

# impact

## Solid Financial Results



I am pleased to announce that Enterasys has achieved profitable revenue growth for the fiscal third

quarter, which ended 27 September 2008. Revenues grew more than five percent sequentially and gross margins increased consecutively, remaining strong at greater than 50%. EBITDA more than doubled over the prior quarter.

We were able to achieve these solid results while continuing to focus on customer satisfaction, drive profitable revenue growth, deliver new products, and win new customers. In fact, we added more than 150 new customers last quarter, bringing the total for the past ten quarters to more than 1,650!

The fact that these profitable results coincide with last quarter's announcement that Siemens AG partnered with The Gores Group, LLC in a joint venture, is a positive indicator of the success that is eminent as we grow Enterasys, Siemens Enterprise Communications, and SER.

I would like to share some third quarter 2008 highlights with you:

### New customers in APAC included:

- Government – Jeonnam Provincial Police Agency
- Government – National Native Title Tribunal
- Manufacturing - Flexsys Chemicals
- Telecommunications - NOKIA

### New customers in the CALA region included:

- Energy - Usina Moema
- Government – Tribunal de Conta do MT
- Healthcare – Paraná Clínicas
- Manufacturing - Empresa Siderurgica del Peru S.A.
- Transportation - Azul Linhas Aéreas

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### New customers in the EMEA region included:

- Government – Conseil General - Vosges
- Healthcare – Ospedale Del Mare
- Manufacturing – Grupo Leche Pascual
- Manufacturing - Dyckerhoff
- Transportation – John Paul II International Airport Krakow - Balice Ltd.

### New customers in North America included:

- Education – Great Rivers Educational Cooperative
- Education - Scott County Schools
- Finance – Bank of Old Monroe
- Finance - Tomato Bank, Ltd.
- Manufacturing – AVA Solar

### Product highlights include:

- In its second quarter of general availability, the Enterasys D2 secure gigabit Ethernet workgroup switch continued to gain traction, with revenues climbing 37% sequentially in Q3 2008.
- The new Enterasys G-Series policy-based edge switch continued to gain traction, with revenues growing more than 25 percent sequentially in Q3 2008.
- 10 Gigabit Ethernet revenue and port shipments for the Matrix X-Series and Matrix N-Series grew nearly 55% compared to the year ago quarter.
- Enterasys delivered the new 10 GbE Enterasys SecureStack C3 with IPv6 support and a limited lifetime warranty.

As always, thank you for your continued loyalty and support – we could not have achieved this success without you. As we merge these three companies together, our success will be measured by your satisfaction as we deliver unified communications solutions that are mobile and secure.

Sincerely,

Mark Stone  
Chairman of the Board  
and Interim CEO

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## Enterasys Integrates NAC Assessment

### Agent and Agent-less Capabilities Embedded Across NAC Appliances

We are pleased to announce new integrated endpoint assessment capabilities for the Enterasys® Network Access Control (NAC) in-line and out-of-band appliances, and embedded switch modules that enable enterprises to ensure only the right users have access to the right information from the right place at the right time. The agent-based or agent-less assessment offers deployment flexibility while determining health posture scoring for laptops, desktops, servers, printers, phones, copiers, cameras, etc. aligned with industry standardization efforts. Interoperability has been proven with Microsoft NAP and the Trusted Computing Group's TNC.

#### Enterasys NAC Features:

- Upgradable NAC Controller and NAC Gateway which allow assessment to be integrated onto a single appliance with the other NAC functions for discovery, authentication, authorization, and remediation.
- Ability to work with multiple assessment servers, authentication servers, and security software agents to match the needs of

different organizations who may have already deployed assessment technology from Check Point, eEye, Microsoft, Symantec, and Tenable.

- Agent-less assessment scans for the SANS Top 20 vulnerabilities, as well as hundreds of other operating system and application vulnerabilities.
- Endpoint agent scans for anti-virus and firewall status along with operating system patches and peer-to-peer file sharing applications. The agent can also look for any process or registry entry and automatically remediate.
- Integrated management visibility and control of pre-connect and post-connect behavior can be supported on over 30 million switch ports that have been shipped.
- Integration with existing wired/wireless network connectivity for Layer 2, Layer 3, and VPN environments to avoid forklift upgrades.

