

Table of Contents

Financial Highlights	1
Letter to Shareholders	2
People, Productivity, and the Network	6
Management's Statement of Financial Responsibility	12
Selected Financial Data	13
Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Quantitative and Qualitative Disclosures about Market Risk	23
Consolidated Statements of Operations	25
Consolidated Balance Sheets	26
Consolidated Statements of Cash Flows	27
Consolidated Statements of Shareholders' Equity	28
Notes to Consolidated Financial Statements	29
Report of Independent Accountants	48
Supplementary Financial Data and Stock Market Information	49
Shareholder Information	50

This report is dedicated to the memory of Suzanne Calley, a member of Cisco's team who was on American Airlines Flight 77 on September 11, 2001.

This Annual Report contains forward-looking statements regarding future events and the future results of Cisco that are based on current expectations, estimates, forecasts, and projections about the industries in which Cisco operates, and the beliefs and assumptions of the management of Cisco. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statement. Readers are referred to the documents filed by Cisco with the Securities and Exchange Commission, specifically the most recent reports on Forms 10-K, 10-Q and 8-K, each as it may be amended from time to time, which identify important risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, including: economic and market conditions; overall information technology spending; fluctuations in customer demand for products and services; the timing and size of orders and manufacturing lead times; difficulty in predicting our revenues; maintaining appropriate levels of inventory and purchase commitments; variations in the mix of products and services sold; ability to achieve targeted costs reductions; increased competition in the networking and communications industries; ability to introduce and achieve market acceptance of new technologies, products and standards; rapid changes in technology and the markets; disruption of or changes in the product distribution model or customer base; product defects and returns; availability of components and manufacturing capacity; entrance into new or developing markets; ability to integrate and operate acquired businesses and technologies; increasing customer credit risk; rate of growth of the Internet and Internet-based systems; factors arising from international operations, including currency fluctuations; timing and amount of employer payroll tax to be paid on employees' gains on stock options exercised; changes in accounting rules; protection and validity of patents and other intellectual property rights; litigation involving securities, intellectual property and other matters; and ability to retain and recruit key personnel, among others. Cisco undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Shareholder Information

Directors and Officers

Directors

Carol A. Bartz ^{(1) (3) (4)}
Chairman and Chief Executive Officer
Autodesk, Inc.

Larry R. Carter ⁽⁵⁾
Senior Vice President, Finance and Administration,
Chief Financial Officer and Secretary
Cisco Systems, Inc.

John T. Chambers ⁽⁴⁾
President and Chief Executive Officer
Cisco Systems, Inc.

Carly Fiorina ⁽³⁾
Chairman and Chief Executive Officer
Hewlett-Packard Company

James F. Gibbons, Ph.D. ^{(1) (3)}
Reid Weaver Dennis Professor of Electrical
Engineering
Stanford University

John L. Hennessy
President
Stanford University

James C. Morgan ^{(1) (5)}
Chairman and Chief Executive Officer
Applied Materials, Inc.

John P. Morgridge ^{(4) (5)}
Chairman of the Board
Cisco Systems, Inc.

Arun Sarin ^{(2) (4)}
Chief Executive Officer
Accel-KKR Telecom

Donald T. Valentine ^{(4) (5)}
General Partner
Sequoia Capital

Steven M. West ^{(2) (5)}
Chief Operating Officer
nCUBE Corp.

Jerry Yang ⁽²⁾
Co-founder and Chief Yahoo!
Yahoo! Inc.

(1) Member of the Compensation & Management
Development Committee

(2) Member of the Audit Committee

(3) Member of the Nomination Committee

(4) Member of the Acquisition Committee

(5) Member of the Investment/Finance Committee

Executive Officers

Larry R. Carter
Senior Vice President, Finance and Administration,
Chief Financial Officer and Secretary

John T. Chambers
President and Chief Executive Officer

Richard J. Justice
Senior Vice President, Worldwide Field Operations

Mario Mazzola
Senior Vice President, Chief Development Officer

Randy Pond
Senior Vice President, Worldwide Manufacturing
Operations and Logistics

