

JUNIPER NETWORKS INC
 Form 424B5
 February 24, 2016
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 Registration No. 333-190491

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
3.125% Senior Notes due 2019	\$350,000,000	99.9230%	\$349,730,500	\$35,217.86
4.500% Senior Notes due 2024	\$150,000,000	98.3870%	\$147,580,500	\$14,861.36

(1) The filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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(To prospectus dated August 8, 2013)

\$350,000,000 3.125% Senior Notes due 2019**\$150,000,000 4.500% Senior Notes due 2024**

Juniper Networks, Inc. is offering \$350,000,000 aggregate principal amount of 3.125% Senior Notes due 2019 (the 2019 notes) and \$150,000,000 aggregate principal amount of 4.500% Senior Notes due 2024 (the 2024 notes and, together with the 2019 notes, the notes). The 2024 notes will be consolidated, form a single series and be fully fungible with the \$350,000,000 aggregate principal amount of the 4.500% Senior Notes due 2024 outstanding on the date of this prospectus supplement (the outstanding 2024 notes). After giving effect to the issuance of the 2024 notes, there will be \$500,000,000 aggregate principal amount of 4.500% Senior Notes due 2024 outstanding.

Interest on the 2019 notes will be payable in cash semi-annually in arrears on February 26 and August 26 of each year, beginning August 26, 2016. Interest on the 2024 notes will be payable in cash semi-annually in arrears on March 15 and September 15, beginning March 15, 2016. The notes will be our senior unsecured obligations and will rank equally with all of our other existing and future senior unsecured indebtedness. We may redeem the notes of either series, at any time in whole or from time to time in part, at the applicable redemption prices described in this prospectus supplement.

The notes of each series will be issued only in registered book-entry form, in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The notes will not be listed on any securities exchange. Currently there is no public market for either series of notes.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 to read about factors you should consider before buying the notes.

	Per 2019		Per 2024	
	Note	Total	Note	Total
Public offering price ⁽¹⁾	99.923%	\$ 349,730,500	98.3870%	\$ 147,580,500 ⁽²⁾
Underwriting discounts	0.350%	\$ 1,225,000	0.6325%	\$ 948,750
Proceeds, before expenses, to Juniper Networks, Inc. (excluding accrued interest payable) ⁽¹⁾	99.573%	\$ 348,505,500	97.7545%	\$ 146,631,750 ⁽²⁾

- (1) Plus accrued and unpaid interest, if any, from February 26, 2016.
- (2) Excludes accrued interest payable of \$3,018,750 in the aggregate from September 15, 2015 to, but excluding, February 26, 2016.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on or about February 26, 2016. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

Barclays

Citigroup

J.P. Morgan

BofA Merrill Lynch

UBS Investment Bank

The date of this prospectus supplement is February 23, 2016.

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any issuer free writing prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus together are an offer to sell only the notes offered in this offering, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or any issuer free writing prospectus is current only as of its date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading **Where You Can Find More Information**. We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

In this prospectus supplement, as permitted by law, we incorporate by reference information from other documents that we file with the Securities and Exchange Commission, or the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any issuer free writing prospectus and the documents incorporated by reference is accurate only as of their respective dates. Juniper Networks, Inc.'s business, financial condition, results of operations and prospects may have changed since such dates. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the notes and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Unless otherwise indicated or unless the context requires otherwise, when we refer in this prospectus supplement to Juniper Networks, Inc., the Company, we, our, us or similar words, we are referring only to the parent company, Juniper Networks, Inc., a Delaware corporation.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein contain certain statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that are not historical facts. You can identify these and other forward-looking statements by the use of words such as becoming, may, will, should, predicts, potential, continue, anticipates, believe, estimates, seeks, expects, plans, intends, the negative of such words, or comparable terminology. Those statements appear in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, particularly in the sections entitled Summary and Risk Factors in this prospectus supplement and the accompanying prospectus and the sections entitled Risk Factors, Management Discussion and Analysis of Financial Condition and Results of Operations and Business in our Annual Report on Form 10-K for the year ended December 31, 2015, and include statements regarding the intent, belief or current expectations of our company and management that are subject to known and unknown risks, uncertainties and assumptions. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we have based these expectations on our beliefs as well as our assumptions, and such expectations may prove to be incorrect. Our actual results of operations and financial performance could differ significantly from those expressed in or implied by our management's forward-looking statements. For factors, risks, uncertainties and assumptions that could cause our actual results of operations and financial performance to differ significantly from those expressed in or implied by our management's forward-looking statements, please see the Risk Factors section provided herein and in portions of our periodic reports filed with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. There is no assurance that any list of risks and uncertainties or risk factors is complete.

