



**2012 Global Security and Network Performance Monitoring
Product Differentiation Excellence Award**



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

Product Differentiation Excellence Award Security and Network Performance Monitoring Global, 2012

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360 Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2012 Global Product Differentiation Excellence Award in Security and Network Performance Monitoring to NIKSUN, Inc. (NIKSUN).

Key Industry Challenges

According to Frost & Sullivan's research, a key challenge faced by the global security and network performance monitoring market is the rapid increase in high-speed network traffic. It is a supreme challenge to capture and analyze such data in motion. Thus, the companies operating in the market face significant difficulty in keeping pace with the enormous amount of data traveling at multi-gigabit rates.

Frost & Sullivan's research shows that the companies which take into account this challenge while designing their monitoring solutions are in a better position to grow in this market. Monitoring tools that are designed to offer differentiated value to their users, leading to reduced cost of ownership, deliver additional value to the customers. Hence, the companies that focus on developing differentiated monitoring solutions are able to capture a larger customer base, thus ensuring overall growth of the business.

Impact of Product Differentiation Excellence Award on Key Stakeholders

The Product Differentiation Excellence Award is a prestigious recognition of NIKSUN's accomplishments in security and network performance monitoring. An unbiased, third-party recognition can provide a profound impact in enhancing the brand value and accelerating NIKSUN's growth. As captured in Chart 1 below, by researching, ranking, and recognizing those who deliver excellence and best practices in their respective endeavors, Frost & Sullivan hopes to inspire, influence, and impact three specific constituencies:

- **Investors**

Investors and shareholders always welcome unbiased and impartial third-party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is the best and most credible way to showcase an organization worthy of investment.

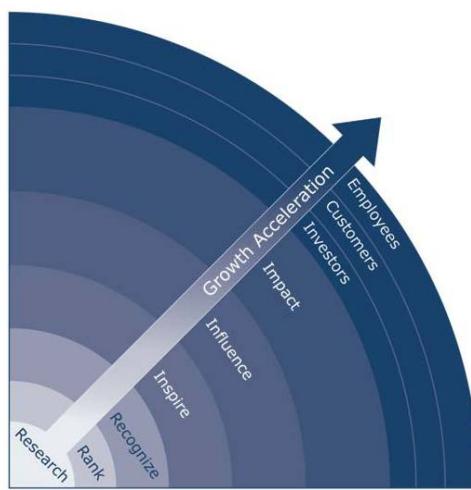
- **Customers**

Third-party industry recognition has been proven to be the most effective way to assure customers that they are partnering with an organization that is leading in its field.

- **Employees**

This Award represents the creativity and dedication of NIKSUN's executive team and employees. Such public recognition can boost morale and inspire employees to continue their best-in-class pursuit of a strong competitive position for NIKSUN.

Chart 1: Best Practices Leverage for Growth Acceleration



Key Benchmarking Criteria for Product Differentiation Excellence Award

For the Product Differentiation Excellence Award, the following criteria were used to benchmark NIKSUN's performance against key competitors:

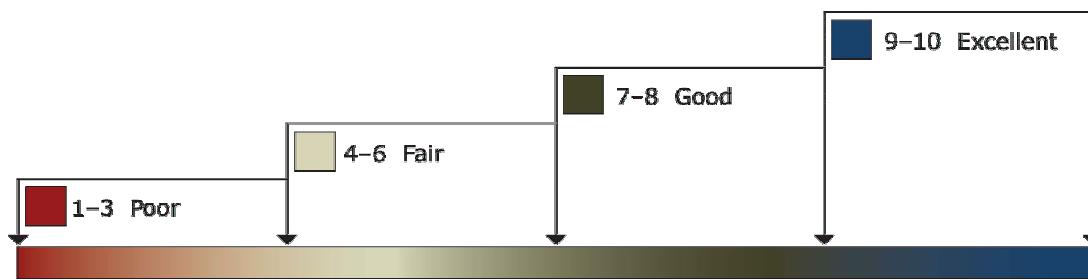
- Unique Features/Functionality
- Quality/Complexity
- Customization
- Matched to Target Market's Needs
- Brand Perception of the Uniqueness of the Product

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each Award category and ranks importance by assigning weights to each

criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and Award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 2.

