

best practices   blog   browser

code   content   cookies   events

data center   decryption   desktop

dynamic infrastructure

em   green IT   hardware   i10

identification   IPsec   IPv6   iTunes

open source   optimization

# F5 Networks

## 2010 Analyst / Investor Meeting

### New York ~ November 16, 2010



IT agility. Your way.

## Forward-Looking Statements

Except for historical information, our presentation today contains forward-looking statements which include words such as “believe,” “anticipate” and “expect.”

These forward-looking statements involve risks and uncertainties that may cause the company’s actual results to differ materially from those expressed or implied by these statements.

Factors that may affect F5's results are summarized in our quarterly release and described in detail in our SEC filings.

F5 has no obligation to update any information discussed in this presentation.



best practices blog browser

code content cookies news

datacenter description events

forums infrastructure

green IT hardware i100

industry IPsec IPv6 issues

open source optimization

# F5 Networks

## 2010 Analyst / Investor Meeting

### New York ~ November 16, 2010

John McAdam  
President & CEO



IT agility. Your way.

# Agenda

8:00	<b>Welcome/Introduction</b>	<b>John McAdam,</b> <i>President &amp; CEO</i>
8:10	<b>Business Model Overview / Financial Outlook</b>	<b>Andy Reinland,</b> <i>SVP &amp; Chief Finance Officer</i>
8:25	<b>Market, Partners, Competitors</b>	<b>Dan Matte,</b> <i>SVP Marketing, Corporate Development &amp; Business Development</i>
8:55	<b>Solving Customer Problems / Expanding Service Provider Opportunity</b>	<b>Erik Giesa,</b> <i>VP Product Management</i>
9:25	<b>Business Development / Strategic Partnerships</b>	<b>Jim Ritchings,</b> <i>VP Business Development</i>
9:45	<b>BREAK</b>	
10:00	<b>Sales Update</b>	<b>Mark Anderson,</b> <i>SVP Worldwide Sales</i>
10:25	<b>Services Update</b>	<b>Julian Eames,</b> <i>SVP Business Operations</i>
10:45	<b>Technology Update / Roadmap</b>	<b>Karl Triebes,</b> <i>SVP Product Development &amp; Chief Technical Officer</i>
11:20	<b>Q&amp;A</b>	
12:00	<b>ADJOURN</b>	

best practices blog browser

code content cookies news

datacenter description events

forums infrastructure

ip green IT hardware iSCSI

management IPsec IPv6 issues

open source optimization

# F5 Networks

## 2010 Analyst / Investor Meeting

### New York ~ November 16, 2010

Andy Reinland

SVP & Chief Finance Officer



IT agility. Your way.

## F5: Fiscal 2010 Year-End Highlights

### Continued Leadership in Application Delivery Networking

#### Revenue Growth

- Total revenue up 35% year-over-year
- Product revenue up 38% year-over-year
- Sequential growth throughout the year
- Growth across all geographic regions

#### Solid profitability

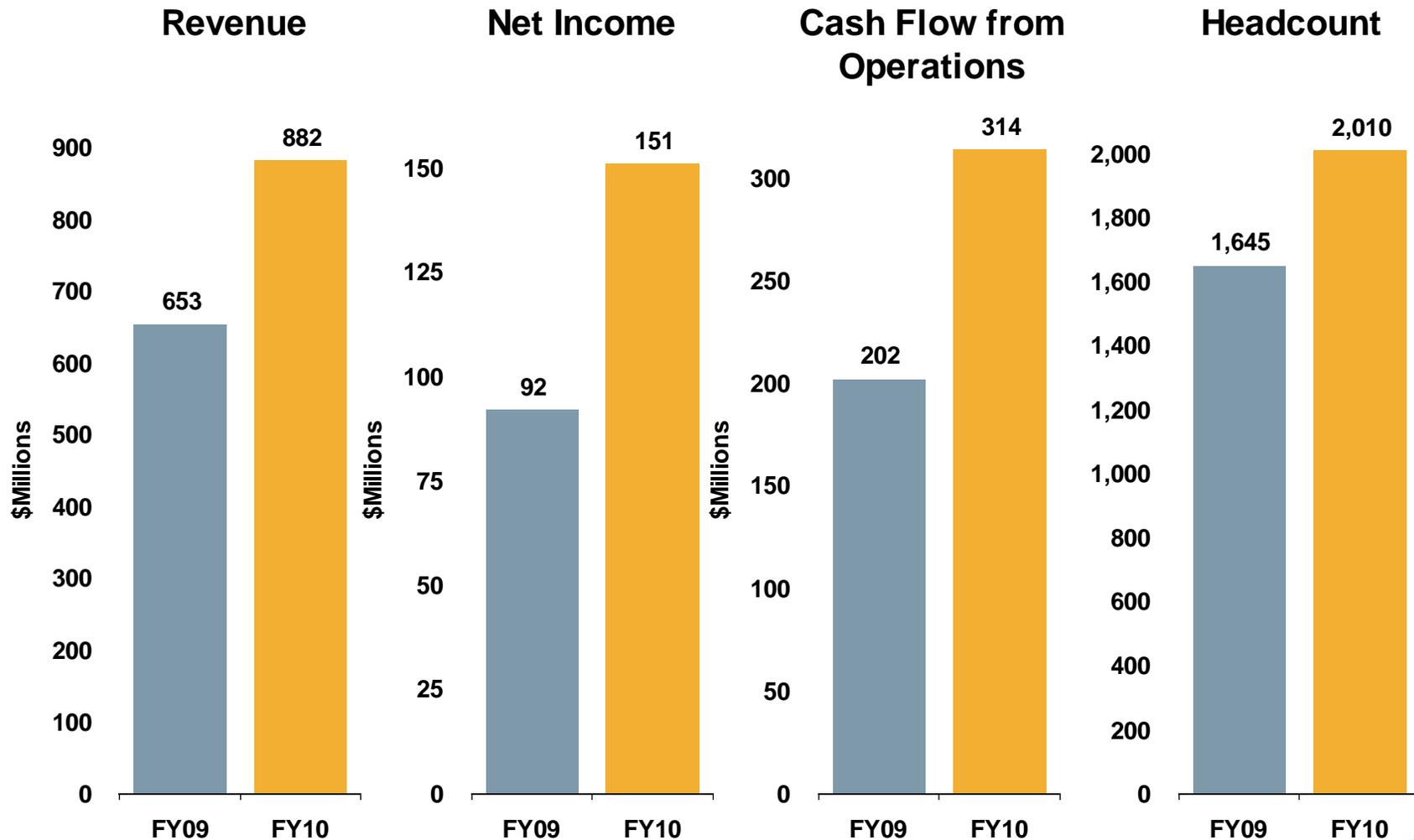
- Margins improved steadily throughout the year
- Non-GAAP Gross margin: 81.3% in FY10, up from 79.1% in FY09
- Non-GAAP Operating Margin: 37.8% in Q4, 34.1% for FY10

#### Healthy balance sheet

- Zero debt
- Strong cash flow from operations: \$314 million in FY10
- \$862 million in cash and investments
- Deferred revenue: \$259.4 million, up 41.6% year-over-year

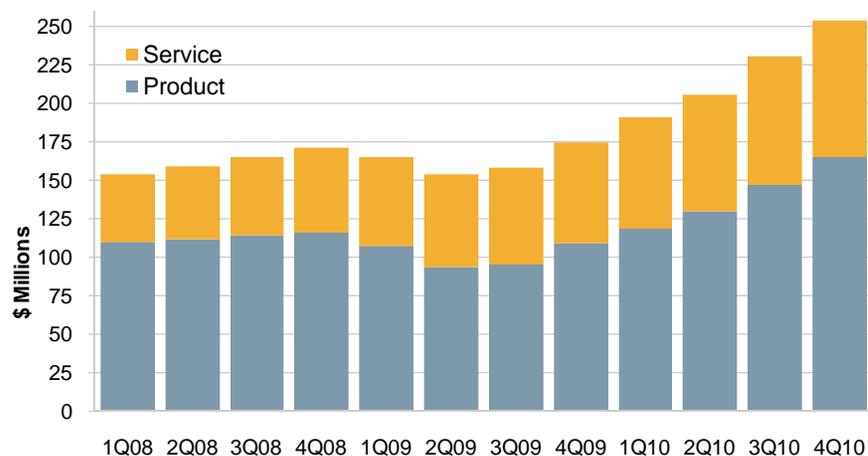


## FY 2009 vs FY 2010

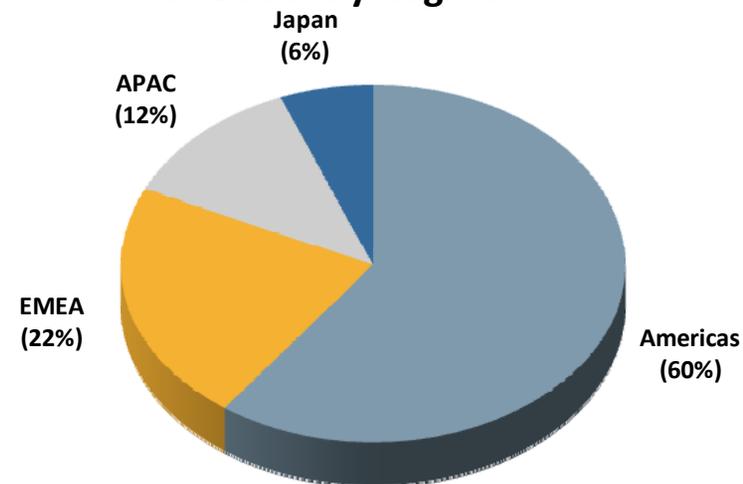


# Revenue Breakout

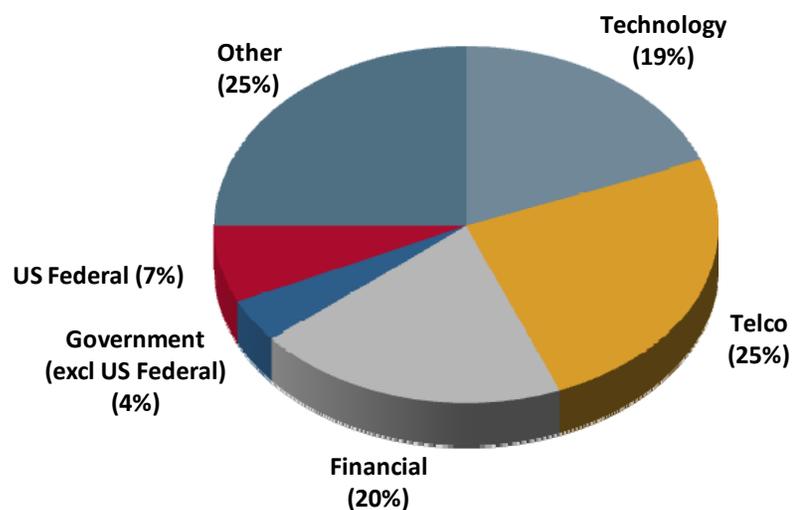
## Total Revenue



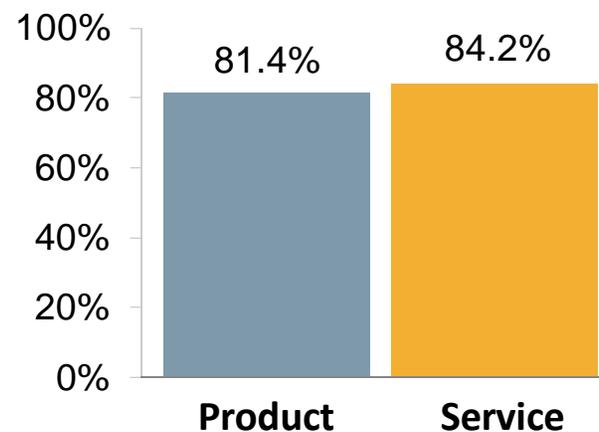
## Revenue by Region



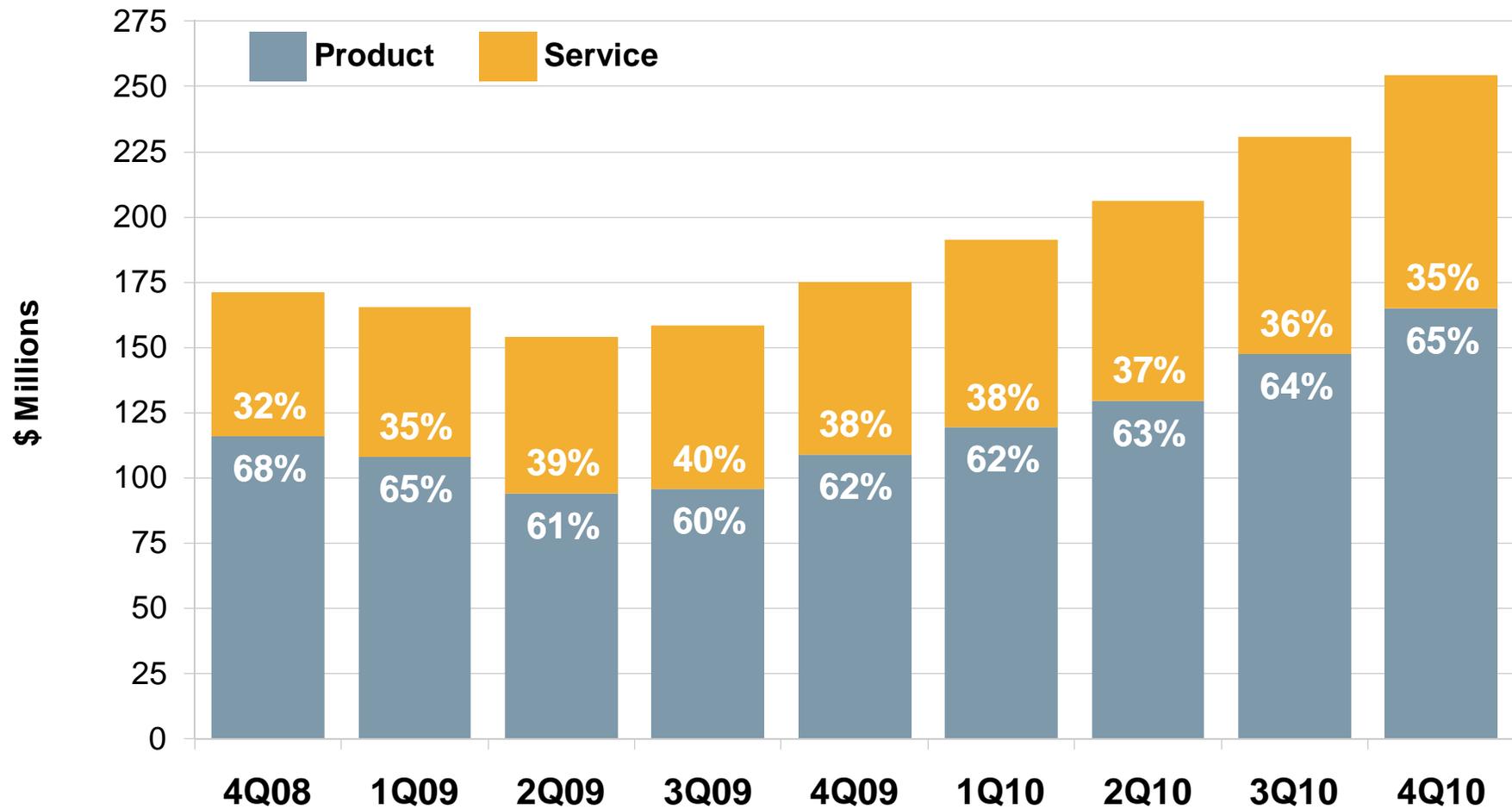
## Revenue by Industry Vertical



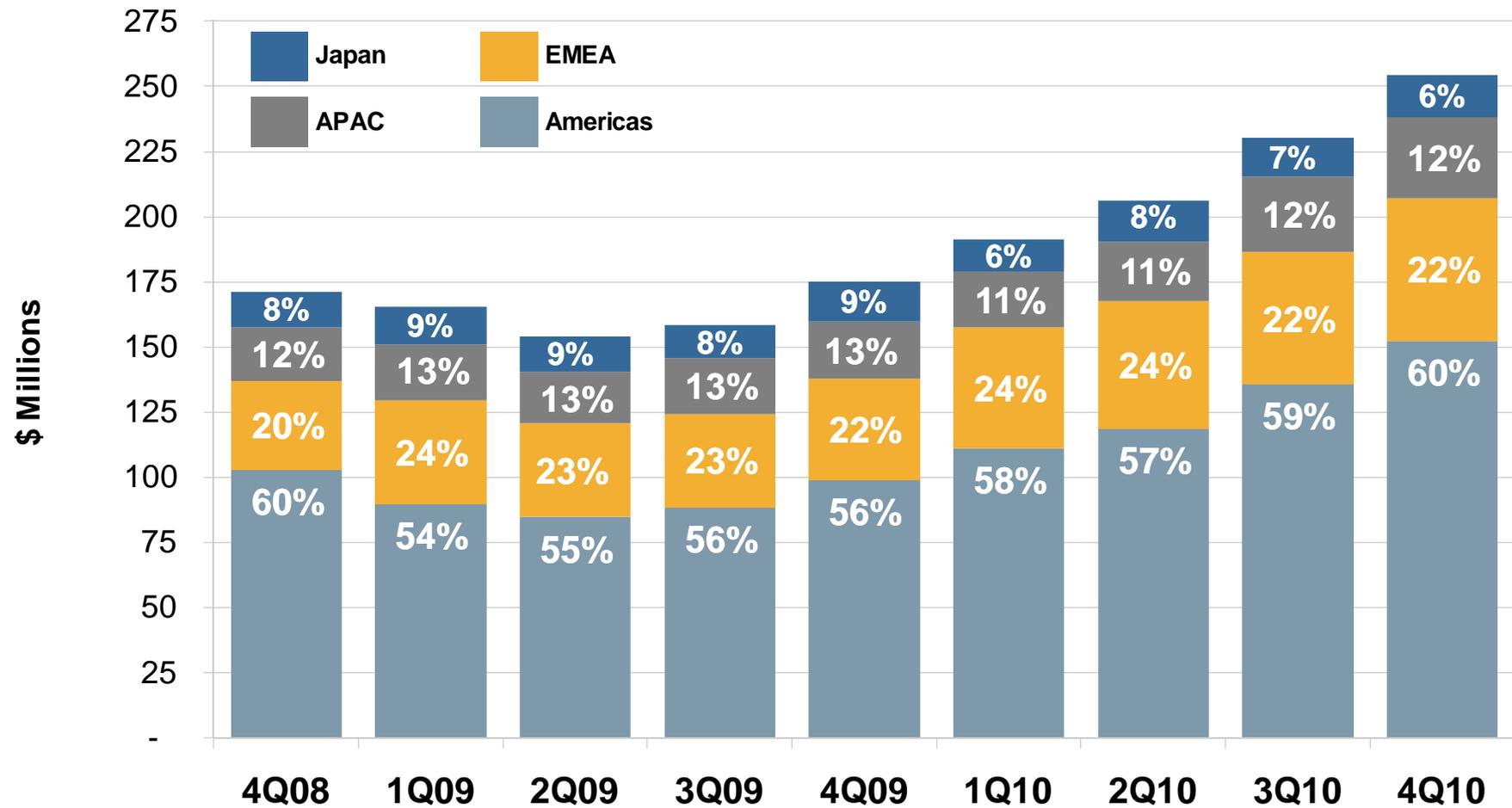
## Non-GAAP Gross Margins



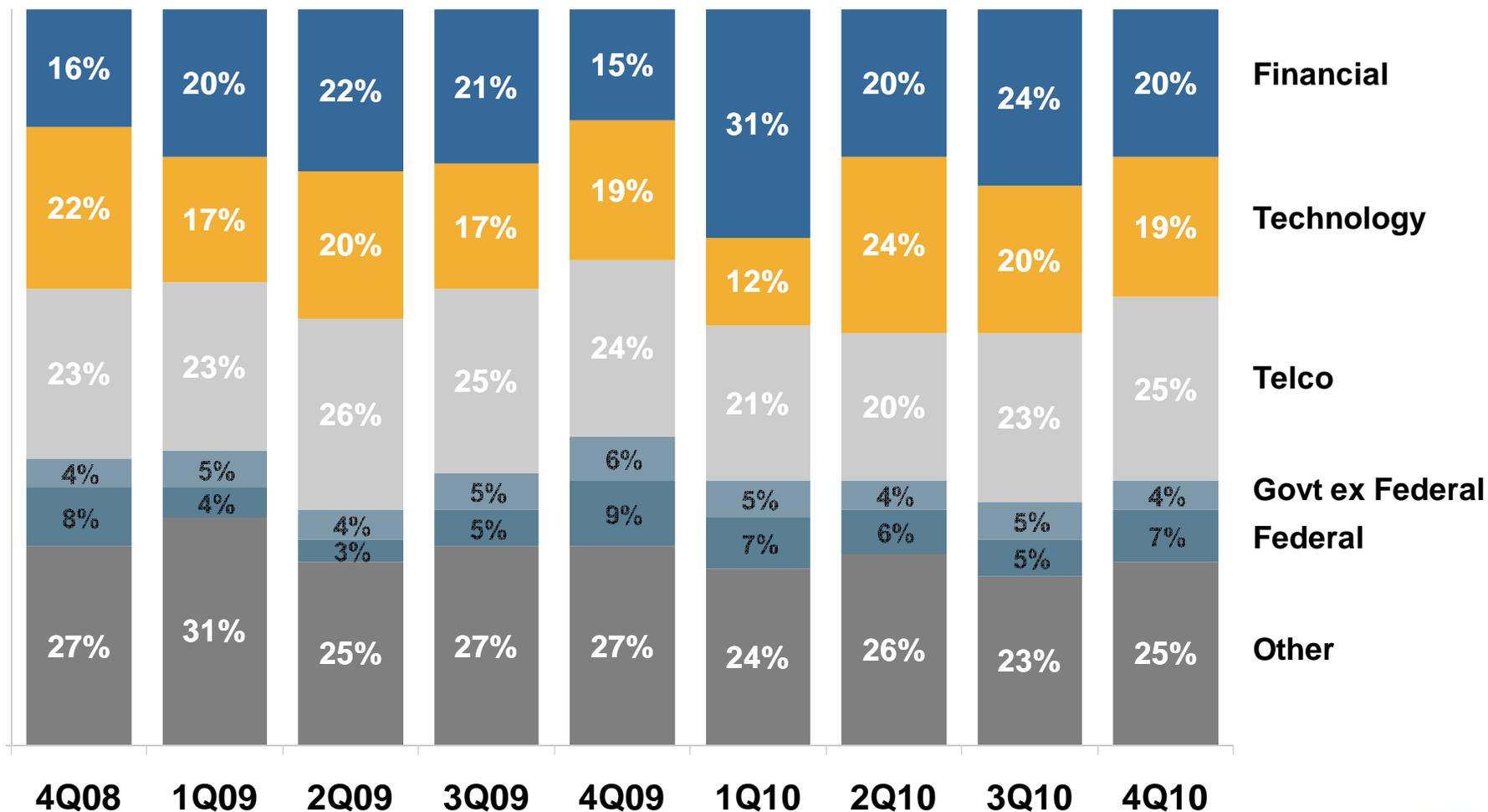
## Revenue Trends: Product & Service



## Revenue Trends: Geography

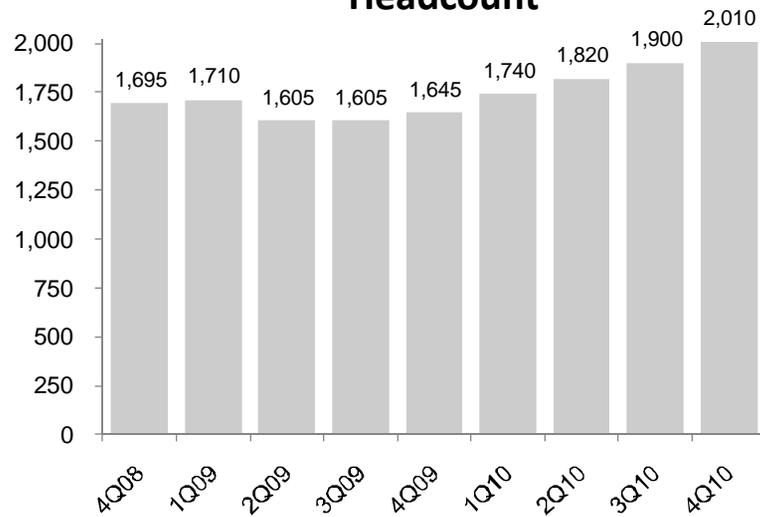


## Revenue Trends: Industry Vertical

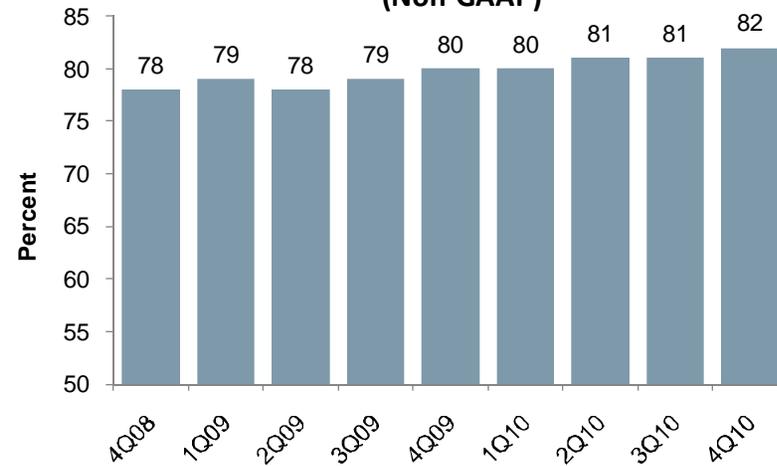


# Business Model Trends

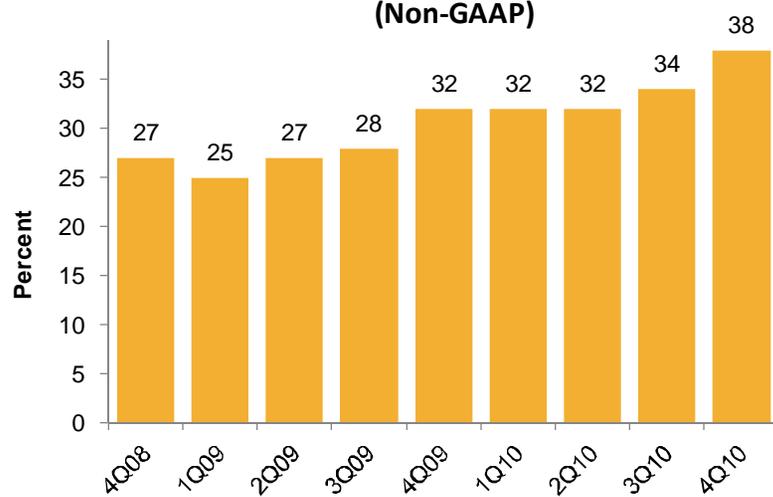
## Headcount



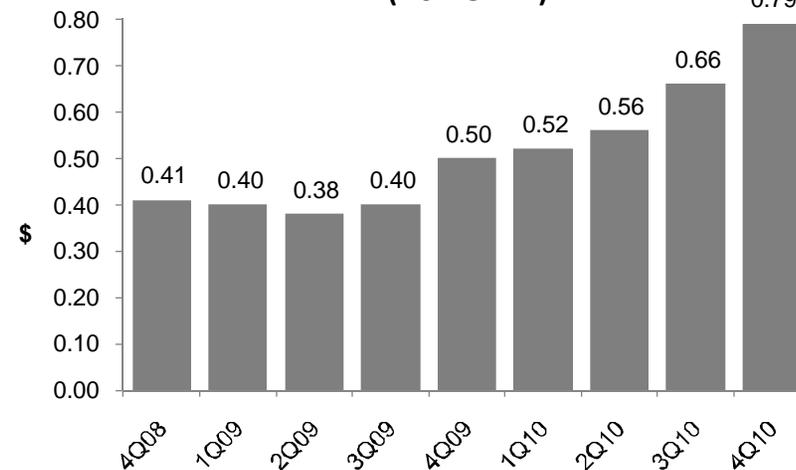
## Gross Margin (Non-GAAP)



## Operating Margin (Non-GAAP)

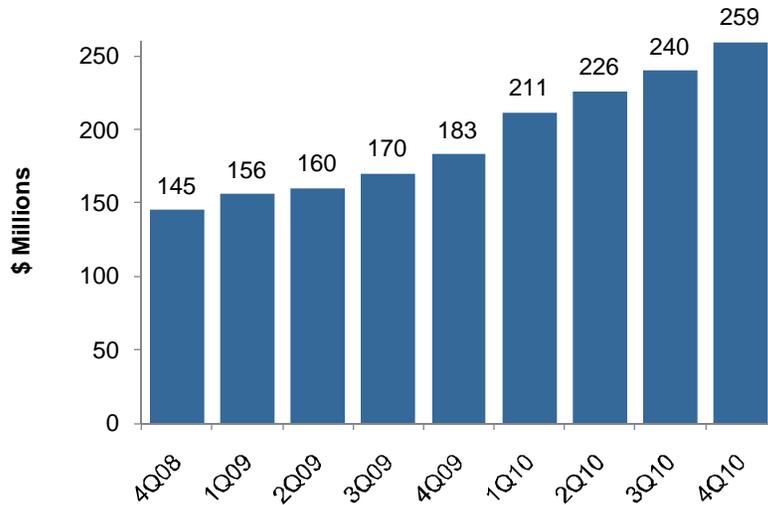


## EPS (Non-GAAP)

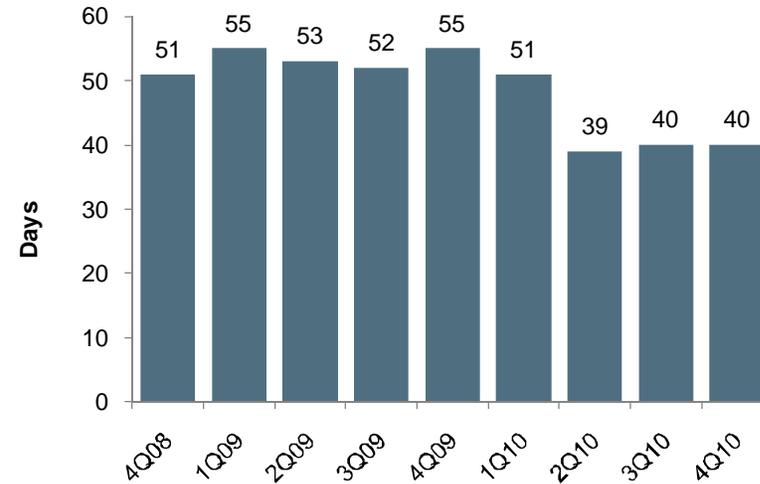


# Balance Sheet Trends

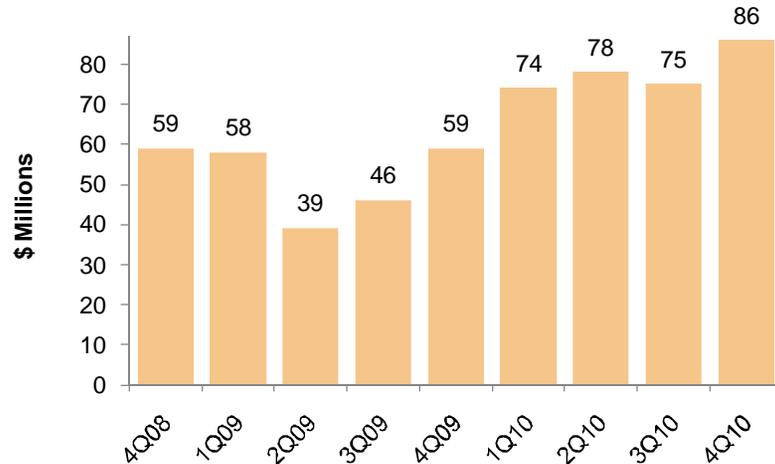
## Deferred Revenue



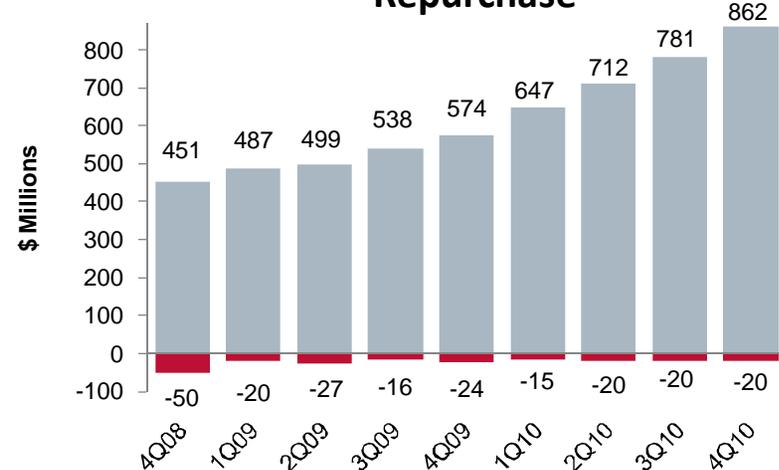
## DSO



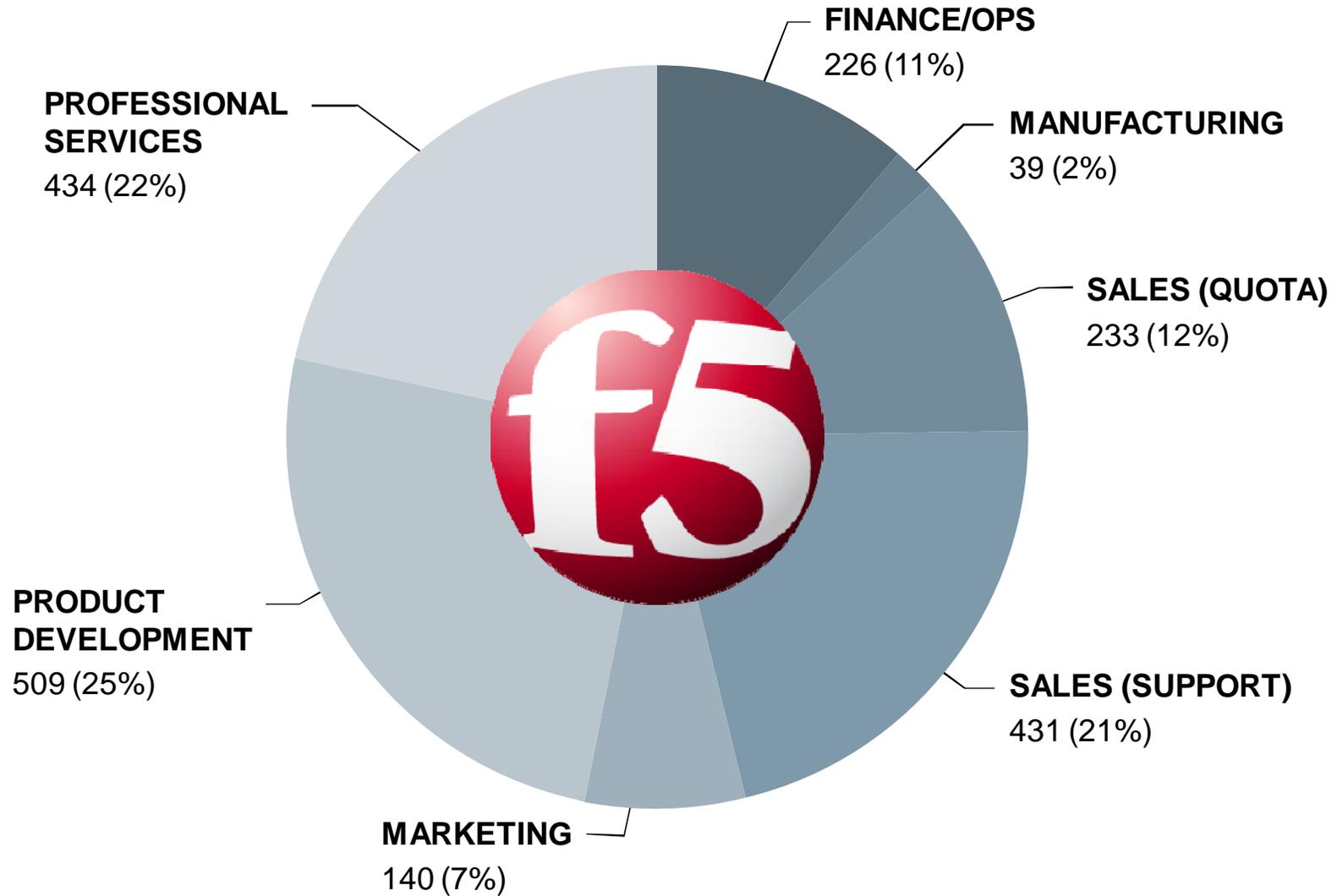
## Cash Flow from Operations



## Cash & Investments/Share Repurchase



# Headcount



## 4Q10 Results / 1Q11 Targets

	Q4 Actual	Q1 Guidance
<b>Revenue</b>	\$254.3	\$265–270
<b>Gross Margin (GAAP)</b>	81.6%	81–82%
<b>Operating Expenses (GAAP)</b>	\$131.1	\$137–141
<b>EPS (GAAP)</b>	\$0.59	\$0.62–0.64
<b>EPS (non-GAAP)</b>	\$0.79	\$0.80–0.82
<b>DSO</b>	40 days	Low 40s
<b>Inventory</b>	\$18.8	\$17–19
<b>Cash Flow from Operations</b>	\$86.4	> \$95

*Dollar amounts in millions except EPS*



## FY11 Planning Assumptions

- Sequential revenue growth throughout fiscal 2011
- Gross margins in 81% to 82% range
- Non-GAAP operating margin between 36% and 38%
- Stock based compensation expense at Q1 levels until next annual grant in August.
- CapEx approximately \$4 - 8 million per quarter.
- Tax Rates
  - GAAP: 36.5%
  - NonGAAP: 35%



best practices blog browser  
code content cookie data  
datacenter description device  
energy infrastructure  
green IT hardware IoT  
IPv6 IPv4 IPv8 IPv9  
open source optimization

# F5 Networks 2010 Analyst / Investor Meeting New York ~ November 16, 2010

Dan Matte

SVP Marketing,  
Corporate Development & Business Development



IT agility. Your way.

Traffic Changes & Trends Favor F5

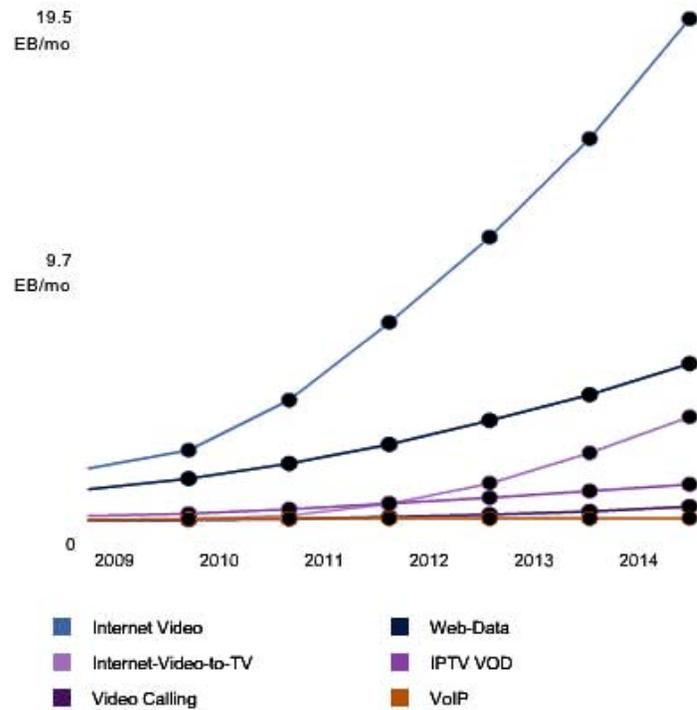
Platform Expands Market

Positioned for Cloud



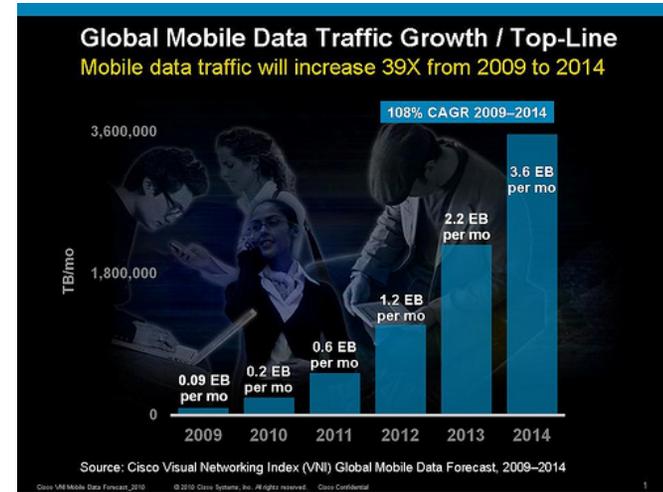
# More, More, More!

## Internet Traffic (EB /month)

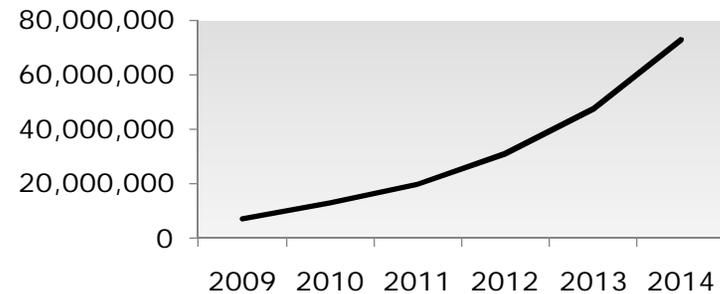


\*Cisco VNI June 2010

Exabyte = 1 billion gigabytes

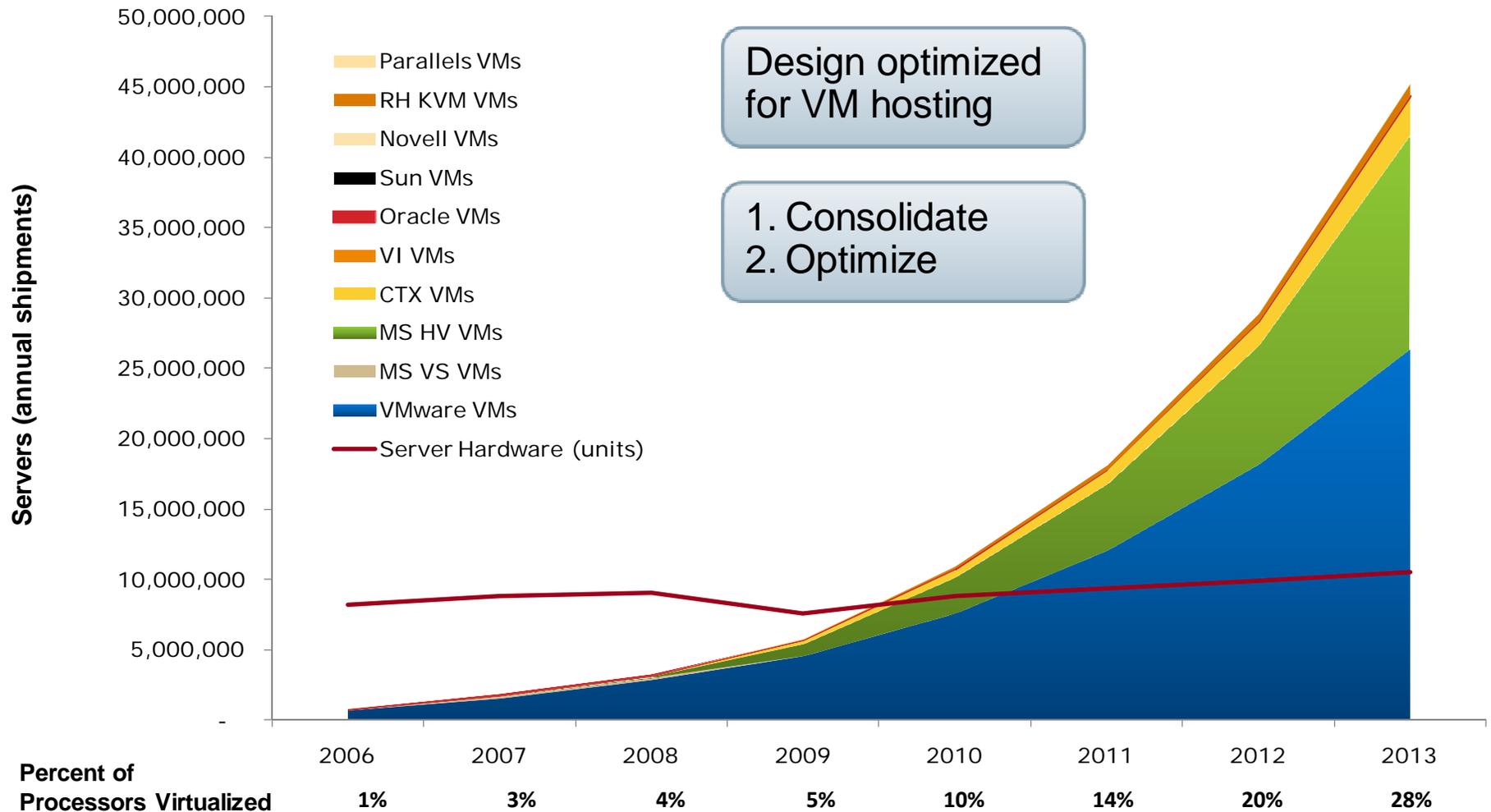


## Datacenter Storage (TB)



Source: Gartner External Controller-based Storage Forecast

# Physical or Virtual?



Source: Gartner. Percent of servers virtualized represents the portion of each year's (new) hardware which is running hypervisors.

