

JUNIPER NETWORKS INC

Form 424B3

November 21, 2003

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\$400,000,000

Juniper Networks, Inc.

**Zero Coupon Convertible Senior Notes due June 15, 2008 and 19,860,973 Shares of Common
Stock Issuable Upon Conversion of the Notes**

We issued the notes in private placements in May and June 2003. This prospectus will be used by selling security holders to resell their notes and the common stock issuable upon conversion of their notes. We will not receive any proceeds from this offering.

The notes will mature on June 15, 2008. As described in more detail beginning on page 2 of this prospectus, you may convert the notes into shares of our common stock at any time before the close of business on the date of their maturity unless we have previously repurchased the notes, if:

on any date on or prior to December 31, 2007, the closing sales price of our common stock for at least 20 trading days in the period of the 30 consecutive trading days ending on the date immediately prior to the eleventh trading day of the following fiscal quarter was more than 110% of the then current conversion price of the notes;

on any date after December 31, 2007, the closing sales price of our common stock is more than 110% of the then current conversion price of the notes;

specified corporate transactions involving the distribution to all or substantially all of our holders of common stock of rights, options, warrants, cash, assets, debt, securities or capital stock should occur;

we become a party to a consolidation, merger or sale of all or substantially all of our assets and that consolidation, merger or sale constitutes a change in control transaction, as described in this prospectus; and

subject to the exceptions described in this prospectus, during the five business day period after any five consecutive trading-day period in which the average trading prices for the notes for such five trading-day period was less than 95% of the product of the closing sale price of our shares of common stock on a given day and the then current conversion rate for the notes during that period.

The conversion rate is 49.6512 shares per each \$1,000 principal amount of notes, subject to adjustment in certain circumstances. This is equivalent to a conversion price of approximately \$20.14 per share. On November 20, 2003, the last reported sale price for the common stock on the Nasdaq National Market was \$17.40 per share. Our common stock is quoted under the symbol JNPR.

The notes rank on a parity in right of payment with all of our existing and future senior unsecured debt and are effectively subordinated to all of our existing and future secured debt, to the extent of such security, and all liabilities of our subsidiaries. We do not currently have any secured debt to which the notes are effectively subordinated or any unsecured existing senior debt with which the notes rank pari passu. As of May 31, 2003, the aggregate amount of liabilities of our subsidiaries was approximately \$80.1 million, excluding intercompany obligations.

We may not call the notes for redemption prior to maturity. While we cannot call the notes, you have the option, subject to certain conditions, to put the notes back to us and require us to repurchase any notes held by you in the event of a change in control at a price equal to 100% of the principal amount of the notes.

The notes are not listed on any securities exchange or included in any automated quotation system.

Investing in the securities involves a high degree of risk. See Risk Factors beginning on page 4.

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

The date of this prospectus is November 20, 2003.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information, including our consolidated financial statements and related notes, included in this prospectus and incorporated in this prospectus by reference. You should carefully consider the information set forth under Risk Factors. Unless the context otherwise requires, the terms Juniper Networks, we, us and our refer to Juniper Networks, Inc., a Delaware corporation.

Juniper Networks, Inc.

We are a leading provider of network infrastructure solutions that transform the business of networking. We enable customers, including wireline operators, mobile operators, cable operators, government organizations, research and education facilities and enterprises, to convert their business models from one of providing a commodity service to that of providing more differentiation and value to end users as well as increased reliability and security, thereby making the network a more valuable asset. Our products, services and solutions enable service providers and other network-intensive businesses to support and deliver services and applications on a highly efficient and low cost integrated network by providing the necessary technology, including software and hardware, with many functions and features allowing customers to sell services to their customers, both corporate and residential. Our products are designed and purpose-built for service provider networks and offer our customers best-in-class capabilities with less complexity and cost than other older alternatives. Unlike conventional routers, which were originally developed for enterprise applications and are increasingly inadequate for use in highly scaled public and private networks, our products are specifically designed to accommodate substantial size, scope and security demands.

We developed, marketed and sold the first commercially available purpose-built Internet backbone router optimized for the specific high performance needs of service providers. As the need for core bandwidth continued to increase, the need for products with enhanced service capabilities at the service providers access point, or edge, of the network was created. Our products are designed to address the needs at the core and the edge of the network as well as for wireless and cable access by combining the features of high-speed application specific integrated circuits (ASICs) to forward packets of information, our software and a network-optimized architecture.

The reliability and performance of current network infrastructure equipment have become and continue to be critical issues for service providers as they support dramatic growth in IP traffic and increasingly seek to offer new revenue generating, mission-critical and other services. The need for high reliability, high performance, scalability, interoperability and cost effectiveness are fundamental requirements in meeting the needs associated with the growth in IP traffic. New requirements will continue to arise for next generation networks, which will drive a set of new requirements for network infrastructure equipment.

As part of our product and services offerings, our Model for Integrated Network Transformation (MINT) provides a business and network framework that enables service providers to manage the transition from a high cost, low value model to a more differentiated, lucrative, value-added model. Technologies such as IP routing, multi-protocol label switching (MPLS) and Packet Processing have been successfully deployed in a number of service provider networks for a number of years and have now been enhanced and matured to a degree that they can be applied to solving issues such as the supply of new IP based services and consolidating legacy networks.

The MINT also provides customers insight on how to run the network and apply the technologies appropriate to the revenue opportunities being presented to our customers. The MINT advocates a software based approach in the provision of services similar to the model that has proved to be successful in the telephony market. It defines a new operational model for service providers to address the data communications market by:

addressing underserved markets with new services and a low touch/low cost operational model improving the profitability of these services; and

supporting existing services such as Frame Relay, ATM, Internet access with a better cost model.

