

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

	Three months ended		Twelve months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Net revenues				
Products.....	\$ 108,880	\$ 115,790	\$ 406,529	\$ 452,929
Services.....	66,250	55,473	246,550	197,244
Total.....	<u>175,130</u>	<u>171,263</u>	<u>653,079</u>	<u>650,173</u>
Cost of net revenues (1)				
Products.....	24,294	26,584	95,209	102,400
Services.....	12,162	12,329	47,517	46,618
Total.....	<u>36,456</u>	<u>38,913</u>	<u>142,726</u>	<u>149,018</u>
Gross Profit.....	<u>138,674</u>	<u>132,350</u>	<u>510,353</u>	<u>501,155</u>
Operating expenses (1)				
Sales and marketing.....	58,395	60,461	225,193	237,175
Research and development.....	25,515	26,367	103,664	103,394
General and administrative.....	14,619	14,632	55,243	56,001
Loss on facility exit and sublease.....	-	5,271	-	5,271
Restructuring charges.....	-	-	4,329	-
Total.....	<u>98,529</u>	<u>106,731</u>	<u>388,429</u>	<u>401,841</u>
Income from operations.....	40,145	25,619	121,924	99,314
Other income, net.....	1,682	3,513	9,724	18,950
Income before income taxes.....	41,827	29,132	131,648	118,264
Provision for income taxes (1).....	13,477	9,431	40,113	43,933
Net Income.....	<u>\$ 28,350</u>	<u>\$ 19,701</u>	<u>\$ 91,535</u>	<u>\$ 74,331</u>
Net income per share - basic.....	<u>\$ 0.36</u>	<u>\$ 0.25</u>	<u>\$ 1.16</u>	<u>\$ 0.90</u>
Weighted average shares - basic.....	<u>78,499</u>	<u>79,754</u>	<u>78,842</u>	<u>82,290</u>
Net income per share - diluted.....	<u>\$ 0.36</u>	<u>\$ 0.24</u>	<u>\$ 1.14</u>	<u>\$ 0.89</u>
Weighted average shares - diluted.....	<u>79,613</u>	<u>80,785</u>	<u>80,073</u>	<u>83,428</u>
Non-GAAP Financial Measures				
Net income as reported.....	\$ 28,350	\$ 19,701	\$ 91,535	\$ 74,331
Stock-based compensation expense, net of tax (5).....	11,696	10,328	39,190	43,638
Loss on facility exit and sublease, net of tax (2).....	-	3,321	-	3,321
Restructuring charges, net of tax (3).....	-	-	2,957	-
Legal settlement, net of tax (4).....	-	-	913	-
Net income excluding stock-based compensation, loss on facility exit and sublease, restructuring charges & legal settlement (Non-GAAP).....	<u>\$ 40,046</u>	<u>\$ 33,350</u>	<u>\$ 134,595</u>	<u>\$ 121,290</u>
Net income per share excluding stock-based compensation, loss on facility exit and sublease, restructuring charges & legal settlement (Non-GAAP) - diluted.....	<u>\$ 0.50</u>	<u>\$ 0.41</u>	<u>\$ 1.68</u>	<u>\$ 1.45</u>
Weighted average shares - diluted.....	<u>79,613</u>	<u>80,785</u>	<u>80,073</u>	<u>83,428</u>
(1) Includes stock-based compensation as follows:				
Cost of net revenues.....	\$ 1,472	\$ 1,175	\$ 5,152	\$ 4,345
Sales and marketing.....	6,125	5,623	22,644	24,061
Research and development.....	4,468	4,106	16,666	16,326
General and administrative.....	3,272	3,858	11,602	15,850
Tax effect of stock based compensation.....	(3,641)	(4,434)	(16,874)	(16,944)
	<u>\$ 11,696</u>	<u>\$ 10,328</u>	<u>\$ 39,190</u>	<u>\$ 43,638</u>
(2) Includes loss on facility exit and sublease as follows:				
Loss on facility exit and sublease.....	\$ -	\$ 5,271	\$ -	\$ 5,271
Tax effect of loss on facility exit and sublease.....	-	(1,950)	-	(1,950)
	<u>\$ -</u>	<u>\$ 3,321</u>	<u>\$ -</u>	<u>\$ 3,321</u>
(3) Includes restructuring charges as follows:				
Loss on facility exit.....	\$ -	\$ -	\$ 2,194	\$ -
Restructuring charges.....	-	-	2,135	-
Tax effect of loss on facility exit and restructuring charges.....	-	-	(1,372)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,957</u>	<u>\$ -</u>
(4) Includes legal settlement as follows:				
Legal settlement.....	\$ -	\$ -	\$ 1,337	\$ -
Tax effect of legal settlement.....	-	-	(424)	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913</u>	<u>\$ -</u>
(5) Stock-based compensation is accounted for in accordance with the fair value recognition provisions of the Equity Topic of the Accounting Standards Codification.				