# Cisco EMEAR

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President, EMEAR

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# Forward-looking Statements

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# 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

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# Agenda

EMEAR Economic Environment

EMEAR Vision Strategy Execution

Network Rail

Clayton Nash

Head of Telecoms Products

Q&A

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# THE ECONOMY
## EUROPE (End 2013)

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# THE ECONOMY
## UK (End 2013)

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# THE ECONOMY
## GERMANY

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# THE ECONOMY

## MIDDLE EAST, AFRICA, RUSSIA (Ed 2013)

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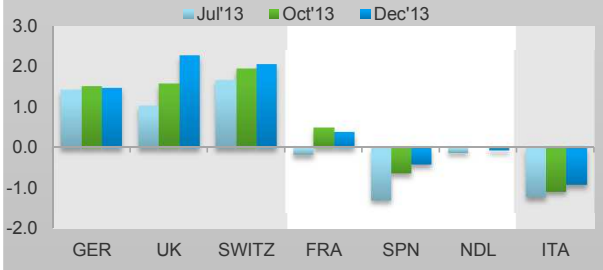
# EMEAR Macro-economic Outlook

## Economy rebalancing continues, but at a slower pace

### Continued recovery in Europe

- **Europe continues to recover,** but not uniformly across the region
- **Germany solid**
- **UK Q4 CY13 growth fastest in 5 years**; UK to become Europe's **fastest growing economy** in 2014
- **Mixed data from France** suggest a **slow recovery**
- **Spain** and **Netherlands out of recession**; **Italy** improving, but still **contracting**

**FY14 Real GDP YoY Growth (%)**

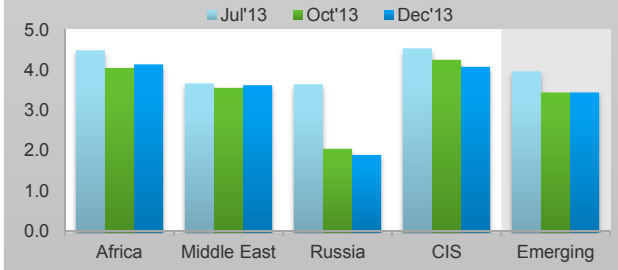



Source: IHS Global Insight

### Emerging growth, combined with volatility

- **Capital flow uncertainty** driven by the unwinding of US stimulus **leading** to investor **risk** and **volatility**
- **Emerging** to remain **fastest growing** theatre, but **growth not universal** as in the past years
- **Modest outlook for some countries** (e.g. Russia) amid lack of structural reforms
- **Oil exporter prospects remain high** driven by high oil prices

**FY14 Real GDP YoY Growth (%)**

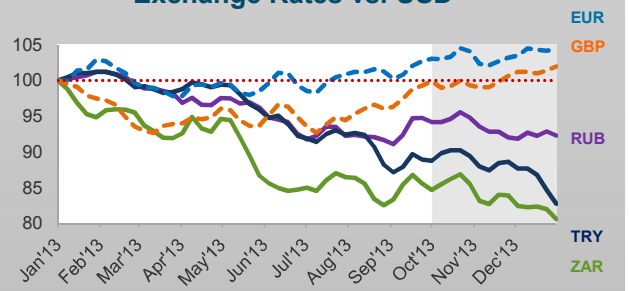



Source: IHS Global Insight

### Reversal of capital flows stabilising

- **Unwinding** of **US stimulus announced**; US asset purchases down by $10bn/month from Jan '14
- **Already priced in** by the markets, hence **no widespread FX drop** except in countries with large trade deficits and political instability (Turkey, South Africa)
- **ECB rates** remain at **record lows** to counter the rise of the Euro and **support** Europe's fragile **economic recovery**

**Exchange Rates vs. USD**




Values below 100 indicate a depreciation
Source: FT, Oanda

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# Mega Trends

**New Market Dynamics**

Globalisation

Pace of Change

**New Demands**

Personalisation

Demographics

**Sustainability**

Circular Economy

Future Workforce

**Technology**

Internet of Everything

Exponential Progress

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# Major IT Industry Transitions are underway….

| Technology Trends | Customer Challenge | Next Generation IT Opportunity |
|---|---|---|
| Mobile | Explosion of mobile devices, new breed of applications, high user expectations | Increased **infrastructure relevance to applications and services** – secure, unified and programmable architectures |
| Cloud | New consumption models (ITaaS), increased spend from LoB Security | Expanding IaaS to **IaaS + cloud platform + orchestration** – flexible deployment models (hybrid federated cloud), open source |
| Internet of Things | Managing sensor networks, M2M, Big Data analytics | **IoT architecture** New vertical solutions Integrating IT & OT |

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# Major IT Industry Transitions - Software

| Technology Trends | Organisation Challenge | Next Generation IT Opportunity |
|---|---|---|
| Open Source | Excessive cost of proprietary implementations | Barrier to entry is low<br>Open Source “everywhere”<br>(M/ware, ERP, Video, DC, SDN, etc) |
| Software Everywhere | Available Skills | Build in-house capability<br>Every company becomes a “software” company |
| Increasing Rate of Innovation | Managing Legacy<br>Migrating Legacy<br>Killing Legacy | Adopt agile development<br>LOB directly involved in IT dev |

