

## Who We Are:

- Founded in 2000 by seasoned IP engineers -- first managed VoIP services company in the U.S.
- Made converged networks work -- over 99% of our customers are still with us.
- Now cover over 5,800 local calling areas and provide real-time management of over 20,000 VoIP endpoints ... and counting.

## What We Do:

### SmoothstoneCONNECT™

The single, clear channel IP connection over which Smoothstone delivers all of its solutions. We become your **WAN Solution**, as well as the transmission platform for all of your voice and video traffic -- a truly converged network.

Every SmoothstoneCONNECT client receives access to **NetStalk™**, a totally integrated, network monitoring and control **WAN Management** system. **NetStalk** enables you to monitor, 24/7, your entire WAN (routers, circuits and performance), right alongside Smoothstone's Cisco Certified Engineers.

### SmoothstoneCOMPLETE™

Once you have a SmoothstoneCONNECT IP connection installed, you can implement our fully managed IP to desktops solution -- and start reaping full benefits.

Or, you can just start with an "a la carte" set of applications, based on your current equipment, legacy contracts and other business needs. Smoothstone delivers VoIP trunking services via:

#### Smoothstone TDM IP Trunking

-- OR --

#### Smoothstone IP PBX Trunking

You can then migrate towards SmoothstoneCOMPLETE, as your existing equipment wears out or needs upgrading, your current telecommunications contracts expire, or your business needs change.

Regardless of your voice services interface, Smoothstone's industry-leading messaging and collaboration solutions will be available to you, via:

### Unified Messaging Solutions

- Email
- Voice Emails
- Faxes as Emails

### Group Collaboration Solutions

- Conference Calling
- Video Conferencing


## What This Means For You:

One Low TCO, from three sources:

- **Higher User and Business Process Productivity**
  - Applications such as call reporting, user-initiated conference calling and unified messaging increase user productivity.
  - Communications with customers, suppliers and business partners are more efficient and effective.
- **Your IT Staff Amplified**
  - Communications headaches -- multiple vendors, non-interoperable technologies, etc. -- disappear.
  - Your IT staff can now work on business projects, because Smoothstone is managing your communication solutions and handling user questions for you.
- **Demonstrable Savings** - We calculate them for you.

#### Real Client Example:

- \$222,853 in Up-Front Cost Savings
- \$6,412/month in Ongoing Savings



Total Cost of Ownership Tool

NOTE: Cells marked with a RED flag contain important comments; mouse over the cell to view.

TCO for National Corp Inc.		
I. DIRECT COSTS		
Common Carrier Cost	Multi Vendor	Smoothstone
Local Dial Tone	\$ 2,100	Included and Unlimited
Long Distance	\$ 2,548	\$ 1,446
Internet Access	\$ 2,000	Included
WAN	\$ -	Included
Services (total costs for all services including Web Hosting, Virus Protection, SPAM, Firewall, etc.)	\$ 1,095	\$ 798
Connection To Smoothstone and WAN Combined		\$ 1,500
Start Up Costs		
Current Acquisition/Upgrade	\$ 354,050	\$ 170,355
Implementation/Installation/Training	\$ 53,108	\$ 13,950
Monthly Acquisition/Upgrade plus Implementation/Installation/Training	\$ 8,942	\$ 4,048
Monthly Cost of Complete Smoothstone Solution (Excluding Internal Costs)		\$ 13,890
Increasing Equipment Capacity (Not Part of this TCO calculation, but a real future cost.)	Unknown, anywhere from \$500 to \$3,500 per addition	\$425 per addition per phone
Monthly Maintenance	\$ 500	\$ 360
Voicemail		
Current Acquisition / Upgrade	Included in System	Included
Increasing Equipment Capacity (Not Part of this TCO calculation, but a real future cost.)	Unknown, anywhere from \$500 to \$3,500 per addition	Unlimited
Fax Services		
Acquisition/Upgrade/Break-Fix/Paper/Toner	\$ 15,555	\$ 6,222
Cabling		
Network Cabling Materials and Installation	Two runs per location	One run per location
II. INDIRECT COSTS		
INDIRECT COSTS	Multi Vendor	Smoothstone
Administering Multiple Vendors and Verifying Their Invoices	\$ 428	\$ 64
Add/Move/Change/Upgrade	\$ 760	Included
Future System Upgrade	\$ 601	Included and Unlimited
National Corp Inc.'s Total Cost to Communicate		
Acquisition Costs	\$ 407,158	\$ 184,305
Monthly Costs	\$ 34,740	\$ 28,328
Cost Per Employee Per Month	\$ 95	\$ 78
Expected Annual Savings		\$ 76,951
5-Year Savings		\$ 384,754

