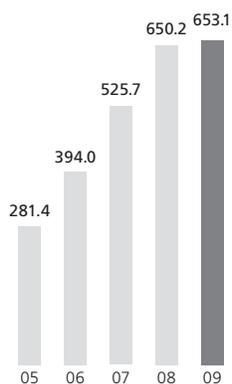


Annual Report

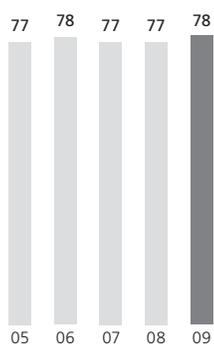
applications budget cloud computing commun
competitive customer demand data center development e-commerce earni
enterprise equity features FFIV fiscal year **global economy** growth go
GAAP initiatives investment management margin momentum network
opportunities partnerships portfolio **profit** quarter recovery revenue
ROI sales services **2009** shareholders stocks strategic points of control st
strong sequential growth targets technology unified **upturn** virtualization



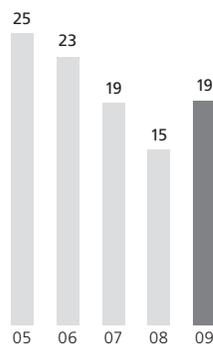
Revenue
[in \$ Millions]



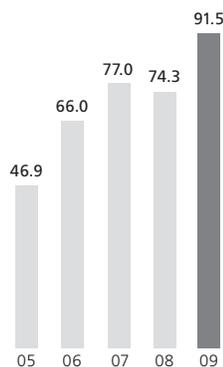
Gross Margin
[in %]



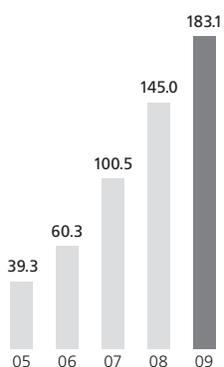
Operating Margin
[in %]



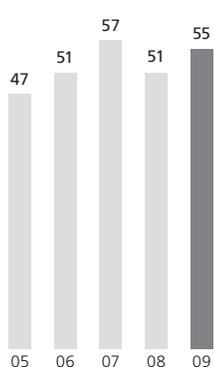
Net Income
[in \$ Millions]



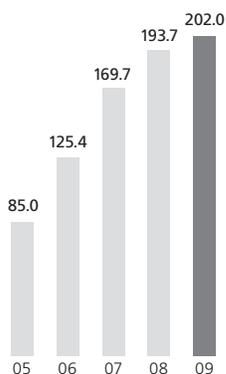
Deferred Revenue
[in \$ Millions]



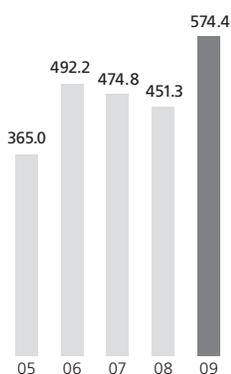
DSO
[in days]



Cash Flow from Operations
[in \$ Millions]



Cash, Equivalents & Investments
[in \$ Millions]



Selected Financial Data [in thousands]

| | 2005 - restated - | 2006 | 2007 | 2008 | 2009 |
|---------------------------------|----------------------|------------|------------|------------|------------|
| Net Revenues | \$ 281,410 | \$ 394,049 | \$ 525,667 | \$ 650,173 | \$ 653,079 |
| Gross Profit | \$ 216,226 | \$ 305,896 | \$ 407,343 | \$ 501,155 | \$ 510,353 |
| Operating Expenses | \$ 146,868 | \$ 215,758 | \$ 307,841 | \$ 401,841 | \$ 388,429 |
| Income from Operations | \$ 69,358 | \$ 90,138 | \$ 99,502 | \$ 99,314 | \$ 121,924 |
| Net Income | \$ 46,902 | \$ 66,005 | \$ 77,000 | \$ 74,331 | \$ 91,535 |
| Cash, Equivalents & Investments | \$ 365,015 | \$ 492,176 | \$ 474,831 | \$ 451,272 | \$ 574,422 |
| Long-Term Debt | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

About F5 Networks

F5 Networks is the global leader in Application Delivery Networking (ADN), focused on ensuring the secure, reliable, and fast delivery of applications. F5's flexible architectural framework enables community-driven innovation that helps organizations enhance IT agility and dynamically deliver services that generate true business value. F5's vision of unified application and data delivery offers customers an unprecedented level of choice in how they deploy ADN solutions. It redefines the management of application, server, storage, and network resources, streamlining application delivery and reducing costs. Global enterprise organizations, service and cloud providers, and Web 2.0 content providers trust F5 to keep their business moving forward. For more information, go to www.f5.com.

Photography: Karen Mason-Blair.

