

F5 Networks, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
unaudited

	Three months ended March 31,		Six months ended March 31,	
	2001	2000	2001	2000
Net revenues:				
Products.....	\$19,722	\$ 18,532	\$37,497	\$34,814
Services.....	7,295	5,072	14,303	7,963
Total net revenues.....	<u>27,067</u>	<u>23,604</u>	<u>51,800</u>	<u>42,777</u>
Cost of net revenues:				
Products.....	7,753	5,053	15,839	9,677
Services.....	3,238	1,792	6,822	2,851
Provision for excess inventory	4,910		4,910	
Total cost of net revenues.....	<u>15,901</u>	<u>6,845</u>	<u>27,571</u>	<u>12,528</u>
Gross profit.....	<u>11,166</u>	<u>16,759</u>	<u>24,229</u>	<u>30,249</u>
Operating expenses:				
Sales and marketing.....	12,876	8,452	26,405	14,194
Research and development.....	4,651	2,761	9,596	4,986
General and administrative.....	4,252	1,748	8,998	3,226
Restructuring charges.....	(96)		975	
Amortization of unearned compensation.....	1,595	470	2,171	1,013
Total operating expenses.....	<u>23,278</u>	<u>13,431</u>	<u>48,145</u>	<u>23,419</u>
Income (loss) from operations.....	(12,112)	3,328	(23,916)	6,830
Other income, net.....	1,110	818	1,547	1,559
Income (loss) before income taxes.....	(11,002)	4,146	(22,369)	8,389
Provision for Income taxes.....	2,260		4,697	
Net income (loss).....	<u>\$ (8,742)</u>	<u>\$ 4,146</u>	<u>\$ (17,672)</u>	<u>\$ 8,389</u>
Net income (loss) per share – basic.....	<u>\$ (0.40)</u>	<u>\$ 0.20</u>	<u>\$ (0.81)</u>	<u>\$ 0.40</u>
Weighted average shares – basic.....	<u>21,917</u>	<u>21,198</u>	<u>21,796</u>	<u>20,811</u>
Net income (loss) per share – diluted.....	<u>\$ (0.40)</u>	<u>\$ 0.18</u>	<u>\$ (0.81)</u>	<u>\$ 0.36</u>
Weighted average shares – diluted.....	<u>21,917</u>	<u>23,105</u>	<u>21,796</u>	<u>23,092</u>
Pro Forma (1)				
Income (loss) before taxes.....	<u>\$ (4,090)</u>	<u>\$ 4,146</u>	<u>\$ (15,457)</u>	<u>\$ 8,389</u>
Income (loss) before taxes per share - basic.....	<u>(0.19)</u>	<u>\$ 0.20</u>	<u>\$ (0.71)</u>	<u>\$ 0.40</u>
Weighted average shares - basic.....	<u>21,917</u>	<u>21,198</u>	<u>21,796</u>	<u>20,811</u>
Income (loss) before taxes per share - diluted.....	<u>\$ (0.19)</u>	<u>\$ 0.18</u>	<u>\$ (0.71)</u>	<u>\$ 0.36</u>
Weighted average shares - diluted.....	<u>21,917</u>	<u>23,105</u>	<u>21,796</u>	<u>23,092</u>
(1) Items excluded from Pro forma net (pre-tax) are:	<u>\$ 502</u>		<u>\$ 502</u>	
Executive recruitment (General and administrative)	1,300		1,300	
Executive recruitment (Amortization of unearned compensation)	4,910		4,910	
Write down of inventory (Cost of net revenues)	200		200	
Impairment of assets due to office relocation (Other)	<u>\$ 6,912</u>		<u>\$ 6,912</u>	