

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

Six Months Ended
March 31,

	2012	2011
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Operating activities

Net income.....	\$ 135,133	\$ 111,238
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	457	(182)
Stock-based compensation.....	45,468	44,706
Provisions for doubtful accounts and sales returns.....	633	(14)
Depreciation and amortization.....	14,935	10,536
Deferred income taxes.....	(1,645)	(1,080)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(18,139)	(30,757)
Inventories.....	125	661
Other current assets.....	(17,252)	(7,798)
Other assets.....	688	(140)
Accounts payable and accrued liabilities.....	3,933	13,253
Deferred revenue.....	69,147	53,945
Net cash provided by operating activities.....	233,483	194,368

Investing activities

Purchases of investments.....	(482,403)	(441,160)
Maturities of investments.....	427,671	261,230
Sales of investments.....	24,519	80,977
(Increase) decrease in restricted cash.....	(25)	38
Acquisition of intangible assets.....	(250)	(80)
Acquisition of businesses, net of cash acquired.....	(128,335)	-
Purchases of property and equipment.....	(12,818)	(11,704)
Net cash used in investing activities.....	(171,641)	(110,699)

Financing activities

Excess tax benefit from stock-based compensation.....	5,456	16,286
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	10,093	9,218
Repurchase of common stock.....	(84,776)	(71,526)
Net cash used in financing activities.....	(69,227)	(46,022)
Net (decrease) increase in cash and cash equivalents.....	(7,385)	37,647
Effect of exchange rate changes on cash and cash equivalents.....	60	(186)
Cash and cash equivalents, beginning of period.....	216,784	168,754
Cash and cash equivalents, end of period.....	\$ 209,459	\$ 206,215