CISCO SYSTEMS, INC.

FORM 10-K
(Annual Report)

Filed 09/10/13 for the Period Ending 07/27/13

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Industry	Communications Equipment
Sector	Technology
Fiscal Year	07/28

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 listed in the accompanying index present fairly, in all material respects, the financial position of Cisco Systems, Inc. and its subsidiaries at July 27, 2013 and July 28, 2012 , and the results of their operations and their cash flows for each of the three years in the period ended July 27, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 27, 2013 , based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Jose, California
September 10, 2013

14. Employee Benefit Plans

(a) Employee Stock Incentive Plans

As of July 27, 2013 , the Company had five stock incentive plans: the 2005 Stock Incentive Plan (the "2005 Plan"); the 1996 Stock Incentive Plan (the "1996 Plan"); the 1997 Supplemental Stock Incentive Plan (the "Supplemental 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 "WebEx Acquisition Plan"). In addition, the Company has, in connection with the acquisitions of various companies, assumed the share-based awards granted under stock incentive plans of the acquired companies or issued share-based awards in replacement thereof. Share-based awards are designed to reward employees for their long-term contributions to the Company and provide incentives for them to remain with the Company. The number and frequency of share-based awards are based on competitive practices, operating results of the Company, government regulations, and other factors. Since the inception of the stock incentive plans, the Company has granted share-based awards to a significant percentage of its employees, and the majority has been granted to employees below the vice president level. The Company's primary stock incentive plans are summarized as follows:

2005 Plan As amended on November 15, 2007, the maximum number of shares issuable under the 2005 Plan over its term is 559 million shares plus the amount of any shares underlying awards outstanding on November 15, 2007 under the 1996 Plan, the SA Acquisition Plan, and the WebEx Acquisition Plan that are forfeited or are terminated for any other reason before being exercised or settled. If any awards granted under the 2005 Plan are forfeited or are terminated for any other reason before being exercised or settled, then the shares underlying the awards will again be available under the 2005 Plan.

Pursuant to an amendment approved by the Company's shareholders on November 12, 2009, the number of shares available for issuance under the 2005 Plan was reduced by 1.5 shares for each share awarded as a stock grant or a stock unit, and any shares underlying awards outstanding under the 1996 Plan, the SA Acquisition Plan, and the WebEx Acquisition Plan that expire unexercised at the end of their maximum terms become available for reissuance under the 2005 Plan. The 2005 Plan permits the granting of stock options, restricted stock, and restricted stock units (RSUs), the vesting of which may be performance-based or market-based along with the requisite service requirement, and stock appreciation rights to employees (including employee directors and officers), consultants of the Company and its subsidiaries and affiliates, and non-employee directors of the Company. Stock options and stock appreciation rights granted under the 2005 Plan have an exercise price of at least 100% of the fair market value of the underlying stock on the grant date and prior to November 12, 2009 have an expiration date no later than nine years from the grant date. The expiration date for stock options and stock appreciation rights granted subsequent to the amendment approved on November 12, 2009 shall be no later than 10 years from the grant date.

The stock options will generally become exercisable for 20% or 25% of the option shares one year from the date of grant and then ratably over the following 48 months or 36 months , respectively. Time-based stock grants and time-based RSUs will generally vest with respect to 20% or 25% of the shares or share units covered by the grant on each of the first through fifth or fourth anniversaries of the date of the grant, respectively. Performance-based and market-based RSUs typically vest at the end of the three -year requisite service period or earlier if the award recipient meets certain retirement eligibility conditions. The Compensation and Management Development Committee of the Board of Directors has the discretion to use different vesting schedules. Stock appreciation rights may be 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 of at least 100% of the fair market value of the underlying stock on the grant date and expire no later than nine years from the grant date. The stock options generally became exercisable for 20% or 25% of the option shares one year from the date of grant and then ratably over the following 48 or 36 months , respectively. Certain other grants utilized a 60-month ratable vesting schedule. In addition, the Board of Directors, or other committees administering the 1996 Plan, had the discretion to use a different vesting schedule and did so from time to time.

Supplemental Plan The Supplemental Plan expired on December 31, 2007, and the Company can no longer make equity awards under the Supplemental Plan. Officers and members of the Company's Board of Directors were not eligible to participate in the Supplemental Plan. Nine million shares were reserved for issuance under the Supplemental Plan.

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 and extension of the 2005 Plan, as of November 15, 2007, the Company will no longer make stock option grants or direct share issuances under either the SA Acquisition Plan or the WebEx Acquisition Plan.

