



Cisco Announces Intent to Acquire WebEx



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Forward-Looking Statements and Securities Law Disclosure

FORWARD-LOOKING STATEMENTS

This presentation contains projections and other forward-looking statements regarding expected performance of Cisco following completion of the acquisition, including statements related to Cisco's product and service offerings and the future of the network and communications markets. Statement regarding future events are based on the parties' current expectations and are necessarily subject to associated risks related to, among other things, obtaining a sufficient number of tendered shares of common stock and regulatory approval of the merger, the potential impact on the business of WebEx due to the uncertainty about the acquisition, the retention of employees of WebEx and the ability of Cisco to successfully integrate WebEx and achieve expected benefits. Actual results may differ materially from those in the projections or other forward-looking statements. For information regarding other related risks, please see the "Risk Factors" section of Cisco's filings with the SEC, including its most recent filings on Form 10-K and Form 10-Q.

SECURITIES LAW DISCLOSURE

The tender offer for the outstanding common stock of WebEx Communications, Inc. has not yet commenced. This filing is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities. The solicitation and the offer to buy shares of WebEx common stock will be made only pursuant to an offer to purchase and related materials that Cisco Systems, Inc. intends to file with the SEC on Schedule TO. WebEx also intends to file a solicitation/recommendation statement on Schedule 14D-9 with respect to the offer. WebEx stockholders and other investors should read these materials carefully because they contain important information, including the terms and conditions of the offer. WebEx stockholders and other investors will be able to obtain copies of these materials without charge from the SEC through the SEC's website at www.sec.gov, from Georgeson Inc., the information agent for the offer, toll-free at (888) 264-7052 (banks and brokers call (212) 440-9800), from Cisco (with respect to documents filed by Cisco with the SEC) by going to Cisco's Investor Relations Website at <http://www.cisco.com/go/investors>, or from WebEx (with respect to documents filed by WebEx with the SEC) by going to WebEx's Investor Relations Website at www.WebEx.com. Stockholders and other investors are urged to read carefully those materials prior to making any decisions with respect to the offer.

Announcement

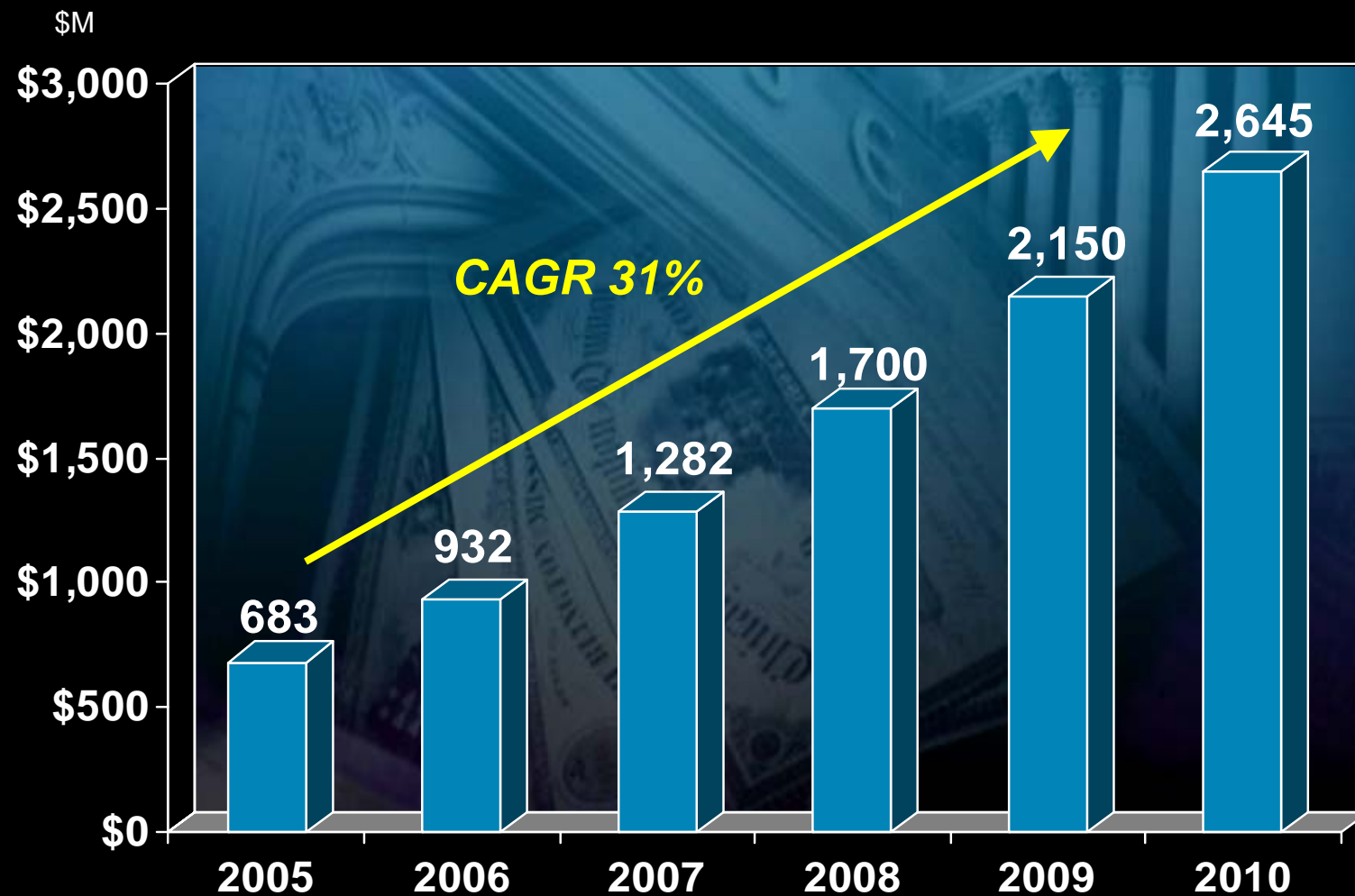
- Cisco has entered into an agreement to purchase publicly held WebEx (WEBX)
- WebEx is a market leader in network based collaboration applications
- Acquisition is expected enable Cisco to broaden its offerings for Small to Medium Sized Business (SMB) customers
- Together, we expect to expand these offerings across the Enterprise and Global markets

Changing Market Dynamics

- The market is moving from voice conferencing to an integrated collaboration environment
- We believe the network is becoming the platform for all communications and IT, including applications and services
- Improving technology allows us to now address not only internal, but also Business-to-Business collaboration



Web-Based Collaboration Services Market Opportunity*



*Frost & Sullivan, October 2006

Corporate and Financial Overview

- Company Overview:

- Founded: 1995
- Employees: 2,189
- Headquarters: Santa Clara, CA
- Registered Users 2.2M



Financial Overview*:

	<u>FY05</u>	<u>FY06</u>
Revenue (FYE Dec)	\$308M	\$380M
Revenue Growth y/y	23.8%	23.2%
Gross Margin	82.5%	82.1%
Operating Margin	25.9%	20.7%

*GAAP Results

Integration Strategy

- Subrah Iyar, Chairman & CEO WebEx, will continue to lead the team and report directly to Charles Giancarlo, CDO Cisco
- Focus on expanding WebEx distribution further into the Enterprise and Global markets
- Opportunity to broaden WebEx's technology into a platform for additional applications and services



Cisco Welcomes a World Class Team



- A leader in network based Collaboration applications
- Broadens Cisco's presence in the SMB market
- Extension of Cisco's vision for Unified Communication and Collaboration