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## **Cisco Systems to Acquire Riverhead Networks**

### **Adds Distributed Denial-of-Service Protection to Security Portfolio**

LONDON, UK, March 22, 2004 - Cisco Systems, Inc. today announced a definitive agreement to acquire privately-held Riverhead Networks of Cupertino, Calif. Riverhead Networks is a leading developer of security technology that protects against Distributed Denial of Service ("DDoS") attacks and other security threats in enterprise and service provider networks.

By comparing traffic flows to learned profiles of normal traffic patterns, behavior, and protocol compliance, Riverhead's innovative technology can quickly and accurately identify and mitigate a broad range of known as well as previously unseen security attacks. The Riverhead acquisition further enhances Cisco's Self Defending Network strategy of deploying proactive, self-defending, and self-healing networks, and building advanced security into the network infrastructure. With this acquisition, Cisco's security solutions will provide end-to-end, multi-layered, and integrated security defense, with a goal of maximizing network resiliency.

Under the terms of the agreement, Cisco will pay approximately \$39 million in cash for all outstanding shares not already held by Cisco and will convert outstanding Riverhead options to Cisco options. The acquisition of Riverhead is subject to various standard closing conditions and is expected to close in the third quarter of Cisco's fiscal year 2004.

"This acquisition further enhances Cisco's strategy to build secure intelligent global networks that seamlessly integrate security and other intelligent services with the network infrastructure," said Luca Cafiero, Senior Vice President of Cisco Switching, Voice, and Storage Technology Group, "Riverhead adds to Cisco's extensive product portfolio that enables our enterprise and service provider customers to build secure, resilient, and intelligent networks with high performance and scalability."

DDoS attacks represent a severe threat to the availability of network and data center resources and can severely impact enterprises and service providers. Riverhead delivers an innovative solution that protects online operations from sophisticated attacks by detecting and blocking malicious traffic without impacting legitimate business transactions. Quick detection and mitigation of these attacks enables businesses to stay online and reliably service their customers without interruption.

Riverhead's technology enhances Cisco's suite of integrated security solutions by providing another layer of in-line protection in Cisco's end-to-end security offerings. The Riverhead technology will strengthen Cisco's Threat Defense System by providing behavior-based protection in the network. This network-based threat prevention solution complements the behavioral defense of Cisco's endpoint threat prevention offering, Cisco Security Agent, and can eliminate attacks based on malicious network behavior.

Upon close of the acquisition, Riverhead will become part of Cisco's Internet Switching Business Unit, reporting to Luca Cafiero, Senior Vice President, and its products will be sold through Cisco sales channels. Riverhead was founded in 2000 and has 44 employees.

#### About Cisco Systems

Cisco Systems, Inc. (NASDAQ: CSCO) is the worldwide leader in networking for the Internet. 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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