

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

	Six months ended March 31,	
	2009	2008
<b>Operating activities</b>		
Net income.....	\$ 40,409	\$ 35,496
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on disposition of assets and investments.....	13	(31)
Stock-based compensation.....	28,170	31,003
Provision for doubtful accounts and sale returns.....	2,889	1,473
Depreciation and amortization.....	14,188	11,326
Deferred income taxes.....	975	219
Gain on auction rate securities put option.....	(4,177)	-
Loss on trading auction rate securities.....	4,177	-
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable.....	4,101	(11,402)
Inventories.....	(4,888)	2,094
Other current assets.....	(7,066)	(8,652)
Other assets.....	105	(1,323)
Accounts payable and accrued liabilities.....	2,755	(3,360)
Deferred revenue.....	15,475	22,100
Net cash provided by operating activities.....	97,126	78,943
<b>Investing activities</b>		
Purchase of investments.....	(166,610)	(268,448)
Maturities of investments.....	163,041	380,306
Investment of restricted cash.....	22	(4)
Acquisition of intangible assets.....	(704)	-
Acquisition of businesses, net of cash acquired.....	-	(995)
Purchase of property and equipment.....	(6,457)	(10,438)
Net cash (used in) provided by investing activities.....	(10,708)	100,421
<b>Financing activities</b>		
Tax (expense) benefit from nonqualified stock options.....	(3,002)	635
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan.....	5,884	9,492
Repurchase of common stock.....	(47,437)	(100,000)
Net cash used in financing activities.....	(44,555)	(89,873)
Net increase in cash and cash equivalents.....	41,863	89,491
Effect of exchange rate changes on cash and cash equivalents.....	(478)	(1,031)
Cash and cash equivalents, at beginning of period.....	78,303	54,296
Cash and cash equivalents, at end of period.....	\$ 119,688	\$ 142,756