

## Belt Tightening Works for Cisco

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Cost cutting measures appear to work for Cisco-- despite a drop in European switch and router sales, fiscal Q1 2013 (ending October 27 2012) sales reach \$11.9 billion with 5.5% Y-o-Y growth.



Net income grows by 17.7% Y-o-Y to \$2.09bn.

When it comes to EMEA Cisco revenues are flat at \$2.84bn as the current economic slump continues apace. Meanwhile overall orders across the region drop by -10%.

Services are making an increasingly larger slice of the Cisco pie-- \$2.5bn with 11.9% growth. On the other hand product revenues grow by 3.9% Y-o-Y to reach \$9.3bn. Making up for falling switch and routing sales is the data centre business, growing by 61% Y-o-Y \$417m.

Cisco wireless product sales are also up by 38% Y-o-Y to reach \$486m, while collaboration revenues drop by -8% to \$1.02bn. The Q1 2013 results also account for the \$5bn NDS acquisition from March 2012.

As for the future, Cisco expects fiscal Q2 revenues to grow by 3.5-5.5% as it focuses further on cloud, mobility and video, as well as the so called Internet of Everything.

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