To Our Shareholders,

Our portfolio of cloud assets, including Sourcefire, Meraki, WebEx, and Cisco Spark, is enabling us to deliver our technology in the ways our customers want to buy it in the

PART I

This Annual Report on Form 10-K, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we

Strategy and Focus Areas

We see our customers, in every industry, increasingly using technology—and, specifically, the network—to grow their business, drive efficiencies, and try to gain a competitive advantage. In this increasingly digital world, data is the most strategic asset and is increasingly distributed across every organization and ecosystem—on customer premises, at the edge of the network, and in the cloud. The network also plays an increasingly important role enabling our customers to aggregate, automate, and draw insights from this highly distributed data where there is a premium on security and speed. This is driving them to adopt entirely new IT architectures and organizational structures. We understand how technology can deliver the outcomes our customers want to achieve, and our strategy is to lead our customers in their digital transition with solutions including pervasive, industry-leading security that intelligently connect nearly everything that can be connected.

To deliver on our strategy, we are focused on providing highly secure, automated and intelligent solutions built on infrastructure that connects data that is highly distributed (globally dispersed across organizations). Together with our ecosystem of partners and developers, we aim to provide the technology, services, and solutions that we believe will enable our customers to gain insight and advantage from this distributed data with scale, security and agility.

We believe the promise of SDN is to enable more open and programmable network infrastructure. We are addressing this opportunity with a unique strategy and set of solutions that is designed to address the application demands transition and offers a holistic approach to the future of networking that responds automatically to the needs of applications. We introduced and began shipping our Application Centric Infrastructure (ACI), which delivers centralized application-driven policy automation, management, and visibility of both physical and virtual environments as a single system. ACI is comprised of our Nexus 9000 portfolio of switches, enhanced versions of our NX-OS operating system, and the Application Policy Infrastructure Controller (APIC), which provides a central place to configure, automate, and manage an entire network, based on the needs of applications.

Cloud Our cloud strategy is to connect private and public clouds working across hypervisors (software programs used to create and manage virtual environments), and utilizing OpenStack (an open source computing platform), to deliver integrated hybrid-

Data Center

Data Center has been our fastest growing major product category for each of the past five fiscal years. The Cisco Unified Computing System (UCS), enables Fast IT by combining computing, networking and storage infrastructure with management and virtualization to offer speed, simplicity and scale. Our architecture provides pools of policy-driven, composable infrastructure that customers can optimize for traditional workloads, data analytics and cloud-native applications, all within a common operating environment with an open application program interface (API) for broad interoperability and automation.

Key product areas within our Data Center product category are as follows:

Cisco Unified Computing System (UCS):

- Cisco UCS B-Series Blade Servers
- Cisco UCS C-Series Rack Servers
- Cisco UCS M-Series Modular Servers
- Cisco UCS C3160 Storage Optimized Rack Server
- Cisco UCS Mini branch/remote site computing solution
- Cisco UCS Fabric Interconnects
- Cisco UCS Manager and UCS Director Management Software

Private and Hybrid Cloud:

- Cisco ONE GTJT251(Urise0.1(and)d:)]T0(Serveu-256T*[(•)-250(Cisco)-252(UCS)rconne:)]T0(S(and)ic)-255-.55-1.9TD[(Priver)]TJ(I

Sales Overview

As of the end of fiscal 2015, our worldwide sales and marketing departments consisted of approximately 25,000 employees, including managers, sales representatives, and technical support personnel. We have field sales offices in 93 countries, and we

Acquisitions, Investments, and Alliances

The markets in which we compete require a wide variety of technologies, products, and capabilities. Our growth strategy is based on the three components of innovation, which we sometimes refer to as our "build, buy, and partner" approach. The foregoing is a

Competition

Research and Development

We regularly seek to introduce new products and features to address the requirements of our markets. We allocate our research and development budget among our product categories, which consist of Switching, NGN Routing, Collaboration, Service

The industry in which we compete is characterized by rapidly changing technology, a large number of patents, and frequent

