

2006 Frost & Sullivan
Award for Vertical Market Penetration Leadership
Recipient: Chloride Power

2006

FROST & SULLIVAN

Vertical Market Penetration Leadership Award

AWARD DESCRIPTION

The Frost & Sullivan Award for Vertical Market Penetration Leadership is bestowed each year upon the company that has been most effective in penetrating their industry's vertical markets.

RESEARCH METHODOLOGY

To choose the Award recipient, the analyst team tracks vertical market trends. This is followed by collecting data, based on predetermined measurement criteria, from all the market participants through interviews and extensive secondary research. The collected data is analyzed, and rankings are ascertained from data results. Frost & Sullivan then presents the Award to the company that received the highest industry rank.

MEASUREMENT CRITERIA

The analyst team defines the measurement criteria of each competitor to determine final industry rankings. The Award recipient has excelled in one or more of the following criteria:

- The degree of market presence (Measures the number of segments in a vertical market, in which the vendor participates). The vendor participating in the maximum number of vertical market segments is given the highest ranking.
- Market share in vertical market segments (Measures the degree of penetration of individual segments in a vertical market). The vendor with the greatest market share is given the highest ranking.
- Organizational effectiveness. To what extent is the organization effective in differentiating and targeting vertical markets? Does the vendor have separate marketing divisions / subsidiaries / business units for different vertical markets, and does each have distinct market characteristics?
- Strategic effectiveness. What strategies have the vendors adopted for vertical market penetration? Has the vendor taken advantage of mergers and acquisitions, and other opportunities available for increasing market penetration?

CHLORIDE

The 2006 Frost & Sullivan Award for Vertical Market Penetration Leadership among UPS manufacturers serving various data centre sectors is presented to Chloride Power for its comprehensive strategy which has resulted in the growth across most vertical market segments. While four to five years back Chloride Power used to rely heavily on industrial and public infrastructure applications, the company has moved into the commercial sector which is on an upswing. This is primarily due to the growing demand for data centre space in Europe from the financial, banking, telecom and information technology sectors. This has helped to extend Chloride's market reach across the greatest variety of sectors within the wider data centre market, compared to its competitors.

Chloride Power - Company Profile:

Chloride Power is the largest total critical power systems business in UK and one of the leading UPS manufacturers in Europe for medium and large systems. It offers a wide range of power protection equipment including standard and industrial-grade UPS, static switches and power conditioning devices, complemented by a strong focus on support services, to provide a total power protection solution. The acquisition of Harath Engineering Services in the UK has broadened Chloride's product offering to include standby generators, and expanded its service capability. This has enabled Chloride to offer complete turnkey packages involving UPS, static switches, generator sets and all related services and equipment. The acquisition of Cener, Spain, has also expanded Chloride's high power solutions capability in the Iberian Peninsula to become a leading supplier and maintainer of UPS systems in Spain. Chloride Consulting, which provides pre-sales consultancy services for designers of electrical systems, helps moving Chloride closer to a one-stop shop for all power protection needs in mission critical applications.

Chloride's Vertical Market Penetration - products

Chloride Power offers products catering to a wide range of market sectors. Standard UPS systems serve the commercial segment that includes commercial and private data centres in the financial, telecommunication, IT, retail, transport, medical and governmental sectors while industrial grade UPS systems cater to the various industrial sectors - oil & gas, processing pipelines, transportation, power generation and transmission & distribution. The Frost & Sullivan 2006 Market Leadership Award for uninterruptible power supplies (UPS) used in the industrial sector for global markets was presented to Chloride. The medical, finance, semiconductor and industrial processes are some of the key industries that make use of Chloride's ONEAC brand of power conditioners.

Vertical market penetration has been at the forefront of Chloride's strategy and influences its product development, technical and sales resources, sales and marketing strategies and acquisition strategies. Chloride has an enviable

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customer base across many market sectors, for which the credit goes to everybody from business development to engineers and service personnel in the company. Some of the recent notable European projects won by Chloride include:

- UK: National Air Traffic Services (NATS) – integrated UPS and generator project involving 6 x 200kVA 90-NET UPS and a 1.5MVA generator,
- Germany: Vodafone - the largest data centre of its type in Europe employs over 24MVA of Chloride UPS, together with Chloride's CROSS static switches and battery-monitoring system for 14,000 battery blocks,
- Spain: Telvent – the first carrier-neutral housing solution in the Iberian Peninsula relies on Chloride to provide secure power to its co-location infrastructure employing Chloride 90-NET UPS products supported by LIFE.net remote monitoring and a 2-hour service call-out,
- France: France Telecom: latest project for divisional data centre involved two 90-NET 200kVA UPS with two 400A CROSS static switches and connectivity software,
- Italy: SKY Italia – the Italian digital satellite television platform owned by News Corporation relies upon 4 x 400KVA 90-NET UPS and LIFE.net monitoring,
- Turkey: Fortis Bank – the international provider of banking and insurance services has installed a mix of 90-NET 200kVA and 800kVA UPS and CROSS static switches, watched over by LIFE.net remote monitoring at its primary data centre in Turkey.

Chloride's vertical market penetration - Services

In 2005/06, Chloride's service revenues grew by 31% and now form a healthy 33% of total revenues. Through a series of strategic acquisitions and increased investment, Chloride is continuing to expand its range of service offerings and capabilities to position the company as a total solutions provider for all critical power infrastructure. Chloride now takes responsibility for Chloride UPS, other manufacturers' UPS, and critical equipment in and around the UPS. The ability to provide first-class service across Europe was a major factor in Chloride winning the maintenance contract with Cable & Wireless. The extensive Chloride service

network provides emergency call-out and general maintenance to all aspects of the UPS, diesel generator sets, air conditioning, lighting and other vital systems in centres from Moscow to Madrid.

Chloride's industry-leading LIFE.net 24/7 remote monitoring and diagnostic system is an essential element of its service offering, and is a key differentiator for power conscious end users in data centre applications. Following the Harath acquisition with the knowledge obtained from maintaining thousands of generators for over 20 years, Chloride has further developed LIFE.net to monitor standby generators. LIFE.net is also an essential part of Chloride's solutions for healthcare applications and was one of the reasons why Chloride was selected as the most preferred brand for medical UPS solutions, by a Frost & Sullivan study on healthcare applications in 2005.

Providing quality service post-sales across all industry segments is one main reason why Chloride has been successful in penetrating vertical markets profitably. From order to commissioning, Chloride offers a complete project management service for delivery, installation and commissioning of the power protection system.

The strategy to concentrate on market segments enjoying good growth, along with the associated initiatives within the company, has put Chloride in a clear position to leverage the upturn in data centre applications and many other market sectors.

Conclusion

The strategic and successful penetration of the various vertical segments within the data centre market, along with increasing profitability, makes Chloride Power the deserving recipient of Frost & Sullivan's Vertical Market Penetration Leadership Award among UPS manufacturers serving the data centre market for 2006.