(b) Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan, which includes its subplan, the International Employee Stock Purchase Plan (together, the "Purchase Plan"), under which 471.4 million shares of the Company's common stock have been reserved for issuance as of July 27, 2013 . Eligible employees are offered shares through a 24-month offering period, which consists of four consecutive 6-month purchase periods . Employees may purchase a limited number of shares of the Company's stock at a discount of up to 15% of the lesser of the market value at the beginning of the offering period or the end of each 6 -month purchase period. The Purchase Plan is scheduled to terminate on January 3, 2020 . The Company issued 36 million , 35 million , and 34 million shares under the Purchase Plan in fiscal 2013, 2012, and 2011 , respectively. As of July 27, 2013 , 51 million shares were available for issuance under the Purchase Plan.

(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	**July 27, 2013**	July 28, 2012	July 30, 2011
Cost of sales—product	**$ 40**	$ 53	$ 61
Cost of sales—service	**138**	156	177
Share-based compensation expense in cost of sales	**178**	209	238
Research and development	**286**	401	481
Sales and marketing	**484**	588	651
General and administrative	**175**	203	250
Restructuring and other charges	**(3)**	—	—
Share-based compensation expense in operating expenses	**942**	1,192	1,382
Total share-based compensation expense	**$ 1,120**	$ 1,401	$ 1,620
Income tax benefit for share-based compensation	**$ 285**	$ 335	$ 444

As of July 27, 2013 , the total compensation cost related to unvested share-based awards not yet recognized was $2.3 billion , which is expected to be recognized over approximately 2.5 years on a weighted-average basis.

(d) Share-Based Awards Available for Grant

A summary of share-based awards available for grant is as follows (in millions):

Years Ended	**July 27, 2013**	July 28, 2012	July 30, 2011
Balance at beginning of fiscal year	**218**	255	295
Restricted stock, stock units, and other share-based awards granted	**(102)**	(95)	(82)
Share-based awards canceled/forfeited/expired	**115**	64	42
Other	**(3)**	(6)	—
Balance at end of fiscal year	**228**	218	255

As reflected in the preceding table, for each share awarded as restricted stock or subject to a restricted stock unit award under the 2005 Plan, an equivalent of 1.5 shares was deducted from the available share-based award balance. For restricted stock units that were awarded with vesting contingent upon the achievement of future financial performance or market-based metrics, the maximum awards that can be achieved upon full vesting of such awards were reflected in the preceding table.

(e) Restricted Stock and Stock Unit Awards

A summary of the restricted stock and stock unit activity, which includes time-based and performance-based or market-based restricted stock units, is as follows (in millions, except per-share amounts):

	Restricted Stock/ Stock Units	Weighted-Average Grant Date Fair Value per Share	Aggregated Fair Market Value
UNVESTED BALANCE AT JULY 31, 2010	97	$ 22.35	
Granted and assumed	56	20.62	
Vested	(27)	22.54	$ 529
Canceled/forfeited	(10)	22.04	
UNVESTED BALANCE AT JULY 30, 2011	116	21.50	
Granted and assumed	65	17.45	
Vested	(35)	21.94	$ 580
Canceled/forfeited	(18)	20.38	
UNVESTED BALANCE AT JULY 28, 2012	**128**	**19.46**	
Granted and assumed	**72**	**18.52**	
Vested	**(46)**	**20.17**	**$ 932**
Canceled/forfeited	**(11)**	**18.91**	
UNVESTED BALANCE AT JULY 27, 2013	**143**	**$ 18.80**	

(f) Stock Option Awards

A summary of the stock option activity is as follows (in millions, except per-share amounts):

	STOCK OPTIONS OUTSTANDING	
	Number Outstanding	Weighted-Average Exercise Price per Share
BALANCE AT JULY 31, 2010	732	$ 21.39
Exercised	(80)	16.55
Canceled/forfeited/expired	(31)	25.91
BALANCE AT JULY 30, 2011	621	21.79
Assumed from acquisitions	1	2.08
Exercised	(66)	13.51
Canceled/forfeited/expired	(36)	23.40
BALANCE AT JULY 28, 2012	**520**	**22.68**
Assumed from acquisitions	**10**	**0.77**
Exercised	**(154)**	**18.51**
Canceled/forfeited/expired	**(100)**	**22.18**
BALANCE AT JULY 27, 2013	**276**	**$ 24.44**

The total pretax intrinsic value of stock options exercised during fiscal 2013, 2012, and 2011 was $661 million , $333 million , and $312 million , respectively.

The following table summarizes significant ranges of outstanding and exercisable stock options as of July 27, 2013 (in millions, except years and share prices):

	STOCK OPTIONS OUTSTANDING				STOCK OPTIONS EXERCISABLE		
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (in Years)	Weighted-Average Exercise Price per Share	Aggregate Intrinsic Value	Number Exercisable	Weighted-Average Exercise Price per Share	Aggregate Intrinsic Value
$ 0.01 – 15.00	9	6.18	$ 3.99	$ 198	5	$ 7.00	$ 84
15.01 – 18.00	40	1.20	17.79	308	40	17.79	307
18.01 – 20.00	25	0.68	19.15	155	24	19.15	155
20.01 – 25.00	86	2.22	22.82	231	86	22.82	231
25.01 – 35.00	116	3.12	30.69	—	116	30.69	—
Total	276	2.45	$ 24.44	$ 892	271	$ 24.84	$ 777

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on the Company's closing stock price of $25.50 as of July 26, 2013, that would have been received by the option holders had those option holders exercised their stock options as of that date. The total number of in-the-money stock options exercisable as of July 27, 2013 was 155 million . As of July 28, 2012 , 512 million outstanding stock options were exercisable and the weighted-average exercise price was $22.65 .

