



The New Frontier

Accelerating business opportunity
and national prosperity

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Europe East



Europe East



Countries	19
Population	233 M
GDP	\$1 T
ICT Spend	\$57 B
ICT/GDP	4.8%
FDI 2007	\$46 B

Turkey
Ukraine
Croatia
Kazakhstan
Serbia &
Montenegro

BMAG
Belarus
Moldova
Armenia
Georgia

BMAK
Bosnia-
Herzegovina
Macedonia
Albania
Kosovo

ATKUT
Azerbaijan
Kyrgyzstan
Tajikistan
Turkmenist
an
Uzbekistan

Fixed line	23%
Mobile	75%
PC	8%
Internet	45%
Broadband	2.4%

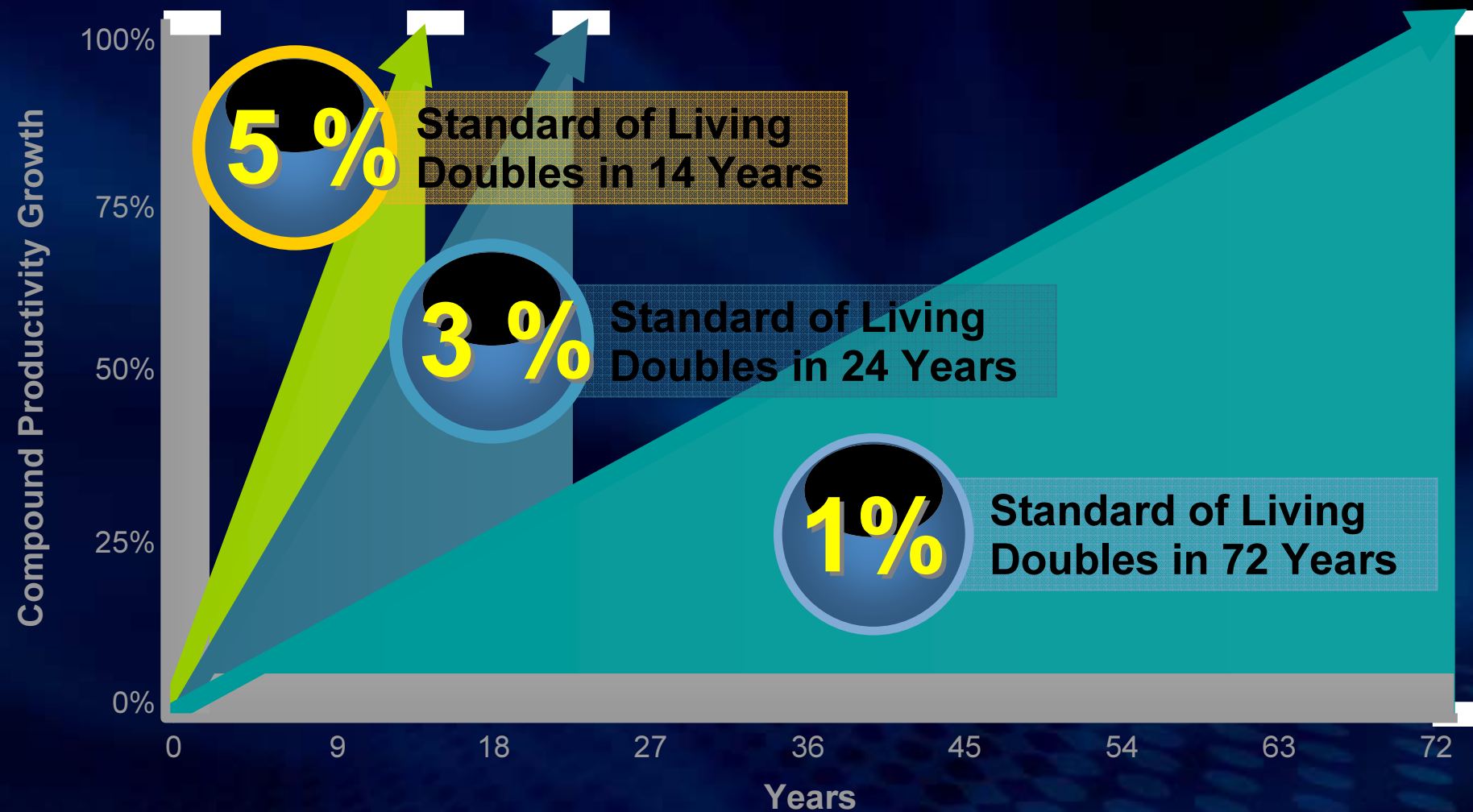
Talking Points

Productivity & Competitiveness

What are the key imperatives for success

Cisco as a trusted partner

National Productivity Drives Standard of Living



The Productivity Imperative

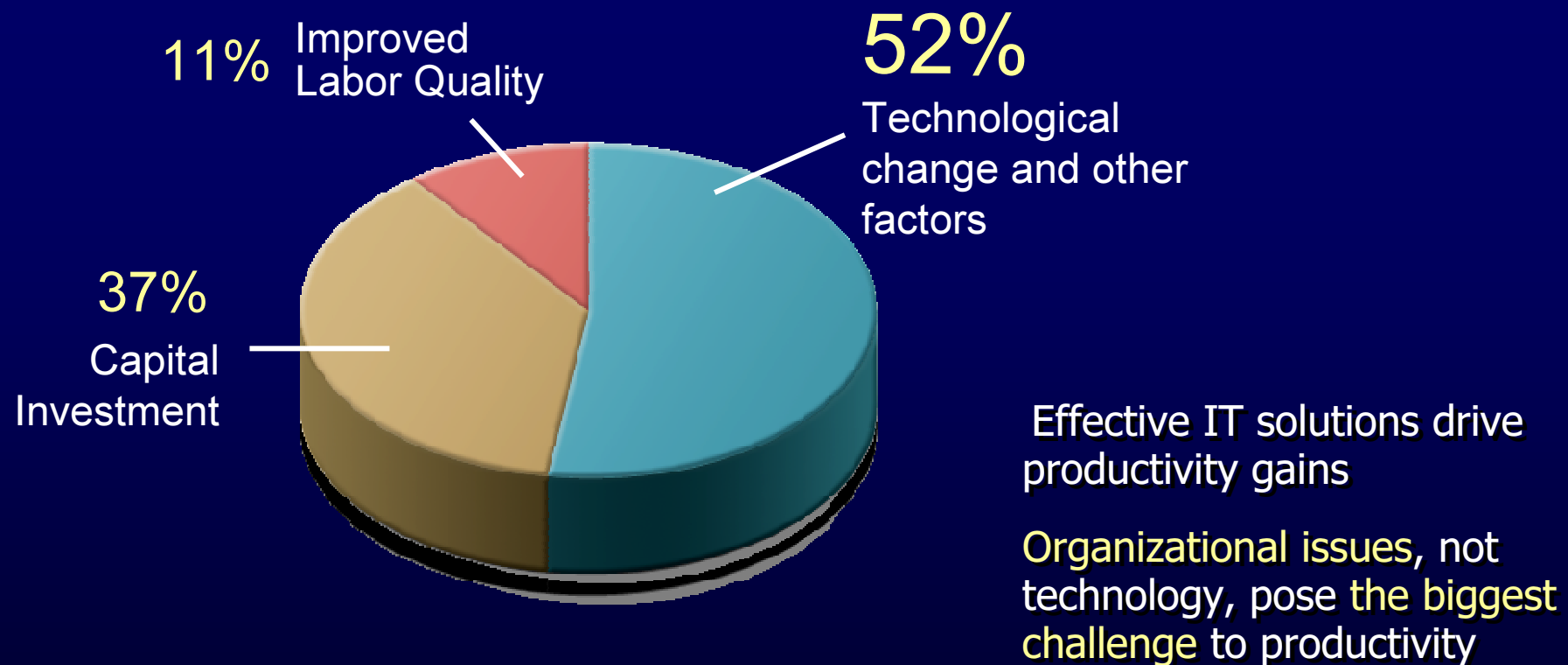
To sustain the rate of standard of living improvements, each 2050 worker will have to produce **5X** more than a worker today



Source: Cisco IBSG Analysis

What Drives Productivity?

