

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

	Three months ended December 31, 2011	Three months ended September 30, 2011	Three months ended December 31, 2010
Net revenues			
Products.....	\$ 196,554	\$ 197,446	\$ 171,492
Services.....	125,878	117,169	97,442
Total.....	<u>322,432</u>	<u>314,615</u>	<u>268,934</u>
Cost of net revenues (1)			
Products.....	33,200	34,485	31,614
Services.....	22,406	21,435	17,349
Total.....	<u>55,606</u>	<u>55,920</u>	<u>48,963</u>
Gross Profit.....	<u>266,826</u>	<u>258,695</u>	<u>219,971</u>
Operating expenses (1)			
Sales and marketing.....	106,238	100,945	86,825
Research and development.....	39,122	36,552	32,606
General and administrative.....	21,677	21,867	20,684
Total.....	<u>167,037</u>	<u>159,364</u>	<u>140,115</u>
Income from operations.....	99,789	99,331	79,856
Other income, net.....	1,861	4,087	2,545
Income before income taxes.....	101,650	103,418	82,401
Provision for income taxes (1).....	35,158	35,808	26,738
Net income.....	<u>\$ 66,492</u>	<u>\$ 67,610</u>	<u>\$ 55,663</u>
Net income per share - basic.....	<u>\$ 0.84</u>	<u>\$ 0.84</u>	<u>\$ 0.69</u>
Weighted average shares - basic.....	<u>79,272</u>	<u>80,317</u>	<u>80,644</u>
Net income per share - diluted.....	<u>\$ 0.83</u>	<u>\$ 0.84</u>	<u>\$ 0.68</u>
Weighted average shares - diluted.....	<u>79,822</u>	<u>80,766</u>	<u>81,648</u>
Non-GAAP Financial Measures			
Net income as reported.....	\$ 66,492	\$ 67,610	\$ 55,663
Stock-based compensation expense, net of tax (2).....	15,748	17,635	16,536
Net income excluding stock-based compensation expense (non-GAAP).....	<u>\$ 82,240</u>	<u>\$ 85,245</u>	<u>\$ 72,199</u>
Net income per share excluding stock-based compensation expense (non-GAAP) - diluted.....	<u>\$ 1.03</u>	<u>\$ 1.06</u>	<u>\$ 0.88</u>
Weighted average shares - diluted.....	<u>79,822</u>	<u>80,766</u>	<u>81,648</u>
(1) Includes stock-based compensation as follows:			
Cost of net revenues.....	\$ 2,538	\$ 2,565	\$ 2,228
Sales and marketing.....	9,054	8,756	8,733
Research and development.....	5,826	5,913	5,888
General and administrative.....	4,705	4,900	6,091
Tax effect of stock-based compensation.....	(6,375)	(4,499)	(6,404)
	<u>\$ 15,748</u>	<u>\$ 17,635</u>	<u>\$ 16,536</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")