

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

	Years Ended September 30,	
	2013	2012
Operating activities		
Net income.....	\$ 277,314	\$ 275,186
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized (gain) loss on disposition of assets and investments.....	(187)	546
Stock-based compensation.....	104,212	95,348
Provisions for doubtful accounts and sales returns.....	1,025	1,572
Depreciation and amortization.....	40,005	35,139
Deferred income taxes.....	474	(4,293)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(18,867)	(20,207)
Inventories.....	(1,617)	(262)
Other current assets.....	(3,614)	(998)
Other assets.....	683	(134)
Accounts payable and accrued liabilities.....	16,790	9,953
Deferred revenue.....	83,475	103,587
Net cash provided by operating activities.....	<u>499,693</u>	<u>495,437</u>
Investing activities		
Purchases of investments.....	(938,571)	(1,059,853)
Maturities of investments.....	613,927	784,601
Sales of investments.....	212,011	81,444
Increase in restricted cash.....	(612)	(19)
Acquisition of intangible assets.....	-	(250)
Acquisition of businesses, net of cash acquired.....	(212,642)	(128,335)
Purchases of property and equipment.....	(26,583)	(29,867)
Net cash used in investing activities.....	<u>(352,470)</u>	<u>(352,279)</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	4,091	10,371
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	29,591	25,174
Repurchase of common stock.....	(200,000)	(184,776)
Net cash used in financing activities.....	<u>(166,318)</u>	<u>(149,231)</u>
Net decrease in cash and cash equivalents.....	(19,095)	(6,073)
Effect of exchange rate changes on cash and cash equivalents.....	(2,393)	470
Cash and cash equivalents, beginning of period.....	211,181	216,784
Cash and cash equivalents, end of period.....	<u>\$ 189,693</u>	<u>\$ 211,181</u>