Contribution to Long-term Productivity Growth



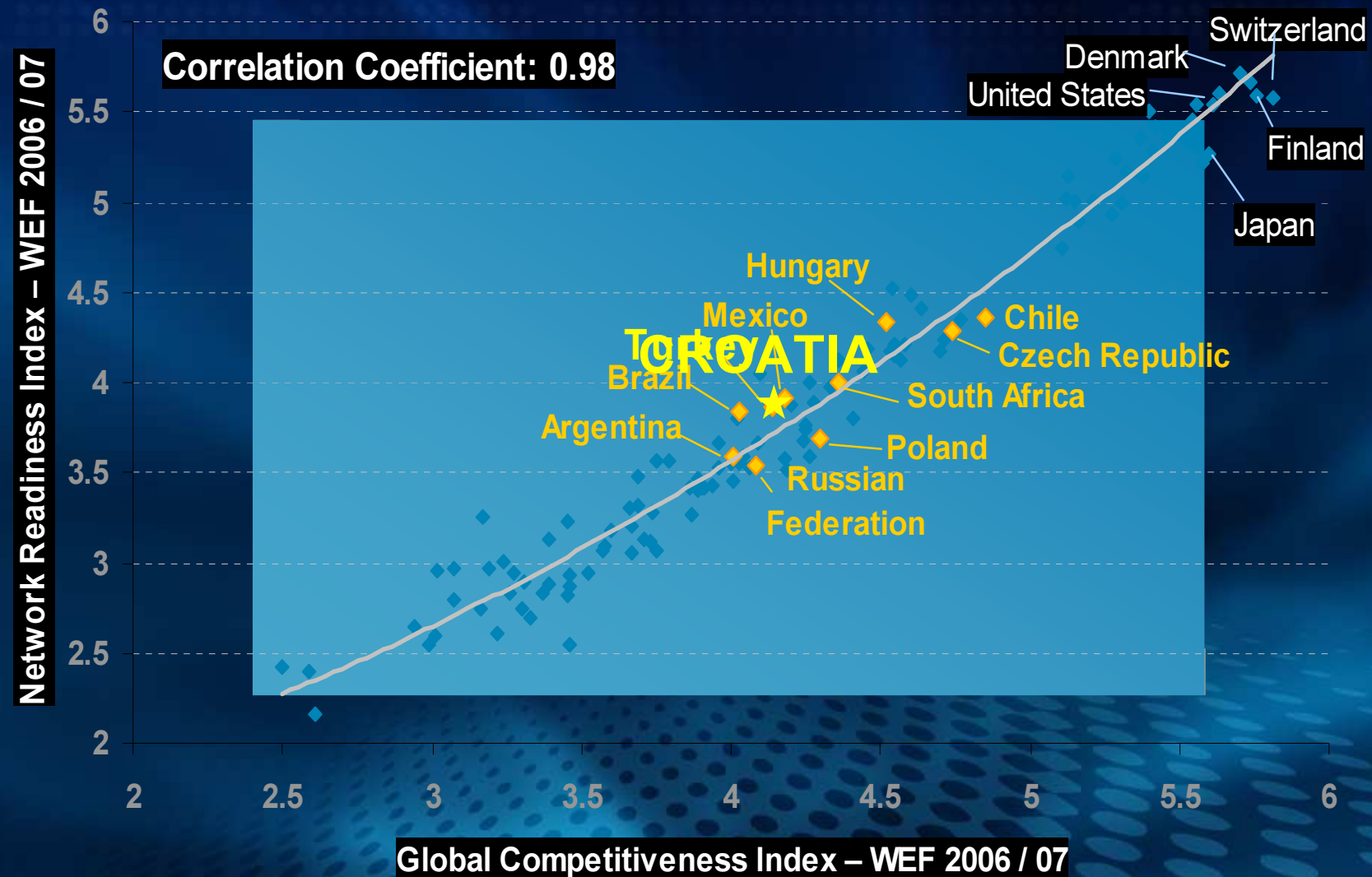
Overview of the 2008-2009 Results

Western Europe and EU

Economy	Rank	Score	Rank within region
Denmark	1	5.85	1
Sweden	2	5.84	2
Switzerland	5	5.58	3
Finland	6	5.53	4
Iceland	7	5.50	5
Norway	8	5.49	6
Netherlands	9	5.48	7
United Kingdom	15	5.27	8
Austria	16	5.22	9
Estonia	18	5.19	10
France	19	5.17	11
Germany	20	5.17	12
Luxembourg	21	5.10	13
Ireland	23	5.03	14
Belgium	24	5.02	15
Malta	26	4.79	16
Portugal	30	4.63	17
Slovenia	31	4.57	18
Czech Republic	32	4.53	19
Cyprus	33	4.52	20
Spain	34	4.50	21
Lithuania	35	4.40	22
Hungary	41	4.28	23
Slovak Republic	43	4.19	24
Italy	45	4.16	25
Latvia	48	4.10	26
Greece	55	4.00	27
Romania	58	3.97	28
Bulgaria	68	3.80	29

Croatia, Rank: 49; Score: 4.09

GCI and Network Readiness Index



Source: World Economic Forum, INSEAD (2006)

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Why firms exist? Why are they the size they are?

“.. if it did not cost anything to enter into contracts, then there would be no need for firms...”