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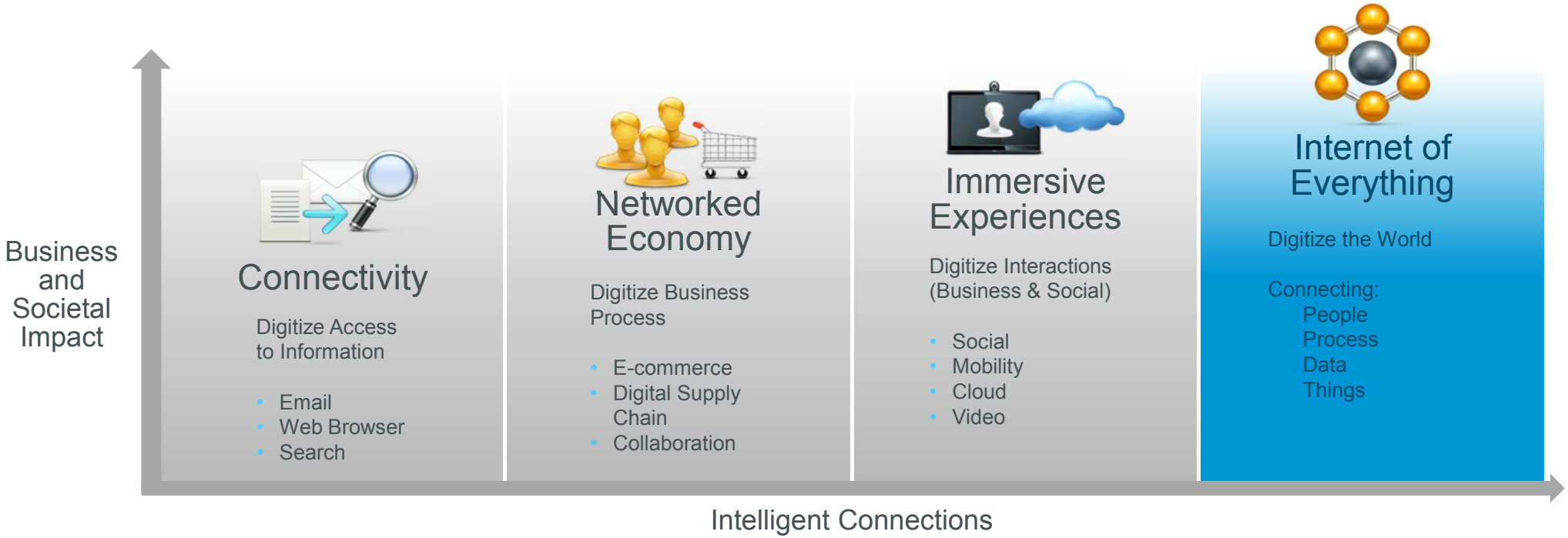
# Our Vision and Strategy

# The Evolution of the Internet

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# Our Priorities Align to Solve your Business Challenges

## Intelligent Network

Leadership in the Core…
- Routing
- Switching
- Services

Data Center/ Virtualization/ Cloud

Video

Collaboration

Architectures for Business Transformation

Mobility | Security | Any to Any

## Strategic Building Blocks

**Mobile | Social | Visual | Virtual**

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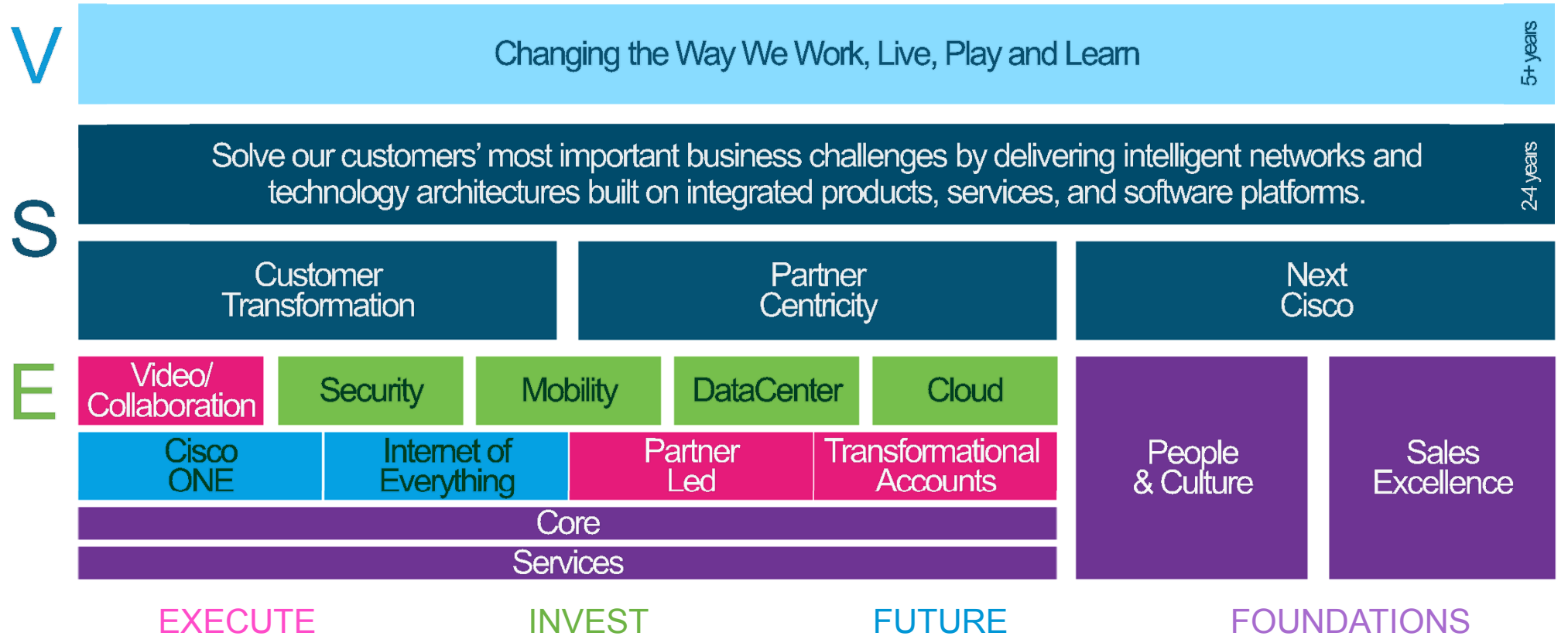
# FY14 EMEAR Vision, Strategy, Execution

