We believe we are well positioned to capitalize on these initiatives, in part because of the significant changes we made over the past year. These changes were implemented as a result of our own internal assessments, led by our new Chief Operating Officer, Cisco 10-year veteran Gary Moore, and also as a result of customer feedback.

First, we aligned our cost structure and expect to reduce our fiscal 2012 operating expenses by $1 billion on an annualized basis. As part

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

PART I

Item 1. Business

We continue to seek to capitalize on market transitions. Market transitions on which we are primarily focused include those related to the increased role of virtualization/the cloud, video, collaboration, networked mobility technologies and the transition from Internet Protocol Version 4 to Internet Protocol Version 6. For example, a

For a discussion of the risks associated with our strategy, see "Item 1A. Risk Factors," including the risk factor entitled "We depend upon the development of new products and enhancements to existing products, and if we fail to predict and respond to emerging technological trends and customers' changing needs, our operating results

New Products

Video Connected Home

Our end-to-end, digital video distribution systems and digital interactive set-top boxes enable service providers

and consultative support of our technologies for specific networking needs. The advanced services program supports networking devices, applications, solutions, and complete infrastructures. Our service and support

strategy for serving the consumer market is through its service provider customers, and to a lesser extent through major consumer channels, including through both traditional and online retailers, through our website, and through value added resellers.

Product Backlog

Our product backlog at July 30, 2011, the last day of our 2011 fiscal year, was approximately $4.3 billion, compared with product backlog of approximately $4.1 billion at July 31, 2010, the last day of our 2010 fiscal year. The product backlog includes orders confirmed for products scheduled to be shipped within 90 days to

- The ability to reduce production costs

capacity, quality, and cost management; oversight of manufacturing; and conditions for use of our intellectual property. We have not entered into any significant long-term contracts with any manufacturing service provider.

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 uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report.

OUR OPERATING RESULTS MAY FLUCTUATE IN FUTURE PERIODS, WHICH MAY ADVERSELY AFFECT OUR STOCK PRICE

OUR OPERATING RESULTS MAY BE ADVERSELY AFFECTED BY UNFAVORABLE ECONOMIC AND MARKET CONDITIONS AND THE UNCERTAIN GEOPOLITICAL ENVIRONMENT

Challenging economic conditions worldwide have from time to time contributed, and may continue to contribute, to slowdowns in the communications and networking industries at large, as well as in specific segments and

overtime expenses may be incurred, as well as in potential additional inventory management-related costs. In addition, to the extent that manufacturing issues and any related component shortages result in delayed shipments in the future, and particularly in periods in which we and our contract manufacturers are operating at higher levels of capacity, it is possible that revenue for a quarter could be adversely affected if such matters occur and are not remediated within the same quarter.

- Increases in material, labor or other manufacturing-related costs, which could be significant especially during periods of supply constraints
- Excess inventory and inventory holding charges
- Obsolescence charges
- Changes in shipment volume
- The timing of revenue recognition and revenue deferrals

experienced price-focused competition from competitors in Asia, especially from China, and we anticipate this will continue. For information regarding our competitors, see the section entitled "Competition" contained in *Item 1. Business* of this report.

OUR INVENTORY MANAGEMENT RELATING TO OUR SALES TO OUR TWO-TIER DISTRIBUTION CHANNEL IS COMPLEX, AND EXCESS INVENTORY MAY HARM OUR GROSS

gross margins. For additional information regarding our purchase commitments with contract manufacturers and

inventory and technology-related write-offs, workforce reduction costs, charges relating to consolidation of

WE HAVE MADE AND EXPECT TO CONTINUE TO MAKE ACQUISITIONS THAT COULD DISRUPT OUR OPERATIONS AND HARM OUR OPERATING RESULTS

