

2008 Global Test & Measurement Emerging Company of the Year Award**VeEX, Inc.**

The 2008 Frost & Sullivan Emerging Company of the Year Award in the field test and measurement market is presented to VeEX, Incorporated, a startup that provides next-generation testing platforms to telecom and broadband operators. This Award recognizes VeEX's impressive ability to combine extensive research & development efforts with a promising and cost-effective strategy enabling it to enter the dynamic, but highly competitive and challenging market of field testing for telcos, MSOs and enterprises. Not only was the company able to develop and introduce a comprehensive line of products in less than 24 months but establishing a distribution network to sell its products in over 40 countries across the world is another significant achievement .

Founded in April 2006 by industry veterans, VeEX has its head office located in Santa Clara, California, the heart of the Silicon Valley. In little over 20 months of operation, the company successfully developed four families of products that target different markets including Cable TV, DSL, legacy transport (SONET/SDH) and Ethernet.

Emphasis on R&D & Lowering Costs of Operation

Since its inception, VeEX placed great emphasis on research & development (R&D) and has been able to respond to opportunities around the globe by implementing various innovative features and key customer requirements into its diversified product line. Its R&D emphasis and strategy inspired the company to spread its R&D centers across the US and several overseas locations enabling it to better address the requirements of domestic and international customers. In a competitive and mature industry, better price, cost and quality control are of paramount importance so using experienced contract manufacturers based in Taiwan has allowed it to achieve these goals.

VeEX has a streamlined operation system that enables it to operate more efficiently. Since the beginning, the company adopted a purely electronic system, enabling it to process all orders electronically. This web based system improves communication and associated logistics with contract manufacturers and reduces equipment lead times as a result. Drop shipments to over 40 countries coupled with automatic invoicing optimizes the process allowing VeEX to lower its costs from an operation and support standpoint even further.

In addition, the company is using Linux as the operating system in its products, and new technologies enable them to lower the cost of manufacturing their platform. As price erosion and other competitive market forces persist, the company is able to reduce the prices of its testers accordingly.

Innovative Product Line Strategy

Targeting 4 Markets at Once

VeEX has implemented a cost-effective and farsighted product-to-market strategy. The company decided to launch four lines of products, addressing four market segments simultaneously i.e. DSL, Cable TV, legacy transport with SONET/SDH and Ethernet. The intention was to reduce its risk factor by serving multiple types of customers with multiple products. Considering that each market has its own commercial pace and technology adoption cycle, it is dangerous for a company to depend on any one market at any given time.

Opting for a Common Architecture

In order to limit its startup support costs and save valuable development time, VeEX developed a common platform architecture for its four product lines. Initial models are not modular and the platform architecture is shared across multiple test applications. There are many compelling and practical business reasons for dedicated testers and there is a distinct market place and technical niche for these types of units. Theoretically, modular platforms should translate into cost savings for users, enabling them to equip technicians with one platform and a number of modules instead of buying multiple platforms. However, there is a mechanical cost associated with modularity and commercial mass deployment is often prohibitive. Furthermore over time, and as new technologies emerge, users are "locked into" buying new test modules from the company that sold them the platform and this generally leads to some level of commercial exploitation on the vendor part. In general, companies that would typically need modular platforms are large organizations with a large customer base offering services based on various technologies. Since these types of companies often have to undergo restructuring or reorganization to remain competitive and technically agile, in practical terms, modular test platforms and test modules can become an asset nightmare. Modular platforms however, do have their merits, and VeEX plans to apply its innovative skills and combine its existing technologies in future products.

Featuring Products with Innovative Features

VeEX is pushing the envelope when it comes to innovation and integration. The MX100, the company's 1 Gigabit Ethernet tester, for example, is one of the most comprehensive units on the market, providing detailed testing from layer 1 to layer 7. Stacked VLANs, MPLS, multiple independent streams, automatic discovery of other

test units in the network, are some of the many advanced features which discerning and experienced users appreciate. The unit also supports throughput testing with UDP and TCP headers for long distance networks and a range of Triple Play verification capabilities including VoIP and IPTV. The BX broadband product family, offers users the capability of viewing IPTV over DSL, which is relatively unique in the market. VeEX's innovative capabilities extend to its CATV products, for example, the new CX120 is able to generate CW, QAM16/64/128 signals on the HFC return path while the CX180 is equipped with a QAM analyzer which measures and evaluates the modulation and related impairments. This unique capability is needed for DOCSIS 3.0 deployments which are in trial phase in several markets globally.

Intuitive operation is a hallmark of all VeEX products so the technician learning curve is greatly reduced. Although establishing some level of Quality of Service (QoS) is generally accepted as part of the installation process, all VeEX products are equipped with a web-browser and an IPTV viewer so that the user can actually perform Quality of Experience (QoE) tests which is becoming more prevalent in Triple Play service applications. Through Netwiz, all the machines are able to test CAT5. This is important since, not matter what service is being installed, CAT5 problems always emerge, as Ethernet is invariably part of the media layer. The platform architecture is also highly flexible and rich in software options so evolving to new test capabilities is a simple task.