# I Want My HTTP

## HTML5

Browser is the App



Video & Audio  
Support



Offline Web Apps



Document Editing



Drag & Drop



More Transactions

# Strategic Points of Control

## Drive New Services

### Legacy Approach

Packet Based  
Architecture



React to a Single Communication, One Direction

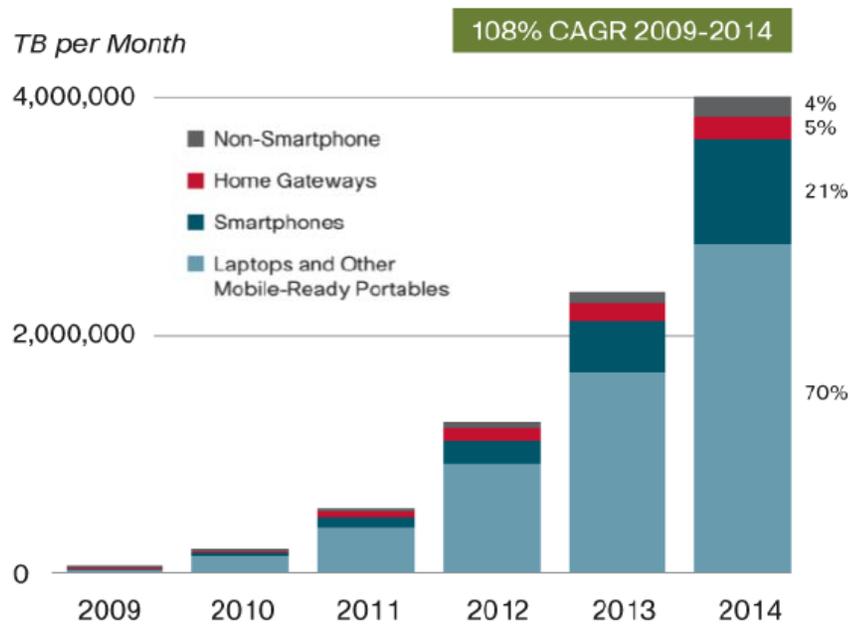
### New Opportunities

Flow / Session  
Based  
Architecture

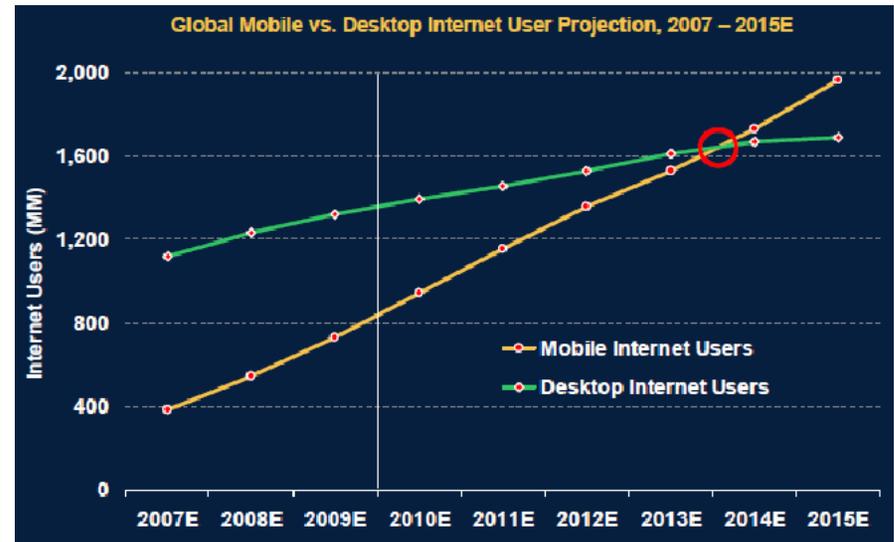


React to a Real Time, Two-Way Conversation  
Translate Between Parties

# Application Consumers Increasingly Mobile



Source: Morgan Stanley



Source: Morgan Stanley

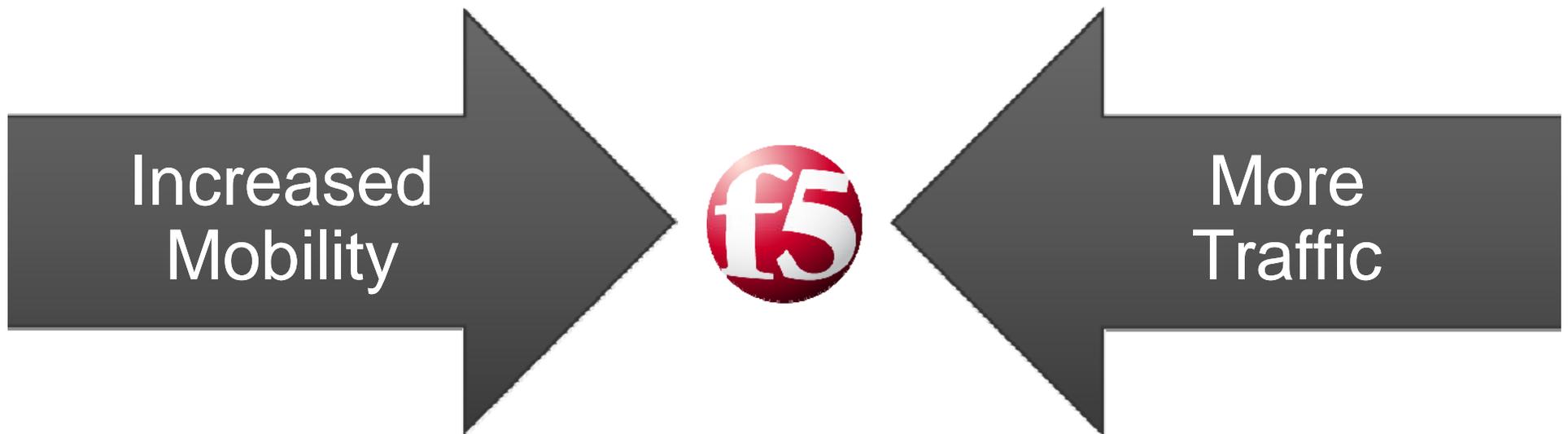


## F5 Center of Powerful Trends

Increased  
Mobility



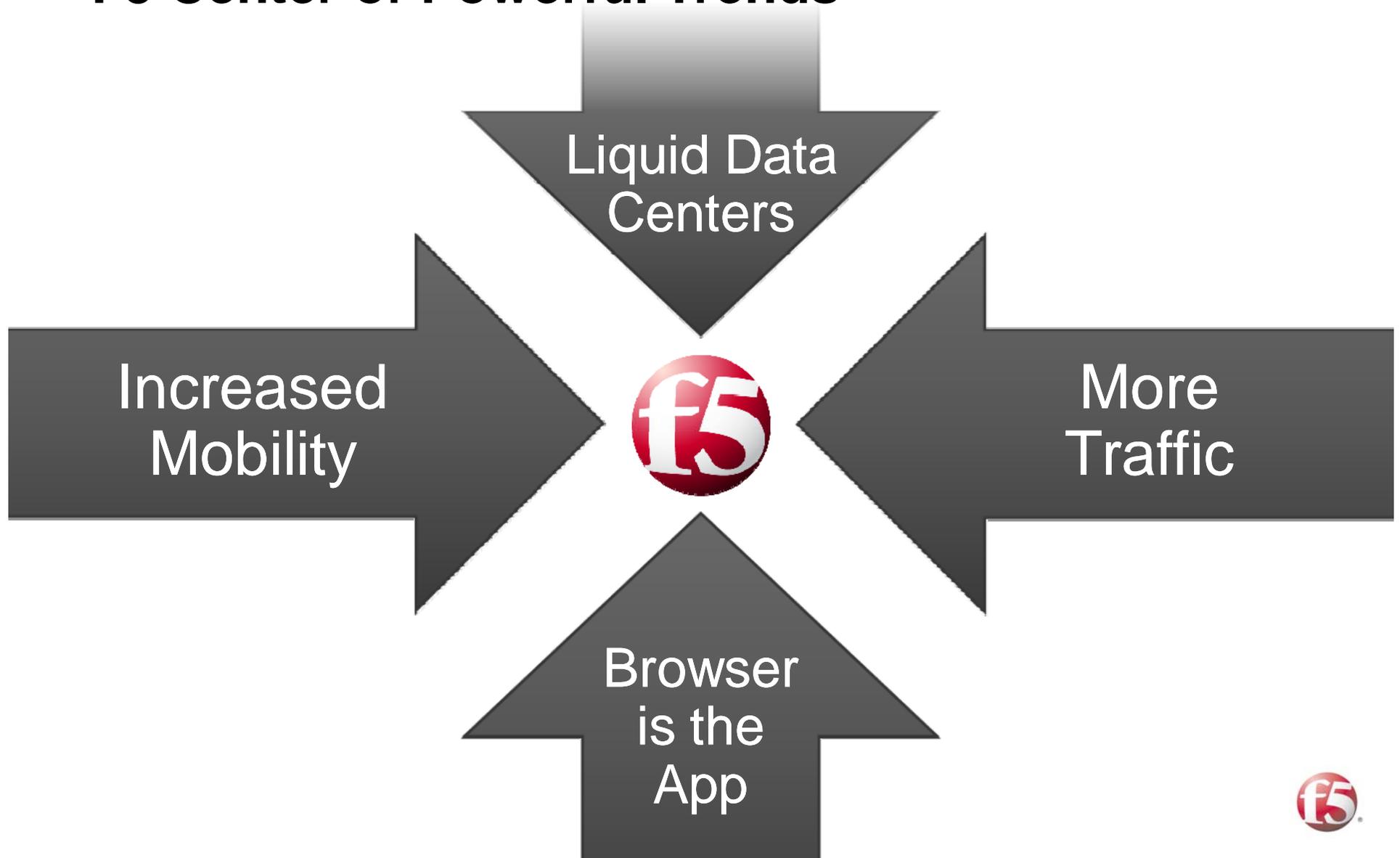
## F5 Center of Powerful Trends



## F5 Center of Powerful Trends



## F5 Center of Powerful Trends



# A Complex World Needs

## Strategic Points of Control

Each “user” has more and more access points



- Mobile devices
- Laptops
- Workstations
- Virtual Desktops
- Personal devices with enterprise access

ADN creates *virtualized users and applications (VIPs)*

- Unique ability to manage them as objects
- Ideal location to enforce policies for security, access, acceleration

Each “application” has increasingly distributed components



- Service-oriented architectures
- Virtualized servers
- Cloud-based software or components

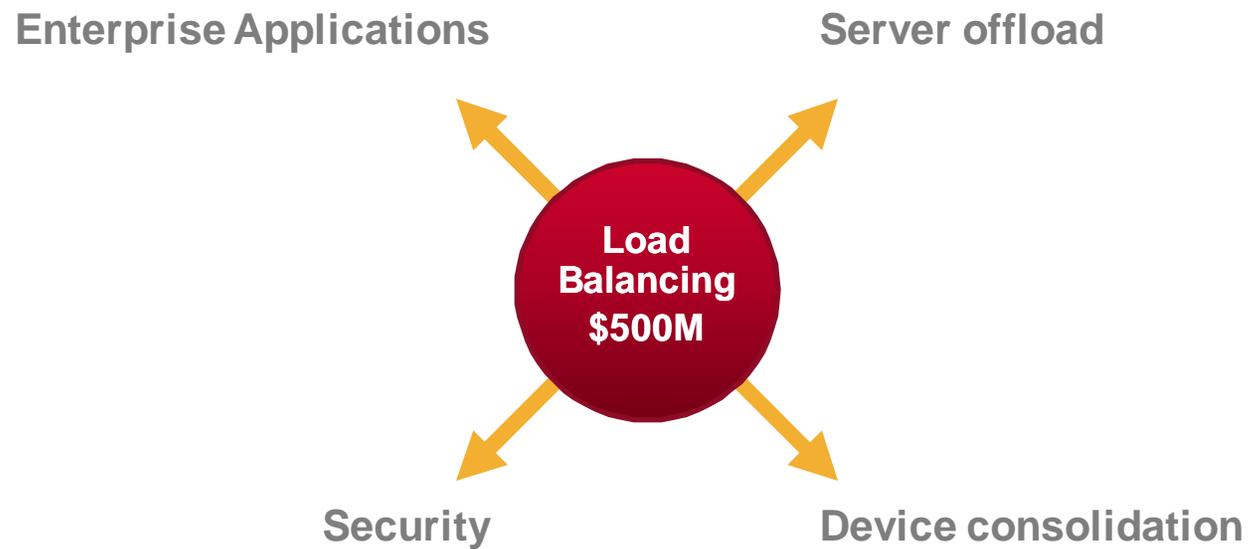


# Total Addressable Market Circa 2000

**Load  
Balancing  
\$500M**

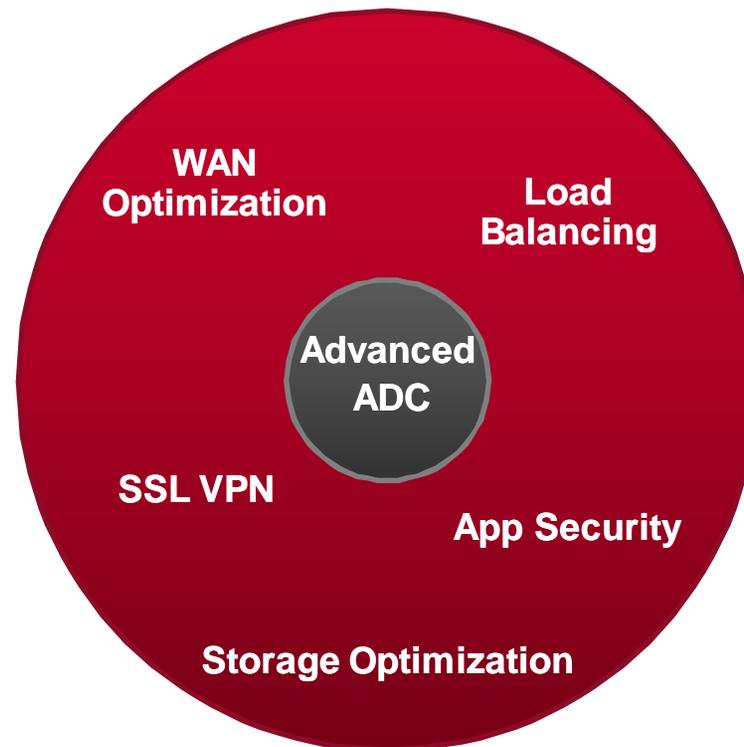


# TMOS Drives ADC Evolution

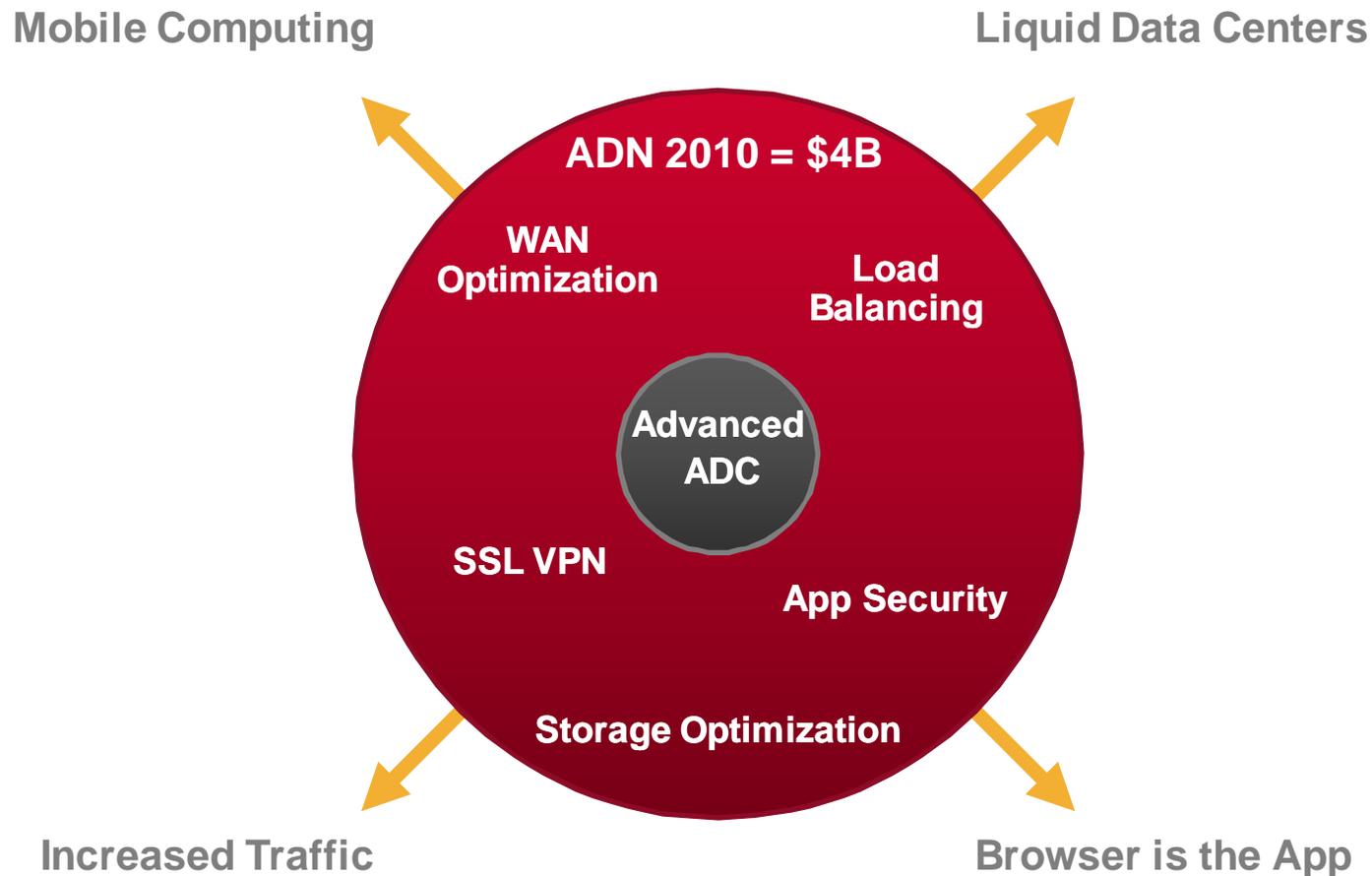


# Application Delivery Networking 2010

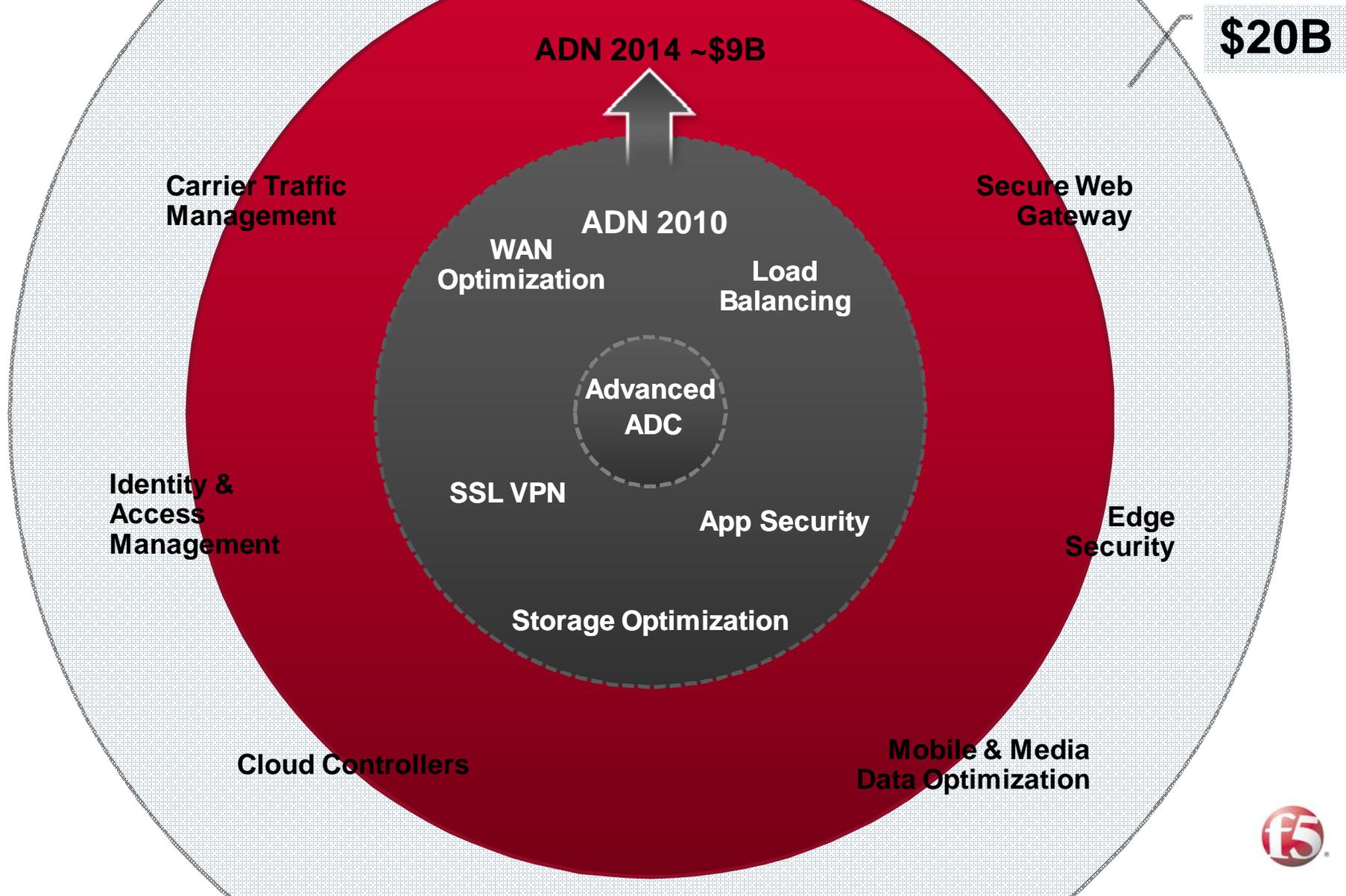
ADN 2010 = \$4B



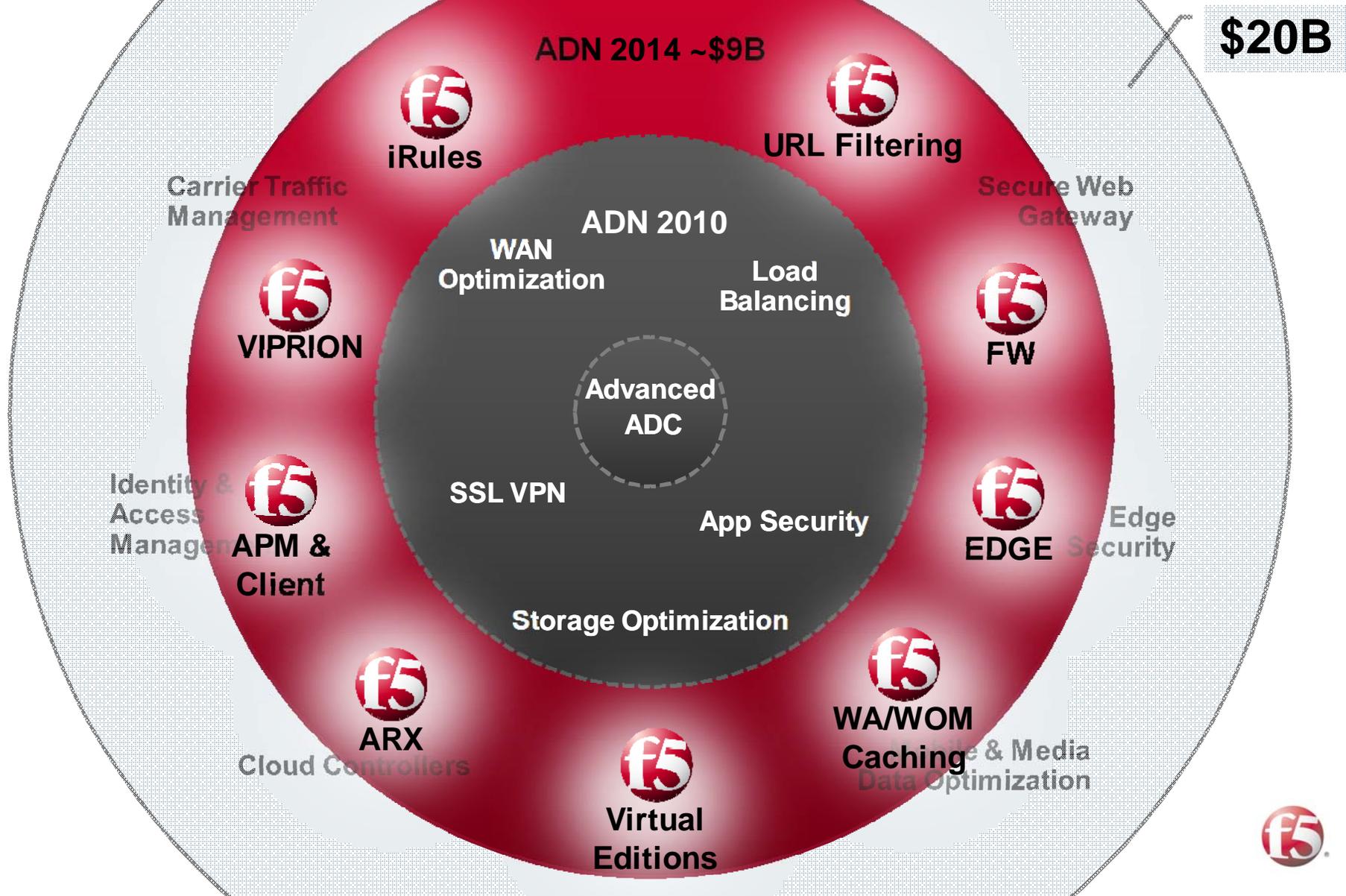
# Trends Pulling ADN Into New Markets



# TAM expands as ADN becomes a platform



# TAM expands as ADN becomes a platform



# F5 Customers Purchase More Over Time

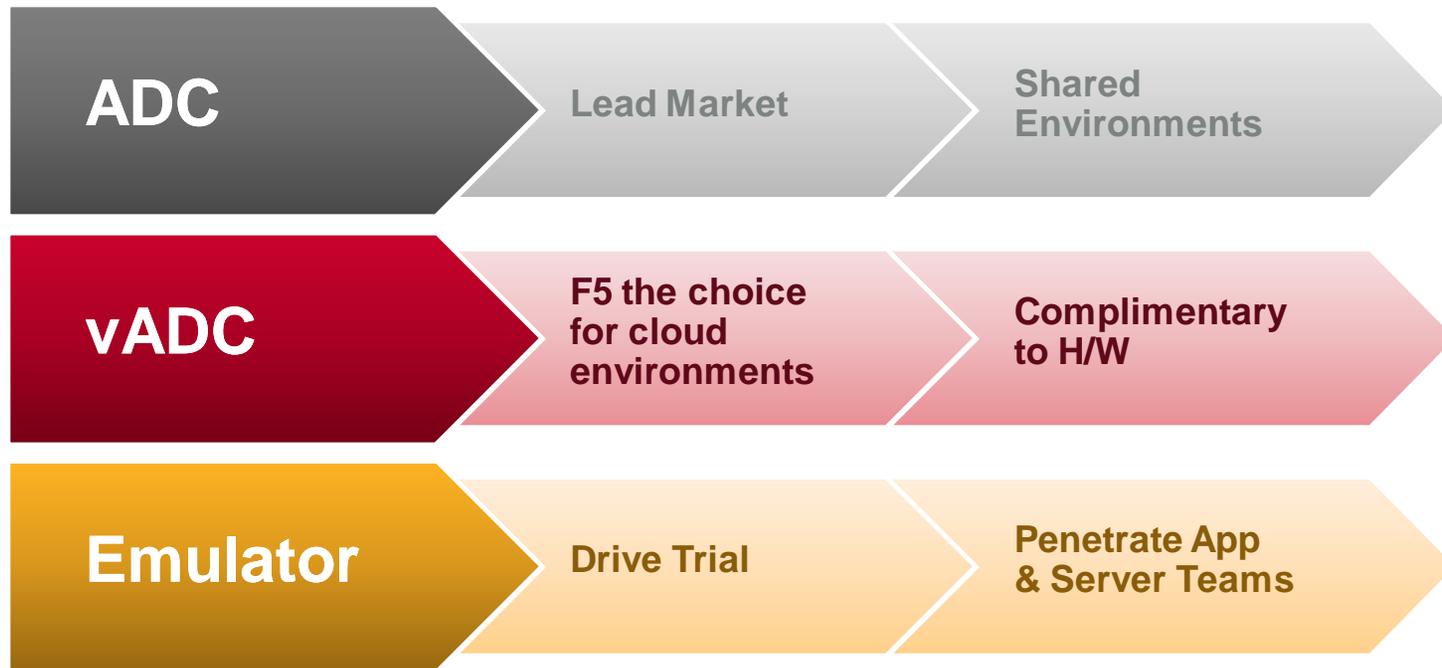
Typical large F5 customer spending curve  
(Based on top 50 customer average)



Source: F5 Sales Operations (salesforce.com data)  
Top 50 customers excludes US, PRC, and Singapore governments.



## Expanding F5's Reach



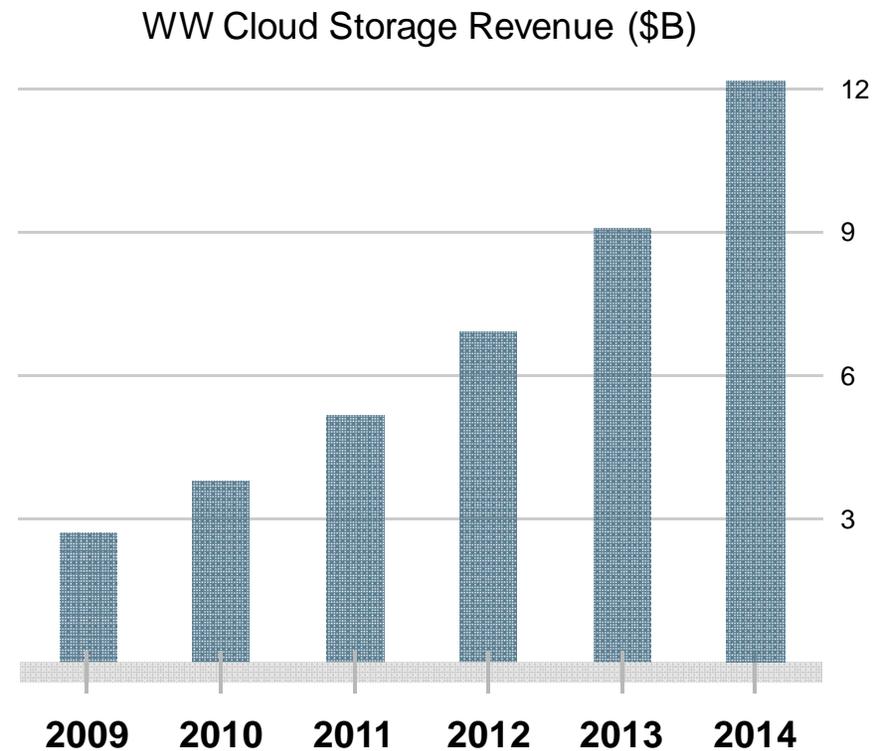
15,000+ downloads

More products coming



# ARX the Gateway to Cloud Storage

“Servers can get re-used, not storage” –Forrester



Source: IDC WW Storage in the Cloud Forecast

# F5 Well Positioned as Broker to the Cloud



F5 enterprise footprint



HTML 5



F5 Powered Clouds



Transparent Access to Server & Storage



best practices | blog | browser  
code | content | cookie | device  
data center | description | device  
domains | infrastructure | ip  
ip | green IT | hardware | ipsec  
ipsec | ipsec | ipsec | ipsec  
open source | optimization

# F5 Networks 2010 Analyst / Investor Meeting New York ~ November 16, 2010

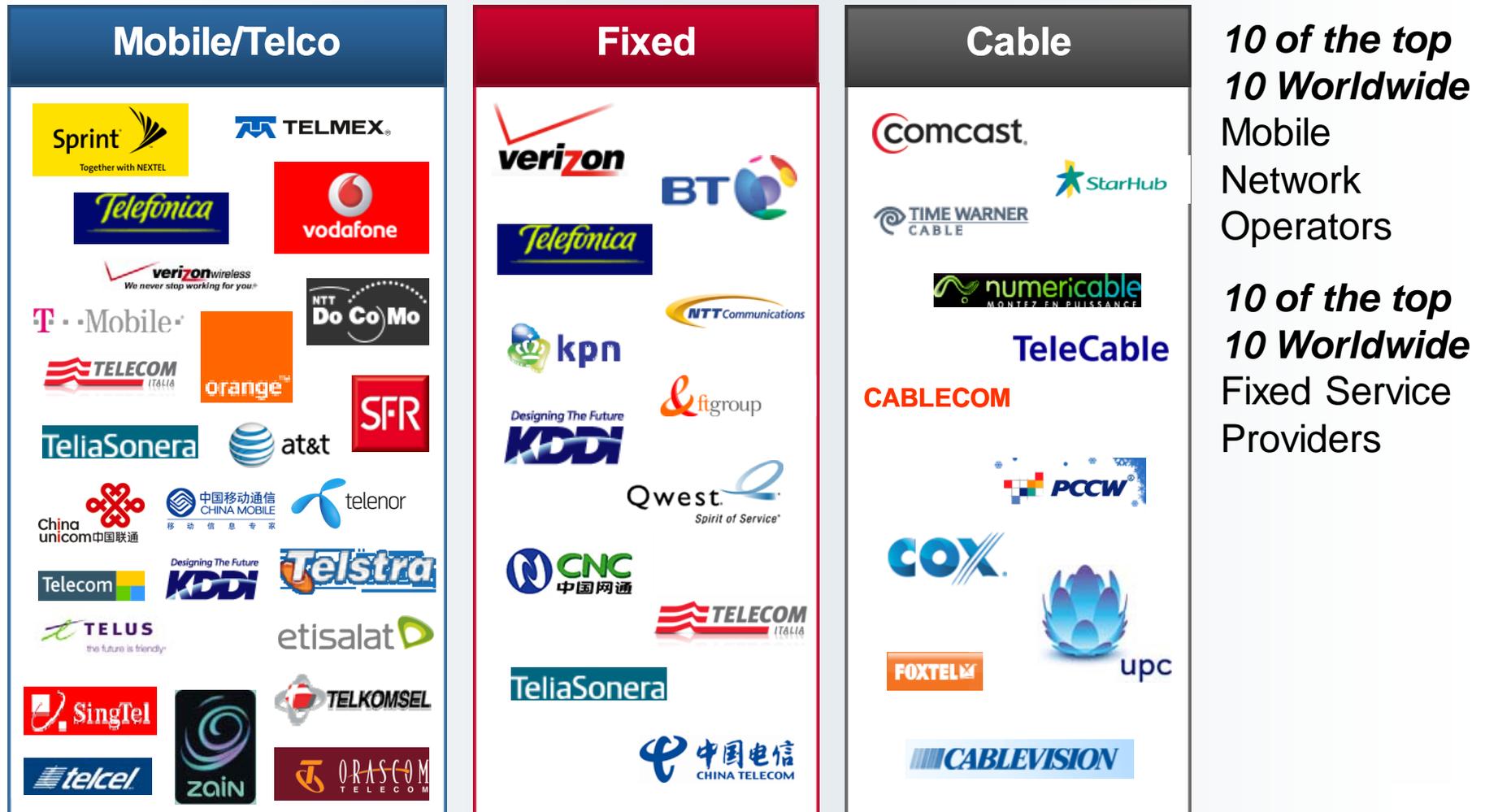
Erik Giesa

VP Product Management & Product Marketing



IT agility. Your way.

# F5 Service Provider Customers



# THE IMPENDING MOBILE DATA TSUNAMI

2009 statistics courtesy of Ovum  
2010 statistic courtesy of Openwave

## 1791 First Telegraph

Coded messages are sent with an optical telegraph, or semaphore, developed by Claude Chappe.

## 1835 Morse Code

Birth of Morse and Q code.

## 1894 First Wireless Transmission

Marconi sends the first successful wireless transmission over the Bristol Channel.

## 1901 First Radio Signal Across the Atlantic

Marconi successfully transmits radio signal across Atlantic Ocean from (first communication across the ocean) Cornwall to Newfoundland.

## 1959 First Pager

The name "pager" comes into being when Motorola makes a personal radio communications product enabling people to receive personal messages.

## 1983 First Cell Phone

The first cell phone—DynaTAC 8000X—is released to the public, 10 years after the release of the prototype in 1973.

## 1992 First SMS Message

First SMS message sent over the Vodafone GMS network. The message was sent by Neil Papworth using a personal computer

## 2009 Explosive Mobile Growth

Number of mobile subscribers reaches 4.7 billion people

2000

SMS texts sent globally:  
**5.3 trillion**

Voice calls:  
**10.6 trillion minutes** globally (equivalent to **20 million years**)

MMS texts sent globally:  
**109 billion**

## 2010 The Data Tsunami

Global mobile data traffic:  
**3,004,555 TB/year**

# THE IMPENDING MOBILE DATA TSUNAMI

2009 statistics courtesy of Ovum  
2010 statistic courtesy of Openwave

## IP Everything

- Multimedia devices
- Smart grid
- Machine-to-machine
- Video surveillance



**SMS Message**  
The first text message sent over a mobile phone network. The message was sent by Neil Papworth using a computer.

**Morse Code**  
Birth of Morse and Q code.

public, 10 years after the release of the prototype in 1973.



## Multimedia Content



- Video on demand
- Cloud computing
- VoIP
- Social media

**2009 Explosive Mobile Growth**  
Number of mobile subscribers reaches **4.7 billion people**

SMS texts sent globally:  
**5.3 trillion**

Voice calls:  
**10.6 trillion minutes** globally (equivalent to **20 million years**)

MMS texts sent globally:  
**109 billion**

**2010 The Data Tsunami**  
Global mobile data traffic:  
**3,004,555 TB/year**

2000

1800

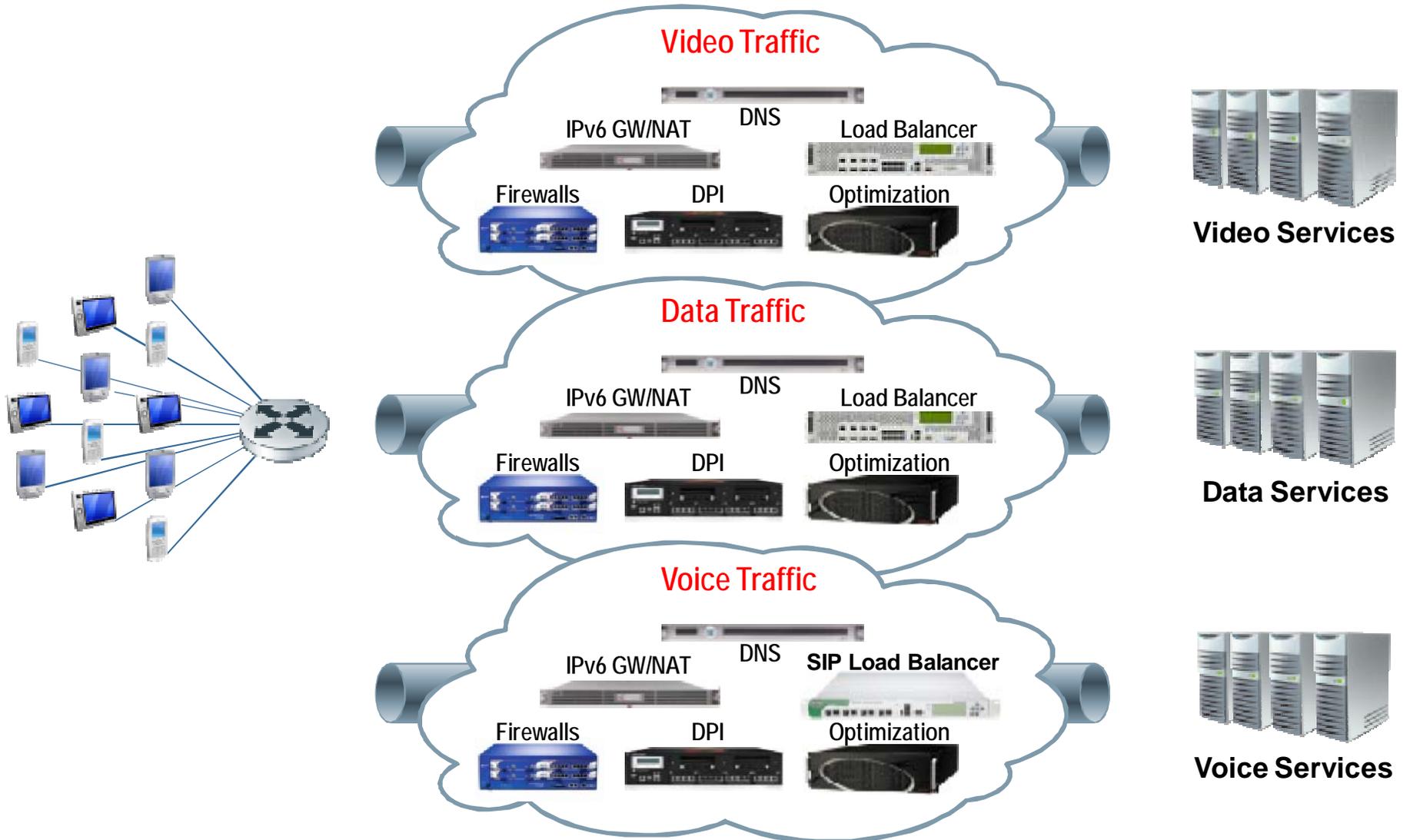
1900



IT agility. Your way.

