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**Ernst & Young Deploys Cisco's Converged IP Communications System  
at New Headquarters**

*Cisco Surpasses 1 Million Milestone for IP Telephones Shipped to Customers*

**SAN JOSE, Calif. Aug.7, 2002** – Cisco Systems, Inc. today announced that Ernst & Young LLP has deployed a converged Internet Protocol (IP) voice, video and data network at its new headquarters in New York City. Cisco also announced today that it has shipped more than 1 million IP telephones purchased by customers – a significant milestone achieved in less than two years.

Ernst & Young's new converged network is based on the Cisco Architecture for Voice, Video and Integrated Data (Cisco AVVID), an enterprise architecture that provides the intelligent network infrastructure for today's Internet business solutions. As one of the industry's leading enterprise-wide, standards-based network architectures, Cisco AVVID provides the roadmap for combining customers' business and technology strategies into one cohesive model.

“We are committed to the deployment of scalable technologies that enhance our internal and external capabilities and help us provide our people with better tools and our clients with even better service,” said John T. McCreadie, chief information officer at Ernst & Young. “The deployment of a Cisco IP communications system will help us drive down infrastructure and information technology costs. The new system also enhances Ernst & Young's reputation as a technology leader and innovator. It is a move that follows our vision to achieve operational and communication excellence and to reach globalization through enhanced connectivity.”

To date, Ernst & Young has deployed 4,300 Cisco IP phones across four locations in New York City, including its Times Square headquarters location. Ernst & Young has also deployed Cisco IP telephones at sites throughout the United States and is scheduled to deploy 900 additional Cisco IP phones in its Houston office this fall.

“Ernst & Young represents a significant enterprise deployment of IP communications technology in the professional services industry,” said Marthin De Beer, vice president and general manager for Cisco’s Enterprise Voice, Video Business Unit. “We are pleased to be delivering the enabling technology that powers Ernst & Young’s converged network – one that allows the firm to integrate leading-edge communications technologies into a single source solution. Ernst & Young’s implementation will likely set a standard for other major companies, in terms of cost-effective connectivity, productivity and seamless communications.”

Implementing the system at Ernst & Young’s 1-million-square-foot office tower in Times Square required the close cooperation of a number of strategic vendors. The Cisco IP communications system was integrated with Ernst & Young’s existing Lyrix voicemail system and an office-hoteling system from Agilquest that supports more than 3,000 mobile professionals at the firm. Project success was achieved as the result of a strong working relationship between Cisco, Ernst & Young, Lyrix, Agilquest and IP blue -- a specialized Cisco applications developer in the Voice over IP marketplace.

### **Cisco Ships 1 Millionth IP Phone**

Cisco today also announced the shipment of its 1 millionth IP telephone in less than two years. Cisco started officially recording shipments of IP phones in August of 2000 and the 1 millionth Cisco IP phone was shipped in July 2002. In the same time frame, Cisco also increased its IP telephony customer base from approximately 1,000 to over 5,000 enterprises worldwide and has been shipping on average over 2,000 IP phones each business day.

"It is a significant accomplishment that Cisco has reached the 1 million milestone in less than two years," said Jeremy Duke, founder and principal analyst, Synergy Research Group. "It provides a strong proof point that IP communication systems are being adopted quickly by major companies worldwide and that enterprises continue to acknowledge that IP architectures provide competitive advantages over traditional PBX technology."

"Cisco has emerged as the market leader in IP telephony," said Joe Gagan, senior analyst at the Yankee Group. "One million IP phones shipped in a two year period confirms market acceptance of IP telephony by mid to large enterprises. We expect that IP telephony sales will accelerate for Cisco as it builds on its growing base of customers that can be used as references."

Cisco's current portfolio of IP phones (7905, 7910, 7940 and 7960 and SoftPhone) are standards-based communication appliances that interoperate with IP telephony systems based on Cisco CallManager, H.323 or Session Initiated Protocol (SIP) call processing technologies. This multi-protocol capability is an industry first and provides investment protection and migration capability.

### **About Ernst & Young**

Ernst & Young, a global leader in professional services, understands the business issues that are important to senior executives. With extensive business knowledge and hands-on industry experience, the global Ernst & Young organization can implement a broad array of solutions to help companies capture growth, improve financial performance and manage risk anywhere in the world. Its 84,000 people serve as trusted business advisers in more than 130 countries, offering audit, tax, corporate finance and transaction services across all industries to many of today's leading global corporations as well as emerging growth companies. In addition, legal services are available in various parts of the world where permitted. A collection of Ernst & Young's views on a variety of business issues can be found at: [www.ey.com/-thoughtcenter](http://www.ey.com/-thoughtcenter).

Ernst & Young refers to all members of the global Ernst & Young organization, including the U.S. firm of Ernst & Young LLP.

### **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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