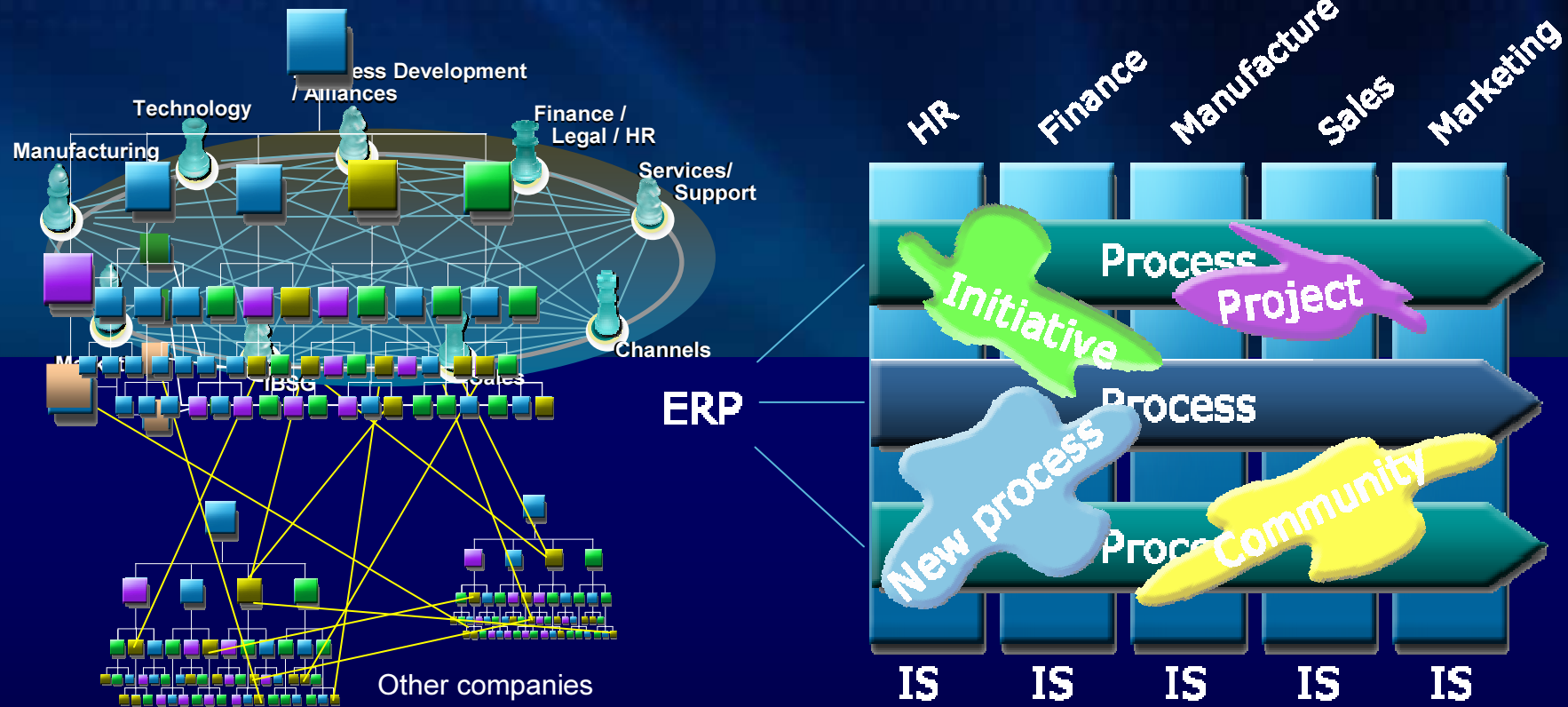


Sveriges Riksbank Prize in
Economic Sciences
in Memory of Alfred Nobel 1991

Presentation speech to Professor
Ronald Coase

Why are they
organized the way
they are ?

Organization



Changing the nature of work



“ In the next decade... computer power and Net connection speeds will bring more profound changes to work than anything we've seen so far.”

“ Whizzy new tools ... change where we work, how we work, and even the nature of work itself.”

Video & Webex connects the virtual team



webex™



Two-way communication is live and compelling
25 000 meetings – 12 000 intercontinental flights avoided



Cisco TelePresence

Executive Metrics Dashboard

Cisco On Cisco

Value Metrics Reports Custom Reports

Cisco on Cisco TelePresence Overview

All reports are based on data as of **16-NOV-08**.
108 weeks since launch of the program.

Cisco TelePresence Rooms

307 production TelePresence rooms deployed in **134** major cities across **40** countries globally.

Theater	CTS				Total
	500	1000	3000	3200	
AsiaPac	3	19	24	0	46
Emerging Markets	0	0	13	0	13
European Markets	4	18	29	1	52
Japan	1	2	5	1	9
US & Canada	12	73	100	2	187
Total	20	112	171	3	307

TelePresence Meeting Statistics

Overall room average utilization is **47 %** based on 10 hour business day.

194,765 TelePresence meetings scheduled since launch date.

251,240 TelePresence hours scheduled since launch date.

15,928 meetings scheduled in the past 30 days. Average meeting duration was 1 hours and 15 minutes.

Multipoint Meetings

11,745 Multipoint meetings scheduled.

1,222 average weekly multipoint meetings scheduled.

Green Impact

81,477 metric tons of emissions saved.

Travel Avoidance

37,721 Meetings avoided travel.

\$150.88 M travel cost saved based on estimates of 4 participants per meeting.

Productivity Improvements

Productivity cost savings of **\$56.58 M** since launch date.

Sales Cycle Time Impact

Based on sample analysis, TelePresence may reduce average Cisco Deal cycle time by up to **9.7%** or 30 days out of 310 days.

20,683 meetings were held with customer to discuss Cisco technology for a sales deal.

1,227 deals impacted by TelePresence.

