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Cisco Offers New Termination Solution for Microsoft PC-to-Phone Service Providers, Increases Service Provider Profitability

Carriers relying on industry-leading Cisco Gateways and Proxy Servers to deliver new service quickly and cost effectively

SAN JOSE, CA., October 11, 2001 — Cisco Systems Inc., the worldwide leader in networking for the Internet, announced today that a number of service providers are relying on the Cisco's Company's VoIP (Voice over Internet Protocol) networking technology to deliver Microsoft's new PC-to-Phone service for end user customers. By choosing Cisco proxy servers and Cisco voice gateways, such as the AS5350, AS5400 and AS5850 universal gateways and Cisco 3660 multiservice access platform, service providers can deploy this new Internet-enabled phone service quickly and drive top-line revenue while maximizing capital and operational efficiencies.

With Microsoft's new service option, which also was announced today, end users can easily make telephone calls from their PCs to any phone number in the world using the service provider of their choice. This new service option will be available as part of a Windows Messenger Update for Windows XP operating system users scheduled for release October 25. This new, easy-to-use Internet telephone service delivers voice conversation quality equal to the public telephone network at significantly lower prices. In addition to these benefits, this service also provides a new opportunity for service providers to build strong, personalized relationships with end user customers.

"Windows XP with Windows Messenger is enabling a new generation of personal communications services and today's PC-to-phone service provider news is a great illustration of how this new operating system also will stimulate new innovation and opportunity in the industry," said John Frederiksen, general manager of Windows XP, Microsoft Corp. "Cisco's infrastructure products play an important role in supporting standards-based interoperability to make these new PC-to-phone service options available to users."

deltathree (Nasdaq: DDDC), a leading global VoIP communications provider, is one of the service providers that has deployed a Cisco-based infrastructure to host the Microsoft

application and deliver PC-to-Phone services worldwide. “deltathree is one of the first service providers to have built an end-to-end native SIP (Session Initiation Protocol) network. We chose Cisco because of their unparalleled reliability and quality within both the voice and data spaces,” said Noam Bardin, president and CEO of deltathree. “Now that Microsoft has entered the VoIP arena, we believe consumers will be thrilled with the quality, value and ease of use of this technology.”

“This new Microsoft PC-to-Phone service will significantly drive the adoption of VoIP around the world,” stated Alistair Woodman, director of marketing, voice technology center at Cisco. “We are very pleased to be working closely with Microsoft to deliver the infrastructure that allows service providers to quickly and cost effectively deliver this new Internet phone service.”

Other service providers are also rolling out Microsoft’s PC-to-Phone service with a Cisco VoIP infrastructure. Callserve Communications is Europe’s first and leading commercial Internet Telephony provider. Dialpad Communications, a leading global provider of VoIP solutions for carriers, business and consumers with 14 million users, will be delivering the Microsoft services by terminating on Genuity’s Cisco Powered Network via Genuity’s Global VoIP Direct service. Telus, one of Canada’s leading telecommunications companies, provides a full range of communications products and services for Canadians at home, in their workplace and on the move. All of them expect to turn up the service on October 25.

About Cisco Systems

Cisco Systems (NASDAQ: CSCO) is the worldwide leader in networking for the Internet. Cisco news and information are available at <http://www.cisco.com>.

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