

Product Line Strategy of the Year, Content Filtering Global, 2011

Frost & Sullivan's Global Research Platform

Frost & Sullivan is entering 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 in turn 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 Product Line Strategy of the Year Award in Content Filtering to M86 Security.

Significance of the Product Line Strategy Award

Key Industry Challenges

The threat landscape has changed dramatically in the past five years with phishing websites having been identified as the primary vector for spreading malware. In addition, the emergence of Web 2.0 capabilities and the use of social networking websites have created new targets for criminal activities. Cyber criminals are taking full advantage of the breadth of personal information now available on social networking websites and they are using these sites to disseminate malware in alarming volume. Along with these web threats, email threats continue to advance. Email is also considered a top vector for malicious attacks.

Threats are also becoming more sophisticated and targeted with blended threats now dominating the security landscape. Many times, spam emails will contain links to spam web sites or malicious web sites trying to collect data or execute a malware attack. Some emails may even contain attachments designed for stealing personal or corporate data or malicious URLs. Frost & Sullivan's research shows that email will continue to be a popular medium for malicious attacks.

Given the above challenges, enterprises have been in search of the best protection, flexibility, and the most cost-effective products when it comes to implementing a content security solution. To maintain strong traction in the content security products market, vendors have to address numerous challenges stemming from organizational needs and requirements. One challenge faced by vendors includes the ability to deploy advanced technologies against the newest web threats. As the threat landscape evolves, vendors are working diligently to create innovative methods to prevent web attacks and reduce email threats in the most efficient and cost-effective manner for businesses. Long gone are the days of simply updating a URL list to block employees from certain websites; advanced technology is critical for today's enterprises.

Another challenge for vendors is the increased demand by clients to offer different deployment options to customers in the form of hybrid, cloud, appliance, or software-based

solutions. Because of the changing threat landscape and the proliferation of remote workers, vendors are seeking ways to deploy alternative web and email security solutions. Vendors such as M86 Security have implemented hybrid solutions that consist of an appliance and a cloud-based service. These solutions are able to offer web and email filtering to remote workers when they are off the corporate network.

Key Benchmarking Criteria for the Product Line Strategy Award

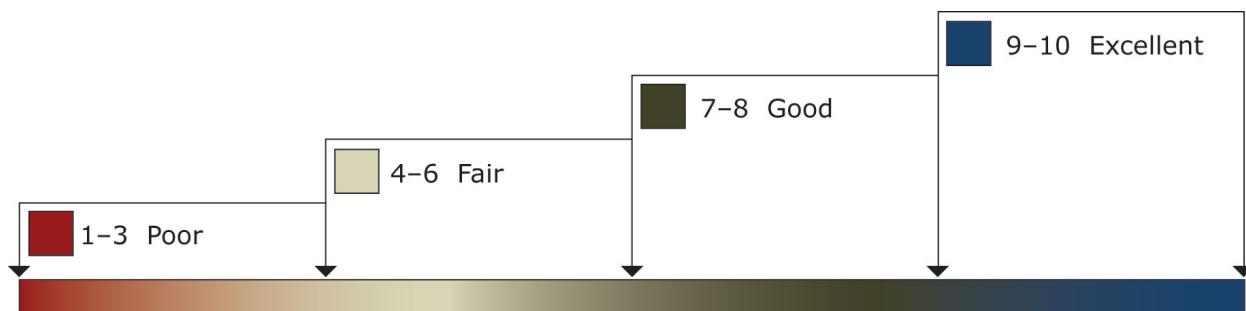
For the Product Line Strategy Award, the following criteria were used to benchmark M86 Security's performance against key competitors:

- **Breadth of Product Line**
- **Size of Addressable Customer Base**
- **Impact on Customer Value**
- **Impact on Market Share**
- **Breadth of Applications/Markets Served**

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 Chart2.

Chart2: 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.

Chart3: Frost & Sullivan’s 10Step Process for Identifying Award-Recipients



Best Practice Award Analysis for M86 Security

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the Product Line Strategy 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.

