

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

	Six Months Ended	
	March 31,	
	2013	2012
Operating activities		
Net income.....	\$ 132,905	\$ 135,133
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized (gain) loss on disposition of assets and investments.....	(217)	457
Stock-based compensation.....	54,320	45,468
Provisions for doubtful accounts and sales returns.....	578	633
Depreciation and amortization.....	19,913	14,935
Deferred income taxes.....	(1,313)	(1,645)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(8,202)	(18,139)
Inventories.....	(553)	125
Other current assets.....	(29,198)	(17,252)
Other assets.....	621	688
Accounts payable and accrued liabilities.....	13,243	3,933
Deferred revenue.....	43,371	69,147
Net cash provided by operating activities.....	<u>225,468</u>	<u>233,483</u>
Investing activities		
Purchases of investments.....	(446,978)	(482,403)
Maturities of investments.....	329,141	375,746
Sales of investments.....	138,171	76,444
Increase in restricted cash.....	(729)	(25)
Acquisition of intangible assets.....	-	(250)
Acquisition of businesses, net of cash acquired.....	(124,918)	(128,335)
Purchases of property and equipment.....	(14,769)	(12,818)
Net cash used in investing activities.....	<u>(120,082)</u>	<u>(171,641)</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	2,395	5,456
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	12,040	10,093
Repurchase of common stock.....	(100,000)	(84,776)
Net cash used in financing activities.....	<u>(85,565)</u>	<u>(69,227)</u>
Net increase (decrease) in cash and cash equivalents.....	19,821	(7,385)
Effect of exchange rate changes on cash and cash equivalents.....	(1,340)	60
Cash and cash equivalents, beginning of period.....	211,181	216,784
Cash and cash equivalents, end of period.....	<u>\$ 229,662</u>	<u>\$ 209,459</u>