

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

	<u>December 31,</u> <u>2006</u>	<u>September 30,</u> <u>2006</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents.....	\$ 31,085	\$ 37,746
Short-term investments.....	384,238	336,427
Accounts receivable, net of allowances of \$3,056 and \$2,858.....	67,246	62,750
Inventories.....	5,730	5,763
Deferred tax assets.....	4,943	4,682
Other current assets.....	14,166	15,607
Total current assets.....	<u>507,408</u>	<u>462,975</u>
Restricted cash.....	3,941	3,929
Property and equipment, net.....	29,951	29,951
Long-term investments.....	129,943	118,003
Deferred tax assets.....	20,108	18,657
Goodwill.....	81,701	81,701
Other assets, net.....	14,518	14,295
Total assets.....	<u>\$ 787,570</u>	<u>\$ 729,511</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Accounts payable.....	\$ 12,879	\$ 13,174
Accrued liabilities.....	41,094	31,583
Deferred revenue.....	61,156	54,880
Total current liabilities.....	<u>115,129</u>	<u>99,637</u>
Other long-term liabilities.....	8,385	7,976
Deferred revenue, long-term.....	7,512	5,440
Total long-term liabilities.....	<u>15,897</u>	<u>13,416</u>
Commitments and contingencies		
Shareholders' equity		
Preferred stock, no par value; 10,000 shares authorized, no shares outstanding..	-	-
Common stock, no par value; 100,000 shares authorized, 41,118 and 40,778 shares issued and outstanding.....	539,220	521,791
Accumulated other comprehensive loss.....	(734)	(1,038)
Retained earnings.....	118,058	95,705
Total shareholders' equity.....	<u>656,544</u>	<u>616,458</u>
Total liabilities and shareholders' equity.....	<u>\$ 787,570</u>	<u>\$ 729,511</u>