

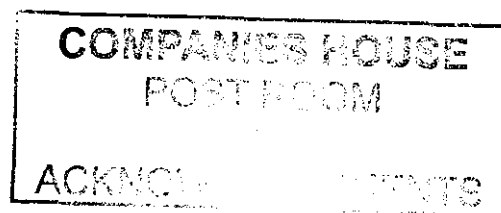
Juniper Networks (Nominees) Limited

(formerly Neoteris Limited)

**Directors' report and financial
statements**

Registered number 04553031

31 December 2003



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Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2003.

Principal activities

The principal activity of the company during the period was software sales support and marketing.

Business review

The company was incorporated under the name of Neoteris Limited on 3 October 2002 on which date it commenced trading. On 14 November 2003 the company's parent undertaking Neoteris Inc. was acquired by Netscreen Technologies Inc., on which date the trade and assets of the company (including its employees) were transferred to Netscreen Technologies Europe Limited.

On 16 April 2004, the company's ultimate parent company, Netscreen Technologies Inc was acquired by Juniper Networks Inc.

On 27 May 2004 the company changed its name to Juniper Networks (Nominees) Limited.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The sole director who held office during the period was Neoteris Inc. which held 100% of the shares in the company. This appointment was terminated on 16 April 2004, on which date the following directors were appointed:

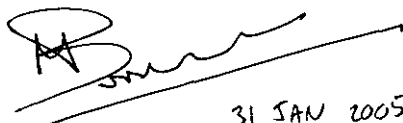
MA Burrows	(appointed on 16 April 2004)
SP Byrne	(appointed on 16 April 2004)
ML Gaynor	(appointed on 16 April 2004)

Auditors

The directors have appointed The Norton Practice as the company's first auditors. In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of The Norton Practice as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Mark Burrows
Director



31 JAN 2005

100 New Bridge Street
London
EC4V 6JA
[Date]

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the Independent Auditors to the Shareholders of Juniper Networks (Nominees) Limited

We have audited the financial statements of Juniper Networks (Nominees) Limited for the Period Ended 31st December 2003 which comprise the Profit & Loss Account, the Balance Sheet and the related notes. The financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

The Norton Practice

The Norton Practice

Chartered Accountants & Registered Auditors

Date: 3 FEB 2005

Profit and loss account

for the period from 3 October 2002 (date of incorporation) to 31 December 2003

	Note	2003 £
Turnover	2	1,866,680
Administrative expenses		(1,777,783)
Operating profit		88,897
Interest receivable and similar income	6	47
Interest payable and similar charges	7	(55)
Profit on ordinary activities before taxation		88,889
Tax on profit on ordinary activities	8	(29,232)
Profit on ordinary activities after taxation and retained profit for the period		59,657

There are no recognised gains or losses other than the profit for the period as reported above.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £	2003 £
Fixed assets			
Tangible assets	9		-
			<hr/>
Current assets			
Debtors	10	59,667	-
		<hr/>	
Net current assets			59,667
			<hr/>
Total assets less current liabilities and net assets			59,667
			<hr/>
Capital and reserves			
Called up share capital	11		10
Profit and loss account	12		59,657
			<hr/>
Equity shareholder's funds			59,667
			<hr/>

These financial statements were approved by the board of directors on 31/JAN/05 and were signed on its behalf by:

Mark Burrows
 Director



Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting convention.

Related party transactions

As the company is a wholly owned subsidiary of Netscreen SSL Inc.(formerly Neoteris Inc.), the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Netscreen SSL Inc., within which this company is included, can be obtained from the address given in note 17.

Cash flow statement

The company qualifies as a small company as defined by sections 246 to 249 of the Companies Act 1985 and is accordingly exempt from preparing a cash flow statement as required by Financial Reporting Standard 1.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment - 3 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents amounts (excluding value added tax) invoiced to the parent company in respect of services provided to market their products.

Pension

The company does not operate a pension scheme.

