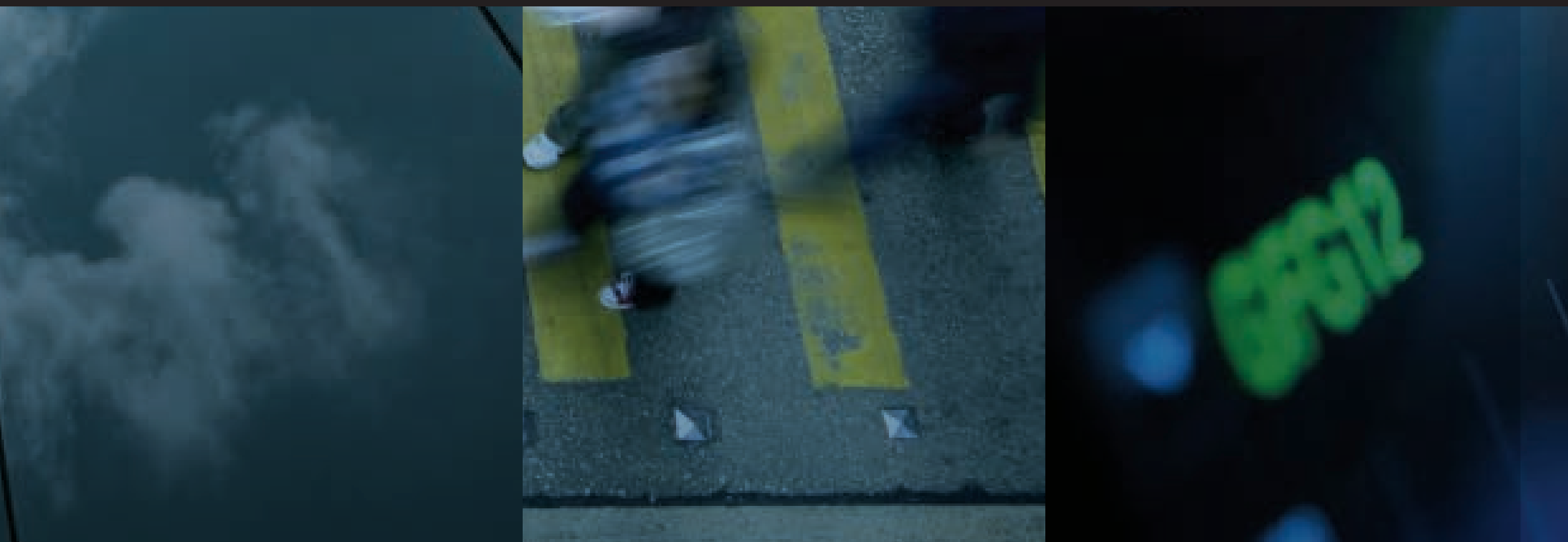
2015 Annual Report | Notice of 2016 Annual Meeting of Stockholders and Proxy Statement



Juniper Networks (NYSE: JNPR) delivers innovation across routing, switching and security. Juniper Networks' innovations in software, silicon and systems transform the experience and economics of networking.

The world needs network innovation.

Juniper is here to help.

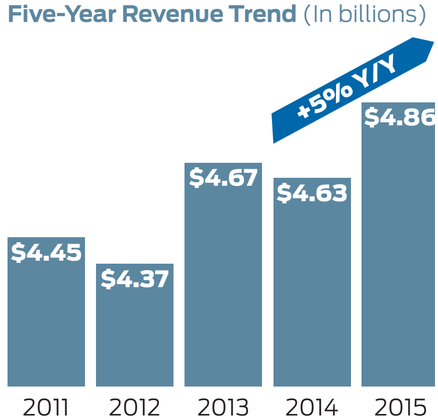
In a world where the pace of change is accelerating at an unprecedented rate and big data is growing at 40% annually,[1] the network has taken on a new level of importance as the vehicle for pulling together our best people, best thinking, and best hope for addressing the critical challenges we face as a global community. The macro-trends of cloud computing and the mobile Internet hold the potential to expand the reach and power of the network—while creating an explosion of new subscribers, new traffic, and new content. In the face of such intense demand, this potential cannot be realized with legacy thinking. Juniper Networks stands as a response and a challenge to the traditional approach to the network.

[1] Source: Frost & Sullivan, "World's Top Global Mega Trends to 2025 and Implications to Business, Society and Cultures," 2014

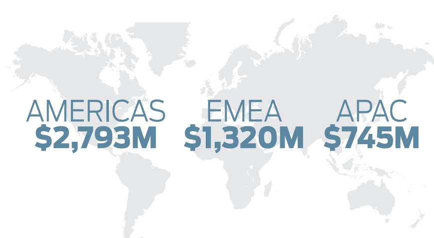
Financial Highlights

(In millions, except per share amounts)	2015	2014	2013
Operating Results			
Total net revenues	$4,857.8	$4,627.1	$4,669.1
Net Income	$633.7	$(334.3)	$439.8
Common Stock Data			
Shares used in computing diluted earnings per share	399.4	457.4	510.3
Reported diluted earnings per share	$1.59	$(0.73)	$0.86
Adjusted diluted earnings per share	$2.03	$1.45	$1.28
Dividends per share	$0.40	$0.20[2]	N/A
Balance Sheet Data			
Total assets	$8,619.2[3]	$8,281.4[3]	$10,272.7[3]
Long-term debt	$1,648.8	$1,349.0	$999.3
Total stockholders' equity	$4,574.4	$4,919.1	$7,302.2

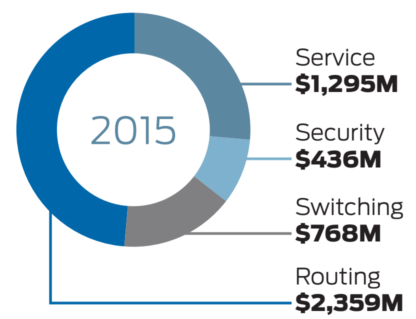
Five-Year Revenue Trend (In billions)



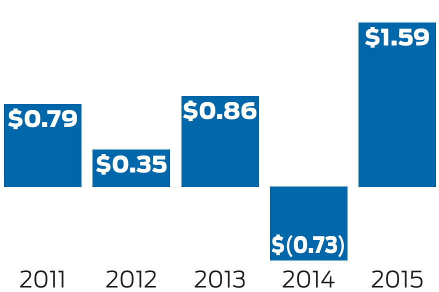
2015 Revenue by Geography



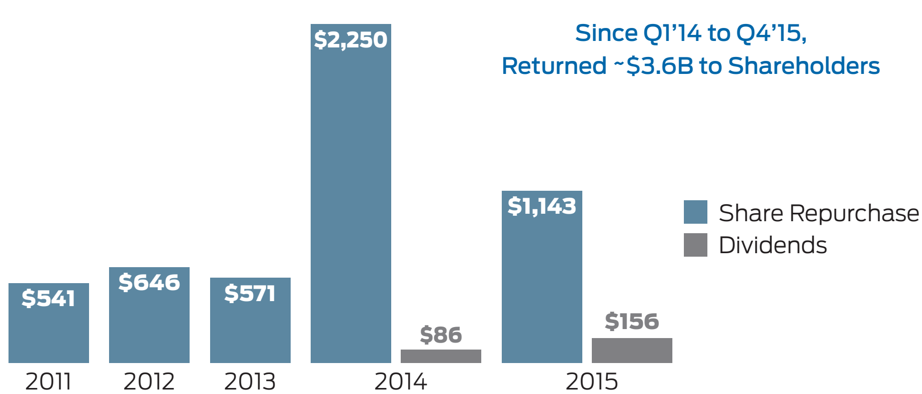
2015 Revenue by Product and Service



GAAP Diluted EPS



Capital Return (In millions)



[2] Juniper Networks initiated a quarterly cash dividend of $0.10 per share of common stock beginning in Q3 2014.

[3] Fiscal year 2015 includes the effects of the adoption of Accounting Standards Update No. 2015-17, Balance Sheet Classification of Deferred Taxes, requiring all deferred tax assets and liabilities, and any related valuation allowance, to be classified as non-current on our Consolidated Balance Sheets. Certain amounts in the prior years were retrospectively adjusted to conform to the current-year presentation.

A Message from Rami

Dear Fellow Stockholders,

In many ways, 2015 was a transformational year for Juniper Networks. As a true challenger in this industry, I'm really proud of what we've achieved and the value we've helped to create for the world in which we live. We are the keepers of the greatest platform for innovation the world has ever seen – the Internet – and that is an incredible responsibility.

Accelerating Growth

We entered the year with plans in a number of areas: accelerating revenue growth, focusing on innovation, delivering consistent operational excellence and emphasizing cost discipline. I'm pleased to report that we made significant progress in all of these areas.

Not only did we achieve our financial objectives in 2015, we grew in-line with or ahead of expectations the entire year. For fiscal year 2015, net revenue was $4,857.8 million, up 7% from 2014, and we grew across all geographies, customer verticals and technologies.[4] We improved our operating margin and delivered our third consecutive year of double-digit non-GAAP diluted EPS growth.

Our team has done a fantastic job of diversifying our customer base, not just across multiple vertical market segments, but also across geographies and our technologies of routing, switching and security. In reviewing our top 10 customers for 2015, five were Telecoms, three of which were outside of the U.S., and five were Cloud or Cable Providers. We anticipate that our diversification strategy will continue to help us in achieving growth for the Company.

Industry Transformation

We are living in disruptive times, and while the industry is undergoing transformation, our strategic approach has not changed. We intend to be the worldwide leader of network innovation and the most trusted technology provider, helping our customers solve their most pressing networking problems. We see incredible opportunity ahead and we intend to capture it.

We have a keen understanding and awareness of the changes that are happening in our industry and how those changes can impact our customers. It is now more evident than ever that everything is shifting to the cloud. We believe that cloud adoption will require new network infrastructure builds and upgrades across wide area networks, data centers and branch offices. And our customers recognize the value of Juniper's networking innovations to help in their transition to cloud architectures.

Deeply Connected to Our Customers

As I've said before, our ability to capture inflection points in the industry is an important competitive advantage and is expected to continue to result in an increasingly diverse customer set.

The needs of our customers are changing, and because we forge deep relationships with our customers that have led to a deep understanding of their needs, we've collaborated on solutions that produce the ultimate in agility and automation.

As a challenger in this industry, we intend to shape and lead it. We continually look to develop compelling technologies that have the potential to deliver significant stockholder returns. I am very optimistic about our ability to make a meaningful difference to our customers and our increasingly connected world. I believe that Juniper Networks is well positioned to build on our success in 2016 and beyond.

Best-in-Class Portfolio

In 2015, we announced the most exciting product innovation cycle in Juniper's history. I am optimistic about our best-in-class portfolio across routing, switching, security and automation software that spans five solution domains – Data Center, Core, Edge, Campus & Branch, and Access & Aggregation.

Our software portfolio continues to be a key technology element in our strategy to be the innovation leader in high-performance networking. Our intent is to lead in the area of software solutions that simplify and automate the operation of networks, and to allow our customers to deliver real value over their networks.

I am optimistic about our entire product line-up and we remain committed to our ongoing focus on network innovation across systems, silicon and software.

Delivering Attractive Returns to Our Stockholders

One of the things we are most proud of is our ability to consistently generate strong cash flow. For 2015, we generated $893 million of cash flow from operating activities, compared to $763 million in 2014. This growth was primarily due to higher revenue and improved operating margin.

Capital expenditures for the year were $210 million, up 9% year-over-year, as we focused on investments to drive long-term productivity and support continued innovation and development of new products. We ended 2015 with a strong balance sheet and intend to continue working toward an optimized capital structure. We are pleased that in 2015 we made good progress toward our annualized long-term model of 39% non-GAAP operating expense as a percentage of revenue and 25% non-GAAP operating margin.

Since the first quarter of 2014 through the fourth quarter of 2015, we returned approximately $3.6 billion to stockholders through dividends and stock repurchases. We ended the year with approximately $3,192 million in cash, cash equivalents and investments, up 3% year-over-year.

Corporate Governance Best Practices

Juniper Networks and our Board of Directors are committed to maintaining a strong corporate governance framework, implementing reforms focused on enhancing financial management oversight, Board accountability and corporate responsibility. We have continued to build on our stockholder engagement and outreach efforts over the years to ensure that a diversity of perspectives are considered, upholding our belief that stockholders are key participants in the governance process.

Our Board's focus on long-term value creation has been a key driver of Juniper's long-term success. I would like to thank our Board of Directors for their leadership and commitment to engaging in ongoing constructive dialogue with our stockholders.

> "As a challenger in this industry, we intend to shape and lead it. We continually look to develop compelling technologies that have the potential to deliver significant stockholder returns."

Juniper Networks supports:

The **top 10** telecom companies in the world

10 of top 12 global technology companies

More than **1,400** national government organizations around the world.

We operate **16** around-the-clock technical support centers around the world.

Looking Ahead

Juniper Networks has grown tremendously since I joined more than 19 years ago in 1997 as the Company's most junior engineer. It is the continuous pursuit of excellence of all the individuals here that drive the success of our company. I am inspired by our talented employees, senior leadership team and seasoned Board of Directors who offer guidance, wisdom and support. Together, we are moving forward in 2016 with optimism.

I believe that Juniper has many strengths to build upon, and in turn, enhance stockholder value. Thank you for the trust you place in us. I am excited for what's in store for us ahead and I look forward to sharing our progress with you in the future.

With deep appreciation,

Rami Rahim
Chief Executive Officer

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and the future results of Juniper Networks, Inc. ("we," "us," or the "Company") that are based on our current expectations, estimates, forecasts, and projections about our business, 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," "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 our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") under the section entitled "Risk Factors" in Item 1A of Part I and elsewhere, and in other reports we file with 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.

This report contains non-GAAP financial measures. For a detailed reconciliation between non-GAAP financial results and corresponding GAAP measures, please refer to the supplemental information for the fourth quarter of 2015 posted on the "Financial Reports – Quarterly Financials" section of our Investor Relations website at http://investor.juniper.net.

[4] – Fiscal year 2015 revenue numbers are GAAP and fiscal year 2014 has been normalized for the sale of Junos Pulse. Growth rates exclude Junos Pulse.

Our Vision

We believe the network is the single greatest vehicle for knowledge, collaboration, and human advancement that the world has ever known. Now more than ever, the world relies on high-performance networks. And now more than ever, the world needs network innovation to unleash our full potential.

The network plays a central role in addressing the critical challenges we face as a global community. Consider the healthcare industry, where the network is the foundation for new models of mobile affordable care for underserved communities. Or the energy sector, where the network is helping to accelerate the distribution of clean, renewable sources of energy. In education, the network continues to expand access to quality teaching resources, so that people of every socioeconomic background have a chance to educate themselves and participate in the global economy. At its core, the network has become a platform—one that transforms how we interact with our government institutions, conduct business on a daily basis, and connect with our family and friends.

Every day, Juniper Networks is helping our customers build the best networks on the planet. Every innovation we envision, every technology we create is informed by our desire to help solve our customers' toughest challenges so they can compete and thrive today and into the future.

What Enables the Juniper Difference

Fueled by a significant investment in research and development, Juniper Networks has developed some of the industry's most groundbreaking innovations across every aspect of networking technology: silicon, systems, and software.

Silicon. Our Junos® One family of processors is an unprecedented integration of silicon and software that pushes network performance boundaries.

Systems. Our powerful, simplified network architecture spans the routing, switching, and security markets. We approach each architectural challenge with a fresh eye, looking at physics-related obstacles such as performance, power, reliability, cooling, and heating. Our unique perspective has enabled us to develop some of the industry's most groundbreaking network innovations across routing, switching and security, such as the Juniper Networks® Converged Supercore®, the Universal Edge, the vMX, MetaFabric™ Architecture with Contrail, and Juniper Unite for the Cloud-Enabled Enterprise.

Software. Juniper Networks Junos operating system, which is integrated across our routing, switching, and security products, is unmatched by competitors. Our Junos platform makes customer networks simpler to maintain and operate over time.

We consistently deliver groundbreaking, leading technologies that transform the economics and experience of networking—significantly improving customer economics by lowering the CapEx required to build networks and the OpEx required to manage and maintain them. Our unique Junos platform makes networks simpler to maintain and operate over time, delivering the highest order of customer experience and automation.

Juniper's approach enables us to build stronger, more secure and trusted networks, thanks to a security portfolio that delivers end-to-end security across every environment—from the data center to campus and branch environments and the device itself. This approach enables Juniper to provide security that can prevent attacks. Our extensive experience in developing security software and high-performance scalable systems for the service provider market is what makes Juniper Networks a valuable partner in securing new technologies that require new approaches.

Focusing on all aspects of the network allows us to deliver a remarkable customer experience. Everything we do is focused on identifying, understanding, and solving crucial business problems for our customers. Everyone at Juniper Networks—every engineer, salesperson, support representative, executive, and partner—is focused on delivering the strategies, architectures, and technologies our customers need to build the best business networks for now and the future.

THE JUNIPER WAY

Our greatest asset as a company is our employees. Our employees are thoughtful observers and creative problem solvers. They're smart, curious, and open—and they're always looking for a way to challenge the status quo. The Juniper Way is our commitment that our culture and company inspire their best work.

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JUNIPER NETWORKS®

2015 Annual Report

Notice of 2016 Annual Meeting of Stockholders and Proxy Statement

Report on Form 10-K

Notice of 2016 Annual Meeting of Stockholders

Time and Date 9:00 a.m., Pacific Time, on Wednesday, May 25, 2016

Place Juniper Networks, Inc.
1133 Innovation Way
Building A, Aristotle Conference Room
Sunnyvale, CA 94089

Items of Business

(1) To elect ten directors;
(2) To ratify the appointment of Ernst & Young LLP, an independent registered public accounting firm, as auditors for the fiscal year ending December 31, 2016;
(3) To approve an amendment and restatement to the Juniper Networks, Inc. Performance Bonus Plan, including approval of its material terms and performance goals for purposes of Internal Revenue Code Section 162(m);
(4) A non-binding advisory vote regarding executive compensation;
(5) To vote upon a proposal submitted by one of our stockholders, if properly presented at the annual meeting; and
(6) To consider such other business as may properly come before the meeting.

Adjournments and Postponements

Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.

Record Date

You are entitled to vote only if you were a Juniper Networks stockholder as of the close of business on March 28, 2016.

Meeting Admission

You are invited to attend the annual meeting if you were a Juniper Networks stockholder as of the close of business on March 28, 2016. You should be prepared to present valid government-issued photo identification for admittance. In addition, if you are a stockholder of record, your ownership will be verified against the list of stockholders of record on the record date prior to being admitted to the meeting. If you are not a stockholder of record but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to March 28, 2016, a copy of any voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above upon request, you may not be admitted to the annual meeting.

The annual meeting will begin promptly at 9:00 a.m., Pacific Time. Check-in will begin at 8:30 a.m., Pacific Time, and you should allow ample time for the check-in procedures.

This notice of annual meeting and proxy statement and form of proxy are first being provided to our stockholders on or about April 5, 2016.

Voting

Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to read this proxy statement and vote your shares as soon as possible.

If you received notice of how to access the proxy materials over the Internet, a proxy card and voting instruction card were not sent to you, but you may vote by telephone, over the Internet, or by scanning the QR code below using your mobile device. If you received a proxy card and other proxy materials by mail, you may submit your proxy card or voting instruction card for the annual meeting by completing, signing, dating and returning your proxy card or voting instruction card in the pre-addressed envelope provided, or, in most cases, by using the telephone or the Internet. For specific instructions on how to vote your shares, please refer to the section entitled *General Information* beginning on page 52 of this proxy statement and the instructions on the proxy card or voting instruction card or that are provided by email or over the Internet.

By Order of the Board of Directors,

Brian M. Martin
Senior Vice President,
General Counsel and Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 25, 2016

The proxy statement, form of proxy and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 are available at www.proxyvote.com

Scan this QR code with your mobile device to vote your shares

2016 Annual Meeting of Stockholders
Notice of Annual Meeting and Proxy Statement
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Voting Roadmap

Your Vote Is Very Important

Even if you plan to attend our annual meeting in person, please read this proxy statement with care and vote right away using any of the following methods. **In all cases, have your proxy card or voting instruction form in hand and follow the instructions.**

BY INTERNET USING YOUR COMPUTER	**VISIT 24/7 www.proxyvote.com**
BY INTERNET USING YOUR TABLET OR SMARTPHONE	**Scan this QR code 24/7 to vote with your mobile device (may require free software)**
BY TELEPHONE	**Dial toll-free 24/7 1-800-690-6903**
BY MAILING YOUR PROXY CARD	**Cast your ballot, sign your proxy card and send in the provided postage-paid envelope**

		More Information	Board Recommendation
Proposal 1	To elect ten directors	Page 10	FOR each nominee
Proposal 2	To ratify the appointment of Ernst & Young LLP, an independent registered public accounting firm, as auditors for the fiscal year ending December 31, 2016	Page 14	FOR
Proposal 3	To approve an amendment and restatement to the Juniper Networks, Inc. Performance Bonus Plan, including approval of its material terms and performance goals for purposes of Internal Revenue Code Section 162(m)	Page 15	FOR
Proposal 4	A non-binding advisory vote regarding executive compensation	Page 17	FOR
Proposal 5	Stockholder proposal, if properly presented at the annual meeting	Page 45	AGAINST

Juniper Networks 2016 Annual Meeting Details

Date and time: Wednesday, May 25, 2016

Location: Juniper Networks, Inc.
1133 Innovation Way
Building A, Aristotle Conf. Room
Sunnyvale, CA 94089

Record Date: March 28, 2016

Corporate Governance Principles and Board Matters

Juniper Networks, Inc., a Delaware corporation ("Juniper Networks," the "Company," "we" or "our"), is committed to having sound corporate governance principles. Having such principles is essential to running our business efficiently and to maintaining our integrity in the marketplace. Juniper Networks' Corporate Governance Standards and Worldwide Code of Business Conduct and Ethics applicable to all Juniper Networks employees, officers and directors are available at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx. Our Worldwide Code of Business Conduct and Ethics complies with the rules of the Securities and Exchange Commission, or the SEC, and the listing standards of the New York Stock Exchange, or the NYSE. This code of ethics is posted on our website at www.juniper.net, and may be found as follows: (1) from our main Web page, first click on "About Juniper" and then on "Investor Relations," (2) next, select "Corporate Governance" and then click on "Worldwide Code of Business Conduct and Ethics." Alternatively, you may obtain a free copy of this code of ethics by contacting the Investor Relations Department at our corporate offices by calling 1-408-745-2000 or by sending an e-mail message to investor-relations@juniper.net. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of this code of ethics by posting such information on our Website, at the address and location specified above.

Juniper Networks has also adopted procedures for raising concerns related to accounting and auditing matters in compliance with the listing standards of the NYSE. Concerns relating to accounting, legal, internal controls or auditing matters may be brought to the attention of either the Company's Concerns Committee (comprised of the Company's Chief Financial Officer, General Counsel, Chief Compliance Officer, Head of Human Resources, Chief Customer Officer, Chief Accounting Officer and the Head of Internal Audit), to the Audit Committee directly or to an anonymous reporting channel maintained by the Company. Concerns are handled in accordance with procedures established with respect to such matters under our Reporting Ethics Concerns Policy. For information on how to contact the Audit Committee directly, please see the section entitled "Communications with the Board" below.

Board Independence

Our Board of Directors (the "Board") has determined that, except for Rami Rahim and Pradeep Sindhu, each of whom is an employee of the Company, and Kevin DeNuccio, none of the current directors have a material relationship with Juniper Networks (either directly or as a partner, stockholder or officer of an organization that has a relationship with Juniper Networks). The Board has also determined that the following (1) directors, (2) former directors who served during fiscal 2015 and (3) director nominees are independent within the meaning of the NYSE director independence standards: Messrs. Robert M. Calderoni, Gary Daichendt, James Dolce, Scott Kriens, J. Michael Lawrie, Rahul Merchant, David Schlotterbeck and William R. Stensrud and Ms. Mary B. Cranston and Ms. Mercedes Johnson.

The Board has determined that each of the members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of the Board has no relationship with Juniper Networks (either directly or as a partner, stockholder or officer of an organization that has a relationship with Juniper Networks) and is "independent" within the meaning of the NYSE director independence standards, including in the case of the members of the Audit Committee and the Compensation Committee, the heightened "independence" standard required for such committee members set forth in the applicable SEC and NYSE rules. The members of the Compensation Committee are also non-employee directors as defined in Rule 16b-3 of the Exchange Act and the members of the Performance Award Subcommittee of the Compensation Committee (which was established on January 6, 2016 and consists of at least two members of the Compensation Committee) are outside directors as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

In making the determination of the independence of our directors, the Company considered all transactions in which Juniper Networks was a participant and any director had any interest, including transactions involving Juniper Networks and payments made to or from companies and entities in the ordinary course of business where our directors serve as partners, directors or as a member of the executive management of the other party to the transaction, including, without limitation, certain transactions described in the "Certain Relationships and Related Transactions" section below.

Continues on next page ►

Kevin DeNuccio, a director and director nominee, became President and Chief Executive Officer and a director of Violin Memory, Inc. ("Violin") in February 2014. In 2013, Juniper Networks purchased approximately $4.0 million in products and services from Violin. The agreements that pertain to these transactions were negotiated and maintained at arm's length, and we do not believe they are material to the results of operations or business of Juniper Networks. Although these purchases occurred prior to Mr. DeNuccio joining Violin, the Board determined that the nature, size and circumstances of the relationship between Juniper Networks and Violin preclude a determination of independence of Mr. DeNuccio under applicable SEC and NYSE rules because the purchases exceeded 2% of Violin's consolidated gross revenues in its 2013 fiscal year.

Board Structure and Committee Composition

Annual Election and Majority Voting Standard

Each of our directors serve for a one-year term and are required to stand for reelection at every annual meeting of stockholders.

Our bylaws provide that each director nominee must receive the majority of the votes cast with respect to that director nominee (i.e., the number of shares voted "FOR" a director nominee must exceed the number of votes cast "AGAINST" that director nominee). However, in the event that a stockholder has properly nominated a person or persons for election to the board and such nomination is not timely withdrawn prior to the first mailing of our notice of a meeting where directors are to be elected, then each director nominee shall be elected by a plurality of the votes cast.

If a director nominee who is currently serving as a director is not elected at the annual meeting, under Delaware law the director will continue to serve on the Board as a "holdover director." However, pursuant to our Corporate Governance Standards, as a condition to re-nomination, each incumbent director is required to submit a resignation from the Board in writing to the Chair of the Nominating and Corporate Governance Committee of the Board. If the director nominee fails to receive the requisite vote contemplated by our Bylaws, the Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Thus, the resignation will become effective only if the director nominee fails to receive a majority of votes cast for re-election and the Board accepts the resignation.

Board Committees

The Board has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The membership during the last fiscal year and the principal function of each of these committees are described below. Each of these committees operates under a written charter adopted by the Board. The charters of these committees are available on Juniper Networks' website at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx. In addition, the Board has a Stock Committee comprised of the Chief Executive Officer, Chief Financial Officer and a non-employee director, currently Mr. Stensrud. The Stock Committee has authority to grant equity and cash awards to employees who are not executive officers. The Board has also established M&A and Offering Committees for specific purposes, such as the review and approval of certain acquisitions and the issuance of securities, respectively. The M&A Committee consists of Messrs. Rahim, Calderoni and Stensrud, and the Offering Committee consists of Messrs. Rahim, Calderoni and DeNuccio. In January 2015, the Board established a Nominations Committee, consisting of Messrs. Calderoni, Daichendt, and Kriens and Ms. Johnson, to consider the suitability of our director nominees in connection with our 2015 annual meeting. Consideration of our director nominees in connection with our 2016 annual meeting has been assumed by our Nominating and Corporate Governance Committee. During 2015, each director attended at least 75% of all Board and applicable committee meetings.

The following table shows all persons who served on the Board and the applicable committees during 2015 or were serving as of the date this proxy statement was filed with the SEC:

Name of Director	Board	Audit	Compensation	Nominating and Corporate Governance
Non-Employee Directors:				
Robert M. Calderoni[(1)]	X	X		
Mary B. Cranston[(2)]	X	X		X
James Dolce[(3)]	X		X	
Mercedes Johnson[(4)]	X	X		X
Scott Kriens	X			
J. Michael Lawrie[(5)]	X		X	
Rahul Merchant[(6)]	X	X		
William R. Stensrud	X		X	X
David Schlotterbeck[(7)]	X		X	X
Kevin DeNuccio	X			
Gary Daichendt	X		X	
Employee Directors:				
Rami Rahim	X			
Pradeep Sindhu	X			
Number of Meetings in Fiscal 2015	8	24	9	6[(8)]

X = Committee member
(1) The Board has determined that Mr. Calderoni is an "audit committee financial expert" within the meaning of the rules promulgated by the SEC.
(2) Ms. Cranston did not stand for reelection at the 2015 annual meeting of stockholders, and her tenure as a director ended on May 19, 2015.
(3) Mr. Dolce was appointed to the Board effective March 1, 2015 and the Compensation Committee effective May 18, 2015.
(4) The Board has determined that Ms. Johnson is an "audit committee financial expert" within the meaning of the rules promulgated by the SEC.
(5) Mr. Lawrie was the Board's Lead Independent Director until his resignation from the Board effective February 11, 2015.
(6) Mr. Merchant was appointed to the Board effective March 1, 2015 and the Audit Committee effective May 18, 2015.
(7) Mr. Schlotterbeck did not stand for reelection at the 2015 annual meeting of stockholders, and his tenure as a director ended on May 19, 2015.
(8) During fiscal 2015, the Nominations Committee met 6 times to consider the suitability of the director nominees in connection with the Company's 2015 annual stockholder meeting.

Audit Committee

The Audit Committee, among other duties, assists the Board in fulfilling its responsibilities for general oversight of the integrity of Juniper Networks' financial statements, Juniper Networks' compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, independence and performance, the performance of Juniper Networks' internal audit function, Juniper Networks' internal accounting and financial controls, the independent counsel investigating possible violations by the Company of the U.S. Foreign Corrupt Practices Act, and risk management policies. The Audit Committee works closely with management as well as our independent registered public accounting firm to fulfill its obligations. In addition, in order to further strengthen the Audit Committee's oversight responsibilities, each of the Vice President of Internal Audit and the Chief Compliance Officer report directly into the Audit Committee. The Audit Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Juniper Networks for, outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties.

The report of the Audit Committee is included herein on page 51. The charter of the Audit Committee is available on our website at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx.

Compensation Committee

The Compensation Committee discharges the Board's responsibilities relating to compensation of our executive officers, including evaluation of the Chief Executive Officer; reviews the Compensation Discussion and Analysis and prepares an annual report on executive compensation, for inclusion in Juniper Networks' proxy statement; and has overall responsibility for approving and evaluating executive officer compensation plans, policies and programs. The Compensation Committee also has responsibility for reviewing the overall equity award practices of the Company. The Compensation Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Juniper Networks for, outside legal, compensation consultants or other advisors as the Compensation Committee deems necessary to carry out its duties.

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The report of the Compensation Committee is included herein beginning on page 36. The charter of the Compensation Committee is available on our website at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee seeks and recommends the nomination of individuals qualified to become Board members, consistent with criteria approved by the Board, and oversees the governance of the Board, including establishing and ensuring compliance with our corporate governance standards; and identifies best practices and recommends corporate governance principles, including giving proper attention and making effective responses to stockholder concerns regarding corporate governance.

The charter of the Nominating and Corporate Governance Committee is available on our website at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx.

Board Leadership Structure and Role of the Lead Independent Director

The Board's leadership structure is comprised of a Chairman of the Board, a Chief Executive Officer and a Lead Independent Director who is appointed, and at least annually reaffirmed, by at least a majority of Juniper's independent directors. In the current structure, the roles of Chief Executive Officer and Chairman of the Board are separated. Our Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company. Mr. Kriens, the Chairman of the Board, has served as Chairman of the Board since 1996 and served as Chief Executive Officer from 1996 to 2008. The Chairman of the Board sets the agenda for Board meetings, presides over meetings of the full Board and, in conjunction with the Nominating and Corporate Governance Committee, contributes to board governance and board process matters.

The Board believes that this structure benefits the Company by enabling the Chief Executive Officer to focus on strategic matters while the Chairman of the Board focuses on Board process and governance matters, and also allows the Company to benefit from Mr. Kriens' experience as a former Chief Executive Officer.

Until his resignation from the Board on February 11, 2015, Mr. Lawrie served as Lead Independent Director. Since March 27, 2015, Mr. Daichendt has served as the Lead Independent Director. In addition to the duties of all Board members, the position of the Lead Independent Director comes with significant responsibilities pursuant to the Corporate Governance Standards, which are approved by the Board, which are to:

- provide the Chairman of the Board with input as to an appropriate schedule of Board meetings;
- provide the Chairman of the Board with input as to the preparation of agendas for Board meetings;
- provide the Chairman of the Board with input as to the quality, quantity, and timeliness of the flow of information from the Company's management that is necessary for the independent directors to effectively and responsibly perform their duties;
- make recommendations to the Chairman of the Board regarding the retention of consultants who report directly to the Board (other than consultants who are selected by the various committees of the Board);
- preside over executive sessions of the Board (if and when the Chairman is not "independent" under applicable standards); and
- act as a liaison between the independent directors and the Chairman of the Board and Chief Executive Officer on sensitive issues.

The Board believes that this overall structure of a separate Chairman of the Board and Chief Executive Officer, combined with a Lead Independent Director, results in an effective balancing of responsibilities, experience and independent perspectives that meets the current corporate governance needs and oversight responsibilities of the Board.

The independent directors of the Company meet at least quarterly in executive sessions. Executive sessions of the independent directors are chaired by the Lead Independent Director (if and when the Chairman is not "independent" under applicable standards). The executive sessions include discussions and recommendations regarding guidance to be provided to the Chief Executive Officer and such topics as the independent directors determine.

Identification and Evaluation of Nominees for Director

The Nominating and Corporate Governance Committee's criteria and process for evaluating and identifying the candidates that it selects, or recommends to the full Board for selection, as director nominees, are as follows:

- The committee regularly reviews the composition and size of the Board.
- The committee reviews the qualifications of any candidates who have been properly recommended or nominated by a stockholder, as well as those candidates who have been identified by management, individual members of the Board or, if the committee determines, a search firm. Such review may, in the committee's discretion, include a review solely of information provided to the committee or may also include discussions with persons familiar with the candidate, an interview with the candidate or other actions that the committee deems proper. Please see the information under "Recommendation and Nomination of Director Candidates" on page 57 of this proxy statement for more information on stockholder recommendations of director candidates.
- The committee conducts an annual evaluation of the performance of individual directors and the Board as a whole, including an evaluation of the qualifications of individual members of the Board eligible for re-election at the annual meeting of stockholders.
- The committee, and, in 2015, the Nominations Committee, considers the suitability of each candidate, including the current members of the Board, in light of the current size and composition of the Board. In evaluating the qualifications of the candidates, the committee considers many factors, including issues of character, judgment, independence, age, education, expertise, diversity of experience, length of service, other commitments and ability to serve on committees of the Board, as well as other individual qualities and attributes that contribute to board heterogeneity, including characteristics such as race, gender, and national origin. The committee evaluates such factors, among others, and does not assign any particular weighting or priority to any of these factors. The committee considers each individual candidate in the context of the current perceived needs of the Board as a whole. While the committee has not established specific minimum qualifications for director candidates, the committee believes that candidates and director nominees must reflect a Board that is comprised of directors who (i) are predominantly independent, (ii) are of high integrity, (iii) have qualifications that will increase overall Board effectiveness, including diversity of experience, and (iv) meet other requirements as may be required by applicable rules and regulations, such as financial literacy or financial expertise with respect to Audit Committee members.
- The committee also considers the interests and plans of individual directors and their interest in continuing as members of the Board.
- In evaluating and identifying candidates, the committee has the authority to retain and terminate any third party search firm that is used to identify director candidates, and has the authority to approve the fees and retention terms of any search firm.
- After such review and consideration, the committee selects, or recommends that the Board select, the slate of director nominees. If applicable, the Board will review the committee's recommendations and approve final nominations.

In addition to the foregoing process, the Company also discusses Board composition and corporate governance matters from time to time with several major stockholders and incorporates those perspectives into its overall identification and selection process.

Each of the directors nominated for election at the 2016 annual meeting was evaluated and recommended to the Board for nomination by the Nominating and Corporate Governance Committee, and nominated by the Board for election.

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Management Succession Planning

Our Board believes that the directors and the Chief Executive Officer should collaborate on succession planning and that the entire Board should be involved in the critical aspects of the succession planning process for our Chief Executive Officer, including establishing selection criteria that reflect our business strategies, identifying and evaluating potential internal candidates, and making key management succession decisions. Management succession is regularly discussed by the directors in Board meetings and in executive sessions of the Board. Our Board annually conducts a detailed review of the Company's leadership pipeline, talent strategies and succession plans for key executive positions. Directors become familiar with potential successors for key management positions through various means, including the comprehensive annual talent review, Board dinners and presentations and informal meetings.

Board's Role in Risk Oversight

The Board has an active role, as a whole and also at the committee level, in overseeing management of Company risk. This role is one of informed oversight rather than direct management of risk. The Board regularly reviews and consults with management on strategic direction, challenges and risks faced by the Company. The Board also reviews and discusses with management quarterly financial results and forecasts. The Audit Committee of the Board oversees management of financial risks and, pursuant to its charter, provides oversight of, and reviews at least annually, the Company's risk management policies, including its investment policies and anti-fraud program, as well as management's overall risk management process. The Compensation Committee of the Board is responsible for overseeing the management of risks relating to and arising from the Company's executive compensation plans and arrangements. These committees provide regular reports on the Company's risk management efforts, generally on a quarterly basis, to the full Board.

Management is responsible for the direct management and oversight of legal, financial, regulatory, and commercial risk matters, which includes identification and mitigation of associated areas of risk. Risks to the Company are identified through the compliance committee and the risk management committee, which are two separate management committees that are focused on compliance and risk management. Both management committees consider risk in the following six categories: operational, strategic, legal, regulatory, financial, and reputational risks. The compliance committee focuses on legal and regulatory compliance risks, and the risk management committee focuses on operational and strategic risks. In addition, both management committees evaluate and seek to align risk management and our compliance programs with the Company's overall strategy.

Annually, management reviews with the Board a comprehensive assessment of risks for the Company based upon the COSO Enterprise Risk Management – Integrated Framework methodology. In addition, throughout the year, the Chief Executive Officer and other members of senior management, including our Chief Financial Officer, Chief Compliance Officer and General Counsel, regularly review with the Board key strategic and operational issues, opportunities, and risks. The General Counsel provides regular reports of legal risks to the Audit Committee and the Board. The Chief Compliance Officer, Chief Financial Officer, the Controller and the Vice President of Internal Audit provide regular reports to the Audit Committee concerning compliance, financial, tax and audit related risks. In addition, both the Board and the Audit Committee receive periodic reports and presentations from management on the Company's risk mitigation programs and efforts, compliance programs and efforts, investment policy and practices and the results of various internal audit projects. Management and the Company's compensation consultant provide analysis of risks related to the Company's compensation programs and practices to the Compensation Committee.

Communications with the Board

Stockholders of Juniper Networks and other parties interested in communicating with the Board or any member of our Board may write to them c/o Juniper Networks, Inc., 1133 Innovation Way, Sunnyvale, California 94089. The Nominating and Corporate Governance Committee of the Board has approved a process for handling communications received by the Company. Under that process, the General Counsel receives and logs communications directed to the Board or any member of the Board, and, unless marked "confidential", reviews all such correspondence and regularly (not less than quarterly) forwards to the Board, the Lead Independent Director, Chairman of the Board or the independent directors of the Board, as applicable, a summary of such correspondence and copies of such correspondence. Communications marked "confidential" will be logged as received by the General Counsel and then will be forwarded to the addressee(s).

Policy on Director Attendance at Annual Meetings

As set forth in our Corporate Governance Standards, absent extraordinary circumstances, each member of the Board is strongly encouraged to attend each annual stockholder meeting in person. All of our directors who were directors at the time, attended the 2015 annual meeting of stockholders.

Director Compensation

Non-Employee Director Meeting Fee and Retainer Information

The Compensation Committee is responsible for reviewing and making recommendations to the Board regarding all matters pertaining to compensation paid to non-employee directors for Board, committee and committee chair services. Under the Compensation Committee's charter, the committee is authorized to engage consultants or advisors in connection with its review and analysis of director compensation. Directors who also serve as employees of the Company do not receive payment for services as directors.

In making non-employee director compensation recommendations, the Compensation Committee takes various factors into consideration, including, but not limited to, the responsibilities of directors generally, as well as committee chairs, and the forms of compensation paid to directors by comparable companies. The Board reviews the recommendations of the Compensation Committee and determines the form and amount of director compensation.

In August 2015, our Compensation Committee recommended, and in September 2015 our Board of Directors approved changes to the director meeting fees and retainers paid to our non-employee directors based on recommendations made by the Compensation Committee's independent compensation advisor, Semler Brossy. Semler Brossy conducted an analysis of the Company's compensation practices for non-employee directors as compared to the Company's peers and concluded that (i) overall committee service pay and committee membership retainers were below median, (ii) the premiums for Audit and Compensation Committee Chair service were above median and (iii) the premium for Nominating and Corporate Governance Committee Chair service was below median. Following consultation with Semler Brossy, the Compensation Committee recommended, and the Board approved, increased overall committee service pay and committee membership retainers, decreased the premiums for Audit Committee and Compensation Committee Chair service and increased the premium for Nominating and Corporate Governance Committee Chair service, as set forth below.

In addition, in November 2015, following discussion with Semler Brossy, our Compensation Committee recommended and our Board (with the members of the Audit Committee recused from the discussion and

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approval) approved, a special annual fee of $60,000 to be paid to members of our Audit Committee for the substantial additional services (including additional meetings and additional discussions during routine meetings) provided in connection with the Audit Committee's oversight of the investigations by the U.S. Department of Justice and U.S. Securities and Exchange Commission into possible violations by the Company of the U.S. Foreign Corrupt Practices Act, which we refer to as the FCPA Investigation. The Board approved this special fee because the FCPA Investigation has resulted in a significant increase in the responsibilities, meetings and overall time commitment of our Audit Committee members. This annual fee will be paid for services previously rendered in each of our fiscal years 2014 (by Mr. Calderoni and Ms. Johnson) and 2015 (by Messrs. Calderoni and Merchant and Ms. Johnson) and going forward. The actual amount of the special annual fee paid to each director with respect to services rendered in fiscal years 2014 and 2015 will be reduced to the extent that a director received payments for attending committee meetings beyond 18 total committee meetings in a calendar year as a result of Audit Committee meetings that are substantially related to the FCPA Investigation.

The following table provides information on Juniper Networks' compensation and reimbursement practices during fiscal 2015 for non-employee directors:

	Through Q3 2015	After Q3 2015
Annual retainer for all non-employee directors (payable quarterly)	$ 55,000	$ 60,000
Additional annual retainer for Audit Committee members (payable quarterly)[(1)]	$ 10,000	$ 20,000
Additional annual retainer for Compensation Committee members (payable quarterly)	$ 10,000	$ 15,000
Additional annual retainer for Nominating and Corporate Governance Committee members (payable quarterly)	$ 5,000	$ 10,000
Additional annual retainer for Audit Committee Chair (payable quarterly)	$ 35,000	$ 25,000
Additional annual retainer for Compensation Committee Chair (payable quarterly)	$ 35,000	$ 20,000
Additional annual retainer for Nominating and Corporate Governance Committee Chair (payable quarterly)	$ 10,000	$ 10,000
Additional annual retainer for the Chairman of the Board (payable quarterly)	$ 75,000	$ 75,000
Additional annual retainer for the Lead Independent Director (payable quarterly)	$ 30,000	$ 30,000
Restricted Stock Units granted annually[(2)]	$ 225,000	$ 225,000
Reimbursement for expenses attendant to Board membership	Yes	Yes
Payment for each additional committee meeting attended after total committee meeting attendance exceeds eighteen (18) in a calendar year[(3)(4)]	$ 1,250	$ 1,250

(1) In addition, in November 2015 the Board approved payment of a special annual fee of $60,000 to members of the Audit Committee for services rendered for fiscal year 2014 (for Mr. Calderoni and Ms. Johnson) and fiscal year 2015 (for Messrs. Calderoni and Merchant and Ms. Johnson). The actual amount of the special annual fee paid to each director with respect to services rendered in fiscal years 2014 and 2015 was reduced to the extent that a director received payments for attending committee meetings beyond 18 total committee meetings in a calendar year as a result of Audit Committee meetings that are substantially related to the FCPA Investigation.

(2) In addition to the cash retainers for Board and committee service set forth in the table above, non-employee directors received non-discretionary annual grants of RSUs to further align their interests with stockholders. Pursuant to the Juniper Networks, Inc. 2015 Equity Incentive Plan, as amended, which we refer to as the 2015 Plan, at each of the Company's annual stockholder meetings, each non-employee director who is elected at (or whose term continues after) such meeting is automatically granted Restricted Stock Units, or RSUs, for a number of shares equal to the Annual Value (as defined below), rounded down to the nearest whole share. The "Annual Value" means the number of RSUs equal to $225,000 divided by the average daily closing price of the Company's common stock over the six month period ending on the last day of the fiscal year preceding the date of grant (for example, the period from July 1, 2014 — December 31, 2014 for Annual Awards granted in May 2015). These RSU awards vest on the earlier of (i) the one year anniversary of the grant date of the award and (ii) the day prior to the Company's next annual stockholder meeting, subject to the non-employee director's continuous service on the Board. Prior to the approval by our stockholders of our 2015 Plan, we granted RSUs to our directors under our 2006 Equity Incentive Plan, which we refer to as the 2006 Plan. Under our 2006 Plan, each person who first became a non-employee director on or after May 21, 2014, was automatically granted RSUs for a number of shares equal to the Annual Value multiplied by a fraction, the numerator of which was 365 minus the number of days between the last annual stockholder meeting date and the date the person first became a non-employee director, and the denominator of which is 365, rounded down to the nearest whole share. Messrs. Merchant and Dolce were each granted RSUs under our 2006 Plan on March 1, 2015 in connection with their initial appointment to our Board, as described in further detail below under "Director Compensation For Fiscal 2015."

(3) Prior to September 2015, attendance of Stock Committee meetings were excluded for purposes of determining the number of meetings attended.

(4) For Audit Committee members, meetings that are substantially related to the FCPA Investigation are not taken into account when calculating whether they have attended eighteen meetings in a calendar year.

Director Compensation Table For Fiscal 2015

The following table shows compensation information for our non-employee directors for fiscal 2015. Mr. Rahim and Dr. Sindhu have not received any separate compensation for their Board service.

Compensation information for Mr. Rahim and Dr. Sindhu is included in the Summary Compensation Table on page 37.

Director Compensation for Fiscal 2015

Name	Fees Earned or Paid in Cash	Stock Awards[1]	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Robert M. Calderoni[2]	$ 217,500	$ 273,172	—	—	—	—	$490,672
Mary Cranston[3]	$ 40,000	$ —	—	—	—	—	$ 40,000
Gary Daichendt[4]	$ 117,500	$ 273,172	—	—	—	—	$390,672
Kevin DeNuccio[5]	$ 56,250	$ 273,172	—	—	—	—	$329,422
James Dolce[6]	$ 65,000	$ 330,266	—	—	—	—	$395,266
Mercedes Johnson[7]	$ 191,250	$ 273,172	—	—	—	—	$464,422
Scott Kriens[8]	$ 131,250	$ 273,172	—	—	—	—	$404,422
J. Michael Lawrie[9]	$ 23,750	$ —	—	—	—	—	$ 23,750
Rahul Merchant[10]	$ 126,250	$ 330,266	—	—	—	—	$456,516
David Schlotterbeck[11]	$ 50,000	$ —	—	—	—	—	$ 50,000
William R. Stensrud[12]	$ 88,750	$ 273,172	—	—	—	—	$361,922

(1) Amounts shown do not reflect compensation actually received by the director, and there can be no assurance that these grant date fair values will ever be realized by the non-employee directors. Instead, the amount shown is the aggregate grant date fair value of stock-related awards in fiscal 2015 computed in accordance with ASC Topic 718 — *Compensation — Stock Compensation* ("ASC Topic 718"), disregarding forfeiture assumptions. The grant date fair value of the RSUs granted on May 19, 2015 to each non-employee director elected at our 2015 annual meeting was $273,172. In addition, on March 1, 2015, each of Messrs. Dolce and Merchant was granted a RSU with a grant date fair value of $57,094 in connection with their initial election to our Board.

(2) As of December 31, 2015, Mr. Calderoni held 10,069 RSUs.

(3) Ms. Cranston did not stand for re-election as a member of the Board of Directors at the Company's 2015 annual meeting of stockholders, and as of December 31, 2015, Ms. Cranston did not have any option or stock awards outstanding.

(4) As of December 31, 2015, Mr. Daichendt held 10,069 RSUs.

(5) As of December 31, 2015, Mr. DeNuccio held 10,069 RSUs.

(6) As of December 31, 2015, Mr. Dolce held 10,069 RSUs.

(7) As of December 31, 2015, Ms. Johnson held outstanding options to purchase 50,000 shares and 10,069 RSUs.

(8) As of December 31, 2015, Mr. Kriens held 10,069 RSUs.

(9) Mr. Lawrie resigned from the Board of Directors effective February 11, 2015 and as of December 31, 2015, Mr. Lawrie did not have any option or stock awards outstanding.

(10) As of December 31, 2015, Mr. Merchant held 10,069 RSUs.

(11) Mr. Schlotterbeck did not stand for re-election as a member of the Board of Directors at the Company's 2015 annual meeting of stockholders, and as of December 31, 2015, Mr. Schlotterbeck did not have any option or stock awards outstanding.

(12) As of December 31, 2015, Mr. Stensrud held 10,069 RSUs.

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Proposals to be Voted on

Proposal No. 1
Election of Directors

There are ten nominees for election as directors at this year's annual meeting – Robert M. Calderoni, Gary Daichendt, Kevin DeNuccio, James Dolce, Mercedes Johnson, Scott Kriens, Rahul Merchant, Rami Rahim, Pradeep Sindhu and William Stensrud. Information regarding the business experience of each director nominee is provided below. A discussion of the primary experience, qualifications, attributes and skills of each director nominee that led our Board and Nominating and Corporate Governance Committee to the conclusion that he or she should serve or continue to serve as a director is included below each of the director and director nominee biographies. Each of the director nominees will be elected to serve a one-year term until the Company's annual meeting of stockholders in 2017 and until their respective successors are elected. There are no family relationships among our executive officers and directors.

If you sign your proxy or voting instruction card or vote by telephone or over the Internet but do not give instructions with respect to the voting of directors, your shares will be voted for the ten persons recommended by the Board. If you do not give voting instructions to your broker, your broker will not be able to vote your shares and your shares will not be voted on this matter.

Recommendation

Our Board recommends a vote FOR the election to the Board of Robert M. Calderoni, Gary Daichendt, Kevin DeNuccio, James Dolce, Mercedes Johnson, Scott Kriens, Rahul Merchant, Rami Rahim, Pradeep Sindhu and William Stensrud.

Vote Required

Provided a quorum is present, directors will be elected by a majority of the votes cast with respect to the director nominee at the annual meeting (i.e., the number of shares voted "FOR" a director nominee must exceed the number of votes cast "AGAINST" that director nominee). If a director nominee who is currently serving as a director is not elected at the annual meeting, under Delaware law the director will continue to serve on the Board as a "holdover director." However, as a condition to re-nomination, each incumbent director is required to submit a resignation from the Board in writing to the Chair of the Nominating and Corporate Governance Committee of the Board. The resignation will become effective only if the director fails to receive a majority of votes cast for re-election and the Board accepts the resignation.

The names of our directors and director nominees and their ages, positions, brief biographical description as of the date this proxy statement was filed with the SEC are set forth below.

Nominees for Election

Robert M. Calderoni

Age 56
Director since 2003

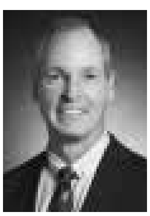
Board Committees:
M&A, Audit (Chair), Offering (Chair)

Other Public Company Boards:
KLA-Tencor, Inc., Citrix Systems, Inc.

Mr. Calderoni has served as Executive Chairman of Citrix Systems, Inc., or Citrix, since October 2015 and as a member of the board of directors of Citrix since June 2014. From October 2015 until January 2016, he served as the Interim Chief Executive Officer and President of Citrix. Since 2015, Mr. Calderoni has served as a senior advisor to Silver Lake, a leader in technology investments. He served as Chairman and Chief Executive Officer of Ariba, Inc., or Ariba, an SAP company, and President SAP Cloud of SAP AG, a provider of spend management solutions, from October 2012 to January 2014. Mr. Calderoni also served as a member of SAP's Global Managing Board from November 2012 until January 2014. Prior to the acquisition of Ariba by SAP in October 2012, Mr. Calderoni was Chairman and Chief Executive Officer of Ariba, beginning in October 2001. From January 2001 to October 2001, Mr. Calderoni served as Ariba's Executive Vice President and Chief Financial Officer. From November 1997 to January 2001, he served as Chief Financial Officer at Avery Dennison Corporation, a manufacturer of pressure-sensitive materials and office products. From June 1996 to November 1997, Mr. Calderoni served as Senior Vice President of Finance at Apple Computer, a provider of hardware and software products and Internet-based services. Mr. Calderoni also serves as a member of the board of directors of KLA-Tencor, Inc., a semiconductor equipment manufacturer.

Qualifications

As a result of Mr. Calderoni's service as Interim Chief Executive Officer and President of Citrix and Chief Executive Officer of Ariba, he has broad leadership and executive expertise and a knowledge and understanding of software and software as a service business issues. In addition, Mr. Calderoni's experience as a Chief Financial Officer of two publicly traded companies and in other finance roles has provided him with broad experience in finance, including accounting and financial reporting. This experience has led Juniper's Board of Directors to determine that he is an "audit committee financial expert" as that term is defined in Item 407(d)(5) of Regulation S-K under the 1934 Act. He is able to contribute this financial expertise as a Board member and as Chair of the Audit Committee. Mr. Calderoni's experience as a director in other public companies also provides him with an understanding of corporate governance and the operation of other boards of directors.



Gary Daichendt

Age 64
Director since 2014

Lead Independent Director

Board Committees:
Compensation (Chair)

Other Public Company Boards:
NCR Corporation, Polycom, Inc.

Mr. Daichendt has been principally occupied as a private investor since June 2005 and has been a managing member of Theory R Properties LLC, a commercial real estate firm, since October 2002. Mr. Daichendt served as President and Chief Operating Officer of Nortel Networks Corporation, a supplier of communication equipment, from March 2005 to June 2005. Prior to joining Nortel Networks, Mr. Daichendt served in a number of senior executive positions at Cisco Systems, Inc., a manufacturer of communications and information technology networking products, for six years, including as Executive Vice President, Worldwide Operations from August 1998 to December 2000, and as Senior Vice President, Worldwide Operations from September 1996 to August 1998. Mr. Daichendt currently serves as a Director of NCR Corporation and Polycom, Inc. and previously served as a director of ShoreTel, Inc., from April 2007 to February 2015, and Emulex Corporation from February 2014 to May 2015.

Qualifications

Mr. Daichendt's experience as an officer of various networking industry companies has provided him with expertise in management and operations and an extensive understanding of the networking industry. Mr. Daichendt also brings public company governance experience as a member of boards and board committees of other public technology companies.

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Kevin DeNuccio

Age 56
Director since 2014

Board Committees:
Offering

Other Public Company Boards:
Violin Memory, Inc.,
Calix, Inc.

Mr. DeNuccio became President and Chief Executive Officer of Violin Memory, a flash based storage array solutions company, in February 2014. Prior to joining Violin Memory, Mr. DeNuccio served as a co-founder of Wild West Capital, LLC, a venture and technology consulting firm he co-founded in July 2012. Prior to that, Mr. DeNuccio served as Chief Executive Officer of Metaswitch Networks, a provider of carrier systems and software solutions that enable communication networks to migrate to open, packet-based architectures, from February 2010 to July 2012. Mr. DeNuccio was President and Chief Executive Officer of Redback Networks Inc., a provider of advanced communications networking equipment, from August 2001 to January 2008, during which time it was acquired by Telefonaktiebolaget LM Ericsson, or Ericsson, in January 2007 and operated as a wholly-owned subsidiary of Ericsson. Mr. DeNuccio held various positions at Cisco Systems, Inc. from 1995 to 2001, including Senior Vice President of Worldwide Service Provider Operations. Previously, Mr. DeNuccio was the founder, President and Chief Executive Officer of Bell Atlantic Network Integration Inc., a wholly-owned subsidiary of Bell Atlantic (now Verizon Communications). Mr. DeNuccio has a B.A. in Finance from Northeastern University and an M.B.A. from Columbia University. Mr. DeNuccio has served as a director of Violin Memory since February 2014, and Calix, Inc. since September 2012. Mr. DeNuccio previously served as a director of Sandisk Corporation from August 2009 to February 2014 and Metaswitch Networks from December 2008 to February 2014.

Qualifications

Mr. DeNuccio's experience as a senior executive at many companies in the technology industry, including as chief executive officer at two networking companies, has provided him with senior leadership and executive experience and management, operational and technological expertise. Mr. DeNuccio also brings public company governance experience as a member of boards and board committees of other technology companies.

James Dolce

Age 53
Director since 2015

Board Committees:
Compensation

Other Public Company Boards:
None.

Mr. Dolce became the Chief Executive Officer and a director at Lookout, Inc., a mobile security company, in March 2014. Prior to joining Lookout, Mr. Dolce was the Vice President of carrier market development at Akamai Technologies, Inc. from December 2012 until February 2014, and prior to that, he was the Founder and Chief Executive Officer at Verivue, Inc., which was acquired by Akamai, from 2006 until December 2012. Prior to Verivue, Mr. Dolce served as Executive Vice President of worldwide field operations at Juniper Networks from 2002 to 2006, where he led Juniper's global sales, marketing and customer service efforts. Mr. Dolce joined Juniper Networks through its acquisition of Unisphere Networks, Inc., where he served as Chief Executive Officer from 1999 to 2002. Mr. Dolce served on the board of directors of Infinera Corporation from May 2014 until January 2016. Mr. Dolce holds a bachelor's degree in computer engineering from the University of Rhode Island.

Qualifications

Mr. Dolce's experience as a senior executive at many companies in the technology industry, including as chief executive officer at Lookout, Verivue and Unisphere, has provided him with senior leadership and executive experience and management, operational and technological expertise. In addition, his prior experience at Juniper Networks provides him with a detailed knowledge of Juniper's customers and industry. Mr. Dolce also brings public company governance experience as a member of boards and board committees of other technology companies.

Mercedes Johnson

Age 62
Director since 2011

Board Committees:
Audit, Nominating and
Corporate Governance

Other Public Company Boards:
Micron Technology, Inc.,
Intersil Corporation,
Teradyne, Inc.

Ms. Johnson was Interim Chief Financial Officer of Intersil Corporation from April 2013 through September 2013, and was the Senior Vice President and Chief Financial Officer of Avago Technologies Limited, a supplier of analog interface components for communications, industrial and consumer applications, from December 2005 to August 2008. She also served as the Senior Vice President, Finance, of Lam Research Corporation from June 2004 to January 2005 and as Lam's Chief Financial Officer from May 1997 to May 2004. Ms. Johnson holds a degree in Accounting from the University of Buenos Aires and currently serves on the Board of Directors for Micron Technology, Inc., a manufacturer of semiconductor devices, Intersil Corporation, a manufacturer of analog and mixed-signal circuits, and Teradyne, Inc., a leading provider of automatic test equipment.

Qualifications

Ms. Johnson's extensive experience as a senior financial executive at several technology companies has given her broad knowledge and expertise in finance, including accounting and financial reporting rules and regulations, and in-depth expertise in corporate development, management and operations. This experience has led Juniper's Board of Directors to determine that she is an "audit committee financial expert" as that term is defined in Item 407(d)(5) of Regulation S-K under the 1934 Act. She also brings public company governance experience as a member of boards and board committees of other technology companies. She can contribute this expertise as a Board member and a member of the Audit and Nominating and Governance Committees.

Scott Kriens
Age 58
Director since 1996

Board Committees:
Chairman of the Board

Other Public Company Boards:
Equinix, Inc.

Mr. Kriens has served as Chairman of the Board of Directors of Juniper Networks since October 1996 and served as Chief Executive Officer of Juniper Networks from October 1996 to September 2008, and as an employee of Juniper Networks from September 2008 through April 2011. From April 1986 to January 1996, Mr. Kriens served as Vice President of Sales and Vice President of Operations at StrataCom, Inc., a telecommunications equipment company, which he co-founded in 1986. Mr. Kriens also serves on the board of directors of Equinix, Inc., a provider of global data center services.

Qualifications

As a result of Mr. Kriens' prior service as the Company's Chief Executive Officer, he developed an extensive understanding of the Company's business and the networking industry and can contribute to the Board a highly informed perspective on the business independent from that of the Chief Executive Officer. Mr. Kriens' experience with the Company from its early stages also offers the Board insight into the evolution of the Company, including from execution, cultural, operational, competitive and industry points of view. In addition, his experience as a director of other technology companies provides him with an understanding of the operation of other boards of directors that he can contribute in his role as Chairman.

Rahul Merchant
Age 59
Director since 2015

Board Committees:
Audit

Other Public Company Boards:
None.

Mr. Merchant became Executive Vice President and Chief Information Officer of TIAA-CREF in April 2015, and has run his own advisory firm since April 2014. Prior to joining TIAA-CREF, he was the Chief Information and Innovation Officer for the City of New York from April 2012 to February 2014. From 2009 to April 2012, Mr. Merchant was a partner at Exigen Capital, a private equity firm based in New York City. From 2006 until 2008, Mr. Merchant was Executive Vice President, Chief Information Officer and Member of the Executive Committee at Fannie Mae. He also served as Senior Vice President, Chief Information Officer and Chief Technology Officer at Merrill Lynch & Co. from 2000 to 2006. Mr. Merchant has also held senior leadership positions at Cooper Neff and Associates, Lehman Brothers, Sanwa Financial Products and Dresdner Bank. Mr. Merchant previously was a member on the board of directors of Emulex Corporation, Level 3 Communications, Inc., Sun Microsystems, Inc. and Fair Isaac Corporation. Mr. Merchant has a Bachelor of Science in electrical engineering from Bombay University, a master's degree in mathematics and computer science from Memphis State University and a M.B.A. from Temple University.

Qualifications

Mr. Merchant's experience as a senior technology executive at many companies in the financial industry and in the public sector has provided him with senior leadership and executive experience and management, operational and technological expertise, as well as a detailed knowledge of Juniper's customers and industry. As a Chief Information Officer, Mr. Merchant's provides the Company with meaningful insight and experience related to information technology, cybersecurity best practices and the relationship between information security programs and broader business goals and objectives. Mr. Merchant also brings public company governance experience as a member of boards and board committees of a number of other technology companies.