From time to time, we have made acquisitions that resulted in charges in an individual quarter. These charges may occur in any particular quarter, resulting in variability in our quarterly earnings. In addition, our effective tax rate for future periods is uncertain and could be impacted by mergers and acquisitions. Risks related to new

shipped. Although the cost of such remediation has not been material in the past, there can be no assurance that such a remediation, depending on the product involved, would not have a material impact. An inability to cure a

Our exposure to the credit risks relating to our financing activities described above may increase if our customers

with resistance. In addition, the continued threat of terrorism and heightened security and military action in

Item 3. Legal Proceedings

Brazilian authorities have investigated our Brazilian subsidiary and certain of our current and former employees, as well as a Brazilian importer of our products, and its affiliates and employees, relating to alleged evasion of import taxes and alleged improper transactions involving the subsidiary and the importer. Brazilian tax authorities have assessed claims against our Brazilian subsidiary based on a theory of joint liability with the

PART II

Stock Performance Graph

The information contained in this Stock Performance Graph section shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that Cisco specifically incorporates it by

Item 6. Selected Financial Data

Five Years Ended July 30, 2011 (in millions, except per-share amounts)

Years Ended	July 30, 2011 [1]	July 31, 2010	July 25, 2009	July 26, 2008	July 28, 2007
Net sales					

Strategy and Focus Areas

Revenue Recognition

Revenue is recognized when all of the following criteria have been met:

- *Persuasive evidence of an arrangement exists.* Contracts, Internet commerce agreements, and customer purchase orders are generally used to determine the existence of an arrangement.
-

recognized ratably over the period during which the services are to be performed, which typically is from one to three years. Advanced services revenue is recognized upon delivery or completion of performance. Our deferred

cash dividends on our common stock. For awards granted on or subsequent to March 17, 2011, we used an annualized dividend yield based on the per share dividends declared by our Board of Directors. See Note 14 to the Consolidated Financial Statements.

The determinaubsequent s65ourvaluvidendrFor20aieldForon50(or)rightsrd-252(subnsolidate1(Fiidendr)fJTD0.0001Tc[[56(on)250

of fair value for goodwill and purchased intangible assets is based on factors that market participants would use in an orderly transaction in accordance with the new accounting guidance for the fair value measurement of nonfinancial assets.

The goodwill recorded in the Consolidated Balance Sheets as of July 30, 2011 and July 31, 2010 was $16.8

that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Our provision for income taxes is subject to volatility and could be adversely impacted by earnings being lower

DISCUSSION OF FISCAL 2011, 2010, AND 2009

Fiscal 2011, 2010, and 2009 were 52, 53, and 52-week fiscal years, respectively.

Net Sales

55%, respectively, were offset by a sales decline in video systems of 1%. The increased sales of service

Net Service Sales by Segment

The following table presents the breakdown of service revenue by segment (in millions, except percentages):

Years Ended

Gross Margin

Research and Development (R&D), Sales and Marketing, and General and Administrative (G&A) Expenses

R&D, sales and marketing, and G&A expenses are summarized in the following table (in millions, except percentages):

Share-Based Compensation Expense

The following table presents share-based compensation expense (in millions):

Fiscal 2011 Compared with Fiscal 2010

The increase in total net gains on available-for-sale investments in fiscal 2011 compared with fiscal 2010 was primarily attributable to higher gains on publicly traded equity securities, partially offset by lower gains on fixed income securities in fiscal 2011. These changes were the result of market conditions and the timing of sales of

For a full reconciliation of our effective tax rate to the U.S. federal statutory rate of 35% and for further

portfolio consisting primarily of high quality investment-grade securities. We believe that our strong cash and cash equivalents and investments position allows us to use our cash resources for strategic investments to gain access to new technologies, for acquisitions, for customer financing activities, for working capital needs, and for the repurchase of shares of common stock and dividends.

build-to-stock products. All inventories are accounted for at the lower of cost or market. Inventory is written down based on excess and obsolete inventories determined primarily by future demand forecasts. Inventory write-downs are measured as the difference between the cost of the inventory and market, based upon assumptions about future

Interest is payable semiannually on each class of the senior fixed-rate notes, each of which is redeemable by us at any time, subject to a make-whole premium. Interest is payable quarterly on the floating rate notes. We were in

primarily related to an increase in shipments not having met revenue recognition criteria as of July 30, 2011,

Other Commitments

outstanding securities lending transactions. We believe these arrangements do not present a material risk or impact to our liquidity requirements. We did not experience any losses in connection with the secured lending of securities during the periods presented.

