

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

	Three months ended Sept. 30,		Twelve months ended Sept. 30,	
	2003	2002	2003	2002
Net revenues:				
Product.....	\$23,048	\$20,376	\$84,197	\$82,566
Service.....	8,585	6,699	31,698	25,700
Total net revenues.....	<u>31,633</u>	<u>27,075</u>	<u>115,895</u>	<u>108,266</u>
Cost of net revenues:				
Product.....	5,086	4,046	17,837	20,241
Service.....	2,342	2,360	9,068	10,238
Total cost of net revenues.....	<u>7,428</u>	<u>6,406</u>	<u>26,905</u>	<u>30,479</u>
Gross profit.....	<u>24,205</u>	<u>20,669</u>	<u>88,990</u>	<u>77,787</u>
Operating expenses:				
Sales and marketing.....	14,045	13,062	53,458	50,581
Research and development.....	5,155	4,312	19,246	17,985
General and administrative.....	2,964	3,427	12,014	15,045
Restructuring charges.....	-	503	-	3,274
Amortization of unearned compensation.....	6	90	83	443
Total operating expenses.....	<u>22,170</u>	<u>21,394</u>	<u>84,801</u>	<u>87,328</u>
Income (loss) from operations.....	2,035	(725)	4,189	(9,541)
Other income (expense), net.....	(375)	355	751	1,420
Income (loss) before income taxes.....	1,660	(370)	4,940	(8,121)
Provision for income taxes.....	307	53	853	489
Net income (loss).....	<u>\$1,353</u>	<u>\$(423)</u>	<u>\$4,087</u>	<u>\$(8,610)</u>
Net income (loss) per share - basic.....	<u>\$0.05</u>	<u>\$(0.02)</u>	<u>\$0.15</u>	<u>\$(0.34)</u>
Weighted average shares - basic.....	<u>27,125</u>	<u>25,670</u>	<u>26,453</u>	<u>25,323</u>
Net income (loss) per share - diluted.....	<u>\$0.05</u>	<u>\$(0.02)</u>	<u>\$0.14</u>	<u>\$(0.34)</u>
Weighted average shares - diluted.....	<u>29,521</u>	<u>25,670</u>	<u>28,220</u>	<u>25,323</u>