

PROFILE

Cisco Systems, Inc. is the worldwide leader in networking for the Internet. Cisco hardware, software, and service offerings are used to create Internet solutions so that individuals, companies, and countries have easy access to information—regardless of differences in time and place. In addition, the company is recognized as a pioneer in using the Internet for its own business practices, offering consulting services to help other organizations around the world. Today, networks are an essential part of business, education, government, and home communications.

Cisco was founded in 1984 by a small group of computer scientists from Stanford University. Since the company's inception, Cisco engineers have been prominent in the development of Internet Protocol (IP)-based networking technologies. This tradition of IP innovation continues with industry-leading products in the core areas of routing and switching, along with advanced technologies in areas such as optical, network security, IP telephony, wireless LAN, storage networking, and home networking. In addition to its products, Cisco provides a broad range of service offerings, including technical support services and advanced services. Cisco sells its products and services, both directly through its own sales force and indirectly through channel partners, to large enterprises, commercial businesses, service providers, and consumers.

As a company, Cisco operates on core values of customer focus and corporate citizenship. We express these values through global involvement in educational, community, and philanthropic efforts.

We invite you to learn more about Cisco at www.cisco.com.

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This Annual Report may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, statements that refer to projections of our future financial performance, anticipated growth and trends in our key markets, including future revenues from Advanced Technologies, return to shareholders, benefits of taking business risks, future financial condition and market leadership, and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. Readers are urged to read the documents filed by Cisco with the SEC, specifically the most recent reports on Form 10-K, 10-Q, and 8-K, which identify risk factors that could cause actual results to differ materially from the forward-looking statements. These risk factors include, among others: business and economic conditions and growth trends in the networking industry and in various geographic regions; global economic conditions and uncertainties in the geopolitical environment; overall information technology spending; the growth of the Internet and levels of capital spending on Internet-based systems; variations in customer demand for products and services, including sales to the service provider market; the timing of orders and manufacturing lead times; changes in customer order patterns or customer mix; insufficient, excess, or obsolete inventory; variability of component costs; increased price competition; variations in sales channels, product costs, or mix of products sold; the ability to successfully acquire businesses and technologies and to successfully integrate and operate these acquired businesses and technologies; increased competition in the networking industry; dependence on the introduction and market acceptance of new product offerings and standards; rapid technological and market change; manufacturing and sourcing risks; product defects and returns; litigation involving patents, intellectual property, antitrust, stockholder, and other matters; the ability to recruit and retain key personnel; financial risk management; currency fluctuations and other international factors; and potential volatility in operating results. The financial information contained in this Annual Report should be read in conjunction with the Consolidated Financial Statements and notes thereto that are included in this report. We undertake no obligation to revise or update any forward-looking statements for any reason.