Stock Repurchase Program and Dividends

In September 2001, our Board of Directors authorized a stock repurchase program. As of July 30, 2011, our Board of Directors had authorized an aggregate repurchase of up to $82 billion of common stock under this program, and the remaining authorized repurchase amount was $10.2 billion with no termination date. The stock repurchase activity under the stock repurchase program, reported based on the trade date is summarized as

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Equity Price Risk

The fair value of our equity investments in publicly traded companies is subject to market price volatility. We

Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated balance sheets and the related consolidated statements of operations, of cash flows and of equity listed in the accompanying index present fairly, in all material respects, the financial position of Cisco Systems, Inc. and its subsidiaries at July 30, 2011 and July 31, 2010, and the results of their operations and their

Reports of Management

Statement of Management's Responsibility

Consolidated Balance Sheets
(in millions, except par value)

	July 30, 2011	July 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 7,662**	$ 4,581

Consolidated Statements of Operations
(in millions, except per-share amounts)

Years Ended	**July 30, 2011**	July 31, 2010	July 25, 2009
NET SALES:			
Product			

Consolidated Statements of Equity
(in millions)

	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income

security) will be recognized in earnings and the amount relating to all other factors will be recognized in OCI.

(ii) require an entity to allocate revenue in an arrangement using estimated selling prices (ESP) of deliverables if a vendor does not have vendor-specific objective evidence of selling price (VSOE) or third-party evidence of selling price (TPE); and

(iii) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method.

The Company elected to early adopt this accounting guidance at the beginning of its first quarter of fiscal 2010

(o) Advertising Costs The Company expenses all advertising costs as incurred. Advertising costs included within sales and marketing expenses were approximately $325 million, $290 million, and $165 million for fiscal 2011,

The total purchase consideration related to the Company's business combinations completed during fiscal 2011 consisted of either cash consideration or cash consideration along with vested share-based awards assumed. Total cash and cash equivalents acquired from business combinations completed during fiscal 2011 were approximately $7 million.

Total transaction costs related to business combination activities during fiscal 2011 and 2010 were $10 million and $32 million, respectively, which were expensed as incurred and recorded as G&A expenses. The Company continues to evaluate certain assets and liabilities related to business combinations completed during the period. Additional information, which existed as of the acquisition date but was at that time unknown to the Company, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date. Changes to amounts recorded as assets or liabilities may result in a corresponding adjustment to goodwill.

The goodwill generated from the Company's business combinations completed during the year ended July 30, 2011 is primarily related to expected synergies. The goodwill is not deductible for U.S. federal income tax purposes.

4. Goodwill and Purchased Intangible Assets

The following tables present details of the Company's purchased intangible assets (in millions):

July 30, 2011	Gross	Accumulated Amortization	Net
Purchased intangible assets with finite lives:			
Technology	**$1,961**	**$ (561)**	**$1,400**

During fiscal 2011, the Company also recorded charges of $124 million, primarily related to inventory and

7. Financing Receivables and Guarantees

(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. Lease receivables consist of arrangements with terms of four years on average while loan receivables generally have terms of up to three years. The financed service contracts and other category includes financing receivables related to technical support and other services, as well as an insignificant amount of receivables related to financing of certain indirect costs associated with leases. Revenue related to the technical support services is typically deferred and included in deferred service revenue and is recognized ratably over the period during which the related services are to be performed, which typically ranges from one to three years.

