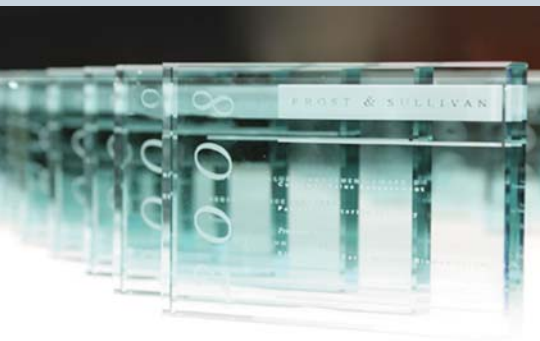




Pixim, Inc.: Recipient of the
2008 Global Video Surveillance Growth Excellence of the Year Award



"We accelerate growth."

2008 Global Video Surveillance Growth Excellence of the Year Award Award Recipient: Pixim, Inc.

Award Description

The Frost & Sullivan Growth Excellence Award is bestowed each year upon the company that has demonstrated excellence in implementing and sustaining growth within shipments, revenues, and profitability.

Research Methodology

A recipient is chosen to receive the Frost & Sullivan Growth Excellence Award based on specific criteria. Through primary and secondary research methods, all companies' market revenues are tracked and those exhibiting significant growth are noted for their strategy implementation. Revenues are then compared year on year to monitor growth patterns. When a company continues to show high growth rates in unit shipments, revenues and profitability, it is a candidate for the Frost & Sullivan Growth Excellence Award.

Frost & Sullivan uses a Growth Excellence Matrix (GEM) to plot the positions of competitors in the market. Frost & Sullivan's GEM methodology focuses on various factors that showcase a company's growth potential which include company growth vis-à-vis industry growth, global perspective on strategy, synthesis of technology perspective, best practice perspective, a growth pipeline, team consensus on growth strategy, best practices for marketing, best practices for management and leadership, and a sense of urgency in implementation. The results of this competitive benchmarking research are then plotted onto the GEM, to identify relative market positioning.

Frost & Sullivan is proud to present the 2008 Award for Growth Excellence in the Video Surveillance Market to Pixim Inc. in recognition for its ability to quadruple its revenues over the past two years. Pixim's pioneering efforts in developing digital image sensor technology for security camera applications directly addresses the industry challenge of capturing high quality video in variable lighting conditions. Pixim's superior patented technology, the Digital Pixel System, is the primary driver for the company's extraordinary growth in the market.

Company Overview

Founded in 1999, Pixim develops imaging technology for the security camera industry. The company produces a complete digital imaging system, consisting of an image sensor, image processor, camera reference design kit, and key software and algorithms that allow camera developers to easily design and build high quality, advanced-featured cameras. Originally developed at Stanford University, Digital Pixel System technology was licensed to Pixim to create products for the video surveillance industry. The Digital Pixel System technology also has applications in industrial automation, medical imaging, and motion picture production.

Pixim is primarily backed by funding from Tallwood Venture Capital, Ridgewood Capital, Honda Research and Development Company, Ltd., Mitsubishi, In-Q-Tel, Synopsys, and Mayfield, among others. Its customers include Pelco, Dallmeier, VTC Electronics, General Electric, Honeywell, Ikegami, JVC, CNB, Tyco, Verint, Geutebrueck, Dedicated Micros, March Networks, Siemens, and Vista, among a large partnership base of more than 200 camera vendors. Pixim-powered cameras are selling into over 70 countries around the world.

Technology Innovation: Driver for Growth

Over 80% of the current installed base of security cameras is located in areas with unpredictable, variable lighting, and analog CCD cameras are unable to capture the highlights and details simultaneously under these lighting conditions. As a result, images are often compromised and the cameras do not yield, clear, crisp, accurate, and usable information. Pixim was the first company to effectively address the quandary of variable lighting. Its best-in-class Digital Pixel System technology

provides the widest dynamic range, delivering unprecedented image quality in all lighting conditions. In addition, cameras using the Pixim technology offer:

- The highest total resolution, both horizontally and vertically, making it easy to distinguish target image features and details
- Superior color rendering, i.e. offering more natural, true color
- No "camera blindness"

Pixim-Powered cameras are now designed in more than 200 camera models, shipping to over 70 countries. Installations range from casinos (Monte Carlo, Venetian, Sands), to retail establishments (Home Depot, Walgreens, Woolworth, Sears, Tesco, etc), to banks (CitiBank, Barclays, Wells Fargo, Diebold, etc), public venues (Yankee Stadium, Olympic Stadium in Athens), and numerous transportation applications (Australia Ports, international airports in Paris, Copenhagen, Manchester, New York, Sydney, Bangkok, Madrid, Shanghai, Frankfurt, etc). Pixim is well on its way to establishing itself as the preferred vendor of choice for digital image sensor solutions in the video surveillance camera market.

