



2016 Annual Report



About Cisco

Cisco designs and sells broad lines of products, provides services, and delivers integrated solutions to develop and connect networks around the world. For over 30 years, we have helped our customers build networks and automate, orchestrate, integrate, and digitize IT-based products and services. In an increasingly connected world, Cisco is helping to transform businesses, governments, and cities worldwide.

Discover more at thenetwork.cisco.com.

Our Values

Our values reflect our aspirations, what we believe, and how we want to behave:

- Change the world
- Win together
- Make innovation happen
- Focus intensely on customers
- Respect and care for each other
- Always do the right thing

Why Cisco?

Cisco brings integrated solutions that span network, data center, cloud, security, collaboration, analytics, and IoT for faster business transformation with reduced risk.



Fiscal 2016 Summary Report

Letter to Shareholders	2
Financial Highlights for Fiscal 2016	4
Our Strategy	6
Governance and Responsibility	9
Investor Relations	15

Transparent Reporting

This year, to enhance transparency, we have refreshed the format of our Annual Report, adding content of interest to our shareholders and other stakeholders from our Form 10-K, Proxy Statement, and Corporate Social Responsibility Report in a Summary Report for fiscal 2016.

Our Online Report



We have also prepared an interactive online report, which is hosted on our Annual Reports webpage.

We hope you like the newly designed report, and we welcome your [feedback](#).

Symbols highlight the themes discussed in each section:



Strategy



Performance



Board Oversight



Executive Compensation



Corporate Social Responsibility

For more detailed information, refer to our Annual Report on Form 10-K, our Proxy Statement, and our Corporate Social Responsibility Report.

Forward-Looking Statements

This report contains projections and other forward-looking statements regarding future events or the future financial performance of Cisco, including future operating results. These projections and statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements. See Cisco's filings with the Securities and Exchange Commission, including its most recent filings on Forms 10-K and 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.



Summary Report: Letter to Shareholders



Chuck Robbins
Chief Executive Officer

We are transforming our business from products and architectures to a platform model

To Our Shareholders,

Fiscal 2016 marked the start of an exciting chapter for Cisco, demonstrating solid financial results and effective execution on our strategy to position Cisco for the future. Customers around the world are looking to embrace technology to drive growth, transform the buying experience, improve citizen services, and so much more. They are turning to Cisco for guidance as a strategic partner in their digital transformation. Many opportunities lie ahead for us, and I believe that we have made the right moves over the past fiscal year to enable us to deliver the products and solutions that our customers want, at a faster pace than ever before.

Since becoming CEO in July 2015, I have been focused on several areas: accelerating innovation, simplifying our product portfolio for customers, and shifting our business model to focus on software and subscriptions. Reflecting back over the past year, I'm pleased with what we've accomplished and how well we have managed our business, while at the same time delivering consistent profitable growth.

Accelerating Innovation to Drive Growth

There are five pillars to our innovation strategy: build, buy, partner, invest, and co-develop. In fiscal 2016, we invested more than \$6 billion in research and development, producing innovations across our portfolio. Our products and solutions are delivering unprecedented levels of speed, automation, and simplicity to our customers. For example, Cisco Tetration Analytics—an open software platform that provides data center visibility at a level that has never been achieved before and at a scale never possible before—was the product of internal innovation.

We acquired 12 companies during fiscal 2016 and have recently closed or announced our intent to acquire several more, enhancing our capabilities in the growth areas of security, collaboration, services, and the Internet of Things (IoT) as well as in cloud, software, and silicon. These acquisitions bring new talent and technology to Cisco and are helping us to evolve our business model and drive more recurring revenue streams.

We have seen many times that when we acquire and integrate companies, they become more successful than they would have been as standalone businesses.

For example, we acquired Jasper believing that there is an incredible opportunity to accelerate the IoT with Jasper's cloud-based platform. In our view, capitalizing on this opportunity requires a company with the depth and experience of Cisco that understands both service providers, which host the Jasper platform on their networks, and enterprises, which are gaining insights and determining action from the data that the platform collects.

Another example is Lancope, with its Stealthwatch security product in the core. We have combined this product with our internally created Stealthwatch Learning Networks solution in the branch and the wide-area network so that the entire network becomes a sensor, driving even greater threat intelligence and value for our customers.

It's also very clear to us that no one company can deliver the full breadth of technology solutions that customers need at the pace the market requires. We believe that building strategic partnerships will be as important in driving customer value and future growth as mergers and acquisitions have been over the past decade. In fiscal 2016, we announced three next-generation strategic partnerships with market leaders in their fields. With Inspur in China, we intend to build the infrastructure and solutions to power cloud, data centers, smart cities, and big data for one of the largest economies in the world. With our Ericsson partnership, we are bringing together two networking leaders, with a clear plan to use one another's strengths to create the networks of the future. With Apple, we are aiming to create an exponentially better mobile enterprise collaboration experience.

We have also been investing in startups across the globe as we watch certain areas of technology evolve. Investing in innovation communities is core to how we participate in driving growth in the countries in which we operate. We are engaged with seven heads of state on country digitization initiatives focused on using technology to grow the economy, create new jobs, achieve education and healthcare objectives, and foster a sustainable innovation ecosystem across public and private sectors. We will continue to engage with additional countries in their digitization initiatives in fiscal 2017.

Lastly, we are co-developing solutions with and for our web-scale and service provider customers. This approach has contributed to double-digit year-over-year revenue growth in our business with the largest web-scale service providers in fiscal 2016.

Moving Quickly and Positioning for the Future

Over the last year, I formed an Executive Leadership Team that combines continuity in key positions, with both the elevation of next-generation Cisco leaders and the addition of world-class talent from outside. In addition, to better align around the areas that are critical to our customers' needs, we have simplified our Engineering organization. These moves have been critical in enabling us to increase the pace at which we are innovating and to simplify our portfolio for our customers and how we go to market.