Mr. Chambers has served as a member of the Board of Directors since November 1993. Mr. Chambers, who was appointed

Item 1A. Risk Factors

Set forth below and elsewhere in this report and in other documents we file with the SEC are descriptions of the risks and

Historically, we have seen fluctuations in our gross margins based on changes in the balance of our distribution channels. Although variability to date has not been significant, there can be no assurance that changes in the balance of our distribution

- Product performance
- Price
- The ability to introduce new products, including products with price-performance advantages
- The ability to reduce production costs

requirements based on our business needs; or a decrease in demand for our products could materially adversely affect our business, operating results, and financial condition and could materially damage customer relationships. Furthermore, as a result

Currently, we enter into foreign exchange forward contracts and options to reduce the short-term impact of foreign currency fluctuations on certain foreign currency receivables, investments, and payables. In addition, we periodically hedge anticipated foreign currency cash flows. Our attempts to hedge against these risks may result in an adverse impact on our net income.

OUR PROPRIETARY RIGHTS MAY PROVE DIFFICULT TO ENFORCE

OUR OPERATING RESULTS MAY BE ADVERSELY AFFECTED AND DAMAGE TO OUR REPUTATION MAY OCCUR DUE TO PRODUCTION AND SALE OF COUNTERFEIT VERSIONS OF OUR PRODUCTS

As is the case with leading products around the world, our products are subject to efforts by third parties to

IF WE DO NOT SUCCESSFULLY MANAGE OUR STRATEGIC ALLIANCES, WE MAY NOT REALIZE THE

Item 2. Properties

Our corporate headquarters are located at an owned site in San Jose, California, in the United States of America. The locations of our headquarters by geographic segment are as follows:

Americas	EMEA	APJC
San Jose, California, USA	Amsterdam, Netherlands	Singapore

In addition to our headquarters site, we own additional sites in the United States, which include facilities in the surrounding areas of San Jose, California; Research Triangle Park, North Carolina; Richardson, Texas; Lawrenceville, Georgia; and Boston,

PART II

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Annual Report on Form 10-K, including this Management’s Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”).

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions, and estimates that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Note 2 to the Consolidated Financial Statements describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. The accounting policies described below are significantly affected by critical accounting estimates. Such accounting policies require significant

We make sales to distributors which we refer to as two-tier systems of sales to the end customer. Revenue from distributors is recognized based on a sell-through method using information provided by them. Our distributors participate in various cooperative marketing and other programs, and we maintain estimated accruals and allowances for these programs. If actual credits received by our distributors under these programs were to deviate significantly from our estimates, which are based on historical experience, our revenue could be adversely affected.

Allowances for Receivables and Sales Returns

The allowances for receivables were as follows (in millions, except percentages):

	July 25, 2015	July 26, 2014
Allowance for doubtful accounts	**$ 302**	$ 265
Percentage of gross accounts receivable	***5.4%***	*4.9%*
Allowance for credit loss—lease receivables	**$ 259**	$ 233
Percentage of gross lease receivables [(1)]	***7.2%***	*6.2%*
Allowance for credit loss—loan receivables		

Our provision for inventory was $54 million, $67 million, and $114 million in fiscal 2015, 2014, and 2013, respectively. The provision for the liability related to purchase commitments with contract manufacturers and suppliers was $102 million, $124 million, and $106 million in fiscal 2015, 2014, and 2013, respectively. If there were to be a sudden and significant decrease in demand for our products, or if there were a higher incidence of inventory obsolescence because of rapidly changing technology and customer requirements, we could be required to increase our inventory write-downs, and our liability for purchase commitments with contract manufacturers and suppliers, and accordingly our profitability, could be adversely affected. We regularly evaluate our exposure for inventory write-downs and the adequacy of our liability for purchase commitments. Inventory and supply chain management remain areas of focus as we balance the need to maintain supply chain flexibility to help ensure

Our Level 2 securities are valued using quoted market prices for similar instruments or nonbinding market prices that are corroborated by observable market data. We use inputs such as actual trade data, benchmark yields, broker/dealer quotes, and other similar data, which are obtained from independent pricing vendors, quoted market prices, or other sources to determine the ultimate fair value of our assets and liabilities. We use such pricing data as the primary input, to which we have not made any material adjustments during fiscal 2015 and 2014, to make our assessments and determinations as to the ultimate valuation of our investment portfolio. We are ultimately responsible for the financial statements and underlying estimates.

