

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

	Nine Months Ended June 30,	
	2016	2015
Operating activities		
Net income.....	\$ 256,920	\$ 267,977
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	22	(69)
Stock-based compensation.....	118,443	103,919
Provisions for doubtful accounts and sales returns.....	876	1,268
Depreciation and amortization.....	42,284	39,225
Deferred income taxes.....	9,295	(5,203)
Changes in operating assets and liabilities:		
Accounts receivable.....	15,307	(20,094)
Inventories.....	(87)	(5,556)
Other current assets.....	(80)	(6,127)
Other assets.....	549	437
Accounts payable and accrued liabilities.....	(8,922)	19,625
Deferred revenue.....	72,858	105,796
Net cash provided by operating activities.....	507,465	501,198
Investing activities		
Purchases of investments.....	(225,226)	(347,683)
Maturities of investments.....	244,905	391,900
Sales of investments.....	62,836	198,401
Decrease (increase) in restricted cash.....	29	(401)
Acquisition of intangible assets.....	(3,250)	(6,224)
Purchases of property and equipment.....	(45,909)	(41,715)
Net cash provided by investing activities.....	33,385	194,278
Financing activities		
Excess tax benefit from stock-based compensation.....	1,596	6,611
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	44,848	40,426
Repurchase of common stock.....	(550,101)	(456,863)
Net cash used in financing activities.....	(503,657)	(409,826)
Net increase in cash and cash equivalents.....	37,193	285,650
Effect of exchange rate changes on cash and cash equivalents.....	1,944	(4,972)
Cash and cash equivalents, beginning of period.....	390,460	281,502
Cash and cash equivalents, end of period.....	\$ 429,597	\$ 562,180