

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

| | Three months ended | | Six months ended | |
|--|--------------------|-------------------|------------------|-------------------|
| | March 31, | | March 31, | |
| | 2000 | 1999 | 2000 | 1999 |
| | (unaudited) | | | |
| Net revenues: | | | | |
| Products..... | \$18,532 | \$ 3,146 | \$ 34,814 | \$ 5,428 |
| Services..... | 5,072 | 616 | 7,963 | 1,029 |
| Total net revenue..... | <u>23,604</u> | <u>3,762</u> | <u>42,777</u> | <u>6,457</u> |
| Cost of net revenues: | | | | |
| Products..... | 5,053 | 825 | 9,677 | 1,449 |
| Services..... | 1,792 | 384 | 2,851 | 580 |
| Total cost of net revenues..... | <u>6,845</u> | <u>1,209</u> | <u>12,528</u> | <u>2,029</u> |
| Gross profit..... | <u>16,759</u> | <u>2,553</u> | <u>30,249</u> | <u>4,428</u> |
| Operating expenses: | | | | |
| Sales and marketing..... | 8,452 | 2,887 | 14,194 | 5,103 |
| Research and development..... | 2,761 | 1,324 | 4,986 | 2,345 |
| General and administrative..... | 1,748 | 666 | 3,226 | 1,191 |
| Amortization of unearned compensation..... | 470 | 670 | 1,013 | 1,038 |
| Total operating expenses..... | <u>13,431</u> | <u>5,547</u> | <u>23,419</u> | <u>9,677</u> |
| Income (loss) from operations | 3,328 | (2,994) | 6,830 | (5,249) |
| Interest income, net..... | 818 | 31 | 1,559 | 89 |
| Net income (loss)..... | <u>\$ 4,146</u> | <u>\$ (2,963)</u> | <u>\$ 8,389</u> | <u>\$ (5,160)</u> |
| Net income (loss) per share – basic..... | <u>\$ 0.20</u> | <u>\$ (0.45)</u> | <u>\$ 0.40</u> | <u>\$ (0.82)</u> |
| Weighted average shares – basic..... | <u>21,198</u> | <u>6,555</u> | <u>20,811</u> | <u>6,297</u> |
| Net income (loss) per share – diluted..... | <u>\$ 0.18</u> | <u>\$ (0.45)</u> | <u>\$ 0.36</u> | <u>\$ (0.82)</u> |
| Weighted average shares – diluted..... | <u>23,105</u> | <u>6,555</u> | <u>23,092</u> | <u>6,297</u> |