

EXHIBIT 2
Cisco Corporation's Statement of Cash Flows for Three Years Ended July 30 2004

CISCO CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended	July 31, 2004	July 26, 2003	July 27, 2002
Cash flows from operating activities:			
Net income	\$ 4,401	\$ 3,578	\$ 1,893
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change, net of tax	567	—	—
Depreciation and amortization	1,443	1,591	1,957
Provision for doubtful accounts	19	(59)	91
Provision for inventory	205	70	131
Deferred income taxes	552	(14)	(573)
Tax benefits from employee stock option plans	537	132	61
In-process research and development	3	4	53
Net (gains) losses and impairment charges on investments	(155)	520	1,127
Change in operating assets and liabilities:			
Accounts receivable	(488)	(125)	270
Inventories	(538)	(17)	673
Prepaid expenses and other current assets	(42)	(61)	(28)
Accounts payable	54	35	(174)
Income taxes payable	260	(125)	389
Accrued compensation	(7)	104	307
Deferred revenue	688	(84)	678
Other accrued liabilities	(378)	(309)	(268)
Net cash provided by operating activities	7,121	5,240	6,587
Cash flows from investing activities:			
Purchases of short-term investments	(12,206)	(9,396)	(5,473)
Proceeds from sales and maturities of short-term investments	13,570	10,319	5,868
Purchases of investments	(20,848)	(18,063)	(15,760)
Proceeds from sales and maturities of investments	20,757	12,497	15,317
Purchases of restricted investments	—	—	(291)
Proceeds from sales and maturities of restricted investments	—	—	1,471
Acquisition of property and equipment	(613)	(717)	(2,641)
Acquisition of businesses, net of cash and cash equivalents	(104)	33	16
Change in lease receivables, net	(159)	79	380
Change in investments in privately held companies	(13)	(223)	(58)
Lease deposits	—	—	320
Purchase of minority interest of Cisco Systems, K.K. (Japan)	(71)	(59)	(115)
Other	153	94	159
Net cash provided by (used in) investing activities	466	(5,436)	(807)
Cash flows from financing activities:			
Issuance of common stock	1,257	578	655
Repurchase of common stock	(9,080)	(5,984)	(1,854)
Other	33	43	30
Net cash used in financing activities	(7,790)	(5,363)	(1,169)
Net (decrease) increase in cash and cash equivalents	(203)	(5,559)	4,611
Cash and cash equivalents, beginning of fiscal year	3,925	9,484	4,873
Cash and cash equivalents, end of fiscal year	\$ 3,722	\$ 3,925	\$ 9,484