# Traditional Approach to Meeting the Data Tsunami

Increasing operational complexity, costs, & decreasing agility



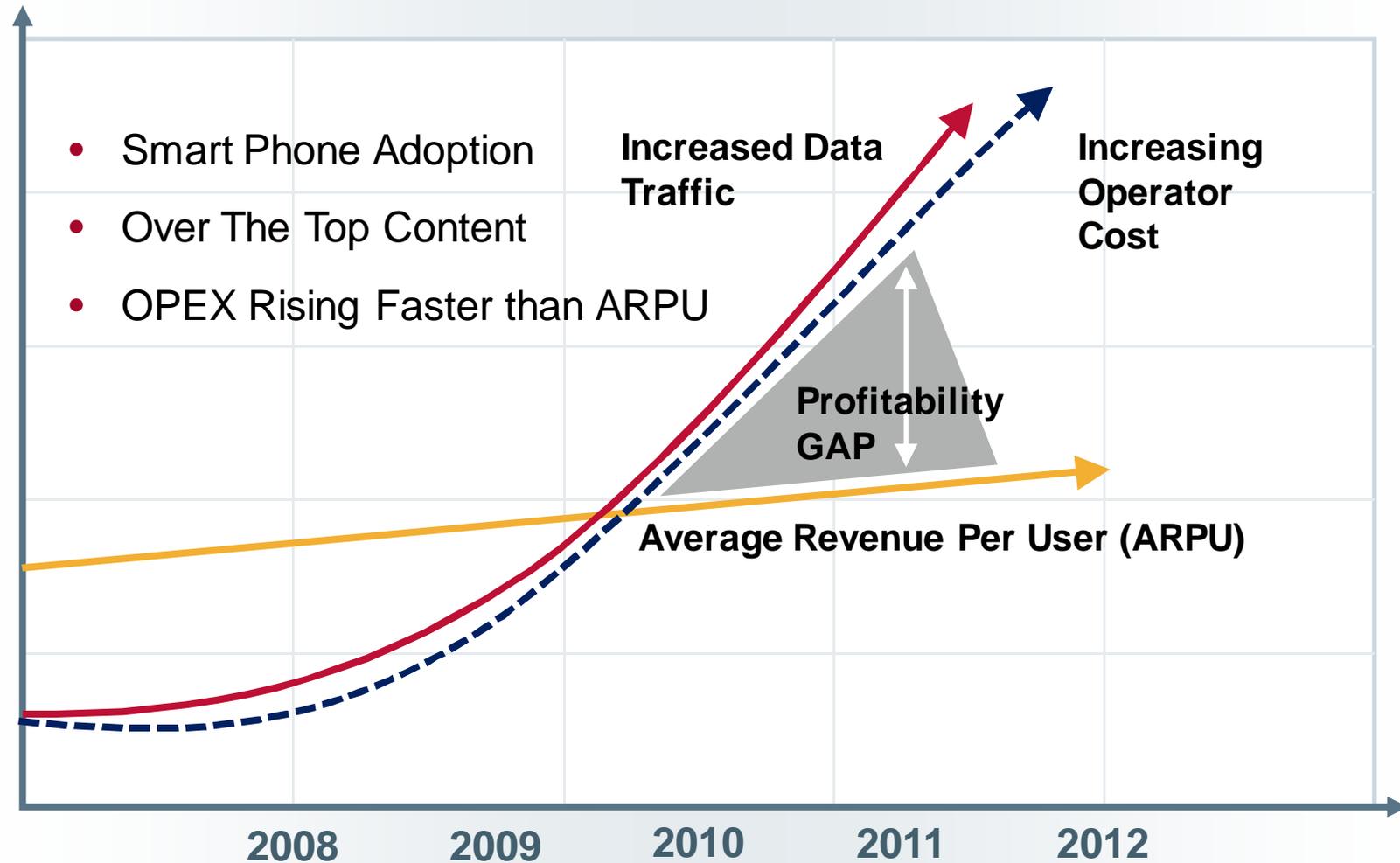
# Traditional Approach to Meeting the Data Tsunami

Increasing operational complexity, costs, & decreasing agility

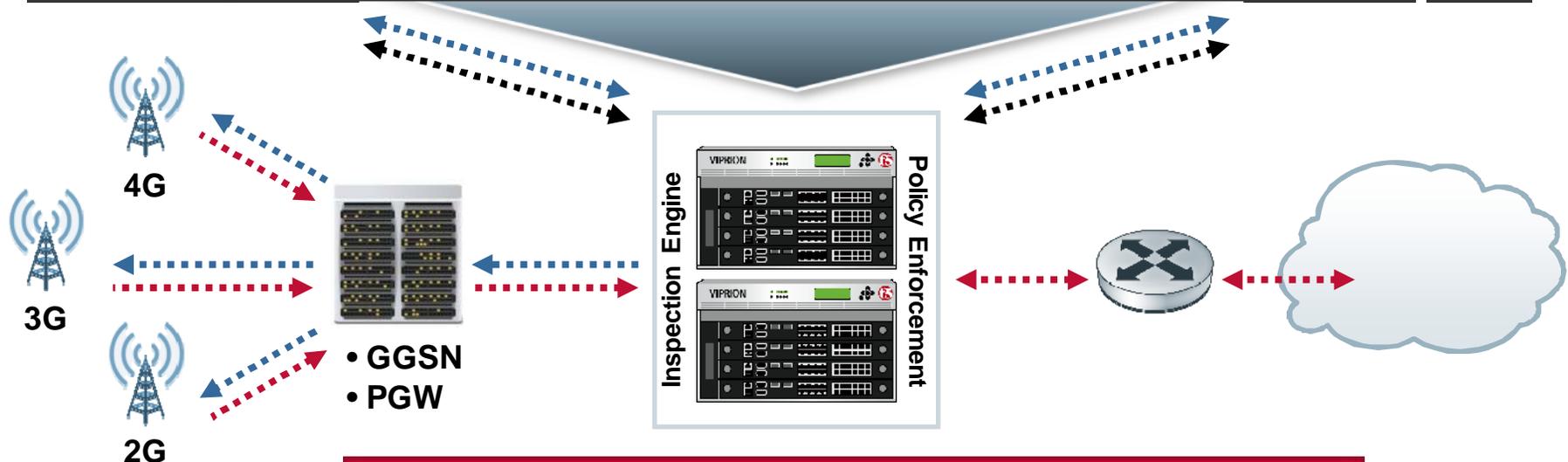
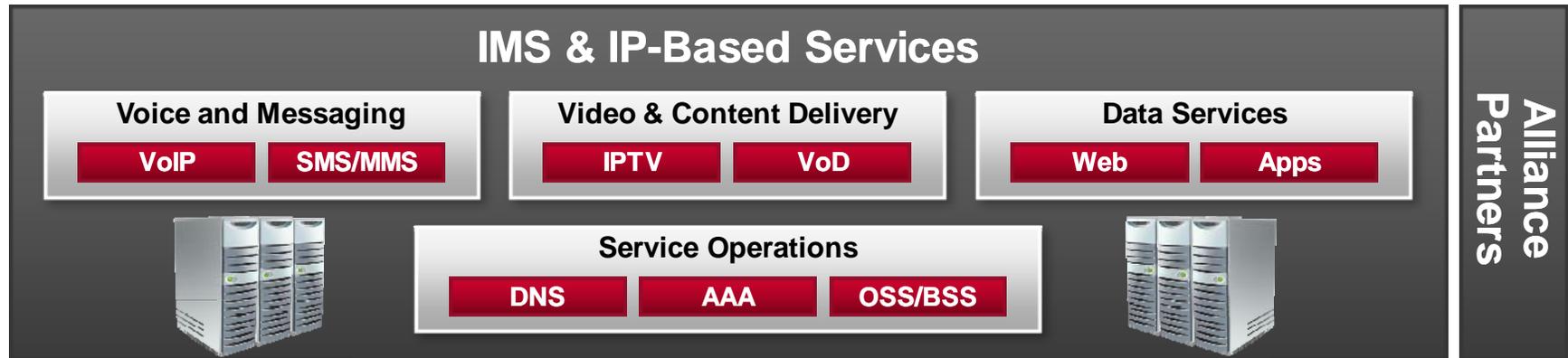


# The Unmanaged Data Tsunami

## Business Destruction



# Control the Tsunami: Strategic Points-of-Control



- KEY**
- OPTIMIZED TRAFFIC
  - NON-OPTIMIZED TRAFFIC
  - PCRF & CHARGING

**Unified Services**  
 Service Awareness, Traffic Steering, Policy Enforcement, TCP Optimization, IPv6, NAT, DNS, Security, and Service Scaling



# F5's Service Delivery Network (SDN) for Service Providers

## Integrated F5 Service Delivery Networking Products



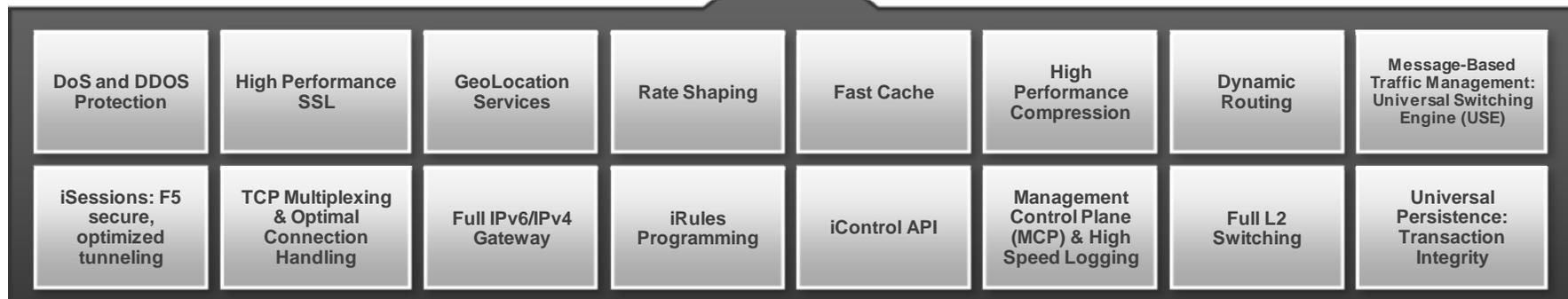
## Full Proxy Services Architecture

TCP Express: F5s Adaptive TCP Stack (client side)

F5's TMOS

TCP Express: F5's Adaptive TCP Stack (server side)

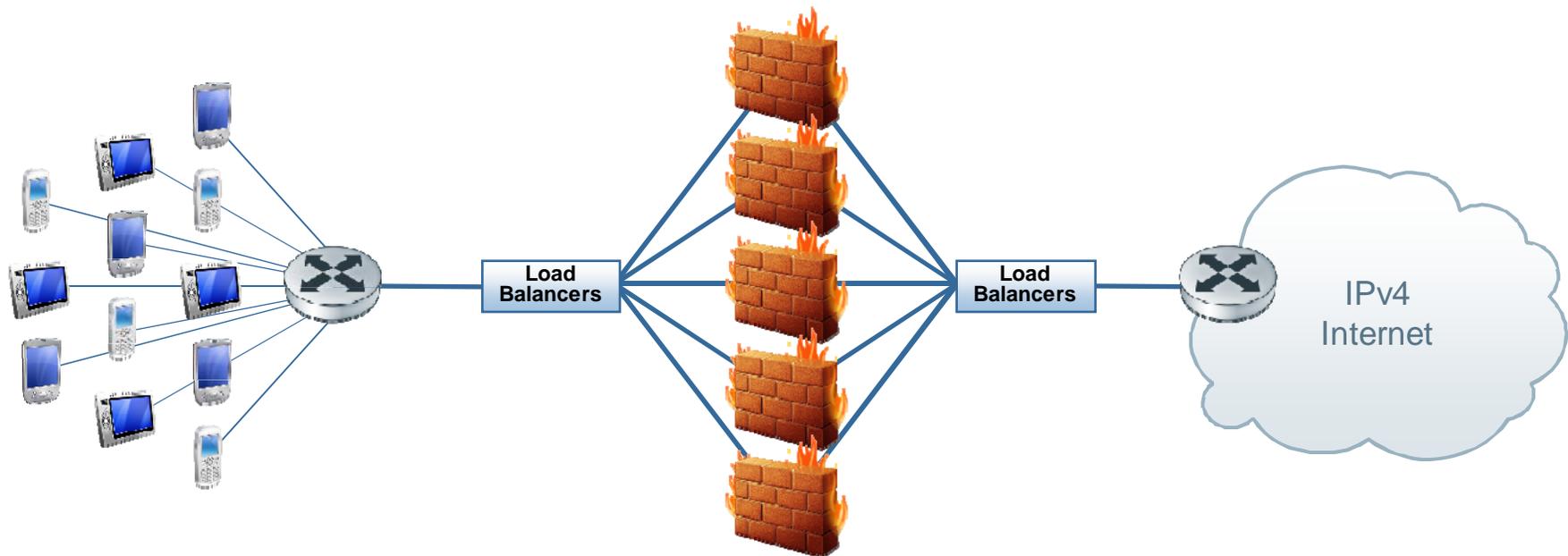
Common and Shared Services Architecture for F5 Services Delivery



Unique Carrier-Class High Performance Hardware

# Customer Problem #1: Scaling IPv6/IPv4 & NAT to Handle the Tsunami

## Typical Network Address Translation Deployment

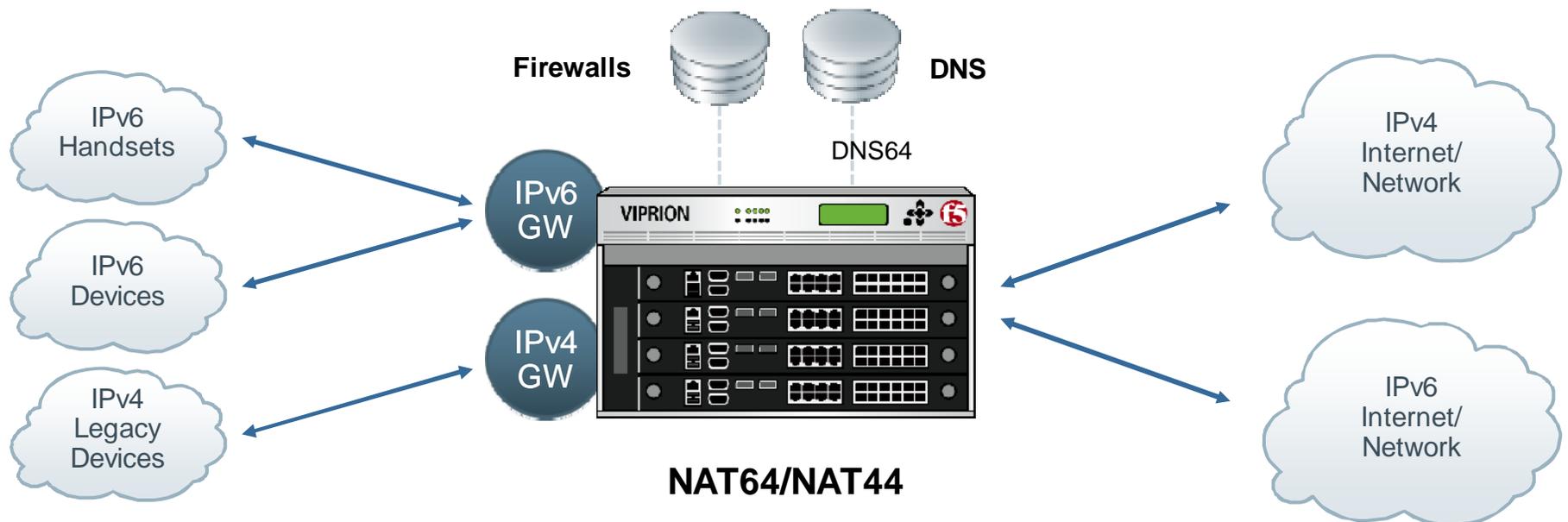


### Problem

- Growth of IP enabled devices
- Depletion of IPv4 address space
- Current firewall solutions are expensive
- Scaling and high availability issues

# Customer Solution #1: Scaling IPv6/IPv4 to Handle the Tsunami

## Integrated Large Scale NAT and IPv6 Interworking Solution



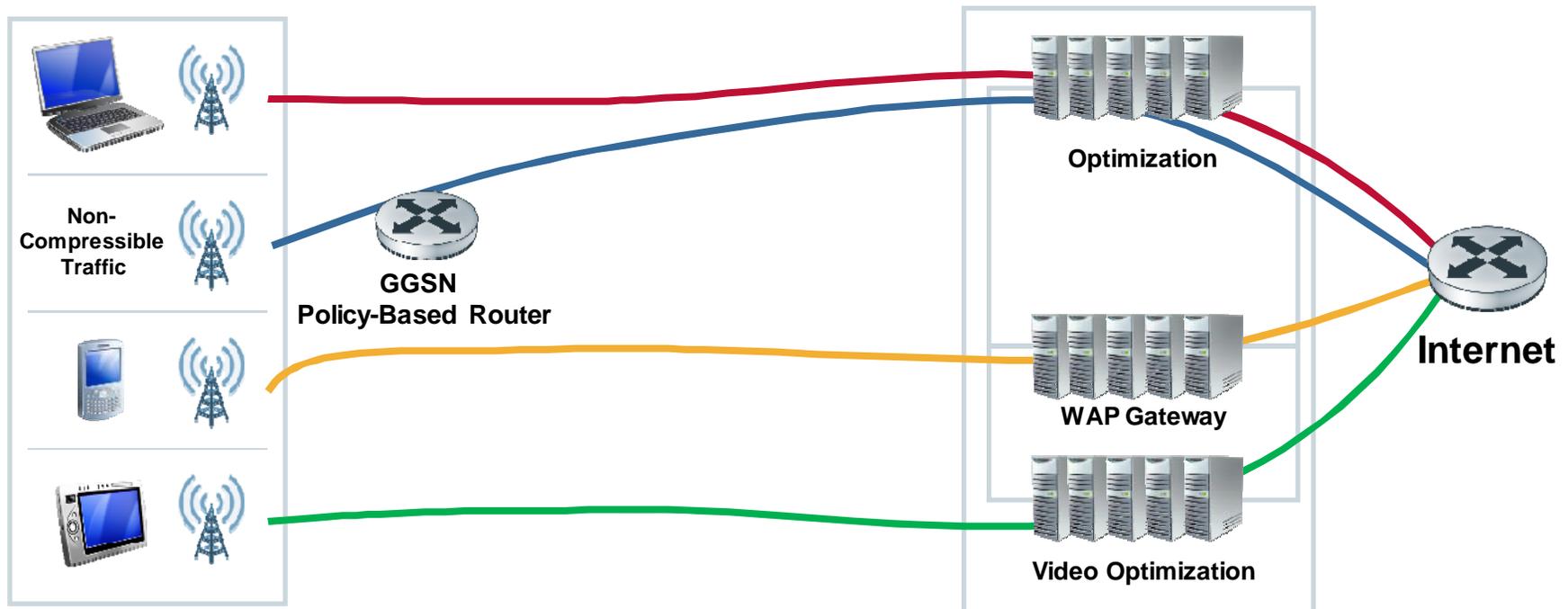
### Solution

- Coordination of NAT64 and DNS64
- Intelligently off-loads network firewall functions
- Reduce TCO for interworking
- Smooth migration to a IMS infrastructure

Highly scalable NAT & IPv6 GW services at 1/3 the cost of traditional firewall solutions

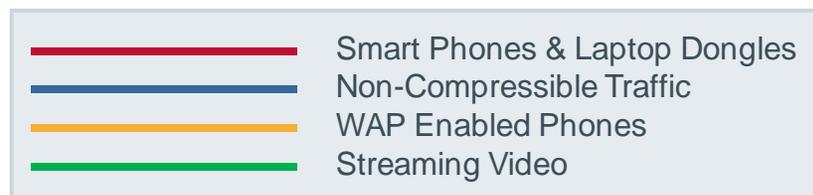
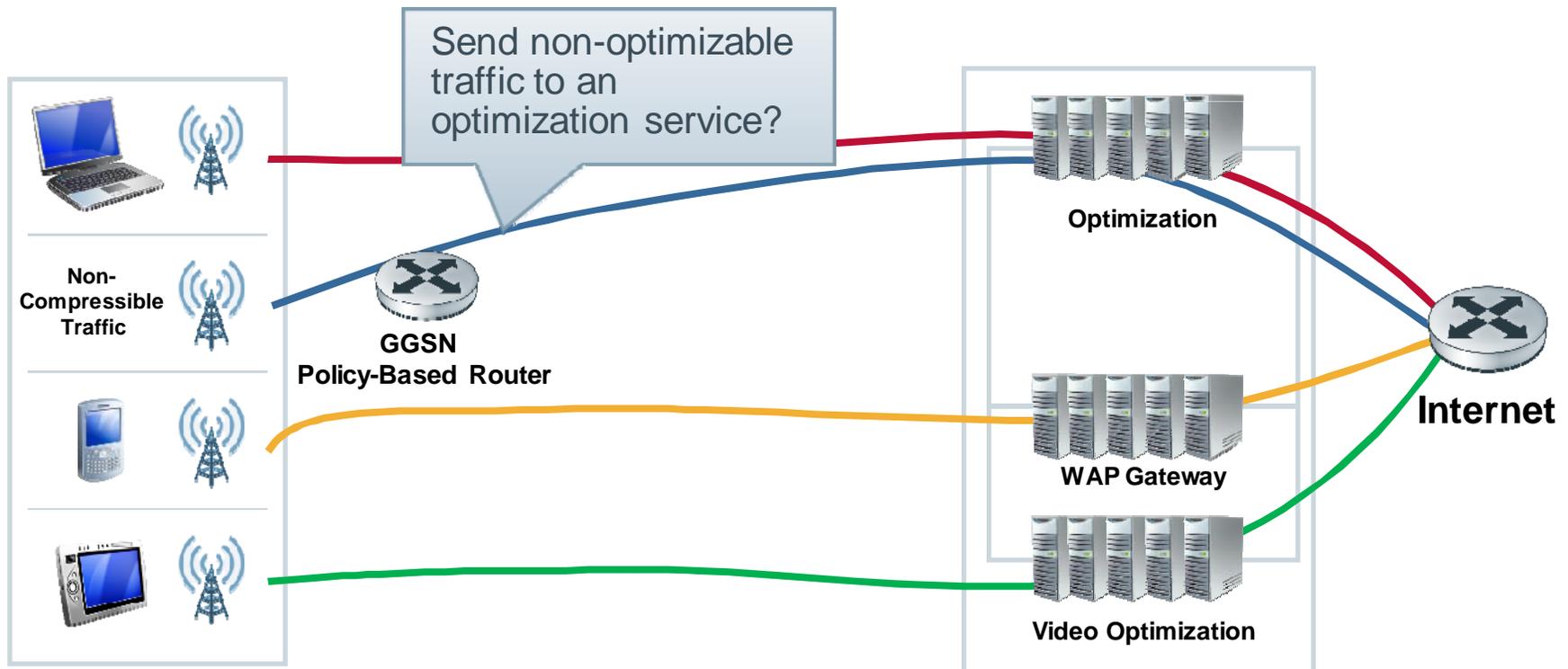


# Customer Problem #2: Limited Control and Visibility of the Data Tsunami

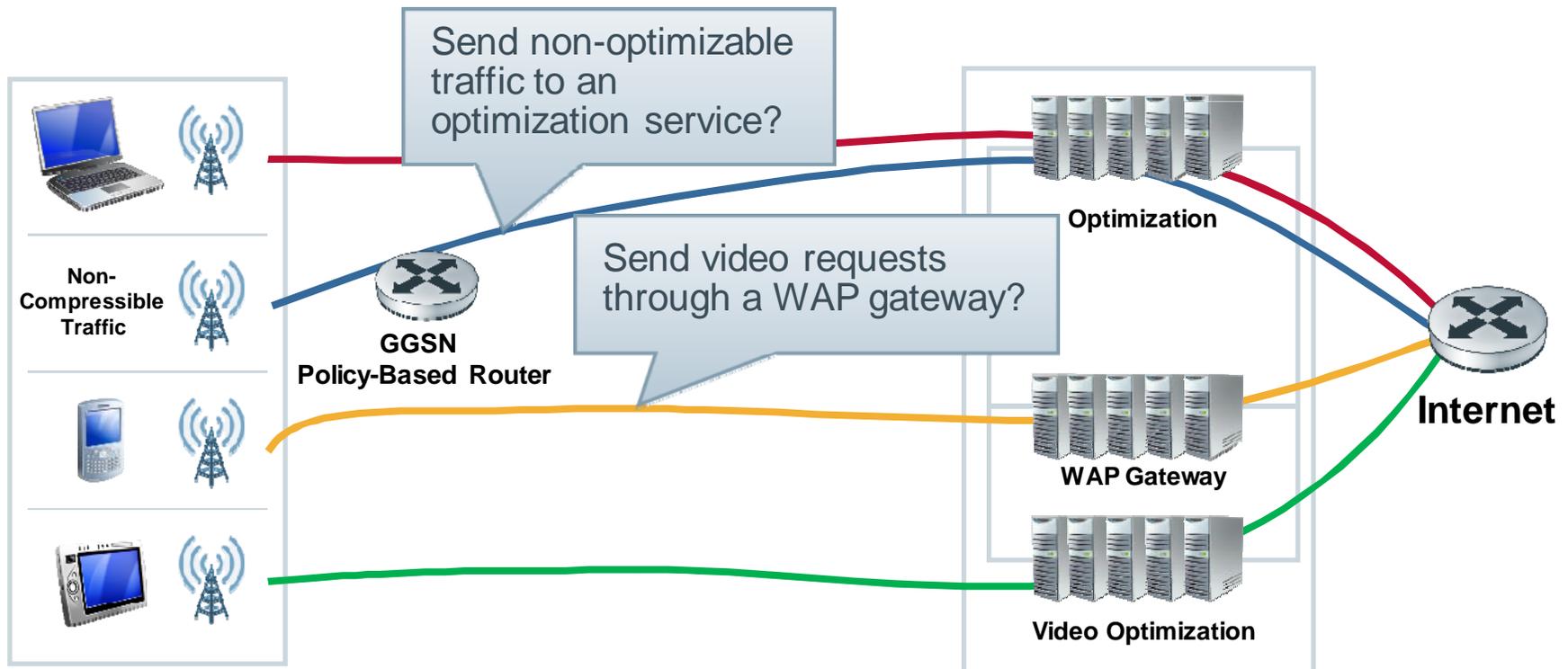


- Smart Phones & Laptop Dongles
- Non-Compressible Traffic
- WAP Enabled Phones
- Streaming Video

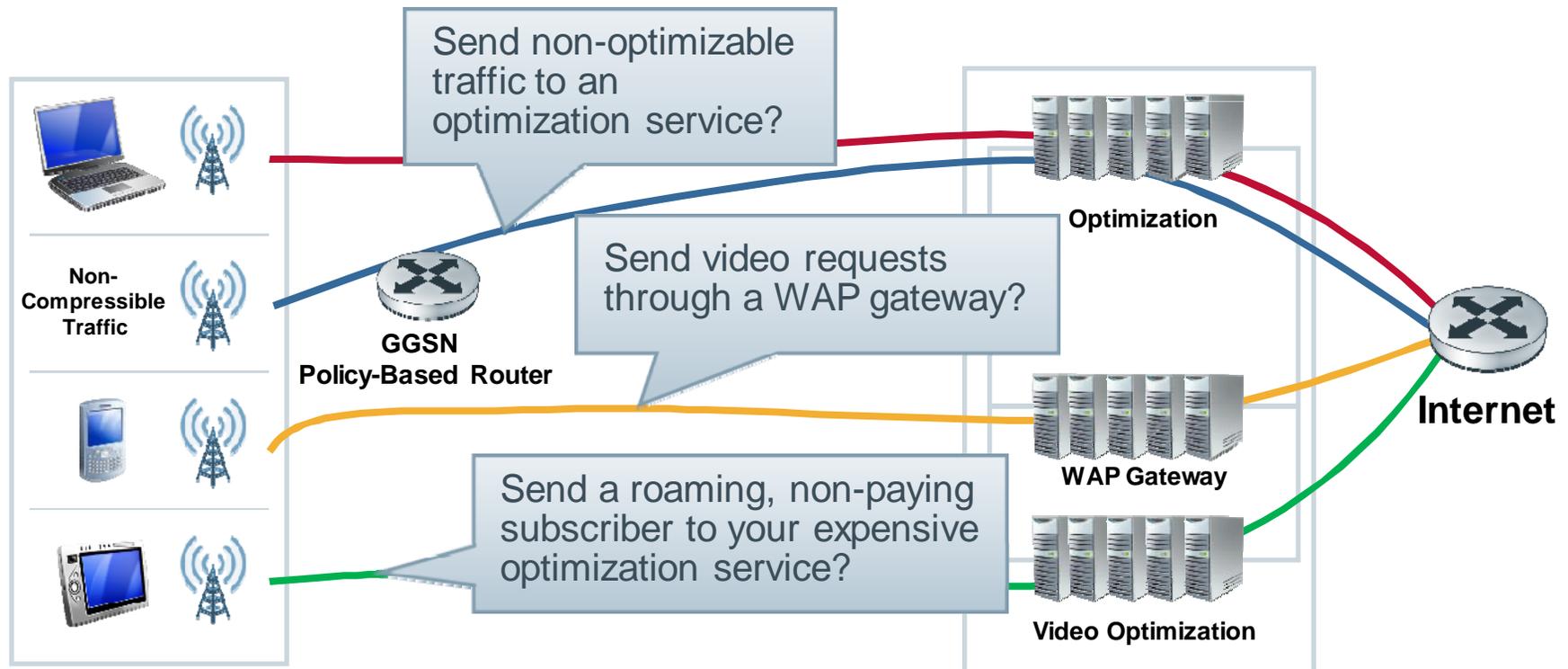
# Customer Problem #2: Limited Control and Visibility of the Data Tsunami



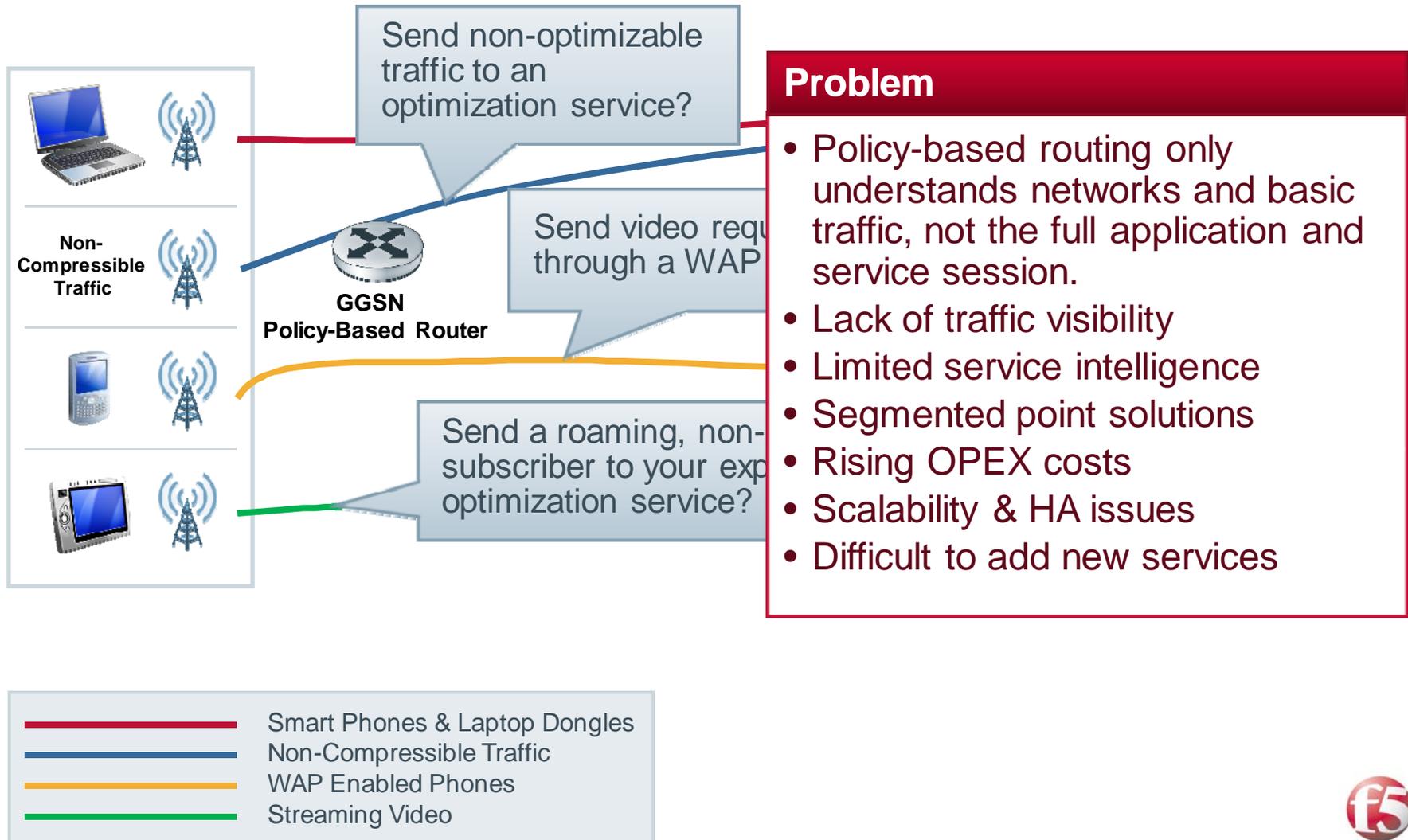
# Customer Problem #2: Limited Control and Visibility of the Data Tsunami



# Customer Problem #2: Limited Control and Visibility of the Data Tsunami

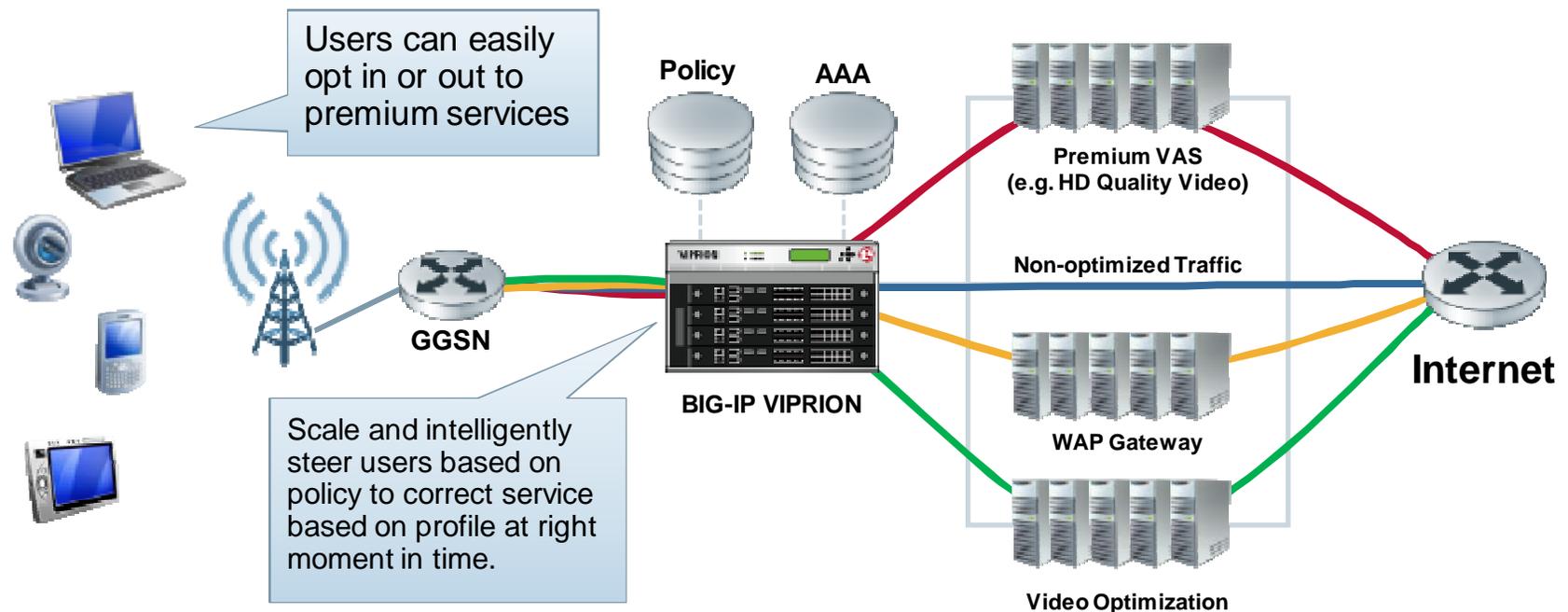


## Customer Problem #2: Limited Control and Visibility of the Data Tsunami



# Customer Solution #2: Intelligent Traffic Steering and Controlling the Data Flow

## Policy-based Service Delivery & Enforcement



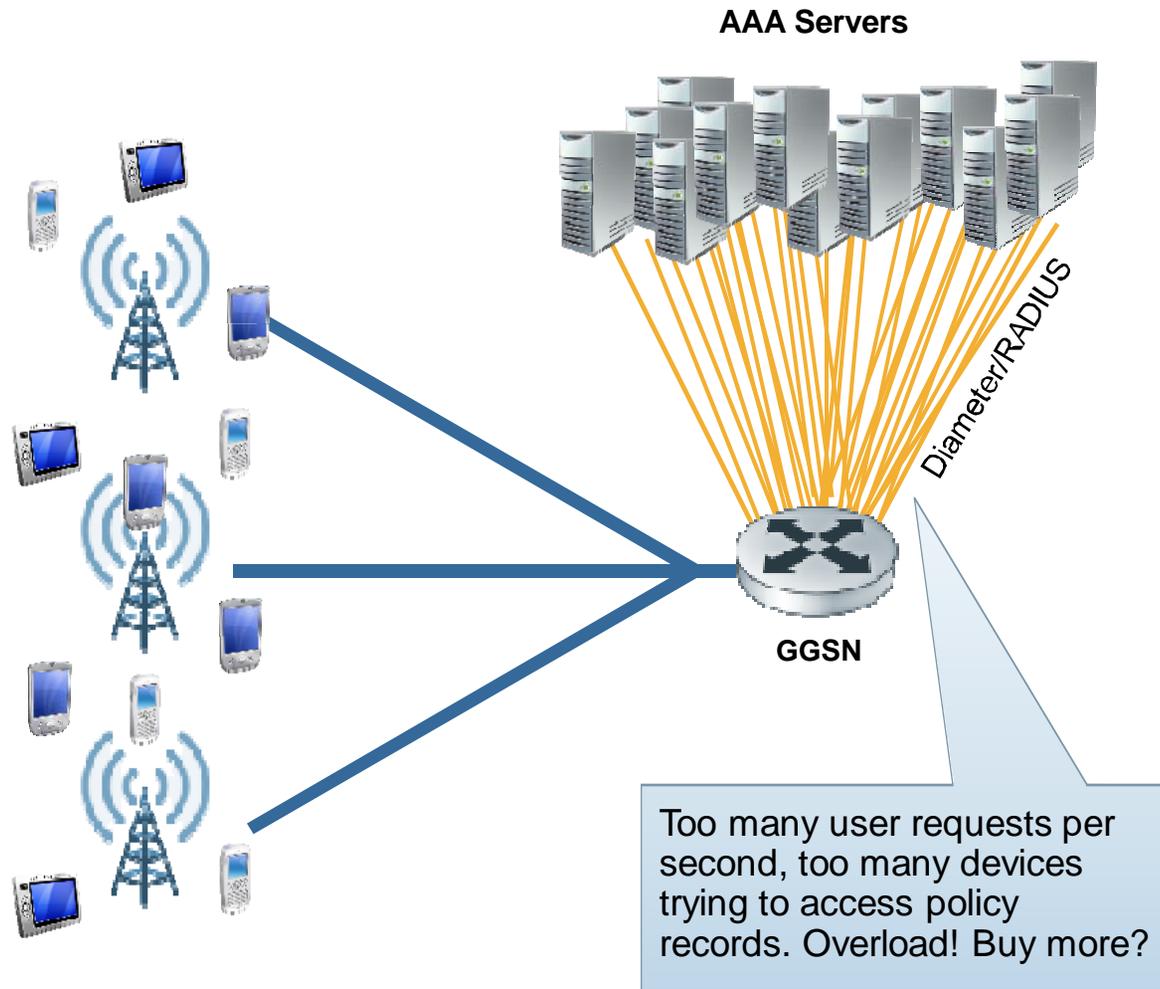
### Solution

- Subscriber, device, location and content aware
- Quickly provision policy-based premium services
- Lower OPEX through service unification

Increases Value-added Service Efficiency By 40%

# Customer Problem #3: Scaling AAA Systems

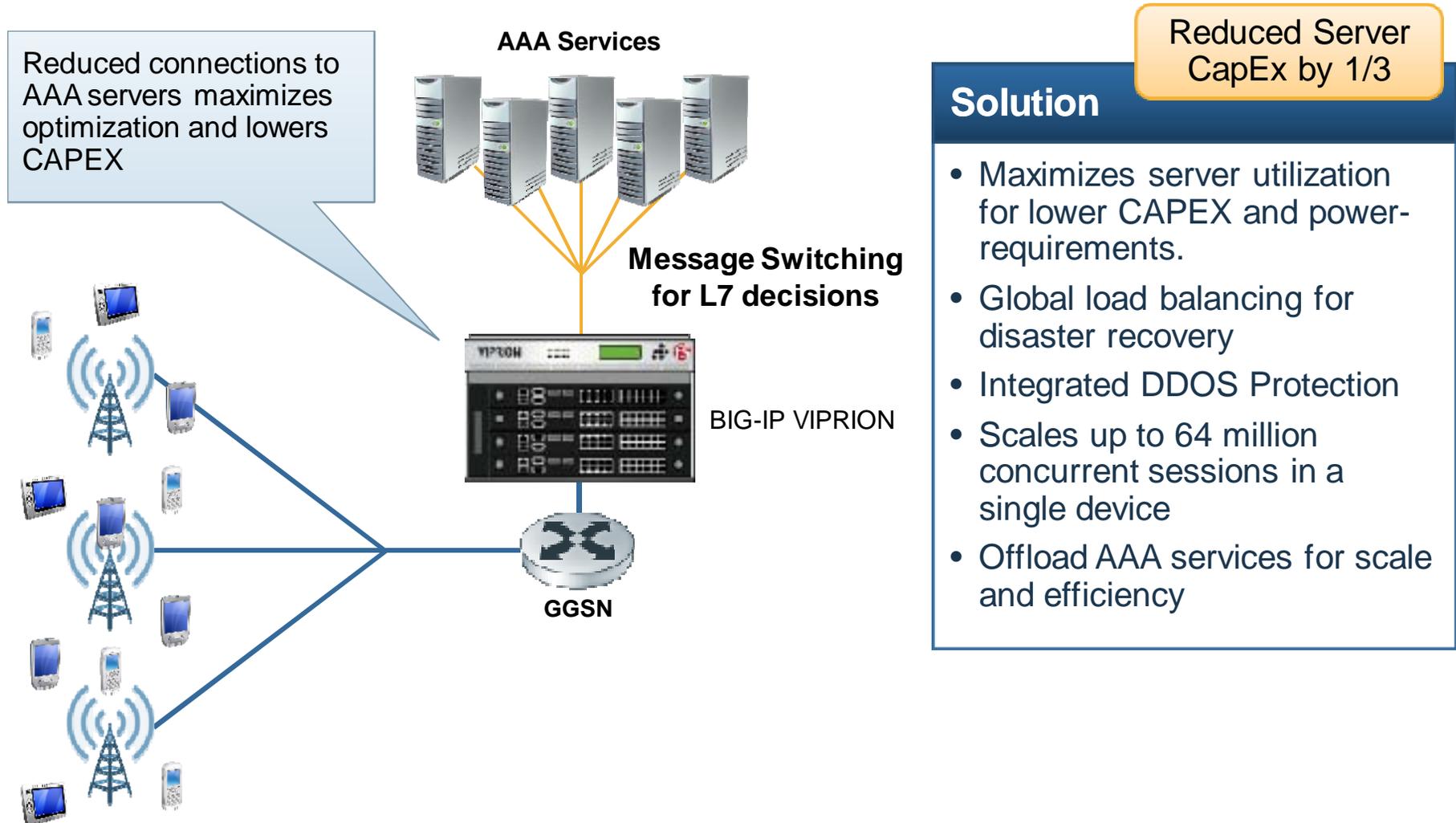
Data Tsunami is causing AAA infrastructure to be overloaded



## Traditional Load Balancers

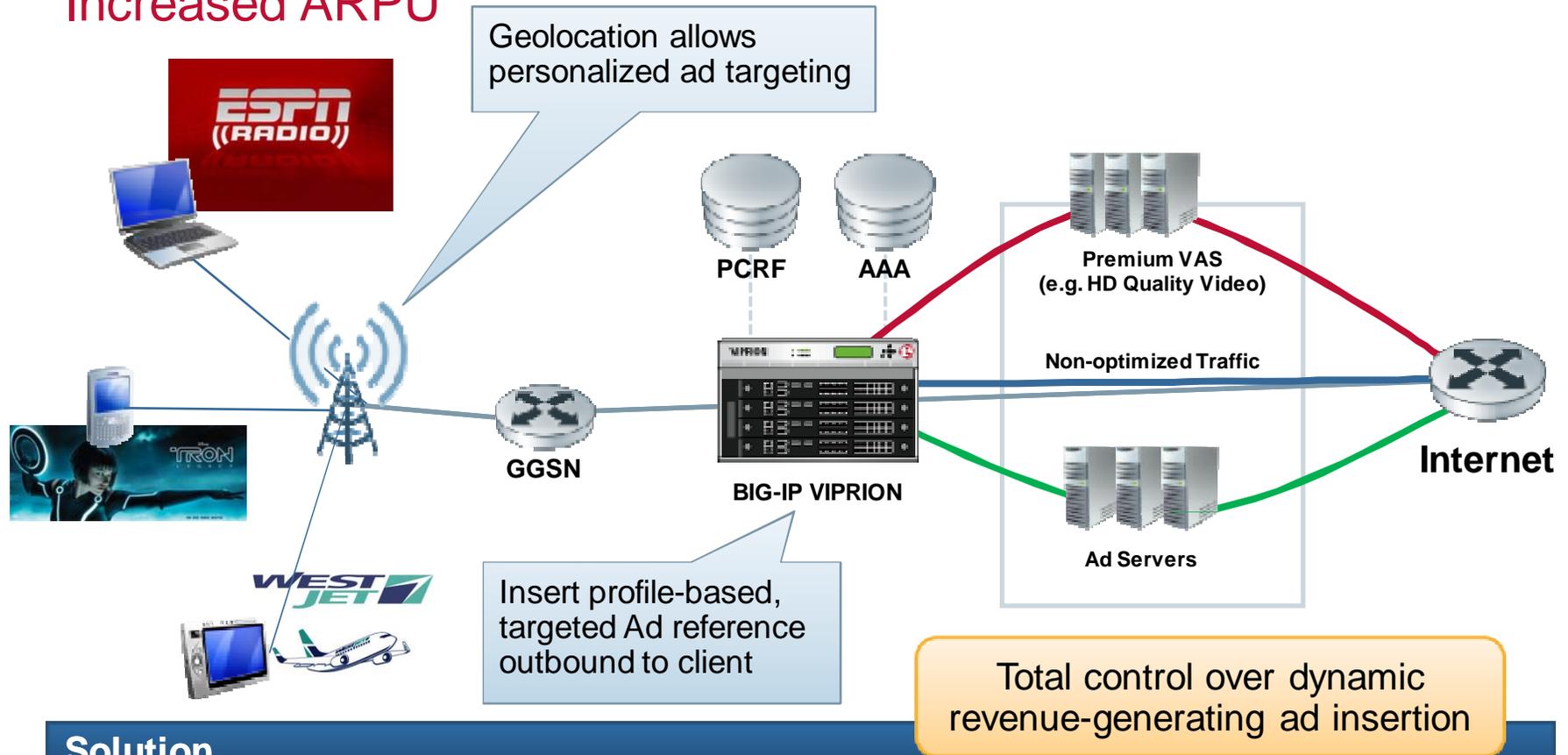
- Can't manage RADIUS/Diameter traffic
- Unable to intelligently distribute connection requests
- Lack of flexibility for special implementations
- Scaling and availability issues, overloading existing AAA servers

# Customer Solution #3: Managing Tsunami Scale and high availability for AAA Infrastructure



# Solution #4: Dynamic Personalized Ad Insertion

Increased ARPU



## Solution

### Features

- Geolocation and keyword matching for personalized ad targeting
- Dynamically inserted content in multiple data streams while delivering content to users
- User Opt-In/Opt-Out Based on Policy

### Benefits

- Increased ARPU
- Ability to target very specific users, devices, locations, and content
- No need to add single-point solutions for ad insertion

# Hardware Designed for Service Providers

Scale, Performance and Certification for Service Delivery and Data Tsunami Management



