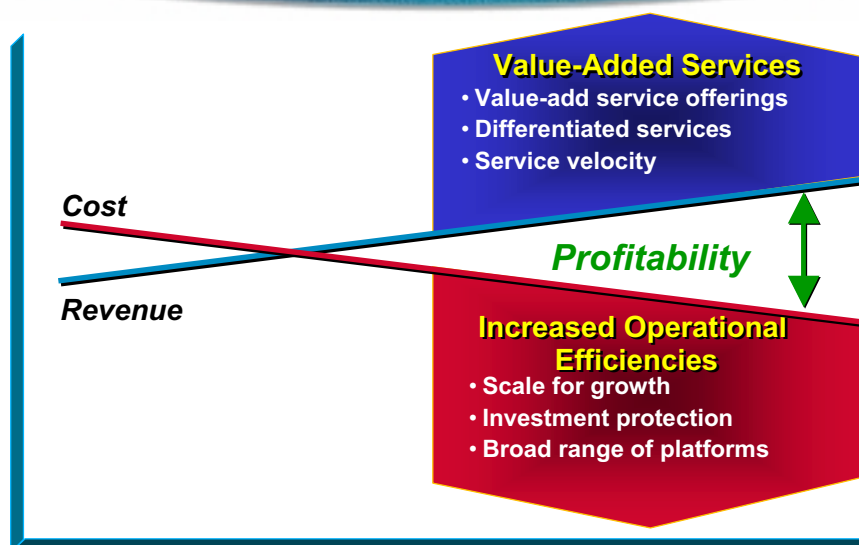


Simple Equation

$$\text{Profit} = \text{Revenue} - \text{Cost}$$

Service Provider Road to Profitability



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Why IP+Optical

- The Internet has changed forever the way traffic flows; old traffic patterns are no longer dominant: point-to-point connections typical of the old TDM voice world are not typical in the new data world
- The all-optical network is a fallacy; light has no intelligence for service delivery

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Why IP+Optical

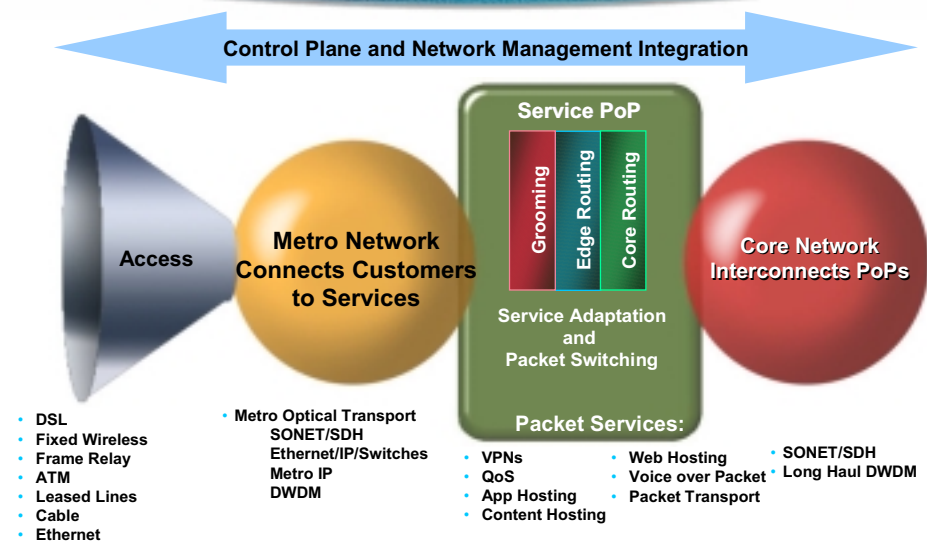
- Optical Networking economics alone create commoditization; no benefit to Service Providers
- Optical alone isn't the answer; it's **IP+Optical:**
 - IP enables value-added services
 - Optical radically lowers costs

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Service Provider Network Architecture Cisco Delivers All The Elements



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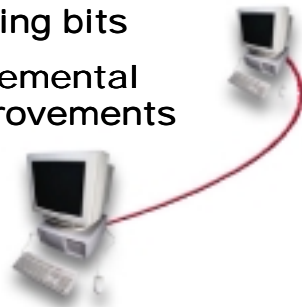
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Service Provider Challenge

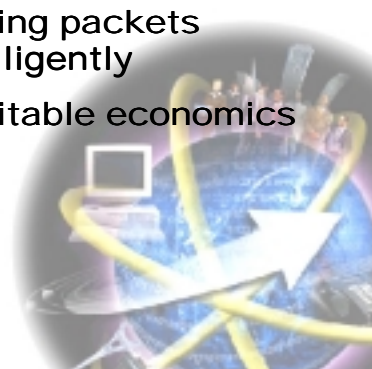
Isn't Just About...

- Scaling the Internet
- Lowering costs
- Moving bits
- Incremental improvements



Is About...

- Raising service velocity
- Differentiated services
- Moving packets intelligently
- Profitable economics



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Your IP+Optical Partner

- You need to choose a supplier who is an expert at enabling IP services as well as optical and is focused on creating profitable economics for its customers

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EMPOWERING THE
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