We have also continued to manage our portfolio by optimizing our cost base in lower growth areas so as to invest further in key priority areas such as security, IoT, collaboration, next-generation data center, and cloud. These areas are delivering the most value for our customers and, we believe, will drive our future growth and create long-term value for our shareholders.

Fiscal 2016: Strong Execution Driving Profitable Growth

We executed well despite a volatile environment in fiscal 2016 and produced solid financial results. Revenue for the year was \$49.2 billion. Product revenue was over \$37.2 billion, and Services revenue was \$12.0 billion. Not including the set-top box business, which we divested during the fiscal year, revenue grew 3% year over year. Deferred revenue was \$16.5 billion, up 8% year over year. The recurring portion of product deferred revenue related to software and subscription businesses grew 33% year over year, reflecting our efforts to drive more recurring revenue streams. This shift is particularly evident in our Security portfolio—close to 50% of which we now deliver through software or as a service—and our Collaboration portfolio, all of which we are committed to delivering from the cloud. We are working to move more of our revenue to a software-based and subscription-based model and to accelerate this shift across our entire product portfolio.

We also remain disciplined and focused on continuing to drive operational efficiencies and productivity to achieve profitable growth. In fiscal 2016, this resulted in strong operational leverage and increased margins.

Net income was \$10.7 billion, up 20% from fiscal 2015, while earnings per share on a fully diluted basis reached a record \$2.11, up 21% from fiscal 2015.

Our balance sheet remains strong, with total assets at the end of fiscal 2016 of \$121.7 billion, representing a 7% increase from the end of fiscal 2015. Cash, cash equivalents, and investments were \$65.8 billion, and we generated \$13.6 billion in operating cash flow. We returned \$8.7 billion to shareholders, composed of \$3.9 billion in share buybacks and \$4.8 billion in dividends. We remain firmly committed to returning a minimum of 50% of our free cash flow to shareholders annually.

Focusing on Our People and Culture

The results we have been able to drive would not be possible without the dedication and commitment of our employees. As a digital business, we are able to provide the tools for our people to be more mobile, connected, and engaged. One of the things about which I'm most proud is that, as a company, we consistently use our technology and expertise to tackle some of the world's biggest challenges and accelerate global problem solving. I truly believe there has never been a better time for us to effect positive change in the world.

Our Time Is Now

We believe we have an unprecedented opportunity to chart a new course for our customers, delivering innovation across the network, security, collaboration, next-generation data center, and the cloud, to help them solve problems and achieve their objectives. We are transforming our business from products and architectures to a platform model, and we are working to make sure that everything we offer is available both on premises and in the cloud. We are evolving our organization and our culture so we are able to move more quickly and simplify at every turn, building on the success of the last 30-plus years.

With all of this in place, in fiscal 2017 you can expect us to continue to focus on our strategic priorities as we aim to drive profitable growth regardless of market conditions. We are excited to build on the momentum we have generated over the past fiscal year and for the opportunities that lie ahead.

Thank you for your continued support.



Chuck Robbins
Chief Executive Officer
October 19, 2016

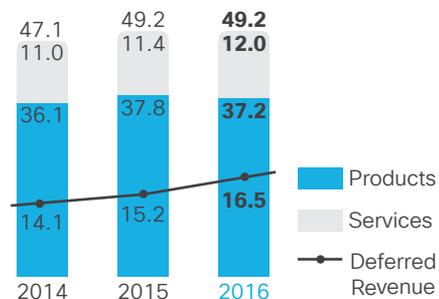
Summary Report: Financial Highlights for Fiscal 2016



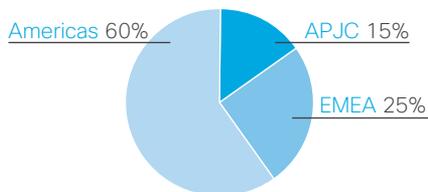
Strong Execution Driving Profitable Growth

Revenue

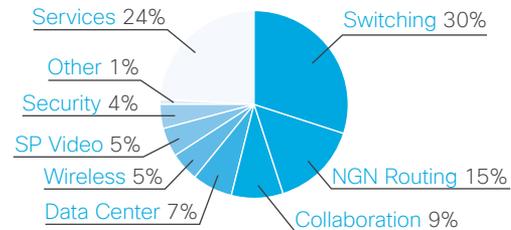
Revenue Trend (\$B)



Revenue by Geography



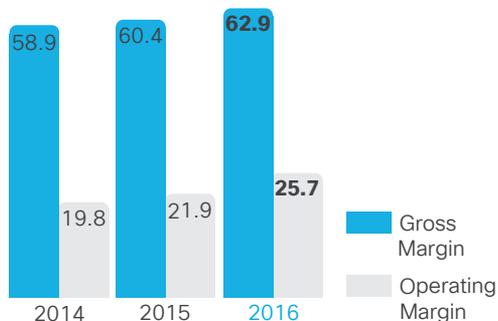
Revenue by Product Category and Service



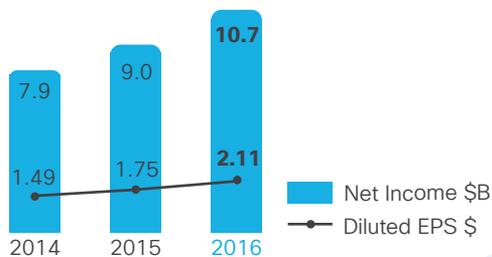
Revenue 2-Year CAGR: 2%

Margins and Income

Margins (%)



Net Income (\$B) and Diluted EPS (\$)