Fiscal 2009 was a challenging year by any standard—for F5 and for the global economy. While concerns about the economy linger, we met our challenges head-on and emerged a leaner, stronger company, better equipped to meet the challenges of the coming year and to take advantage of emerging opportunities in the changing economic and technology landscape.



John McAdam
President & Chief Executive Officer
F5 Networks

Slowdown and Recovery

Despite signs of an impending economic meltdown, fiscal 2009 got off to a promising start for F5.

Through most of the first quarter, business was solid, and we believed we were squarely on track to achieve our 24th consecutive quarter of sequential revenue growth. That ended abruptly in the second half of December as many large deals froze and customers suddenly stopped spending. As a result, first quarter revenue was below revenue in the prior quarter, and both revenue and earnings were well below our internal targets.

Facing the prospect of an even steeper downturn, we scaled back our workforce by approximately 6 percent in January, reduced operating expenses across the board, and reset expectations for the second quarter. Following what appeared to be a relatively normal January, sales stalled again in February, and a resurgence of sales in March was insufficient to offset the February weakness. For the second quarter in a row, results came in below our revenue and earnings targets.

As we moved into the third quarter, we experienced a resumption of more normal spending patterns among our customers that continued through the quarter and enabled us to achieve revenue above our guided range. Our efforts to reduce expenses

further improved our operating margin, and our GAAP and non-GAAP earnings came in significantly above our target ranges.

Throughout the fourth quarter, business continued to improve as customers began rolling out new projects and moving ahead with projects they had deferred. As a result, we achieved our highest quarterly revenue to date and ended fiscal 2009 with annual revenue up slightly from the prior year. During the fourth quarter, we also won the largest single contract in the company's history: a \$35 million order for products and services, which was not included in the quarter's record revenue¹. Reflecting both our strong revenue growth and continued careful management of operating expenses, our operating margin moved above 31 percent in the fourth quarter, and our GAAP and non-GAAP earnings were both well above our targets.

Throughout the year, our services organization continued to be a strong contributor to revenue and earnings while maintaining customer satisfaction levels above 90 percent.

¹ Products purchased under this contract will ship throughout fiscal 2010 and service revenue, representing approximately half of the contract value, will be amortized over five years. Although this was the largest single order the company has received, many other customers made cumulative purchases during the year that totaled more than \$10 million.

Product Momentum

Most of the weakness we encountered in the first half of fiscal 2009 and much of the improvement we experienced in the second half can be attributed to economic conditions. However, our recovery in the second half of the year was also driven by customer demand for our new products, reflected in the strong sequential growth of product revenue in the fourth quarter.

Despite overall weakness in the first half, sales of VIPRION, our chassis-based Application Delivery Controller, ramped steadily throughout the first three quarters of fiscal 2009 and were especially strong in the fourth quarter. Designed to scale from one to four 4-processor blades, VIPRION delivers industry-leading performance, flexibility, and high availability to handle the increasingly complex and demanding needs of the largest content and service providers. During fiscal 2010, we anticipate that VIPRION will continue to be a significant driver of product revenue growth.

In April 2009 we released TMOS version 10.0, a major upgrade of our full-proxy traffic management operating system. Along with significant performance and scalability enhancements, TMOS v.10.0 included more than 130 new features, many of them developed in response to customer requests and feedback posted at DevCentral, our online user community. The majority of these features and other new functionality in TMOS v.10.0 address the dynamic nature and increasing complexity of evolving data center architectures shaped by the growing trend toward virtualization and cloud computing.

At the same time we released TMOS v.10.0, we introduced BIG-IP 8900, the high-end of our BIG-IP family of stand-alone Application Delivery Controllers, designed specifically to leverage the new features, functions, and performance characteristics of TMOS v.10.0. The roll-out of BIG-IP 8900 marked the completion of our BIG-IP platform refresh that began with the introduction of new entry-level products, BIG-IP 1600 and BIG-IP 3600, in July 2008. Like VIPRION, BIG-IP 8900 allows customers to run

multiple functions, such as BIG-IP Application Security Manager and WebAccelerator, at performance levels needed for large Telco applications and projects such as data center consolidation.

Since the introduction of TMOS in 2004, our development of tightly integrated hardware and software has resulted in a broad line of products designed to meet the wide ranging needs of large organizations. Both our BIG-IP Application Delivery Controllers and our ARX family of data delivery controllers are strategically deployed in data centers where all traffic entering and leaving the data center passes through them. Dynamically aware of and responsive to the needs of users and applications, changing conditions in the network, and the demands of other network devices and resources, they collectively make F5 the strategic point of control in the data center, optimizing the delivery of applications and data regardless of changing workloads.

With the release of TMOS v.10.0 and the completion of our BIG-IP platform refresh, we have continued to widen our technology lead and strengthen our competitive position. Over the next 24 months our product roadmap includes numerous software and hardware upgrades as well as a number of new product roll-outs. Near-term releases include TMOS version 10.1, with enhanced WAN Optimization capability and access policy management, and the PUMA II blade for VIPRION, which will double current performance to deliver throughput and scalability for the most demanding applications. Further out, we will deliver the first of our "Turbo" appliances, code-named Apollo, which will double the Layer 4 performance of our high-end Application Delivery Controllers.