We were incorporated in the State of California in 1996 and reincorporated in the State of Delaware in 1997. Our principal executive offices are located at 1194 North Mathilda Avenue, Sunnyvale, California 94089 and our telephone number at that location is (408) 745-2000. Our website is www.juniper.net.

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Juniper Networks is registered in the U.S. Patent and Trademark Office and in other countries as a trademark of Juniper Networks, Inc. Broadband Cable Processor, ERX, ESP, G1, G10, G-series, Internet Processor, JUNOS, JUNOScript, M5, M10, M20, M40, M40e, M160, M-series, NMC-RX, SDX, ServiceGuard, T320, T640, T-series, UMC, and Unison are trademarks of Juniper Networks, Inc. All other trademarks, service marks, registered trademarks, or registered service marks are the property of their respective owners.

The Offering

Securities offered	\$400,000,000 principal amount of Zero Coupon Convertible Senior Notes due June 15, 2008
Offering price	100% of the principal amount of the notes.
Interest	Interest on the notes will be zero.
Conversion	<p>Unless we have previously repurchased the notes, you will have the right, at your option, to convert your notes, in whole or in part, into shares of our common stock at any time prior to maturity, subject to adjustments described herein, at a rate of 49.6512 shares of common stock per \$1,000 principal amount of notes (which is equivalent to a conversion price of approximately \$20.14 per share), as follows:</p> <p>you will have such conversion right in a conversion period on any date on or prior to December 31, 2007, if the closing sale price of our common stock for at least 20 trading days in the period of the 30 consecutive trading days ending on the first day of such conversion period was more than 110% of the then current conversion price of the notes;</p> <p>if, on any date after December 31, 2007, the closing sale price of our common stock is more than 110% of the then current conversion price of the notes, then you will have such conversion right at all times thereafter;</p> <p>if we distribute to all or substantially all holders of our common stock rights, options or warrants entitling them to purchase common stock at less than the closing sale price of our common stock on the day preceding the declaration for such distribution;</p> <p>if we distribute to all or substantially all holders of our common stock cash, assets, debt securities or capital stock, which distribution has a per share value as determined by our board of directors exceeding 10% of the closing sale price of our common stock on the day preceding the declaration for such distribution; or</p> <p>if we become a party to a consolidation, merger or sale of all or substantially all of our assets that constitutes a change in control transaction as defined in the indenture governing the notes.</p> <p>You may also convert your notes into shares of our common stock for the five business day period after any five consecutive trading-day period in which the average trading prices for the notes for such five trading-day period was less than 95% of the average conversion value (as defined in the indenture) for the notes during that period; provided, however, if, at the time of the conversion, the closing sale price of shares of our common stock is greater than the then current conversion price on the notes and less than or equal to 110% of the</p>

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then current conversion price on the notes and you surrender your notes for conversion, you will receive, at our option, cash, common stock or a combination of cash and common stock with a value equal to the principal amount of your notes on such conversion date. If we elect to pay you in common stock or in a combination of cash and common stock, our common stock will be valued at 100% of the average closing sale price for the five trading days ending on the third trading day preceding the conversion date. The conversion rate is subject to adjustment upon events described in this prospectus.

Ranking

The notes:

are senior unsecured obligations,

rank on parity in right of payment with all of our existing and future senior unsecured debt, and

rank senior to all of our existing and future debt that expressly provides that it is subordinated to the notes, including our 4.75% Convertible Subordinated Notes due 2007.

The notes are also effectively subordinated in right of payment to all of our existing and future secured debt, to the extent of such security, and all existing and future debt and other liabilities of our subsidiaries. We do not currently have any secured debt to which the notes are effectively subordinated or any existing unsecured senior debt with which the notes rank pari passu. As of May 31, 2003, the aggregate amount of liabilities of our subsidiaries was approximately \$80.1 million (excluding intercompany liabilities). The indenture does not restrict the incurrence of debt by us or any of our subsidiaries.

Optional redemption by
Juniper Networks

We may not redeem the notes prior to their maturity date.

Repurchase at the option of the
holders upon a change in control

Upon a change in control, as that term is defined in the indenture, you have the right, subject to conditions and restrictions, to require us to repurchase some or all of your notes at a price equal to 100% of the principal amount. The repurchase price is payable in cash or, at our option, subject to certain circumstances, in shares of our common stock, valued at 95% of the average closing sales prices of the common stock for the five trading days preceding and including the third trading day prior to the repurchase date.

Use of proceeds

We will not receive any of the proceeds from the sale by any selling securityholder of the notes or the underlying common stock into which the notes may be converted.

Events of default

You may require us to pay all outstanding amounts due under the notes if:

we fail to pay principal of any note when due;

we fail to pay liquidated damages on any note when due, and such failure continues for 30 days;

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we fail to provide the notice that we are required to give in the event of a change in control;

we fail to perform any other covenant in the indenture and that failure continues for 60 days after written notice to us by the trustee or the holders of at least 25% in aggregate principal amount of outstanding notes;

we or any of our significant subsidiaries fail to pay when due, either at its maturity or upon acceleration, any indebtedness under any bonds, debentures, notes or other evidences of indebtedness for money borrowed, or any guarantee thereof, in excess of \$35.0 million if the indebtedness is not discharged, or the acceleration is not annulled, within 30 days after written notice to us by the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes; and

events of bankruptcy, insolvency or reorganization occur with respect to us or any of our significant subsidiaries specified in the indenture.

Listing of common stock

Our common stock is quoted on the Nasdaq National Market under the symbol JNPR.

Risk Factors

You should read the Risk Factors section, beginning on page 4 of this prospectus, so that you understand the risks associated with an investment in the notes.

