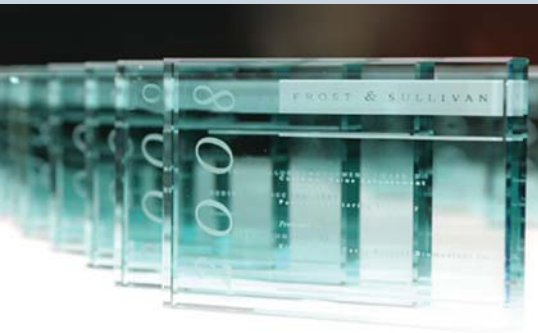


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805-277-2400 Phone NextGigSystems.com

2008



Gigamon Systems: Recipient of the  
2008 Global Monitoring Emerging Company Year Award



*From left to right: Rene Cardenas, Director of Marketing, Ted Ho, CEO and President, Tom Gallatin, Vice President of Sales and Marketing, Gigamon Systems and Art Robbins, President, North America, Frost & Sullivan*

*"We accelerate growth."*

## 2008 Global Monitoring Emerging Company of the Year Award

### 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



The 2008 Frost & Sullivan Award for Emerging Company of the Year in the World Monitoring Market is presented to Gigamon Systems™ (Gigamon) for earning revenues totaling \$24 million since the shipment of its first product in 2005, as well as exhibiting an overall increase in its customer base during this period. Since its inception in 2003, Gigamon has placed a high emphasis on honing its product portfolio to address the monitoring requirements of high-end clients within the telecommunications and enterprise sectors. By enabling the non-intrusive and comprehensive monitoring of mission critical data networks, Gigamon has succeeded in serving its clients while reducing the overall complexity typically associated with testing. Furthermore, the partnerships that Gigamon has developed with a variety of tool vendors have led to a significant increase in year-over-year revenues while sustaining an annual growth rate of approximately 30 percent. As a result of these factors, Gigamon is poised to become a significant test equipment manufacturer within the World Monitoring Market.

## Product Portfolio - Targeting the Needs of High-end Clients

Founded in 2003, Gigamon's primary goal has been to systematically address the monitoring needs of enterprise network traffic. Since its initial product launch in 2005, the company has focused on delivering its two flagship products of GigaVUE™ platform, the GigaVUE-MP Data Access Switch and the GigaVUE-420, to customers who require secure and customized access in monitoring their complex and remote networks.

### GigaVUE™ Intelligent Data Access Networking

The modular GigaVUE-MP switch, which is an out-of-band Intelligent Data Access Networking (DAN) Switch used primarily by enterprise networks, addresses the issue of "too many tools and not enough ports" by providing dynamic connectivity for "out-of-band" monitoring tools such as intrusion detection systems (IDSs), sniffers, Voice over Internet Protocol (VoIP) analyzers, application monitors, and data recorders. GigaVUE-MP supports the 10BASE-T, 100BASE-T, and 1000BASE-T speeds, making it a 10/100/1000 Ethernet system. It unobtrusively acquires and maps relevant traffic from multiple data sources to multiple tools, and consists of one 8-port base unit and up to three 4-port GigaPORT/GigaTAP expansion slots (for a total of 20 ports). Furthermore, the switch architecture is completely non-blocking. It is capable of handling unlimited gigabit circuits between multiple network ports and multiple tool ports, assuming that the total aggregated traffic arriving to a single tool port does not exceed one gigabit, and that the total traffic between chassis does not exceed ten gigabits.

Although equipped with eight copper ports, the GigaVUE-MP Data Access Switch base unit is capable of handling up to three expansion units. Each expansion unit adds four additional ports, with four styles of expansion modules available. The GigaPORT module is a dual media module, and the four ports are available as either copper ports (10/100/100) or optical ports (multimode or single mode, depending on the choice of SFP pluggable transceivers). The GigaTAP-Tx, GigaTAP-Sx and GigaTAP-Lx are dual-tap modules that are capable of tapping two links, and these modules are available as 10/100/1000 copper, multimode fiber, and single mode fiber products, respectively.

### GigaVUE-420

Gigamon's most recent offering, the GigaVUE-420, is a significant upgrade to the company's GigaVUE™ platform. Introduced in January 2008, the product's name is derived from its capacity to house four 10-gigabit ports and twenty 1-gigabit ports. The GigaVUE-420 is a backward-compatible technology based largely on feedback from Gigamon's customers, many of whom had been constructing 10-gigabit core networks while still requiring comprehensive monitoring with 1-gigabit tools. Additionally, the GigaVUE-420 provides four additional hot-swappable expansion slots, as opposed to the three that had previously been offered with the GigaVUE-MP system. With optional GigaTAP modules, it is now possible to tap up to eight gigabit links in one chassis, making the GigaVUE-420 the highest density-tapping solution currently available on the market. By improving the functionalities of the GigaVUE platform to include the aforementioned port features, the GigaVUE-420 has positioned itself as a highly flexible and expandable solution.