Although sales of ARX continued to lag expectations, we saw steady progress over the year, and we remain confident in the long-term potential of ARX to become a significant part of our product portfolio. During fiscal 2009, we continued to invest in the development of the technology and created an overlay sales force of ARX specialists. In addition,

we have recently created a number of incentives to promote the sale of ARX by our core sales organization and value-added resellers.

Expanding Partnerships

Throughout fiscal 2009 we continued to broaden our technology partnerships with industry-leading software vendors such as Microsoft, Oracle, SAP, and VMware, working closely with them to ensure that our products work seamlessly together and that our technology roadmap is aligned with theirs. At VMworld 2009, for example, we highlighted the customer benefits of our collaboration with VMware by jointly demonstrating the use of our products to migrate a live virtualized application, and its associated storage, from an internal data center to an external cloud securely and with no downtime or user disruption. In fiscal 2009, our cooperative development and marketing programs with all of our technology partners helped drive well over half our sales, including many of our biggest wins. For fiscal 2010, we have an even more ambitious agenda of development and marketing programs tied to an array of new product introductions by each of these partners.

During fiscal 2009, we also continued to broaden our partnerships with major hardware vendors who resell our products. In January we joined HP's ProCurve ONE alliance, a select group of vendors that provide best-of-breed solutions around HP's enterprise switches. In addition, we have begun working more closely with HP's TSG server group and with EDS, which recently added VIPRION to its product portfolio. Toward the end of the year, our long-time partner Dell, the largest reseller of F5 products in North America, began ramping efforts to resell our products in Europe, the Middle East and Africa. We also have a number of new initiatives with IBM focusing on virtualization and large enterprise applications.

On Balance, a Solid Year

Despite the challenges posed by the global economy, F5 made significant progress on many fronts during fiscal 2009: we successfully managed through the downturn and emerged with the highest quarterly run-rate and the strongest balance sheet in the company's history; we launched major new products that will continue to drive our growth in fiscal 2010; we continued to gain share in the Application Delivery Controller market; and we continued to expand our addressable market through the introduction of new functionality that further strengthens our position as the strategic control point in the data center.

Although it is unclear whether or how quickly the broad economy will recover in fiscal 2010, we believe we have taken the necessary steps to position F5 for continued growth and improved profitability throughout the year ahead.

On behalf of our board of directors, I want to thank all of you—along with our customers, partners, and employees—for your ongoing loyalty and support of our efforts to build solid value for all of our stakeholders.



John McAdam
President & Chief Executive Officer
November 15, 2009

Board of Directors

| | |
|----------------|---|
| Gary Ames | Retired President and Chief Executive Officer of MediaOne International |
| Deborah Bevier | Principal, DL Bevier Consulting LLC |
| Karl Guelich | Certified Public Accountant |
| Alan Higginson | Board Chair Chairman, Hubspan, Inc. |
| John McAdam | President and Chief Executive Officer |
| Scott Thompson | President, PayPal |

Corporate Officers

| | |
|-------------------|--|
| John McAdam | President and Chief Executive Officer |
| Andy Reinland | Senior Vice President and Chief Finance Officer |
| John Rodriguez | Senior Vice President and Chief Accounting Officer |
| Karl Triebes | Senior Vice President of Product Development and Chief Technical Officer |
| Julian Eames | Senior Vice President of Business Operations |
| Mark Anderson | Senior Vice President of Worldwide Sales |
| Dan Matte | Senior Vice President of Marketing and Business Development |
| Jeff Christianson | Senior Vice President and General Counsel |

Shareholders' Information

Annual Shareholders Meeting
March 11, 2010 11:00 a.m.
Location: 333 Elliott Ave West
Seattle, WA 98119
Parking: Corporate Headquarters

Corporate Headquarters
401 Elliott Ave West
Seattle, WA 98119
206.272.5555

NASDAQ Listing
NASDAQ Symbol – FFIV

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www.f5.com

Independent Accountants
PricewaterhouseCoopers LLP
Seattle, WA

Transfer Agent
American Stock Transfer
212.936.5100

The statements contained in this report that are not purely historical are forward-looking statements. These statements include, but are not limited to, statements about our plans, objectives, expectations, strategies, intentions or other characterizations of future events or circumstances. These statements are generally identified by the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and similar expressions. These forward-looking statements are based on current information and expectations and are subject to a number of risks and uncertainties. Our actual results could differ materially and adversely from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the heading "Risk Factors" in the company's Form 10-K for fiscal 2009 and in other documents we file from time to time with the Securities and Exchange Commission. We assume no obligation to revise or update any such forward-looking statements.