Chart 2: Performance-Based Ratings for Decision Support Matrix



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Chart 3: Frost & Sullivan's 10-Step Process for Identifying Award Recipients



Best Practice Award Analysis for NIKSUN

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the Product Differentiation Excellence Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart 4: Decision Support Matrix for Product Differentiation Excellence Award

<i>Measurement of 1–10 (1 = lowest; 10 = highest)</i>	Award Criteria						
	Unique Features/Functionality	Quality/Complexity	Customization	Matched to Target Market's Needs	Unique Name/Brand Recognition	Weighted Rating	
Relative Weight (%)	20%	20%	20%	20%	20%	100%	
NIKSUN	10	8	10	9	8	9.0	
Competitor 1	8	8	8	8	9	8.2	
Competitor 2	8	8	7	7	8	7.6	

Criterion 1: Unique Features/Functionality

NIKSUN is a leading provider of solutions that enable advanced monitoring of next-generation network performance and security. The company focuses on monitoring complex network infrastructures in order to identify the issues that hamper the performance and availability of network services and applications. In 2011, NIKSUN launched its revolutionary product, the NIKSUN NetOmni Alpine (NetOmni), which enables network security and performance monitoring solutions on a single, integrated and holistic platform. NetOmni combines IDS, forensics, VoIP monitoring and more. NetOmni integrates NIKSUN's appliances to offer a single converged solution that helps improve cost reduction and reduce the number of tools required for network monitoring. Frost & Sullivan's research finds that unlike its competitors, NIKSUN has managed to develop this comprehensive product that provides complete analysis and monitoring of distributed networks with a proactive analysis of a number of applications, thus eliminating the need to maintain a variety of monitoring tools. Using a full-packet approach, NetOmni captures, understands, and knows each and every piece of data traversing the entire network.

Moreover, the product's advanced technological architecture enables it to monitor high-speed data traveling at multi-gigabit rates. Such features enable the product to offer unlimited network visibility, thus providing insight on any security threat or performance related issues. Frost & Sullivan feels that the key differentiating factor for NetOmni is its ability to offer solutions that ensure performance monitoring of network services and applications with active updates of the whole network in real-time, along with advanced protection against cyberattacks, which include malware, APT and other security threats. NetOmni has the distinctive capacity to detect and pinpoint performance and identify compliance matters instantaneously in real-time. Driven by such unmatched functionalities, NetOmni reduces the information technology (IT) investments of its customers and also helps them to streamline their overall network monitoring processes.

NetOmni Alpine is offered in three packages: Full Suite, Analytics and Reporting.

Criterion 2: Quality/Complexity

NetOmni is based on the technology platform named NIKSUN Alpine, which incorporates a highly scalable service-oriented architecture. In its analysis, Frost & Sullivan recognized that this technology platform empowers NetOmni with advanced functionalities, such as scalability, highly efficient analysis capabilities, faster operations, and a total network view. Compared to several competitors' products, NetOmni allows organizations to scale and readily add more appliances for specific requirements. NetOmni follows a systematic process for network performance and security monitoring. This process includes capturing and analyzing all data that passes through a network to generate relevant metadata. This metadata can be immediately accessed and viewed to check for any anomalies. Finally, all the data along with the metadata is stored in NIKSUN's Knowledge Warehouse, which forms a valuable source of network information and provides the foundation to "know the unknown" which provides the basis to detect any and all network breaches.

Converging the capabilities of NIKSUN's key appliances, NetOmni offers advanced functionalities, which include full-packet capture, support for simple network management protocol (SNMP) and flow analysis, network forensics, and an intrusion detection system (IDS). In addition, NetOmni also provides the feature of role-based access control, which ensures that only authorized users can access the system information.

Criterion 3: Customization

Frost & Sullivan firmly believes NIKSUN's NetOmni has been designed to offer high customer convenience. The key objective of developing NetOmni was to offer a converged solution to the market in order to reduce the customers' investment in monitoring tools, as well as to offer a one-box solution. To further enhance customer value, NIKSUN has incorporated user dashboards into a single holistic view that can be personalized from packet-level to network-wide services in order to suit individual requirements. Moreover, NetOmni offers graphical representation of the network which is customizable to display

ad hoc and programmed reports based on such items as date and time scales, business units, and alarms depicting network intelligence in line with individual organizational objectives. Using this reporting interface, individual custom reports can be generated as required for granular forensic analysis.

