Product Quality Leadership Award
Network Performance Monitoring
Global, 2011

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 2011 Global Product Quality Leadership Award in Network Performance Monitoring to NIKSUN.

Significance of the Product Quality Leadership Award

Key Industry Challenges Addressed by Superior Product Positioning

Frost & Sullivan independent research consistently shows that the network performance monitoring and management solutions market is highly fragmented, with several market participants offering its users a wide range of solutions. Although a large number of network performance monitoring and management products are presently available in the market, many manufacturers offer similar solutions in terms of performance. This makes it quite difficult for users to differentiate the quality and features of competing products and represents a major challenge for network performance monitoring and management vendors.

Moreover, service providers are facing substantial data deployments on their wireless networks. As a general trend, network traffic is becoming more disintegrated in nature and requires significant committed bandwidth resources due to the increase in the everyday use of flowing video, data loading, online music, movie downloads, mobile IM and web tenders. This represents an increasing challenge to successfully meet the requirements for wireless data services. However, increasing bandwidth is not an ultimate answer to escalating quality requirements for wireless services. Frost & Sullivan notes that it becomes necessary to manage this requirement by getting in-depth awareness of bandwidth management and data outlines in order to optimize management solutions & network applications that could potentially meet end-users new requirements.

Considering this scenario as a general trend in the market, a key challenge in terms of product quality is to potentially analyze all data packets continually in real-time. A real-

time approach will allow its users to measure network utilization outlines and later use commanding analysis technologies to control these capacities into planned and effective decision making and over-all modification regulator and optimization management solutions.

These challenges provide an opportunity for a company to truly stand out in the market, differentiating its quality product offering from the competition. This approach can easily enable a company to garner market share over the next few years.

Impact of Product Quality Leadership Award on Key Stakeholders

The Product Quality Leadership Award is a prestigious recognition of NIKSUN's accomplishments in the Network Performance Monitoring market. 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 these stakeholders to continue the best-in-class pursuit of a strong competitive position for NIKSUN.

Chart 1: Best Practices Leverage for Growth Acceleration
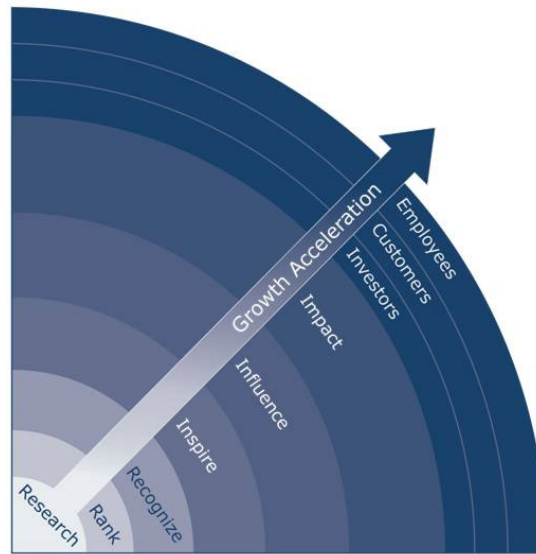
## Key Benchmarking Criteria for Product Quality Leadership Award

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

- **Product Performance (and Scalability)**

- **Product Reliability**

- **Product Design**

- **Product Usability**

- **Perceived Value**

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
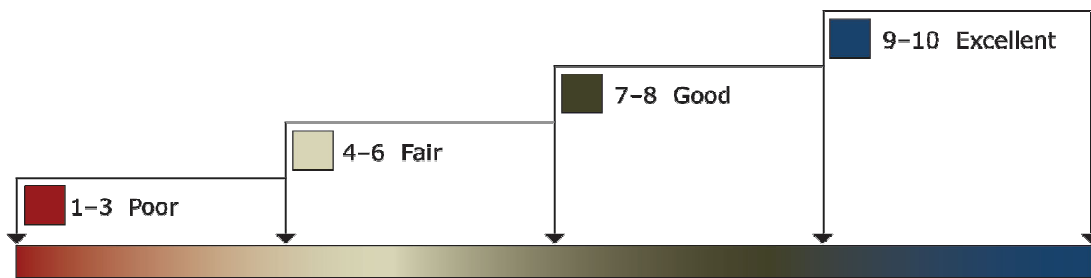
This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific 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 Quality Leadership 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 Quality Leadership Award