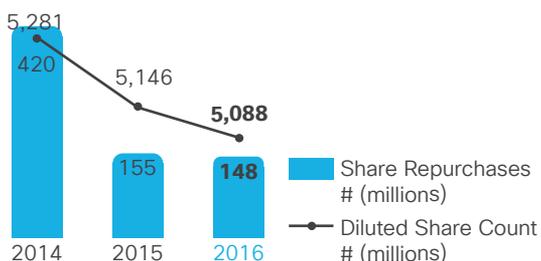
EPS 2-Year CAGR: 19%



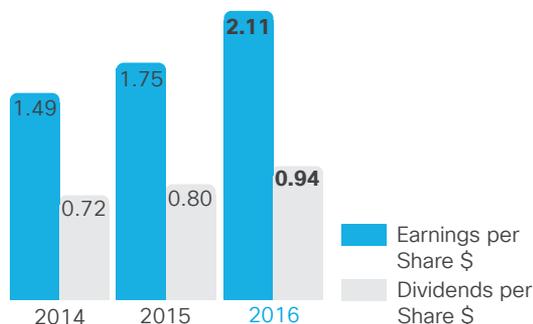
Delivering Shareholder Value

Returns to Shareholders

Share Repurchases and Diluted Share Count (millions)



Earnings and Dividends per Share (\$)



Dividend 2-Year CAGR: 14%



Acquisitions in Fiscal 2016



MaintenanceNet

MaintenanceNet: Services

A cloud-based software platform that uses data analytics and automation to manage renewals of recurring customer contracts



OpenDNS

Open DNS: Security

Advanced threat protection for endpoint devices



pawaa
SOFTWARE

Pawaa: Security

Secure on-premises and cloud-based file-sharing software



ParStream

ParStream: Software

An analytics database that allows companies to analyze large amounts of data and store it in near real time, anywhere in the network



Portcullis: Security

Cybersecurity services to enterprise clients and the government sector



1MS
1 MAINSTREAM

1Mainstream: Video

A cloud-based video platform designed to quickly launch live and on-demand over-the-top video services to a variety of connected devices



Lancope

Lancope: Security

A solution providing network behavior analytics, threat visibility, and security intelligence to help protect against top cybersecurity threats



acano

Acano: Collaboration

Collaboration infrastructure and conferencing software



leaba
semiconductor

Leaba Semiconductor: Silicon

An Israeli-based fabless semiconductor provider whose semiconductor expertise is expected to be leveraged to accelerate our next-generation product portfolio



SYNATA

Synata: Software

Technology that allows users to search both on-premises and cloud-based applications simultaneously from one platform



Jasper

Jasper: IoT

A provider of a cloud-based Internet of Things (IoT) software-as-a-service platform to help enterprises and service providers launch, manage, and monetize IoT services on a global scale



CliQr

CliQr: Software

An application-defined cloud orchestration platform designed to help customers simplify and accelerate their private, public, and hybrid cloud deployments

Summary Report: Our Strategy



Our strategy is to lead our customers in their digital transition by providing them with highly secure, automated, and intelligent solutions that connect nearly everything that can be digitally connected

As all global industries focus on delivering business outcomes and gaining competitive advantage through digital transformation, the role of technology and the network is increasing. The most successful businesses, cities, and countries understand that continued digital transformation is required in order to succeed, and that involves redefining business models and investing in technology.



In this increasingly digital world, we believe data is the most strategic asset. Data is increasingly distributed across every organization and ecosystem, on customer premises, at the edge of the network, and in the cloud. The network also plays an increasingly important role enabling our customers to aggregate, automate, and draw insights from this highly distributed data, where there is a premium on security and speed. We believe this is driving them to adopt entirely new IT architectures and organizational structures. We understand how technology can deliver the outcomes our customers want to achieve. Our strategy is to lead our customers in their digital transition by providing them with highly secure, automated, and intelligent solutions that connect nearly everything that can be digitally connected.

To deliver on our strategy, we are focused on providing solutions built on infrastructure that connects highly distributed data that is globally dispersed across organizations. Together with our ecosystem of partners and developers, we will provide technology, services, and solutions that we believe will enable our customers to gain insight and advantage from this distributed data with scale, security, and agility.

We have been transforming our business to move from selling individual products and services to selling products and services integrated into architectures and solutions. As part of this transformation, we continue to make changes to how we are organized, how we sell our products, and how we build and deliver our technology.

We have begun aggressively transitioning our portfolio to enable delivery both on premises and through the cloud, based on more recurring revenue. We plan to expand the approach we have taken with our cloud-networking platforms to an increasing portion of our product and service portfolio to accelerate our shift to a more subscription and software-based model.

We also continue to be focused on capitalizing on market transitions that drive future opportunity for Cisco, such as Security, Digital Transformation, SDN, and Cloud, where the network is playing a more significant role.

