

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

	<b>Six Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Operating activities</b>		
Net income.....	\$ 174,805	\$ 137,689
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized gain on disposition of assets and investments.....	(23)	(120)
Stock-based compensation.....	67,402	70,164
Provisions for doubtful accounts and sales returns.....	1,311	1,610
Depreciation and amortization.....	26,254	22,678
Deferred income taxes.....	(1,213)	(3,491)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(21,693)	(20,877)
Inventories.....	(4,872)	(1,684)
Other current assets.....	(4,792)	(24,148)
Other assets.....	478	(1,257)
Accounts payable and accrued liabilities.....	7,195	3,973
Deferred revenue.....	83,839	56,356
Net cash provided by operating activities.....	328,691	240,893
<b>Investing activities</b>		
Purchases of investments.....	(254,819)	(289,521)
Maturities of investments.....	251,773	342,100
Sales of investments.....	79,211	98,319
(Increase) decrease in restricted cash.....	(344)	26
Acquisition of intangible assets.....	(6,224)	-
Purchases of property and equipment.....	(20,502)	(10,119)
Net cash provided by investing activities.....	49,095	140,805
<b>Financing activities</b>		
Excess tax benefit from stock-based compensation.....	4,186	4,808
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	16,655	13,917
Repurchase of common stock.....	(306,863)	(350,000)
Net cash used in financing activities.....	(286,022)	(331,275)
Net increase in cash and cash equivalents.....	91,764	50,423
Effect of exchange rate changes on cash and cash equivalents.....	(5,661)	(280)
Cash and cash equivalents, beginning of period.....	281,502	189,693
Cash and cash equivalents, end of period.....	\$ 367,605	\$ 239,836