

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

	Six Months Ended	
	March 31,	
	2017	2016
Operating activities		
Net income.....	\$ 187,356	\$ 165,131
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized (gain) loss on disposition of assets and investments.....	(7)	31
Stock-based compensation.....	90,506	80,006
Provisions for doubtful accounts and sales returns.....	455	522
Depreciation and amortization.....	30,278	27,847
Deferred income taxes.....	(214)	7,424
Changes in operating assets and liabilities:		
Accounts receivable.....	(26,152)	12,726
Inventories.....	1,504	(1,462)
Other current assets.....	1,449	(16,302)
Other assets.....	(942)	(126)
Accounts payable and accrued liabilities.....	21,072	1,844
Deferred revenue.....	59,347	59,348
Net cash provided by operating activities.....	<u>364,652</u>	<u>336,989</u>
Investing activities		
Purchases of investments.....	(146,236)	(138,925)
Maturities of investments.....	187,660	173,165
Sales of investments.....	40,737	47,742
(Increase) decrease in restricted cash.....	(36)	8
Acquisition of intangible assets.....	(4,000)	(3,250)
Purchases of property and equipment.....	(23,715)	(29,793)
Net cash provided by investing activities.....	<u>54,410</u>	<u>48,947</u>
Financing activities		
Excess tax benefit from stock-based compensation.....	5,239	1,378
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	18,868	18,594
Repurchase of common stock.....	(300,042)	(400,077)
Net cash used in financing activities.....	<u>(275,935)</u>	<u>(380,105)</u>
Net increase in cash and cash equivalents.....	143,127	5,831
Effect of exchange rate changes on cash and cash equivalents.....	(1,925)	2,034
Cash and cash equivalents, beginning of period.....	514,571	390,460
Cash and cash equivalents, end of period.....	<u>\$ 655,773</u>	<u>\$ 398,325</u>