

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

	Years Ended September 30,	
	2012	2011
Operating activities		
Net income.....	\$ 275,186	\$ 241,397
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	546	(163)
Stock-based compensation.....	95,348	89,747
Provisions for doubtful accounts and sales returns.....	1,572	982
Depreciation and amortization.....	35,139	20,887
Deferred income taxes.....	(4,293)	4,487
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(20,207)	(54,526)
Inventories.....	(262)	1,666
Other current assets.....	(998)	8,000
Other assets.....	(134)	81
Accounts payable and accrued liabilities.....	9,953	20,476
Deferred revenue.....	103,587	83,904
Net cash provided by operating activities.....	<u>495,437</u>	<u>416,938</u>
Investing activities		
Purchases of investments.....	(1,059,853)	(979,597)
Maturities of investments.....	784,601	795,142
Sales of investments.....	81,444	80,877
(Increase) decrease in restricted cash.....	(19)	19
Acquisition of intangible assets.....	(250)	(5,715)
Acquisition of businesses, net of cash acquired.....	(128,335)	-
Purchases of property and equipment.....	(29,867)	(30,445)
Net cash used in investing activities.....	<u>(352,279)</u>	<u>(139,719)</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	10,371	23,623
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	25,174	21,239
Repurchase of common stock.....	(184,776)	(271,526)
Net cash used in financing activities.....	<u>(149,231)</u>	<u>(226,664)</u>
Net (decrease) increase in cash and cash equivalents.....	(6,073)	50,555
Effect of exchange rate changes on cash and cash equivalents.....	470	(2,525)
Cash and cash equivalents, beginning of period.....	216,784	168,754
Cash and cash equivalents, end of period.....	<u>\$ 211,181</u>	<u>\$ 216,784</u>