Criterion 4: Matched to Target Market's Needs

Frost & Sullivan's research reveals that with explosive growth in data traffic, networks are becoming increasingly insecure due to the growing security threats from malwares and other cyberattacks. Large organizations deploying network-based services and applications are increasingly feeling the need for a proactive monitoring tool rather than an extra security or protective tools, such as a firewall or a separate Intrusion Prevention System (IPS). Adding to this issue, there also exists a market need for a converged network monitoring tool that will reduce customers' investments in monitoring tools. NIKSUN has designed NetOmni, to specifically address each of these key customer requirements and market needs. NetOmni adopts a proactive approach by capturing, analyzing, and storing all the data that enter the network. Unlike similar products available in the market, NetOmni answers critical questions, such as exactly what information was taken, who was responsible for the infringement, and when did the infringement occur, and how was the infringement perpetrated. Therefore, NetOmni provides a complete understanding of network breaches making the unknown known. Frost & Sullivan's analysis shows that by offering a single platform to monitor both security and performance-based issues, NetOmni reduces customer expenses for monitoring tools and also optimizes the overall network monitoring process. Such features and functionalities of the product demonstrate NIKSUN's keen interest in addressing the key requirements of the market, thus delivering high value to its customers.

Criterion 5: Brand Perception of the Uniqueness of the Product

In Frost & Sullivan's opinion, NIKSUN's flagship product, NetOmni, has set new standards in the global security and network performance monitoring market. While similar solutions offered by its competitors fail to address the existing market challenges, Frost & Sullivan recognizes that NetOmni has been designed to cater to customer challenges and difficulties. Its unmatched capability in delivering security and performance monitoring abilities in a single unit has not only eliminated the requirement to maintain multiple tools and vendors for network monitoring, but has also helped customers to enhance the performance efficiency of their network monitoring processes. Backed by the high value that it creates through its products, NIKSUN has captured a customer base of over 1,000 enterprises across 30 countries worldwide. With a customer base that includes large service providers, financial institutions, and military and defense organizations, NIKSUN is aiming to further penetrate into verticals, such as manufacturing and pharmaceuticals. Some of the key customers of the company include Microsoft Corporation, Cisco Systems, and VMware, Inc. Driven by NIKSUN's strong commitment to deliver world-class solutions in the network performance and security monitoring space, Frost & Sullivan expects the

company to further strengthen its brand perception and penetrate the global market, thus leaving limited scope for competition.

Conclusion

Frost & Sullivan's competitive benchmarking of the Security and Network Performance Monitoring Market clearly shows that NIKSUN is a leading provider of monitoring solutions for network performance and security. With the introduction of its product, NetOmni Alpine, the company has broadened the horizons of network monitoring by offering a single unit to monitor security as well as performance-related issues. This advanced product improves the performance efficiency of network monitoring while reducing the cost of owning and maintaining multiple monitoring tools. NIKSUN sets itself apart with its unique ability to monitor and record all cybersecurity and network performance data at line speeds -- up to an impressive 20Gpbs, all on one device. And then, unlike competitors, it can centrally aggregate its analytics on a single, easy to understand dashboard, all without ever having to move the pcap data through the network. Frost & Sullivan firmly believes that by designing a product with such unparalleled capabilities, NIKSUN has demonstrated an exceptional ability in product differentiation. Considering such an achievement, NIKSUN has been chosen as the worthy recipient of the 2012 Frost & Sullivan Product Differentiation Excellence Award in the Global Security and Network Performance Monitoring Market.

The CEO 360-Degree PerspectiveTM - Visionary Platform for Growth Strategies

The CEO 360-Degree PerspectiveTM model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360-Degree PerspectiveTM is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360-Degree PerspectiveTM model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree PerspectiveTM into their analyses and recommendations.

Chart 5: The CEO's 360-Degree Perspective™ Model



Critical Importance of TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process. It offers a 360 degree view of industry challenges, trends, and issues by integrating all seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 6: Benchmarking Performance with TEAM Research

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.