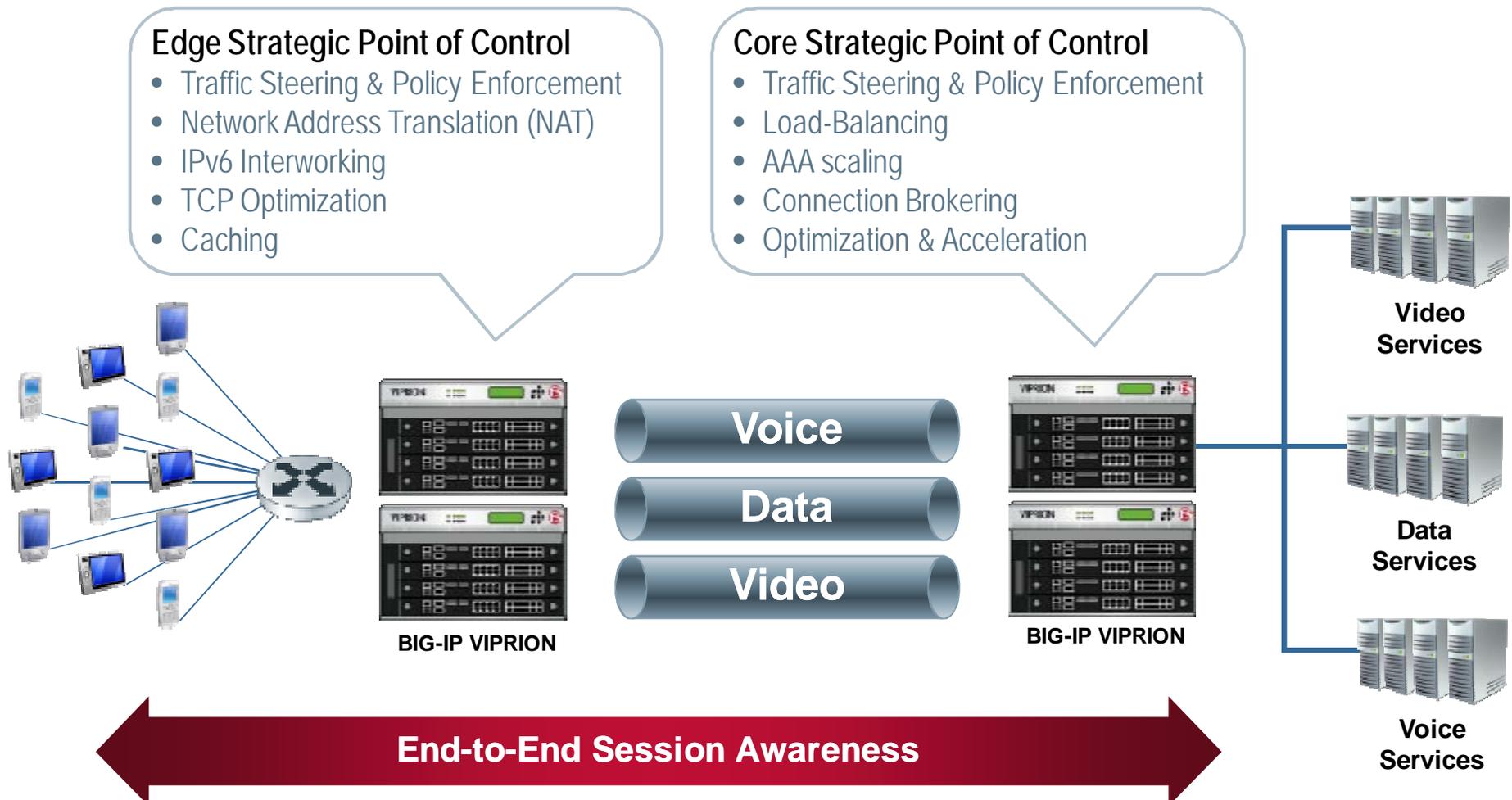
## NEBS Certified Solutions for Service Delivery Networking

- Industry's best performance – up to 72 Gbps throughput
- Hot-Swappable Components; On-Demand Performance
- Flexible deployment options – NEBS, DC power
- Always-on Management
- Hardware SSL offload



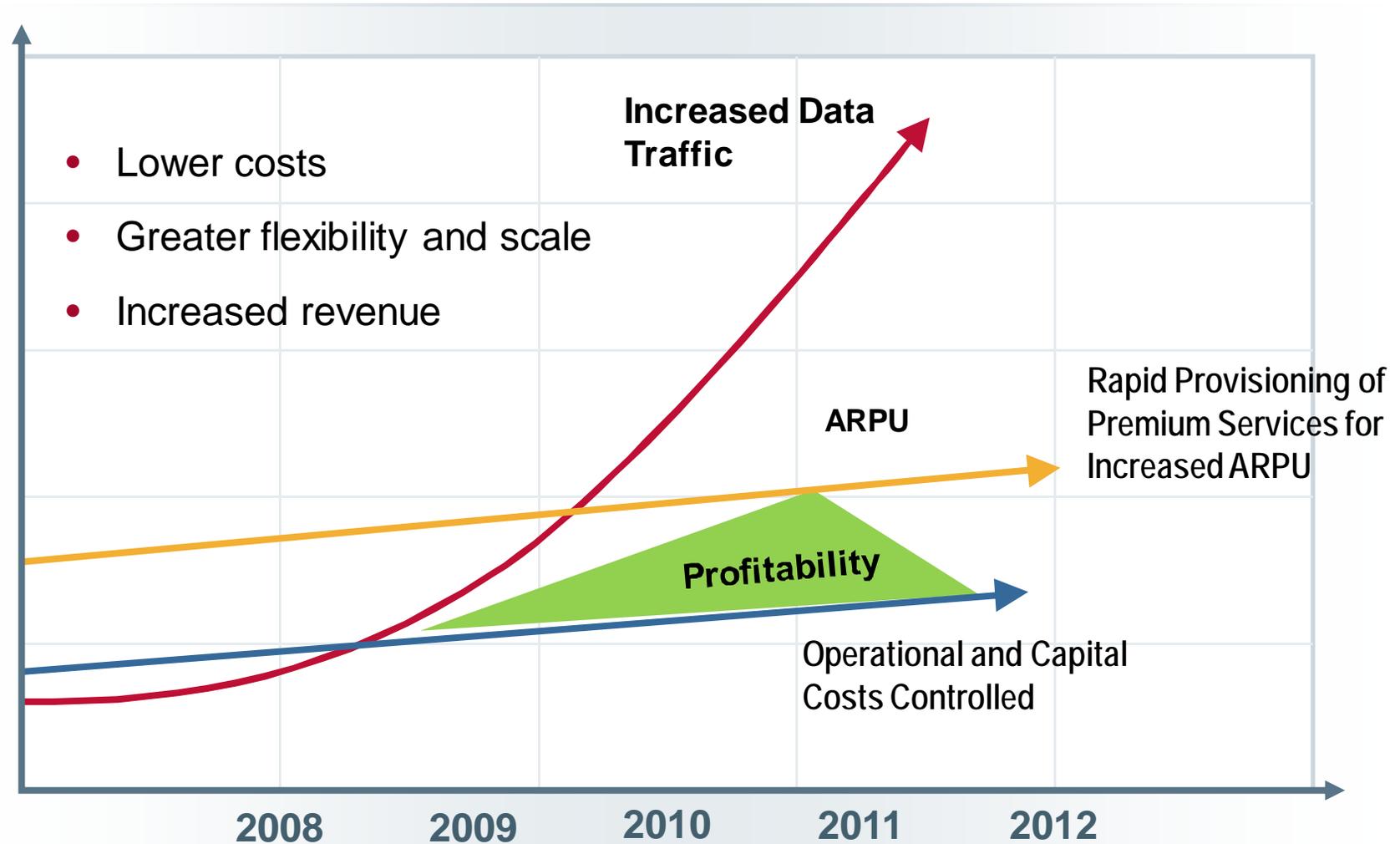
# The F5 Service Delivery Network: Controlling the Tsunami

## Dynamic & Unified Service Intelligence



# F5 Controls the Data Tsunami

Controlling Costs While Managing Scale and New Services



# Developing a Robust Partner Ecosystem

Mobile

Fixed

Cable



# THE IMPENDING MOBILE DATA TSUNAMI

2009 statistics courtesy of Ovum  
2010 statistic courtesy of Openwave

## 1791 First Telegraph

Coded messages are sent with an optical telegraph, or semaphore, developed by Claude Chappe.

## 1835 Morse Code

Birth of Morse and Q code.

## 1894 First Wireless Transmission

Marconi sends the first successful wireless transmission over the Bristol Channel.

## 1901 First Radio Signal Across the Atlantic

Marconi successfully transmits radio signal across Atlantic Ocean from (first communication across the ocean) Cornwall to Newfoundland.

## 1959 First Pager

The name "pager" comes into being when Motorola makes a personal radio communications product enabling people to receive personal messages.

## 1983 First Cell Phone

The first cell phone—DynaTAC 8000X—is released to the public, 10 years after the release of the prototype in 1973.

## 1992 First SMS Message

First SMS message sent over the Vodafone GMS network. The message was sent by Neil Papworth using a personal computer

## 2009 Explosive Mobile Growth

Number of mobile subscribers reaches 4.7 billion people

2000

SMS texts sent globally:  
**5.3 trillion**

Voice calls:  
**10.6 trillion minutes** globally (equivalent to **20 million years**)

MMS texts sent globally:  
**109 billion**

## 2010 The Data Tsunami

Global mobile data traffic:  
**3,004,555 TB/year**



best practices blog browser

code content cookies news

datacenter description design

directory infrastructure

green IT hardware i10

development IPsec IPv6 issues

open source optimization

# F5 Networks

## 2010 Analyst / Investor Meeting

### New York ~ November 16, 2010

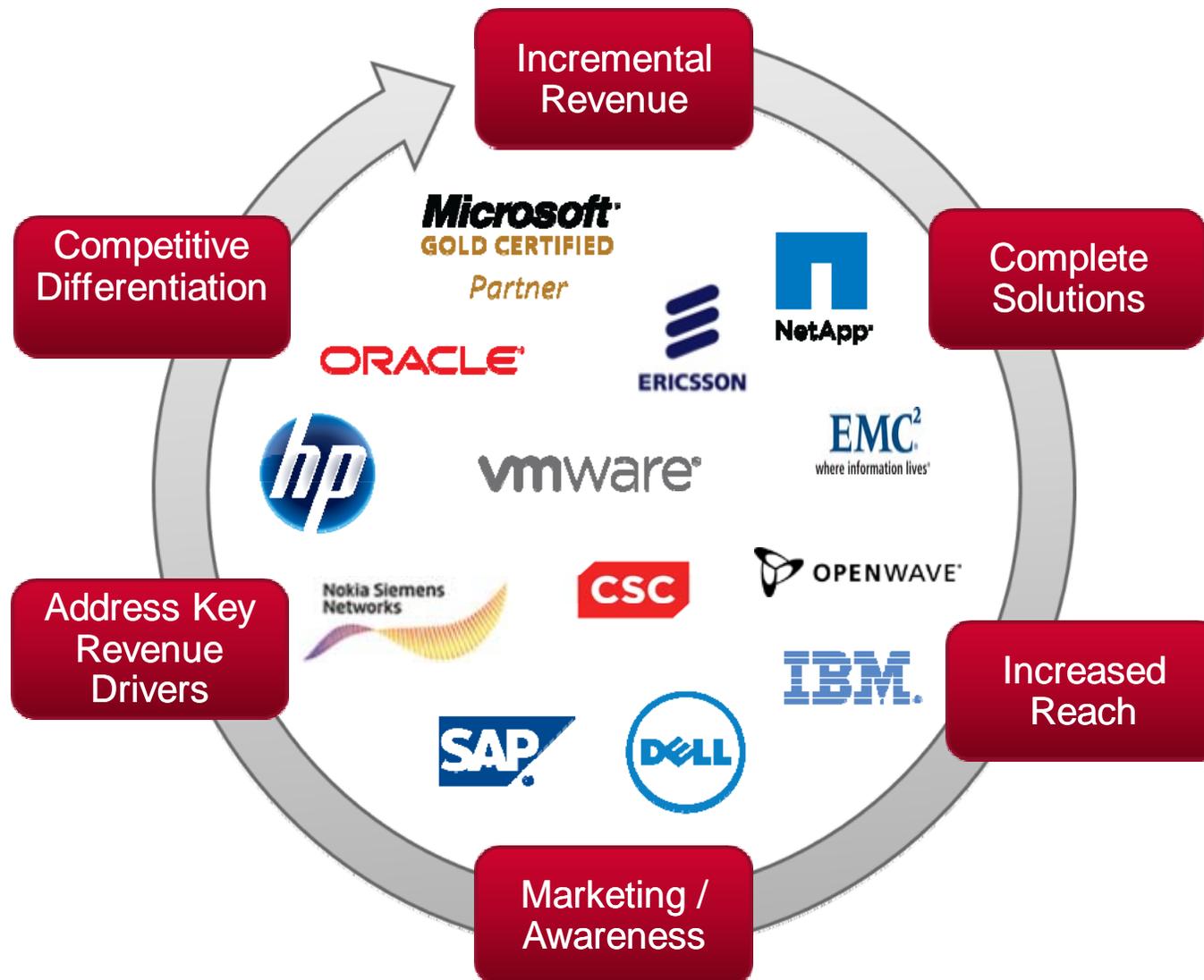
Jim Ritchings

VP Business Development



IT agility. Your way.

# Strategic Partners Strategy





# F5 and Microsoft

## State of our Microsoft partnership

- F5 is reaping the rewards of years of strategic partnership investment
- Mature fast growing partnership
- F5 is a Globally Managed ISV Partner
- F5 Products all Microsoft Technology Centers Worldwide
- Multiple high growth opportunities, i.e. UC&C, virtualization

## Key Solutions and Initiatives that Drive Business

- Application Ready Solutions
  - Exchange 2010
  - SharePoint 2010
  - Windows Server
- Field Engagement
- Training of Microsoft Consulting
- Global Marketing Plan:
  - TechEds , SharePoint Conferences, Connections, WW Partner Conference.
  - SharePoint User Groups, Microsoft Management Summit, TechReady

# F5 and Microsoft

## Keys to growth in FY 2011 and beyond

- Ride the wave of Exchange 2010, SharePoint 2010
- Lync Server 2010
- MS Consulting Services (MCS) educated to position F5
- Microsoft virtualization
  - F5 Management Pack for MS System Center Operations Manager
  - Dynamic Datacenter integration
  - Enabling Agility, VM Density, Mobility, Business Continuity, Application Performance

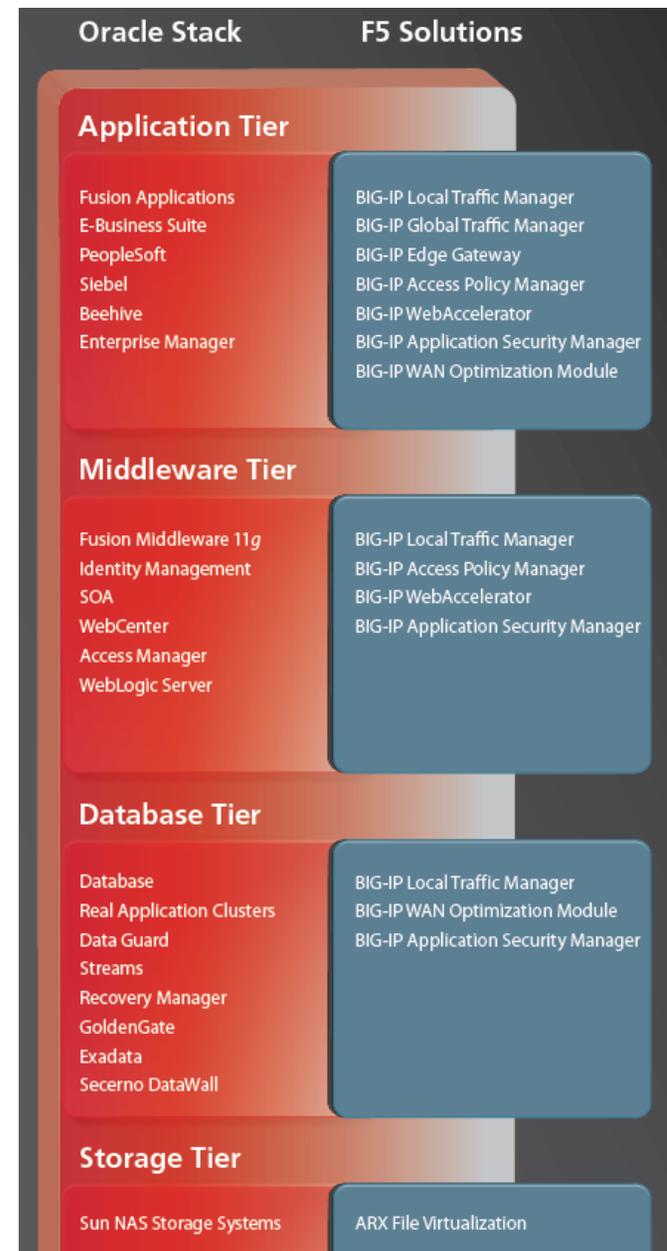
“Customers looking to deploy Microsoft’s on-premise cloud and virtualization solutions will find F5 solutions to be a powerful complement for the enhanced application delivery, infrastructure visibility, and automation capabilities they provide”

–Dai Vu, Director of Virtualization Solutions Marketing at Microsoft Corp.



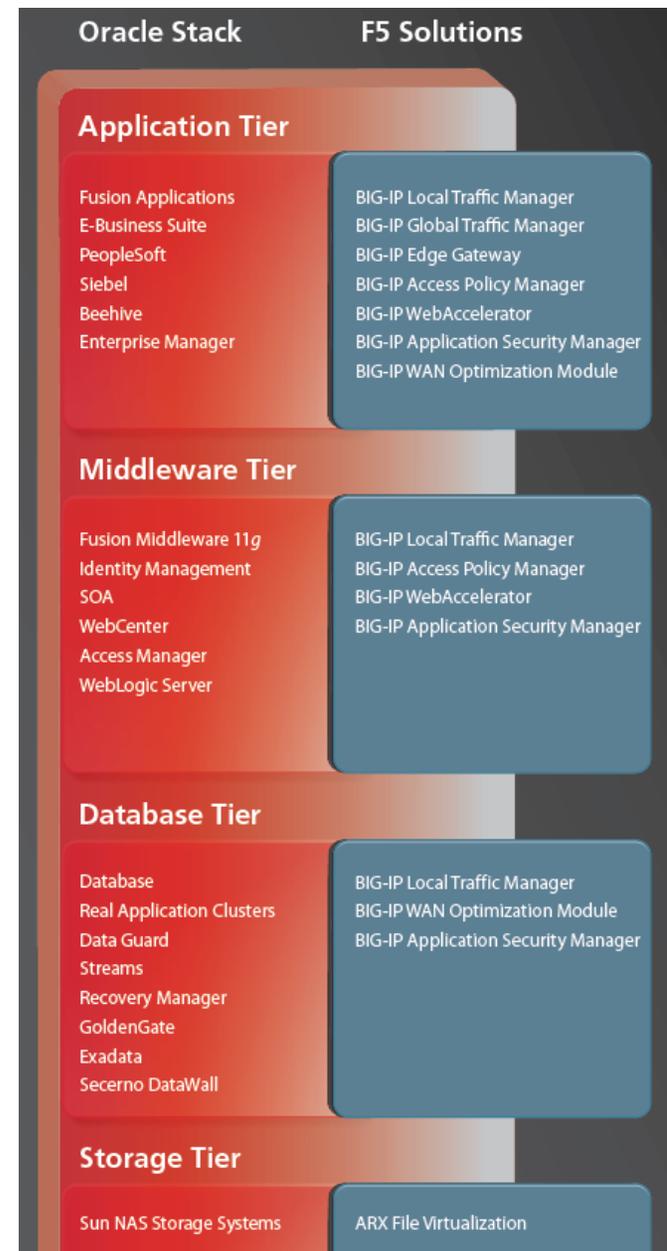
# F5 and Oracle

- 10 year global partnership with ***continuous engagement*** across product management, product development, sales, marketing, and support
- Oracle the Customer:
  - BIG-IP sits in front of 13,500 applications across 4 data centers worldwide
  - Oracle OnDemand has standardized on F5 for 700 managed and hosted customers.
- 70% of the Fortune 50 run Oracle with F5



# F5 and Oracle

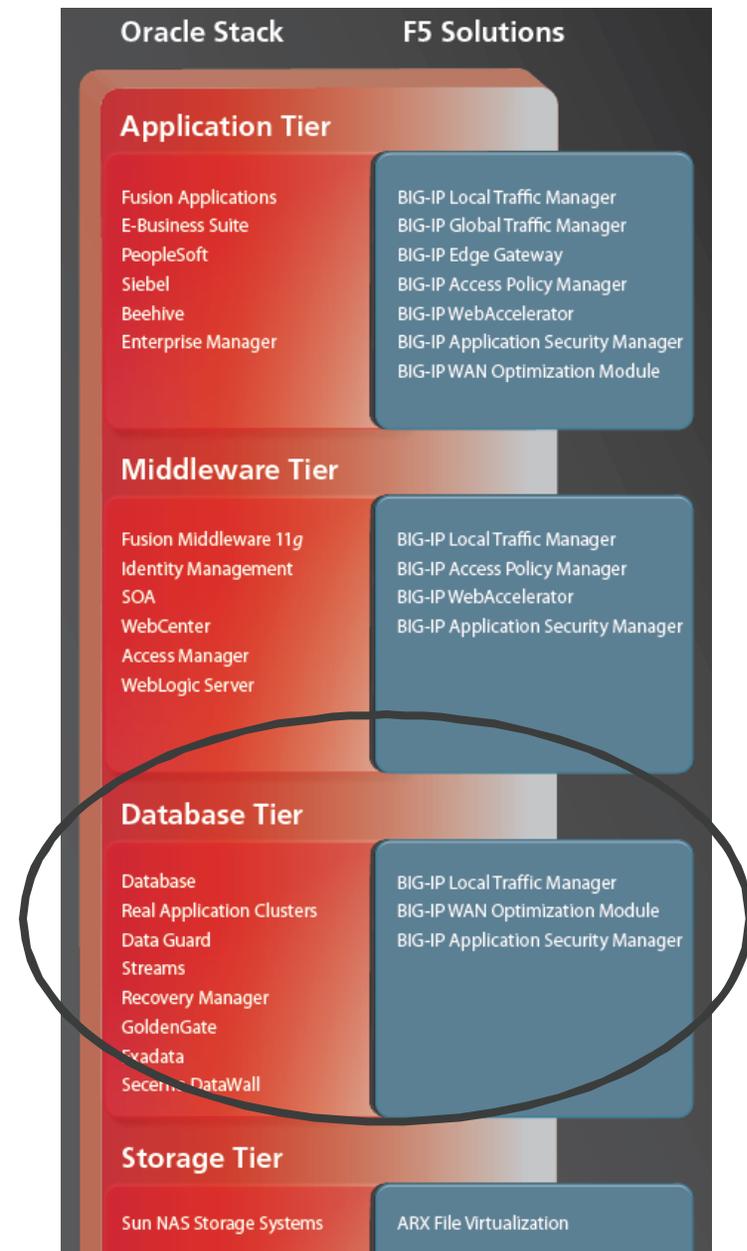
- Key Solutions and Initiatives that Drive Business
  - Fusion Middleware, such as Identity & Access Management, SOA, and Web2.0
  - Applications, such as E-Business Suite, PeopleSoft, Siebel
- Keys to growth in FY 2011 and beyond
  - Field engagement
    - Enterprise Solutions Group
    - Middleware Overlay Teams
  - WW Joint marketing activities
  - Solutions:
    - Access Policy Manager – Oracle Access Manager solution
    - Oracle database



# A New Revenue Opportunity

## F5 Solutions for Oracle Database

- *BIG-IP LTM for Oracle Database and RAC*
  - Connection management between the application and database tiers
  - Active-active database load balancing
- *BIG-IP WAN Optimization Module with Oracle Database Data Guard, Streams, and Recovery Manager*
  - Replication acceleration over the WAN
- *F5 BIG-IP Application Security Manager and Oracle Database Firewall*





# F5 and VMware

## Key Solutions and Initiatives that Drive Business

- Strong Solution Portfolio:
  - Agility, Disaster Avoidance - Long Distance vMotion
  - Business Continuity – Integration with Site Recovery Manager (SRM)
  - Cloud Computing – Integration with vCloud Director
  - Desktop Virtualization
- Cooperative Demand Generation
  - WW Marketing Plan
- Customer confidence. F5 is the safe choice for VMware projects

## Keys to FY11 Growth

- WW Field & Channel Engagement
- Leverage HP, Dell, IBM, NetApp
- Ongoing Solution Development
- Continue to educate the market.



## VMware Executive Support

“With F5’s Application Ready Solution, organizations implementing VMware View™ 4.5 benefit from **a high-performance desktop environment** that simplifies authentication and connectivity for users, while enabling rich management features to help drive down desktop management costs,”

***Vittorio Viarengo, VP, End-User Computing Products, VMware***

“The joint solution between F5 and VMware highlights the ***importance of an agile Application Delivery Network*** and illustrates the ability to deliver applications in a hybrid cloud built on the industry-leading virtualization and cloud platform,”

***Dan Chu, VP, Cloud Infrastructure and Services, VMware.***

“VMware VMotion™ and Storage VMotion capabilities are significant differentiators for VMware vSphere™. **F5’s technology complements VMware solutions**, making it possible to execute live workload migrations over greater distances. Combining VMware vSphere with BIG-IP® solutions expands the many use cases possible, and adds to the value we’re able to offer customers.”

***Parag Patel, Vice President, Alliances at VMware***

## F5/VMware Customer Win: \$2.1 Million



<b>Customer</b>	<b>\$14B Global Asset Management Firm</b>
<b>Project</b>	<ul style="list-style-type: none"> <li>• Firm grew dramatically through acquisition</li> <li>• Building 2 new data centers from the ground up</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>• Customer is a Cisco global account</li> <li>• They evaluated the F5, Cisco and Citrix</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• The ADC Vendor of choice will sit in front of 5,000 new blade servers</li> <li>• Virtualizing many of the apps on VMware</li> <li>• Seeking to improve VM density</li> <li>• Also Seeking to automate VM provisioning with the network</li> <li>• The data centers must accommodate future growth</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>• The VIPRION PB200 gives a combination of greater 10G port density and resilient high throughput hardware not matched by our competition.</li> <li>• F5 were the only vendor who could validate documented test results</li> <li>• \$2.1 million order</li> </ul>



# F5 and Dell

## Partnership Overview

- Partners for over 10 years
- F5 Team works out of Dell HQ
- Dell resells Entire F5 Product Portfolio
- Dell has built a significant solution Portfolio with F5

## Key Solutions and Initiatives that Drive Business

- MS Exchange, MS OCS, SharePoint
- Oracle EBS, Oracle PeopleSoft
- Virtualization Projects w/ VMware

## Keys to growth in FY 2011 and beyond

- Alignment with Dell Services' Global Infrastructure Consulting Services (GICS)
  - SharePoint, VMware, File Virtualization (ARX)
- Expansion of F5 strategy to all regions (EMEA, APAC, Japan)
- MS SharePoint 2010 and Exchange 2010
- VMware View 4.5



# F5 and HP

## Partnership Overview

- HP Enterprise Services
- HP Technology Services
  - Network Support Services (NSS) – Global Resale
- HP Networking

## Key Solutions and Initiatives that Drive Business

- HP Enterprise Systems (EDS)
  - F5 is the standard for ADC
- HP Networking – PoC's & Large customer end to end networking opportunities
- HP TS/NSS
  - Cisco Attack Program
  - UCC initiatives -OCS is a big driver for HP
  - Exchange 2010, OCS 2010

## Keys to growth in FY 2011 and beyond

- HP TS/NSS
  - Virtualization Solutions with VMware and Microsoft
- HP Networking – Expand POC initiative against Cisco
- HP Enterprise Services
  - HP ES Portfolio Expansion: VE, ASM, APM, Edge Gateway
  - Cisco Replacement
  - Continued F5 sales alignment – leverage joint access in large clients



## F5 and IBM

### Partnership Overview

- IBM Global Services - ICS
- IBM Software Division
- Dynamic Infrastructure Alliance Partner

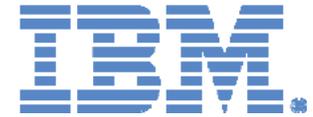
### Key Solutions and Initiatives that Drive Business

- Application Network Performance Optimization (ANPO) Solution
- Data Center Consolidation Projects
- Data Center Networking
- Application Ready Solution for WebSphere

### Keys to growth in FY 2011 and beyond

- Continued ANPO adoption across IBM teams
  - SAP, Telco, Fed, Outsourcing
- Solutions for iNotes and Tivoli
- F5 Investment for Engagement in All F5 Regions
- Proactive sales engagement

## F5/IBM GTS Customer Win: \$2.2 million



Customer	Fortune 100 Financial Services Company
<b>Project</b>	<ul style="list-style-type: none"> <li>• Improve performance and stability of client facing web applications</li> <li>• Dynamically redirect customers among servers and data centers</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>• Foundry (Incumbent)</li> <li>• Cisco</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Initial proposal approved by CTO, but rejected by CIO</li> <li>• F5 team leveraged IBM as a trusted advisor to the customer</li> <li>• F5 and IBM recommended a strategic redesign of their network infrastructure</li> </ul>
<b>Results</b>	<ul style="list-style-type: none"> <li>• Reliable ADN infrastructure addressing current and future requirements</li> <li>• Vastly improved user (Customer) experience</li> <li>• \$2.2 Million in F5 Product resold by IBM along with ANPO services</li> <li>• BIG-IP® Local Traffic Manager™, Global Traffic Manager™, BIG-IP® Application Security Manager, iRules®</li> </ul>

## Summary

- Revenue momentum remains strong with Strategic Partners
- New growth drivers for FY 2011
  - Consolidation
  - Virtualization
  - Application/Database Solutions
  - Service Provider
- Investments will continue in FY 2011



best practices blog browser  
code content cookie data  
datacenter description device  
domains infrastructure  
green IT hardware i10  
i100 i1000 i10000 i100000  
open source optimization

# F5 Networks 2010 Analyst / Investor Meeting New York ~ November 16, 2010

Mark Anderson  
SVP Worldwide Sales



IT agility. Your way.

# Agenda

## Key market drivers

### Go to market overview

- How we organize team to exploit opportunities
- Global coverage

### Sales productivity

- How we drive, measure

### Expanding addressable opportunity

- Vertical markets – focused attention
- Existing accounts – sell bigger, more
- New account initiatives
- Investing into under-attended geographies

## WW Channels Update

### FY11 Sales Vision

## IT Trends Vector to F5's Sweet Spot

### IP TRAFFIC

Exponential growth...  
IP Traffic  
Mobile Devices  
Social Networking

### DATA CENTER

Datacenter Consolidation and Transformation into Virtualization and Optimization

### CLOUD

Development of Public & Private Clouds with Utility based consumption

### PARTNER

Redefinition of Market Player and Partner Ecosystems



## Go to market model: High Touch

Sales Teams manage the lifecycle of a sales opportunity

- Field Sales Engineers (1FSE:1 AM):
  - Evangelize technical design & architecture
  - own technical relationships
- Major Account Managers – named account(s)
- Territory Account Managers – geographic territory
  - Quarterback sales strategy
  - Deep planning, strategy culture, toolkit
  - Weekly Forecast – “commit mentality”
- Inside Sales Reps (1 ISR: 2AM)



# Supporting Cast:

## District Sales Manager, Regional VP, Theater VP

- Value added role to Territory, Account Management
  - Planning, strategy debate
- Forecast, pipeline management
- Quarterly Business Reviews
- Reward, recognize
- Talent management – hiring the best, culling the herd

## WW Partner Organization

- Enabling partners to sell our solutions
  - Dedicated Channel Team sell, support key Partners
  - Market leading programs to sell bigger systems, more modules
  - World Class Partner Readiness deliverables

## WW Sales Operations Team

- Delivering on world class sales tools
  - 10 years using sfdc
  - Real ROI calculators
- BIG focus in Sales Team and Partner enablement
  - Video on demand
  - F5 University
- Business analytics
  - Forecasting trends
  - Agility = productivity

# F5 Global Coverage – FY04

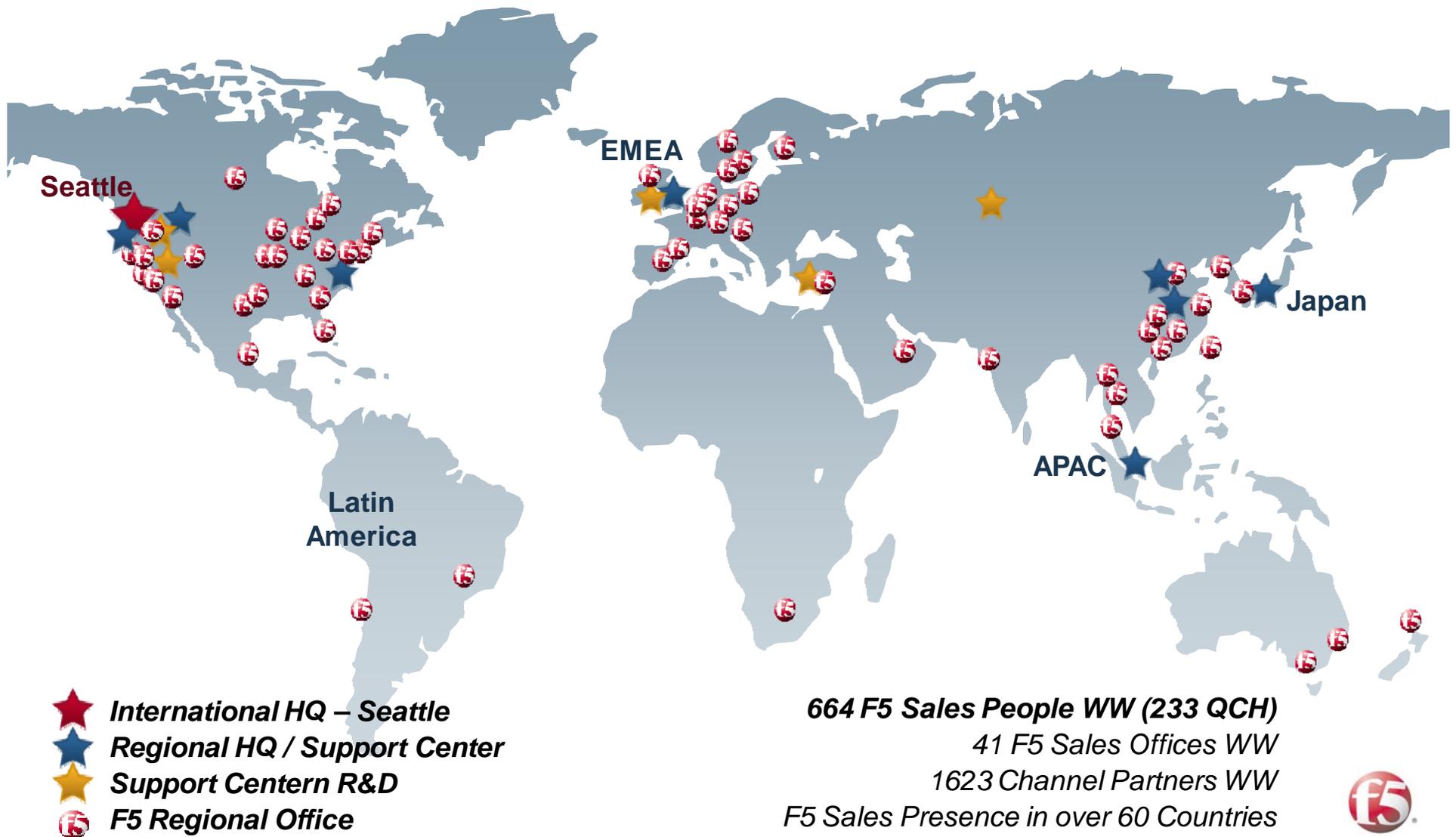


-  **International HQ – Seattle**
-  **Regional HQ / Support Center**
-  **F5 Regional Office**

163 F5 Sales People WW (67 QCH)



# F5 Global Coverage – FY10

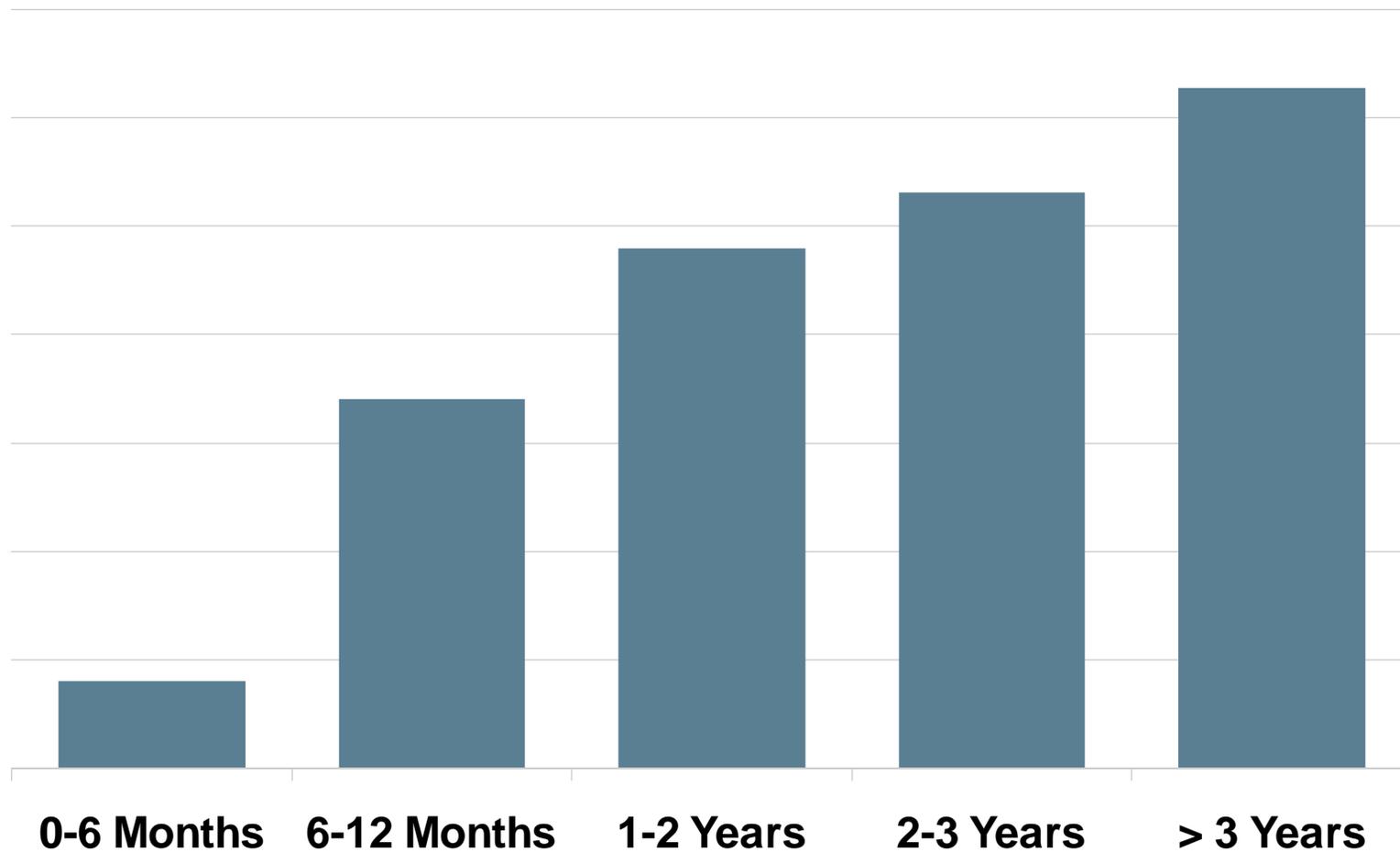


## Competitive Win Rate (\$)

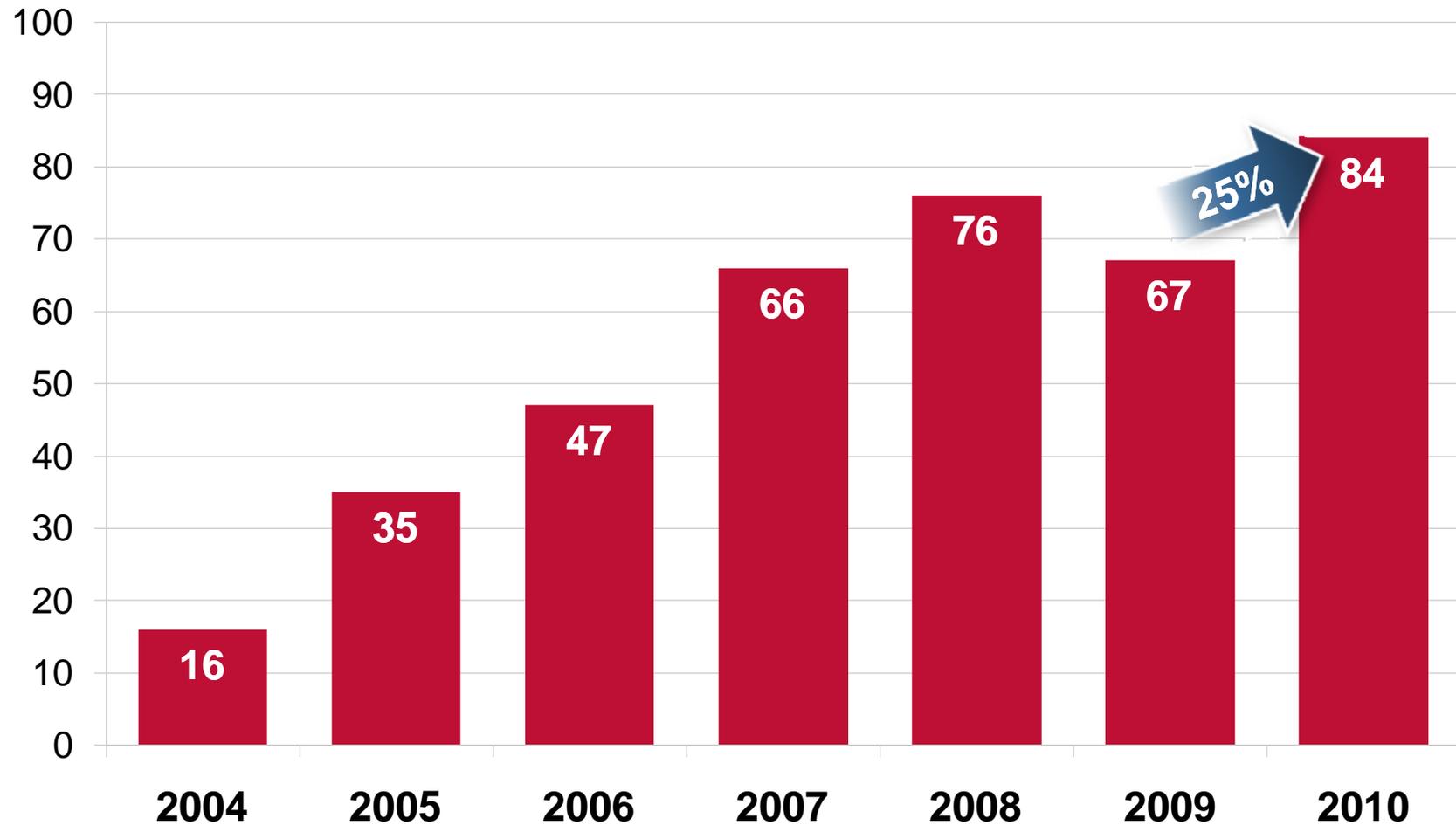
	2007	2008	2009	2010
ADC	88%	90%	89%	91%
Security			60%	63%
Access	52%	58%	60%	67%



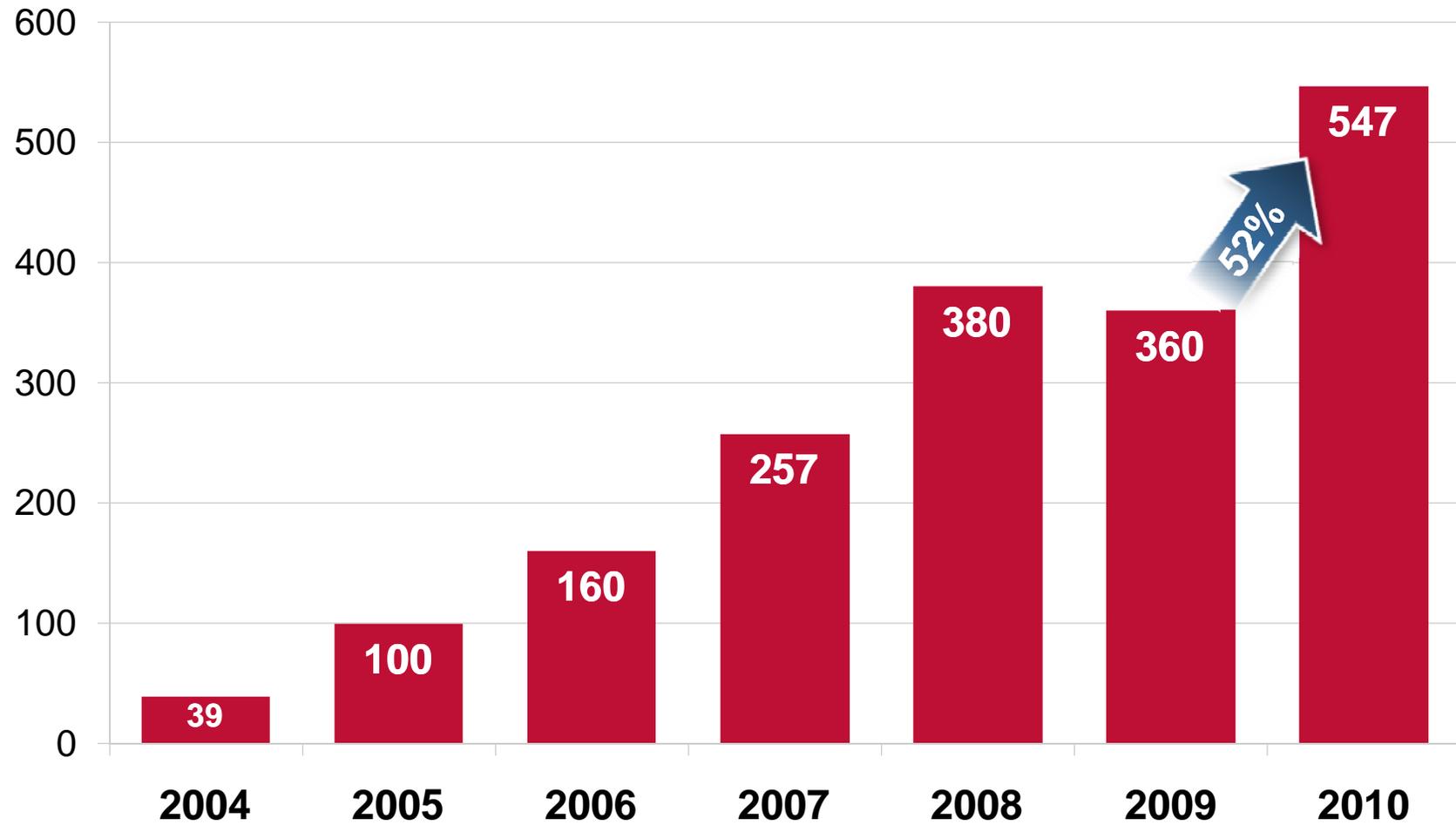
## Salesforce Productivity – Quarter 4, 2010