Rami Rahim
Age 45
Director since 2014

Board Committees:
Stock, M&A (Chair), Offering

Other Public Company Boards:
None

Mr. Rahim joined Juniper Networks in January 1997 and was appointed as Chief Executive Officer of the Company in November 2014. Previously, Mr. Rahim served as Executive Vice President and General Manager, Juniper Development and Innovation, responsible for driving innovation across the Company through the oversight of all research and development programs, strategy, development, and business growth across the portfolio of routing, switching, and security. He has also overseen the ongoing evolution of silicon technology and the Junos operating system. In addition, Mr. Rahim has served at Juniper Networks in a number of roles, including Executive Vice President, Platform Systems Division, Senior Vice President and General Manager, Edge and Aggregation Business Unit, and Vice President, Product Management for the Edge and Aggregation Business Unit. Prior to that, Mr. Rahim spent the majority of his time at the Company in the development organization where he helped with the architecture, design and implementation of many Juniper Networks core, edge, and carrier Ethernet products. Mr. Rahim holds a Bachelor of Science degree in Electrical Engineering from the University of Toronto and a Master of Science degree in Electrical Engineering from Stanford University.

Qualifications

Mr. Rahim's day-to-day involvement in the Company's business has provided him with extensive knowledge and understanding of the Company and its industry. As Chief Executive Officer, he is able to provide the Company's Board of Directors with insight and information related to the Company's strategy, financial condition, operations, competitive position and business. His prior experience in a number of management roles at Juniper Networks provided him with in-depth industry and business experience in building and operating complex networks and a detailed knowledge of Juniper's customers and industry. In addition, his experience with Juniper from its early stages also offers the Board insight into the evolution of the Company, including from execution, cultural, operational, competitive and industry points of view.

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Pradeep Sindhu

Age 63
Director since 1996

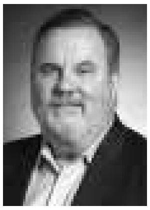
Board Committees:
Vice Chairman of the Board

Other Public Company Boards:
None

Dr. Sindhu founded Juniper Networks in February 1996 and served as Chief Executive Officer and Chairman of the Board of Directors until September 1996. Since then, Dr. Sindhu has served as Vice Chairman of the Board of Directors and Chief Technical Officer of Juniper Networks. In 2015, Dr. Sindhu co-founded Fungible, Inc. ("Fungible"), a startup focused on data center computing and storage. Dr. Sindhu and the Company agreed that he would be permitted to devote a portion of his working time to Fungible, but Dr. Sindhu's duties, responsibilities and obligations to the Company remain unchanged and he continues to serve as our Chief Technology Officer and as Vice Chairman of the Board. From September 1984 to February 1991, Dr. Sindhu worked as a Member of the Research Staff, and from March 1987 to February 1996, as the Principal Scientist, and from February 1994 to February 1996, as Distinguished Engineer at the Computer Science Lab at Xerox Corporation, Palo Alto Research Center, a technology research center.

Qualifications

As the founder and Chief Technical Officer of the Company, Dr. Sindhu is a leading expert in networking technology and is able to provide the Board with an understanding of the Company's products and technology as well as provide expert perspective on industry trends and opportunities. Dr. Sindhu's experience with the Company from its founding also offers the Board insight into the evolution of the Company, including from execution, cultural, operational, competitive and industry points of view.



William R. Stensrud

Age 65
Director since 1996

Board Committees:
Stock (Chair), M&A, Compensation, Nominating and Corporate Governance (Chair)

Other Public Company Boards:
None

Mr. Stensrud is a Partner of the SwitchCase Group, a consulting company, the Chairman and Chief Executive Officer of InstantEncore.com, a provider of web and mobile technology to the performing arts, and Chairman and Principal at Interactive Fitness Holdings, a designer and manufacturer of virtual stationary bicycles. From January 2007 to March 2007, he served as Chairman and CEO of Muze, Inc., a provider of business-to-business digital commerce solutions and descriptive entertainment media information. Mr. Stensrud was a general partner with the venture capital firm of Enterprise Partners from January 1997 to December 2006. Mr. Stensrud was an independent investor and turn-around executive from March 1996 to January 1997. During this period, Mr. Stensrud served as President of Paradyne Corporation and as a director of Paradyne Corporation, Paradyne Partners LLP and GlobeSpan Corporation, Inc. (acquired by Conexant, Inc.), all data networking companies. From January 1992 to July 1995, Mr. Stensrud served as President and Chief Executive Officer of Primary Access Corporation, a data networking company acquired by 3Com Corporation. From 1986 to 1992, Mr. Stensrud served as the Marketing Vice President of StrataCom, Inc., a telecommunications equipment company, which Mr. Stensrud co-founded.

Qualifications

Mr. Stensrud's years of experience in venture capital and in the management of a wide variety of technology companies have exposed him to a broad range of issues affecting businesses, including a number of businesses in the technology industry. Mr. Stensrud's experience as an operating executive in the telecommunications and data communications industry provides the Board and management with knowledge and perspective on the Company's daily operating challenges. His work has included analyzing and focusing on improving various aspects of businesses, including operations, strategies and financial performance.

Proposal No. 2
Ratification of Independent Registered Public Accounting Firm

The Audit Committee of the Board has appointed Ernst & Young LLP, an independent registered public accounting firm, to audit Juniper Networks' consolidated financial statements for the fiscal year ending December 31, 2016. During fiscal 2015, Ernst & Young served as Juniper Networks' independent registered public accounting firm and also provided certain tax and other audit related services. See "Principal Accountant Fees and Services" on page 44. Representatives of Ernst & Young are expected to attend the annual meeting, where they are expected to be available to respond to appropriate questions and, if they desire, to make a statement.

Although ratification is not required by our bylaws or otherwise, the Board is submitting the selection of Ernst & Young LLP to our stockholders for ratification because we value our stockholders' views on the Company's independent registered public accounting firm and as a matter of good corporate practice. If the appointment is not ratified, the Audit Committee will consider whether it should select other independent auditors. Even if the appointment is ratified, the Audit Committee, in its discretion, may appoint a different independent registered public accounting firm as Juniper Networks' independent auditors at any time during the year if the Audit Committee determines that such a change would be in the Company's and its stockholders' best interests.

Recommendation

Our Board recommends a vote "FOR" the ratification of the appointment of Ernst & Young LLP, an independent registered public accounting firm, as Juniper Networks' auditors for the 2016 fiscal year.

Vote Required

Provided a quorum is present, ratification of the appointment of Ernst & Young LLP, an independent registered public accounting firm, as auditors for fiscal 2016 requires the affirmative vote of a majority of the shares of Juniper Networks common stock present in person or represented by proxy and entitled to be voted at the meeting.

Proposal No. 3
Approval of the Amendment and Restatement of the Juniper Networks, Inc. Performance Bonus Plan

We are requesting that stockholders approve the amendment and restatement of the Juniper Networks, Inc. Performance Bonus Plan, effective January 1, 2017 (the "Performance Bonus Plan"). The performance-based compensation exception under Section 162(m) of the Internal Revenue Code of 1986, as amended, or Section 162(m), requires that the stockholders of the Company approve the material terms of the Performance Bonus Plan at least every five years. The Performance Bonus Plan was most recently approved by the Company's stockholders at the 2011 annual meeting of stockholders. Therefore, the Company is asking stockholders to again approve the Performance Bonus Plan in order to satisfy the stockholder approval requirement under Section 162(m).

As proposed for approval, the primary changes to the Performance Bonus Plan from the version approved by the stockholders in 2011 are:

- to modify the performance goals to remove cash flow margin and add revenue growth, contribution margin, and operating profit or net operating profit; and
- to provide for the ability to award bonuses under the Performance Bonus Plan to participants that do not qualify as performance-based compensation under Section 162(m).

The amendment and restatement of the Performance Bonus Plan was adopted by the Compensation Committee on November 11, 2015, subject to stockholder approval. The material terms of the Performance Bonus Plan, as they have been amended since the 2011 annual meeting of stockholders, are summarized below.

Recommendation

Our Board recommends a vote "FOR" the approval of the amendment and restatement of the Performance Bonus Plan.

If you sign your proxy or voting instruction card or vote by telephone or over the Internet but do not give instructions with respect to this proposal, your shares will be voted for approval of the foregoing proposal, as recommended by the Board. If you do not give voting instructions to your broker, your broker will not be able to vote your shares and your shares will not be voted on this matter.

Vote Required

Provided a quorum is present, approval of the amendment and restatement of our Performance Bonus Plan requires the affirmative vote of a majority of the shares of Juniper Networks common stock present in person or represented by proxy and entitled to be voted at the meeting.

Purpose of the Request for Approval

Section 162(m) limits the deductibility of bonuses paid to a company's principal executive officer and its next three most highly compensated officers (other than its principal financial officer), unless they qualify as performance-based compensation under Section 162(m).

Briefly, Section 162(m) requires the following to ensure that performance-based bonuses paid to participants under the Performance Bonus Plan are fully deductible:

- bonuses to be paid pursuant to an objective formula;
- certification by the Compensation Committee that the performance goals in the formula have been satisfied; and
- that the stockholders of the Company have approved the material terms of the Performance Bonus Plan which include: (i) the eligible participants; (ii) the individual bonus limit; and (iii) the business criteria on which performance goals are based.

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Description of the Performance Bonus Plan

The material features of the Performance Bonus Plan are summarized below. This summary does not purport to be a complete description of all the provisions of the Performance Bonus Plan, and this summary is qualified in its entirety by reference to the text of the Performance Bonus Plan, which is attached to this proxy statement as Annex A.

ELIGIBILITY. Our executive officers who are chosen solely at the discretion of the Compensation Committee are eligible to participate in the Performance Bonus Plan. Because our executive officers are eligible to receive awards under the Performance Bonus Plan, our executive officers have an interest in this proposal. No person is automatically entitled to participate in the Performance Bonus Plan in any year.

PURPOSE. The purpose of the Performance Bonus Plan is to motivate the participants to achieve our corporate and business unit performance objectives and to reward them when those objectives are satisfied.

ADMINISTRATION. The Performance Bonus Plan is administered by the Compensation Committee consisting of no fewer than two members of the Board that qualify as "outside directors" under Section 162(m).

DETERMINATION OF AWARDS. Under the Performance Bonus Plan, participants are eligible to receive cash payments based upon the attainment and certification of certain objective, pre-established performance criteria as determined by the Compensation Committee. The performance measures for any performance period will be any one or more of the following objective performance criteria, applied to either the Company as a whole or, except with respect to stockholder return metrics, to a region, business unit, affiliate or business segment, and measured either on an absolute basis or relative to a pre-established target, to a previous period's results, to a designated comparison group or to another performance measure, in each case as specified by the Compensation Committee. Financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles, or GAAP, in accordance with accounting principles established by the International Accounting Standards Board, or IASB, or which may be adjusted when pre-established to exclude any items otherwise includable under GAAP or IASB:

> (i) cash flow (including operating cash flow or free cash flow), (ii) cash position, (iii) revenue (on an absolute basis or adjusted for currency effects), (iv) revenue growth, (v) contribution margin, (vi) gross margin, (vii) operating margin, (viii) operating expenses or operating expenses as a percentage of revenue, (ix) earnings (which may include, but is not limited to, earnings before interest, taxes, depreciation and/or amortization and net earnings), (x) earnings per share, (xi) operating income, (xii) net income, (xiii) stock price, (xiv) return on equity, (xv) total stockholder return, (xvi) growth in stockholder value relative to a specified publicly reported index (such as the S&P 500 Index), (xvii) return on capital, (xviii) return on assets or net assets, (xix) return on investment, (xx) economic value added, (xxi) operating profit or net operating profit, (xxii) market share, (xxiii) contract awards or backlog, (xxiv) overhead or other expense reduction, (xxv) credit rating, (xxvi) objective customer indicators, (xxvii) new product invention or innovation, (xxviii) attainment of research and development milestones, (xxix) improvements in productivity, (xxx) attainment of objective operating goals, and (xxxi) objective employee metrics.

Awards that are not intended to comply with the performance-based compensation exception under Section 162(m) may be adjusted by the Compensation Committee in its sole discretion.

The performance criteria may differ for each participant. Our Compensation Committee retains the discretion to reduce or eliminate any award that would otherwise be payable pursuant to the Performance Bonus Plan. The Compensation Committee may also grant awards not intended to comply with the performance-based compensation exception under Section 162(m), and for those awards, the Compensation Committee, in its sole discretion, may increase the amount of an award otherwise payable under the Performance Bonus Plan.

PAYMENT OF AWARDS. The payment of a bonus for a given performance period generally requires the participant to be employed by the Company as of the date the bonus is paid. All awards will be paid in cash as soon as is practicable following determination of the award. The Compensation Committee may also defer the payment of awards in its discretion, as necessary or desirable to preserve the deductibility of such awards under Section 162(m).

MAXIMUM AWARD. The amounts that will be paid pursuant to the Performance Bonus Plan are not currently determinable. The maximum bonus payment that any participant may receive under the Performance Bonus Plan in any of our fiscal years is $20,000,000.

AMENDMENT AND TERMINATION. The Compensation Committee may amend, modify, suspend or terminate the Performance Bonus Plan, in whole or in part, at any time, including the adoption of amendments deemed necessary or desirable to correct any defect or supply omitted data or reconcile any inconsistency in the Performance Bonus

Plan or in any award granted thereunder; provided, however, that no amendment, alteration, suspension or discontinuation shall be made which would impair any payments to participants made prior to such amendment, modification, suspension or termination, unless the Compensation Committee has made a determination that such amendment or modification is in the best interests of all persons to whom awards have theretofore been granted. In addition, in no event may such amendment or modification result in an increase in the amount of compensation payable pursuant to any award.

INDEMNIFICATION. Our Board of Directors and Compensation Committee are generally indemnified by the Company for any liability arising from claims relating to the Performance Bonus Plan.

Federal Income Tax Consequences

Subject to the approval by the stockholders of the proposal described herein, the Company may be entitled to a deduction equal to the amount of income recognized by a participant. However, if the proposal is not approved by stockholders and the Compensation Committee implements alternative methods of paying bonuses in lieu of the Performance Bonus Plan commencing in 2017, the future deductibility by the Company of any such bonuses may be limited by Section 162(m). Because of the fact-based nature of the performance-based compensation exception under Section 162(m) and the limited availability of binding guidance thereunder, the Company cannot guarantee that the awards under the Performance Bonus Plan will qualify for exemption under Section 162(m); however, the Performance Bonus Plan is structured with the intention that the Compensation Committee (or the Subcommittee thereof) will have the discretion to make awards under the Performance Bonus Plan qualify as "performance-based compensation" and be fully deductible.

New Plan Benefits

Future benefits under the Performance Bonus Plan are not determinable because awards under the Performance Bonus Plan are determined based on actual future performance. Cash bonuses paid to our named executive officers for the Company's 2015 fiscal year are shown in this Proxy Statement in the Summary Compensation Table on page 37 and discussed in more detail in the section entitled Compensation Discussion and Analysis beginning on page 19.

Proposal No. 4
Non-Binding Advisory Vote on Executive Compensation

This proposal provides our stockholders with the opportunity to cast an advisory vote on the compensation of our named executive officers, or NEOs, pursuant to section 14A of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. For more detail on our NEOs, please see the Compensation Discussion and Analysis beginning on page 19 and the Summary Compensation Table beginning on page 37. This proposal, commonly known as a "Say on Pay" proposal, gives you, as a stockholder, the opportunity to express your views on our executive compensation programs and policies and the compensation paid to our NEOs.

The Say on Pay vote is advisory, and therefore not binding on the Company, the Compensation Committee or the Board of Directors. Although the vote is non-binding, the Compensation Committee and the Board will review the voting results, seek to determine the cause or causes of any significant negative voting, and take them into consideration when making future decisions regarding executive compensation programs. The Company's current policy is to hold a Say on Pay vote each year, and we expect to hold another advisory vote with respect to executive compensation at the 2017 annual meeting. At our 2015 annual meeting of stockholders, approximately 96% of votes cast were in favor of our NEO compensation program.

We design our executive compensation programs to implement our core objectives of (i) providing competitive pay, (ii) paying for performance, and (iii) aligning management's interests with the interests of long-term stockholders. We believe that our CEO's compensation, and that of our other NEOs, in 2015 is well aligned with the Company's performance and the interests of our stockholders, and reflects our objective of to link pay with performance for our NEOs. In deciding how to vote on this proposal, we encourage you to read the Executive Compensation section of this proxy statement set forth immediately below this proposal, including the Compensation Discussion and Analysis, the compensation tables and the narrative discussions, for a detailed description of our executive compensation philosophy and programs, the compensation decisions the Compensation Committee has made under those programs, the factors considered in making those decisions, and changes made to such programs as a result of our stockholder

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engagement and the results of last year's advisory vote to approve executive compensation.

Recommendation

The Board believes the Company's executive compensation programs use appropriate structures and sound pay practices that are effective in achieving our core objectives. **Accordingly, the Board of Directors recommends that you vote "FOR" the following resolution:**

"RESOLVED, that Juniper Networks, Inc. stockholders approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules, including the Compensation Discussion and Analysis and Executive Compensation sections of this proxy statement."

If you sign your proxy or voting instruction card or vote by telephone or over the Internet but do not give instructions with respect to this proposal, your shares will be voted "FOR" the proposal, as recommended by the Board. If you do not give voting instructions to your broker, your broker will not be able to vote your shares and your shares will not be voted on this matter.

Vote Required

Provided a quorum is present, the advisory approval of our executive compensation requires the affirmative vote of a majority of the shares of Juniper Networks common stock present in person or represented by proxy and entitled to be voted at the meeting. As this is an advisory vote, the result will not be binding on the Company, the Board of Directors or the Compensation Committee. However, the Compensation Committee, which is responsible for designing and administering the Company's executive compensation programs, values the opinions expressed by our stockholders and will take the outcome of the vote under advisement in evaluating our executive compensation principles, design and practices.

Executive Compensation

Compensation Discussion & Analysis

The Company's Compensation Committee (the "Committee") is comprised entirely of non-employee directors and has the responsibility of approving compensation for our officers who are designated as reporting officers under Section 16 of the Exchange Act ("Section 16 officers"). The Performance Award Subcommittee of the Committee (the "Subcommittee") is comprised entirely of outside directors and has the responsibility of approving Section 16 officer incentive compensation programs as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended. Generally, the types of compensation and benefits provided to Section 16 officers are also provided to other non-Section 16 officers reporting to the Chief Executive Officer. Throughout this proxy statement, the individuals who served as the Company's Chief Executive Officer or Chief Financial Officer during 2015, as well as the other individuals included in the Summary Compensation Table on page 37, are referred to as the "named executive officers," or "NEOs." This discussion provides an overview of our executive compensation framework and philosophy, and describes and analyzes the 2015 compensation program for the NEOs of the Company, who are listed below.

Named Executive Officers	
Rami Rahim	Chief Executive Officer
Robyn Denholm[(1)]	Former EVP, Chief Financial and Operations Officer
Pradeep Sindhu	EVP, Chief Technology Officer
Brian Martin[(2)]	SVP, General Counsel
Jonathan Davidson[(3)]	EVP and GM, Juniper Development & Innovation

(1) In February 2016, Robyn Denholm resigned from her role as Executive Vice President, Chief Financial and Operations Officer and Ken Miller was appointed as her successor.
(2) On October 5, 2015, Brian Martin was hired as Senior Vice President, General Counsel in connection with Mitchell Gaynor's resignation as General Counsel in October 2015.
(3) On January 16, 2015, Jonathan Davidson was promoted to his role as Executive Vice President and General Manager, Juniper Development and Innovation.

Our Compensation Discussion & Analysis is organized into four sections.

- Section 1 – Executive Summary
- Section 2 – Compensation Programs Process
- Section 3 – Elements of Executive Compensation
- Section 4 – Other Compensation Policies and Information

Section 1 – Executive Summary

2015 Performance and Pay Outcomes

Fiscal year 2015 was a year of strong financial and operational performance for Juniper Networks. Compared to 2014, we increased revenue, non-GAAP operating income, non-GAAP operating margin, and non-GAAP diluted earnings per share. The table below highlights certain year-over-year key performance indicators.

Key Performance Indicators: 2015 vs. 2014

Result	Fiscal 2014	Fiscal 2015	YoY % Change
Revenue (Millions, "M")[(1)]	$4,627.1	$4,857.8	+5.0%
Non-GAAP Operating Income (M)[(2)]	$958.4	$1,165.7	+21.6%
Non-GAAP Operating Margin[(2)]	20.7%	24.0%	+3.3 points
Stock Price at Fiscal Year End	$22.32	$27.60	+23.7%
Non-GAAP Earnings per Share (Diluted)[(2)]	$1.45	$2.03	+40.0%

(1) Revenue increased 7.0% year-over-year when adjusted to exclude the impact from the sale of Junos Pulse in 2014, as described in our January 27, 2016 Current Report on Form 8-K, which furnished our earnings release for the 2015 fiscal year. Reconciliations to the comparable GAAP measures are contained therein.
(2) Reflects non-GAAP financial measures, as described in our January 27, 2016 Current Report on Form 8-K, which furnished our earnings release for the 2015 fiscal year. Reconciliations to the comparable GAAP measures are contained therein.

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As further detailed below, the Committee has consistently adopted a philosophy that emphasizes "pay for performance." Accordingly, our strong financial results and stock price performance for 2015 are directly reflected in the outcomes of our executive pay programs. In summary, achievement of performance results as described above resulted in the following executive compensation program outcomes:

- The Executive Annual Incentive Plan ("AIP") resulted in total payouts representing 107.5% of target for our CEO and other NEOs;
- Our three-year Performance Share Award Plan ("PSA Plan") PSA Plan resulted in total "banking" for fiscal year 2015 representing 118.3% of target for our CEO and other NEOs (excluding Mr. Martin, who was hired in October 2015 and was not awarded PSAs associated with fiscal year 2015);
- Based on performance during the three-year period covering fiscal years 2013 through 2015, our 2013 PSAs were earned and settled at 109.6% of target; and
- Based on the Company's stock price performance in 2015, the first tranche of the price-vested RSUs granted in 2014 vested in 2015.

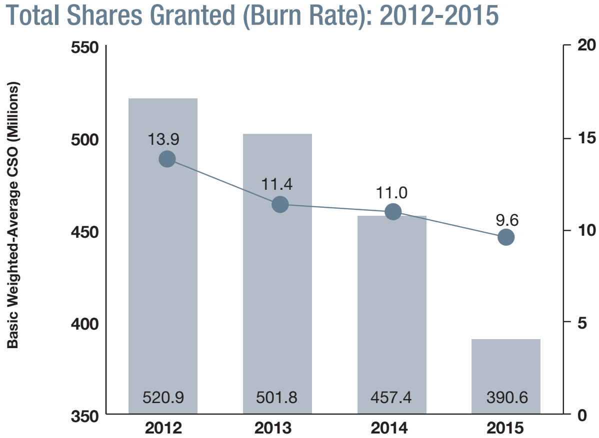
Stockholder Engagement and Changes for 2016

At our 2015 annual meeting of stockholders approximately 96% of votes cast were in favor of our named executive officer compensation program, representing an increase from the 86% rate at our 2014 annual meeting. Following our "Say-on-Pay" advisory vote, Juniper Networks continued its practice of meeting with significant stockholders to obtain their perspectives on our executive compensation programs. In this regard, representatives from Juniper Networks, including our Committee Chairperson and Vice President, Investor Relations, spoke with eight of our largest stockholders owning in total approximately 23% of our outstanding common stock.

The Committee evaluated the results of the "Say-on-Pay" advisory vote, as well as took into consideration the perspectives of stockholder feedback. Following consultation with the Committee's independent compensation consultant, the Committee continued its practice of evolving the design for our executive officers' compensation programs to meet our changing business needs. Certain significant changes to our executive compensation programs and equity dilution target for 2016 are summarized below.

- *Executive Annual Incentive Plan.* Because the Committee wanted an increased focus on revenue growth in a sustained and reasonable manner, it decided to change the primary financial metric from non-GAAP operating margin to revenue. In addition, the Committee included a non-GAAP operating margin decelerator, which would decrease payouts if non-GAAP operating margin falls below a specified threshold. The Committee believes these changes, in combination with maintaining the non-GAAP operating income gate and strategic construct, provide such a focus.
- *Performance Share Award Plan.* The Committee added a non-GAAP operating margin decelerator to the revenue primary metric in order to align with the AIP financial construct and to provide increased focus on sustained revenue growth.
- *Equity dilution.* For fiscal 2016, the Company intends to continue its focus on reducing its equity burn rate, and intends to target a burn rate reduction from 2.5% of common shares outstanding ("CSO") to 2.4% of CSO. We believe that reducing our equity usage target will mitigate stockholder dilution via our equity programs while still allowing us to stay competitive to attract and retain talent. See chart below for fiscal 2012-2015 detail.

Total Shares Granted (Burn Rate): 2012-2015



Burn Rate:
We have focused on reducing our burn rate for equity awards, and have achieved an 8% reduction over years 2012-2015, from 2.67% to 2.45%.
We have achieved these reductions while the basic weighted-average CSO has declined 25% over the same period from 520.9 million to 390.6 million.
The combination of reduced burn rate and reduced CSO has resulted in a 31% reduction in annual equity award grants over the same period.

Corporate Governance Framework

The Committee takes seriously its duty to maintain a comprehensive governance framework that is aligned with market leading practice and standards. Therefore, the Committee has adopted a strong corporate governance framework for executive compensation that includes the components described below.

Corporate Governance Framework

What We Do	
Pay for performance	A significant percentage of total target direct compensation is pay-at-risk that is connected to performance.
Stock ownership guidelines	We have established stock ownership guidelines for members of our Board, NEOs, and certain former NEOs to align the interests of our leadership with those of our stockholders. In 2015, we enhanced holding requirements for our Chief Executive Officer. See page 49 for further information.
"Clawback" policy	In 2015, we adopted a "clawback" policy under which all our executive officers are required, in certain instances, to repay overpayments of incentive compensation awards in the event of a financial restatement in which it is determined that the individual executive was responsible. See page 35 for further information.
"Double-trigger" change-in-control arrangements	An executive's unvested equity awards will vest upon a change in control only if the executive also experiences a qualifying termination of employment. See page 33 for further detail regarding our change-in-control arrangements.
Avoid excessive risk taking	Our incentive plans use multiple performance measures, caps on incentive payments, and overlapping performance periods for PSA shares and price-vested RSUs. The Committee reviews an annual executive compensation program risk assessment by Semler Brossy, our independent compensation consultant. Based in part on this philosophy and these governance features, the Committee does not believe that the compensation programs create risks that are reasonably likely to have a material adverse effect on the Company.

What We Don't Do	
No stock option repricing	The Company's 2015 Equity Incentive Plan does not permit us to reprice stock options without stockholder approval or to grant stock options with an exercise price below fair market value or to repurchase below water options.
No tax gross-ups	The Company has no executive officer contracts providing for an excise tax gross up following a change in control.
No hedging or pledging of Company stock and no use of margin accounts	The Company has adopted a policy that prohibits members of our Board and all employees, including Section 16 Officers, from pledging their Company stock or engaging in short sales of Company stock and other similar transactions that could be used to hedge the risk of Company stock ownership. See page 35 for further information.
No "evergreen" employment agreements	We do not provide "evergreen" positions in any employment agreements with executive officers.
No dividend equivalents on unvested equity awards	We do not pay dividends or dividend equivalents on shares or units that are not earned.
No excessive perks	We offer only certain limited benefits as required to remain competitive and to attract and retain highly talented executives.

Section 2 – Compensation Programs Process

Roles

The Company's executive compensation programs are overseen by the Committee and Subcommittee, with support provided by the independent compensation consultant, and the Chief Executive Officer and management. Each of their roles is described below.

Role of the Compensation Committee and Subcommittee

The Committee is comprised entirely of independent directors and has the responsibility of approving compensation for our officers who are designated as reporting officers under Section 16 of the Exchange Act. The Subcommittee is comprised entirely of outside directors and has the responsibility of approving Section 16 officer incentive compensation programs as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended. This includes evaluation of the Chief Executive Officer and overall responsibility for approving and evaluating executive officer compensation plans, policies, and programs. In addition, the Committee has responsibility for reviewing the overall equity award practices of the Company. The Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Juniper Networks for, outside legal counsel, compensation consultants, or other advisors as the Committee deems necessary to carry out its duties.

The Committee independently decides the salary, incentive target and equity awards for the Chief Executive Officer with input from its independent compensation consultant. Based on the information presented from the independent compensation consultant, the Committee discusses the Chief Executive Officer's contribution and performance, Company performance, the competitive market, and the other factors discussed below, and independently makes compensation decisions in an executive session, without members of management present.

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Role of the Independent Compensation Consultant

The Committee has the authority to engage its own advisors to assist in carrying out its responsibilities. In addition, the Committee is free to replace its compensation advisors or retain additional advisors at any time.

During 2015, the Committee engaged Semler Brossy Consulting Group, LLC ("Semler Brossy") to advise the Committee on executive compensation. The Committee determined that Semler Brossy is an independent compensation advisor under the rules of the New York Stock Exchange and there are no conflicts of interest. For details on the engagement and services provided by Semler Brossy, please refer to the "Compensation Consultant Fee Disclosure" section of this proxy statement beginning on page 43. During the 2015 fiscal year, Semler Brossy did not provide any services unrelated to executive compensation, and therefore received no fees for additional services.

Role of the Chief Executive Officer and Management

The Chief Executive Officer makes recommendations to the Committee regarding the salary, incentive target and equity awards for the NEOs (except for himself). These recommendations are based on analysis and guidance provided by the compensation consultant on behalf of the Committee and the Chief Executive Officer's assessment of individual specific factors, such as the individual's role and contribution to Company performance and the other factors discussed below. The Chief Executive Officer is also assisted by the Senior Vice President, Human Resources in making these recommendations.

Executive Compensation Philosophy

In 2015, the Committee established the guiding principles detailed below. The Committee believes that these guiding principles drive desirable behaviors, accountability, and alignment with stockholder interests.

Table 1: Executive Compensation Philosophy

Principle	Strategy
1. Enhance Accountability	Executive compensation linked to a clear set of business objectives
2. Manage to Balanced Results	Compensation strategy that drives balanced results between the following: – Short- and long-term objectives – Individual and team performance – Financial and non-financial objectives – Customer satisfaction and growth
3. Reward High Performance	Upside potential in the incentive plans for superior performance with downside risk for underperformance
4. Attract & Retain Talent	Market-competitive programs with flexibility to be aggressive for mission-critical talent retention and acquisition
5. Align with Stockholder Interests	Programs that are transparent, easily understood and aligned with long-term stockholder interests
6. Encourage Health and Financial Well-Being	Market-competitive benefit programs that encourage wellness and financial savings

Competitive Compensation Data

The Committee reviews competitive compensation data to establish market reference points, including data from the Peer Group and published surveys, as described below.

2015 Peer Group

The Committee, with input from Semler Brossy, has established a peer group of publicly-traded networking equipment and other high technology companies set forth in the table below (the "Peer Group"). In deciding whether a company should be included in the Peer Group, the Committee generally considers the following screening criteria:

- Revenue;
- Market value;
- Historical revenue growth;
- Business model;
- Scope of operations;
- Industry relevance; and
- Whether we compete with the company for talent.

This list is regularly reviewed and updated by the Committee with the assistance of Semler Brossy to take into account changes in both the Company's business and the businesses of the companies in the Peer Group. The data on the compensation practices of the Peer Group is gathered through publicly available information.

For competitive benchmarking purposes, the positions of our NEOs were compared to similar positions in the Peer Group, and the compensation levels for comparable positions in the Peer Group as presented by Semler Brossy were examined to become informed about competitive pay levels and practices. For compensation decisions made in early 2015, the Peer Group consisted of the companies set forth below.

Table 2: Peer Group

Company Name	
Adobe Systems Inc.	Intuit Inc.
Autodesk, Inc.	Motorola Solutions Inc.
Broadcom Corp.	NetApp Inc.
Brocade Communication Systems, Inc.	NVIDIA Corp.
CA, Inc.	SanDisk Corp.
Citrix Systems, Inc.	Symantec Corp.
Corning, Inc.	VMware, Inc.
EMC Corp.	Xilinx, Inc.

Changes to the Peer Group used to assess 2015 pay decisions include the removal of BMC Software because it was acquired in September 2013 and public compensation data is no longer available.

Peer Group Changes for 2016

In August 2015, the Committee reviewed the current Peer Group and, with input from Semler Brossy, decided to make several changes for future compensation decisions.

- Removed EMC Corporation. The Committee determined that EMC Corporation, despite the high relevance of its business model, had grown to a size where revenue and market capitalization increased beyond the size screens used to determine comparable peers.
- Added Ciena and ARRIS. The Committee determined that both companies were comparable peers in terms of size, scope of operations, and industry.

Published Surveys

The Committee additionally reviews broader technology company data to provide market context. For the 2015 annual compensation review, compensation data was drawn from the Radford 2014 Executive Compensation Survey for a broader list of technology companies of comparable size, approximately $4.8 billion in annual revenue.

After reviewing the Peer Group and survey compensation data presented by Semler Brossy, the Committee takes into consideration other factors, such as internal equity, individual performance, tenure, leadership skills, and ability to impact business performance. In addition, while recruiting and retaining key executive talent, the compensation decisions may be determined based on negotiations with such individuals and can reflect such factors as the amount of compensation that the individual would forego by joining or remaining with the Company or relocation costs. The Committee also takes into consideration tally sheets and the results from the “Say-on-Pay” advisory vote and feedback we receive when we conduct ongoing stockholder outreach in the evaluation of our executive compensation programs and policies.

Section 3 – Elements of Executive Compensation

The following table lists the elements of target direct compensation for our 2015 executive compensation program.

Table 3: Elements of Executive Compensation

	Fixed	Variable Short-Term		Variable Long-Term			Other
	Base Salary	**AIP Cash**	**Bonus PSU**	**RSU**	**PSA**	**Price-Vested RSU**	**Benefits**
Primary Purpose	Attract and retain		Retain	Attract and retain			Encourage wellness and financial savings
		Provide focus on annual financial and non-financial goals, motivate performance		Reward achievement of financial and strategic results that drive long-term stockholder value			
			Create ownership and align employee efforts with stockholder interests				
Total Performance/ Vest Period	Ongoing	1 Year	1 Year Performance 2 Years Vest	3 Years	3 Years	3-5 Years	Ongoing
Target Pay Positioning	50th Percentile	60th-65th Percentile					50th Percentile
Market Definition	Comparable U.S. companies with whom Juniper Networks competes for talent. Compensation data reported by similarly-sized high-technology companies in published surveys.						

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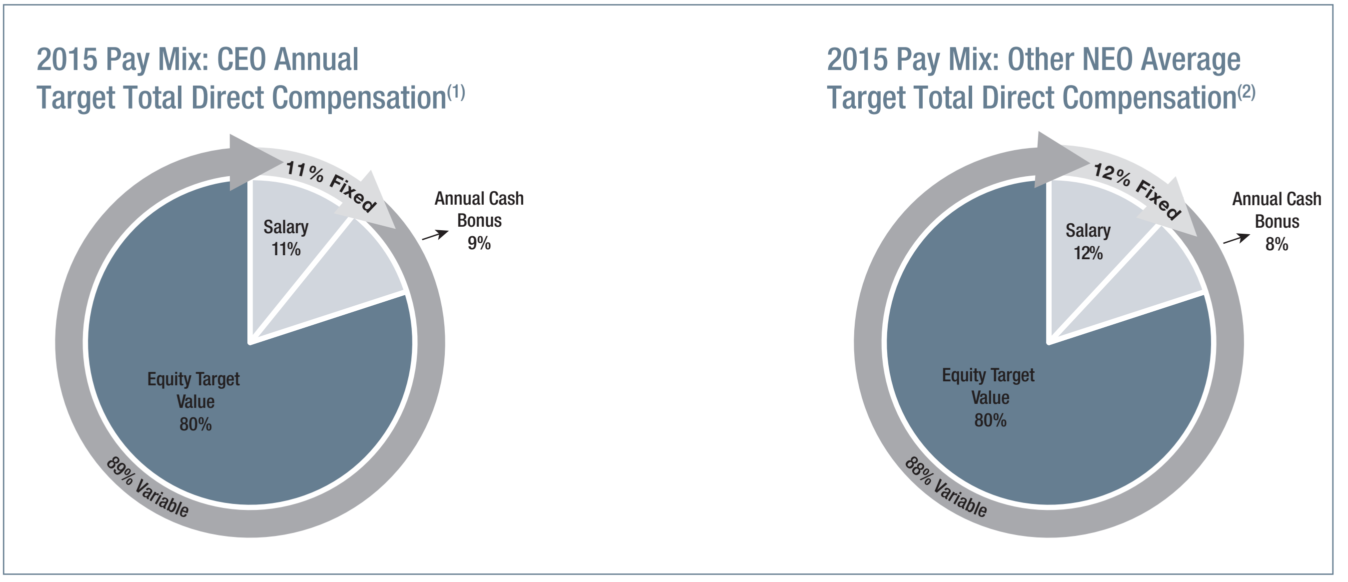
The program uses a mix of fixed and variable compensation elements and is designed to drive corporate performance using measures that correlate to stockholder value and align with our financial and strategic Company goals. The Committee has also established a market positioning framework to provide a starting point in compensation decision-making; final decisions regarding compensation opportunity for executive officers take into account individual performance, tenure, criticality of role, and ability to impact business results.

Pay for Performance

The Company's pay mix emphasizes pay for performance. In 2015, "variable" compensation in the form of annual cash bonus incentive and equity (i.e., RSUs and performance shares) comprised 89% of our CEO's target total direct compensation. In 2015, variable compensation comprised 88% of our other NEOs' target total direct compensation on average.

2015 Target Pay Mix: CEO and Other NEOs



(1) Target Total Direct Compensation reflects base salary as indicated in the Summary Compensation Table, target annual incentive opportunity as indicated in the Grants of Plan-Based Awards Table, and target value of 2015 equity awards as indicated in the Summary Compensation Table. The Summary Compensation Table begins on page 37 and the Grants of Plan-Based Awards Table begins on page 39.

(2) Target Total Direct Compensation reflects an average of base salary as indicated in the Summary Compensation Table, target annual incentive opportunity as indicated in the Grants of Plan-Based Awards Table, and target value of 2015 equity awards as indicated in the Summary Compensation Table. The Annual Cash Bonus amount excludes the sign-on bonus paid to Mr. Martin in connection with the commencement of his employment with the Company. The Summary Compensation Table begins on page 37 and the Grants of Plan-Based Awards Table begins on page 39.

Base Salary

In 2015, the Committee independently decided not to provide a base salary increase to Mr. Rahim as his salary for 2015 was determined as part of his promotion to Chief Executive Officer in November 2014. Mr. Rahim provided the Committee with his recommended base salary changes for the other NEOs, in light of analysis and guidance from Semler Brossy, including competitive data from our Peer Group and his assessment of individual-specific factors. The Committee determined that in connection with Mr. Davidson's promotion in January 2015 to provide a salary increase commensurate with his expanded responsibilities as EVP, Juniper Development & Innovation. As noted in the table below, no other NEOs received pay increases in 2015.

Table 4: 2015 Base Salary

Executive	2015 Base Salary Before Increase	2015 Base Salary After Increase	% Salary Increase
Rami Rahim Chief Executive Officer	$1,000,000	$1,000,000	—%
Robyn M. Denholm Former EVP, Chief Financial and Operations Officer	$ 750,000	$ 750,000	—%
Pradeep Sindhu EVP, Chief Technology Officer	$ 600,000	$ 600,000	—%
Brian Martin(1) SVP, General Counsel	$ 450,000	N/A	N/A
Jonathan Davidson(2) EVP and GM, Juniper Development & Innovation	$ 500,000	$ 600,000	20.0%

(1) On October 5, 2015, Mr. Martin was hired as Senior Vice President, General Counsel in connection with Mitchell Gaynor's resignation as General Counsel in October 2015, and therefore did not receive a pay increase in 2015.
(2) On January 16, 2015, Mr. Davidson was promoted to his role as Executive Vice President and General Manager, Juniper Development and Innovation. Mr. Davidson's salary increase is in connection with his promotion.

Executive Annual Incentive Plan

Consistent with our key program objective to have a significant portion of each NEO's compensation tied to performance, the Company has established a target annual performance-based incentive opportunity for each NEO, expressed as a percentage of base salary. In setting the amount of the target incentive, the Committee, with input from Semler Brossy, takes into account the competitive market data described above, desired positioning against market, the individual's role and contribution to performance, and internal equity.

The actual award earned may be higher or lower than this target incentive amount, based on Company and/or individual performance factors.

For 2015, target incentives (expressed as a percentage of base salary) for all NEOs remained consistent with 2014 levels. With respect to the 2015 AIP, a portion of each NEO's (other than Mr. Martin) target opportunity under the AIP was awarded in performance shares ("Bonus PSUs") at the beginning of the AIP performance period, as discussed in more detail below. The target incentives as a percentage of base salary for 2015 are presented below.

Table 5: 2015 Target AIP Incentives

Executive	Annual Salary as of 12/31/2015	Adjusted Base Salary(1)	Target AIP (as % of Base Salary)(2)	Target AIP $ Value(3)
Rami Rahim Chief Executive Officer	$1,000,000	$1,000,000	175%	$1,750,000
Robyn M. Denholm Former EVP, Chief Financial and Operations Officer	$ 750,000	$ 750,000	150%	$1,125,000
Pradeep Sindhu EVP, Chief Technology Officer	$ 600,000	$ 600,000	100%	$ 600,000
Brian Martin(4) SVP, General Counsel	$ 450,000	$ 109,091	100%	$ 109,091
Jonathan Davidson(5) EVP and GM, Juniper Development & Innovation	$ 600,000	$ 595,833	100%	$ 595,833

(1) Adjusted base salaries reflect actual salaries earned in 2015.
(2) In 2015, the Committee awarded a portion of the target incentive value in Bonus PSUs. These percentages reflect the target AIP value as a percentage of base salary prior to adjusting for Bonus PSUs.
(3) These values reflect the target AIP value prior to adjusting for Bonus PSUs. Actual cash payout is based on the Target AIP (as % of Base Salary), less Target Bonus PSUs value prior to the 1.5x multiplier, as further described below.
(4) On October 5, 2015, Mr. Martin was hired as Senior Vice President, General Counsel in connection with Mitchell Gaynor's resignation as General Counsel in October 2015. His adjusted base salary is prorated for the portion of fiscal year 2015 he was employed with the Company and he was not awarded Bonus PSUs associated with fiscal year 2015.
(5) On January 16, 2015, Jonathan Davidson was promoted to his role as Executive Vice President and General Manager, Juniper Development and Innovation. His adjusted base salary is prorated for the portion of fiscal year 2015 he served in his new role. His Bonus PSUs are reflective of his base salary and target AIP (as % of base salary) prior to his promotion.

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Performance Goals under the Executive Annual Incentive Plan

NEOs could earn annual cash incentives for 2015 based on an achievement of pre-determined goals in the AIP. Incentives under the 2015 AIP were initially funded based on the achievement of a minimum level of GAAP Operating Income equal to $300 million, which the Company achieved for fiscal year 2015. The 2015 AIP was then comprised of three components: Non-GAAP Operating Income Gate, Financial metrics, and Strategic metrics, in order to drive executive focus on achievement of pre-determined goals that contributed to overall Company performance. With respect to the Non-GAAP Operating Income Gate, a threshold amount of non-GAAP operating income must be achieved to earn any amounts under the AIP. If the gate is achieved, the AIP will then pay out based on the Financial and Strategic components, weighted 70% and 30%, respectively. The Financial component was comprised of non-GAAP corporate operating margin and revenue growth targets, consistent with the 2014 AIP construct. The Committee utilized these financial metrics as it believes that both non-GAAP operating margin expansion and revenue growth are critical to stockholder value creation. The Strategic component was focused on a number of key objectives that the Committee believes contributed to operational and financial results, including customer satisfaction, market share gain, and employee engagement. The Committee evaluates the achievement of each strategic objective on a quantitative scale. The 2015 AIP design is illustrated below.

2015 AIP Design

Funding Gate: Must achieve minimum level of Non-GAAP Operating Income* for ANY Funding
If Operating Income Gate is achieved, funding is based on components below

Financial (70% Weighting)				Strategic (30% Weighting)
Corporate Non-GAAP Operating Margin* (0%-150% Payout)	X	Corporate Revenue Growth (0.9x-1.33x Multiplier)	+	Strategic Objectives, including customer satisfaction, market share gains, and employee engagement

* Non-GAAP Operating Income excludes certain items, primarily share-based compensation expense and related payroll taxes, amortization of purchased intangible assets, and certain non-recurring charges (benefits). Non-GAAP Operating Income is calculated quarterly and publicly disclosed as part of our quarterly earnings releases.

Assuming achievement of the Non-GAAP Operating Income Gate, the actual amounts paid to individual NEOs under the AIP depend on the level of achievement against the objectives. Because of an increase in the difficulty of the financial metrics, the Committee decided to increase the maximum bonus funding from 150% to 200%. Maximum bonus pool funding is 200%, and NEOs can earn anywhere between 0%-200% of their respective target incentive based on actual performance, less the portion of the 2015 AIP delivered in Bonus PSUs. For 2015, the Committee established target performance goals for non-GAAP operating income, non-GAAP operating margin, and revenue growth per the table below. The Financial and Strategic goals were the same for all individuals in the AIP.

Table 6: 2015 Financial Performance Targets and Achievements

Non-GAAP Operating Margin

	Performance	Payout(1)
Max	25.0%	150%
Target	23.6%	100%
Threshold	20.0%	50%
Actual	**24.0%(2)**	**114.3%**

X

Revenue Growth Multiplier

Revenue Growth (M)	Multiplier
>=$4,939	1.33x
$4,893-$4,939	1.20x
$4,848-$4,893	1.10x
$4,826-$4,848	1.00x
$4,790-$4,826	0.90x(3)
$4,857.8	**1.10x**

114.3 x 1.10x = 125.7% of Target Payout for Financial Component
125.7% Payout for Financial Component = 88.0% Weighted Payout
(Financial Component has 70% Weighting on Overall Plan)

(1) No payout for individual component for performance levels below threshold. Payment scales between threshold and target and between target and maximum are linear.

(2) Reflects non-GAAP financial measures as described in our earnings release for fiscal year 2015 furnished in our Current Report on Form 8-K filed with the SEC on January 27, 2016. Reconciliations between GAAP and non-GAAP measures are contained therein.

(3) Revenue less than $4,826M reduces attainment on a sliding scale down to 0.9x at revenue of $4,790M. Revenue attainment less than $4,790M reduces payout by 0.9x.

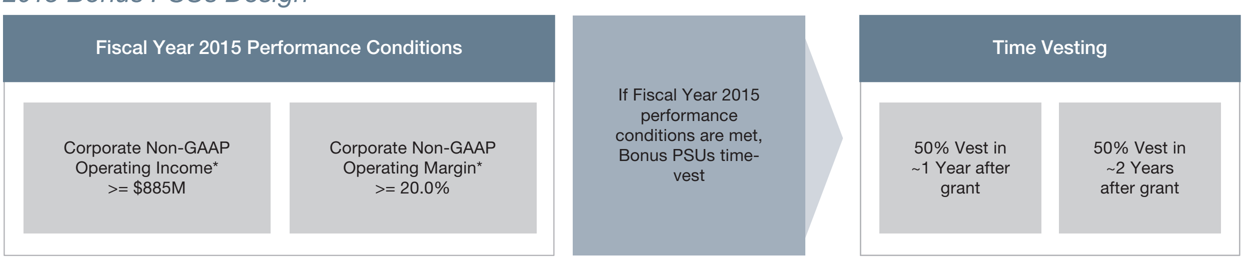
For 2015, the Funding Gate was $885M in non-GAAP operating income. Our 2015 non-GAAP corporate operating income of $1,165.7M, as described in our Current Report on Form 8-K filed with the SEC in January 2016, exceeded the Operating Income Gate, allowing the AIP to pay out based on attainment of Financial and Strategic components. Actual 2015 non-GAAP operating margin was between Target and Max, while revenue growth produced a multiplier of 1.10x on the non-GAAP operating margin payout. As a result, payout for the Financial component (weighted at 70% of the overall plan) was 88.0% of target.

For the Strategic objectives-based payouts, the Committee evaluated performance for each objective and determined the score was 65% of target. This score reflects above-target performance for the employee engagement objective, and below-target performance for the customer satisfaction and market share objectives. As a result, payout for the Strategic component (weighted at 30% of the overall plan) was 19.5% of target. The combined payouts for Financial and Strategic components was 107.5% of target.

Bonus PSUs Granted Pursuant to the Executive Annual Incentive Plan

In order to enhance retention of our executives and further align the interest of our NEOs with the long-term success of the Company, the Committee awarded approximately 50% of each NEO's (other than Mr. Martin) target opportunity under the 2015 AIP in Bonus PSUs at the beginning of the AIP performance period. The Bonus PSUs vest over a two year period (subject to achievement of performance conditions), which is approximately one year longer than the period required to earn the cash portion of the AIP. In connection with the longer vesting period for the Bonus PSUs, the Committee awarded Bonus PSUs in the amount equal to 1.5 times the approximately 50% target opportunity for each applicable NEO. The Bonus PSUs vest only if the 2015 AIP Operating Income Gate and the 2015 AIP Threshold non-GAAP operating margin, as set forth in the chart below, are achieved. If the performance criteria are achieved, the Bonus PSUs vest in two equal tranches in February 2016 and 2017. The Bonus PSUs are not eligible for any additional performance multipliers.

2015 Bonus PSUs Design



* Non-GAAP Operating Income excludes certain items, primarily share-based compensation expense and related payroll taxes, amortization of purchased intangible assets, and certain non-recurring charges (benefits). Non-GAAP Operating Income is calculated quarterly and publicly disclosed as part of our quarterly earnings releases.

For 2015, the AIP Operating Income Gate was $885M in non-GAAP operating income and the AIP Threshold non-GAAP operating margin was 20.0%. Our 2015 non-GAAP corporate operating income of $1,165.7M and 2015 non-GAAP corporate operating margin of 24.0%, as described in our Current Report on Form 8-K filed with the SEC in January 2016, exceeded the Bonus PSUs performance measures, allowing the Bonus PSUs to vest ratably in 2016 and 2017. The Bonus PSUs awarded to our NEOs (other than Mr. Martin) are described in the table below.

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Table 7: 2015 AIP Bonus PSU Grants

Executive[(1)]	Portion of 2015 AIP Delivered in Bonus PSUs[(2)]	Value Multiplier for Two-Year Vest[(3)]	Number of Bonus PSUs Granted[(4)]
Rami Rahim Chief Executive Officer	$875,000	1.5x	62,500
Robyn M. Denholm Former EVP, Chief Financial and Operations Officer	$562,500	1.5x	40,179
Pradeep Sindhu EVP, Chief Technology Officer	$300,000	1.5x	21,429
Jonathan Davidson[(5)] EVP and GM, Juniper Development & Innovation	$250,000	1.5x	17,858

(1) Mr. Martin was hired as Senior Vice President, General Counsel on October 5, 2015, and he was not awarded a portion of his 2015 AIP in Bonus PSUs.
(2) Reflects Bonus PSU value excluding the 1.5x multiplier.
(3) In connection with the longer vesting period for the Bonus PSUs, the Committee awarded Bonus PSUs in the amount equal to 1.5 times approximately 50% of AIP target opportunity for each applicable NEO.
(4) For additional detail, see the Grants of Plan-Based Awards Table beginning on page 39.
(5) Mr. Davidson was awarded a Bonus PSU grant in connection with the 2015 AIP on December 29, 2014, prior to his promotion to Executive Vice President and General Manager, Juniper Development & Innovation. Therefore the portion of 2015 AIP delivered in Bonus PSUs reflects 1.5 times approximately 50% of his AIP target opportunity prior to his promotion. As the Bonus PSU grant was awarded in 2014, it is not included in the Grants of Plan-Based Awards Table for 2015.

Executive Annual Incentive Plan Outcomes

Upon completion of the measurement period for 2015, the Subcommittee reviewed the performance of the Company to verify and approve the calculations of the amounts to be paid. Actual cash payouts to NEOs under the 2015 AIP were equal to 107.5% of the individuals' target annual incentive for the year (less the portion of the 2015 AIP delivered in Bonus PSUs) and the performance conditions of the Bonus PSUs were achieved. The table below summarizes the payments for the Company's NEOs. Payments are expressed as a percentage of their 2015 target incentive and actual payout amount less the portion of the 2015 AIP delivered in Bonus PSUs.

Table 8: Payments Under 2015 Annual Incentive Plan

Executive	Target AIP $ Value[(1)]	Payout as % of Total Target	Total Payout $[(2)]	Portion of 2015 AIP Delivered in Bonus PSUs[(3)]	AIP Cash Payout $[(4)]
Rami Rahim Chief Executive Officer	$1,750,000	107.5%	$1,881,250	$875,000	$1,006,250
Robyn M. Denholm Former EVP, Chief Financial and Operations Officer	$1,125,000	107.5%	$1,209,263	$562,500	$ 646,763
Pradeep Sindhu EVP, Chief Technology Officer	$ 600,000	107.5%	$ 644,940	$300,000	$ 344,940
Brian Martin[(5)] SVP, General Counsel	$ 109,091	107.5%	$ 117,262	$ 0	$ 117,262
Jonathan Davidson EVP and GM, Juniper Development & Innovation	$ 595,833	107.5%	$ 640,461	$250,000	$ 390,461

(1) These values reflect the target AIP value prior to adjusting for Bonus PSUs.
(2) Reflects Target AIP $ Value multiplied by 107.5%.
(3) Reflects Bonus PSU value excluding the 1.5x multiplier.
(4) Reflects Total Payout $ less the portion of the 2015 AIP delivered in Bonus PSUs.
(5) On October 5, 2015, Mr. Martin was hired as Senior Vice President, General Counsel in connection with Mitchell Gaynor's resignation as General Counsel in October 2015, and therefore his base salary and bonus are prorated, and he was not awarded a portion of his 2015 AIP in Bonus PSUs.

Long-Term Equity Incentive Compensation

The Company and the Committee remain focused on aligning the Company's annual equity compensation program with stockholder interests. For fiscal year 2015, the Committee reviewed target equity pay mix and determined to maintain the combination of performance-contingent awards and service-vested awards granted in 2014. In determining the ranges for long-term equity incentives, the Committee sought to allocate equity awards granted to the NEOs (other than Mr. Martin, who was hired in October 2015) as follows:

- Approximately 33% awarded in the form of performance shares, or PSAs;
- Approximately 33% awarded in the form of price-vested RSUs; and
- Approximately 34% awarded in the form of RSUs.

The Committee believes this equity mix aligns the NEOs' compensation opportunities directly with stockholder interests, i.e., stock price appreciation, and also incentivizes our NEOs to continue to drive performance in key financial metrics that support our innovation agenda and that the Committee believes will in the long-term positively impact stockholder value (i.e., revenue and operating income).

The number of equity awards for the 2015 equity compensation program guidelines was calculated using a policy the Committee approved in 2015, pursuant to which the price of $21.24, reflective of the 90-day average stock price close over the three-month period of October 1, 2014 through December 31, 2014, is used to convert target equity value to the number of equity awards. The Committee believes that using an average stock price mitigates the impact of spot stock price volatility on any given day in converting long-term equity incentive value to the number of shares subject to an award.

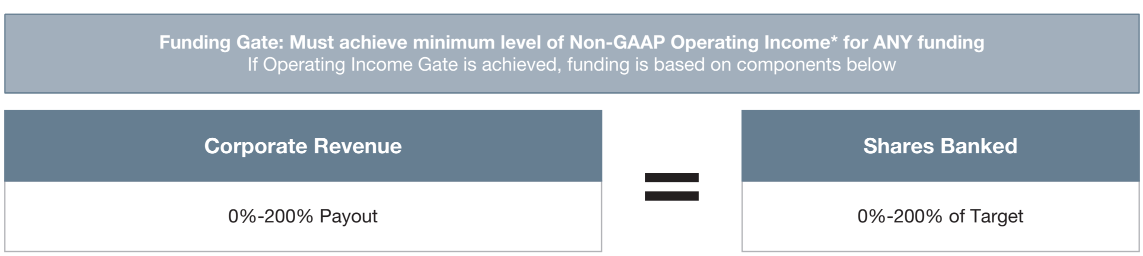
In determining the amount of long-term equity incentives to award to each individual, the Committee evaluated grant values in the Peer Group and in the survey data. The Committee's objective was to continue to target total direct compensation between the 60th and 65th percentiles of the Peer Group market data discussed above. However, within this general objective, the specific number of equity awards for each of the NEOs was based on the executive's respective role, grade level and individual performance.

The Company's equity compensation programs are intended to align the interests of our NEOs with those of our stockholders by creating an incentive to drive financial performance over time and maximize stockholder value creation. The vehicles used for the equity compensation program, and the rationale for their use, are as follows:

Performance Share Awards

PSAs are designed to reward executive efforts for year-over-year sustained Company financial performance, which in the longer term the Committee believes will positively impact stockholder value. NEOs receive PSAs that vest based on performance over a three-year period. In general, we calculate the number of PSAs based on the achievement of annual performance targets established. Based on the actual achievement against the performance targets, shares are earned, which we refer to as being "banked;" however, these banked shares are not vested until the end of the entire three-year period. One-third of the total target PSAs are subject to annual performance targets established by the Committee, and the amount of PSAs banked for a particular year is based on the achievement of annual performance targets established for that year. The performance targets for 2015 are illustrated below.

2015 Performance Share Awards Design



* Non-GAAP Operating Income excludes certain items, primarily share-based compensation expense and related payroll taxes, amortization of purchased intangible assets, and certain non-recurring charges (benefits). Non-GAAP Operating Income is calculated quarterly and publicly disclosed as part of our quarterly earnings releases.

For 2015, the Committee changed the performance targets for PSAs compared to 2014 as follows:

- Changed the financial metric from non-GAAP operating income to revenue. This change was intended to align NEOs' focus on corporate revenue growth for the Company.
- Added a non-GAAP Operating Income Gate. For the non-GAAP Operating Income Gate component, a threshold amount of non-GAAP operating income must be achieved to "bank" any shares. If the gate is achieved, the shares "bank" based on the revenue component. This addition was intended to align the PSA construct with the AIP construct and was meant to provide assurance that revenue growth would be delivered in a sustainable manner.
- Removed the Juniper Customer Satisfaction Index (JCSI) modifier in connection with its inclusion in the AIP.

For 2015, the Committee set target performance goals at levels which it believed at the time to be difficult but achievable, and set maximum performance goals at a level which it believed to be very difficult to achieve. With

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respect to each year's performance, the participants can earn between 0% and 200% of the target amount for that year depending on the level of achievement against the targets established for that year (the target amount for each year is one-third of the target amount for the entire three year period). Shares "banked" vest following certification of performance for the final tranche in the performance period. No shares are vested or issued prior to the completion of the third performance year or as stated in individual executives' employment contracts, and any "banked" but unvested shares are forfeited if the employee leaves the Company before the stated vest date.

The tables below provide non-GAAP operating income and revenue goals, actual achievement, and details of shares "banked" for the 2015 performance measurement year.

Table 9: 2015 Non-GAAP Operating Income and Revenue Achievement

Non-GAAP Operating Income Gate[1]

	Performance	Result[2]
Gate	$906M	--
Actual	**$1,165.7M[3]**	**Exceeded**

If Operating Income Gate is achieved, shares are earned based on corporate revenue $.

Revenue $

	Performance	Payout[4]
Max	$5,000M	200%
Target	$4,826M	100%
Threshold	$4,623M	50%
Actual	**$4,857.8M[5]**	**118.3%**

118.3% of Target Payout for 2015 tranches of PSA Awards

(1) Non-GAAP Operating Income excludes certain items, primarily stock-based compensation expense and related payroll taxes, amortization of acquired intangible assets, certain one-time gains and losses, and income taxes related to these items. Non-GAAP Operating Income is calculated quarterly and publicly disclosed as part of our quarterly earnings releases.
(2) No shares are earned for achievement of non-GAAP operating income below the gate.
(3) Reflects non-GAAP financial measures as described in our earnings release for fiscal year 2015 furnished in our Current Report on Form 8-K filed with the SEC on January 27, 2016. Reconciliations between GAAP and non-GAAP measures are contained therein.
(4) No shares are earned for achievement of performance levels below threshold. Performance scales between threshold and target and between target and maximum are linear.
(5) Reflects GAAP financial measures, as described in our Current Report on Form 8-K filed with the SEC in January 27, 2016, which furnished our earnings release for fiscal year 2015.

Details on individual grants can be found in the Grants of Plan-Based Awards Table beginning on page 39 of this proxy statement.

Table 10: Shares Earned for 2015 PSA Goal Achievement

Executive[1]	Award Year of PSAs	Total PSA Target	2015 PSA Target	2015 Performance Achievement (% of Target)	2015 Total PSAs "Banked"	PSAs to Vest in 2016[2]
Rami Rahim Chief Executive Officer	2015	104,873	34,957	118.3%	41,354	–
	2014	53,700	17,900	118.3%	21,175	–
	2013	100,000	33,333	118.3%	39,432	109,599
	Total	**–**	**86,190**	**118.3%**	**101,961**	**109,599**
Robyn M. Denholm Former EVP, Chief Financial and Operations Officer	2015	41,844	13,948	118.3%	16,500	–
	2014	50,991	16,997	118.3%	20,107	–
	2013	60,000	20,000	118.3%	23,660	65,760
	Total	**–**	**50,945**	**118.3%**	**60,267**	**65,760**
Pradeep Sindhu EVP, Chief Technology Officer	2015	31,086	10,362	118.3%	12,258	–
	2014	26,201	8,734	118.3%	10,332	–
	2013	60,000	20,000	118.3%	23,660	65,760
	Total	**–**	**39,096**	**118.3%**	**46,250**	**65,760**
Jonathan Davidson[3] EVP and GM, Juniper Development & Innovation	2015	49,995	16,665	118.3%	19,714	–
	2014	–	–	–	–	–
	2013	21,000	7,000	118.3%	8,281	23,016
	Total	**–**	**23,665**	**118.3%**	**27,995**	**23,016**

(1) Excludes Mr. Martin, who was hired as Senior Vice President, General Counsel, in October 2015. Mr. Martin was not awarded PSAs in 2015.
(2) Shares to vest in 2016 include shares "banked" for the following performance years: 2015, 2014, and 2013.
(3) Mr. Davidson was not awarded PSAs in fiscal year 2014.

Price-Vested RSUs

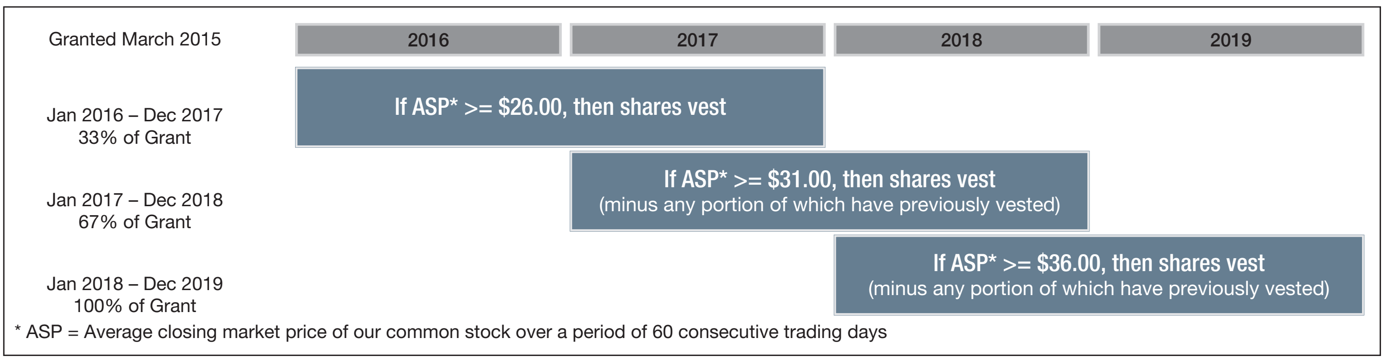
To further increase alignment between NEO compensation and Company stock price performance, the Committee sought to allocate to the NEOs approximately 33% of target equity value in the form of price-vested RSUs. The price-vested RSUs are designed to provide NEOs an opportunity to build significant ownership when the Company sustains long-term stock price appreciation.