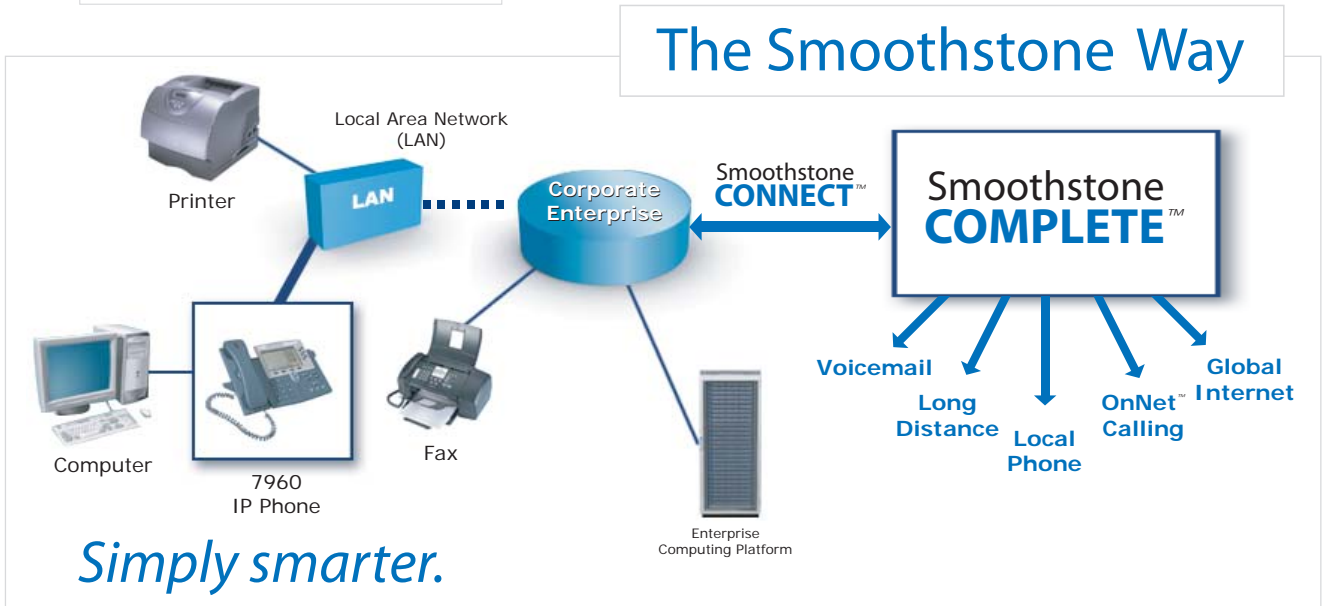
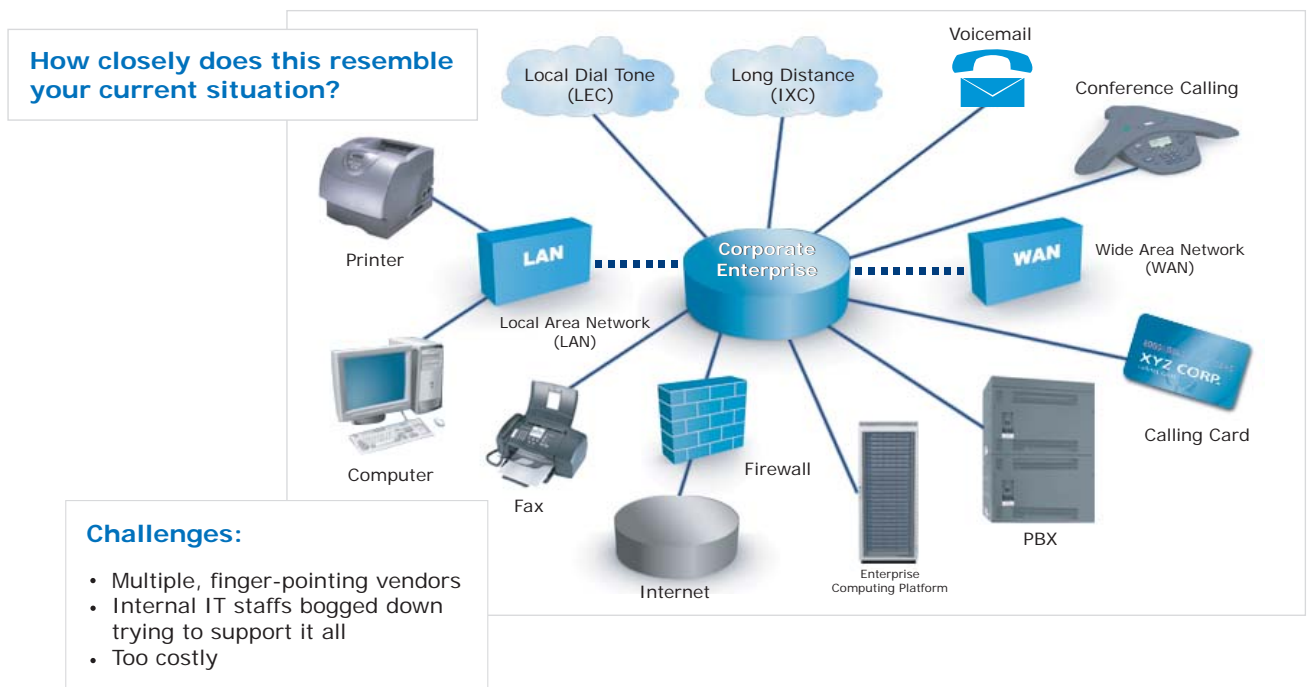
Illustrated price is based on assumptions determined by thorough research. Calculation logic is detailed in the Assumptions and Methodology section. Smoothstone reserves the right to modify pricing at any time prior to executing a definitive agreement.