## Deals Greater than a Million Dollars



## Deals Greater than \$200k



## Fortune 500, EMEA FT500 & Global 500

	NA 2010 F500 Q310	EMEA 2009 FT500 Q310	Global 2010 G500 Q310
<b>Total F5 Networks Customers</b> <i>Penetration</i>	<b>298</b> <i>60%</i>	<b>220</b> <i>44%</i>	<b>341</b> <i>68%</i>
<b>% with 50+ Installs</b>	<b>12%</b>	<b>7%</b>	<b>16%</b>



# F5 Government Penetration

## F5 deployed in 14 of the top 15 executive branches of government

- Department of Agriculture
- Department of Justice
- Department of Commerce
- Department of Labor
- Department of Defense
- Department of State
- Department of Education
- Department of Transportation
- Department of Energy
- Department of Veteran Affairs
- Dept. of Health & Human Svcs.
- Department of the Interior
- Department of Homeland Security
- Department of the Treasury



## New Account Penetration

**\$1.9+ Million**



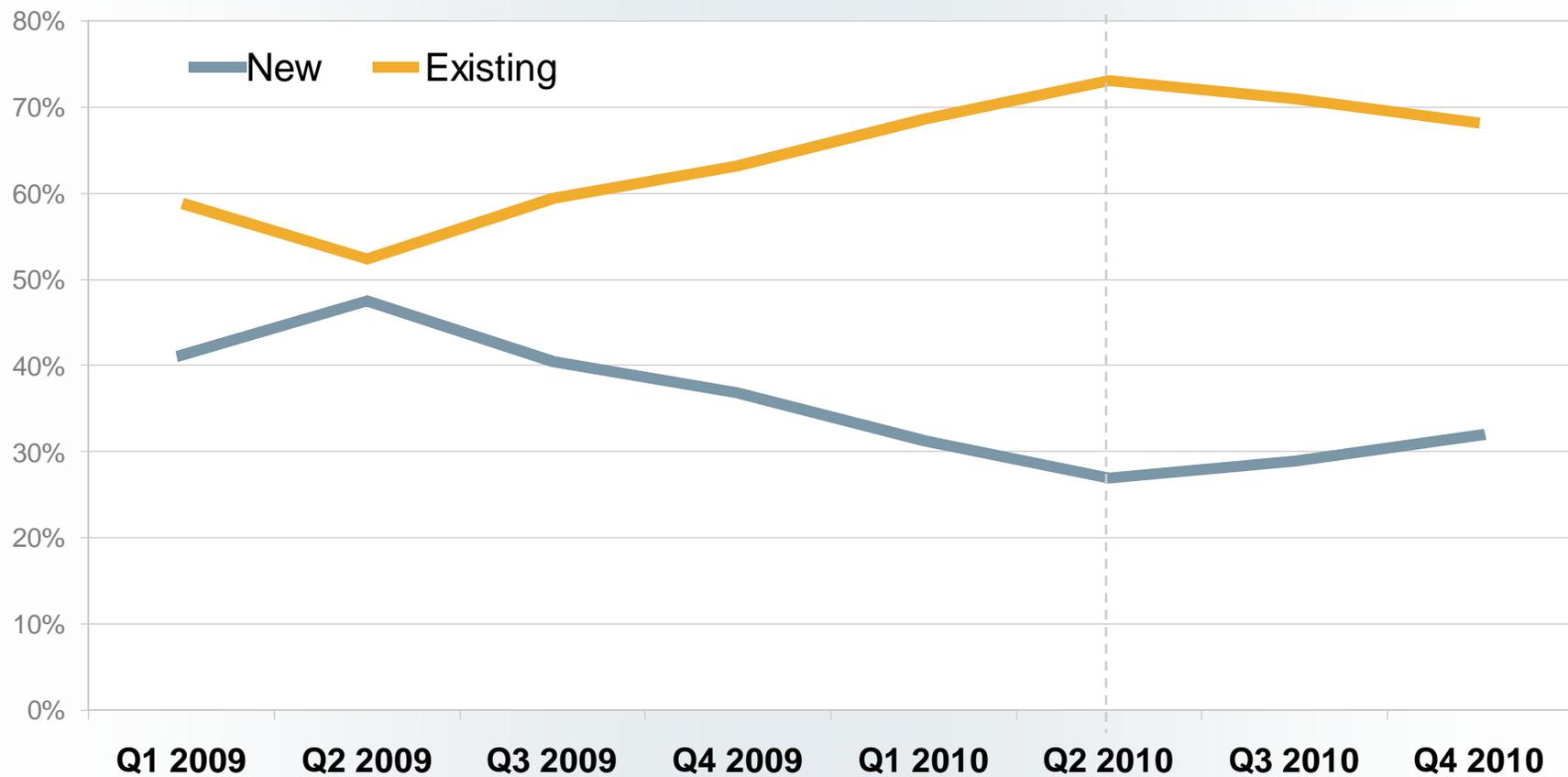
**\$1.2+ Million**



**\$2.5+ Million**



## New vs. Existing Accounts



## Key Americas Win

<b>Customer</b>	<b>Major Wireless Operator</b>
<b>Products</b>	20 F5 VIPRION NEBS Chassis & 40 NEBS blades
<b>Value</b>	\$3.5M first order; Phase 1 of 7
<b>Sales Cycle</b>	First sales call in February 2009
<b>Why we won</b>	<ul style="list-style-type: none"><li>• Traffic steering and data optimization capabilities for all devices</li><li>• Compression = Save million\$\$\$ on bandwidth reduction costs</li><li>• Enabled key services:<ul style="list-style-type: none"><li>• Parental Controls, Video Optimization, Advertising etc.</li></ul></li></ul>



## 1 year later....

Customer	Major Wireless Operator
<b>Products</b>	20 F5 VIPRION NEBS Chassis & 40 NEBS blades <ul style="list-style-type: none"> <li>• <b>60 NEBS Chassis, 120 Blades</b></li> <li>• <b>20 6900 NEBS boxes</b></li> </ul>
<b>Value</b>	\$3.5M first order; Phase 1 of 7 <b>Cumulative spend: Total 2010 Bookings - \$15M</b>
<b>Sales Cycle</b>	First sales call in February 2009 <ul style="list-style-type: none"> <li>• <b>3 MAMs, 3 FSEs</b></li> <li>• <b>\$1.5 sales to wireline/hosting side of business</b></li> </ul>
<b>Why we won</b>	<b>Customer challenges: meet the massive demands of smart phone traffic/ end user performance issues</b> <b>Services deployed: cost effective scale, traffic steering, video optimization and content filtering.</b>

## WW Channels



## Vision – FY11

Expand leadership in Application Delivery & Data Mobility that exceeds our internal FY11 targets

- F5 is recognized as the key enabling technology in virtualization, consolidation and cloud computing
- Security and storage focus/leadership
- Strong, value-added channel eco-system
- World class, coordinated sales execution



## Hot Customer Project Targets

- Data Center Consolidation
- Data Center to Data Center Optimization
- “Load Balancer” Consolidation
- Server Virtualization
- Service Provider – Traffic Optimization and IPV4 to 6 Migration
- Data Mobility (migration, tiering and storage cloud)
- App Deployments – Oracle, SAP, Microsoft
- DNSSEC & 2048 Encryption



best practices blog browser  
code content cookies perl  
datacenter decryption design  
domains infrastructure  
green IT hardware i10  
i10000 iPerf iPerf2 iPerf3  
open source optimization

# F5 Networks

## 2010 Analyst / Investor Meeting

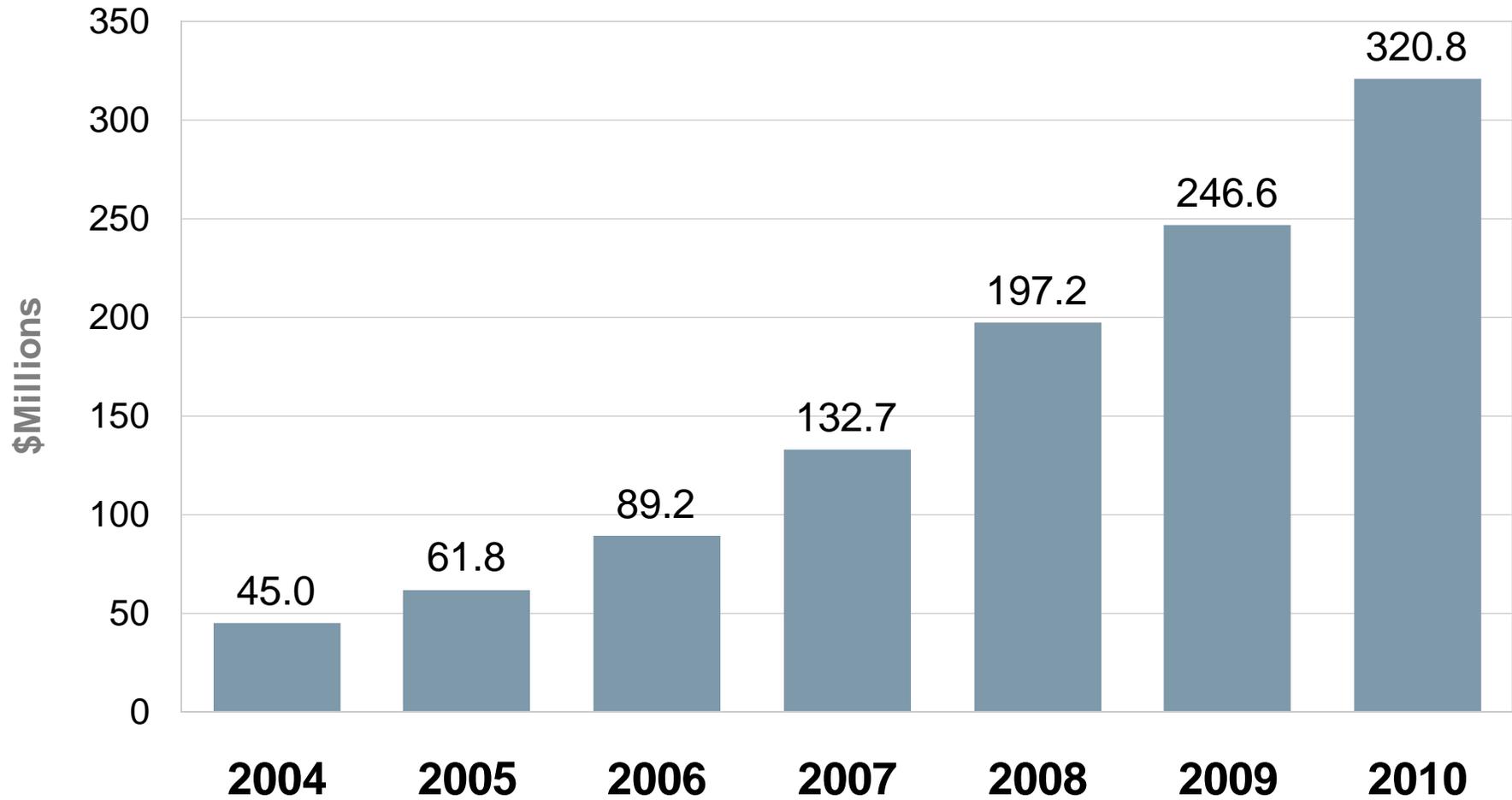
### New York ~ November 16, 2010

Julian Eames  
SVP Business Operations

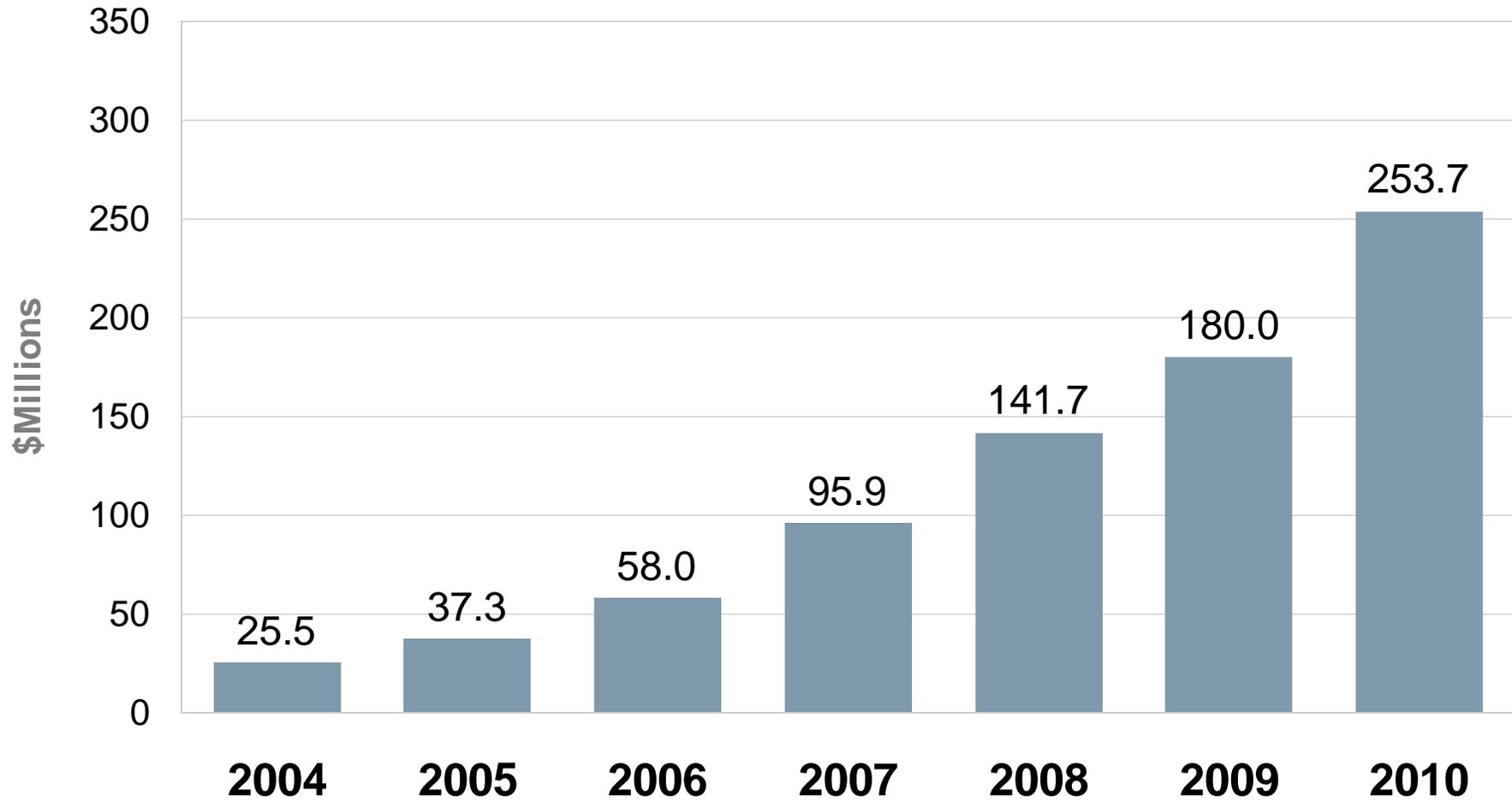


IT agility. Your way.

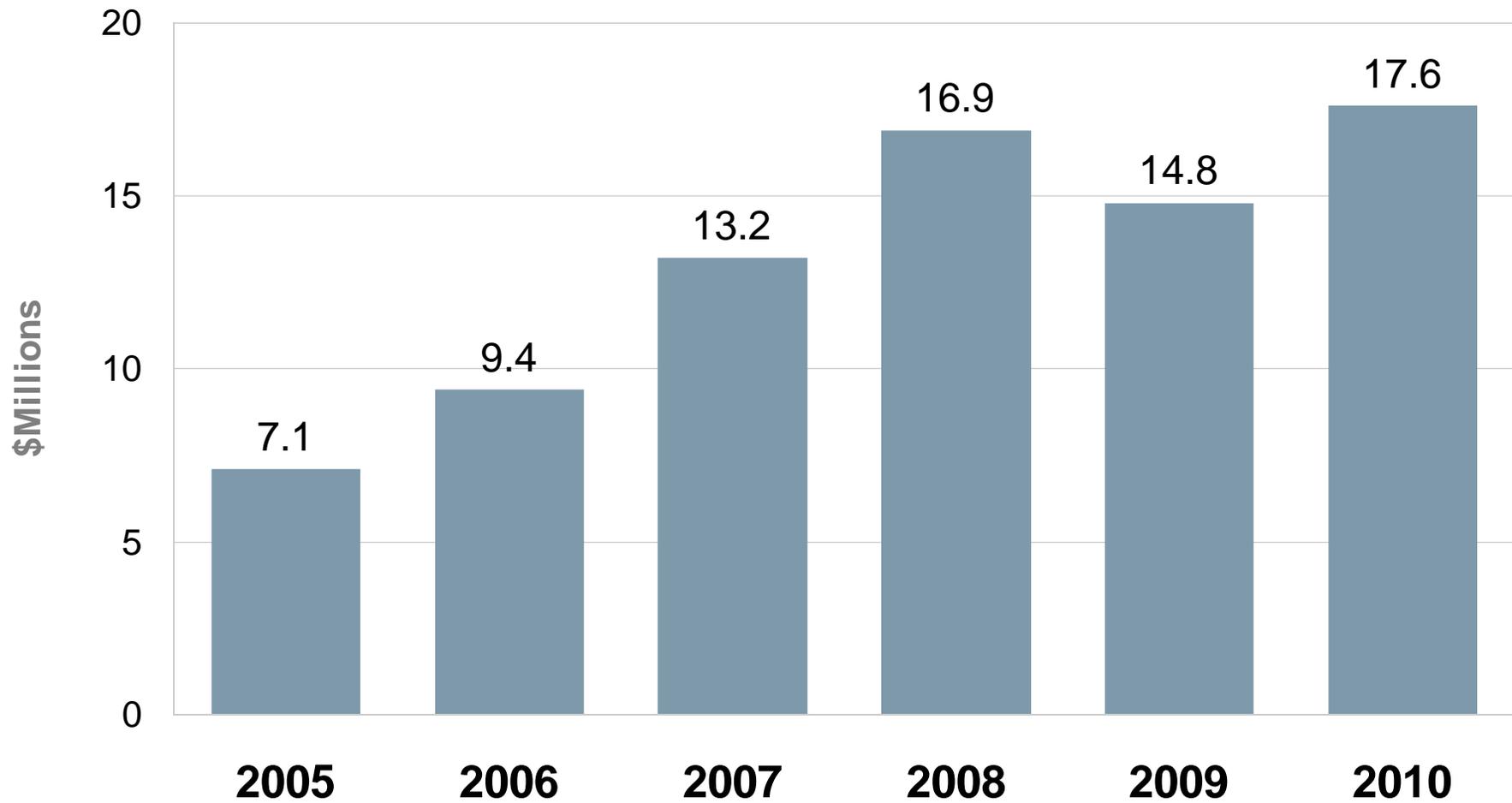
# Service Revenue



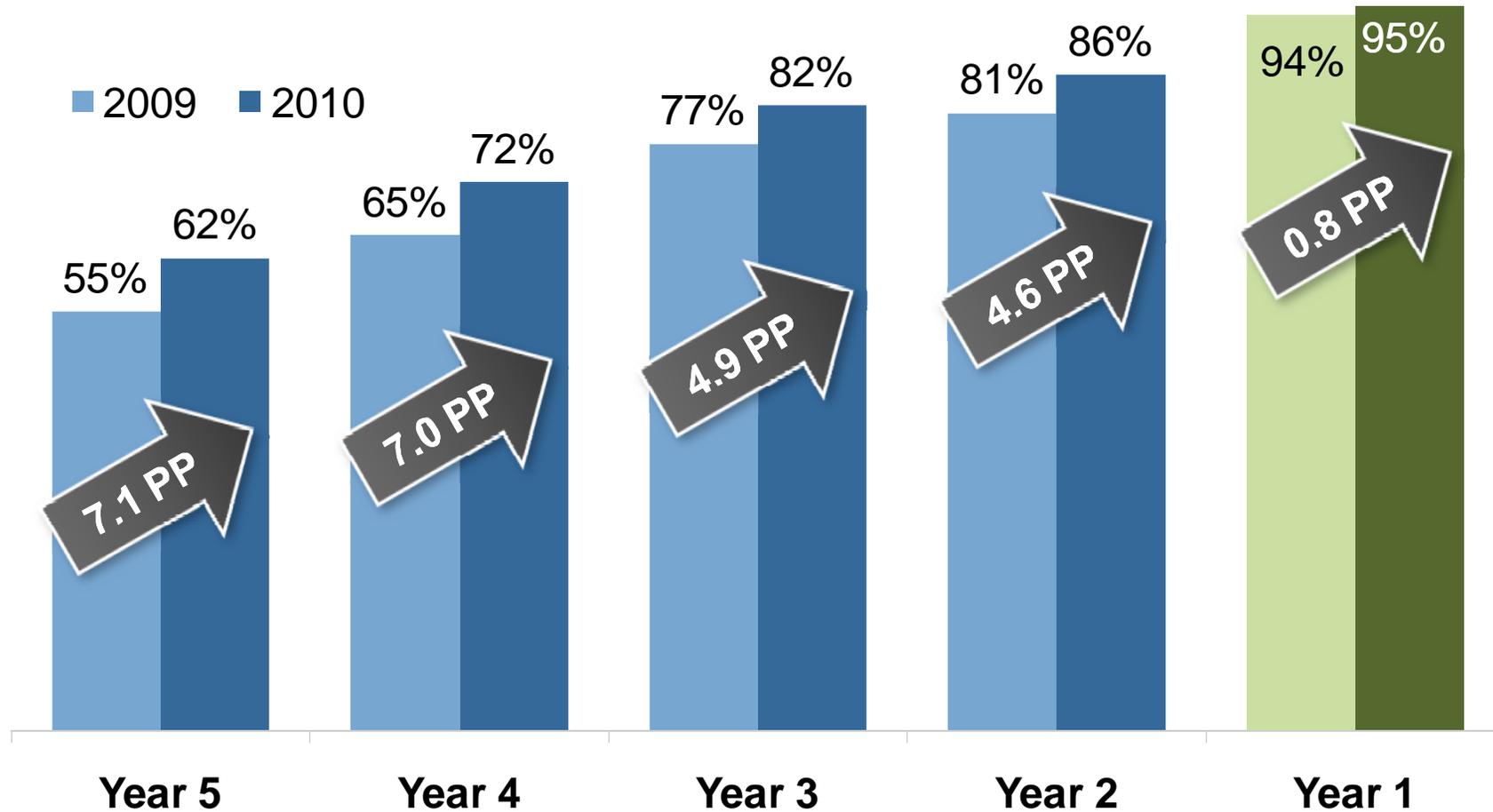
## Deferred Service Maintenance



## Consulting, Installation and Training

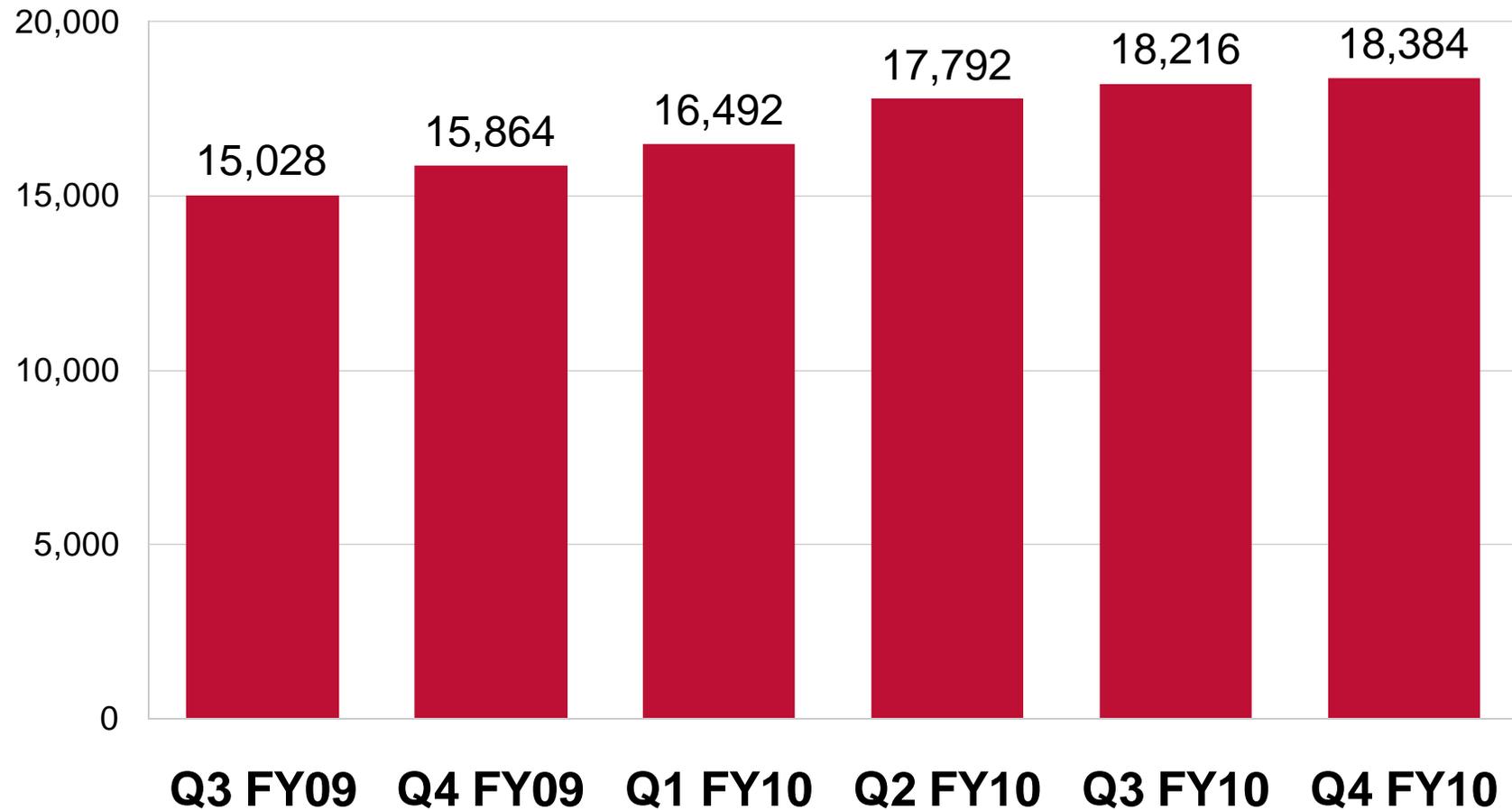


## 2010 Attach Rate Improvements by Year Product Shipped



# Case Volume— Last 6 Quarters

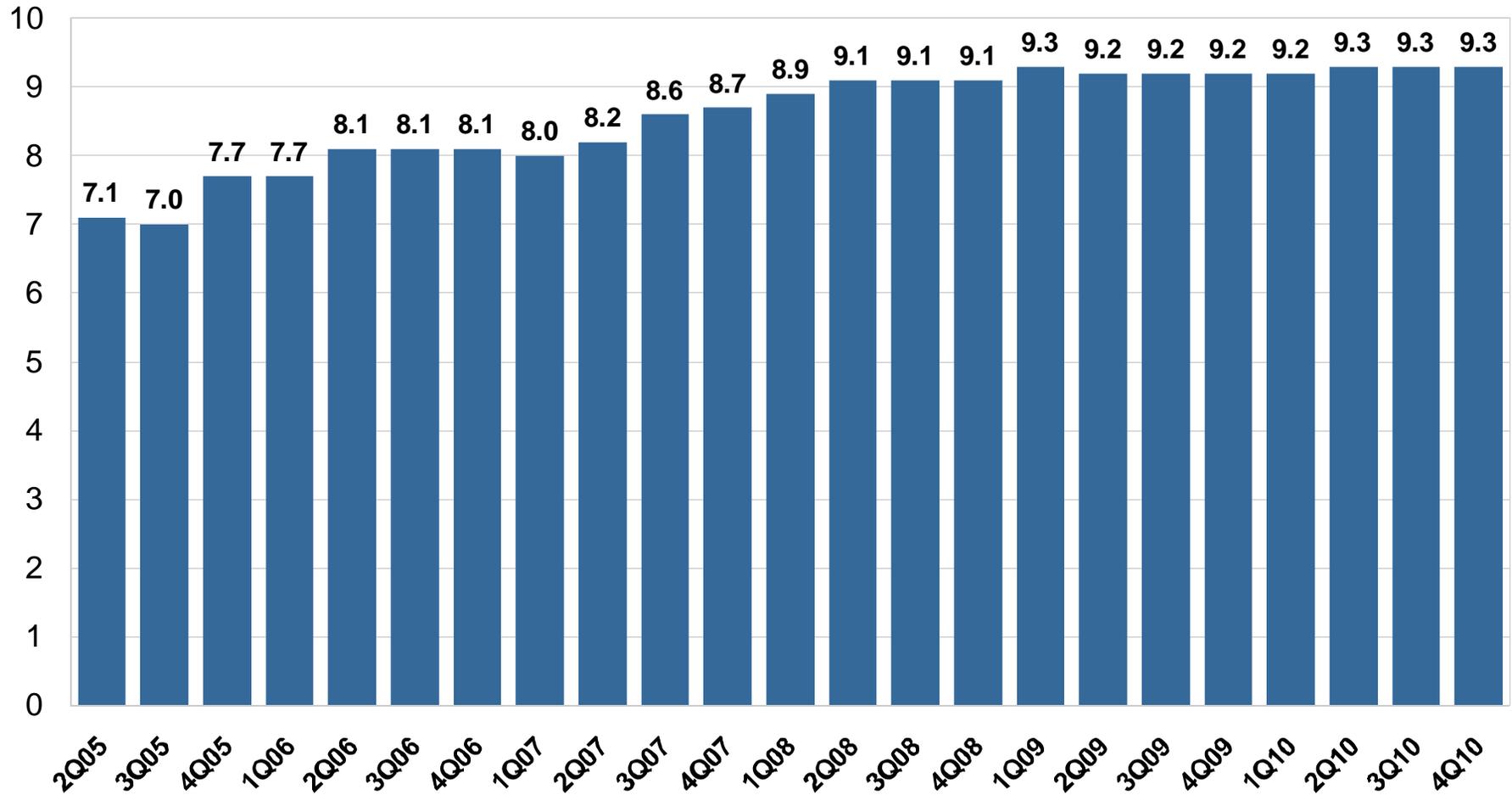
## Cases Opened



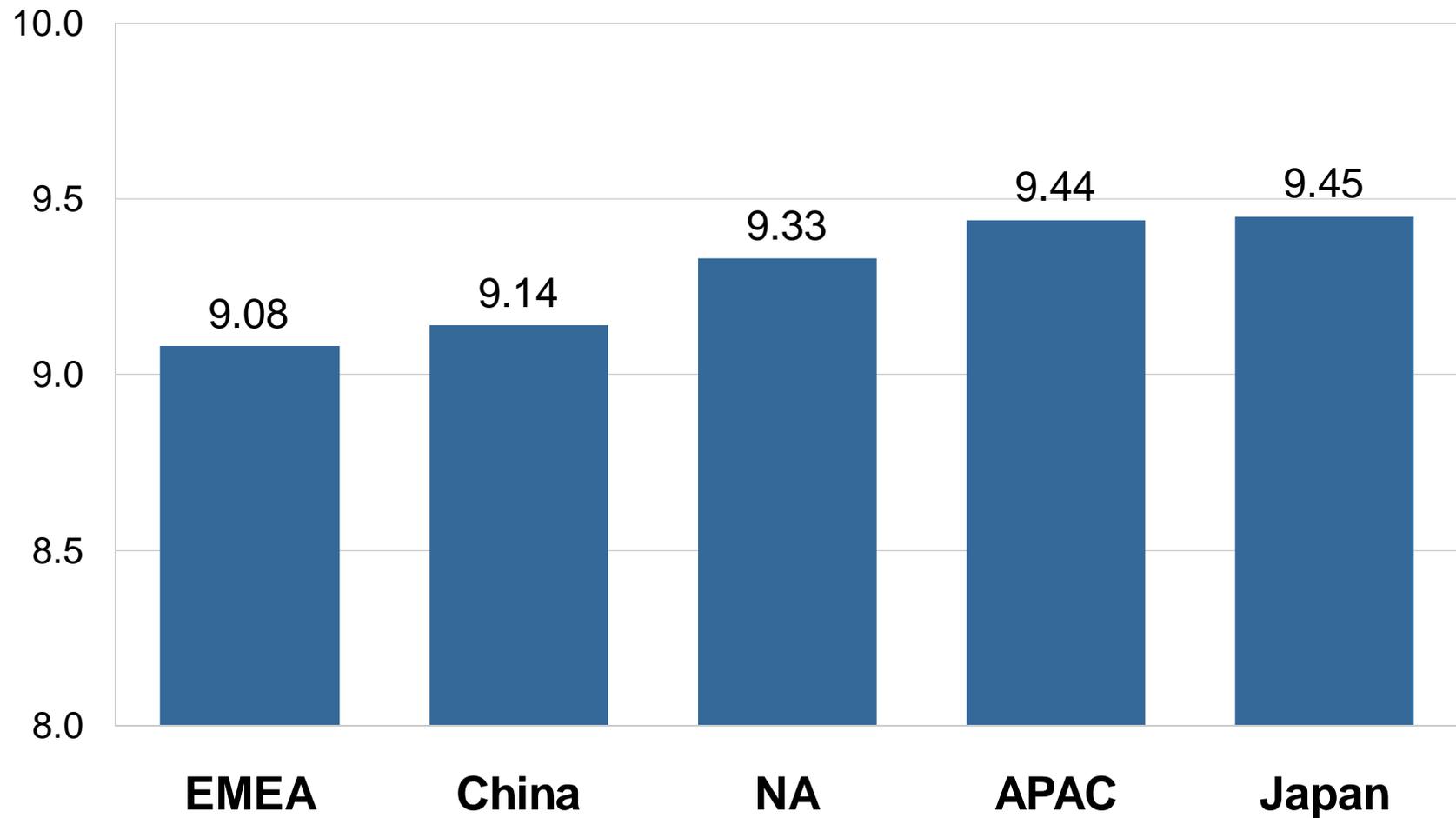
\* Year over year growth rate was 19.6% (comparing FY09 to FY10)



# Customer Satisfaction Survey Results

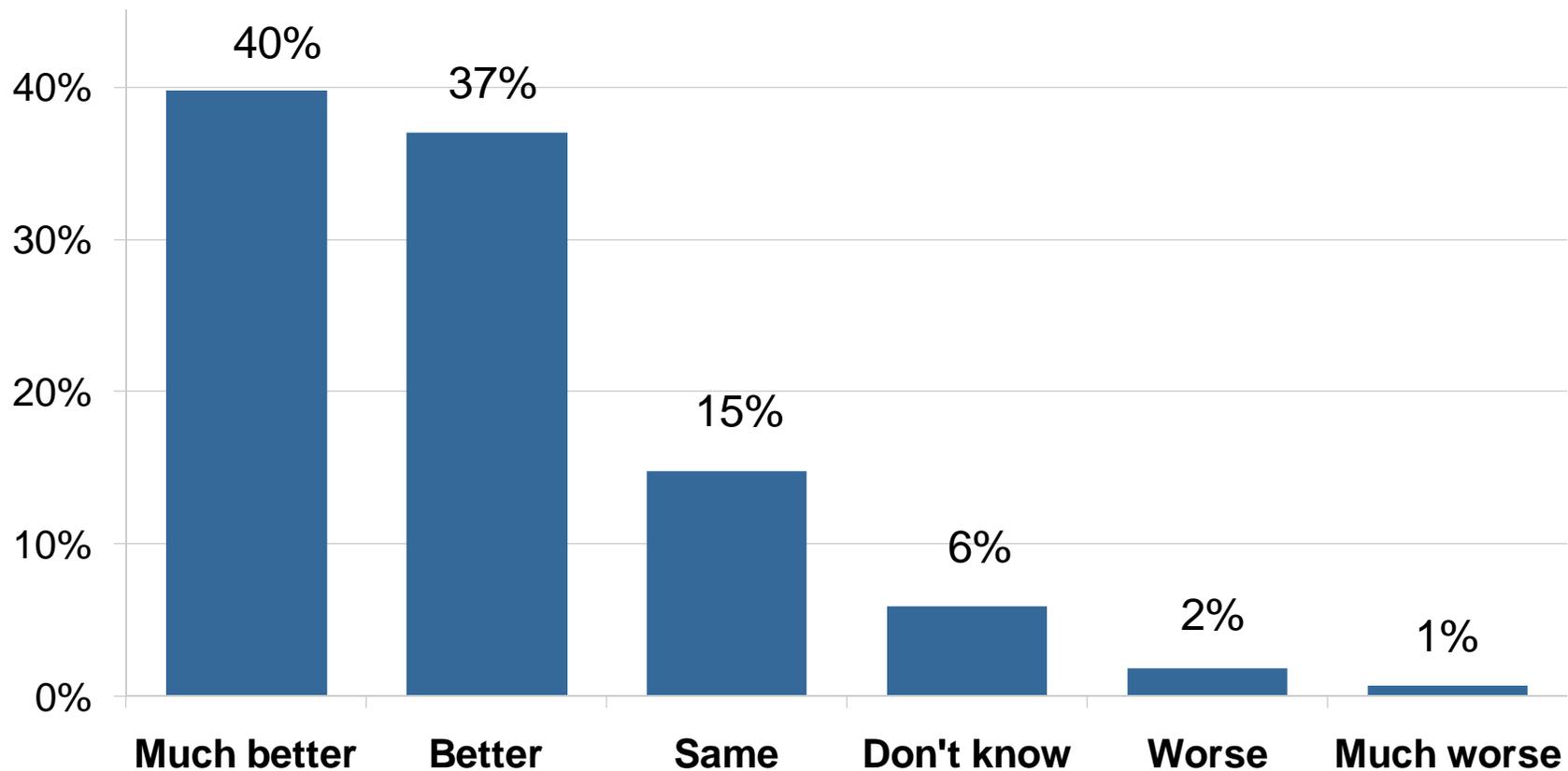


## Q4 CS Regional Survey Results



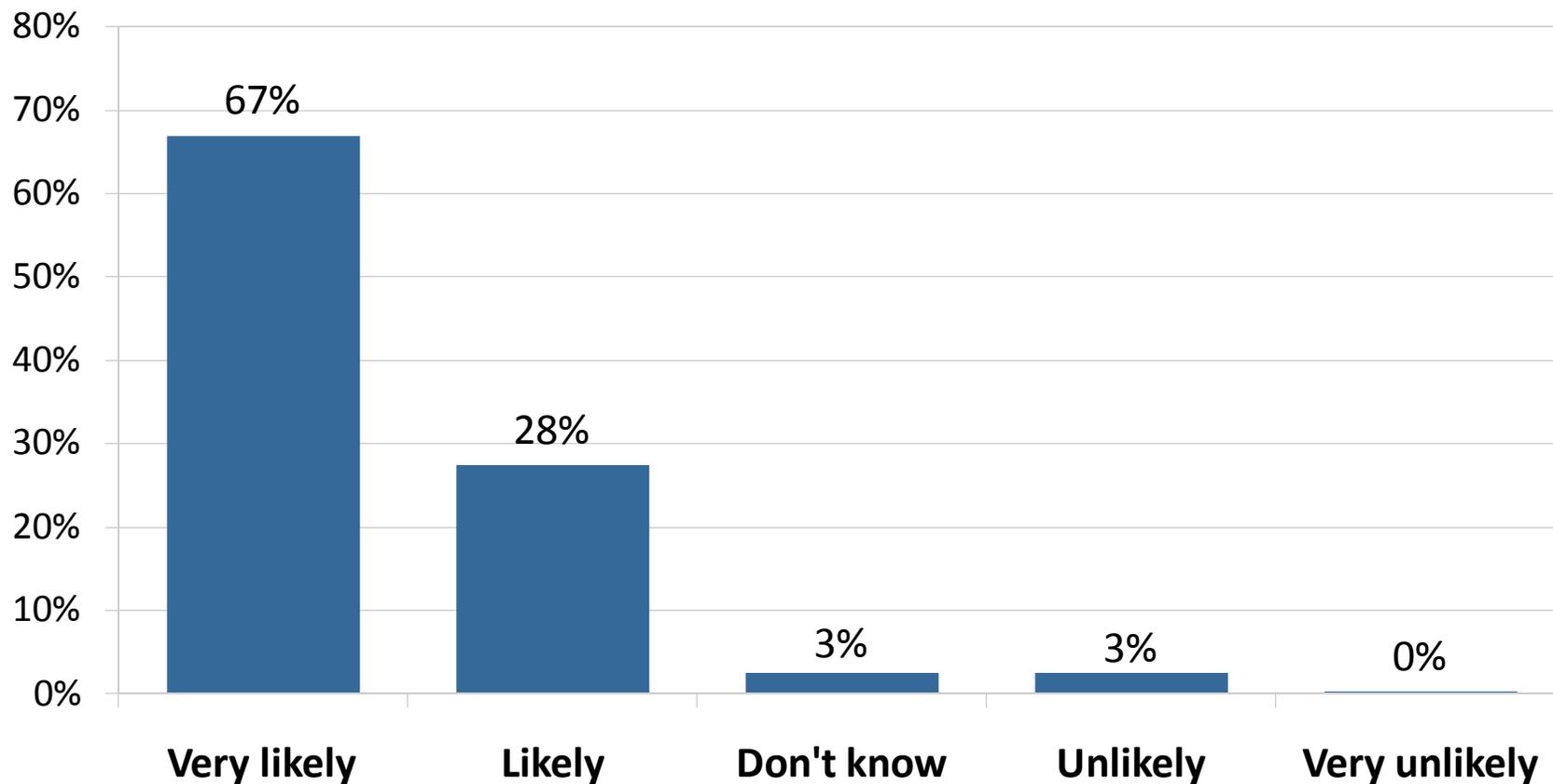
## Q4 Customer Satisfaction – Loyalty Questions

How would you compare F5 support to that provided by other vendors like F5 that you use?