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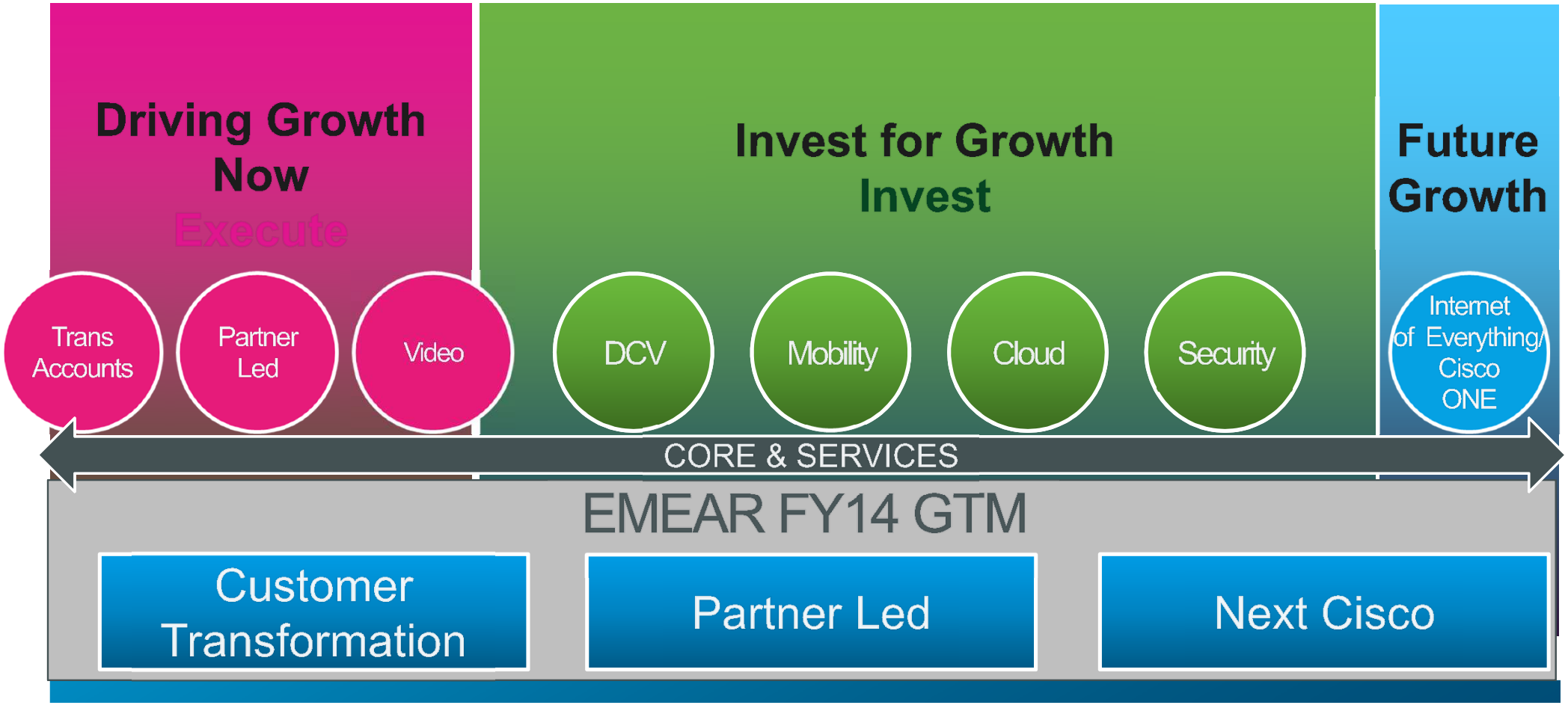
# EMEAR Growth Drivers and GTM Strategy