The goodwill recorded in the Consolidated Balance Sheets as of July 25, 2015 and July 26, 2014 was $24.5 billion and $24.2 billion,

RESULTS OF OPERATIONS

Revenue

Fiscal 2014 Compared with Fiscal 2013

For fiscal 2014, as compared with fiscal 2013, total revenue decreased by 3%. Product revenue decreased by 5%, while service

NGN Routing

Fiscal 2015 Compared with Fiscal 2014

Gross Margin

The following table presents the gross margin for products and services (in millions, except percentages):

	AMOUNT			PERCENTAGE		
Years Ended	**July 25, 2015**	July 26, 2014	July 27, 2013	**July 25, 2015**	July 26, 2014	July 27, 2013
Gross margin:						
Product	**$ 22,373**	$ 20,531	$ 22,488	**59.3%**	56.8%	59.1%
Service	**7,308**	7,238	6,952	**64.0%**	66.0%	65.7%
Total	**$ 29,681**	$ 27,769	$ 29,440	**60.4%**	58.9%	60.6%

Product Gross Margin

Fiscal 2014 Compared with Fiscal 2013

The following table summarizes the key factors that contributed to the change in product gross margin percentage from fiscal 2013 to fiscal 2014:

	Product Gross Margin Percentage
Fiscal 2013	

Gross Margin by Segment

Factors That May Impact Revenue and Gross Margin

Product revenue may continue to be affected by factors, including global economic downturns and related market uncertainty, that have resulted in reduced IT-related capital spending in certain segments within our enterprise, service provider, public sector,

Effect of Foreign Currency

In fiscal 2015, foreign currency fluctuations, net of hedging, decreased the combined R&D, sales and marketing, and G&A expenses by approximately $278 million, or 1.6%, compared with fiscal 2014. In fiscal 2014, foreign currency fluctuations, net of hedging, decreased the combined R&D, sales and marketing, and G&A expenses by approximately $153 million, or 0.9%, compared with fiscal 2013.

Headcount

Fiscal 2015 Compared with Fiscal 2014

The decrease in headcount of approximately 2,200 employees in fiscal 2015 was due to headcount reductions from attrition and from our restructuring plan announced in August 2014. These headcount reductions were partially offset by headcount additions

Amortization of Purchased Intangible Assets

The following table presents the amortization of purchased intangible assets (in millions):

Years Ended	**July 25, 2015**	July 26, 2014	July 27, 2013
Amortization of purchased intangible assets:			
Cost of sales			

For fiscal 2014, as compared with fiscal 2013, operating income decreased by 17%, and as a percentage of revenue operating income decreased by 3.2 percentage points. The decrease resulted from the following: a decrease in revenue; a gross margin

Fiscal 2014 Compared with Fiscal 2013

LIQUIDITY AND CAPITAL RESOURCES

The following sections discuss the effects of changes in our balance sheet, our capital allocation strategy including stock repurchase accordance with U.S. generally accepted accounting principles and should not be regarded in isolation or as an alternative for net

Other Purchase Obligations Other purchase obligations represent an estimate of all contractual obligations in the ordinary course of business, other than operating leases and commitments with contract manufacturers and suppliers, for which we have not received the goods or services. Purchase orders are not included in the preceding table as they typically represent our authorization to purchase rather than binding contractual purchase obligations.