Interconnected world

12 million

Email

Connected through people,
with the Network as the Platform



Talking Points

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Realities drive imperatives

Enterprise

Self Service

Flat World

Continuous
Standardization

Government

ICT Skills

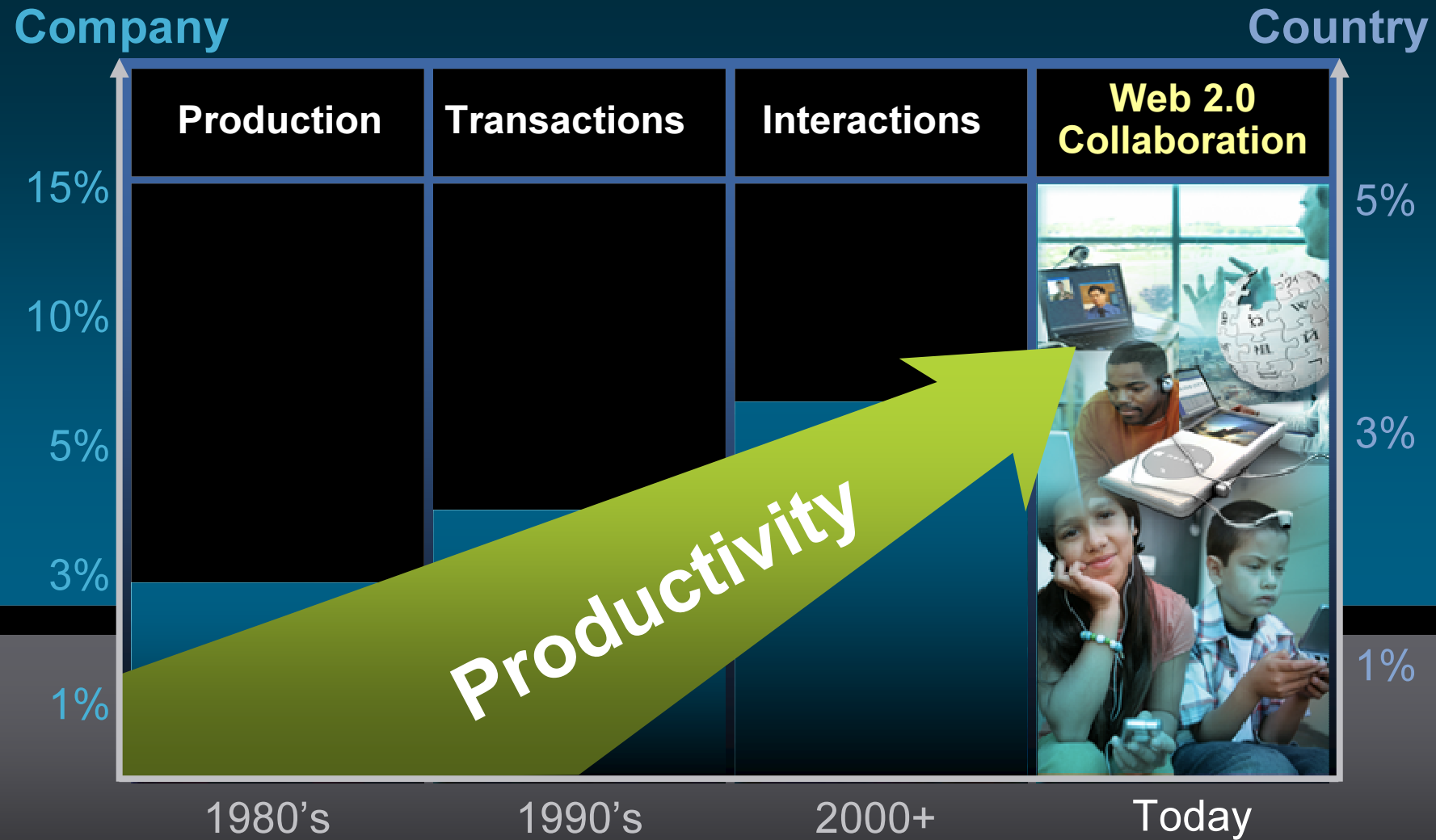
Entrepreneurship

Broadband
Infrastructure

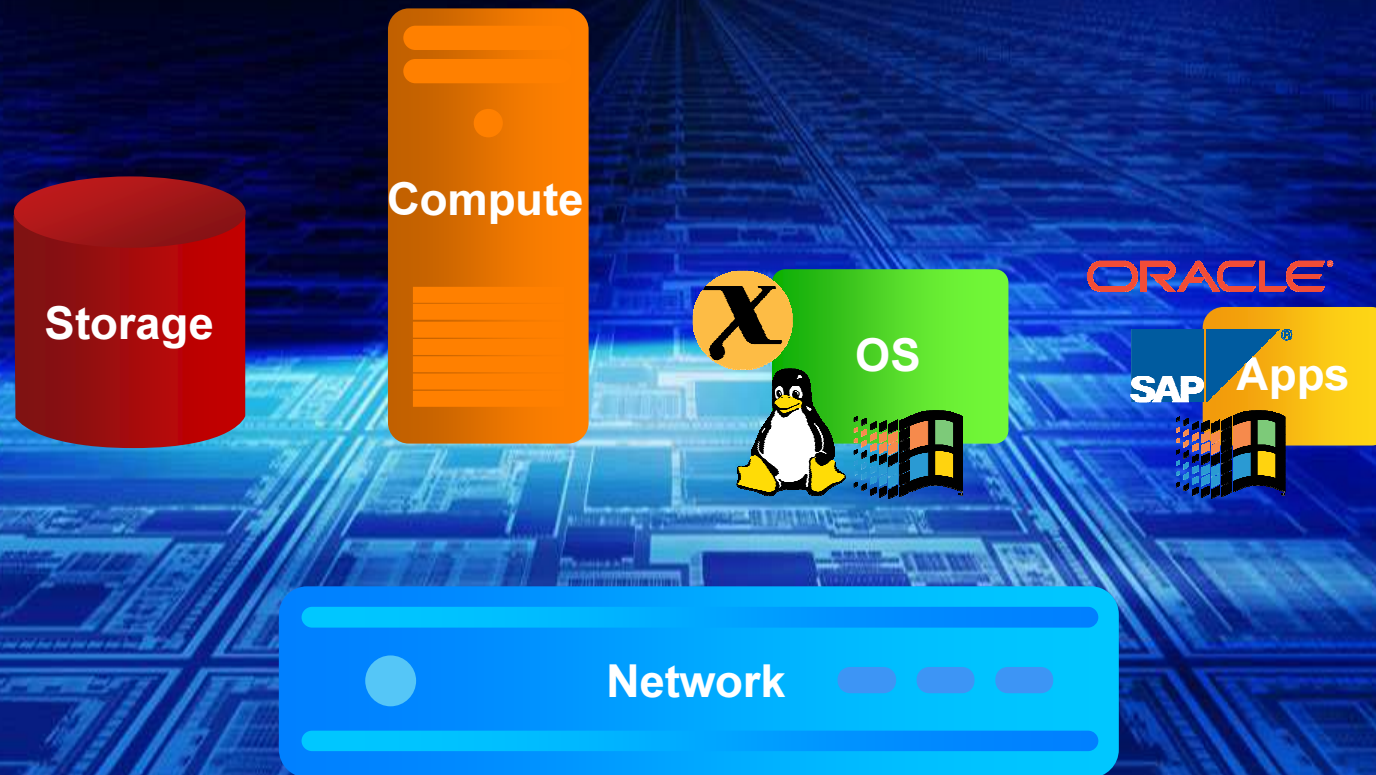
BIG BOLD BETS

Next Era of the Internet...

