

2008 North American Blade Network Switches Product Innovation of the Year Award**BLADE Network Technologies Inc.**

The 2008 Frost & Sullivan North America Product Innovation of The Year Award in Blade network switches goes to BLADE Network Technologies Inc. of California for its development of 10G Ethernet blade switches that could help data centers improve their efficiency and performance. The company has developed this technology for 10GE blade servers, for virtualization and server consolidation, bandwidth-intensive and high performance applications.

BLADE Network Technologies was established as a result of a agreement in 2006 between Garnett & Helfrich Capital and Nortel Networks to create Nortel's Blade Server Switch Business Unit as a private enterprise. BLADE Network Technologies has a broad portfolio of products that include high-speed network infrastructure for blade server systems as well as Ethernet, Internet Protocol (IP) and Application switches for blade servers. The company has developed solutions for a variety of end users in industrial sectors such as retail, healthcare, defense and telecommunications. Despite its young existence, the company has managed to develop a roster of top tier clients such as HPIBM and NEC that already account for over 80% of its revenues.

Ethernet has always been a top choice for the task of supporting network connectivity solutions. Cluster computing is usually deployed to improve performance over that provided by a single computer, since this is typically more cost-effective than use of single computers of comparable speed. Due to the insufficiency of high-performance Ethernet products, cluster computing based approaches could not leverage Ethernet. In order to maintain their performance, servers were forced to use middleware for interconnection that added more cost and complexity to the overall solution. Another problem was that packets were lost during transmission, which further reduced throughput.

In order to address such issues, BLADE Network Technologies has developed a high-performance 10G Ethernet switch that enables clustered networks to interconnect their servers without affecting overall performance. Vis-à-vis 1G Ethernet, 10G Ethernet does not vary much with respect to compatibility and migration but it does provide 10X more bandwidth at a lower cost. Specifically, BLADE's solution improves throughput by about 50% when compared to other offerings, and reduces host CPU

utilization to boost system performance. In short, it enables a converged network fabric consisting of data and storage.

10G Ethernet is considered a major breakthrough as it would aid in virtualization and server consolidation and benefit low latency-high bandwidth applications such as high performance computing iSCSI-based Storage Area Networks, massive multiplayer online gaming and High-Definition IP TV. In particular, BLADE's product innovation would benefit next generation networking. The BLADE 10G Ethernet switch would enhance the power and cooling efficiencies of overloaded data centers. Additionally, as virtualization becomes a reality it gives the luxury of having better storage utilization and improved servers. BLADE Network Technologies is thereby making the technology extendable to areas such as Voice over IP (VOIP), Voice on Demand (VOD), as well as revolutionary Internet models such YouTube and MySpace.

BLADE Network Technologies is a true innovation-oriented company: nearly half of its 120 employees are in Engineering and R&D. The company has established global research and development facilities with centers in Romania and Canada. BLADE has OEM relationships with IBM BladeCenter, HP BladeSystem and NEC SigmaBlade, and collaborates with other leading players such as Broadcom, NetXen, Chelsio, and NetEffect who have helped it develop its breakthrough 10GE technology. Additionally, BLADE collaborates on various levels with the Blade.org and HP SolutionBuilder members and other organizations such as Oracle, Bharthi Telecom, and ZTE as well as with universities such as Georgia Tech. The company has seven patents pending. Not surprisingly, the company has experienced robust growth and is estimated to have a 44% share in its market. The company's clients include a variety of Fortune 500 companies across 26 industry sectors.

Due to the superior performance of the BLADE 10GE switch and its ability to adapt to the growing demands of the storage networking industry, Frost & Sullivan recognizes BLADE Network Technologies with the Award for Product Innovation. Companies such as BLADE Network Technologies are helping pave the way for mainstream adoption of 10GE blade systems.

Award Description

The Frost & Sullivan Award for Product Innovation is presented each year to the company that has demonstrated excellence in new products and technologies within its industry. The recipient company has shown innovation by launching a broad line of emerging products and technologies.

Research Methodology

To choose a recipient of this award, the analyst team tracks all new product launches, R&D spending, products in development, and new product features and modifications. This is accomplished through interviews with all the market participants, and extensive secondary and technology research. All new product launches and new products in development in each company are compared and evaluated based on the degree of innovation and customer satisfaction. Companies are then ranked by the number of new product launches and new products in development.

Measurement Criteria

In addition to the methodology describe above, 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:

- Significance of new product(s) in the industry
- Competitive advantage of new product(s) in the industry
- Product innovation in terms of unique or revolutionary technology
- Product acceptance in the marketplace
- New product value-added services provided

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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