RATIO OF EARNINGS TO FIXED CHARGES

	Fiscal Year Ended				Nine Months Ended		
	December 31, 1998	December 31, 1999	December 31, 2000	December 31, 2001	December 31, 2002	September 30, 2002	September 30, 2003
Ratio of earnings to fixed charges	(2)	(2)	5.64(1)	1.31(1)	(2)	(2)	1.99(1)

- (1) For these ratios, earnings represents (a) income before taxes before adjustment for minority interests in equity investments and (b) fixed charges. Fixed charges consist of interest on all indebtedness and amortization of capitalized debt issuance costs and an interest factor attributable to rentals.
- (2) The pre-tax losses from continuing operations for the years ended December 31, 1998, 1999 and 2002 and for the six-month period ended September 30, 2002 are not sufficient to cover fixed charges by a total of approximately \$31.0 million in 1998, \$6.6 million in 1999, \$113.8 million in 2002 and \$123.8 million for the nine-month period ended September 30, 2002. As a result, the ratio of earnings to fixed charges has not been computed for any of these periods.

RISK FACTORS

In addition to the other information contained in this prospectus, you should carefully consider the following risk factors before making an investment in the notes.

Risks related to our business

We face intense competition that could reduce our market share and adversely affect our ability to generate revenues.

Competition in the network infrastructure market is intense. This market has historically been dominated by Cisco with other companies such as Nortel Networks and Lucent Technologies providing products to a smaller segment of the market. In addition, a number of other small public

or private companies have announced plans for new products to address the same challenges that our products address.

If we are unable to compete successfully against existing and future competitors from a product offering standpoint or from potential price competition by such competitors, we could experience a loss in market share and/or be required to reduce prices, resulting in reduced gross margins, either of which could materially and adversely affect our business, operating results and financial condition.

The current economic conditions, combined with the financial condition of some of our customers, make it difficult to predict revenues for a particular period and a shortfall in revenues may harm our operating results.

The continuing economic downturn generally, and in the telecommunication industry specifically, combined with our own relatively limited operating history in the context of such a continuing economic downturn, makes it difficult to accurately forecast revenue.

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We have experienced and expect, in the foreseeable future, to continue to experience limited visibility into our customers' spending plans and capital budgets. This limited visibility complicates the revenue forecasting process. Additionally, many customers funded their network infrastructure purchases through a variety of debt and similar instruments and many of these same customers are carrying a significant debt burden and are experiencing reduced cash flow with which to carry the cost of the debt and the corresponding interest charges, which reduces their ability to both justify and make future purchases. The telecommunications industry has experienced consolidation and rationalization of its participants and we expect this trend to continue. There have been adverse changes in the public and private equity and debt markets for telecommunications industry participants, which have affected their ability to obtain financing or to fund capital expenditures. In some cases the significant debt burden carried by these customers has reduced their ability to pay for the purchases made to date. This has contributed, and we expect it to continue to contribute, to the uncertainty of the amounts and timing of capital expenditures, further limiting visibility and complicating the forecasting process. Certain of these customers have filed for bankruptcy as a result of their debt burdens. Although these customers generally expect that they will emerge from the bankruptcy proceedings in the future, a bankruptcy proceeding can be a slow and cumbersome process further limiting the visibility and complicating the revenue forecasting process as to these customers. Even if they should emerge from such proceedings, the extent and timing of any future purchases of equipment is uncertain. This uncertainty will further complicate the revenue forecasting process.

In addition, our operating expenses are largely based on anticipated revenue trends and a high percentage of our expenses are, and will continue to be, fixed in the short-term. If we do not achieve our expected revenues, the operating results will be below our expectations and those of investors and market analysts, which could cause the price of our common stock to decline.

A limited numbers of customers comprise a significant portion of our revenues and any decrease in revenue from these customers could have an adverse effect on us.

Even though our customer base has increased substantially, we expect that a large portion of our net revenues will continue to depend on sales to a limited number of customers. During the three months ended September 30, 2003 and 2002 and the nine months ended September 30, 2003, Ericsson and Siemens each accounted for greater than 10% of net revenues. Ericsson was the only customer that accounted for greater than 10% of revenue for the nine months ended September 30, 2002. Any downturn in the business of these customers or potential new customers could significantly decrease sales to such customers that could adversely affect our net revenues and results of operations.

We rely on distribution partners to sell our products, and disruptions to these channels could adversely affect our ability to generate revenues from the sale of our products.

We believe that our future success is dependent upon establishing and maintaining successful relationships with a variety of distribution partners. We have entered into agreements with several value added resellers, some of which also sell products that compete with our products. We cannot be certain that we will be able to retain or attract resellers on a timely basis or at all, or that the resellers will devote adequate resources to selling our products.

Our products are highly technical and if they contain undetected software or hardware errors, our business could be adversely impacted.

Our products are highly technical and are designed to be deployed in very large and complex networks. Certain of our products can only be fully tested when deployed in networks that generate high amounts of data and/or voice traffic. As a result, we may experience errors in connection with such products and for new products and enhancements. Any defects or errors in our products discovered in the future could result in loss of or delay in revenue, loss of customers and increased service and warranty cost, any of which could adversely impact our business and our results of operations.

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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. 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 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 used in our customers' networks, we must modify our software to fix or overcome these errors so that our products will interoperate and scale with the existing software and hardware. If our products do not interoperate with those of our customers' networks, installations could be delayed, orders for our products could be cancelled or our products could be returned. This would also damage our reputation, which could seriously harm our business and prospects.

Problems arising from use of our products in conjunction with other vendors' products could disrupt our business and harm our financial condition.

Service providers typically use our products in conjunction with products from other vendors. As a result, when problems occur, it may be difficult to identify the source of the problem. These problems may cause us to incur significant warranty and repair costs, divert the attention of our engineering personnel from our product development efforts and cause significant customer relations problems, any of which could adversely affect our business and financial condition.

Traditional telecommunications companies generally require more onerous terms and conditions of their vendors. As we seek to sell more products to such customers we may be required to agree to terms and conditions that may have an adverse effect on our business.

