

CISCO SYSTEMS INC
Form 8-K
August 17, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 17, 2007

CISCO SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

California

(State or other jurisdiction of incorporation)

0-18225
(Commission File Number)

77-0059951
(IRS Employer Identification No.)

170 West Tasman Drive, San Jose, California
(Address of principal executive offices)

95134-1706
(Zip Code)

(408) 526-4000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On August 17, 2007, Cisco Systems, Inc. (Cisco) entered into a Credit Agreement (the Credit Agreement) by and among Cisco, certain lenders party thereto (the Lenders), and Bank of America, N.A., as administration agent, swing line lender and a letter of credit issuer.

The Credit Agreement provides for a \$3 billion unsecured revolving credit facility (the Facility) that is scheduled to expire on August 17, 2012. Cisco may also, upon the agreement of either the then existing Lenders or of additional lenders not currently parties to the Credit Agreement, increase the commitments under the Facility up to a total of \$5 billion, and/or extend the expiration date of the Facility up to August 15, 2014. At this time, Cisco has not borrowed any funds under the Credit Agreement.

The interest rate applicable to outstanding balances under the Credit Agreement will be based on either (i) the higher of the Federal Funds rate plus 0.50% or Bank of America's prime rate as announced from time to time, or (ii) the London interbank offered rate plus a margin that is based on Cisco's senior debt credit ratings as published by Standard & Poor's Ratings Services and Moody's Investors Service, Inc. Cisco will pay an annual commitment fee during the term of the Credit Agreement which also varies depending on Cisco's credit ratings.

The Credit Agreement contains customary representations and warranties as well as customary affirmative and negative covenants. Negative covenants include, among others, limitations on incurrence of liens and secured indebtedness, and limitations on incurrence of any indebtedness by Cisco's subsidiaries. In addition, the Credit Agreement requires that Cisco maintain a ratio of consolidated EBITDA to consolidated interest expense of not less than 3.00 to 1.00.

The Credit Agreement also contains customary events of default. Upon the occurrence and during the continuance of an event of default, the Lenders may declare the outstanding loans and all other obligations under the Credit Agreement immediately due and payable.

Bank of America Securities LLC and Deutsche Bank Securities Inc. are acting as joint lead arrangers and joint book managers for the Facility.

Cisco and its affiliates maintain various commercial and service relationships with the Lenders and their affiliates in the ordinary course of business. In the ordinary course of their respective businesses, the Lenders and their affiliates have engaged, and may in the future engage, in commercial banking, investment banking, financial advisory or other services with Cisco and its affiliates for which they have in the past and/or may in the future receive customary compensation and expense reimbursement. In addition, Richard M. Kovacevich, a member of Cisco's Board of Directors, is the Chairman of the Board of Directors of Wells Fargo & Company, an affiliate of one of the Lenders.

The description of the Credit Agreement contained herein is qualified in its entirety by reference to the Credit Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On August 17, 2007, Cisco entered into the Credit Agreement described in Item 1.01 above, which information is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Number	Description
10.1	Credit Agreement dated as of August 17, 2007, by and among Cisco Systems, Inc., the Lenders party thereto, and Bank of America, N.A., as administration agent, swing line lender and an L/C issuer.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CISCO SYSTEMS, INC.

Dated: August 17, 2007

By: /s/ Mark Chandler
Name: Mark Chandler
Title: Senior Vice President, Legal Services,
General Counsel and Secretary

EXHIBIT INDEX

Number	Description
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