(g) Valuation of Employee Share-Based Awards

Time-based restricted stock units and performance-based restricted stock units (PRSUs) that are based on the Company's financial performance metrics are valued using the market value of the Company's common stock on the date of grant, discounted for the present value of expected dividends. On the date of grant, the Company estimated the fair value of the total shareholder return (TSR) component of the PRSUs using a Monte Carlo simulation model. The assumptions for the valuation of time-based RSUs and PRSUs are summarized as follows:

	RESTRICTED STOCK UNITS			PERFORMANCE RESTRICTED STOCK UNITS	
Years Ended	**July 27, 2013**	July 28, 2012	July 30, 2011	**July 27, 2013**	July 28, 2012
Number of shares granted (in millions)	**64**	62	54	4	2
Weighted-average assumptions/inputs:					
Grant date fair value per share	**$ 18.39**	$ 17.26	$ 20.59	**$ 19.73**	$ 22.17
Expected dividend yield	**3.0%**	1.5%	0.3%	**2.9%**	1.3%
Range of risk-free interest rates	**0.0% - 1.1%**	0.0% - 1.1%	0.0% - 1.9%	**0.1% - 0.7%**	0.0% - 0.9%
Range of expected volatilities for index	**N/A**	N/A	N/A	**18.3% - 78.3%**	19.8% - 60.8%

The PRSUs granted during fiscal 2013 and fiscal 2012 are contingent on the achievement of the Company's financial performance metrics or its comparative market-based returns. Generally, 50% of the PRSUs are earned based on the average of annual operating cash flow and earnings per share goals established at the beginning of each fiscal year over a three-year performance period. Generally, the remaining 50% of the PRSUs are earned based on the Company's TSR measured against the benchmark TSR of a peer group over the same period. Each PRSU recipient could vest in 0% to 150% of the target shares granted.

The assumptions for the valuation of employee stock purchase rights are summarized as follows:

	EMPLOYEE STOCK PURCHASE RIGHTS		
Years Ended	**July 27, 2013**	July 28, 2012	July 30, 2011
Weighted-average assumptions:			
Expected volatility	**28.7%**	27.2%	35.1%
Risk-free interest rate	**0.4%**	0.2%	0.9%
Expected dividend	**1.5%**	1.5%	0.0%
Expected life (in years)	**1.8**	0.8	1.8
Weighted-average estimated grant date fair value per share	**$ 4.68**	$ 3.81	$ 6.31

The valuation of employee stock purchase rights and the related assumptions are for the employee stock purchases made during the respective fiscal years.

The Company uses third-party analyses to assist in developing the assumptions used in, as well as calibrating, its lattice-binomial and Black-Scholes models. The Company is responsible for determining the assumptions used in estimating the fair value of its share-based payment awards.

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 than historical volatility. The risk-free interest rate assumption is based upon observed interest rates appropriate for the term of the Company's employee stock purchase rights. The dividend yield assumption is based on the history and expectation of dividend payouts at the grant date.

(h) Employee 401(k) Plans

The Company sponsors the Cisco Systems, Inc. 401(k) Plan (the "Plan") to provide retirement benefits for its employees. As allowed under Section 401(k) of the Internal Revenue Code, the Plan provides for tax-deferred salary contributions and after-tax contributions for eligible employees. The Plan allows employees to contribute from 1% to 75% of their annual compensation to the Plan on a pretax and after-tax basis, and effective January 1, 2011, the Plan also allows employees to make Roth contributions. Employee contributions are limited to a maximum annual amount as set periodically by the Internal Revenue Code. The Company matches pretax employee contributions up to 100% of the first 4.5% of eligible earnings that are contributed by employees. Therefore, the maximum matching contribution that the Company may allocate to each participant's account will not exceed $11,475 for the 2013 calendar year due to the $255,000 annual limit on eligible earnings imposed by the Internal Revenue Code. All matching contributions vest immediately. The Company's matching contributions to the Plan totaled $234 million , $231 million , and $239 million in fiscal 2013, 2012, and 2011 , 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 Internal Revenue Code. The catch-up contributions are not eligible for matching contributions. In addition, the Plan provides for discretionary profit-sharing contributions as determined by the Board of Directors. Such contributions to the Plan are allocated among eligible participants in the proportion of their salaries to the total salaries of all participants. There were no discretionary profit-sharing contributions made in fiscal 2013, 2012, and 2011 .