Collaboration/Web 2.0



Continuous Standardization



Talking Points

Productivity & Competitiveness

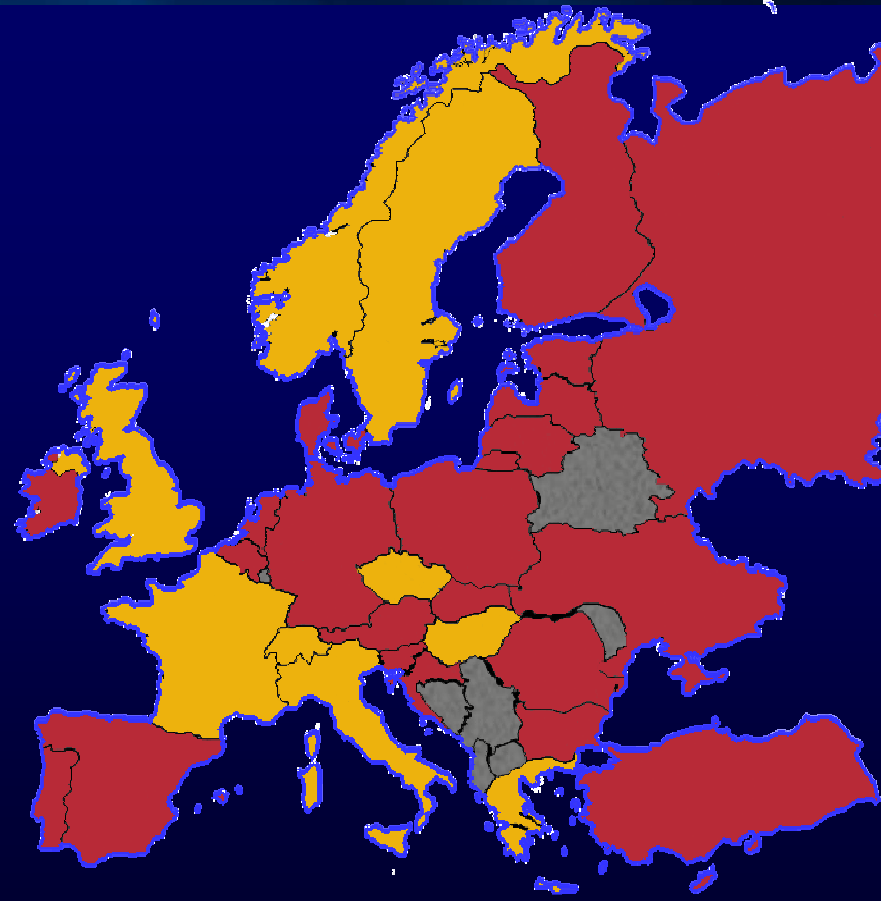
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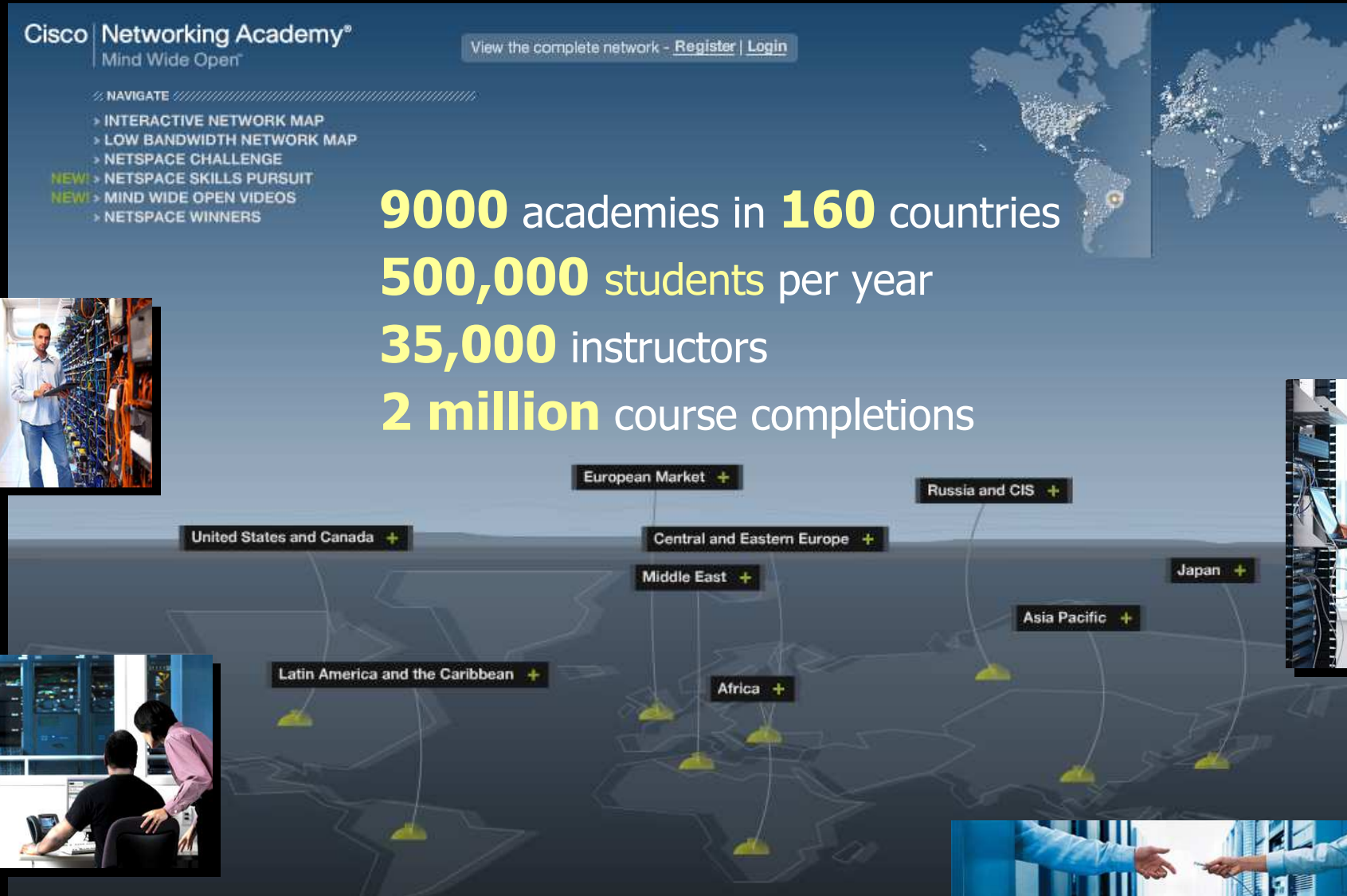
ICT skills

