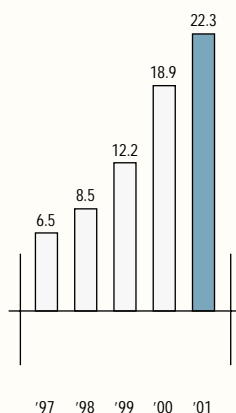
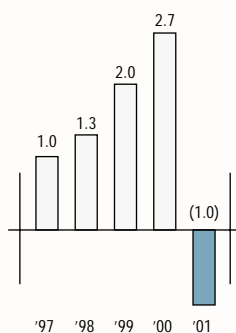


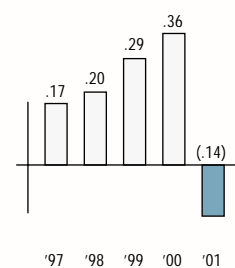
FINANCIAL HIGHLIGHTS



NET SALES
(Dollars in billions)



NET INCOME (LOSS)
(Dollars in billions)



DILUTED NET INCOME (LOSS) PER SHARE
(In dollars)

CONSOLIDATED STATEMENTS OF OPERATIONS DATA

(In millions, except per-share amounts)

Years Ended	July 28, 2001	July 29, 2000	July 31, 1999
Net sales	\$ 22,293	\$ 18,928	\$ 12,173
Income (loss) before provision for taxes	\$ (874)	\$ 4,343	\$ 3,203
Net income (loss)	\$ (1,014)	\$ 2,668	\$ 2,023
Net income (loss) per share—diluted	\$ (0.14)	\$ 0.36	\$ 0.29

PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS DATA

(In millions, except per-share amounts)

Cisco provides pro forma net income and pro forma net income per share data as an alternative for understanding its operating results. These measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from pro forma measures used by other companies. For further discussion on Cisco's pro forma results, refer to Selected Financial Data on page 13. Pro forma net income and pro forma net income per share—diluted are calculated as follows:

Years Ended	July 28, 2001	July 29, 2000	July 31, 1999
Net income (loss)	\$ (1,014)	\$ 2,668	\$ 2,023
In-process research and development	855	1,373	471
Amortization of goodwill and other acquisition-related charges	1,210	353	77
Restructuring costs and other special charges and excess inventory charge	3,232	—	—
Other	(135)	(480)	—
Income tax effect	(1,062)	—	(54)
Pro forma net income	\$ 3,086	\$ 3,914	\$ 2,517
Pro forma net income per share—diluted	\$ 0.41	\$ 0.53	\$ 0.36

CONSOLIDATED BALANCE SHEET DATA

(In millions)

	July 28, 2001	July 29, 2000	July 31, 1999
Working capital	\$ 4,739	\$ 5,914	\$ 1,723
Total assets	\$ 35,238	\$ 32,870	\$ 14,893
Shareholders' equity	\$ 27,120	\$ 26,497	\$ 11,811