**TICKER: CSCO STOCK NAME: Cisco Systems**

**DATE: 01/11/2010**

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**RECOMMENDATION: HOLD**

**Cisco Systems**

Cisco is the high performance leading supplier of internetworking products for linking local-area and wide-area network of computer systems. Product consists of routers, LAN and ATM Switches, dial-Up access servers and network management software.

***\*\*\*\*\*The company is diversifying its products to become the one stop shop in IT***.\*\*\*

**New Products Consist of …**

* **V-Block** - is an IT infrastructure package that integrates Cisco’s server virtualization platform.
* **Web Ex and Show & Share**, and **Video Recording** and **Editing System** – These tools will help quickly find and share information between co-workers and business contact.
* **Data Center**: EMC for Storage; VM ware for virtualization.

**Acquisitions:**

* Cisco is acquiring a new venture called **Norwegian video conferencing** **outfit Tandberg**. The offer was accepted and is waiting for US regulatory approval. The acquisition will begin by the first half f 2010.
* In November, Cisco announced plans to buy the set-top box business of **Hong Kong-based DVN (Holdings) Ltd,** its first acquisition aimed at the Chinese market.
* Cisco is restructuring its management in Asia to create new segments for China, called The New Greater China Segment. Cisco said revenue from the Asia Pacific contributes around 15 percent to its total sales.

**Strengthen/Ratings**

* MI ratings: Quality Blue (80.1)
* MSN Caps Rating: 4 stars
* Motley Fools: Cisco is on their list of “Don’t Sell this Stock. Ever”
* *Yahoo! ratings*: 4 to 5 in rating; Analyst Est increase in Jun-11 from 1.44 to 1.62 in Est Earning and Revenue from 37.78B in July-10 to 41.67B in July-11
* VL: Rated this stock an A++
* Morningstar: 3 Stars

**Weakness**

* The economy
* IT Budgets

**Comments:**

* My recommendation would be to hold the stock. Cisco has a great MOAT and is a recognized brand. They are positioning themselves to be the “One Stop IT Shop”, with new products in the