The 2015 price-vested RSUs are subject to vesting on the condition of sustained increase in the Company's stock price over a period from 2016 through 2019 as follows:

- 33% of the price-vested RSUs will vest if the average closing market price (average stock price, "ASP") over 60 trading days equals or exceeds $26.00 between January 1, 2016 and December 31, 2017;
- 67% of the price-vested RSUs (minus any portion of which have previously vested) will vest if ASP equals or exceeds $31.00 between January 1, 2017 and December 31, 2018; and
- 100% of the price-vested RSUs (minus any portion of which have previously vested) will vest if ASP equals or exceeds $36.00 between January 1, 2018 and December 31, 2019.

The Committee believes these stock price targets represent significant stock price appreciation in comparison to the $23.29 closing market price on February 11, 2015, the date the Committee approved the grants. The following chart depicts the vesting conditions for the price-vested RSUs.

2015 Price-Vested RSUs Design



The Committee has included price-vested RSUs in the Company's executive compensation programs since 2014. In 2015, there were three outstanding price-vested RSU grant batches to NEOs, and two tranches were eligible to vest. On December 7, 2015 after market close, the ASP equaled $29.05, resulting in Tranche 1 (33%) of two grant batches vesting immediately. The table below provides a summary of outstanding price-vested RSU awards in 2015.

Table 11: 2015 Outstanding Price-Vested RSU Awards

Batch Grant Date, Participants	Tranche	Performance Period Start	Performance Period End	ASP[(1)]	Status as of 12/31/2015	Shares Vested in 2015
March 21, 2014 Mr. Rahim, Ms. Denholm, and Mr. Sindhu[(2)]	Tranche 1	1/1/2015	12/31/2016	$29.00	Vested	33%
	Tranche 2	1/1/2016	12/31/2017	$32.50	N/A	–
	Tranche 3	1/1/2017	12/31/2018	$40.00	N/A	–
November 21, 2014 Mr. Rahim[(3)]	Tranche 1	11/1/2015	10/31/2017	$29.00	Vested	33%
	Tranche 2	11/1/2016	10/31/2018	$32.50	N/A	–
	Tranche 3	11/1/2017	10/31/2019	$40.00	N/A	–
March 20, 2015 Mr. Rahim, Ms. Denholm, Mr. Sindhu, and Mr. Davidson[(4)]	Tranche 1	1/1/2016	12/31/2017	$26.00	N/A	–
	Tranche 2	1/1/2017	12/31/2018	$31.00	N/A	–
	Tranche 3	1/1/2018	12/31/2019	$36.00	N/A	–

(1) Average closing market price of our common stock over a period of 60 consecutive trading days.
(2) Mr. Davidson was not awarded price-vested RSUs in fiscal year 2014, and Mr. Martin was not an employee of the Company in fiscal year 2014.
(3) Mr. Rahim was awarded price-vested RSUs in November 2014 in connection with his promotion to Chief Executive Officer.
(4) Mr. Martin, who was hired in October 2015, was not awarded price-vested RSUs in fiscal year 2015.

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Restricted Stock Units

RSUs are used for retention purposes as they provide payout opportunity to the NEOs only if they remain employed through the applicable vest dates. The payout opportunity is directly linked with stockholder value and executive efforts over a multi-year timeframe, i.e., executive team retention to deliver results. In 2015, the Company used RSUs on a programmatic basis, representing 34% of shares awarded. Generally, the RSUs vest with respect to 34% on the first anniversary of the grant date and with respect to an additional 33% on each of the second and third anniversaries of the grant date, assuming continued service to the Company.

In 2015, Mr. Martin was granted an equity award in connection with being hired as Senior Vice President, General Counsel. The Committee awarded the equity in 100% RSUs with normal time vesting over a period of three years.

Section 4 – Other Compensation Policies and Information

Benefits and Perquisites

The NEOs are provided the same health and welfare benefits that are available to employees broadly. The Compensation Committee believes that the benefits programs are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain talent.

In addition to receiving Company wide-benefits, NEOs are eligible to participate in the Deferred Compensation Plan and Executive Wellness Program described below.

Deferred Compensation Plan

In June 2008, the Company adopted and implemented a deferred compensation plan for U.S. employees. All NEOs are eligible to participate in the deferred compensation plan. The Company implemented this plan in order to offer benefits that are competitive with companies with which we compete for talent. This plan allows participants to elect to defer a certain amount of compensation earned into one or more investment choices.

The participants are not taxed on the compensation deferred into these investments until distribution of invested funds to the participant at a future date, which may be upon termination of employment with the Company or a designated "in-service" date elected by the participant. The deferred compensation plan is intended to comply with Internal Revenue Code Section 409A. In 2015, other than Mr. Davidson, none of the NEOs participated in this plan.

Executive Wellness Program

Under the Executive Wellness Program, eligible executives receive additional benefits focused on health care screening and wellness. The total value of this benefit is limited to $10,000 per year for each eligible executive.

The Compensation Committee believes that promoting the health and wellness of its executives results in a number of benefits to the Company, including increased productivity, lower absentee rate and increased organizational stability, among others.

Other Benefits

From time to time, the Company may agree to reimburse employees for relocation costs if the employee's job responsibilities require him or her to move a significant distance.

Severance Benefits

In addition to compensation designed to reward employees for service and performance, the Compensation Committee has approved severance and change of control provisions for certain employees, including NEOs, as described further below.

Basic Severance

In order to recruit executives to the Company and encourage retention of employees, the Compensation Committee believes it is appropriate and necessary to provide assurance of certain severance payments if the Company terminates the individual's employment without cause, as described in their respective agreements. The Compensation Committee has approved severance benefits for several members of senior management, including the NEOs. Under severance agreements with Mr. Rahim, Ms. Denholm, Dr. Sindhu, Mr. Martin and Mr. Davidson, in the event the employee is terminated involuntarily by Juniper Networks without cause, and provided the employee executes a full release of claims, in a form satisfactory to Juniper Networks, promptly following termination, the employee will be entitled to receive the following severance benefits: (i) an amount equal to 12 months of base salary (for Messrs. Sindhu, Martin and Davidson), 15 months of base salary (for Ms. Denholm), or 16.5 months of base salary (for Mr. Rahim) and (ii) $18,000 in lieu of continuation of benefits (whether or not the individual elects COBRA).

In addition, in connection with Ms. Denholm's promotion on July 19, 2013, the Compensation Committee amended Ms. Denholm's severance agreement to also provide that (i) severance benefits would become payable in the event that Ms. Denholm terminates her employment for good reason, provided that Ms. Denholm executes a full release of claims, and (ii) her severance benefits would also include the vesting in full, on the last day of Ms. Denholm's employment, of any portion of her RSU award that was granted to her on July 19, 2013 that has not vested prior to the date of termination. On February 20, 2015, following the expiration of Ms. Denholm's severance agreement pursuant to its terms, the Company entered into a modified form of its standard form severance agreement with Ms. Denholm, which modifications are consistent with Ms. Denholm's prior severance agreement as described above.

In addition, Mr. Martin's severance agreement also provides that (i) severance benefits would become payable in the event that Mr. Martin terminates his employment for good reason, provided that Mr. Martin executes a full release of claims, and (ii) his severance benefits would also include the vesting in full, on the last day of Mr. Martin's employment, of any portion of his RSU award for 115,000 RSUs that was granted to him on November 20, 2015 that has not vested prior to the date of termination.

All current severance agreements will expire in January 2017, other than Mr. Martin's, which will expire in January 2018.

The Compensation Committee believes that the size of the severance packages described is consistent with severance offered by other companies of the Company's size or in the Company's industry.

The following table describes the potential payments that would have been provided for each of the NEOs upon termination of employment without cause (assuming the change of control benefits discussed below do not apply), or, with respect to Ms. Denholm and Mr. Martin, upon termination of employment without cause or upon termination of employment for good reason (assuming the change of control benefits discussed below do not apply), in each case, as described above if such termination had occurred on December 31, 2015.

Potential Severance Payments for Termination Without Cause

Executive	Base Salary Component	Incentive Component	Value of Accelerated Equity Awards(1)	Value of Benefits	Total
Rami Rahim	$1,375,000	N/A	N/A	$ 18,000	$1,393,000
Robyn M. Denholm(2)	$ 937,500	N/A	$ 579,600	$ 18,000	$1,535,100
Pradeep Sindhu	$ 600,000	N/A	N/A	$ 18,000	$ 618,000
Brian Martin	$ 450,000	N/A	$3,174,000	$ 18,000	$3,642,000
Jonathan Davidson	$ 600,000	N/A	N/A	$ 18,000	$ 618,000

(1) The value of accelerated RSUs are based on a per share price of $27.60, which was the closing price as reported on December 31, 2015.

(2) On February 19, 2016, Ms. Denholm resigned as the Company's Chief Financial and Operations Officer, and is currently expected to remain at the Company for several months to assist with the Chief Financial Officer transition. Based on the Company's succession planning, Ken Miller was appointed by the Board as the Company's Chief Financial Officer, effective February 22, 2016.

Change of Control Severance

The Compensation Committee considers maintaining a stable and effective management team to be essential to protecting and enhancing the best interests of the Company and its stockholders. To that end, the Compensation Committee recognizes that the possibility of a change of control may exist from time to time, and that this possibility, and the uncertainty and questions it may raise among management, may result in the departure or distraction of management to the detriment of the Company and its stockholders. Accordingly, the Compensation Committee decided to take appropriate steps to encourage the continued attention, dedication and continuity of members of the Company's management to their assigned duties without the distraction that may arise from the possibility of a change of control. As a result, following consultation with Semler Brossy, the Compensation Committee approved certain severance benefits for Mr. Rahim, Ms. Denholm, Dr. Sindhu, Mr. Martin, and Mr. Davidson, as well as for several members of senior management in the event of certain employment terminations following a change of control. In approving these benefits the Compensation Committee, with input from Semler Brossy, considered a number of factors, including the prevalence of similar benefits adopted by other publicly traded companies. All current change of control agreements will expire in January 2018. The Compensation Committee takes into account an executive's current role and the impact of a transaction on the role before renewing the agreements for another period of two years.

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Provided the executive signs a release of claims and complies with certain post termination non-solicitation and non-competition obligations, all NEOs will receive change of control severance benefits if either (i) the executive is terminated without cause within 12 months following the change of control or (ii) between four and 12 months following a change of control the executive terminates his or her employment with the Company (or any parent or subsidiary of the Company) for good reason (both cause and good reason are defined in the agreement).

These change of control severance benefits consist of (i) a cash payment equal to the executive's annual base salary plus the executive's target bonus for the fiscal year in which the change of control or the executive's termination occurs, whichever is greater, (ii) acceleration of vesting of all of the executive's then unvested outstanding stock options, stock appreciation rights, performance shares, restricted stock units and other Company equity compensation awards that vest based on time, and (iii) a lump sum cash payment of $36,000 in lieu of continuation of benefits (whether or not the individual elects COBRA). 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.), the change of control severance benefits include acceleration as follows: (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 (provided that if there is no "target" level, then such amount shall equal 100% of the equity compensation awards that could vest with respect to that measurement period).

The following table describes the potential payments that would have been provided for each of the NEOs upon termination of employment in connection with a change of control of Juniper Networks as described above if such termination had occurred on December 31, 2015.

Potential Payments Upon Termination in Connection with a Change of Control

Name[(1)]	Base Salary Severance Component	Incentive Compensation Severance Component	Benefits Severance Component	Value of Accelerated Equity Awards[(2)]	280G Gross-Up	Total
Rami Rahim	$1,000,000	$1,750,000	$ 36,000	$22,399,829	N/A	$25,185,829
Robyn M. Denholm[(3)]	$ 750,000	$1,125,000	$ 36,000	$10,410,277	N/A	$12,321,277
Pradeep Sindhu	$ 600,000	$ 600,000	$ 36,000	$ 7,609,733	N/A	$ 8,845,733
Brian Martin	$ 450,000	$ 109,091	$ 36,000	$ 3,174,000	N/A	$ 3,769,091
Jonathan Davidson	$ 600,000	$ 595,833	$ 36,000	$ 8,846,885	N/A	$10,078,718

(1) All NEOs are subject to a modified cap whereby Juniper Networks would either pay the NEO (i) the full amount of the NEO's severance benefits or, alternatively (ii) an amount of certain severance benefits otherwise payable to the NEO such that the severance benefits will not be subject to the tax imposed by Internal Revenue Code Section 4999, whichever produces the better after-tax result for the NEO.

(2) The value of accelerated unvested options, RSUs, price vested RSUs, Bonus PSUs and PSAs are based on a per share price of $27.60, which was the closing price as reported on December 31, 2015. With respect to PSAs, the equity value is calculated based on the sum of earned, but unvested shares, plus target unearned and unvested shares multiplied by $27.60, the closing price of Juniper Networks, Inc. common stock on December 31, 2015.

(3) On February 19, 2016, Ms. Denholm resigned as the Company's Chief Financial and Operations Officer, and is currently expected to remain at the Company for several months to assist with the Chief Financial Officer transition. Based on the Company's succession planning, Ken Miller was appointed by the Board as the Company's Chief Financial Officer, effective February 22, 2016.

Equity Award Granting Policy

The Board has approved a policy for granting restricted stock units and other equity awards. Pursuant to the policy, new hire and ad hoc promotional and adjustment grants to non-Section 16 officers are to be granted monthly, which generally occurs on the third Friday of each month, except as discussed below. All approvals of restricted stock unit grants and other equity awards by the Board, the Stock Committee, or the Compensation Committee (or a subcommittee thereof) are made at a meeting, which may be either in-person or telephonic, and not by unanimous written consent, except that this requirement shall not apply to Board actions as to which the granting of equity awards is incidental to the primary Board action. Annual performance grants to non-Section 16 officers are scheduled to occur on the same date as a monthly grant and are generally approved by the Stock Committee in the manner described above. Grants in connection with acquisitions shall, unless a date is specified in the acquisition agreement, occur to the extent practical on a date on which equity awards to Company employees are made by the Stock Committee. Annual equity awards to Section 16 officers are generally scheduled to be approved at a meeting of the Compensation Committee, or a subcommittee thereof, in the first quarter after the fourth fiscal quarter earnings announcement. The annual grants to Section 16 officers are also generally scheduled to be effective on the third Friday of the month if the meeting approving such grants occurs on or before such date. Notwithstanding the foregoing, if the Company is advised by outside counsel that the granting of equity awards on a particular date or to particular recipients, or prior to the disclosure of certain non-public information, could reasonably be deemed to be a violation of applicable laws or regulations, such grants may be delayed until such time as the granting of those awards would be not reasonably expected to constitute a violation. If making a particular monthly grant would cause the Company to exceed any granting limitation imposed by the Board or Compensation Committee (such as an annual limit), the monthly grant shall be delayed until the first subsequent month in which the limitation would not be exceeded. If the making of a grant would cause the Company to violate the terms of any agreement approved by the Board or a Committee of the Board, such grant shall be delayed until it would not violate such agreement. The exercise price of stock options granted will be the closing market price on the date of grant. The Company intends to grant restricted stock units and other equity awards in accordance with the foregoing policy without regard to the timing of the release of material non-public information, such as a positive or negative earnings announcement.

Equity Ownership Guidelines

The Company has adopted stock ownership guidelines to further align the interests of the Company's NEOs, certain former NEOs and non-employee directors with the interests of its stockholders and promote the Company's commitment to sound corporate governance. Please see "Executive Officer and Director Stock Ownership Guidelines" on page 49 of this proxy statement for more information.

Insider Trading Policy

The Company's Insider Trading Policy prohibits all employees and directors from short-selling transactions, hedging transactions, borrowing against the Company's securities in margin accounts and pledging the Company's securities as collateral for loans.

No 280G Excise Tax Gross Ups

The Company has no executive officer contracts providing for excise tax gross ups.

Repayment of Certain Bonus and Incentive Payments

In November 2015, the Board adopted a recoupment policy requiring the Company to seek repayment of certain incentive-based compensation, including both cash and equity compensation, from our executive officers, including our NEOs, in the event the Company is required to prepare an accounting restatement on an annual financial statement included in an Annual Report on Form 10-K due to the material noncompliance of the Company with any financial reporting requirements. In such event, if the Compensation Committee determines that (i) the amount of any incentive-based compensation that is earned, vested or received by an executive officer exceeds the amount of incentive-based compensation that would have been earned, vested or received by such executive officer had such incentive-based compensation been determined based on the restated financial results (we refer to the excess amount as the "erroneously awarded compensation"), and (ii) such executive officer engaged in fraud, intentional misconduct or intentional illegal conduct which, or such executive officer's gross negligence, materially contributed to the need for such an accounting restatement, then the Compensation Committee will seek to recover for the benefit of the Company the erroneously awarded compensation.

Notwithstanding the foregoing, the Compensation Committee will seek recovery only for erroneously awarded compensation earned, vested or received by an executive officer during the fiscal year in which the Company is required to prepare an accounting restatement and the three completed fiscal years (or any transition period that results from a change in the fiscal year of the Company within or immediately following such three completed fiscal years) preceding the date or dates that the Company is required to prepare an accounting restatement. The Compensation Committee may also, in its good faith judgment, determine not to seek recovery of any erroneously awarded compensation to the extent the Compensation Committee determines (i) that to do so would be unreasonable or (ii) that it would be better for the Company not to do so.

The Impact of Favorable Accounting and Tax Treatment on Compensation Program Design

Favorable accounting and tax treatment of the various elements of our compensation program is a relevant consideration in their design. However, the Company and the Compensation Committee (and the Subcommittee) have placed a higher priority on structuring flexible

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compensation programs to promote the recruitment, retention and performance of Section 16 officers than on maximizing tax deductibility. Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Tax Code, places a limit of $1,000,000 on the amount of compensation that Juniper Networks may deduct in any one year with respect to certain executive officers. The Compensation Committee and the Subcommittee have the ability through the use of the 2015 Plan and the Performance Bonus Plan (as it existed prior to its amendment and restatement in 2015, and as amended and restated if Proposal 3 is approved) to grant awards that qualify as "performance-based compensation" exempt from that $1,000,000 limitation but, in order to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a policy requiring all compensation to be deductible, and has in the past and will in the future make grants of compensation that do not qualify to be exempt from the $1,000,000 limitation when it believes that it is appropriate to meet its compensation objectives. Because of the fact-based nature of the performance-based compensation exception under Section 162(m) of the Tax Code and the limited availability of binding guidance thereunder, the Company cannot guarantee that the awards under the AIP (including the Bonus PSUs), the PSAs or price vested RSUs will qualify for exemption under Section 162(m) of the Tax Code.

The Company believes all executive officer arrangements are structured in a manner that does not result in any additional taxation under Tax Code Section 409A.

Compensation Risk Assessment

The Compensation Committee, in consultation with Semler Brossy, has reviewed the Company's compensation policies and practices and determined that they do not create risks that are reasonably likely to have a material adverse effect on the Company.

Compensation Committee Report

The following Compensation Committee Report shall not be deemed to be "soliciting material" and should not be deemed "filed" and shall not be deemed to be incorporated by reference in future filings with the SEC, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and included in this proxy statement with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

THE COMPENSATION COMMITTEE

Gary Daichendt (Chair)
Jim Dolce
William R. Stensrud

Compensation Committee Interlocks and Insider Participation

During fiscal year 2015, the Compensation Committee consisted of Messrs. Daichendt, Dolce, Schlotterbeck, Lawrie and Stensrud. Mr. Lawrie resigned from the Board effective February 11, 2015 and Mr. Schlotterbeck did not stand for reelection at our 2015 annual meeting. Mr. Schlotterbeck served as chair of the Compensation Committee until May 18, 2015, at which point Mr. Daichendt became chair of the Compensation Committee and Mr. Dolce joined the Compensation Committee. Mr. Dolce was previously an officer of the Company from 2002 to 2006. None of our executive officers has served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as our director or a member of our Compensation Committee.

Summary Compensation Table

The following table discloses compensation earned in fiscal year 2015 by our named executive officers, or NEOs, who are the persons serving as (a) our Chief Executive Officer during fiscal 2015, (b) our Chief Financial and Operations Officer during fiscal 2015, and (c) our three other most highly paid executive officers as of December 31, 2015. In addition, with respect to Mr. Rahim, Ms. Denholm and Dr. Sindhu, each of whom was a NEO in 2014 and 2013, their compensation received for each of the fiscal years ending December 31, 2014 and 2013.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Stock Awards[(1)(2)]	Option Awards[(1)]	Non Equity Incentive Plan Compensation	All Other Compensation	Total
Rami Rahim Chief Executive Officer	2015	$1,000,000	—	$ 7,395,346[(3)]	—	$1,006,250[(6)]	$ 20,007[(9)]	$ 9,421,603
	2014	$ 773,958	—	$ 6,160,532[(4)]	—	$ 969,655[(7)]	$ 6,390[(10)]	$ 7,910,535
	2013	$ 703,656	—	$ 4,488,817[(5)]	—	$1,059,298[(8)]	$ 6,390[(10)]	$ 6,258,161
Robyn M. Denholm Executive Vice President, Chief Financial and Operations Officer	2015	$ 750,000	—	$ 3,671,950[(11)]	—	$ 646,763[(6)]	$ 16,346[(14)]	$ 5,085,059
	2014	$ 750,000	—	$ 3,377,857[(12)]	—	$ 909,000[(7)]	$ 10,703[(15)]	$ 5,047,560
	2013	$ 666,705	$ 500,000	$ 6,487,799[(13)]	—	$ 827,675[(8)]	$ 10,465[(16)]	$ 8,492,644
Pradeep Sindhu Executive Vice President, Chief Technology Officer	2015	$ 600,000	$ 4,800	$ 2,560,956[(17)]	—	$ 344,940[(6)]	$ 14,724[(20)]	$ 3,525,420
	2014	$ 600,000	$ 10,500	$ 2,123,446[(18)]	—	$ 484,800[(7)]	$ 14,565[(21)]	$ 3,233,311
	2013	$ 647,209	$ 4,040	$ 3,599,599[(19)]	—	$ 561,233[(8)]	$ 14,274[(20)]	$ 4,826,355
Brian Martin Senior Vice President, General Counsel	2015	$ 109,091	$ 150,000[(22)]	$ 3,405,150	—	$ 117,262[(6)]	$ 3,054[(23)]	$ 3,784,557
Jonathan Davidson Executive Vice President and General Manager, Juniper Development and Innovation	2015	$ 595,833	—	$ 3,485,327[(24)]	—	$ 390,461[(6)]	$ 12,682[(25)]	$ 4,484,303

(1) Amounts shown do not reflect compensation actually received by the NEO. Instead, the amounts shown represent an aggregate grant date fair value of stock-related awards in each fiscal year computed in accordance with ASC Topic 718 including the target shares issuable for performance share awards in 2013, 2014 and 2015, service and price-vested RSUs, and non-qualified stock options. The assumptions used in the calculation of these amounts are set forth under Note 12, *Employee Benefit Plans* of the Notes to Consolidated Financial Statements included in Juniper Networks Annual Report on Form 10-K for 2015 filed with the SEC on February 19, 2016.

(2) The amounts shown in this column for Mr. Rahim, Ms. Denholm, and Dr. Sindhu for 2013 have been revised from the proxy statement for the 2014 Annual Meeting of Stockholders to correct a computational error, which reflected the inclusion of the aggregate number of performance shares awarded in 2013 and the exclusion of annual performance share grants in connection with awards from prior years, in each case when such performance share awards have single-year performance periods. Because the value listed in the Stock Awards column is a component of the Total column, the amounts reported in the Total column in prior proxy statements has also been revised.

(3) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2015 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $3,838,903.

(4) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2014 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $2,581,119.

(5) The amount shown include an aggregate grant date fair value of the shares issuable for performance share awards granted in 2013 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $1,772,201.

(6) Amounts reflect bonuses earned in 2015 but paid in 2016 under the 2015 Juniper Networks annual cash incentive plan.

(7) Amounts reflect bonuses earned in 2014 but paid in 2015 under the 2014 Juniper Networks annual cash incentive plan.

(8) Amounts reflect bonuses earned in 2013 but paid in 2014 under the 2013 Juniper Networks annual cash incentive plan.

(9) Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums and matching contributions paid under the Company's 401(k) plan, costs borne by the Company associated with a guest attending a sales conference and $6,566 reimbursed for legal expenses.

(10) Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums and matching contributions paid under the Company's 401(k) plan.

(11) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2015 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $2,269,090.

(12) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2014 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $2,598,638.

(13) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2013 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $2,331,697.

(14) Amount consists of costs related to the standard employee benefit portion paid by the Company for life and disability insurance premiums, costs borne by the Company associated with a guest attending a sales conference and matching contributions paid under the Company's 401(k) plan.

(15) Amount consists of costs related to the standard employee benefit portion paid by the Company for life and disability insurance premiums, matching contributions paid under the Company's 401(k) plan, and a taxable gift to Ms. Denholm from the Company.

(16) Amount consists of costs related to the standard employee benefit portion paid by the Company for life and disability insurance premiums, matching contributions paid under the Company's 401(k) plan, and a reimbursement related to fitness expenses.

(17) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2015 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $1,741,336.

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(18) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2014 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $2,182,298.
(19) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2013 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $2,058,447.
(20) Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums and matching contributions paid under the Company's 401(k) plan.
(21) Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums, matching contributions paid under the Company's 401(k) plan and a taxable gift to Dr. Sindhu from the Company.
(22) Amount reflects a sign-on bonus paid to Mr. Martin in connection with the commencement of his employment with the Company.
(23) Amount consists of costs related to the standard employee benefit portion paid by the Company for life and disability insurance premiums and matching contributions paid under the Company's 401(k) plan.
(24) The amount shown includes an aggregate grant date fair value of the shares issuable for performance share awards granted in 2015 at target achievement. The aggregate grant date fair value of the maximum number of shares issuable for such performance shares is $1,054,039.
(25) Amount consists of costs related to the standard employee benefit portion paid by the Company for life insurance premiums, costs borne by the Company associated with a guest attending a sales conference, matching contributions paid under the Company's 401(k) plan and a taxable gift to Mr. Davidson from the Company.

Non-Qualified Deferred Compensation

The following table sets forth information concerning contributions, earnings, and withdrawals/distributions during 2015 under the Company's non-qualified deferred compensation plan for each of our NEOs:

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)[1]	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)
Rami Rahim	—	—	—	—	—
Robyn M. Denholm	—	—	—	—	—
Pradeep Sindhu	—	—	—	—	—
Brian Martin	—	—	—	—	—
Jonathan Davidson[2]	$19,189	—	$783	—	$60,472

(1) None of the earnings in this column are included in the Summary Compensation Table because they are not preferential or above market.
(2) Executive contributions during 2015 consisted of contributions by Mr. Davidson of his base salary and/or cash bonus compensation for 2015 (which amount is included in the Summary Compensation Table under "Salary" for the respective year).

Grants of Plan-Based Awards for Fiscal 2015

The following table shows all plan-based awards granted to our NEOs during 2015.

Name	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[(1)] Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards[(2)] Threshold	Target	Maximum	All Other Stock Awards: Number of Shares of Stock or Units[(3)]	All Other Stock Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards[(4)]
Rami Rahim	2/11/15		$—	$875,000	$2,625,000							
	3/20/15	2/11/15				—	34,957	69,914				$ 778,492
	3/20/15	2/11/15				—	62,500	—				$1,445,625
	3/20/15	2/11/15				—	104,873	—				$1,569,949
	3/20/15	2/11/15							108,051			$2,460,321
Robyn Denholm	2/11/15		$—	$562,500	$1,687,500							
	3/20/15	2/11/15				—	13,948	27,896				$ 310,622
	3/20/15	2/11/15				—	40,179	—				$ 929,340
	3/20/15	2/11/15				—	41,844	—				$ 626,405
	3/20/15	2/11/15							43,112			$ 981,660
Pradeep Sindhu	2/11/15		$—	$300,000	$ 900,000							
	3/20/15	2/11/15				—	10,362	20,724				$ 230,762
	3/20/15	2/11/15				—	21,429	—				$ 495,653
	3/20/15	2/11/15				—	31,086	—				$ 465,357
	3/20/15	2/11/15							32,028			$ 729,278
Brian Martin	7/18/15		$—	$109,091	$ 218,182							
	7/18/15	11/20/15							115,000			$3,405,150
Jonathan Davidson	2/11/15		$—	$345,833	$ 941,666							
	3/20/15	2/11/15				—	16,665	33,330				$ 371,130
	3/20/15	2/11/15				—	49,995	—				$ 748,425
	3/20/15	2/11/15							51,510			$1,172,883
	1/16/15	1/16/15							50,000			$1,037,000

(1) Amounts reflect potential cash bonuses payable under the Company's 2015 Executive Annual Incentive Plan described in "Compensation Discussion and Analysis" above. Actual payment amounts pursuant to the 2015 Executive Annual Incentive Plan for each of the NEOs are included in the Summary Compensation Table.

(2) Amounts reflect performance share awards granted in 2015 under the Company's 2006 Equity Incentive Plan, or the 2006 Plan, in accordance with the Company's PSAs, price vested RSUs and Bonus PSUs, described in "Compensation Discussion and Analysis" above.

(3) Each service-based RSU award listed in this column was granted under the 2006 Plan, except for the service-based RSU award granted to Mr. Martin, which was granted under the Company's 2015 Equity Incentive Plan.

(4) Represents an aggregate grant date fair value of stock-related grants in fiscal 2015 computed in accordance with ASC Topic 718 including the target shares issuable for performance share awards in 2015 and service and price-vested RSUs. Excludes the grant date fair value for the fiscal 2014 and fiscal 2013 performance share awards because such performance awards were not awarded in fiscal 2015. The amounts included in the "Stock Award" column of the Summary Compensation Table for fiscal 2015 related to the performance awards awarded in fiscal 2014 and 2013 in aggregate are as follows: $1,140,959 for Mr. Rahim, $823,923 for Ms. Denholm, $639,906 for Dr. Sindhu, and $155,890 for Mr. Davidson.

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Outstanding Equity Awards at Fiscal 2015 Year-End

The following table shows all outstanding equity awards held by our NEOs at December 31, 2015.

	Option Awards					Stock Awards[1]			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[2]
Rami Rahim	17,500	—[3]		$25.20	11/20/2016				
	17,500	—[4]		$15.09	3/20/2016				
	54,000	—[5]		$29.89	3/19/2017				
	51,868	—[6]		$40.26	3/18/2018				
						70,167[14]	$1,936,609	33,333[14]	$ 919,991
						8,395[16]	$ 231,702	35,800[16]	$ 988,080
						—[17]	—	104,873[17]	$2,894,495
						—[18]	—	154,953[18]	$4,276,703
						—[19]	—	35,979[19]	$ 993,020
						—[20]	—	104,873[20]	$2,894,495
						—[22]	—	62,500[22]	$1,725,000
						23,100[23]	$ 637,560		
						33,000[25]	$ 910,800		
						36,564[28]	$1,009,166		
						108,051[32]	$2,982,208		
Robyn M. Denholm	100,000	—[7]		$27.44	2/19/2017				
	89,900	—[8]		$44.00	2/18/2018				
	86,250	3,750[9]		$24.20	2/17/2019				
						42,100[14]	$1,161,960	20,000[14]	$ 552,000
						7,971[16]	$ 220,000	33,994[16]	$ 938,234
						—[17]	—	41,844[17]	$1,154,894
						—[19]	—	34,164[19]	$ 942,926
						—[20]	—	41,844[20]	$1,154,894
						—[22]	—	40,179[22]	$1,108,940
						15,840[23]	$ 437,184		
						21,000[26]	$ 579,600		
						34,674[28]	$ 957,002		
						43,112[32]	$1,189,891		
Pradeep Sindhu	86,000	—[10]		$14.68	2/20/2016				
	100,000	—[7]		$27.44	2/19/2017				
	89,900	—[8]		$44.00	2/18/2018				
	86,250	3,750[9]		$24.20	2/17/2019	42,100[14]	$1,161,960	20,000[14]	$ 552,000
						4,095[16]	$ 113,022	17,468[16]	$ 482,117
						—[17]	—	31,086[17]	$ 857,974
						—[19]	—	17,555[19]	$ 484,518
						—[20]	—	31,086[20]	$ 857,974
						—[22]	—	21,429[22]	$ 591,440
						24,750[23]	$ 683,100		
						15,840[23]	$ 437,184		
						17,816[28]	$ 491,722		
						32,028[32]	$ 883,973		
Brian Martin						115,000[13]	$3,174,000		

Name	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Awards: Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Awards: Option Exercise Price ($)	Option Awards: Option Expiration Date	Stock Awards[1]: Number of Shares or Units of Stock That Have Not Vested (#)	Stock Awards[1]: Market Value of Shares or Units of Stock That Have Not Vested ($)[2]	Stock Awards[1]: Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Stock Awards[1]: Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[2]
Jonathan Davidson	16,300	—[11]		$31.21	4/16/2017				
	12,304	—[6]		$40.26	3/18/2018				
	38,750	7,750[12]		$18.45	8/17/2019				
						14,735[15]	$ 406,686	7,000[15]	$ 193,200
						—[17]	—	49,995[17]	$1,379,862
						—[20]	—	49,995[20]	$1,379,862
						—[21]	—	17,858[21]	$ 492,881
						10,395[24]	$ 286,902		
						16,500[27]	$ 455,400		
						37,621[29]	$1,038,340		
						12,361[30]	$ 341,164		
						50,000[31]	$1,380,000		
						51,510[32]	$1,421,676		

(1) The number of shares and the payout value for the performance share awards set forth in the table reflect the target payout under such awards.
(2) The closing price of Juniper common stock on 12/31/2015 was $27.60.
(3) The option was granted on 11/20/2009. The shares became exercisable as to 25% of the shares on 11/20/2010 and vest monthly thereafter. They were fully vested on 11/20/2013.
(4) The option was granted on 3/20/2009. The shares became exercisable as to 25% of the shares on 3/20/2010 and vest monthly thereafter. They were fully vested on 3/20/2013.
(5) The option was granted on 3/19/2010. The shares became exercisable as to 25% of the shares on 3/19/11 and vest monthly thereafter. They were fully vested on 3/19/2014.
(6) The option was granted on 3/18/2011. The shares become exercisable as to 25% of the shares on 3/18/2012 and vest monthly thereafter. They were fully vested on 3/18/2015.
(7) The option was granted on 2/19/2010. The shares become exercisable as to 25% of the shares on 2/19/2011 and vest monthly thereafter. They were fully vested on 2/19/2014.
(8) The option was granted on 2/18/2011. The shares become exercisable as to 25% of the shares on 2/18/2012 and vest monthly thereafter. They were fully vested on 2/18/2015.
(9) The option was granted on 2/17/2012. The shares become exercisable as to 25% of the shares on 2/17/13 and vest monthly thereafter and were fully vested on 2/17/16.
(10) The option was granted on 2/20/2009. The shares become exercisable as to 25% of the shares on 2/20/2010 and vest monthly thereafter. They were fully vested on 2/20/2013.
(11) The option was granted on 4/16/2010. The shares become exercisable as to 25% of the shares on 4/16/2011 and vest monthly thereafter. They were fully vested on 4/16/2014.
(12) The option was granted on 8/17/2012. The shares become exercisable as to 25% of the shares on 8/17/2013 and vest monthly thereafter and will be fully vested on 8/17/2016 assuming continued employment with Juniper Networks through such date.
(13) The RSU was granted on 11/20/2015. The RSU vests 34% on 11/20/2016, 33% on 11/20/2017, and 33% on 11/20/2018.
(14) The performance share award was granted on 2/15/2013. The award vests 100% on 2/19/2016, however, the number of shares that are ultimately received under the award depends on the achievement of performance objectives over fiscal year 2013, 2014 and 2015. The number of unearned performance share awards are reported based on achievement at target.
(15) The performance share award was granted on 3/15/2013. The award vests 100% on 2/19/2016, however, the number of shares that are ultimately received under the award depends on the achievement of performance objectives over fiscal year 2013, 2014 and 2015. The number of unearned performance share awards are reported based on achievement at target.
(16) The performance share award was granted on 3/21/2014. The award vests 100% on 2/17/2017, however, the number of shares that are ultimately received under the award depends on the achievement of performance objectives over fiscal year 2014, 2015 and 2016. The number of unearned performance share awards are reported based on achievement at target.
(17) The performance share award was granted on 3/20/2015. The award vests 100% on 2/16/2018, however, the number of shares that are ultimately received under the award depends on the achievement of performance objectives over fiscal year 2015, 2016 and 2017. The number of unearned performance share awards are reported based on achievement at target.
(18) The price vested RSU was granted on 11/21/2014. The exact number of shares issuable will be determined during a 4-year period commencing on 11/1/2015, and subject to the average closing market price of the Company's common stock being equal to or exceeding specific stock prices measured over a period of 60 consecutive trading days.
(19) The price vested RSU was granted on 3/21/2014. The exact number of shares issuable will be determined during a 4-year period commencing on 1/1/2015, and subject to the average closing market price of the Company's common stock being equal to or exceeding specific stock prices measured over a period of 60 consecutive trading days.

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(20) The price vested RSU was granted on 3/20/2015. The exact number of shares issuable will be determined during a 4-year period commencing on 1/1/2016, and subject to the average closing market price of the Company's common stock being equal to or exceeding specific stock prices measured over a period of 60 consecutive trading days.
(21) The performance share award was granted on 12/29/2014. The award vests 50% on 2/1/2016 and 50% on 2/1/2017 if performance objectives for FY2015 are achieved.
(22) The performance share award was granted on 3/20/2015. The award vests 50% on 2/1/2016 and 50% on 2/1/2017 if performance objectives for FY2015 are achieved.
(23) The RSU was granted on 2/15/2013. The RSU vests 34% on 2/15/2014, 33% on 2/15/2015, and 33% on 2/15/2016.
(24) The RSU was granted on 3/15/2013. The RSU vests 34% on 3/15/2014, 33% on 3/15/2015, and 33% on 3/15/2016.
(25) The RSU was granted on 7/19/2013. The RSU vests 34% on 7/19/2014, 33% on 7/19/2015, and 33% on 7/19/2016.
(26) The RSU was granted on 7/19/2013. The RSU vests 50% on 7/19/2014, 40% on 7/19/2015, and 10% on 7/19/2016.
(27) The RSU was granted on 10/18/2013. The RSU vests 34% on 10/18/2014, 33% on 10/18/2015, and 33% on 10/18/2016.
(28) The RSU was granted on 3/21/2014. The RSU vests 34% on 3/21/2015, 33% on 3/21/2016, and 33% on 3/21/2017.
(29) The RSU was granted on 6/20/2014. The RSU vests 34% on 6/20/2015, 33% on 6/20/2016, and 33% on 6/20/2017.
(30) The RSU was granted on 8/15/2014. The RSU vests 34% on 8/15/2015, 33% on 8/15/2016, and 33% on 8/15/2017.
(31) The RSU was granted on 1/16/2015. The RSU vests 34% on 1/16/2016, 33% on 1/16/2017, and 33% on 1/16/2018.
(32) The RSU was granted on 3/20/2015. The RSU vests 34% on 3/20/2016, 33% on 3/20/2017, and 33% on 3/20/2018.

Option Exercises and Stock Vested For Fiscal 2015

The following table shows all stock options exercised and value realized upon exercise, and all stock awards vested and value realized upon vesting, by our NEOs during 2015.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Rami Rahim	6,000	$ 84,180	280,517	$7,696,994
Robyn M. Denholm	34,125	$396,533	185,971	$4,881,613
Pradeep Sindhu	180,000	$730,800	85,106	$2,121,718
Brian Martin	—	—	—	—
Jonathan Davidson	—	—	66,974	$1,789,029

Compensation Consultant Fee Disclosure

The Compensation Committee has the authority to engage its own advisors to assist in carrying out its responsibilities. In addition, the Compensation Committee is free to replace its compensation advisors or retain additional advisors at any time.

During 2015, the Compensation Committee engaged Semler Brossy Consulting Group, LLC ("Semler Brossy") as its own advisor to provide analysis, advice and guidance to the Compensation Committee on executive compensation. Semler Brossy is an independent compensation advisor and has no other business than advising boards and management teams on executive compensation issues. Semler Brossy reported to the Compensation Committee and received its instructions from the Compensation Committee. As the Compensation Committee's consultant, Semler Brossy made recommendations directly to the Compensation Committee, attended most Compensation Committee meetings in person or by phone, and attended portions of the Compensation Committee's executive sessions without the involvement of management as required by the Compensation Committee and in order to support the Compensation Committee's independent decision-making.

In advising the Compensation Committee, it was necessary for the consultant advisor to interact with management to gather information, but the Compensation Committee has adopted protocols governing if and when the consultant's advice and recommendations to the Compensation Committee can be shared with management. These protocols are included in Semler Brossy's engagement letter. The Compensation Committee also determines the appropriate forum for receiving consultant recommendations. Where the Compensation Committee deems appropriate, management invitees are present to provide context for the recommendations. This approach protects the Compensation Committee's ability to receive objective advice from the consultant so that the Compensation Committee may make independent decisions about executive pay at the Company.

Semler Brossy performed the following services related to executive compensation at the request of the Compensation Committee in 2015:

- Advised on 2015 target award levels within the annual and long-term incentive programs for executive officers;
- Advised the Compensation Committee in determining pay actions for the Chief Executive Officer in February 2015;
- Assessed and recommended revisions to the Company's market reference groups for collecting competitive pay data;
- Evaluated the competitive positioning of the Company's executive officers' base salaries, annual incentive and long-term incentive compensation relative to our market reference groups (used in our evaluation of 2016 and 2015 pay actions);
- Provided advice on the design of the Company's 2015 annual and long-term incentive plans;
- Supported the Compensation Committee in its review of the use and review of the Company's severance and change in control agreements;
- Assessed the competitiveness of the Company's compensation practices for non-employee directors;
- Provided advice on the Company's overall equity plan run rate relative to its market peers;
- Reviewed and provided input on our Compensation Discussion and Analysis and Compensation Risk Assessment process;
- Provided input into the evaluation process by the Board of our Chief Executive Officer; and
- Provided regular, ongoing updates on regulatory and market developments related to executive pay.

Semler Brossy does not provide any other services to the Company and, therefore received no fees for additional services.

Independence Disclosure

The Compensation Committee considered Semler Brossy's independence in light of the SEC rules and NYSE listing standards. At the Compensation Committee's request, Semler Brossy provided information addressing the independence of the individual compensation advisor and consulting firm, including the following factors: (1) any other services provided by the consulting firm to the Company; (2) fees paid by the Company as a percentage of the consulting firm's total revenue; (3) policies and procedures adopted by the consulting firm to prevent conflicts of interest; (4) any business or personal relationships between the individual compensation advisor and a member of the Compensation Committee; (5) any Company stock owned by the individual compensation advisor; and (6) any business or personal relationships between our executive officers and the individual compensation advisor or consulting firm. The Compensation Committee assessed these factors and concluded that Semler Brossy was independent under the SEC rules and NYSE listing standards.

Equity Compensation Plan Information

The following table provides information as of December 31, 2015 about our common stock that may be issued under the Company's prior and existing equity compensation plans, including option plans and employee stock purchase plans. The table does not include information with respect to shares subject to outstanding options assumed by the Company in connection with acquisitions of the companies that originally granted those options.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders(1)	3,613,265(2)(3)	$27.52	44,369,222(4)
Equity compensation plans not approved by security holders	—	—	—
Total(5)	3,613,265	$27.52	44,369,222

(1) Includes the 2015 Plan, the 2006 Plan, the Amended and Restated 1996 Stock Plan, or the 1996 Plan, and the 2008 Employee Stock Purchase Plan, or the 2008 Purchase Plan. Effective May 18, 2006, additional equity awards under the 1996 Plan have been discontinued. Remaining authorized shares under the 1996 Plan that were not subject to outstanding awards as of May 18, 2006 were canceled on May 18, 2006. The 1996 Plan will remain in effect as to outstanding equity awards granted under the plan prior to May 18, 2006. Effective May 19, 2015, additional equity awards under the 2006 Plan have been discontinued. Remaining authorized shares under the 2006 Plan that were not subject to outstanding awards as of May 19, 2015 were canceled on May 19, 2015. The 2006 Plan will remain in effect as to outstanding equity awards granted under the plan prior to May 19, 2015.

(2) Excludes 17,292,262 shares subject to restricted stock units and performance share awards outstanding as of December 31, 2015 that were issued under the 2006 Plan and 2015 Plan.

(3) Excludes purchase rights accruing under the 2008 Purchase Plan, which had a remaining stockholder-approved reserve of 7,623,936 shares as of December 31, 2015.

(4) Consists of shares available for future issuance under the 2015 Plan and the 2008 Purchase Plan. As of December 31, 2015, an aggregate of 36,745,286 and 7,623,936 shares of common stock were available for issuance under the 2015 Plan and the 2008 Purchase Plan, respectively. Under the terms of the 2015 Plan, any shares subject to outstanding awards under the 2006 Plan and 1996 Plan that were outstanding on May 19, 2015, and that subsequently expire, are cancelled or otherwise terminate, up to a maximum of an additional 29,000,000 shares, will become available for issuance under the 2015 Plan.

(5) This table does not include equity awards that have been assumed by the Company in connection with the acquisition of other companies. As of December 31, 2015, the following equity awards were outstanding under plans assumed in connection with the acquisition of other companies: 347,471 shares were issuable upon exercise of outstanding options, 137,720 shares were subject to restricted stock units and 1,213,412 shares were subject to restricted stock awards. The weighted average exercise price of such outstanding options was $0.58 per share. No additional equity awards may be granted under plans assumed in connection with the acquisition of a company.

Principal Accountant Fees and Services

The Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, as Juniper Networks' auditors for the fiscal year ending December 31, 2016. Representatives of Ernst & Young are expected to be present at the annual meeting and will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Fees Incurred by Juniper Networks for Ernst & Young LLP

Fees for professional services provided by the Company's independent registered public accounting firm in each of the last two years were approximately:

	2015	2014
Audit fees	$5,680,425	$4,895,395
Audit-related fees	$1,439,000	$ 846,185
Tax fees	$ 369,906	$ 427,201
All other fees	—	—
Total	$7,489,331	$6,168,781

Audit fees are for professional services rendered in connection with the audit of the Company's annual financial statements and the review of its quarterly financial statements. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements, and are not reported under "Audit Fees". These services include accounting consultations in connection with transactions, attest services that are required by statute or regulation, and consultations concerning financial accounting and reporting standards. Tax fees are for professional services rendered for tax compliance, tax advice and tax planning.

The Audit Committee pre-approves all audit and permissible non-audit services provided by the Company's independent registered public accounting firm. The Audit Committee has delegated such pre-approval authority to the chair of the Audit Committee. The Audit Committee pre-approved all services performed by the Company's independent registered public accounting firm in 2015 and 2014.

Stockholder Proposal

Proposal No. 5 Stockholder Proposal

We have been advised that a stockholder, William Steiner of 112 Abbottsford Gate, Piermont, NY 10968, owner of at least 100 shares of our common stock as of November 18, 2015, intends to present the following stockholder proposal at the Annual Meeting through his designee, John Chevedden of 2215 Nelson Avenue, No. 205, Redondo Beach, California 90278. The proposal will be voted on at the Annual Meeting if the proponent or a qualified representative is present at the meeting and submits the proposal for a vote. The proposal and the supporting statement appear below as received by us. We are not responsible for the accuracy or content of the proposal and supporting statement.

Resolution Proposed by Stockholder:

Proposal 5 — Simple Majority Vote

RESOLVED, Shareholders request that our board take the steps necessary so that each voting requirement in our charter and bylaws that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareowners are willing to pay a premium for shares of corporations that have excellent corporate governance. Supermajority voting requirements, the target of this proposal, have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to "What Matters in Corporate Governance" by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy's. Currently a 1%-minority can frustrate the will of our 66%-shareholder majority. In other words a 1%-minority could have the power to prevent shareholders from improving our corporate charter and bylaws.

Please vote to protect shareholder value:

Simple Majority Vote — Proposal 5

Our Response

The Board believes that adopting the stockholder proposal would not be in the best interests of Juniper Networks or our stockholders for the following reasons:

1. ***Nearly all matters submitted for stockholder approval already require a majority vote.***

The matters that require "supermajority" approval by our stockholders (i.e. the approval of 66 2/3% of our shares having voting power with respect to such matters) are very limited in scope and are restricted to Articles Seventh and Ninth of our Restated Certificate of Incorporation, which we refer to as our charter.

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Article Seventh of our charter requires a supermajority vote by our stockholders for the following matters:

i. The adoption, amendment or repeal by our stockholders of Sections 2.2 or 2.3 of our bylaws.

- Section 2.2 of our bylaws permits our Board to designate the date and time for our annual stockholder meeting and states that at that meeting, directors will be elected and any other proper business may be transacted.
- Section 2.3 of our bylaws describes special stockholder meetings and permits our Board, the chairman of the Board, our president or chief executive officer to call a special stockholder meeting. A special stockholder meeting may not be called by any other person or persons.

ii. The removal of any director from our Board without cause. Removal of any of our directors for cause currently requires approval of only a majority of our stockholders.

Article Ninth of our charter requires a supermajority vote by our stockholders to alter, amend or repeal Articles Seventh or Ninth.

Many companies continue to employ supermajority voting requirements, often requiring supermajority votes for a much wider array of matters than we do, such as approval of mergers, consolidations or other fundamental corporate transactions; the sale, lease, exchange or other disposition of all or substantially all of the company's assets; the liquidation or dissolution of the company; or the removal of directors for cause. At Juniper Networks, none of these matters require a supermajority vote by our stockholders. Furthermore, these companies often require the approval of stockholders holding at least 66 2/3% of shares of common stock and frequently require 75% or even 80% thresholds for stockholder approval. Our Board has considered these factors in determining that our supermajority voting requirements are reasonably designed and narrowly tailored to protect the interests of our stockholders.

2. *The limited matters that require approval by a supermajority of our stockholders are meant to preserve and maximize long-term value for our stockholders.*

We believe the limited provisions in our charter that require supermajority approval by our stockholders help to preserve and maximize long-term value for all stockholders, particularly minority stockholders, against the potentially self-interested actions of one or more large stockholders, and ensure that certain fundamental changes to the charter only occur with broad stockholder consensus. Without these provisions, it would be possible for a group of stockholders, not bound by a fiduciary duty to act in the best interests of Juniper Networks and our stockholders, to amend our charter and bylaws to call a stockholder meeting or to remove directors from our Board for reasons that may not be in the best interest of Juniper Networks and are opposed by nearly half of our stockholders.

3. *We are committed to good corporate governance.*

Our Nominating and Corporate Governance Committee regularly considers and evaluates corporate governance developments and recommends appropriate changes to the Board. As discussed in this Proxy Statement, our Board operates under corporate governance principles and practices that are designed to maximize long-term stockholder value, align the interests of the Board and management with those of our stockholders, and promote ethical conduct among our directors and employees.

For example: our directors are elected annually by a majority of votes cast in uncontested elections; our Nominating and Corporate Governance Committee evaluates each director each year and makes a recommendation to the Board on the nomination of such director; our Board has an independent Chairman who is not the Company's Chief Executive Officer; our Board has appointed an independent Lead Director who also chairs our Compensation Committee; and our Board regularly holds executive sessions and other meetings of the independent directors. Some of the updates we made to our corporate governance policies and procedures in 2015 include the adoption of a written related party transaction policy, a "clawback" policy on incentive compensation that covers all executive officers, amendments to our Worldwide Code of Business Conduct and Ethics and to our Insider Trading Policy to prohibit short selling, hedging transactions, and the use of margin accounts and pledging Juniper Networks securities as collateral for loans. The Board is intensely focused on the relationship between governance and performance and on creating the proper governance structure in light of the particular circumstances of the Company.

Our Board believes that implementation of this proposal would adversely impact our carefully considered corporate governance practices and, therefore, is not needed or advisable, or in the best interests of Juniper Networks or our stockholders.

Recommendation

The Board has carefully considered the stockholder proposal submitted by Mr. Steiner and has determined that retention of our limited supermajority voting requirements is in the best interests of the Company and its stockholders. The Board believes that our supermajority voting requirements protect the interests of all stockholders and are consistent with the robust corporate governance policies and procedures of Juniper Networks. **Accordingly, the Board of Directors recommends that you vote "Against" the stockholder proposal.**

Effect of the Proposal

The elimination of supermajority voting would require more than the passage of this proposal; it would require Board approval of an amendment to our charter and stockholder approval of such charter amendment by the affirmative vote of 66 2/3% of our shares having voting power with respect to such amendment.

Vote Required

Provided a quorum is present, the stockholder proposal requires the affirmative vote of a majority of the shares of Juniper Networks common stock present in person or represented by proxy and entitled to be voted on the proposal at the meeting. Your vote is advisory so it will not be binding upon the Board. However, our Board values the opinions that our stockholders express in their votes and will take into account the outcome of the vote when considering whether to amend our charter.

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information, as of March 21, 2016 (except where another date is indicated), concerning:

- beneficial owners of more than 5% of Juniper Networks' common stock;
- beneficial ownership by Juniper Networks directors and director nominees and the NEOs included in the Summary Compensation Table on page 37; and
- beneficial ownership by all current Juniper Networks directors and current Juniper Networks executive officers as a group.

The information provided in the table is based on Juniper Networks' records, information filed with the SEC and information provided to Juniper Networks, except where otherwise noted.

The number of shares beneficially owned by each entity, person, director or executive officer is determined under rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has the right to acquire as of May 20, 2016 (60 days after March 21, 2016) through the exercise of any stock option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares set forth in the following table. In addition, unless otherwise indicated, all persons named below can be reached at Juniper Networks, Inc., 1133 Innovation Way, Sunnyvale, California 94089.

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Beneficial Ownership Table

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership[(1)]	Percent of Class[(1)]
Holders of Greater Than 5%		
T. Rowe Price Associates, Inc. 100 E. Pratt Street, Baltimore, MD 21202	30,606,069[(2)]	8.0%
The Vanguard Group 100 Vanguard Blvd., Malven, PA 19355	31,460,533[(3)]	8.2%
BlackRock, Inc. 55 East 52nd Street, New York, NY 10022	23,638,888[(4)]	6.1%
Directors and Named Executive Officers		
Robert M. Calderoni[(5)]	38,266	*
Gary Daichendt[(6)]	21,074	*
Jonathan Davidson[(7)]	158,902	*
Robyn Denholm[(8)]	487,877	*
Kevin DeNuccio[(9)]	21,074	*
James Dolce[(10)]	12,511	*
Mercedes Johnson[(11)]	89,368	*
Scott Kriens[(12)]	6,341,018	1.6%
Rahul Merchant[(13)]	12,511	*
Brian Martin	–	*
Ken Miller[(14)]	46,526	*
Rami Rahim[(15)]	685,396	*
Pradeep Sindhu[(16)]	4,986,664	1.3%
William R. Stensrud[(17)]	291,235	*
All Directors and Executive Officers as a Group (15 persons)[(18)]	12,888,188	3.4%

* Represents holdings of less than one percent.

(1) The percentages are calculated using 384,431,922 outstanding shares of the Company's common stock on March 21, 2016, as adjusted pursuant to Rule 13d-3(d)(1)(i). Pursuant to Rule 13d-3(d)(1) of the Exchange Act, shares beneficially owned by a person or group includes shares of common stock that such person or group has the right to acquire within 60 days after March 21, 2016, which includes, but is not limited to, (i) shares subject to options exercisable within 60 days of March 21, 2016 and (ii) shares subject to RSUs or performance share awards that will vest within 60 days of March 21, 2016.

(2) Based on information reported, as of December 31, 2015, on Schedule 13G filed with the SEC on February 12, 2016 by T. Rowe Price Associates, Inc. According to its Schedule 13G, T. Rowe Price Associates, Inc. reported having the sole voting power over 13,032,970 shares, and sole dispositive power over 30,581,169 shares.

(3) Based on information reported, as of December 31, 2015, on Schedule 13G/A filed with the SEC on February 10, 2016 by The Vanguard Group ("Vanguard"). According to its Schedule 13G/A, Vanguard reported having the sole power to vote or direct the vote over 662,470 shares, the sole power to dispose of or to direct the disposition of 30,758,505 shares and the shared power to dispose or to direct the disposition of 702,028 shares.

(4) Based on information reported, as of December 31, 2015, on Schedule 13G/A filed with the SEC on February 10, 2016 by BlackRock, Inc. and certain of its subsidiaries (collectively, "BlackRock"). According to its Schedule 13G/A, BlackRock reported having the sole power to vote or direct the vote over 19,641,696 shares and dispositive power over all shares beneficially owned.

(5) Includes 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(6) Includes 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(7) Includes 72,197 shares which are subject to options that may be exercised within 60 days of March 21, 2016.

(8) Includes 279,900 shares which are subject to options that may be exercised within 60 days of March 21, 2016.

(9) Includes 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(10) Includes 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(11) Includes 60,069 shares which are subject to options that may be exercised and RSUs that will vest within 60 days of March 21, 2016.

(12) Includes 4,030,896 shares held by the Kriens 1996 Trust, of which Mr. Kriens and his spouse are the trustees; 180,000 shares held by KDI Trust LP; 2,000,000 shares held by the 2010 Kriens 20 year Charitable Remainder Trust, of which Mr. Kriens and his spouse are the trustees, and 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(13) Includes 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(14) Includes 27,914 shares which are subject to options that may be exercised within 60 days of March 21, 2016.

(15) Includes 47,421 shares held by the Rahim Family Trust, of which Mr. Rahim and his spouse are the trustees, and 123,368 shares which are subject to options that may be exercised within 60 days of March 21, 2016.

(16) Includes 1,017,076 shares held by the Sindhu Investments, LP, a family limited partnership; 2,498,890 shares held by the Sindhu Family Trust; 585,000 shares held by the Pradeep Sindhu 2016 Annuity Trust A; and 585,000 shares held by the Marie-Francoise Bertrand 2016 Annuity Trust A. Also includes 279,900 shares which are subject to options that may be exercised within 60 days of March 21, 2016.

(17) Includes 275,635 shares held in a trust, and 10,069 shares which are subject to RSUs that will vest within 60 days of March 21, 2016.

(18) Includes an aggregate of 780,252 shares which are subject to options or RSUs that may be exercised or that will vest within 60 days of March 21, 2016.

Executive Officer and Director Stock Ownership Guidelines

The Company has adopted stock ownership guidelines to further align the interests of the Company's NEOs, certain former NEOs and the non-employee directors with the interests of its stockholders and promote the Company's commitment to sound corporate governance.

The ownership guidelines applicable to NEOs are determined as a multiple of the officer's base salary. The Company's Chief Executive Officer is required to hold shares of Juniper Networks common stock with a value equal to at least three (3) times his or her annual base salary. The other NEOs are required to hold shares of Juniper Networks common stock with a value equal to one and one-half (1.5) times his or her annual base salary. This ownership guideline is initially calculated using the applicable base salary as of the later of (a) February 11, 2009, and (b) the date the person first became subject to these guidelines as a named executive officer. The base salary guideline for each person was re-calculated February 7, 2015 and will be re-calculated each third year thereafter, and will be based on applicable base salary in effect on such calculation date. NEOs are required to achieve the applicable level of ownership within five (5) years of the later of (a) the date the ownership guidelines were adopted or amended, and (b) the date the person was initially designated a named executive officer of the Company. Once a person has become an NEO, the person will be subject to these guidelines until he or she is no longer an officer or director of the Company, or, he or she has ceased to be identified as an NEO in the Company's annual proxy statement for three consecutive years.

The Company's Chief Executive Officer, with respect to all equity awards granted beginning in 2016, must hold the shares of Juniper Networks common stock issued to him or her upon vesting of one type of such equity award (e.g. price vested RSUs) for at least twelve (12) months after the vesting of such award (after taking into account any shares of Juniper Networks common stock sold or withheld to satisfy withholding taxes).

Outside directors are required to hold shares of Juniper Networks common stock with a value equal to five (5) times the amount of the annual retainer paid to outside directors for service on the Board (excluding additional committee retainers, if any). This ownership guideline is initially calculated using the annual cash retainer for service as a director (but not including additional retainers associated with committee or Chair service) as of the date the person first became subject to these guidelines as an outside director. The ownership guidelines were re-calculated based on applicable annual director retainers as of February 7, 2015 and will be recalculated each third year thereafter, and will be based on applicable annual Board retainer in effect on such calculation date. Outside directors are required to achieve the applicable level of ownership within five (5) years of the later of (a) the date the ownership guideline were adopted or amended, and (b) the date the person first became a non-employee member of the Board.

Shares of our common stock that count toward the satisfaction of the ownership guidelines include shares owned outright by the NEO or director or his or her immediate family members residing in the same household and shares held in trust for the benefit of the NEO or director or his or her family. The value of a share is measured on February 7th of each year as the greater of (i) the average closing price over the 12 months preceding the date of calculation and (ii) the purchase price actually paid by the person for such share of Company common stock. Persons subject to this ownership guideline (that is, those who have been in a covered role for five or more years) are in compliance with its requirements.

As of the record date, all individuals subject to the stock ownership guidelines were in compliance with the requirements in the guidelines. A complete copy of the Company's stock ownership guidelines is available at the Investor Relations Center on our website at http://investor.juniper.net/investor-relations/default.aspx.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of Juniper Networks common stock to file with the SEC reports regarding their ownership and changes in ownership of our securities, and to furnish copies of such reports to the Company. Based solely on our review of the reports provided to us and on the written representations received from our directors and executive officers, we believe that, other than one late filing for Mr. Davidson reporting the issuance to him of a restricted stock unit award on January 16, 2015, during fiscal 2015, our directors, executive officers and 10% stockholders complied with all Section 16(a) filing requirements.

Certain Relationships and Related Transactions

Policies and Procedures for Related Person Transactions

In November 2015, our Board adopted a written policy, which we refer to as our Related Person Transaction Policy, for the review of any transaction, arrangement or relationship in which the Company or any of its subsidiaries was, is or will be a participant, the amount involved will or may be expected to exceed $120,000 and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members or certain related entities), each of whom we refer to as a "related person," has or will have a direct or indirect material interest. Prior to the adoption of our Related Person Transaction Policy, such related person transactions were governed by our Worldwide Code of Business Conduct and Ethics.

Anyone seeking approval of a potential related person transaction must provide notice to our General Counsel of the facts and circumstances involved. If our General Counsel determines that the proposed transaction is or could reasonably be a related person transaction, such transaction will be submitted to our Audit Committee. Our Audit Committee will review and approve, ratify or disapprove of all related person transactions and will consider all material factors it deems applicable or appropriate in making a determination. No related person transaction will be approved or ratified unless it is, overall, in or not inconsistent with the best interests of the Company.

Notwithstanding the foregoing, transactions specifically excluded by the instructions to the SEC's related person transaction disclosure rule, as such rule may be amended from time to time, are not deemed related person transactions under our Related Person Transaction Policy (although they may require approval under other policies we have in effect, including our Worldwide Code of Business Conduct and Ethics).