#### Tight Integration with Enterasys Dragon

The new Enterasys NAC offerings are tightly integrated with Enterasys Dragon® advanced security applications for intrusion

prevention, network behavioral analysis, and security information management to deliver best-in-class post-connect access control. The latest Enterasys NetSight® NAC Manager configuration and reporting software offers centralized visibility and control with distributed policy enforcement to manage the networked infrastructure holistically rather than box-by-box.

#### IP-to-ID Mapping Feature Delivers Advanced Security

The Enterasys NAC IP-to-ID Mapping feature delivers a real-time view of who and what is connected where on the network by binding together the user name, IP Address, MAC address, and physical port of each endpoint — a key requirement for auditing and forensics. IP-to-ID Mapping leverages Kerberos snooping, RADIUS proxy, and IP traffic observation techniques which are used by NetSight Automated Security Manager to implement distributed intrusion prevention; and by Dragon Security Command Console to pinpoint within seconds a threat source location for containment and remediation.

#### The Enterasys NAC Advantage:

- Business-oriented granular visibility and control over individual users, devices, and applications.
- Policies that permit, deny, prioritize, rate-limit, tag, re-direct, and audit network traffic based on user identity, time and location, device type, and other environmental variables.
- Support of RFC 3580 port and VLAN-based quarantine for Enterasys and third-party switches, plus more powerful Secure Networks™ isolation policies on Enterasys switches (which, among other benefits, prevent compromised endpoints from launching attacks on other quarantined endpoints while in the quarantine state).
- Phased deployment options to enable organizations to start with simple endpoint detection and location directory information, add authentication/authorization and/or assessment, and then automate remediation. ■

### ▶ What they are saying...

*"For organizations to truly exploit the potential of NAC deployments, vendors need to support a broad set of network infrastructure and threat protection devices. NAC offerings need to interoperate in heterogeneous networking environments by providing endpoint assessment, enforcement across all leading switches and routers, and containing threats detected by multi-vendor intrusion detection/prevention systems."*

– Paula Musich  
Senior Analyst, Enterprise Security  
Current Analysis

*"As NAC evolves, it is clear that NAC is a feature of the infrastructure rather than a separate market. Our 25-year track record of innovation, experienced support, and open-architecture interoperability, coupled with our security and management software expertise, enables us to deliver a NAC solution that is cost-effective, practical, and achievable to deliver rapid time-to-value."*

– Trent Waterhouse  
VP Marketing  
Enterasys

## Leading Medical Device Manufacturer Selects Enterasys to Optimize Network Efficiency

DJO, headquartered in Vista, CA, is a global provider of medical devices that provide solutions for musculoskeletal health, vascular health, and pain management. As the company continues to expand, it was in need of a network restructuring that would optimize efficiency while supporting business-critical applications such as JD Edwards and Oracle, as well as provide network connectivity and security with unparalleled service and support to more than 1,200 users and 1,000 devices across multiple locations.

After evaluating a number of network vendors, including Cisco, Enterasys was chosen to enable the company's small IT staff to support mission-critical front-end and back-office enterprise

applications and deploy voice over IP (VoIP) and implement IP video surveillance – all while staying within network compliance guidelines of Sarbanes-Oxley (SOX), the Food



and Drug Administration (FDA) and Health Insurance Portability and Accountability Act (HIPAA).

*"From the very beginning, Enterasys demonstrated a clear understanding of our needs and our delivery timeline, and showed us the service and support that other vendors could not. Further, we were able to use Enterasys equipment in our multi-vendor environment with*

*no problem, allowing us to maximize our investment in existing assets,"* John Iraci, Vice President Enterprise Infrastructure, DJO said.

Today, DJO's fully optimized network consists of Enterasys Matrix® N-Series and Enterasys XSR™ Security Routers at the network core, Enterasys® SecureStack™ C-Series switches at the network edge, and RoamAbout® wireless switches. Thanks to Enterasys NetSight® centralized visibility and control management software, a network systems staff of only one full-time and one part-time employee oversee the entire network of more than 2,000 users and devices. When auditors come knocking, Iraci says his staff is secure in knowing they have a compliance automation strategy based on the visibility

provided by Enterasys.