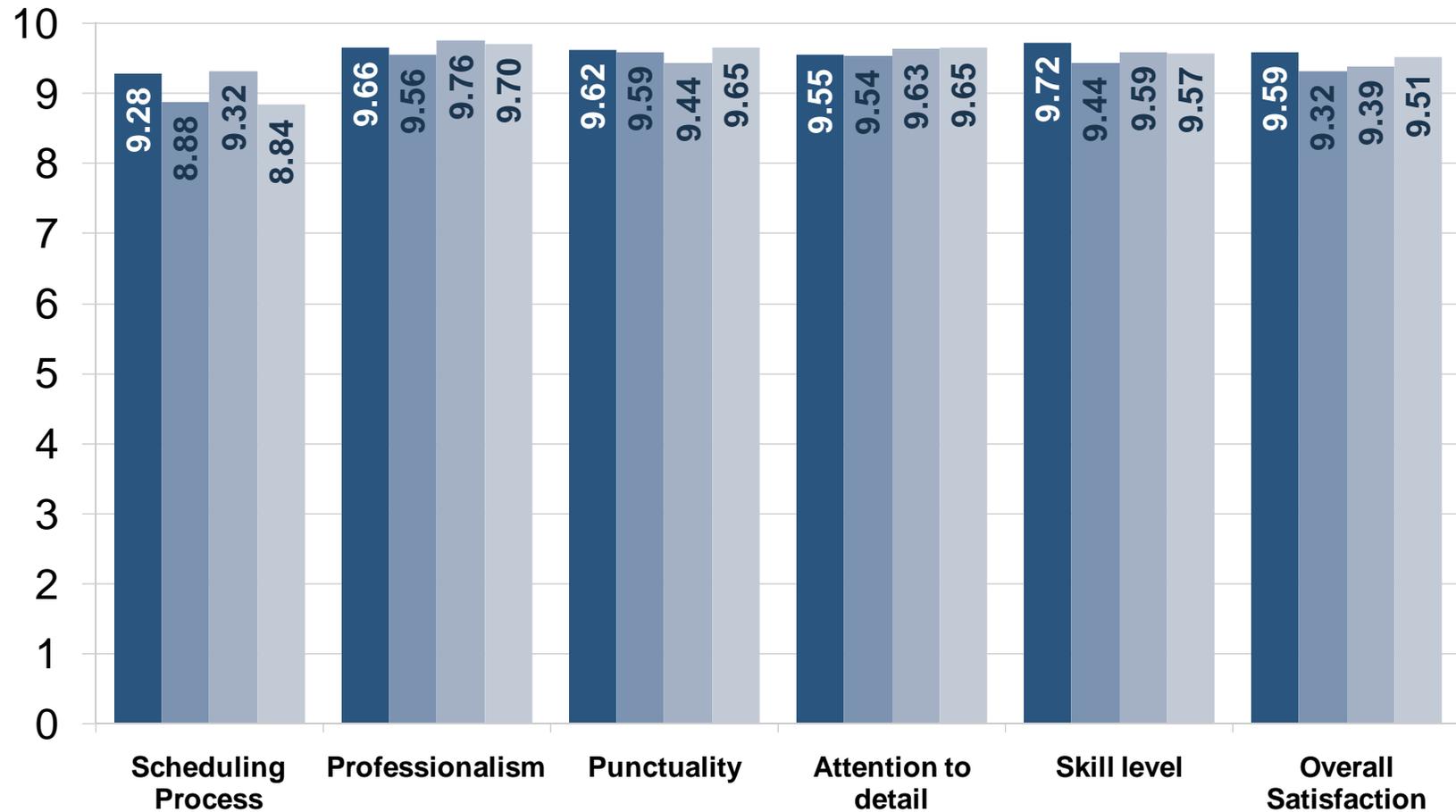


## Q4 Customer Satisfaction – Loyalty Questions

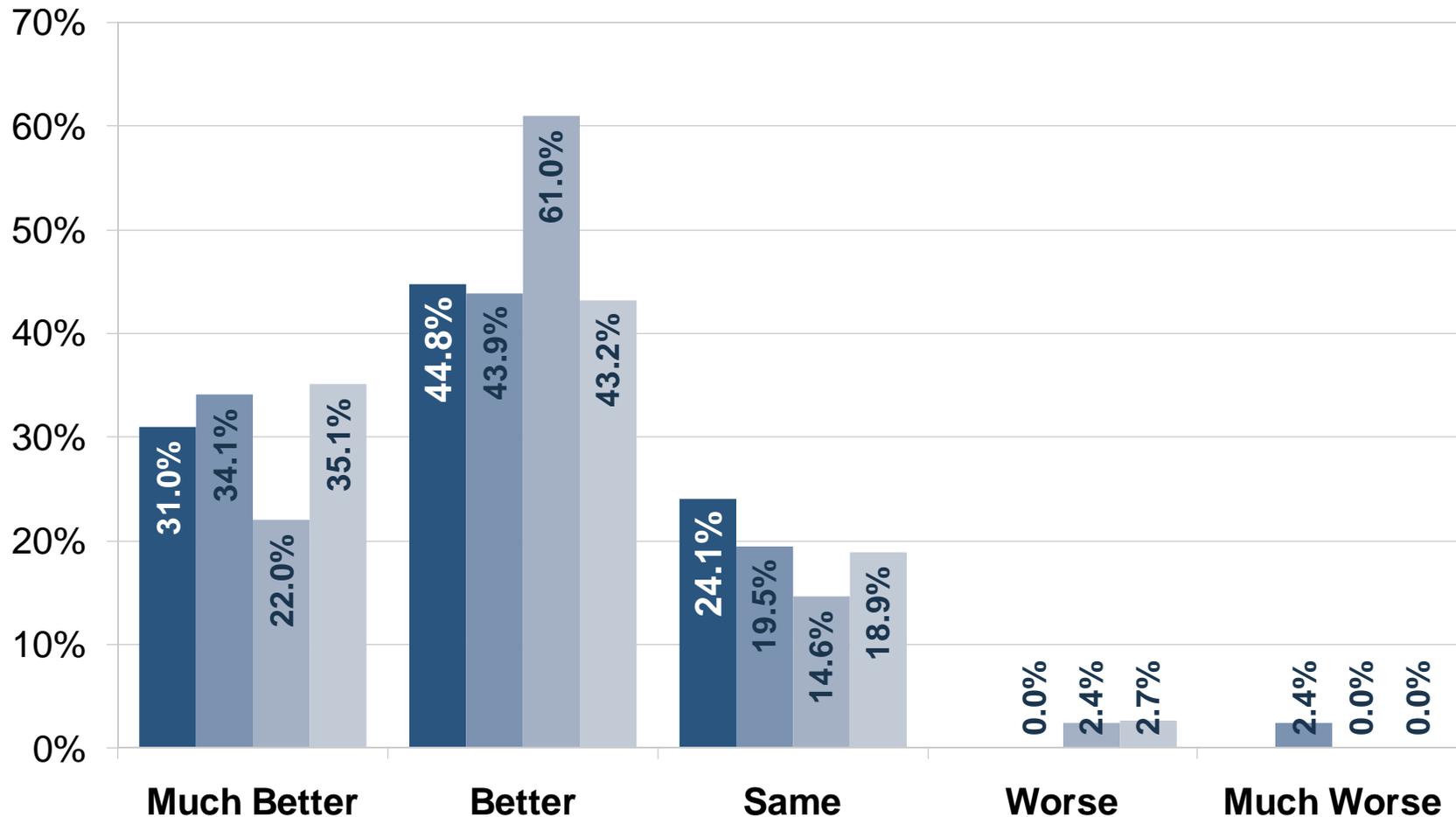
How likely would you be to recommend F5 to colleagues based on your support experiences?



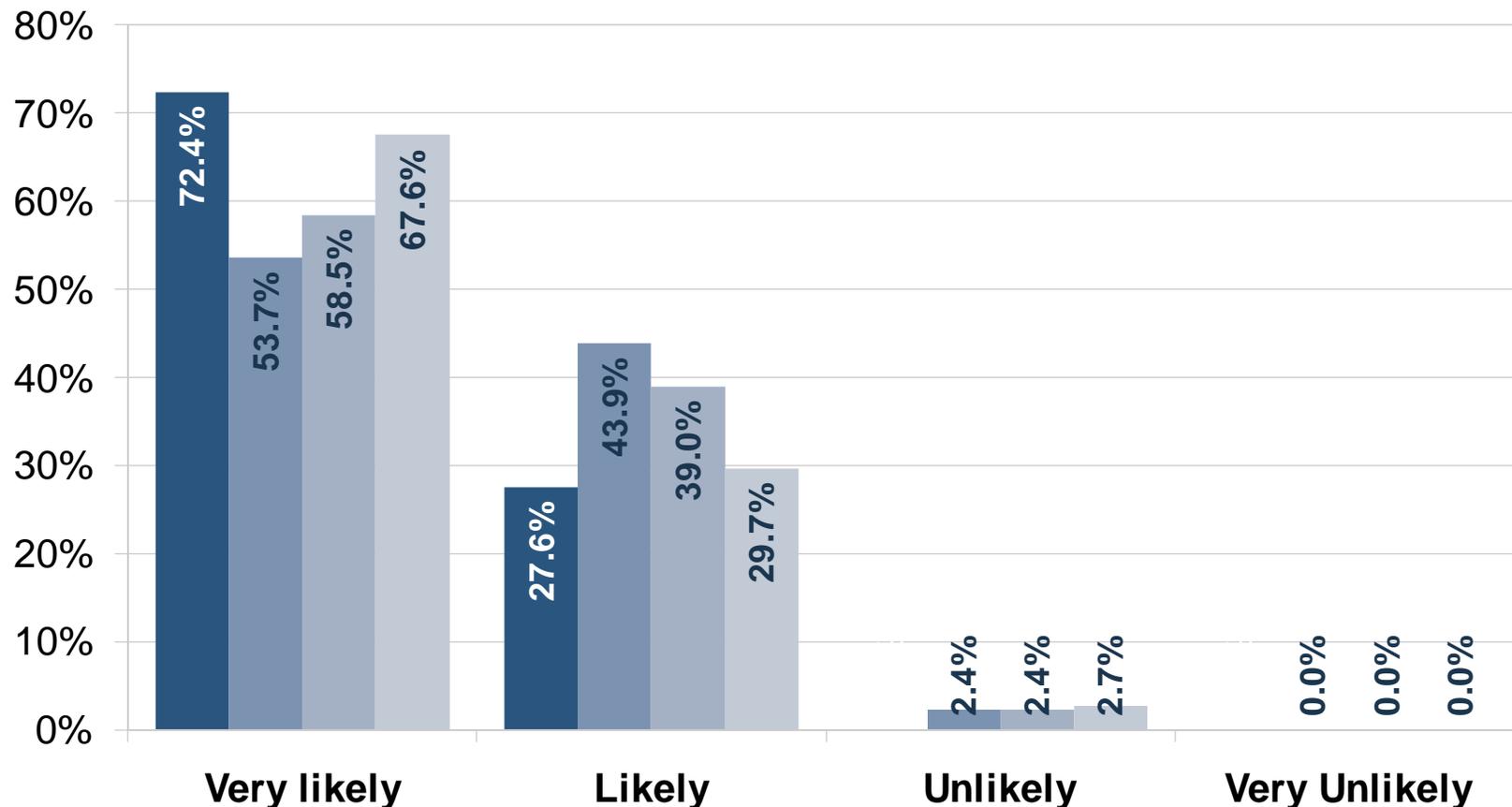
## NA PS Consulting – 4Q FY 10 General Feedback



## How does F5 Consulting Services compare to other contracted assistance you've used in the past?



## How likely would you recommend F5 networks consulting services to your colleagues?



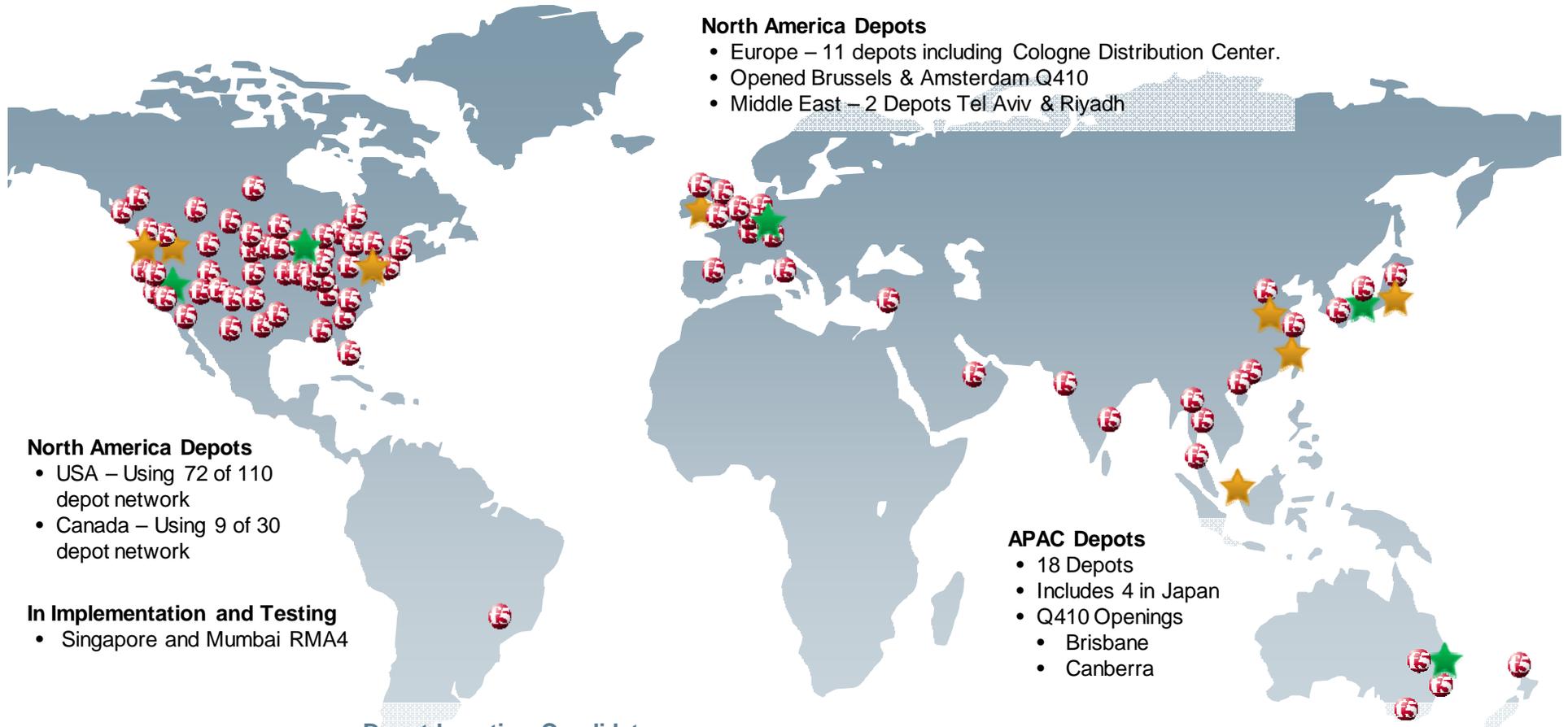
**97.3% of our customers said they were Very likely or Likely to recommend us**



# Expedited RMA Services & Support Centers

## North America Depots

- Europe – 11 depots including Cologne Distribution Center.
- Opened Brussels & Amsterdam Q410
- Middle East – 2 Depots Tel Aviv & Riyadh



## North America Depots

- USA – Using 72 of 110 depot network
- Canada – Using 9 of 30 depot network

## In Implementation and Testing

- Singapore and Mumbai RMA4

## Depot Location Candidates:

### APAC

- ANZ: Adelaide, Perth & Wellington
- North APAC: Seoul & Taiwan
- South APAC: Manila, Hanoi & Indonesia

### EMEA

- Central Europe: Milan, Zurich & Berlin
- Eastern Europe: Prague, Warsaw & Moscow
- Northern Europe: Edinburgh & Stockholm
- Africa: Johannesburg, South Africa
- Middle East: Istanbul, Turkey

## APAC Depots

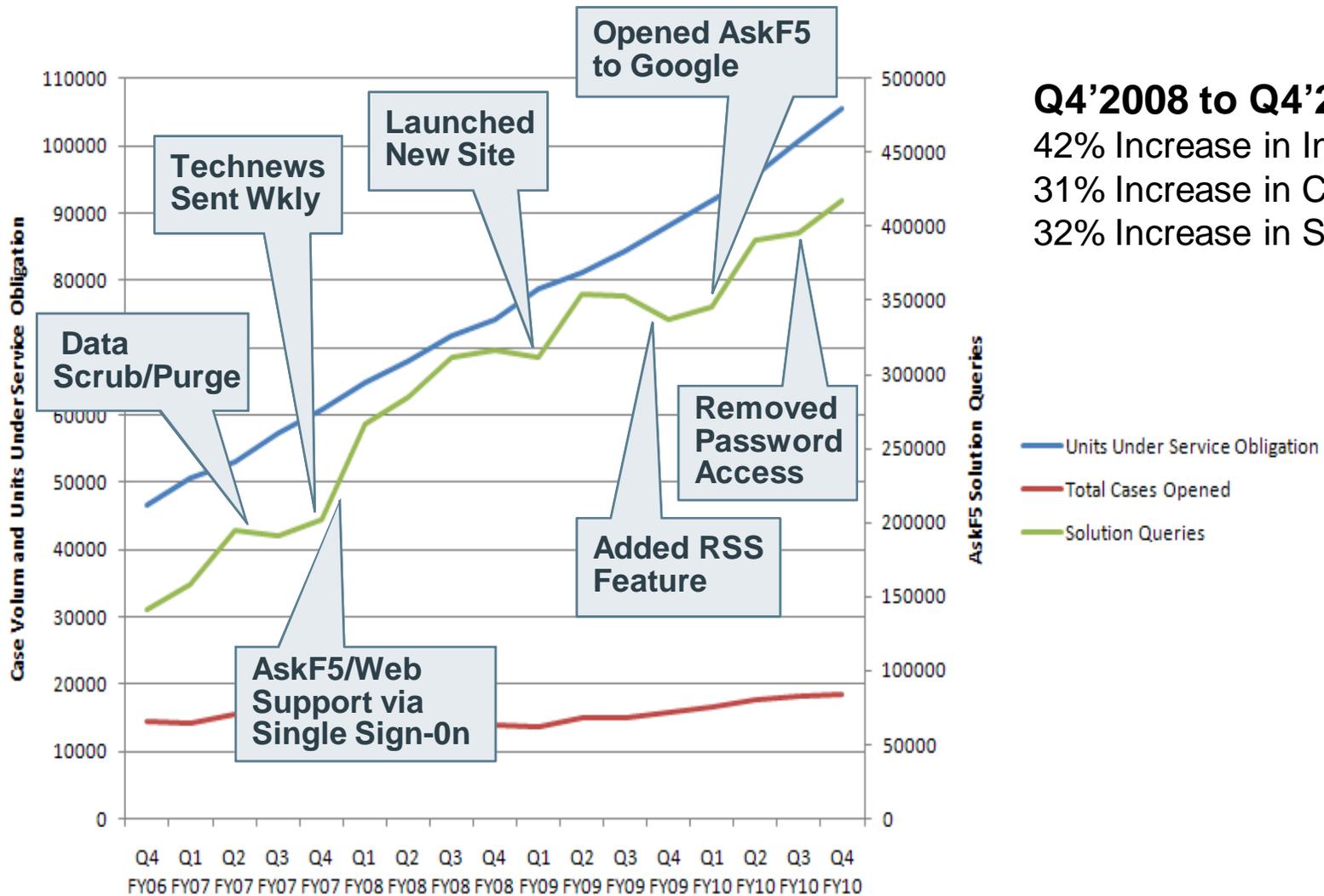
- 18 Depots
- Includes 4 in Japan
- Q410 Openings
  - Brisbane
  - Canberra

## In Planning

- Enable RMA4 throughout APAC
- RMA4 in EMEA
- RMA4 in NA

-  **Support Centers**
-  **Existing DC**
-  **Existing FSL**

# AskF5 Initiatives



**Q4'2008 to Q4'2010**  
 42% Increase in Install base  
 31% Increase in Cases  
 32% Increase in Sol. Queries



## What is the BIG-IP iHealth System?



Innovative Services Offering delivered as a web application



Included at no additional charge with Support Agreements worldwide



Calling this a “System” due to the inclusion of the Viewer and Diagnostics



An F5 exclusive / differentiator

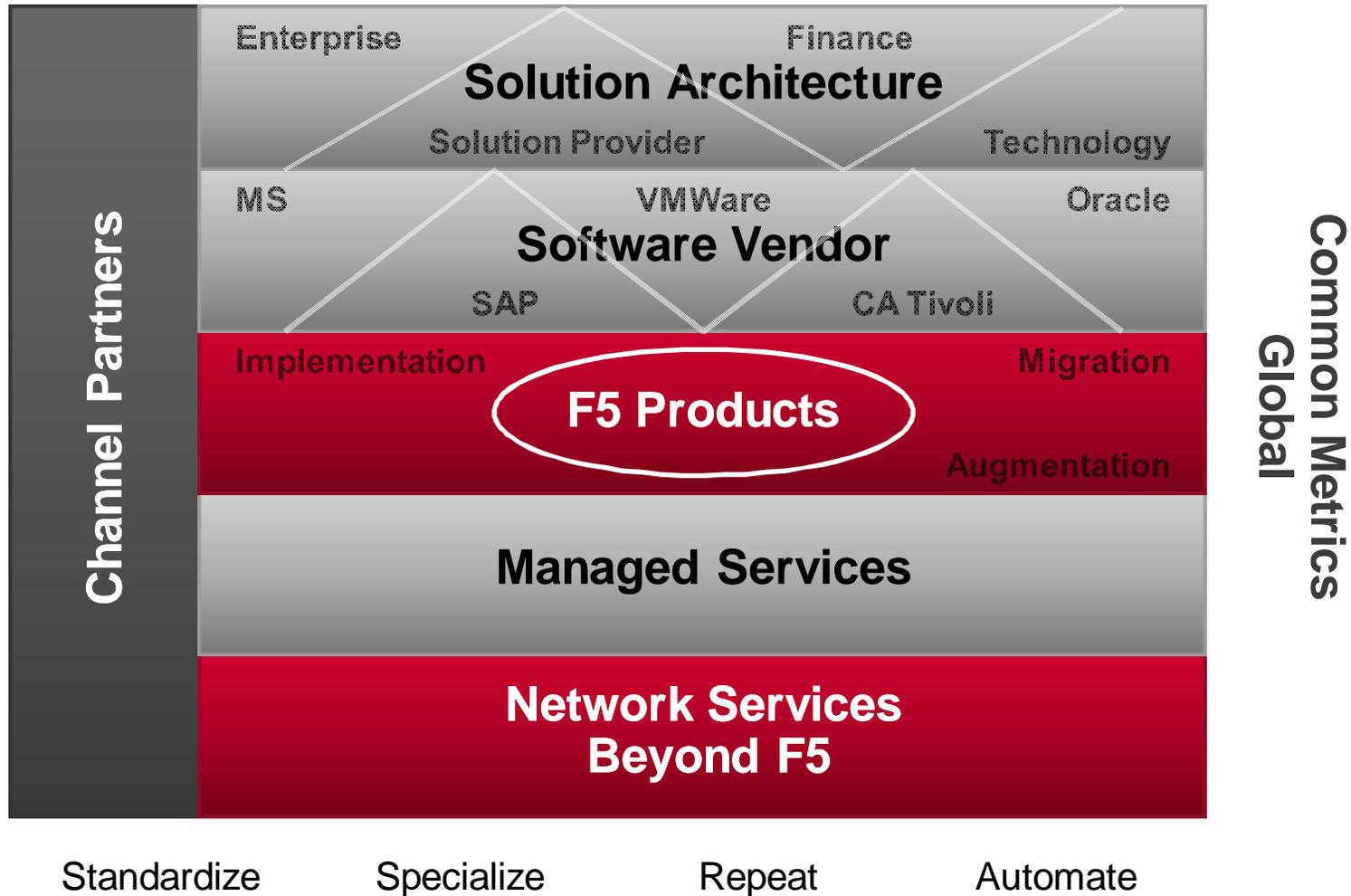


Launched October 1st / Announcement end of October

# Customer Benefits of BIG-IP iHealth



# Consulting Services



## Summary

- Services growth in 2010 – 30%
- Deferred revenue growth reflects health for 2011
- Call volumes not growing as fast as revenue even with release V10 and additional module functionality
- Call avoidance system improving
  - Askf5
  - iHealth
- Further developments in Professional Services offerings as leverage to product sales
- Customer satisfaction for all services ***world class***



best practices blog browser  
code content cookies perl  
datacenter decryption design  
domains infrastructure  
green IT hardware HTML  
IPv6 IPv6 IPv6 IPv6  
open source optimization

# F5 Networks

## 2010 Analyst / Investor Meeting

### New York ~ November 16, 2010

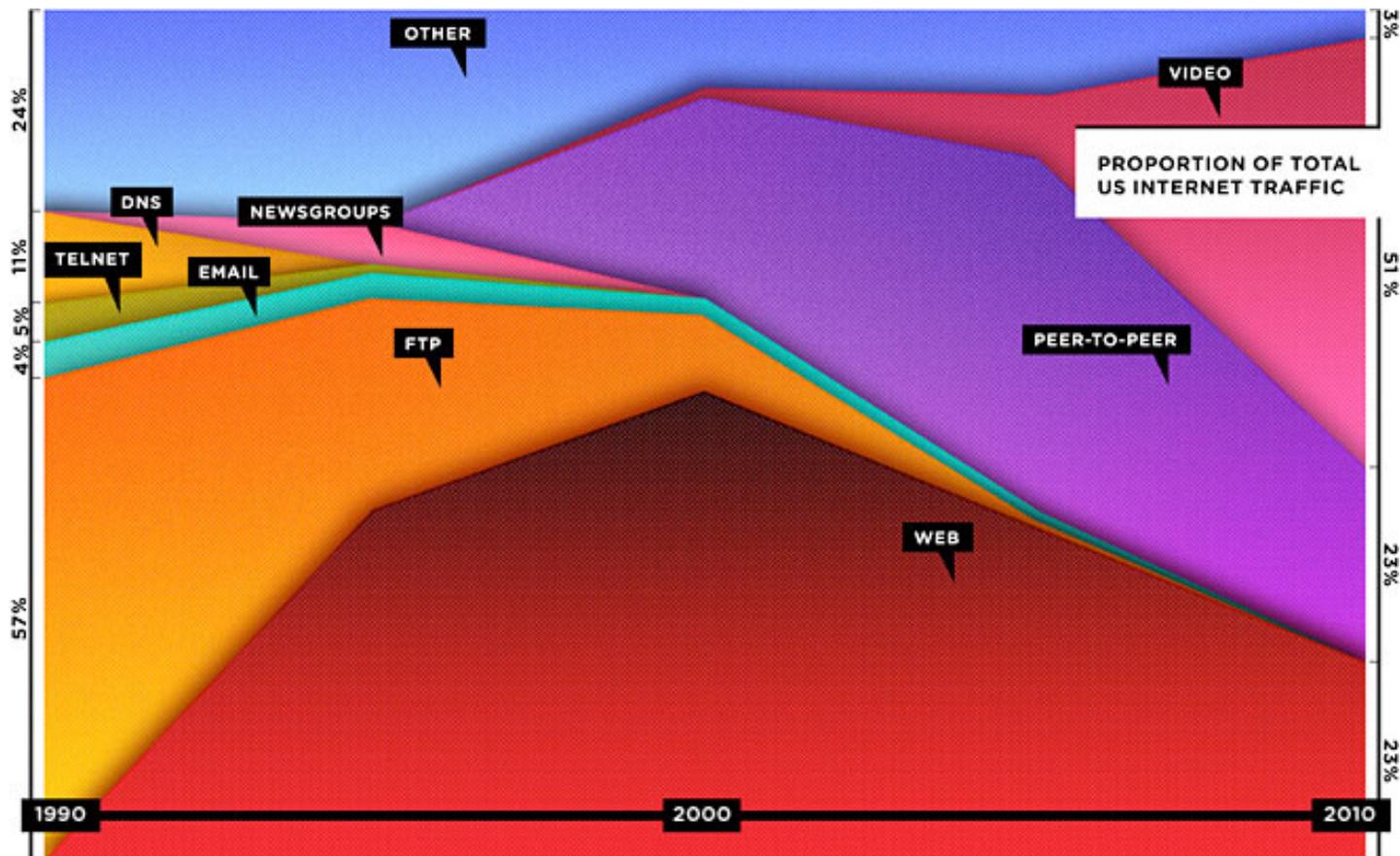
Karl Triebes

SVP Product Development & Chief Technical Officer



IT agility. Your way.

# Internet Traffic Distribution 1990-2010

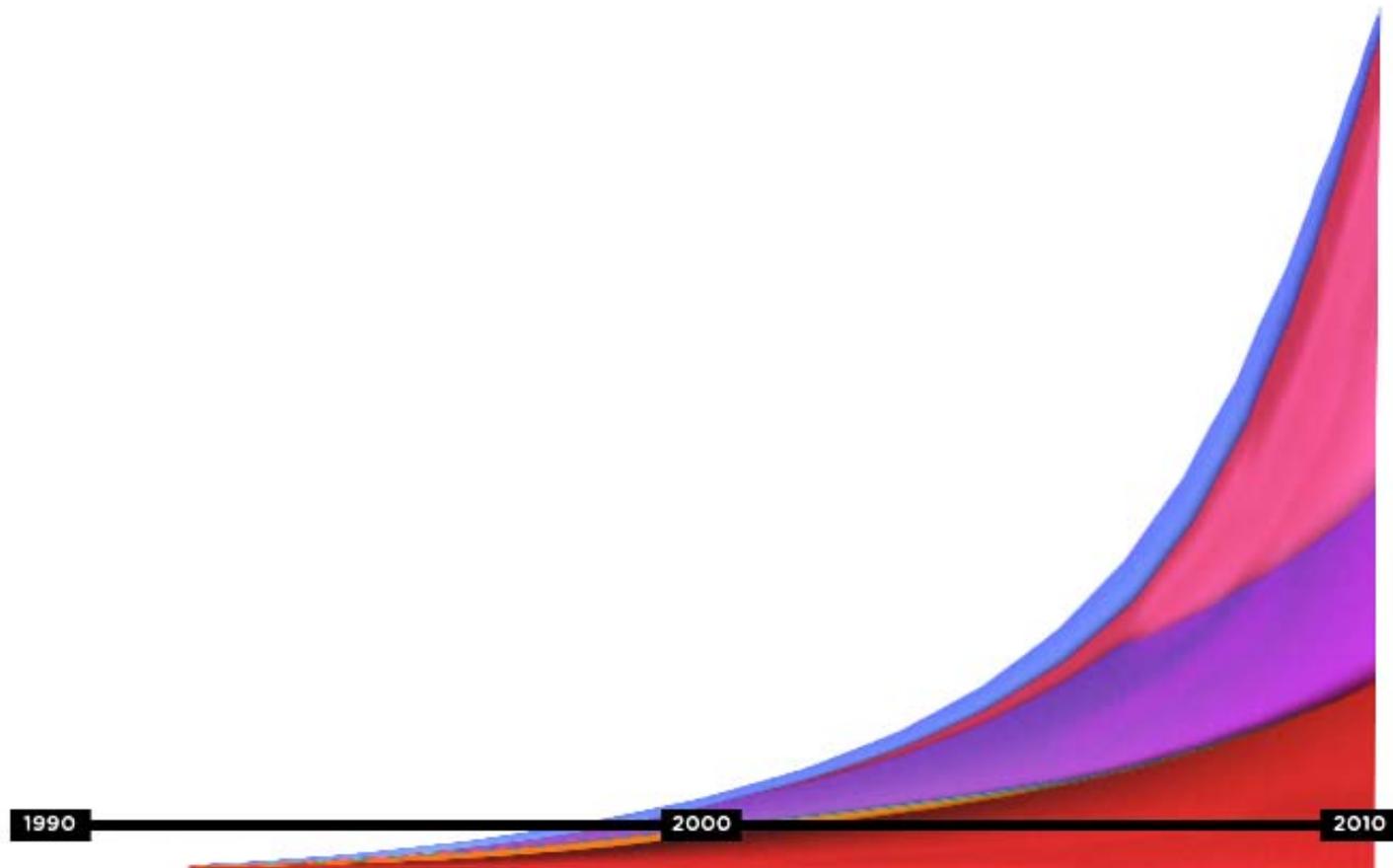


**Video  
Now At  
51%**

By Chris Anderson and Michael Wolff, August 17, 2010, Wired  
[http://www.wired.com/magazine/2010/08/ff\\_webrip/](http://www.wired.com/magazine/2010/08/ff_webrip/)



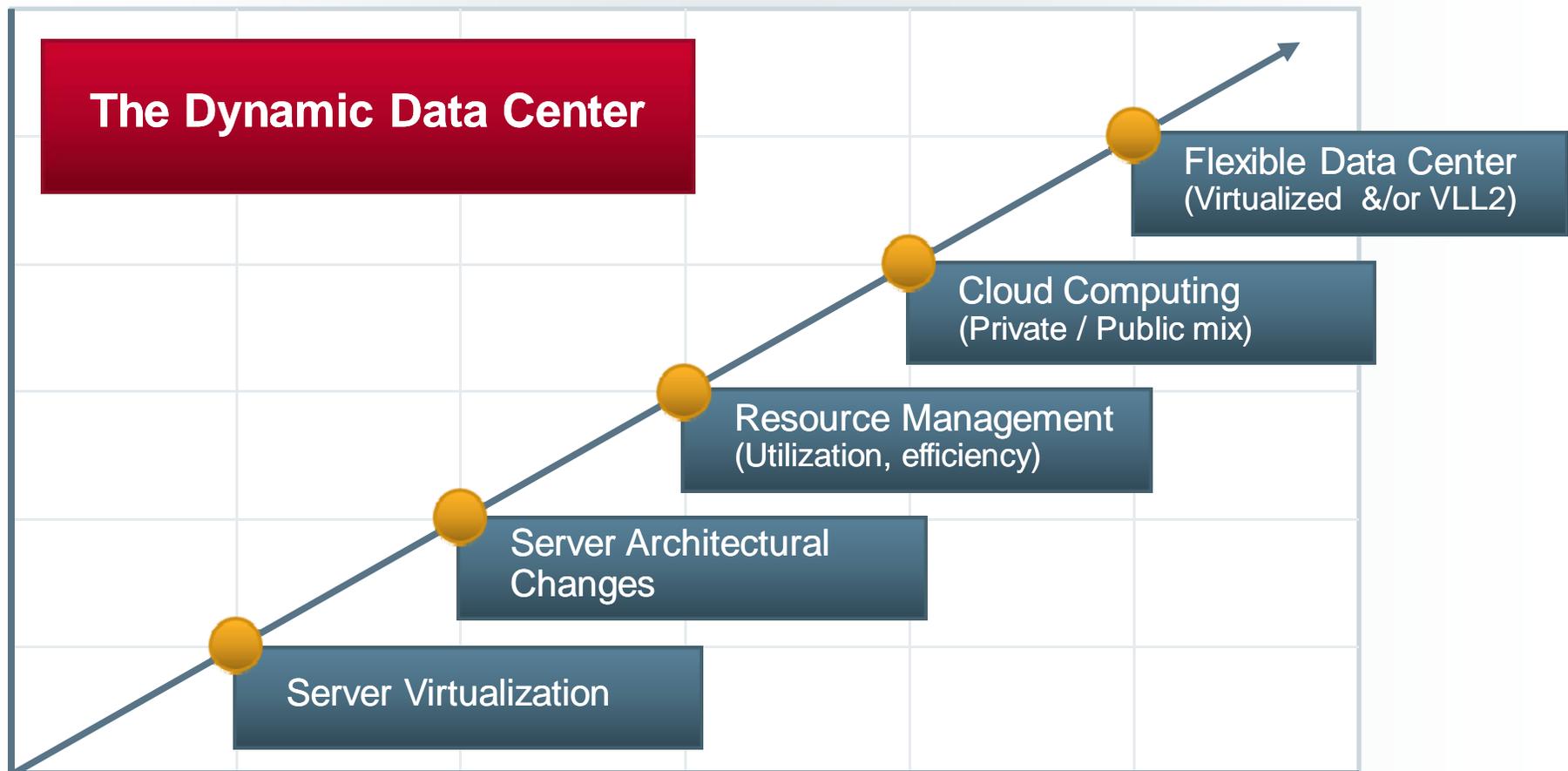
# Internet Traffic Distribution 1990-2010



By Chris Anderson and Michael Wolff, August 17, 2010, Wired  
[http://www.wired.com/magazine/2010/08/ff\\_webrip/](http://www.wired.com/magazine/2010/08/ff_webrip/)



# Data Center Architectural Trends



# Today's Data Center Architecture

## Management Plane



- Per Application/functional element
- Service Provisioning
- Service Orchestration
- Policy Management
- Status and Event Management

## Data Plane



- Network Firewall, Anti SPAM,
- Network - Ethernet Switching and Routing
- Hypervisors (VMware, XEN, Hyper-V)
- Data Services (Encryption, Proxy, etc...)
- Optimization services (TCP, Deduplication, etc)
- Load balancing and traffic steering
- Health and status monitoring

# Next Generation Data Center Architecture

## Management Plane



- Centralized datacenter management
- Service Provisioning
- Service Orchestration
- Policy Management
- Status and Event Management

## Control Plane



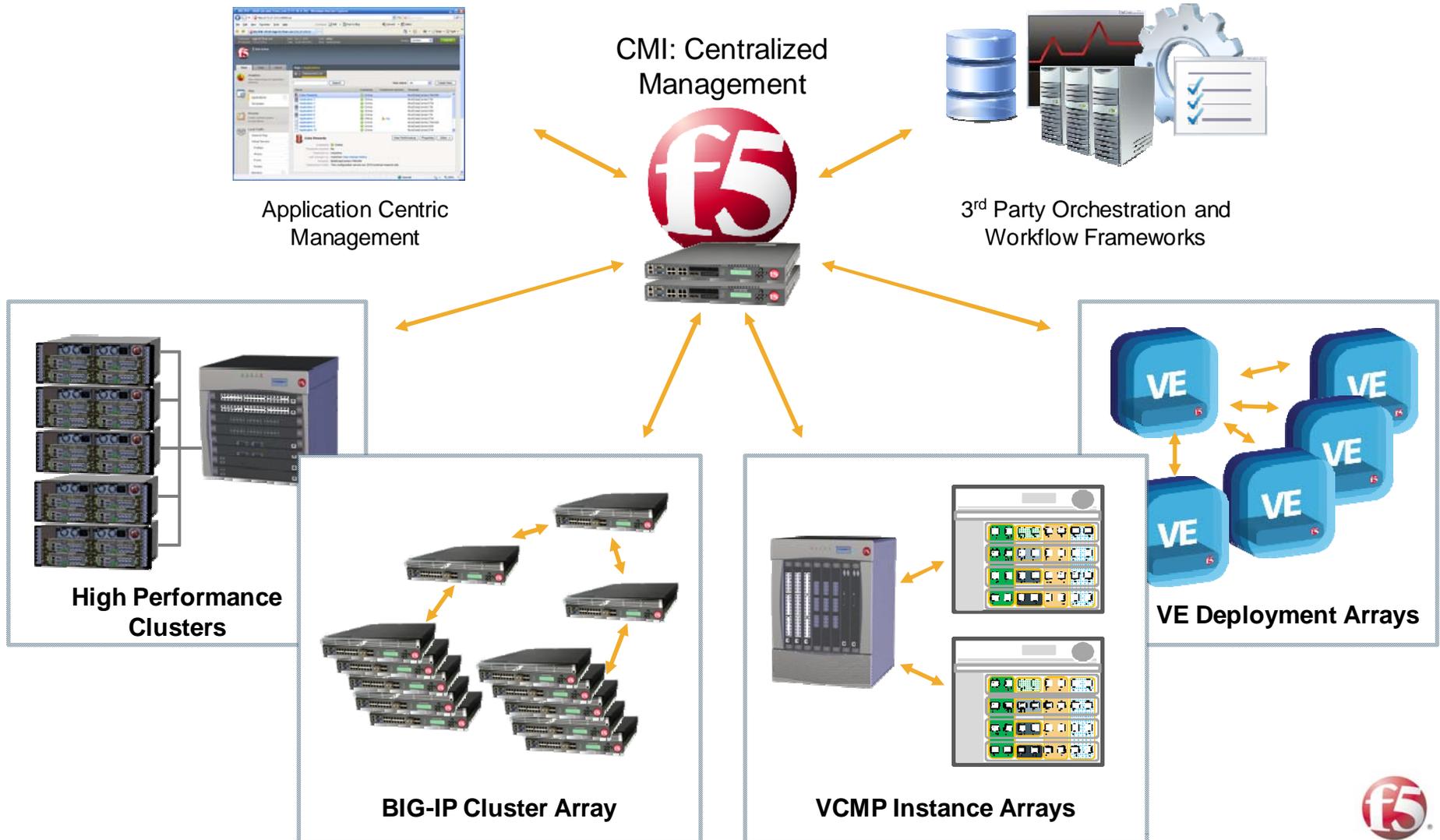
- Application Traffic Management (LTM, GTM)
- VCMP and Datacenter aggregation
- Policy implementation and enforcement
- Identity management
- Session management
- Statistics gathering/aggregation
- Monitoring

## Data Plane

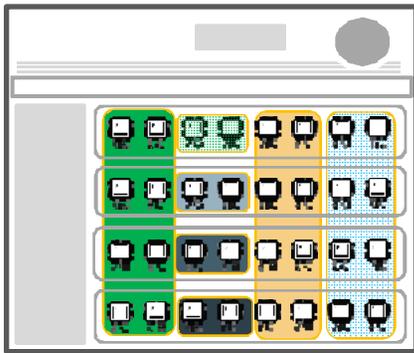


- Virtualized services (Vmotion, ESX)
- Security enforcement
- Encryption services
- Optimization services
- Load balancing
- Health and status monitoring

# VCMP + CMI: The Datacenter Control Plane

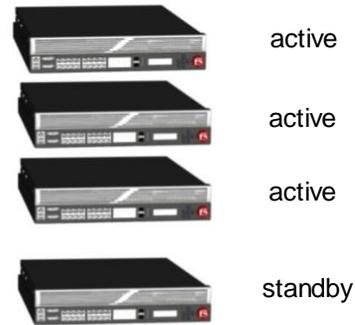


# VCMP – Scaling Datacenter Intelligence



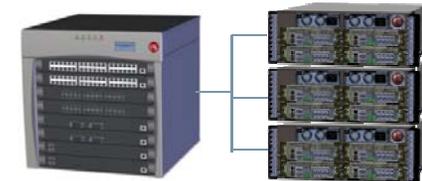
## Virtual Clustering within Chassis

- Version Independence
- Network isolation
- Resource isolation
- Fault isolation
- Increased Utilization



## Multi-box Clusters

- Increased Utilization
- Possible with CMI's:
  - Ease of Management
  - Devices Groups and Granular Failover



## Clustering with Hardware

- Disaggregation Hierarchies Scaling VIPS to Tb/s

# Application Abstraction Layer

- Redefines application and network object management
- Configuration based on application semantics
- Pre-configured (Application Templates) or customer configured



USEFUL + DESIRABLE



USEFUL + USABLE + DESIRABLE



# Application Centric Management - iApp

Hostname: pierce-solstice.pdsea.f5net.com    Date: Nov 12, 2010    User: admin  
 IP Address: 172.27.62.2    Time: 4:14 PM (PST)    Role: Administrator    Partition: Common    [Log out](#)

 Unit: ACTIVE

[Main](#)   [Help](#)   [About](#)    **iApp » Applications**

[Application List](#)

\*       

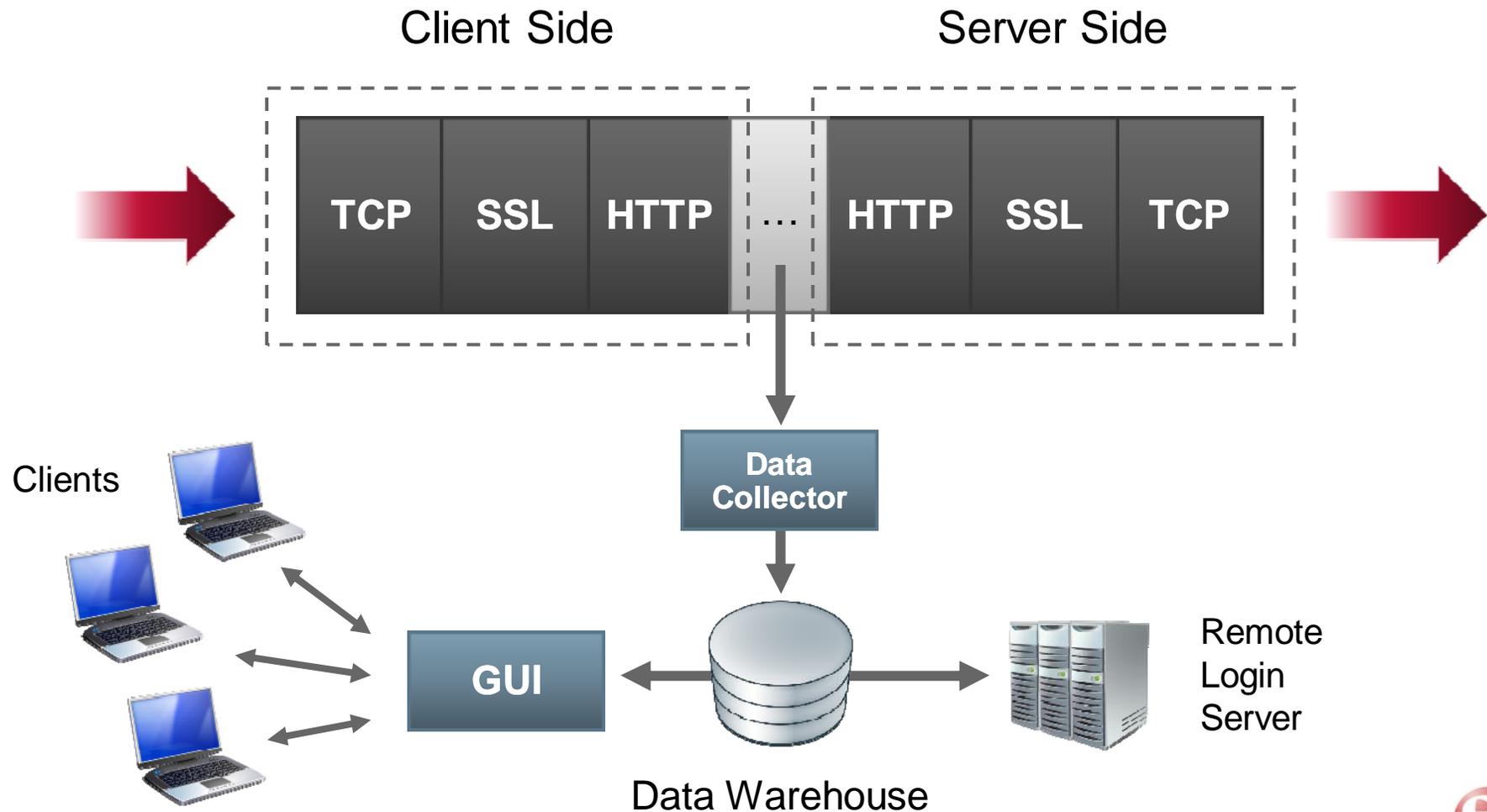
<input checked="" type="checkbox"/>	Name	Partition	Template
<input type="checkbox"/>	<a href="#">Corporate_IIS_WebSite</a>	Common	f5.microsoft_iis
<input type="checkbox"/>	<a href="#">Corporate_Intranet_Sharepoint</a>	Common	f5.microsoft_sharepoint_2010
<input type="checkbox"/>	<a href="#">Corporate_Presentation_Server_Cluster</a>	Common	f5.citrix_presentation_server
<input type="checkbox"/>	<a href="#">Corporate_Virtual_Desktop_Cluster</a>	Common	f5.vmware_view
<input type="checkbox"/>	<a href="#">Oracle_Financials</a>	Common	f5.oracle_ebs
<input type="checkbox"/>	<a href="#">SAP_Enterprise_Portal</a>	Common	f5.sap_enterprise_portal

Overview  
 iApp  
   Applications (+)  
   Application Templates (+)  
 Wizards  
 Local Traffic  
 Network  
 System