From October 2015 until January 2016, Mr. Calderoni served as interim president and CEO of Citrix Systems, Inc., or Citrix. In fiscal 2015, the Company received approximately $1.36 million in revenue from sales of its products and services to Citrix. In addition, the Company licenses Citrix products for internal use and paid approximately $55,000 in license fees to Citrix in fiscal 2015. The amounts involved were less than 1% of the consolidated gross revenues of both the Company and Citrix for fiscal year 2015, and are consistent with the fact that the Company has maintained a relationship with Citrix for many years prior to Mr. Calderoni's service as interim president and CEO of Citrix. The Board considered these transactions in making the determination of the independence of Mr. Calderoni, and concluded that Mr. Calderoni is independent within the meaning of the NYSE director independence standards, and, because Mr. Calderoni is a member of the Audit Committee, the heightened "independence" standard required for such committee members set forth in the applicable SEC and NYSE rules.

Mr. Davidson has a family member that is employed by the Company in a non-executive position. During fiscal year 2015, the family member's total compensation was less than $165,000.

Other than as set forth above, since the beginning of fiscal year 2015, Juniper Networks has not been a participant in a transaction in which any related person of Juniper Networks had or will have a direct or indirect material interest, as contemplated by Item 404(a) of Regulation S-K under the Exchange Act.

Report of the Audit Committee of the Board of Directors

The following Audit Committee Report shall not be deemed to be "soliciting material" and should not be deemed "filed" and shall not be deemed to be incorporated by reference in future filings with the SEC, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Audit Committee is composed entirely of non-management directors. The members of the Audit Committee meet the independence and financial literacy requirements of the NYSE and additional, heightened independence criteria applicable to members of the Audit Committee under SEC and NYSE rules. The Audit Committee operates under a written charter, which contains a description of the scope of the Audit Committee's responsibilities and how they will be carried out, which may be found on the Company's website at http://investor.juniper.net/investor-relations/corporate-governance/default.aspx.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including establishing and maintaining adequate internal control over the Company's financial reporting. The independent registered public accounting firm of Ernst & Young LLP, or E&Y, reports to the Audit Committee and E&Y is responsible for performing an independent audit of the Company's consolidated financial statements and internal control over financial reporting in accordance with generally accepted auditing standards in the United States. The Audit Committee discussed with E&Y the overall scope and plans for the audit. The Audit Committee meets regularly with E&Y, with and without management present, to discuss the results of E&Y's examinations, evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee held 24 meetings during fiscal year 2015.

In this context, the Audit Committee hereby reports as follows:

1. The Audit Committee has reviewed and discussed the Company's audited financial statements for the fiscal year ended December 31, 2015 with the Company's management.
2. The Audit Committee has discussed with the Company's independent registered public accounting firm the matters required to be discussed by under the rules adopted by the Public Company Accounting Oversight Board.
3. The Audit Committee has received the written disclosures and the letter from the Company's independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the Company's independent registered public accounting firm its independence.
4. Based on the review and discussion referred to in paragraphs (1) through (3) above, the Audit Committee recommended to the Board, and the Board has approved, that the Company's audited financial statements for the fiscal year ended December 31, 2015 be included in Juniper Networks' Annual Report on Form 10-K for the fiscal year ended December 31, 2015, for filing with the SEC.

MEMBERS OF THE AUDIT COMMITTEE

Robert M. Calderoni (Chair)
Mercedes Johnson
Rahul Merchant

Questions and Answers about the Proxy Materials and the Annual Meeting

Q: Why am I receiving these materials?

A: The Board of Juniper Networks, has made these materials available to you on the Internet or, upon your request, has delivered printed versions of these materials to you by mail or email, in connection with the Board's solicitation of proxies for use at Juniper Networks' annual meeting of stockholders, which will take place on May 25, 2016. As a Juniper Networks stockholder as of March 28, 2016 (the "Record Date"), you are invited to attend the annual meeting and are entitled to and requested to vote on the items of business described in this proxy statement.

Q: What is included in these materials?

A: These materials include:

- Our proxy statement for the annual meeting; and
- Our 2015 Annual Report, which includes our audited consolidated financial statements.

If you requested printed versions of these materials by mail, these materials also include the proxy card or voting instruction card for the annual meeting.

Q: Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

A: Pursuant to rules adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, on or about April 5, 2016, we are sending a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, to our stockholders of record and beneficial owners as of the Record Date. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice (www.proxyvote.com). You may also request to receive a set of the proxy materials by mail or electronically by email. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Q: How can I get electronic access to the proxy materials?

A: The Notice will provide you with instructions regarding how to:

- View our proxy materials for the annual meeting on the Internet; and
- Instruct us to send future proxy materials to you electronically by email or in paper copy by mail.

Choosing to access our proxy materials on the Internet or to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Q: How may I obtain Juniper Networks' 2015 Annual Report on Form 10-K?

A: Stockholders may request a free copy of the 2015 Annual Report on Form 10-K from our principal executive offices at:

Juniper Networks, Inc.
Attn: Investor Relations
1133 Innovation Way
Sunnyvale, CA 94089
(408) 745-2000

A copy of our 2015 Annual Report on Form 10-K is also available with our other proxy materials at www.proxyvote.com. In addition, you can access a copy on the website of the SEC. You can reach this website by going to the Investor Relations Center on our website, and clicking on the link labeled "SEC Filings." The website of the Investor Relations Center is:

http://investor.juniper.net/investor-relations/default.aspx

We will also furnish any exhibit to the 2015 Annual Report on Form 10-K if specifically requested in writing.

Q: How may I obtain a separate set of proxy materials?

A: As a result of Juniper's adoption of "householding", if you share an address with another stockholder, you may receive only one Notice (or other stockholder communications, including our proxy materials) unless you have provided contrary instructions. Juniper will deliver promptly upon written or oral request a separate Notice (or other stockholder communications, including our proxy materials), now or in the future, to any stockholder at a shared address to which a single copy of these documents was delivered. To request a separate copy, you may write or call Juniper's Investor Relations Department at:

Juniper Networks, Inc.
Attn: Investor Relations
1133 Innovation Way
Sunnyvale, CA 94089
(408) 745-2000

http://investor.juniper.net/investor-relations/default.aspx

Similarly, if you share an address with another stockholder and have received multiple copies of the Notice (or other stockholder communications, including our proxy materials), you may write or call us at the above address and phone number to request delivery of a single copy of these documents.

Q: What items of business will be voted on at the annual meeting?

A: The items of business scheduled to be voted on at the annual meeting are:

- To elect ten directors;
- To ratify the appointment of Ernst & Young LLP, an independent registered public accounting firm, as auditors for the fiscal year ending December 31, 2016;
- To approve an amendment and restatement to the Juniper Networks, Inc. Performance Bonus Plan, including approval of its material terms and performance goals for purposes of Internal Revenue Code Section 162(m);
- A non-binding advisory vote regarding executive compensation; and
- To vote upon a proposal submitted by one of our stockholders, if properly presented at the annual meeting.

We will also consider other business that properly comes before the annual meeting.

Q: How does the Board recommend that I vote?

A: Our Board recommends that you vote your shares:

- "FOR" each of the director nominees to the Board;
- "FOR" the ratification of the appointment of Ernst & Young LLP, an independent registered public accounting firm, as auditors for the fiscal year ending December 31, 2016;
- "FOR" the approval to amend and restate the Performance Bonus Plan;
- "FOR" the approval of our executive compensation; and
- "AGAINST" the stockholder proposal.

Q: What shares can I vote?

A: Each share of Juniper Networks common stock issued and outstanding as of the close of business on March 28, 2016, the Record Date, is entitled to vote on all items being voted upon at the annual meeting. You may vote all shares owned by you as of the Record Date, including (i) shares held directly in your name as the *stockholder of record* and (ii) shares held for you as the *beneficial owner* (i.e., in street name) through a broker, trustee or other nominee such as a bank. More information on how to vote these shares is contained in this proxy statement. On the Record Date, we had approximately 386,317,685 shares of common stock issued and outstanding.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Most Juniper Networks stockholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially, which may affect how you can vote your shares.

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Stockholder of Record – If your shares are registered directly in your name with Juniper Networks' transfer agent, Wells Fargo Shareowner Services, you are considered, with respect to those shares, the stockholder of record, and the Notice or proxy statement was sent directly to you by Juniper Networks. As the stockholder of record, you have the right to grant your voting proxy directly to Juniper Networks as described in the Notice and this proxy statement or to vote in person at the annual meeting.

Beneficial Owner – If your shares are held in a brokerage account, by a trustee or by another nominee, you are considered the beneficial owner of shares held in street name, and the Notice or proxy statement was forwarded to you by your broker or nominee. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the annual meeting. Please see ***"How can I attend the annual meeting?"*** for details on the information you must bring with you in order to attend the annual meeting as a beneficial owner.

Since a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee has enclosed or provided a voting instruction card for you to use in directing the broker, trustee or nominee how to vote your shares.

Q: How can I attend the annual meeting?

A: You are entitled to attend the annual meeting only if you were a Juniper Networks stockholder as of the close of business on March 28, 2016, the Record Date. You should be prepared to present valid government-issued photo identification for admittance. In addition, if you are a *stockholder of record*, your name will be verified against the list of stockholders of record on the record date prior to your being admitted to the annual meeting. If you are a *beneficial owner* and not a *stockholder of record* because you hold shares through a broker, trustee or nominee (i.e., in street name), you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to March 28, 2016, the Record Date, a copy of any voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If you do not provide valid government-issued photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the annual meeting.

The annual meeting will be held on May 25, 2016 at our corporate headquarters located at 1133 Innovation Way, Building A, Aristotle Conference Room, Sunnyvale, CA 94089. The annual meeting will begin promptly at 9:00 a.m., Pacific Time. Check-in will begin at 8:30 a.m., and you should allow ample time for the check-in procedures.

Q: If I am unable to attend the annual meeting in person, can I view the meeting via webcast?

A: The annual meeting will be available live via webcast beginning at 9:00 a.m. Pacific Time on May 25, 2016. Please visit the following link to view the webcast: http://investor.juniper.net.

Q: How can I vote my shares in person at the annual meeting?

A: Shares held in your name as the *stockholder of record* may be voted in person at the annual meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. *Even if you plan to attend the annual meeting, you should also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.*

Q: How can I vote my shares without attending the annual meeting?

A: Whether you hold shares directly as the *stockholder of record* or beneficially in street name, you may direct how your shares are voted without attending the meeting. If you are a *stockholder of record*, you may vote by submitting a proxy by any of the methods specified below. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee. For directions on how to vote, please refer to the instructions in the proxy card or, for shares held beneficially in street name, the voting instruction card provided by your broker, trustee or nominee.

By Internet – Stockholders of record of Juniper Networks with Internet access may submit proxies by following the "Vote by Internet" instructions on their proxy cards or the Notice and by following the voting instructions on the website. If you hold your shares in street name, please check the voting instruction card provided by your broker, trustee or nominee for Internet voting availability and instructions.

By Telephone – Stockholders of record of Juniper Networks who live in the United States or Canada may submit proxies by following the "Vote by Phone" instructions on their proxy cards or the Notice or by following the voting instructions provided by email or over the Internet. If you hold your shares in street name, please check the voting instruction card provided by your broker, trustee or nominee for telephone voting availability and instructions.

By Mail – Stockholders of record of Juniper Networks who receive proxy materials by mail may submit proxies by completing, signing and dating their proxy cards and mailing them in the accompanying pre-addressed envelopes. Juniper Networks stockholders who hold shares beneficially in street name and who receive voting materials by mail from their brokers, trustees or nominees may vote by mail by completing, signing and dating the voting instruction cards provided and mailing them in the accompanying pre-addressed envelopes.

Q: Can I change my vote or otherwise revoke my proxy?

A: You may change your vote at any time prior to the vote at the annual meeting. If you are the stockholder of record, you may change your vote by granting a new proxy by telephone, over the Internet or by submitting a properly signed proxy card bearing a later date (which automatically revokes the earlier proxy). You may also revoke your proxy by providing a written notice of revocation to the Juniper Networks' Corporate Secretary at Juniper Networks, Inc., ATTN: Corporate Secretary, 1133 Innovation Way, Sunnyvale, California 94089 prior to your shares being voted, or by attending the annual meeting and voting in person. Attendance at the annual meeting without any other action will not cause your previously granted proxy to be revoked. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the annual meeting and voting in person.

Q: How many shares must be present or represented to conduct business at the annual meeting?

A: The quorum requirement for holding the annual meeting and transacting business is that holders of a majority of shares of Juniper Networks common stock entitled to vote must be present in person or represented by proxy at the annual meeting. Both abstentions and broker non-votes will be counted for the purpose of determining the presence of a quorum.

Q: Will my shares be voted if I do not vote as described in the Notice?

A: If your shares are held in street name, your broker may, under certain circumstances, vote your shares. Certain brokerage firms, trustees and nominees have authority to vote client's unvoted shares on some "routine" matters. If you do not give voting instructions to your broker, trustee or nominee, your broker, trustee or nominee may either (1) vote your shares on "routine" matters or (2) leave your shares unvoted. The proposal related to the ratification of the appointment of Ernst & Young as our auditors for the fiscal year ending December 31, 2016 is considered a "routine" matter. None of the other proposals are considered "routine" matters and therefore, your broker will not be able to vote on these proposals without your instructions. If you are a stockholder of record and do not submit a proxy or vote at the annual meeting, your shares will not be voted.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If you sign your proxy card or voting instruction card or vote by telephone or over the Internet without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board ("FOR" all of Juniper Networks' director nominees to the Board, "FOR" ratification of the independent registered public accounting firm, "FOR" approval of the amendment and restatement of the Performance Bonus Plan, "FOR" approval of our executive compensation and "AGAINST" the stockholder proposal) and in the discretion of the proxy holders as to any other matters that may properly come before the annual meeting.

Q: What is the vote required to approve each of the proposals?

- Each of the ten director nominees will be elected if he or she receives the affirmative vote of a majority of the votes cast with respect to the director nominee at the annual meeting (meaning the number of shares voted "FOR" a director

Continues on next page ▶

nominee must exceed the number of shares voted "AGAINST" that director nominee).

- Approval of the ratification of the independent registered public accounting firm, the amendment and restatement of the Performance Bonus Plan, our executive compensation and the stockholder proposal each requires the affirmative "FOR" vote of a majority of the shares of Juniper Networks common stock present in person or represented by proxy and entitled to be voted at the meeting. The vote on approval of our executive compensation is non-binding on the Company and the Board. However, the Compensation Committee of the Board, which is responsible for designing and administering the Company's executive compensation programs, values the opinions expressed by our stockholders and will take the outcome of the vote under advisement in evaluating our executive compensation principles, design and practices. In addition, the vote on the stockholder proposal is non-binding on the Company and the Board, but our Board will take into account the outcome of the vote when considering whether to amend our charter.

Broker Non-Votes: For purposes of all proposals, broker non-votes will not affect the outcome of proposals, assuming that a quorum is obtained.

Abstentions: Abstentions will have the same effect as a vote "AGAINST" the approval of the ratification of the independent registered public accounting firm, the amendment and restatement of the Performance Bonus Plan, the non-binding advisory proposal on executive compensation and the stockholder proposal. Abstentions will not affect the vote on the election of directors.

Q: What are broker non-votes?

A: If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner, such as the proposals related to the election of directors, the approval of the amendment and restatement of the Performance Bonus Plan, the non-binding advisory vote to approve executive compensation and the stockholder proposal, and voting instructions are not given.

Q: What happens if additional matters are presented at the annual meeting?

A: Other than the five items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Robyn Denholm, Kenneth Miller and Brian Martin, will have the discretion to vote your shares on any additional matters properly presented for a vote at the annual meeting. If for any unforeseen reason any of our director nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board.

Q: Who will bear the cost of soliciting votes for the annual meeting?

A: Juniper Networks is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these materials and soliciting votes. If you access the proxy materials and/or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition to the mailing of these materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We also have hired Innisfree M&A Incorporated to assist us in the distribution of proxy materials and the solicitation of votes described above. We will pay Innisfree M&A Incorporated a fee of $15,000 and reimburse them for customary costs and expenses associated with these services. Upon request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to stockholders.

Q: Where can I find the voting results of the annual meeting?

A: We intend to announce voting results from the annual meeting in a current report on Form 8-K within four (4) business days of the annual meeting. If the voting results announced in the Form 8-K are preliminary, we will file an amended Form 8-K reporting final voting results within four (4) business days of such final voting results becoming available.

Q: What is the deadline to propose actions for consideration or to nominate individuals to serve as directors at the 2016 annual meeting of stockholders?

A: Although the deadline for submitting proposals or director nominations for consideration at the 2016 annual meeting of stockholders has passed, you may submit proposals and director nominations for consideration at future stockholder meetings. For further information, see the section entitled "Stockholder Proposals" below.

Stockholder Proposals

Requirements for stockholder proposals to be considered for inclusion in the Company's proxy materials. For a stockholder proposal to be considered for inclusion in Juniper Networks' proxy statement for the 2017 annual meeting of stockholders, the written proposal must be received by the Corporate Secretary of Juniper Networks at our principal executive offices no later than December 6, 2016. If the date of the 2017 annual meeting of stockholders is moved more than 30 days before or after the anniversary date of the 2016 annual meeting, the deadline for inclusion of proposals in Juniper Networks' proxy statement for the 2017 annual meeting of stockholders is instead a reasonable time before Juniper Networks begins to print and mail its proxy materials for the 2017 annual meeting of stockholders. All such proposals also will need to comply with SEC regulations under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which lists the requirements regarding the inclusion of stockholder proposals in company-sponsored proxy materials.

Requirements for other stockholder proposals and director nominations. Notice of any proposal that a stockholder intends to present at the 2017 annual meeting of stockholders, but does not intend to have included in the Company's proxy statement and form of proxy relating to the 2017 annual meeting of stockholders, as well as any director nominations, must be timely delivered to the Company's Secretary in accordance with the bylaws of the Company, which, in general, require that the proper notice be received by the Corporate Secretary of Juniper Networks not more than 75 days and not less than 45 days prior to the one year anniversary of the date Juniper Networks first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) to stockholders in connection with the previous year's annual meeting of stockholders. In addition, to be in proper form, a stockholder's notice to the Corporate Secretary must set forth the information required by the Company's bylaws.

For the 2017 annual meeting of stockholders, the notice must be received no earlier than January 20, 2017 and no later than February 19, 2017. However, if the date of the 2017 annual meeting is advanced more than 30 days before or more than 60 days after the anniversary date of this year's annual meeting, then for notice to be timely, the notice must be received by the Corporate Secretary not earlier than the 120th day prior to the 2017 annual meeting and not later than the close of business on the later of the 90th day prior to the 2017 annual meeting or the 10th day following the day on which public announcement of the date of the 2017 annual meeting is first made by Juniper Networks. In no event will the public announcement of an adjournment or postponement of an annual meeting of stockholders or the announcement thereof commence a new time period for the giving of a stockholder's notice as provided above.

Recommendation and Nomination of Director Candidates: The Nominating and Corporate Governance Committee will consider both recommendations and nominations for candidates to the Board from Qualifying Stockholders. A "Qualifying Stockholder" is a stockholder that has owned for a period of one year prior to the date of the submission of the recommendation through the time of submission of the recommendation at least 1% of the total common stock of the Company outstanding as of the last day of the calendar month preceding the submission. A Qualifying Stockholder that desires to recommend a candidate for election to the Board must direct the recommendation in writing to the Corporate Secretary of Juniper Networks, and must include the candidate's name, home and business contact information, detailed biographical data and qualifications, information regarding any relationships between the candidate and the Company within the last three years, written evidence that the candidate is willing to serve as a director of the Company if nominated and elected and evidence of the nominating person's ownership of Company common stock.

Corporate Secretary: Stockholder proposals must be delivered to the Company's Secretary via mail to Juniper Networks, Inc., ATTN: Corporate Secretary, 1133 Innovation Way, Sunnyvale, CA 94089.

Copy of Bylaws: You may contact the Juniper Networks Corporate Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

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Directions to Juniper Networks, Inc. Corporate Headquarters

1133 Innovation Way
Building A, Aristotle Conference Room
Sunnyvale, CA 94089

From San Francisco Airport:

- Travel south on Highway 101.
- Exit Highway 237 east in Sunnyvale.
- Exit Mathilda and turn left onto Mathilda Avenue.
- Continue on Mathilda Avenue and turn left onto Innovation Way.
- Juniper Networks' Corporate Headquarters, Building A, will be on the right side.

From San Jose Airport and points south:

- Travel north on Highway 101 to Mathilda Avenue in Sunnyvale.
- Exit Mathilda Avenue north.
- Continue on Mathilda Avenue and turn left onto Innovation Way.
- Juniper Networks' Corporate Headquarters, Building A, will be on the right side.

From Oakland Airport and the East Bay:

- Travel south on Interstate 880 until you get to Milpitas.
- Turn right on Highway 237 west.
- Continue approximately 10 miles.
- Exit Mathilda Avenue and turn right at the stoplight (Mathilda Avenue).
- Continue on Mathilda Avenue and turn left onto Innovation Way.
- Juniper Networks' Corporate Headquarters, Building A, will be on the right side.

Scan this QR code with your mobile device to vote your shares

Annex A

JUNIPER NETWORKS, INC.

PERFORMANCE BONUS PLAN
(As Amended and Restated Effective January 1, 2017)

1. Purposes of the Plan. The Plan is intended to increase stockholder value and the success of the Company by motivating key executives to: (1) perform to the best of their abilities, and (2) achieve the Company's objectives. The Plan's goals are to be achieved by providing such executives with incentive awards based on the achievement of goals relating to the performance of the Company or upon the achievement of predetermined objective performance goals. The Plan is designed with the intent that the payment of bonuses is deductible performance-based compensation under Section 162(m).

2. Definitions.

(a) "Award" means, with respect to each Participant, the award determined pursuant to Section 6(a) below for a Performance Period.

(b) "Board" means the Board of Directors of the Company.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Committee" means the Compensation Committee of the Board.

(e) "Company" means Juniper Networks, Inc. or any of its subsidiaries (as such term is defined in Code Section 424(f)).

(f) "Determination Date" means the latest possible date that will not jeopardize an Award's qualification as Performance-Based Compensation.

(g) "Fiscal Year" means a fiscal year of the Company.

(h) "Maximum Award" means as to any Participant for any Performance Period, $20 million.

(i) "Participant" means an executive officer of the Company participating in the Plan for a Performance Period.

(j) "Performance-Based Compensation" means compensation that is intended to qualify as "performance-based compensation" within the meaning of Section 162(m).

(k) "Performance Goals" means the goal(s) (or combined goal(s)) determined by the Committee (in its discretion) to be applicable to a Participant with respect to an Award. As determined by the Committee, the performance measures for any Performance Period will be any one or more of the following objective performance criteria, applied to either the Company as a whole or, except with respect to stockholder return metrics, to a region, business unit, affiliate or business segment, and measured either on an absolute basis or relative to a pre-established target, to a previous period's results to a designated comparison group, and/or to another Performance Goal and, with respect to financial metrics, which may be determined in accordance with United States Generally Accepted Accounting Principles ("GAAP"), in accordance with accounting principles established by the International Accounting Standards Board ("IASB Principles") or which may be adjusted when established to exclude in an objectively identifiable manner any items otherwise includable under GAAP or under IASB Principles: (i) cash flow (including operating cash flow or free cash flow), (ii) cash position, (iii) revenue (on an absolute basis or adjusted for currency effects), (iv) revenue growth, (v) contribution margin, (vi) gross margin, (vii) operating margin, (viii) operating expenses or operating expenses as a percentage of revenue, (ix) earnings (which may include, but is not limited to, earnings before interest, taxes, depreciation and/or amortization and net earnings), (x) earnings per share, (xi) operating income, (xii) net income, (xiii) stock price, (xiv) return on equity, (xv) total stockholder return, (xvi) growth in stockholder value relative to a specified publicly reported index (such as the S&P 500 Index), (xvii) return on capital, (xviii) return on assets or net assets, (xix) return on investment, (xx) economic value added, (xxi) operating profit or net operating profit, (xxii) market share, (xxiii) contract awards or backlog, (xxiv) overhead or other expense reduction, (xxv) credit rating, (xxvi) objective customer indicators, (xxvii) new product invention or innovation, (xxviii) attainment of research and development milestones, (xxix) improvements in productivity, (xxx) attainment of objective operating goals, and (xxxi) objective employee metrics. For Awards that are not intended to qualify as Performance-Based Compensation, Performance Goals may consist of objective and/or subjective elements based on any financial and/or non-financial criteria (including, without limitation, subjective criteria and individual performance) as established by the Committee in its sole discretion, and the Committee may adjust such Awards in its sole discretion.

(l) "Performance Period" means any Fiscal Year or portion thereof, or such other longer period but not in excess of five Fiscal Years, as determined by the Committee in its sole discretion.

(m) "Plan" means this Performance Bonus Plan.

(n) "Plan Year" means the Company's fiscal year.

(o) "Section 162(m)" means Section 162(m) of the Code, or any successor to Section 162(m), as that Section may be interpreted from time to time by the Internal Revenue Service, whether by regulation, notice or otherwise.

3. Plan Administration.

(a) The Committee shall be responsible for the general administration and interpretation of the Plan and for carrying out its provisions. Subject to the requirements for qualifying compensation as Performance-Based Compensation, the Committee may delegate specific administrative tasks to Company employees or others as appropriate for proper administration of the Plan. Subject to the limitations on Committee discretion imposed under Section 162(m), the Committee shall have such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following powers and duties, but subject to the terms of the Plan:

(i) discretionary authority to construe and interpret the terms of the Plan, and to determine eligibility, Awards and the amount, manner and time of payment of any Awards hereunder;

(ii) to prescribe forms and procedures for purposes of Plan participation and distribution of Awards; and

(iii) to adopt rules, regulations and bylaws and to take such actions as it deems necessary or desirable for the proper administration of the Plan.

(b) Any rule or decision by the Committee that is not inconsistent with the provisions of the Plan shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

4. Eligibility. The employees eligible to participate in the Plan for a given Performance Period shall be executive officers of the Company who are designated by the Committee in its sole discretion. No person shall be automatically entitled to participate in the Plan.

5. Determination of Awards. On or prior to the Determination Date, the Committee, in its sole discretion, shall establish with respect to each Participant, one or more Performance Periods, one or more individual Participant incentive targets for each Performance Period, and the Performance Goal(s) to be met during such Performance Periods. With respect to Awards intended to qualify as Performance-Based Compensation, the establishment of the Performance Period(s), the applicable Performance Goals, and the targets shall comply with, to the extent required, the rules of Section 162(m). Notwithstanding the foregoing, the Committee may also grant Awards that are not intended to qualify

as Performance-Based Compensation, which may be based on the Performance Goals and/or other financial or non-financial performance criteria (including, without limitation, subjective criteria and individual performance). In no event shall a Participant's Award for any Performance Period exceed the Maximum Award.

6. Determination of Award Payment.

(a) Determination and Certification. After the end of each Performance Period, the Committee shall certify in writing (which may be by approval of the minutes in which the certification was made) the extent to which the Performance Goals applicable to each Participant for the Performance Period were achieved or exceeded. Notwithstanding any contrary provision of the Plan, the Committee, in its sole discretion, may eliminate or reduce the Award payable to any Participant below that which otherwise would be payable. In addition, with respect to Awards that are not intended to qualify as Performance-Based Compensation, the Committee reserves the right, in its sole discretion, to increase the amount of an Award otherwise payable to a Participant with respect to any Performance Period.

(b) Right to Receive Payment. Each Award under the Plan shall be paid solely from the general assets of the Company. Nothing in this Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to payment of an Award other than as an unsecured general creditor with respect to any payment to which he or she may be entitled. Unless otherwise determined by the Committee, a Participant needs to be employed by the Company through the payment date in order to be eligible to receive an Award payout hereunder. The Committee may make exceptions to this requirement in the case of retirement, death or disability or under other circumstances, as determined by the Committee in its sole discretion.

(c) Form of Distributions. The Company shall distribute all Awards to the Participant in cash.

(d) Timing of Distributions. No Award intended to qualify as Performance-Based Compensation will be paid to a Participant until the Committee has certified in writing that the terms and conditions underlying the payment of such Award have been satisfied. Notwithstanding the foregoing, in order to comply with the short-term deferral exception under Section 409A of the Code, if the Committee waives the requirement that a Participant must be employed on the date the Award is to be paid, payout shall occur no later than the 15^{th} day of the third month following the later of (i) the end of the Company's taxable year in which such requirement is waived or (ii) the end of the calendar year in which such requirement is waived.

(e) Deferral. The Committee may defer payment of Awards, or any portion thereof, to Participants as the Committee, in its discretion, determines to be necessary or desirable to preserve the deductibility of such amounts under Section 162(m) or for any such other reason as the Committee may determine. In addition, the Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of Awards that would otherwise be delivered to a Participant under the Plan. Any such deferral elections shall be subject to such rules and procedures as shall be determined by the Committee in its sole discretion.

7. Term of Plan. Subject to its approval at the 2016 annual meeting of the Company's stockholders, the Plan shall first apply to the 2017 Plan Year. Once approved by the Company's stockholders, the Plan shall continue until terminated under Section 8 of the Plan.

8. Amendment and Termination of the Plan. The Committee may amend, modify, suspend or terminate the Plan, in whole or in part, at any time, including the adoption of amendments deemed necessary or desirable to correct any defect or to supply omitted data or to reconcile any inconsistency in the Plan or in any Award granted hereunder; provided, however, that no amendment, alteration, suspension or discontinuation shall be made which would impair any payments to Participants made prior to such amendment, modification, suspension or termination, unless the Committee has made a determination that such amendment or modification is in the best interests of all persons to whom Awards have theretofore been granted; provided further, however, that in no event may such an amendment or modification result in an increase in the amount of compensation payable pursuant to such Award. To the extent necessary or advisable under applicable law, including Section 162(m), Plan amendments shall be subject to stockholder approval. At no time before the actual distribution of funds to Participants under the Plan shall any Participant accrue any vested

interest or right whatsoever under the Plan except as otherwise stated in this Plan. Nothing in this Section 8 is intended to limit the Company's ability to recover Plan payouts pursuant to any recoupment, clawback or similar policy or applicable law then in effect.

9. Withholding. Distributions pursuant to this Plan shall be subject to all applicable federal and state tax and withholding requirements.

10. At-Will Employment. No statement in this Plan should be construed to grant any employee an employment contract of fixed duration or any other contractual rights, nor should this Plan be interpreted as creating an implied or an expressed contract of employment or any other contractual rights between the Company and its employees. The employment relationship between the Company and its employees is terminable at-will. This means that an employee of the Company may terminate the employment relationship at any time and for any or no reason.

11. Successors. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

12. Indemnification. Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Award, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

13. Miscellaneous.

(a) Nonassignment. The rights of a Participant under this Plan shall not be assignable or transferable by the Participant except by will or the laws of intestacy.

(b) Governing Law. The Plan shall be governed by the laws of the State of California, without regard to conflicts of law provisions thereunder.

(c) Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

(d) Severability. If a court of competent jurisdiction holds any provision invalid and unenforceable, the remaining provisions of the Plan shall continue in effect.

(e) Clawback. An Award granted under the Plan will be subject to any provisions of applicable laws providing for the recoupment or clawback of incentive compensation; the terms of any Company recoupment, clawback or similar policy in effect at the time of grant of the Award or otherwise agreed upon between the Company and the recipient of the Award; and any recoupment, clawback or similar provisions that may be included in any applicable forms governing any Awards granted under the Plan.

JUNIPER NETWORKS

10-K

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2015

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $0.00001 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 filings 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 (§ 229.405 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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 ☐

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

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately $9,668,000,000 as of the end of the registrant's second fiscal quarter (based on the closing sale price for the common stock on the New York Stock Exchange on June 30, 2015).

As of February 12, 2016, there were 382,604,514 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

As noted herein, the information called for by Part III is incorporated by reference to specified portions of the registrant's definitive proxy statement to be filed in conjunction with the registrant's 2016 Annual Meeting of Stockholders, which is expected to be filed not later than 120 days after the registrant's fiscal year ended December 31, 2015.

Juniper Networks, Inc.
Form 10-K

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Forward-Looking Statements

This Annual Report on Form 10-K, which we refer to as the Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future events and the future results of Juniper Networks, Inc., which we refer to as "we," "us," or the "Company," that are based on our current expectations, estimates, forecasts, and projections about our business, our results of operations, the industry in which we operate and the beliefs and assumptions of our management. All statements other than statement of historical facts are statements that could be deemed to be forward-looking statements. Words such as "expects," "anticipates," "targets," "goals," "projects," "would," "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 I 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.

PART I

ITEM 1. *Business*

Overview

At Juniper Networks, we design, develop, and sell products and services for high-performance networks to enable customers to build highly scalable, reliable, secure and cost-effective networks for their businesses, while achieving agility, efficiency and value through automation. We sell our products in more than 100 countries in three geographic regions: Americas; Europe, Middle East, and Africa, which we refer to as EMEA; and Asia Pacific, which we refer to as APAC. We sell our high-performance network products and service offerings across routing, switching, and security.

Our products address high-performance network requirements for global service providers, cloud environments, enterprises, governments, and research and public sector organizations who view the network as critical to their success. We believe our silicon, systems, and software represent innovations that transform the economics and experience of networking, helping our customers achieve superior performance, greater choice, and flexibility, while reducing overall total cost of ownership. In addition to our products, we offer our customers worldwide services, including technical support, professional services, and education and training programs. Together, our high-performance product and service offerings help our customers convert legacy networks providing commoditized services into more valuable assets providing differentiation and value as well as increased performance, reliability, and security to end-users.

We were incorporated in California in 1996 and reincorporated in Delaware in 1998. Our corporate headquarters are located in Sunnyvale, California. Our website address is www.juniper.net.

Strategy

We deliver highly scalable, reliable, secure and cost-effective networks, while transforming the network's agility, efficiency and value through automation. We focus on customers and partners across our key market verticals who view these network attributes as fundamental to their business; including Telecom, Cable Providers, Cloud Providers, National Government, Financial Services, and Enterprise Strategic Verticals.

Maintain and Extend Technology Leadership

We are recognized as a leader in networking innovation, in both software and hardware. Our Junos OS, application-specific integrated circuit, or ASIC, technology, and network-optimized product architecture were key elements to establishing and, we believe, will continue to be key elements to maintaining our technology leadership.

Leverage Position as Supplier of High-Performance Network Infrastructure

From inception, we have focused on designing, developing, and building high-performance network infrastructure for the world's most demanding networking environments. We consistently deliver groundbreaking, leading technologies that transform the economics and experience of networking—significantly improving customer economics by lowering the capital expenditures required to build networks and the operating expenses required to manage and maintain them. We believe that many customers will deploy networking equipment from only a few vendors, and that the scale, performance, reliability, and security of our products will provide us with a competitive advantage, which is critical to being selected as one of those vendors.

Be a Strategic Partner to Our Customers

In developing our solutions, we work very closely with customers to design and build best-in-class products and solutions specifically designed to meet their complex needs. Over time, we have expanded our understanding of the escalating demands and risks facing our customers, which has enabled us to design additional capabilities into our products. We believe our close relationships with, and constant feedback from, our customers have been key elements in our design wins and rapid deployments to date. We plan to continue to work with our customers to implement product enhancements, as well as to design products that meet the evolving needs of the marketplace, while enabling customers to reduce costs. We are committed to investing in research and development, or R&D, at a level that drives our innovation agenda, enabling us to deliver highly differentiated products and outstanding value to our customers.

Establish and Develop Industry Partnerships

Our customers have diverse requirements. Therefore, we believe that it is important that we attract and build relationships with other industry leaders with diverse technologies and services that extend the value of the network to our customers. These partnerships ensure that our customers have access to those technologies and services, whether through technology integration, joint development, resale, or other collaboration, in order to better support a broader set of our customers' requirements. In addition, we believe an open network infrastructure that invites partner innovation provides customers with greater choice and control in meeting their evolving business requirements, while enabling them to reduce costs.

Markets and Customers

We sell our high-performance network products and service offerings through direct sales; distributors; value-added resellers, or VARs; and original equipment manufacturer, or OEM, partners to end-users in the service provider and enterprise markets. We believe the network needs for service providers, such as Telecom, Cable and Cloud Providers are converging, as are those of National Government, Financial Services, and Enterprise Strategic Verticals, as all of these customers focus on high performance networks and build cloud environments.

Service Providers

Service providers generally include wireline and wireless carriers, and cable operators, as well as major Internet content and application providers, including those that provide social networking and search engine services. We support most of the major service provider networks in the world and our high-performance network infrastructure offerings are designed and built for the performance, reliability, and security that service providers demand. We believe our networking infrastructure offerings benefit our service provider customers by:

- Reducing capital and operational costs by running multiple services over the same network using our secure, high density, highly automated, and highly reliable platforms;

- Creating new or additional revenue opportunities by enabling new services to be offered to new market segments, which includes existing customers and new customers, based on our product capabilities;

- Increasing customer satisfaction, while lowering costs, by enabling customers to self-select automatically provisioned service packages that provide the quality, speed, and pricing they desire; and

- Providing increased asset longevity and higher return on investment as our customers' networks can scale to multi-terabit rates based on the capabilities of our platforms.

While many of these service providers have historically been categorized separately as wireline, wireless, or cable operators, in recent years, we have seen increased convergence of these different types of service providers through acquisitions, mergers, and partnerships. We believe the convergence of offerings by service providers is facilitated by investment in the build-out of high performance networks and cloud environments.

We believe that there are several other trends affecting service providers for which we are well positioned to deliver products and solutions. These trends include: significant growth in IP traffic on service provider networks because of peer-to-peer interaction; broadband usage; video; an increasing reliance on the network as a mission critical business tool in the strategies of our service provider customers and of their enterprise customers; the advent of data center “clouds” that concentrate business applications in large, IP network connected facilities; Network Functions Virtualization, or NFV, to allow more flexible deployment models; and growth in mobile traffic as a result of the increase in mobile device usage including smartphones, tablets, and connected devices of all kinds.

The infrastructure market for service providers includes: products and technology at the network core; the network edge to enable access; the aggregation layer; the data center where many services are created; security to protect from the inside out and the outside in; the application awareness and intelligence to optimize the network to meet business and user needs; and the management, service awareness, and control of the entire infrastructure.

Enterprise

Our high-performance network infrastructure offerings are designed to meet the performance, reliability, and security requirements of the world’s most demanding businesses. The enterprise market generally is comprised of businesses; federal, state, and local governments; financial services; and research and education institutions. Enterprises and public sector organizations, such as governments and research and education institutions, that view their networks as critical to their success are able to deploy our solutions as a powerful component in delivering the advanced network capabilities needed for their leading-edge applications. In addition, our solutions:

- Assist in the consolidation and delivery of existing services and applications;
- Accelerate the deployment of new services and applications;
- Offer network security across every environment—from the data center to campus and branch environments to assist in the protection and recovery of services and applications; and
- Offer operational improvements that enable cost reductions, including lower administrative, training, customer care, and labor costs.

As with the service provider market, innovation continues to be a critical component in our strategy for the enterprise market. High-performance enterprises require IP networks that are global, distributed, and always available. Network equipment vendors serving these enterprises need to demonstrate performance, reliability, and security with best-in-class open solutions for maximum flexibility. We offer enterprise solutions and services for data centers, branch and campus applications, as well as for distributed and extended enterprises.

Customers

In 2015, 2014 and 2013, no single customer accounted for 10% or more of our net revenues.

Products and Technology

Early in our history, we developed, marketed, and sold the first commercially available purpose-built IP backbone router optimized for the specific high-performance requirements of service providers. As the need for core bandwidth continued to increase, the need for service-rich platforms at the edge of the network was created.

We have expanded our portfolio to address domains in the network: the core; the edge; access and aggregation; data centers; wide area networks, or WANs; and campus and branch. We have systematically focused on how we innovate in silicon, systems, and software (including our Junos Operating System, virtualized network functions such as firewall, as well as software-defined networks, or SDN, and automation software) to provide a range of solutions in high-performance networking that can solve unique problems for our customers.

We conduct business globally and are managed, operated, and organized by major functional departments that operate on a consolidated basis. As a result, we operate in one reportable segment. Our product portfolio for high-performance networking is focused in three product areas: routing, switching, and security. In each of the past three fiscal years, routing and switching each accounted for more than 10% of our consolidated net revenues. Security products accounted for more than 10% of our consolidated net revenues in fiscal year 2014 and 2013. The following is an overview of our major product families in 2015:

Routing Products

- *ACX Series:* Our ACX Series Universal Access Routers cost-effectively address current operator challenges to rapidly deploy new high-bandwidth services. With industry-leading performance of up to 60Gbps and support for 10GbE interfaces, the ACX Series is well positioned to address the growing mobile backhaul needs of service providers. The platforms deliver the necessary scale and performance needed to support multi-generation services.

- *MX Series:* Our MX Series is a family of high-performance, enterprise class and service provider Ethernet routers that functions as a Universal Edge platform capable of supporting business, mobile, and residential services in even the fastest-growing networks and markets. Available in both physical and virtual form factors, powerful routing, switching and security features give the MX Series 3D Universal Edge Routers unmatched flexibility, versatility, and reliability to support advanced services and applications at the edge of the network. The MX platforms utilize our Trio silicon and provide carrier-class performance, scale, and reliability to support large-scale Ethernet deployments. In addition, in 2014, we introduced the *vMX*, a virtual version of the MX router, which is a true MX Series 3D Universal Edge Router optimized to run as software on x86 servers. We believe that the vMX helps service providers and enterprises quickly and economically address their requirements with carrier-class routing and a DevOps style service-focus to the network.

- *M Series:* Our M Series Edge Routers combine IP/multi-protocol label switching, or MPLS, capabilities and can be deployed in small and medium core, multiservice edge, collapsed POP routing, peering, route reflector, and campus or WAN gateway applications. Our M Series provides reliability, stability, security, and a broad array of services. Services include a broad array of VPNs, network-based security, real-time voice and video, bandwidth on demand, rich multicast of premium content, IPv6 services, and granular accounting.

- *PTX Series:* Our PTX Series Packet Transport Routers are designed for the Converged Supercore. The system is the first supercore packet system in the industry, and delivers powerful capabilities based on innovative ExpressPlus silicon and a forwarding architecture that is focused on optimizing MPLS and Ethernet. The PTX, now available in three form factors—PTX1000, PTX3000 and PTX5000, delivers several critical core functionalities and capabilities, including market-leading density and scalability, cost optimization, high availability, and network simplification. Our PTX Series products can readily adapt to today's rapidly changing traffic patterns for video, mobility, and cloud-based services.

- *T Series:* Our T Series routers provide the features and multi-terabit scale that service providers need to handle massive growth in core bandwidth requirements. Our T Series routers include, among other features, the following: MPLS Differentiated Services (DiffServ-TE), point-to-multipoint label-switched paths (P2MP LSPs), nonstop routing, unified in-service software upgrades (unified ISSUs), and hierarchical MPLS.

- *Cloud CPE Solution:* Our Cloud CPE is a fully automated, end-to-end NFV solution that builds on Juniper Networks Contrail Networking to scale across all models for both service provider and enterprise network services. This solution includes Contrail Service Orchestration, a comprehensive management and orchestration platform that delivers and manages virtualized network services such as virtual security, and the NFX250, the first in a planned series of network services platforms that can operate as secure, on-premises devices running multiple virtual network functions, or VNFs, from us and third parties, simultaneously. The NFX250, when used as part of our Cloud CPE solution, eliminates the operational complexities associated with deploying multiple boxes at the customer site.

- *NorthStar Controller:* Our wide-area network SDN controller automates the creation of traffic-engineering paths across the network, increasing network utilization and enabling a customized programmable networking experience. With the power of Junos OS; WANDL, Inc., or WANDL, optimization algorithms; and transport abstraction, we believe NorthStar Controller enables efficient design, bringing new levels of control and visibility that help service providers avoid costly over provisioning.

Switching Products

- *EX Series:* Our EX Series Ethernet switches address the access, aggregation, and core layer switching requirements of micro branch, branch office, and campus and data center environments, providing a foundation for the fast, secure, and reliable delivery of applications able to support strategic business processes. EX Series enterprise Ethernet switches are designed to deliver operational efficiency, business continuity, and agility, enabling customers to invest in innovative business initiatives that increase revenue and help them gain a competitive advantage.

- *QFX Series:* Our QFX Series of core, spine and top-of-rack data center switches offer a revolutionary approach to switching that delivers dramatic improvements in data center performance, operating costs, and business agility for enterprises, high-performance computing networks, and cloud providers. Our QFX family, including the QFabric System (QFabric Nodes, Interconnect and Director) and QFX Series Switches (QFX10002, QFX10008, QFX10016, QFX5100, and QFX5200), combined with innovative fabric and high availability software features in Junos, enables improvements in speed, scale, and efficiency by removing complexity and improving business agility.

- *Disaggregated Version of Junos Software:* In order to provide customers with greater choice in data center deployment options, in 2015 we announced the first disaggregated platform, the QFX5200 switch. By disaggregating the software from the hardware, users will have the flexibility to use our data center switch to run third-party applications and tools through a Linux container, on Juniper switches, and run Junos software on third-party switches.

- *OCX1100:* Our open networking switch is designed to combine a cloud-optimized Open Compute Project, or OCP, hardware design with the performance and reliability of the proven, carrier-class Junos operating system, to deliver a cost-effective switching solution for customers that require massive-scale cloud deployments.

Security Products

- *SRX Series Services Gateways for the Data Center:* Our mid-range, high-end and virtual SRX Series platforms provide high-performance, scalability, and service integration which are ideally suited for medium to large enterprise and service provider data centers, service provider backbones, and large campus environments where scalability, high performance, and concurrent services, are essential. The SRX Series of both physical and virtual dynamic services gateways provides firewall/VPN performance and scalability, and includes the AppSecure suite of next-generation security capabilities that deliver greater visibility, enforcement, control, and protection over the network.

- *Branch SRX, Security Policy and Management:* The Branch SRX family, including the new additions SRX300 Series and SRX1500, provide an integrated firewall and next-generation firewall capabilities with industry-leading price and performance. Junos Space Security Director is a network security management product that offers efficient, highly scalable, and comprehensive network security policy management. These solutions enable organizations to securely, reliably, and economically deliver powerful new services and applications to all locations and users with superior service quality. The SRX Series is powered by Junos OS, the same industry-leading operating system platform that keeps the world's largest networks available, manageable, and secure.

- *vSRX Virtual Firewall:* Our vSRX Firewall delivers all of the features of our physical firewalls, including AppSecure next-generation firewall functionality, advanced security, and automated lifecycle management capabilities for enterprises and service providers. The vSRX provides scalable, secure protection across private, public, and hybrid clouds.

- *Advanced Malware Protection:* Sky Advanced Threat Prevention is a cloud-based service that is designed to use both static and dynamic analysis with machine learning to find unknown threat signatures (zero-day attacks). It is integrated with SRX firewalls and secure routers for automated enforcement against threats, providing advanced anti-malware protection to data center, campus and branch environments.

- *Spotlight Secure Threat Intelligence Platform:* Our Spotlight Secure Threat Intelligence Platform is a threat intelligence platform that aggregates threat feeds from multiple sources to deliver open, consolidated, actionable intelligence to SRX Series Services Gateways (firewalls) across the organization for automated enforcement against threats. These sources include our own threat feeds, third-party threat feeds, and threat detection technologies that customers can deploy.

- See Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations,* in Part II of this Annual Report on Form 10-K, or Report, and Note 13, *Segments*, in Notes to Consolidated Financial Statements in Item 8 Part II of this Report, for an analysis of net revenue by product and service.

Platform Strategy

In addition to our major product families, our software portfolio has been a key technology element in our strategy to be the leader in high-performance networking.

Our Junos Platform enables our customers to expand network software into the application space, deploy software clients to control delivery, and accelerate the pace of innovation with an ecosystem of developers. The Junos Platform includes the following products:

- *Junos OS:* At the heart of the Junos Platform is Junos OS. We believe Junos OS is fundamentally superior to other network operating systems not only in its design, but also in its development capabilities. The advantages of Junos OS include:

    - One modular operating system with common base of code and a single, consistent implementation for each control plane feature;

    - A highly disciplined and firmly scheduled development process; and

    - One common modular software architecture that scales across all Junos-based platforms.

  Junos OS is designed to improve the availability, performance, and security of business applications running across the network. Junos OS helps to automate network operations by providing a single consistent implementation of features across the network in a single release train that seeks to minimize the complexity, cost, and risk associated with implementing network features and upgrades. This operational efficiency allows network administrators more time to innovate and deliver new revenue-generating applications, helping to advance the economics of high-performance networking.

  The security and stability of Junos OS, combined with its modular architecture and common source code base, provides a foundation for delivering performance, reliability, security, and scale at a lower total cost of ownership than multiple operating code base environments. With an increasing number of our platforms able to leverage Junos OS, including routing, switching, and security products, we believe Junos OS provides us a competitive advantage over other major network equipment vendors.

- *Junos Space:* Our Junos Space network management platform offers an open, Service-Oriented Architecture-based, or SOA, platform for creating organic and third-party network management applications to drive network innovation. Junos Space includes applications for network infrastructure management and automation that help customers reduce operational cost and complexity and scale services. These include Network Director, Services Activation Director, Security Director, Edge Services Director, Service Now, and Service Insight.

- *Contrail:* Our Contrail Networking and Contrail Cloud Platform offer an open-source, standards-based platform for SDN and NFV. This platform enables our customers to address their key problems in the area of network automation, agility, and time-to-service deployment by providing a mechanism to virtualize the network over any physical network and automating the provisioning and management of networking services (such as security and load balancing). Contrail's differentiation includes a distributed architecture that allows us to build in scale-out, high-availability and in-service upgrade capabilities; a multi-vendor solution familiar to our customers that allows Contrail to seamlessly interoperate with equipment from major networking vendors; an open-source licensing model to provide a true freedom of choice without lock-in, and sophisticated granular analytics for network and infrastructure performance, all fully driven by REST APIs that can be used by customers to work with any provisioning and management system. Operating on top of Contrail Cloud is Contrail Service Orchestration, which provides simplicity and automation with service design application, VNF lifecycle management and service administration and troubleshooting.

Significant Product Development Projects

In 2015, we continued to invest in innovation and strengthening our product portfolio, which resulted in new product offerings across routing, switching, and security. In routing, we expanded our ACX Series portfolio with the addition of ACX500 and ACX5000 routers, enabling service providers to handle added capacity and accelerate service orchestration; announced new line cards for the PTX3000 and PTX5000; expanded our Converged Supercore architecture with the addition of the PTX1000, a compact 3Tbps fixed configuration core router; enhanced the MX Series 3D Universal Edge Routing portfolio with new line cards and software features that triple throughput and enable network automation; and introduced the NFX Series, the first in a planned series of network services platforms that can operate as secure, on-premises devices running multiple VFNs - from us and third parties - simultaneously, thereby significantly reducing costs and giving service providers the ability to update network functions without having to purchase new hardware. Additionally, we announced Cloud CPE, a fully automated, end-to-end NFV solution, that builds on the proven ability of Juniper Networks Contrail Networking to scale across all NFV deployment models.

In switching, we announced QFX10000 High Performance Data Center Switches, which are powered by our new Q5 chip, a purpose-built ASIC that we believe enables unprecedented performance, port density, and scale, as well as the new Junos Fusion for data centers to provide industry-leading network scale and automation capabilities for small to Internet-scale cloud networks. We also announced a disaggregated version of our Junos software to provide customers with ultimate choice in data center deployment options. In addition, we announced the QFX5200 line of access switches, the first platform to run the disaggregated Junos software as well as support the emerging 25 and 50 gigabit ethernet, or GbE, standard. Additionally, we highlighted the rapid implementation of MetaFabric architecture and Contrail SDN technologies across leading converged and hyper-converged stack solutions.

Also, Juniper Networks Unite was announced, a new campus architecture that provides simplified and secure network infrastructure solutions required to modernize enterprise campus and branch networks into cloud-enabled service platforms. Additionally, we announced Junos Fusion Enterprise, a new open architecture, based on the 802.1BR industry standard, that when combined with EX Series Ethernet switches, we believe will enable the configuration and management of the entire distributed enterprise network as a single network entity.

Furthermore, we unveiled the QFX5100-AA switch and the QFX-PFA, a new packet flow accelerator module. Collectively, this solution provides a data center switch that consolidates compute resources and customizable logic into the network. For the enterprise, we partnered with Ruckus Wireless to provide high-performance, scalable and open network solutions for both wired and wireless products. Additionally, we announced a new technology alliance with Aerohive to deliver simple, secure and cloud-managed wired and wireless solutions to enterprises.

For security, we announced advanced malware protection with zero-day threat protection from the cloud, redesigned security management, and the latest firewalls for enterprise campus and branch networks, as part of our new Juniper Networks Unite architecture. Our latest security solutions include Juniper Networks Sky Advanced Threat Prevention, Junos Space Security Director, Juniper Networks SRX300 Series Services Gateways and SRX1500, which are designed to provide customers with the sophisticated threat protection, security management, automation and scale needed to defend against threats at any point in the network without hindering network performance.

We also introduced new hardware and software for Juniper Networks SRX5800 Services Gateway. The improvements will increase available Internet Mix, or IMIX, firewall throughput up to two terabits per second, or 2 Tbps. Additionally, an optimization capability called Express Path was introduced to the Juniper Network SRX5000 Series Services Gateways, delivering powerful performance enhancements, to boost throughput and reduce latency. We also announced new application security capabilities with AppSecure 2.0 for our virtual firewall, vSRX, to deliver enhanced protection for cloud and hybrid data centers.

Research and Development

We have assembled a team of skilled engineers with extensive experience in the fields of high-end computing, network system design, ASIC design, security, routing protocols, software applications and platforms, and embedded operating systems. As of December 31, 2015, we employed 3,723 people in our worldwide R&D organization.

We believe that strong product development capabilities are essential to our strategy of enhancing our core technology, developing additional applications, integrating that technology, and maintaining the competitiveness and innovation of our product and service offerings. In our products, we are leveraging our software, ASIC and systems technology, developing additional network interfaces targeted to our customers' applications, and continuing to develop technology to support the build-out of high performance networks and cloud environments. We continue to expand the functionality of our products to improve performance, reliability and scalability, and to provide an enhanced user interface.

Our R&D process is driven by the availability of new technology, market demand, and customer feedback. We have invested significant time and resources in creating a structured process for all product development projects. Following an assessment of market demand, our R&D team develops a full set of comprehensive functional product specifications based on inputs from the product management and sales organizations. This process is designed to provide a framework for defining and addressing the steps, tasks, and activities required to bring product concepts and development projects to market. Expenditures for R&D were $994.5 million, $1,006.2 million, and $1,043.2 million in 2015, 2014, and 2013, respectively.

Sales and Marketing

As of December 31, 2015, we employed 2,464 people in our worldwide sales and marketing organization. These sales and marketing employees operate in different locations around the world in support of our customers.

Our sales organization, with its structure of sales professionals, systems engineers, marketing teams, channel teams, and an operational infrastructure team are generally distributed between vertical markets. Within each team, sales team members serve the following three geographic regions: (i) Americas (including United States, Canada, Mexico, Caribbean and Central and South America), (ii) EMEA, and (iii) APAC. Within each region, there are regional and country teams, as well as vertical market focused teams, to ensure we operate close to our customers.

Our sales teams operate in their respective regions and generally either engage customers directly or manage customer opportunities through our distribution and reseller relationships or channels as described below.

In North America and EMEA, we sell to a select few service providers directly. Otherwise we sell to both service providers and enterprise customers primarily through distributors and resellers.

Direct Sales Structure

The terms and conditions of direct purchasing arrangements are governed either by customer purchase orders and our acknowledgment of those orders or by purchase contracts. The direct contracts with these customers set forth only general terms of sale and generally do not require customers to purchase specified quantities of our products. We directly receive and process customer purchase orders.

Channel Sales Structure

A critical part of our sales and marketing efforts are our channel partners through which we conduct the majority of our sales. We utilize various channel partners, including but not limited to the following:

- A global network of strategic distributor relationships, as well as region-specific or country-specific distributors who in turn sell to local VARs who sell to end-user customers. Our distribution channel partners resell routing, switching and security products which are purchased by both enterprise and service provider customers. These distributors tend to be focused on particular regions or countries within regions. For example, we have substantial distribution relationships with Ingram Micro in the Americas and Hitachi in Japan. Our agreements with these distributors are generally non-exclusive, limited by region, and provide product and service discounts and other ordinary terms of sale. These agreements do not require our distributors to purchase specified quantities of our products or services. Further, most of our distributors sell our competitor's products and services, and some sell their own competing products and services.

- VARs and Direct value-added resellers, including our strategic worldwide alliance partners referenced below, that resell our products to end-users around the world. These channel partners either buy our products and services through distributors, or directly from us, and have expertise in designing, selling, and deploying complex networking solutions in their respective markets. Our agreements with these channel partners are generally non-exclusive, limited by region, and provide product and service discounts and other ordinary terms of sale. These agreements do not require these channel partners to purchase specified quantities of our products or services. Increasingly, our service provider customers also resell our products or services to their customers or purchase our products or services for the purpose of providing managed or cloud-based services to their customers.

- Strategic worldwide reseller relationships with established historical Juniper alliances, comprised of NEC Corporation; Dimension Data Holdings, or Dimension Data; International Business Machines, or IBM; Nokia Solutions and Networks O.Y.; and Ericsson Telecom A.B., or Ericsson. These companies each offer services and products that complement our own product and service offerings and act as a reseller, and in some instances as an integration partner for our products. Our arrangements with these partners allow them to resell our products and services on a non-exclusive and generally global basis, provide for product and service discounts, and specify other general terms of sale. These agreements do not require these partners to purchase specified quantities of our products or services.

Customer Service

In addition to our products, we offer support, professional, and educational services. We deliver these services directly to our channel partners and to end-users and utilize a multi-tiered support model, leveraging the capabilities of our partners, and third-party organizations, as appropriate.

We also train our channel partners in the delivery of support, professional, and educational services to ensure these services are locally delivered.

As of December 31, 2015, we employed 1,630 people in our worldwide customer service and support organization. We believe that a broad range of services is essential to the successful customer deployment and ongoing support of our products, and we employ support engineers, consultants, and educators with proven network experience to provide those services.

Manufacturing and Operations

As of December 31, 2015, we employed 337 people in worldwide manufacturing and operations who primarily manage relationships with our supply chain, which include our contract manufacturers, original design manufacturers, sub-tier suppliers, warehousing and logistics.

Our manufacturing is primarily conducted through contract manufacturers and original design manufacturers in the United States, or U.S.; China; Malaysia; Mexico; and Taiwan. As of December 31, 2015, we utilized Celestica Incorporated, Flextronics International Ltd., Accton Technology Corporation, and Alpha Networks Inc. for the majority of our manufacturing activity. Our contract manufacturers and original design manufacturers in all locations are responsible for all phases of manufacturing from prototypes to full production and assist with activities such as material procurement, surface mount assembly, final assembly, test, control, shipment to our customers, and repairs. Together with our contract manufacturers and original design manufacturers, we design, specify, and monitor the tests that are required for our products to meet internal and external quality standards. These arrangements provide us with the following benefits:

- We can quickly ramp and deliver products to customers with turnkey manufacturing;

- We gain economies of scale by leveraging our buying power with our contract manufacturers and original design manufacturers when we manufacture large quantities of products;

- We operate with a minimum amount of dedicated space and employees for manufacturing operations; and

- We can reduce our costs by reducing what would normally be fixed overhead expenses.

Our contract manufacturers and original design manufacturers build our products based on our rolling product demand forecasts. Each contract manufacturer procures components necessary to assemble the products in our forecast and tests the products according to agreed-upon specifications. Products are then shipped to our distributors, VARs, or end-users. Generally, we do not own the components. Title to the finished goods is generally transferred from the contract manufacturers to us when the products leave the contract manufacturer's location. Customers take title to the products upon delivery at a specified destination. If the product or components remain unused or the products remain unsold for a specified period, we may incur carrying charges or obsolete materials charges.

Our contracts with our contract manufacturers and original design manufacturers, merely set forth a framework within which the contract manufacturer and original design manufacturer, as applicable, may accept purchase orders from us. These contracts do not represent long-term commitments.

We also purchase and hold inventory for strategic reasons and to mitigate the risk of shortages of certain critical component supplies. The majority of this inventory is production components. As a result, we may incur additional holding costs and obsolescence charges, particularly resulting from uncertainties in future product demand.

Some of our custom components, such as ASICs, are manufactured primarily by sole or limited sources, each of which is responsible for all aspects of production using our proprietary designs.

By working collaboratively with our suppliers, we endeavor to promote socially responsible business practices beyond our company and throughout our worldwide supply chain. To this end, we have adopted a supplier code of conduct and promote compliance with such code of conduct to our suppliers. One element of our supplier code of conduct is adoption and compliance with the Electronic Industry Code of Conduct, or the EICC. The EICC outlines standards to promote ethical business practices, eliminate human trafficking, and ensure that working conditions in the electronics industry supply chain are safe, workers are treated with respect and dignity, and manufacturing processes are environmentally responsible. Our Corporate Citizenship Report and Supplier Code of Conduct are available on our website.

Backlog

Our sales are made primarily pursuant to purchase orders under framework agreements with our customers. At any given time, we have backlog orders for products that have not shipped. Because customers may cancel purchase orders or change delivery schedules without significant penalty, we believe that our backlog at any given date may not be a reliable indicator of future operating results. As of December 31, 2015 and December 31, 2014, our total product backlog was approximately $517.4 million and $445.3 million, respectively. Our product backlog consists of confirmed orders for products scheduled to be shipped to customers, generally within the next six months, and excludes orders from distributors as we recognize product revenue on sales made through distributors upon sell-through to end-users. Backlog also excludes certain future revenue adjustments for items such as product revenue deferrals, sales return reserves, service revenue allocations, and early payment discounts.

Seasonality

We, as do many companies in our industry, experience seasonal fluctuations in customer spending patterns. Historically, we have experienced stronger customer demand in the fourth quarter and weaker demand in the first quarter. This historical pattern should not be considered a reliable indicator of our future net revenues or financial performance.

Competition

We compete in the network infrastructure markets. These markets are characterized by rapid change, converging technologies, and a migration to networking solutions that offer agility advantages. In the network infrastructure business, Cisco Systems, Inc., or Cisco, has historically been the dominant player. However, our principal competitors also include Alcatel-Lucent, which merged with Nokia Corporation; Arista Networks, Inc., or Arista; Brocade Communications Systems, Inc., or Brocade; Hewlett Packard Enterprise Co., or HP; and Huawei Technologies Co., Ltd., or Huawei.

Many of our current and potential competitors, such as Cisco, Alcatel-Lucent, HP, and Huawei, among others, bundle their products with other networking products in a manner that may discourage customers from purchasing our products. In addition, consolidation among competitors, or the acquisition of our partners and resellers by competitors, can increase the competitive pressure faced by us due to their increased size and breadth of their product portfolios. Many of our current and potential competitors have greater name recognition, marketing budgets, and more extensive customer bases that they may leverage to compete more effectively. Increased competition could result in price reductions, fewer customer orders, reduced gross margins, and loss of market share, negatively affecting our operating results.

In addition, there are a number of other competitors in the security space, including Palo Alto Networks, Inc., or Palo Alto Networks; Check Point Software Technologies, Ltd., or Check Point; F5 Networks, Inc., or F5 Networks; Fortinet, Inc., or Fortinet; and HP; among others, who tend to be focused on single product line solutions and, therefore, may be considered specialized compared to our broader product line.