Long-Term Debt

Securities Lending

We periodically engage in securities lending activities with certain of our available-for-sale investments. These transactions are

Equity Price Risk

The fair value of our equity investments in publicly traded companies is subject to market price volatility. We may hold equity securities for strategic purposes or to diversify our overall investment portfolio. Our equity portfolio consists of securities with characteristics that most closely match the Standard & Poor’s 500 Index or NASDAQ Composite Index. These equity securities

Foreign Currency Exchange Risk

Our foreign exchange forward and option contracts outstanding at fiscal year-end are summarized in U.S. dollar equivalents as follows (in millions):

July 25, 2015

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Cisco Systems, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of cash flows and of equity present fairly, in all material respects, the financial position of Cisco Systems, Reports of Management

Statement of Management’s Responsibility

Cisco’s management has always assumed full accountability for maintaining compliance with our established financial

CISCO SYSTEMS, INC.
Consolidated Balance Sheets
(in millions, except par value)

	July 25, 2015	July 26, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 6,877**	$ 6,726
Investmvalen1,r515TTD.15Tc(...).............		

CISCO SYSTEMS, INC.
Consolidated Statements of Operations
(in millions, except per-share amounts)

Years Ended	**July 25, 2015**	July 26, 2014	July 27, 2013
REVENUE:			
Product			

CISCO SYSTEMS, INC.
Consolidated Statements of Comprehensive Income
(in millions)

Years Ended	**July 25, 2015**	July 26, 2014	July 27, 2013
Net income			

CISCO SYSTEMS, INC.

Consolidated Statements of Equity

(in millions, except per-share amounts)

	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Cisco Shareholders' Equity	Non-controlling Interests	Total

facts and circumstances do not result in the restoration or increase in that newly established cost basis. In addition, the Company records a liability for firm, noncancelable, and unconditional purchase commitments with contract manufacturers and suppliers for quantities in excess of the Company's future demand forecasts consistent with its valuation of excess and obsolete inventory.

(e) Allowance for Doubtful Accounts The allowance for doubtful accounts is based on the Company's assessment of the collectibility of customer accounts. The Company regularly reviews the allowance by considering factors such as historical experience, credit quality, age of the accounts receivable balances, economic conditions that may affect a customer's ability to pay, and expected default frequency rates. Trade receivables are written off at the point when they are considered uncollectible.

or end-user customers. Deferred revenue relating to these financing arrangements is recorded in accordance with revenue recognition policies or for the fair value of the financing guarantees.

(g) Depreciation and Amortization Property and equipment are stated at cost, less accumulated depreciation or amortization, whenever applicable. Depreciation and amortization expenses for property and equipment were approximately $1.1 billion, $1.2 billion, and $1.2 billion for fiscal 2015, 2014, and 2013, respectively. Depreciation and amortization are computed using the straight-line method, generally over the following periods:

Asset Category	Period
Buildings	25 years
Building improvements	10 years
Leasehold improvements	Shorter of remaining lease term or up to 10 years

markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

TPE of the selling price for all of the deliverables in the arrangement, including the software deliverables, ESP is used for the purposes of performing this allocation. VSOE is required to allocate the revenue between multiple software deliverables. If VSOE is available for the undelivered software elements, the Company applies the residual method; where VSOE is not available, software revenue is either recognized when all software elements have been delivered or recognized ratably when post-contract support is the only undelivered software element remaining.

(p) Advertising Costs The Company expenses all advertising costs as incurred. Advertising costs included within sales and marketing expenses were approximately $202 million, $196 million, and $218 million for fiscal 2015, 2014, and 2013, respectively.

- Loss contingencies and product warranties
- Fair value measurements and other-than-temporary impairments
- Goodwill and purchased intangible asset impairments
- Income taxes

The actual results experienced by the Company may differ materially from management's estimates.

