

The background features several large, overlapping, rounded rectangular shapes in various colors: orange, light blue, dark blue, green, and yellow. A small vertical bar with a rainbow gradient is positioned to the left of the text.

Q4 Fiscal Year 2013 Post-earnings Industry Analyst Call

August 15, 2013



FORWARD-LOOKING STATEMENTS

This presentation 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. Please see Cisco's filings with the SEC, including its most recent filings on Form 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.

GAAP RECONCILIATION

During this presentation references to financial measures of Cisco will include references to non-GAAP financial measures. Cisco provides a reconciliation between GAAP and non-GAAP financial information on our website at www.cisco.com under "About Cisco" in the "Investor Relations" section.

<http://investor.cisco.com/financialstatements.cfm>



Q4 FY'13 Takeaways

- Drove both top line growth and bottom line non-GAAP EPS growth, with stable gross margins for the year and strong operating margins...
- **Leading many of the technology transitions** in the market...**network squarely at the center** of cloud, mobility, BYOD, security and the Internet of Everything...uniquely positioned to help our customers meet their business goals...
- Delivered **strong performance** in what continues to be a **challenging and inconsistent global macro-economic environment**
- Committed to our long-term financial model, including driving profitable revenue growth of 5-7%.
- Our **vision and strategy are working**... relevance with customers is only growing as we move to become the number 1 IT Company.



FY'13 non-GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)

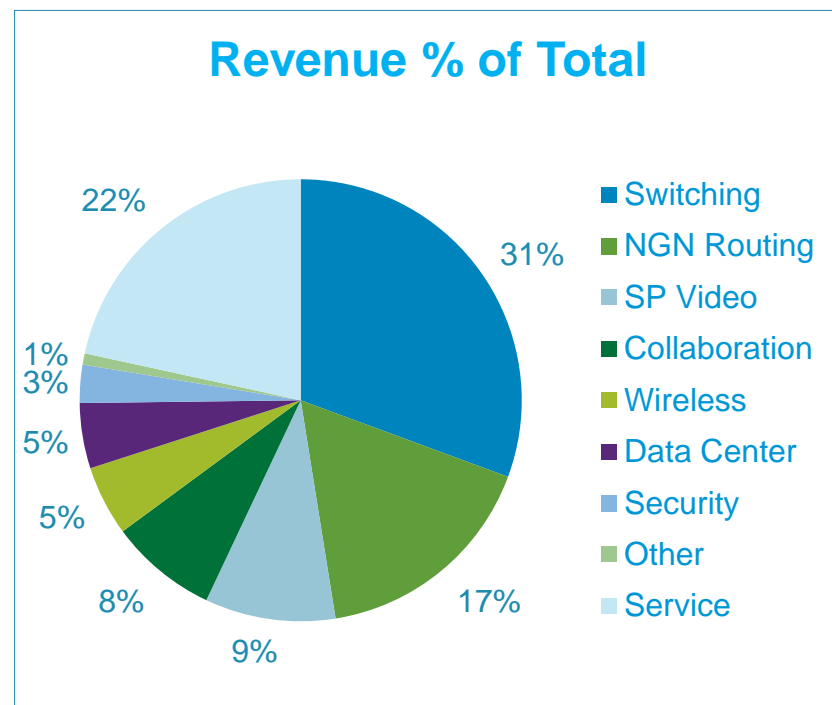
	FY'12	FY'13
Revenue	\$46,061	\$48,607
<i>Year/Year Growth</i>	7%	6%
Product	36,326	38,029
Service	9,735	10,578
Gross Margin	62.4%	62.5%
Product Gross Margin	61.2%	61.3%
Service Gross Margin	67.2%	67.0%
Operating Expenses	16,027	16,718
OPEX (% of Revenue)	34.8%	34.4%
Operating Income (% of Revenue)	27.7%	28.1%
Net Income	\$10,017	\$10,866
<i>Year/Year Growth</i>	11%	8%
EPS (diluted)	\$1.85	\$2.02
<i>Year/Year Growth</i>	14%	9%

Q4 FY'13 non-GAAP Income Statement Highlights

\$M (except per-share amounts and percentages)	Q4 FY'12	Q3 FY'13	Q4 FY'13
Revenue	\$11,690	\$12,216	\$12,417
<i>Year/Year Growth</i>	4%	5%	6%
Product	9,150	9,559	9,736
Service	2,540	2,657	2,681
Gross Margin	61.9%	63.0%	62.1%
Product Gross Margin	60.4%	62.1%	60.8%
Service Gross Margin	67.1%	66.5%	67.1%
Operating Expenses	4,022	4,251	4,210
OPEX (% of Revenue)	34.4%	34.8%	33.9%
Operating Income (% of Revenue)	27.5%	28.2%	28.2%
Net Income	\$2,527	\$2,728	\$2,847
<i>Year/Year Growth</i>	15%	5%	13%
EPS (diluted)	\$0.47	\$0.51	\$0.52
<i>Year/Year Growth</i>	18%	6%	11%

