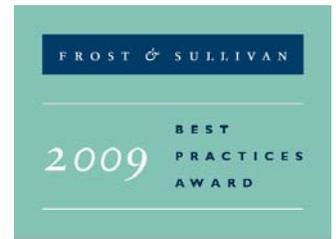




2009 World Audioconferencing Tabletop Growth Leadership



"We accelerate growth"



Growth Leadership, World Audioconferencing Tabletop Market, 2009

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. Our research team is proud to present the 2009 Growth Leadership Award in World Audioconferencing Tabletop Market to Konftel.

Significance of the Growth Leadership Award

Key Industry Challenges Addressed by Increased Growth Leadership

Impact of Growth Leadership Award on Key Stakeholders

The Growth Leadership Award is a prestigious recognition of Konftel's accomplishments in the Global Audioconferencing Tabletop Products. The core purpose of Frost & Sullivan Best Practices Awards is to further accelerate the growth of recipient companies. As captured in Figure 1 below, by researching, ranking, and recognizing those who deliver excellence and best practices in their respective endeavors, we hope to inspire, influence, and impact three specific constituencies:

- **Investors**

Konftel's current investors will be pleased to gain favorable press from an impartial third party with high industry credibility. Similarly, prospective investors are likely to favor companies with a well-established reputation for excellence. In either case, a best-practice award from Frost & Sullivan can only bolster the case for Konftel as a worthy investment.

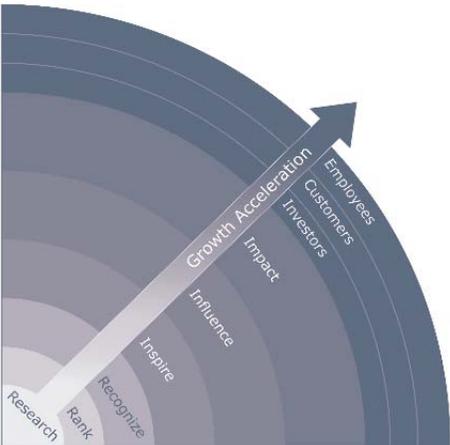
- **Customers**

A best-practice award will reassure customers that they are allied with an organization unmatched in its field. They may in turn reward your organization with greater loyalty and increased share of wallet.

- **Employees**

This award represents the creativity and dedication of Konftel's executive team and employees. Such public recognition can boost morale and inspire your team to continue its best-in-class pursuit of World-class product leadership for Konftel.

Figure I: Best Practices Leverage for Growth Acceleration



Best Practice Award Analysis for Konftel

The Frost & Sullivan Award for Growth Leadership is presented to the company that has demonstrated excellence in capturing the highest annual compound growth rate for the last 3 years.

Konftel’s Performance in World Audioconferencing Tabletop Market

In a global market long dominated by two major incumbent manufacturers, Konftel has been able to buck the trend of an increasingly competitive and price sensitive market.

In a tough recessionary market, Konftel outperformed its competitors with an annual average revenue growth rate between 2005 and 2008 of 29.7 per cent, nearly double the overall market growth rate of 15.8 per cent.

Additionally, Konftel demonstrated the strongest average growth of market share of 12.6 per cent of this period, while it’s nearest rival achieved 5.7 per cent.

Competitive Analysis

Growth Excellence Matrix with Market Presence



Key Performance Drivers for Konftel

Factor 1:

A major contributing factor to Konftel's growth has been an unrelenting focus on building strong, productive and long-term relationships with strategic distribution channels in both Europe and North America.

The strengthening of local sales support in its main markets has helped grow sales volumes in existing and new channels.

Additionally, the partnerships with Alcatel-Lucent, Avaya, Siemens and Snom have aided Konftel develop brand awareness and penetrate new geographic and vertical markets.

Factor 2:

Extending the scope of international sales distribution, Konftel has also invested significantly in sales and marketing effort.

In 2008, moving into 2009, the company opened new or additional local sales offices in a number of key territories, including the USA, Germany, UK and France, as well as reinforcing sales presence in Sweden itself.

Factor 3:

Over this period, Konftel has also continued to invest heavily in the vital research, development and design which underpin its portfolio of innovative audioconferencing products.

Core elements in its product strategy include the use of the patented OmniSound audio technology, which is at the heart of all the tabletop products, and innovative Scandinavian styling. Konftel also prides itself on product reliability, resulting in a low returns rate, despite its standard offer of a 2-year swap-out warranty.

Konftel has also chosen not to implement a standard PSTN interface, opting instead for a multipurpose analogue and digital interface that supports connection to a wide range of devices.

This broad, flexible portfolio - from the entry-level Konftel 50 to top-of-the-line Konftel 300 series models - is designed to meet the widest range of customer needs.

For example, its latest product, the Konftel 300IP, is the company's first SIP-based audioconferencing tabletop phone and is compatible with most SIP based phone systems and approved with the Avaya Communication Manager. It also features wide-band audio quality and the capability to record a telephone call on its internal SD memory card.

Using Konftel in large spaces is now possible with the extension capacity in the Konftel 300 series by connecting a wireless headset or to existing PA systems.

The CEO 360 Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360 Degree 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 Figure 5 below, the following six-step process outlines how our researchers and consultants embed the 360 degree perspective into their analyses and recommendations:

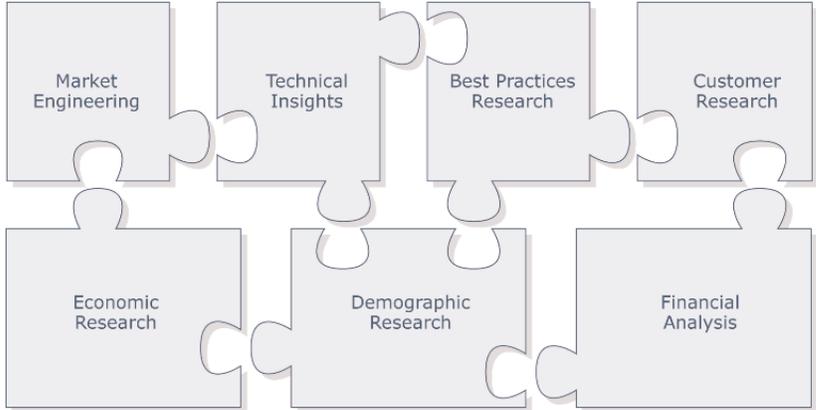
Figure 5: How the CEO's 360 Degree Perspective Directs Our Research Process



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 practice 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.

Figure 6: Benchmarking Performance with TEAM Research



About Konftel

Konftel can trace its origins directly to a specific customer communications problem – a bank manager in the northern Swedish city of Umeå who had grown tired of the constant ‘clipping’ and loss of conversation he experienced when he used a hands-free telephone device.

That was in 1988, and the solution devised for that bank manager led to the founding of a company that with its roots still in Sweden is today one of the World’s leading manufacturers of teleconferencing products.

The company develops and markets a range of audioconferencing products and technologies based on its background technology in the fields of acoustic and digital signal processing.

Konftel has standardized its product design around a common arrangement that utilizes a single, centrally-located microphone that provides omni-directional speech pick-up, and three loudspeakers which, together, allow a number of people to participate in an audio conference call.

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.



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.frost.com>.

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