ABOUT CISCO

Cisco Systems, Inc. is the worldwide leader in networking for the Internet. Today, networks are an essential part of business, education, government and home communications, and Cisco's Internet Protocol-based (IP) networking solutions are the foundation of these networks. Cisco hardware, software, and service offerings are used to create Internet solutions that allow individuals, companies, and countries to increase productivity, improve customer satisfaction and strengthen competitive advantage. The Cisco name has become synonymous with the Internet, as well as with the productivity improvements that Internet business solutions provide.

Cisco was founded in 1984 by a small group of computer scientists from Stanford University. Since the company's inception, Cisco engineers have been leaders in the development of Internet Protocol (IP)-based networking technologies. Today, with more than 47,000 employees worldwide, this tradition of innovation continues with industry-leading products and solutions.

CISCO AND TECHNOLOGY LEADERSHIP

At Cisco, our vision is to change the way people work, live, play and learn. From our origins in 1984, we have continuously evolved our business and innovation strategy, developing and marketing radically innovative products and solutions. Cisco has been at the core of many historic changes in technology, and that continues to be true today. Now, at a time when the technology industry is going through a period of dramatic change, Cisco is the market leader in multiple areas, such as routing and switching, unified communications, wireless and security. We helped catalyze the industry's decisive move toward IP and, now that it's fully underway, we are at the center of fundamental changes in the way the world communicates. Examples include:

- **IP Communications and IP Video:** Communications networks are going through a transformation empowered by the Internet and networking technology. When the Internet was at its earliest stages as a business and consumer tool, Cisco had a vision for how IP technology would transform voice and video communications. In 1998, Cisco acquired a small Voice over Internet Protocol (VoIP) company and began developing this technology. Today Cisco is the global leader in IP communications equipment, selling over 7.5 million IP phones worldwide, including to more than 70 percent of Fortune 500 companies. Now Cisco is building on that leadership to develop IP-based video technologies to transform the way video content is delivered to the home and within companies. We are aggressively moving into a new realm of IP, with the promise of IPTV on the horizon, advancing Cisco's vision of moving from broadcast television to full-fledged, true IPTV.

- **Emergency Responder Communications:** As 9-11, Hurricane Katrina and other national emergencies have demonstrated, our federal, state and local emergency first responders need the means to communicate effectively in times of crisis. Cisco has developed IP-based technology that addresses today's voice communications interoperability requirement, enabling communications across any type of device, whether push-to-talk (radio) systems, cell phones or landline phones. This technology, called IPICS (IP Interoperability and Collaboration System) is now being field tested in several locations in the United States. This is one of the industry's first systems designed to easily integrate disparate push-to-talk radio systems together with widely deployed voice, video and data networks. One of the most promising features of the IPICS technology is it can enable preexisting communications systems to interoperate, eliminating the need to completely replace deployed systems. Cisco IPICS delivers the "right information to the right person in the right format at the right time."

- **Healthcare Information Technology:** Quality health care is one our most vital national needs. There is a growing consensus that our health-care system is outdated, inefficient, and most worrisome, prone to errors. The Bush Administration has worked to modernize the health care system through electronic health records and information sharing that will improve the quality of health care and reduce costs. Cisco has taken a leadership position in driving this change. First, it has developed the technologies that enable the networking of health information. Second, it is helping create regional and national health data networks that will enable information sharing so that critical patient information is available to health-care providers in a timely fashion. Finally, Cisco is practicing what it preaches by adopting health-care IT within its own health programs and creating incentives for employees' doctors to modernize their systems.

- **Technology in Education:** From its earliest days education has been a passion for Cisco. When it was a new company with a small number of employees it adopted local schools. To help foster access to education and professional opportunities around the world, the company has founded the Cisco Networking Academy Program. By combining education and the Internet, Cisco Networking Academies help students acquire the necessary skills for IT-related jobs and for higher education in engineering, computer science, and related fields-and ultimately, aid in the development of their countries and their local economies. Since its creation in 1997, over 1.6 Million students have enrolled at more than 10,000 Academies located in high schools, technical schools, colleges, universities, and community-based organizations in more than 150 countries.

  After Hurricane Katrina devastated the Gulf States in 2005, Cisco responded by pledging $40 million to reconstruct and improve schools in the region starting with the Mississippi Education Initiative in October 2005 and the Louisiana Education Initiative in March 2006. Cisco also encouraged employees to take paid sabbaticals to move to the region and apply their expertise to help improve the schools.

RESEARCH AND DEVELOPMENT:

Cisco innovates in many different ways: via technology development and the expansion of technologies after their initial invention, and through adjacent technology and market extension. We also innovate through world-class integration and scaling of acquisitions, by starting new business models, and in the way we partner with other companies.

Culture of innovation in all aspects of development:

- Organic development - $3.22 Billion + spent on R&D in Fiscal Year 2005
- Active acquirer of/investor in innovative start-ups – Cisco has acquired 108 companies since 1993
- US R&D facilities in San Jose, CA; Boxborough, MA; Richardson, TX; Lawrenceville, GA; and Raleigh, NC
- Other major R&D facilities in Bangalore, India; Shanghai, China and Herzliya, Israel; Smaller facilities in North America, Europe and Asia
- Global partnerships - IBM, Microsoft, Symantec, Fujitsu, Ericsson, EMC
- Academic relationships: MIT, Stanford, UC Berkeley, Brown University, etc.

For more information on Cisco and its technology initiatives, go to www.Cisco.com