*"While we are very satisfied with the performance of Enterasys solutions, we are even more pleased with the personalized, high-touch service and support we've consistently received from the Enterasys team,"* Iraci said. *"Ultimately, that was what won and continues to keep our business. Not only do we save between 20 and 25 percent on total cost of ownership over other leading vendors, but we also have the security of knowing that any time we pick up the phone with a question or a concern, Enterasys will do whatever it takes to answer our questions or solve any problem—even those caused by other vendors' equipment."*

Read the [full story](#). ■

## Southampton Solent University Leverages Enterasys to Enable Wireless and VoIP

Southampton Solent University, one of the U.K.'s newest universities located in southern England, has selected Enterasys to provide solutions to securely connect more than 3,500 network devices which service more than 16,000 students and 1,000 University staff across multiple campus buildings. Through its partnership with Enterasys, Southampton Solent University now has the foundation necessary to implement next-generation applications such as IP video multicasting and voice over IP (VoIP), while network users enjoy secure, "always-on" availability for both wired and wireless applications.

Southampton Solent University officially expanded from a college to university status in 2005. With the rapid growth of the University, the desire to roll out next-generation



connectivity services that enhance the curriculum and allow students and staff to work more safely and with greater efficiency became a priority. The University also required a solution that was compatible with its multi-vendor infrastructure environment, which includes Check

Point firewalls and Dell servers.

*"For more than 10 years, Enterasys and their partner NetConnection Systems have supported us as our University and our network have expanded and modernized,"* said John Carling, Head of IT at Southampton Solent University. *"We selected Enterasys solutions because they were proven to be compatible with our existing IT infrastructure at a price point with technologies that other leading vendors couldn't offer at the time. We were also greatly impressed with the responsiveness and knowledge of Enterasys' sales, service, and support staff."*



### Where to Find Enterasys Standard Warranty Information

Looking for the warranty details for Enterasys products? It's all in one place at: [http://www.enterasys.com/support/standard\\_warranty.aspx](http://www.enterasys.com/support/standard_warranty.aspx)

## Southampton Solent University (cont.)

Today, Southampton Solent University's network connects three separate locations within a 10-mile area, consisting of multiple buildings including classrooms, administration offices, and student residences. Connected endpoints are secured through unified wired/wireless policy privileges that distinguish between staff and student roles while proactively protecting against unauthorized behavior by rogue devices or unauthenticated users. Applications for campus-wide wireless access, next-generation multimedia communications, and a VoIP system are prioritized and secured. Carling has plans to implement an Enterasys Dragon® Intrusion Prevention system, and is exploring the option of installing Enterasys' Enterprise Notification System as well.

*"The built-in security and self-healing redundancy provided*

*by Enterasys products has proven its value through service-oriented, identity-based access to online resources depending on who you are and where you're located. In*

*understand that we rarely get calls from users congratulating us when the network is running well, but we do get calls when there's a problem. With Enterasys equipment, we don't*



*short, the solution does exactly what Enterasys promises it does, the company is easy to work with and the performance is very reliable," Carling said. "As an IT professional, we*

*receive many of those calls. The network is transparent to our users, highly visible to us, and if we want to make future enhancements, it won't require a forklift upgrade." ■*



## Win \$1,000

### The new Enterasys NAC Assessment offers:

- Agent-based or agent-less capabilities
- Proven interoperability with Microsoft NAP and the Trusted Computing Group's TNC
- The ability to work with multiple assessment servers, authentication servers, and security software agents
- Tight integration with Enterasys Dragon®
- A real-time view of who and what is connected where on the network by binding together the user name, IP Address, MAC address, and physical port of each endpoint
- All of the above

Submit your answer to [impact@enterasys.com](mailto:impact@enterasys.com).

Enter the word "Contest" in the subject line. One winner of the \$1,000 prize will be selected and announced in the December edition of *Impact*. **Good luck!**

*Enterasys employees and their families are not eligible to enter.*

## Upcoming Enterasys Events

Enterasys will be participating in the following events. We hope to see you at one or more of them.



**Gartner Enterprise Networking & Communications Summit**  
November 17-19, 2008  
Gaylord Palms Resort & Convention Center  
Orlando, FL



**RedIRIS 2008**  
November 19-21, 2008  
Madrid, Spain  
Booth #12

## Coming Next Month

The December issue of *Impact* will include these items and more:

- Customer Satisfaction Survey Results
- Wireless Updates

*Impact* is published monthly for Enterasys Networks customers.

We welcome your questions, comments, and suggestions.

Please email [impact@enterasys.com](mailto:impact@enterasys.com)