Advanced Technology Skills Gap

- Less than 8.1% Gap
- 8.1%-14% Gap
- 14%+ Gap



Network Academies today



Cisco Entrepreneur Institute

Hungary

- Launched Nov 2007
- First MOBI courses under way

Poland

- Launched Nov 2007
- iExec courses under way

Ukraine

- Launched May 2008

Turkey

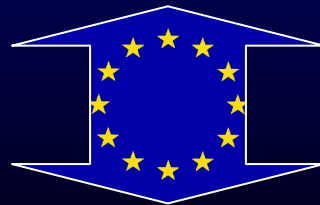
- Launched July 2007
- Building capacity & finance model

Macedonia

- Launched Sep 2007
- First courses under way

Serbia

- March 2009



EU Funding for implementation



Cisco – 3TS Growth Fund

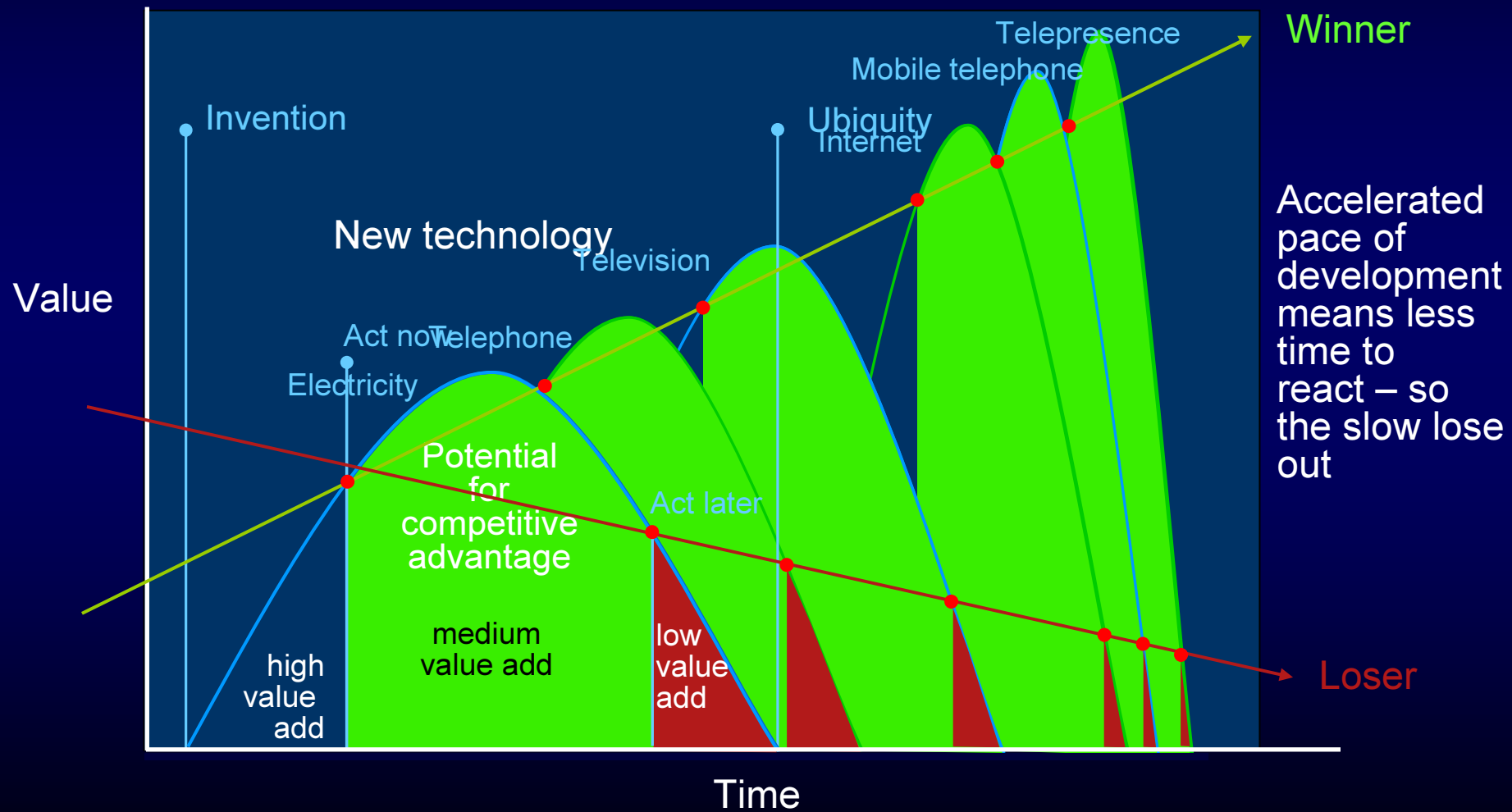
- 30m Euros
- First Venture capital 100% Focused on CEE
- Already made initial placements
- It is a growth fund, looking for companies with proven products which needs help to go international.

*The
Growth
Capital
Investor
for
Central
and
Eastern
Europe*



3TS CAPITAL PARTNERS

Act early for business 'edge'



Three types of leaders

Those that don't get it

Those that do get it

Those that get it done



Best in the world
Best for the world

Best in Croatia
Best for Croatia....