Competitive Advantage

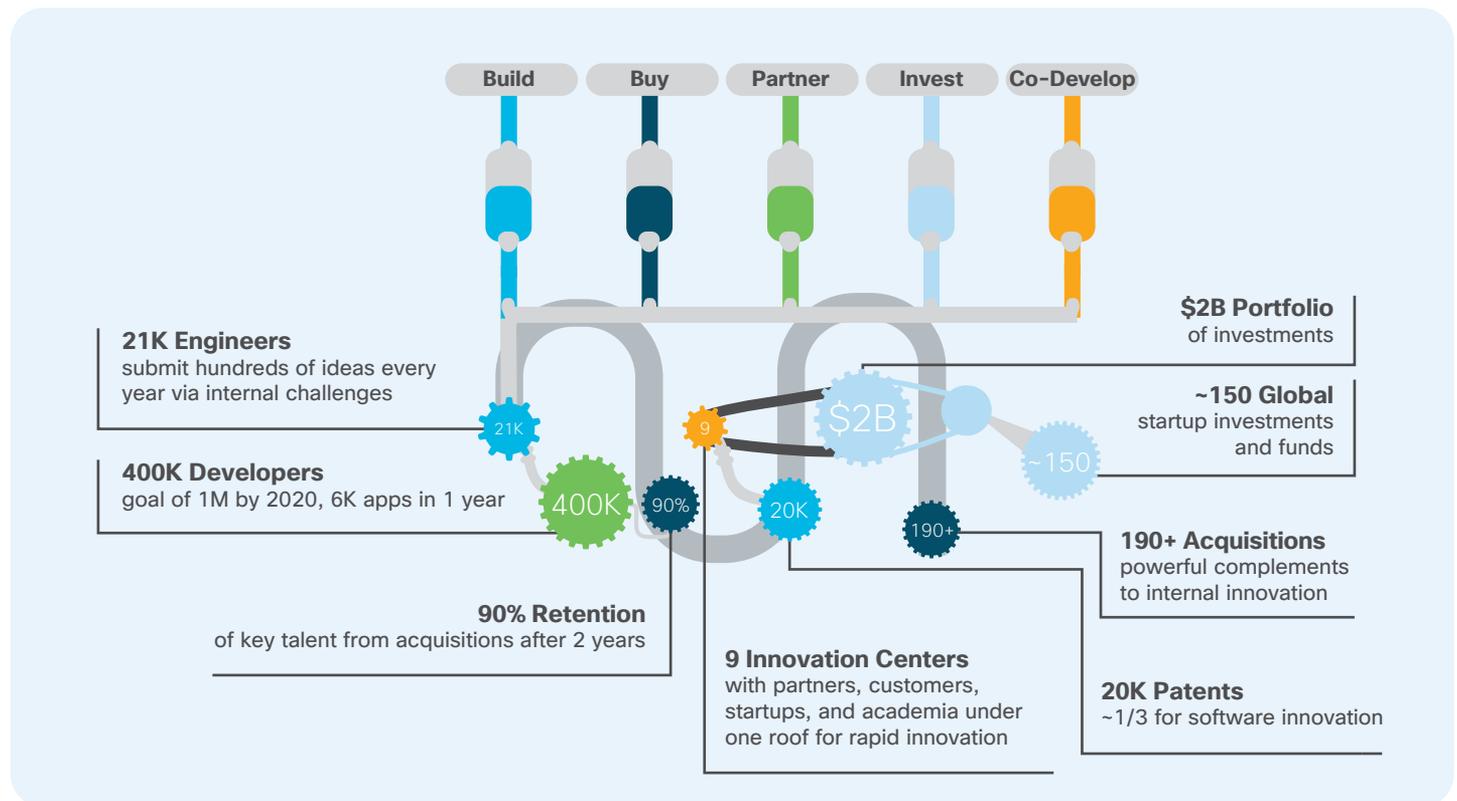


Approach to Innovation

We believe the next innovative idea can come from anywhere. Our integrated approach across multiple levers—build, buy, partner, invest, and co-develop—reflects that philosophy:

- **Build:** Organic innovation from our engineering teams. For example, this year we brought to market several innovations, including Stealthwatch and Tetration Analytics Solutions.
- **Buy:** Acquisitions of companies focused on our key priority areas, such as IoT, security, next-generation data center, cloud, and collaboration, as well as continuing to strengthen our core portfolio.
- **Partner:** Creation of unique solutions and go-to-market strategies with technology and services partners.
- **Invest:** Direct and indirect investments in promising startups, entrepreneurs, and venture funds.
- **Co-Develop:** Work with customers, leading innovators, and decision makers on new, industry-changing ideas built on the network.

Cisco's Innovation Engine



Delivering on Our Strategy

Our executive leadership team brings a diverse set of experiences and expertise to accelerate our innovation and execution, simplify how we do business, drive operational rigor in all we do, and inspire our employees to be the best that they can be. <https://newsroom.cisco.com/exec-bios>

Chuck Robbins

Chief Executive Officer



Kevin Bandy

Senior Vice President,
Chief Digital Officer



Ruba Borno

Vice President, Growth
Initiatives and Chief of
Staff to CEO



Mark Chandler

Senior Vice President,
Legal Services,
General Counsel and Chief
Compliance Officer



Joe Cozzolino

Senior Vice President,
Services



Chris Dedicoat

Executive Vice President,
Worldwide Sales and Field
Operations



David Goeckeler

Senior Vice President
and General Manager,
Networking and Security
Business



Rebecca Jacoby

Senior Vice President and
Chief of Operations



Francine Katsoudas

Senior Vice President and
Chief People Officer



Kelly A. Kramer

Executive Vice President
and Chief Financial Officer



Hilton Romanski

Senior Vice President and
Chief Strategy Officer



Rowan Trollope

Senior Vice President and
General Manager, IoT and
Applications



Karen Walker

Senior Vice President and
Chief Marketing Officer



Leadership@Cisco

Learn more about Cisco's leadership team through our online video series at <https://newsroom.cisco.com/ciscoleadership>.

Summary Report: Governance and Responsibility



Cisco is committed to shareholder-friendly corporate governance and maintains clear policies and practices that promote excellence in corporate governance

Shareholder Engagement

At Cisco, we recognize the importance of regular and transparent communication with our shareholders. Each year, we engage with a significant portion of shareholders that includes our top institutional investors. In fiscal 2016, we held meetings and conference calls with investors representing approximately 44% of our outstanding shares. We engaged with these shareholders on a variety of topics, including our corporate governance practices such as proxy access, board refreshment and composition, public policy engagements, sustainability initiatives, our executive compensation program, and other matters of shareholder interest.

Governance Policies and Practices

We have adopted these policies and practices consistent with our commitment to transparency and best-in-class practices, as well as to ensure compliance with the rules and regulations of the SEC, the listing requirements of NASDAQ, and applicable corporate governance requirements.

Shareholder-Friendly Corporate Governance



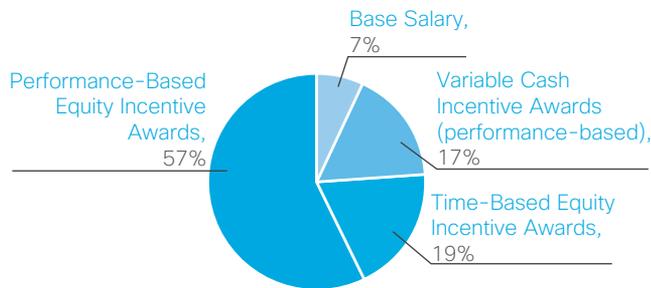
Executive Compensation Highlights

Our executive compensation philosophy and practice continues to be pay for performance

The core of Cisco's executive compensation philosophy and practice continues to be to pay for performance.

