

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

	Six Months Ended	
	March 31,	
	2010	2009
Operating activities		
Net income.....	\$ 62,423	\$ 40,409
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized (gain) loss on disposition of assets and investments.....	(13)	13
Stock-based compensation.....	33,585	28,170
Provisions for doubtful accounts and sales returns.....	1,257	2,889
Depreciation and amortization.....	12,088	14,188
Deferred income taxes.....	5,340	975
Loss (gain) on auction rate securities put option.....	19	(4,177)
(Gain) loss on trading auction rate securities.....	(19)	4,177
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	16,331	4,101
Inventories.....	(2,653)	(4,888)
Other current assets.....	(4,481)	(7,066)
Other assets.....	(2,038)	105
Accounts payable and accrued liabilities.....	(13,283)	2,755
Deferred revenue.....	43,356	15,475
Net cash provided by operating activities.....	151,912	97,126
Investing activities		
Purchases of investments.....	(331,410)	(166,610)
Maturities of investments.....	230,595	163,041
Investment of restricted cash.....	(22)	22
Acquisition of intangible assets.....	-	(704)
Purchases of property and equipment.....	(6,840)	(6,457)
Net cash used in investing activities.....	(107,677)	(10,708)
Financing activities		
Tax benefit (loss) from nonqualified stock options.....	9,700	(3,002)
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	19,149	5,884
Repurchase of common stock.....	(35,000)	(47,437)
Net cash used in financing activities.....	(6,151)	(44,555)
Net increase in cash and cash equivalents.....	38,084	41,863
Effect of exchange rate changes on cash and cash equivalents.....	(397)	(478)
Cash and cash equivalents, beginning of period.....	110,837	78,303
Cash and cash equivalents, end of period.....	\$ 148,524	\$ 119,688