In addition to established competitors, a number of public and private companies have announced plans for new products to address the same needs that our products address. We believe that our ability to compete with Cisco and others depends upon our ability to demonstrate that our products are superior in meeting the needs of our current and potential customers.

We expect that over time, large companies with significant resources, technical expertise, market experience, customer relationships, and broad product lines, such as Cisco, Alcatel-Lucent, and Huawei, will introduce new products designed to compete more effectively in the market. There are also several other companies that claim to have products with greater capabilities than our products. Further, there has been significant consolidation in the networking industry, with smaller companies being acquired by larger, established suppliers of network infrastructure products. We believe this trend is likely to continue.

As a result, we expect to face increased competition in the future from larger companies with significantly more resources than we have. Although we believe that our technology and the purpose-built features of our products make them unique and will enable us to compete effectively with these companies, we cannot guarantee that we will be successful.

Environment

We are committed to maintaining compliance with all environmental laws applicable to our operations, products and services and to reducing our environmental impact across our business and supply chain. Our operations and many of our products are subject to various federal, state, local and foreign regulations that have been adopted with respect to the environment, such as the Waste Electrical and Electronic Equipment, or WEEE, Directive; Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, or RoHS; and Registration, Evaluation, Authorization, and Restriction of Chemicals, or REACH, regulations adopted by the European Union and China. To date, compliance with federal, state, local, and foreign laws enacted for the protection of the environment has had no material effect on our capital expenditures, earnings, or competitive position. However, see the risk factor entitled "Regulation of industry in general and the telecommunications industry in particular could harm our operating results and future prospects" in the section entitled *Risk Factors* in Item 1A of Part I of this Report for additional information concerning RoHS compliance.

We are also voluntarily participating in the CDP (formerly the Carbon Disclosure Project) climate and water disclosures and encourage our direct material suppliers representing an aggregate of at least 80% of our consolidated total direct expenditure to do the same. CDP is a global standardized mechanism by which companies report their greenhouse gas emissions to institutional investors and customers. In fact, in 2015, we achieved a position on CDP's S&P 500 Climate Disclosure Leadership Index and the S&P 500 Climate Performance Leadership Index. We continue to invest in the infrastructure and systems required to be able to inventory and measure our carbon footprint on a global basis. We believe we have made significant strides in improving our energy efficiency around the world.

In addition, we are committed to the environment through our efforts to improve the energy efficiency of key elements in our high-performance network product offerings. With the launch of the PTX series, we pioneered, among other ground-breaking achievements, record energy efficiency of 1.5W per Gigabit of throughput. Since then, we have continued to enhance the PTX series, delivering market-leading energy efficiency of 1.2W per Gigabit of throughput in 2014 and, with our announcement in 2015, further improving energy efficiency of 0.5W per Gigabit with the 3Tbps FPC3 linecard. In addition, with our recent announcements for the MX series 3D Universal Edge Routers, we are delivering breakthrough energy efficiency of 0.8W per Gigabit at the network edge, breaking the 1W per Gigabit barrier. The environment will remain a focus area across multiple aspects of our business.

Intellectual Property

Our success and ability to compete are substantially dependent upon our internally developed technology and expertise, as well as our ability to obtain and protect necessary intellectual property rights. While we rely on patent, copyright, trade secret, and trademark law, as well as confidentiality agreements, to protect our technology, we also believe that factors such as the technological and creative skills of our personnel, new product developments, frequent product enhancements, and reliable product maintenance are essential to establishing and maintaining a technology leadership position. There can be no assurance that others will not develop technologies that are similar or superior to our technology.

In addition, we integrate licensed third-party technology into certain of our products and, from time to time, we license additional technology from third parties to develop new products or product enhancements. There can be no assurance that third-party licenses will be available or continue to be available to us on commercially reasonable terms or at all. 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 to obtain substitute technology of lower quality or performance standards or at a greater cost, any of which could harm our business, financial condition, and results of operations.

As of December 31, 2015, we had 2,480 patents worldwide and numerous patent applications are pending. Patents generally have a term of twenty years from filing. As our patent portfolio has been built over time, the remaining terms on the individual patents vary. We cannot be certain that patents will be issued on the patent applications that we have filed, that we will be able to obtain the necessary intellectual property rights, or that other parties will not contest our intellectual property rights.

Employees

As of December 31, 2015, we had 9,058 full-time employees. We have not experienced any work stoppages, and we consider our relations with our employees to be good. Competition for qualified personnel in our industry is intense. We believe that our future success depends in part on our continued ability to hire, motivate, and retain qualified personnel. We believe that we have been successful in recruiting qualified employees, but there is no assurance that we will continue to be successful in the future.

Our future performance depends significantly upon the continued service of our key technical, sales, and senior management personnel, none of whom are bound by an employment agreement requiring service for any defined period of time. The loss of one or more of our key employees could have a material adverse effect on our business, financial condition, and results of operations.

Executive Officers of the Registrant

The following sets forth certain information regarding our executive officers as of the filing of this Report:

Name	Age	Position
Rami Rahim	45	Chief Executive Officer and Director
Pradeep Sindhu	63	Chief Technical Officer and Vice Chairman of the Board
Robyn M. Denholm[1]	52	Executive Vice President and Chief Financial and Operations Officer
Jonathan Davidson	42	Executive Vice President and General Manager, Juniper Development and Innovation
Brian Martin	54	Senior Vice President, General Counsel and Secretary
Ken Miller[1]	45	Executive Vice President and Chief Financial Officer
Vince Molinaro	52	Executive Vice President and Chief Customer Officer
Terrance F. Spidell	47	Vice President, Corporate Controller and Chief Accounting Officer

(1) As previously disclosed by the Company, Ms. Denholm is resigning as our Chief Financial and Operations Officer, effective after the filing of this Report. Mr. Miller is as of the filing of this Report our Senior Vice President, Finance, and will become the Company's Executive Vice President and Chief Financial Officer, effective upon Ms. Denholm's resignation.

RAMI RAHIM joined Juniper in January 1997 and became Chief Executive Officer of Juniper, and a member of the Board of Directors, in November 2014. From March 2014, until he became Chief Executive Officer, Mr. Rahim served as Executive Vice President and General Manager of Juniper Development and Innovation, or JDI. His responsibilities included driving strategy, development and business growth for routing, switching, security, silicon technology, and the Junos operating system. Previously, Mr. Rahim served Juniper in a number of roles, including Executive Vice President and General Manager of Platform Systems Division for routing and switching, Senior Vice President of the Edge and Aggregation Business Unit, or EABU, and Vice President and General Manager of EABU. Prior to that, Mr. Rahim spent the majority of his time at Juniper in the development organization where he helped with the architecture, design and implementation of many Juniper core, edge, and carrier Ethernet products. Mr. Rahim holds a Bachelor of Science degree in Electrical Engineering from the University of Toronto and a Master of Science degree in Electrical Engineering from Stanford University.

PRADEEP SINDHU founded Juniper in February 1996 and served as Chief Executive Officer and Chairman of the Board until September 1996. Since then, Dr. Sindhu has served as Vice Chairman of the Board and Chief Technical Officer of Juniper. From September 1984 to February 1991, Dr. Sindhu worked as a Member of the Research Staff, from March 1987 to February 1996, as the Principal Scientist, and from February 1994 to February 1996, as Distinguished Engineer at the Computer Science Lab at Xerox Corporation, Palo Alto Research Center, a technology research center. Dr. Sindhu served as a member of the board of directors of Infinera Corporation, a provider of optical networking equipment, from September 2001 to May 2008. Dr. Sindhu holds a Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, a Master of Science degree in Electrical Engineering from the University of Hawaii, and a Masters and PhD in Computer Science from Carnegie- Mellon University.

ROBYN M. DENHOLM joined Juniper in August 2007 as Executive Vice President and Chief Financial Officer. In July 2013, Ms. Denholm was promoted to Executive Vice President and Chief Financial and Operations Officer. Prior to joining Juniper, Ms. Denholm was at Sun Microsystems, Inc., or Sun, a provider of network computing infrastructure solutions, from January 1996 to August 2007, where she served in executive assignments that included Senior Vice President of Corporate Strategic Planning, Senior Vice President of Finance, Vice President and Corporate Controller (Chief Accounting Officer), Vice President of Finance, Director of Service Division, and Shared Financial Services APAC and Controller, Australia/New Zealand. Prior to joining Sun, Ms. Denholm served at Toyota Motor Corporation Australia for seven years and at Arthur Andersen & Company for five years in various finance assignments. Ms. Denholm is a Fellow of the Institute of Chartered Accountants of Australia and holds a bachelor's degree in Economics from the University of Sydney and a master's degree in Commerce from the University of New South Wales. In addition, since August 2014, Ms. Denholm has served as a member of the board of directors of Tesla Motors, Inc.

JONATHAN DAVIDSON joined Juniper in March 2010 and became Executive Vice President and General Manager of JDI in January 2015. From July 2014 until he became Executive Vice President and General Manager of JDI, Mr. Davidson served as Senior Vice President and General Manager for Juniper Networks Security, Switching and Solutions Business Unit. Previously, Mr. Davidson was Juniper's Senior Vice President and General Manager of the Campus and Data Center Business Unit and Vice President, Product Line Management, where he was responsible for Edge Routing and Aggregation Business product management and strategy. Prior to joining Juniper, Mr. Davidson had a 15-year career at Cisco Systems, Inc., a manufacturer of communications and information technology networking products, where he served as Director of Product Management and led the enterprise routing product management team and service provider Layer 4 through Layer 7 services team.

BRIAN MARTIN joined Juniper in October 2015 as Senior Vice President, General Counsel and Secretary. From April 2007 to September 2015, Mr. Martin served as Executive Vice President, General Counsel and Corporate Secretary of KLA-Tencor Corporation, or KLA-Tencor, a provider of process control and yield management solutions. Prior to joining KLA-Tencor, Mr. Martin spent ten years in senior legal positions at Sun, most recently as Vice President, Corporate Law Group, responsible for legal requirements associated with Sun's corporate securities, mergers, acquisitions and alliances, corporate governance and Sarbanes-Oxley compliance, and litigation management. Prior to joining Sun, Mr. Martin was in private practice where he had extensive experience in antitrust and intellectual property litigation. Mr. Martin holds a bachelor's degree in economics from the University of Rochester and a J.D. from the State University of New York at Buffalo Law School.

KEN MILLER joined Juniper in June 1999 and has served the Company in a number of roles. Effective upon Ms. Denholm's resignation, he will serve as our Executive Vice President and Chief Financial Officer. Since April 2014 Mr. Miller has been serving as our Senior Vice President, Finance, where he has been responsible for the finance organization across the Company, as well as our treasury, tax and global business services functions. Previously, Mr. Miller has served as our

Vice President, Go-To-Market Finance; Vice President, Platform Systems Division; Vice President, SLT Business Group Controller and in other positions in the Finance and Accounting organizations. Mr. Miller holds a Bachelor of Science degree in accounting from Santa Clara University.

VINCE MOLINARO joined Juniper in 2009 as Senior Vice President of Sales, and served as Executive Vice President, Sales, Services and Support from July 2013 to February 2014, and currently serves as our Executive Vice President and Chief Customer Officer. Prior to joining Juniper, Mr. Molinaro held senior leadership positions at a number of technology companies including Bell Laboratories, Inc., Lucent Technologies, Inc. (prior to its acquisition by Alcatel Inc.), Alcatel-Lucent USA Inc. and Internap Network Services Corporation. He has extensive domestic and international experience having lived and managed large organizations throughout Europe and the U.S. Mr. Molinaro holds a Bachelor of Science degree in Biomedical Engineering from Boston University and a Master of Science degree in Electrical Engineering from University of Bridgeport.

TERRANCE F. SPIDELL joined Juniper in August 2011 as Vice President, Assistant Corporate Controller, and has served as Vice President, Corporate Controller, since November 2012. In 2013, Mr. Spidell assumed the position of Chief Accounting Officer of the Company. Before joining the Company, Mr. Spidell was at VeriSign, Inc., a provider of Internet infrastructure services, as Vice President, Corporate Controller, from June 2009 through July 2011 and as Vice President, Accounting Operations, from March 2008 through June 2009. Prior to VeriSign, Mr. Spidell held various positions, most recently Senior Manager, at PricewaterhouseCoopers, a registered public accounting firm, from November 1993 through March 2008. Mr. Spidell is a Certified Public Accountant and holds a Bachelor in Business Administration, with degrees in Finance and Accounting, from Boise State University.

Available Information

We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, with the U.S. Securities and Exchange Commission, or the SEC, electronically. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including Juniper Networks that file electronically with the SEC. The address of that website is http:// www.sec.gov.

You may obtain a free copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports on our website at http://www.juniper.net, by contacting our Investor Relations Department at our corporate offices by calling 1-408-745-2000, or by sending an e-mail message to investorrelations@juniper.net. Such reports and other information are available on our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Our Corporate Governance Standards, the charters of our Audit Committee, Compensation Committee, Stock Committee, and Nominating and Corporate Governance Committee, as well as our Worldwide Code of Business Conduct and Ethics are also available on our website. Information on our website is not, and will not be deemed, a part of this Report or incorporated into any other filings the Company makes with the SEC.

Investors and others should note that the Company announces material financial and operational information to our investors using our Investor Relations website (http://investor.juniper.net), press releases, SEC filings and public conference calls and webcasts. The Company also intends to use the Twitter accounts @JuniperNetworks and @Juniper_IR and the Company's blogs as a means of disclosing information about the Company and for complying with its disclosure obligations under Regulation FD. The social media channels that the Company intends to use as a means of disclosing information described above may be updated from time to time as listed on the Company's Investor Relations website.

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 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. Furthermore, market trends, competitive pressures, commoditization of products, seasonal rebates, increased component or shipping costs, issues with product quality, regulatory impacts and other factors may result in reductions in revenue or pressure on gross margins of certain segments 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. Such a decline could occur, and has occurred in the past, even when we have met our publicly stated revenues and/or earnings guidance.

A limited number of our customers comprise a significant portion of our revenues and 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 substantial majority of our net revenues depend on sales to a limited number of customers and distribution partners, particularly in our service provider market. Changes in the business requirements, vendor selection, project prioritization, financial prospects, capital resources, and expenditures, or purchasing behavior (including product mix purchased) 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, Altice's purchase of Portugal Telecom, Liberty Global's proposed acquisition of Cable & Wireless Communications, AT&T's acquisition of DirecTV, and Charter Communications, Inc.'s proposed acquisition of Time Warner Cable, Inc.) and that consolidation trend has continued. 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.

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 credit markets may adversely impact the ability of our customers to adequately fund their expected capital 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.

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 in response to fluctuating market opportunities and conditions.

In periods of market expansion, we have increased investment in our business by, for example, increasing headcount 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. 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.

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 Alcatel-Lucent, Arista, Brocade, HP, 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, Fortinet, and HP. 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, HP acquired Aruba Networks, and Cisco acquired OpenDNS and Sourcefire, Inc., which further consolidated our market. In addition, Dell announced a proposed acquisition of EMC, which we anticipate will further consolidate our market upon its consummation. 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.

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 from quarter-to-quarter, 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, including customer, product and geographic mix shifts, increased price competition in one or more of the markets in which we compete, 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, increased costs due to changes in component pricing or charges incurred due to component holding periods if we do not accurately forecast 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 2014, our margins declined compared to fiscal year 2013, as a result of higher inventory charges resulting from product rationalizations 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 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.

Conversion of key internal systems and processes, particularly our ERP system, and problems with the design or implementation of these systems and processes could interfere with, and therefore harm, our business and operations.

We have underway a multi-phase project to convert certain key internal systems and processes, including our customer relationship management, or CRM, system and enterprise resource planning, or ERP, system. Since 2012, we have been implementing major changes to our ERP system, which activities we expect to continue into 2016. In the third quarter of 2014, we implemented the manufacturing, fulfillment, and inventory portion of this ERP project and were reliant upon dual ERP systems until January 2016 when we moved to a single ERP System. In connection with the transfer to our new ERP system, we scheduled a shutdown of certain of our legacy ERP systems, which may impact our DSO and/or our cash collections in the first quarter of 2016. We are still early in the process of operating under our new ERP system and may need to resolve issues that arise in connection with this transition. We have invested, and will continue to invest, significant capital and human resources in the design and implementation of these systems and processes. Any problems, disruptions, delays or other issues in the design and implementation of the new systems or processes, particularly any that impact our operations, could adversely affect our ability to process customer orders, ship products, provide service and support to our customers, bill and track our customers, collect cash from our customers, maintain our DSO measure, fulfill contractual obligations, record and transfer information in a timely and accurate manner, recognize revenue, file SEC reports in a timely manner, or otherwise run our business. Even if we do not encounter these adverse effects, as noted above, the design and implementation of these new systems and processes may be much more costly than we anticipated and in the event of lengthy project delays, we may experience issues with retention of the implementation team. If we are unable to successfully design and implement these new systems and processes as planned, or if the implementation of these systems and processes is more lengthy or costly than anticipated, our business, financial condition, and results of operations could be negatively impacted.

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 continued 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 subscription and 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 27%, 26%, and 25% of total revenue in fiscal year 2015, 2014, and 2013, respectively. Sales of new or renewal 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, the prices of products and services offered by our competitors, and reductions in our end-customers' spending levels. We recognize support and maintenance revenue periodically over the term of the relevant service period.

The introduction of new software products 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 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.

We are dependent on sole source and limited source suppliers for several key components, which makes us susceptible to shortages 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. 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. For example, from time to time, we have experienced component shortages that resulted in delays of product shipments. We 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. In addition, there has been consolidation among certain suppliers of our components. For example, GLOBALFOUNDRIES recently acquired IBM's semiconductor manufacturing business, Avago Technologies Limited recently acquired Broadcom Corporation and Intel Corporation recently 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. 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, Nokia Solutions and Networks O.Y., 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 2011 and 2012, one of our OEM partners, Dell, acquired Force10 and SonicWall, both competitors of ours. As a result, Dell became increasingly competitive in certain areas, their resale of our products declined, and we ultimately terminated our OEM relationship with Dell. In addition, Nokia Corporation merged with Alcatel-Lucent, a competitor of ours, and Cisco recently 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.

System security risks, data protection breaches, and cyber-attacks could compromise our 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 that of our customers, suppliers and business partners on our networks. In addition, we also 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 us, 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, 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 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" and other problems that could unexpectedly interfere with the operation of our networks. 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. We also announced that we are making additional changes to ScreenOS in response to our additional analysis and the investigation is ongoing. 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, costs relating to the investigation and the time and resources required to develop patched releases and further modify the products, 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. 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.

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, our order entry system feeds information into the systems of our contract manufacturers, which enables them to build and ship our products. If those systems fail or are interrupted, our processes may function at a diminished level or not at all. This could negatively impact our ability to ship products or otherwise operate our business, and our financial results could be harmed. For example, although it did not adversely affect our shipments, an earthquake in late December of 2006 disrupted our communications with China, where a significant part of our manufacturing occurs. In addition, as discussed earlier in this *Risk Factors section,* beginning in 2012 and continuing into 2016, we have been implementing major changes to our ERP system. Any failure of the new system or interruptions during the implementation process may impair communications with our manufacturers, and, therefore, adversely affect our ability to build and ship our products.

We are also 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.

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.

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, continued price 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 network infrastructures towards software-defined networking, or SDN, has been receiving considerable attention. In our view, it will take several years to see the full impact of SDN, 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. 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 hardware and software products across routing, switching and security, including ACX5000 and ACX500 routers, QFX10000 line of spine switches, QFX5100, QFX5100-AA, QFX-PFA, SRX300, SRX1500, SRX5000 and SRX5800 Series Services Gateways, EX9200 and EX4600 Ethernet Switches, new MX Series line cards and routers (including the vMX 3D Universal Edge Router), new PTX Series line cards (powered by our ExpressPlus custom silicon), NorthStar Controller, Junos Fusion, Junos Fusion Provider Edge, Junos Fusion Data Center, Junos Fusion Enterprise, OCX1100, PTX1000, vSRX Virtual Firewall, Sky Advanced Threat Prevention, Spotlight Secure, Junos Space Security Director, Junos Space Virtual Director, Juniper Networks Contrail Networking and Cloud CPE solution and NFX250 network services platform. 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, 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. For example, we have developed a disaggregated version of our Junos software and recently introduced our QFX5200 series of switches, which runs our disaggregated Junos software. 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 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

- the risk that issues with third party technologies used with our disaggregated products will 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 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 license required proprietary rights, our business, financial condition, and results of operations could be materially and adversely affected.

Regulation of 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. SEC rules implementing these requirements may have the effect of reducing the pool of suppliers who can supply DRC "conflict free" components and parts, and we may not be able to obtain DRC conflict free products or supplies in sufficient quantities for our operations. Since our supply chain is complex, we may face reputational challenges with our customers, stockholders and other stakeholders if we are unable to sufficiently verify the origins for the "conflict minerals" used in our products.

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 in the future, including an exemption for lead in network infrastructure equipment upon which we and our competitors rely, and which is currently scheduled to expire 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.

The traditional 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 are being challenged in court, 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 affecting the import or export of products or affecting products containing encryption capabilities could negatively affect our revenues.

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 recently has proposed new requirements relating to products containing encryption and India has imposed special warranty and other obligations associated with technology deemed critical. 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 export or related economic sanctions, including recent restrictions imposed by the U.S. and EU on exports to Russia and Ukraine, could harm our international and domestic sales and adversely affect our revenues. In addition, failure to comply with such regulations could result in harm to our reputation and ability to compete in international markets, penalties, costs, 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 historically have 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 agreed to by the U.S. Department of Commerce and the EU. The U.S.- EU Safe Harbor Framework, 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., recently was invalidated by a decision of the European Court of Justice, or the ECJ. In light of the ECJ's decision, we are reviewing our business practices and may find it necessary or desirable to make changes to our personal data handling procedures and contractual arrangements to ensure our transfer and receipt of EEA residents' personal data remains legitimized under applicable European law. 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 specializing in the service provider and enterprise markets, 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.

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 December 31, 2015, our goodwill was $2,981.3 million and there were no intangible assets with indefinite lives. When the carrying value of a reporting unit's goodwill exceeds its implied fair value of goodwill, a charge to operations is recorded. 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.

In recent years, 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, as well as sustained declines in our stock price, increase the risk that goodwill and intangible assets with indefinite lives may become impaired in future periods.

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 34 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, if adopted by countries, may increase tax uncertainty and adversely affect our provision for income taxes. 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.

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 to our contract manufacturers, who order components and plan capacity based on these forecasts. If we overestimate our requirements, our 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. 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 components, 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.

We are dependent on contract manufacturers with whom we do not have long-term supply contracts, and changes to those relationships, expected or unexpected, may result in delays or disruptions 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. Also, the addition of manufacturing locations or contract manufacturers would increase the complexity of our supply chain management. Moreover, an increasing portion of our manufacturing is performed in China and other countries and is therefore subject to risks associated with doing business outside of the United States. Each of these factors could adversely affect 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 in the future. 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; and
- the impact of the following on service provider and government 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.

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, particularly in those with developing economies, 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.

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, Euro, Indian Rupee, and Japanese Yen 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 only those currency exposures associated with certain assets and liabilities denominated in nonfunctional currencies and periodically hedge anticipated foreign currency cash flows. The hedging activities undertaken by us are intended to offset the impact of currency fluctuations on certain nonfunctional currency assets and liabilities. However, such attempts to offset the impact of currency fluctuations are costly and no amount of hedging can be effective against all circumstances, including long-term declines in the value of the U.S. Dollar. If our attempts to hedge against these risks are not successful, or if long-term declines in the value of the U.S. Dollar persist, our financial condition and results of operations could be adversely impacted.

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 January 2016, we entered into a definitive agreement to acquire BTI Systems Inc.; in 2014, we acquired WANDL, Inc.; and in 2012, we acquired Contrail Systems Inc. and Mykonos Software, Inc. Acquisitions involve numerous risks, including 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.

Approximately $125 million 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 $105.7 million was in cash, net of a $19.3 million working capital adjustment, and $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, the Company 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. Since approximately $125.0 million of the transaction consideration is in the form of a non-contingent seller promissory note, there is the risk that 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 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.

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 implement improved systems and processes, our ability to manage our business, financial condition, and results of operations may be negatively affected.

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, 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.

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 license additional technology from third-parties to develop new products or product enhancements. 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. 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 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 equipment they will use in those networks, such customers may greatly reduce or suspend their spending on secure IP infrastructure. Such delays in purchases can make it more difficult to predict revenues from such customers can cause fluctuations in the level of spending by these 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 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, our stock price and cause us to incur additional expense.

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. We have an ongoing program to implement and test the system and process controls necessary to comply with these requirements. We have and will continue to incur significant expenses and devote management resources to Section 404 compliance. In the event that our Chief Executive Officer, Chief Financial Officer, or independent registered public accounting firm determine in the future that our internal controls over financial reporting are not effective as defined under Section 404, 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 Senior Notes and the Revolving Credit Facility.

In March 2015, we issued $300.0 million aggregate principal amount of 3.30% senior notes due 2020, which we refer to as the 2020 Notes, and $300.0 million aggregate principal amount of 4.35% senior notes due 2025, which we refer to as the 2025 Notes. In addition, in March 2014, we issued $350.0 million aggregate principal amount of 4.50% senior unsecured notes due 2024, which we refer to as the 2024 Notes and in March 2011, we issued $1.0 billion aggregate principal amount of senior unsecured notes, which we refer to as the Senior Notes and together with the 2020 Notes, 2024 Notes and 2025 Notes, the Notes (see discussion in Note 10, *Debt and Financing,* in the Notes to Consolidated Financial Statements of this Report). As of December 31, 2015, we had $1,948.7 million in outstanding short-term and long-term debt. 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, up to a maximum of $700.0 million. The Credit Agreement will terminate in June 2019, at which point all amounts borrowed must be repaid. As of December 31, 2015, 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, any notes issued in connection with the recently-announced capital return program discussed below 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.

In January 2016, we announced a cash dividend of $0.10 per share of common stock payable on March 22, 2016 to stockholders of record as of the close of business on March 1, 2016. Our ability to pay quarterly dividends will be subject to, among other things, our financial position and results of operations, available cash and cash flow, capital requirements and other factors. Any failure to pay or increase future dividends as announced, reduction or discontinuation of quarterly dividends could have a material adverse effect on our stock price.

In addition, in July 2015 and October 2014, our Board of Directors authorized a $500.0 million and a $1.1 billion increase, respectively, to our current capital return plan. The capital return plan will be funded by a combination of onshore cash, previously issued debt and, potentially, additional debt financing, to preserve our financial flexibility to invest in future growth opportunities and maintain our investment grade credit rating. Any failure to meet our commitments to return capital to our shareholders 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 December 31, 2015, we had $1,420.9 million in cash and cash equivalents and $1,771.3 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, government- sponsored enterprise obligations, money market funds, mutual funds, publicly-traded equity securities, time deposits 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.

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. Losses not covered by insurance could be substantial and unpredictable and could adversely affect our financial condition and results of operations.

ITEM 1B. *Unresolved Staff Comments*

Not applicable.

ITEM 2. *Properties*

Our corporate headquarters are located on 80 acres of owned land in Sunnyvale, California and includes approximately 0.7 million square feet of owned buildings. In addition to our owned facilities, we lease approximately 0.4 million square feet in buildings as part of our corporate headquarters.

In addition to our leased offices in Sunnyvale, we also lease offices in various locations throughout the United States, Canada, South America, EMEA, and APAC regions, including offices in Australia, China, Hong Kong, India, Ireland, Israel, Japan, the Netherlands, Russia, United Arab Emirates, and the United Kingdom. As of December 31, 2015, we leased approximately 1.9 million square feet worldwide, with approximately 42 percent in North America. The respective leases expire at various times through October 31, 2024. In addition, in July 2015, we entered into a data center lease agreement which commenced in January 2016 and expires in March 2026 for approximately 63,000 square feet of space in the State of Washington. Each leased facility is subject to an individual lease or sublease, which could provide various options to renew/terminate the agreement or to expand/ contract the leased space. We believe that our current offices are in good condition and appropriately support our business needs.

For additional information regarding obligations under our operating leases, see Note 16, *Commitments and Contingencies,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report. For additional information regarding properties by geographic region, see Note 13, *Segments, in* Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

ITEM 3. *Legal Proceedings*

The information set forth under the heading “Legal Proceedings” in Note 16, *Commitments and Contingencies,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, is incorporated herein by reference.

ITEM 4. *Mine Safety Disclosures*

Not applicable.

PART II

ITEM 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Price Range of Common Stock

The principal market in which our common stock is traded is the New York Stock Exchange, or NYSE, under the symbol JNPR. The following table sets forth the high and low sales prices for our common stock for each full quarterly period within the two most recent fiscal years as reported on the NYSE.

	2015		2014	
	High	Low	High	Low
First quarter	$ 24.60	$ 21.24	$ 28.75	$ 22.28
Second quarter	$ 28.26	$ 22.21	$ 26.88	$ 23.81
Third quarter	$ 29.13	$ 24.74	$ 25.19	$ 21.90
Fourth quarter	$ 32.39	$ 25.48	$ 23.10	$ 18.41

Stockholders

As of February 12, 2016, there were 900 stockholders of record of our common stock and we believe a substantially greater number of beneficial owners who hold shares through brokers, banks or other nominees.

Dividends

We paid quarterly cash dividends in the fiscal year of 2015 and in the third and fourth quarters of 2014 of $0.10 per share totaling $156.3 million and $86.0 million, respectively. The declaration and amount of any future cash dividends are at the discretion of the Board of Directors and will depend on our financial performance, economic outlook, and any other relevant considerations. As indicated in 2014, we intend to pay quarterly cash dividends, subject to declaration by our Board of Directors, through the end of 2016. See Note 18, *Subsequent Events,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K, or Report, for our dividend declaration subsequent to December 31, 2015.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides stock repurchase activity during the three months ended December 31, 2015 (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[(2)]	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[(2)]
October 1 - October 31, 2015	0.2	$ 31.02	0.2	$ 620.0
November 1 - November 30, 2015	2.9	$ 30.49	2.9	$ 532.5
December 1 - December 31, 2015	0.1	$ 29.67	—	$ 532.5
Total	3.2	$ 30.50	3.1	

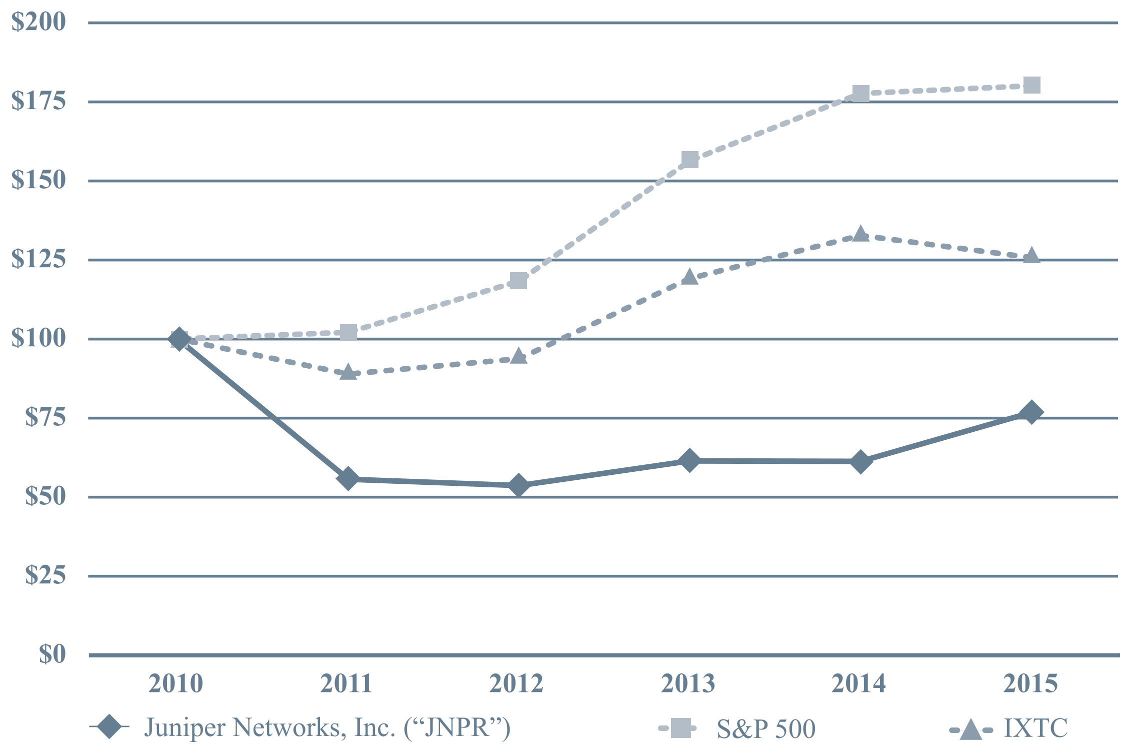
(1) Amounts include repurchases under our stock repurchase programs and repurchases of our common stock for our employees in connection with net issuances of shares to satisfy minimum tax withholding obligations for the vesting of certain stock awards. The amount of shares of common stock repurchased from our employees in connection with minimum tax withholdings was not significant during the three months ended December 31, 2015.

(2) Shares were repurchased under our stock repurchase program approved by the Board in February 2014, October 2014, and July 2015, which authorized us to purchase an aggregate of up to $3.9 billion of our common stock. Future share repurchases under our capital return plan 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.

Company Stock Performance

The graph below shows the cumulative total stockholder return over a five-year period assuming the investment of $100 on December 31, 2010, in each of Juniper Networks' common stock (with the reinvestment of all dividends), the Standard & Poor's 500 Stock Index ("S&P 500"), and the NASDAQ Telecommunications Index ("IXTC"). The graph shall not be deemed to be incorporated by reference into other U.S. Securities and Exchange Commission, or SEC, filings; nor deemed to be soliciting material or filed with the Commission or subject to Regulation 14A or 14C or subject to Section 18 of the Exchange Act. The comparisons in the graph below are based upon historical data and are not indicative of, or intended to forecast, future performance of our common stock.

Stock Performance Graph



	As of December 31,					
	2010	2011	2012	2013	2014	2015
JNPR	$ 100.00	$ 55.28	$ 53.28	$ 61.13	$ 60.99	$ 76.55
S&P 500	$ 100.00	$ 102.11	$ 118.44	$ 156.78	$ 178.22	$ 180.67
IXTC	$ 100.00	$ 88.82	$ 93.69	$ 119.26	$ 132.98	$ 125.93

ITEM 6. *Selected Financial Data*

The following selected consolidated financial data should be read in conjunction with Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and the Consolidated Financial Statements and the notes thereto in Item 8, *Financial Statements and Supplementary Data*, of this Report, which are incorporated herein by reference.

The information presented below reflects the impact of certain significant transactions and the adoption of certain accounting pronouncements, which makes a direct comparison difficult between each of the last five fiscal years. For a complete description of matters affecting the results in the tables below during the three years ended December 31, 2015, see *Notes to Consolidated Financial Statements in Item 8* of Part II of this Report.

Consolidated Statements of Operations Data

	Years Ended December 31,				
	2015[(a)]	2014[(b)]	2013[(c)]	2012[(d)]	2011[(e)]
	(In millions, except per share amounts)				
Net revenues	$ 4,857.8	$ 4,627.1	$ 4,669.1	$ 4,365.4	$ 4,448.7
Cost of revenues	1,779.2	1,768.9	1,727.7	1,656.6	1,580.1
Gross margin	3,078.6	2,858.2	2,941.4	2,708.8	2,868.6
Operating expenses	2,166.6	3,277.9	2,375.5	2,400.7	2,250.1
Operating income (loss)	912.0	(419.7)	565.9	308.1	618.5
Other (expense) income, net	(59.8)	333.4	(40.4)	(16.6)	(46.8)
Income (loss) before income taxes and noncontrolling interest	852.2	(86.3)	525.5	291.5	571.7
Income tax provision	218.5	248.0	85.7	105.0	146.7
Consolidated net income (loss)	633.7	(334.3)	439.8	186.5	425.0
Adjust for net loss (income) attributable to noncontrolling interest	—	—	—	—	0.1
Net income (loss) attributable to Juniper Networks	$ 633.7	$ (334.3)	$ 439.8	$ 186.5	$ 425.1
Net income (loss) per share attributable to Juniper Networks common stockholders:					
Basic	$ 1.62	$ (0.73)	$ 0.88	$ 0.36	$ 0.80
Diluted	$ 1.59	$ (0.73)	$ 0.86	$ 0.35	$ 0.79
Shares used in computing net income per share:					
Basic	390.6	457.4	501.8	520.9	529.8
Diluted	399.4	457.4	510.3	526.2	541.4
Cash dividends declared per common stock	$ 0.40	$ 0.20	$ —	$ —	$ —

(a) Includes the following significant pre-tax items: Interest expense on short-term and long-term debt of $79.8 million, net of $2.2 million capitalized, related to the Company's outstanding long-term debt in other expense, net and a net gain on privately-held investments of $7.3 million. In addition, includes approximately $13.2 million net benefit of cumulative adjustment related to the change in treatment of share-based compensation as a result of the U.S. Tax Court decision in Altera Corporation et al., or Altera, v. Commissioner. See Note 14, *Income Taxes,* in Notes to the Consolidated Financial Statements in Item 8 of Part II of this Report for further information.

(b) Includes the following significant pre-tax items: Impairment of goodwill of $850.0 million, restructuring and other charges of $208.5 million, gain on the sale of equity investments of $163.0 million, gain, net of legal fees in connection with the litigation settlement with Palo Alto Networks, Inc., or Palo Alto Networks, of $196.1 million, gain on sale of Junos Pulse of $19.6 million, and interest expense on debt (net of amounts capitalized) of $57.5 million. Income tax has been provided on the pre-tax loss primarily due to the non-deductible goodwill charge. In addition, includes $52.8 million of significant tax items related to the gain on the sale of Junos Pulse offset by the release of the Company's valuation allowance attributable to investment losses.

(c) Includes the following significant pre-tax items: restructuring and other charges of $47.5 million, interest expense on debt (net of amounts capitalized) of $45.2 million, and an increase in depreciation expense within research and development, or R&D, of $28.3 million related to a change in estimate of the useful lives of certain computers and equipment. In addition, includes $64.2 million of significant tax items for a multi-year claim related to the U.S. production activities deduction, a tax settlement with the Internal Revenue Service, or IRS, and the reinstatement of the U.S. federal R&D tax credit on January 2, 2013 retroactive to January 1, 2012.

(d) Includes the following significant pre-tax items: restructuring and other charges of $99.7 million, interest expense on debt (net of amounts capitalized) of $40.0 million, and a net gain on privately-held investments of $25.5 million.

(e) Includes the following significant pre-tax items: restructuring and other charges of $30.6 million and interest expense on debt (net of amounts capitalized) of $37.7 million.

Consolidated Balance Sheet Data

	As of December 31,				
	2015	2014	2013	2012	2011
	(In millions)				
Cash, cash equivalents, and investments	$ 3,192.2	$ 3,104.9	$ 4,097.8	$ 3,837.4	$ 4,292.4
Working capital[(a)]	1,110.5	1,297.2	2,182.7	2,006.1	2,818.7
Goodwill	2,981.3	2,981.5	4,057.7	4,057.8	3,928.1
Total assets[(a)]	8,619.2	8,281.4	10,272.7	9,793.8	9,945.5
Short-term and Long-term debt	1,948.7	1,349.0	999.3	999.2	999.0
Total long-term liabilities[(a)] (excluding long-term debt)	594.1	499.9	529.8	373.1	390.1
Total Juniper Networks stockholders' equity	$ 4,574.4	$ 4,919.1	$ 7,302.2	$ 6,999.0	$ 7,089.2

(a) Fiscal year 2015 includes the effects of the adoption of Accounting Standards Update No. 2015-17, Balance Sheet Classification of Deferred Taxes, requiring all deferred tax assets and liabilities, and any related valuation allowance, to be classified as non-current on our Consolidated Balance Sheets. Certain amounts in the prior years were retrospectively adjusted to conform to the current-year presentation.

ITEM 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion should be read with the Consolidated Financial Statements and the related notes in Item 8 of Part II of this Report.

The following discussion is based upon our Consolidated Financial Statements included elsewhere in 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. Each of these decisions has some impact on the financial results for any given period. 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. For further information about our critical accounting policies and estimates, see "Critical Accounting Policies and Estimates" section included in this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

To aid in understanding our operating results for the periods covered by this Report, we have provided an executive overview and a summary of the business and market environment. These sections should be read in conjunction with the more detailed discussion and analysis of our consolidated financial condition and results of operations in this Item 7, our "Risk Factors" section included in Item 1A of Part I, and our Consolidated Financial Statements and notes thereto included in Item 8 of Part II of this Report.

Business and Market Environment

At Juniper Networks, we design, develop, and sell products and services for high-performance networks to enable customers to build highly scalable, reliable, secure and cost-effective networks for their businesses, while achieving agility, efficiency and value through automation. We focus on customers and partners across our key market verticals who view these network attributes as fundamental to their business; including Telecom, Cable Providers, Cloud Providers, National Government, Financial Services, and Enterprise Strategic Verticals. We believe that product and solution differentiation, with a relentless customer focus, will enable us to achieve our goal of growing our revenue faster than the market.

Our products are sold in three geographic regions: Americas; Europe, Middle East, and Africa, or EMEA; and Asia Pacific, or APAC. Our high-performance routing, switching, and security networking products and service offerings are sold to Service Provider and Enterprise markets. We believe that our silicon, systems, and software represent innovations that transform the economics and experience of networking, helping our customers achieve superior performance, greater choice, and flexibility, while reducing overall total cost of ownership. In addition to our products, we offer technical support and professional services, as well as education and training programs to our customers. Together, our high-performance product and service offerings help our customers convert legacy networks that provide commoditized services into more valuable assets that provide differentiation, value, and increased performance, reliability, and security to end-users.

Our fiscal 2015 results showed improvement, with year-over-year net revenue increases across all verticals and geographies, and solid growth in our routing, switching and high-end SRX platforms and security software products. As anticipated, in the second half of 2015, U.S. Telecom, showed an improvement in net revenues compared to the first half of 2015, as well as the second half of 2014. Of our top ten customers for fiscal 2015, five were Telecom customers, three of which were outside of the U.S., and five were Cloud and Cable Providers. We expect the overall revenue environment to be challenging in the near-term, as market dynamics may impact demand from some of our customers. We also anticipate the exchange rate of the U.S. dollar to other currencies to remain strong. Further, we believe our product gross margins may continue to vary in the future due to competitive pricing pressures, which may be offset by additional operational efficiencies.

Nevertheless, we are focused on executing our strategy, which is focused on designing, developing and selling products and services for high-performance networks. We believe our product portfolio continues to be strong, and we remain focused on operational excellence, cost discipline, targeted growth initiatives, as well as partnerships and tuck-in acquisitions that complement our R&D strategy. For example, in January 2016, we announced our intent to acquire optical equipment provider BTI Systems, which we believe will allow us to accelerate the delivery of open and automated packet optical transport solutions with integrated network management based on BTI Systems' proNX Service Manager and our Connectivity Services Director, as well as NorthStar Controller. We believe that, together, these products provide a unified management interface for multi-layer provisioning of end-to-end services across IP and optical networks.

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 real value over those 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 2015, we continued to invest in innovation and strengthening our product portfolio, which resulted in new product offerings across routing, switching, and security. In routing, we expanded our ACX Series portfolio with the addition of ACX500 and ACX5000 routers, enabling service providers to handle added capacity and accelerate service orchestration; announced new line cards for the PTX3000 and PTX5000; expanded our Converged Supercore architecture with the addition of the PTX1000, a compact 3Tbps fixed configuration core router; enhanced the MX Series 3D Universal Edge Routing portfolio with new line cards and software features that triple throughput and enable network automation; and introduced the NFX Series, the first in a planned series of network services platforms that can operate as secure, on-premises devices running multiple virtual network functions, or VFNs, - from us and third parties - simultaneously, thereby significantly reducing costs and giving service providers the ability to update network functions without having to purchase new hardware. Additionally, we announced Cloud CPE, a fully automated, end-to-end network functions virtualization, or NFV, solution, that builds on the proven ability of Juniper Networks Contrail Networking to scale across all NFV deployment models.

In switching, we announced QFX10000 High Performance Data Center Switches, which are powered by our new Q5 chip, a purpose-built ASIC that we believe enables unprecedented performance, port density, and scale, as well as the new Junos Fusion for data centers to provide industry-leading network scale and automation capabilities for small to Internet-scale cloud networks. We also announced a disaggregated version of our Junos software to provide customers with ultimate choice in data center deployment options. In addition, we announced the QFX5200 line of access switches, the first platform to run the disaggregated Junos software as well as support the emerging 25 and 50 gigabit ethernet, or GbE, standard. Additionally, we highlighted the rapid implementation of MetaFabric architecture and Contrail SDN technologies across leading converged and hyper-converged stack solutions.

Also, Juniper Networks Unite was announced, a new campus architecture that provides simplified and secure network infrastructure solutions required to modernize enterprise campus and branch networks into cloud-enabled service platforms. Additionally, we announced Junos Fusion Enterprise, a new open architecture, based on the 802.1BR industry standard, that when combined with EX Series Ethernet switches, we believe will enable the configuration and management of the entire distributed enterprise network as a single network entity.

Furthermore, we unveiled the QFX5100-AA switch and the QFX-PFA, a new packet flow accelerator module. Collectively, this solution provides a data center switch that consolidates compute resources and customizable logic into the network. For the enterprise, we partnered with Ruckus Wireless to provide high-performance, scalable and open network solutions for both wired and wireless products. Additionally, we announced a new technology alliance with Aerohive to deliver simple, secure and cloud-managed wired and wireless solutions to enterprises.

For security, we announced advanced malware protection with zero-day threat protection from the cloud, redesigned security management, and the latest firewalls for enterprise campus and branch networks, as part of our new Juniper Networks Unite architecture. Our latest security solutions include Juniper Networks Sky Advanced Threat Prevention, Junos Space Security Director, Juniper Networks SRX300 Series Services Gateways and SRX1500, which are designed to provide customers with the sophisticated threat protection, security management, automation and scale needed to defend against threats at any point in the network without hindering network performance.

We also introduced new hardware and software for Juniper Networks SRX5800 Services Gateway. The improvements will increase available Internet Mix, or IMIX, firewall throughput up to two terabits per second, or 2 Tbps. Additionally, an optimization capability called Express Path was introduced to the Juniper Network SRX5000 Series Services Gateways, delivering powerful performance enhancements, to boost throughput and reduce latency. We also announced new application security capabilities with AppSecure 2.0 for our virtual firewall, vSRX, to deliver enhanced protection for cloud and hybrid data centers.

In addition to our new product announcements, we continued to deliver on our previously announced capital return program. For fiscal year 2015, we repurchased $1,142.5 million of shares of our common stock and paid four quarterly cash dividends of $0.10 per share for an aggregate amount of $156.3 million. Since the first quarter of 2014, inclusive of share repurchases and dividends, we have returned approximately $3.6 billion of capital to shareholders against our commitment to return $4.1 billion by the end of 2016. Given that we have almost completed our $4.1 billion dollar capital return commitment, going forward, we intend to target a capital return policy of approximately 50% of annual free cash flow, inclusive of share repurchases and dividends. Free cash flow is calculated as net cash provided by operating activities less capital expenditures.

In 2015, we issued $300.0 million aggregate principal amount of 3.30% senior notes due 2020, or 2020 Notes, and $300.0 million aggregate principal amount of 4.35% senior notes due 2025, or 2025 Notes, and intend to refinance, subject to market and other business conditions, $300 million of our previously issued debt maturing in March 2016.

Financial Results and Key Performance Metrics Overview

The following table provides an overview of our key financial metrics for the years ended December 31, 2015, 2014, and 2013 (in millions, except per share amounts, percentages, days sales outstanding, or DSO, and book-to-bill):

	As of and for the Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Net revenues	$ 4,857.8	$ 4,627.1	$ 4,669.1	$ 230.7	5%	$ (42.0)	(1)%
Gross Margin	$ 3,078.6	$ 2,858.2	$ 2,941.4	$ 220.4	8%	$ (83.2)	(3)%
Percentage of net revenues	*63.4%*	*61.8%*	*63.0%*				
Operating income (loss)	$ 912.0	$ (419.7)	$ 565.9	$ 1,331.7	(317)%	$ (985.6)	(174)%
Percentage of net revenues	*18.8%*	*(9.1)%*	*12.1%*				
Net income (loss)	$ 633.7	$ (334.3)	$ 439.8	$ 968.0	(290)%	$ (774.1)	(176)%
Percentage of net revenues	*13.0%*	*(7.2)%*	*9.4%*				
Net income (loss) per share							
Basic	$ 1.62	$ (0.73)	$ 0.88	$ 2.35	(322)%	$ (1.61)	(183)%
Diluted	$ 1.59	$ (0.73)	$ 0.86	$ 2.32	(318)%	$ (1.59)	(185)%
Cash dividends declared per common stock	$ 0.40	$ 0.20	$ —	$ 0.20	100%	$ 0.20	—%
Stock repurchase plan activity	$ 1,142.5	$ 2,250.0	$ 570.6	$ (1,107.5)	(49)%	$ 1,679.4	294%
Operating cash flows	$ 892.5	$ 763.4	$ 845.9	$ 129.1	17%	$ (82.5)	(10)%
DSO (*)	53	49	41	4	8%	8	20%
Book-to-bill(*)	>1	>1	>1				
Deferred revenue	$ 1,168.1	$ 1,075.7	$ 1,069.3	$ 92.4	9%	$ 6.4	1%

(*) DSO and book-to-bill are for the fourth quarter ended December 31, 2015, 2014, and 2013.

- *Net Revenues:* During 2015, net revenues increased, compared to 2014, as a result of increases across all verticals and geographies, primarily due to an increase in Service Providers net revenues across all three geographies, as well as an increase in Enterprise net revenues in the Americas. The year-over-year increase in net revenues was also a result of a strong increase in net revenues from our routing products, partially offset by a decrease in net revenues from Screen OS products and divestiture of Pulse Secure products in the third quarter of 2014.

  During 2014, net revenues were slightly down, compared to 2013, as a result of a decline in net revenues from U.S. carriers, partially offset by growing demand from cloud providers in the Americas, as well as improving demand among service provider in EMEA. The year-over-year decline in our net revenues was primarily due to a decrease in net revenues from our routing and security products, partially offset by an increase in our switching products revenue and service revenue.

- *Gross Margin:* Our gross margin as a percentage of net revenues increased during 2015, compared to 2014, as a result of higher restructuring and other (benefit) charges recorded in 2014 but not in 2015, in connection with the restructuring plan we initiated in the first quarter of 2014, or the 2014 Restructuring Plan, as well as a steady increase in net revenues compared to 2014.

  Our gross margin as a percentage of net revenues decreased during 2014, compared to 2013, as a result of higher inventory charges driven by product rationalizations in connection with our 2014 Restructuring Plan and charges related to an industry-wide memory product quality defect for a component from a third party supplier.

- *Operating Income (Loss):* During 2015, compared to 2014, we experienced an increase in operating income (loss) as percentage of net revenues, as a result of higher net revenues and effective management of our cost structure. Additionally, operating loss in 2014 included $850.0 million goodwill impairment charge and restructuring charges of $207.7 million in connection with our 2014 Restructuring Plan.

  During 2014, compared to 2013, we experienced a decline in operating income (loss) as a percentage of net revenues, primarily due to an $850.0 million goodwill impairment charge related to the Security reporting unit recorded in the fourth quarter of 2014, restructuring and other charges of $207.7 million, related to severance, facility consolidations and closures, asset write-offs, and contract terminations in connection with our 2014 Restructuring Plan, as well as a component remediation charge of $20.7 million relating to the memory product quality defect.

- *Cash Dividends Declared per Common Stock:* During 2015, we declared four quarterly cash dividends of $0.10 per share, payable on March 24, 2015, June 23, 2015, September 22, 2015, and on December 22, 2015, to stockholders of record as of the close of business on March 3, 2015, June 2, 2015, September 1, 2015 and on December 1, 2015, respectively, in the aggregate amount of $156.3 million.

  During 2014, we declared two quarterly cash dividends of $0.10 per share, payable on September 23, 2014 and on December 23, 2014 to stockholders of record as of the close of business on September 2, 2014 and December 2, 2014, respectively, in the aggregate amount of $86.0 million. We had not previously paid cash dividends.

- *Stock Repurchase Plan Activity:* Under our stock repurchase program, we repurchased approximately 45.4 million shares of our common stock in the open market at an average price of $25.16 per share for an aggregate purchase of $1,142.5 million during 2015.

  During 2014, we repurchased approximately 96.1 million shares of our common stock in the open market at an average price of $23.41 per share for an aggregate purchase of $2,250.0 million.

- *Operating Cash Flows:* Cash flow from operations increased by $129.1 million in 2015, compared to 2014, primarily due to higher revenue and improved operating margin.

  Operating cash flows decreased in 2014, compared to 2013, primarily due to lower cash collections from customers, higher payments primarily related to our 2014 restructuring plans, higher taxes paid, and lower prepayments compared to prior year.

- *DSO:* DSO is calculated as the ratio of ending accounts receivable, net of allowances, divided by average daily net sales for the preceding 90 days. DSO for the quarter ended December 31, 2015 increased by 4 days, or 8% compared to the quarter ended December 31, 2014. The increase in DSO was primarily due to a significant increase of service billings invoiced late in the fourth quarter.

  DSO for the quarter ended December 31, 2014 increased by 8 days, or 20% compared to the quarter ended December 31, 2013. During 2014, we transitioned certain distribution partners from a third party financing program to Juniper's commercial payment terms. Going forward, we expect DSO to be in the range of 45 to 55 days.

- *Book-to-Bill:* Book-to-bill represents the ratio of product orders booked divided by product revenues during the respective period. Book-to-bill was greater than one for the quarters ended December 31, 2015, 2014 and 2013, indicating strong product demand.

- *Deferred Revenue:* Total deferred revenue increased by $92.4 million to $1,168.1 million as of December 31, 2015, compared to $1,075.7 million as of December 31, 2014, primarily due to an increase in deferred service revenue of $77.7 million, driven by timing of service contract renewals as well as higher product deferrals as a result of an increase in channel inventory and subscription deferrals.

As of December 31, 2014 compared to December 31, 2013, total deferred revenue increased by $6.4 million, primarily due to an increase in deferred service revenue of $25.8 million, primarily driven by the execution of several multi-year support agreements and annual agreement renewals. The increase in deferred service revenue was partially offset by a decrease in deferred product revenue of $19.4 million as a result of lower distributor inventory and multiple revenue releases in relation to previously deferred product revenue.

Critical Accounting Policies and Estimates

The preparation of the 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 Consolidated Financial Statements and the accompanying notes. On an ongoing basis, we evaluate our estimates, including those related to sales returns, pricing credits, warranty costs, allowance for doubtful accounts, impairment of long-term assets, especially goodwill and intangible assets, contract manufacturer exposures for carrying and obsolete material charges, assumptions used in the valuation of share-based compensation, and litigation. We base our estimates and assumptions on current facts, historical experience, and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For further information about our significant accounting policies, see Note 2, *Significant Accounting Policies,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, which describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. The accounting policies described below are significantly affected by critical accounting estimates. Such accounting policies require significant judgments, assumptions, and estimates used in the preparation of the Consolidated Financial Statements and actual results could differ materially from the amounts reported based on these policies. To the extent there are material differences between our estimates and the actual results, our future consolidated results of operations may be affected.

- *Goodwill.* We make significant estimates, assumptions, and judgments when valuing goodwill and other intangible assets in connection with the initial purchase price allocation of an acquired entity, as well as when evaluating impairment of goodwill and other intangible assets on an ongoing basis. These estimates are based upon a number of factors, including historical experience, market conditions, and information obtained from the management of the acquired company. Critical estimates in valuing certain intangible assets include, but are not limited to, historical and projected customer retention rates, anticipated growth in revenue from the acquired customer and product base, and the expected use of the acquired assets. These factors are also considered in determining the useful life of the acquired intangible assets. The amounts and useful lives assigned to identified intangible assets impacts the amount and timing of future amortization expense.

  Goodwill represents the future economic benefits arising from other assets acquired in a business combination or an acquisition that are not individually identified and separately recorded. The excess of the purchase price over the estimated fair value of net assets of businesses acquired in a business combination is recognized as goodwill. We evaluate our goodwill for impairment on an annual basis, as of November 1st, or more frequently if an event occurs or facts and circumstances change that would more likely than not reduce the fair value of our reporting units below their carrying amount.

  Goodwill is tested for impairment at the reporting unit level, which is one level below our operating segment level, by comparing the reporting unit's carrying value, including goodwill, to the fair value of the reporting unit. The reporting units are determined based on the components of our operating segment that constitutes a business for which discrete financial information is available and segment management regularly review the operating results of the component.

  The provisions of the accounting standard for goodwill and other intangibles allows us to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Various factors are considered in the qualitative assessment, including macroeconomic conditions, financial performance, or a sustained decrease in share price. If as a result of the qualitative assessment, it is deemed more likely than not that the fair value of a reporting unit is less than its carrying amount, management will perform the quantitative test.

  The quantitative goodwill impairment test, if necessary, involves a two-step process to identify goodwill impairment and measure the amount of goodwill impairment loss to be recognized, if any. The first step tests for potential impairment by comparing the fair value of reporting units with the reporting unit's net asset values. If the fair value of the reporting units exceeds the carrying value of the reporting unit's net assets, goodwill is not impaired and no further testing is required. If the fair value of the reporting units does not exceed the carrying value of the net assets assigned to the reporting unit, then we perform the second step of the impairment test in order to determine the implied fair value of the reporting unit's goodwill. The second step requires an assignment of the reporting unit's fair value to the reporting unit's assets and liabilities, using the relevant acquisition accounting guidance, to determine the implied fair value of the reporting unit's goodwill. The implied fair value of the reporting unit's goodwill is then compared with the carrying amount of the reporting unit's goodwill, and if the carrying value of a reporting unit's goodwill exceeds its implied fair value, we record an impairment loss equal to the difference.

In the first step, the fair value of each of our reporting units is determined using both the income and market valuation approaches. We believe the income approach and the market approach are equally representative of the reporting unit's fair value. Under the income approach, the fair value of the reporting unit is based on the present value of estimated future cash flows that the reporting unit is expected to generate over its remaining life. Under the market approach, the value of the reporting unit is based on an analysis that compares the value of the reporting unit to values of publicly-traded companies in similar lines of business. In the application of the income and market valuation approaches, we are required to make estimates of future operating trends and judgments on discount rates and other variables. Determining the fair value of a reporting unit is highly judgmental in nature and involves the use of significant estimates and assumptions. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Actual future results related to assumed variables could differ from these estimates. In addition, we make certain judgments and assumptions in allocating shared assets and liabilities to determine the carrying values for each of our reporting units.

Under the income approach, we calculate the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business's ability to execute on the projected cash flows. Under the market approach, we estimate the fair value based on market multiples of revenue and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting units, and then apply a control premium which is determined by considering control premiums offered as part of the acquisitions that have occurred in market segments that are comparable with our reporting units. The income approach and the market approach are equally weighted to derive the fair value of the reporting unit.

Prior to the second step, the long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group, to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. If needed, an impairment charge is recognized by the amount by which the carrying amount of the asset, or asset group, exceeds its fair value.

In the second step, the reporting unit's fair value is allocated to all of the assets and liabilities, including any unrecognized intangible assets; such as, existing technology, backlog, and customer relationships, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the reporting unit was being acquired in a business combination. If the implied fair value of the reporting unit's goodwill is less than the carrying value, the difference is recorded as an impairment loss. Assumptions used in measuring the fair value of these assets and liabilities included the discount rates, customer renewal rates, and technology obsolescence rates used in valuing intangible assets, and pricing of comparable transactions in the market in valuing the tangible assets.

During the fourth quarter of fiscal 2015, we elected to perform the qualitative assessment for all of our reporting units. This qualitative assessment included the review of certain macroeconomic factors and entity-specific qualitative factors to determine if it was more-likely-than-not that the fair values of our reporting units were below carrying value. We considered macroeconomic factors including the economic growth, general macroeconomic trends and growth for the markets in which the reporting units operate, changes in the industry environment, and the performance of market competitors. In addition to these macroeconomic factors, among other things, we considered the reporting units' current results and forecasts, any changes in the nature of the business, any changes in cost factors, any significant legal, regulatory, contractual, or other business factors, and changes in the carrying amount of net assets.

As a result of our qualitative assessment, we concluded that it was more-likely-than-not that our goodwill was not impaired and we did not need to perform a quantitative assessment.

Refer to Item 8 of Part II, Note 7, *Goodwill and Purchased Intangible Assets*, of the notes to the Consolidated Financial Statements, for further information.

- *Inventory Valuation and Contract Manufacturer Liabilities.* Inventory consists primarily of component parts to be used in the manufacturing process and is stated at lower of average cost or market. A provision is recorded when inventory is determined to be in excess of anticipated demand or obsolete, to adjust inventory to its estimated realizable value. In determining the provision, we also consider estimated recovery rates based on the nature of the inventory. As of December 31, 2015 and December 31, 2014, our net inventory balances were $75.0 million and $62.5 million, respectively.

  We establish a liability for non-cancelable, non-returnable purchase commitments with our contract manufacturers for quantities in excess of our demand forecasts or obsolete materials charges for components purchased by the contract manufacturers based on our demand forecasts or customer orders. We also take estimated recoveries of aged inventory into consideration when determining the liability. As of December 31, 2015 and December 31, 2014, our contract manufacturer liabilities were $18.0 million and $25.3 million, respectively.

  Significant judgment is used in establishing our forecasts of future demand, recovery rates based on the nature and age of inventory, and obsolete material exposures. We perform a detailed analysis and review of data used in establishing our demand forecasts. If the actual component usage and product demand are significantly lower than forecast, which may be caused by factors within and outside of our control, or if there were a higher incidence of inventory obsolescence because of rapidly changing technology and our customer requirements, we may be required to increase our inventory write-downs and contract manufacturer liabilities, which could have an adverse impact on our gross margins and profitability. We regularly evaluate our exposure for inventory write-downs and adequacy of our contract manufacturer liabilities. Inventory and supply chain management remains an area of focus as we balance the risk of material obsolescence and supply chain flexibility in order to reduce lead times.

- *Revenue recognition.* Revenue is recognized when all of the following criteria have been met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred, (3) sales price is fixed or determinable, and (4) collectability is reasonably assured. We enter into contracts to sell our products and services, and while some of our sales agreements contain standard terms and conditions, there are agreements that contain multiple elements or non-standard terms and conditions. As a result, significant contract interpretation may be required to determine the appropriate accounting, including whether the deliverables specified in a multiple element arrangement should be treated as separate units of accounting for revenue recognition purposes, and, if so, how the price should be allocated among the elements and when to recognize revenue for each element. Changes in the allocation of the sales price between elements may impact the timing of revenue recognition but will not change the total revenue recognized on the contract.

  Under our revenue recognition policies, we allocate revenue to each element based on a selling price hierarchy. The selling price for a deliverable is based on our vendor-specific objective evidence, or VSOE, if available, third-party evidence, or TPE, if VSOE is not available, or estimated selling price, or ESP, if neither VSOE nor TPE is available. We establish VSOE of selling price using the price charged for a deliverable when sold separately. TPE of selling price is established by evaluating largely interchangeable competitor products or services in stand-alone sales to similarly situated customers. We do not use TPE as we do not consider our products to be similar or interchangeable to our competitors' products in standalone sales to similarly situated customers. ESP is established considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and product life cycle. Consideration is also given to market conditions such as industry pricing strategies and technology life cycles. When determining ESP, we apply management judgment to establish margin objectives and pricing strategies and to evaluate market conditions and product life cycles. Revenue from maintenance service contracts is deferred and recognized ratably over the contractual support period, which is generally one to three years.

