

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

	Three Months Ended December 31,	
	2017	2016
Operating activities		
Net income.....	\$ 88,429	\$ 94,218
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss on disposition of assets and investments.....	49	30
Stock-based compensation.....	40,948	46,611
Provisions for doubtful accounts and sales returns.....	593	291
Depreciation and amortization.....	15,180	14,887
Deferred income taxes.....	14,226	(2,945)
Changes in operating assets and liabilities:		
Accounts receivable.....	238	(45,327)
Inventories.....	722	374
Other current assets.....	11,517	(306)
Other assets.....	(696)	391
Accounts payable and accrued liabilities.....	(8,216)	37,082
Deferred revenue.....	26,967	44,006
Net cash provided by operating activities.....	189,957	189,312
Investing activities		
Purchases of investments.....	(238,632)	(98,983)
Maturities of investments.....	113,771	105,744
Sales of investments.....	9,248	11,211
(Increase) decrease in restricted cash.....	(21)	32
Cash provided by sale of fixed asset.....	1,000	-
Acquisition of intangible assets.....	-	(4,000)
Purchases of property and equipment.....	(6,491)	(14,133)
Net cash used in investing activities.....	(121,125)	(129)
Financing activities		
Excess tax benefit from stock-based compensation.....	-	2,940
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	19,915	18,836
Repurchase of common stock.....	(150,025)	(150,021)
Net cash used in financing activities.....	(130,110)	(128,245)
Net (decrease) increase in cash and cash equivalents.....	(61,278)	60,938
Effect of exchange rate changes on cash and cash equivalents.....	46	(2,575)
Cash and cash equivalents, beginning of period.....	673,228	514,571
Cash and cash equivalents, end of period.....	\$ 611,996	\$ 572,934