The Company also sponsors other 401(k) plans that arose from acquisitions of other companies. The Company's contributions to these plans were not material to the Company on either an individual or aggregate basis for any of the fiscal years presented.

(i) Deferred Compensation Plans

The Cisco Systems, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"), a nonqualified deferred compensation plan, became effective in 2007. As required by applicable law, participation in the Deferred Compensation Plan is limited to a select group of the Company's management employees. Under the Deferred Compensation Plan, which is an unfunded and unsecured deferred compensation arrangement, a participant may elect to defer base salary, bonus, and/or commissions, pursuant to such rules as may be established by the Company, up to the maximum percentages for each deferral election as described in the plan. The Company may also, at its discretion, make a matching contribution to the employee under the Deferred Compensation Plan. A matching contribution equal to 4.5% of eligible compensation in excess of the Internal Revenue Code limit for qualified plans for calendar year 2013 that is deferred by participants under the Deferred Compensation Plan (with a $1.5 million cap on eligible compensation) will be made to eligible participants' accounts at the end of calendar year 2013. The deferred compensation liability under the Deferred Compensation Plan, together with a deferred compensation plan assumed from Scientific-Atlanta, was approximately $441 million and $355 million as of July 27, 2013 and July 28, 2012 , respectively, and was recorded primarily in other long-term liabilities.

CISCO SYSTEMS, INC.

FORM DEF 14A
(Proxy Statement (definitive))

Filed 09/30/13 for the Period Ending 11/19/13

Address	170 WEST TASMAN DR SAN JOSE, CA 95134-1706
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Symbol	CSCO
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Fiscal 2014 Compensation Approach

- *Base Salaries* —On September 18, 2013, because of his strong performance relative to his counterparts in the Peer Group and for purposes of internal equity, the CEO recommended and the Compensation Committee approved an increase in Mr. Calderoni's base salary for fiscal 2014 from $710,000 to $800,000. The Compensation Committee does not intend at this time to make any other adjustments to the annual base salaries for the other named executive officers.
- *Variable Cash Incentive Awards* —Awards under the EIP for fiscal 2014 are based on the same one-year performance metrics as were used in fiscal 2013, but the specific financial targets will be the same as those used under the company-wide bonus plan and as a result, the maximum possible bonus has been reduced from 300% of target to 269% of target.
- *Long-Term, Equity-Based Incentive Awards* —On September 18, 2013, the Compensation Committee granted the following equity awards to the named executive officers and the PRSUs were granted using a three-year performance period and the same performance metrics (but not goals) that were used in fiscal 2013. With the exception of the award to Mr. Chambers, all of the awards were approved generally with reference to the 75 th percentile of the Primary Peer Group in recognition of Cisco's TSR. The grant to Mr. Chambers was made with reference to the median of the Primary Peer Group with an opportunity to earn his award at the 75 th percentile for superior relative TSR and operational performance.

Named Executive Officer	Performance-Based Restricted Stock Units	Time-Based Restricted Stock Units
John T. Chambers	445,100	—
Frank A. Calderoni	225,000	81,100
Gary B. Moore	258,900	93,400
Robert W. Lloyd	258,900	93,400
Charles H. Robbins	148,000	160,100

Compensation Committee Report

The information contained in this report shall not be deemed to be "soliciting material," to be "filed" with the SEC, or to be subject to Regulation 14A or Regulation 14C (other than as provided in Item 407 of Regulation S-K) or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed to be incorporated by reference in future filings with the SEC except to the extent that Cisco specifically incorporates it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Compensation and Management Development Committee has reviewed and discussed the "Compensation Discussion and Analysis" section of this Proxy Statement with Cisco's management. Based on that review and those discussions, the Compensation and Management Development Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" section be included in this Proxy Statement and incorporated by reference into Cisco's Annual Report on Form 10-K for its 2013 fiscal year.

Submitted by the Compensation and Management Development Committee

Roderick C. McGeary, *Chairperson*
Carol A. Bartz
M. Michele Burns
Brian L. Halla

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee during fiscal 2013 were: Roderick C. McGeary (Chairperson), M. Michele Burns and Brian L. Halla for all of fiscal 2013; and Carol A. Bartz beginning in November 2012. No member of this committee was at any time during fiscal 2013 or at any other time an officer or employee of Cisco, and no member of this committee had any relationship with Cisco requiring disclosure under Item 404 of Regulation S-K. No executive officer of Cisco has served on the board of directors or compensation committee of any other entity that has or has had one or more executive officers who served as a member of the Compensation Committee during fiscal 2013.