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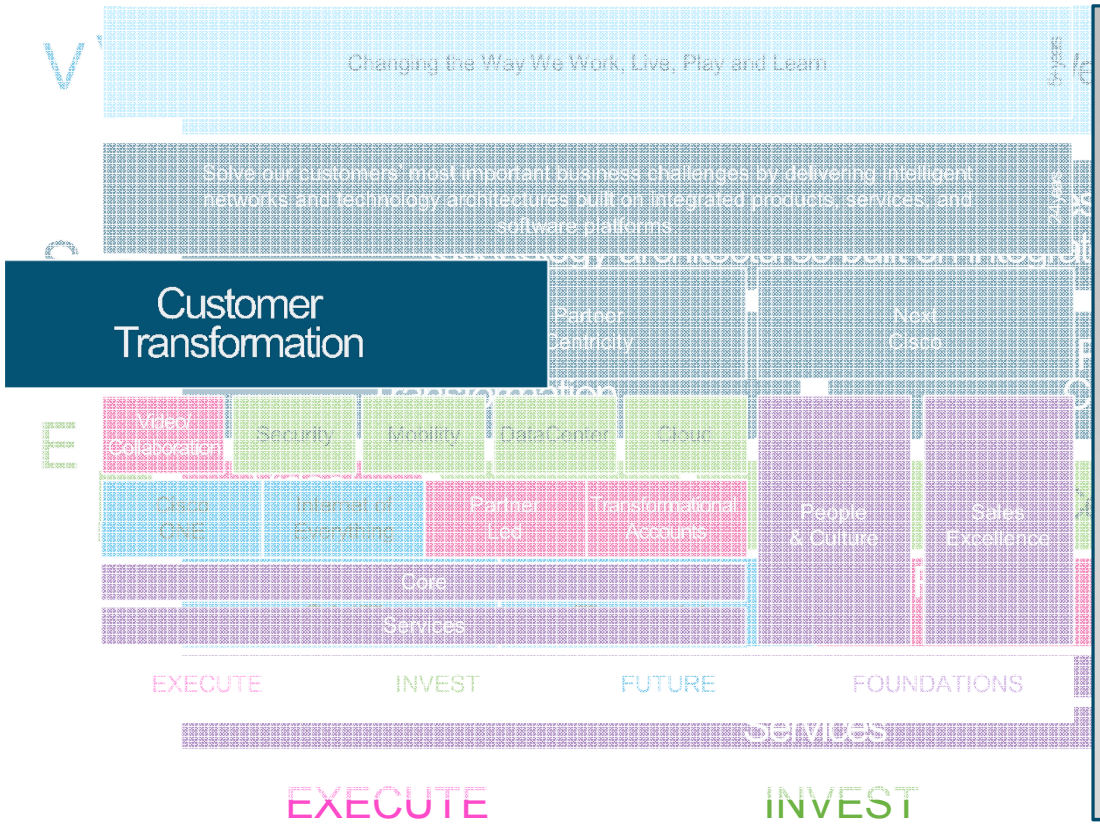
# FY14 EMEAR Vision, Strategy, Execution



## Connected Boulevard - Nice, France

- Smart Mobility: interactive information on parking & traffic
- Smart lighting: node management & high cost saving
- Smart Waste Management: optimized collection
- Smart Environmental Monitoring: quality of living

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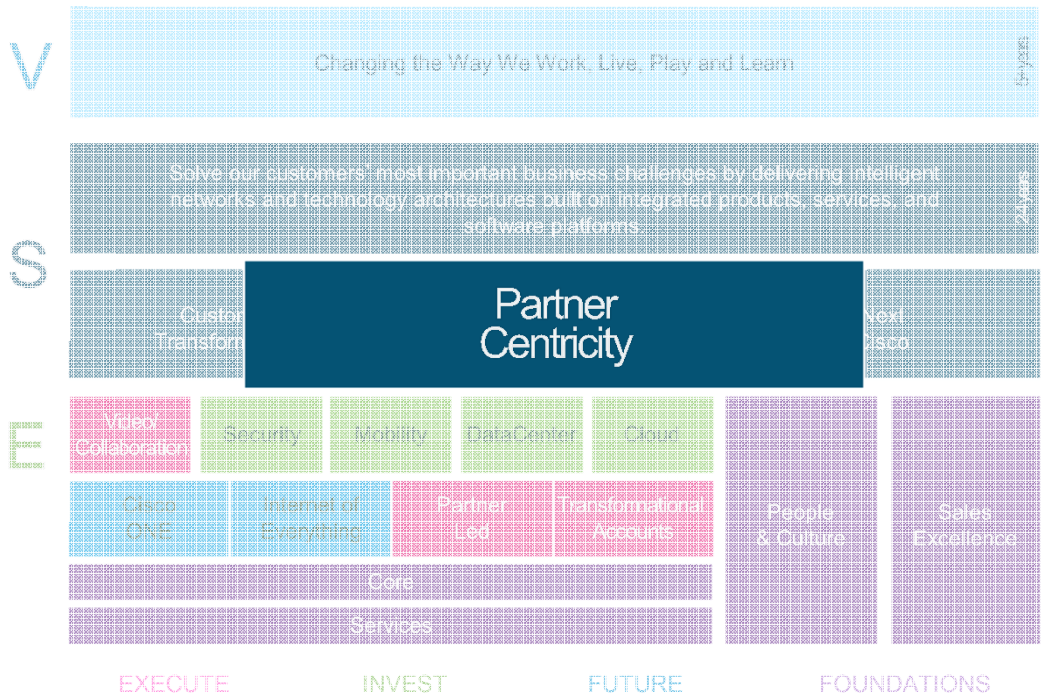

