

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

	Three months ended Sept. 30,		Twelve months ended Sept. 30,	
	2004	2003	2004	2003
<b>Net revenues:</b>				
Products.....	\$37,536	\$23,048	\$126,169	\$84,197
Service.....	12,683	8,585	45,021	31,698
Total net revenues.....	<u>50,219</u>	<u>31,633</u>	<u>171,190</u>	<u>115,895</u>
<b>Cost of net revenues:</b>				
Products.....	8,489	5,086	28,404	17,837
Service.....	3,055	2,342	10,975	9,068
Total cost of net revenues.....	<u>11,544</u>	<u>7,428</u>	<u>39,379</u>	<u>26,905</u>
Gross profit.....	<u>38,675</u>	<u>24,205</u>	<u>131,811</u>	<u>88,990</u>
<b>Operating expenses:</b>				
Sales and marketing.....	17,597	14,045	65,378	53,485
Research and development.....	6,764	5,155	24,361	19,246
General and administrative.....	4,463	2,964	15,734	12,014
Amortization of unearned compensation.....	-	6	10	83
Total operating expenses.....	<u>28,824</u>	<u>22,170</u>	<u>105,483</u>	<u>84,801</u>
Income from operations.....	9,851	2,035	26,328	4,189
Other income (expense), net.....	891	(375)	2,731	751
Income before income taxes.....	10,742	1,660	29,059	4,940
Provision (benefit) for income taxes.....	(5,039)	307	(3,894)	853
Net income.....	<u>\$15,781</u>	<u>\$1,353</u>	<u>\$32,953</u>	<u>\$4,087</u>
Net income per share - basic.....	<u>\$0.46</u>	<u>\$0.05</u>	<u>\$0.99</u>	<u>\$0.15</u>
Weighted average shares - basic.....	<u>34,593</u>	<u>27,125</u>	<u>33,221</u>	<u>26,453</u>
Net income per share - diluted.....	<u>\$0.43</u>	<u>\$0.05</u>	<u>\$0.92</u>	<u>\$0.14</u>
Weighted average shares - diluted.....	<u>36,779</u>	<u>29,521</u>	<u>35,992</u>	<u>28,220</u>
Net income as reported.....	\$ 15,781	\$ 1,353	\$ 32,953	\$ 4,087
Incremental U.S. income tax expense*.....	1,731	--	1,731	--
Reversal of valuation allowance*.....	(7,254)	--	(7,254)	--
Net income excluding net U.S. tax benefit.....	<u>10,258</u>	<u>1,353</u>	<u>27,430</u>	<u>4,087</u>
<b>Pro forma:</b>				
Net income excluding net U.S. tax benefit.....	<u>10,258</u>	<u>1,353</u>	<u>27,430</u>	<u>4,087</u>
Net income per share - basic.....	<u>0.30</u>	<u>0.05</u>	<u>0.83</u>	<u>0.15</u>
Weighted average shares - basic.....	<u>34,593</u>	<u>27,125</u>	<u>33,221</u>	<u>26,453</u>
Net income per share - diluted.....	<u>0.28</u>	<u>0.05</u>	<u>0.76</u>	<u>0.14</u>
Weighted average shares - diluted.....	<u>36,779</u>	<u>29,521</u>	<u>35,992</u>	<u>28,220</u>

\* During the fourth quarter of fiscal 2004, the Company became subject to income taxes on U.S. income and reversed the valuation allowance on U.S. deferred tax assets. The pro forma adjustments remove the impact of incremental U.S. income taxes and the benefit from the reversal of the valuation allowance to present the results in a manner that is comparable to prior periods.