

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

	Six Months Ended	
	March 31,	
	2016	2015
Operating activities		
Net income.....	\$ 165,131	\$ 174,805
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	31	(23)
Stock-based compensation.....	80,006	67,402
Provisions for doubtful accounts and sales returns.....	522	1,311
Depreciation and amortization.....	27,847	26,254
Deferred income taxes.....	7,424	(1,213)
Changes in operating assets and liabilities:		
Accounts receivable.....	12,726	(21,693)
Inventories.....	(1,462)	(4,872)
Other current assets.....	(16,302)	(4,792)
Other assets.....	(126)	478
Accounts payable and accrued liabilities.....	1,844	7,195
Deferred revenue.....	59,348	83,839
Net cash provided by operating activities.....	<u>336,989</u>	<u>328,691</u>
Investing activities		
Purchases of investments.....	(138,925)	(254,819)
Maturities of investments.....	173,165	251,773
Sales of investments.....	47,742	79,211
Decrease (increase) in restricted cash.....	8	(344)
Acquisition of intangible assets.....	(3,250)	(6,224)
Purchases of property and equipment.....	(29,793)	(20,502)
Net cash provided by investing activities.....	<u>48,947</u>	<u>49,095</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	1,378	4,186
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	18,594	16,655
Repurchase of common stock.....	(400,077)	(306,863)
Net cash used in financing activities.....	<u>(380,105)</u>	<u>(286,022)</u>
Net increase in cash and cash equivalents.....	5,831	91,764
Effect of exchange rate changes on cash and cash equivalents.....	2,038	(5,661)
Cash and cash equivalents, beginning of period.....	390,460	281,502
Cash and cash equivalents, end of period.....	<u>\$ 398,329</u>	<u>\$ 367,605</u>