Measurement of 1–10 (1 = lowest; 10 = highest)	Award Criteria					
	Product Performance	Product Reliability	Product Design	Product Usability	Perceived Value	Weighted Rating
Relative Weight (%)	20%	20%	20%	20%	20%	100%
NIKSUN	9	8	9	9	8	8.6
Competitor 1	8	9	8	8	9	8.4
Competitor 2	8	8	7	7	8	7.6

Criterion 1: Product Performance (and Scalability)

NIKSUN has a rather impressive product portfolio in the R&D lab space of the network performance management and monitoring arena. NetDetector, NetVCR, NetVoice, NetOmni and NetTradeWatch are among the company's key products. These products are computer appliances in nature in that they enable unified network performance and network security monitoring.

Compared to the products of NIKSUN's key competitors, the company's network monitoring solutions have multiple superior features in terms of overall performance. NIKSUN's products mainly concentrate in the area of next-generation network security through deep packet network forensics, network traffic monitoring and storage of raw network data; NIKSUN was the first to bring these novel solutions to the market in 1997. NIKSUN's performance management solution, NetVCR, in particular, helps their users with incessant real-time perceptibility into the network, generating network awareness to recognize, analyze and resolve network troubleshooting that could harmfully influence business functions. Even though the product was launched years ago, Frost & Sullivan feels that it is

still one of the best quality products in the current market that allows end users to deliver complete real-time network performance and management functions. It is an integrated, single-point solution that finally replaces multiple network performance management and troubleshooting systems and has been constantly enhanced by significant R&D throughout the years.

One of the key differentiators of NetVCR in terms of performance is illustrated by the product's ability to proactively monitor the network at multi 10 Gig Rate, providing 100 percent visibility in real-time. In addition, this solution generates a historical statistics analysis (from microseconds resolution to days, weeks and months resolution) and packet-based Network Knowledge Warehouse of all traffic data that can be proficiently reported for corrective and network troubleshooting analysis. NIKSUN´s NetVCR represents a powerful performance product in today's high-speed, globalized IT environment. The company developed this solution as an easy to use tool with powerful diagnostic capabilities. Another competitive advantage of NetVCR is that the solution has a capability to not only alert users about network problems in real-time but offer an immediate problem resolution. Moreover, the NetVCR is characterized by a powerful feature to decode the packets without the need to download extra software or transfer large files.

Criterion 2: Product Reliability

Compared to other competitive offerings, NIKSUN's product reliability is attributed to its high quality and superb features that provide a proactive alerting approach on network and application performance issues that implies reliably measuring and alerting on network to application or service performance (e.g., loss rates, one-way or round-trip delay, network latency, jitter, service/application response time, network throughput and other metrics) on an enterprise or granular level down to specific hosts, subnets, applications, etc. Moreover, the NetVCR is recognized for setting one of the highest standards in terms of accuracy and ease-of-use in the network performance market that can effortlessly be adapted to data centers, core networks, remote branches or central offices for LAN and WAN requirements.

As an indication of its inherently reliable technology, the NetVCR is supported by a complete maintenance plan that offers a wide range of services that include help desk support, software renovations, extended hardware warranty (which can be selected in 12, 24 or 36 month increments), and on-site engineering support. All are supported by the expertise of NIKSUN´s customer support engineers and its commitment to develop product reliability and customer satisfaction.

Criterion 3: Product Design

Through its significant efforts to develop new products and technology in the network performance monitoring market, NIKSUN has demonstrated its ability to understand its customers' requirements and offer one of the best design solutions for unmatched levels of security and performance. NIKSUN´s product distributes patented packet capture and forensic analysis throughout enterprises and centrally manages them along with complete network troubleshooting reporting and analysis. NIKSUN's unique approach of multi-timescale measurements and its traffic data warehousing technology coupled with its correlation and aggregation engine enables unprecedented levels of visibility, reporting and root-cause analysis.

The capability of NIKSUN´s product design enables fast identification of the root-cause analysis of network happenings, removing traditional troubleshooting techniques that implicate unreliable conjectures in a variety of large scale network scenarios. NIKSUN´s product design offers high-speed management solutions to detect and alert the suspicious behaviors as they happen. This enables an instantaneous resolution of network issues and brings resolution time from hours down to less than five minutes. This technology development allows end-users to guarantee significant cost savings through efficiency and tool consolidation by constantly offering highly reliable functions to their respective end-users.

