



2013 North American Industrial Uninterruptible Power Supplies Customer Value Enhancement Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

Customer Value Enhancement Award Industrial Uninterruptible Power Supplies (UPS) North America, 2013

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in 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 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 2013 North American Customer Value Enhancement Award in Industrial Uninterruptible Power Supplies to Controlled Power Company.

Key Industry Challenges

Despite the fact that the datacenter vertical employs off-the-shelf UPS's that are more sensitive to the datacenter environment, industrial end users require a more specialized set of UPS's. Frost & Sullivan recognizes that the key challenge faced by the power quality industry is the lack of capital spending in the post-economic downturn era. Since 2009, the North American Industrial UPS market has been challenged to raise sales to the levels that it experienced prior to 2008. Participants in this space are also constantly challenged by a very high level of competition from Tier 1 vendors that involve prices, technologies, distribution networks, and services.

Companies that successfully overcome these obstacles are diligent about competitive intelligence. They pursue new and unique strategies with which to win customers' support. Prioritizing customers' needs and constantly increasing the value of their products are the keys to retaining and extending the customer base despite the competition.

Customer Value Enhancement Award

The Customer Value Enhancement Award is a prestigious recognition of Controlled Power Company's accomplishments in industrial UPS. As an unbiased, third-party, Frost & Sullivan recognizes Controlled Power Company for delivering excellence and best practices in their respective endeavors. The Customer Value Enhancement Award is backed by extensive analysis; companies identified, and the award recipient's focus on providing customer value is monitored and evaluated through primary analyst research. This stringent methodology positions Controlled Power Company as a superior market participant.

Best Practice Award Analysis for Controlled Power Company

The Frost & Sullivan Award for Customer Value Enhancement is presented each year to the company that has demonstrated excellence in implementing strategies that proactively create value for its customers with a focus on improving the return on the investment that

customers make in its services or products. This award recognizes the company's inordinate focus on enhancing the value that its customers receive, beyond simply good customer service, leading to improved customer retention and ultimately customer base expansion.

Controlled Power Company's Performance in the Industrial UPS Market

Controlled Power Company plays a key role in the industrial UPS market. Its single-phase UPS product line is specifically designed for niche markets. Frost & Sullivan's competitive benchmarking reveals that the company's name is well recognized for customized solutions in the backup power industry. Its complete product line and strategy are the key characteristics that enabled the company to achieve excellence in providing value to the customer. This has resulted in revenue growth of approximately 11 percent in 2012. Frost & Sullivan firmly believes that achieving such growth with its specialty products has set Controlled Power Company on a course to ride through the recovering economic climate and provide more technological breakthroughs. Within the confines of a highly competitive UPS market, such a course has placed the company on solid ground to expand its exciting new product line of three phase battery backup systems into the industrial market.

Key Performance Drivers for Controlled Power Company

Controlled Power Company was evaluated based on four criteria: customer service, technology, product line, and technology adoption. Frost & Sullivan research reveals that for each of these criteria, Controlled Power Company displays a unique advantage over its competitors and its quality products distinguish it from its competition. The company operates in niche markets and continues to aggressively pursue the opportunities that showcase its excellence in the industrial UPS market.

Factor 1: Strength of Customer Service

Controlled Power Company's high-profile clients require a great deal of ongoing customer service. In response, the company utilizes its technological expertise in order to exceed its clients' expectations. The key differentiators for Controlled Power Company are its custom products that require its skilled engineers' personal attention to each of its customers. The strength of its technology inevitably reduces core customer grievances and, as a result, customer support is only required for battery maintenance and other lateral problems that occur within the functionality of the UPS.

The company is in a superior position to leverage its custom technology that is built for its niche clients in the industrial market. Controlled Power Company provides 24-hour service, seven days a week. Once it is alerted to a customer's problem, Controlled Power Company relentlessly serves the client until it is assured that the power problem is completely resolved. It's Frost & Sullivan's opinion that such a level of commitment to customers,

despite its small size within a vast UPS market, is an outstanding testament to the company's credentials.

Factor 2: Strength of Technology

Controlled Power Company has the technological acumen that is necessary to operate in a complicated industrial landscape. Its robust single-phase UPS solutions have several features that meet its customers' requirements. Certain models are provided in NEMA 3R waterproof cabinetry, are designed to withstand higher levels of shock and vibration, and are enclosed in industrially suited casings. These products can be used in a multitude of environments that range from high humidity to unregulated temperatures. Technological innovation is a key aspect to Controlled Power Company's strategy in improving on its existing solutions. With investment and constant research to develop new platforms, in Frost & Sullivan's opinion, the company has revolutionized the very concept of uninterruptible power supplies with respect to power conditioners. One of its many achievements is its ability to incorporate the smallest ferroresonant transformer in the entire industry.

With its new line of three-phase battery backup products, the company has launched into a new power range by extrapolating its success in the single-phase UPS market.