- *Income Taxes.* We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating our uncertain tax positions and determining our taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Our provision for income taxes is subject to volatility and could be adversely affected by earnings being lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates; by changes in the valuation of our deferred tax assets and liabilities; by expiration of or lapses in the R&D tax credit laws; by transfer pricing adjustments, including the effect of acquisitions on our intercompany R&D cost-sharing arrangement and legal structure; by tax effects of nondeductible compensation; by tax costs related to intercompany realignments; by changes in accounting principles; or by changes in tax laws and regulations, including possible U.S. changes to the taxation of earnings of our foreign subsidiaries, the deductibility of expenses attributable to foreign income, or the foreign tax credit rules. In addition, the OECD's recommended changes to numerous long-standing tax principles, if adopted by countries, will increase tax uncertainty and may adversely affect our provision for income taxes. Significant judgment is required to determine the recognition and measurement attributes prescribed in the accounting guidance for uncertainty in income taxes. The accounting guidance for uncertainty in income taxes applies to all income tax positions, including the potential recovery of previously paid taxes, which if settled unfavorably could adversely affect our provision for income taxes or additional paid-in capital. In addition, we are subject to the continuous examination of our income tax returns by the IRS and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition.

- *Loss Contingencies.* We use significant judgment and assumptions to estimate the likelihood of loss or impairment of an asset, or the incurrence of a liability, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. We record a charge equal to the minimum estimated liability for litigation costs or a loss contingency only when both of the following conditions are met: (i) information available prior to issuance of our consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the range of loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required.

Recent Accounting Pronouncements

See Note 2, *Significant Accounting Policies,* in Notes to the Consolidated Financial Statements in Item 8 of Part II of this Report for a full description of recent accounting pronouncements, including the expected dates of adoption and estimated effects on financial condition and results of operations, which is incorporated herein by reference.

Results of Operations

We sell our high-performance networking products and service offerings across routing, switching, and security to two primary markets: Service Provider and Enterprise. Our determination of the market to which a particular revenue transaction relates to is based primarily upon the customer's industrial classification code, but may also include subjective factors such as the intended use of the product. The service provider market generally includes wireline and wireless carriers, and cable operators, as well as major Internet content and application providers, including those that provide social networking and search engine services. The enterprise market generally is comprised of businesses; federal, state, and local governments; research and education institutions; and financial services.

The following table presents product and service net revenues (in millions, except percentages):

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Routing	$ 2,359.2	$ 2,223.9	$ 2,318.0	$ 135.3	6%	$ (94.1)	(4)%
Switching	768.3	721.2	638.0	47.1	7%	83.2	13%
Security	435.6	463.6	563.9	(28.0)	(6)%	(100.3)	(18)%
Total Product	3,563.1	3,408.7	3,519.9	154.4	5%	(111.2)	(3)%
Percentage of net revenues	*73.3%*	*73.7%*	*75.4%*				
Total Service	1,294.7	1,218.4	1,149.2	76.3	6%	69.2	6%
Percentage of net revenues	*26.7%*	*26.3%*	*24.6%*				
Total net revenues	$ 4,857.8	$ 4,627.1	$ 4,669.1	$ 230.7	5%	$ (42.0)	(1)%

2015 Compared to 2014

Routing product net revenues increased in 2015, compared to 2014, as a result of an increase from Cloud Providers, Cable, and Telecom in EMEA and APAC. During 2015, we saw a strong increase in demand from both service provider and enterprise markets for our routing products, as well as an overall increase in net revenues from our MX960, MX2020, and PTX series products.

Switching product net revenues increased in 2015, compared to 2014, primarily due to data center build-outs with Telecom and Cloud Providers. This result was enabled by the significant growth with the QFX product family. Additionally, we saw solid strength in switching net revenues in the Americas and APAC, which was slightly offset by a decrease in EMEA. We also saw a year-over-year increase in the service provider market for our switching products.

Security product net revenues decreased in 2015, compared to 2014, primarily due to the divestiture of our Junos Pulse product lines and a continuing decline in our ScreenOS products, which was partially offset by an increase in sales of our SRX platform and security software year-over-year. Additionally, we also saw a decrease in security net revenues within the enterprise market, which was partially offset by a slight increase in the service provider market.

The increase in service net revenues in 2015, compared to 2014, was primarily driven by new service contracts and strong contract renewals. Service revenues are largely correlated with product revenues, therefore if product net revenues decline, it can have an impact on future service revenues.

2014 Compared to 2013

Routing product net revenues decreased in 2014, compared to 2013, as a result of weaker demand for core routing products, partially offset by strong growth of our PTX series products. Edge routing net revenues increased as a result of strong demand for our MX series products, partly offset by older edge routing platforms. The year-over year decline was driven by weakness from large U.S. carriers, partially offset by strength from Cloud Providers.

Switching product net revenues increased in 2014, compared to 2013, reflecting growth from both our QFabric system and our EX series products. During 2014 we saw strong adoption of QFabric data center switches by a growing number of customers, with especially strong demand from Cloud Providers in the Americas.

Security product net revenues decreased in 2014, compared to 2013, primarily due to a continuing decline in our legacy ScreenOS products and the divestiture of our Junos Pulse product lines. Sales of our SRX platform declined slightly year-over-year, due to lower demand from U.S. Carrier customers.

The increase in service revenue in 2014, compared to 2013, was primarily driven by new service contracts and strong contract renewals.

Net Revenues by Geographic Region

The following table presents net revenues by geographic region (in millions, except percentages):

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Americas:							
United States	$ 2,568.6	$ 2,410.6	$ 2,381.5	$ 158.0	7%	$ 29.1	1%
Other	223.6	219.7	232.0	3.9	2%	(12.3)	(5)%
Total Americas	2,792.2	2,630.3	2,613.5	161.9	6%	16.8	1%
Percentage of net revenues	*57.5%*	*56.8%*	*56.0%*				
EMEA	1,320.3	1,263.3	1,256.9	57.0	5%	6.4	1%
Percentage of net revenues	*27.2%*	*27.3%*	*26.9%*				
APAC	745.3	733.5	798.7	11.8	2%	(65.2)	(8)%
Percentage of net revenues	*15.3%*	*15.9%*	*17.1%*				
Total net revenues	$ 4,857.8	$ 4,627.1	$ 4,669.1	$ 230.7	5%	$ (42.0)	(1)%

2015 Compared to 2014

Net revenues in the Americas increased in 2015, compared to 2014, primarily due to a strong increase in net revenues from both the service provider and enterprise markets. The increase in both the service provider and enterprise markets within the Americas was due to an increase in net revenues across routing, switching, and SRX product net revenues, as well as service net revenues. In addition, we saw a strong increase in net revenues from Cloud Providers, Cable, and Enterprise, partially offset by Telecom.

Net revenues in EMEA increased in 2015, compared to 2014, primarily due to an increase in net revenues from Telecom and Cloud Providers slightly offset by a decrease in the enterprise market.

Net revenues in APAC increased in 2015, compared to 2014, primarily due to an increase in net revenues from Telecom and Cloud Providers. We experienced a significant decline in China, which was partially offset by an increase in net revenues in Japan and Australia.

2014 Compared to 2013

Net revenues in the Americas increased in 2014, compared to 2013, primarily due to an increase in net revenues from service provider markets, partially offset by a decline in the enterprise market. The increase in net revenues in the service provider market was due to strong demand from Cloud Providers and Cable, partially offset by a decrease in demand from carriers. The decline in the enterprise market resulted from a decline in net revenues due to recognition of revenue from a large U.S. federal government contract in 2013.

Net revenues in EMEA slightly increased in 2014, compared to 2013, primarily due to stronger demand from service providers partially offset by a decrease in net revenues from the enterprise market, although demand from the public sector remained strong.

Net revenues in APAC decreased in 2014, compared to 2013, primarily due to a decline in net revenues from both the service provider and enterprise market.

Net Revenues by Market and Customer

The following table presents net revenues by market (in millions, except percentages):

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Service Provider	$ 3,289.8	$ 3,100.4	$ 3,054.2	$ 189.4	6%	$ 46.2	2%
Percentage of net revenues	*67.7%*	*67.0%*	*65.4%*				
Enterprise	1,568.0	1,526.7	1,614.9	41.3	3%	(88.2)	(5)%
Percentage of net revenues	*32.3%*	*33.0%*	*34.6%*				
Total net revenues	$ 4,857.8	$ 4,627.1	$ 4,669.1	$ 230.7	5%	$ (42.0)	(1)%

2015 Compared to 2014

Net revenues from the service provider market increased in 2015, compared to 2014, with growth from Cloud Providers, Telecom in EMEA and APAC, and Cable. Within the service provider market, we saw strength across routing, switching, and security, with the largest increase in net revenues from routing revenue.

Net revenues from the enterprise market increased in 2015, compared to 2014, primarily due to strength in service and routing, and to a lesser extent, switching, which was partially offset by a slight decrease in revenue from our security products. Net revenues in the Americas from the enterprise market increased across routing, switching, and SRX security.

2014 Compared to 2013

Net revenues from the service provider market increased in 2014, compared to 2013, with growth in the Americas and EMEA. The increase in service provider net revenues in the Americas was driven by increased revenues from Cloud Providers and Cable, partially offset by decreased revenues from large carriers. The increase in service provider net revenues in EMEA was attributable to growth with large carriers, while in APAC net revenues in the service provider market declined as a result of lower demand with both small and large carriers. In addition, service provider demand for switching products continued to be strong.

Net revenues from the enterprise market decreased in 2014, compared to 2013, primarily due to a decline in sales in all geographic regions, however, revenue demand from public sector customers was higher for all three regions.

Customer

No customer accounted for greater than 10% of our net revenues during the year ended December 31, 2015, 2014 and 2013.

Gross Margins

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

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Product gross margin	$ 2,293.5	$ 2,121.9	$ 2,243.3	$ 171.6	8%	$ (121.4)	(5)%
Percentage of product revenues	*64.4%*	*62.2%*	*63.7%*				
Service gross margin	785.1	736.3	698.1	48.8	7%	38.2	5%
Percentage of service revenues	*60.6%*	*60.4%*	*60.7%*				
Total gross margin	$ 3,078.6	$ 2,858.2	$ 2,941.4	$ 220.4	8%	$ (83.2)	(3)%
Percentage of net revenues	*63.4%*	*61.8%*	*63.0%*				

Our gross margins 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 costs, expenses for inventory obsolescence and warranty obligations, cost of support and service personnel, and the mix of distribution channels through which our products are sold.

2015 Compared to 2014

Product gross margin increased as a percentage of product net revenues in 2015, compared to 2014, primarily due to a decrease in product cost of revenues. The decrease in cost of revenues is attributable to the non-recurrence of restructuring charges recorded in 2014 for asset write-downs. No such charges were incurred in 2015. Excluding these components from prior year cost of sales, year-over-year gross margin would remain relatively consistent.

Service gross margin as a percentage of service net revenues increased in 2015, compared to 2014. Services delivery costs increased at a slower rate than service revenue as a result of better labor efficiency and improved product quality.

2014 Compared to 2013

Product gross margin decreased as a percentage of product net revenues in 2014, compared to 2013, primarily due to an increase in cost of revenues. The increase in cost of revenues was primarily due to asset write-downs of $41.5 million for product rationalizations in connection with our 2014 Restructuring Plan and $20.7 million in connection with an industry-wide memory product quality defect in a component from a third-party supplier. Excluding the costs of the restructuring and component defect, product gross margin as a percentage of net revenues improved slightly primarily due to the favorability in product mix in the 2014 period.

Service gross margin as a percentage of service net revenues decreased slightly in 2014, compared to 2013, primarily due to an increase in labor and logistics delivery costs to support new contracts and product introductions.

Operating Expenses

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

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Research and development	$ 994.5	$ 1,006.2	$ 1,043.2	$ (11.7)	(1)%	$ (37.0)	(4)%
Percentage of net revenues	*20.5%*	*21.7%*	*22.3%*				
Sales and marketing	943.8	1,023.6	1,075.9	(79.8)	(8)%	(52.3)	(5)%
Percentage of net revenues	*19.4%*	*22.1%*	*23.0%*				
General and administrative	228.9	231.1	217.3	(2.2)	(1)%	13.8	6%
Percentage of net revenues	*4.7%*	*5.0%*	*4.7%*				
Restructuring and other charges	(0.6)	167.0	39.1	(167.6)	(100)%	127.9	327%
Percentage of net revenues	*—%*	*3.6%*	*0.8%*				
Impairment of goodwill	—	850.0	—	(850.0)	(100)%	850.0	—%
Percentage of net revenues	*—%*	*18.4%*	*—%*				
Total operating expenses	$ 2,166.6	$ 3,277.9	$ 2,375.5	$ (1,111.3)	(34)%	$ 902.4	38%
Percentage of net revenues	*44.6%*	*70.8%*	*50.9%*				

Our operating expenses have historically been driven in large part by personnel-related costs, including wages, commissions, bonuses, benefits, share-based compensation, and travel, particularly with respect to R&D and sales and marketing activities. Facility and information technology, or IT, departmental costs are allocated to each department based on usage and headcount. Facility and IT related headcount was 412, 366, and 396, as of December 31, 2015, 2014, and 2013, respectively. We had a total of 9,058, 8,806, and 9,483, employees as of December 31, 2015, 2014, and 2013, respectively.

2015 Compared to 2014

Research and development

Research and development expense decreased in 2015, compared to 2014, as a result of lower headcount. Headcount declined from an average of 3,888 in 2014 to 3,724 in 2015, leading to a reduction in payroll costs and stock based compensation. In addition, outside consulting services decreased due to reduced consulting expenses, which was partially offset by an increase in depreciation expense on R&D equipment and bonus expense.

Sales and marketing

Sales and marketing expense decreased in 2015, compared to 2014. Average headcount increased from 2,360 in 2014 to 2,446 in 2015, however the mix of employees hired in 2015 was significantly different to 2014 which resulted in lower salary and bonus expense. Additionally, commissions expense decreased compared to 2014 as a result of the elimination of certain commission programs and a reduction in sales staff.

General and administrative

General and administrative expense decreased in 2015, compared to 2014 primarily as a result of higher litigation and investigation related costs incurred in 2014, in connection with the investigations into possible violations of the U.S. Foreign Corrupt Practices Act, and to a lesser extent, our patent litigation case with Palo Alto Networks. Additionally, we saw a decrease in general and administrative consulting fees, which was slightly offset by a higher bad debt expense amount.

Restructuring and other charges

Restructuring and other charges decreased in 2015, compared to 2014, due to higher charges recorded in 2014 in connection with our 2014 Restructuring Plan. During 2014, we implemented the 2014 Restructuring Plan and incurred restructuring charges of $166.2 million related to workforce reductions, contract terminations, project cancellations, and facility closures. The 2014 Restructuring Plan has been substantially completed as of December 31, 2014.

During the year ended December 31, 2015, we recorded $0.4 million of severance costs and a benefit of $1.0 million for facilities that were recorded in restructuring and other (benefits) charges in the Consolidated Statements of Operations, in connection with the 2014 Restructuring Plan. See Note 9*, Restructuring and Other Charges,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion of our restructuring activities.

Impairment of goodwill

In 2014, we determined that the Security reporting unit's carrying value of goodwill exceeded the implied fair value of goodwill, resulting in a goodwill impairment charge of $850.0 million which was recorded in the Consolidated Statement of Operations, no such charges were recorded in 2015.

2014 Compared to 2013

Research and development

Research and development expense decreased in 2014, compared to 2013, primarily due to lower personnel-related expenses as a result of restructuring actions and divestiture of our Junos Pulse product lines. R&D headcount decreased 8% from 4,135 as of December 31, 2013 to 3,797 as of December 31, 2014. The decrease in R&D personnel expense was partially offset by higher share-based compensation expense as a result of our acquisition of WANDL, Inc. in the first quarter of 2014, and engineering program costs in 2014, compared to 2013.

Sales and marketing

Sales and marketing expense decreased in 2014, compared to 2013, primarily due to lower personnel-related expenses and other discretionary expenses due to our cost reduction efforts and creating efficiency in our sales activities. The decrease in personnel-related expenses was primarily due to headcount reductions. Sales and marketing headcount decreased 11% from 2,626 as of December 31, 2013 to 2,348 as of December 31, 2014.

General and administrative

General and administrative expense increased in 2014, compared to 2013, primarily due to higher litigation and investigation related costs incurred in the current period in connection with investigation into possible violations of the U.S. Foreign Corrupt Practices Act and, to a lesser extent, our patent litigation case with Palo Alto Networks, as well as other litigation matters. This increase was partially offset by personnel-related expenses as a result of headcount reductions of 8% from 513 as of December 31, 2013 to 470 as of December 31, 2014. Our patent litigation with Palo Alto Networks was settled in 2014.

Restructuring and other charges

Restructuring and other charges increased in 2014, compared to 2013, due to higher charges recorded in 2014 in connection with our 2014 Restructuring Plan. During 2014, we implemented the 2014 Restructuring Plan and incurred restructuring charges of $166.2 million related to workforce reductions, contract terminations, project cancellations, and facility closures. The 2014 Restructuring Plan has been substantially completed as of December 31, 2014 and we do not expect to record significant future charges. See Note 9, *Restructuring and Other Charges,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report, for further discussion of our restructuring activities.

Impairment of goodwill

In the fourth quarter of 2014, we began to implement a new security strategy focused on network resiliency and performance based on the SRX platform. As a result, we rationalized our Security product portfolio including developing a new product roadmap and exiting certain point products, including the divestiture of Junos Pulse. These factors decreased our short term and near term revenue and profitability forecasts of the security reporting unit. During our fiscal year 2014 annual goodwill impairment test, the carrying value of our security reporting unit's goodwill exceeded the implied fair value of goodwill, resulting in a goodwill impairment charge of $850.0 million which was recorded in the Consolidated Statement of Operations in Part II Item 8 of this report. See Note 7, *Goodwill and Purchased Intangibles,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion on the impairment of goodwill.

Share-Based Compensation

Share-based compensation expense associated with equity incentive awards, or awards, which include stock options; restricted stock units, or RSUs; restricted stock awards, or RSAs; and performance share awards, or PSAs; as well as our Employee Stock Purchase Plan, or ESPP was recorded in the following cost and expense categories (in millions, except percentages):

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Cost of revenues - Product	$ 5.6	$ 5.0	$ 4.7	$ 0.6	12%	$ 0.3	6%
Cost of revenues - Service	13.8	14.2	15.4	(0.4)	(3)%	(1.2)	(8)%
Research and development	125.4	134.5	127.6	(9.1)	(7)%	6.9	5%
Sales and marketing	45.6	60.2	70.9	(14.6)	(24)%	(10.7)	(15)%
General and administrative	26.9	26.1	26.0	0.8	3%	0.1	—%
Total	$ 217.3	$ 240.0	$ 244.6	$ (22.7)	(9)%	$ (4.6)	(2)%

2015 Compared to 2014

Share-based compensation expense decreased in 2015, compared to 2014. The decrease in expense was primarily related to a decline in actual shares vested.

2014 Compared to 2013

Share-based compensation expense remained consistent in 2014, compared to 2013. An increase in expense related to RSUs, RSAs, and PSAs assumed in connection with our acquisition of WANDL in 2014 and an increase in grant date fair values due to higher stock prices was offset by a decrease in actual shares vested.

Other (Expense) Income, Net and Income Tax Provision

The following table presents other (expense) income, net and income tax provision (in millions, except percentages):

	Years Ended December 31,						
	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
				$ Change	% Change	$ Change	% Change
Interest income	$ 21.8	$ 10.0	$ 8.7	$ 11.8	118%	$ 1.3	15%
Interest expense	(83.3)	(66.9)	(58.4)	(16.4)	25%	(8.5)	15%
Net gain on legal settlement	—	196.1	—	(196.1)	(100)%	196.1	—%
Gain on investments	6.8	167.9	11.3	(161.1)	(96)%	156.6	1,386%
Gain on sale of Junos Pulse	—	19.6	—	(19.6)	(100)%	19.6	—%
Other	(5.1)	6.7	(2.0)	(11.8)	(176)%	8.7	(435)%
Total other (expense) income, net	$ (59.8)	$ 333.4	$ (40.4)	$ (393.2)	(118)%	$ 373.8	(925)%
Percentage of net revenues	*(1.2)%*	*7.2%*	*(0.9)%*				
Income tax provision	$ 218.5	$ 248.0	$ 85.7	$ (29.5)	(12)%	$ 162.3	189%
Effective tax rate	*25.6%*	*(287.4)%*	*16.3%*				

Other (Expense) Income, Net

Interest income primarily includes interest income from our cash, cash equivalents, and investments and on the promissory note issued to Juniper in connection with the sale of Junos Pulse. Interest expense primarily includes interest, net of capitalized interest expense, from payables with respect to our short-term and long-term debt and customer financing arrangements. Other typically consists of foreign exchange gains and losses and other non-operational income and expense items.

2015 Compared to 2014

Interest Income

Interest income increased in 2015 compared to 2014, primarily due to a higher balance of longer term investments yielding higher interest as well as a full year of interest income on the Pulse note receivable.

Interest Expense

Interest expense increased in 2015, compared to 2014, primarily due to the issuance of our 2020 and 2025 Notes in the first quarter of 2015. See Note 10, *Debt and Financing,* in Notes to Consolidated Financial Statements in Item 8 in Part II of this Report for additional information regarding our 2020 and 2025 Notes.

Gain on Legal Settlement

During the year ended December 31, 2015, no litigation-related gains were recorded, while in 2014, we entered into a settlement agreement with Palo Alto Networks resolving patent litigation between the two companies, which resulted in a realized gain on legal settlement and subsequent sale of related securities of $196.1 million, net of legal fees.

Gain on Investments

During the year ended December 31, 2015, we recorded a gain of $7.3 million, primarily related to the sale of privately held investments. During the year ended December 31, 2014, we recorded a gain of $163.0 million primarily related to the sale of investments which were converted from privately-held investments to publicly-traded equity upon initial public offering, or IPO, and subsequently sold.

2014 Compared to 2013

Interest Income

Interest income increased in 2014 compared to 2013, primarily due to a higher balance of longer term investments yielding higher interest.

Interest Expense

Interest expense increased in 2014, compared to 2013, primarily due to the issuance of our 2024 Notes in the first quarter of 2014. See Note 10, *Debt and Financing,* in Notes to Consolidated Financial Statements in Item 8 in Part II of this Report for additional information regarding our 2024 Notes.

Gain on Legal Settlement

During the year ended December 31, 2014, we entered into a settlement agreement with Palo Alto Networks resolving patent litigation between the two companies, which resulted in a realized gain on legal settlement and subsequent sale of related securities of $196.1 million, net of legal fees.

Gain on Investments

During the year ended December 31, 2014, we recorded a gain of $163.0 million, primarily related to the sale of investments which were converted from privately-held investments to publicly-traded equity upon IPO and subsequently sold. During the year ended December 31, 2013, net gain on investments was primarily comprised of a gain of $7.1 million related to the Company's privately-held investments and publicly traded-equity investments.

Gain on Sale of Junos Pulse

The sale of our Junos Pulse product portfolio was completed on October 1, 2014 and we recorded a gain of $19.6 million in other (expense) income, net in the Consolidated Statement of Operations. This sale was driven by product rationalization in connection with our initiative to focus on projects with the highest potential for growth. See Note 8, *Other Financial Information,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion on the sale Junos Pulse.

Income Tax Provision

The effective rate for 2015 was lower than the federal statutory rate of 35%, primarily due to the benefit of the federal R&D tax credit; a change in the tax treatment of share-based compensation in the cost sharing arrangement, which resulted from a U.S. Tax Court opinion as discussed in Note 14, *Income Taxes;* recognition of domestic production activities deductions; and earnings in foreign jurisdictions, which are subject to lower tax rates. The passage of Protecting Americans from Tax Hike Act of 2015 on December 18, 2015 retroactively and permanently reinstated the U.S. federal R&D tax credit effective January 1, 2015.

The effective rate for 2014 differs from the federal statutory rate of 35%, primarily due to the impact of the non-deductible goodwill charge and tax gain on sale of Junos Pulse offset by the benefit from release of the Company's valuation allowance attributable to investment losses; the federal R&D tax credit; recognition of domestic production activities deductions; and earnings in foreign jurisdictions, which are subject to lower tax rates. The passage of Tax Increase Prevention Act of 2014 on December 19, 2014 retroactively reinstated the U.S. federal R&D tax credit from January 1, 2014 to December 31, 2014.

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.

For a complete reconciliation of our effective tax rate to the U.S. federal statutory rate of 35% and further explanation of our income tax provision, see Note 14, *Income Taxes,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

Liquidity and Capital Resources

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

	As of December 31, 2015	As of December 31, 2014	$ Change	% Change
Working capital[a]	$ 1,110.5	$ 1,297.2	$ (186.7)	(14)%
Cash and cash equivalents	$ 1,420.9	$ 1,639.6	$ (218.7)	(13)%
Short-term investments	527.1	332.2	194.9	59%
Long-term investments	1,244.2	1,133.1	111.1	10%
Total cash, cash equivalents, and investments	3,192.2	3,104.9	87.3	3%
Short-term and Long-term debt	1,948.7	1,349.0	599.7	44%
Net cash, cash equivalents, and investments	$ 1,243.5	$ 1,755.9	$ (512.4)	(29)%

[a] Fiscal year 2015 includes the effects of the adoption of Accounting Standards Update No. 2015-17, Balance Sheet Classification of Deferred Taxes, requiring all deferred tax assets and liabilities, and any related valuation allowance, to be classified as non-current on our Consolidated Balance Sheets. Amounts in the prior year were retrospectively adjusted to conform to the current-year presentation.

The significant components of our working capital are cash and cash equivalents, short-term investments, and accounts receivable, reduced by short-term debt, accounts payable, accrued liabilities, and short-term deferred revenue. Working capital decreased by $186.7 million during the year ended December 31, 2015, primarily due to reclassification of long-term debt to short-term debt, as well as dividend payments, capital expenditures, and interest paid on debt, partially offset by the issuance of the 2020 Notes and the 2025 Notes in March 2015.

Summary of Cash Flows

As of December 31, 2015, our cash and cash equivalents decreased by $218.7 million from December 31, 2014 primarily due to higher capital expenditures, dividend payout, and higher interest paid on debt, which was partially offset by the issuance of our 2020 and 2025 Notes.

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

	Years Ended December 31, 2015	2014	2013	2015 vs. 2014 $ Change	2015 vs. 2014 % Change	2014 vs. 2013 $ Change	2014 vs. 2013 % Change
Net cash provided by operating activities	$ 892.5	$ 763.4	$ 845.9	$ 129.1	17%	$ (82.5)	(10)%
Net cash (used in) provided by investing activities	$ (508.7)	$ 434.0	$ (561.0)	$ (942.7)	(217)%	$ 995.0	(177)%
Net cash used in financing activities	$ (581.4)	$ (1,824.2)	$ (401.7)	$ 1,242.8	(68)%	$ (1,422.5)	354%

Operating Activities

2015 Compared to 2014

Net cash provided by operating activities was $892.5 million in 2015, compared to $763.4 million in 2014. The increase of $129.1 million is primarily due to higher revenue and improved operating margin.

2014 Compared to 2013

Cash flow from operations was $763.4 million in 2014, compared to $845.9 million in 2013. The decrease of $82.5 million is primarily due to lower cash collections from customers, higher payments related to our restructuring plans, higher taxes paid, and lower prepayments compared to prior year.

Investing Activities

2015 Compared to 2014

Net cash used in investing was $508.7 million in 2015, compared to net cash provided by investing of $434.0 million in 2014. The decrease of $942.7 million in cash flows from investing activities was primarily due to lower proceeds from the sale of available-for-sale securities in 2015, compared to 2014. In 2014, the sale of available-for-sale securities were higher in order to partially fund our accelerated share repurchase program. We also received higher proceeds from the sale of certain publicly traded equity securities and proceeds from the sale of Junos Pulse in 2014, which was partially offset by higher cash payments to purchase available-for-sale investments.

2014 Compared to 2013

Net cash provided by investing was $434.0 million in 2014, compared to net cash used in investing of $561.0 million in 2013. The increase in net cash provided by investing activities was primarily due to higher proceeds from sale of investments and fewer purchases of investments, as well as proceeds received from the sale of Junos Pulse.

Financing Activities

2015 Compared to 2014

Net cash used in financing activities was $581.4 million in 2015, compared to $1,824.2 million in 2014. The decrease of $1,242.8 million was due to lower purchases and retirement of our common stock during fiscal 2015.

2014 Compared to 2013

Net cash used in financing activities was $1,824.2 million in 2014, compared to $401.7 million in 2013. The increase of $1,422.5 million is primarily due to higher purchases and retirement of our common stock and payment of cash dividends, partially offset by the issuance of the 2024 Notes.

Stock Repurchase Activities

In February 2014, 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, or the 2014 Stock Repurchase Program. In October 2014 and July 2015, the Board authorized a $1.3 billion and $500.0 million increase, respectively, to the 2014 Stock Repurchase Program for a total of $3.9 billion. As of December 31, 2015, there was $532.5 million of authorized funds remaining under the 2014 Stock Repurchase Program.

The following table summarizes our stock repurchase activities (in millions, except per share amounts):

	Shares Repurchased	Average price per share	Amount Repurchased
2015			
Repurchases under stock repurchase programs	45.4	$ 25.16	$ 1,142.5
Repurchases for tax withholding	400,000.0	$ 26.70	$ 11.1
2014			
Repurchases under stock repurchase programs	46.8	$ 22.42	$ 1,050.0
Accelerated share repurchase[(1)]	49.3	$ 24.35	$ 1,200.0
Repurchases for tax withholding	0.6	$ 19.69	$ 12.5
2013			
Repurchases under stock repurchase programs	28.9	$ 19.76	$ 570.6
Repurchases for tax withholding	0.4	$ 20.23	$ 7.2

(1) As part of the 2014 Stock Repurchase Program, we entered into two separate accelerated share repurchase agreements, or collectively, the ASR, with two financial institutions to repurchase $1.2 billion of our common stock. We made an up-front payment of $1.2 billion pursuant to the ASR to repurchase our common stock. The aggregate number of shares ultimately purchased was determined based on a volume weighted average repurchase price, less an agreed upon discount. The shares received with respect to the ASR have been retired. Retired shares return to authorized but unissued shares of common stock.

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 18, *Subsequent Events, in* Notes to Consolidated Financial Statements in Item 8 Part II of this Report for discussion of our stock repurchase activity subsequent to December 31, 2015.

Dividends

During 2015, we declared four quarterly cash dividends of $0.10 per share of common stock on January 27, 2015, April 23, 2015, July 23, 2015 and on October 22, 2015, which were paid on March 24, 2015, June 23, 2015, September 22, 2015 and on December 22, 2015, respectively, to stockholders of record as of the close of business on March 3, 2015, June 2, 2015, September 1, 2015, and December 1, 2015, respectively, in the aggregate amount of $156.3 million.

During 2014, we declared two quarterly cash dividends of $0.10 per share of common stock, or $86.0 million, on July 22, 2014 and October 23, 2014, which were paid on September 23, 2014 and December 23, 2014, respectively, to stockholders of record as of the close of business on September 2, 2014 and December 2, 2014, respectively. Any future dividends, and the establishment of record and payment dates, are subject to approval by our Board or an authorized committee thereof. See Note 18, *Subsequent Events,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion on our dividend declaration subsequent to December 31, 2015.

Restructuring

As of December 31, 2015, our restructuring liability was $2.8 million related to facility closures expected to be paid through March 2018. See Note 9, *Restructuring and Other Charges,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further discussion on our restructuring plans.

Deferred Revenue

Deferred product revenue represents unrecognized revenue related to shipments to distributors that have not sold through to end-users, undelivered product commitments, and other shipments that have not met all revenue recognition criteria. Deferred product revenue is recorded net of the related costs of product revenue. Deferred service revenue represents customer payments made in advance for services, which include technical support, hardware and software maintenance, professional services, and training. The following table summarizes our deferred product and service revenues (in millions):

	As of December 31,	
	2015	**2014**
Deferred product revenue:		
Undelivered product commitments and other product deferrals	$ 210.1	$ 180.3
Distributor inventory and other sell-through items	81.8	103.7
Deferred gross product revenue	291.9	284.0
Deferred cost of product revenue	(51.6)	(58.4)
Deferred product revenue, net	240.3	225.6
Deferred service revenue	927.8	850.1
Total	$ 1,168.1	$ 1,075.7

As of December 31, 2015, net deferred product revenue increased $14.7 million to $240.3 million, compared to $225.6 million as of December 31, 2014, primarily as a result of an increase in channel inventory and subscription deferrals. As of December 31, 2015, the increase in deferred service revenue of $77.7 million was primarily driven by timing of service contract renewals.

Off-Balance Sheet Arrangements

As of December 31, 2015 and 2014, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. It is not our business practice to enter into off-balance sheet arrangements. However, in the normal course of business, we enter into contracts consisting of guarantees of product and service performance, guarantees related to third-party customer-financing arrangements, customs and duties guarantees, and standby letters of credit for certain lease facilities. See *Guarantees below* and Note 16, *Commitments and Contingencies,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our guarantees.

Contractual Obligations

Our principal commitments consist of obligations outstanding under operating leases, purchase commitments, debt, and other contractual obligations. The following table summarizes our principal contractual obligations as of December 31, 2015 and the effect such obligations are expected to have on our liquidity and cash flow in future periods (in millions):

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases[1]	$ 113.7	$ 35.7	$ 44.2	$ 18.1	$ 15.7
Purchase commitments with contract manufacturers and suppliers[1]	$ 591.2	$ 591.2	$ —	$ —	$ —
Short-term debt[2]	$ 300.0	$ 300.0	$ —	$ —	$ —
Long-term debt[2]	$ 1,650.0	$ —	$ —	$ 300.0	$ 1,350.0
Interest payment on short-term and long-term debt[2]	$ 167.6	$ 23.0	$ 45.9	$ 40.5	$ 58.2
Other contractual obligations[1]	$ 73.1	$ 28.8	$ 11.7	$ 3.6	$ 29.0
Future minimum lease payment[3]	$ 118.1	$ 2.6	$ 13.3	$ 26.8	$ 75.4
Total	$ 3,013.7	$ 981.3	$ 115.1	$ 389.0	$ 1,528.3

(1) See Note 16, *Commitments and Contingencies,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our contractual commitments.
(2) See Note 10, *Debt and Financing,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for additional information regarding our debt.
(3) The future minimum lease payment is related to the data center lease agreement that we entered in to on July 10, 2015. See Note 16, *Commitments and Contingencies,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report for further explanation on the data lease agreement.

As of December 31, 2015, we had $187.3 million included in long-term income taxes payable in the Consolidated Balance Sheets for unrecognized tax positions. At this time, we are unable to make a reasonably reliable estimate of the timing of payments related to this amount due to uncertainties in the timing of tax audit outcomes. As a result, this amount is not included in the table above.

Revolving Credit Facility

On June 27, 2014, we entered into a Credit Agreement with certain institutional lenders that provides for a five year $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. Proceeds from borrowing made under the Credit Agreement may be used by us for working capital and general corporate purposes. Revolving loans may be borrowed, repaid and reborrowed until June 27, 2019, at which time all amounts borrowed must be repaid.

The Credit Agreement requires us to maintain a leverage ratio no greater than 3.0x and an interest coverage ratio no less than 3.0x during the term of the credit facility. In addition, the Credit Agreement contains customary affirmative and negative covenants, including 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 of December 31, 2015, the Company was in compliance with all covenants in the Credit Agreement, and no amounts were outstanding. See Note 10, *Debt and Financing,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

Guarantees

We have entered into agreements with customers that contain indemnification provisions relating to potential situations where claims could be alleged that our products solely, or in combination with other third party products, infringe the intellectual property rights of a third-party. As of December 31, 2015, we recorded a $15.0 million liability for such indemnification obligations in other accrued liabilities in the Consolidated Balance Sheets. We also have financial guarantees consisting of guarantees of product and service performance, guarantees related to third-party customer-financing arrangements, custom and duty guarantees, and standby letters of credit for certain lease facilities. Under certain third-party customer financing arrangements that contain guarantee provisions, which have terms of up to four years, we are liable for the aggregate unpaid payments to the third-party financing company in the event of customer default. As of December 31, 2015, we have not made any payments under these arrangements. As of December 31, 2015 and December 31, 2014, we had \$15.8 million and \$26.2 million, respectively, in financing guarantees, bank guarantees, and standby letters of credit related to these financial guarantees of which \$9.9 million in financing guarantees was recorded in other accrued liabilities and other long-term liabilities in the Consolidated Balance Sheets as of December 31, 2015.

Liquidity and Capital Resources

Liquidity and capital resources may be impacted by our operating activities as well as acquisitions and investments in strategic relationships that we have made or we may make in the future. Additionally, in 2014, we indicated that we intend to return \$4.1 billion to our stockholders in the form of stock repurchases and dividends from February 2014 through the end of 2016. To the extent we repurchase additional shares of our common stock under our stock repurchase program or pay cash dividends on our common stock, our liquidity may be impacted. As of December 31, 2015, 94% 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.

In August 2013, we filed an automatic shelf registration statement with the SEC enabling us to offer for sale, from time to time, an unspecified amount of securities in one or more offerings and is intended to give us flexibility to take advantage of financing opportunities as needed or deemed desirable in light of market conditions. Our 2020 Notes and 2025 Notes were issued pursuant to a prospectus supplement filed with the SEC on February 26, 2015 to the automatic shelf registration statement and our 2024 Notes were issued under the automatic shelf registration statement pursuant to a prospectus filed with the SEC on February 28, 2014. Any other offerings of securities under the automatic shelf registration statement will be made pursuant to a prospectus. In addition, our Revolving Credit Facility will also provide additional flexibility for future liquidity needs.

We have been focused on managing our annual equity usage as a percentage of the common stock outstanding to align with peer group competitive levels and have made changes in recent years to reduce the number of shares underlying the equity awards we grant. For fiscal year 2015, we intended to target the number of shares underlying equity awards granted on an annual basis at 2.50% or less of our common stock outstanding on a pure share basis (where each option, RSU, RSA or PSA granted is counted as one share). Based upon shares underlying our grants to date of options, RSUs, RSAs, and PSAs, we met this target for 2015.

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 under the Credit Agreement will be sufficient to fund our operations, planned stock repurchases and dividends, and anticipated growth for at least the next twelve months. We believe our working capital is sufficient to meet our liquidity requirements for capital expenditures, commitments, and other liquidity requirements associated with our existing operations during the same period. However, our future liquidity and capital requirements may vary materially from those now planned depending on many factors, including, but not limited to:

- level and mix of our product, sales, and gross profit margins;
- our business, product, capital expenditures and R&D plans;
- repurchases of our common stock;
- payment of dividends;
- incurrence and repayment of debt and related interest obligations;
- litigation expenses, settlements, and judgments, or similar items related to resolution of tax audits;
- volume price discounts and customer rebates;

- accounts receivable levels that we maintain;
- acquisitions and/or funding of other businesses, assets, products, or technologies;
- changes in our compensation policies;
- capital improvements for new and existing facilities;
- technological advances;
- our competitors' responses to our products and/or pricing;
- our relationships with suppliers, partners, and customers;
- possible future investments in raw material and finished goods inventories;
- expenses related to future restructuring plans;
- tax expense associated with share-based awards;
- issuance of share-based awards and the related payment in cash for withholding taxes in the current year and possibly during future years;
- level of exercises of stock options and stock purchases under our equity incentive plans; and
- general economic conditions and specific conditions in our industry and markets, including the effects of disruptions in global credit and financial markets, international conflicts, and related uncertainties.

ITEM 7A. *Quantitative and Qualitative Disclosures about Market Risk*

Interest Rate Risk

We maintain an investment portfolio of various holdings, types, and maturities. The value of our investments is subject to market price volatility. In addition, as of December 31, 2015, 94% of our cash, cash equivalents, and marketable securities were held outside of the United States, which may be subject to U.S. taxes if repatriated. Our marketable securities are generally classified as available-for-sale and, consequently, are recorded on our Consolidated Balance Sheets at fair value with unrealized gains or losses reported as a separate component of accumulated other comprehensive loss. These investments are also reviewed to identify and evaluate indications of potential other-than-temporary impairments as discussed in Note 4, *Cash Equivalents and Investments,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report.

At any time, a rise in interest rates could have a material adverse impact on the fair value of our investment portfolio. Conversely, a decline in interest rates could have a material impact on interest income from our investment portfolio. We do not currently hedge these interest rate exposures. We recognized immaterial gains and losses during the years ended December 31, 2015, 2014, and 2013, related to the sales of certain investments.

The following tables present hypothetical changes in fair value of our available-for-sale fixed income securities held as of December 31, 2015 and 2014 that are sensitive to changes in interest rates (in millions):

	Valuation of Securities Given an Interest Rate Decrease of X BPS			Fair Value as of December 31, 2015	Valuation of Securities Given an Interest Rate Increase of X BPS		
	(150 BPS)	(100 BPS)	(50 BPS)		50 BPS	100 BPS	150 BPS
Available-for-sale fixed income securities	$ 1,769.0	$ 1,762.1	$ 1,755.1	$ 1,748.2	$ 1,741.3	$ 1,734.3	$ 1,727.4

	Valuation of Securities Given an Interest Rate Decrease of X BPS			Fair Value as of December 31, 2014	Valuation of Securities Given an Interest Rate Increase of X BPS		
	(150 BPS)	(100 BPS)	(50 BPS)		50 BPS	100 BPS	150 BPS
Available-for-sale fixed income securities	$ 1,487.2	$ 1,481.6	$ 1,476.1	$ 1,470.6	$ 1,465.1	$ 1,459.5	$ 1,454.0

These instruments are not leveraged and are held for purposes other than trading. The modeling technique used measures the changes in fair value arising from selected potential changes in interest rates. Market changes reflect immediate hypothetical parallel shifts in the yield curve of plus or minus 50 basis points ("BPS"), 100 BPS, and 150 BPS, which are representative of the historical movements in the Federal Funds Rate.

Foreign Currency Risk and Foreign Exchange Forward Contracts

Periodically, we use derivatives to hedge against fluctuations in foreign exchange rates. We do not enter into derivatives for speculative or trading purposes.

We use foreign currency forward contracts to mitigate variability in gains and losses generated from the re-measurement of certain monetary assets and liabilities denominated in non-functional currencies. These derivatives are carried at fair value with changes recorded in other (expense) income, net in our Consolidated Statements of Operations in the same period as the changes in the fair value from the re-measurement of the underlying assets and liabilities. These foreign exchange contracts have maturities of one year or less.

Our sales and costs of product revenues are primarily denominated in U.S. Dollars. Our cost of service revenue and operating expenses are denominated in U.S. Dollars as well as other foreign currencies including the British Pound, the Euro, Indian Rupee, and Japanese Yen. Approximately 78% of such costs and operating expenses are denominated in U.S. Dollars. Periodically, we use foreign currency forward and/or option contracts to hedge certain forecasted foreign currency transactions to reduce variability in cost of service revenue and operating expenses caused by non-U.S. Dollar denominated operating expense and costs. In designing a specific hedging approach, we consider several factors, including offsetting exposures, significance of exposures, costs associated with entering into a particular hedge instrument, and potential effectiveness of the hedge. These derivatives are designated as cash flow hedges and have maturities of less than one year. The effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive loss and, upon occurrence of the forecasted transaction, is subsequently reclassified into the line item in the Consolidated Statements of Operations to which the hedged transaction relates. We record the ineffectiveness of the hedging instruments, which was immaterial during the years ended December 31, 2015, 2014, and 2013, respectively, in other (expense) income, net on our Consolidated Statements of Operations. The change in operating expenses including cost of service revenue, research and development, sales and marketing, and general and administrative expenses, due to foreign currency fluctuations was a reduction to operating expenses of 2.3%, 2.1% and 0.8% in 2015, 2014 and 2013, respectively.

We have performed a sensitivity analysis as of December 31, 2015 and as of December 31, 2014, using a modeling technique that measures the change in the amount of non-U.S. dollar cash, cash equivalents and marketable securities arising from a hypothetical 10% movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The foreign currency exchange rates we used were based on market rates in effect on December 31, 2015 and December 31, 2014, respectively. The sensitivity analysis indicated that a hypothetical 10% movement in foreign currency exchange rates would change the amount of cash, cash equivalents and marketable securities we would report in U.S. Dollars as of December 31, 2015 and December 31, 2014 by less than 1% and by less than 1.2%, respectively.

Equity Price Risk

Our portfolio of publicly-traded equity securities and our non-qualified deferred compensation ("NQDC") plan, which may also hold publicly-traded equity securities, are inherently exposed to equity price risk as the stock market fluctuates.

We do not purchase our publicly-traded equity securities, classified as available-for-sale securities on our Consolidated Balance Sheets, for speculative purposes. As of December 31, 2015 and December 31, 2014, our portfolio of publicly-traded equity securities had an estimated fair value of $8.8 million and $2.0 million, respectively. A hypothetical 30% adverse change in the stock prices of our publicly-traded equity securities would result in a loss in the fair value of $2.6 million and $0.7 million as of December 31, 2015 and December 31, 2014, respectively.

Investments under the NQDC plan are considered trading securities and are also reported at fair value on our Consolidated Balance Sheets. As of December 31, 2015 and December 31, 2014, the total investments under our NQDC plan were $17.7 million and $16.3 million, respectively. A hypothetical 30% adverse change on the total investments under the NQDC plan would result in a loss in the fair value of $5.3 million and $4.9 million as of December 31, 2015 and December 31, 2014, respectively.

We have also invested in privately-held companies. Depending on the nature of these investments, some can be carried at cost and others can be carried at fair value. In 2015, there were no impairment charges on our investments in privately-held companies and in 2014, and 2013 we recorded impairment charges of $1.1 million, and $2.8 million, respectively, on our investments in privately-held companies that we judged to be other than temporary as discussed in Note 5, *Fair Value Measurements,* in Notes to Consolidated Financial Statements in Item 8 of Part II of this Report. The aggregate cost of our investments in privately-held companies was $102.4 million and $89.9 million as of December 31, 2015 and December 31, 2014, respectively.

ITEM 8. ***Financial Statements and Supplementary Data***

Juniper Network, Inc.
Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Juniper Networks, Inc.

We have audited the accompanying consolidated balance sheets of Juniper Networks, Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a)2. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the consolidated financial position of Juniper Networks, Inc., at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Juniper Networks, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 19, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

San Jose, California
February 19, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Juniper Networks, Inc.

We have audited Juniper Networks, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). Juniper Networks, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Juniper Networks, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Juniper Networks, Inc. as of December 31, 2015, and 2014 and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015, of Juniper Networks, Inc. and our report dated February 19, 2016, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

San Jose, California
February 19, 2016

Management's Report on Internal Control Over Financial Reporting

The management of Juniper Networks, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control - Integrated Framework as* published in 2013. Based on that assessment, management concluded that, as of December 31, 2015, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015 has been audited by Ernst & Young LLP, the independent registered public accounting firm that audits the Company's Consolidated Financial Statements, as stated in their report preceding this report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2015.

Juniper Networks, Inc.

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

	Years Ended December 31,		
	2015	2014	2013
Net revenues:			
Product	$ 3,563.1	$ 3,408.7	$ 3,519.9
Service	1,294.7	1,218.4	1,149.2
Total net revenues	4,857.8	4,627.1	4,669.1
Cost of revenues:			
Product	1,269.6	1,286.8	1,276.6
Service	509.6	482.1	451.1
Total cost of revenues	1,779.2	1,768.9	1,727.7
Gross margin	3,078.6	2,858.2	2,941.4
Operating expenses:			
Research and development	994.5	1,006.2	1,043.2
Sales and marketing	943.8	1,023.6	1,075.9
General and administrative	228.9	231.1	217.3
Restructuring and other (benefits) charges	(0.6)	167.0	39.1
Impairment of goodwill	—	850.0	—
Total operating expenses	2,166.6	3,277.9	2,375.5
Operating income (loss)	912.0	(419.7)	565.9
Other (expense) income, net	(59.8)	333.4	(40.4)
Income (loss) before income taxes	852.2	(86.3)	525.5
Income tax provision	218.5	248.0	85.7
Net income (loss)	$ 633.7	$ (334.3)	$ 439.8
Net income (loss) per share:			
Basic	$ 1.62	$ (0.73)	$ 0.88
Diluted	$ 1.59	$ (0.73)	$ 0.86
Shares used in computing net income (loss) per share:			
Basic	390.6	457.4	501.8
Diluted	399.4	457.4	510.3
Cash dividends declared per common stock	$ 0.40	$ 0.20	$ —

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.

Consolidated Statements of Comprehensive Income
(In millions)

	Years Ended December 31, 2015	2014	2013
Net income (loss)	$ 633.7	$ (334.3)	$ 439.8
Other comprehensive income (loss), net of tax:			
Available-for-sale securities:			
Unrealized gains on available-for-sale securities, net of tax (provision) of ($6.5), ($29.5) and ($37.9) for 2015, 2014 and 2013, respectively	9.1	48.7	65.1
Reclassification adjustment for realized net gains on available-for-sale securities included in net income (loss), net of tax provision of zero, $61.8 and $0.4 for 2015, 2014 and 2013, respectively	(0.5)	(106.5)	(1.0)
Net change on available-for-sale securities, net of taxes	8.6	(57.8)	64.1
Cash flow hedges:			
Unrealized (losses) gain on cash flow hedges, net of tax (provision) benefit of ($0.4), ($0.7) and $1.7 for 2015, 2014 and 2013, respectively	(6.7)	(4.1)	0.7
Reclassification adjustment for realized loss (gains) on cash flow hedges included in net income (loss), net of tax provision (benefit) of zero, $1.1 and ($0.8) for 2015, 2014 and 2013, respectively	9.6	(2.3)	(1.5)
Net change on cash flow hedges, net of taxes	2.9	(6.4)	(0.8)
Change in foreign currency translation adjustments	(16.9)	(14.2)	(3.4)
Other comprehensive (losses) income, net of tax	(5.4)	(78.4)	59.9
Comprehensive income (loss)	$ 628.3	$ (412.7)	$ 499.7

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.

Consolidated Balance Sheets
(In millions, except par values)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,420.9	$ 1,639.6
Short-term investments	527.1	332.2
Accounts receivable, net of allowance for doubtful accounts of $9.3 and $4.7 as of December 31, 2015 and 2014, respectively	780.7	598.9
Prepaid expenses and other current assets	183.7	239.9
Total current assets	2,912.4	2,810.6
Property and equipment, net	1,021.0	904.3
Long-term investments	1,244.2	1,133.1
Restricted cash and investments	36.2	46.0
Purchased intangible assets, net	33.9	62.4
Goodwill	2,981.3	2,981.5
Other long-term assets	390.2	343.5
Total assets	$ 8,619.2	$ 8,281.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 299.9	$ —
Accounts payable	159.3	234.6
Accrued compensation	269.5	225.0
Deferred revenue	822.9	780.8
Other accrued liabilities	250.3	273.0
Total current liabilities	1,801.9	1,513.4
Long-term debt	1,648.8	1,349.0
Long-term deferred revenue	345.2	294.9
Long-term income tax payable	187.3	177.5
Other long-term liabilities	61.6	27.5
Total liabilities	4,044.8	3,362.3
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; 384.0 shares and 416.2 shares issued and outstanding as of December 31, 2015 and 2014, respectively	—	—
Additional paid-in capital	8,334.8	8,794.0
Accumulated other comprehensive loss	(19.2)	(13.8)
Accumulated deficit	(3,741.2)	(3,861.1)
Total stockholders' equity	4,574.4	4,919.1
Total liabilities and stockholders' equity	$ 8,619.2	$ 8,281.4

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.

Consolidated Statements of Cash Flows
(In millions)

	Years Ended December 31, 2015	2014	2013
Cash flows from operating activities:			
Net income (loss)	$ 633.7	$ (334.3)	$ 439.8
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Share-based compensation expense	217.3	240.0	244.6
Depreciation, amortization, and accretion	176.5	186.1	189.9
Restructuring and other (benefits) charges	(4.1)	208.5	47.5
Deferred income taxes	(14.6)	(16.9)	72.2
Impairment of goodwill	—	850.0	—
Gain on sale of Junos Pulse	—	(19.6)	—
Gain on investments, net	(6.8)	(167.9)	(11.3)
Gain on legal settlement, net	—	(121.1)	—
Excess tax benefits from share-based compensation	(12.3)	(9.4)	(1.9)
Loss on disposal of fixed assets	0.4	1.7	1.4
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable, net	(218.9)	(16.8)	(139.9)
Prepaid expenses and other assets	(43.5)	(10.1)	(126.0)
Accounts payable	(80.2)	38.3	(8.9)
Accrued compensation	46.6	(46.0)	(5.4)
Income taxes payable	104.3	51.0	(38.5)
Other accrued liabilities	1.8	(115.2)	36.5
Deferred revenue	92.3	45.1	145.9
Net cash provided by operating activities	892.5	763.4	845.9
Cash flows from investing activities:			
Purchases of property and equipment	(210.3)	(192.9)	(230.0)
Proceeds from sale of Junos Pulse	—	105.7	—
Purchases of available-for-sale investments	(1,486.4)	(2,440.7)	(1,776.0)
Proceeds from sales of available-for-sale investments	861.6	2,627.7	1,167.2
Proceeds from maturities of available-for-sale investments	319.8	337.6	334.6
Purchases of trading investments	(4.4)	(4.1)	(3.7)
Proceeds from sales of privately-held investments	10.6	4.9	9.4
Purchases of privately-held investments	(5.4)	(21.7)	(41.3)
Payments for business acquisitions, net of cash and cash equivalents acquired	(3.5)	(27.1)	(10.0)
Purchase of licensed software	—	—	(10.0)
Changes in restricted cash	9.3	44.6	(1.2)
Net cash (used in) provided by investing activities	(508.7)	434.0	(561.0)
Cash flows from financing activities:			
Proceeds from issuance of common stock	121.2	159.8	141.7
Purchases and retirement of common stock	(1,153.6)	(2,262.5)	(577.8)
Issuance of long-term debt, net	594.6	346.5	—
Payment for capital lease obligation	0.4	(0.4)	(1.4)
Customer financing arrangements	—	9.0	33.9
Excess tax benefits from share-based compensation	12.3	9.4	1.9
Payment of cash dividends	(156.3)	(86.0)	—
Net cash used in financing activities	(581.4)	(1,824.2)	(401.7)
Effect of foreign currency exchange rates on cash and cash equivalents	(21.1)	(17.6)	(7.0)
Net decrease in cash and cash equivalents	(218.7)	(644.4)	(123.8)
Cash and cash equivalents at beginning of period	1,639.6	2,284.0	2,407.8
Cash and cash equivalents at end of period	$ 1,420.9	$ 1,639.6	$ 2,284.0
Supplemental disclosures of cash flow information:			
Cash paid for interest, net of amounts capitalized	$ 80.6	$ 44.9	$ 57.4
Cash paid for income taxes, net	$ 128.3	$ 206.0	$ 105.1
Non-cash investing activities:			
Construction costs financed for build-to-suit lease	$ 45.6	$ —	$ —
Receipt of a promissory note in connection with the sale of Junos Pulse	$ —	$ 125.0	$ —

See accompanying Notes to Consolidated Financial Statements

Juniper Networks, Inc.

Consolidated Statements of Changes in Stockholders' Equity
(In millions)

	Juniper Networks						
	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Equity
Balance at December 31, 2012	508.4	$ —	$ 9,905.7	$ 4.7	$ (2,911.4)	$ 0.5	$ 6,999.5
Consolidated net income	—	—	—	—	439.8	—	439.8
Other comprehensive income, net	—	—	—	59.9	—	—	59.9
Issuance of common stock	16.0	—	142.2	—	—	—	142.2
Dissolution of non-controlling interest	—	—	—	—	—	(0.5)	(0.5)
Repurchase and retirement of common stock	(29.2)	—	(418.1)	—	(159.7)	—	(577.8)
Share-based compensation expense	—	—	244.9	—	—	—	244.9
Tax effects from employee stock option plans	—	—	(5.8)	—	—	—	(5.8)
Balance at December 31, 2013	495.2	—	9,868.9	64.6	(2,631.3)	—	7,302.2
Consolidated net loss	—	—	—	—	(334.3)	—	(334.3)
Other comprehensive loss, net	—	—	—	(78.4)	—	—	(78.4)
Issuance of common stock	17.7	—	159.1	—	—	—	159.1
Repurchase and retirement of common stock	(96.7)	—	(1,367.0)	—	(895.5)	—	(2,262.5)
Share-based compensation expense	—	—	240.0	—	—	—	240.0
Tax effects from employee stock option plans	—	—	(21.0)	—	—	—	(21.0)
Payment of cash dividends	—	—	(86.0)	—	—	—	(86.0)
Balance at December 31, 2014	416.2	—	8,794.0	(13.8)	(3,861.1)	—	4,919.1
Consolidated net income	—	—	—	—	633.7	—	633.7
Other comprehensive loss, net	—	—	—	(5.4)	—	—	(5.4)
Issuance of common stock	13.6	—	121.2	—	—	—	121.2
Repurchase and retirement of common stock	(45.8)	—	(639.8)	—	(513.8)	—	(1,153.6)
Share-based compensation expense	—	—	217.3	—	—	—	217.3
Tax effects from employee stock option plans	—	—	(1.6)	—	—	—	(1.6)
Payment of cash dividends	—	—	(156.3)	—	—	—	(156.3)
Balance at December 31, 2015	384.0	$ —	$ 8,334.8	$ (19.2)	$ (3,741.2)	$ —	$ 4,574.4

See accompanying Notes to Consolidated Financial Statements

Note 1. Description of Business and Basis of Presentation

Description of Business

Juniper Networks, Inc. (the "Company" or "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. The Company serves the high-performance networking requirements for global service providers, cloud environments, enterprises, governments, and research and public sector organizations that view the network as critical to their success. In addition to the Company's products, the Company offers technical support and professional services, as well as education and training programs to its customers. Together, the high-performance product and service offerings help the Company's customers convert legacy networks that provide commoditized services into more valuable assets that provide differentiation, value, and increased performance, reliability, and security to end-users.

Basis of Presentation

The Consolidated Financial Statements, which include the Company and its wholly-owned subsidiaries, are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). All intercompany balances and transactions have been eliminated. Certain amounts in the prior-years Consolidated Financial Statements have been reclassified to conform to the current- year presentation, including the adoption of Accounting Standards Update ("ASU") No. 2015-17, *Balance Sheet Classification of Deferred Taxes*, which requires that deferred tax assets and liabilities be classified as noncurrent on the Consolidated Balance Sheets. The guidance is effective for all annual periods, and interim periods within those annual periods, beginning after December 15, 2016, with early adoption permitted. The Company has early adopted this standard effective December 31, 2015, retrospectively. The adoption resulted in a $261.0 million and $147.0 million decrease in current deferred tax assets and a decrease of $207.0 million and $107.4 million in other long-term liabilities as of December 31, 2015 and 2014, respectively on the Consolidated Balance Sheets. The adoption of ASU No. 2015-17 had no impact to the Company's Consolidated Statements of Operations.

Note 2. Significant Accounting Policies

Use of Estimates

The preparation of the financial statements and related disclosures in conformity with U.S. GAAP requires the Company to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes are reasonable under the circumstances, to determine the carrying values of assets and liabilities that are not readily apparent from other sources. To the extent there are material differences between the Company's estimates and the actual results, the Company's future consolidated results of operation may be affected.

Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits with banks, highly liquid investments in money market funds, commercial paper, government securities, certificates of deposit, and corporate debt securities, which are readily convertible into cash. All highly liquid investments purchased with original maturities of three months or less are classified as cash and cash equivalents.

Investments in Available-for-Sale and Trading Securities

The Company's investments in publicly-traded debt and equity securities are classified as available-for-sale. Available-for-sale investments are initially recorded at cost and periodically adjusted to fair value in the Consolidated Balance Sheets. Unrealized gains and losses on these investments are reported as a separate component of accumulated other comprehensive income. Realized gains and losses are determined based on the specific identification method and are reported in the Consolidated Statements of Operations.

The Company periodically evaluates its investments to determine if impairment charges are required. The Company considers various factors in determining whether to recognize an impairment charge, including the length of time the investment has been in a loss position, the extent to which the fair value has been less than the Company's cost basis, the investment's financial condition, and near-term prospects of the investee. If the Company determines that the decline in an investment's fair value is other than temporary, the difference is recognized as an impairment loss in its Consolidated Statements of Operations. The Company's non-qualified compensation plan is invested in mutual funds which are classified as trading securities and reported at fair value in the Consolidated Balance Sheets. The realized and unrealized holding gains and losses are reported in the Consolidated Statements of Operations.

Privately-Held Investments

The Company has privately-held investments included in other long-term assets in the Consolidated Balance Sheets. These investments include debt and redeemable preferred stock securities that are carried at fair value, and non-redeemable preferred stock securities that are carried at cost. The investments carried at cost are adjusted for any impairment, as the Company does not have a controlling interest and does not have the ability to exercise significant influence over these companies. These investments are inherently high risk as the market for technologies or products manufactured by these companies are usually in their early stages at the time of the investment by the Company and such markets may never be significant. The Company measures the fair value of privately-held investments using an analysis of the financial conditions and near term prospects of the investees, including recent financing activities and their capital structure. Realized gains and losses, if any, are reported in the Consolidated Statements of Operations.

Fair Value

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it transacts, and considers assumptions that market participants would use when pricing the asset or liability. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. These inputs are valued using market based approaches.

Level 3 – Inputs are unobservable inputs based on the Company's assumptions. These inputs, if any, are valued using internal financial models.

Derivatives

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

The Company uses foreign currency forward contracts to hedge certain forecasted foreign currency transactions relating to operating expenses. These derivatives are designated as cash flow hedges. Execution of these cash flow hedge derivatives typically occurs every month with maturities of one year or less. These derivatives are carried at fair value and the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income, and upon occurrence of the forecasted transaction, is subsequently reclassified into the costs of services or operating expense line item to which the hedged transaction relates. The Company records any ineffectiveness of the hedging instruments in other (expense) income, net, on its Consolidated Statements of Operations. Cash flows from such hedges are classified as operating activities. All amounts within other comprehensive income are expected to be reclassified into earnings within the next twelve months.

The Company also uses foreign currency forward contracts to mitigate variability in gains and losses generated from the re-measurement of certain monetary assets and liabilities denominated in non-functional currencies. These derivatives are carried at fair value with changes recorded in other (expense) income, net in the Consolidated Statements of Operations in the same period as the changes in the fair value from the re-measurement of the underlying assets and liabilities. Cash flows from such derivatives are classified as operating activities. These foreign exchange forward contracts have maturities of one year or less.