In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus supplement, the accompanying prospectus and the information incorporated by reference may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements are based on information available to us on the date of the document that contains the forward-looking statements, and we assume no obligation to update any such forward-looking statements.

Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to review any additional disclosures we make in the documents we subsequently file with the SEC that are incorporated by reference in this prospectus supplement and the accompanying prospectus. See Documents Incorporated by Reference.

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SUMMARY

*This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and does not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before deciding whether to invest in the notes. You should pay special attention to the **Risk Factors** section of this prospectus supplement to determine whether an investment in the notes is appropriate for you.*

About Juniper Networks, Inc.

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.

Other Information

Our principal executive offices are located at 1133 Innovation Way, Sunnyvale, California 94089, and our telephone number is (408) 745-2000. We maintain a website at www.juniper.net. We are not incorporating the contents of, or information accessible through, our website into this prospectus supplement or the accompanying prospectus.

Risk Factors

An investment in the notes involves certain risks. You should carefully consider the risks described under **Risk Factors** beginning on page S-7 of this prospectus supplement and in the **Risk Factors** section included in our Annual Report on Form 10-K for the year ended December 31, 2015, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto, before making an investment decision.

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Summary of the Offering

The following summary contains basic information about the notes and is not complete. It may not contain all the information that is important to you. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled "Description of the Notes," together with the section of the prospectus entitled "Description of the Debt Securities."

Issuer	Juniper Networks, Inc., a Delaware corporation.
Notes Offered	<p>\$500,000,000 in aggregate principal amount of notes, consisting of:</p> <p>\$350,000,000 aggregate principal amount of the 2019 notes; and</p> <p>\$150,000,000 aggregate principal amount of the 2024 notes, which will be consolidated, form a single series and be fully fungible with the 4.500% Senior Notes due 2024 outstanding on the date of this prospectus supplement (the "outstanding 2024 notes"). After giving effect to the issuance of the 2024 notes offered hereby, there will be \$500,000,000 aggregate principal amount of 4.500% Senior Notes due 2024.</p>
Maturity Date	<p>2019 notes: February 26, 2019.</p> <p>2024 notes: March 15, 2024.</p>
Interest and Payment Dates	<p>2019 notes: 3.125% per annum, payable semi-annually in arrears in cash on February 26 and August 26 of each year, beginning August 26, 2016.</p> <p>2024 notes: 4.500% per annum, payable semi-annually in arrears in cash on March 15 and September 15 of each year, beginning March 15, 2016.</p>
Ranking	<p>The notes will rank:</p> <p>equal in right of payment to all of our other senior unsecured indebtedness;</p> <p>senior in right of payment to all of our subordinated indebtedness;</p> <p>effectively subordinate in right of payment to our secured obligations, to the extent of the assets securing such obligations; and</p>

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structurally subordinate in right of payment to all of our subsidiaries' obligations (including secured and unsecured obligations).

Change of Control Triggering Event

In the event of a change of control repurchase event, as defined herein, the holders may require us to purchase for cash all or a portion of their notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any. See Description of the Notes Purchase of Notes upon a Change of Control Repurchase Event.

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Optional Redemption	We may redeem the notes of either series at any time, in whole or from time to time in part, at the applicable redemption prices described under Description of the Notes Optional Redemption in this prospectus supplement.
Future Issuances	The 2019 notes will initially be limited to an aggregate principal amount of \$350,000,000 and the 2024 notes, together with the outstanding 2024 notes, will initially be limited to an aggregate principal amount of \$500,000,000. We may from time to time, without notice to or consent of the holders, increase the aggregate principal amount of the notes outstanding by issuing additional notes in the future with the same terms as one or both of the series of notes offered hereby, except for the issue dates, the public offering prices, and, if applicable, the payment of interest accruing prior to the issue date of such additional notes and the first payment of interest following the issue date of such additional notes; provided that if such additional notes are not fungible with the notes of the applicable series offered hereby for U.S. federal income tax purposes, such additional notes will have a separate CUSIP number.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$494 million (excluding accrued interest payable) after deducting the underwriting discounts and estimated expenses payable by us. We will use the net proceeds from the sale of the notes offered by this prospectus supplement for general corporate purposes, which is expected to include repayment of \$300 million aggregate principal amount of our outstanding 3.100% Senior Notes that mature on March 15, 2016 (the 2016 Senior Notes), share repurchases and payment of dividends under our program to return capital to stockholders and funding for working capital, capital expenditures, other corporate expenses and acquisitions of products, technologies or businesses. See Use of Proceeds in this prospectus supplement.
Form and Denomination	The notes of each series will be offered in book-entry form through the facilities of The Depository Trust Company in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Listing	The notes will not be listed on any securities exchange.
Governing Law	The notes and the indenture pursuant to which we will issue the notes will be governed by the laws of the State of New York.
Trustee	The Bank of New York Mellon Trust Company, N.A.
No Prior Market	The notes will be new securities for which there are no existing markets. Although the underwriters have informed us that they intend to make a market in the notes of each series, they are not obligated to do so, and they may discontinue market-making activities at any time without notice. We cannot assure you that active or liquid markets for the notes will develop or be maintained.

