other entity that engages in Competition where the number of shares of such corporation's capital stock that are owned by Employee represent less than three percent of the total number of shares of such entity's capital stock outstanding.

(b) Non-Solicitation . Until the date twelve (12) months after the termination of Employee's employment with the Company for any reason, Employee agrees and acknowledges that Employee's right to receive the severance payments set forth in Section 3(a) (to the extent Employee is otherwise entitled to such payments) shall be conditioned upon Employee neither directly nor indirectly soliciting, inducing, recruiting or encouraging an employee to leave his or her employment either for Employee or for any other entity or person with which or whom Employee has a business relationship.

(c) Understanding of Covenants . Employee represents that he (i) is familiar with the foregoing covenants not to compete and not to solicit, and (ii) is fully aware of his obligations hereunder, including, without limitation, the reasonableness of the length of time, scope and geographic coverage of these covenants.

(d) Remedy for Breach . Upon any breach of this section by Employee, all severance payments and benefits pursuant to this Agreement shall immediately cease and any stock options or stock appreciation rights then held by Employee shall immediately terminate and be without further force and effect, and Employee shall return all of the consideration paid by the Company under this Section 3 and remit any shares subject to Equity Compensation Awards or shares purchased under stock options or stock appreciation rights to the extent that such Equity Compensation Awards, stock options or stock appreciation rights had their vesting accelerated under Section 3 above (or the profits from the sale of such shares if they are or have been sold).

5. Golden Parachute Excise Tax Best Results . In the event that the severance and other benefits provided for in this agreement or otherwise payable to Employee (a) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (b) would be subject to the excise tax imposed by Section 4999 of the Code, then such benefits shall be either be:

(i) delivered in full, or

(ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999, results in the receipt by Employee, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Unless the Company and Employee otherwise agree in writing, any determination required under this Section 5 will be made in writing by a national "Big Four" accounting firm selected by the Company or such other person or entity to which the parties mutually agree (the "Accountants"), whose determination will be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction in payments and/or benefits required by this Section 5 shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; and (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first), with full-value awards reversed before any stock option or stock appreciation rights are reduced.

6. Definition of Terms . The following terms referred to in this Agreement shall have the following meanings:

(a) Cause . "Cause" shall mean:

(i) an act of personal dishonesty taken by the Employee in connection with his responsibilities as an employee and intended to result in substantial personal enrichment of the Employee; or

(ii) Employee being convicted of, or pleading nolo contendere to a felony; or

(iii) a willful act by the Employee which constitutes gross misconduct and which is injurious to the Company; or

(iv) following delivery to the Employee of a written demand for performance from the Company which describes the basis for the Company's reasonable belief that the Employee has not substantially performed his duties, continued violations by the Employee of the Employee's obligations to the Company which are demonstrably willful and deliberate on the Employee's part.

(b) Change of Control . "Change of Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group, ("Person") acquires ownership of the stock of the Company that, together with the stock

held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to effectively control the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 6(b), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction shall not be deemed a Change in Control unless the transaction qualifies as a change in the ownership of the Company, change in the effective control of the Company or a change in the ownership of a substantial portion of the Company's assets, each within the meaning of Section 409A.

(c) Competition . "Competition" means the development, marketing or sale of networking equipment or network security software or products in the United States. For the avoidance of doubt, Competition includes, but is not limited to, Cisco Systems, Huawei, Alcatel-Lucent, Check Point Software, Palo Alto Networks, Aruba, Hewlett-Packard, and Brocade Communications Systems, Inc.

(d) Disability . "Disability" shall mean that the Employee has been unable to perform his or her Company duties as the result of his incapacity due to physical or mental illness, and such inability, at least twenty-six (26) weeks after its commencement, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Employee or the Employee's legal representative (such agreement as to acceptability not to be unreasonably withheld). Termination resulting from Disability may only be effected after at least thirty (30) days' written notice by the Company of its intention to terminate the Employee's employment. In the event that the Employee resumes the performance of substantially all of his or her duties hereunder before the termination of his or her employment becomes effective, the notice of intent to terminate shall automatically be deemed to have been revoked.