Growth Excellence

Since 2005, Pixim has achieved growth of over 100 percent each year. The company has taken the market by storm, garnering significant market share from established competitors. In 2006, the company had nearly 4.3 percent of the North American market for image sensors in the video surveillance camera market. Its market share has increased to 9.0 percent in 2007. With digital image sensors' increasing penetration of the video surveillance market, Pixim will continue to enhance its leadership position in the marketplace.

The ability to work effectively in poor lighting conditions crafts new opportunities for Pixim-powered cameras. Camera manufacturers that have designed in the Pixim chipset continue to further penetrate security needs in casinos, financial sectors, retail, airports, trains, buses and light-rail, ports, campuses and industrial markets. The cameras are not only being used for security purposes, but the superior quality has led companies to use the cameras to capture information on customer behavior to assist marketing-related decision making. In the retail market, applications include: understanding customer dynamics, high-traffic store aisles, improving customer flow by opening checkout counters, among others.

Excellence in Marketing & Sales Strategies

Another major driver for Pixim's exceptional growth is its innovative and customer-centric marketing and sales strategy. Pixim's worldwide direct sales team is complemented by a strong technical applications team, thus offering a complete range of services to camera companies, including camera designs, user interface, property settings, and manufacturing lines.

Pixim's channel support is unparalleled in the industry. Its training programs go beyond immediate camera customers, reaching out to systems integrators, distributors, reps, resellers and installers. As a result, Pixim has started educating the entire channel about the benefits of a Pixim-powered camera. Pixim works closely with its customers in sales calls to major installations, providing valuable tools to help end customers with large camera deployments.

As a component manufacturer, Pixim is at the start of the video surveillance value chain that has traditionally had limited communication with other levels of the value chain, barring camera manufacturers. However, Pixim has been working proactively with end-users, system integrators, and other levels of the value chain to understand how it can innovate and develop the best technology to suit customer needs.

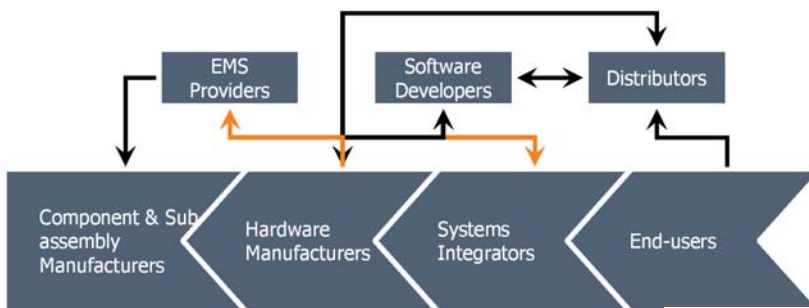


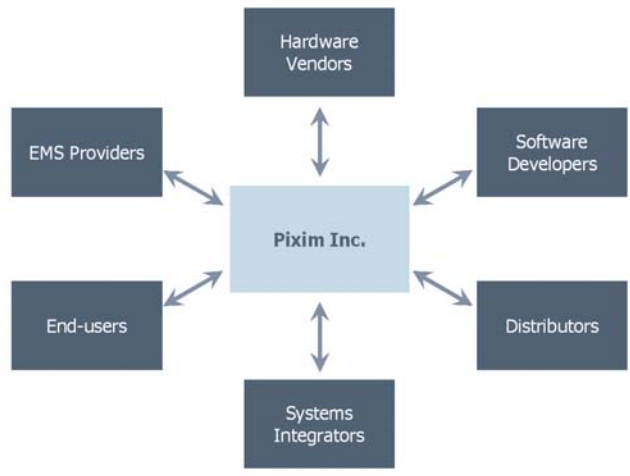
Chart 1.1: Traditional Direction of Information Flow in the Video Surveillance Market

Chart 1.2: Pixim's Pioneering

Communication Initiatives

Conclusion

In recognition of taking a leadership role in developing technology to meet end-user needs, Frost & Sullivan is proud to present its 2008 Growth Excellence Award for Video Surveillance to Pixim Inc. Pixim has grown dramatically in the past 2 years and is in the epicenter of transition in the video surveillance market. With its superior technology and marketing capabilities, Pixim will continue to be a market leader in the near future.



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

Pixim, Inc. • John Monti
 650.605.1107 • monti@pixim.com
www.pixim.com