Cisco beats Wall Street forecasts on fiscal Q3 2014, with revenues growing by 5.4% Y-o-Y to $12.2 billion and net incoming reaching $2.7bn with 4.7% Y-o-Y growth.

"Cisco is executing at a very high level in a slow, but steady economic environment," CEO John Chambers says. "We have the right products, the right solutions and our customers are coming to us to solve their biggest business problems."

However Cisco only sees good signs in some parts of the world-- EMEA revenues remain flat, even as it rebounds in the US with 7% Y-o-Y growth in sales. In fact, Chambers points out concerns over S. European demand is one of the reasons the company is not issuing more positive guidance despite 4% growth in order backlog.

The quarter sees Cisco product revenues grow by 5% Y-o-Y, while services revenues growth slows down to 7% due to slower product sales during Q1 and Q2. Meanwhile switching product revenues drop by -2% to $3.6bn, routing product remains flat at $2.1bn, service provider video revenue grows 30% to $1.3bn, collaboration product revenue drop by -1% to $1.0 billion, data center product revenue grow 77% to $515m, wireless product revenue decline by -4% to $327m, other product revenue down -41% to $144m, and services revenue reach $2.7bn with 7% growth.

Chambers insists the impact software-defined networking (SDN) might have on Cisco is overblown, since otherwise Q3 results would not have been so strong. Or, as Cisco development and sales president Robert Lloyd claims, "...it's great hardware and Cisco software that will drive SDN."

When it comes to future guidance, for fiscal Q4 the company expects revenue growth to reach 4-7% Y-o-Y with growth in recurring revenue over time.

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