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## PRESS RELEASE

**Cisco Restructures Consumer Business**

SAN JOSE, Calif. - April 12, 2011 - As part of the company's comprehensive plan to align its operations, Cisco today announced that it will exit aspects of its consumer businesses and realign the remaining consumer business to support four of its five key company priorities – core routing, switching and services; collaboration; architectures; and video. As part of its plan, Cisco will:

- Close down its Flip business and support current FlipShare customers and partners with a transition plan.
- Refocus Cisco's Home Networking business for greater profitability and connection to the company's core networking infrastructure as the network expands into a video platform in the home. These industry-leading products will continue to be available through retail channels.
- Integrate Cisco umi into the company's Business TelePresence product line and operate through an enterprise and service provider go-to-market model, consistent with existing business TelePresence efforts.
- Assess core video technology integration of Cisco's Eos media solutions business or other market opportunities for this business.

"We are making key, targeted moves as we align operations in support of our network-centric platform strategy," said John Chambers, Cisco chairman and CEO. "As we move forward, our consumer efforts will focus on how we help our enterprise and service provider customers optimize and expand their offerings for consumers, and help ensure the network's ability to deliver on those offerings."

In connection with the changes to the consumer business, it is anticipated that Cisco will recognize restructuring charges to its GAAP financial results, with an aggregate pre-tax impact not expected to exceed \$300 million during the third and fourth quarters of fiscal 2011. The charges will be disclosed in upcoming earnings conference calls and quarterly Form 10-Q filings. Additionally, the company expects this will result in a reduction of approximately 550 employees in the fourth quarter of fiscal 2011.

**About Cisco**

Cisco, (NASDAQ: CSCO), is the worldwide leader in networking that transforms how people connect, communicate and collaborate. Information about Cisco can be found at <http://www.cisco.com>. For ongoing news, please go to <http://newsroom.cisco.com>.

**Forward-Looking Statements**

This press release 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, including the company's plan to align its operations in support of its network-centric platform strategy, Cisco's consumer focus going forward, the maximum size of the anticipated restructuring charges, and expected employee reductions. 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, among other things, how well we execute on our strategy and operating plans, business and economic conditions and growth trends in the networking industry, customer markets and various geographic regions, global economic conditions and uncertainties in the geopolitical environment and other risk factors set forth in Cisco's most recent reports on Form 10-K and Form 10-Q. Any forward-looking statements in this release are based on limited information currently available to Cisco, which is subject to change, and Cisco will not necessarily update the information.

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