

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

	<b>Years Ended</b>	
	<b>September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Operating activities</b>		
Net income.....	\$ 241,397	\$ 151,153
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on disposition of assets and investments.....	(163)	(125)
Stock-based compensation.....	89,747	70,773
Provisions for doubtful accounts and sales returns.....	982	1,206
Depreciation and amortization.....	20,887	23,833
Deferred income taxes.....	4,487	8,243
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.....	(54,526)	(6,365)
Inventories.....	1,666	(4,996)
Other current assets.....	8,000	(17,064)
Other assets.....	81	(1,466)
Accounts payable and accrued liabilities.....	20,476	12,157
Deferred revenue.....	83,904	76,263
Net cash provided by operating activities.....	416,938	313,612
<b>Investing activities</b>		
Purchases of investments.....	(979,597)	(877,003)
Sales and maturities of investments.....	876,019	648,875
Investment of restricted cash.....	19	2,530
Acquisition of intangible assets.....	(5,715)	-
Purchases of property and equipment.....	(30,445)	(12,625)
Net cash used in investing activities.....	(139,719)	(238,223)
<b>Financing activities</b>		
Excess tax benefits from stock-based compensation.....	23,623	26,532
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	21,239	31,670
Repurchase of common stock.....	(271,526)	(75,000)
Net cash used in financing activities.....	(226,664)	(16,798)
Net increase in cash and cash equivalents.....	50,555	58,591
Effect of exchange rate changes on cash and cash equivalents.....	(2,525)	(674)
Cash and cash equivalents, beginning of period.....	168,754	110,837
Cash and cash equivalents, end of period.....	\$ 216,784	\$ 168,754