



CHATSWORTH
PRODUCTS, INC.

Chatsworth Products, Inc.: Recipient of the
2008 Global Rack & Rack Options Market Business Development Strategy
Leadership Award



“We accelerate growth.”

2008 Global Rack & Rack Options Market Business Development Strategy Leadership Award Award Recipient: Chatsworth Products, Inc.

Award Description

The Frost & Sullivan Award for Business Development Strategy Leadership is presented each year to the company that has demonstrated excellence in business development within the industry. The award recognizes the company's ability to best perceive consumer needs, develop products and/or services that meet consumer needs, successfully introduce products or services to the industry, and identify new market segments to expand the existing customer base. Through a combination of vision, technology, and successful marketing, the award recipient has demonstrated superior market growth skills.

Research Methodology

To select the recipient of this award, the analyst team tracks all the major participants in the industry, paying close attention to their business development efforts. This process includes interviews with all the market participants, customers, and suppliers, along with extensive secondary and technology research. The companies' business development efforts are then analyzed based on the number of new customers, new segments, and commitment to business expansion. Industry participants are then ranked based on the predetermined measurement criteria. The award recipient is ranked number one in the industry.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used in determining the final ranking of industry competitors. The recipient of this award has excelled based on one or more of the following criteria:

- Market penetration and market share growth in existing market segments
- Development of new applications for existing products
- Market share position in new market segments
- Number of new customers
- Participation in industry trade groups with goal of expanding market potential
- Establishment of programs which allow its customers to grow, thereby improving its own performance
- Increases in customer loyalty

The World 19-Inch Rack and Rack Options market is in a mixed growth stage, with some regional markets experiencing early growth while others approach a more mature stage. Strong performance from rack-mount equipment manufacturers of the information technology (IT) and telecommunications (telecom) industries has positively impacted the rack market in the past couple of years. Servers, rack mount storage devices, communication switches and routers, power distribution units (PDU), uninterruptible power supplies (UPS), cooling, security and monitoring equipment markets growth have led the rack market to develop at a higher than expected pace, and the trend is likely to continue.

The Rack and Rack Options market has demonstrated to be challenging to all manufacturers and participants. From a production standpoint, increase in raw materials and more local competitors from low labor costs areas triggered competition to new levels. Branded rack manufacturers (such as Dell, HP, IBM, etc.) have also increased their participation through more integrated product offerings, a trend that most original rack manufacturers have followed since more product integration is demanded for today's modern data centers and telecommunications hubs.

The primary original rack manufacturers include Rittal GmbH & Co. KG, Knürr AG (now owned by Emerson Network Power, part of The Emerson Electric Co.), American Power Conversion Corp. (now owned by Schneider Electric SA), Pentair Inc., Ortronics Inc., and Chatsworth Products Inc. amongst others.

Company Background

Awarded 2008's Employee Stock Ownership Plan (ESOP) Company of the Year by the California/Western States Chapter of the ESOP Association, Chatsworth Products, Inc. (CPI) has proven once again that the buyout performed by 90 employees in 1991 to found a new, faster moving company, was a very successful venture. Headquartered in Westlake Village, California, CPI is a leading manufacturer of structural support systems and solutions designed for the ever-changing information technology and communications markets. They recognized the explosive nature of the market during their initial years and provide products that set the benchmark in infrastructure equipment.

The 2008 Frost & Sullivan Business Development Strategy Leadership Award is given to CPI. The company has efficient and flexible production facilities in 3 US locations and international offices in Mexico, China and the United Kingdom. CPI strives to succeed as a fast-to-market solutions provider through the company's establishment of individual employee empowerment, under a philosophy of quality through teamwork, caring and commitment, and their customers eagerly recognize this. They enjoy a solid distribution network, partnering with some of the most recognized solutions distributors and system integrators, as well as being listed in the General Services Administration (GSA) under Federal Supply Schedule IT 70, making their products available through GSA Advantage and through Government Wide Acquisition Contracts (GWACs), including GSA Connections and NITAAC-ECS III.

Product Development

CPI production facilities in Chatsworth (California), Georgetown (Texas), and New Bern (North Carolina) have constantly developed innovative products and solutions since the employee buyout of 1991 and corporate establishment. Distributed through a worldwide network of partners, integrators and prime contractors, product lines range from traditional structural support systems used to organize, store, and secure valuable IT and communications equipment to ground-breaking solutions to solve thermal issues.

Several patents have been awarded throughout CPI's history of product innovation as well. Today's solutions include a broad selection of Rack, Cabinet and Enclosure Systems, Zone Cabling and Wireless Enclosures, Wall-Mount Systems, Cable Management, Cable Runway and Tray, Power Management, Electronics, Monitoring and Security, Grounding and Bonding and Seismic Protection Systems.

Some of the registered trademarks of Chatsworth Products, Inc. include: CPI, MegaFrame, Saf-T-Grip, Seismic Frame, SlimFrame, CPI Passive Cooling, Cube-iT Plus, TeraFrame, Thinline II and QuadraRack.

High Product Quality & Brand Recognition

New CPI products result from customer requests and opportunities to co-develop products with market leaders such as Cisco, Corning Cable Systems and other high tech equipment manufacturers. From past experience, CPI learned that providing customers what they need is always better than providing customers with just what's in stock. As end-users continue to adopt new faster and denser rack-mount equipment, rack requirements vary widely, and customized solutions are becoming the norm. Cutting edge design tools are available in-house and to customers online, making the process as smooth as possible for the development team, and making the whole experience seamless to the customer.

In manufacturing top quality products, CPI assures superior specifications for all products, meeting all EIA/TIA standards, are UL Listed and are fully compatible with standard rack-mount equipment. All manufacturing facilities have obtained ISO 9001:2000 certifications and tight controls around production are set forth to assure superior quality manufacturing. In terms of product strength, CPI will exceed expectations with robust and sturdy racks and support systems. Although recent market trends suggest that new rack mount equipment should be placed in new flexible rack solutions, CPI's rack systems offer great flexibility and adaptability. Last, but not least, heavy duty packaging is provided as standard to ensure all products arrive safely to their destinations. Once the product has arrived, CPI's quick installation makes it easy for one person to assemble an entire system with a minimum of tools.

Industry Recognition

CPI is recognized as a Platinum level corporate member of the Building Industry Consulting Service International, Inc. (BICSI), an industry association that services the needs of telecommunications consultants, professionals who work in the information transport systems (ITS), and all those involved with communications and associated infrastructure. This status provides solid credibility and demonstrates a high level of commitment from the corporation.

Conclusion

Amidst a challenging and ever-changing industry, CPI has proved to be a strong competitor and a resilient innovator. Motivated by core company values, the employee-owned CPI posted growing market shares, a broader distribution network, excellent brand recognition, and consistent overall performance, it's Business Development Strategy places them as leaders and as an example to follow. Frost & Sullivan recognizes CPI as proud recipients of the Business Development Leadership Award for the World Rack and Rack Options Markets for 2008.



About Frost & Sullivan

Frost & Sullivan, the Global Growth Consulting Company, partners with clients to accelerate their growth. The company's Growth Partnership Services, Growth Consulting and Career Best Practices 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.frost.com>.

Frost & Sullivan • Stacie Kopecki
+1 210.247.2450 • stacie.kopecki@frost.com
www.awards.frost.com

Chatsworth Products, Inc. • Nicole McLawhorn
252.635.4264 • nmclawhorn@chatsworth.com
www.chatsworth.com