

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

	Nine Months Ended June 30,	
	2012	2011
Operating activities		
Net income.....	\$ 207,469	\$ 173,787
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	552	(203)
Stock-based compensation.....	69,005	67,613
Provisions for doubtful accounts and sales returns.....	1,061	453
Depreciation and amortization.....	24,987	15,715
Deferred income taxes.....	(1,057)	(387)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(28,229)	(43,062)
Inventories.....	111	874
Other current assets.....	(13,852)	8,452
Other assets.....	(244)	(365)
Accounts payable and accrued liabilities.....	(3,089)	10,086
Deferred revenue.....	90,168	62,481
Net cash provided by operating activities.....	<u>346,882</u>	<u>295,444</u>
Investing activities		
Purchases of investments.....	(780,493)	(692,812)
Maturities of investments.....	636,010	548,789
Sales of investments.....	24,519	80,977
Increase in restricted cash.....	(30)	(406)
Acquisition of intangible assets.....	(250)	(80)
Acquisition of businesses, net of cash acquired.....	(128,335)	-
Purchases of property and equipment.....	(18,544)	(20,544)
Net cash used in investing activities.....	<u>(267,123)</u>	<u>(84,076)</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	9,426	20,221
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	24,942	21,131
Repurchase of common stock.....	(134,776)	(121,526)
Net cash used in financing activities.....	<u>(100,408)</u>	<u>(80,174)</u>
Net (decrease) increase in cash and cash equivalents.....	(20,649)	131,194
Effect of exchange rate changes on cash and cash equivalents.....	(528)	(144)
Cash and cash equivalents, beginning of period.....	216,784	168,754
Cash and cash equivalents, end of period.....	<u>\$ 195,607</u>	<u>\$ 299,804</u>