### Product Characteristics that Ensure Satisfaction

In terms of customer satisfaction, the most vital attributes of the GigaVUE-MP and GigaVUE-420 solutions include their any-to-any, many-to-many, and any-to-many cross connection capabilities, as well as their packet filtering features. These resources assist end-users by mapping specific traffic flows to designated test tools. Despite these features, however, Gigamon's clients largely consider the scalability and expandability of these products to be their most important characteristics. When end-users purchase either of these solutions, they are confident about buying into the future, both in terms of capital expenditure and training. The main scalability properties of Gigamon's offerings, which were alluded to above, are summarized by the following:

- Up to four 10-gigabit ports per chassis, which the customers can expand by purchasing expansion modules
- Four expansion slots allowing the customers to add four gigabit ports at a time (with whichever media choice suits the end-user's particular need)
- Up to 10 chassis can be stacked using a 10-gigabit link such that the end-user can have up to 200 gigabit ports and up to 22 10-gigabit ports
- Stacked chassis that can be placed next to each other, or that can be placed up to 20 kilometers apart, depending on the media choice of the 10-gigabit links

### **Diverse & Broad Customer Base**

Since the company's first product shipment in summer 2005, Gigamon has developed a customer base of more than 200 clients. The company has doubled its total number of clients every year, having accrued 100 by the end of 2006 and an additional 100 by the close of 2007. The majority of Gigamon's clients have come from a variety of telecommunications applications, with its primary customers including mobile providers who are in the process of migrating toward third-generation (3G) mobile standards and technology, cable providers who offer high-speed internet and VoIP services, and telephone providers who market their DSL and video-on-demand services. Aside from the telecommunications market, Gigamon also caters its products to a variety of enterprise customers from a number of vertical markets, including government agencies, research labs, investment firms, and insurance companies, many of whom have reputations as Fortune 5000 companies.

As a result of its strong product portfolio, Gigamon has positioned itself to form potential partnerships with companies who possess mission critical data centers. Clients who exhibit a need for Gigamon's offerings include those who not only have complex networks, but who also possess complex monitoring requirements (such as security tools for privacy protection, performance tools to ensure safe eBusiness transactions, and performance tools to troubleshoot internet-based end-user experiences). In these instances, Gigamon's product offerings provide a "complex-to-complex" mapping between the network and the tools, collecting traffic from multiple redundant switches and delivering selected conversations to multiple tools.

With the majority of Gigamon's business derived from telecommunications-based companies, Gigamon's future looks bright. Repeat business with such clients is assured because they must "copy exact" across their networks.

### **Addressing Complexity Issues for Clients**

Gigamon prides itself on successfully relieving a variety of complexity-related concerns faced by its customers. The company is able to reduce such complexities by collecting traffic from multiple points of interest and comprehensively reconstructing complete conversations, many of which would normally traverse multiple redundant switches or channelized links. Gigamon also replicates and distributes aggregated traffic to multiple monitoring tools so that each department (such as security, networking, or compliance) is able to independently perform their respective functions. Furthermore, it is possible to selectively filter the aggregated traffic so that each tool can effectively monitor only the traffic of interest, and such traffic can then be load-balanced so that multiple 1-gigabit tools working in parallel can monitor 10-gigabit traffic. Finally, Gigamon possesses the capabilities to assist engineers in performing remote duties by dynamically directing an attached troubleshooting tool to any point within the network upon the click of a mouse.

### **Successfully Partnering with Tool Vendors**

Gigamon places a significant emphasis on establishing partnerships with various tool vendors, and the company currently works in conjunction with over 30 vendors such as Agilent Technologies, Tektronix, Fluke Networks, Compuware, Network Instruments, and Coradant. During the beginning stages of Gigamon's existence, over 90 percent of its total business was directly generated by its tool partners. Although this figure has since dropped to approximately 75 percent, such affiliations remain vital to Gigamon's success.

While Gigamon has benefited immensely from its relationships with such vendors, the company is fervent in co-marketing its partners' products by utilizing vendor-neutral venues such as Gigamon University, SpyNet Showcase, and LoveMyTool. By undertaking such initiatives, Gigamon has been able to successfully generate business for its associates.

### **Gigamon - A High Standard of Entrepreneurial Spirit**

Although Gigamon has only been shipping its products for less than three years, the company has achieved several milestones in a relatively short period of time. Within its first ten months of existence, Gigamon successfully moved its hundredth unit, and the shipment of the company's thousandth unit occurred by the end of 2007. As a result, the company exceeded \$24 million in sales since 2005, more than half of which was achieved in 2007 alone.

While Gigamon considers the North American market to be its primary focus, it routinely garners approximately 20 percent of its revenues from Asia and Europe, and this figure is expected to increase as these geographic markets continue to grow. Due to the fact that Gigamon's penetration in the United States is still relatively shallow, with only 20 percent of its customers in this region comprised of Fortune 2000 clients, the company believes that there is considerable room for growth in this arena.

Since 2005, Gigamon has been successful in achieving an annual growth rate of approximately 30 percent. Given Gigamon's ability to maintain vendor partnerships, address complexity issues, and successfully market its technology, the company is expected to sustain this figure over the next few years.

### **Conclusion**

Since its initial product launch in 2005, Gigamon has equipped its clients with both the GigaVUE-MP Data Access Switch and GigaVUE-420 platform, two technologies that address the non-intrusive and comprehensive monitoring of mission critical data networks. Through partnerships with a variety of tool vendors, Gigamon has thrived in serving its clients' needs while achieving cumulative revenues of approximately \$24 million. Sustaining a year-over-year growth rate of approximately 30 percent, Gigamon expects a continuation of such success over the next few years. As a result of these factors, Gigamon is the worthy recipient of the 2008 Frost & Sullivan Emerging Company of the Year Award in the World Monitoring Market.

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#### **About Frost & Sullivan**

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting and Growth Team Membership empower clients to create a growth-focused culture that generates, evaluates and implements effective growth strategies. Frost & Sullivan employs over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 30 offices on six continents. For more information about Frost & Sullivan's Growth Partnerships, visit <http://www.awards.frost.com>.

Frost & Sullivan • Stacie Kopecki  
210.247.2450 • [stacie.kopecki@frost.com](mailto:stacie.kopecki@frost.com)  
[www.awards.frost.com](http://www.awards.frost.com)