

**F5 Networks, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)

|  | <u>Dec. 31,</u><br>2003 | <u>Sept. 30,</u><br>2003 |
|--|-------------------------|--------------------------|
|  | (unaudited)             |                          |
| <b>Assets</b>  |                         |                          |
| Current assets:  |                         |                          |
| Cash and cash equivalents.....   | \$ 27,712               | \$ 10,351                |
| Short-term investments.....  | 110,190                 | 34,527                   |
| Accounts receivable,<br>net of allowances of \$3,028 and \$3,049.....  | 17,496                  | 19,325                   |
| Inventories.....   | 1,158                   | 762                      |
| Other current assets.....  | 4,574                   | 4,779                    |
| Total current assets.....  | <u>161,130</u>          | <u>69,744</u>            |
| Restricted cash.....   | 6,000                   | 6,000                    |
| Property and equipment, net.....   | 9,871                   | 10,079                   |
| Long-term investments.....   | 67,097                  | 34,132                   |
| Goodwill.....  | 24,188                  | 24,188                   |
| Other assets, net.....   | 4,010                   | 4,030                    |
| Total assets.....  | <u>\$ 272,296</u>       | <u>\$ 148,173</u>        |
| <b>Liabilities and Shareholders' Equity</b>  |                         |                          |
| Current liabilities:   |                         |                          |
| Accounts payable.....  | \$ 2,670                | \$ 3,714                 |
| Accrued liabilities.....   | 13,348                  | 13,148                   |
| Deferred revenue.....  | 21,775                  | 19,147                   |
| Total current liabilities.....   | <u>37,793</u>           | <u>36,009</u>            |
| Other long-term liabilities.....   | 1,668                   | 1,584                    |
| Deferred tax liability.....  | 303                     | 151                      |
| Total long-term liabilities.....   | <u>1,971</u>            | <u>1,735</u>             |
| Commitments and Contingencies:   |                         |                          |
| Shareholders' equity:  |                         |                          |
| Preferred stock, no par value; 10,000 shares<br>authorized, no shares outstanding.....                           | --                      | --                       |
| Common stock, no par value; 100,000 shares<br>authorized 32,998 and 27,403 shares issued and<br>outstanding..... | 259,837                 | 141,709                  |
| Unearned compensation.....   | --                      | (10)                     |
| Accumulated other comprehensive income.....  | 359                     | 195                      |
| Accumulated deficit.....   | (27,664)                | (31,465)                 |
| Total shareholders' equity.....  | <u>232,532</u>          | <u>110,429</u>           |
| Total liabilities and shareholders' equity.....  | <u>\$ 272,296</u>       | <u>\$ 148,173</u>        |