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Summary of Compensation

The following table, footnotes and related narrative sets forth the "total compensation" earned by the named executive officers for services rendered in all capacities to Cisco and its subsidiaries for each of the last three or fewer fiscal years during which such individuals were designated as named executive officers. The salary, bonus and non-equity incentive plan compensation columns set forth below reflect the actual amounts paid for the relevant fiscal years, while the stock awards column reflects accounting values. For the actual amounts of compensation related to long-term equity incentives, please review the "Option Exercises and Stock Vested —Fiscal 2013" table below. Cisco's named executive officers for fiscal 2013 include Cisco's CEO, CFO, and the three most highly compensated executive officers (other than the CEO and CFO) in fiscal 2013.

Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($) (2)	All Other Compensation ($)	Total ($)
John T. Chambers	2013	$1,100,000	—	$15,237,652(3)	—	$ 4,700,080	$ 11,769(4)	$21,049,501
Chairman and Chief	2012	$ 375,000	—	$ 7,348,265(3)	—	$ 3,953,376	$ 11,025	$11,687,666
Executive Officer	2011	$ 375,000	—	$12,500,100(5)	—	—	$ 11,025	$12,886,125
Frank A. Calderoni	2013	$ 710,000	—	$ 8,231,106(3)	—	$ 2,058,574	$ 68,456(4)	$11,068,136
Executive Vice President,	2012	$ 630,000	—	$ 2,926,097(3)	—	$ 1,402,380	$ 74,585	$ 5,033,062
Chief Financial Officer	2011	$ 630,000	—	$ 7,236,900(5)	—	—	$ 21,483	$ 7,888,383
Gary B. Moore	2013	$ 825,000	—	$14,147,304(3)	—	$ 2,203,163	$ 58,548(4)	$17,234,015
President and Chief	2012	$ 800,000	—	$ 4,208,186(3)	—	$ 2,220,064	$ 21,897	$ 7,250,147
Operating Officer	2011	$ 699,808	—	$10,518,900(5)	—	—	$ 33,962	$11,252,670
Robert W. Lloyd	2013	$ 800,000	—	$13,236,126(3)	—	$ 2,136,400	$ 56,025(4)	$16,228,551
President,	2012	$ 685,000	—	$ 3,887,312(3)	—	$ 1,677,291	$ 56,250	$ 6,305,853
Development and Sales	2011	$ 685,000	—	$ 7,236,900(5)	—	—	—	$ 7,921,900
Charles H. Robbins	2013	$ 640,962	$800,000(7)	$ 6,034,000(3)	—	$ 1,388,660	$ 1,431,657(4)(8)	$10,295,279
Senior Vice President, Worldwide Field Operations (6)								

(1) The amounts in the Stock Awards column represent the aggregate grant date fair values, computed in accordance with FASB ASC Topic 718, of PRSUs, restricted stock unit awards and PRSU rights during the applicable fiscal year under the 2005 Stock Incentive Plan. As explained further below in footnote 3 to the Summary Compensation Table below, the amounts reported for fiscal 2013 include additional aggregate fair value related to the PRSUs awarded in fiscal 2012, which were not included in the amounts reported for fiscal 2012 pursuant to FASB ASC Topic 718. For a more detailed discussion of the valuation methodology used to value the PRSUs awarded during fiscal 2013 and fiscal 2012, see footnote 3 to the Summary Compensation Table below. For time-based restricted stock unit awards and PRSU rights awarded prior to March 17, 2011, the grant date fair values were determined based on the closing share price of Cisco common stock on the date of grant. For time-based awards granted in fiscal 2013, fiscal 2012, and in fiscal 2011 on or subsequent to March 17, 2011, the grant date fair value was determined using the closing share price of Cisco common stock on the date of grant, adjusted for the present value of expected dividends. For a more detailed discussion of the PRSU rights awarded in fiscal 2011, see footnote 5 to the Summary Compensation Table below.

(2) The amounts listed in the Non-Equity Incentive Plan Compensation column for fiscal 2013 and fiscal 2012 reflect the cash awards paid under the EIP for performance in the applicable fiscal year.

(3) The PRSUs awarded in fiscal 2013 and fiscal 2012 are generally based on the three-year performance cycle of fiscal 2013 through fiscal 2015 and fiscal 2012 through fiscal 2014, respectively. The performance metrics for 50% of the PRSUs are based on operating goal performance, and the performance metric for the remaining 50% of the PRSUs is Cisco's relative TSR, except that the performance metric for 100% of the PRSUs awarded to Mr. Chambers in June 2013 was Cisco's relative TSR. See "Compensation Discussion and Analysis—Fiscal 2013 Compensation" for a more complete description of the PRSUs.

The metric used to determine the number of PRSUs earned relative to total shareholder return is Cisco's TSR compared to the S&P 500 Information Technology Index over a three fiscal year period, except that the TSR performance metric for the PRSUs awarded to Mr. Chambers in June 2013 cover the period starting June 1, 2013 through the end of fiscal 2015. Consistent with FASB ASC Topic 718, the full grant date fair value for the market-related TSR component for the entire three-year performance cycle is included in the amounts shown for the year of grant and was determined using a Monte Carlo simulation model.