(w) New Accounting Updates Recently Adopted

In March 2013, the Financial Accounting Standards Board (FASB) issued an accounting standard update requiring an entity to release into net income the entire amount of a cumulative translation adjustment related to its investment in a foreign entity when as a parent it sells either a part or all of its investment in the foreign entity or no longer holds a controlling financial interest in a

3. Acquisitions and Divestitures

(a) Acquisition Summary

The total purchase consideration related to the Company’s business combinations completed during fiscal 2014 consisted of cash

Pending Divestiture On July 22, 2015, the Company entered into an exclusive agreement to sell the client premises equipment portion of its Service Provider Video connected devices business unit to French-based Technicolor for approximately

4. Goodwill and Purchased Intangible Assets

(a) Goodwill

5. Restructuring and Other Charges

7. Financing Receivables and Operating Leases

(a) Financing Receivables

Financing receivables primarily consist of lease receivables, loan receivables, and financed service contracts and other. Lease receivables represent sales-type and direct-financing leases resulting from the sale of the Company’s and complementary third-party products and are typically collateralized by a security interest in the underlying assets. Loan receivables represent financing arrangements related to the sale of the Company’s products and services, which may include additional funding for other costs associated with network installation and integration of the Company’s products and services. Lease receivables consist of

8. Investments

(a) Summary of Available-for-Sale Investments

The following tables present the breakdown of the available-for-sale investments with gross unrealized losses and the duration that those losses had been unrealized at July 25, 2015 and July 26, 2014 (in millions):

UNREALIZED LOSSES LESS THAN 12 MONTHS	UNREALIZED LOSSES 12 MONTHS OR GREATER

(d) Securities Lending

The Company periodically engages in securities lending activities with certain of its available-for-sale investments. These transactions are accounted for as a secured lending of the securities, and the securities are typically loaned only on an overnight

These assets were measured at fair value due to events or circumstances the Company identified as having significant impact on their fair value during the respective periods. To arrive at the valuation of these assets, the Company considers any significant changes in the financial metrics and economic variables and also uses third-party valuation reports to assist in the valuation as necessary.

The fair value measurement of theas

The Company repaid the floating-rate notes due on September 3, 2015 for an aggregate principal amount of $850 million upon maturity.

In fiscal 2011, the Company established a short-term debt financing program of up to $3.0 billion through the issuance of commercial paper notes. The Company uses the proceeds from the issuance of commercial paper notes for general corporate on the floating-rate notes. Each of the senior fixed-rate notes is redeemable by the Company at any time, subject to a make-whole premium.

The senior notes rank at par with the commercial paper notes that may be issued in the future pursuant to the Company's short-term debt financing program, as discussed above under "(a) Short-Term Debt." As of July 25, 2015, the Company was in

The fair values of the Company's derivative instruments and the line items on the Consolidated Balance Sheets to which they were recorded are summarized as follows (in millions):

	DERIVATIVE ASSETS	DERIVATIVE LIABILITIES
	Balance Sheet Line Item	

(c) Foreign Currency Exchange Risk

The Company conducts business globally in numerous currencies. Therefore, it is exposed to adverse movements in foreign

(g) Collateral and Credit-Risk-Related Contingent Features

For certain derivative instruments, the Company and its counterparties have entered into arrangements requiring the party that is

As of July 25, 2015, the Company estimated that future cash compensation expense of up to $296 million may be required to be recognized pursuant to the applicable business combination agreements, which included the remaining potential compensation expense related to Insieme Networks, Inc., as more fully discussed immediately below.

Insieme Networks, Inc. In the third quarter of fiscal 2012, the Company made an investment in Insieme Networks, Inc. ("Insieme"), an early stage company focused on research and development in the data center market. As set forth in the agreement between the Company and Insieme, this investment included $100 million of funding and a license to certain of the Company's technology. Immediately prior to the call option exercise and acquisition described below, the Company owned approximately 83% of Insieme as a result of these investments and consolidated the results of Insieme in its Consolidated Financial Statements. In connectionan

The Company believes that the service providers have strong defenses and that its products do not infringe the patents subject to the claims and/or that the remaining patents are invalid. Due to the uncertainty surrounding the litigation process, which involves numerous defendants, the Company is unable to reasonably estimate the ultimate outcome of this litigation at this time. Should

13. Shareholders' Equity

(a) Cash Dividends on Shares of Common Stock

During fiscal 2015, the Company declared and paid cash dividends of $0.80 per common share, or $4.1 billion, on the Company's outstanding common stock. During fiscal 2014, the Company declared and paid cash dividends of $0.72 per common share, or $3.8 billion, on the Company's outstanding common stock.