James Richardson
Senior Vice President, Chief Marketing Officer

Other Senior Vice Presidents

Roland Acra
Senior Vice President, Service Provider Chief
Technology Officer

Greg Akers
Senior Vice President, Customer Advocacy Chief
Technology Officer

Douglas C. Allred
Senior Vice President, Office of the President

Gordon Astles
Senior Vice President, Asia Pacific Operations

Joel P. Bion
Senior Vice President, Internet Technologies Division

Larry Birenbaum
Senior Vice President, Ethernet Access Group

Brad Boston
Senior Vice President, Chief Information Officer

Susan L. Bostrom
Senior Vice President, Internet Business Solutions
Group

Luca Cafiero
Senior Vice President, Switching, Voice, and
Storage Group

Howard Charney
Senior Vice President, Office of the President

Kate DCamp
Senior Vice President, Human Resources

Doug Dennerline
Senior Vice President, US Enterprise Sales

Wim Elfrink
Senior Vice President, Customer Advocacy

Charles H. Giancarlo
Senior Vice President, Switching, Voice, and
Storage Group

Prem Jain
Senior Vice President, Routing Technology Group

Robert Lloyd
Senior Vice President, Europe, the Middle East, and
Africa

Gary B. Moore
Senior Vice President, Professional Services

Joseph Pinto
Senior Vice President, Core Support Services

Dennis D. Powell
Senior Vice President, Corporate Finance

Carl Redfield
Senior Vice President, Worldwide Manufacturing

Manny Rivelo
Senior Vice President, Worldwide Field Process and
Operations

Daniel Scheinman
Senior Vice President, Corporate Development

Peter Solvik
Senior Vice President, Information Systems

Jayshree Ullal
Senior Vice President, Optical Technology Group

Michelangelo Volpi
Senior Vice President, Routing Technology Group

Shareholder Information

Online Annual Report

We invite you to visit our online interactive
report at www.cisco.com/annualreport/2002.
In this version you will find our shareholders'
letter in multiple languages, a financial section,
and additional company and product infor-
mation. This Web-based report complements
our printed report.

If you wish to receive all shareholder infor-
mation exclusively online, you can register
at: www.icsdelivery.com/cisco.

Investor Relations

For further information about the Company,
additional copies of this report, Form 10-K,
or other financial information, contact:

Investor Relations
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
(408) 227-CSCO (2726)

You may also contact us by sending an e-mail
to investor-relations@cisco.com or by visiting
the Investor Relations section on the Company's
Web site at www.cisco.com/go/investors.

Transfer Agent and Registrar

EquiServe Trust Company N.A.
P.O. Box 43010
Providence, RI 02940
www.equiserve.com
(800) 730-6001

Independent Accountants

PricewaterhouseCoopers LLP
San Jose, CA

Legal Counsel

Brobeck, Phleger & Harrison LLP
East Palo Alto, CA

Notice of Annual Meeting

Santa Clara Convention Center (Hall A)
5001 Great America Parkway
Santa Clara, CA
November 19, 2002
10 a.m. Pacific Standard Time

Worldwide Offices

Corporate Headquarters

San Jose, California, USA

European Headquarters

Amsterdam, The Netherlands

Americas Headquarters

San Jose, California, USA

Asia Pacific Headquarters

Singapore

Cisco Systems has offices in the following countries. Addresses, phone numbers, and fax numbers are listed at www.cisco.com/go/offices.

Argentina • Australia • Austria • Belgium • Brazil • Bulgaria • Canada • Chile • China PRC • Colombia • Costa Rica • Croatia • Czech Republic
Denmark • Dubai, UAE • Finland • France • Germany • Greece • Hong Kong SAR • Hungary • India • Indonesia • Ireland • Israel • Italy
Japan • Korea • Luxembourg • Malaysia • Mexico • The Netherlands • New Zealand • Norway • Peru • Philippines • Poland • Portugal
Puerto Rico • Romania • Russia • Saudi Arabia • Scotland • Singapore • Slovakia • Slovenia • South Africa • Spain • Sweden
Switzerland • Taiwan • Thailand • Turkey • Ukraine • United Kingdom • United States • Venezuela • Vietnam • Zimbabwe