(e) Good Reason . "Good Reason" means Employee's termination of employment following the expiration of any cure period (discussed below) following the occurrence, without Employee's express written consent, of one or more of the following:

(i) a material reduction of the Employee's duties, authority or responsibilities, relative to the Employee's duties, authority or responsibilities as in effect immediately prior to such reduction, except that no longer holding the position of Chief Technology Officer in a public company following a Change of Control will itself be a material reduction in such Employee's duties, authority or responsibilities, constituting Good Reason; or

(ii) a material reduction by the Company in the base compensation or total target cash compensation of the Employee as in effect immediately prior to such reduction; or

(iii) the relocation of the Employee to a facility or a location more than forty (40) miles from such Employee's then present location.

Employee will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Employee believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice.

7. Successors .

(a) The Company's Successors . Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) The Employee's Successors . The terms of this Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice .

(a) General . All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to Employee, at his or her last known residential address and (ii) if to the Company, at the address of its principal corporate offices (attention: Secretary), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

(b) Notice of Termination . Any termination by the Company for Cause or by the Employee for Good Reason or Disability or as a result of a voluntary resignation shall be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice shall indicate the specific termination provision in this

Agreement relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date (which shall be not more than thirty (30) days after the giving of such notice). The failure by the Employee to include in the notice any fact or circumstance which contributes to a showing of Good Reason or Disability shall not waive any right of the Employee hereunder or preclude the Employee from asserting such fact or circumstance in enforcing his or her rights hereunder.

9. Miscellaneous Provisions .

(a) No Duty to Mitigate . The Employee shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Employee may receive from any other source.

(b) Waiver . No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings . All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement . This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof (including, for the avoidance of doubt, any change of control agreement entered into by the parties hereto prior to the effective date of this Agreement).

(e) Choice of Law . The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection with this Agreement.

(f) Severability . The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Withholding . All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(h) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

[*Remainder of Page Intentionally Blank*]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY		JUNIPER NETWORK, INC.
	By:	/s/ Brian Martin
	Name:	Brian Martin
	Title:	*Senior Vice President, General Counsel*
	Date:	September 5, 2017
EMPLOYEE	By:	/s/ Bikash Koley
	Name:	Bikash Koley
	Date:	September 5, 2017

EXHIBIT A
JUNIPER NETWORKS, INC.
RELEASE OF CLAIMS

This Release of Claims ("Agreement") is made by and between Juniper Networks, Inc. (the "Company") and _____ ("Employee").

WHEREAS, Employee has agreed to enter into a release of claims in favor of the Company upon certain events specified in the change of control agreement by and between Company and Employee (the "Change of Control Agreement").

NOW THEREFORE, in consideration of the mutual promises made in this Agreement, the parties hereby agree as follows:

1. Termination . Employee's employment from the Company terminated on _____ (the "Termination Date").

2. Confidential Information . Employee shall continue to maintain the confidentiality of all confidential and proprietary information of the Company, and shall return all the Company property and confidential and proprietary information in Employee's possession to the Company on the Effective Date of this Agreement. Employee's obligation to protect Company confidential and proprietary information shall be ongoing, and shall continue even after Employee's employment with the Company ends, provided, however, that it shall not preclude Employee from providing documents or information to (i) a court of law where Employee is mandated to do so by court order, or (ii) a Government Agency (as defined in Section 4 below) in connection with an ongoing investigation or proceeding. With regard to disclosures made under subsection (i), Employee is required to provide the Company with immediate written notice of the court order, so as to allow the Company and opportunity to pursue a protective order if it elects to do so.

3. Payment of Salary . Employee acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, commissions and any and all other benefits due to Employee.

4. Release of Claims . Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company. Employee, on behalf of Employee, and Employee's respective heirs, family members, executors and assigns, hereby fully and forever releases the Company and its past, present and future officers, agents, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, parents, predecessor and successor corporations, and assigns, from, and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation,

(a) any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;

(b) any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation;

negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

(d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, The Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, and Labor Code section 201, *et seq* . and section 970, *et seq* . and all amendments to each such Act as well as the regulations issued under each such Act;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

(g) any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be enforceable to the fullest extent permissible by law, and shall remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any severance obligations due Employee under the Change of Control Agreement. Furthermore, nothing in this Agreement: (i) waives Employee's rights to indemnification or any payments under any fiduciary insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance, or (ii) limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state or local governmental agency ("Government Agencies"), or otherwise participate in any investigation or proceeding conducted by a Government Agency.

