

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

	Three months ended June 30,		Nine months ended June 30,	
	2001	2000	2001	2000
<b>Net revenues:</b>				
Products.....	\$21,298	\$ 23,834	\$58,795	\$58,648
Services.....	7,703	5,387	22,006	13,350
Total net revenues.....	<u>29,001</u>	<u>29,221</u>	<u>80,801</u>	<u>71,998</u>
<b>Cost of net revenues:</b>				
Products.....	7,701	6,032	23,540	15,709
Services.....	2,908	2,238	9,730	5,089
Provision for excess inventory.....			4,910	
Total cost of net revenues.....	<u>10,609</u>	<u>8,270</u>	<u>38,180</u>	<u>20,798</u>
Gross profit.....	<u>18,392</u>	<u>20,951</u>	<u>42,621</u>	<u>51,200</u>
<b>Operating expenses:</b>				
Sales and marketing.....	12,311	10,575	38,480	24,769
Research and development.....	4,242	3,422	13,533	8,408
General and administrative.....	3,138	2,222	11,962	5,448
Restructuring charges.....			975	
Amortization of unearned compensation.....	245	434	2,416	1,447
Total operating expenses.....	<u>19,936</u>	<u>16,653</u>	<u>67,366</u>	<u>40,072</u>
Income (loss) from operations.....	(1,544)	4,298	(24,745)	11,128
Other income, net.....	562	855	1,394	2,414
Income (loss) before income taxes.....	<u>(982)</u>	<u>5,153</u>	<u>(23,351)</u>	<u>13,542</u>
Provision (benefit) for Income taxes.....	629	1,308	(4,068)	1,308
Net income (loss).....	<u>\$ (1,611)*</u>	<u>\$ 3,845</u>	<u>\$ (19,283)</u>	<u>\$ 12,234</u>
<b>Net income (loss) per share before income taxes – basic.....</b>				
	<u>\$ (0.04)</u>	<u>\$ 0.24</u>	<u>\$ (1.06)</u>	<u>\$ 0.65</u>
Net income (loss) per share – basic.....	<u>\$ (0.07)*</u>	<u>\$ 0.18</u>	<u>\$ (0.88)</u>	<u>\$ 0.58</u>
Weighted average shares – basic.....	<u>22,194</u>	<u>21,354</u>	<u>21,928</u>	<u>20,994</u>
<b>Net income (loss) per share before income taxes – diluted.....</b>				
	<u>\$ (0.04)</u>	<u>\$ 0.22</u>	<u>\$ (1.06)</u>	<u>\$ 0.59</u>
Net income (loss) per share – diluted.....	<u>\$ (0.07)*</u>	<u>\$ 0.17</u>	<u>\$ (0.88)</u>	<u>\$ 0.53</u>
Weighted average shares – diluted.....	<u>22,194</u>	<u>23,004</u>	<u>21,928</u>	<u>22,933</u>

\*Using the effective tax rate, prior to the adjustment, the company would have reported a net loss of \$776 (\$0.03 per share) in line with previous guidance.