

Fiscal year 2012 was a year in which we did what we said we would do. We completed a significant reorganization that simplified our business and solidified our focus on promoting the growth of networks and the Internet through our five foundational priorities:

1. Core routing, switching, and services
2. Data center, virtualization, and cloud technologies
3. Video
4. Collaboration
5. Architectures for business transformation

Our strategy is to solve our customers' business challenges and fuel their growth by delivering intelligent networks and technology and business architectures, built on integrated products, services, and software platforms.

In a macroeconomic environment that remains challenging for Cisco and our peers, we have once again reinvented ourselves. We continue to improve processes to make it easier to do business with Cisco. Our leaders are held more accountable and our employees are more empowered, fostering continued innovation.

Our business innovation underpins our CSR performance, which is outlined in this, our eighth, CSR Report. When innovation occurs, the barriers that stifle economic growth and stall environmental sustainability are broken down. With companies, individuals, and governments working together, we can level the playing field and help economies develop and grow equitably. I firmly believe that education and the Internet are the two great equalizers in life, and through the use of technology we are transforming lives. Cisco's true value is not in what we make, but in what we make possible.

Amazing things can—and do—happen when the previously unconnected are connected, whether that is in the areas of healthcare, education, environment, or supply chain. Providing these connections creates a phenomenal impact in corners of the world untouched by digital media. Our own vision for CSR, You + Networks = Impactx, shows how our key internal and external stakeholders use the power of networks to multiply social impact.

I want to acknowledge the importance of networks in this equation. Yes, this refers to the technology that Cisco creates, but we're also referring to the human networks that we help bring together. And that is important because partnerships between business, governments, and nongovernmental organizations are as crucial as our technology to creating impact multiplied.

Our role as the official Network Infrastructure Supporter for the London Olympics and Paralympics is an excellent example of our ability to strategically partner to facilitate incredible outcomes and experiences. In this case, we partnered with the British government, the London Organizing Committee of the Olympic and Paralympic Games (LOCOG), National Broadcasting Company (NBC), and British Telecom (BT). The 1800 Wi-Fi hotspots and 80,000 data connections we provided for the London Olympics had a capacity four times larger than the network infrastructure in any previous Olympic Games and helped connect 10 million spectators, 76,000 volunteers, and 22,000 athletes and coaches, enabling experiences in ways never before possible.

On top of these achievements, Cisco's five-year post-Olympic engagement will contribute to education and innovation in the U.K., showcasing how technology can transform businesses and communities. In particular, our legacy will help to rejuvenate the underserved area of East London that surrounds the Olympic Park.

Among a host of other initiatives, we have committed to developing additional Networking Academies in East London, bringing IT employment skills and opportunities to thousands of students. We also will donate up to 30percent of the networking equipment used at the Games to schools in the area, and our "Building a Brilliant Future" project will help to harness the inspiration of the Games to develop the U.K.'s science, technology, engineering, and mathematics (STEM) skills base.

In fiscal 2013 we will look to continue to drive profitable growth, realign resources to focus on innovation, and make investments in strategic areas of the business.

We remain focused on what we can control and influence. Cisco is a great company with exceptional talent and leadership, the capacity to adjust to challenges and opportunities, a strong culture, and a passion for customer success. CSR has always been and will always be one of the pillars of Cisco's culture, and I am extremely proud of the global impact of our CSR programs. We are deeply committed to improving lives, communities, and the environment.

John T. Chambers

Chairman and Chief Executive Officer