The following charts summarize the major elements of target total direct compensation for our CEO and our other named executive officers (NEOs¹) as a group for fiscal 2016, and demonstrate our continued pay for performance philosophy.

CEO



NEOs Other than CEO



¹ As defined in our Proxy Statement for our 2016 Annual Meeting of Shareholders.

Cisco's executive officers are compensated in a manner consistent with shareholder interests and sound governance principles.

Shareholder Engagement and Alignment

- We engage with our shareholders on executive compensation matters on a regular basis and incorporate shareholder feedback in structuring executive compensation.
- We have mandatory stock ownership guidelines for executive officers and non-employee directors.

Independent Compensation Committee

- Our Compensation Committee consists 100% of independent directors.
- Our Compensation Committee reviews risks related to our compensation program on an annual basis.
- Our Compensation Committee directly retains an independent outside compensation consultant.

Strong Pay for Performance Alignment and Compensation Governance

- We focus on aligning pay with performance through the use of variable cash incentive awards and performance-based restricted stock units, which comprised 75% of our named executive officer equity awards during fiscal 2016.
- We align pay with company performance through the use of equity awards for executive officers that are based on financial metrics that drive shareholder value and multi-year total shareholder return goals.
- We have a robust recoupment policy related to our cash awards, and our equity plans provide for forfeiture of awards by executive officers if they participate in activities detrimental to Cisco or are terminated for misconduct.
- We prohibit hedging transactions, short sales or other speculative transactions by employees and directors, and prohibit the pledging of securities in margin accounts or as collateral for loans by executive officers and directors.
- We prohibit repricing or repurchasing underwater equity awards.

Engaged, Effective Leadership

The Cisco Board of Directors

John T. Chambers

AQ



Executive Chairman
Former CEO of Cisco

Director Since: 1993

Skills and Experience: Mr. Chambers led Cisco for more than 20 years. During his tenure as Chief Executive Officer, Cisco's annual revenue grew from \$2.0 billion in fiscal 1995 to \$49.2 billion in fiscal 2015. Mr. Chambers brings to the Board of Directors his thorough knowledge of Cisco's business, strategy, technology, people, customers, operations, competition, and financial position. In addition, he brings with him a global network of customer, industry, and government relationships.

Michael D. Capellas

AQ F



Independent Director
Founder and CEO,
Capellas Strategic
Partners

Director Since: 2006

Skills and Experience: Mr. Capellas brings to the Board of Directors experience in executive roles and a background of leading global organizations in the technology industry. Through this experience, he has developed expertise in several valued areas including strategic product development, business development, sales, marketing, and finance.

Dr. John L. Hennessy

N AQ



Independent Director
Director of the Knight-
Hennessy Scholars
Program and former
President, Stanford
University

Director Since: 2002

Skills and Experience: Dr. Hennessy brings to the Board of Directors an engineering background as well as skill in the development of information technology businesses. In addition, he has leadership and management experience, both in an academic context at Stanford University and in a corporate context as a board member of public and private technology companies.

Carol A. Bartz

C N



Lead Independent
Director
Former CEO of Yahoo! Inc.

Director Since: 1996

Skills and Experience: Ms. Bartz brings to the Board of Directors leadership experience, including service as the chief executive of two public technology companies. These roles have required technology industry expertise combined with marketing, operational and global management expertise. Ms. Bartz also has experience as a public company outside director.

Amy L. Chang



Independent Director
Founder and CEO,
Accompany, Inc.

Director Since: 2016

Skills and Experience: Ms. Chang brings to the Board of Directors an engineering background as well as leadership experience, including service as the chief executive and founder of a private technology company and a former global division leader for a publicly-traded technology company. Through this experience, she has developed expertise in several valued areas including go-to-market strategy and product management. Ms. Chang also has experience as a public company outside director.

Dr. Kristina M. Johnson

N AQ



Independent Director
CEO, Cube Hydro
Partners, LLC

Director Since: 2012

Skills and Experience: Dr. Johnson brings to the Board of Directors an engineering background as well as expertise in science, technology, business, education, and government. In addition, she has leadership and management experience, both in an academic context as provost and dean of nationally recognized academic institutions and in a corporate context as a board member of public technology companies.

M. Michele Burns

AU C F



Independent Director
Former Chairman and CEO
of Mercer LLC

Director Since: 2003

Skills and Experience: Ms. Burns provides to the Board of Directors expertise in corporate finance, accounting, and strategy, including experience gained as the chief financial officer of three public companies. Through her experience gained as chief executive officer of Mercer, she brings expertise in global and operational management, including a background in organizational leadership and human resources. Ms. Burns also has experience serving as a public company outside director.

Brian L. Halla

C



Independent Director
Former Chairman and
CEO of National
Semiconductor
Corporation

Director Since: 2007

Skills and Experience: Mr. Halla has leadership experience as the chief executive officer of a global technology company. His management and operational expertise is accompanied by a semiconductor industry background and technology acumen.

(Retiring from the Board in December 2016.)

Roderick C. McGeary

AU C



Independent Director
Former Vice Chairman of
KPMG, LLP

Director Since: 2003

Skills and Experience: Mr. McGeary brings to the Board of Directors a combination of executive experience in management and technology consulting. He also has expertise in leading talented teams, and skills in finance, accounting, and auditing with technology industry experience.

Charles H. Robbins



Director
CEO, Cisco

Director Since: 2015

Skills and Experience: Mr. Robbins brings to the Board of Directors extensive industry, company, and operational experience acquired from leading Cisco’s global sales and partner teams. He has a thorough knowledge of Cisco’s segments, technology areas, geographies, and competition. He has a proven track record of driving results and has played a key role in leading and executing many of Cisco’s investments and strategy shifts to meet its growth initiatives.