**End-to-End:** We do everything -- from design, provisioning and installation to user training and 24/7 support. A live problem-solver is always just a 4-digit dial away.

**Front-to-Back:** Our clients get their own "keys to our NOC" via NetStalk. They see the same performance statistics and reports we see. We manage it, you control it.

**Top-to-Bottom:** All-inclusive solutions -- one vendor, one bill for all services. We're a direct provider, not an intermediary.

- A nationwide, private, QoS enabled, IP over MPLS network.
- Market-proven applications.
- The management and monitoring of it all.



**No other provider delivers communications solutions that are truly top-to-bottom, end-to-end and front-to-back.**

**By "top-to-bottom," we mean an all-inclusive solutions: The network infrastructure, the communications solutions that ride on it, and the management of it all.**



#### Market-Proven Applications

Dynamic VoIP, Unified Messaging, Group Collaboration and more! Voice services available via **Smoothstone TDM IP Trunking**, **Smoothstone IP PBX Trunking** or Smoothstone**COMPLETE™**.



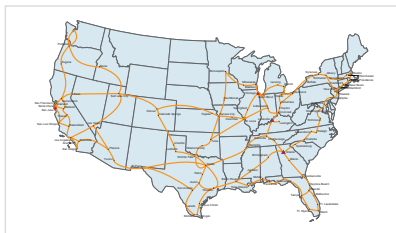
#### NetStalk™

Your keys to our NOC -- you see everything we see.



#### Our 24/7 Network Operations Center (NOC)

We watch everything: circuits, routers, servers, traffic and applications. We'll know about and are fixing any issues before you do.



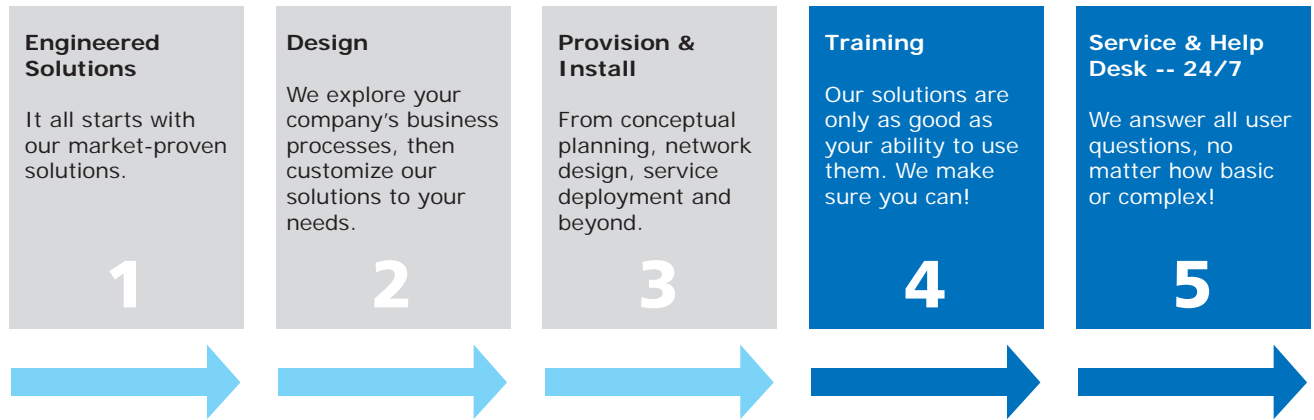
#### 1st Class Infrastructure

Converged Data, Video and Voice Network -- Nationwide, continuous Layer 3, IP-based, secure, private, and plentiful bandwidth.

**One Vendor, One Bill for All Services**



By "end-to-end," we mean fully managed: 24/7/365 continuous training, service and support.

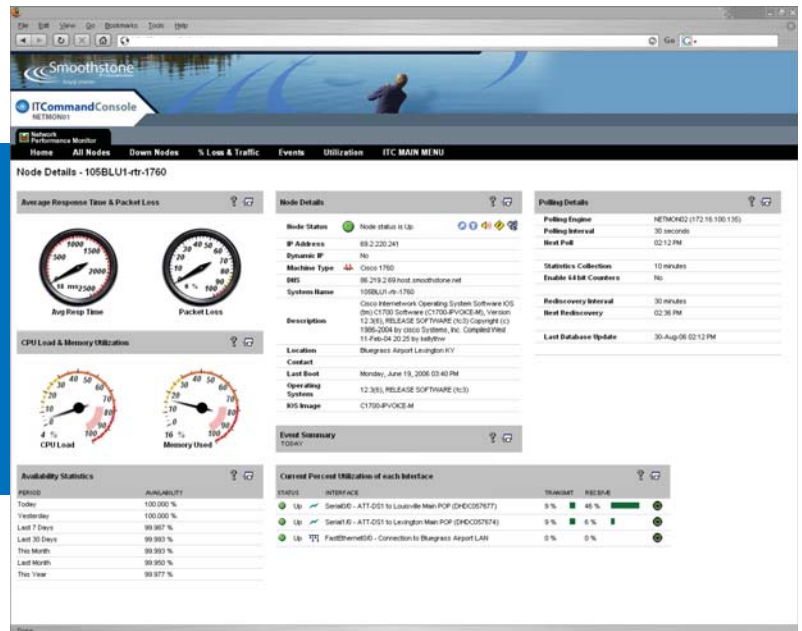


By "front-to-back," we mean totally transparent: clients see everything about their communication solutions and their networks.