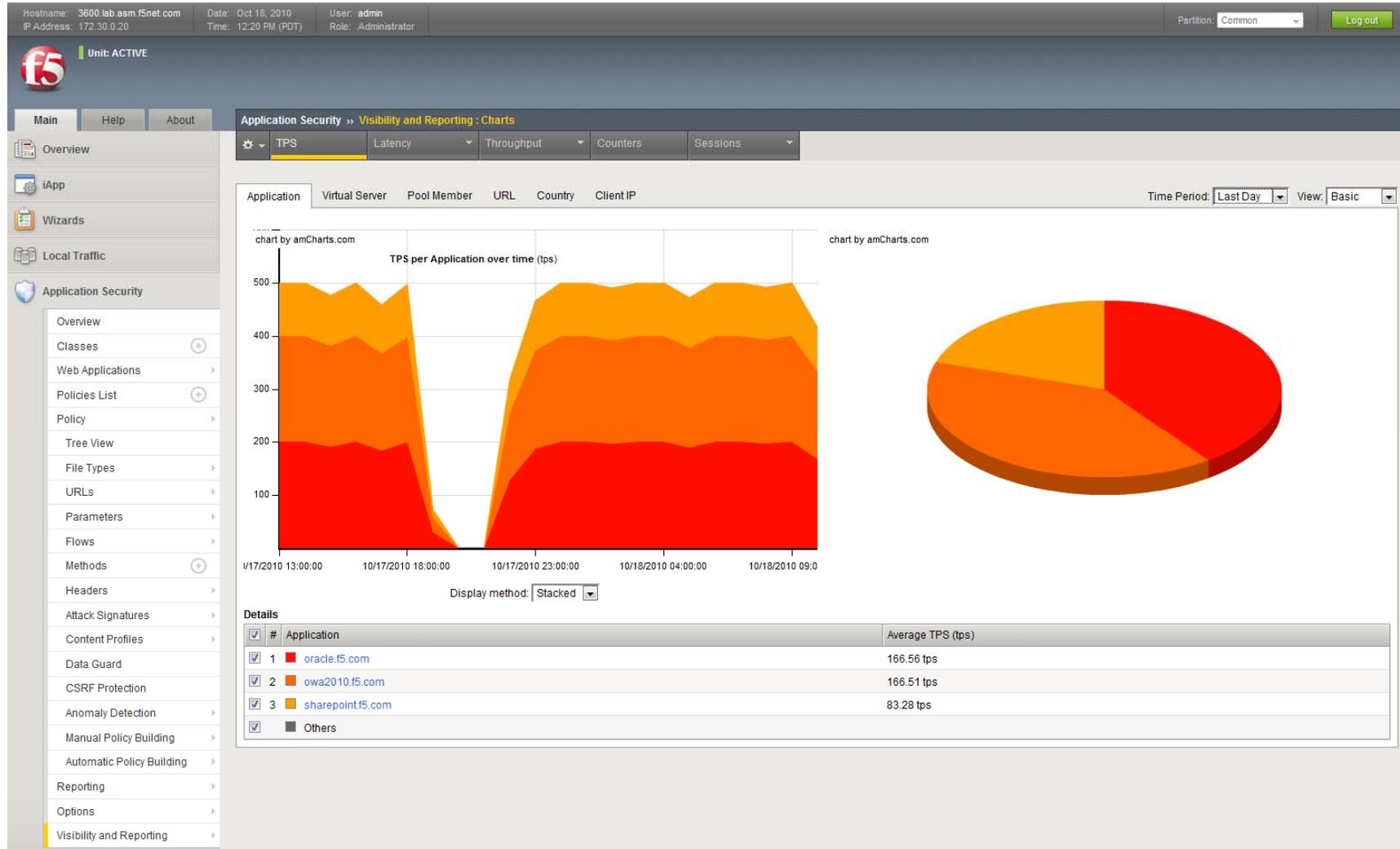


# New!! Application Visibility & Reporting (AVR) Module

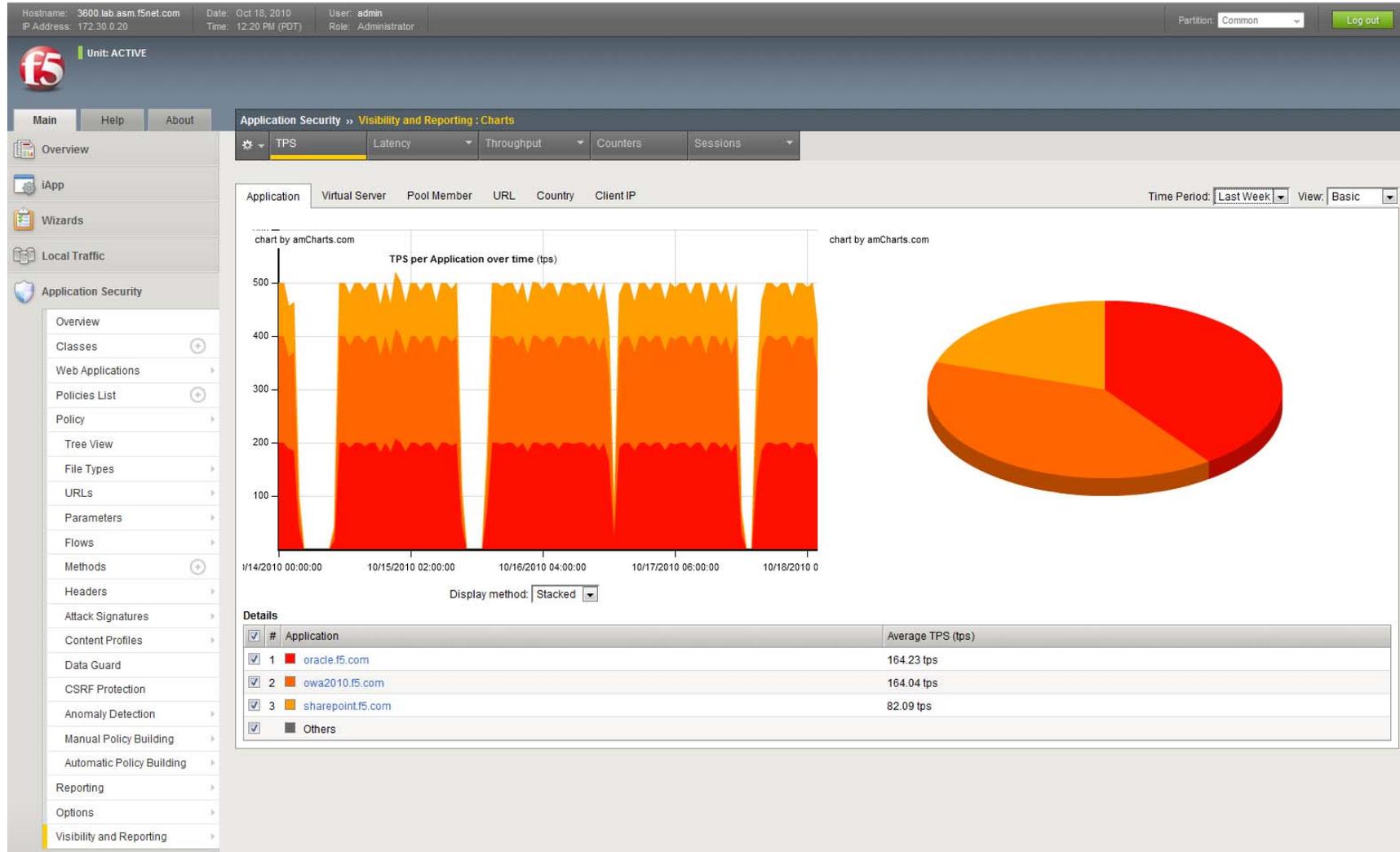
## Control and Visibility



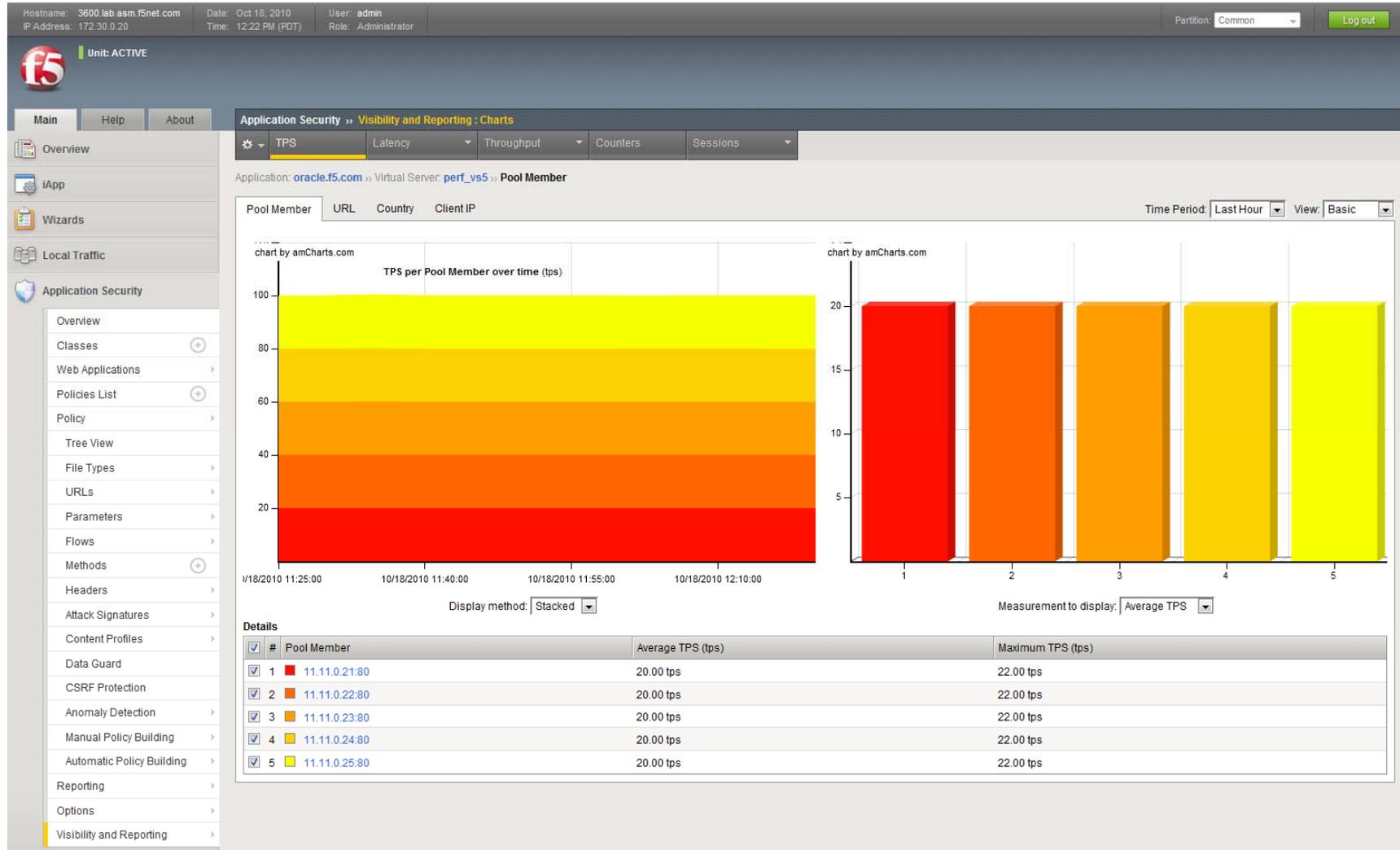
# TPS for all applications – last day



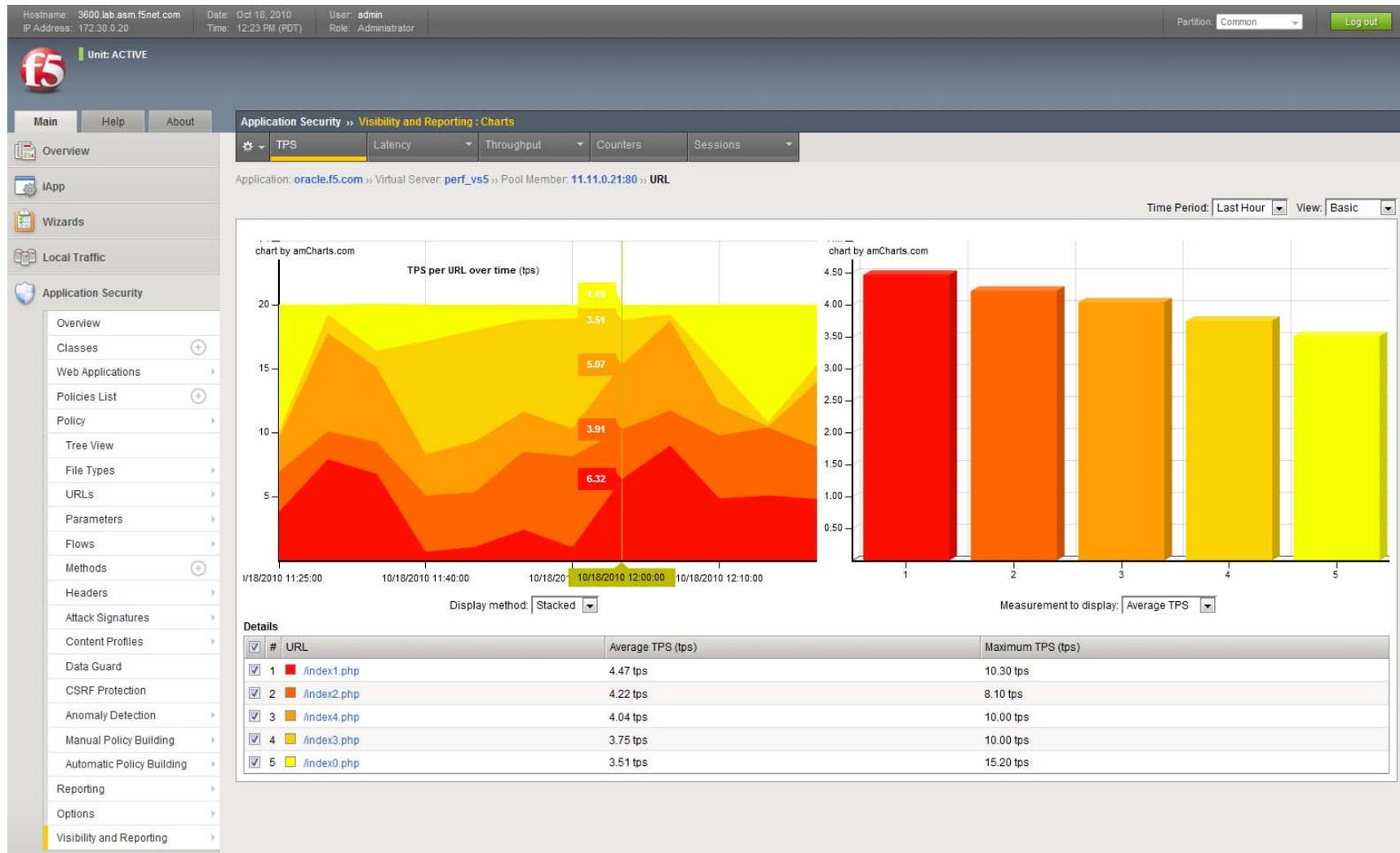
# TPS for all applications – last week



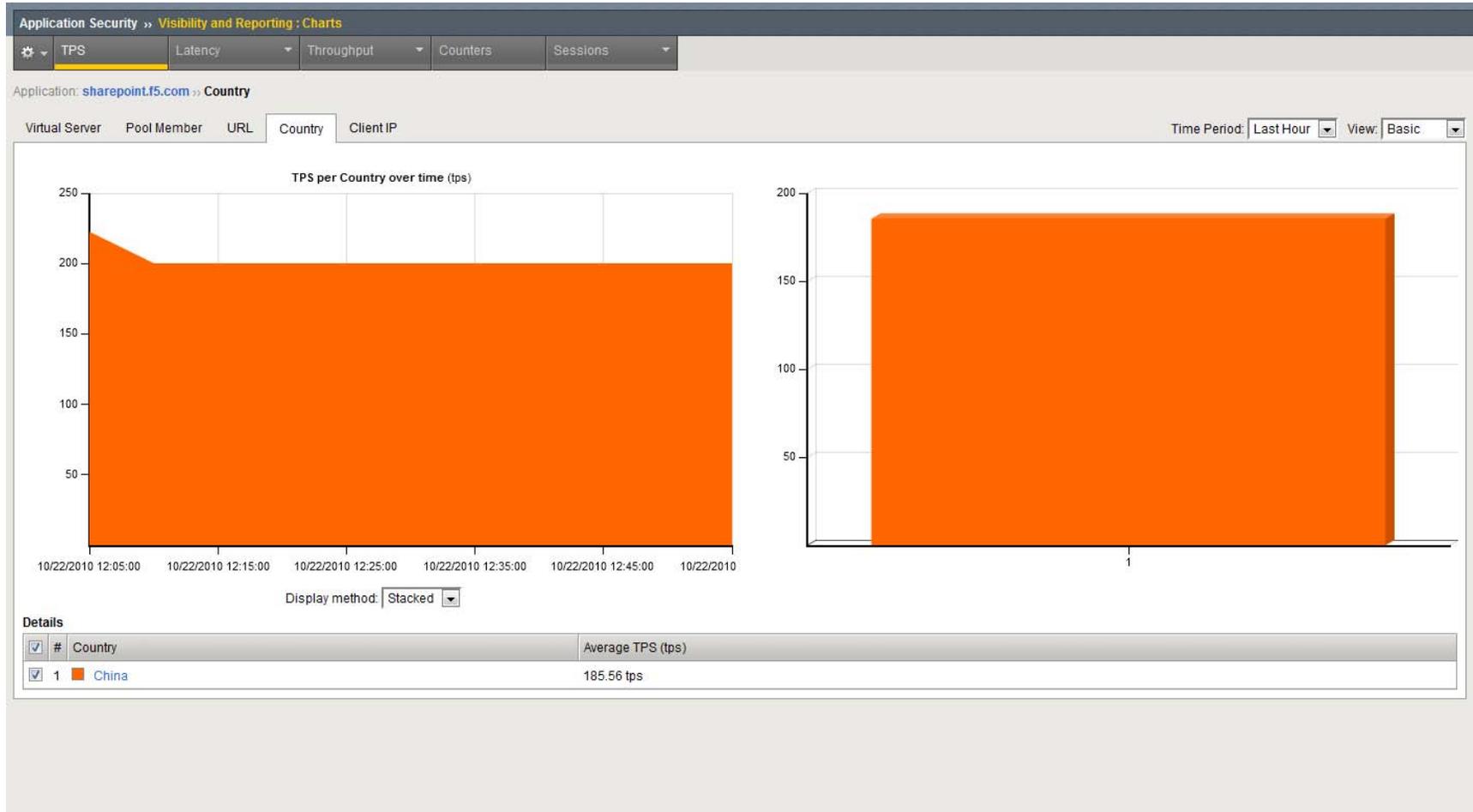
# TPS per pool member – for Oracle



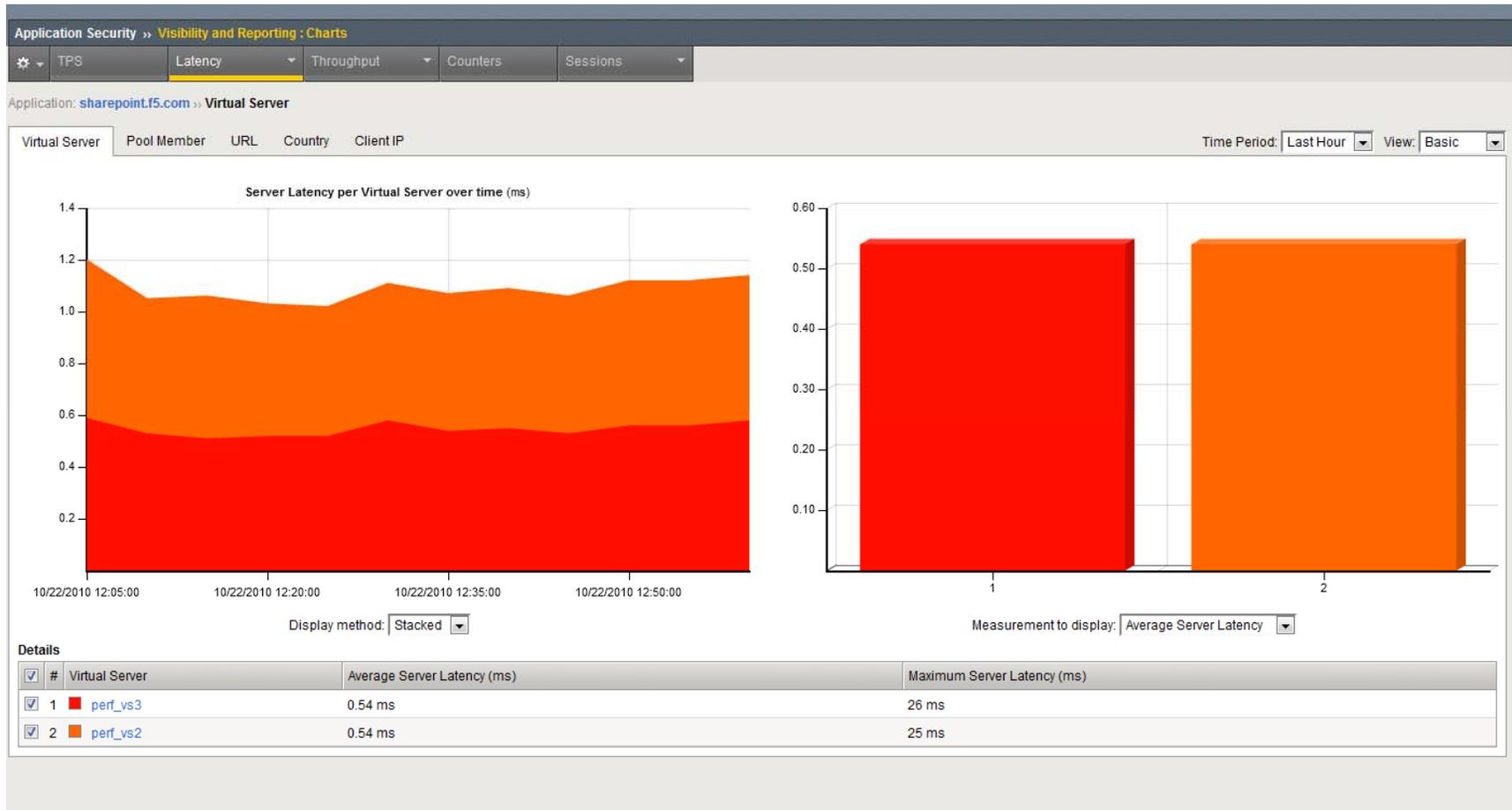
# TPS per URL for Oracle application



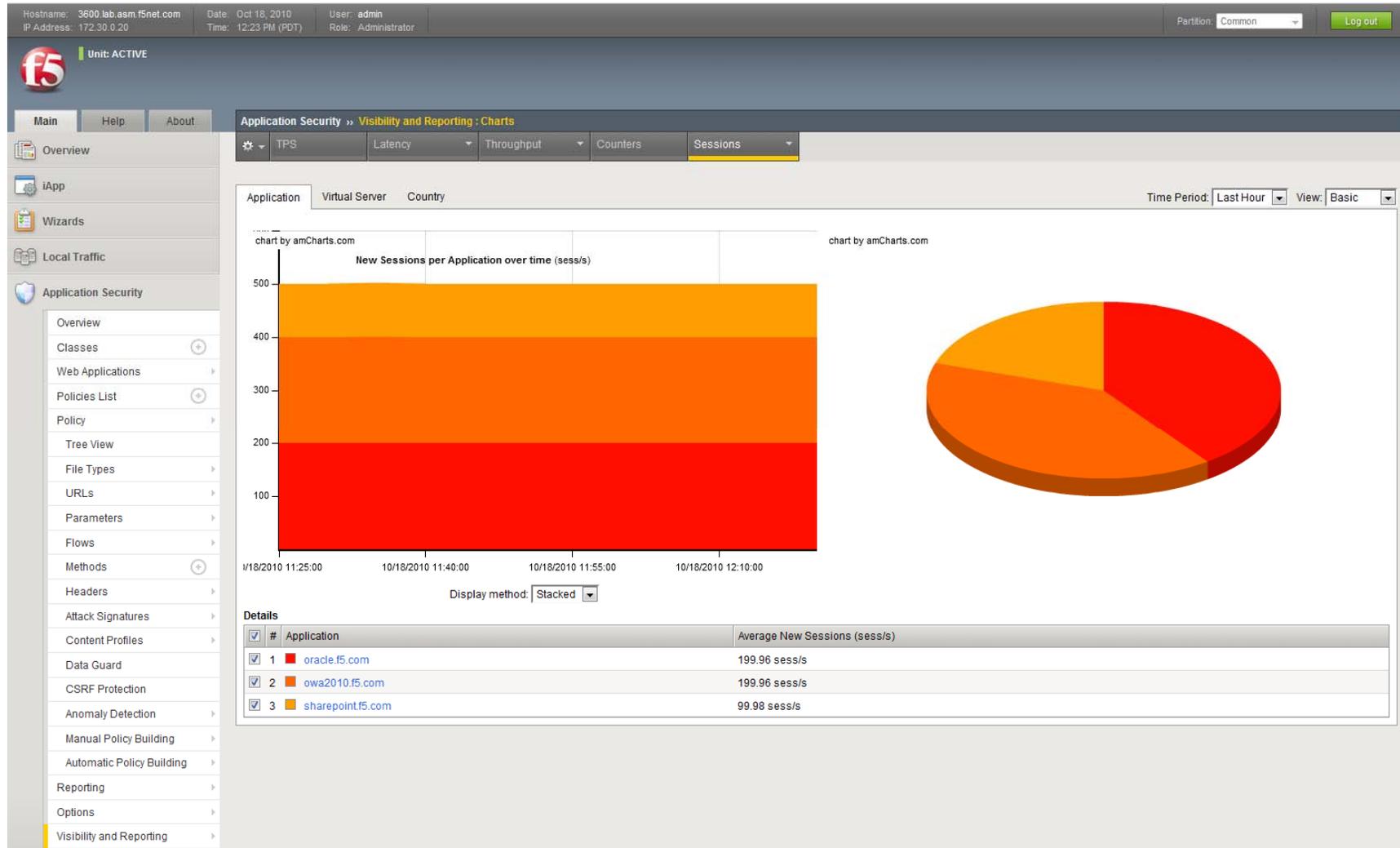
# TPS for SharePoint – Per Country



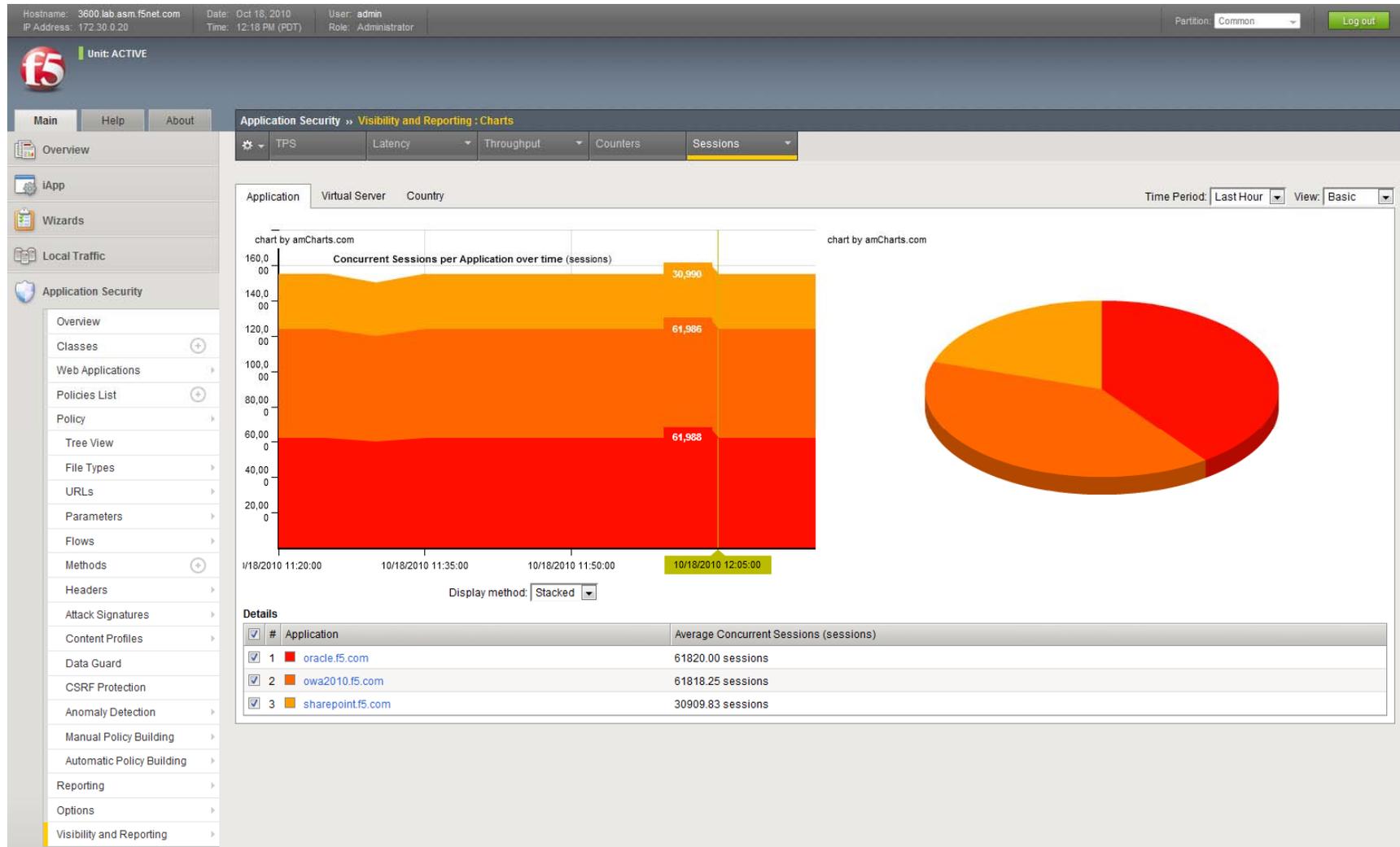
# SharePoint Server Latency – per virtual server



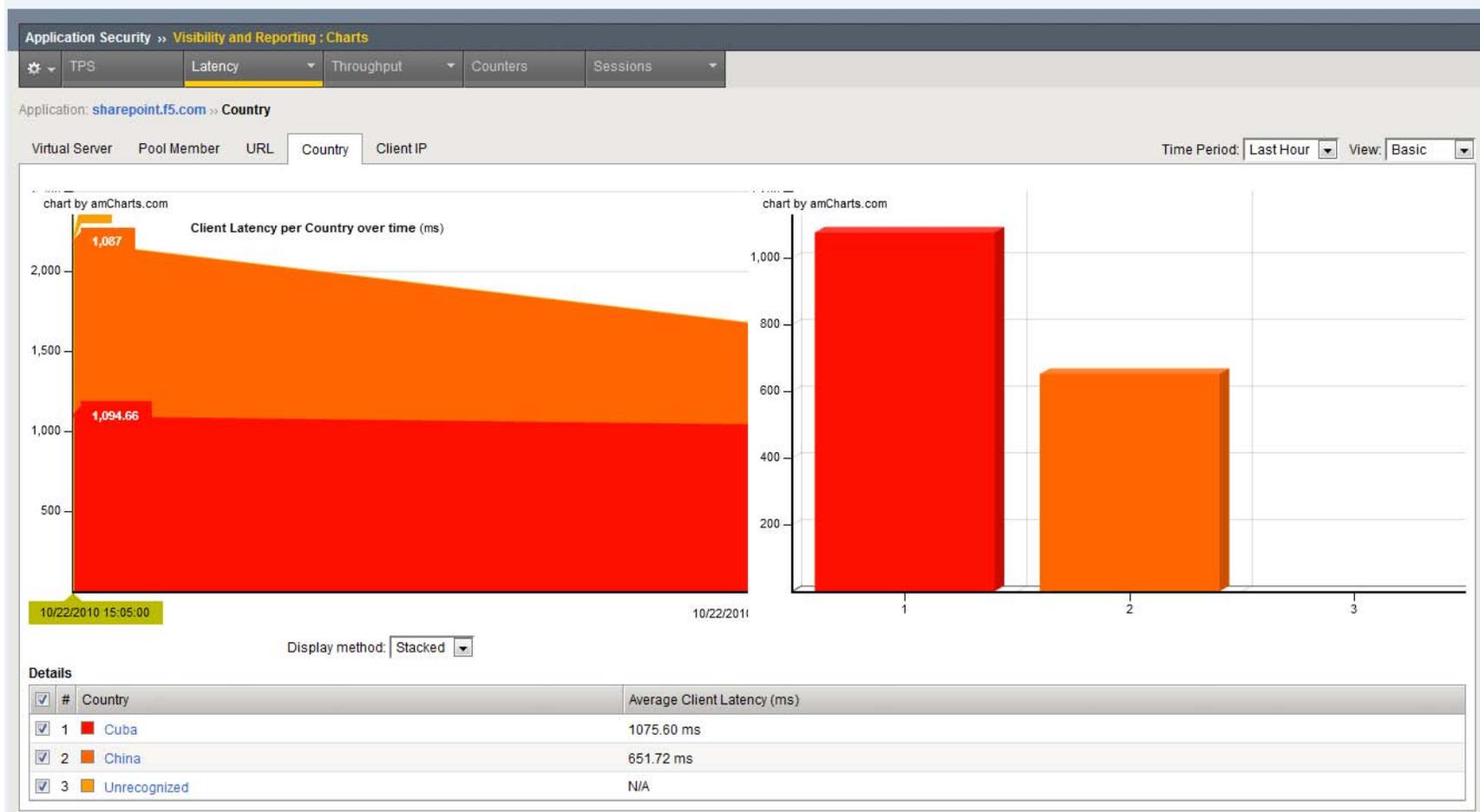
# New session for all applications



# Concurrent sessions for all applications



# SharePoint – Client latency Per Country



# Application Security Manager



F5's BIG-IP Application Security Manager  
Winner of the SC Magazine Reader Trust Award  
Best Web Application Security Solution 2010



- Centrally managed
- Scalability and performance
- Ease of deployment, automatic policy building and detecting application changes
- Virtualized Edition available in FY'11
- Full integration with LTM
- Advanced security features and services



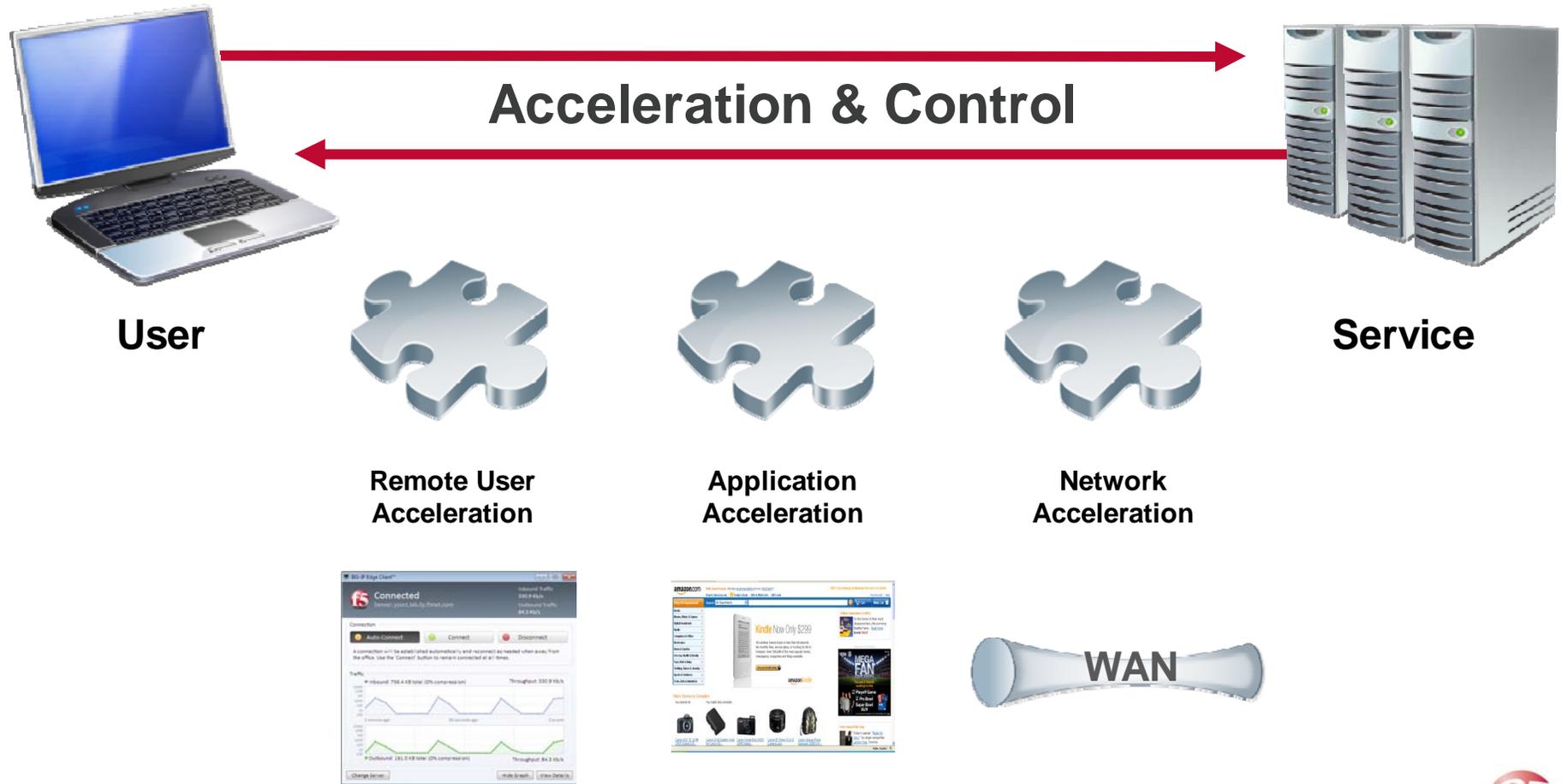
# BIG-IP Driving Data Center Operations & Orchestration Frameworks

- Control plane connects data center services with 3rd party orchestration and management systems
- Seamless integration with iControl API
- BIG-IP as DCO and Network Middleware

The Oracle logo, featuring the word "ORACLE" in a bold, red, sans-serif font.The VMware logo, featuring the word "vmware" in a lowercase, grey, sans-serif font.The Microsoft logo, featuring the word "Microsoft" in a bold, black, sans-serif font.The IBM logo, consisting of the word "IBM" in a bold, blue, sans-serif font with horizontal stripes.The EMC logo, featuring the word "EMC" in a white, sans-serif font inside a blue rectangular box.The BMC Software logo, featuring the word "bmcsoftware" in a blue, sans-serif font with a stylized blue arrow pointing left.The CA logo, consisting of the lowercase letters "ca" in a blue and green, sans-serif font.The NetApp logo, featuring a blue square with a white "N" shape inside, and the word "NetApp" in a bold, black, sans-serif font below it.

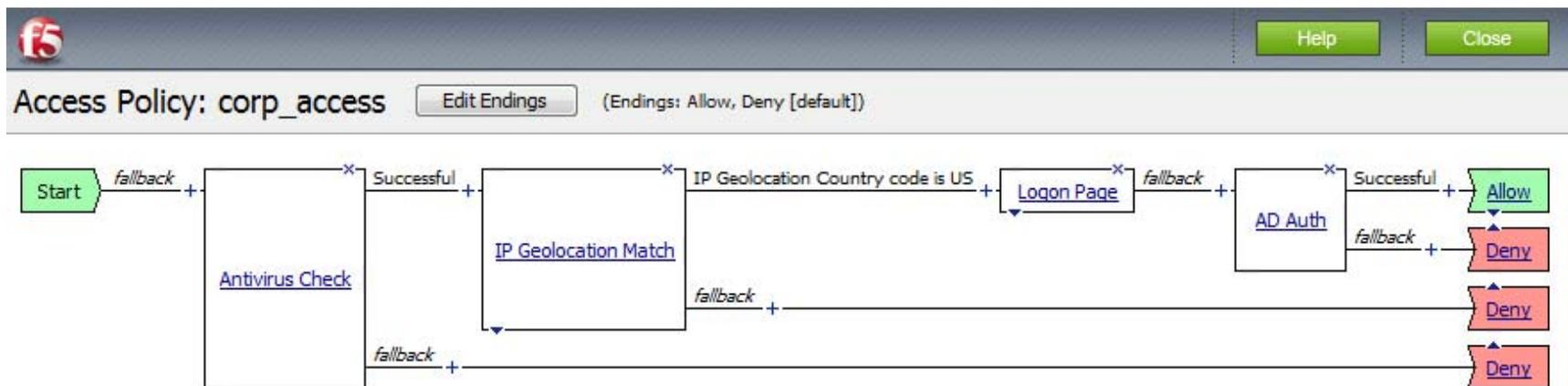
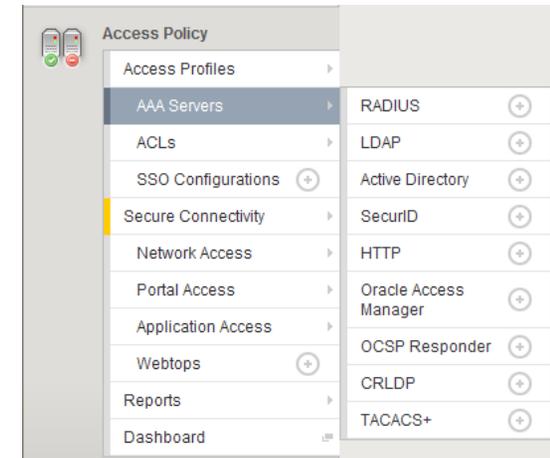
# Secured Accelerated Access

WOM, WAM, APM and Edge Gateway



# BIG-IP Access Policy Manager (APM)

- Centralized application access control
- Consolidated access policy enforcement
- Advanced authentication and endpoint security
- Credentials caching/proxy (SSO) for web based applications
- Identity based load balancing and traffic management
- VPE Rules – iRules style interface for custom access policies



**Bringing Identity, Authentication, and Access Control to BIG-IP**

# BIG-IP WAN Optimization Module

- Best of Breed DC to DC Performance (>10 Gbits/sec)
- Exclusive TDR2 for de-duplication and compression
- Integrated caching with LTM and WAM

## Clients



BIG-IP LTM + WOM



WAN

BIG-IP LTM + WOM



## File Servers



- TCP Optimizations
- Secure Tunnels (iSessions)
- Deduplication (TDR II)
- Max SSL & Max Compression (Hardware based for performance)
- CIFS Optimization
  - Read-ahead
  - Write-behind
  - Metadata caching
- MAPI Optimization
  - Enables de-duplication of MAPI data
  - Improves MAPI compression ratios

# 15x Better Optimizing SQL Bulk Copy

## Benefits

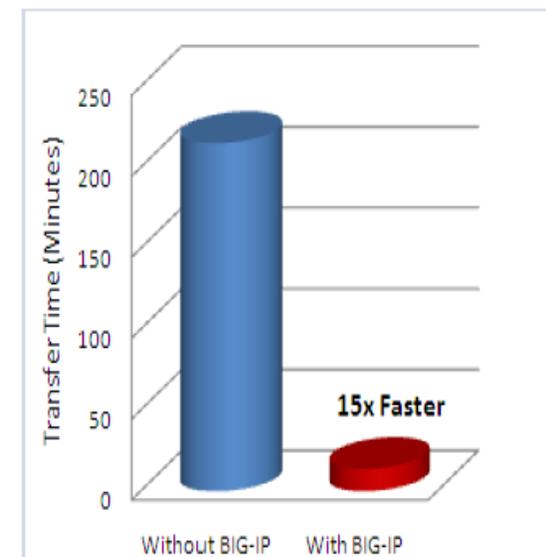
- **Increased Performance** - Improve RPO's & RTO's by reducing data replication time.
- **Increase efficiency** - Maximize bandwidth utilization.
- **Cost Savings** - Reduce WAN costs, Offload CPU-intensive processes from servers.
- **Improve Security** - Encrypt SQL transactions over the WAN.

## Top Challenges

Business Challenge	Technical Challenge	F5 Solution
Distance between data centers	Latency	TCP Express – Industry leading high speed TCP optimization
Increasing volume of data to replicate	Increased time to replicate data between data centers	Symmetric Adaptive Compression – Network and data aware compression algorithms to get maximum performance
Increased regulatory requirements for data protection and privacy	Securing data transfer over the WAN without increasing latency	Encrypt replication traffic over the WAN

1.3 GB of SQL Transactions over a 45 Mbps WAN link with 100 ms latency and 1% packet loss.

	Transfer time (mins)	Effective Throughput (Mbps)
Without BIG-IP	215	6
With BIG-IP	14	92
<b>Improvement</b>	<b>15x</b>	



# 17x Better Optimizing NetApp® SnapMirror®

## Benefits

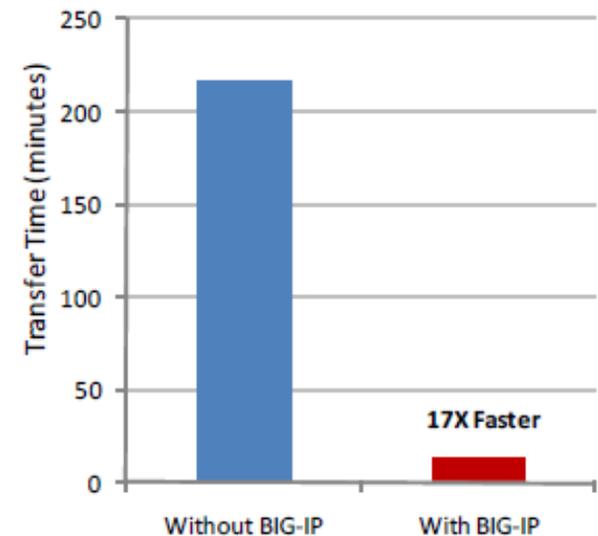
- **Increase Performance** – Reduce data replication time.
- **Increase efficiency** – Maximize bandwidth utilization.
- **Improve Security** – Encrypt replication traffic sent over the WAN.
- **Extend the distance to your DR site** – Mitigate latency & optimize replication traffic.

