

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

	Three months ended Sept. 30, 2002		Twelve months ended Sept. 30, 2002	
	2002	2001	2002	2001
Net revenues:				
Product.....	\$20,376	\$ 19,825	\$82,566	\$78,628
Service.....	6,699	6,741	25,700	28,739
Total net revenues.....	<u>27,075</u>	<u>26,566</u>	<u>108,266</u>	<u>107,367</u>
Cost of net revenues:				
Product.....	4,046	4,790	20,241	33,240
Service.....	2,360	2,535	10,238	12,265
Total cost of net revenues.....	<u>6,406</u>	<u>7,325</u>	<u>30,479</u>	<u>45,505</u>
Gross profit.....	<u>20,669</u>	<u>19,241</u>	<u>77,787</u>	<u>61,862</u>
Operating expenses:				
Sales and marketing.....	13,062	12,287	50,581	50,767
Research and development.....	4,312	3,902	17,985	17,435
General and administrative.....	3,427	6,814	15,045	18,776
Restructuring charges.....	503	--	3,274	975
Amortization of unearned compensation.....	90	209	443	2,625
Total operating expenses.....	<u>21,394</u>	<u>23,212</u>	<u>87,328</u>	<u>90,578</u>
Loss from operations.....	(725)	(3,971)	(9,541)	(28,716)
Other income, net.....	355	628	1,420	2,021
Loss before income taxes.....	<u>(370)</u>	<u>(3,343)</u>	<u>(8,121)</u>	<u>(26,695)</u>
Provision for income taxes.....	53	8,163	489	4,095
Net loss.....	<u>\$ (423)</u>	<u>\$ (11,506)</u>	<u>\$ (8,610)</u>	<u>\$ (30,790)</u>
Net loss per share ? basic and diluted.....	<u>\$ (0.02)</u>	<u>\$ (0.46)</u>	<u>\$ (0.34)</u>	<u>\$ (1.36)</u>
Weighted average shares ? basic and diluted.....	<u>25,670</u>	<u>24,767</u>	<u>25,323</u>	<u>22,644</u>
*Pro forma:				
Net income (loss).....	<u>\$ 80</u>	<u>\$ (2,538)</u>	<u>\$ (5,092)</u>	<u>\$ (13,935)</u>
Net income (loss) per share - basic.....	<u>\$ 0.00</u>	<u>\$ (0.10)</u>	<u>\$ (0.20)</u>	<u>\$ (0.62)</u>
Net income (loss) per share - diluted.....	<u>\$ 0.00</u>	<u>\$ (0.10)</u>	<u>\$ (0.20)</u>	<u>\$ (0.62)</u>
Weighted average shares - basic.....	<u>25,670</u>	<u>24,767</u>	<u>25,323</u>	<u>22,644</u>
Weighted average shares - diluted.....	<u>26,528</u>	<u>24,767</u>	<u>25,323</u>	<u>22,644</u>
*Net loss as reported:	<u>\$ (423)</u>	<u>\$ (11,506)</u>	<u>\$ (8,610)</u>	<u>\$ (30,790)</u>
Return reserve (contra product revenue)			243	
Write down of inventory (cost of net revenues)		(1,715)	338	3,195
Amortization of unearned comp				1,300
Bad debt recovery (general and administrative)			(500)	
Bad debt (general and administrative)		2,000	163	2,000
Executive recruitment (general and administrative)				502
Restructuring charges	503		3,274	975
Income tax expense		8,683		8,683
Impairment of assets due to office relocation (other income, net)				200
Pro forma net income (loss)	<u>\$ 80</u>	<u>\$ (2,538)</u>	<u>\$ (5,092)</u>	<u>\$ (13,935)</u>