Traditional telecommunications companies because of their size generally have had greater purchasing power and accordingly have requested and received more favorable terms, which often translate into more onerous terms and conditions for their vendors. 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 effect our ability to recognize revenue and have an adverse effect on our business and financial condition.

In addition, many of this class of customer have purchased products from other vendors who promised certain functionality and failed to deliver such functionality and/or had products that caused problems and outages in the networks of these customers. As a result, this class of customer 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 affect our ability to recognize the revenue from such sales, which may negatively affect our business and our financial condition.

If we do not successfully anticipate market needs and develop products and product enhancements that meet those needs, or if those products do not gain market acceptance, we may not be able to compete effectively and our ability to generate revenues will suffer.

We cannot ensure that we will be able to anticipate future market needs or that we will be able to develop new products or product enhancements to meet such needs or to meet them in a timely manner. If we fail to anticipate the market requirements or to develop new products or product enhancements to meet those needs, such failure could substantially decrease market acceptance and sales of our present and future products, which would significantly harm our business and financial results. Even if we are able to anticipate and develop and commercially introduce new products and enhancements, there can be no assurance that new products or enhancements will achieve widespread market acceptance. Any failure of our future products to achieve market acceptance could adversely affect our business and financial results.

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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 the continued services of our executive officers and other key engineering, sales, marketing and support personnel. 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 qualified personnel in the future or delays in hiring required personnel, particularly engineers, could delay the development and introduction of and negatively impact our ability to develop, market or sell our products.

In the past, we have recorded certain charges associated partially with inaccurate demand forecasts. If we fail to accurately predict our manufacturing requirements, we could incur additional costs which would harm our results of operations or experience manufacturing delays which would harm our business.

Although we have agreements with our contract manufacturers which outline the terms by which we do business with them, the agreements are neither supply nor requirements contracts and they do not obligate the contract manufacturer to supply products for any specific period, in any specific quantity or at any specific price, except as may be provided in a particular purchase order from us which they agree to accept. We provide them with a demand forecast which they use as a guide to purchase components necessary to build our products. Lead times for required materials and components vary significantly and depend on factors such as the specific component supplier, contract terms between the contract manufacturer and its component suppliers and demand for each component at any given time. If our demand forecast overestimates our requirements, the contract manufacturers may purchase more materials and components than are ultimately the subject of specific purchase orders from us and, as a result we may be liable for charges that could negatively impact our gross margins. For example, for the quarter ended September 30, 2001, we recorded a charge for approximately \$39.9 million associated with a negotiated settlement of certain contractual liabilities and carrying charges on excess materials at our contract manufacturers. If our demand forecast underestimates our requirements, the contract manufacturers may have inadequate materials and components, which could interrupt manufacturing of our products and result in delays in shipments and revenues.

We currently depend 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 revenue and damage our customer relationships.

We depend on independent contract manufacturers (each of whom is a third party manufacturer for numerous companies) to manufacture our products. We do not have a long-term supply contract with such manufacturers and if we should fail to effectively manage our contract manufacturer relationships or if one or more of them should experience delays, disruptions or quality control problems in its manufacturing operations, our ability to ship products to our customers could be delayed which could adversely affect our business and financial results.

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

A customer's decision to purchase our 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. Throughout the sales cycle, we often 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 tend to deploy the 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 software configuration necessary to deploy the products. Customers with large networks usually expand their networks in large increments on a periodic basis. Accordingly, we expect to 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, may cause revenues and operating results to vary significantly and unexpectedly from quarter to quarter.

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If our restructuring initiatives are not sufficient to meet industry and market conditions and to achieve future profitability, we may undertake further restructuring initiatives, which may adversely affect our business, operating results and financial condition.

In response to industry and market conditions, we have restructured our business and reduced our workforce. The assumptions underlying our restructuring efforts will be assessed on an ongoing basis and may prove to be inaccurate and we may have to restructure our business again in the future to achieve certain cost savings and to strategically realign our resources.

Our restructuring initiatives are based on certain assumptions regarding the cost structure of our business and the nature, severity, and duration of the current industry adjustment, which may not prove to be accurate. While restructuring, we have assessed, and will continue to assess, whether we should further reduce our workforce, as well as review the recoverability of our tangible and intangible assets, including the land purchased in January 2001. Any such decisions may result in the recording of additional charges, such as workforce reduction costs, facilities reduction costs, asset write-downs, and contractual settlements.

Additionally, estimates and assumptions used in asset valuations are subject to uncertainties, as are accounting estimates with respect to the useful life and ultimate recoverability of our carrying basis of assets, including goodwill and other intangible assets. As a result, future market conditions may result in further charges for the write down of tangible and intangible assets.

We may not be able to successfully implement the initiatives we have undertaken in restructuring our business and, even if successfully implemented, these initiatives may not be sufficient to meet the changes in industry and market conditions and to achieve future profitability. Furthermore, our workforce reductions may impair our ability to realize our current or future business objectives. Lastly, costs actually incurred in connection with restructuring actions may be higher than the estimated costs of such actions and/or may not lead to the anticipated cost savings. As a result, our restructuring efforts may not result in our return to profitability.

If we become subject to litigation regarding intellectual property rights, such litigation will likely be time consuming and require a significant amount of resources to prosecute or defend, we may have to expend a substantial amount of resources to make our products non-infringing and may have to pay a substantial amount of money in damages.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. Although we are not involved in any intellectual property litigation, we may be a party to litigation in the future to protect our intellectual property or as a result of an alleged infringement of others' intellectual property. Claims for alleged infringement and any resulting lawsuit, if successful, could subject us to significant liability for damages and invalidation of our proprietary rights and may require us to redesign or stop selling, incorporating or using products that use the challenged intellectual property, all of which could seriously harm our business. These lawsuits, regardless of their ultimate outcome, would likely be time-consuming and expensive to resolve and would divert management time and attention.