Factor 3: Strength of Product Line

Frost & Sullivan notes that Controlled Power Company has an exceptional product line for UPS systems. Its current product line is from 700 VA to 25 kVA. In addition to power conditioning, these UPS's also have no break sine wave power capabilities, and provide voltage regulation and isolation. Its ability to cater to individual client needs by drawing upon a combination of these features enables the company to gain its customers' utmost confidence. Its LT series (i.e., the LTN and LTR models) are key to providing power in the below 5 kVA power range segment of the UPS market. Its MedPowerX UPS is specifically designed for the patient vicinity market where the UPS is certified by international electrical code (IEC) 60601. These systems are fully certified to be safe for operation within six feet of a patient. Therefore, such systems are well designed to help within the mission-critical environment that is present in the healthcare industry. Additionally, its MD series, as well as the Ultra UPS, provide power protection within the 3 kVA and 7.5 kVA power range. At the top end of the spectrum, its UPSs (i.e., the Model ES and HV series) perform power backup in the range of 4.5 kVA to 25 kVA. This offering is indicative of the company's ability to cater to a single end-user segment with a wide selection of products.

Factor 4: Technology Adoption

Controlled Power Company has successfully deployed its technologically advanced backup power systems in niche markets, such as industrial, healthcare, and emergency lighting. It

further consolidates its presence in the industrial market by focusing on the metals and automotive e-coating sector. The market for e-coating has been an area of expertise and growth as the automotive industry gradually gains momentum. The company also has a wealth of expertise in the DC power space and is, therefore, well equipped to take on opportunities for growth in areas where there is a convergence of AC and DC power. Controlled Power Company continues to forge ahead in a highly price sensitive UPS market, due to its technological relevance and insight. Frost & Sullivan finds that this accomplishment is achieved with the help of a loyal customer base that has found a level of comfort in the technology, products, and services that are offered by Controlled Power Company.

Conclusion

Frost & Sullivan's research clearly shows that Controlled Power Company excels in customer service, technology, unique product line, and customers' acceptance of its technology. It not only strives to stay ahead of competition by investing in research and development, but it also recognizes that the customer value it creates is the key to driving growth in the market. The company has achieved this goal by continuing to grow in the midst of a tough economy, and it has proven that these best practices have set it on a course to greater revenue. As a result, Controlled Power Company has emerged as the worthy recipient of the 2013 North American Customer Value Enhancement Award in the Industrial UPS market.

The CEO 360-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 CEO 360-Degree Perspective™ is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360-Degree Perspective™ 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 1 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree Perspective™ into their analyses and recommendations.

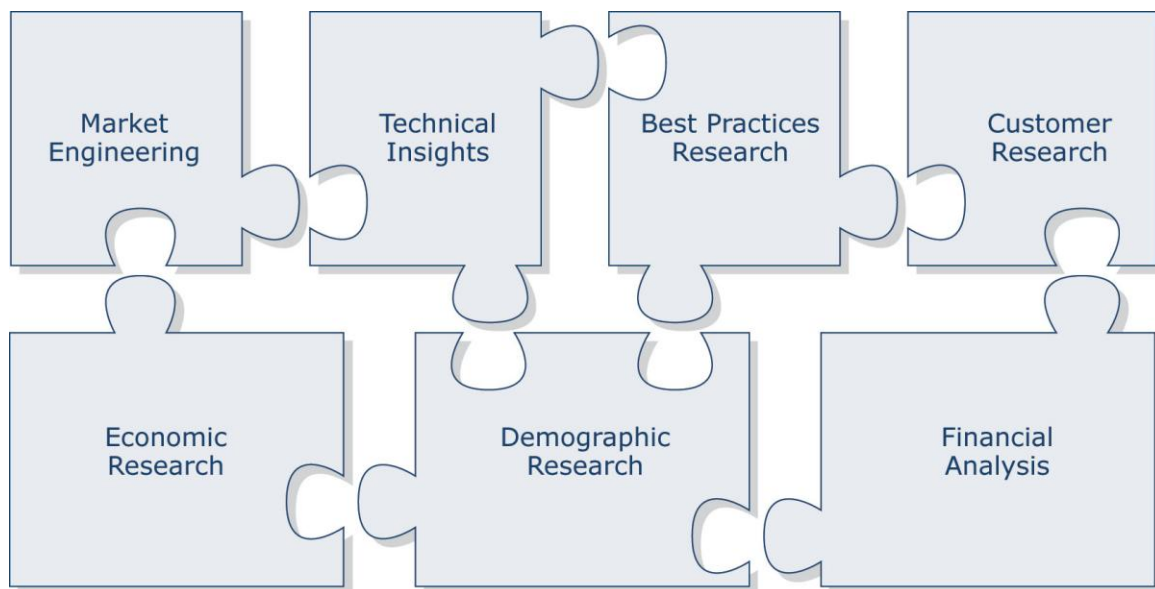
Chart 1: The CEO's 360-Degree Perspective™ Model



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 seven 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 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 2: 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 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.