A summary of the Company's financing receivables is presented as follows (in millions):

July 30, 2011	Lease

Actual cash collections may differ from the contractual maturities due to early customer buyouts, refinancings, or defaults.

(b) Credit Quality of Financing Receivables

Financing receivables categorized by the Company's internal credit risk rating for each portfolio segment and class as of July 30, 2011 are summarized as follows (in millions):

INTERNAL CREDIT RISK RATING			
1 to 4	5 to 6	7 and Higher	Total

The following table presents the aging analysis of financing receivables by portfolio segment and class as of July 30, 2011 (in millions):

Established Markets

(c) Allowance for Credit Loss Rollforward

The activity for fiscal 2011 related to the allowances for credit loss and the related financing receivables as of July 30, 2011 are summarized as follows (in millions):

	CREDIT LOSS ALLOWANCES
	Lease

8. Investments

(a) Summary of Available-for-Sale Investments

For fixed income securities that have unrealized losses as of July 30, 2011, the Company has determined that (i) it does not have the intent to sell any of these investments and (ii) it is not more likely than not that it will be required to sell any of these investments before recovery of the entire amortized cost basis. In addition, as of July 30, 2011, the Company anticipates that it will recover the entire amortized cost basis of such fixed income

(a) Fair Value Hierarchy

The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs

(b) Long-Term Debt

The following table summarizes the Company's long-term debt (in millions, except percentages):

The effects of the Company's cash flow hedging instruments on other comprehensive income (OCI) and the

interest rates of the senior fixed-rate notes to floating interest rates based on LIBOR. The gains and losses related to changes in the fair value of the interest rate swaps are included in interest expense and substantially offset changes in the fair value of the hedged portion of the underlying debt that are attributable to the changes in market interest rates. The fair value of the interest rate swaps was reflected in other assets.

Interest Rate Derivatives Designated as Cash Flow Hedge, Long-Term Debt In fiscal 2010, the Company entered

(b) Purchase Commitments with Contract Manufacturers and Suppliers

The Company purchases components from a variety of suppliers and uses several contract manufacturers to

next 12 months, as VCE scales its operations, the Company expects that it will make additional investments in VCE and may incur additional losses proportionate with the Company's ownership percentage.

(e) Product Warranties and Guarantees

intends to defend the claims vigorously. While the Company believes there is no legal basis for its alleged

The purchase price for the shares of the Company's stock repurchased is reflected as a reduction to shareholders' equity. The Company is required to allocate the purchase price of the repurchased shares as (i) a reduction to retained earnings until retained earnings are zero and then as an increase to accumulated deficit and (ii) a reduction of common stock and additional paid-in capital. Issuance of common stock and the tax benefit related to employee stock incentive plans are recorded as an increase to common stock and additional paid-in capital.

(b) Cash Dividends on Shares of Common Stock

During fiscal 6.9tmmoanetCash of ere shar,n dclaired and paie the Company's
anring common stoc.k to the of the Company's of

The components of AOCI, net of tax, are summarized as follows (in millions):

	July 30, 2011

awarded in combination with stock options or stock grants, and such awards shall provide that the stock appreciation rights will not be exercisable unless the related stock options or stock grants are forfeited. Stock grants may be awarded in combination with non-statutory stock options, and such awards may provide that the stock grants will be forfeited in the event that the related non-statutory stock options are exercised.

1996 Plan The 1996 Plan expired on December 31, 2006, and the Company can no longer make equity awards under the 1996 Plan. The maximum number of shares issuable over the term of the 1996 Plan was 2.5 billion shares. Stock options granted under the 1996 Plan have an exercise price o996leasterm of the unlyingerm stock on the grons ar eschedull.omsc(and)-252(have)-2utd4(be)-2yesoe iideiidd.