Other important features of the platform include:

- Color touch screen that can be used in sunny and dark conditions
- Interchangeable Lilon battery pack/s (average of 6 hours of operation)
- Battery charger (AC or DC)
- Keypad, in case the user prefers keys to the touch screen
- Management interface (USB port, 10/100T port)
- Weatherproof and rugged for demanding field applications
- Netwiz, VoIP, WiFi Wiz and IPTV options for Triple Play service verification
- Reveal software to manage profiles and test results, upgrade software and for remote control

The company sees its design and customer focus as well as sales strategy as key competitive advantages. VeEX testers employ state-of-the-art technology and are designed to be handheld, easy to use and ergonomic. VeEX designers are careful to respond to customers' needs and improve usability. For instance, the users can decide to operate the testers in a simple or advanced mode, use the touch screen or a traditional key-based interface, or take advantage of using the Ethernet remote control capabilities. The testers are sold in a variety of configurations depending on customer needs.

Rapid Expansion

Market Expansion

A series of well executed strategies, combined with a passion and devotion to meeting the company’s goals, VeEX was able to aggressively enter the global market place in record time. This sense of urgency which prevailed from the beginning, resulted in products hitting the street approximately one year after research & development work commenced. The VeEX product portfolio continues to evolve and there are many more achievements to come in the future.

Chart 1.1 highlights the growing product line of VeEX since its inception.

Chart 1.1 Field Test and Measurement Equipment Market: VeEx' Product Portfolio (World), 2008				
	Metro/Ethernet	Broadband	Cable TV	SONET/SDH/PDH
Q4/06	MX100 (1000-T & 1000-X)	BX100A (ADSL2+, Annex A & Annex B)	CX100 (SLM - analog/digital)	
Q1/07			CX150 (SLM & DOCSIS 2.0)	
Q2/07	MX120 (Dual port 1000-T & 1000-X)	DMM, POTS options Impulse Noise Protection option		TX50e (E1)
Q3/07			CX120 64/128M QAM USG	
Q4/07	Fiber Channel FC-1 & FC-2 options	LX100 (PON) BX100V (VDSL2)	CX180 CX180R system	TX150e (STM-16/OC-48, PDH & T-Carrier)
<i>Source: Frost & Sullivan</i>				

Customer Base Expansion

One of the most impressive achievements of the company is its customer base. It is well balanced, with each product line targeting a different type of end-user and market segment. The DSL product line targets the telcos, the cable TV product line serves the needs of MSOs and the legacy transport SONET/SDH and Ethernet product lines target a cross-section of telcos, MSOs and enterprises.

Despite the company being less than 2 years old, it already has an impressive resume and number of organizations as customers. VeEX customers include some of the leading service providers and blue chip companies in North America, Europe and Asia.

Geographic Expansion

The company's products are distributed in over 40 countries. Europe, North America and Asia Pacific are the most important markets for the company, but it also sells its products in other regions such as Latin America and Africa.

Brand Recognition, VeEX' Greatest Challenge (Soon to be Overcome)

One of the most significant challenges that VeEX or any new company faces is brand awareness and recognition. Although the competition is strong, involving large, long-established market players, VeEX is likely to prove David between an army of Goliaths. Armed with innovative products, the company is expected to overcome the challenge of being new in the market in the near future as customer base and reputation grows. Indeed, research indicates that an increasing number of customers are attracted by the unique features of VeEX' products.

Based on the impressive performance of the company in the second year of its operation, which is reflected in a broad portfolio of satisfied clients likely to become brand-loyal, one can anticipate increasingly better sales results and profitability in the years to come.

As a result of all the achievements mentioned above, Frost & Sullivan is proud to announce that VeEX has been granted the 2008 Emerging Company of the Year Award in the field test and measurement market.

Award Description

The Frost & Sullivan Award for Emerging Company of the Year is presented each year to the company that has emerged as a significant participant within its industry. This company is perceived to have exhibited outstanding management, superior market growth, exceptional customer service and the ability to combine technology and successful strategic initiatives. This company has the exceptional know-how to take advantage of market changes through the execution of innovative strategies within the existing competitive landscape.

Research Methodology

In order to select the Award recipient, analysts quantify several market factors for each market participant according to predetermined criteria, paying close attention to their combined operations efforts. This process includes interviews with market participants, customers, and suppliers, along with extensive secondary and technology research. The companies' efforts are then analyzed based on the number of new customers, new segments, and commitment to business expansion coupled with market growth.

Measurement Criteria

In addition to the methodology described below, there are specific criteria used to determine final competitor rankings in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Proof of success executing a restructuring strategy
- New market penetration (geographic, product, etc.)
- Marketing, promotion, and visibility of the company
- Degree of strategy innovation
- Technological innovation and leadership
- Increased name recognition
- Revenue and market share growth

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

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