## Evolution of our partnerships are based on

- Market transitions
- Technology portfolio

Building a very diverse eco-system of partners

THALES FINMECCANICA

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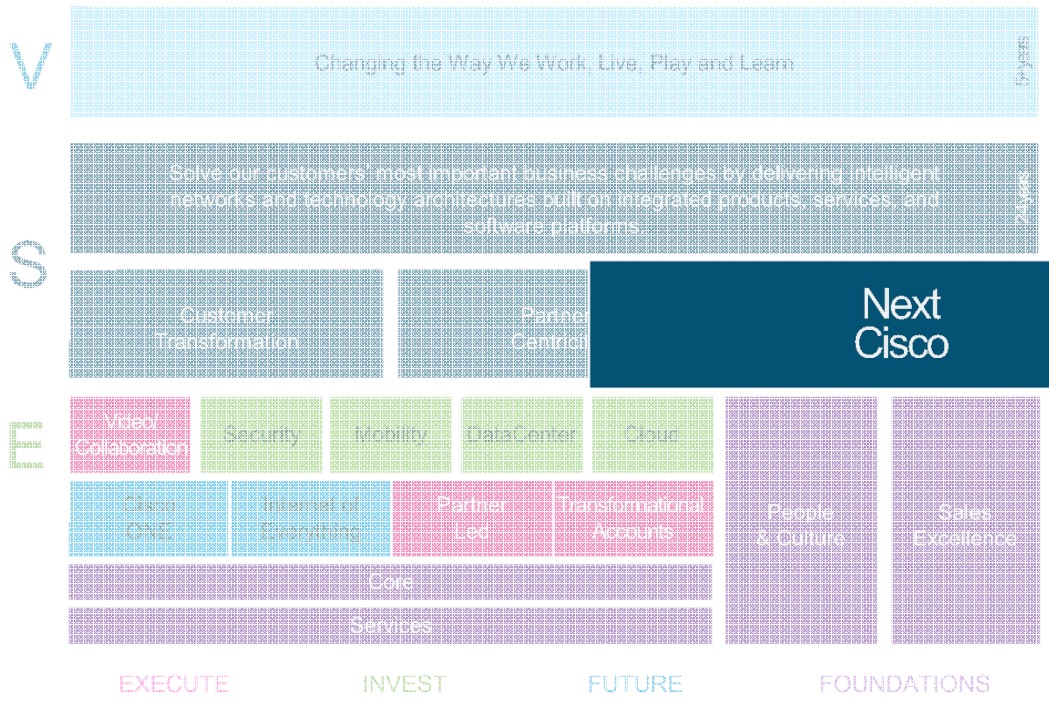
# FY14 EMEAR Vision, Strategy, Execution



## Israel FTTH Infrastructure and Technology improving the lives of citizens by harnessing the culture of innovation

*Superfast fiber to the home network could mean a wave of digitisation - and even more startups - for Israel*

- Create a Digital Agenda for Israel's country transformation
- Remove barriers of entry for innovative service creation
- Access to services for all over next generation fiber infrastructure
- Harness High Tech sector to innovate locally / drive global exports
- Focus on key sectors (Education, Health, Technology, Welfare and Cyber Security) to deliver sustained growth

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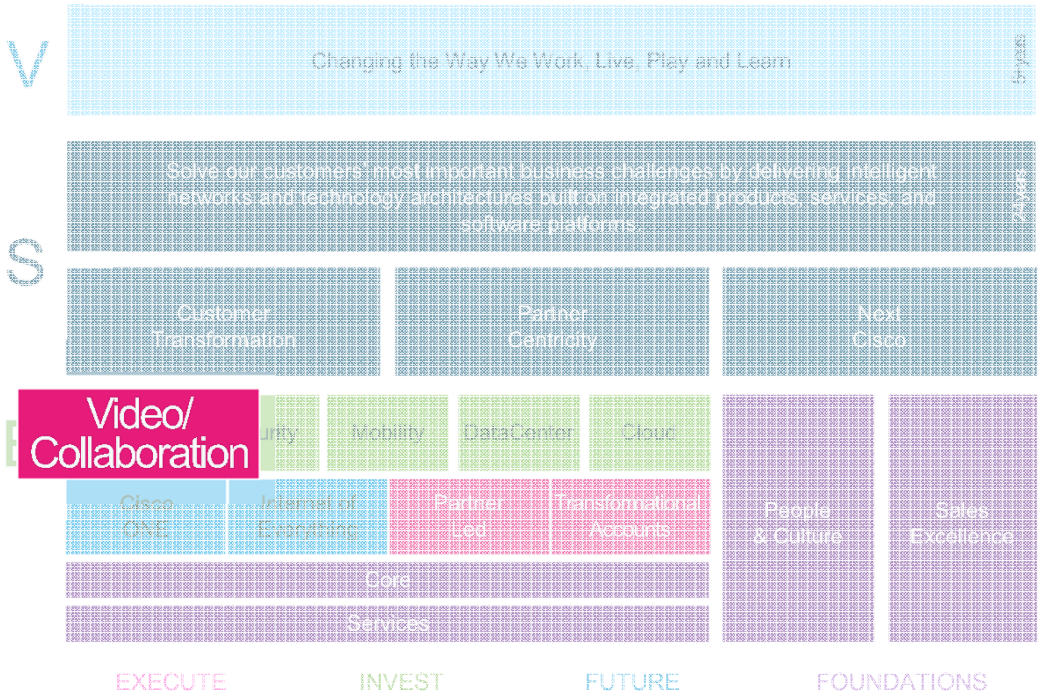


- Cisco SP Video Software and Solution
- Content Security Solution
- Platform to support 2014 FIFA World Cup, Middle East, North Africa, driving new subscribers
- Drive new revenue and services and expanding into South America and Europe over next 2 years.

Technology:
Cisco VideoGuard, MediaHighway Middleware
User Interface and headend solution based on Cisco UCS

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# Video Collaboration Increases Sales for U.K. Financial Firm

**Remote Expert Smart Solution helps Nationwide improve customer service while beating mortgage market competition**

Nationwide

“ The Cisco solution has helped us improve customer satisfaction and staff efficiency while at the same time increasing mortgage sales. The business case in favour of the Cisco solution stacked up quickly.”

