

2006 Automotive Software Industry Innovation & Advancement of the Year Award



AWARD DESCRIPTION

The Frost & Sullivan Award for Industry Innovation & Advancement of the Year is bestowed each year upon a company that has proven to be a leader in the industry and that, through its pioneering technology, sound business strategy, and research efforts, has been successful in moving the state of the industry forward. Its excellence in the field has extended beyond its technical advancements and encompasses a comprehensive view of market participants resulting in an ongoing improvement in the industry over time. This Award recognizes the company for its broader, more comprehensive participation in the industry and for its contributions to the advancement of the market.

RESEARCH METHODOLOGY

To choose the recipient of this Award, the analyst team tracks emerging and existing markets and evaluates the contributions of industry participants. This is accomplished through interviews with major market participants and extensive secondary research. Industry contributions that are considered are elements such as the creation of new industry standards and the adoption of a product or process by leading manufacturers. Finally, competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that has most altered the industry due to its creativeness and innovation.

MEASUREMENT CRITERIA

In addition to the methodology described above, specific criteria are used to determine the final rankings of industry competitors. The recipient of the Award has excelled based on one or more of the following:

- Technology innovation contrasted against competitors
- New product/process introduction
- Adoption of the technology/process by the leading market participants
- Advancement of the industry through research
- Ability to conceptualize industry activities while successfully addressing customer needs



Frost & Sullivan is pleased to present the 2006 Industry Innovation & Advancement of the Year Award in Automotive Software to QNX® Software Systems for its Neutrino® Real Time Operating System. QNX's Neutrino® Real Time Operating System software powers the majority of infotainment, navigation, Bluetooth-based telematics in North American vehicles. Within a short 5 years, QNX has developed its Neutrino® software to be widely regarded among automakers and Tier I suppliers as the most cost-effective, easy to develop, reliable software for automotive use.

In the highly competitive automotive software market, QNX Software Systems consistently produces software for controlling and connecting the increasing amount of in-vehicle electronic equipment used for communication, entertainment, and safety. Such performance caught the attention of Harman International, which bought the company in 2004. Though Harman International also owns Harman Becker, a competitor of many of the Tier I electronics supplier customers of QNX, Harman has pledged and established significant legal frameworks to keep QNX independent so that it can continue to sell its software to the rest of the automotive industry with the secrecy required by Becker rivals. QNX has continued to increase its share in the growing automotive software market. As the electronics content (hardware + software) of vehicles grows to a projected 35 percent of the overall value of a vehicle by 2015, Frost & Sullivan believes QNX to be well-positioned to expand its market presence and continue its leadership in automotive software.

Along with audio systems, infotainment, navigation system, and telematics equipment, automakers are developing all-encompassing control systems called human-machine interfaces, or HMIs, to simplify the driving experience. The BMW iDrive system is likely the most famous example of such an HMI. Acura, Audi, and Mercedes-Benz all have similar HMIs in production, and every automaker is considering such a system when control complexity reaches a certain threshold. Acura, Audi, Becker, DaimlerChrysler, Daewoo, Delphi, Ford, Hyundai, Johnson Controls, LG Electronics, and Visteon are all building in-car systems based on QNX technology. QNX is the leading contender to develop the next generation of these HMI systems.

In conclusion, Frost & Sullivan's 2006 Industry Innovation & Advancement of the Year Award in Automotive Software recognizes QNX Software Systems for developing the Neutrino Real-Time Operating System and successfully marketing it to a broad range of automakers and their Tier I electronics suppliers, who have incorporated it into a wide range of vehicles and systems. Frost & Sullivan believes that QNX has developed an industry-leading automotive software product and competed effectively against formidable rivals. Getting so many vehicle makers that compete on so many levels to agree on any common product is an achievement in and of itself, well qualifying QNX for the recognition of its Neutrino® automotive software.

For more information, contact::

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