5. Acknowledgment of Waiver of Claims under ADEA . Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that this waiver and release is knowing and voluntary. Employee and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that (a) Employee should consult with an attorney prior to executing this Agreement; (b) Employee has at least twenty-one (21) days within which to consider this Agreement; (c) Employee has seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; (d) this Agreement shall not be effective until the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation should be in writing and delivered to the Vice-President of Human Resources at the Company by close of business on the seventh day from the date that Employee signs this Agreement.

6. Civil Code Section 1542 . Employee represents that Employee is not aware of any claims against the Company other than the claims that are released by this Agreement. Employee acknowledges that Employee has been advised by legal counsel and is familiar with the provisions of California Civil Code 1542, below, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section, agrees to expressly waive any rights Employee may have under such code section, as well as under any statute or common law principles of similar effect.

7. No Pending or Future Lawsuits . Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any other person or entity referred to in this Agreement. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

8. Application for Employment . Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, its subsidiaries, or any successor, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company.

9. No Cooperation . Employee agrees that Employee will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless under a subpoena or other court order to do so.

10. No Admission of Liability . Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Company, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to the Employee or to any third party.

11. Costs . The parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

12. Authority . Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement.

13. No Representations . Employee represents that Employee has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party which are not specifically set forth in this Agreement.

14. Severability . In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

15. Entire Agreement . This Agreement, along with the Employee's written equity compensation agreements with the Company, represents the entire agreement and understanding between the Company and Employee concerning Employee's separation from the Company.

16. No Oral Modification . This Agreement may only be amended in writing signed by Employee and the Chairman of the Board of Directors of the Company.

17. Governing Law . This Agreement shall be governed by the internal substantive laws, but not the choice of law rules, of the State of California.

18. Effective Date . This Agreement is effective eight (8) days after it has been signed by both parties.

19. Counterparts . This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

20. Voluntary Execution of Agreement . This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the parties to this Agreement, with the full intent of releasing all claims. The parties acknowledge that:

(a) They have read this Agreement;

(b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains;

(d) They are fully aware of the legal and binding effect of this Agreement.

[*Remainder of Page Intentionally Blank*]

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates set forth below.

Juniper Network, Inc.

Date: _____, 20_____

By _____

Name:

Title:

_____, an individual

Date: _____, 20_____

_____

EXHIBIT 10.6

JUNIPER NETWORKS, INC.
SEVERANCE AGREEMENT

This Severance Agreement (this "Agreement") is made and entered into by and between Bikash Koley (the "Employee") and Juniper Networks, Inc., a Delaware corporation (the "Company"), effective on the last date signed below.

RECITALS

The Compensation Committee of the Board of Directors of the Company believes that it is imperative to provide the Employee with certain severance benefits upon certain terminations of employment. These benefits will provide the Employee with enhanced financial security and incentive and encouragement to remain with the Company.

Certain capitalized terms used in this Agreement are defined below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement . This Agreement shall terminate upon the later of (i) January 1, 2021 (the "End Date") and (ii) if Employee is terminated involuntarily by the Company prior to the End Date or if Employee resigns for Good Reason (as defined below) prior to the End Date, the date that all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment . The Company and the Employee acknowledge that the Employee's employment is and shall continue to be at-will, as defined under applicable law, except as may otherwise be specifically provided by applicable law or under the terms of any written formal employment agreement or offer letter between the Company and the Employee (an "Employment Agreement"). This Agreement does not constitute an agreement to employ Employee for any specific time.