Chart4: Decision Support Matrix for Product Line Strategy Award

Measurement of 1-10 (1 = lowest; 10 = highest)	Award Criteria					Weighted Rating
	Breadth of Product Line	Size of Addressable Customer Base	Impact on Customer Value	Impact on Market Share	Breadth of Applications/Markets Served	
Relative Weight (%)	20%	20%	20%	20%	20%	100%
M86 Security	9.0	8.0	9.0	9.0	9.0	8.8
Competitor 1	8.0	8.0	7.0	8.0	8.5	7.9
Competitor 2	8.0	7.0	7.0	6.5	6.5	7.0

Criterion 1: Breadth of Product Line

M86 Security offers a diverse web and email filtering product portfolio. M86 Security provides both web and email security in the form of on-premise appliances, software deployments, as a hybrid service, or as a Software-as-a-Service solution. For Web security, M86 offers the M86 Secure Web Gateway as an appliance or in combination with a cloud service as a hybrid deployment with the M86 Secure Web Service Hybrid product along with M86 Web Marshal as a secure Web gateway software solution.

M86 Security has had several acquisitions to offer these solutions. In 2010, M86 security added M86 Secure Web Gateway (SWG) and M86 Secure Web Services Hybrid to its product line. The M86 Secure Web Gateway (M86 SWG) protects organizations from dynamic malware using true real-time code analysis technology.

Working with the M86 Secure Web Gateway, M86 Secure Web Service Hybrid integrates cloud-based and on-premises Web security for consistent, real-time threat protection and acceptable use policy enforcement of remote office and mobile workers. This allows organizations to maintain full control and reporting of their Web security policies and data both on-premise and in the cloud using a single management interface. The M86 Secure Web Service Hybrid extends the security coverage of on-premises users to all remote and small branch offices through Web security deployment into public or private cloud

computing environments, giving organizations complete protection and visibility into their onsite and remote/ mobile Web users.

The company also offers email security solutions with its M86 MailMarshal product family. These web and email solutions have a built-in common policy and reporting engine, they share same content analysis components, they have 3rd party scanners, and they offer user-defined policies with very granular rules settings to manage inbound and outbound content.

Criterion 2: Size of Addressable Customer Base

M86 addresses many frustrations that organizations are facing today. Customers require their vendors to offer flexible solutions that prevent the most current web and email attacks. M86 addresses these challenges through its M86 Secure Web Gateway and M86 Secure Web Service Hybrid solutions. These solutions address the market need for proactive real-time Web threat protection for onsite and mobile users. M86 patented real-time code analysis technology protects users from new and dynamic, unknown malware threats without the use of signatures. M86 Secure Web Service Hybrid extends the same level of on-premises security and policy control to mobile workers regardless of their location.

M86 also addresses administrators' challenges to do more with fewer resources while juggling demanding, mission-critical project deadlines and meeting the demands of the line of business productivity needs. Administrators need to support departmental needs to access the appropriate, work-related websites while fully protecting the network from sophisticated Web threats. M86 enables productivity with its Dynamic Web Repair technology, which repairs infected Web pages by removing malicious code and delivering safe content to users without blocking the entire site. This flexibility provides protection and reduces complaint calls to IT administrators, allowing administrators and end users to focus on more business-critical projects and needs.

The use of social media sites in the workplace is increasing as corporations adapt this forum to promote business and drive collaboration. As a result, users are requesting access to these sites. Companies allowing open access to social media sites risk sensitive data leakage and reputation damage in the event an employee's posts opinions and sensitive information on status updates and message boards.

M86's Granular Social Media Control enables organizations to block posts, comments, or uploads to social media sites such as Facebook, while allowing employees to use other site functions. This prevents data leakage, minimizes negative exposure to a brand's reputation, and limits site functionality to maintain acceptable use policies. Through policy enforcement and granular Web controls, M86 enables organizations to manage productivity, reduce data breach risks, and access Web 2.0 applications safely.

Criterion 3: Impact on Customer Value

In today's dynamic, web-based threat environment, it is necessary for organizations to have real-time, proactive threat protection at the Web gateway, preventing malware from penetrating an organization's network. M86 enhances customer value by providing customers with proactive Web threat protection using patented real-time code analysis for protecting users from dynamic, known and unknown Web threats. Unlike most security solutions that simply block known infected Web pages on legitimate Web sites, prohibiting users from accessing the information they need; M86 Dynamic Web Repair™ technology is different. It seamlessly eliminates malicious code from Web content, without blocking the Webpage. It then repairs the content and safely delivers it to the user, maintaining workplace productivity and reducing IT support calls from users unable to access the content needed to do their job.

