



**2011 Global xDSL Test Equipment
Price Performance Value Leadership Award**



FROST & SULLIVAN



50 Years of Growth, Innovation & Leadership

Price Performance Value Leadership Award xDSL Test Equipment 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 Price Performance Value Leadership Award in x Digital Subscriber Line (xDSL) Test Equipment to VeEX Inc. (VeEX).

Significance of the Price Performance Value Leadership Award

Key Industry Challenges

Stiff competition in the xDSL test equipment market forces manufacturers to launch new products or upgrade their existing products regularly. While these products are better in terms of technology and features, customers are often not willing to pay more for the new products. In addition, the pricing pressure from competitors in the xDSL market is high as the market is dominated by Tier-1 players who have a global customer base and strong sales channels. Under such conditions, manufacturers have little control over the pricing of their products. In order to survive and grow under such market conditions, effective pricing strategies are of paramount importance.

Key Benchmarking Criteria for the Price Performance Value Leadership Award

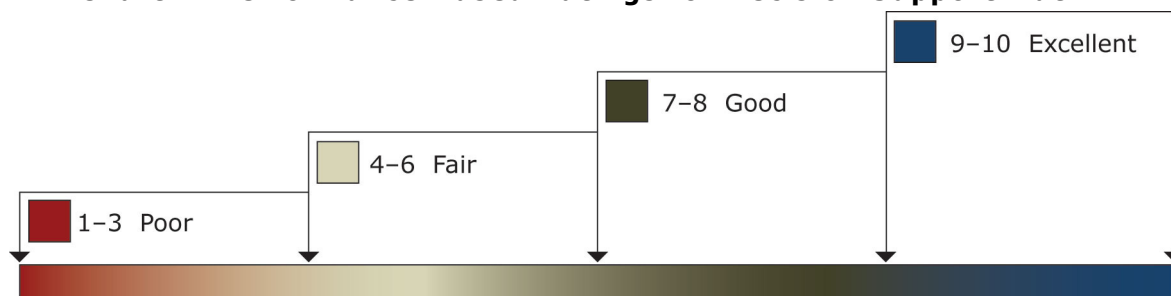
For the Price Performance Value Leadership Award, the following criteria were used to benchmark VeEX's performance against key competitors:

- **Price Competitiveness**
- **Features**
- **Ease of use**
- **Service Effectiveness**
- **Product Matched to Client Needs**

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 VeEX

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the Price Performance Value 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 Price Performance Value Leadership Award

Measurement of 1-10 (1 = lowest; 10 = highest)	Award Criteria					Weighted Rating
	Price Competitiveness	Features	Ease of Use	Service Effectiveness	Product Matched to Client Needs	
Relative Weight (%)	20%	20%	20%	20%	20%	100%
VeEX	8	7	8	7	8	7.4
Competitor 1	6	5	5	5	5	5.2
Competitor 2	6	5	5	6	6	5.6

Criterion 1: Price Competitiveness

In a highly dynamic network communications market, VeEX has successfully developed a variety of test solutions, which the company markets at a highly competitive price range. It offers a diverse range of products to the xDSL market, which provides a significantly higher level of price-performance value to its customers versus the competition. On a scale of one to five, with one being the most economical pricing and five being the highest premium pricing, VeEX rates its prices at two. The company's products are positioned in a manner to offer high customer value at reduced prices across the globe. The xDSL test equipment market in the US and Europe is in a matured state with high customer expectations and technological advancements. Hence, these markets are more concerned about quality, expecting superior products and good support services. VeEX offers high quality test solutions at reasonable prices in these regions, leveraging its technical expertise and high product knowledge. On the other hand, the Asia Pacific market is highly competitive and price-sensitive. With a number of local market participants, VeEX has successfully penetrated this market through a strong network of distributors and channel partners. The company has been extremely successful in the Asia Pacific market with about 50 percent of its revenues coming from this region.

Criterion 2: Features

VeEX offers four main product series under the xDSL test solutions, namely VePAL BX100V+, VePAL BX100A+, VePAL LX100+, and CX40. The VePAL BX100V+ and the VePAL BX100A+ are the newest products and they have been in very high demand. Even though the VePAL LX100+ and the CX40 series were introduced much earlier, they are still performing well in the market. Each of these series is characterized by distinct features and functionalities, which are as follows.

VePAL BX100V+:

This series of handheld testers provide test solutions for next generation Very-high-speed Digital Subscriber Line (VDSL) and Asymmetric Digital Subscriber Line (ADSL) networks supporting Triple Play services. It supports installation and maintenance for VDSL2, VDSL, ADSL2+ and ADSL networks. The test set boasts a robust chassis, which is equipped with a very high-resolution touch screen making it ideal for field operations.