NetStalk™

Your IT staff gets access to its own NetStalk Web Portal (their keys to our NOC).

They see everything we see, real-time. They see a problem and we're probably already on it!



## Smoothstone clients achieve One Low Total Cost of Ownership (TCO) from their Smoothstone Solutions three ways:

- **Higher User and Business Process Productivity**
  - Features such as Call Reporting, User-Initiated Conference Calling and Unified Messaging drive internal productivity higher and faster
  - Communications with customers, suppliers and business partners are more efficient and effective
- **Your IT Staff Freed**
  - Telecommunications headaches – multiple vendors, non-interoperable technologies, etc. – disappear
  - IT staffs free to work on business issues, because Smoothstone is managing your communications solutions and handling user questions for you
- **Demonstrable Client Savings**

Smoothstone IP Communications Simply smarter.		Total Cost of Ownership Tool	
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<b>TCO for National Corp Inc.</b>			
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<b>Voicemail</b>			
Current Acquisition / Upgrade	Included in System	Included	
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<b>Fax Services</b>			
Acquisition/Upgrade/Break-Fix/Paper/Toner	\$ 15,555	\$ 6,222	
<b>Cabling</b>			
Network Cabling Materials and Installation	Two runs per location	One run per location	
<b>II. INDIRECT COSTS</b>			
INDIRECT COSTS	Multi Vendor	Smoothstone	
Administering Multiple Vendors and Verifying Their Invoices	\$ 638	\$ 64	
Add/Move/Change/Delete	\$ 760	Included	
Future System Upgrade	\$ -	Included and Unlimited	
<b>National Corp Inc.'s Total Cost to Communicate</b>			
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5-Year Savings		\$ 384,754	
The illustrated results are based on assumptions determined by thorough research. Calculation logic is detailed in the Assumptions tab. Smoothstone reserves the right to change the data and calculations without notice or prior written agreement.			

We Calculate Client Savings For You

Real Client Example:

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## Total Cost of Ownership Tool

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*" ... if you are an enterprise with 50 to 1,000 employees, and you are looking to upgrade your existing phone system or replace it entirely -- especially if that phone system is the lifeline of your business -- you need to call Smoothstone."*

Erik Linask, Associate Editor  
*INTERNET TELEPHONY*

*"This ... is enough to keep the most subdued intrigued to see what is coming ... [Smoothstone IP Communications'] announcement revealed the company's intentions to be a major player in the IP telephony space."*

Susan J. Campbell  
*TMCnet Communications and Broadband Columnist*

*"Smoothstone IP Communications ... is taking dead aim on the medium-sized enterprise customer ... to bring large enterprise features to a smaller enterprise audience."*

NEWS & ANALYSIS  
*VoIP Monitor*

*"Shawn Purcell, partner at Vatic Outsourcing, a telecommunications consultant in Atlanta, said Smoothstone provides a higher level of support ... 'Their customer service group is manned with engineers. They seem to be better adept at solving problems quickly' ... "*

Jennifer Hagendorf Follett  
*CRN*

*"Smoothstone is a leading, nationwide IP communications provider that designs, integrates and services specifically tailored solutions, including VoIP, for medium-sized enterprises."*

*Forbes.com*

*"In targeting medium enterprises, Smoothstone has stepped into a niche area. 'Their focus is unique,' said Matthias Machowinski, directing analyst at Infonetics Research. 'Their whole point was just come to us and we have all the relationships in place and you get one bill from one provider,' he concluded."*

Jim Bathold  
*Telecommunications*