

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

	Nine Months Ended June 30,	
	2011	2010
Operating activities		
Net income.....	\$ 173,787	\$ 102,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on disposition of assets and investments.....	(203)	(117)
Stock-based compensation.....	67,613	50,991
Provisions for doubtful accounts and sales returns.....	453	794
Depreciation and amortization.....	15,715	17,923
Deferred income taxes.....	(387)	10,659
Gain on auction rate securities put option.....	-	(1,491)
Loss on trading auction rate securities.....	-	1,491
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(43,062)	3,350
Inventories.....	874	(3,927)
Other current assets.....	8,452	(10,380)
Other assets.....	(365)	(1,651)
Accounts payable and accrued liabilities.....	10,086	154
Deferred revenue.....	62,481	56,507
Net cash provided by operating activities.....	295,444	227,221
Investing activities		
Purchases of investments.....	(692,812)	(571,072)
Sales and maturities of investments.....	629,766	397,702
Investment of restricted cash.....	(406)	(26)
Acquisition of intangible assets.....	(80)	-
Purchases of property and equipment.....	(20,544)	(10,119)
Net cash used in investing activities.....	(84,076)	(183,515)
Financing activities		
Excess tax benefits from stock-based compensation.....	20,221	16,419
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	21,131	29,338
Repurchase of common stock.....	(121,526)	(55,000)
Net cash used in financing activities.....	(80,174)	(9,243)
Net increase in cash and cash equivalents.....	131,194	34,463
Effect of exchange rate changes on cash and cash equivalents.....	(144)	(1,487)
Cash and cash equivalents, beginning of period.....	168,754	110,837
Cash and cash equivalents, end of period.....	\$ 299,804	\$ 143,813