

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

	Years Ended September 30,	
	2014	2013
Operating activities		
Net income.....	\$ 311,183	\$ 277,314
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on disposition of assets and investments.....	(195)	(187)
Stock-based compensation.....	127,156	104,212
Provisions for doubtful accounts and sales returns.....	2,870	1,025
Depreciation and amortization.....	46,121	40,005
Deferred income taxes.....	(3,090)	474
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(40,895)	(18,867)
Inventories.....	(5,445)	(1,617)
Other current assets.....	(9,828)	(3,614)
Other assets.....	(2,502)	683
Accounts payable and accrued liabilities.....	18,339	16,790
Deferred revenue.....	105,278	83,475
Net cash provided by operating activities.....	<u>548,992</u>	<u>499,693</u>
Investing activities		
Purchases of investments.....	(515,737)	(938,571)
Maturities of investments.....	523,983	613,927
Sales of investments.....	214,493	212,011
Decrease (increase) in restricted cash.....	59	(612)
Acquisition of businesses, net of cash acquired.....	(49,439)	(212,642)
Purchases of property and equipment.....	(22,718)	(26,583)
Net cash provided by (used in) investing activities.....	<u>150,641</u>	<u>(352,470)</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	10,283	4,091
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	35,299	29,591
Repurchase of common stock.....	(650,542)	(200,000)
Net cash used in financing activities.....	<u>(604,960)</u>	<u>(166,318)</u>
Net increase (decrease) in cash and cash equivalents.....	94,673	(19,095)
Effect of exchange rate changes on cash and cash equivalents.....	(2,864)	(2,393)
Cash and cash equivalents, beginning of period.....	189,693	211,181
Cash and cash equivalents, end of period.....	<u>\$ 281,502</u>	<u>\$ 189,693</u>