Arun Sarin

AU AQ



Independent Director
Former CEO of Vodafone Group Plc

Director Since: 2009

Skills and Experience: Mr. Sarin provides to the Board of Directors a telecommunications industry and technology background, as well as leadership skills, including through his global chief executive experience at Vodafone Group Plc. He also provides an international perspective as well as expertise in general management, finance, marketing, and operations. Mr. Sarin also has experience as a director, including service as an outside board member of companies in the information technology, banking, financial services, and retail industries.

Steven M. West

AU F



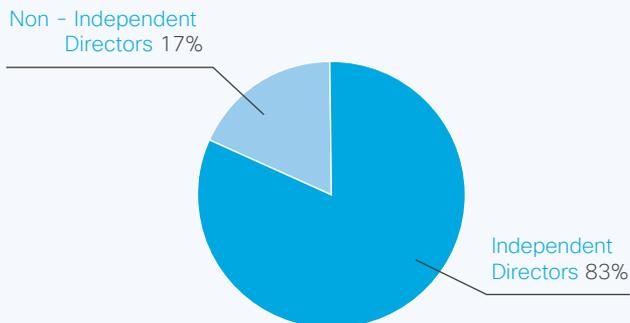
Independent Director
Founder and Partner, Emerging Company Partners LLC

Director Since: 1996

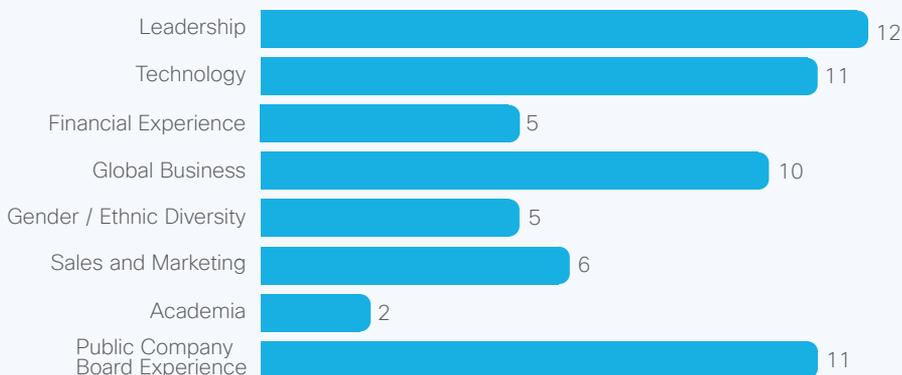
Skills and Experience: Mr. West’s experience in the information technology industry includes a variety of leadership and strategic positions, which have provided him with accumulated expertise in operational management, strategy, finance, and experience as an outside board member and audit committee member. Mr. West is a member of the National Association of Corporate Directors and a frequent speaker on audit-related issues. In addition, Mr. West has knowledge of Cisco acquired through more than 20 years of service on the Board of Directors.

Board Snapshot

Board Governance Structure



Board Attributes / Skill Set (# of Board members)



Balanced Director Tenure (# of Board members)



KEY TO COMMITTEES

- AU Audit Committee
- C Compensation Committee
- N Nomination and Governance Committee
- AQ Acquisition Committee
- F Finance Committee
- Committee Chair

Corporate Social Responsibility

Technology enables an unprecedented opportunity to change lives for the better

Our products, services, and expertise help to connect people and things across networks to solve problems from education and economic empowerment to climate change and resource efficiency. We promote responsible business practices across our operations and supply chain and provide transformative solutions for our customers, partners, and communities worldwide.

We have set ourselves the ambitious goal to accelerate global problem solving through our technology and expertise to positively impact people, society, and the planet. This goal is supported by key corporate social responsibility (CSR) objectives:

- **Empower global problem solvers**, people who *innovate as technologists, think as entrepreneurs, and act as social change agents* by developing digital skills and catalyzing an innovative and entrepreneurial ecosystem
- **Advance positive social and environmental change** through technology-based solutions and multi-stakeholder partnerships
- **Promote sustainable outcomes** across our business operations and supply chain and through our transformative solutions, with the goal that economic growth does not come at the expense of the environment or communities

Our CSR priorities of people, society, and planet are focused on those issues most relevant to our business and where we believe we can make the greatest contribution.

People

We enable people to reach their full potential in a digital economy.

This starts with attracting and retaining the best talent for Cisco and transforming the employee experience so our people can flourish as global problem solvers in a way that is both responsible and ethical. By focusing on connecting everything, innovating everywhere, and benefiting everyone, our employees are making a meaningful difference in communities worldwide. In fiscal 2016, over 35% of employees supported non-profit organizations through their time, donations, and expertise, resulting in \$12 million in donations and matched funds and more than 187,000 hours volunteered. Our goal is to have 80% employee engagement by 2020.



People

Enabling people to reach their full potential in a digital economy

Ethical Conduct

Our people

Building skills and entrepreneurship



Society

Scaling positive inclusive social and economic impact in countries around the world

Human Rights
(ethics, labor, data security/privacy, digital rights)

Responsible sourcing and manufacturing

Building knowledge and the digital foundation



Planet

Advancing environmentally sustainable growth in a connected world

Energy and greenhouse gas reduction

Product end of life

Beyond Cisco, we are nurturing the talents of problem solvers around the world by providing foundational digitization and entrepreneurship skills to individuals of diverse backgrounds, preparing them to thrive in the digital economy. In fiscal 2016, through our Cisco Networking Academy Program, we reached more than one million students in 170 countries. We also provide our students with career resources and connections to employers seeking IT talent, which we believe drives value for Cisco and our customers, partners, and communities worldwide. Our goal is to achieve a milestone of two million students a year within the next five years.

Society

We help scale positive inclusive social and economic impact in countries around the world.

Throughout our global supply chain, we strive for transparent, ethical standards on how we source raw materials and in promoting fair working conditions and respect for human rights, while nurturing a diverse supply chain.

In our increasingly digitized world, we are committed to maintaining the ongoing trust of our stakeholders by advocating for global standards and by our efforts to improve product security and protect data privacy to help enable widespread access to information and freedom of expression.

