

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

	Three months ended		Six months ended	
	March 31,		March 31,	
	2002	2001	2002	2001
Net revenues:				
Systems.....	\$20,782	\$ 19,772	\$41,440	\$37,497
Services.....	6,319	7,295	12,686	14,303
Total net revenues.....	<u>27,101</u>	<u>27,067</u>	<u>54,126</u>	<u>51,800</u>
Cost of net revenues:				
Systems.....	5,151	12,663	11,114	20,749
Services.....	2,680	3,238	5,374	6,822
Total cost of net revenues.....	<u>7,831</u>	<u>15,901</u>	<u>16,488</u>	<u>27,571</u>
Gross profit.....	<u>19,270</u>	<u>11,166</u>	<u>37,638</u>	<u>24,229</u>
Operating expenses:				
Sales and marketing.....	11,823	12,797	24,263	26,248
Research and development.....	4,751	4,549	8,888	9,393
General and administrative.....	4,524	4,194	8,569	8,882
Restructuring charges.....	-	(96)	-	975
Amortization of unearned compensation.....	114	1,595	247	2,171
Total operating expenses.....	<u>21,212</u>	<u>23,039</u>	<u>41,967</u>	<u>47,669</u>
Loss from operations.....	(1,942)	(11,873)	(4,329)	(23,440)
Other income, net.....	273	871	778	1,070
Loss before income taxes.....	(1,669)	(11,002)	(3,551)	(22,370)
Provision for income taxes.....	101	(2,260)	290	(4,697)
Net loss.....	<u>\$ (1,770)</u>	<u>\$ (8,742)</u>	<u>\$ (3,841)</u>	<u>\$ (17,673)</u>
Net loss per share - basic & diluted.....	<u>\$ (0.07)</u>	<u>\$ (0.40)</u>	<u>\$ (0.15)</u>	<u>\$ (0.81)</u>
Weighted average shares ? basic & diluted.....	<u>25,203</u>	<u>21,917</u>	<u>25,041</u>	<u>21,796</u>
*Pro forma:				
Net loss before taxes.....	<u>\$ (1,669)</u>	<u>\$ (4,090)</u>	<u>\$ (3,551)</u>	<u>\$ (15,458)</u>
Net loss before taxes per share - basic & diluted.....	<u>\$ (0.07)</u>	<u>\$ (0.19)</u>	<u>\$ (0.14)</u>	<u>\$ (0.71)</u>
Weighted average shares ? basic & diluted.....	<u>25,203</u>	<u>21,917</u>	<u>25,041</u>	<u>21,796</u>

*Pro-forma net loss excludes the following non-recurring items:

Write down of inventory (Cost of net revenues)	\$ 4,910	\$ 4,910
Executive recruitment (General and administrative)	502	502
Executive recruitment (Amortization of unearned compensation)	1,300	1,300
Impairment of assets due to office relocation (Other)	200	200
	<u>\$ 6,912</u>	<u>6,912</u>