M86 places a lot of emphasis on customer feedback to assist in implementing its strategy and development process for delivering industry-leading products. The company conducts periodic online customer surveys to gauge satisfaction and it obtains feedback at live, global appreciation events.

Criterion 4: Impact on Market Share

M86 Security has gone through several mergers and acquisitions to gain a broader portfolio of products and solutions in the content filtering market. In 2008, Marshal (UK-based) and 8e6 Technologies (US) merged, leveraging its stronger footprint in the respective content filtering market in the US, EMEA, and Asia-Pacific. In 2009, the company acquired Avinti, which enhanced M86's real-time malware detection capability for email security, and in late 2009, it acquired Finjan, a web security company that used proxy-based web security with real-time code analysis. As a result, the company has also gained a broader install base of enterprises on a global scale. The acquisitions have enabled M86 to leverage various security technologies that will help the company become a stronger contender in the market and offer more flexible options for customers. In 2010, M86 released enhancements to its Secure Web Gateway product, which improved its hybrid cloud security granular, social media controls and integration with the M86 Security Reporter, which provides drill-down, detailed reporting and sizeable archiving capacity, enabling organizations to meet regulatory compliance and legal discovery requirements as well as provide proof of compliance over years of data

Criterion 5: Breadth of Applications/Markets Served

M86 products are developed for all type of verticals such as, Financial, Healthcare, and Government. The company continuously strives in enhancing their products to meet the security, threat management, compliance, and reporting needs of these verticals markets. In addition, M86 consistently reviews and obtains feedback from customers throughout the sales cycles and from multiple customer appreciation events hosted by M86

worldwide.

Based on Frost & Sullivan’s independent analysis of the Global Content Filtering market, M86 Security is being recognized with the 2011 Product Line Strategy of the Year Award.

The CEO360-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 360-Degree perspective is also a “must-have” requirement for the identification and analysis of best-practice performance by industry leaders.

The 360-Degree 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 360-Degree perspective into their analyses and recommendations:

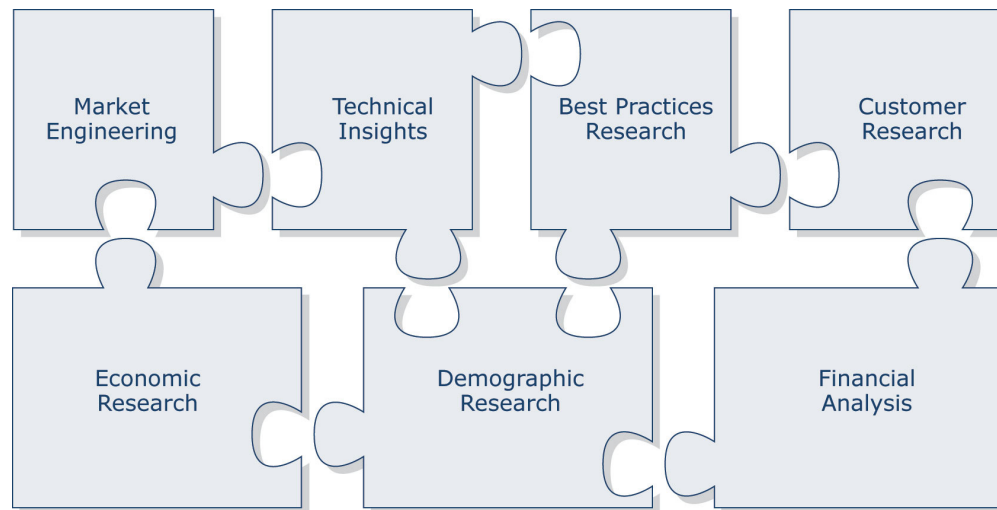
Chart 5: CEO's 360-Degree Perspective Model



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 7 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 the 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 almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.