Inventory

Inventory consists primarily of component parts to be used in the manufacturing process and finished goods in-transit, and is stated at the lower of cost or market. Cost is computed using standard cost, which approximates actual cost, on a first-in, first-out basis. A charge is recorded to cost of product when inventory is determined to be in excess of anticipated demand or considered obsolete. At the point of loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in the newly established cost basis.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method, over the estimated useful lives of the following assets:

	Estimated Useful Life (years)
Computers, equipment, and software	3 to 7
Furniture and fixtures	5 to 7
Building and building improvements	7 to 40
Land improvements	5 to 40
Leasehold improvements	Lease term, not to exceed 10 years

Construction in progress is related to the construction or development of property and equipment that have not yet been placed in service for their intended use. Depreciation for computers, equipment, software, furniture and fixtures commences once they are placed in service. Depreciation for buildings, land and leasehold improvements commences once they are ready for their intended use.

Goodwill and Other Long-Lived Assets

Goodwill represents the future economic benefits arising from other assets acquired in a business combination or an acquisition that are not individually identified and separately recorded. The excess of the purchase price over the estimated fair value of net assets of businesses acquired in a business combination is recognized as goodwill. Goodwill is tested for impairment annually during the fourth quarter or more frequently if certain circumstances indicate the carrying value of goodwill is impaired. Aqualitative assessment is first made to determine whether it is necessary to quantitatively test goodwill for impairment. This initial assessment includes, among others, consideration of macroeconomic conditions and financial performance. If the qualitative assessment indicates that it is more likely than not that an impairment exists, a quantitative analysis is performed by comparing the estimated fair values of our reporting units with their respective carrying values, including goodwill. An impairment loss is recognized to the extent that the carrying amount of goodwill exceeds the asset's implied fair value. Other intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized but are assessed for potential impairment annually or when events or circumstances indicate that their carrying amounts might be impaired.

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group, to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. An impairment charge is recognized by the amount by which the carrying amount of the asset, or asset group, exceeds its fair value.

The Company amortizes intangible assets with estimable useful lives on a straight-line basis over their useful lives.

Revenue Recognition

Revenue is recognized when all of the following criteria have been met:

- *Persuasive evidence of an arrangement exists.* The Company generally relies upon sales contracts or agreements, and customer purchase orders to determine the existence of an arrangement.

- *Delivery has occurred.* The Company uses shipping terms and related documents, or written evidence of customer acceptance, when applicable, to verify delivery or performance.

- *Sales price is fixed or determinable.* The Company assesses whether the sales price is fixed or determinable based on the payment terms and whether the sales price is subject to refund or adjustment.

- *Collectability is reasonably assured.* The Company assesses collectability based on creditworthiness of customers as determined by its credit checks, their payment histories, or changes in circumstances that indicate that collectability is not reasonably assured.

When sales arrangements contain multiple elements the Company allocates revenue to each element based on a selling price hierarchy. The selling price for a deliverable is based on either vendor-specific objective evidence ("VSOE") if available, third-party evidence ("TPE") if VSOE is not available, or estimated selling price ("ESP") if neither VSOE nor TPE is available. The Company then recognizes revenue on each deliverable in accordance with its policies for product and service revenue recognition. VSOE of selling price is based on the price charged when the element is sold separately. In determining VSOE, the Company requires that a substantial majority of the selling prices fall within a reasonable range based on historical discounting trends for specific products and services. TPE of selling price is established by evaluating largely interchangeable competitor products or services in stand-alone sales to similar situated customers. However, as the Company's products contain a significant element of proprietary technology and its solutions offer substantially different features and functionality, the comparable pricing of third-party products with similar functionality typically cannot be obtained and therefore TPE is not used. ESP is established considering multiple factors including, but not limited to pricing practices in different geographies and through different sales channels, gross margin objectives, internal costs, competitor pricing strategies, and industry technology lifecycles.

In multiple element arrangements where software deliverables are included, revenue is allocated to each separate unit of accounting for each of the non-software deliverables and to the software deliverables as a group using the relative selling prices of each of the deliverables in the arrangement based on the aforementioned selling price hierarchy. If the arrangement contains more than one software deliverable, the arrangement consideration allocated to the software deliverables as a group is then allocated to each software deliverable using the residual method when VSOE of fair value of the undelivered items exists. Under the residual method, the amount of revenue allocated to delivered elements equals the total arrangement consideration less the aggregate fair value of any undelivered elements. If VSOE of one or more undelivered items does not exist, revenue from the entire arrangement is deferred and recognized at the earlier of: (i) delivery of those elements or (ii) when fair value can be established unless maintenance services is the only undelivered element, in which case, the entire arrangement fee is recognized ratably over the maintenance service period.

The Company limits the amount of revenue recognition for delivered elements to the amount that is not contingent on the future delivery of products or services or subject to customer-specific return or refund privileges.

The Company records reductions to revenue for estimated product returns and pricing adjustments, such as rebates and price protection, in the same period that the related revenue is recorded. The amount of these reductions is based on historical sales returns and price protection credits, specific criteria outlined in rebate agreements, and other factors known at the time.

A portion of the Company's sales is made through distributors under agreements allowing for pricing credits or rights of return. As reliable estimates of these credits or returns cannot be made, product revenue on sales made through these distributors is recognized upon sell-through as reported by the distributors to the Company. Deferred revenue on shipments to distributors reflects the effects of distributor pricing credits given and the amount of gross margin expected to be realized upon sell-through. Deferred revenue is recorded net of the related product costs of revenue.

Service revenues include revenue from maintenance, training, and professional services. Maintenance is offered under renewable contracts. Revenue from maintenance service contracts is deferred and recognized ratably over the contractual support period, which is generally one to three years. Revenue from training and professional services is recognized as services are completed or ratably over the contractual period, which is generally one year or less.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts. The Company regularly reviews its receivables that remain outstanding past their applicable payment terms and establishes an allowance by considering factors such as historical experience, credit quality, and age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

Warranty Reserves

The Company generally offers a one-year warranty on most of its hardware products, and a 90-day warranty on the media that contains the software embedded in the products. Warranty costs are recognized as part of the Company's cost of sales based on associated material costs, logistics costs, labor costs, and overhead at the time revenue is recognized. Material costs are estimated primarily based upon the historical costs to repair or replace product returns within the warranty period. Labor, logistics and overhead costs are estimated primarily based upon historical trends in the cost to support customer cases within the warranty period.

Contract Manufacturer Liabilities

The Company establishes a liability for non-cancelable, non-returnable purchase commitments with its contract manufacturers for carrying charges, quantities in excess of its demand forecasts, or obsolete material charges for components purchased by the contract manufacturers to meet the Company's demand forecast or customer orders. The demand forecasts are based upon historical trends and analysis from the Company's sales and marketing organizations, adjusted for overall market conditions.

Research and Development

Costs to research, design, and develop the Company's products are expensed as incurred.

Software Development Costs

Capitalization of software development costs for software to be sold, leased, or otherwise marketed begins when a product's technological feasibility has been established and ends when a product is available for general release to customers. Generally, the Company's products are released soon after technological feasibility has been established. As a result, costs incurred between achieving technological feasibility and product general availability have not been significant.

The Company capitalizes costs associated with internal-use software systems during the application development stage. Such capitalized costs include external direct costs utilized in developing or obtaining the applications and payroll and payroll-related costs for employees, who are directly associated with the development of the applications.

Advertising

Advertising costs are charged to sales and marketing expense as incurred. Advertising expense was $20.2 million, $19.2 million, and $20.1 million, for 2015, 2014, and 2013, respectively.

Foreign Currency

Assets and liabilities of foreign operations with non-U.S. Dollar functional currency are translated to U.S. Dollars using exchange rates in effect at the end of the period. Revenue and expenses are translated to U.S. Dollars using average exchange rates for the period. The resulting translation adjustments are included in the Company's Consolidated Balance Sheets in the stockholders' equity section as a component of accumulated other comprehensive income. For the Company's international subsidiaries in which the functional currency is the U.S. dollar, the Company records foreign exchange gains and losses for assets and liabilities denominated in non-U.S. dollar currencies. These remeasurement adjustments are recorded in other (expense) income, net in the Consolidated Statements of Operations.

Loss Contingencies

The Company is subject to the possibility of various loss contingencies arising in the ordinary course of business. Management considers the likelihood of loss related to an asset, or the incurrence of a liability, as well as its ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The Company regularly evaluates current information available to determine whether such accruals should be adjusted and whether new accruals are required.

Share-Based Compensation

The Company measures and recognizes compensation cost for all share-based awards made to employees and directors, including employee stock options, stock awards, stock units, and employee stock purchases related to the Employee Stock Purchase Plan ("ESPP"). Share-based compensation expense is based on the fair value of the underlying awards and amortized on a straight-line basis, net of estimated forfeitures.

The Company utilizes the Black-Scholes-Merton ("BSM") option-pricing model to estimate the fair value of its stock options and ESPP shares. The BSM model requires various highly subjective assumptions that represent management's best estimates of volatility, risk-free interest rate, expected life, and dividend yield. The Company estimates expected volatility based on the implied volatility of market-traded options, on the Company's common stock, adjusted for other relevant factors including historical volatility of the Company's common stock over the most recent period commensurate with the estimated expected life of the Company's stock options and ESPP. The expected life of a stock option is based on historical experience of employee exercises and post-vesting termination behavior as well as the potential effect from options that have not been exercised. The expected life of ESPP approximates the offering period.

The Company determines the fair value of its restricted stock units ("RSUs"), restricted stock awards ("RSAs"), and performance share awards ("PSAs") based on the closing market price of the Company's common stock on the date of grant, adjusted by the present value of the expected dividend.

For market-based RSUs, the Company estimates the fair value and derived service period using the Monte Carlo simulation option pricing model ("Monte Carlo model"). The determination of the grant date fair value and derived service periods using the Monte Carlo model is affected by the Company's stock price as well as various highly subjective assumptions that represent management's best estimates of volatility, risk-free interest rate, and dividend yield. The Company estimates expected volatility based on the implied volatility of market-traded options, on the Company's common stock, adjusted for other relevant factors including historical volatility of the Company's common stock over the contractual life of the Company's market-based RSUs.

Provision for Income Taxes

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Valuation allowances are recorded to reduce deferred tax assets to the amount that will more likely than not be realized.

The Company accounts for uncertainty in income taxes using a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. The Company classifies the liability for unrecognized tax benefits as current to the extent that the Company anticipates payment (or receipt) of cash within one year. Interest and penalties related to uncertain tax positions are recognized in the provision for income taxes.

Concentrations of Risk

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and accounts receivable. The Company invests only in high-quality credit instruments and maintains its cash, cash equivalents and available-for-sale investments in fixed income securities with several high-quality institutions. Deposits held with banks, including those held in foreign branches of global banks, may exceed the amount of insurance provided on such deposits. These deposits may be redeemed upon demand and, therefore, bear minimal credit risk.

The Company's derivatives expose it to credit risk to the extent that counterparties may be unable to meet the terms of the agreement. To mitigate concentration of risk related to its derivatives, the Company establishes counterparty limits to major credit-worthy financial institutions. In addition, the potential risk of loss with any one counterparty resulting from this type of credit risk is monitored and the derivatives transacted with these entities are relatively short in duration. Therefore, the Company does not expect material losses as a result of defaults by counterparties.

Generally, credit risk with respect to accounts receivable is diversified due to the number of entities comprising the Company's customer base and their dispersion across different geographic locations throughout the world. The Company performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable. During the years ended December 31, 2015, 2014, and 2013, no single customer accounted for 10% or more of net revenues.

The Company relies on sole suppliers for certain of its components such as application-specific integrated circuits ("ASICs") and custom sheet metal. Additionally, the Company relies primarily on a limited number of significant independent contract manufacturers and outside design manufacturers for the production of its products. The inability of any supplier or manufacturer to fulfill supply requirements of the Company could negatively impact future operating results.

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"), which requires equity investments to be measured at fair value with changes in fair value recognized in net income and simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. Entities may choose a practical expedient, to estimate the fair value of certain equity securities that do not have readily determinable fair value. If the practical expedient is elected, these investments would be recorded at cost, less impairment and subsequently adjusted for observable price changes. The guidance also updates certain presentation and disclosure requirements. ASU 2016-01 is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company is currently evaluating the impact that ASU 2016-01 will have on its Consolidated Financial Statements and disclosures.

In September 2015, the FASB issued ASU No. 2015-16 (Topic 805) - *Business Combinations: Simplifying the Accounting for Measurement-Period Adjustments* ("ASU 2015-16"), which replaces the requirement that an acquirer in a business combination account for measurement period adjustments retrospectively, with a requirement that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. ASU 2015-16 requires the entity to record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. The amendment requires an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU 2015-16 is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendment should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the guidance, with early adoption permitted for financial statements that have not been issued. The adoption of this standard will apply upon execution of a business combination.

In July 2015, the FASB issued ASU No. 2015-11 (Subtopic 330) - *Simplifying the Measurement of Inventory* ("ASU 2015-11"), which provides guidance to companies who account for inventory using either the first-in, first-out ("FIFO") or average cost methods. The guidance states that companies should measure inventory at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU 2015-11 is effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. The adoption of this standard will not have a significant impact on the Company's Consolidated Financial Statements.

In April 2015, the FASB issued ASU No. 2015-05 (Subtopic 350-40) - *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* ("ASU 2015-05"), which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The ASU also eliminates the existing requirement that customers analogize to the guidance on leases in ASC 840 to determine the asset acquired in a software licensing arrangement. Instead, customers will account for software licenses that are obtained for internal-use in the same manner as licenses of other intangible assets. ASU 2015-05 is effective for fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company plans to adopt the ASU prospectively for all new transactions entered into or materially modified after the date of adoption.

In April 2015, the FASB issued ASU No. 2015-03 (Subtopic 835-30) - *Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"), which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The adoption of this standard would reduce the debt issuance cost asset on the Company's Consolidated Balance Sheet by approximately $11.0 million and correspondingly reduce its debt liabilities by approximately $11.0 million. The Company plans to adopt this standard in the first quarter of 2016. The adoption of this standard will not have an impact to the Consolidated Statement of Operations.

In August 2015, the FASB issued ASU No. 2015-15, Interest - *Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements* ("ASU 2015-03"). ASU 2015-15 provides additional guidance to ASU 2015-03, which did not address presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements. The amendment states that an entity may defer and present debt issuance costs associated with line-of-credit arrangements as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The adoption of ASU 2015-15 will not have an impact on the Company's Consolidated Financial Statements.

In November 2014, the FASB issued ASU No. 2014-16 (Topic 815) - *Derivatives and Hedging* ("ASU 2014-16), which provides clarification on how current guidance should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. Specifically, the amendments clarify that an entity should consider all relevant terms and features in evaluating the host contract and that no single term or feature would necessarily determine the economic characteristics and risks of the host contract. ASU 2014-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The amendment should be applied on a modified retrospective basis to existing hybrid financial instruments issued in the form of a share as of the beginning of the year for which the amendments are effective. Early adoption is permitted. The adoption of this standard will not have a material impact on the Company's Consolidated Financial Statements.

In June 2014, the FASB issued ASU No. 2014-12 (Topic 718) - *Compensation - Stock Compensation* ("ASU 2014-12"), which provides guidance that a performance target that affects vesting of a share-based payment and that could be achieved after the requisite service period is a performance condition. As a result, the target is not reflected in the estimation of the award's grant date fair value. Compensation cost for such an award would be recognized over the required service period, if it is probable that the performance condition will be achieved. ASU 2014-12 is effective for all entities for annual periods beginning after December 15, 2015 and interim periods within those annual periods. ASU 2014-12 should be applied on a prospective basis to awards that are granted or modified on or after the effective date. The adoption of this standard will not have an impact on the Company's Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09 (Topic 606)—*Revenue from Contracts with Customers* ("ASU 2014-09"), which provides guidance for revenue recognition. This ASU affects all contracts that the Company enters into with customers to transfer goods and services or for the transfer of nonfinancial assets. This ASU will supersede the revenue recognition requirements in Topic 605, and most industry specific guidance. This ASU also supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition-Construction-Type and Production-Type Contracts. The standard's core principle 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. In doing so, the Company will need to use additional judgment and estimates than under the existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU 2015-14 which deferred the effective date of the new revenue standard from December 15, 2016 to December 15, 2017, with early adoption permitted as of annual reporting periods beginning after December 15, 2016. Accordingly, the ASU will be effective for the Company beginning fiscal year 2018. The Company is currently evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

Note 3. Business Combinations

The Company's Consolidated Financial Statements include the operating results of acquired businesses from the date of each acquisition. Pro forma results of operations for these acquisitions have not been presented as the financial impact to the Company's consolidated results of operations, both individually and in aggregate, is not material. Additional information, if any, existing as of the acquisition dates but unknown to the Company may become known during the remainder of the measurement period, not to exceed 12 months from the acquisition date, which may result in changes to the amounts and allocations recorded.

The Company did not complete any business combinations in 2015 and completed one business combination in 2014 and one business combination in 2013. Cash consideration, including the fair value of vested share-based awards assumed, if any, for acquisitions in 2014 and 2013, was approximately $28.7 million and $10.0 million, respectively.

The following table presents the purchase consideration allocations for these acquisitions based upon acquisition-date fair values, including cash and cash equivalents acquired (in millions):

	2014 Acquisition	2013 Acquisition
Net tangible assets acquired	$ —	$ 0.1
Net liabilities acquired	(2.7)	—
Intangible assets acquired	17.8	9.9
Goodwill	13.6	—
Total	$ 28.7	$ 10.0

The goodwill recognized for the 2014 acquisition was primarily attributable to expected synergies and was not deductible for U.S. federal income tax purposes.

2014 Acquisition

On January 7, 2014, the Company acquired 100% of the equity securities of WANDL, Inc. ("WANDL"), for $28.7 million of cash and stock consideration. WANDL, a provider of software solutions for advanced planning, management, design and optimization of next-generation multi-layer networks, provides the Company with technology and experience in traffic engineering, multi-layer optimization and path computation to help service provider customers optimize the performance and cost of their networks.

Under the terms of the purchase agreement, the Company assumed unvested share-based awards for employees with a fair value of $34.9 million, which were granted in contemplation of future services and are being expensed as share-based compensation over the remaining service period.

Intangible Assets Acquired

The following table presents details of the Company's intangible assets acquired through the business combination completed during the twelve months ended December 31, 2014 (in millions, except years):

	Weighted Average Estimated Useful Life (In Years)	Amount
Existing technology	7	$ 10.7
Customer relationships	7	6.0
Trade name	4	0.6
Backlog	1	0.2
Non-compete agreements	2	0.3
Total	7	$ 17.8

2013 Acquisition

During 2013, the Company completed a business combination for approximately $10.0 million in cash consideration of which $0.1 million was allocated to net tangible assets acquired and $9.9 million to intangible assets. Intangible assets acquired consisted of existing technology with a weighted-average estimated useful life of five years.

Note 4. Cash Equivalents and Investments

Investments in Available-for-Sale and Trading Securities

The following tables summarize the Company's unrealized gains and losses and fair value of investments designated as available-for-sale and trading securities as of December 31, 2015 and December 31, 2014 (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
As of December 31, 2015				
Fixed income securities:				
Asset-backed securities	$ 312.2	$ —	$ (0.5)	$ 311.7
Certificates of deposit	9.6	—	—	9.6
Commercial paper	17.7	—	—	17.7
Corporate debt securities	913.8	0.2	(2.6)	911.4
Foreign government debt securities	16.5	—	—	16.5
Government-sponsored enterprise obligations	204.1	—	(0.4)	203.7
U.S. government securities	278.0	—	(0.4)	277.6
Total fixed income securities	1,751.9	0.2	(3.9)	1,748.2
Money market funds	29.7	—	—	29.7
Mutual funds	6.1	0.1	—	6.2
Publicly-traded equity securities	8.7	0.8	(0.7)	8.8
Total available-for-sale securities	1,796.4	1.1	(4.6)	1,792.9
Trading securities in mutual funds[1]	17.7	—	—	17.7
Total	$ 1,814.1	$ 1.1	$ (4.6)	$ 1,810.6
Reported as:				
Cash equivalents	$ 3.4	$ —	$ —	$ 3.4
Restricted investments	35.8	0.1	—	35.9
Short-term investments	527.2	0.9	(1.0)	527.1
Long-term investments	1,247.7	0.1	(3.6)	1,244.2
Total	$ 1,814.1	$ 1.1	$ (4.6)	$ 1,810.6

(1) Balance includes the Company's non-qualified deferred compensation plan assets.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
As of December 31, 2014				
Fixed income securities:				
Asset-backed securities	$ 269.3	$ —	$ (0.3)	$ 269.0
Certificates of deposit	10.6	—	—	10.6
Commercial paper	20.3	—	—	20.3
Corporate debt securities	738.6	0.5	(1.1)	738.0
Foreign government debt securities	24.6	—	—	24.6
Government-sponsored enterprise obligations	162.2	—	(0.1)	162.1
U.S. government securities	246.1	—	(0.1)	246.0
Total fixed income securities	1,471.7	0.5	(1.6)	1,470.6
Money market funds	594.2	—	—	594.2
Mutual funds	3.9	0.1	—	4.0
Publicly-traded equity securities	2.1	—	(0.1)	2.0
Total available-for-sale securities	2,071.9	0.6	(1.7)	2,070.8
Trading securities in mutual funds[1]	16.3	—	—	16.3
Total	$ 2,088.2	$ 0.6	$ (1.7)	$ 2,087.1
Reported as:				
Cash equivalents	$ 576.6	$ —	$ —	$ 576.6
Restricted investments	45.2	—	—	45.2
Short-term investments	332.2	0.2	(0.2)	332.2
Long-term investments	1,134.2	0.4	(1.5)	1,133.1
Total	$ 2,088.2	$ 0.6	$ (1.7)	$ 2,087.1

(1) Balance includes the Company's non-qualified deferred compensation plan assets.

The following table presents the contractual maturities of the Company's total fixed income securities as of December 31, 2015 (in millions):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Due in less than one year	$ 504.1	$ 0.1	$ (0.3)	$ 503.9
Due between one and five years	1,247.8	0.1	(3.6)	1,244.3
Total	$ 1,751.9	$ 0.2	$ (3.9)	$ 1,748.2

The Company had 682 and 437 investments in unrealized loss positions as of December 31, 2015 and December 31, 2014, respectively. The gross unrealized losses related to these investments were primarily due to changes in market interest rates and stock prices. The Company periodically reviews its investments to identify and evaluate investments that have an indication of possible impairment. The Company aggregates its investments by category and length of time the securities have been in a continuous unrealized loss position to facilitate its evaluation.

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 December 31, 2015, 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 years ended December 31, 2015, 2014, and 2013.

For available-for-sale equity securities that have unrealized losses, the Company evaluates whether there is an indication of other- than-temporary impairments. This determination is based on several factors, including the financial condition and near-term prospects of the issuer and the Company's intent and ability to hold the publicly-traded equity securities for a period of time sufficient to allow for any anticipated recovery in market value. During the years ended December 31, 2015 and December 31, 2013, the Company did not recognize other-than-temporary impairments associated with its available-for-sale equity securities.

During the year ended December 31, 2014, the Company determined that certain available-for-sale equity securities were other-than temporarily impaired, resulting in an impairment charge of $1.1 million that was recorded within other (expense) income, net, in the Consolidated Statement of Operations.

During the years ended December 31, 2015 and December 31, 2013, there were no material gross realized gains or losses from available-for-sale securities and trading securities. During the year ended December 31, 2014, gross realized gains from available-for-sale securities were $166.8 million and gross realized losses were not material. There were no material gross realized gains or losses from trading securities during the year ended December 31, 2014.

The following tables present the Company's available-for-sale securities that were in an unrealized loss position as of December 31, 2015 and December 31, 2014 (in millions):

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
As of December 31, 2015						
Fixed income securities:						
Asset-backed securities	$ 274.2	$ (0.4)	$ 30.8	$ (0.1)	$ 305.0	$ (0.5)
Certificates of deposit[(1)]	3.3	—	—	—	3.3	—
Corporate debt securities	687.9	(2.3)	58.9	(0.3)	746.8	(2.6)
Foreign government debt securities[(1)]	9.5	—	—	—	9.5	—
Government-sponsored enterprise obligations	185.3	(0.4)	—	—	185.3	(0.4)
U.S. government securities	259.3	(0.4)	—	—	259.3	(0.4)
Total fixed income securities	1,419.5	(3.5)	89.7	(0.4)	1,509.2	(3.9)
Publicly-traded equity securities	2.1	(0.7)	—	—	2.1	(0.7)
Total available-for sale securities	$ 1,421.6	$ (4.2)	$ 89.7	$ (0.4)	$ 1,511.3	$ (4.6)

(1) Balances less than 12 months include investments that were in an immaterial unrealized loss position as of December 31, 2015.

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
As of December 31, 2014						
Fixed income securities:						
Asset-backed securities	$ 221.9	$ (0.3)	$ —	$ —	$ 221.9	$ (0.3)
Corporate debt securities	515.9	(1.1)	—	—	515.9	(1.1)
Foreign government debt securities[(1)]	24.6	—	—	—	24.6	—
Government-sponsored enterprise obligations	113.8	(0.1)	—	—	113.8	(0.1)
U.S. government securities	189.0	(0.1)	—	—	189.0	(0.1)
Total fixed income securities	1,065.2	(1.6)	—	—	1,065.2	(1.6)
Publicly-traded equity securities	2.0	(0.1)	—	—	2.0	(0.1)
Total available-for-sale securities	$ 1,067.2	$ (1.7)	$ —	$ —	$ 1,067.2	$ (1.7)

(1) Balances less than 12 months include investments that were in an immaterial unrealized loss position as of December 31, 2014.

Restricted Cash and Investments

The Company classifies certain cash and investments as restricted cash and investments on its Consolidated Balance Sheets for: (i) amounts held in escrow accounts, as required in connection with certain acquisitions completed between 2005 and 2014; (ii) the India Gratuity Trust and Israel Retirement Trust, which cover statutory severance obligations in the event of termination of any of the Company's India and Israel employees, respectively; and (iii) the Directors and Officers indemnification trust ("D&O Trust"). The restricted investments are designated as available-for-sale securities.

Privately-Held Investments

As of December 31, 2015 and December 31, 2014, the carrying values of the Company's privately-held investments of $102.4 million and $89.9 million, respectively, were included in other long-term assets in the Consolidated Balance Sheets. As of December 31, 2015 and December 31, 2014, the carrying value of the privately-held investments includes debt and redeemable preferred stock securities of $60.2 million and $47.5 million, respectively. For the year ended December 31, 2015, the Company recorded $11.4 million in other comprehensive (loss) income for unrealized gains and no unrealized losses associated with its privately-held debt and redeemable preferred stock securities. During the year ended December 31, 2014, there were $15.0 million of unrealized gains and no unrealized losses associated with privately-held securities and no unrealized gains or losses on redeemable preferred stock in other comprehensive (loss) income.

The Company reviews its investments to identify and evaluate investments that have an indication of possible impairment. The Company adjusts the carrying value for its privately-held investments for any impairment if the fair value is less than the carrying value of the respective assets on an other-than-temporary basis. During the years ended December 31, 2015, the Company determined that no privately-held investments were other-than-temporarily impaired. During the years ended December 31, 2014, and December 31, 2013, the Company determined that certain privately-held investments were other-than-temporarily impaired, resulting in impairment charges of $1.1 million and $2.8 million, respectively, that were recorded within other (expense) income, net in the Consolidated Statements of Operations.

Note 5. Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

	Fair Value Measurements at December 31, 2015 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
Assets measured at fair value:				
Available-for-sale securities:				
Asset-backed securities	$ —	$ 311.7	$ —	$ 311.7
Certificates of deposit	—	9.6	—	9.6
Commercial paper	—	17.7	—	17.7
Corporate debt securities	—	911.4	—	911.4
Foreign government debt securities	—	16.5	—	16.5
Government-sponsored enterprise obligations	—	203.7	—	203.7
Money market funds[(1)]	29.7	—	—	29.7
Mutual funds[(2)]	6.2	—	—	6.2
Publicly-traded equity securities	8.8	—	—	8.8
U.S. government securities	247.3	30.3	—	277.6
Total available-for-sale securities	292.0	1,500.9	—	1,792.9
Trading securities in mutual funds[(3)]	17.7	—	—	17.7
Privately-held debt and redeemable preferred stock securities	—	—	60.2	60.2
Derivative assets:				
Foreign exchange contracts	—	0.4	—	0.4
Total assets measured at fair value	$ 309.7	$ 1,501.3	$ 60.2	$ 1,871.2
Liabilities measured at fair value:				
Derivative liabilities:				
Foreign exchange contracts	$ —	$ (1.3)	$ —	$ (1.3)
Total liabilities measured at fair value	$ —	$ (1.3)	$ —	$ (1.3)
Total assets measured at fair value, reported as:				
Cash equivalents	$ —	$ 3.4	$ —	$ 3.4
Restricted investments	35.9	—	—	35.9
Short-term investments	108.2	418.9	—	527.1
Long-term investments	165.6	1,078.6	—	1,244.2
Prepaid expenses and other current assets	—	0.4	—	0.4
Other long-term assets	—	—	60.2	60.2
Total assets measured at fair value	$ 309.7	$ 1,501.3	$ 60.2	$ 1,871.2
Total liabilities measured at fair value, reported as:				
Other accrued liabilities	$ —	$ (1.3)	$ —	$ (1.3)
Total liabilities measured at fair value	$ —	$ (1.3)	$ —	$ (1.3)

(1) Balance includes $29.7 million of restricted investments measured at fair market value, related to the Company's D&O trust and acquisitions related escrows.

(2) Balance relates to the restricted investments measured at fair market value of the Company's India Gratuity Trust.

(3) Balance relates to the investments measured at fair value related to the Company's non-qualified deferred compensation plan assets.

	Fair Value Measurements at December 31, 2014 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
Assets measured at fair value:				
Available-for-sale securities:				
Asset-backed securities	$ —	$ 269.0	$ —	$ 269.0
Certificates of deposit	—	10.6	—	10.6
Commercial paper	—	20.3	—	20.3
Corporate debt securities	—	738.0	—	738.0
Foreign government debt securities	—	24.6	—	24.6
Government-sponsored enterprise obligations	—	162.1	—	162.1
Money market funds[(1)]	594.2	—	—	594.2
Mutual funds[(2)]	4.0	—	—	4.0
Publicly-traded equity securities	2.0	—	—	2.0
U.S. government securities	246.0	—	—	246.0
Total available-for-sale securities	846.2	1,224.6	—	2,070.8
Trading securities in mutual funds[(3)]	16.3	—	—	16.3
Privately-held debt and redeemable preferred stock securities	—	—	47.5	47.5
Derivative assets:				
Foreign exchange contracts	—	0.1	—	0.1
Total assets measured at fair value	$ 862.5	$ 1,224.7	$ 47.5	$ 2,134.7
Liabilities measured at fair value:				
Derivative liabilities:				
Foreign exchange contracts	$ —	$ (3.9)	$ —	$ (3.9)
Total liabilities measured at fair value	$ —	$ (3.9)	$ —	$ (3.9)
Total assets measured at fair value, reported as:				
Cash equivalents	$ 552.9	$ 23.7	$ —	$ 576.6
Restricted investments	45.2	—	—	45.2
Short-term investments	87.0	245.2	—	332.2
Long-term investments	177.4	955.7	—	1,133.1
Prepaid expenses and other current assets	—	0.1	—	0.1
Other long-term assets	—	—	47.5	47.5
Total assets measured at fair value	$ 862.5	$ 1,224.7	$ 47.5	$ 2,134.7
Total liabilities measured at fair value, reported as:				
Other accrued liabilities	$ —	$ (3.9)	$ —	$ (3.9)
Total liabilities measured at fair value	$ —	$ (3.9)	$ —	$ (3.9)

(1) Balance includes $41.3 million of restricted investments measured at fair market value, related to the Company's D&O trust and acquisition related escrows.

(2) Balance relates to the restricted investments measured at fair market value of the Company's India Gratuity Trust.

(3) Balance relates to the investments measured at fair value related to the Company's non-qualified deferred compensation plan assets.

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 years ended December 31, 2015 and December 31, 2014, 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 absence of quoted market prices and an inherent lack of liquidity. The Company estimates the fair value of its privately-held debt investments 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 year ended December 31, 2015, there were $5.3 million purchases related to privately-held debt securities.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain of the Company's assets, including intangible assets, goodwill, and privately-held equity investments, are measured at fair value on a nonrecurring basis, only if impairment is indicated. Privately-held equity investments, 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 significantly impacting the fair value of investments. The Company estimates the fair value of its privately-held equity investments using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure. Purchased intangible assets are measured at fair value primarily using discounted cash flow projections.

As of December 31, 2015 and December 31, 2014, the Company had no significant privately-held equity investments measured at fair value on a nonrecurring basis. As of December 31, 2013, the Company had $2.0 million of privately-held equity investments measured at fair value on a nonrecurring basis and were classified as Level 3 assets due to the absence of quoted market prices and inherent lack of liquidity. The impairment charges of $2.8 million, representing the difference between the net book value and the fair value, are recorded to other (expense) income, net in the Consolidated Statements of Operations.

As of December 31, 2014, the Company recorded a goodwill impairment charge of $850.0 million for its Security reporting unit measured at fair value on a nonrecurring basis. The remeasurement of goodwill is classified as a Level 3 value assessment due to the significance of unobservable inputs developed using company-specific information. Refer to Note 7, *Goodwill and Purchased Intangible Assets*, for further information on the goodwill impairment charge and the unobservable inputs used.

As of December 31, 2015, 2014, and 2013, the Company had no liabilities 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, financing receivables, accounts payable, and other accrued liabilities approximate fair value due to their short maturities. As of December 31, 2015 and December 31, 2014, the estimated fair value of the Company's short-term and long-term debt in the Consolidated Balance Sheets was approximately $1,946.7 million and $1,395.2 million, respectively, based on observable market inputs (Level 2). As of December 31, 2015, the carrying value of the promissory note, including interest paid in kind, of $132.9 million in connection with the sale of Junos Pulse recorded in other long-term assets in the Consolidated Balance Sheet approximates its fair value. The promissory note is classified as a Level 3 asset due to the absence of quoted market prices and inherent lack of liquidity. Refer to Note 8, *Other Financial Information* for further information on the promissory 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 December 31,	
	2015	2014
Cash flow hedges	$ 116.8	$ 160.7
Non-designated derivatives	71.8	78.0
Total	$ 188.6	$ 238.7

Cash Flow Hedges

The Company uses foreign currency forward or option contracts to hedge the Company's planned cost of services and operating expenses denominated in foreign currencies. These derivatives are designated as cash flow hedges. Execution of these cash flow hedge derivatives typically occurs every month with maturities of one year or less.

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

As of December 31, 2015, the Company recognized a loss of $6.3 million in accumulated other comprehensive (loss) income for the effective portion of its derivative instruments and reclassified a loss of $9.6 million during the year ended December 31, 2015 from other comprehensive income to operating expense in the Consolidated Statements of Operations. As of December 31, 2014, the Company recognized a loss of $3.4 million in accumulated other comprehensive (loss) income for the effective portion of its derivative instruments and reclassified a gain of $3.4 million during the year ended December 31, 2014 from other comprehensive (loss) income to operating expense in the Consolidated Statements of Operations. As of December 31, 2013, the Company recognized a loss of $1.0 million in accumulated other comprehensive income for the effective portion of its derivative instruments and reclassified a gain of $0.7 million during the year ended December 31, 2013 from other comprehensive income to operating expense in the Consolidated Statements of Operations.

The ineffective portion of the Company's derivative instruments recognized in its Consolidated Statements of Operations was not material during the years ended December 31, 2015, 2014, and 2013.

Non-Designated Derivatives

During the years ended December 31, 2015, 2014, and 2013, the Company recognized a net loss of $0.6 million, a net loss of $2.4 million, and a net gain of $0.9 million, respectively, on non-designated derivative instruments within other (expense) income, net, in its Consolidated Statements of Operations.

Offsetting of Derivatives

The Company presents its derivative assets and derivative liabilities on a gross basis in the Consolidated Balance Sheets. However, under agreements containing provisions on netting with certain counterparties of foreign exchange contracts, subject to applicable requirements, the Company is allowed to net-settle transactions on the same date in the same currency, with a single net amount payable by one party to the other. As of December 31, 2015 and 2014, respectively, the potential effect of rights of setoff associated with derivative instruments was not material. The Company is neither required to pledge nor entitled to receive cash collateral related to these derivative transactions.

Note 7. Goodwill and Purchased Intangible Assets

Goodwill

The following table presents the goodwill activity (in millions):

	Total
December 31, 2013	$ 4,057.7
Additions due to business combination	13.6
Impairment	(850.0)
Divestiture	(239.8)
December 31, 2014	2,981.5
Other	(0.2)
December 31, 2015	$ 2,981.3

In the fourth quarter, the Company performed its annual goodwill impairment test for the Company's three reporting units: Routing, Switching, and Security for the years ended December 31, 2015, 2014, and 2013, respectively. During the year ended December 31, 2015, the Company elected to perform the qualitative assessment for all of the Company's reporting units. This qualitative assessment included the review of certain macroeconomic factors and entity-specific qualitative factors to determine if it was more-likely-than not that the fair values of the Company's reporting units were below carrying value. As a result of the qualitative assessment, the Company concluded that it was more-likely-than-not that goodwill was not impaired. In 2014, the Company determined that the Security reporting unit's carrying value of goodwill exceeded the implied fair value of goodwill, resulting in a goodwill impairment charge of $850.0 million, which was recorded in the Consolidated Statement of Operations. There was no goodwill impairment in 2013.

In the fourth quarter of 2014, the Company compared each reporting units' fair value to their current value to determine whether an impairment exists. The fair value was determined by using a combination of the income approach and the market approach.

Under the income approach, the fair value of each reporting unit was based on the present value of the estimated future cash flows that the reporting unit is expected to generate over its remaining life. Cash flow projections were based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rates used were based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the reporting unit's ability to execute on the projected cash flows. Under the market approach, the Company estimated the fair value based on market multiples of revenue and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting units. The income approach and the market approach were equally weighted to derive the fair value of each reporting unit.

The fair value of the Company's Routing and Switching reporting units significantly exceeded their carrying value. However the fair value of the Security reporting unit did not exceed its carrying value and therefore the Company determined the Security reporting unit's goodwill was impaired. In 2014, the Company re-aligned its go-to-market and research and development ("R&D") resources on projects with the highest potential for growth and continued to leverage its engineering efforts across its Routing, Switching, and Security products. In the fourth quarter of 2014, the Company began to implement a new Security strategy focused on network resiliency and performance based on the SRX platform. As a result, the Company rationalized its Security product portfolio including developing a new product roadmap and exiting certain point products, including the divestiture of Junos Pulse. These factors decreased the Company's short term and near term revenue and profitability forecasts of the Security reporting unit.

In determining the impairment amount, the fair value of the Security reporting unit was allocated to its assets and liabilities, including any unrecognized intangible assets, based on their respective fair values. Assumptions used in measuring the value of these assets and liabilities included the discount rates, customer renewal rates, and technology obsolescence rates used in valuing the intangible assets, and pricing of comparable transactions in the market in valuing the tangible assets.

Purchased Intangible Assets

The Company's purchased intangible assets were as follows (in millions):

	Gross	Accumulated Amortization	Accumulated Impairments and Other Charges	Net
As of December 31, 2015				
Intangible assets with finite lives:				
Technologies and patents	$ 567.7	$ (491.8)	$ (49.9)	$ 26.0
Customer contracts, support agreements, and related relationships	78.1	(67.8)	(2.8)	7.5
Other	1.1	(0.7)	—	0.4
Total purchased intangible assets	$ 646.9	$ (560.3)	$ (52.7)	$ 33.9
As of December 31, 2014				
Intangible assets with finite lives:				
Technologies and patents	$ 567.7	$ (466.1)	$ (49.9)	$ 51.7
Customer contracts, support agreements, and related relationships	78.1	(65.2)	(2.8)	10.1
Other	1.1	(0.5)	—	0.6
Total purchased intangible assets	$ 646.9	$ (531.8)	$ (52.7)	$ 62.4

The following table presents the amortization of intangible assets included in the Consolidated Statements of Operations (in millions):

	Years Ended December 31,		
	2015	2014	2013
Cost of revenues	$ 24.6	$ 30.9	$ 27.3
Operating expenses:			
Sales and marketing	2.8	4.2	3.4
General and administrative	1.1	1.2	1.2
Total operating expenses	3.9	5.4	4.6
Total	$ 28.5	$ 36.3	$ 31.9

During the year ended December 31, 2015, the Company recorded $5.6 million to cost of revenues in the Consolidated Statements of Operations, related to the acceleration of the end-of-life of certain intangible assets.

In connection with the restructuring plan in 2014 in Note 9, *Restructuring and Other Charges*, the Company determined certain intangible assets of $20.0 million were no longer utilized. During the year ended December 31, 2014, the Company recorded charges of $19.3 million in cost of revenues and $0.7 million in restructuring and other charges in the Consolidated Statements of Operations.

There were no impairment charges to purchased intangible assets during the year ended December 31, 2013.

As of December 31, 2015, the estimated future amortization expense of purchased intangible assets with finite lives is as follows (in millions):

Years Ending December 31,	Amount
2016	$ 11.6
2017	7.0
2018	5.1
2019	4.9
2020	4.8
Thereafter	0.5
Total	$ 33.9

Note 8. Other Financial Information

Inventories

The Company purchases and holds inventory to provide adequate component supplies over the life of the underlying products. The majority of the Company's inventory is production components to be used in the manufacturing process and finished goods inventory in transit. Inventories are reported both within prepaid expenses and other current assets and other long-term assets in the Consolidated Balance Sheets. Total inventories consisted of the following (in millions):

	As of December 31,	
	2015	2014
Production materials	$ 61.9	$ 38.3
Finished goods	13.1	24.2
Inventories	$ 75.0	$ 62.5

In connection with the 2014 Restructuring Plan discussed in Note 9, *Restructuring and Other Charges*, the Company accelerated the end-of-service life of certain products resulting in inventory charges of $15.5 million, recorded within cost of revenues in the Consolidated Statement of Operations for December 31, 2014. There were no similar charges recorded during the years ended December 31, 2015 and 2013.

Property and Equipment, Net

Property and equipment, net, consisted of the following (in millions):

	As of December 31,	
	2015	2014
Computers and equipment	$ 915.1	$ 806.1
Software	169.1	161.2
Leasehold improvements	203.4	179.5
Furniture and fixtures	43.2	33.7
Building and building improvements	246.1	238.4
Land and land improvements	241.1	241.0
Construction-in-process[1]	158.2	70.3
Property and equipment, gross	1,976.2	1,730.2
Accumulated depreciation	(955.2)	(825.9)
Property and equipment, net	$ 1,021.0	$ 904.3

(1) On July 10, 2015, the Company entered into a data center lease agreement that was accounted for as a build-to-suit lease. As the Company was deemed to be the owner of the property during the construction period, the Company capitalized the construction cost in property, plant and equipment and recorded a corresponding financing liability of $45.6 million on the Consolidated Balance Sheet as of December 31, 2015.

Depreciation expense was $141.5 million, $141.9 million, and $148.2 million in 2015, 2014, and 2013, respectively. Property and equipment is periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Other Long-Term Assets

Other long-term assets consisted of the following (in millions):

	As of December 31,	
	2015	2014
Privately-held investments	$ 102.4	$ 89.9
Licensed software	7.1	8.6
Federal income tax receivable	28.9	20.0
Customer financing receivable	—	16.9
Inventory	8.4	8.0
Prepaid costs, deposits, and other[(1)]	110.5	75.1
Promissory note, including principal and accrued interest, in connection with the sale of Junos Pulse	132.9	125.0
Other long-term assets[(1)]	$ 390.2	$ 343.5

(1) During the year ended December 31, 2015, the Company early adopted ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes, requiring all deferred tax assets and liabilities, and any related valuation allowance, to be classified as non-current on the Consolidated Balance Sheets. Certain amounts in the prior-year Consolidated Financial Statements were retrospectively adjusted to conform to the current-year presentation.

On October 1, 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 (the "Pulse Note"). On October 2, 2015, the Company and the issuer of the Pulse Note mutually agreed to amend the original terms of the Pulse Note. Under the terms of the modified Pulse Note, the parties agreed to extend the maturity date from April 1, 2016 to December 31, 2018, provided 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, increase the interest payable on the Pulse Note, and include semi-annual excess cash flow sweeps commencing in 2016, and required certain other debt to be subordinated to the promissory note issued to the Company. In addition, under the amended terms of the Pulse Note, the issuer is required to make a minimum payment of $75.0 million on or prior to April 1, 2017, less any amount previously pre-paid to the Company, and use commercially reasonable efforts to refinance the entire note, with any remaining balance due by December 31, 2018. In connection with the amendment, certain holding companies of the issuer also provided the Company with a guarantee and additional collateral to secure the repayment of the amended promissory note. The note receivable, along with the related interest receivable, are classified as long-term assets based on expected collection beyond twelve months from the Consolidated Balance Sheet date.

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. Further, the Company measures any impairment to the Pulse Note based on the present value of expected cash flows, which are discounted at the note's effective interest rate, compared to the recorded investment of the note, including principal and accrued interest. Based on the impairment assessment, no impairment charge was required to the Pulse Note as of December 31, 2015. Interest income on the Pulse Note is accrued and credited to interest income as it is earned, unless it is not probable the Company will collect the amounts due or if the present value of expected cash flows is less than the recorded investment. During the years ended December 31, 2015 and December 31, 2014, the related amount of interest income recognized was $6.3 million and $1.6 million, respectively.

Warranties

The Company accrues for warranty costs based on associated material, labor for customer support, and overhead at the time revenue is recognized. This accrual is reported within other accrued liabilities in the Consolidated Balance Sheets. Changes in the Company's warranty reserve were as follows (in millions):

	As of December 31,	
	2015	2014
Beginning balance	$ 28.7	$ 28.0
Provisions made during the period, net	27.9	28.6
Actual costs incurred during the period	(28.2)	(27.9)
Ending balance	$ 28.4	$ 28.7

Deferred Revenue

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

	As of December 31,	
	2015	2014
Deferred product revenue:		
Undelivered product commitments and other product deferrals	$ 210.1	$ 180.3
Distributor inventory and other sell-through items	81.8	103.7
Deferred gross product revenue	291.9	284.0
Deferred cost of product revenue	(51.6)	(58.4)
Deferred product revenue, net	240.3	225.6
Deferred service revenue	927.8	850.1
Total	$ 1,168.1	$ 1,075.7
Reported as:		
Current	$ 822.9	$ 780.8
Long-term	345.2	294.9
Total	$ 1,168.1	$ 1,075.7

Deferred product revenue represents unrecognized revenue related to shipments to distributors that have not sold through to end-users, undelivered product commitments, and other shipments that have not met all revenue recognition criteria. In circumstances when costs are deferred, deferred product revenue is recorded net of the related costs of product revenue. Deferred service revenue represents billable amounts for service contracts, which include technical support, hardware and software maintenance, professional services, and training, for which services have not been rendered.

Other (Expense) Income, Net

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

	Years Ended December 31,		
	2015	2014	2013
Interest income	$ 21.8	$ 10.0	$ 8.7
Interest expense	(83.3)	(66.9)	(58.4)
Net gain on legal settlement	—	196.1	—
Gain on investments	6.8	167.9	11.3
Gain on sale of Junos Pulse	—	19.6	—
Other	(5.1)	6.7	(2.0)
Other (expense) income, net	$ (59.8)	$ 333.4	$ (40.4)

Interest income primarily includes interest earned on the Company's cash, cash equivalents, investments, and on the promissory note issued to the Company in connection with the sale of Junos Pulse. Interest expense primarily includes interest, net of capitalized interest expense, from short-term debt, long-term debt, and customer financing arrangements. Other typically consists of investment and foreign exchange gains and losses and other non-operational income and expense items.

Interest Expense

For the years ended December 31, 2015, 2014 and 2013, interest expense included $79.8 million, net of $2.2 million capitalized, $57.5 million, net of $2.7 million capitalized, and $45.2 million, net of $1.9 million capitalized, respectively, related to the Company's outstanding short-term and long-term debt issued in March 2011, March 2014, and March 2015 discussed in Note 10, *Debt and Financing.*

Gain on Legal Settlement

During the year ended December 31, 2014, the Company entered into a settlement agreement with Palo Alto Networks, Inc., or Palo Alto Networks, resolving a patent litigation between the two companies, which resulted in a realized gain on legal settlement and subsequent sale of related securities of $196.1 million, net of legal fees.

Gain on Investments

During the years ended December 31, 2015 and December 31, 2013, the Company recorded a gain of $6.8 million and $7.1 million, respectively, primarily related to the sale of its privately-held investments. During the year ended December 31, 2014, the Company recorded a gain of $163.0 million primarily related to the sale of investments which were converted from privately-held investments to publicly-traded equity upon initial public offering and subsequently sold.

Gain on Sale of Junos Pulse

On October 1, 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 issued to the Company. As a result of the sale, the Company recorded a gain of $19.6 million in other (expense) income, net in the Consolidated Statement of Operations. The Company's sale of Junos Pulse was driven by product rationalization in connection with the Company's initiative to focus on projects with the highest potential for growth.

Note 9. Restructuring and Other Charges

In the first quarter of 2014, the Company initiated a restructuring plan (the "2014 Restructuring Plan") designed to refocus the Company's strategy, optimize its structure, and improve operational efficiencies. The 2014 Restructuring Plan consisted of workforce reductions, facility consolidations and closures, asset write-downs, contract terminations and other charges.

The Company had also initiated restructuring plans in each of the fiscal years from 2011 through 2013, each of which focused on improving the Company's cost structure through product portfolio rationalizations, workforce reductions, contract terminations, project cancellations, and facility closures and consolidations.

As of December 31, 2014, the Company's restructuring plans had been substantially completed and the Company does not expect to record significant future charges under any of these restructuring plans.

Restructuring and other charges and (benefits)

The following table presents restructuring and other charges and (benefits) included in cost of revenues and restructuring and other (benefits) charges in the Consolidated Statements of Operations under the Company's restructuring plans (in millions):

	Years Ended December 31,		
	2015	2014	2013
Severance	$ 0.4	$ 52.6	$ 22.9
Facilities	(1.0)	14.4	10.0
Contract terminations and other	—	2.3	14.6
Asset impairments and write-downs	(3.5)	139.2	—
Total	$ (4.1)	$ 208.5	$ 47.5
Reported as:			
Cost of revenues	$ (3.5)	$ 41.5	$ 8.4
Restructuring and other (benefits) charges	(0.6)	167.0	39.1
Total	$ (4.1)	$ 208.5	$ 47.5

2014 Restructuring Plan

During the year ended December 31, 2015, the Company recorded a benefit of $3.5 million for a previously recorded charge related to certain products with contract manufacturers for acceleration of the end-of-service life of such products to cost of revenues in the Consolidated Statements of Operations. Additionally, the Company recorded $0.4 million of severance costs and a benefit of $1.0 million for facilities that were recorded in restructuring and other (benefits) charges in the Consolidated Statements of Operations, in connection with the 2014 Restructuring Plan.

During the year ended December 31, 2014, the Company recorded $52.0 million of severance costs, $14.2 million of facility consolidation and closures costs, $85.4 million of impairment charges related to licensed software, $12.3 million of asset write-downs, and $2.3 million of charges related to contract terminations, which were recorded to restructuring and other charges in the Consolidated Statements of Operations. In connection with the facility consolidation and closures charge of $14.2 million, the Company, with the consent of its landlord and the administrative agent for the holder of certain liens secured upon the buildings on the leased premises, assigned certain of its real property leases, totaling approximately 0.4 million square feet, to a third party. Concurrently with the assignments, the Company executed a sublease with the assignee for one of the properties of approximately 0.1 million square feet, for a period of two years, with one-time right to extend the term for up to six months. Under these arrangements, the Company paid $12.3 million to the landlord and was released from all future lease obligations following the date of the assignments. The Company also incurred $5.3 million of transaction fees, which were recorded to restructuring and other charges in the Consolidated Statements of Operations. Offsetting these charges was an adjustment relating to deferred rent liability relating to these premises of $9.8 million.

The Company also recorded inventory write-downs of $15.5 million, intangibles write-downs of $19.3 million, and a charge related to products with contract manufacturers of $6.7 million for acceleration of the end-of-service life of certain products to cost of revenues in the Consolidated Statements of Operations during the year ended December 31, 2014.

2013 Restructuring Plan

During 2013, the Company initiated a restructuring plan (the "2013 Restructuring Plan") to continue to improve its cost structure and rationalize its product portfolio and rebalance its investments. The 2013 Restructuring Plan consists of workforce reductions, contract terminations, and project cancellations. The Company recorded $0.6 million in severance costs related to the 2013 Restructuring Plan during the year ended December 31, 2014. Under the 2013 Restructuring Plan, total costs incurred through December 31, 2014 were $28.9 million, of which $3.3 million was recorded within cost of revenues and $25.6 million was recorded within restructuring and other charges in the Consolidated Statements of Operations. The restructuring activities related to this plan are substantially complete, and the Company does not expect to record significant future charges under this plan.

Restructuring Liability

Restructuring liabilities are reported within other accrued liabilities and other long-term liabilities in the Consolidated Balance Sheets. The following table provides a summary of changes in the restructuring liability related to the Company's plans during the year ended December 31, 2015 (in millions):

	December 31, 2014	Charges	Cash Payments	Non-cash Settlements and Other	December 31, 2015
Severance	$ 9.4	$ 0.4	$ (8.2)	$ (1.6)	$ —
Facilities	7.4	(1.0)	(2.3)	(1.3)	2.8
Contract terminations and other	0.2	(3.5)	—	3.3	—
Total	$ 17.0	$ (4.1)	$ (10.5)	$ 0.4	$ 2.8

As of December 31, 2015, the Company's restructuring liability was $2.8 million related to facility closures, which are expected to be paid through March 2018.

Note 10. Debt and Financing

Debt

The following table summarizes the Company's short-term and long-term debt (in millions, except percentages):

	As of December 31, 2015	
	Amount	Effective Interest Rates
Senior notes:		
3.10% fixed-rate notes, due March 2016	$ 300.0	3.25%
3.30% fixed-rate notes, due June 2020	300.0	3.47%
4.60% fixed-rate notes, due March 2021	300.0	4.69%
4.50% fixed-rate notes, due March 2024	350.0	4.63%
4.35% fixed-rate notes, due June 2025	300.0	4.47%
5.95% fixed-rate notes, due March 2041	400.0	6.03%
Total senior notes	1,950.0	
Unaccreted discount	(1.3)	
Total	$ 1,948.7	
Reported as:		
Short-term debt	$ 299.9	
Long-term debt	1,648.8	
Total	$ 1,948.7	

In March 2015, the Company issued $300.0 million aggregate principal amount of 3.30% senior notes due 2020 ("2020 Notes") and $300.0 million aggregate principal amount of 4.35% senior notes due 2025 ("2025 Notes"). In March 2014, the Company issued $350.0 million aggregate principal amount of 4.50% senior notes due 2024 ("2024 Notes"). In March 2011, the Company issued $300.0 million aggregate principal amount of 3.10% senior notes due 2016 ("2016 Notes"), $300.0 million aggregate principal amount of 4.60% senior notes due 2021 ("2021 Notes"), and $400.0 million aggregate principal amount of 5.95% senior notes due 2041 ("2041 Notes").

The "2016 Notes," "2020 Notes," "2021 Notes," "2024 Notes," "2025 Notes" and "2041 Notes" collectively the "Notes" 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.

The Company may redeem the 2020 Notes and 2025 Notes, either in whole or in part, at any time one month prior to the maturity date of the 2020 Notes, and three months prior to the maturity date of the 2025 Notes, at a redemption price equal to the greater of (i) 100% of the aggregate principal amount of the 2020 Notes and 2025 Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments discounted at the Treasury rate plus 30 basis points for the 2020 Notes, or the Treasury rate plus 37.5 basis points for the 2025 Notes, plus, in the case of each of the clauses (i) and (ii) above, accrued and unpaid interest, if any. At any time on or after May 15, 2020, in the case of the 2020 Notes, and at any time on or after March 15, 2025, in the case of the 2025 Notes, the Company may redeem Notes of such series, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2020 Notes and the 2025 Notes to be redeemed, plus accrued and unpaid interest, if any. The Company may redeem the other Notes, either in whole or in part, at any time at a redemption price equal to the greater of (i) 100% of the aggregate principal amount of the Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments discounted to the redemption date, plus, in either case, accrued and unpaid interest, if any.

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.

Interest on the Notes is payable in cash semiannually. The effective interest rates for the Notes include the interest on the Notes, accretion of the discount, and amortization of issuance costs. 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 December 31, 2015, the Company was in compliance with all covenants in the indentures governing the Notes.

Revolving Credit Facility

On June 27, 2014, the Company entered into a Credit Agreement ("Credit Agreement") with certain institutional lenders and Citibank, N.A., as administrative agent, that provides for a $500.0 million unsecured revolving credit facility, with an option of the Company to increase the amount of the credit facility by up to an additional $200.0 million, subject to certain conditions. Proceeds of loans made under the Credit Agreement may be used by the Company for working capital and general corporate purposes. Revolving loans may be borrowed, repaid and reborrowed until June 27, 2019, at which time all amounts borrowed must be repaid. Borrowing may be denominated, at the Company's option in U.S. dollars, Pounds Sterling or Euro.

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. Base rate is defined as the greatest of (A) Citibank's base rate, (B) the Federal Funds rate plus 0.50% or (C) the ICE Benchmark Administration Settlement Rate applicable to dollars for a period of one month plus 1.00%. The Eurocurrency rate is determined for U.S. dollars and Pounds Sterling as the rate at which deposits in such currency are offered in the London interbank market for the applicable interest period and for Euro as the rate specified for deposits in Euro with a maturity comparable to the applicable interest period.

As of December 31, 2015, the Company was in compliance with all covenants in the Credit Agreement, and no amounts were outstanding.

Customer Financing Arrangements

The Company provides certain distribution partners access to extended financing arrangements for certain end-user customers that require longer payment terms than those typically provided by the Company through 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 provider are due to the Company within 30 to 90 days from the sale of the receivable. In these transactions with the financing provider, the Company surrenders control over the transferred assets. Beginning in 2014 and through 2015, the Company transitioned certain distribution partners from the third party financing program to the Company's commercial payment terms. As a result, the Company's customer financing activities significantly declined from fiscal year 2014 to fiscal year 2015.

Pursuant to the financing arrangements for the sale of receivables, the Company sold net receivables of $72.5 million, $440.3 million and $898.4 million during the years ended December 31, 2015, 2014, and 2013, respectively.

The Company received cash proceeds from the financing provider of $99.3 million, $602.1 million, and $843.9 million during the years ended December 31, 2015, 2014, and 2013, respectively. As of December 31, 2015 and December 31, 2014, the amounts owed by the financing provider were $1.2 million and $28.0 million, respectively, and were recorded in accounts receivable on the Company's Consolidated Balance Sheets.

The Company has provided guarantees to third-party financing companies for certain third-party financing arrangements extended to certain end-user customers, which have terms of up to three years. The Company is liable for the aggregate unpaid payments to the third-party financing company in the event of customer default. As of December 31, 2015, the Company has not been required to make any payments under these arrangements. Pursuant to these arrangements, the Company has guarantees for third-party financing arrangements of $9.9 million as of December 31, 2015.

The portion of the receivable financed that has not been recognized as revenue is accounted for as a financing arrangement and is included in other accrued liabilities and other long-term liabilities in the Consolidated Balance Sheets. As of December 31, 2015 and 2014, the cash received from the financing provider not recognized as revenue was $1.4 million and $45.3 million, respectively.

Note 11. Equity

Cash Dividends on Shares of Common Stock

During 2015, the Company declared four quarterly cash dividends of $0.10 per share on its common stock on January 27, 2015, April 23, 2015, July 23, 2015 and on October 22, 2015, which were paid on March 24, 2015, June 23, 2015, September 22, 2015 and on December 22, 2015, respectively, to stockholders of record as of the close of business on March 3, 2015, June 2, 2015, September 1, 2015, and December 1, 2015, respectively, in the aggregate amount of $156.3 million. Any future dividends, and the establishment of record and payment dates, are subject to approval by the Board of Directors (the "Board") of Juniper Networks or authorized committee thereof. See Note 18, *Subsequent Events*, for discussion of the Company's dividend declaration subsequent to December 31, 2015.

Stock Repurchase Activities

In February 2014, the Company's 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 ("2014 Stock Repurchase Program"). In October 2014 and July 2015, the Board authorized a $1.3 billion and $500.0 million increase, respectively, to the 2014 Stock Repurchase Program for a total of $3.9 billion. As of December 31, 2015, there was $532.5 million of authorized funds remaining under the 2014 Stock Repurchase Program. In addition to repurchases under the Company's 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.

The following table summarizes the Company's repurchases and retirements of its common stock under its stock repurchase programs and accelerated share repurchase, and repurchases associated with minimum tax withholdings (in millions, except per share amounts):

	Shares Repurchased	Average price per share	Amount Repurchased
2015			
Repurchases under stock repurchase program	45.4	$ 25.16	$ 1,142.5
Repurchases for tax withholding	0.4	$ 26.70	$ 11.1
2014			
Repurchases under stock repurchase program	46.8	$ 22.42	$ 1,050.0
Accelerated share repurchase[1]	49.3	$ 24.35	$ 1,200.0
Repurchases for tax withholding	0.6	$ 19.69	$ 12.5
2013			
Repurchases under stock repurchase program	28.9	$ 19.76	$ 570.6
Repurchases for tax withholding	0.4	$ 20.23	$ 7.2

(1) As part of the 2014 Stock Repurchase Program, the Company entered into two separate accelerated share repurchase agreements (collectively, the "ASR") with two financial institutions to repurchase $1.2 billion of the Company's common stock. The Company made an up-front payment of $1.2 billion pursuant to the ASR to repurchase the Company's common stock. The aggregate number of shares ultimately purchased was determined based on a volume weighted average repurchase price, less an agreed upon discount. The shares received with respect to the ASR have been retired. Retired shares return to authorized but unissued shares of common stock.

Future share repurchases under the Company's stock repurchase programs 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 Company's stock repurchase programs may be discontinued at any time. See Note 18, *Subsequent Events*, for discussion of the Company's stock repurchase activity subsequent to December 31, 2015.

Accumulated Other Comprehensive Loss, Net of Tax

The components of accumulated other comprehensive loss, net of related taxes, for the years ended December 31, 2015 and December 31, 2014 were as follows (in millions):

	Unrealized Gains (Losses) on Available-for-Sale Securities[1]	Unrealized Gains (Losses) on Cash Flow Hedges[2]	Foreign Currency Translation Adjustments	Total
Balance as of December 31, 2013	$ 66.2	$ 2.2	$ (3.8)	$ 64.6
Other comprehensive gain (loss) before reclassifications	48.7	(4.1)	(14.2)	30.4
Amount reclassified from accumulated other comprehensive income	(106.5)	(2.3)	—	(108.8)
Other comprehensive loss	(57.8)	(6.4)	(14.2)	(78.4)
Balance as of December 31, 2014	$ 8.4	$ (4.2)	$ (18.0)	$ (13.8)
Other comprehensive gain (loss) before reclassifications	9.1	(6.7)	(16.9)	(14.5)
Amount reclassified from accumulated other comprehensive income	(0.5)	9.6	—	9.1
Other comprehensive gain (loss), net	8.6	2.9	(16.9)	(5.4)
Balance as of December 31, 2015	$ 17.0	$ (1.3)	$ (34.9)	$ (19.2)

(1) The reclassifications out of accumulated other comprehensive income, net of tax during the years ended December 31, 2015 and December 31, 2014 for realized gains on available-for-sale securities of $0.5 million and $104.3 million, respectively, are included in other (expense) income, net, in the Consolidated Statements of Operations.