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 become very expensive, our revenues and ability to develop and introduce new products could be adversely affected.

We integrate licensed third-party technology in 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. Our inability to maintain or re-license any third party licenses required in our current 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.

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Due to the global nature of our operations, economic or social conditions or changes in a particular country or region could adversely affect our sales or increase our costs and expenses, which would have a material adverse impact on our financial condition.

We conduct significant sales and customer support operations directly and indirectly through our distributors in countries outside of the United States and also depend on the operations of our contract manufacturers that are located outside of the United States. For the nine months ended September 30, 2003 and 2002, we derived approximately 58% and 42% of our revenues, respectively, from sales outside North America. Accordingly, our future results could be materially adversely affected by a variety of uncontrollable and changing factors including, among others, political or social unrest or economic instability in a specific country or region; trade protection measures and other regulatory requirements which may affect our ability to import or export our products from various countries; service provider and government spending patterns affected by political considerations; and difficulties in staffing and managing international operations. Any or all of these factors could have a material adverse impact on our revenue, costs, expenses and financial condition.

We are exposed to fluctuations in currency exchange rates which could negatively affect our financial results and cash flows.

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

The majority of our revenue and expenses are transacted in US Dollars. We also have some transactions that are denominated in foreign currencies, primarily the Japanese Yen, Hong Kong Dollar, British Pound and the Euro, related to our sale and service operations outside of the United States. An increase in the value of the US Dollar could increase the real cost to our customers of our products in those markets outside the United States where we sell in US Dollars, and a weakened 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 will 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. Our attempts to hedge against these risks may not be successful resulting in an adverse impact on our net income.

Any acquisition we make could disrupt our business and harm our financial condition if we are not able to successfully integrate acquired businesses and technologies or if expected synergies do not materialize.

We have made and may continue to make acquisitions and investments in order to enhance our business. Acquisitions involve numerous risks, including problems combining the purchased operations, technologies or products, unanticipated costs, diversion of management's attention from our core business, 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 successfully integrate any businesses, products, technologies or personnel that we might acquire.

The integration of businesses that we have acquired into our business has been and will continue to be a complex, time consuming and expensive process. We must operate as a combined organization utilizing common information and communication systems, operating procedures, financial controls and human resources practices to be successful. For example, although we completed the acquisition of Unisphere Networks on July 1, 2002, integration of the products, product roadmap and operations is a continuing activity and will be for the foreseeable future. As a result of these activities, we may lose opportunities and employees, which could disrupt our business and harm our financial results.

We also intend to make investments in complementary companies, products or technologies. In the event of any such investments or acquisitions, we could issue stock that would dilute our current stockholders' percentage ownership, incur debt, assume liabilities, incur amortization expenses related to purchases of intangible assets, or incur large and immediate write-offs.

We are a party to lawsuits, which, if determined adversely to us, could require us to pay damages which could harm our business and financial condition.

We and certain of our former officers and current and former members of our board of directors are subject to various lawsuits brought by classes of stockholders alleging, among other things, violations of federal and state securities laws breach of various fiduciary obligations. There can be no assurance that actions that have been or will be brought against us will be resolved in our favor. Regardless of whether they are in our favor, these lawsuits are, and any future lawsuits to which we may become a party in the future will likely be, expensive and time consuming to defend or resolve. Any losses resulting from these claims could adversely affect our profitability and cash flow.

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

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

The factors that may impact the unpredictability of our quarterly results include the reduced visibility into customers' spending plans, the changing market conditions, which have resulted in some customer and potential customer bankruptcies, a change in the mix of our products sold, from higher priced core products to lower priced edge products, and long sales and implementation cycle.

As a result, we believe that quarter-to-quarter comparisons of operating results are not a good indication of future performance. It is likely that in some future quarters, operating results may be below the expectations of public market analysts and investors in which case the price of our common stock may fall.

We are dependent on sole source and limited source suppliers for several key components which may make us susceptible to supply shortages or price fluctuations.

With the current demand for electronic products, component shortages are possible and the predictability of the availability of such components may be limited. We currently purchase several key components, including ASICs, from single or limited sources. For example, IBM is our ASIC supplier. We may not be able to develop an alternate or second source in a timely manner, which could hurt our ability to deliver product to customers. If we are unable to buy these components on a timely basis, we will not be able to deliver product to our customers, which would seriously impact present and future sales, which would, in turn, adversely affect our business.

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 impacted.

Our ability to successfully offer our products and implement our business plan in a rapidly evolving market requires an effective planning and management process. We expect that 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 continue to implement improved systems and processes, our ability to manage our business and results of operations may be negatively impacted.

We sell our products to customers that use those products to build networks and Internet infrastructure and if the Internet and Internet-based systems do not continue to grow then our business, operating results and financial condition will be adversely affected.

A substantial portion of our business and revenue depends on growth of the Internet and on the deployment of our product by customers that depend on the continued growth of the Internet. As a result of the economic slowdown and the reduction in capital spending, which have particularly affected telecommunications service providers, spending on Internet infrastructure has declined, which has had a material adverse effect on our business. To the extent that the economic slowdown and reduction in capital spending continue to adversely affect spending on Internet infrastructure, we could continue to experience material adverse effects on our business, operating results and financial condition.

Regulation of the telecommunications industry as well as the Internet and commerce over the Internet could harm our operating results and future prospects.

The telecommunications industry is highly regulated and our business and financial condition could be adversely affected by the changes in the regulations relating to the telecommunications industry. Currently, there are few laws or regulations that apply directly to access to or commerce on the Internet. We could be adversely affected by regulation of the Internet and Internet commerce in any country where we operate. Such regulations could include matters such as voice over the Internet or using Internet Protocol, encryption technology, and access charges for Internet service providers. The adoption of regulation of the Internet and Internet commerce could decrease demand for our products, and at the same time increase the cost of selling our products, which could have a material adverse effect on our business, operating result and financial condition.

