NEWS RELEASE

Cisco Announces $500 Million Investment to Accelerate Country Digitization in Germany

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BERLIN, GERMANY and SAN JOSE, CA -- (Marketwired) -- 03/08/16 -- Cisco (NASDAQ: CSCO)

- Focus: Innovation, Security and Education
- Investment on top of current programs
- Digitization: "A unique opportunity for Germany"

Cisco announced an investment of $500 million in Germany over the next three years, to help accelerate the country's digitization.

"Digitization goes beyond connectivity. It gives you the ability to secure data, act on data and deliver value based on data," says Oliver Tuszik, general manager Cisco Germany. "Digitization benefits countries, cities, companies and every one of us. It creates competitiveness, improved public services and better quality of life, particularly amongst the demographic changes over the next years. We would like to make our contribution to this transformation, in addition to our ongoing investments."

The program is called "Deutschland Digital" and focuses on innovation, security and education. Planned investments foresee funds for specific digitization projects, research projects, an expansion of the Cisco Networking Academy®, and direct investments in venture funds, as well as to human resources and infrastructure spending.

Chuck Robbins, CEO of Cisco, commented: "Germany has long been known for its focus on innovation, and digitization opens up unprecedented opportunities for the country. With our increased investments in education, innovation and security, we can help create a digital Germany that can bring even greater value to the country and its citizens. Cisco is honored to partner with Germany on 'Deutschland Digital.'"

Innovation
"Innovation is an interdisciplinary exercise," says Tuszik, "and no organization can address the

challenges of digitization on its own. Therefore, we want to bring together customers, partners, startups and research institutions and work together on solutions." openBerlin is a Cisco® innovation center that opened in 2015 and will play an important part in this.

In addition, Cisco will organize regular innovation workshops, focusing specifically on mid-sized companies. Startups and other partners will be invited, and participants will work together on digital solutions and business models.

Cisco will also expand its investment in start-ups and venture funds in Germany with priority areas such as security, cloud, and Internet of Things (IoT). Cisco is already focused on the emerging startup ecosystem in Germany, having recently made an investment in IoT provider relayr, headquartered in Berlin.

Cisco is also looking to partner with the public sector and contribute to large-scale transformation projects such as smart cities and regions as well as healthcare and utility networks.

Security
"Security and transparency are key enablers of digitization. We aim to provide training programs and a deeper insight for experts into our technologies, thus enabling them to take better decisions when it comes to Security," says Oliver Tuszik.

Cisco plans to fund a research initiative that translates the German privacy and data protection regulations into a software architecture for cloud services. The goal is to develop a blueprint for cloud architectures with off-the-shelf data sovereignty capabilities that meet the strict requirements in Germany.

In addition, Cisco plans to establish a "Security Center of Excellence" in Germany. The aim is to build an ecosystem of customers, partners, academia, and start-ups around security-related challenges and how to solve them. The focus is on finding solutions to specific challenges within a reasonable time frame.

To help address skills shortage, Cisco will also offer dedicated IT and cybersecurity training programs as part of Cisco Networking Academy.

Digital skills, education and research
"People in Germany are the key to success in digitization," says Tuszik. "We will massively expand our educational programs, both for young people and professionals." The focus will be on providing digital competencies for non-IT professionals in small and medium sized companies, including IT skills for installers (Smart Home), nurses (Smart Health) and electricians (Smart Grid). Together with partners, Cisco will develop a learning and collaboration platform for professionals in these and other areas where they can acquire necessary skills and certifications.

In addition, Cisco is going to expand the Networking Academy. Cisco Networking Academy is a non-profit educational program that offers learning materials on IT topics for educational institutions. Cisco plans to increase the number of graduates in Germany from currently 35,000 a year to 80,000 in three years. The core element of the program will be a learning module specifically developed for the German market, focused on the Internet of Things for non-IT jobs.

"Deutschland Digital" is part of Cisco's global strategy of "Country Digitization Acceleration". In Europe, Cisco previously announced investment plans for digitization acceleration in the U.K., France and Italy. "We all understand there is enormous potential in Germany through digitization", says Tuszik. "Now,

we need to accelerate and make it a success. This is where we want to make a contribution through our investment."

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