(2) The reclassifications out of accumulated other comprehensive (loss) income, net of tax during the year ended December 31, 2015 for realized losses on cash flow hedges are included within cost of revenues of $2.9 million, research and development of $0.2 million, sales and marketing of $6.0 million, and general and administrative of $0.5 million in the Consolidated Statements of Operations. The reclassifications out of accumulated other comprehensive income during the year ended December 31, 2014 for realized gains on cash flow hedges are included within research and development of $1.4 million, sales and marketing of $0.3 million, and general and administrative of $0.7 million and for realized losses within cost of revenues of $0.1 million for which the hedged transactions relate in the Consolidated Statements of Operations.

Note 12. Employee Benefit Plans

Equity Incentive Plans

The Company's equity incentive plans include the 2015 Equity Incentive Plan (the "2015 Plan"), the 2006 Equity Incentive Plan (the "2006 Plan"), the Amended and Restated 1996 Stock Plan (the "1996 Plan"), various equity incentive plans assumed through acquisitions, and the ESPP. Under these plans, the Company has granted (or, in the case of acquired plans, assumed) stock options, restricted stock units ("RSUs"), restricted stock awards ("RSAs"), and performance share awards ("PSAs").

The 2015 Plan was adopted and approved by the Company's stockholders in May 2015 and had an initial authorized share reserve of 38.0 million shares of common stock plus the addition of any shares subject to outstanding awards under the 2006 Plan and the 1996 Plan that were outstanding as of May 19, 2015, and that subsequently expire or otherwise terminate, up to a maximum of an additional 29.0 million shares. As of December 31, 2015, an aggregate of 20.5 million shares were subject to outstanding equity awards under the 2015 Plan, the 2006 Plan, and the 1996 Plan. As of December 31, 2015, 36.7 million shares were available for future issuance under the 2015 Plan and no shares were available for future issuance under the 2006 Plan or the 1996 Plan.

As of December 31, 2015, a total of approximately 66.5 million shares of common stock were reserved for future issuance upon exercise of stock options and vesting of RSUs, RSAs, and PSAs, and for the future grant of share-based compensation awards under the Company's equity incentive plans.

The ESPP was adopted and approved by the Company's stockholders in May 2008. To date, the Company's stockholders have approved a share reserve of 26.0 million shares of the Company's common stock for issuance under the ESPP, which includes an additional 7.0 million shares approved by the Company's stockholders in May 2015. The ESPP permits eligible employees to acquire shares of the Company's common stock at a 15% discount to the offering price (as determined in the ESPP) through periodic payroll deductions of up to 10% of base compensation, subject to individual purchase limits of 6,000 shares in any twelve- month period or $25,000 worth of stock, determined at the fair market value of the shares at the time the stock purchase option is granted, in one calendar year. As of December 31, 2015, approximately 18.4 million shares have been issued and 7.6 million shares remain available for future issuance under the ESPP.

During 2014, the Company completed the acquisition of WANDL Inc. and assumed the WANDL Inc. 2013 Restricted Stock Unit Plan. In connection with this plan, the Company assumed RSUs, RSAs, and PSAs and exchanged the assumed awards for Juniper Networks' RSUs, RSAs, and PSAs, respectively. The Company assumed an aggregate of 1.5 million shares of RSUs, RSAs, and PSAs in connection with the acquisition of WANDL Inc. No additional awards can be granted under this plan. As of December 31, 2015, stock options, RSUs, RSAs, and PSAs representing approximately 1.7 million shares of common stock were outstanding under all awards assumed through the Company's acquisitions.

Stock Option Activities

Since 2006, the Company has granted stock option awards that have a maximum contractual life of seven years from the date of grant. Prior to 2006, stock option awards generally had a ten-year contractual life from the date of grant.

The following table summarizes the Company's stock option activity and related information as of and for the three years ended December 31, 2015 (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, 2012	34.1	$ 24.13	3.1	$ 52.5
Canceled	(1.3)	29.56		
Exercised	(5.6)	15.58		
Expired	(4.1)	28.35		
Balance as of December 31, 2013	23.1	$ 25.15	2.4	$ 44.6
Canceled	(0.6)	30.15		
Exercised	(5.4)	19.76		
Expired	(7.2)	29.11		
Balance as of December 31, 2014	9.9	$ 24.87	2.0	$ 24.7
Canceled	(0.1)	23.65		
Exercised	(3.5)	19.78		
Expired	(2.7)	27.99		
Balance as of December 31, 2015	3.6	$ 27.52	2.1	$ 16.6
As of december 31, 2015:				
Vested and expected-to-vest options	3.6	$ 27.58	2.1	$ 16.3
Exercisable options	3.4	$ 28.82	1.8	$ 12.1

The aggregate intrinsic value represents the difference between the Company's closing stock price on the last trading day of the period, which was $27.60 per share as of December 31, 2015 and the exercise price of the applicable options multiplied by the number of related options. The pre-tax intrinsic value of options exercised, representing the difference between the fair market value of the Company's common stock on the date of the exercise and the exercise price of each option, was $27.5 million, $33.4 million, and $29.4 million for 2015, 2014, and 2013, respectively. Total fair value of options vested during 2015, 2014, and 2013 was $7.0 million, $20.8 million, and $45.2 million, respectively.

The following table summarizes additional information regarding outstanding and exercisable options as of December 31, 2015:

	Options Outstanding			Options Exercisable	
Range of Exercise Price (In dollars)	Number Outstanding (In millions)	Weighted Average Remaining Contractual Life (In years)	Weighted Average Exercise Price (In dollars)	Number Exercisable (In millions)	Weighted Average Exercise Price (In dollars)
$0.03 - $14.68	0.4	5.3	$ 3.38	0.3	$ 4.94
$15.09 - $18.45	0.4	0.7	15.58	0.3	15.47
$18.49 - $26.10	0.4	2.3	24.11	0.3	24.19
$26.39 - $27.44	0.5	1.0	26.97	0.5	26.97
$27.62 - $29.33	0.1	2.0	28.88	0.1	28.88
$29.89 - $29.89	0.5	1.2	29.89	0.5	29.89
$30.01 - $36.49	0.4	1.9	32.76	0.4	32.76
$38.93 - $38.93	0.1	2.4	38.93	0.1	38.93
$40.26 - $40.26	0.5	2.2	40.26	0.6	40.26
$44.00 - $44.00	0.3	2.1	44.00	0.3	44.00
$0.03 - $44.00	3.6	2.1	$ 27.52	3.4	$ 28.82

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

RSUs and RSAs generally vest over a period of three to four years from the date of grant and PSAs generally vest over a period of two to three years provided that certain annual performance targets and other vesting criteria are met. Until vested, RSUs and PSAs do not have the voting and dividend participation rights of common stock and the shares underlying the awards are not considered issued and outstanding.

The following table summarizes the Company's RSU, RSA, and PSA activity and related information as of and for the three years ended December 31, 2015 (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, 2012	26.8	$ 27.76	1.7	$ 565.0
RSUs granted	10.3	20.32		
PSAs granted[1]	2.2	21.27		
RSUs vested[2]	(6.1)	26.15		
PSAs vested[2]	(1.1)	28.52		
RSAs vested[2]	(1.6)	19.59		
RSUs canceled	(3.4)	22.99		
PSAs canceled	(1.7)	29.10		
Balance as of December 31, 2013	25.4	$ 23.44	1.1	$ 573.5
RSUs granted[3][6]	10.0	22.52		
RSUs assumed[4]	0.4	22.66		
RSAs assumed[4]	0.9	22.66		
PSAs granted[5][6]	1.4	24.25		
PSAs assumed[4]	0.2	22.66		
RSUs vested[2]	(7.3)	22.98		
RSAs vested[2]	(1.4)	19.59		
PSAs vested[2]	(1.1)	36.19		
RSUs canceled	(4.0)	21.63		
PSAs canceled	(3.2)	30.43		
Balance as of December 31, 2014	21.3	$ 22.05	1.1	$ 475.0
RSUs granted[3][6]	8.9	23.41		
PSAs granted[6][7]	1.0	23.76		
RSUs vested[2]	(7.2)	22.58		
RSAs vested[2]	(1.8)	20.13		
PSAs vested[2]	(0.3)	22.52		
RSUs canceled	(2.3)	22.18		
PSAs canceled	(1.0)	22.27		
Balance at December 31, 2015	18.6	$ 22.71	1.1	$ 514.1
As of December 31, 2015				
Vested and expected-to-vest RSUs, RSAs, and PSAs	15.3	$ 22.59	1.0	$ 421.3

(1) 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 (or an authorized subcommittee) are achieved at target is 1.1 million shares. Depending on achievement of such performance goals, the range of shares that could be issued under these awards is 0 to 2.2 million shares.

(2) Total fair value of RSUs, RSAs, and PSAs vested during 2015, 2014, and 2013 was $202.7 million, $238.5 million, and $221.5 million, respectively.

(3) Includes service-based and market-based RSUs granted under the 2006 Plan and 2015 Plan according to their terms.

(4) RSUs, RSAs, and PSAs assumed in connection with the acquisition of WANDL Inc.

(5) 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 (or an authorized subcommittee) are achieved at target is 0.7 million shares. Depending on achievement of such performance goals, the range of shares that could be issued under these awards is 0 to 1.4 million shares.

(6) On February 20, 2014, the Company announced its intention to initiate a quarterly cash dividend of $0.10 per share of common stock in the third quarter of 2014. As a result of the Company's announcement, the grant date fair value of RSUs and PSAs granted after the announcement date were reduced by the present value of the 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.

(7) 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 (or an authorized subcommittee) are achieved at target is 0.7 million shares. Depending on achievement of such performance goals, the range of shares that could be issued under these awards is 0 to 1.0 million shares.

Shares Available for Grant

The following table presents the stock activity and the total number of shares available for grant under the 2015 Plan and the 2006 Plan, as applicable:

	Number of Shares
Balance as of December 31, 2014	47.8
RSUs and PSAs granted[(1)]	(20.7)
RSUs and PSAs canceled[(1)(2)]	7.0
Options canceled[(2)]	0.1
Options expired[(2)]	2.7
Shares discontinued[(3)]	(38.2)
Shares authorized under the 2015 Plan	38.0
Balance as of December 31, 2015	36.7

(1) RSUs and PSAs with a per share or unit purchase price lower than 100% of the fair market value of the Company's common stock on the day of the grant under the 2015 Plan and the 2006 Plan are counted against shares authorized under the plan as two and one-tenth shares of common stock for each share subject to such award. The number of shares subject to PSAs granted represents the maximum number of shares that may be issued pursuant to the award over its full term.

(2) Canceled or expired options under the 2006 Plan and the 1996 Plan and canceled RSUs and PSAs under the 2006 Plan are no longer available for future grant under such plans; however, the number of shares available for grant under the 2015 Plan will be increased by the amount of such canceled or expired options, RSUs or PSAs, as applicable, up to a maximum of 29.0 million additional shares of common stock, pursuant to the terms of the 2015 Plan.

(3) Authorized shares not subject to outstanding awards under the 2006 Plan were canceled on May 19, 2015, following the approval by the Company's stockholders of the 2015 Plan. Effective May 19, 2015, no additional awards are issuable under the 2006 Plan.

Employee Stock Purchase Plan

The Company's ESPP is implemented in a series of offering periods, each six months in duration, or a shorter period as determined by the Board. Employees purchased approximately 2.7 million, 2.9 million, and 3.3 million shares of common stock through the ESPP at an average exercise price of $19.25, $19.30, and $16.53 per share during 2015, 2014, and 2013, respectively.

Valuation Assumptions

The weighted-average assumptions used and the resulting estimates of fair value for stock options, ESPP, and market-based RSUs were as follows:

	Years Ended December 31,		
	2015	2014	2013
ESPP[(1)]:			
Volatility	29%	30%	36%
Risk-free interest rate	0.1%	0.1%	0.1%
Expected life (years)	0.5	0.5	0.5
Dividend yield	1.7%	0% - 1.8%	—
Weighted-average fair value per share	$5.63	$5.72	$5.54
Market-based RSUs[(2)]			
Volatility	34%	36%	—
Risk-free interest rate	1.4%	1.6%	—
Dividend yield	1.8%	0% - 2.0%	—
Weighted-average fair value per share	$14.97	$16.89	—

(1) The Black-Scholes-Merton option-pricing model is utilized to estimate the fair value of ESPP.

(2) The fair value of market-based RSUs utilizes the Monte Carlo simulation option pricing model. The Company amortizes the fair value of these awards over the derived service period adjusted for estimated forfeitures for each separately vesting tranche of the award. Provided that the derived service is rendered, the total fair value of the market-based RSUs at the date of grant is recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the performance of the specified market criteria.

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 Company's Consolidated Statements of Operations (in millions):

	Years Ended December 31,		
	2015	2014	2013
Cost of revenues - Product	$ 5.6	$ 5.0	$ 4.7
Cost of revenues - Service	13.8	14.2	15.4
Research and development	125.4	134.5	127.6
Sales and marketing	45.6	60.2	70.9
General and administrative	26.9	26.1	26.0
Total	$ 217.3	$ 240.0	$ 244.6

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

	Years Ended December 31,		
	2015	2014	2013
Stock options	$ 6.6	$ 14.9	$ 31.5
RSUs, RSAs, and PSAs	197.3	209.7	196.8
ESPP	13.4	15.4	16.3
Total	$ 217.3	$ 240.0	$ 244.6

The following table presents unrecognized compensation cost, adjusted for estimated forfeitures, recognized over a weighted-average period related to unvested stock options, RSUs, RSAs, and PSAs as of December 31, 2015 (in millions, except years):

	Unrecognized Compensation Cost	Weighted Average Period (In Years)
Stock options	$ 2.1	0.6
RSUs, RSAs, and PSAs	$ 211.2	1.7

401(k) Plan

The Company maintains a savings and retirement plan qualified under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "IRC"). Employees meeting the eligibility requirements, as defined under the IRC, may contribute up to the statutory limits each year. The Company currently matches 30% of all eligible employee contributions which vest immediately. The Company's matching contributions to the plan totaled $19.6 million, $20.2 million, and $20.7 million during the years ended December 31, 2015, 2014, and 2013, respectively.

Deferred Compensation Plan

The Company's non-qualified deferred compensation ("NQDC") plan is an unfunded and unsecured deferred compensation arrangement. Under the NQDC plan, officers and other senior employees may elect to defer a portion of their compensation and contribute such amounts to one or more investment funds. The NQDC plan assets are included within short-term investments and offsetting obligations are included within accrued compensation in the Consolidated Balance Sheets. The investments are considered trading securities and are reported at fair value. The realized and unrealized holding gains and losses related to these investments are recorded in other (expense) income, net, and the offsetting compensation expense is recorded as operating expenses in the Consolidated Statements of Operations. The deferred compensation liability under the NQDC plan was approximately $17.7 million and $16.3 million as of December 31, 2015 and December 31, 2014, respectively.

Note 13. Segments

The Company conducts business globally and is managed, operated and organized by major functional departments that operate on a consolidated basis. Each major functional leader reports directly to the Company's chief executive officer, who is the chief operating decision maker ("CODM"). The Company's CODM views the business, allocates resources and assesses the performance of the Company primarily based on consolidated financial information for the entire business, accompanied by disaggregated information about net revenues by product and service and geographic region as presented below. As a result, the Company operates in one reportable operating segment, and all financial segment information can be found in the accompanying Consolidated Financial Statements.

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

	Years Ended December 31,		
	2015	2014	2013
Routing	$ 2,359.2	$ 2,223.9	$ 2,318.0
Switching	768.3	721.2	638.0
Security	435.6	463.6	563.9
Total product	3,563.1	3,408.7	3,519.9
Total service	1,294.7	1,218.4	1,149.2
Total	$ 4,857.8	$ 4,627.1	$ 4,669.1

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

	Years Ended December 31,		
	2015	2014	2013
Americas:			
United States	$ 2,568.6	$ 2,410.6	$ 2,381.5
Other	223.6	219.7	232.0
Total Americas	2,792.2	2,630.3	2,613.5
Europe, Middle East, and Africa	1,320.3	1,263.3	1,256.9
Asia Pacific	745.3	733.5	798.7
Total	$ 4,857.8	$ 4,627.1	$ 4,669.1

During the years ended December 31, 2015, 2014, and 2013, no customer accounted for greater than 10% of the Company's net revenues.

The following table presents geographic information for property and equipment, net and purchased intangible assets, net (in millions):

	As of December 31,	
	2015	2014
United States	$ 925.5	$ 871.7
International	129.4	95.0
Property and equipment, net and purchased intangible assets, net	$ 1,054.9	$ 966.7

The Company tracks assets by physical location. The majority of the Company's assets, excluding cash and cash equivalents and investments, as of December 31, 2015 and December 31, 2014, were attributable to U.S. operations.

Note 14. Income Taxes

The components of pretax (loss) income and noncontrolling interest are summarized as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Domestic	$ 456.3	$ (509.7)	$ 248.7
Foreign	395.9	423.4	276.8
Total pretax (loss) income	$ 852.2	$ (86.3)	$ 525.5

The provision for income taxes is summarized as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Current provision (benefit):			
Federal	$ 181.4	$ 180.1	$ (12.9)
States	15.9	15.2	(5.0)
Foreign	43.3	33.7	32.5
Total current provision (benefit)	240.6	229.0	14.6
Deferred provision (benefit):			
Federal	(16.7)	17.3	51.2
States	(0.4)	1.2	(2.7)
Foreign	(5.0)	0.5	22.6
Total deferred provision (benefit)	(22.1)	19.0	71.1
Income tax benefits attributable to employee stock plan activity	—	—	—
Total provision (benefit) for income taxes	$ 218.5	$ 248.0	$ 85.7

The provision for income taxes differs from the amount computed by applying the federal statutory rate to pretax (loss) income as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Expected (benefit) provision at 35% rate	$ 298.3	$ (30.2)	$ 184.0
State taxes (benefit), net of federal benefit	8.9	9.5	(3.6)
Foreign income at different tax rates	(68.9)	(90.2)	(37.7)
R&D tax credits	(12.7)	(17.1)	(32.5)
Share-based compensation	13.2	25.3	25.6
Non-deductible goodwill impairment	—	297.5	—
Gain on sale of Junos Pulse	—	75.6	—
Release of valuation allowance	—	(22.8)	—
Settlement with tax authorities	—	—	(28.3)
Domestic production activities	(15.1)	(6.8)	(26.3)
Non-deductible compensation	3.7	3.2	1.5
Cost sharing adjustment	(13.2)	—	—
Other	4.3	4.0	3.0
Total provision for income taxes	$ 218.5	$ 248.0	$ 85.7

In 2015, the United States Tax Court (the "Court") issued an opinion favorable to Altera Corporation ("Altera") with respect to Altera's litigation with the Internal Revenue Service ("IRS"). The litigation relates to the treatment of share-based compensation expense in an inter-company cost-sharing arrangement with Altera's foreign subsidiary. In its opinion, the Court accepted Altera's position of excluding share-based compensation from its inter-company cost-sharing arrangement. As a result, the Company has reversed the inclusion of share-based compensation in cost-sharing arrangement as a cumulative adjustment in the quarter ended September 30, 2015. Because this change to cost sharing increases the Company's cumulative foreign earnings, approximately $70.3 million of the gross income tax benefit associated with this change has been offset by an increase in income tax expense accrued upon the company's foreign earnings. The Company will continue to monitor ongoing developments and potential impacts to its financial statements.

The passage of Protecting Americans from Tax Hike Act of 2015, on December 18, 2015, retroactively and permanently reinstated the U.S. federal R&D tax credit effective January 1, 2015.

In 2014, the Company provided tax on a pre-tax loss primarily due to the non-deductible goodwill charge. In 2013, the Company recorded $64.2 million of net income tax benefit related to items unique to the year. These amounts included $19.7 million for a multi-year claim related to the U.S. production activities deduction, $28.3 million for a tax settlement with the IRS, and $16.2 million of U.S. federal R&D tax credit resulting from the American Taxpayer Relief Act of 2012 signed on January 2, 2013, which retroactively reinstated the U.S. federal R&D tax credit from January 1, 2012 to December 31, 2013.

Deferred income taxes reflect the net tax effects of tax carry-forward items and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's long-term deferred tax assets and deferred tax liabilities are as follows (in millions):

	As of December 31,	
	2015	2014
Deferred tax assets:		
Net operating loss carry-forwards	$ 1.0	$ 1.3
Foreign tax credit carry-forwards	75.4	69.7
Research and other credit carry-forwards	128.7	122.5
Deferred revenue	109.3	104.9
Stock-based compensation	49.1	55.8
Cost sharing adjustment	70.1	—
Reserves and accruals not currently deductible	173.9	129.8
Other	19.2	19.8
Total deferred tax assets	626.7	503.8
Valuation allowance	(146.2)	(144.5)
Deferred tax assets, net of valuation allowance	480.5	359.3
Deferred tax liabilities:		
Property and equipment basis differences	(44.1)	(35.6)
Purchased intangibles	(3.1)	(16.7)
Unremitted foreign earnings	(365.4)	(260.6)
Deferred compensation and other	(12.0)	(5.1)
Other	—	—
Total deferred tax liabilities	(424.6)	(318.0)
Net deferred tax assets[1]	$ 55.9	$ 41.3

[1] During the year ended December 31, 2015, the Company early adopted ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*, requiring all deferred tax assets and liabilities, and any related valuation allowance, to be classified as non-current on the Consolidated Balance Sheets. Certain amounts in the prior-year Consolidated Financial Statements were retrospectively adjusted to conform to the current-year presentation.

As of December 31, 2015 and 2014, the Company had a valuation allowance on its U.S. domestic deferred tax assets of approximately $146.2 million and $144.5 million, respectively. The balance at December 31, 2015 consisted of approximately $128.1 million and $9.7 million against the Company's California and Massachusetts deferred tax assets, respectively, which the Company believes are not more likely than not to be utilized in future years. The remaining deferred tax assets on which the Company recorded a valuation allowance are approximately $8.4 million related to losses that are capital in nature and may carry forward to offset future capital gains only. The valuation allowance increased in 2015 by $1.7 million related to an increase in the California R&D tax credit and decreased $11.2 million in 2014 related to utilization of losses that are capital in nature offset by the increase in the California R&D tax credit.

As of December 31, 2015, the Company had California net operating loss carry-forwards of approximately $49.5 million of which $48.0 million is expected to expire unused. The Company also had California tax credit carry-forwards of approximately $237.1 million. Approximately $19.5 million of the benefit from the California tax credit carry-forwards will be credited to additional paid-in capital when realized on the Company's income tax returns. Unused net operating loss carry-forwards will expire at various dates beginning in the year 2016. The California tax credit carry-forwards will carry forward indefinitely.

The Company provides U.S. income taxes on the earnings of foreign subsidiaries unless the subsidiaries' earnings are considered indefinitely reinvested outside of the United States. The Company has made no provision for U.S. income taxes on approximately $2.2 billion of cumulative undistributed earnings of certain foreign subsidiaries through December 31, 2015. These earnings are considered indefinitely invested in operations outside of the U.S., as the Company intends to utilize these amounts to fund future expansion of its international operations. If these earnings were distributed to the United States in the form of dividends or otherwise, or if the shares of the relevant foreign subsidiaries were sold or otherwise transferred, the Company would be subject to additional U.S. income taxes (subject to an adjustment for foreign tax credits) and foreign withholding taxes. Determination of the amount of unrecognized deferred income tax liability related to these earnings is not practicable.

As of December 31, 2015, 2014, and 2013, the total amount of gross unrecognized tax benefits was $216.1 million, $199.2 million, and $137.6 million, respectively. As of December 31, 2015, approximately $181.8 million of the $216.1 million gross unrecognized tax benefits, if recognized, would affect the effective tax rate.

A reconciliation of the beginning and ending amount of the Company's total gross unrecognized tax benefits was as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Balance at beginning of year	$ 199.2	$ 137.6	$ 136.1
Tax positions related to current year:			
Additions	18.1	62.5	15.8
Tax positions related to prior years:			
Additions	5.3	0.6	22.6
Reductions	(2.9)	—	(2.2)
Settlements	—	—	(31.1)
Lapses in statutes of limitations	(3.6)	(1.5)	(3.6)
Balance at end of year	$ 216.1	$ 199.2	$ 137.6

As of December 31, 2015, 2014, and 2013, the Company had accrued interest and penalties related to unrecognized tax benefits of $24.1 million, $22.3 million, and $18.4 million, respectively, to other long-term liabilities in the Consolidated Balance Sheets. The Company recognized an expense for net interest and penalties of $2.5 million, $2.8 million, and $0.6 million in its Consolidated Statements of Operations during the years ended December 31, 2015, 2014, and 2013, respectively.

The Company engages in continuous discussions and negotiations with tax authorities regarding tax matters in various jurisdictions. There is a greater than remote likelihood that the balance of the gross unrecognized tax benefits will decrease by approximately $18.6 million within the next twelve months due to lapses of applicable statutes of limitation and the completion of tax review cycles in various tax jurisdictions.

In 2013, the Company executed a closing agreement with the Appeals Division of the IRS related to its intercompany R&D cost sharing arrangement for the license of intangibles acquired in 2004, 2005, and 2006. The Company reached a final resolution with the IRS on all proposed adjustments for all tax years through 2006, which resulted in a settlement of approximately $19.6 million, including interest.

The Company conducts business globally and, as a result, Juniper Networks or one or more of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business the Company is subject to examination by taxing authorities throughout the world, including such major jurisdictions as the Netherlands, U.K., France, Germany, Japan, China, Australia, India, and the U.S. With few exceptions, the Company is no longer subject to U.S. federal, state and local, and non-U.S. income tax examinations for years before 2004.

The Company is currently under examination by the IRS for the 2007 through 2009 tax years and the California Franchise Tax Board for the 2004 through 2006 tax years. In 2015, the IRS issued "Notices of Proposed Adjustments" related to the examination. The Company regularly assesses the likelihood of an adverse outcome resulting from such examinations. As of December 31, 2015, the Company believes the resolution of the audits will not have a material adverse impact on the financial statements.

The Company is also subject to separate ongoing examinations by the India tax authorities for the 2003 tax year, 2004 through 2008 tax years, and the 2009 through 2010 tax years. The Company is not aware of any other examinations by tax authorities in any other major jurisdictions in which it files income tax returns as of December 31, 2015.

In 2008, the Company received a proposed adjustment from the India tax authorities related to the 2004 tax year. In 2009, the India tax authorities commenced a separate investigation of the Company's 2004 through 2008 tax returns and are disputing the Company's determination of taxable income due to the cost basis of certain fixed assets. The Company accrued $4.6 million in penalties and interest in 2009 related to this matter. The Company understands that in accordance with the administrative and judicial process in India, the Company may be required to make payments that are substantially higher than the amount accrued in order to ultimately settle this issue. The Company strongly believes that any assessment it may receive in excess of the amount accrued would be inconsistent with applicable India tax laws and intends to defend this position vigorously.

The Company is pursuing all available administrative remedies relative to these matters. The Company believes that it has adequately provided for any reasonably foreseeable outcomes related to these proposed adjustments and the ultimate resolution of these matters is unlikely to have a material effect on its consolidated financial condition or results of operations; however, there is still a possibility that an adverse outcome of these matters could have a material effect on its consolidated financial condition and results of operations.

Note 15. Net Income per Share

The Company computed basic and diluted net (loss) income per share attributable to Juniper Networks common stockholders as follows (in millions, except per share amounts):

	Years Ended December 31,		
	2015	2014	2013
Numerator:			
Net income (loss)	$ 633.7	$ (334.3)	$ 439.8
Denominator:			
Weighted-average shares used to compute basic net income (loss) per share	390.6	457.4	501.8
Dilutive effect of employee stock awards	8.8	—	8.5
Weighted-average shares used to compute diluted net income (loss) per share	399.4	457.4	510.3
Net income (loss) per share attributable to Juniper Networks common stockholders:			
Basic	$ 1.62	$ (0.73)	$ 0.88
Diluted	$ 1.59	$ (0.73)	$ 0.86
Anti-dilutive:			
Potential anti-dilutive shares	3.4	20.8	13.2

Basic net income per share is computed using net income (loss) available to common stockholders and the weighted-average number of common shares outstanding for the period. Diluted net income per share is computed using net income (loss) available to common stockholders and the weighted-average number of common shares outstanding plus potentially dilutive common shares outstanding during the period. Dilutive potential common shares consist of common shares issuable upon exercise of stock options, issuances of ESPP, and vesting of RSUs, RSAs, and PSAs. The Company includes the common shares underlying PSAs in the calculation of diluted net income per share when they become contingently issuable and excludes such shares when they are not contingently issuable. Potentially dilutive common shares were excluded from the computation of diluted net loss per share because their effect would be anti-dilutive.

Note 16. Commitments and Contingencies

Commitments

Operating Leases

The following table summarizes the Company's future minimum payments under non-cancelable operating leases for each of the next five years and thereafter as of December 31, 2015 (in millions):

Years Ending December 31,	Amount
2016	$ 35.7
2017	25.6
2018	18.6
2019	10.3
2020	7.8
Thereafter	15.7
Total	$ 113.7

The Company leases its facilities and certain equipment under non-cancelable operating leases that expire at various dates through October 31, 2024. Certain leases require the Company to pay variable costs such as taxes, maintenance, and insurance and include renewal options and escalation clauses. Rent expense for 2015, 2014, and 2013 was approximately $43.2 million, $46.0 million, and $52.8 million, respectively.

Data Center Lease Agreement

On July 10, 2015, the Company entered into a data center lease agreement through March 2026 in which the Company has the option to extend the term of the lease for up to twenty years in increments of either five years or ten years, for approximately 63,000 square feet of space in the State of Washington. The total payment for the lease is expected to be approximately $118.1 million over the ten-year term. The lease agreement provides the Company with a tenant allowance of $6.0 million to be used for tenant leasehold improvements. Any unused tenant allowance may be applied as a credit to the rent payment. The space will be used, among other things, to consolidate certain of the Company's laboratory operations currently located in Sunnyvale, California.

As the Company is subject to certain contractual obligations during the construction period, the Company is deemed the owner of the property during the construction period. Accordingly, as of December 31, 2015, the Company capitalized the construction cost by recording a build-to-suit lease asset under construction in progress of $45.6 million, which is a component of property and equipment, net, and a corresponding build-to-suit financing liability, which is a component of other long-term liabilities, in the Consolidated Balance Sheets.

Purchase Commitments with Contract Manufacturers and Suppliers

In order to reduce manufacturing lead times and ensure adequate component supply, the Company enters into agreements with contract manufacturers and certain suppliers to procure inventory based on the Company's requirements. A significant portion of the Company's purchase commitments arising from these agreements consists of firm and non-cancelable commitments. These purchase commitments totaled $591.2 million as of December 31, 2015.

The Company establishes a liability in connection with purchase commitments related to quantities in excess of its demand forecasts or obsolete materials charges for components purchased by the contract manufacturers based on the Company's demand forecast or customer orders. As of December 31, 2015, the Company had accrued $18.0 million based on its estimate of such charges.

Debt and Interest Payment on Debt

As of December 31, 2015, the Company held short-term and long-term debt consisting of senior notes with a carrying value of $299.9 million and $1,648.8 million, respectively. Of these Notes, $300.0 million will mature in 2016 and bears interest at a fixed rate of 3.10%, $300.0 million will mature in 2020 and bears interest at a rate of 3.30%, $300.0 million will mature in 2021 and bears interest at a fixed rate of 4.60%, $350.0 million will mature in 2024 and bears interest at a fixed rate of 4.50%, $300.0 million will mature in 2025 and bears interest at a fixed rate of 4.35%, and $400.0 million will mature in 2041 and bears interest at a fixed rate of 5.95%. Interest on the Notes is payable semiannually. See Note 10, *Debt and Financing*, for further discussion of the Company's short-term and long-term debt.

Other Contractual Obligations

As of December 31, 2015, other contractual obligations primarily consisted of (1) $36.2 million in indemnity and employee-related obligations and service-related escrows, including those required in connection with certain asset purchases and acquisitions completed by the Company between 2005 and 2014; (2) $3.5 million in campus build-out obligations; and (3) $33.4 million of agreements that include firm and non-cancelable terms to transfer funds in the future for fixed or minimum amounts or quantities to be purchased at fixed or minimum prices.

Tax Liabilities

As of December 31, 2015, the Company had $187.3 million included in long-term income taxes payable in the Consolidated Balance Sheets for unrecognized tax positions. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments related to this amount due to uncertainties in the timing of tax audit outcomes.

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 December 31, 2015, the Company recorded a $15.0 million liability for such indemnification obligations in other accrued liabilities in the Consolidated Balance Sheets. The Company also has financial guarantees consisting of guarantees of product and service performance, guarantees related to third-party customer-financing arrangements, custom and duty guarantees, and standby letters of credit for certain lease facilities. As of December 31, 2015 and 2014, the Company had $15.8 million and $26.2 million, respectively, in financing arrangements, bank guarantees, and standby letters of credit related to these financial guarantees, of which $9.9 million in financing guarantees was recorded in other accrued liabilities and other long-term liabilities in the Consolidated Balance Sheets as of December 31, 2015. See Note 10, *Debt and Financing*, for further discussion of the Company's third-party customer financing arrangements that contain guarantee provisions.

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 Litigation

In addition to the investigations discussed above, the Company is involved in other disputes, litigation, and other legal actions. The Company is aggressively defending these current litigation 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. There are many uncertainties associated with any litigation and these actions 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.

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 has not recorded any accrual for loss contingencies associated with such legal proceedings or the investigations discussed above.

Note 17. Selected Quarterly Financial Data (Unaudited)

The tables below set forth selected unaudited financial data for each quarter of the two years ended December 31, 2015 (in millions, except per share amounts):

Year Ended December 31, 2015	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net revenues:				
Product	$ 764.1	$ 899.7	$ 925.4	$ 973.9
Service	303.3	322.5	323.2	345.7
Total net revenues	1,067.4	1,222.2	1,248.6	1,319.6
Cost of revenues:				
Product	288.8	311.7	322.6	346.5
Service	121.3	129.0	128.6	130.7
Total cost of revenues	410.1	440.7	451.2	477.2
Gross margin	657.3	781.5	797.4	842.4
Operating expenses:				
Research and development	248.7	251.6	247.0	247.2
Sales and marketing	220.2	232.4	235.3	255.9
General and administrative	55.2	56.3	57.1	60.3
Restructuring and other charges (benefit)	1.4	(1.9)	—	(0.1)
Total operating expenses	525.5	538.4	539.4	563.3
Operating income	131.8	243.1	258.0	279.1
Other expense, net[(1)(3)]	(15.8)	(17.1)	(8.4)	(18.5)
Income before income taxes	116.0	226.0	249.6	260.6
Income tax provision[(2)]	35.8	68.0	51.9	62.8
Net income	$ 80.2	$ 158.0	$ 197.7	$ 197.8
Net income per share:[(4)]				
Basic	$ 0.20	$ 0.41	$ 0.52	$ 0.52
Diluted	$ 0.19	$ 0.40	$ 0.51	$ 0.51
Cash dividends declared per common stock[(5)]	$ 0.10	$ 0.10	$ 0.10	$ 0.10

(1) During the first quarter of 2015, the Company issued $300.0 million aggregate principal amount of 3.30% senior notes due 2020 and $300.0 million aggregate principal amount of 4.35% senior notes due 2025. As a result, the Company recorded interest expense of $19.1 million, related to long-term debt issued in 2015 in other expense, net during the year ended December 31, 2015.

(2) Includes approximately $13.2 million net benefit of cumulative adjustment related to the change in treatment of share-based compensation as a result of the U.S. Tax Court decision in Altera Corporation et al., or Altera, v. Commissioner. See Note 14, *Income Taxes*, in Notes to the Consolidated Financial Statements in Item 8 of Part II of this Report for further information.

(3) During the fourth quarter of 2015, the Company recorded a gain on privately held investments of $7.3 million in other expense, net.

(4) Net income per share is computed independently. Therefore, the sum of the quarterly net income per share may not equal the total computed for the year or any cumulative interim period.

(5) On January 27, 2015, April 23, 2015, July 23, 2015 and on October 22, 2015, the company declared a quarterly cash dividend of $0.10 per share of common stock to stockholders on record as of the close of business March 3, 2015, June 2, 2015, September 1, 2015, and December 1, 2015, respectively.

Year Ended December 31, 2014	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net revenues:				
Product	$ 876.0	$ 929.2	$ 809.5	$ 794.0
Service	294.1	300.3	316.4	307.6
Total net revenues	1,170.1	1,229.5	1,125.9	1,101.6
Cost of revenues:				
Product	326.6	359.3	290.0	310.9
Service	123.4	122.0	121.1	115.6
Total cost of revenues(1)	450.0	481.3	411.1	426.5
Gross margin	720.1	748.2	714.8	675.1
Operating expenses:				
Research and development	264.0	255.5	253.2	233.5
Sales and marketing	273.4	258.0	249.2	243.0
General and administrative	74.9	60.6	55.0	40.6
Restructuring and other charges (benefits)(1)	114.0	58.2	(15.0)	9.8
Impairment of goodwill(2)	—	—	—	850.0
Total operating expenses	726.3	632.3	542.4	1,376.9
Operating (loss) income	(6.2)	115.9	172.4	(701.8)
Other income (expense), net(3)	154.2	178.6	(6.8)	7.4
Income (loss) before income taxes	148.0	294.5	165.6	(694.4)
Income tax provision	37.4	73.4	62.0	75.2
Net income (loss)	$ 110.6	$ 221.1	$ 103.6	$ (769.6)
Net income (loss) per share:(4)				
Basic	$ 0.23	$ 0.47	$ 0.23	$ (1.81)
Diluted	$ 0.22	$ 0.46	$ 0.23	$ (1.81)
Cash dividends declared per common stock(5)	$ —	$ —	$ 0.10	$ 0.10

(1) In the first quarter of 2014, the company initiated a 2014 Restructuring Plan, which consisted of $84.7 million asset write-downs, $28.0 million of severance costs, and $0.8 million of contract terminations that were recorded in restructuring and other charges. In addition, the Company recorded inventory write-downs related to the acceleration of the end-of-service life of certain products totaling $8.4 million to cost of revenues. In the second quarter, the Company recorded $9.9 million of severance costs, $37.6 million of facility consolidation and closures, $8.9 million of asset write-downs, and $1.5 million of contract terminations that were recorded to restructuring and other charges. The Company also recorded inventory write-downs of $11.5 million and a charge related to products with contract manufacturers of $2.3 million for acceleration of the end-of-life service of certain products to cost of revenues. In the third quarter, the Company recorded $7.1 million of severance costs, a benefit of $25.0 million of facility consolidation and closures as a result of a lease assignment, and $2.9 million of asset write-downs, that were recorded to restructuring and other (credit) charges. In the fourth quarter, the Company recorded $6.9 million in severance costs, $1.6 million of facility consolidation and closures, and $20.6 million in asset impairment and write-downs.

(2) During the fourth quarter of 2014, the Company recorded an $850.0 million goodwill impairment charge related to its Security reporting unit.

(3) In the first quarter of 2014, the Company recorded a gain of $163.0 million related to the sale of investments which were converted from privately-held investments to publicly-traded equity upon initial public offering. In the second quarter, the Company entered into a settlement agreement with Palo Alto Networks, which resulted in a realized gain on legal settlement of $195.3 million, net of legal fees. All such Palo Alto Networks securities were sold in the third quarter, and the Company recorded an additional $0.8 million gain. In the fourth quarter, the Company recorded a gain of $19.6 million on the sale of Junos Pulse.

(4) Net income (loss) per share is computed independently. Therefore, the sum of the quarterly net income per share may not equal the total computed for the year or any cumulative interim period.

(5) On July 22, 2014 and October 23, 2014 the company declared a quarterly cash dividend of $0.10 per share of common stock to stockholders on record as of the close of business September 2, 2014 and December 2, 2014, respectively.

Note 18. Subsequent Events

Business Combination

In January 2016, the Company entered into a definitive agreement to acquire BTI Systems Inc., a provider of cloud and metro optical networking systems and software to content, cloud and service providers, for (i) approximately $65.0 million in cash (inclusive of debt) plus cash on hand at closing and (ii) the assumption of restricted stock units outstanding at closing. The Company believes that this acquisition will allow the Company to accelerate the delivery of open and automated packet optical transport solutions with integrated network management based on BTI Systems' proNX Service Manager and Juniper's Connectivity Services Director, as well as NorthStar Controller. The Company believes that, together, these products provide a unified management interface for multi-layer provisioning of end-to-end services across IP and optical networks. The consummation of this acquisition is subject to customary closing conditions.

Dividend Declaration

On January 27, 2016, the Company announced that it had declared a quarterly cash dividend of $0.10 per share of common stock payable on March 22, 2016 to stockholders of record as of the close of business on March 1, 2016.

Stock Repurchase Activities

Subsequent to December 31, 2015, through the filing of this Annual Report on Form 10-K, the Company repurchased 3.1 million shares of its common stock, for an aggregate purchase price of $75.0 million at an average price of $23.89 per share, under the 2014 Stock Repurchase Program and were settled prior to the filing of this Report. Under the 2014 Stock Repurchase Program, the Company has $457.5 million authorized funds remaining as of the filing date. Purchases under the Company's stock repurchase program are subject to review of the circumstances in place at the time and will be made from time to time as permitted by securities law and other legal requirements. This program may be discontinued at any time.

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

Not applicable.

ITEM 9A. *Controls and Procedures*

(a) *Management's Annual Report on Internal Control Over Financial Reporting:* See "Management's Annual Report on Internal Control over Financial Reporting" under Item 8 of Part II of this Report, which is incorporated herein by reference.

(b) For the "Report of Independent Registered Public Accounting Firm," see the report under Item 8 of Part II of this Report, which is incorporated herein by reference.

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 Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. *Other Information*

Not applicable.

PART III

ITEM 10. ***Directors, Executive Officers and Corporate Governance***

For information with respect to our Executive Officers, see Part I, Item 1 of this Annual Report on Form 10-K, under "Executive Officers of the Registrant."

Information concerning our directors, including director nominations, and our audit committee and audit committee financial expert, appearing in our definitive Proxy Statement to be filed with the SEC in connection with the 2015 Annual Meeting of Stockholders (the "Proxy Statement") under "Corporate Governance Principles and Board Matters," "Director Compensation" and "Election of Directors" is incorporated herein by reference.

Information concerning Section 16(a) beneficial ownership reporting compliance appearing in the Proxy Statement under "Section 16(a) Beneficial Ownership Reporting Compliance," is incorporated herein by reference.

Information concerning our Worldwide Code of Business Conduct and Ethics that applies to our principal executive officer and all other employees appearing in the Proxy Statement under "Corporate Governance Principles and Board Matters," is incorporated herein by reference.

ITEM 11. ***Executive Compensation***

Information concerning executive compensation appearing in the Proxy Statement under "Executive Compensation" is incorporated herein by reference.

Information concerning compensation committee interlocks and insider participation appearing in the Proxy Statement under "Compensation Committee Interlocks and Insider Participation" is incorporated herein by reference.

Information concerning the compensation committee report appearing in the Proxy Statement under "Compensation Committee Report" is incorporated herein by reference.

ITEM 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information concerning the security ownership of certain beneficial owners and management appearing in the Proxy Statement, under "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," is incorporated herein by reference.

Information concerning our equity compensation plan information appearing in the Proxy Statement, under "Equity Compensation Plan Information," is incorporated herein by reference.

ITEM 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information appearing in the Proxy Statement under the heading "Certain Relationships and Related Transactions" is incorporated herein by reference.

The information appearing in the Proxy Statement under the heading "Board Independence" is incorporated herein by reference.

ITEM 14. ***Principal Accounting Fees and Services***

Information concerning principal accountant fees and services and the audit committee's preapproval policies and procedures appearing in the Proxy Statement under the heading "Principal Accountant Fees and Services" is incorporated herein by reference.

PART IV

ITEM 15. ***Exhibits, Financial Statement Schedules***

(a) The following documents are filed as part of this Report:

1. Consolidated Financial Statements

See Index to Consolidated Financial Statements at Item 8 herein.

2. Financial Statement Schedules

The following financial statement schedule is included as part of this Report:

Schedule	Page
Schedule II - Valuation and Qualifying Account	123

All other schedules have been omitted as the required information is not applicable or the information is presented in the Consolidated Financial Statements or notes thereto under Item 8 herein.

3. Exhibits

See Exhibit Index in this Report.

(b) Exhibits

See Exhibit Index in this Report.

(c) None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Juniper Networks, Inc.

February 19, 2016	By:	/s/ Robyn M. Denholm Robyn M. Denholm *Executive Vice President and Chief Financial and Operations Officer* (Duly Authorized Officer and Principal Financial Officer)
February 19, 2016	By:	/s/ Terrance F. Spidell Terrance F. Spidell *Vice President, Corporate Controller and Chief Accounting Officer* (Duly Authorized Officer and Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Rami Rahim, Brian Martin, Kenneth Miller and Robyn M. Denholm, and each of them individually, as his or her attorney-in-fact, each with full power of substitution, for him or her in any and all capacities to sign any and all amendments to this Annual Report on Form 10-K, and to file the same with, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his or her substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Rami Rahim Rami Rahim	Chief Executive Officer and Director (Principal Executive Officer)	February 19, 2016
/s/ Robyn M. Denholm Robyn M. Denholm	Executive Vice President and Chief Financial and Operations Officer (Principal Financial Officer)	February 19, 2016
/s/ Terrance F. Spidell Terrance F. Spidell	Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)	February 19, 2016
/s/ Scott Kriens Scott Kriens	Chairman of the Board	February 19, 2016
/s/ Pradeep Sindhu Pradeep Sindhu	Vice Chairman of the Board and Chief Technical Officer	February 19, 2016
/s/ Robert M. Calderoni Robert M. Calderoni	Director	February 19, 2016

Signature	Title	Date
/s/ Rahul Merchant Rahul Merchant	Director	February 19, 2016
/s/ James Dolce James Dolce	Director	February 19, 2016
/s/ Mercedes Johnson Mercedes Johnson	Director	February 19, 2016
/s/ Kevin DeNuccio Kevin DeNuccio	Director	February 19, 2016
/s/ Gary Daichendt Gary Daichendt	Director	February 19, 2016
/s/ William R. Stensrud William R. Stensrud	Director	February 19, 2016

Juniper Networks, Inc.
Schedule II - Valuation and Qualifying Accounts
Years Ended December 31, 2015, 2014, and 2013
(In millions)

Allowance for Doubtful Accounts	Balance at Beginning of Year	Charged to (Reversed from) Costs and Expenses	Write-offs, Net of Recoveries	Balance at End of Year
2015	$ 4.7	$ 6.5	$ (1.9)	$ 9.3
2014	$ 5.4	$ (0.7)	$ —	$ 4.7
2013	$ 9.5	$ (3.8)	$ (0.3)	$ 5.4

		Additions			
Sales Return Reserve	Balance at Beginning of Year	Charged as a Reduction in Revenues	Charged to Other Accounts	Used	Balance at End of Year
2015	$ 50.2	$ 65.4	$ 92.6	$ (137.0)	$ 71.2
2014	$ 49.0	$ 53.2	$ 80.9	$ (132.9)	$ 50.2
2013	$ 52.7	$ 35.0	$ 61.5	$ (100.2)	$ 49.0

Exhibit Index

Exhibit No.	Exhibit	Incorporated by Reference			
		Filing	Exhibit No.	File No.	File Date
3.1	Restated Certificate of Incorporation of Juniper Networks, Inc.	10-K	3.1	001-34501	2/26/2014
3.2	Amended and Restated Bylaws of Juniper Networks, Inc.	8-K	3.1	001-34501	2/5/2016
4.1	Indenture, dated March 3, 2011, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.1	001-34501	3/4/2011
4.2	First Supplemental Indenture, dated March 3, 2011, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.8	001-34501	3/4/2011
4.3	Second Supplemental Indenture, dated March 4, 2014, by and between Juniper Networks, Inc. and The Bank of New York	8-K	4.1	001-34501	3/4/2014
4.4	Third Supplemental Indenture, dated March 4, 2015, by and between Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	4.1	001-34501	3/10/2015
4.5	Form of Note for Juniper Networks, Inc.'s 3.100% Senior Notes due 2016	8-K	4.9	001-34501	3/4/2011
4.6	Form of Note for Juniper Networks, Inc.'s 4.600% Senior Notes due 2021	8-K	4.10	001-34501	3/4/2011
4.7	Form of Note for Juniper Networks, Inc.'s 5.950% Senior Notes due 2041	8-K	4.11	001-34501	3/4/2011
4.8	Form of Note for Juniper Networks, Inc.’s 4.500% Senior Notes due 2024	10-Q	4.2	001-34501	5/8/2014
4.9	Form of Note for Juniper Networks, Inc.’s 3.300% Senior Notes due 2020	8-K	4.2	001-34501	3/10/2015
4.10	Form of Note for Juniper Networks, Inc.’s 4.350% Senior Notes due 2025	8-K	4.3	001-34501	3/10/2015
10.1	Form of Indemnification Agreement entered into by the Registrant with each of its directors, officers and certain employees++	10-Q	10.1	000-26339	11/14/2003
10.2	Amended and Restated 1996 Stock Plan++	8-K	10.1	000-26339	11/9/2005
10.3	Form of Stock Option Agreement for the Juniper Networks, Inc. Amended and Restated 1996 Stock Plan++	10-Q	10.16	000-26339	11/2/2004
10.4	Form of Notice of Grant and Restricted Stock Unit Agreement for the Juniper Networks, Inc. Amended and Restated 1996 Stock Plan++	8-K	10.2	000-26339	11/9/2005
10.5	Juniper Networks, Inc. 2006 Equity Incentive Plan, as amended October 2, 2014++	10-Q	10.9	001-34501	11/10/2014
10.6	Form of Stock Option Agreement for the Juniper Networks, Inc. 2006 Equity Incentive Plan++	8-K	10.2	000-26339	5/24/2006
10.7	Form of Non-Employee Director Stock Option Agreement for the Juniper Networks, Inc. 2006 Equity Incentive Plan++	8-K	10.3	000-26339	5/24/2006
10.8	Form of Notice of Grant and Restricted Stock Unit Agreement for the Juniper Networks, Inc. 2006 Equity Incentive Plan++	10-K	10.20	000-26339	2/29/2008
10.9	Form of Notice of Grant and Performance Share Agreement for the Juniper Networks, Inc. 2006 Equity Incentive Plan++	10-K	10.21	000-26339	2/29/2008
10.10	Form of India Stock Option Agreement under the Juniper Networks, Inc. 2006 Equity Incentive Plan++	10-Q	10.2	000-26339	5/9/2008
10.11	Form of India Restricted Stock Unit Agreement under the Juniper Networks, Inc. 2006 Equity Incentive Plan++	10-Q	10.3	000-26339	5/9/2008
10.12	Australian Addendum to the Juniper Networks, Inc. 2006 Equity Incentive Plan, as amended++	10-Q	10.2	000-34501	11/5/2010
10.13	Juniper Networks, Inc. 2008 Employee Stock Purchase Plan++	S-8	4.4	333-204297	5/19/2015

Exhibit No.	Exhibit	Incorporated by Reference			
		Filing	Exhibit No.	File No.	File Date
10.14	Australian Addendum to the Juniper Networks, Inc. 2008 Employee Stock Purchase Plan, as amended++	10-Q	10.3	000-34501	11/5/2010
10.15	Juniper Networks, Inc. Performance Bonus Plan++	8-K	10.56	001-34501	5/23/2011
10.16	Ankeena Networks, Inc. 2008 Stock Plan++	S-8	4.3	333-166248	4/23/2010
10.17	Juniper Networks, Inc. Deferred Compensation Plan++	S-8	4.4	333-151669	6/16/2008
10.18	WANDL, Inc. 2013 Restricted Stock Unit Plan++	S-8	4.4	333-193906	2/12/2014
10.19	Amended and Restated Contrail Systems Inc. 2012 Stock Plan, dated December 2, 2012++	10-K	10.56	001-34501	2/26/2013
10.20	Juniper Networks, Inc. 2015 Equity Incentive Plan++	S-8	4.3	333-204297	5/19/2015
10.21	Form of Restricted Stock Unit Agreement effective as of May 19, 2015++	8-K	10.2	001-34501	5/20/2015
10.22	Form of Performance Share Agreement effective as of May 19, 2015++	8-K	10.3	001-34501	5/20/2015
10.23	Form of Stock Option Agreement effective as of May 19, 2015++	8-K	10.4	001-34501	5/20/2015
10.24	Agreement for ASIC Design and Purchase of Products between IBM Microelectronics and the Registrant, dated August 26, 1997	S-1	10.8	333-76681	6/18/1999
10.25	Lease between Mathilda Associates LLC and the Registrant, dated June 18, 1999	S-1	10.10	333-76681	6/23/1999
10.26	Lease between Mathilda Associates LLC and the Registrant, dated February 1, 2000	10-K	10.9	000-26339	3/27/2001
10.27	Lease between Mathilda Associates II LLC and the Registrant, dated August 15, 2000	10-Q	10.15	000-26339	11/2/2004
10.28	First Amendment to Lease between Sunnyvale Office Park, L.P. and the Registrant, dated January 24, 2002	10-K	10.47	000-34501	2/26/2010
10.29	First Amendment to Lease between Sunnyvale Office Park, L.P. and the Registrant, dated February 28, 2000	10-K	10.48	000-34501	2/26/2010
10.30	First Amendment to Lease between Sunnyvale Office Park, L.P. and the Registrant, dated October 14, 2009	10-K	10.49	000-34501	2/26/2010
10.31	Second Amendment to Lease between Sunnyvale Office Park, L.P. and the Registrant, dated October 14, 2009	10-K	10.50	000-34501	2/26/2010
10.32	Amendment No. 2 to Lease between Sunnyvale Office Park, L.P. and the Registrant, dated October 14, 2009	10-K	10.51	000-34501	2/26/2010
10.33	Form of Severance Agreement for Certain Officers first used in April 2012++	10-Q	10.2	001-34501	5/9/2012
10.34	Form of Severance Agreement for Certain Officers first used in November 2014++	10-Q	10.10	001-34501	11/10/2014
10.35	Form of Change of Control Agreement for Certain Officers, approved for use on August 26, 2015++	8-K	10.1	001-34501	8/31/2015
10.36	Share Repurchase Transaction Agreement, dated February 27, 2014, between Juniper Networks, Inc. and Barclays Bank PLC, Inc., through its agent Barclays Capital, Inc.	10-Q	10.1	001-34501	5/8/2014
10.37	Share Repurchase Transaction Agreement, dated February 27, 2014, between Juniper Networks, Inc. and Goldman, Sachs & Co.	10-Q	10.2	001-34501	5/8/2014
10.38	Settlement, Release and Cross-License Agreement, dated May 27, 2014, by and between Juniper Networks, Inc. and Palo Alto Networks, Inc.	8-K	10.1	001-34501	5/29/2014
10.39	Credit Agreement, dated as of June 27, 2014, by and among Juniper Networks, Inc., the lenders from time to time party thereto and Citibank, N.A., as administrative agent	8-K	10.1	001-34501	6/27/2014

Exhibit No.	Exhibit	Incorporated by Reference			
		Filing	Exhibit No.	File No.	File Date
10.40	Assignment and Assumption of Lease by and between Juniper Networks, Inc., as Assignor, and Google Inc., as Assignee, dated August 18, 2014 -1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)	10-Q	10.1	001-34501	11/10/2014
10.41	Assignment and Assumption of Lease by and between Juniper Networks, Inc., as Assignor, and Google Inc., as Assignee, dated August 18, 2014 -1184 N. Mathilda Avenue, Sunnyvale, California (Building 2)	10-Q	10.2	001-34501	11/10/2014
10.42	Assignment and Assumption of Lease by and between Juniper Networks, Inc., as Assignor, and Google Inc., as Assignee, dated August 18, 2014 -1220 N. Mathilda Avenue, Sunnyvale, California (Building 3)	10-Q	10.3	001-34501	11/10/2014
10.43	Consent to Assignment and Third Amendment to Lease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)	10-Q	10.4	001-34501	11/10/2014
10.44	Consent to Assignment and Second Amendment to Lease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1184 N. Mathilda Avenue, Sunnyvale, California (Building 2)	10-Q	10.5	001-34501	11/10/2014
10.45	Consent to Assignment and Amendment No. 3 to Lease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1220 N. Mathilda Avenue, Sunnyvale, California (Building 3)	10-Q	10.6	001-34501	11/10/2014
10.46	Sublease by and between Juniper Networks, Inc., as Subtenant, and Google Inc., as Sublandlord, dated August 18, 2014 - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)	10-Q	10.7	001-34501	11/10/2014
10.47	First Amendment to Sublease, dated June 30, 2015, by and between Juniper Networks, Inc., as Subtenant, and Google Inc., as Sublandlord - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)	10-Q	10.3	001-34501	11/5/2015
10.48	Consent to Sublease by and between Juniper Networks, Inc., FSP-Sunnyvale Office Park, LLC and Google Inc., dated August 18, 2014 - 1194 N. Mathilda Avenue, Sunnyvale, California (Building 1)	10-Q	10.8	001-34501	11/10/2014
10.49	First Amendment to Consent to Sublease, dated August 28, 2015, by and between FSP-Sunnyvale Office Park, LLC, Juniper Networks, Inc., and Google Inc.	10-Q	10.4	001-34501	11/5/2015
10.50	Employment Offer Letter between Juniper Networks, Inc. and Shaygan Kheradpir++	8-K	10.1	001-34501	11/13/2013
10.51	Employment Offer Letter, dated November 18, 2014, between Juniper Networks, Inc. and Rami Rahim++	8-K	10.1	001-34501	11/24/2014
10.52	Employment Agreement, dated March 23, 2015, between Juniper Networks, Inc. and Mitchell Gaynor++	10-Q	10.1	001-34501	5/8/2015
10.53	Amendment, dated August 26, 2015, to Employment Agreement, dated March 23, 2015, between Juniper Networks, Inc. and Mitchell Gaynor++	10-Q	10.1	001-34501	11/5/2015
10.54	Employment Offer Letter between Juniper Networks, Inc. and Brian Martin++	10-Q	10.2	001-34501	11/5/2015
10.55	Agreement, dated April 7, 2015, between Juniper Networks, Inc. and Shaygan Kheradpir++	8-K/A	10.1	001-34501	4/10/2015
10.56	Severance Agreement, dated October 16, 2015, between Juniper Networks, Inc. and Brian Martin++	10-Q	10.6	001-34501	11/5/2015
10.57	Severance Agreement, dated February 20, 2015, between Juniper Networks, Inc. and Robyn Denholm++	10-K	10.67	001-34501	2/20/2015

Exhibit No.	Exhibit	Incorporated by Reference			
		Filing	Exhibit No.	File No.	File Date
10.58	Indemnification Trust Agreement, dated June 23, 2003, by and among Juniper Networks, Inc., BNY Mellon Trust of Delaware (formerly The Bank of New York (Delaware)) and Mitchell L. Gaynor, as the Beneficiaries' Representative*++				
10.59	Amendment No. 1 to Indemnification Trust Agreement by and among Juniper Networks, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee and Mitchell L. Gaynor, as the Beneficiaries' Representative, dated March 2014*++				
10.60	Form of Executive Compensation Recovery Agreement for Certain Officers, approved for use in November 2015*++				
12.1	Computation of Ratio of Earnings to Fixed Charges*				
21.1	Subsidiaries of the Company*				
23.1	Consent of Independent Registered Public Accounting Firm*				
24.1	Power of Attorney (included on the signature page to the Report)				
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 (a) of the Securities Exchange Act of 1934*				
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 (a) of the Securities Exchange Act of 1934*				
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**				
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**				
101	The following materials from Juniper Networks Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, and (v) Consolidated Statements of Changes in Stockholders' Equity, and (iv) Notes to Consolidated Financial Statements, tagged as blocks of text				
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
+	Filed by NetScreen Technologies, Inc.
++	Indicates management contract or compensatory plan, contract or arrangement.

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Investor Information

Annual Meeting

The 2016 Annual Meeting of Stockholders will be:

Date: Wednesday, May 25, 2016
Time: 9 – 10 a.m.

Place: Juniper Networks
1133 Innovation Way
Building A
Aristotle Conference Room
Sunnyvale, CA 94089

Transfer Agent and Registrar

Stockholders with questions concerning their stock holdings or dividends, or with address changes should contact:

Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100
Phone: 800-468-9716
Fax: 651-306-4424

Financial Information and Reports

The Company routinely issues press releases and quarterly and annual financial reports, which can be found on our website. A copy of the Juniper Networks 2015 Form 10-K report to the Securities and Exchange Commission will be furnished to stockholders without charge upon request to the Company.

Website Addresses

Corporate Home Page:
www.juniper.net

Investor Relations:
investor.juniper.net

Independent Registered Public Accounting Firm

Ernst & Young LLP
303 Almaden Blvd.
San Jose, CA 95110

Juniper Networks Leadership Team

Rami Rahim – Chief Executive Officer and Director

Pradeep Sindhu – Founder, Vice Chairman and CTO

Jonathan Davidson – EVP and GM, Juniper Development & Innovation

Ken Miller – EVP, Chief Financial Officer

Kevin Hutchins – SVP, Strategy and Business Development

Susan Lovegren – SVP, Human Resources

Brian Martin – SVP, General Counsel and Secretary

Vince Molinaro – EVP, Chief Customer Officer

Bob Worrall – SVP, Chief Information Officer

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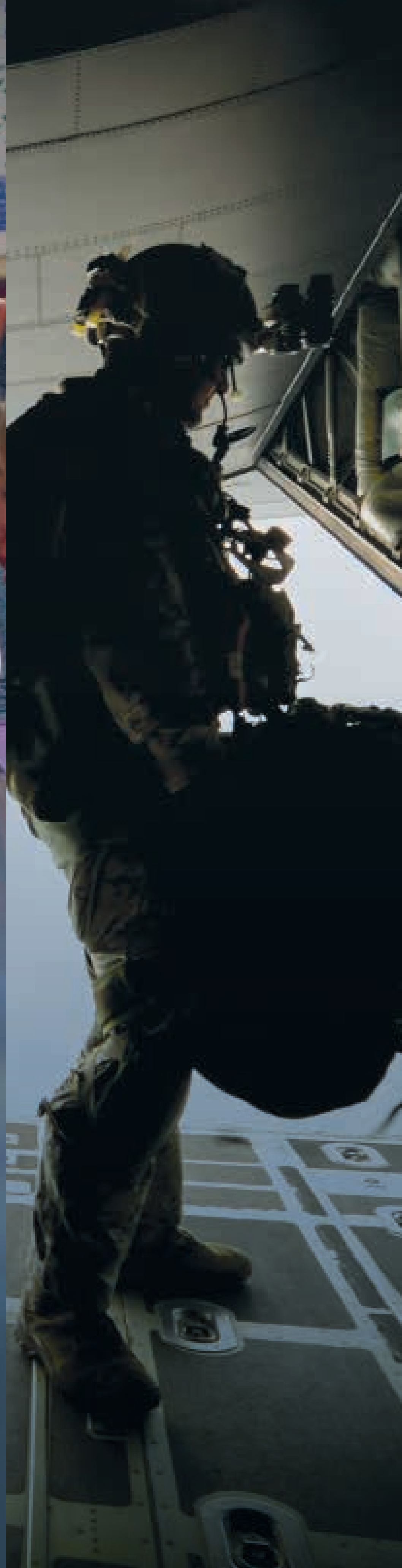

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NYSE: JNPR