Risks related to the notes

Our existing indebtedness bears interest at 4.75% and the interest payments combined with principal payments on both the existing indebtedness and the notes may adversely affect our cash flows.

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We have substantial amounts of outstanding indebtedness, primarily our outstanding 4.75% Convertible Subordinated Notes due 2007 and the outstanding notes. As a result of this indebtedness, our principal payment obligations will increase substantially. There is the possibility that we may be unable to generate cash sufficient to pay the principal of, interest on and other amounts due in respect of our indebtedness when due. We may also add equipment loans and lease lines to finance capital expenditures and may obtain additional long-term debt, working capital lines of credit and lease lines.

Our substantial leverage could have significant negative consequences, including:

increasing our vulnerability to general adverse economic and industry conditions;

limiting our ability to obtain additional financing;

requiring the dedication of a substantial portion of our expected cash flow from operations to service our indebtedness, thereby reducing the amount of our expected cash flow available for other purposes, including capital expenditures;

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limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete; and

placing us at a possible competitive disadvantage relative to less leveraged competitors and competitors that have better access to capital resources.

The notes are unsecured, and future indebtedness could effectively rank senior to the notes.

The notes are unsecured and rank equal in right of payment with our existing and future unsecured and unsubordinated indebtedness. The notes are effectively subordinated to any secured debt to the extent of the value of the assets that secure the indebtedness. The notes are also structurally subordinated to all indebtedness and other liabilities, including trade payables and lease obligations, of our existing and future subsidiaries. In the event of our bankruptcy, liquidation or reorganization or upon acceleration of the notes, payment on the notes could be less, ratably, than on any secured indebtedness. We may not have sufficient assets remaining to pay amounts due on any or all of the notes then outstanding.

The indenture governing the notes does not prohibit or limit us or our subsidiaries from incurring additional indebtedness and other liabilities, or from pledging assets to secure such indebtedness and liabilities. The incurrence of additional indebtedness and in particular the granting of a security interest to secure the indebtedness, could adversely affect our ability to pay our obligations on the notes. We anticipate that from time to time we will incur additional indebtedness in the future.

There may be circumstances or activities that we engage in, such as a change in control, that, as outlined in the indenture, may trigger repayment of the notes at a time when we are unable to repay or repurchase the notes.

At maturity, the entire outstanding principal amount of the notes will become due and payable. In addition, if we experience a change in control, as defined in the indenture, you may require us to repurchase all or a portion of your notes. At maturity or if a change in control occurs, we may not have sufficient funds or may be unable to arrange for additional financing to pay the principal amount or repurchase price due. Under the terms of the indenture for the notes, we may elect, subject to certain conditions, to pay the repurchase price upon a change in control with shares of our common stock. Any future borrowing arrangements or agreements relating to debt to which we become a party may contain restrictions on, or prohibitions against, our repayments or repurchases of the notes. If the maturity date or change in control occurs at a time when our other arrangements prohibit us from repaying or repurchasing the notes, we could try to obtain the consent of the lenders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. If we do not obtain the necessary consents or refinance these borrowings, we will be unable to repay or repurchase the notes. In that case, our failure to repurchase any tendered notes or repay the notes due upon maturity would constitute an event of default under the indenture.

The price of our common stock and therefore the price of our notes may fluctuate significantly, which may result in losses for investors.

The market price for our common stock and therefore the price of our notes may be volatile. Among the factors that could affect our stock price, and therefore the price of our notes, are:

variations in our quarter-to-quarter operating results;

announcements by us or our competitors of significant contracts, new or enhanced products or services, acquisitions, distribution partnerships, joint ventures or capital commitments;

changes in financial estimates or investment recommendations by securities analysts following our business;

our sale of common stock or other securities in the future;

changes in economic and capital market conditions for companies in our sector;

changes in market valuations or earnings of our competitors;

changes in business or regulatory conditions; and

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the trading volume of our common stock.

There is no public market for the notes and we cannot guarantee that a public market will develop or continue.

There is no established public trading market for the notes. At the time of the original issuance of the notes in May 2003 to Goldman, Sachs & Co., they advised us that as initial purchaser of the notes they intended to make a market in the notes. However, as initial purchaser they are not obligated to do so and may discontinue market-making activities at any time without notice. Consequently, we cannot ensure that any market for the notes will develop, or if one does develop, that it will continue for any period of time. If an active market for the notes fails to develop or continue, this failure could harm the trading price of the notes. We do not intend to apply for listing of the notes on any securities exchange or any automated quotation system.

Provisions of our charter documents may have anti-takeover effects that could prevent a change in control.

Provisions of our amended and restated certificate of incorporation, bylaws, and Delaware law could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our stockholders. See Description of Capital Stock .

The indenture does not place any financial or operating covenants or restrictions on us such that the holders of the notes would have greater assurance that the notes will be repaid.

The indenture governing the notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving Juniper Networks except to the extent described under Description of the Notes Repurchase at Option of Holders Upon a Change in Control .

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

In addition to the other information contained or incorporated by reference in this prospectus, investors should carefully consider the risk factors disclosed in this prospectus, including those beginning on page 4 in evaluating an investment in the notes or the common stock issuable upon conversion of the notes. These include forward-looking statements concerning expected changes in expense levels, the availability of products from suppliers and contract manufacturers, product costs and sales prices, liquidity and similar language based on the expectations of our management as of the date of this prospectus. However, there may be events in the future that we are not able to predict or over which we have no control.

