

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

	Three months ended December 31,	
	2009	2008
Operating activities		
Net income.....	\$ 29,279	\$ 21,423
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized loss (gain) on disposition of assets and investments.....	1	(2)
Stock-based compensation.....	17,064	14,913
Provisions for doubtful accounts and sales returns.....	949	2,976
Depreciation and amortization.....	5,994	6,476
Deferred income taxes.....	6,533	1,903
Loss on auction rate securities put option.....	519	-
Gain on trading auction rate securities.....	(519)	-
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	(2,633)	(6,391)
Inventories.....	(1,000)	(5,414)
Other current assets.....	(1,323)	(2,810)
Other assets.....	(2,298)	(154)
Accounts payable and accrued liabilities.....	(6,871)	14,058
Deferred revenue.....	28,297	10,940
Net cash provided by operating activities.....	73,992	57,918
Investing activities		
Purchases of investments.....	(119,672)	(83,199)
Maturities of investments.....	82,323	90,256
Investment of restricted cash.....	(1)	26
Purchases of property and equipment.....	(3,648)	(3,888)
Net cash (used in) provided by investing activities.....	(40,998)	3,195
Financing activities		
Tax benefit (loss) from nonqualified stock options.....	4,685	(2,300)
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	13,727	5,440
Repurchase of common stock.....	(15,000)	(20,000)
Net cash provided by (used in) financing activities.....	3,412	(16,860)
Net increase in cash and cash equivalents.....	36,406	44,253
Effect of exchange rate changes on cash and cash equivalents.....	42	(249)
Cash and cash equivalents, beginning of period.....	110,837	78,303
Cash and cash equivalents, end of period.....	\$ 147,285	\$ 122,307