**Andrew Nation**
**Senior Manager, Future Customer Outcomes**
**Nationwide**

## Challenges

- Improve customer satisfaction
- Enhance access to experts
- Reduce leakage of business to competitors

## Solution

- Cisco Remote Expert Smart Solution
- Cisco Services for planning, design, build, and deployment

## Impact

- 2/3rd improvement in new mortgage business
- Double digit improvement in customer net satisfaction
- 2/3rd reduction in cost of sale

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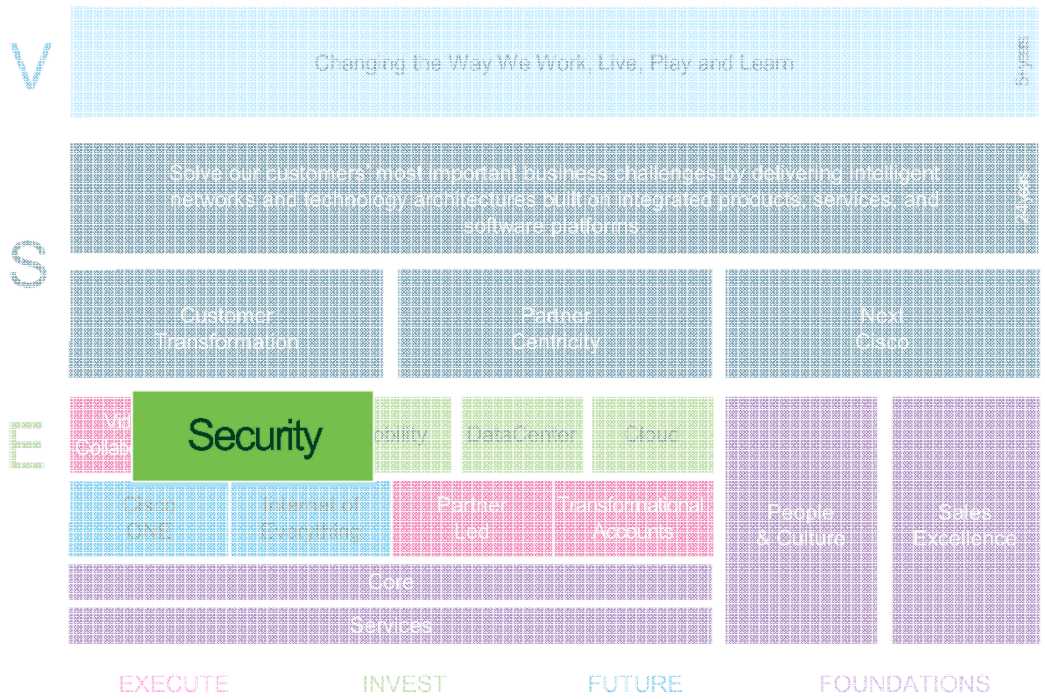
# FY14 EMEAR Vision, Strategy, Execution



## Major EMEAR-based Global SP

**Challenge:** Address internal and external malicious threats

Solution: Enhance Access Policy, Network Threat Visibility, and Threat Response capabilities

- Cisco ISE enables BYOD initiative to drive productivity, staff choice, mobility, access control in the workplace
- Cyber Threat Defense – Leverages Cisco network with our Lancope tool to gain pan-network **threat visibility,** with mitigation & remediation capability
- Compliments the global deployment of Cisco's (SourceFire) NG-IPS, as ISE 1.3 will bring contextual intelligence to the NG-IPS
- NG-IPS deployment critical in achieving security compliance to enable the SP to win (sensitive) government contracts

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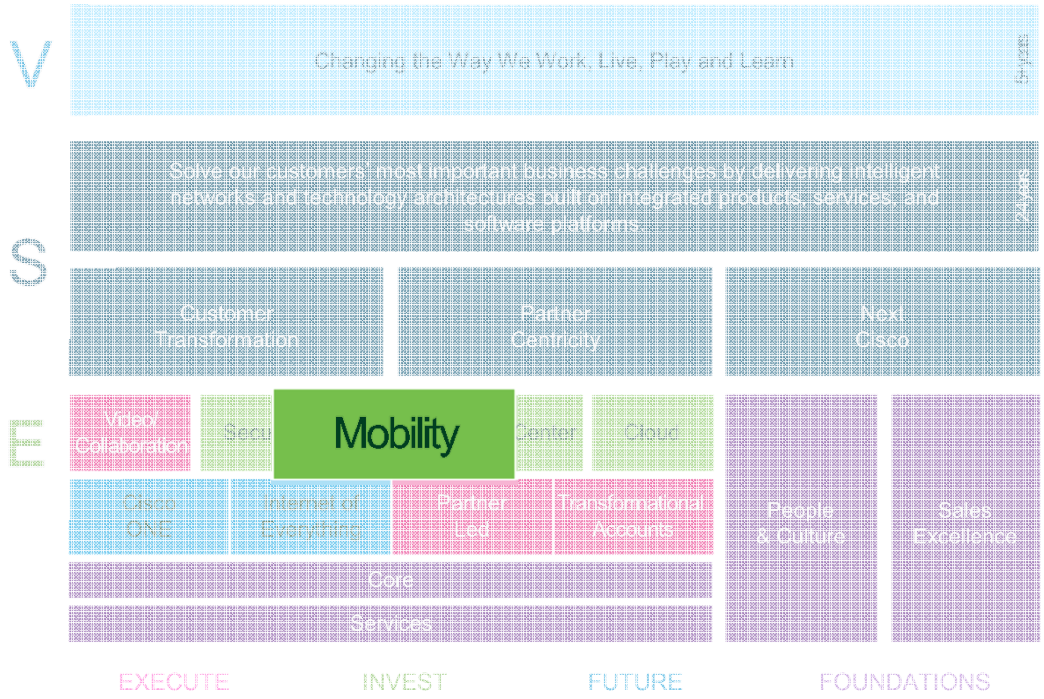