## Top Challenges

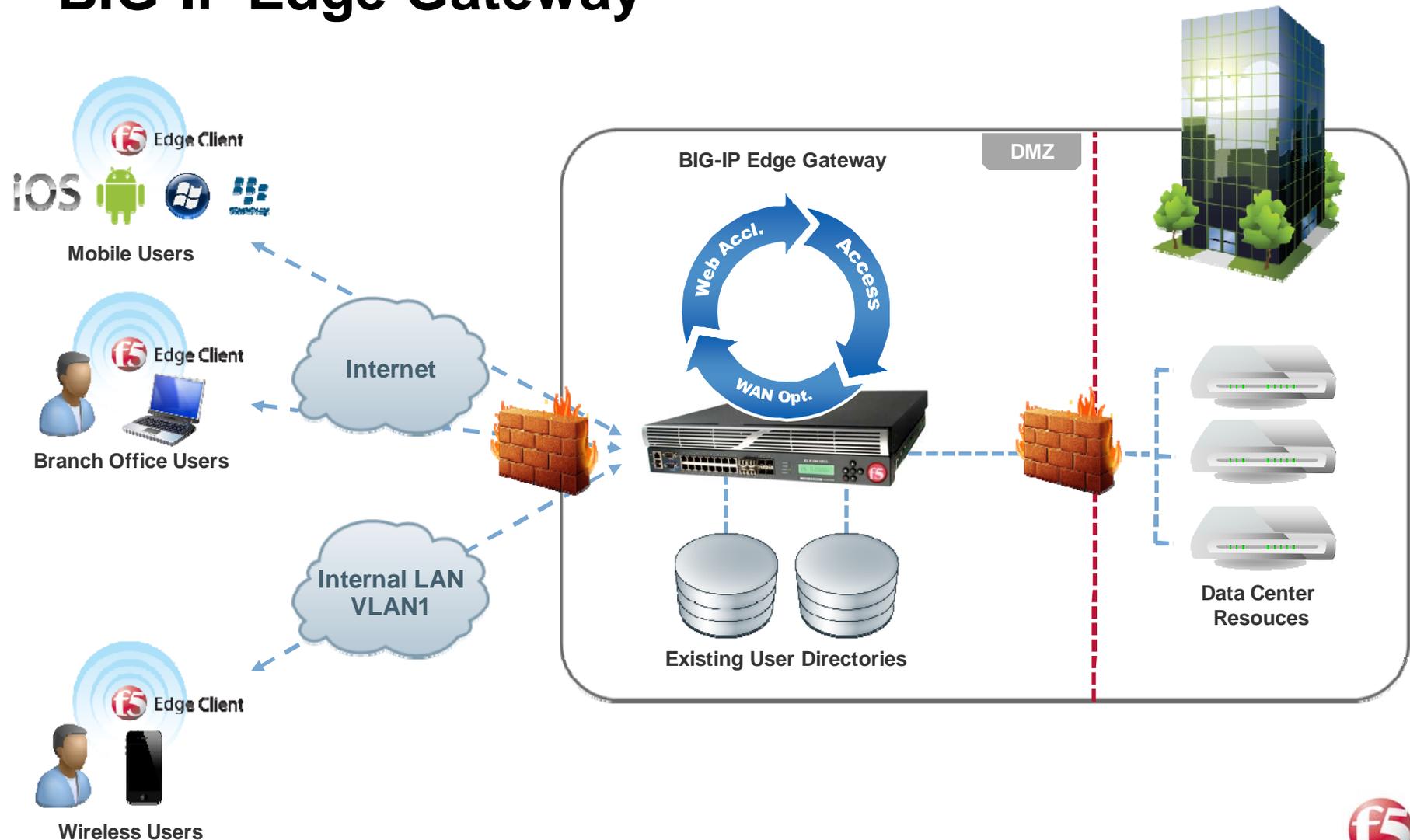
Business Challenge	Technical Challenge	F5 Solution
Distance between client and server	Latency	TCP Express – Industry leading high speed TCP optimization
Increasing file size to transfer	Increased time to replicate data between data centers	Symmetric Adaptive Compression – Network and data aware compression algorithms to get maximum performance
Increased regulatory requirements for data protection and privacy	Securing data transfer over the WAN without increasing latency	Encrypt replication traffic over the WAN

1.5 GB volume replicated over a 45 Mbps WAN link with 100 ms latency and 1% packet loss.

	Transfer time (mins)	Effective Throughput (Mbps)
Without BIG-IP	216	0.92
With BIG-IP	13	15
<b>Improvement</b>	<b>17x</b>	

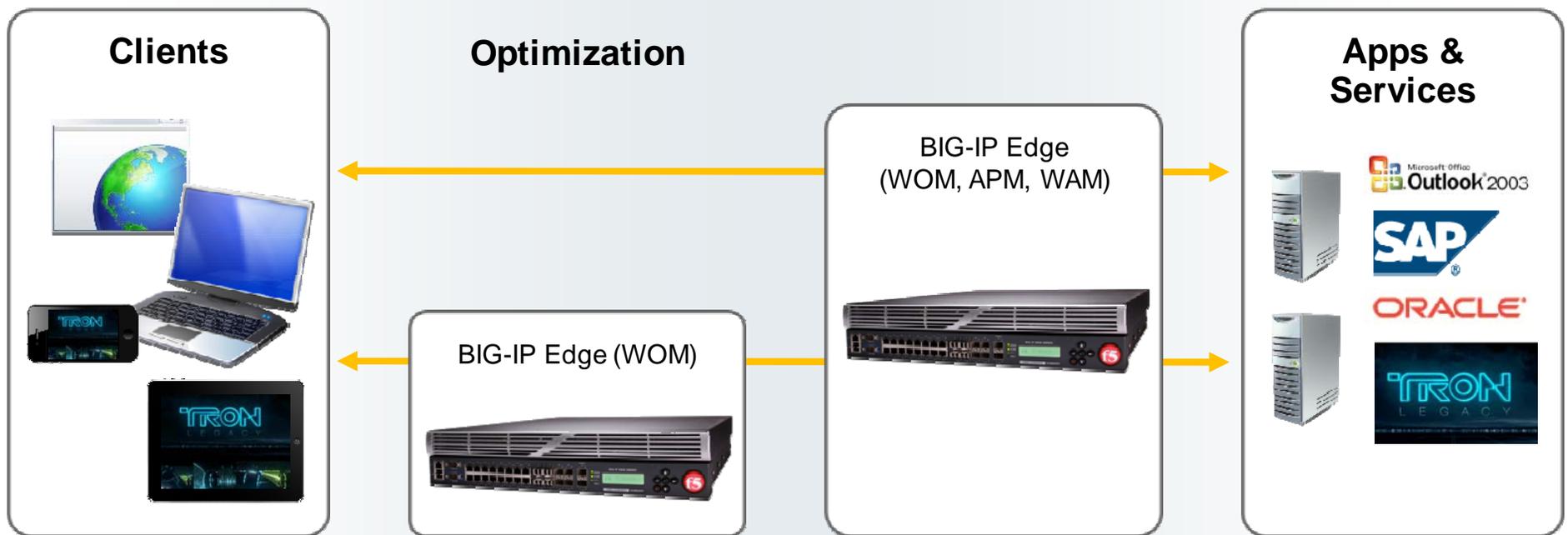


# Unified Remote Access to the Data Center BIG-IP Edge Gateway



# BIG-IP Edge Gateway: A Complete Solution

Combining symmetric, asymmetric, and client based acceleration



**Asymmetric Acceleration**

Full WAM

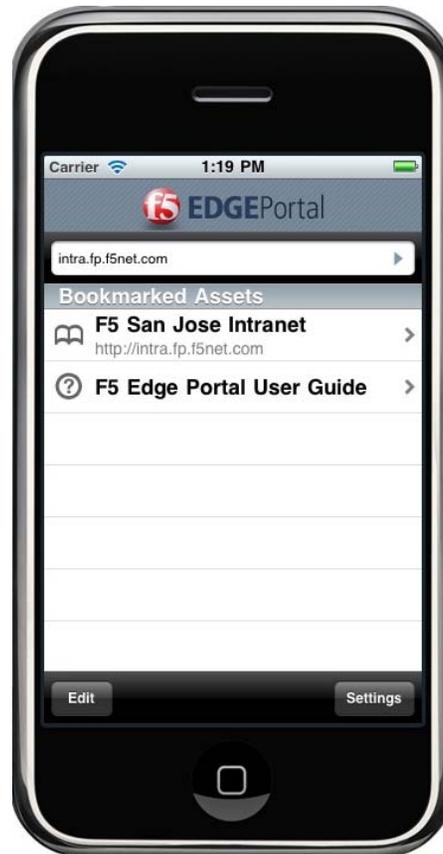
**Symmetric Acceleration**

Full WOM

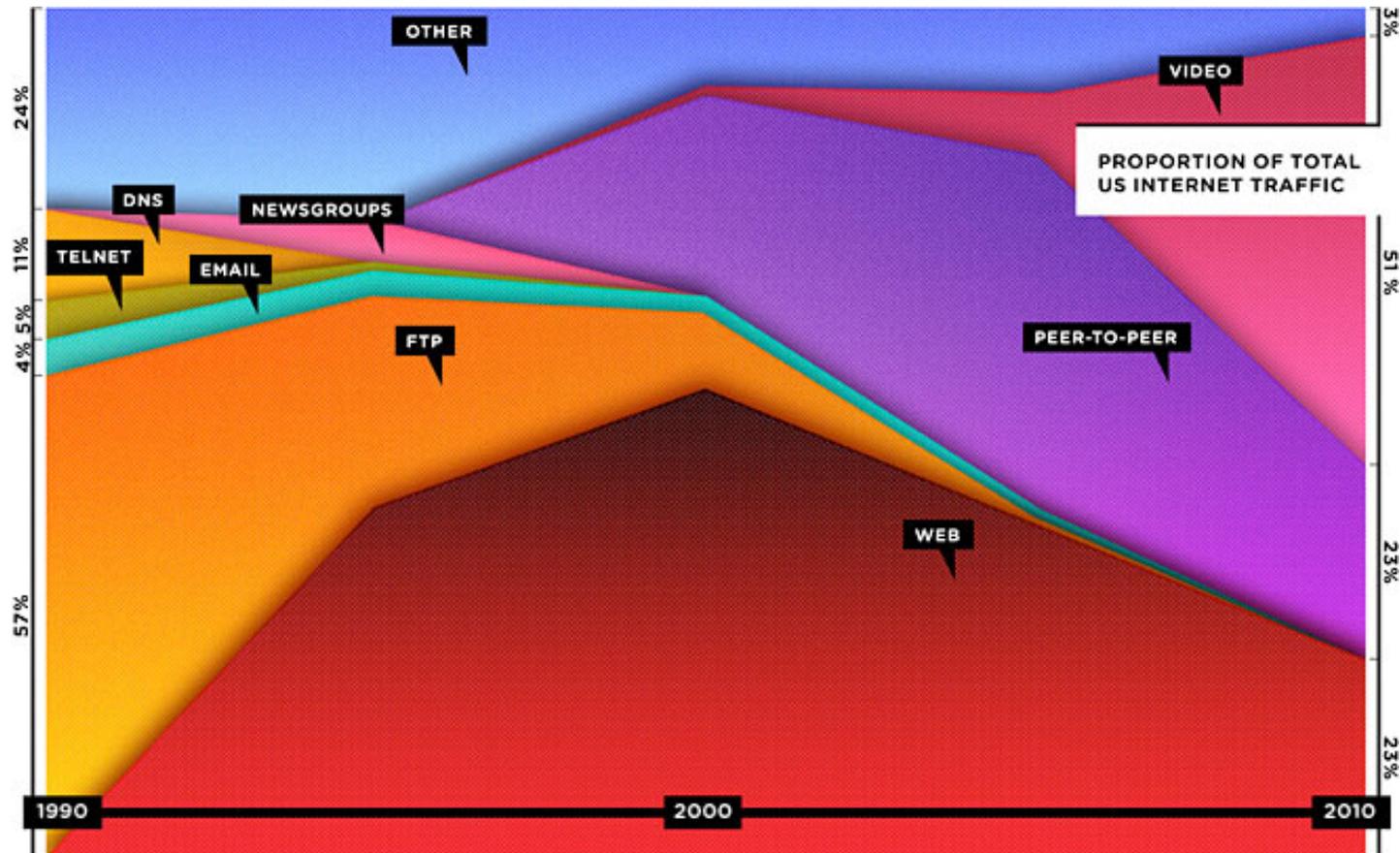
**Client Acceleration**

Full APM

# iPhone/iPad F5 Edge Portal



# Internet Traffic Distribution 1990-2010



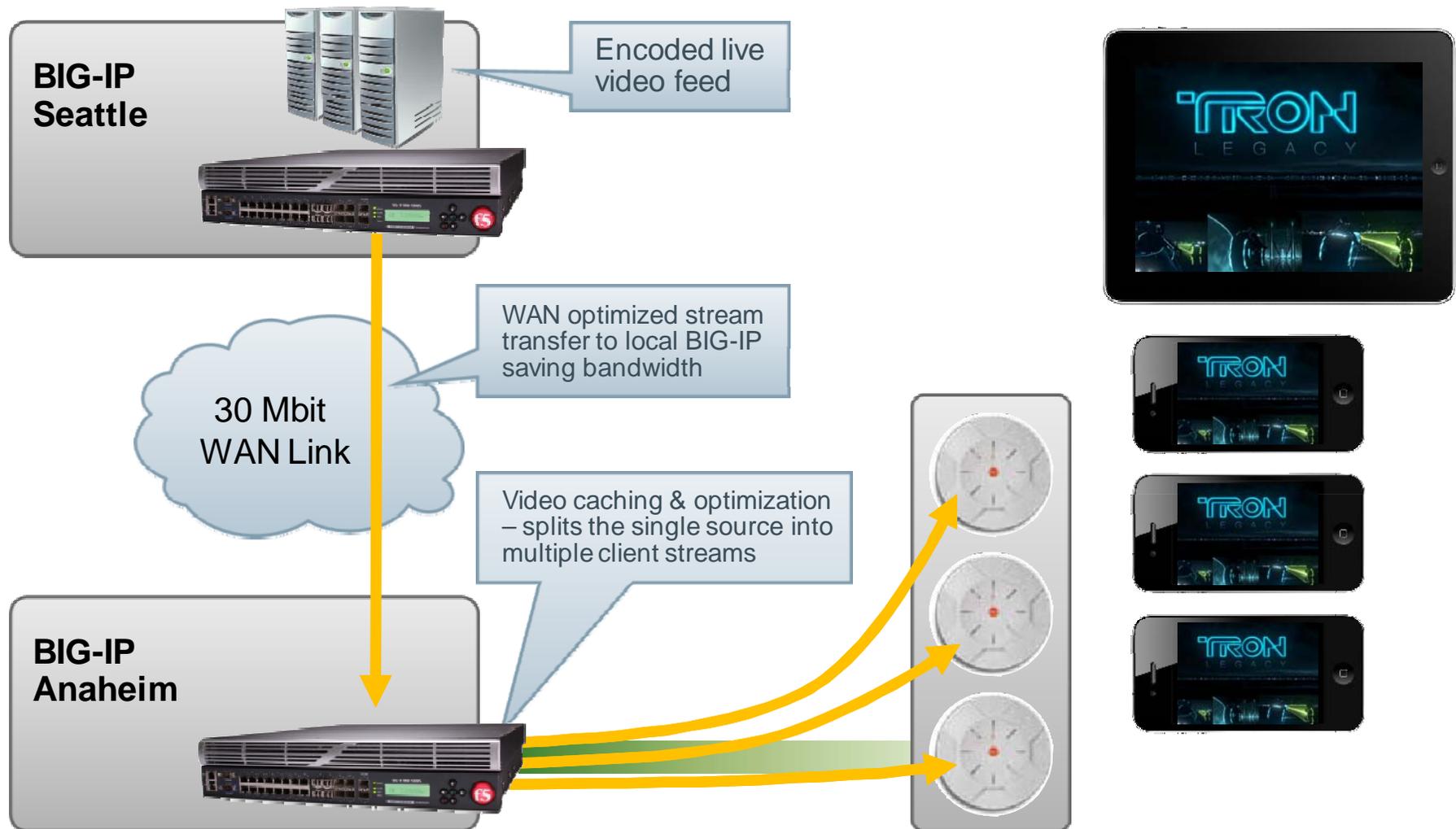
**Video  
Now At  
51%**

By Chris Anderson and Michael Wolff, August 17, 2010, Wired  
[http://www.wired.com/magazine/2010/08/ff\\_webrip/](http://www.wired.com/magazine/2010/08/ff_webrip/)



# Live Video Caching/WAN Optimization Demo

## Mobile Service Delivery Controller



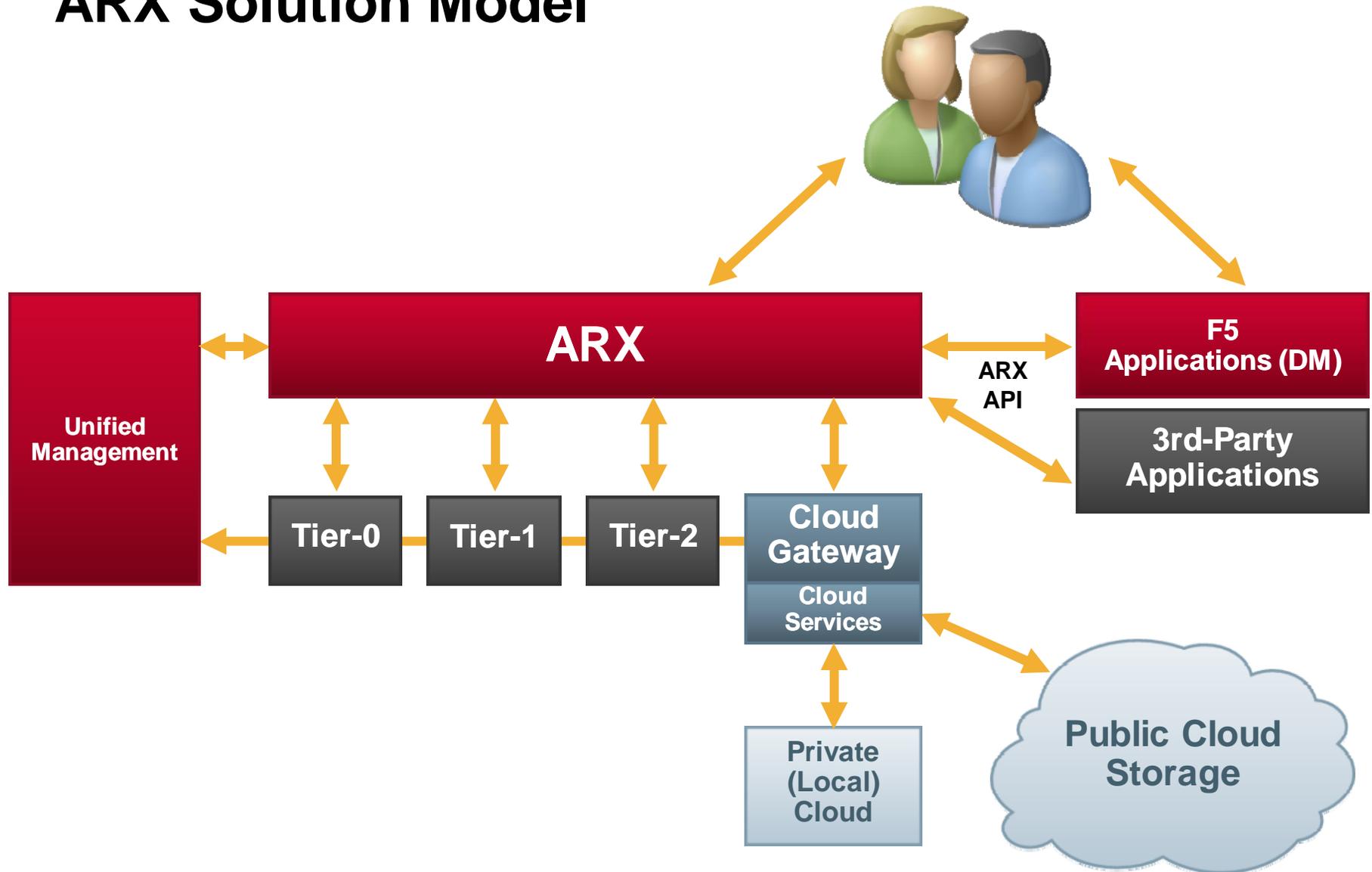


# ARX Strategy and Platform Roadmap



IT agility. Your way.

# ARX Solution Model

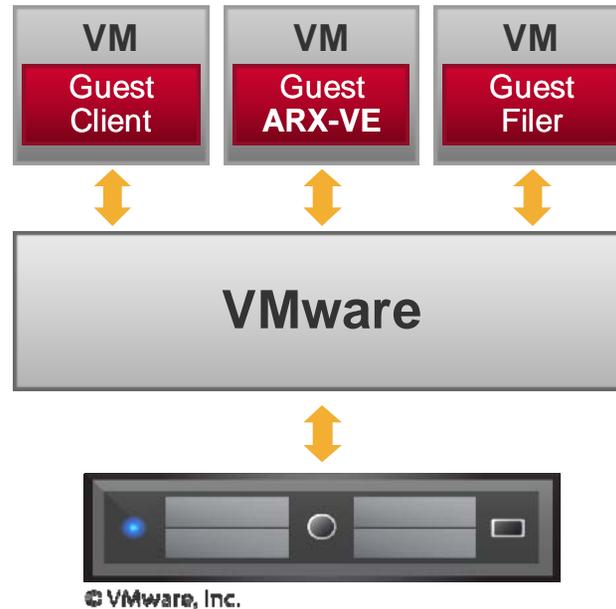


# ARX Moves to Modern Multicore Platforms

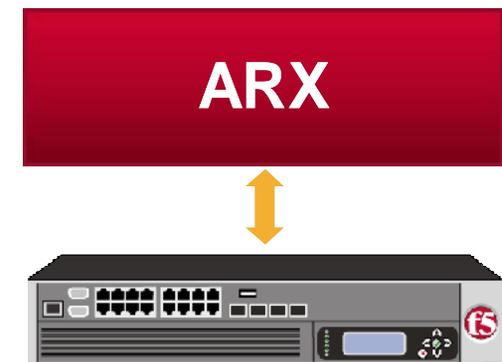
## Trial Version



## Partner-Integrated Solution



## Red Sox Platforms



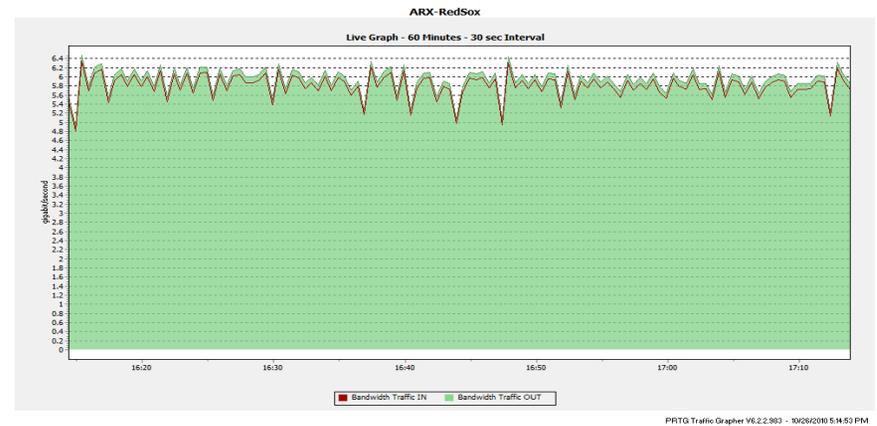
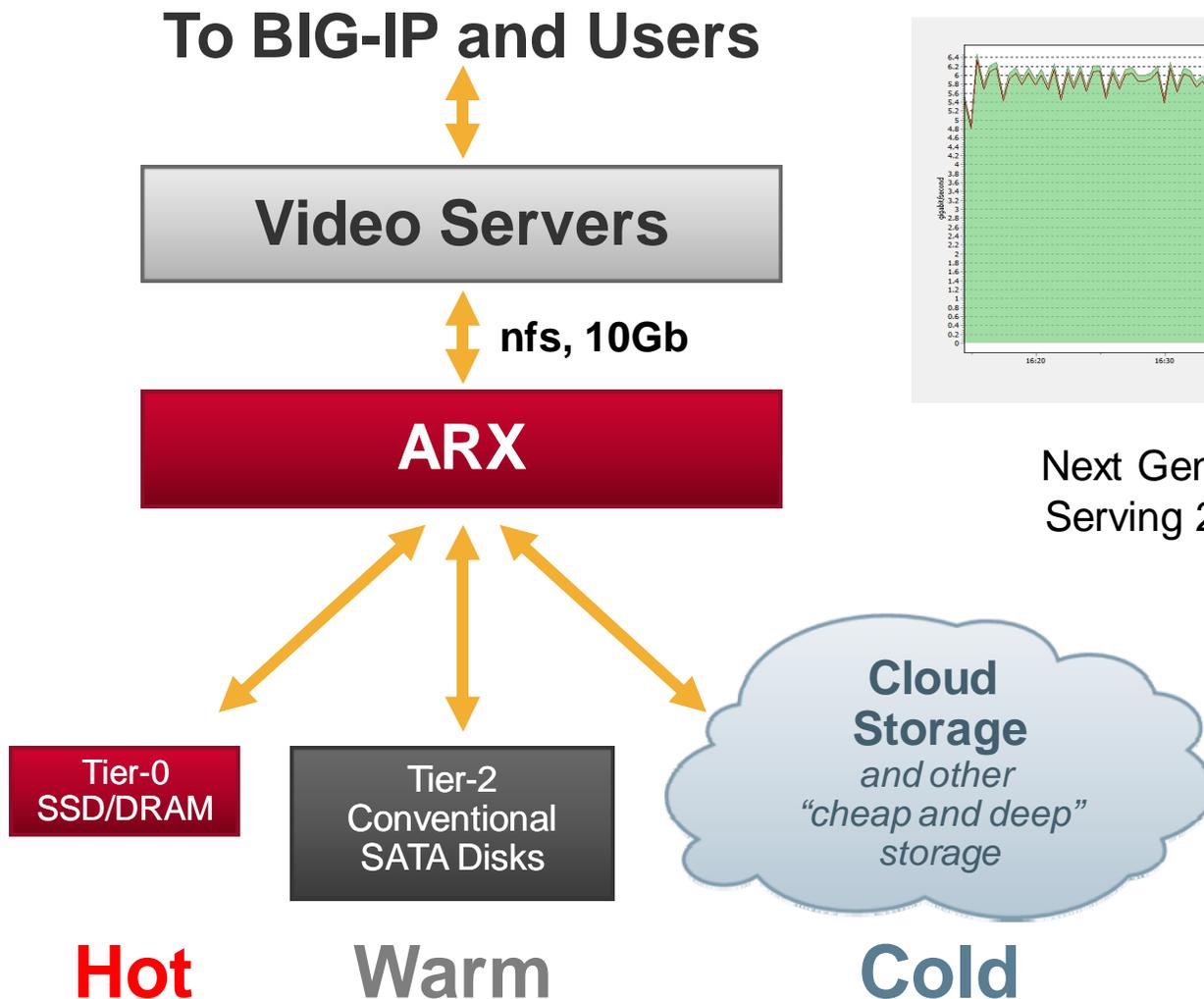
*Let everyone experience the power of ARX first hand...*

*Enable partner solutions where consolidation matters...*

*Delivers 4-6x better price/performance than current ARX appliances...*



# Optimized On-Demand Video Storage



Next Generation ARX Appliance  
Serving 250,000 Streams / Day



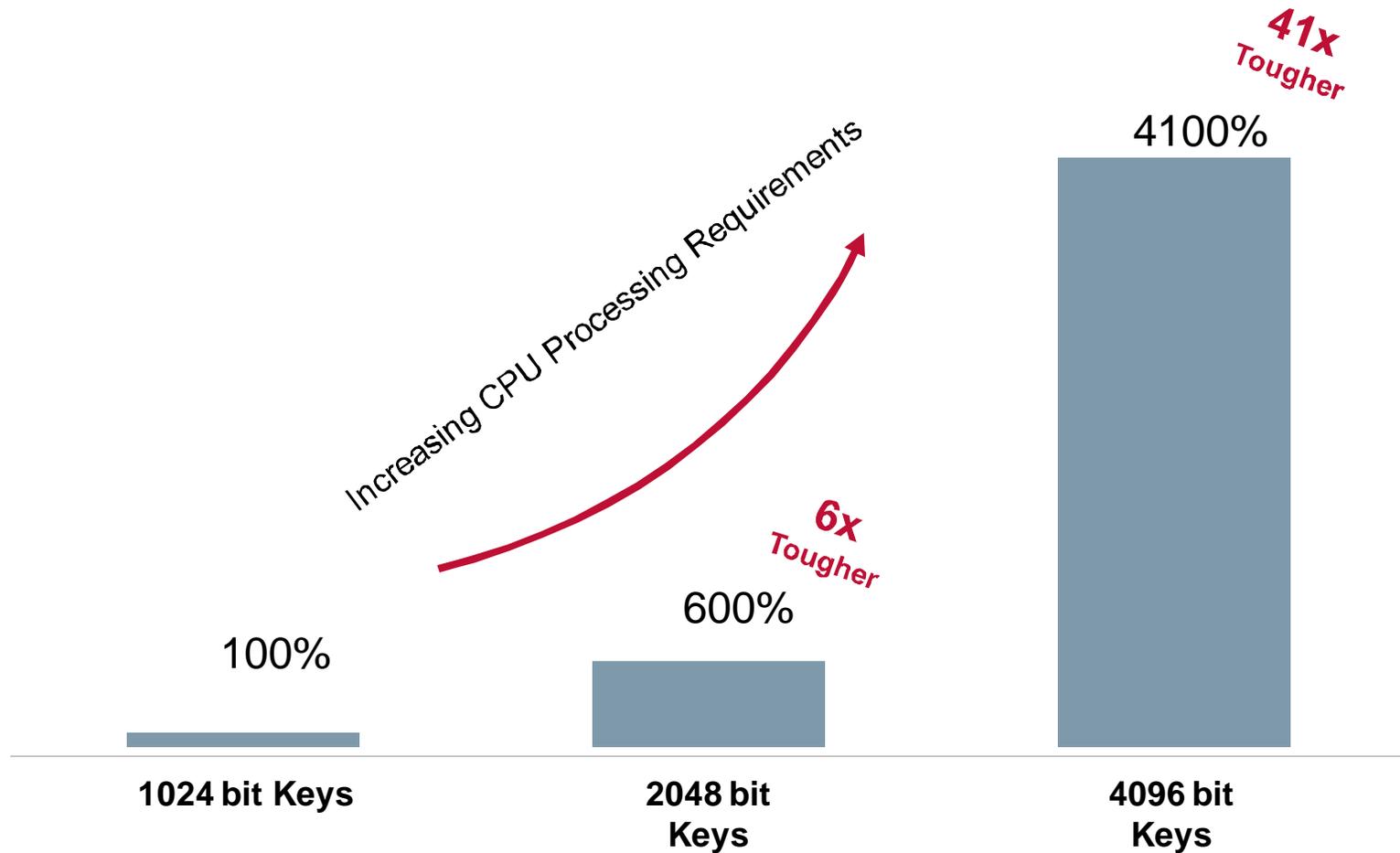


# BIG-IP Platform Roadmap



IT agility. Your way.

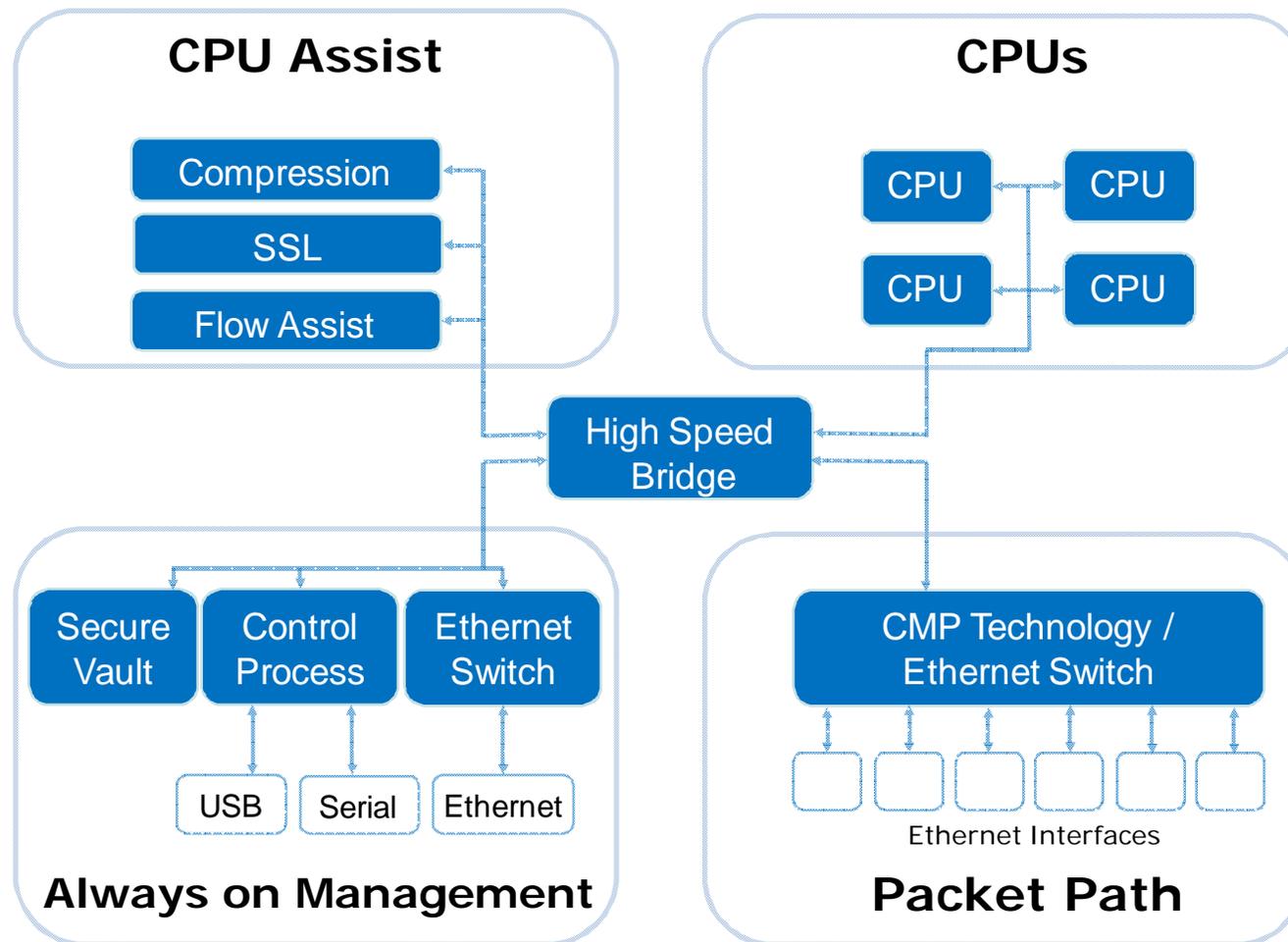
# SSL Drives Platform Architecture



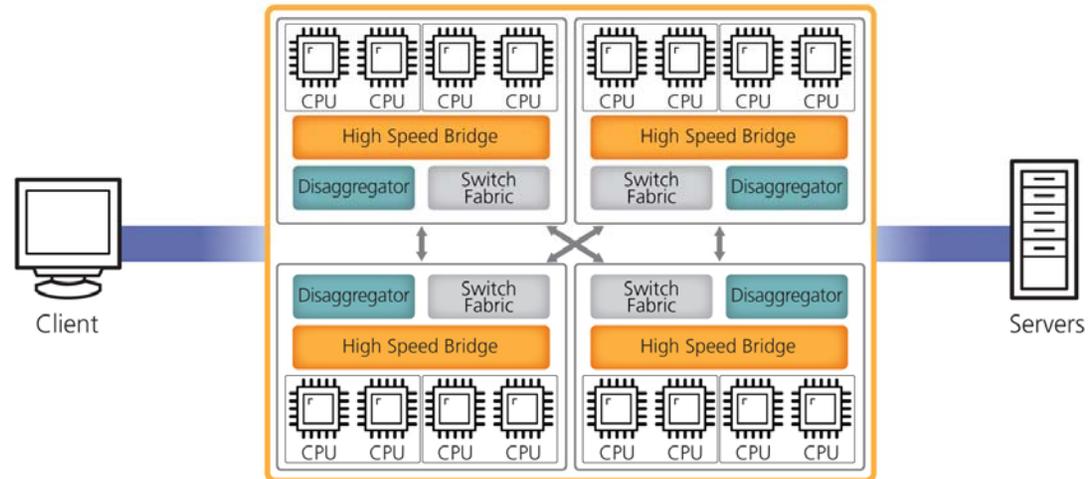
Industry increasingly using larger SSL Keys

# F5 Platforms: Purpose Built Hardware

Superior Performance, Scalability, Availability and Quality

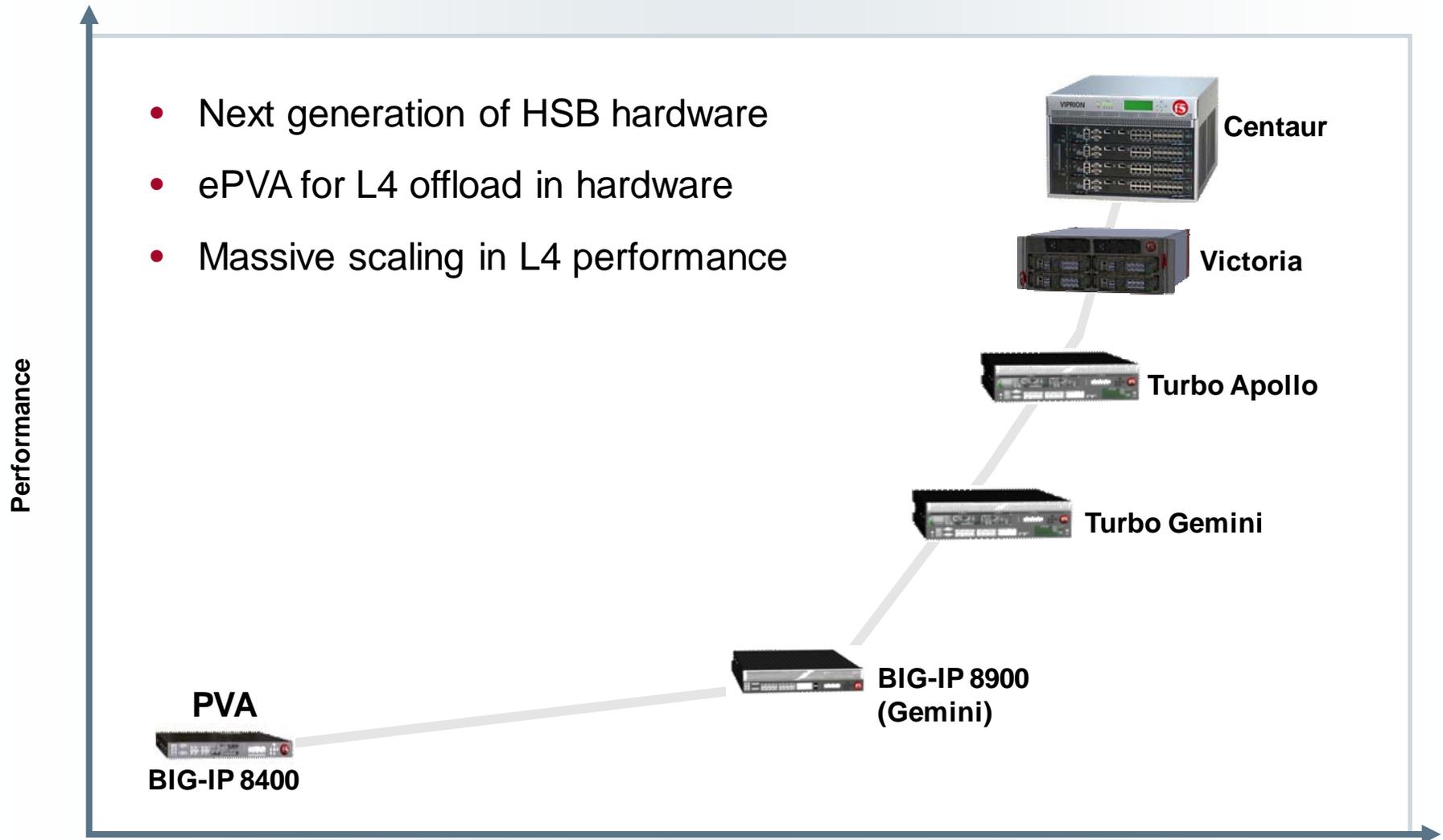


# F5's Virtual Processing Fabric

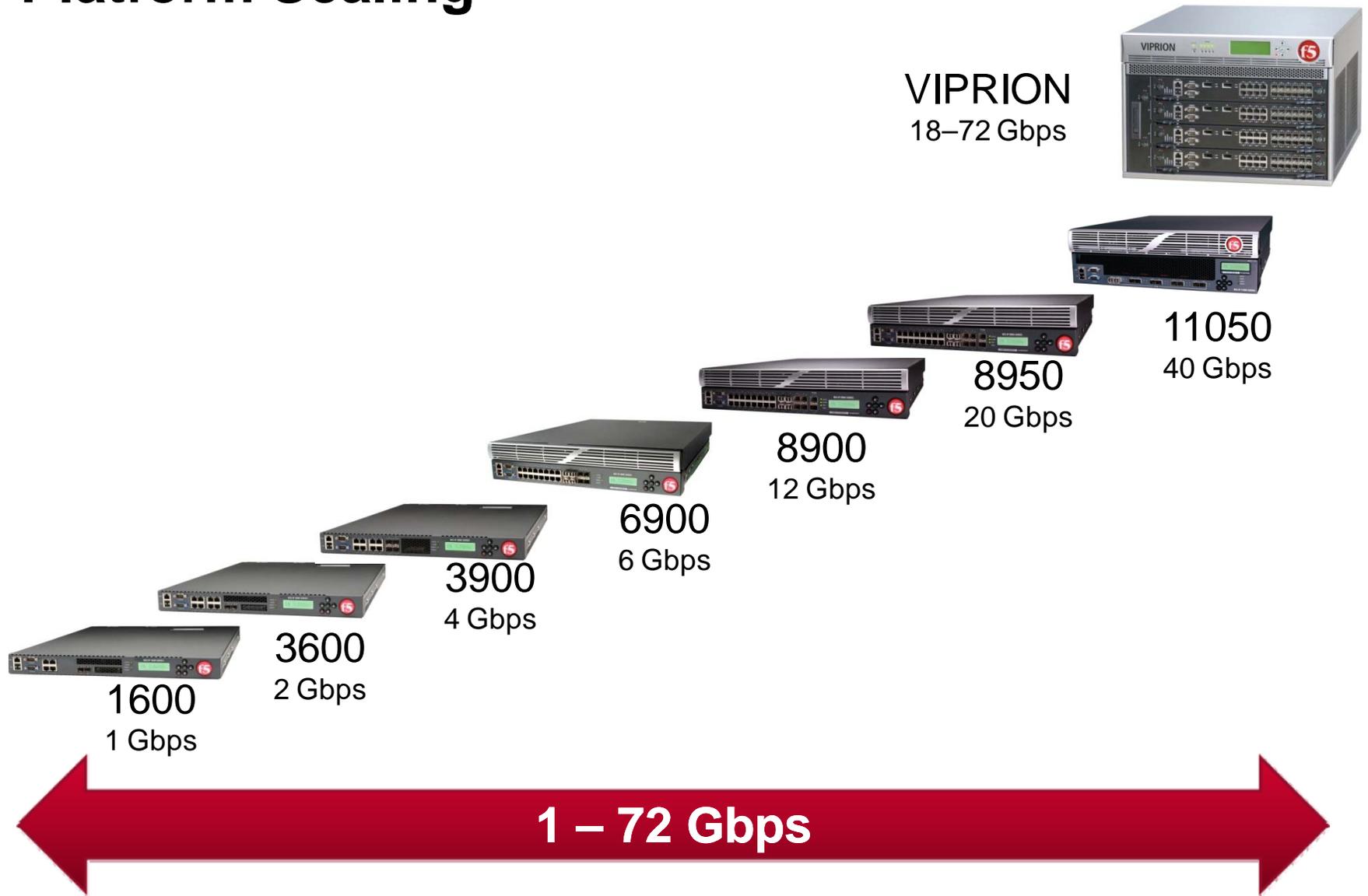


- Clustered Multi Processing (CMP)
- TMOS scaling - CMP scaling of TMM kernel (core processing task)
- Disaggregator (DAG): Custom hardware for distributing traffic flows between independent TMM instances.
- High Speed Bridge (HSB) : non-blocking, lossless communications between TMM instances and other hardware subsystems

# F5 Layer 4 Acceleration



# Platform Scaling



# Victoria



# High Performance Platforms

## Victoria



- 4 Slot Midrange Chassis
- Gen 1 Victoria Blade
- 16Gb L7 / 4Gb SSL
- ePVA

*Availability: FY'11*

## Centaur Blade for VIPRION



- 2x performance of PB200 VIPRION blade
- Target 320G L4 and 160G L7
- Next generation DAG and HSB and ePVA
- Hardware Compression
- NEBS option available

*Availability: FY'12*

## VIPRION P8 Chassis



- 8 Slot Chassis
- 2x Performance of 4 slot chassis
- Support Centaur and PB200 blades
- NEBS Compliant

*Availability: FY'12*



IT agility. Your way.

# Q&A





IT agility. Your way.