3. Severance Benefits .

(a) In the event the Employee is terminated involuntarily by Company without Cause, as defined below, or the Employee resigns his employment for Good Reason, as defined below, and provided the Employee executes and does not revoke a full mutual release of claims with the Company (in a form reasonably satisfactory to the Company) (the "Release"), the Employee will be entitled to receive (X) the severance benefits set out in subsections (i) and (ii) and (Y) if Employee's date of termination with the Company is on or prior to the second (2 nd) anniversary of the vesting commencement date of the RSU Award (as defined below), the severance benefits set out in subsection (iii). For the avoidance of doubt, if Employee is terminated or resigns, in each case for any reason or no reason, after the second (2 nd) anniversary of the vesting commencement date of the RSU Award, the Employee shall not be entitled to receive any benefits set out in subsection (iii). For purposes of this Agreement, "Cause" is defined as: (A) willfully engaging in gross misconduct that is demonstrably injurious to Company; (B) willful act or acts of dishonesty or malfeasance undertaken by the individual; (C) conviction of or a plea of nolo contendere to a felony; or (D) willful and continued refusal or failure to substantially perform duties with Company (other than incapacity due to physical or mental illness); provided that the action or conduct described in clause (D) above will constitute "Cause" only if such failure continues after the Company's CEO, COO or Board of Directors has provided the individual with a written demand for substantial performance setting forth in detail the specific respects in which it believes the individual has willfully and not substantially performed the individual's duties thereof and has been provided a reasonable opportunity (to be not less than 30 days) to cure the same. In addition, for purposes of this Agreement, "Good Reason" means Employee's termination of employment following the

expiration of any cure period (discussed below) following the occurrence, without Employee's express written consent (including via e-mail), of one or more of the following:

(1) a material reduction of the Employee's duties, authority or responsibilities, relative to the Employee's duties, authority or responsibilities as in effect immediately prior to such reduction; or

(2) a material reduction by the Company in the base compensation or total target cash compensation of the Employee as in effect immediately prior to such reduction; or

(3) the relocation of the Employee to a facility or a location more than forty (40) miles from such Employee's then present location.

Employee will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Employee believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice, and then resigning within sixty (60) days after the expiration of such cure period.

(i) A cash payment in a lump sum (less any withholding taxes) equal to 12 months of base salary (as in effect immediately prior to the termination).

(ii) In lieu of continuation of benefits, Employee shall receive $18,000 (whether or not Employee elects COBRA).

(iii) Acceleration of vesting of any remaining portion of the Employee's restricted stock unit ("RSU") award for 300,000 RSUs contemplated by the offer letter, dated June 23, 2017 (the "Offer Letter"), between the Company and Employee (the "RSU Award") that has not vested on or prior to the date of termination of employment.

For the avoidance of doubt, the Employee's hiring bonus (as described in the Offer Letter) will not be subject to repayment if the Employee is terminated involuntarily by Company without Cause or the Employee resigns his employment for Good Reason, or upon termination due to death or disability.

(b) Release Effectiveness . The receipt of any severance pursuant to Section 3(a) will be subject to Employee signing and not revoking the Release and further subject to the Release becoming effective within fifty-two (52) days following Employee's termination of employment.

(c) Timing of Severance Payments . Any cash severance payment and settlement of RSUs to which Employee is entitled pursuant to Section 3(a) shall be paid or settled, as applicable, by the Company to Employee in a single lump sum in cash or shares of the Company's common stock with respect to RSUs, in each case, on the fifty-third (53rd) day after Employee's termination of employment; provided, however, that if the Release does not become effective in accordance with Section 3(b), the RSUs with respect to which vesting accelerated in accordance with Section 3(a)(iii) shall be forfeited back to the Company.

(d) Change of Control Benefits . In the event the Employee receives severance and other benefits pursuant to a change in control agreement that are greater than or equal to the amounts payable hereunder, then the Employee shall not be entitled to receive severance or any other benefits under this Agreement.

(e) Section 409A .

(i) Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the final regulations and any guidance promulgated thereunder ("Section 409A") at the time of Employee's termination (other than due to death) or resignation, then the severance payable to Employee, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits") that are payable within the first six (6) months following Employee's termination of employment, will become payable on or within ten days following the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following his termination but prior to the six (6) month anniversary of his termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(ii) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. "Section 409A Limit" will mean the lesser of two (2) times: (i) Employee's annualized compensation based upon the annual rate of pay paid to Employee during the Employee's taxable year preceding the Employee's taxable year of Employee's termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Employee's employment is terminated.

