

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

	Three months ended Sept. 30,		Twelve months ended Sept. 30,	
	2005	2004	2005	2004
Net revenues:				
Products.....	\$62,762	\$37,536	\$219,603	\$126,169
Service.....	17,845	12,683	61,807	45,021
Total.....	<u>80,607</u>	<u>50,219</u>	<u>281,410</u>	<u>171,190</u>
Cost of net revenues (1):				
Products.....	13,886	8,489	48,985	28,404
Services.....	4,572	3,055	16,172	10,975
Total.....	<u>18,458</u>	<u>11,544</u>	<u>65,157</u>	<u>39,379</u>
Gross profit.....	<u>62,149</u>	<u>38,675</u>	<u>216,253</u>	<u>131,811</u>
Operating expenses (1):				
Sales and marketing.....	25,521	17,597	89,253	65,378
Research and development.....	9,039	6,764	31,349	24,361
General and administrative.....	7,067	4,463	23,760	15,744
Total.....	<u>41,627</u>	<u>28,824</u>	<u>144,362</u>	<u>105,483</u>
Income from operations.....	20,522	9,851	71,891	26,328
Other income, net.....	2,925	891	8,076	2,731
Income before income taxes.....	23,447	10,742	79,967	29,059
Provision (benefit) for income taxes (1).....	7,796	(5,039)	28,234	(3,894)
Net income.....	<u>\$15,651</u>	<u>\$15,781</u>	<u>\$51,733</u>	<u>\$32,953</u>
Net income per share - basic.....	<u>\$0.41</u>	<u>\$0.46</u>	<u>\$1.39</u>	<u>\$0.99</u>
Weighted average shares – basic.....	<u>38,479</u>	<u>34,593</u>	<u>37,220</u>	<u>33,221</u>
Net income per share - diluted.....	<u>\$0.39</u>	<u>\$0.43</u>	<u>\$1.34</u>	<u>\$0.92</u>
Weighted average shares – diluted.....	<u>40,015</u>	<u>36,779</u>	<u>38,733</u>	<u>35,992</u>
Reconciliation to pro forma results				
Net income as reported.....	\$ 15,651	\$ 15,781	\$ 51,733	\$ 32,953
Benefit for income taxes as reported.....	-	(5,039)	-	(3,894)
Income before income taxes.....	15,651	10,742	51,733	29,059
Stock-based compensation expense, net of income taxes (1).....	3,328	-	3,328	-
Pro forma 32% and 35% provision for income taxes, respectively.....	-	3,437	-	10,171
Pro forma net income.....	<u>18,979</u>	<u>7,305</u>	<u>55,061</u>	<u>18,888</u>
Pro forma net income per share - diluted.....	<u>\$ 0.47</u>	<u>\$ 0.20</u>	<u>\$ 1.42</u>	<u>\$ 0.52</u>
Pro forma weighted shares - diluted.....	<u>40,015</u>	<u>36,779</u>	<u>38,733</u>	<u>35,992</u>
(1) Includes stock-based compensation as follows.....				
Cost of net revenues.....	\$ 315		\$ 315	
Sales and marketing.....	1,850		1,850	
Research and development.....	1,345		1,345	
General and administrative.....	1,063		1,063	
Tax effect of stock based compensation.....	(1,245)		(1,245)	
	<u>3,328</u>		<u>3,328</u>	