

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

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2012	2011	2012	2011
Net revenues				
Products.....	\$ 209,718	\$ 197,446	\$ 818,555	\$ 721,975
Services.....	152,841	117,169	558,692	429,859
Total.....	<u>362,559</u>	<u>314,615</u>	<u>1,377,247</u>	<u>1,151,834</u>
Cost of net revenues (1)(2)				
Products.....	35,752	34,485	137,102	129,325
Services.....	26,929	21,435	99,066	78,679
Total.....	<u>62,681</u>	<u>55,920</u>	<u>236,168</u>	<u>208,004</u>
Gross Profit.....	299,878	258,695	1,141,079	943,830
Operating expenses (1)(2)(3)				
Sales and marketing.....	116,298	100,945	445,595	370,735
Research and development.....	47,731	36,552	177,406	138,910
General and administrative.....	24,015	21,867	91,775	83,523
Total.....	<u>188,044</u>	<u>159,364</u>	<u>714,776</u>	<u>593,168</u>
Income from operations.....	111,834	99,331	426,303	350,662
Other income, net.....	909	4,087	5,911	10,089
Income before income taxes.....	112,743	103,418	432,214	360,751
Provision for income taxes.....	45,026	35,808	157,028	119,354
Net Income.....	<u>\$ 67,717</u>	<u>\$ 67,610</u>	<u>\$ 275,186</u>	<u>\$ 241,397</u>
Net income per share - basic.....	<u>\$ 0.86</u>	<u>\$ 0.84</u>	<u>\$ 3.48</u>	<u>\$ 2.99</u>
Weighted average shares - basic.....	<u>78,980</u>	<u>80,317</u>	<u>79,135</u>	<u>80,658</u>
Net income per share - diluted.....	<u>\$ 0.85</u>	<u>\$ 0.84</u>	<u>\$ 3.45</u>	<u>\$ 2.96</u>
Weighted average shares - diluted.....	<u>79,425</u>	<u>80,766</u>	<u>79,780</u>	<u>81,482</u>
<b>Non-GAAP Financial Measures</b>				
Net income as reported.....	\$ 67,717	\$ 67,610	\$ 275,186	\$ 241,397
Stock-based compensation expense (4).....	26,343	22,134	95,348	89,747
Amortization of purchased intangible assets (5).....	1,610	-	4,843	-
Acquisition-related charges (5).....	-	-	750	-
Tax effects related to above items.....	(6,965)	(4,499)	(27,495)	(22,835)
Net income excluding stock-based compensation, amortization of purchased intangible assets and acquisition-related charges (non-GAAP) - diluted.....	<u>\$ 88,705</u>	<u>\$ 85,245</u>	<u>\$ 348,632</u>	<u>\$ 308,309</u>
Net income per share excluding stock-based compensation, amortization of purchased intangible assets and acquisition-related charges (non-GAAP) - diluted.....	<u>\$ 1.12</u>	<u>\$ 1.06</u>	<u>\$ 4.37</u>	<u>\$ 3.78</u>
Weighted average shares - diluted.....	<u>79,425</u>	<u>80,766</u>	<u>79,780</u>	<u>81,482</u>
(1) Includes stock-based compensation as follows:				
Cost of net revenues.....	\$ 3,082	\$ 2,565	\$ 10,910	\$ 9,358
Sales and marketing.....	10,043	8,756	36,988	34,682
Research and development.....	8,036	5,913	27,876	23,312
General and administrative.....	5,182	4,900	19,574	22,395
Total.....	<u>\$ 26,343</u>	<u>\$ 22,134</u>	<u>\$ 95,348</u>	<u>\$ 89,747</u>
(2) Includes amortization of purchased intangible assets as follows:				
Cost of net revenues.....	\$ 1,458	\$ -	\$ 4,361	\$ -
Sales and marketing.....	152	-	482	-
Total.....	<u>\$ 1,610</u>	<u>\$ -</u>	<u>\$ 4,843</u>	<u>\$ -</u>
(3) Includes acquisition-related charges as follows:				
General and administrative.....	\$ -	\$ -	\$ 750	\$ -
Total.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ -</u>

(4) Stock-based compensation is accounted for in accordance with the fair value recognition provisions of Financial Accounting Standards Board ("FASB") Accounting Standards

(5) Beginning with the second quarter of fiscal 2012, the company will exclude amortization of purchased intangible assets and acquisition-related charges in addition to stock-based compensation expense as a non-GAAP financial measure