We are enabling social enterprises and non-profits to accelerate early stage, technology-based solutions addressing education, economic empowerment, critical human needs, and disaster response. We focus on supporting solutions that can be scaled and replicated sustainably to positively impact millions in underserved communities around the world. Our non-profit partners report that our cash grant investments—focused on critical human needs, education, and economic empowerment—positively impacted more than 78 million people in fiscal 2016.

Planet

We advance environmentally sustainable growth in a connected world.

In fiscal 2016, we implemented more than one hundred energy efficiency and onsite renewable energy projects. We increased our use of low-carbon, renewable energy to about 75% of our worldwide electricity demand. We are on target to reduce greenhouse gas emissions from our worldwide operations by 40% absolute by the end of fiscal 2017 compared to our fiscal 2007 baseline.

We are investing in transformative solutions and sharing energy-efficiency best practices with our customers and partners. Many of our products improve building energy management; facilitate remote collaboration

We are building a portfolio of initiatives that we believe will reach 100 million people annually, including:

- Developing digital skills to inspire people to become global problem solvers, with the goal of doubling the number of Cisco Networking Academy students to two million annually
- Investing in global problem solvers who apply innovative solutions and harness the power of the digital revolution
- Catalyzing an innovative and entrepreneurial ecosystem that supports progress and inclusive growth

We have an ambitious goal to positively affect one billion people by 2025.

to improve productivity and reduce business travel; promote teleworking and office mobility, also increasing the utilization of company real estate; and enable energy-efficient cloud computing for businesses and their customers worldwide. We are piloting, with a manufacturing partner, an IoT factory of the future, measuring energy consumption of systems and equipment to learn how to apply IoT principles to customer manufacturing facilities worldwide.

We are also using circular economy principles to inform product and packaging design; drive increased product returns for resale or recycling; and implement IoT technologies for improved asset tracking, maintenance, and operations.

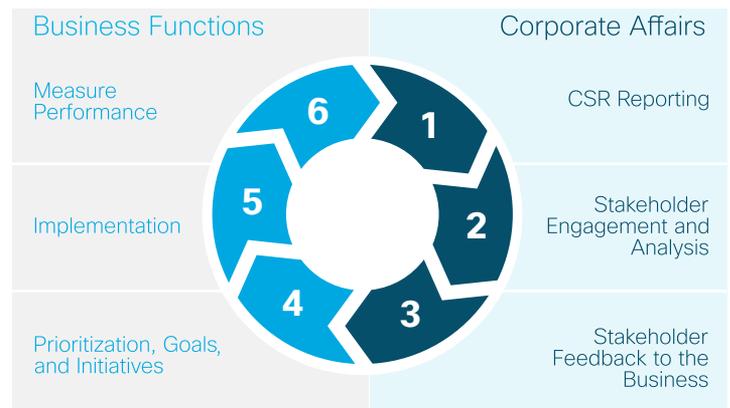
CSR Governance

CSR is integrated into Cisco's business strategy and functions. It is foundational to our culture and a core value by which we do business.

Our Corporate Affairs Group champions Cisco's companywide commitment to CSR performance and transparency. It leads Cisco's social investment programs and stewards corporate social responsibility across the business through our CSR reporting activities, external stakeholder engagement, and CSR analysis.

The business functions set CSR/sustainability goals, implement plans, and measure performance. Where issues require a cross-functional approach, teams are established to implement our commitments.

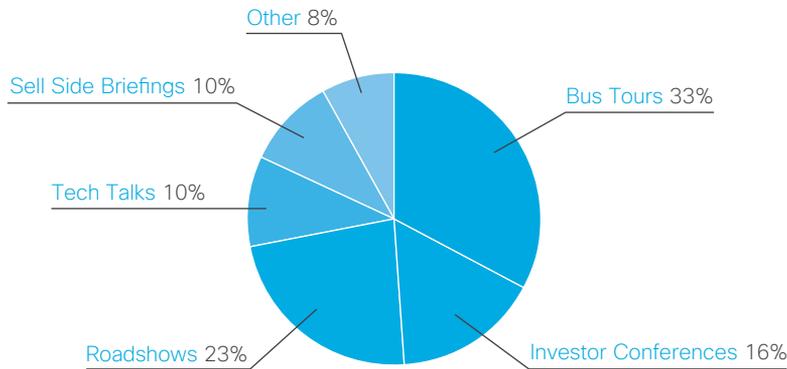
Our CSR Business Process



For more information about our performance, see our CSR website at <http://csr.cisco.com>.

