

2013
**ANNUAL
REPORT**

SOLUTIONS FOR AN APPLICATION WORLD.

TO OUR SHAREHOLDERS, CUSTOMERS AND PARTNERS:

Following an uneven first half, fiscal 2013 concluded with a strong finish that positioned F5 for solid growth in fiscal 2014.

Sequential product revenue growth in the third and fourth quarters reflected growing demand for new hardware and software products introduced throughout fiscal 2013. In particular, we saw increasing demand for our new and enhanced security offerings and for new hardware and software products targeted at service providers. In the enterprise, Cisco's exit from the application delivery market early in the year enabled us to penetrate a growing number of large accounts, resulting in more than 900 project wins during the year. Within the service provider segment, we achieved a growing number of design wins for our Traffic Diameter signaling and routing products that we expect to begin generating significant revenue in the current fiscal year.

During the first three quarters of fiscal 2013, we launched our new family of BIG-IP appliances, which deliver four to five times the performance of the products they replaced. As a result of this enhanced performance, the entire family is able to support one or more application services (available as separate software modules), along with LTM, our local traffic management module, which is a core component of all our products. In addition, the BIG-IP 5000, BIG-IP 7000 and BIG-IP 10000 series support our virtual clustered multiprocessing technology (vCMP), formerly available only on our VIPRION chassis. vCMP allows a single appliance or chassis to host multiple virtual instances of our BIG-IP operating system (TMOS), each capable of supporting a custom configuration of software services for a specific application and a unique group of users.

In the first half of the year, we also introduced new blades that doubled the performance of our high-end, 4-blade VIPRION chassis, and a new 8-blade chassis that incorporates the same blades. Designed for massive scalability and extremely high throughput, these products are targeted principally at service providers and large enterprises striving to reduce capital costs and operating expenses by consolidating network and application services on a single footprint.

While our purpose-built hardware is designed to enhance the performance of our application services and is a key component of our elastic services fabric, the lion's share of our investment in product development has been and continues to be in software. Along with the new appliances and chassis products we rolled out in fiscal 2013, we introduced two major upgrades of TMOS; our new BIG-IQ management and orchestration platform; enhancements to Application Security Manager (ASM) and Access Policy Manager (APM); several new software modules, including Advanced Firewall Manager (AFM), Policy Enforcement Manager (PEM) and Carrier-Grade Network Address Translation (CGNAT); and new versions of all our software-only Virtual Edition (VE) products. AFM was an immediate success and helped drive strong sales of all our security offerings in the second half of fiscal 2013.

Although AFM is a new addition to our suite of application services, use of our products as firewalls is not new. For years, many of our customers have been using iRules, a customized scripting language built into TMOS, to configure BIG-IP and VIPRION to function as traditional network firewalls. AFM dramatically simplifies the process, enabling customers to deploy a fully-functional network firewall that leverages the high-performance, scalability and programmability of TMOS as a service integrated with and running alongside of other application services. AFM, ASM and APM, in conjunction with the built-in security features of TMOS, afford customers the most comprehensive protection against an expanding array of threats ranging from distributed denial of service (DDoS) attacks to attacks targeting specific applications. During fiscal 2013 approximately 30 percent of our product sales included at least one of these security products. In June, we introduced BIG-IQ Security module, which allows customers to manage all of their F5 security services from a single console and has further strengthened our security offering.

Along with our high-performance fabric of TMOS-based hardware and software services, our BIG-IQ management platform is a key element and enabler of our recently announced Synthesis architecture. From a single console, BIG-IQ allows customers to manage all of our hardware and software products within and across multiple data centers and out into the Cloud. In addition, it allows them to orchestrate our application services with software-defined networking services from Cisco, VMware and others who named F5 as a key partner during their respective roll-outs of their new SDN offerings.

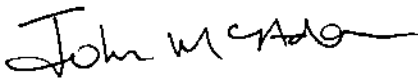
As part of Synthesis, which was formally announced the first week in November, we also introduced new purchase options designed to make it easier for our sales organization and channel partners to sell our products by making it easier for customers to buy them. One is a set of three product groups or bundles called "Good, Better, Best." "Good" is our basic traffic management offering. "Better" is the basic offering plus some security, acceleration and other services. And "Best" includes our entire suite of application services. For Cloud customers, we introduced new utility pricing that allows them

to rent our Virtual Edition products by the hour or by the day. The initial response to both options has been very positive, and we are confident they will help drive product sales in the current fiscal year.

All things considered, fiscal 2013 was a very productive year for F5. In addition to upgrading our entire family of BIG-IP appliances and doubling the performance of our high-end VIPRION family, we upgraded and expanded our integrated suite of application services, introduced our BIG-IQ management platform, enhanced the performance of our Virtual Edition products, and acquired new technologies—all of which strengthened our competitive position and enabled us to continue expanding our addressable markets in Security, Mobility and the Cloud. During fiscal 2014, I believe the momentum generated by these company-specific drivers will continue and enable us to reaccelerate our year-over-year product revenue growth.

On behalf of the Board, I want to thank the entire F5 team for their collective commitment and individual contributions to making F5 the leading provider of application delivery services.

Thanks also to our customers, partners and shareholders for your ongoing support.

A handwritten signature in black ink, appearing to read "John McAdam". The signature is fluid and cursive, with a long horizontal stroke at the end.

John McAdam
President & Chief Executive Officer
November 30, 2013

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SHAREHOLDERS' INFORMATION

Annual Shareholders Meeting

March 13, 2014

11:00 a.m.

Location: 351 Elliott Ave West

Seattle, WA 98119

Parking: Corporate Headquarters

Corporate Headquarters

401 Elliott Ave West

Seattle, WA 98119

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NASDAQ Listing

NASDAQ Symbol – FFIV

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ABOUT F5 NETWORKS

F5 (NASDAQ: FFIV) provides solutions for an application world. F5 helps organizations seamlessly scale cloud, data center, and software defined networking (SDN) deployments to successfully deliver applications to anyone, anywhere, at any time. F5 solutions broaden the reach of IT through an open, extensible framework and a rich partner ecosystem of leading technology and data center orchestration vendors. This approach lets customers pursue the infrastructure model that best fits their needs over time. The world's largest businesses, service providers, government entities, and consumer brands rely on F5 to stay ahead of cloud, security, and mobility trends. For more information, go to f5.com.

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