

RESULTS OF OPERATIONS

A discussion regarding our financial condition and results of operations for fiscal 2019 compared to fiscal 2018 is presented below. A discussion regarding our financial condition and results of operations for fiscal 2018 compared to fiscal 2017 can be found under Item 7 in our Annual Report on Form 10-K for the fiscal year ended July 28, 2018, filed with the SEC on September 6, 2018, which is available free of charge on the SEC's website at www.sec.gov and our Investor Relations website at investor.cisco.com.

Revenue

The following table presents the breakdown of revenue between product and service (in millions, except percentages):

	Years Ended			2019 vs. 2018	
	July 27, 2019 ⁽¹⁾	July 28, 2018	July 29, 2017	Variance in Dollars	Variance in Percent
Revenue:					
Product	\$ 39,005	\$ 36,709	\$ 35,705	\$ 2,296	6%
Percentage of revenue	75.1%	74.4%	74.4%		
Service	12,899	12,621	12,300	278	2%
Percentage of revenue	24.9%	25.6%	25.6%		
Total	<u>\$ 51,904</u>	<u>\$ 49,330</u>	<u>\$ 48,005</u>	<u>\$ 2,574</u>	5%

⁽¹⁾ Total revenue, product revenue and service revenue not including the SPVSS business in the prior year increased 7%, 8% and 3%, respectively.

We manage our business on a geographic basis, organized into three geographic segments. Our revenue, which includes product and service for each segment, is summarized in the following table (in millions, except percentages):

	Years Ended			2019 vs. 2018	
	July 27, 2019	July 28, 2018	July 29, 2017	Variance in Dollars	Variance in Percent
Revenue:					
Americas	\$ 30,927	\$ 29,070	\$ 28,351	\$ 1,857	6%
Percentage of revenue	59.6%	58.9%	59.1%		
EMEA	13,100	12,425	12,004	675	5%
Percentage of revenue	25.2%	25.2%	25.0%		
APJC	7,877	7,834	7,650	43	1%
Percentage of revenue	15.2%	15.9%	15.9%		
Total	<u>\$ 51,904</u>	<u>\$ 49,330</u>	<u>\$ 48,005</u>	<u>\$ 2,574</u>	5%

Amounts may not sum and percentages may not recalculate due to rounding.

Total revenue in fiscal 2019 increased by 5% compared with fiscal 2018. Product revenue increased by 6% and service revenue increased by 2%. Our total revenue reflected growth across each of our geographic segments. Product revenue for the BRICM countries, in the aggregate, experienced 1% product revenue decline, driven by a 16% decrease in product revenue in China and a decrease of 1% in Brazil. These decreases were partially offset by increased product revenue in Mexico, Russia and India of 26%, 6% and 5%, respectively.

In addition to the impact of macroeconomic factors, including a reduced IT spending environment and reductions in spending by government entities, revenue by segment in a particular period may be significantly impacted by several factors related to revenue recognition, including the complexity of transactions such as multiple performance obligations; the mix of financing arrangements provided to channel partners and customers; and final acceptance of the product, system, or solution, among other factors. In addition, certain customers tend to make large and sporadic purchases, and the revenue related to these transactions may also be affected by the timing of revenue recognition, which in turn would impact the revenue of the relevant segment.