NIKSUN's product design offers seamless integration with 3rd party tools and custom applications as it's based on industry standard web services model.

Considering all of these features, Frost & Sullivan confirms that NIKSUN´s product responds to direct customer needs and requirements that were taken into consideration during the design and development phase of the company's products.

Criterion 4: Product Usability

NIKSUN´s NetVCR has taken an active role in enhancing the user friendliness of its products in the network performance and monitoring market through offering easily customizable solutions that provide the highest levels of performance.

Ease-of-use is another noteworthy feature of NIKSUN's NetVCR solution, because the product's database could be easily accessed through a browser such as Internet Explorer, offering the capacity to effortlessly drill down through layers 2 through 7 of the OSI Model. Past methods used the paradigm of "show me X", where one had to know "X" was relevant, whereas NIKSUN's approach is "show me what is causing Y" where "Y" is the problem of interest. This new approach considerably changes the analysis paradigm. Moreover, NIKSUN´s product offers an opportunity to define customizable analysis and customizable reporting periods - hourly, daily, weekly, monthly, etc. with a wide range of selectable

constraints (Hosts, Host Pairs, Protocols, Utilization, Packets, Bytes or Top N or even Bottom N Talkers) based upon any of the preceding to allow easy incorporation into presentations (tables, graphs or charts), routine analysis spreadsheets and execute unique calculations.

Additionally, NIKSUN´s NetVCR allows viewing data statistics from any NetVCR platform. NetVCR allows ease of installation of new units by downloading of common zone parameters from the Zone Manager unit guaranteeing precision and a consistent monitoring system.

All of these features guarantee ease-of-use and time reduction required to understand the current status of a network.

Criterion 5: Perceived Value

NIKSUN has built its market recognition on the increased value of its products by aligning its products and services with the needs of both existing and potential clients. The company continues to work to increase the value of its products and ensures a comprehensive maintenance plan with a full range of test, repair, upgrade and convenient access to latest technical advisory services. This allows for its equipment to remain accurate, reliable and conformed to original factory specifications.

Conclusion

NetVCR is one of a kind, high quality product that is committed to proactively alert end users about the real status of their networks. With different technologies competing in the network performance monitoring market, NIKSUN´s NetVCR is still the leading quality product able to meet increasing and constantly changing customer requirements. NIKSUN´s product allows a comprehensible understanding on when, what, where and how network troubleshooting can be proficiently reported and extracted for corrective analysis.

Moreover, other NIKSUN products in the security monitoring and network-wide monitoring areas are based on the same scalable architecture and design as NetVCR. A holistic solution can be designed and implemented with NIKSUN's modular architecture without having to "rip and replace" existing infrastructure.

Based on the aforementioned criteria, Frost & Sullivan is proud to present the 2011 Frost & Sullivan Global Product Quality Leadership Award in Network Performance Monitoring to NIKSUN.

The CEO 360 Degree Perspective[TM] - Visionary Platform for Growth Strategies

The CEO 360 Degree Perspective™ 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 Perspective™ is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360 Degree Perspective™ 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 Perspective™ into their analyses and recommendations.

Chart 5: 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
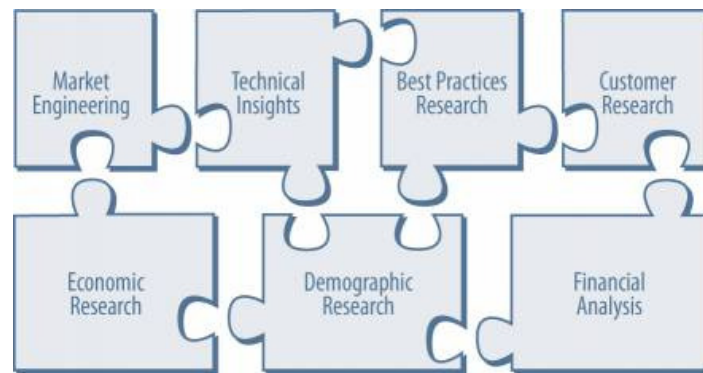
About Frost & Sullivan

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.