There can be no assurance that our expectations or any of the forward-looking statements will prove to be correct, and actual results could differ materially from those projected or assumed in the forward-looking statements. The future financial condition and results of operations of Juniper Networks, as well as any forward-looking statements, are subject to inherent risks and uncertainties, including but not limited to the risk factors set forth herein and those described elsewhere in this prospectus. All forward-looking statements and reasons why results may differ included in this prospectus are made as of the date hereof, and Juniper Networks assumes no obligation to update any such forward-looking statement or reason why actual results might differ.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale by any selling security holder of the notes or the underlying common stock into which the notes may be converted.

DESCRIPTION OF THE NOTES

The notes were issued under an indenture between us and Wells Fargo Bank Minnesota, N.A., as trustee. Because this section is a summary, it does not describe every aspect of the notes, the indenture and the registration rights agreements. The following summaries of certain provisions of the indenture and the registration rights agreement do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the detailed provision of the notes, the indenture and the registration rights agreement, including the definitions therein of certain terms.

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General

The notes are our senior unsecured obligations. The notes are limited to \$400,000,000. We are required to repay the principal amount of the notes in full on June 15, 2008.

We will not pay interest on the notes.

You may convert the notes into shares of our common stock, subject to certain conditions, at the initial conversion rate stated on the front cover of this prospectus at any time before the close of business on the maturity date, unless the notes have been previously repurchased. The conversion rate may be adjusted as described below.

We may not redeem the notes prior to their maturity date.

If we experience a change in control, you will have the right to require us to repurchase your notes as described below under the section entitled "Repurchase at Option of Holders Upon a Change in Control." Holders of notes submitted for repurchase will be entitled to convert the notes up to and including the business day immediately preceding the date fixed for repurchase.

Neither we nor any of our subsidiaries are subject to any financial covenants under the indenture. In addition, neither we nor any of our subsidiaries will be restricted under the indenture from paying dividends, incurring debt, or issuing or repurchasing our securities.

Form, Denomination, Transfer, Exchange and Book-Entry Procedures

The notes are issued:

only in fully registered form,

without interest coupons, and

in denominations of \$1,000 and greater multiples of \$1,000.

The notes are currently evidenced by one global note which was deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., or Cede, as nominee of DTC. Except as set forth below, record ownership of the global note may be transferred, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee.

The global note will not be registered in the name of any person, or exchanged for notes that are registered in the name of any person, other than DTC or its nominee unless one or more of the following events occurs:

DTC notifies us that it is unwilling, unable or no longer qualified to continue acting as the depository for the global note,

Juniper Networks, at its option, notifies the trustee in writing that it elects to cause the issuance of the notes in certificated form, or

an event of default with respect to the notes represented by the global note has occurred and is continuing.

In those circumstances, DTC will determine in whose names any securities issued in exchange for the global note will be registered.

Unless we elect to cause the issuance of the notes in certificated form, DTC or its nominee will be considered the sole owner and holder of the global note for all purposes, and as a result:

you cannot get notes registered in your name if they are represented by the global note,

you cannot receive physical certificated notes in exchange for your beneficial interest in the global notes,

you will not be considered to be the owner or holder of the global note or any note it represents for any purpose, and

all payments on the global note will be made to DTC or its nominee.

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The laws of some jurisdictions require that certain kinds of purchasers can only own securities in definitive, certificated form. These laws may limit your ability to transfer your beneficial interests in the global note to these types of purchasers.

Only institutions, such as a securities broker or dealer, that have accounts with DTC or its nominee (called participants) and persons that may hold beneficial interests through participants can own a beneficial interest in the global note. The only place where the ownership of beneficial interests in the global note will appear and the only way the transfer of those interests can be made will be on the records kept by DTC (for their participants' interests) and the records kept by those participants (for interests of persons held by participants on their behalf).

Secondary trading in bonds and notes of corporate issuers is generally settled in clearinghouse (that is, next-day) funds. In contrast, beneficial interests in a global note usually trade in DTC's same-day funds settlement system, and settle in immediately available funds. We make no representations as to the effect that settlements in immediately available funds will have on trading activity in those beneficial interests.

We will make cash payments of principal of, any liquidated damages on, and the repurchase price of the global note to Cede, the nominee for DTC, as the registered owner of the global note. We will make these payments by wire transfer of immediately available funds on each payment date.

We have been informed that DTC's practice is to credit participants' accounts on the payment date with payments in amounts proportionate to their respective beneficial interests in the notes represented by the global note as shown on DTC's records, unless DTC has reason to believe that it will not receive payment on that payment date. Payments by participants to owners of beneficial interests in notes represented by the global note held through participants will be the responsibility of those participants, as is now the case with securities held for the accounts of customers registered in street name.

We understand that neither DTC nor Cede will consent or vote with respect to the notes. We have been advised that under its usual procedures, DTC will mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede's consenting or voting rights to those participants to whose accounts the notes are credited on the record date identified in a listing attached to the omnibus proxy.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having a beneficial interest in the principal amount represented by the global note to pledge the interest to persons or entities that do not participate in the DTC book-entry system, or otherwise take actions in respect of that interest, may be affected by the lack of a physical certificate evidencing its interest.

DTC has advised us that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange, only at the direction of one or more participants to whose account with DTC interests in the global note are credited and only in respect of such portion of the principal amount of the notes represented by the global note as to which such participant or participants has or have given such direction.

DTC has also advised us as follows:

DTC is a limited purpose trust company organized under the laws of the State of New York, member of the Federal Reserve System, clearing corporation within the meaning of the Uniform Commercial Code, as amended, and clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act,

DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants,

participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations,

certain participants, or their representatives, together with other entities, own DTC, and

indirect access to the DTC System is available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

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The policies and procedures of DTC, which may change periodically, will apply to payments, transfers, exchanges and other matters relating to beneficial interests in the global note. We and the trustee have no responsibility or liability for any aspect of DTC's or any participants' records relating to beneficial interests in the global note, including for payments made on the global note. Further, we and the trustee are not responsible for maintaining, supervising or reviewing any of those records.

