

F5 Networks, Inc.
Consolidated Income Statements
(unaudited, in thousands, except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2006	2005	2006	2005
Net revenues:				
Products.....	\$72,775	\$53,332	\$141,366	\$99,729
Services.....	21,341	14,398	40,837	28,010
Total.....	<u>94,116</u>	<u>67,730</u>	<u>182,203</u>	<u>127,739</u>
 Cost of net revenues (1):				
Products.....	15,441	11,820	30,034	22,348
Services.....	5,846	3,908	10,820	7,294
Total.....	<u>21,287</u>	<u>15,728</u>	<u>40,854</u>	<u>29,642</u>
Gross profit.....	<u>72,829</u>	<u>52,002</u>	<u>141,349</u>	<u>98,097</u>
 Operating expenses (1):				
Sales and marketing.....	31,162	20,885	60,027	40,525
Research and development.....	12,276	7,789	22,754	14,763
General and administrative.....	7,148	5,854	14,545	10,860
Total.....	<u>50,586</u>	<u>34,528</u>	<u>97,326</u>	<u>66,148</u>
 Income from operations.....	22,243	17,474	44,023	31,949
Other income, net.....	3,877	1,641	6,847	3,028
Income before income taxes.....	26,120	19,115	50,870	34,977
Provision for income taxes (1).....	10,053	7,003	19,582	12,872
Net income.....	<u>\$16,067</u>	<u>\$12,112</u>	<u>\$31,288</u>	<u>\$22,105</u>
 Net income per share - basic.....	<u>\$0.40</u>	<u>\$0.33</u>	<u>\$0.79</u>	<u>\$0.61</u>
Weighted average shares - basic.....	<u>40,120</u>	<u>36,905</u>	<u>39,636</u>	<u>36,234</u>
Net income per share - diluted.....	<u>\$0.39</u>	<u>\$0.31</u>	<u>\$0.76</u>	<u>\$0.58</u>
Weighted average shares - diluted.....	<u>41,627</u>	<u>38,921</u>	<u>41,278</u>	<u>38,394</u>
 Reconciliation to pro forma results				
Net income as reported.....	\$16,067		\$31,288	
Stock-based compensation expense, net of tax.....	4,235		8,054	
Pro forma net income.....	<u>\$20,302</u>		<u>\$39,342</u>	
 Pro forma net income per share - diluted.....	<u>\$0.49</u>		<u>\$0.95</u>	
Pro forma weighted average shares - diluted.....	<u>41,627</u>		<u>41,278</u>	
 (1) Includes stock-based compensation as follows:				
Cost of net revenues.....	\$349		\$698	
Sales and marketing.....	2,200		4,289	
Research and development.....	1,535		2,978	
General and administrative.....	1,508		2,878	
Tax effect of stock based compensation.....	(1,357)		(2,789)	
	<u>4,235</u>		<u>8,054</u>	