(c) Summary of Share-Based Compensation Expense

Share-based compensation expense consists primarily of expenses for stock options, stock purchase rights, restricted stock, and restricted stock units granted to employees. The following table summarizes share-based compensation expense (in millions):

Years Ended

The following table summarizes significant ranges of outstanding and exercisable stock options as of July 30, 2011 (in millions, except years and share prices):

	STOCK OPTIONS OUTSTANDING	STOCK OPTIONS EXERCISABLE
Range of Exercise Prices		

value of employee stock options and employee stock purchase rights is impacted by the Company’s stock price on the date of grant as well as assumptions regarding a number of highly complex and subjective variables.

The Company used the implied volatility for traded options (with contract terms corresponding to the expected life of the employee stock purchase rights) on the Company’s stock as the expected volatility assumption required in the Black-Scholes model. The implied volatility is more representative of future stock price trends

the Internal Revenue Code. All matching contributions vest immediately. The Company's matching contributions to the Plan totaled $239 million, $210 million, and $202 million in fiscal 2011, 2010, and 2009, respectively.

The Plan allows employees who meet the age requirements and reach the Plan contribution limits to make a catch-up contribution not to exceed the lesser of 75% of their eligible compensation or the limit set forth in the

(b) Unrecognized Tax Benefits

The aggregate changes in the balance of gross unrecognized tax benefits were as follows (in millions):

Years Ended	**July 30, 2011**	July 31, 2010	July 25, 2009

location of the customer. The Company does not allocate research and development, sales and marketing, or general and administrative expenses to its geographic segments in this internal management system because management does not include the information in its measurement of the performance of the operating segments. In addition, the Company does not allocate amortization of acquisition-related intangible assets, share-based compensation expense, charges related to asset impairments and restructurings, and certain other charges to the gross margin for each segment because management does not include this information in its measurement of the performance of the operating segments.

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

Quarters Ended	July 30, 2011[1]	April 30, 2011[1]	January 29, 2011	October 30, 2010
Net sales	**$11,195**	**$10,866**	**$10,407**	**$10,750**
Gross margin	**$ 6,861**	**$ 6,659**	**$ 6,261**	**$ 6,755**
Net income [1]	**$ 1,232**	**$ 1,807**	**$ 1,521**	**$ 1,930**
Net income per share—basic	**$ 0.22**	**$ 0.33**	**$ 0.27**	**$ 0.34**
Net income per share—diluted	**$ 0.22**	**$ 0.33**	**$ 0.27**	**$ 0.34**

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

September 14, 2011

CISCO SYSTEMS, INC.

/s/ JOHN T. CHAMBERS

John T. Chambers

Signature	Title	Date
/s/ Brian L. Halla **Brian L. Halla**	Director	September 14, 2011
/s/ John L. Hennessy **Dr. John L. Hennessy**	Director	September 14, 2011
/s/ Richard M. Kovacevich **Richard M. Kovacevich**	Director	September 14, 2011

/

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference	Filed Herewith

Exhibit Number	Exhibit Description	Incorporated by Reference

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	Rule 13a–14(a)lSBT/F31Tfa9.5m Date					

Shareholder Information

Directors

Executive Officers

Resources

Carol A. Bartz
Former Chief Executive Officer
Yahoo! Inc.

M. Michele Burns[1] [2] [4]
Former Chairman and Chief Executive Officer
Mercer LLC

Michael D. Capellas[1] [4]
Chairman
VCE Company, LLC

Larry R. Carter[4]
Former SVP, Office of the Chairman and CEO
Cisco Systems, Inc.

John T. Chambers[1]
Chairman and Chief Executive Officer
Cisco Systems, Inc.

Brian L. Halla[3]
Former Chairman and Chief Executive Officer
National Semiconductor Corporation

John L. Hennessy, Ph.D.[1] [5]
President

Forward-Looking Statements

This Annual Report 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 and the Securities Exchange Act of 1934, each as amended. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “endeavors,” “strives,” “may,” variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, statements that refer to the following are forward-looking statements: increasing our ability to continue to deliver unique value to shareholders, customers, partners and employees,