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CISCO LAUNCHES CHANNEL PROGRAM TO GROW LEADERSHIP POSITION IN THE SMALL AND MEDIUM BUSINESS MARKET

New SMB Select Channel Partner Program Identifies SMB-Focused Partners, Drives SMB Partner Profitability and Accelerates the Adoption of Cisco Technology in the SMB Market

SAN JOSE, Calif., July 19, 2004, As part of its continuing commitment to grow its leadership position in the Small and Medium Business (SMB) Market, Cisco Systems, Inc., today announced the addition of the SMB Select designation to its Channel Partner Program. This new designation recognizes and rewards Cisco channel partners who have a focused business practice selling into the SMB market. The designation demonstrates to customers that the SMB Select Partner understands and supports networking solutions for small and medium sized customers, employing 20-249 employees in EMEA.

“The SMB market represents a tremendous growth opportunity for both Cisco and our channel partners,” said Edzard Overbeek, vice president, Commercial, Channels and Linksys, EMEA, Cisco Systems Inc. “We have spent the last year gathering extensive market intelligence to ensure we understand the market opportunity and are introducing the appropriate resources, including solutions, programs, training and tools, to help drive mutual success in the SMB market. With today’s announcement we are entering the final phase of a very aggressive and strategic thrust to help our channel partners accelerate the growth of our SMB market share.”

“Increasing SMB market share has been one of Cisco’s biggest challenges in Europe. The SMB Select Partner program gives Cisco the opportunity to build a much more focused and effective route to market into the SMB arena,” said Alastair Edwards, Senior Analyst, Canals. “Cisco needs to tackle its perception, among both resellers and end-users, of being a vendor focused primarily on larger enterprises. With Cisco TMMs closely managing SMB Select Partners on a regional basis across Europe, this should help to enhance partner loyalty and commitment to Cisco.”

SMB Select Partner Program in EMEA

The introduction of the SMB Select Partner Program in EMEA will be phased, with support in the first wave of countries beginning in August 2004. The program will be widely available across EMEA by 2005. The global SMB Select Partner program is based on existing partner programs currently running in the UK and Germany (SME Connect and Cisco Mittelstands Partner Program respectively). Both of these programs will transfer into the global SMB Select Partner Program.

Program Benefits

In FY'04, Cisco conducted research into the SMB reseller market to determine which services and benefits are most important when choosing a brand of networking equipment and products to support their sales into small-to-medium sized businesses. The results showed that 83% of resellers prioritised access to a dedicated, named point-of-contact and post-sales technical assistance, 57% prioritized demonstration equipment, 47% prioritized promotional offers and 46% felt participation in an accreditation program was a priority.

The SMB Select Program provides Cisco channel partners with a tailored set of dedicated support services and financial incentives. In addition, SMB Select Partners will benefit by having access to a customized package of SMB-focused marketing and sales resources designed to drive increased sales and customer satisfaction.

Sales, Marketing & Training Resources

- **Territory Marketing Manager (TMM)** – A new regionally focused role created for the SMB market. Working together with the Inside Channel Account Manager (ICAM), provides SMB Select Partners a dedicated and named point of contact at Cisco to deal with pre-sales queries, provide support on program and promotions, tools, marketing and demand generation based on local country requirements.
- **Demonstration Equipment** – SMB Select Partners will have the opportunity to purchase at special discounts, selected equipment for demonstration.
- **SMB Select Partner Website** <http://www.cisco.com/go/smbselect/> – Provides SMB Select Partners with access to exclusive information and tools to support business growth. In addition, all SMB Select Partners will have access to free sales, marketing, training and promotional materials designed specifically to support business growth in this market space.

- **Partner E Learning** – Grants SMB Select Partners access to a special training roadmap, providing fast, accessible sales training on the most relevant solutions and technology for the SMB market in a variety of formats.

Financial Incentives

- **Opportunity Incentive Program (OIP)** – Rebate incentive program developed to reward Cisco partners who actively identify, develop and win opportunities with new customers in the commercial market segment.

Technical Resources

- **Reseller Support Centre** – SMB Select Partners will have free access to a new post sales service providing telephone support for Cisco products under warranty.

Demand Generation

- The Cisco SMB Select Channel Account Manager will provide leads to SMB Select Partners based on geography and solution expertise and will be able to collaborate with partners on specific projects via a new browser-based management tool.

Recognition

- **Partner Locator** – SMB Select Partners will be listed allowing end customers to search globally for channel partners who are qualified to plan, design, implement and support Cisco SMB Class solutions.

Requirements

In order to qualify for the SMB Select Partner Designation, prospective partners must meet all program criteria in EMEA, which includes specific training, sales volume and sales mix requirements.

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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