

Green Excellence in Product Innovation, Aeration Equipment North America, 2010

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 2010 North American Green Excellence of the Year Award in Product Innovation for the Aeration Equipment Market to Aeromix Systems, Inc.

Significance of the Green Excellence in Product Innovation Award

Key Industry Challenges

Market maturity limiting growth opportunities:

The aeration equipment market has largely reached maturity. Some of the features of this mature market include lower prices, little technological advancement, and enhanced competition. Technological developments have been few and far between because of reduced profit margins. Reduced profit margins are a result of prices which have leveled in response to increased competition. Additionally, future sales are primarily based on expansion due to population growth as well as replacement. Growth opportunities will present themselves in the form of new product lines, mergers and acquisitions, acquiring market share of other market participants, or by identifying new end-users.

Impact of Green Excellence in Product Innovation Award on Key Stakeholders

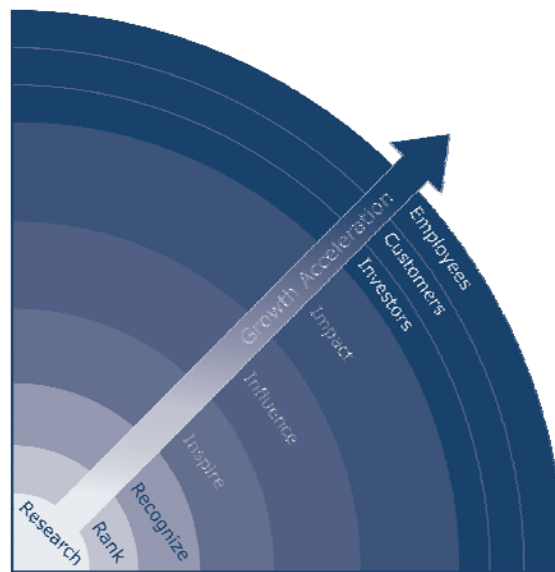
The Green Excellence of the Year Award in Product Innovation is a prestigious recognition of Aeromix Systems, Inc.'s accomplishments in the North American Aeration Market. An unbiased, 3rd party recognition can provide a profound impact in enhancing the brand value and thereby accelerating the company's growth. As captured in Chart 1 below, by researching, ranking, and recognizing those who deliver excellence and best practices in their respective endeavors, Frost & Sullivan hopes to inspire, influence, and impact three specific constituencies:

- **Investors**

Investors and shareholders always welcome unbiased and impartial third party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is the best and most credible way to showcase an organization worthy of investment.

- Customers**
 3rd party industry recognition has been proven to be the most effective way to assure customers that they are partnering with an organization that is leading in its field.
- Employees**
 This Award represents the creativity and dedication of Aeromix Systems, Inc.'s executive team and employees. Such public recognition can boost morale and inspire your team to continue its best-in-class pursuit of a strong competitive position for Aeromix Systems, Inc.

Chart 1: Best Practices Leverage for Growth Acceleration



Key Benchmarking Criteria for Green Excellence in Product Innovation Award

For the Green Excellence of the Year Award in Product Innovation, the following criteria were used to benchmark Aeromix Systems, Inc.'s performance against key competitors:

Product Profile

- Product platform characterized by long-term sustainability
- Streamlined design that enhances product efficiency
- Adaptability and responsiveness of the product to changing environmental needs

Business Commitment

- Entrepreneurial dexterity in incorporating conservation into the business concept
- Development of product solutions to address concerns regarding climate change
- Industry's acknowledgement of the green initiative in question, by way of financial support, strategic support, and recognition as a pioneering venture

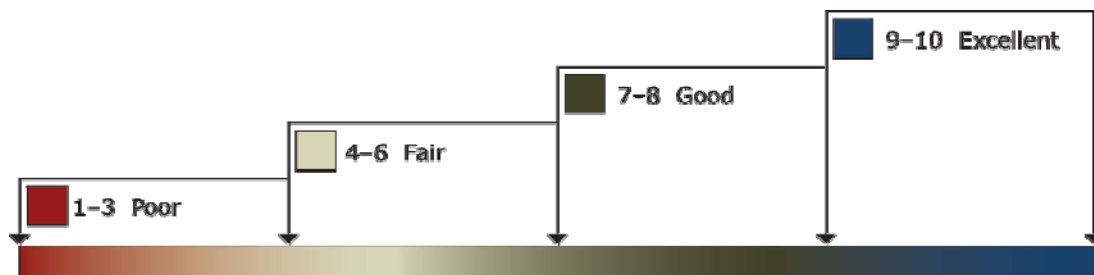
Environmental Accountability

- Demonstration of obligatory responsibility in reducing environmental burden
- Inherent features that enhances adoption / participation rate
- Creation of collective accountability towards reducing the impact of climate change, dependency on finite resources and ecological footprint

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 Chart 2.