VePAL BX100A+:

The VePAL BX100A+ series provides test solutions for next generation ADSL networks supporting Triple Play services. The products in this series offer installation and maintenance support for ADSL2+, ADSL2 and ADSL networks.

VePAL LX100+:

The handheld testers in this series tests next generation networks, which support Triple Play services. They consist of an Ethernet interface and allow for advanced tests of internet protocol networks. The compact set is ideal for field operations.

CX40:

This is a Time-Domain Reflectometer (TDR) ideal for locating faults in metallic cables, such as coaxial and twisted pair cables. CX40 is a lightweight compact device, which can locate faults within a range of 4,000 meters. It is equipped with an Auto Fault Location (AFL) feature, which helps pinpoint the location of the fault.

Criterion 3: Ease of Use

With the evolution of new technologies and change in the DSL network architecture, the network is getting complex. The services offered by service providers are definitely much more complex and bandwidth intensive. Today, service providers are facing the challenge of delivering services over a complex network while dealing with a less experienced and lower skilled workforce.

One of the best ways to attract customers is through developing products that are easy to use and simple in operation. Customers prefer one-button hand-held testers and integrated solutions that are capable of testing the DSL network. VeEX's BX and LX product lines were developed to address this challenge in the market. These products have a user-friendly interface along with a rugged form factor, which enables field technicians to test the DSL network.

Criterion 4: Service Effectiveness

In addition to offering advanced test solutions for the xDSL networks, VeEX also provides highly effective support services to its customers. The company employs a highly skilled and dedicated team in the U.S., which offers 24x7 quick and efficient support services to the U.S. market. In the European and the Asia Pacific market, VeEX has an extensive distribution network, which caters to customer issues and queries. If, in case, the problem is too complex for the distributor to solve, it is escalated to the engineers at VeEX. In addition, all VeEX customers are provided with a login identification and password. Using these, a customer of the company can get access to the training and support manual, which enables the user to enjoy the benefits of the product to the fullest.

Criterion 5: Product Matched to Clients Needs

VeEX's technologically advanced products combined with its superior support services have enabled the company to gain exceptional customer loyalty across the world. The company's core advantage lies in its competitively priced solutions, which ensure high customer satisfaction. VeEX's products have showed remarkable acceptance worldwide, which provides significant evidence to their high demand. The VePAL BX100V+ and VePAL BX100A+ series have recorded a growth rate of approximately 300 percent and 200 percent respectively in 2010 from 2009. Moreover, the company has accounted for about 150 to 200 percent overall growth in 2010 from 2009.

Conclusion

VeEX's ability to offer highly efficient test solutions to the xDSL market at an extremely competitive price range plays a vital role in enhancing the value it offers to its customers. The company's differentiated marketing strategy, specific to various geographic regions across the world, combined with its superior customer support services gives them a significant edge over its competitors. Most importantly, VeEX's high price-performance value has enabled it to stand out amongst the other participants in the global xDSL test equipment market, leading to an accelerating growth for the company in the process.

The CEO 360-Degree Perspective™ - 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.

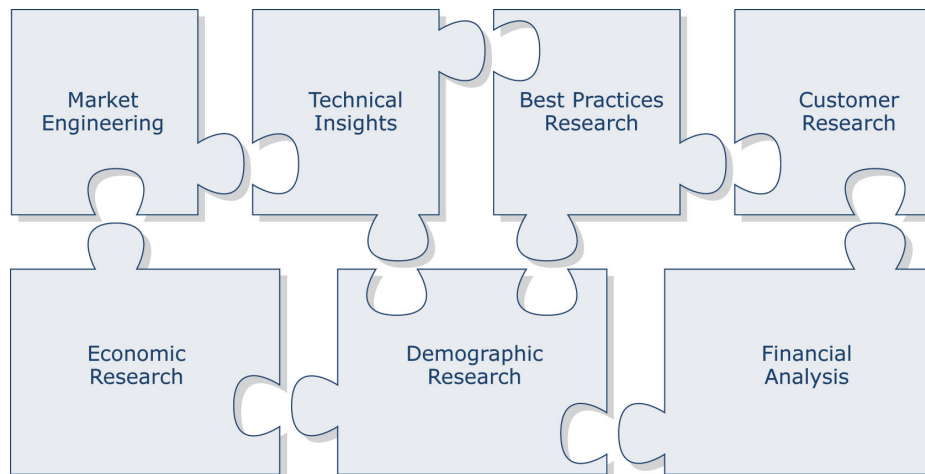
Chart 5: CEO's 360-Degree Perspective™ Model



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>.