

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

Three months ended  
December 31,

	2014	2013
<b>Operating activities</b>		
Net income.....	\$ 89,076	\$ 68,048
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	7	(59)
Stock-based compensation.....	30,625	34,528
Provisions for doubtful accounts and sales returns.....	345	1,168
Depreciation and amortization.....	13,042	11,437
Deferred income taxes.....	231	(8,702)
Changes in operating assets and liabilities:		
Accounts receivable.....	(13,967)	(17,746)
Inventories.....	(3,111)	(25)
Other current assets.....	(120)	2,189
Other assets.....	460	(1,876)
Accounts payable and accrued liabilities.....	26,286	33,611
Deferred revenue.....	43,521	36,353
Net cash provided by operating activities.....	<u>186,395</u>	<u>158,926</u>
<b>Investing activities</b>		
Purchases of investments.....	(177,936)	(147,534)
Maturities of investments.....	120,982	168,026
Sales of investments.....	2,693	54,660
Decrease (increase) in restricted cash.....	43	(6)
Acquisition of intangible assets.....	(1,005)	-
Purchases of property and equipment.....	(10,319)	(4,980)
Net cash (used in) provided by investing activities.....	<u>(65,542)</u>	<u>70,166</u>
<b>Financing activities</b>		
Excess tax benefit from stock-based compensation.....	2,638	182
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	16,573	13,188
Repurchase of common stock.....	(149,980)	(200,000)
Net cash used in financing activities.....	<u>(130,769)</u>	<u>(186,630)</u>
Net (decrease) increase in cash and cash equivalents.....	(9,916)	42,462
Effect of exchange rate changes on cash and cash equivalents.....	(2,632)	(827)
Cash and cash equivalents, beginning of period.....	281,502	189,693
Cash and cash equivalents, end of period.....	<u>\$ 268,954</u>	<u>\$ 231,328</u>