Chart 2: 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.

Chart 3: Frost & Sullivan’s 10 Step Process for Identifying Award-Recipients



Best Practice Award Analysis for Aeromix Systems, Inc.

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the Green Excellence of the Year Award in Product Innovation 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.

Chart 4: Decision Support Matrix for Green Excellence in Product Innovation Award

<i>Measurement of 1–10 (1 = lowest; 10 = highest)</i>	Award Criteria			
	Product Profile	Business Commitment	Environmental Accountability	Weighted Rating
Relative Weight (%)	33%	33%	33%	100%
Aeromix Systems, Inc.	9	8.5	9.0	8.8
Competitor 1	7	7	7.5	7.2
Competitor 2	6.5	6.5	6.0	6.3

Criterion 1: Product Profile

The 2010 Frost & Sullivan Award for Green Excellence in Product Innovation for the North American aeration equipment market is presented to Aeromix Systems, Inc. for its innovation in designing and manufacturing the Eco Aeration product line. With the Eco Aeration product line, Aeromix Systems, Inc. has been successful in expanding its products and enabling customers to reduce chemical costs,

and eliminate electrical installation costs. The Eco Aeration products are completely powered by solar energy and are used in several applications such as ponds, lakes and reservoirs for algae and odor control, aeration, digesting bottom sludge, and fish kill prevention.

Aeromix System, Inc.'s Eco Aeration product line is the first of its kind in the industry. The Eco Aeration product line features a comprehensive line of water quality management products, which include: LumenAER™ solar-powered circulator, SunAER™ diffused air system, SolarAer™ surface aerator, AuraAER™ floating fountain, and PhotonAER™ submersible aspirator.

The LumenAER™ is a solar-powered circulator that distributes low-oxygen water from the bottom and exposes it to the surface for rapid oxygenation and distribution. LumenAER™ can be used for a variety of applications such as treating odors, excessive chemical use, and other water quality issues that affect storm water, leachate, wastewater ponds, and lakes.

The SunAER™ is a solar-powered diffused air system that adds air bubbles to water or wastewater, increasing the dissolved oxygen content. The bubbling action of the air rising to the surface helps control in controlling algal growth, improves the oxygen content, and eliminates stratification. The system brings needed oxygen to the bottom of the pond to decompose muck, dead plants, and other waste materials. It is recommended for depths greater than 10 feet, as its efficiency improves with depth of the water body.

The SolarAER™ is a solar-powered surface aerator that provides powerful pumping action that transfers oxygen, and provides horizontal water circulation. Float-mounted on the water surface, the aerator injects air at a high velocity beneath the water surface without spraying or splashing. It is ideally suited for lakes with 4 to 15 feet deep. SolarAER™ minimizes algal growth, eliminates odors, improves water quality, increases dissolved oxygen concentration, and stimulates decomposition of organic wastes and runoff nutrients from surrounding green areas.

The AuraAER™ solar-powered floating fountain is an environment friendly alternative to conventional fountain powered by electricity. It pumps water into the air, thereby increasing gas transfer within the pond and improving water quality by minimizing algal growth, and reducing odor while maintaining the aesthetic appeal of the pond.

The PhotonAER™ solar-powered submersible aspirating aerator, which adds and horizontally mixes the oxygen at the bottom of the lake or pond, reduces odor, and operates quietly without spraying or splashing. They are ideal for shallow waters, with a minimum depth of 2 feet.

Criterion 2: Business Commitment

Most often, nearly 50 percent of utility bills in water and wastewater treatment plants go toward operation and maintenance of aeration equipment. Taking a comprehensive approach toward product innovation and improved energy consumption, Aeromix Systems, Inc. has taken a proactive initiative to provide customers an ultimate solution that has the ability to demonstrate measurable returns through savings in energy bills. The efficiency of the Eco Aeration product line has been demonstrated during its implementation in the Paradise Valley Golf course, in Arkansas, which resulted in an algae-free pond and energy cost savings by aerating with 8 Hp instead of 10 Hp.

