

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

	Three months ended June 30,		Nine months ended June 30,	
	2002	2001	2002	2001
Net revenues:				
Product.....	\$20,750	\$21,298	\$62,190	\$58,795
Service.....	6,315	7,703	19,001	22,006
Total net revenues.....	<u>27,065</u>	<u>29,001</u>	<u>81,191</u>	<u>80,801</u>
Cost of net revenues:				
Product.....	5,081	7,701	16,195	28,450
Service.....	2,504	2,908	7,878	9,730
Total cost of net revenues.....	<u>7,585</u>	<u>10,609</u>	<u>24,073</u>	<u>38,180</u>
Gross profit.....	<u>19,480</u>	<u>18,392</u>	<u>57,118</u>	<u>42,621</u>
Operating expenses:				
Sales and marketing.....	13,256	12,232	37,519	38,480
Research and development.....	4,785	4,140	13,673	13,533
General and administrative.....	3,049	3,080	11,618	11,962
Restructuring charges.....	2,771	--	2,771	975
Amortization of unearned compensation.....	106	245	353	2,416
Total operating expenses.....	<u>23,967</u>	<u>19,697</u>	<u>65,934</u>	<u>67,366</u>
Loss from operations.....	(4,487)	(1,305)	(8,816)	(24,745)
Other income, net.....	287	323	1,065	1,393
Loss before income taxes.....	(4,200)	(982)	(7,751)	(23,352)
Provision (benefit) for income taxes.....	146	629	436	(4,068)
Net loss.....	<u>\$ (4,346)</u>	<u>\$ (1,611)</u>	<u>\$ (8,187)</u>	<u>\$ (19,284)</u>
Net loss per share - basic & diluted.....	<u>\$ (0.17)</u>	<u>\$ (0.07)</u>	<u>\$ (0.32)</u>	<u>\$ (0.88)</u>
Weighted average shares ? basic & diluted.....	<u>25,537</u>	<u>22,194</u>	<u>25,206</u>	<u>21,928</u>
*Pro forma:				
Net loss.....	<u>\$ (1,331)</u>	<u>\$ (1,611)</u>	<u>\$ (5,172)</u>	<u>\$ (11,397)</u>
Net loss per share - basic & diluted.....	<u>\$ (0.05)</u>	<u>\$ (0.07)</u>	<u>\$ (0.21)</u>	<u>\$ (0.52)</u>
Weighted average shares ? basic & diluted.....	<u>25,537</u>	<u>22,194</u>	<u>25,206</u>	<u>21,928</u>
*Net loss as reported:				
Return reserve (contra product revenue)	243	--	243	--
Write down of inventory (cost of net revenues)	338	--	338	4,910
Bad debt recovery (general and administrative)	(500)	--	(500)	--
Bad debt (general and administrative)	163	--	163	--
Executive Recruitment (general and administrative)	--	--	--	502
Asset impairment and lease commitments (restructuring charge)	2,771	--	2,771	975
Executive recruitment (amortization of unearned compensation)	--	--	--	1,300
Impairment of assets due to office relocation (other income, net)	--	--	--	200
Pro forma net loss:	<u>\$ (1,331)</u>	<u>\$ (1,611)</u>	<u>\$ (5,172)</u>	<u>\$ (11,397)</u>