The metrics used to determine the number of PRSUs earned relative to operating goal performance are operating cash flow and earnings per share based on annual goals, pre-established at the beginning of each applicable fiscal year in accordance with Code Section 162 (m). These operating goal performance metrics will be reviewed at the end of each fiscal year and any PRSUs will be earned based on the average performance over the three applicable fiscal years, subject to the Compensation Committee's approval. Because the performance-related component is based on separate measurements of our financial performance for each year in the three-year performance cycle, FASB ASC Topic 718 requires the grant date fair value to be calculated at the commencement of each separate year of the performance cycle when the respective performance measures are approved.

The table below sets forth the grant date fair value for PRSUs awarded in fiscal 2013 and 2012.

Name	Fiscal Year	Probable Outcome of Performance Conditions Grant Date Fair Value ($) *	Maximum Outcome of Performance Conditions Grant Date Fair Value ($)*	Market-Related Component Grant Date Fair Value ($)**
John T. Chambers	2013	$ 3,176,319	$ 4,764,479	$ 12,061,333
	2012	$ 1,285,823	$ 1,928,734	$ 6,062,442
Frank A. Calderoni	2013	$ 1,425,632	$ 2,138,448	$ 3,480,437
	2012	$ 373,096	$ 559,644	$ 1,759,087
Gary B. Moore	2013	$ 2,148,337	$ 3,222,505	$ 5,372,212
	2012	$ 536,490	$ 804,735	$ 2,529,464
Robert W. Lloyd	2013	$ 1,971,445	$ 2,957,168	$ 4,920,966
	2012	$ 495,580	$ 743,370	$ 2,336,579
Charles H. Robbins	2013	$ 442,125	$ 663,188	$ 757,125

* The amounts for fiscal 2013 represent the grant date fair value for the operating goal performance-related component of the PRSUs awarded in fiscal 2013 and fiscal 2012 (i) based upon the probable or target outcome of the fiscal 2013 operating goal performance-related component as of the date the goals were set, and (ii) based upon achieving the maximum level of performance under the fiscal 2013 operating goal performance-related component as of the date the goals were set.

The amounts for fiscal 2012 represent the grant date fair value for the operating goal performance-related component of the PRSUs awarded in fiscal 2012 (i) based upon the probable outcome of the fiscal 2012 operating goal performance-related component as of the grant date, and (ii) based upon achieving the maximum level of performance under the fiscal 2012 operating goal performance-related component as of the grant date. The probable and maximum values are based upon achieving the target or maximum level of performance as of the date the goals were set.

** Represents the grant date fair value for the market-related TSR component, which is not subject to probable or maximum outcome assumptions.

The following table includes the assumptions used to calculate the grant date fair value of PRSU awards reported for fiscal 2013 and 2012:

		Assumptions (Operating Goal)			Assumptions (TSR Goal)		
Fiscal 2013	Fair Value ($)	Range of Risk Free Interest Rate (%)	Dividend Yield (%)	Fair Value ($)	Cisco Volatility (%)	Risk Free Interest Rate (%)	Dividend Yield (%)
Year 2 of 9/8/2011 PRSU	17.96	0.09 - 0.25	2.94	N/A	N/A	N/A	N/A
Year 1 of 9/12/2012 PRSU	17.41	0.09 - 0.33	2.94	20.19	31.54	0.32	2.94
Year 1 of 10/3/2012 PRSU	17.26	0.10 - 0.33	2.96	20.40	31.69	0.29	2.96
Year 1 of 6/13/2013 PRSU	N/A	N/A	N/A	26.83	29.74	0.35	2.79
Fiscal 2012							
Year 1 of 9/8/2011 PRSU	15.57	0.01 - 0.33	1.47	24.47†	31.67	0.32	1.26

† A measurement date of December 7, 2011 was used because these PRSUs were awarded subject to shareholder approval of the amendment and restatement of the 2005 Stock Incentive Plan at the 2011 annual meeting of shareholders.

(4) The amounts listed in the All Other Compensation column for fiscal 2013 include actual and estimated matching contributions by Cisco under the Cisco Systems, Inc. Deferred Compensation Plan on behalf of certain participating named executive officers. This includes $56,025, $47,597 and $56,025 in matching contributions on behalf of Mr. Calderoni, Mr. Moore, and Mr. Lloyd, respectively, related to fiscal 2013 salary deferred during calendar year 2012 as well as fiscal 2013 salary and non-equity incentive plan compensation deferred during calendar year 2013 that is expected to be credited at the end of calendar year 2013. See “Nonqualified Deferred Compensation — Fiscal 2013” for more information. In addition, the amounts listed in the All Other Compensation column for fiscal 2013 include matching contributions that Cisco made under its 401(k) plan on behalf of certain participating named executive officers, including $11,769, $12,431, $10,951 and $11,475 on behalf of Mr. Chambers, Mr. Calderoni, Mr. Moore and Mr. Robbins, respectively.