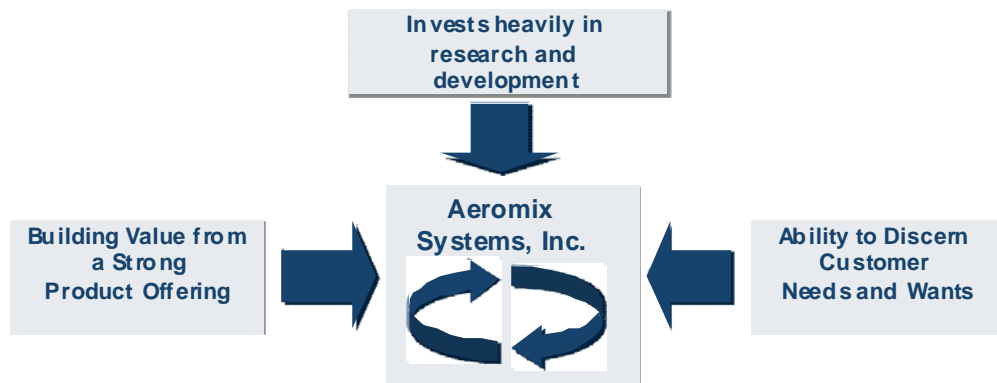
Criterion 3: Environmental Accountability

The company has shown exceptional expertise in the North American aeration equipment market, with the ability to provide innovative technology. Aeromix Systems, Inc. is one of the top three companies in the market. It offers a complete range of aerators, mixers, and diffusers, which are used worldwide for municipal and industrial wastewater treatment and lake rejuvenation. They also offer prefabricated

packaged wastewater treatment plants, compact water treatment systems, and air strippers. The company also maintains its competitive edge by affirming international standards with its product offerings.

The company continues to invest heavily in research and development efforts. The company is headquartered in Minneapolis and also has offices in Basrah, Iraq, and Santiago, Chile. Aeromix Systems, Inc. has done some of the largest aeration and water packaging projects in the world and is focusing on developing nations.

Chart 1.1 represents the factors contributing to Aeromix Systems, Inc. Green Product Innovation Green Excellence Award in the North American Aeration Equipment market in 2010.



Source: Frost & Sullivan

By providing a complete product line that addresses the needs and concerns of its customers, Aeromix Systems, Inc. has been able to outperform its competitors in the market. Aeromix Systems, Inc. has demonstrated leadership by pioneering technologically innovative solutions and producing superior quality products for its customers. The company is also investing in developing newer technologies that are powered on renewable energy sources. Apart from its diversified product portfolio to meet the needs of the industry, the company has a sound and skilled workforce on a nationwide international reach. In recognition of these achievements, Aeromix Systems, Inc. is the worthy recipient of the 2010 Frost & Sullivan Green Excellence of the Year Award in Product Innovation for the North American aeration equipment 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 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:

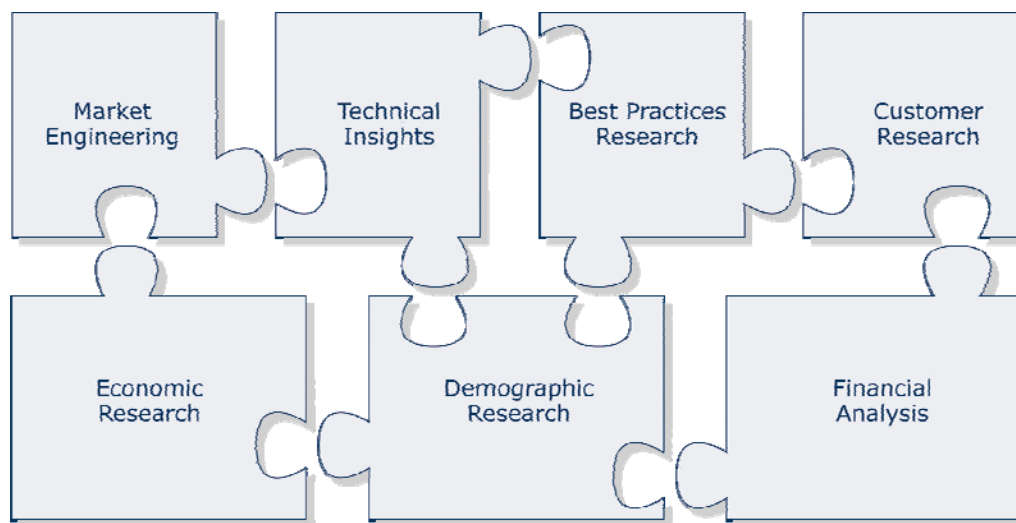
Chart 5: How the CEO's 360 Degree Perspective Model Directs Our Research



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 Aeromix Systems, Inc.

AEROMIX Systems, Inc is headquarters in Minneapolis, Minnesota, U.S. The company develops and manufactures aeration systems and equipment for package wastewater and water treatment plant facilities, floating fountains, pond and lake aeration equipment.

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>.