

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

	Three months ended Sept. 30,		Twelve months ended Sept. 30,	
	2001	2000	2001	2000
Net revenues:				
Products.....	\$19,825	\$ 29,259	\$78,628	\$87,980
Services.....	6,741	7,388	28,739	20,665
Total net revenues.....	<u>26,566</u>	<u>36,647</u>	<u>107,367</u>	<u>108,645</u>
Cost of net revenues:				
Products.....	4,790	8,951	33,240	24,660
Services.....	2,535	2,822	12,265	7,911
Total cost of net revenues.....	<u>7,325</u>	<u>11,773</u>	<u>45,505</u>	<u>32,571</u>
Gross profit.....	<u>19,241</u>	<u>24,874</u>	<u>61,862</u>	<u>76,074</u>
Operating expenses:				
Sales and marketing.....	12,287	12,121	50,767	36,890
Research and development.....	3,902	6,070	17,435	14,478
General and administrative.....	6,814	4,279	18,776	9,727
Restructuring charges.....			975	
Amortization of unearned compensation.....	209	680	2,625	2,127
Total operating expenses.....	<u>23,212</u>	<u>23,150</u>	<u>90,578</u>	<u>63,222</u>
Income (loss) from operations.....	(3,971)	1,724	(28,716)	12,852
Other income, net.....	628	489	2,021	2,903
Income (loss) before income taxes.....	<u>(3,343)</u>	<u>2,213</u>	<u>(26,695)</u>	<u>15,755</u>
Provision for income taxes.....	8,163	797	4,095	2,105
Net income (loss).....	<u>\$ (11,506)</u>	<u>\$ 1,416</u>	<u>\$ (30,790)</u>	<u>\$ 13,650</u>
Net income (loss) per share – basic.....	<u>\$ (0.46)</u>	<u>\$ 0.07</u>	<u>\$ (1.36)</u>	<u>\$ 0.65</u>
Weighted average shares – basic.....	<u>24,767</u>	<u>21,551</u>	<u>22,644</u>	<u>21,137</u>
Net income (loss) per share – diluted.....	<u>\$ (0.46)</u>	<u>\$ 0.06</u>	<u>\$ (1.36)</u>	<u>\$ 0.59</u>
Weighted average shares – diluted.....	<u>24,767</u>	<u>23,122</u>	<u>22,644</u>	<u>23,066</u>
*Proforma:				
Net income (loss).....	<u>\$ (2,538)</u>	<u>\$ 3,724</u>	<u>\$ (13,935)</u>	<u>\$ 15,958</u>
Net income (loss) per share - basic.....	<u>\$ (0.10)</u>	<u>\$ 0.17</u>	<u>\$ (0.62)</u>	<u>\$ 0.75</u>
Weighted average shares - basic.....	<u>24,767</u>	<u>21,551</u>	<u>22,644</u>	<u>21,137</u>
Net income (loss) per share - diluted.....	<u>\$ (0.10)</u>	<u>\$ 0.16</u>	<u>\$ (0.62)</u>	<u>\$ 0.69</u>
Weighted average shares - diluted.....	<u>24,767</u>	<u>23,122</u>	<u>22,644</u>	<u>23,066</u>
*Pro-forma net income (loss) excludes the following non-recurring items:				
Inventory reserve	\$ (1,715)	\$ 687	\$ 3,195	\$ 687
Bad debt	2,000		2,000	
Amortization of unearned comp			1,300	
Executive recruitment		1,036	502	1,036
Fixed asset impairment		222	200	222
Royalty expense		363		363
Restructuring expense			975	
Income tax expense	8,683		8,683	
	<u>\$ 8,968</u>	<u>\$ 2,308</u>	<u>\$ 16,855</u>	<u>\$ 2,308</u>