(5) For the PRSU rights awarded in fiscal 2011, 84% of the target number of restricted stock units would have been granted pursuant to these awards; however, in light of the erosion of shareholder value in fiscal 2011, the Compensation Committee exercised its negative discretion and decided no named executive officer would receive a performance-based equity award for fiscal 2011. The maximum that could have been earned under the PRSU rights was 133% of target for fiscal 2011. Those maximum values for fiscal 2011 that could have been earned were: for Mr. Chambers, $8,312,567; for Mr. Calderoni, $4,812,539; for Mr. Moore, $4,812,539; and for Mr. Lloyd, $4,812,539.

(6) Mr. Robbins was promoted to Senior Vice President, Worldwide Field Operations on October 3, 2012 and was not a named executive officer in fiscal 2012 or 2011.

(7) Mr. Robbins received a bonus of $800,000 in connection with his promotion to Senior Vice President, Worldwide Field Operations and becoming an executive officer.

(8) Mr. Robbins was reassigned to California from Georgia as of November 2012 and during fiscal 2013. In addition to the amounts listed in the All Other Compensation column for Mr. Robbins set forth in footnote 4 above, the amount listed in the All Other Compensation column for fiscal 2013 includes: (i) $333,737 for relocation expenses from Georgia to California pursuant to standard Cisco policy, but with no tax equalization benefit, which primarily includes $220,506 for payments to a third-party home sale assistance firm (which may include inspection, appraisal, and other costs related to the sale and purchase of a home) and $46,707 for moving services; and (ii) $1,081,671 of imputed income in connection with the forgiveness of debt for Mr. Robbins which occurred prior to his becoming an executive officer, which amount was not tax equalized. Other similar perquisites and personal benefits included in the amounts shown for fiscal 2013 consist of a relocation miscellaneous expense, an allowance for temporary housing, mortgage interest assistance payments, and reimbursement for personal expenses related to a trip he attended to recognize sales personnel achievements.

The following table provides information on cash-based performance awards, restricted stock unit awards and stock option awards in fiscal 2013 to each of Cisco's named executive officers. There can be no assurance that the Grant Date Fair Value, as listed in this table, of the Stock Unit and Stock Option Awards will ever be realized. These Grant Date Fair Value amounts also are included in the "Stock Awards" and "Option Awards" columns of the Summary Compensation Table.

Grants of Plan-Based Awards—Fiscal 2013

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#) (1)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#) (1)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($) (2)
John T. Chambers	(3)	—	$2,220,000	$6,660,000							
	9/12/12(4)				—	583,500	875,250				$ 7,583,555
	6/13/13(4)				—	230,000	345,000				$ 6,170,900
Frank A. Calderoni	(3)	—	$ 887,500	$2,662,500							
	9/12/12(4)				—	250,700	376,050				$ 3,258,264
	9/12/12(5)							89,900			$ 1,590,331
	10/3/12(4)				—	93,100	139,650				$ 1,217,438
	10/3/12(5)							98,900			$ 1,734,706
Gary B. Moore	(3)	—	$1,031,250	$3,093,750							
	9/12/12(4)				—	263,500	395,250				$ 3,424,622
	9/12/12(5)							94,500			$ 1,671,705
	10/3/12(4)				—	265,900	398,850				$ 3,477,086
	10/3/12(5)							282,500			$ 4,955,050
Robert W. Lloyd	(3)	—	$1,000,000	$3,000,000							
	9/12/12(4)				—	218,800	328,200				$ 2,843,671
	9/12/12(5)							78,500			$ 1,388,665
	10/3/12(4)				—	265,900	398,850				$ 3,477,086
	10/3/12(5)							282,500			$ 4,955,050
Charles H. Robbins	(3)	—	$ 650,000	$1,950,000							
	9/12/12(5)							75,000			$ 1,326,750
	9/12/12(4)				—	75,000	112,500				$ 974,750
	10/3/12(6)							200,000			$ 3,508,000

(1) Each of the awards will vest in full (at target levels for PRSUs) and, if applicable, become immediately exercisable in the event that Cisco is acquired by merger or asset sale, unless the award or related agreement is assumed or replaced by the acquiring entity, or in the event there is a hostile change in control or ownership of Cisco, whether through a tender or exchange offer for more than 35% of Cisco's outstanding voting securities which the Board of Directors does not recommend the shareholders to accept, or a change in the majority of the members of the Board of Directors as a result of one or more contested elections for board membership. In addition, pursuant to a Compensation Committee policy which can be revoked or changed at any time, if the holder of an award dies or becomes terminally ill, his or her award will generally vest in an amount equal to the greater of 100% of the unvested shares subject to the award (at target levels for PRSUs) up to a total value of $10 million, net of aggregate exercise or purchase price, or up to one year of vesting from the date of death or determination of terminal illness. For purposes of this policy, shares subject to the award are valued based on the closing share price of Cisco common stock on the date of death or determination of terminal illness.

