

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Net revenues				
Products.....	\$ 179,327	\$ 147,393	\$ 524,529	\$ 396,170
Services.....	111,386	83,081	312,690	231,528
Total.....	<u>290,713</u>	<u>230,474</u>	<u>837,219</u>	<u>627,698</u>
Cost of net revenues (1)				
Products.....	31,803	29,328	94,840	82,789
Services.....	20,645	15,251	57,244	42,335
Total.....	<u>52,448</u>	<u>44,579</u>	<u>152,084</u>	<u>125,124</u>
Gross Profit.....	<u>238,265</u>	<u>185,895</u>	<u>685,135</u>	<u>502,574</u>
Operating expenses (1)				
Sales and marketing.....	93,633	77,219	269,790	212,505
Research and development.....	35,245	30,889	102,358	86,743
General and administrative.....	21,126	17,658	61,656	49,627
Total.....	<u>150,004</u>	<u>125,766</u>	<u>433,804</u>	<u>348,875</u>
Income from operations.....	88,261	60,129	251,331	153,699
Other income, net.....	1,889	3,561	6,002	7,557
Income before income taxes.....	90,150	63,690	257,333	161,256
Provision for income taxes (1).....	27,601	23,195	83,546	58,338
Net Income.....	<u>\$ 62,549</u>	<u>\$ 40,495</u>	<u>\$ 173,787</u>	<u>\$ 102,918</u>
Net income per share - basic.....	<u>\$ 0.77</u>	<u>\$ 0.51</u>	<u>\$ 2.15</u>	<u>\$ 1.30</u>
Weighted average shares - basic.....	<u>80,866</u>	<u>79,864</u>	<u>80,773</u>	<u>79,386</u>
Net income per share - diluted.....	<u>\$ 0.77</u>	<u>\$ 0.50</u>	<u>\$ 2.13</u>	<u>\$ 1.27</u>
Weighted average shares - diluted.....	<u>81,497</u>	<u>81,031</u>	<u>81,655</u>	<u>80,870</u>
<b>Non-GAAP Financial Measures</b>				
Net income as reported.....	\$ 62,549	\$ 40,495	\$ 173,787	\$ 102,918
Stock-based compensation expense, net of tax (2).....	16,829	12,805	49,277	36,973
Net income excluding stock-based compensation (non-GAAP).....	<u>\$ 79,378</u>	<u>\$ 53,300</u>	<u>\$ 223,064</u>	<u>\$ 139,891</u>
Net income per share excluding stock-based compensation (non-GAAP) - diluted.....	<u>\$ 0.97</u>	<u>\$ 0.66</u>	<u>\$ 2.73</u>	<u>\$ 1.73</u>
Weighted average shares - diluted.....	<u>81,497</u>	<u>81,031</u>	<u>81,655</u>	<u>80,870</u>
(1) Includes stock-based compensation as follows:				
Cost of net revenues.....	\$ 2,398	\$ 1,777	\$ 6,793	\$ 5,061
Sales and marketing.....	8,834	6,591	25,926	19,685
Research and development.....	5,922	4,749	17,399	14,197
General and administrative.....	5,753	4,289	17,495	12,048
Tax effect of stock-based compensation.....	(6,078)	(4,601)	(18,336)	(14,018)
	<u>\$ 16,829</u>	<u>\$ 12,805</u>	<u>\$ 49,277</u>	<u>\$ 36,973</u>

(2) Stock-based compensation is accounted for in accordance with the fair value recognition provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, Compensation – Stock Compensation ("FASB ASC Topic 718")