Conversion Rights

The conversion rate is equal to the number of shares per \$1,000 principal amount of notes shown on the cover page of this prospectus subject to the adjustment as specified below. The initial conversion rate is equivalent to a conversion price of approximately \$20.14. The conversion price is equal to \$1,000 principal amount of bonds divided by the conversion rate. You will have the right to convert any portion of the principal amount of any note that is an integral multiple of \$1,000 into shares of our common stock at any time on or prior to the close of business on the maturity date, subject to the adjustments described below, as follows:

you will have such conversion right in a conversion period on any date on or prior to December 31, 2007, if the closing sale price of our common stock for at least 20 trading days in the period of the 30 consecutive trading days ending on the first day of such conversion period was more than 110% of the then current conversion price,

if, on any date after December 31, 2007, the closing sale price of our common stock is more than 110% of the then current conversion price of the notes, then you will have such conversion right at all times thereafter,

we distribute to all or substantially all holders of common stock of Juniper Networks rights, options or warrants entitling them to purchase common stock at less than the closing sale price of our common stock on the day preceding the declaration for such distribution,

we distribute to all or substantially all holders of our common stock cash, assets, debt securities or capital stock, which distribution has a per share value as determined by our board of directors exceeding 10% of the closing sale price of our common stock on the day preceding the declaration for such distribution, or

we become a party to a consolidation, merger or sale of all or substantially all of our assets that constitutes a change in control.

We define conversion period in the indenture to be the period from and including the eleventh trading day in a fiscal quarter to, but excluding, the eleventh trading day of the following fiscal quarter. In the case of the third and fourth bullet points above, we must notify holders of notes at least 20 days prior to the ex-dividend date for such distribution. Once we have given such notice, holders may surrender their notes for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or our announcement that such distribution will not take place. In the case of a distribution identified in the third or fourth bullets above, the ability of a holder of notes to convert would not be triggered if the holder may participate in the distribution without converting. In the case of the fifth bullet point above, a holder may surrender notes for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual date of the transaction.

You also may convert your notes into shares of our common stock for the five business day period after any five consecutive trading-day period in which the average trading prices for the notes for such five trading-day period was less than 95% of the average conversion value (as defined below) for the notes during that period; provided, however, if, at the time of the conversion, the closing sale price of shares of our common stock is greater than the then current conversion price on the notes and less than or equal to 110% of the then current conversion price of the notes, you surrender your notes for conversion and the notes are not otherwise convertible, you will receive, at our option, cash, common stock or a combination of cash and common stock with a value equal to the principal amount of your notes on such conversion date. If we elect to pay you in common stock or in a combination of cash and common stock, our common stock will be valued at 100% of the average closing sale price for the five trading days ending on the third trading day preceding the conversion date.

We define conversion value in the indenture to be equal to the product of the closing sale price of our shares of common stock on a given day multiplied by the then current conversion rate, which is the number of shares of common stock into which each note is convertible.

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You may convert all or part of any note by delivering the note at the Corporate Trust Office of the trustee in the Borough of Manhattan, The City of New York, accompanied by a duly signed and completed conversion notice, a copy of which may be obtained by the trustee. The conversion date will be the date on which the note and the duly signed and completed conversion notice are so delivered.

As promptly as practicable on or after the conversion date, we will issue and deliver to the trustee a certificate or certificates for the number of full shares of our common stock issuable upon conversion, together with payment in lieu of any fraction of a share. The certificate will then be sent by the trustee to the conversion agent for delivery to the holder. The shares of our common stock issuable upon conversion of the notes will be fully paid and nonassessable and will rank equally with the other shares of our common stock.

No payment or adjustment for any dividends in respect of our common stock, will be made upon conversion. Holders of our common stock issued upon conversion will not be entitled to receive any dividends payable to holders of our common stock as of any record time or date before the close of business on the conversion date. We will not issue fractional shares upon conversion. Instead, we will pay cash based on the market price of our common stock at the close of business on the conversion date.

You will not be required to pay any taxes or duties relating to the issue or delivery of our common stock on conversion but you will be required to pay tax with respect to cash received in lieu of fractional shares and any tax or duty relating to any transfer involved in the issue or delivery of our common stock in a name other than yours. Certificates representing shares of our common stock will not be issued or delivered unless all taxes and duties, if any, payable by you have been paid.

The conversion rate will be subject to adjustment for, among other things:

dividends and other distributions payable in our common stock on shares of our common stock,

the issuance to all holders of our common stock of rights, options or warrants entitling them to subscribe for or purchase our common stock at less than the then current market price of such common stock as of the record date for stockholders entitled to receive such rights, options or warrants,

subdivisions, combinations and reclassifications of our common stock,

distributions to all holders of our common stock of evidences of our indebtedness, shares of capital stock, cash or assets (if we distribute shares of capital stock of a subsidiary of ours, the conversion rate will be adjusted, if at all, based on the market value of the subsidiary stock so distributed relative to the market value of our common stock, in each case over a measurement period following the distribution), including securities, but excluding:

those dividends, rights, options, warrants and distributions referred to above,

dividends and distributions paid exclusively in cash, and

distributions upon mergers or consolidations discussed below,

distributions consisting exclusively of cash, excluding any cash portion of distributions referred to in the bullet point immediately above or cash distributed upon a merger or consolidation referred to below, to all holders of our common stock in an aggregate amount that, together with:

other all-cash distributions made within the preceding 365-day period in respect of which no adjustment has been made, and

any cash and the fair market value of other consideration payable in connection with any tender offer by us or any of our subsidiaries for our common stock concluded within the preceding 365-day period in respect of which no adjustment has been made,

exceeds 10% of our market capitalization, being the product of the current market price per share of our common stock on the record date for such distribution and the number of shares of common stock then outstanding, and