SFR

- SFR's IP network 100% Cisco CRS, ASR 9K
- Launched 4G in Nov 2013 six months ahead of competition
- Mobility is strategic: Cisco Packet Core and IP RAN Backhaul

sky

- Triple Play, Internet TV, OTT services (Sky Go and NOW TV)
- Cisco Network Convergence System powers Internet of Everything
- Creates new revenue streams, simplify operations, personalised experiences

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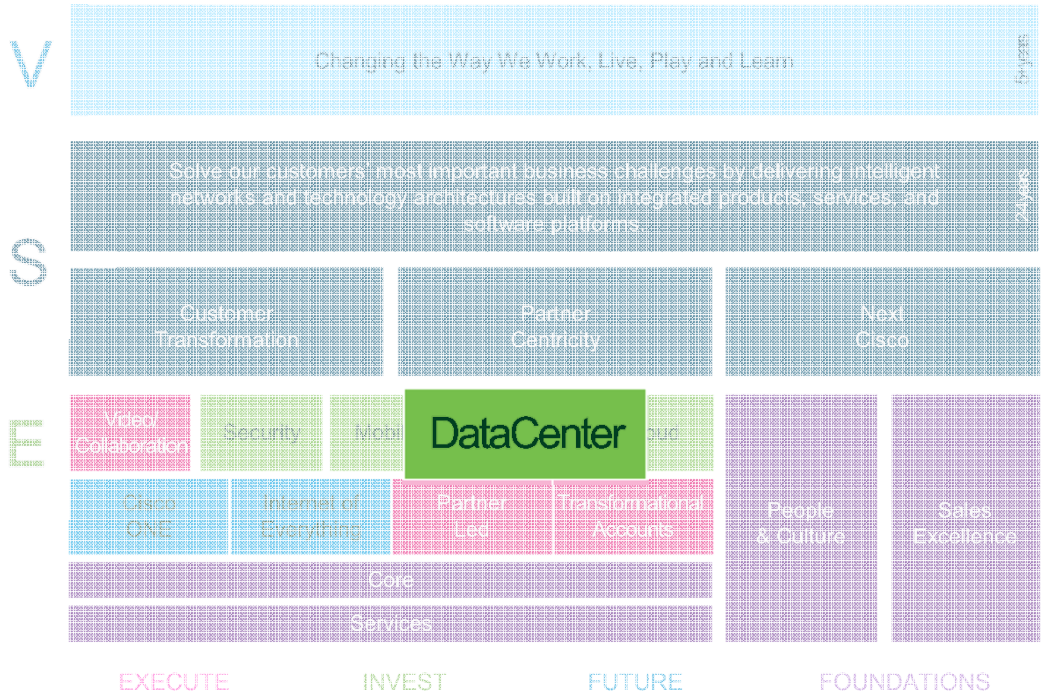
# FY14 EMEAR Vision, Strategy, Execution



GFO
Ja zur Menschenwürde.

Gemeinnützige Gesellschaft der Franziskanerinnen zu Olpe

GFO
Ja zur Menschenwürde.

- GFO: Increase agility, efficiency and reduce costs
- Solution: Flexpod, UCS, Nexus, Netapp, Vmware
- New server provision: improved from days to minutes
- Application performance improvement 75%
- Server consolidation up to 75%
- Increased server utilisation by at least 20%

UCS No. 2 in 4 years

- No. 2: EMEAR (16%)
- No. 2: US (30.4%)
- No. 2: Worldwide (22%)

*UCS Market Share in the x86 blade servers*

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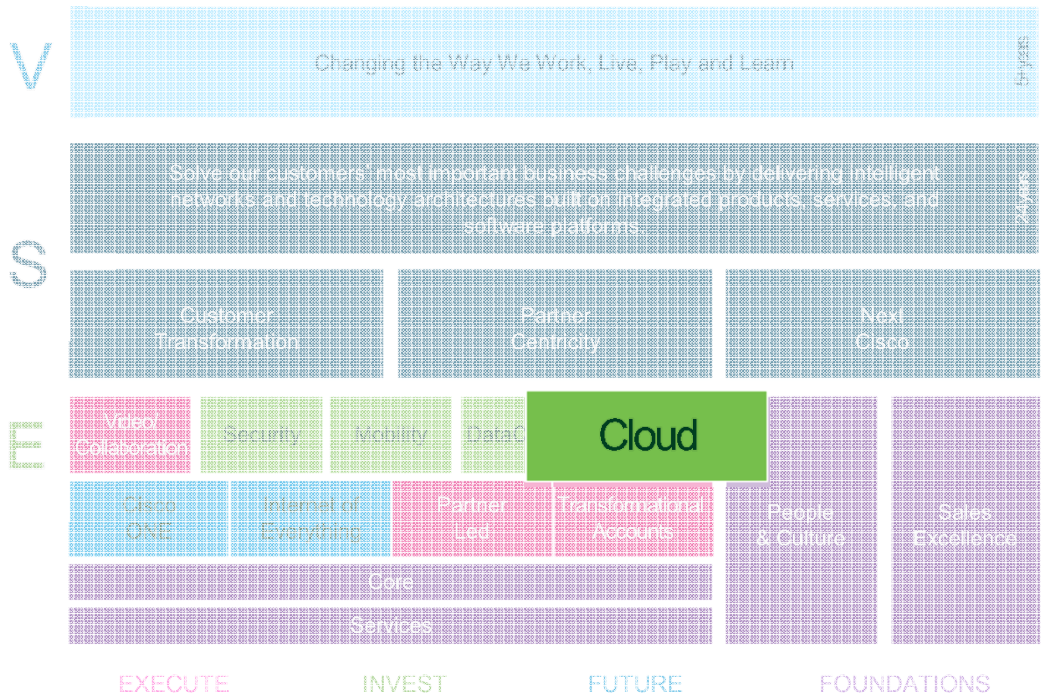

