



Q2 Fiscal Year 2012 Conference Call

February 8, 2012



FORWARD-LOOKING STATEMENTS

This presentation contains projections and other forward-looking statements regarding future events or the future financial performance of Cisco, including future operating results. These projections and statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements. Please see Cisco's filings with the SEC, including its most recent filings on Form 10-K and 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.

GAAP RECONCILIATION

During this presentation references to financial measures of Cisco will include references to non-GAAP financial measures. Cisco provides a reconciliation between GAAP and non-GAAP financial information on our website at www.cisco.com under "About Cisco" in the "Investor Relations" section.

<http://investor.cisco.com/financialstatements.cfm>

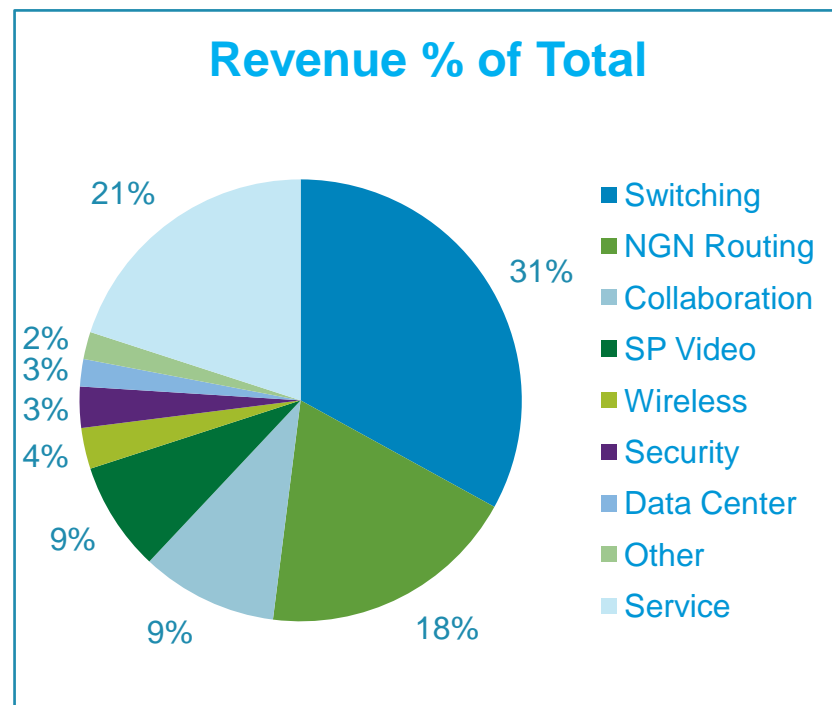


- **Business Overview**
- Financial Overview
- Guidance
- Summary
- Q&A



Q2 FY'12 – Revenue Highlights

	Y/Y Growth	
	\$M	%
Switching	\$3,607	8%
NGN Routing	2,077	8%
Collaboration	1,047	10%
Service Provider Video	1,015	23%
Wireless	418	25%
Security	334	24%
Data Center	333	88%
Other Product	287	(31%)
Service	2,409	11%
Total Cisco	\$11,527	11%



Historical product revenue is available on our website at <http://investor.cisco.com/financialstatements.cfm>

Q2 FY'12 Product Orders: Geographic Regions & Customer Segments

Geographic Region	Y/Y Growth %
Americas	5%
EMEA	7%
APJC	14%
Total Cisco	7%

Customer Segment	Y/Y Growth %
Enterprise	7%
Public Sector	(1%)
Commercial*	7%
Service Provider	12%
Total Cisco	7%

Product Book to Bill

Approximately 1

** Includes Consumer*



Q2 FY'12 Key Takeaways

- Strategy and vision outlined in our three year plan is taking hold and continuing to gain momentum.
- Q2 revenue growth and guidance for Q3 appear to be proof points in how we're breaking away from many of our competitors.
- Technology and business architectures built upon integrated products, services, and software platforms are enabling our customers to innovate and to focus on new solutions and business models.
- At the heart of these transitions are our intelligent networks.

