

F5 Networks, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Years ended September 30,	
	2009	2008
Operating activities		
Net income.....	\$ 91,535	\$ 74,331
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized (gain) loss on disposition of assets and investments.....	(9)	58
Stock-based compensation.....	56,064	60,582
Provisions for doubtful accounts and sales returns.....	2,638	2,749
Depreciation and amortization.....	26,407	23,623
Deferred income taxes.....	(6,057)	(5,606)
Gain on auction rate securities put option.....	(3,901)	-
Loss on trading auction rate securities.....	3,901	-
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(12,555)	(7,940)
Inventories.....	(3,671)	523
Other current assets.....	(523)	428
Other assets.....	(226)	(3,544)
Accounts payable and accrued liabilities.....	10,248	4,006
Deferred revenue.....	38,130	44,482
Net cash provided by operating activities.....	201,981	193,692
Investing activities		
Purchases of investments.....	(414,857)	(494,082)
Maturities of investments.....	328,110	535,494
Investment of restricted cash.....	13	1,216
Acquisition of intangible assets.....	(706)	-
Acquisition of businesses, net of cash acquired.....	-	(995)
Purchases of property and equipment.....	(11,669)	(27,923)
Net cash (used in) provided by investing activities.....	(99,109)	13,710
Financing activities		
Tax expense from nonqualified stock options.....	(1,958)	(221)
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	18,688	18,502
Repurchase of common stock.....	(87,436)	(200,000)
Net cash used in financing activities.....	(70,706)	(181,719)
Net increase in cash and cash equivalents.....	32,166	25,683
Effect of exchange rate changes on cash and cash equivalents.....	368	(1,676)
Cash and cash equivalents, beginning of period.....	78,303	54,296
Cash and cash equivalents, end of period.....	\$ 110,837	\$ 78,303