Q4 FY'13 – Revenue Highlights

	Y/Y Growth	
	\$M	%
Switching	\$3,803	5%
NGN Routing	2,092	0%
Service Provider Video	1,185	23%
Collaboration	978	(2%)
Wireless	637	32%
Data Center	593	43%
Security	346	0%
Other Products	102	(56%)
Service	2,681	6%
Total Cisco	\$12,417	6%



Q4 FY'13 Geographic Revenue and Gross Margin

	Revenue			Gross Margin		
	Percentage					
	Q4 FY'12	Q3 FY'13	Q4 FY'13	Q4 FY'12	Q3 FY'13	Q4 FY'13
\$M (except percentages)						
Americas	\$6,895	\$7,127	\$7,353	62.7%	62.6%	61.8%
EMEA	2,820	3,131	3,145	61.6%	65.3%	64.4%
APJC	1,975	1,958	1,919	59.6%	61.1%	59.5%
Geographic Total	\$11,690	\$12,216	\$12,417	61.9%	63.0%	62.1%

Historical product revenue is available on our website at <http://investor.cisco.com> under “Financial Reporting” in the “Investor Relations” section.



Q4 FY'13 Product Orders: Geographic Regions & Customer Segments

Geographic Region	Y/Y Growth %
Americas	5%
EMEA	6%
APJC	(3%)
Total Cisco	4%

Customer Segment	Y/Y Growth %
Enterprise	(2%)
Public Sector	6%
Commercial*	5%
Service Provider	6%
Total Cisco	4%

Product Book to Bill

Comfortably above 1

** Includes Consumer prior to the sale of the Linksys product line.*



Q4 FY'13 Key Financial Measures

	Q4 FY'12	Q3 FY'13	Q4 FY'13
Cash and Cash Equivalents and Investments (\$M)	\$48,716	\$47,388	\$50,610
Operating Cash Flow (\$M)	\$3,088	\$3,094	\$3,986
Accounts Receivables (\$M)	\$4,369	\$4,942	\$5,470
Days Sales Outstanding	34	37	40
Inventory (\$M)	\$1,663	\$1,469	\$1,476
Non-GAAP Inventory Turns	11.3	11.9	12.8
Purchase Commitments (\$M)	\$3,869	\$4,215	\$4,033
Deferred Revenue (\$M)	\$12,880	\$12,685	\$13,423
Product Deferred Revenue (\$M)	\$3,707	\$3,980	\$4,020
Service Deferred Revenue (\$M)	\$9,173	\$8,705	\$9,403
Headcount	66,639	74,157	75,049

Capital Allocation



	Q1 FY'13	Q2 FY'13	Q3 FY'13	Q4 FY'13	FY'13
Share Repurchases (\$M)	\$253	\$500	\$860	\$1,160	\$2,773
Dividends paid (\$M)	\$744	\$743	\$905	\$918	\$3,310
Total (\$M)	\$997	\$1,243	\$1,765	\$2,078	\$6,083

	Q1 FY'13	Q2 FY'13	Q3 FY'13	Q4 FY'13	FY'13
Dividends per Share	\$0.14	\$0.14	\$0.17	\$0.17	\$0.62

Share Repurchase Program*	Amount Purchased (\$M)	Number of Shares (M)	Avg. Price Per Share
Q4 FY'13 Purchases	\$1,160	47	\$24.80
FY'13 Purchases	\$2,773	128	\$21.63

* Approximately \$3.1B remaining authorized funds in repurchase program as of the end of Q4 FY'13.

Q&A

To ask a question live, click the “hand” icon on your screen and your line will be un-muted to ask your question

To submit a question online, please submit through the “CHAT” panel and send to “Host and Panelists”



Forward-Looking Statements



These presentation slides and the related conference call contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, statements regarding future events (such as our ability to be the #1 IT company; the desire of our customers and partners for Cisco's help to successfully navigate the inconsistent global landscape; the benefits to our customers of our leadership in their product categories and our ability to bring technologies and solutions together in an architecture to lower operating costs and accomplish other business objectives; our financial strategy and our ability to continue profitable growth to maximize shareholder value for the long term; and the expectation that the Internet of Everything (IoE) will enable global private-sector businesses to generate profits) and the future financial performance of Cisco that involve risks and uncertainties. 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, including our foundational priorities, and in certain geographical locations; 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; 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; 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 reports on Forms 10-Q and 10-K filed on May 21, 2013 and September 12, 2012, respectively. The financial information contained in these presentation slides and the related conference call should be read in conjunction with the consolidated financial statements and notes thereto included in Cisco's most recent reports on Forms 10-Q and 10-K, as each may be amended from time to time. Cisco's results of operations for the three and twelve months ended July 27, 2013 are not necessarily indicative of Cisco's operating results for any future periods. Any projections in these presentation slides and the related conference call are based on limited information currently available to Cisco, which is subject to change. Although any such projections and the factors influencing them will likely change, Cisco will not necessarily update the information, since Cisco will only provide guidance at certain points during the year. Such information speaks only as of the date of these presentation slides and the related conference call.





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