

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

	<u>Three months ended December 31, 2009</u>	<u>Three months ended September 30, 2009</u>	<u>Three months ended December 31, 2008</u>
Net revenues			
Products.....	\$119,218	\$108,880	\$107,895
Services.....	71,938	66,250	57,674
Total.....	<u>191,156</u>	<u>175,130</u>	<u>165,569</u>
Cost of net revenues (1)			
Products.....	26,042	24,294	23,923
Services.....	13,087	12,162	12,100
Total.....	<u>39,129</u>	<u>36,456</u>	<u>36,023</u>
Gross Profit.....	<u>152,027</u>	<u>138,674</u>	<u>129,546</u>
Operating expenses (1)			
Sales and marketing.....	65,642	58,395	59,438
Research and development.....	26,720	25,515	27,102
General and administrative.....	15,953	14,619	15,805
Total.....	<u>108,315</u>	<u>98,529</u>	<u>102,345</u>
Income from operations.....	43,712	40,145	27,201
Other income, net.....	1,705	1,682	2,879
Income before income taxes.....	45,417	41,827	30,080
Provision for income taxes (1).....	16,138	13,477	8,657
Net Income.....	<u>\$29,279</u>	<u>\$28,350</u>	<u>\$21,423</u>
Net income per share - basic.....	<u>\$0.37</u>	<u>\$0.36</u>	<u>\$0.27</u>
Weighted average shares - basic.....	<u>78,906</u>	<u>78,499</u>	<u>79,337</u>
Net income per share - diluted.....	<u>\$0.36</u>	<u>\$0.36</u>	<u>\$0.27</u>
Weighted average shares - diluted.....	<u>80,333</u>	<u>79,613</u>	<u>80,003</u>
Non-GAAP Financial Measures			
Net income as reported.....	\$29,279	\$28,350	\$21,423
Stock-based compensation expense, net of tax (2).....	12,130	11,696	10,907
Net income excluding stock-based compensation (Non-GAAP).....	<u>\$41,409</u>	<u>\$40,046</u>	<u>\$32,330</u>
Net income per share excluding stock-based compensation (Non-GAAP) - diluted.....	<u>\$0.52</u>	<u>\$0.50</u>	<u>\$0.40</u>
Weighted average shares - diluted.....	<u>80,333</u>	<u>79,613</u>	<u>80,003</u>
(1) Includes stock-based compensation as follows:			
Cost of net revenues.....	\$1,599	\$1,472	\$1,219
Sales and marketing.....	6,717	6,125	5,967
Research and development.....	4,869	4,468	4,286
General and administrative.....	3,879	3,272	3,441
Tax effect of stock based compensation.....	(4,934)	(3,641)	(4,006)
	<u>\$12,130</u>	<u>\$11,696</u>	<u>\$10,907</u>

(2) Stock-based compensation is accounted for in accordance with the fair value recognition provisions of the Equity Topic of the Accounting Standards Codification.