

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

	Nine months ended June 30,	
	2009	2008
Operating activities		
Net income.....	\$ 63,185	\$ 54,630
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on disposition of assets and investments.....	20	18
Stock-based compensation.....	40,727	45,820
Provisions for doubtful accounts and sale returns.....	2,552	1,887
Depreciation and amortization.....	20,432	17,362
Deferred income taxes.....	1,352	478
Gain on auction rate securities put option.....	(3,788)	-
Loss on trading auction rate securities.....	3,788	-
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	2,869	(8,083)
Inventories.....	(3,442)	1,009
Other current assets.....	(6,201)	(5,595)
Other assets.....	(512)	(1,673)
Accounts payable and accrued liabilities.....	(2,490)	(9,554)
Deferred revenue.....	24,873	38,448
Net cash provided by operating activities.....	143,365	134,747
Investing activities		
Purchases of investments.....	(329,694)	(421,697)
Maturities of investments.....	256,091	500,672
Investment of restricted cash.....	5	-
Acquisition of intangible assets.....	(706)	-
Acquisition of businesses, net of cash acquired.....	-	(995)
Purchases of property and equipment.....	(8,232)	(23,201)
Net cash (used in) provided by investing activities.....	(82,536)	54,779
Financing activities		
Tax expense from nonqualified stock options.....	(2,758)	(664)
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	15,326	17,075
Repurchase of common stock.....	(63,311)	(150,000)
Net cash used in financing activities.....	(50,743)	(133,589)
Net increase in cash and cash equivalents.....	10,086	55,937
Effect of exchange rate changes on cash and cash equivalents.....	(100)	(1,049)
Cash and cash equivalents, beginning of period.....	78,303	54,296
Cash and cash equivalents, end of period.....	\$ 88,289	\$ 109,184