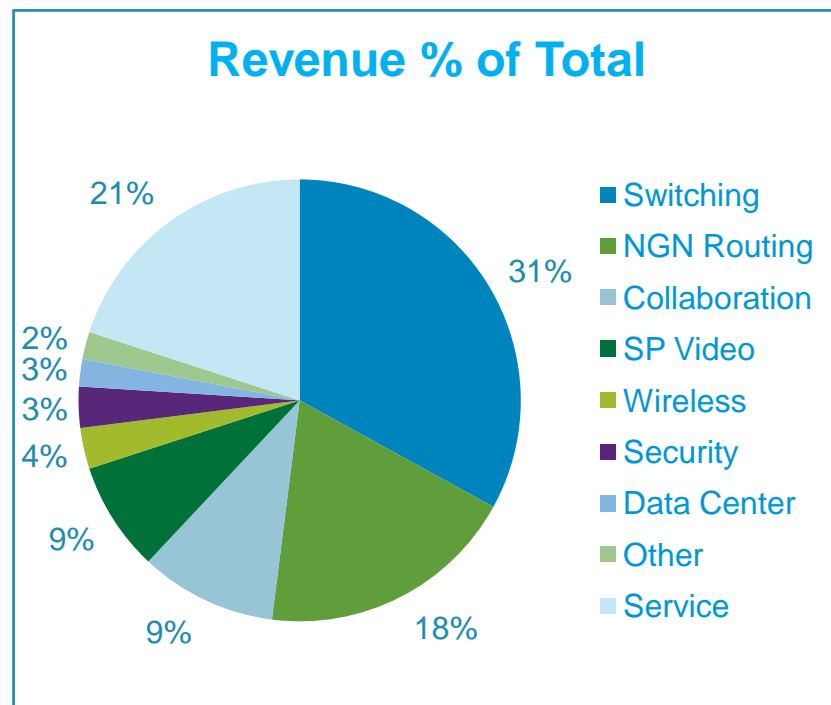


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Q2 FY'12 Geographic Revenue and Gross Margin

	Net Sales			Gross Margin		
	Percentage					
	Q2 FY'11	Q1 FY'12	Q2 FY'12	Q2 FY'11	Q1 FY'12	Q2 FY'12
\$M (except percentages)						
Americas	\$6,011	\$6,588	\$6,552	61.9%	63.1%	62.7%
EMEA	2,835	2,845	3,250	64.0%	61.7%	64.5%
APJC	1,561	1,823	1,725	61.2%	60.8%	57.5%
Segment Total	\$10,407	\$11,256	\$11,527	62.4%	62.4%	62.4%

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Q2 FY'12 non-GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)	Q2 FY'11	Q1 FY'12	Q2 FY'12
Net Sales	\$10,407	\$11,256	\$11,527
<i>Year/Year Growth</i>	6%	5%	11%
Product	8,236	8,952	9,118
Service	2,171	2,304	2,409
Gross Margin	62.4%	62.4%	62.4%
Product Gross Margin	61.1%	61.3%	60.9%
Service Gross Margin	67.0%	66.8%	68.0%
Operating Expenses	3,944	4,080	3,922
OPEX (% of Revenue)	37.9%	36.2%	34.0%
Operating Income (% of Revenue)	24.5%	26.1%	28.4%
Net Income	\$2,078	\$2,322	\$2,563
<i>Year/Year Growth</i>	(11%)	(4%)	23%
EPS (diluted)	\$0.37	\$0.43	\$0.47
<i>Year/Year Growth</i>	(8%)	2%	27%

Q2 FY'12 GAAP Income Statement Highlights

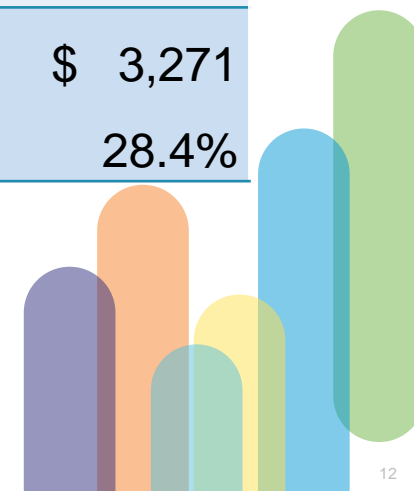


\$M (except per-share amounts and percentages)	Q2 FY'11	Q1 FY'12	Q2 FY'12
Net Sales	\$10,407	\$11,256	\$11,527
Product	8,236	8,952	9,118
Service	2,171	2,304	2,409
Gross Margin	60.2%	61.2%	61.3%
Product Gross Margin	58.9%	60.2%	60.0%
Service Gross Margin	64.8%	65.1%	66.3%
Operating Expenses	4,577	4,680	4,331
OPEX (% of Revenue)	44.0%	41.6%	37.6%
Operating Income (% of Revenue)	16.2%	19.6%	23.7%
Net Income	\$1,521	\$1,777	\$2,182
EPS (diluted)	\$0.27	\$0.33	\$0.40

Q2 FY'12 GAAP to non-GAAP Reconciliation (Operating Income)



	Q2 FY'12
\$M (except percentage)	
GAAP Operating Income	\$ 2,734
Share-based compensation expense	356
Amortization of acquisition-related intangible assets	187
Other acquisition-related costs	7
Significant asset impairments and restructurings	(13)
Total non-GAAP adjustments	\$ 537
Non-GAAP Operating Income	\$ 3,271
% of Revenue	28.4%