Notes *(continued)*

2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit before ordinary activities were generated in the EMEA region.

3 Profit on ordinary activities before taxation

	2003 £
<i>Profit on ordinary activities before taxation is stated after charging</i>	
Auditors' remuneration:	
Audit	6,000
Depreciation and other amounts written off tangible fixed assets:	
Owned	4,555

4 Remuneration of directors

The directors' remuneration for the period is nil.

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 2003
Sales and marketing	11
	<hr/> 11 <hr/>

The aggregate payroll costs of these persons were as follows:

	2003 £
Wages and salaries	995,053
Social security costs	127,334
	<hr/> 1,122,387 <hr/>

Notes *(continued)*

6 Interest receivable and similar income

	2003 £
Bank interest	47
	<hr/> 47 <hr/>

7 Interest payable and similar charges

	2003 £
On bank loans and overdrafts	55
	<hr/> 55 <hr/>

8 Taxation

Analysis of charge in period

	2003 £
<i>UK corporation tax</i>	
Current tax on income for the period	29,232
	<hr/>
Tax on profit on ordinary activities	29,232
	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2003 £
<i>Current tax reconciliation</i>	
Profit on ordinary activities before tax	88,889
	<hr/>
Profit multiplied by the expected rate of tax (30%)	26,667
<i>Effects of:</i>	
Expenses not deductible for tax purposes	7,629
Capital allowances for period in excess of depreciation	(479)
Lower tax rate	(4,585)
	<hr/>
Total current tax charge (see above)	29,232
	<hr/>

Notes *(continued)*

9 Tangible fixed assets

	Computer equipment £	Total £
<i>Cost</i>		
At beginning of period	-	-
Additions	23,853	23,853
Transfers out	(23,853)	(23,853)
	<hr/>	<hr/>
At end of period	-	-
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning of period	-	-
Charge for period	4,555	4,555
Transfers out	(4,555)	(4,555)
	<hr/>	<hr/>
At end of period	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2003	-	-
	<hr/>	<hr/>

10 Debtors

	2003 £
Amounts owed by parent undertaking	59,667
	<hr/>

11 Called up share capital

	2003 £
<i>Authorised</i>	
Ordinary shares of £1 each	10
	<hr/>
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	10
	<hr/>
	10
	<hr/>

During the period, the company issued 10 ordinary shares of £1 each for consideration of £10.

Notes *(continued)*

12 Movement in reserves

	Share capital	Profit and loss account	Total
	£	£	£
On incorporation	-	-	-
Share capital issued in period	10	-	10
Profit in period	-	59,657	59,657
	<hr/>	<hr/>	<hr/>
Total	10	59,657	59,667
	<hr/>	<hr/>	<hr/>

13 Reconciliation of movement in shareholder's funds

	2003 £
Issue of share capital	10
Profit for the financial period	59,657
	<hr/>
Net addition to shareholder's funds	59,667
Shareholder's funds on incorporation	-
	<hr/>
Closing shareholder's funds	59,667
	<hr/>

14 Commitments

At the period end the company had no commitments under non-cancellable operating leases.

15 Transfer of trade and assets

On 14 November 2003 the company's parent undertaking Neoteris Inc. was acquired by Netscreen Technologies Inc., on which date the trade, assets (including employees) and liabilities of the company were transferred to Netscreen Technologies Europe Limited.

16 Post balance sheet events

On 16 April 2004, the company's ultimate parent company, Netscreen Technologies Inc was acquired by Juniper Networks Inc. On 27 May 2004 the company changed its name to Juniper Networks (Nominees) Limited.

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

At 31 December 2003 the company was a subsidiary undertaking of Netscreen SSL Inc (previously Neoteris Inc).

The largest group in which the results of the company were consolidated at 31 December 2003 was that headed by Netscreen SSL Inc., incorporated in the USA. The consolidated accounts of these groups are available to the public and may be obtained from 1194, North Mathilda Avenue, Sunnyvale, California, 94089-1206, USA.