(iv) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Employee agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

4. Successors .

(a) The Company's Successors . Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 4(a) or which becomes bound by the terms of this Agreement by operation of law. The term "Company" shall also include any direct or indirect subsidiary or entity that is majority owned by Juniper Networks, Inc.

(b) The Employee's Successors . The terms of this Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

5. Notice . All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to Employee, at his or her last known residential address and (ii) if to the Company, at the address of its principal corporate offices (attention: Corporate Secretary), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

6. Miscellaneous Provisions .

(a) No Duty to Mitigate . The Employee shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Employee may receive from any other source.

(b) Waiver . No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings . All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement . This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied, including any previously executed severance agreements) of the parties with respect to the subject matter hereof.

(e) Choice of Law . The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California. The Superior Court of Santa Clara County and/or the United States District Court for the Northern District of California shall have exclusive jurisdiction and venue over all controversies in connection with this Agreement.

(f) Severability . The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Withholding . All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(h) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

[*Remainder of Page Intentionally Blank*]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY		JUNIPER NETWORK, INC.
	By:	/s/ Brian Martin
	Name:	Brian Martin
	Title:	*Senior Vice President, General Counsel*
	Date:	September 5, 2017
EMPLOYEE	Name:	/s/ Bikash Koley
	Date:	September 5, 2017

EXHIBIT 12.1

Juniper Networks, Inc.
Statements of Computation of Ratio of Earnings to Fixed Charges
(In millions, except ratios)

	Nine Months Ended September 30,	Years Ended December 31,				
	2017	2016	2015	2014	2013	2012
Earnings for computation of ratio (*):						
Income (loss) before income taxes and before adjustment for noncontrolling interests in consolidated subsidiaries or income from equity investees	$ 611.6	$ 827.4	$ 852.2	$ (86.3)	$ 518.4	$ 266.0
Plus:						
Fixed charges	84.3	109.4	98.5	83.3	76.1	72.0
Amortization of capitalized interest	1.1	1.3	0.8	0.5	0.4	—
Less:						
Interest capitalized	—	(0.4)	(2.2)	(2.7)	(1.9)	(7.1)
Total earnings (loss)	$ 697.0	$ 937.7	$ 949.3	$ (5.2)	$ 593.0	$ 330.9
Fixed charges (*):						
Interest expense	$ 74.0	$ 95.7	$ 81.9	$ 66.0	$ 58.1	$ 52.2
Interest capitalized	—	0.4	2.2	2.7	1.9	—
Amortized premiums, discounts, and capitalized expenses relating to indebtedness	1.5	1.9	1.4	0.8	0.3	0.8
Estimate of interest within rental expense	8.8	11.4	13.0	13.8	15.8	19.0
Total fixed charges	$ 84.3	$ 109.4	$ 98.5	$ 83.3	$ 76.1	$ 72.0
Ratio of earnings (loss) to fixed charges	8.3x	8.6x	9.6x	(0.1)x	7.8x	4.6x

(*) For this ratio, both "earnings" and “fixed charges” conform to the calculation required by Item 503(d) of Regulation S-K.

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Rami Rahim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Juniper Networks, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2017

/s/ Rami Rahim
Rami Rahim
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Kenneth B. Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Juniper Networks, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2017

/s/ Kenneth B. Miller
Kenneth B. Miller
Executive Vice President, Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Rami Rahim, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Juniper Networks, Inc. on Form 10-Q for the three months ended September 30, 2017 , fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Juniper Networks, Inc.

/s/ Rami Rahim
Rami Rahim
Chief Executive Officer
November 7, 2017

EXHIBIT 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 As Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Kenneth B. Miller, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Juniper Networks, Inc. on Form 10-Q for the three months ended September 30, 2017 , fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Juniper Networks, Inc.

/s/ Kenneth B. Miller
Kenneth B. Miller
Executive Vice President, Chief Financial Officer
November 7, 2017