Q2 FY'12 Key Financial Measures

	Q2 FY'11	Q1 FY'12	Q2 FY'12
Cash and Cash Equivalents and Investments (\$M)	40,229	44,388	46,742
Operating Cash Flow (\$M)	2,609	2,333	3,101
Accounts Receivables (\$M)	4,620	4,300	3,876
Days Sales Outstanding	40	35	31
Inventory (\$M)	1,602	1,622	1,590
Non-GAAP Inventory Turns	10.0	10.9	10.8
Purchase Commitments (\$M)	3,875	4,178	4,192
Deferred Revenue (\$M)	11,807	12,396	12,462
Headcount	72,935	63,465	63,870
Dividends paid (\$M)	---	322	322

Share Repurchase Program*	Amount Purchased (\$M)	Number of Shares (M)	Avg. Price Per Share
Q2 FY'12 Purchases	\$466	26	\$17.84

*Approximately \$8.2B remaining authorized funds in repurchase program as of the end of Q2 FY'12.

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GAAP Reconciliation Guidance for Q3 FY'12

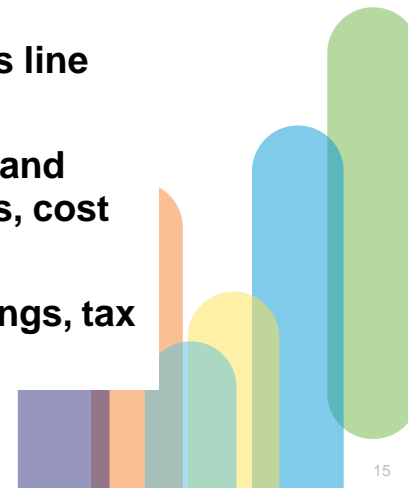


	Q3 FY'12
Share-based compensation expense	\$0.05 - 0.06
Amortization of purchased intangible assets and other acquisition-related costs	0.02 - 0.03
Subtotal	0.07 - 0.09
Restructuring and other charges	0.00 - 0.01
Total impact to GAAP EPS	\$0.07 - 0.10

Share-based compensation expense is expected to be recorded to the various line items of the GAAP income statement in similar proportions as Q2 FY'12.

Amortization of purchased intangible assets, other acquisition-related costs, and restructuring and other charges will be reported as GAAP operating expenses, cost of sales, or other income (loss) as applicable.

Guidance assumes no additional acquisitions, asset impairments, restructurings, tax or other events, which may or may not be significant.



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Forward-Looking Statements



These presentation slides and the related conference call contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements regarding future events (such as statements regarding the execution on our three-year plan, results of our operational focus, ongoing innovation, our future plans and strategy, and future returns to shareholders) and the future financial performance of Cisco that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due to a variety of factors, including: business and economic conditions and growth trends in the networking industry, our customer markets and various geographic regions; global economic conditions and uncertainties in the geopolitical environment; overall information technology spending; the growth and evolution of the Internet and levels of capital spending on Internet-based systems; variations in customer demand for products and services, including sales to the service provider market and other customer markets; the return on our investments in certain priorities, including our foundational priorities, and in certain geographical locations; the timing of orders and manufacturing and customer lead times; changes in customer order patterns or customer mix; insufficient, excess or obsolete inventory; variability of component costs; variations in sales channels, product costs or mix of products sold; our ability to successfully acquire businesses and technologies and to successfully integrate and operate these acquired businesses and technologies; increased competition in our product and service markets, including the data center; dependence on the introduction and market acceptance of new product offerings and standards; rapid technological and market change; manufacturing and sourcing risks; product defects and returns; litigation involving patents, intellectual property, antitrust, shareholder and other matters, and governmental investigations; natural catastrophic events; a pandemic or epidemic; our ability to achieve the benefits anticipated from our investments in sales, engineering, service, marketing, and manufacturing activities; our ability to recruit and retain key personnel; our ability to manage financial risk, and to manage expenses during economic downturns; risks related to the global nature of our operations, including our operations in emerging markets, currency fluctuations and other international factors; changes in provision for income taxes, including changes in tax laws and regulations or adverse outcomes resulting from examinations of our income tax returns; potential volatility in operating results; and other factors listed in Cisco's most recent reports on Form 10-K and 10-Q filed on September 14, 2011 and November 22, 2011, respectively. The financial information contained in these presentation slides and the related conference call should be read in conjunction with the consolidated financial statements and notes thereto included in Cisco's most recent reports on Form 10-K and 10-Q, as each may be amended from time to time. Cisco's results of operations for the three and six months ended January 28, 2012 are not necessarily indicative of Cisco's operating results for any future periods. Any projections in these presentation slides and the related conference call are based on limited information currently available to Cisco, which is subject to change. Although any such projections and the factors influencing them will likely change, Cisco will not necessarily update the information, since Cisco will only provide guidance at certain points during the year. Such information speaks only as of the date of these presentation slides and the related conference call.





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