

# Cisco's latest results show signs of turnaround

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(AP) -- Cisco Systems Inc., the world's largest maker of computer networking gear, is showing signs of pulling a turnaround, exceeding analyst sales expectations for the second quarter in a row.

"We made very solid progress," CEO John Chambers told investors and analysts on a conference call Wednesday.

The San Jose, Calif., company posted [net income](#) of \$1.8 billion, or 33 cents per share, in the fiscal first quarter, which ended in October. That compares with \$1.9 billion, or 34 cents per share, a year ago.

Excluding the cost of share-based compensation, tax effects and other items, earnings were 43 cents per share, 3 cents above the average projection of analysts polled by FactSet.

Revenue grew nearly 5 percent from last year to \$11.3 billion. That was about \$230 million above [analyst estimates](#).

Sales growth was broad and included a recovery in orders from U.S. government customers that had held off during the debt stand-off this summer. Because of Cisco's broad base of customers and its focus on capital equipment, the company's results are sometimes seen as a [barometer](#) of business investment. But in recent years, problems specific to Cisco have muddied the picture.

Chambers said orders grew through the quarter, just as it had in previous

years, hinting at an [economic environment](#) that was relatively healthy.

Chambers said the company expects revenue to grow 7 percent to 8 percent over last year in the quarter that just started. Analysts were expecting growth at a 7 percent rate.

Cisco has been slashing jobs and culling divisions this year in an effort to revive growth amid a slow economy and tough competition.

Cisco shares rose 69 cents, or 3.8 percent, to \$18.28 in extended trading Wednesday after the results came out. Earlier, the stock fell 70 cents, or 3.8 percent, to close at \$17.61.

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