

Management's Statement of Financial Responsibility

Investor confidence in public companies is essential to the functioning of the global economy. The public must have confidence that corporations are led by ethical leaders who play by the rules and who follow strong internal practices and policies. At Cisco, we have always assumed full accountability for maintaining compliance with our established financial accounting policies, which are in compliance with generally accepted accounting principles, and for reporting our results with objectivity and the highest degree of integrity. We are committed to providing financial information that is transparent, timely, complete, relevant, and accurate.

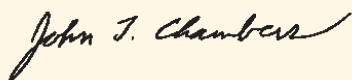
Management is responsible for the fair presentation of Cisco's financial statements, prepared in accordance with generally accepted accounting principles, and has full responsibility for their integrity and accuracy. We are committed to maintaining rigor and diligence with respect to our oversight responsibilities. We are confident that our financial and business processes provide us with accurate information on a timely basis.

Management, with oversight of Cisco's Board of Directors, has established and maintains a strong ethical climate so that the Company's affairs are conducted to the highest standards of personal and corporate conduct. Management also has established an effective system of internal control that provides reasonable assurance as to the integrity and accuracy of the financial statements, and fiduciary responsibility over the Company's assets. PricewaterhouseCoopers LLP, our independent accountants, report directly to the Audit Committee of the Board of Directors. Our Audit Committee has established policies consistent with the newly enacted corporate reform laws for auditor independence. Cisco has policies and practices to secure the independence of its Board of Directors that are materially consistent with the corporate governance listing requirements proposed by the New York Stock Exchange and Nasdaq, including:

- A majority of our Board members are independent of the Company and its management
- All members of the key Board committees—the Audit, Compensation and Nomination Committees—are independent
- The independent members of the Board meet regularly without the presence of management
- The Company has a clear code of ethics and conflict of interest policy to ensure that key corporate decisions are made by individuals who do not have a financial interest in the outcome separate from their interest as company officials
- The charters of our Board committees clearly establish their respective roles and responsibilities
- We have an ethics office with a hot line available to all employees

Cisco has a world-class financial team, from our executive leadership to each of our individual contributors. We monitor compliance with our global financial policies and practices over critical areas including internal controls, financial accounting and reporting, fiduciary accountability, and safeguarding of our corporate assets. Our internal audit control function maintains critical oversight over the key areas of our business and financial processes and controls, and reports directly to our Audit Committee. Additionally, all of our employees are required to adhere to the Cisco Code of Business Conduct that is monitored by our ethics office.

We are dedicated to ensuring that the high standards of financial accounting and reporting we have established are maintained. Our culture demands integrity and an unyielding commitment to strong internal practices and policies. We have the highest confidence in our financial reporting, underlying system of internal controls and our people, who are objective in their responsibilities and operate under the highest level of ethical standards.



John T. Chambers
President and Chief Executive Officer



Larry R. Carter
Senior Vice President and
Chief Financial Officer