Any future dividends will be subject to the approval of the Company's Board of Directors.

(b) Stock Repurchase Program

In September 2001, the Company's Board of Directors authorized a stock repurchase program. As of July 25, 2015, the Company's Board of Directors had authorized an aggregate repurchase of up to $97 billion of common stock under this program, and the remaining Repurk underit9Tanunder this program,

14. Employee Benefit Plans

(a) Employee Stock Incentive Plans

Stock Incentive Plan Program Description   As of July 25, 2015, the Company had four stock incentive plans: the 2005 Stock Incentive Plan (the “2005 Plan”); the 1996 Stock Incentive Plan (the “1996 Plan”); the Cisco Systems, Inc. SA Acquisition Long-Term Incentive Plan (the “SA Acquisition Plan”); and the Cisco Systems, Inc. WebEx Acquisition Long-Term Incentive Plan (the

Acquisition Plans In connection with the Company's acquisitions of Scientific-Atlanta, Inc. ("Scientific-Atlanta") and WebEx Communications, Inc. ("WebEx"), the Company adopted the SA Acquisition Plan and the WebEx Acquisition Plan, respectively, each effective upon completion of the applicable acquisition. These plans constitute assumptions, amendments, restatements, and renamings of the 2003 Long-Term Incentive Plan of Scientific-Atlanta and the WebEx Communications, Inc. Amended and Restated 2000 Stock Incentive Plan, respectively. The plans permit the grant of stock options, stock, stock units, and stock appreciation rights to certain employees of the Company and its subsidiaries and affiliates who had been employed by Scientific-Atlanta or its subsidiaries or WebEx or its subsidiaries, as applicable. As a result of the shareholder approval of the amendment

(e) Restricted Stock and Stock Unit Awards

The following table summarizes significant ranges of outstanding and exercisable stock options as of July 25, 2015 (in millions, except years and share prices):

15. Comprehensive Income

16. Income Taxes

(a) Provision for Income Taxes

The provision for income taxes consists of the following (in millions):

Years Ended	**July 25, 2015**	July 26, 2014	July 27, 2013
Federal:			
Current	**$ 1,583**	$ 1,672	$ 601
Deferred	**43**	(383)	152

U.S. income taxes and foreign withholding taxes associated with the repatriation of earnings of foreign subsidiaries were not provided for on a cumulative total of $58.0 billion of undistributed earnings for certain foreign subsidiaries as of the end of fiscal

The components of the deferred tax assets and liabilities are as follows (in millions):

	July 25, 2015

17. Segment Information and Major Customers

(a) Revenue and Gross Margin by Segment

The Company conducts business globally and is primarily managed on a geographic basis consisting of thri8.760so,as:uctsers (c)toAddions toSegmen-30254(tol)-3lmion

The Company has made certain reclassifications to the product revenue amounts for prior years to coTorma the prcurren 305(8ears)'s

Supplementary Financial Data (Unaudited)
(in millions, except per-share amounts)

Quarters Ended	July 25, 2015	April 25, 2015	January 24, 2015	October 25, 2014
Revenue	**$ 12,843**	**$ 12,137**	**$ 11,936**	**$ 12,245**
Gross margin				

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item relating to our directors and nominees is included under the captions “Proposal No. 1: Election of Directors—General,” “—Business Experience and Qualifications of Nominees,” and “—Board Meetings and

Item 14. Principal Accountant Fees and Services

SIGNATURES

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Shareholder Information

WORLDWIDE OFFICES

Americas Headquarters
San Jose, California, USA

Asia Pacific Headquarters
Singapore

Europe Headquarters
Amsterdam, Netherlands

Cisco has more than 400 offices worldwide.
Addresses, phone numbers, and fax numbers are listed on the Cisco website at www.cisco.com/go/offices.