

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

	Years Ended September 30,	
	2015	2014
<b>Operating activities</b>		
Net income.....	\$ 365,014	\$ 311,183
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	282	(195)
Stock-based compensation.....	145,553	127,156
Provisions for doubtful accounts and sales returns.....	1,488	2,870
Depreciation and amortization.....	52,583	46,121
Deferred income taxes.....	(12,571)	(3,090)
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(38,680)	(40,895)
Inventories.....	(9,246)	(5,445)
Other current assets.....	(6,533)	(9,828)
Other assets.....	569	(2,502)
Accounts payable and accrued liabilities.....	39,521	18,339
Deferred revenue.....	146,561	105,278
Net cash provided by operating activities.....	<u>684,541</u>	<u>548,992</u>
<b>Investing activities</b>		
Purchases of investments.....	(609,875)	(515,737)
Maturities of investments.....	461,327	523,983
Sales of investments.....	205,292	214,493
(Increase) decrease in restricted cash.....	(357)	59
Acquisition of intangible assets.....	(6,779)	-
Acquisition of businesses, net of cash acquired.....	-	(49,439)
Purchases of property and equipment.....	(60,307)	(22,718)
Net cash (used in) provided by investing activities.....	<u>(10,699)</u>	<u>150,641</u>
<b>Financing activities</b>		
Excess tax benefit from stock-based compensation.....	9,517	10,283
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	40,439	35,299
Repurchase of common stock.....	(606,858)	(650,542)
Net cash used in financing activities.....	<u>(556,902)</u>	<u>(604,960)</u>
Net increase in cash and cash equivalents.....	116,940	94,673
Effect of exchange rate changes on cash and cash equivalents.....	(7,982)	(2,864)
Cash and cash equivalents, beginning of period.....	281,502	189,693
Cash and cash equivalents, end of period.....	<u>\$ 390,460</u>	<u>\$ 281,502</u>