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We present below our summary consolidated financial information. The summary consolidated statements of operations data for the fiscal years ended December 31, 2013, 2014 and 2015 and the summary consolidated balance sheet data as of December 31, 2013, 2014 and 2015 have been derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement. The historical results presented below are not necessarily indicative of financial results to be achieved in future periods. You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and related notes, included in our annual report on Form 10-K for the year ended December 31, 2015, incorporated by reference in this prospectus supplement.

	Year Ended December 31,		
	2013 ^(a)	2014 ^(b)	2015 ^(c)
(In millions, except per share data)			
Consolidated Statements of Operations Data			
Net revenues	\$ 4,669.1	\$ 4,627.1	\$ 4,857.8
Cost of revenues	1,727.7	1,768.9	1,779.2
Gross margin	2,941.4	2,858.2	3,078.6
Operating expenses	2,375.5	3,277.9	2,166.6
Operating income (loss)	565.9	(419.7)	912.0
Other (expense) income, net	(40.4)	333.4	(59.8)
Income (loss) before income taxes	525.5	(86.3)	852.2
Income tax provision	85.7	248.0	218.5
Consolidated net income (loss)	439.8	(334.3)	633.7
Net income (loss) per share:			
Basic	\$ 0.88	\$ (0.73)	\$ 1.62
Diluted	\$ 0.86	\$ (0.73)	\$ 1.59
Shares used in computing net income (loss) per share:			
Basic	501.8	457.4	390.6
Diluted	510.3	457.4	399.4
Cash dividends declared per common stock		0.20	0.40

- (a) 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 (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, and the reinstatement of the U.S. federal R&D tax credit on January 2, 2013 retroactive to January 1, 2012.
- (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., 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 our valuation allowance attributable to investment losses.

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- (c) 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. (Altera) v. Commissioner. See Note 14, Income Taxes, in Notes to the Consolidated Financial Statements in Item 8 of Part II of our annual report on Form 10-K for the year ended December 31, 2015 for further information.

	As of December 31,		
	2013	2014	2015
	(In millions)		
Consolidated Balance Sheet Data			
Cash, cash equivalents, and investments	\$ 4,097.8	\$ 3,104.9	\$ 3,192.2
Working capital ^(a)	2,182.7	1,297.2	1,110.5
Total assets ^(a)	10,272.7	8,281.4	8,619.2
Long-term and short-term debt	999.3	1,349.0	1,948.7
Total long-term liabilities (excluding long-term debt) ^(a)	529.8	499.9	594.1
Total stockholders' equity	\$ 7,302.2	\$ 4,919.1	\$ 4,574.4

- (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.

Table of Contents**Ratio of Earnings to Fixed Charges**

The following table sets forth our ratio of earnings to fixed charges on a historical basis for each of the periods indicated. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, incorporated by reference in this prospectus supplement.

	Fiscal Year Ended December 31,				
	2015	2014	2013	2012	2011
Ratio of earnings to fixed charges	9.6x	⁽¹⁾	7.8x	4.6x	9.2x

(1) The pre-tax losses from continuing operations for the fiscal year ended December 31, 2014 were not sufficient to cover fixed charges by a total of approximately \$88.5 million.

The ratio of earnings to fixed charges has been computed on a consolidated basis. Earnings consist of consolidated net income before income taxes plus fixed charges, net of capitalized interest, plus amortization of capitalized interest, reduced by the non-controlling interest in pre-tax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of interest expense, capitalized interest, and amortized premiums, discounts and capitalized expenses related to indebtedness as well as a portion of rental expense estimated to represent interest.

As of the date of this prospectus supplement, we have not previously paid dividends on any shares of preferred stock, and consequently, our ratio of earnings to preferred share dividends and ratio of earnings to fixed charges would be identical.

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RISK FACTORS

An investment in the notes involves certain risks. You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.

Risks Relating to our Company and Business

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.

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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 R&D, sales and marketing and general and administrative. We recorded a goodwill impairment charge of

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\$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