In the event of the retirement of a named executive officer, and to the extent the named executive officer meets certain retirement eligibility criteria described in the award agreement and complies with certain post-retirement covenants, all PRSUs will continue to vest and any earned PRSUs, based on the satisfaction of the performance metrics, will be settled in Cisco shares at the end of the three-year performance period. Further, PRSUs will be forfeited and provide no value to its holder to the extent the holder violates specific post-retirement covenants.

(2) Excludes the grant date fair value for the operating goal performance-related component of the fiscal 2012 awards based on the probable or target outcome of the fiscal 2013 operating goal performance-related component because these PRSUs were awarded in fiscal 2012. The amounts included in the "Stock Award" column of the Summary Compensation Table for fiscal 2013 related to the PRSUs awarded in fiscal 2012 are as follows: $1,483,197 for Mr. Chambers; $430,367 for Mr. Calderoni, $618,841 for Mr. Moore; $571,654 for Mr. Lloyd; and $224,500 for Mr. Robbins.

(3) These rows represent possible payouts pursuant to the annual cash incentive awards under the EIP for fiscal 2013. More information about these payments appears above in the “Compensation Discussion and Analysis” section of this Proxy Statement. For each named executive officer other than Mr. Chambers and Mr. Robbins, the target and maximum values are calculated by multiplying 125% (target) and 375% (maximum), respectively, by the executive’s annual base salary in effect at the beginning of fiscal 2013. For Mr. Chambers, the target and maximum values are calculated by multiplying 200% (target) and 600% (maximum), respectively, by his annual base salary in effect at the beginning of fiscal 2013. For Mr. Robbins, the target and maximum values are calculated by multiplying 100% (target) and 300% (maximum), respectively, by his annual base salary in effect at the end of fiscal 2013. The EIP did not contain any threshold value for fiscal 2013.

(4) The amounts shown in these rows reflect, in share amounts, the target and maximum potential awards of restricted stock units for the fiscal 2013 performance period, as further described in the “Compensation Discussion and Analysis” section of this Proxy Statement. In September 2012, each named executive officer was awarded PRSUs under the 2005 Stock Incentive Plan, which are subject to the satisfaction of pre-determined performance metrics based on operating cash flow, earnings per share and relative TSR over the three fiscal year performance cycle starting with fiscal 2013, with a maximum award equal to 150% of the target grant. In October 2012, Messrs. Calderoni, Moore, and Lloyd were each awarded PRSUs under the 2005 Stock Incentive Plan subject to the satisfaction of the same conditions as set forth in the preceding sentence. In June 2013, Mr. Chambers was awarded PRSUs under the 2005 Stock Incentive Plan, subject to the satisfaction of pre-determined performance metrics based on relative TSR over the period from June 1, 2013 through the end of fiscal 2015. There was no threshold number of restricted stock units for fiscal 2013. The potential awards were performance-based and were completely at risk. For additional detail on the grant date fair value of the PRSUs, see footnote 3 to the Summary Compensation Table above.

(5) Granted under the 2005 Stock Incentive Plan and vests in 25% increments on September 11, 2013, and annually for the next 3 years. Each award is settled in shares on each vesting date.

(6) Granted under the 2005 Stock Incentive Plan and vests in 50% increments on September 11, 2015 and September 11, 2016. Each award is settled in shares on each vesting date.

The following table shows the number of Cisco common shares covered by exercisable and unexercisable stock options, and the number of Cisco unvested restricted stock units, held by Cisco’s named executive officers as of July 27, 2013.

Outstanding Equity Awards At 2013 Fiscal Year-End

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) *	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) *
John T. Chambers	1,300,000	—	$ 17.86	9/29/2014				
	1,300,000	—	$ 23.01	9/21/2015				
	900,000	—	$ 32.21	9/20/2016				
	838,541	36,459	$ 23.40	11/12/2016(1)				
					87,500(2)	$ 2,231,250		
					142,500(4)	$ 3,633,750		
							743,250(8)	$ 18,952,875
							875,250(9)	$ 22,318,875
							345,000(14)	$ 8,797,500
Frank A. Calderoni	58,750	—	$ 17.80	8/12/2014				
	120,000	—	$ 17.86	9/29/2014				
	200,000	—	$ 23.01	9/21/2015				
	100,000	—	$ 25.85	6/7/2016				
	240,000	—	$ 32.21	9/20/2016				
	479,166	20,834	$ 23.40	11/12/2016(1)				
					50,000(2)	$ 1,275,000		
					82,500(4)	$ 2,103,750		
					37,950(7)	$ 967,725		
					89,900(10)	$ 2,292,450		
					98,900(11)	$ 2,521,950		
							215,662(8)	$ 5,499,381
							376,050(9)	$ 9,589,275
							139,650(12)	$ 3,561,075