

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

	Six Months Ended	
	March 31,	
	2014	2013
Operating activities		
Net income.....	\$ 137,689	\$ 132,905
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on disposition of assets and investments.....	(120)	(217)
Stock-based compensation.....	70,164	54,320
Provisions for doubtful accounts and sales returns.....	1,610	578
Depreciation and amortization.....	22,678	19,913
Deferred income taxes.....	(3,491)	(1,313)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(20,877)	(8,202)
Inventories.....	(1,684)	(553)
Other current assets.....	(24,148)	(29,198)
Other assets.....	(1,257)	621
Accounts payable and accrued liabilities.....	3,973	13,243
Deferred revenue.....	56,356	43,371
Net cash provided by operating activities.....	<u>240,893</u>	<u>225,468</u>
Investing activities		
Purchases of investments.....	(289,521)	(446,978)
Maturities of investments.....	342,100	329,141
Sales of investments.....	98,319	138,171
Decrease (increase) in restricted cash.....	26	(729)
Acquisition of businesses, net of cash acquired.....	-	(124,918)
Purchases of property and equipment.....	(10,119)	(14,769)
Net cash provided by (used in) investing activities.....	<u>140,805</u>	<u>(120,082)</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	4,808	2,395
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	13,917	12,040
Repurchase of common stock.....	(350,000)	(100,000)
Net cash used in financing activities.....	<u>(331,275)</u>	<u>(85,565)</u>
Net increase in cash and cash equivalents.....	50,423	19,821
Effect of exchange rate changes on cash and cash equivalents.....	(280)	(1,340)
Cash and cash equivalents, beginning of period.....	189,693	211,181
Cash and cash equivalents, end of period.....	<u>\$ 239,836</u>	<u>\$ 229,662</u>