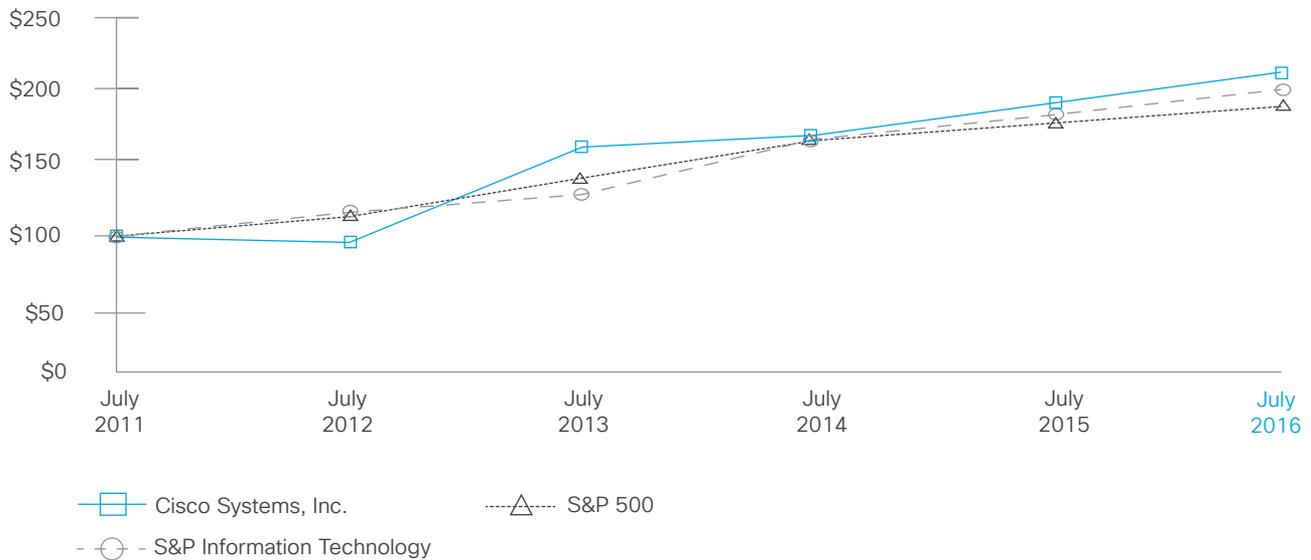
Investor Relations

Our Fiscal 2016 Investor Engagement



For webcasts and additional information, view our [events calendar](#)

Comparison of 5-Year Cumulative Total Return



The above graph shows a five-year comparison of the cumulative total shareholder return on Cisco common stock with the cumulative total returns of the S&P 500 Index and the S&P Information Technology Index. The graph tracks the performance of a \$100 investment in Cisco's common stock and in each of the indexes (with the reinvestment of all dividends) on the date specified. Shareholder returns over the indicated period are based on historical data and should not be considered indicative of future shareholder returns.

Information for Investors

If you would like to learn more about Cisco, our investor relations website is a great place to start. There you will find the latest information about our earnings and stock performance as well as presentations and webcasts.

investor.cisco.com

Investor Contact

To contact investor relations:
Investor Relations Department
 Cisco Systems, Inc.
 170 West Tasman Drive
 San Jose, CA 95134-1706
 USA
 Phone: 1 408 227 CSCO (2726)

Shareholder Information

Executive Officers

Charles H. Robbins
Chief Executive Officer

John T. Chambers
Executive Chairman

Mark Chandler
Senior Vice President, Legal Services,
General Counsel and
Chief Compliance Officer

Chris Dediccoat
Executive Vice President
Worldwide Sales and Field Operations

Rebecca Jacoby
Senior Vice President and Chief of
Operations

Kelly A. Kramer
Executive Vice President and Chief
Financial Officer

Karen Walker
Senior Vice President and Chief
Marketing Officer

Principal Accounting Officer

Prat S. Bhatt
Senior Vice President, Corporate
Controller and Chief Accounting
Officer

Resources

Investor Relations

For more information about Cisco,
to view the Annual Report online, or
to obtain other financial information
without charge, contact:

Investor Relations
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
1 408 227 CSCO (2726)
<http://investor.cisco.com>

Cisco's stock trades on the NASDAQ
Global Select Market under the ticker
symbol CSCO.

Transfer Agent and Registrar

Computershare Investor Services
P.O. Box 43078
Providence, RI 02940-3078
Website:
www-us.computershare.com/investor
Toll-free: 1 800 254 5194
International: 1 781 575 2879

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
San Jose, California

Notice of Annual Meeting

Cisco Systems, Inc.
Building 9
260 East Tasman Drive
San Jose, CA 95134
Monday, December 12, 2016
10 a.m. Pacific Time

Forward-Looking Statements

This Annual Report contains forward-looking statements regarding future events and our future results that are subject to the safe harbor provisions created under the Securities Act of 1933 and the Securities Exchange Act of 1934, each as amended. These statements are based on current expectations, estimates, forecasts, projections, and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “momentum,” “seeks,” “estimates,” “continues,” “endeavors,” “strives,” “may,” variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to our anticipated growth, trends in our business 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 due to a variety of factors, including business and economic conditions and growth trends in the networking industry; our customer markets and various geographic regions; global economic conditions and uncertainties in the geopolitical environment; overall information technology spending; the growth and evolution 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 and other customer markets; the return on our investments in certain priorities, key growth areas, and in certain geographical locations, as well as maintaining leadership in routing, switching, and services; the timing of orders and manufacturing and customer lead times; changes in customer order patterns or customer mix; insufficient, excess, or obsolete inventory; variability of component costs; variations in sales channels, product

costs, or mix of products sold; our ability to successfully acquire businesses and technologies and to successfully integrate and operate these acquired businesses and technologies; our ability to achieve expected benefits of our partnerships; increased competition in our product and service markets, including the data center market; 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, shareholder, and other matters and governmental investigations; our ability to achieve the benefits of the announced restructuring and possible changes in the size and timing of the related charges; man-made problems such as cyberattacks, data protection breaches, computer viruses, or terrorism; natural catastrophic events; a pandemic or epidemic; our ability to achieve the benefits anticipated from our investments in sales, engineering, service, marketing, and manufacturing activities; our ability to recruit and retain key personnel; our ability to manage financial risk and to manage expenses during economic downturns; risks related to the global nature of our operations, including our operations in emerging markets; currency fluctuations and other international factors; changes in provision for income taxes, including changes in tax laws and regulations or adverse outcomes resulting from examinations of our income tax returns; potential volatility in operating results; and other factors listed in Cisco’s most recent report on Form 10-K contained in this Annual Report. Our results of operations for the year ended July 30, 2016 are not necessarily indicative of our operating results for any future periods. We undertake no obligation to revise or update any forward-looking statements for any reason.

© 2016 Cisco and/or its affiliates. All rights reserved. Cisco and the Cisco logo are trademarks or registered trademarks of Cisco and/or its affiliates in the U.S. and other countries. To view a list of Cisco trademarks, go to this URL: www.cisco.com/go/trademarks. Third-party trademarks mentioned in this document are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. This document is Cisco public information.

WORLDWIDE OFFICES

Americas Headquarters

San Jose, California, USA

Asia Pacific Headquarters

Singapore

Europe Headquarters

Amsterdam, Netherlands

Cisco has more than 400 offices worldwide.

Addresses and phone numbers are listed on the Cisco website at www.cisco.com/go/offices.