Deutsche Telekom

kpn

Deutsche Telekom

- Collaboration Platform for Global Enterprise IT and external Enterprise Customer HCS
- Full Collaboration Suite: WebEx, UC, TelePresence
- Internal Solution: 20 TelePresence systems / 10,000 Cisco IP-Phones

kpn

- Migrate existing on-premises PBX customers to cloud
- Solution: Cisco HCS
- OPEX model for licenses enables gradual migration

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# Innovation

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# Cisco's Innovation Framework

- R&D $5.9B (12.1% of revenue in FY13)
- 25,000 Engineers

- 160+ acquisitions
- One-third of revenue

Build

Buy

Integrate

Partner

Cloud Providers
Service Providers
Independent Software Vendors
Learning Partners
Developers

Services Partners
Technology Partners
Solution Providers / Systems Integrators
Distributors
Consulting Partners

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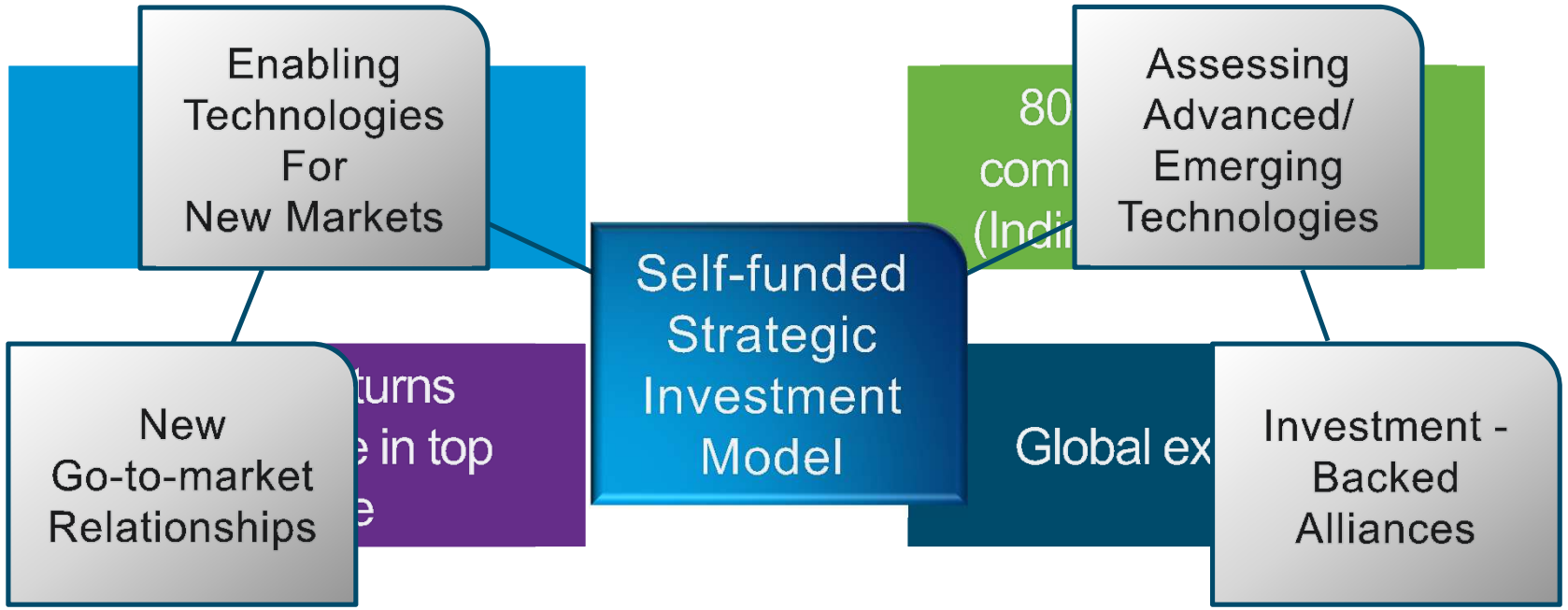
# Acquisition Summary

# Investment Strategy

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# Why Cisco Invests

| Rationale | Examples |
| --- | --- |
| 1 New Market Learning | belly, APPTIO, quantcast, ARAVO, CohdaWireless Mobile Broadband |
| 2 Enabling Technologies | Parallels, puppet labs, MAVENIR, atlantis COMPUTING, Digitalsmiths |
| 3 Investment Backed Alliances | VCE, u.Life Solutions, QYUKI, vmware |
| 4 Geo Exposure | SAIFPartners, Almaz Capital Partners, 3TS CAPITAL PARTNERS, SKYLAKE Incuvesting Innovation |

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# Investment Areas

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# Summary

Innovation and Productivity driving customer and country competitiveness

Technology architectures supporting new business models

Internet of Everything is real opportunity for customers /partners

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# C-Scape

14-15 January 2014 | Bedfont Lakes, UK

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C-Scape
14-15 January 2014 | Bedfont Lakes, UK

# Clayton Nash

## Head of Telecoms Products

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# Summary

Internet of Everything Connecting People, Processes, Data and Things

Solving Our Customers Most Important Business Challenges

Cisco is Changing The Way The World Works, Lives, Learns and Plays

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# Q&A

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