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Cisco Systems to Purchase Intellectual Property, Engineering Teams and Select Assets from Procket Networks

SAN JOSE, Calif., June 17, 2004 — Cisco Systems, Inc., today announced a definitive agreement to purchase the intellectual property, a majority of the engineering team and select assets from privately-held Procket Networks, Inc. of Milpitas, Calif. Procket Networks is a developer of concurrent services routers and has expertise in silicon and software development. This purchase will add a rich intellectual property portfolio and a team of proven silicon and software architects to Cisco's industry leading routing technology and products.

Under the terms of the agreement, Cisco will pay approximately $89 million in cash for select assets of Procket, including the intellectual property and will hire a majority of the engineering team. This asset purchase is subject to various standard closing conditions and regulatory approvals, and is expected to close in the first quarter of Cisco's fiscal year 2005.

"The addition of Procket's engineering team to Cisco offers a unique opportunity to accelerate development of silicon and software across Cisco's next generation routing portfolio," said Mike Volpi, senior vice president/general manager, Routing Technology Group, Cisco Systems, Inc. "Procket has some of the world's foremost designers of sophisticated silicon, software, and network systems with an average of over 15 years of experience in their respective industries. Adding this talent to Cisco's world-class engineering team will help drive continued

innovation in network infrastructure, and that is good news for our customers and the industry at large."

High-performance routing is critical to the evolution of the network and Cisco has invested heavily in developing today's highly reliable, scaleable systems for enterprises and service providers. Continuous innovation across Cisco's routing portfolio will enable customers to scale network capacity to new levels and deliver next-generation data, voice and video over a converged network while providing ongoing investment protection. The Procket engineering team and intellectual property will make valuable contributions to the evolution of these networks and Cisco's next-generation routing technologies.

Upon closing of the deal, Cisco will own Procket's entire intellectual property portfolio. The engineers will become part of Cisco's Routing Technology Group, under senior vice presidents Prem Jain and Mike Volpi.

About Cisco Systems

Cisco Systems, Inc. (NASDAQ: CSCO), the worldwide leader in networking for the Internet, this year celebrates 20 years of commitment to technology innovation, industry leadership and corporate social responsibility. Information on Cisco can be found at http://www.cisco.com. For ongoing news, please go to http://newsroom.cisco.com.

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