

Inc.

THE ROSEN GROUP

30 West 26th Street
Third Floor
New York, NY 10010
Tel: 212.255.8455
Fax: 212.255.8456

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CONTACT:

Ryan Clancy
ryanc@rosengrouppr.com
212.255.8455 ext. 22

Diane Stefani
diane@rosengrouppr.com
212.255.8455 ext. 27

Inc. 500 Reveals America's Fastest Growing Private Companies

*~ Infoglide Software Corporation Ranks #67 on the 2004 Inc. 500
With Four/Five Year Average Annual Sales Growth of 387% ~*

*~ California and Washington, D.C. Claim Highest Number of
Businesses by State and City For Second Straight Year ~*

~IT Services, Health, and Financial Services Lead the Pack~

New York, (October 20, 2003) – **Inc.** Magazine, the premier publication for small and medium-sized businesses, today released its 23rd annual **Inc. 500** ranking of the fastest-growing private companies in the country. Infoglide Software Corporation ranks #67 on the list, with four/five year average annual sales growth of 387%. The **Inc. 500** Special Issue will appear on newsstands October 26 and will be on display until December 21, 2004.

The companies that made this list have thrived despite continued stagnation in the economy, posting an average year-over-year sales growth of 265%. **Inc. 500** companies posted aggregate 2003 revenue of \$12.6 billion, and 82% of them were profitable. And while the United States shed 410,000 jobs in 2003, **Inc. 500** companies provided employment for more than 70,000 people.

Further demonstrating the resilience of this year's **Inc. 500** crop is the fact that 102 of this year's honorees started in 1999—meaning that they weathered the start-up costs of the overcapitalized boom and thrived during the impending bust that was one of the toughest periods for young companies in recent memory.

“The best thing you can say about this year's crop of **Inc. 500** entrepreneurs is that they didn't buy into the hype,” said **Inc.** editor-in-chief John Koten. “When people were practically giving away funding in the late 1990s, these companies didn't overextend, and when everyone hit the panic button a few years later, they stayed calm and seized opportunity.”

The **Inc. 500** ranks privately held companies according to averaged year-over-year sales growth over the past four years. With approximately 75% of all new job creation in the U.S. coming from small



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businesses, the *Inc. 500* is a prescient indicator of the companies and industries that are driving the economy forward. Eighty-five companies (17%) on this year's *Inc. 500* say they plan to go public at some point. Over the years, the *Inc. 500* has identified the next generation of world-class companies, with Microsoft, Stonyfield Farms, Timberland, Oracle, The Princeton Review, Morningstar, E* Trade, Intuit, and Domino's Pizza all appearing on the list before they became industry powerhouses.

California is the state with the most *Inc. 500* companies (67). Florida is second, with 39 firms on the list, followed by Virginia (31), Texas (28), and New York (25). Like last year, Utah has the highest number of *Inc. 500* companies per capita in the U.S with 6.8 per million residents—a distant second is Virginia with 3.9 per million residents.

For the second year in a row, Washington, D.C., is the top metropolitan area on the *Inc. 500* with 29 companies, although it suffered a drop-off from last year, when it had 41. Boston is second, with 19 companies, followed by New York City (17), Miami (15), and Atlanta (14).

This year's *Inc. 500* is the first to reflect the tremendous start-up costs prevalent in the late 1990s economic boom. Of the *Inc. 500* founders, 36% had start-up capital of less than \$20,000, compared with 48% last year—and 21% reported needing more than \$300,000 to get going, compared with only 14% last year. Just 7% of *Inc. 500* CEOs reported using formal venture capital to start their company, compared with 2% last year, while 62% depended entirely on private equity.

Some 85% of *Inc. 500* CEOs have an estimated net worth of over \$1 million, with 39% pulling down an annual compensation of between \$100,000 and \$250,000. Also of note is that only 8% of *Inc. 500* company founders are women.

Entrepreneurs leading IT Services, Financial Services, Health, and Advertising and Marketing are poised to do the most hiring over the next year. The industries with the strongest showing on this year's list are IT Services, Health, Financial Services, and Business Services (based on number of companies in the sector).

Vesta, a seller of prepaid phone cards, had the highest 2003 revenue, \$469 million, among *Inc. 500* companies.

To be eligible for this year's *Inc. 500*, companies had to be independent and privately held through their fiscal year 2003, have had at least \$200,000 in net sales in the base year of 1999 for *Inc. 500* alumni and 2000 for new applicants, and \$2 million in net sales for 2003. In addition, their 2003 sales had to exceed 2002 sales. Companies are ranked on averaged year-over-year sales growth. *Inc.* verifies all information using tax forms and audited financial statements from certified public accountants and by conducting interviews with company officials.

Beginning November 1, the full *Inc. 500* list will be available online at www.inc.com with full year subscription for \$19.95 or alone for \$9.95. The fee allows users to search 2004 company profiles by

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industry and offers online-only premium information about this year's Inc. 500. From October 20–31, only 50 of the Inc. 500 will be available for viewing at www.inc.com. Copies of the Inc. 500 issue will be available on newsstands nationwide beginning October 26 and can also be ordered at 1-800-290-5460 or INC@reprintbuyer.com.

Inc., the only business magazine dedicated exclusively to owners and managers of fast-growing private companies, delivers real solutions for today's innovative company builders. It provides hands-on tools and market-tested strategies for managing people, finances, sales, marketing and technology. **Inc.** is the premier publication that focuses on small to medium-size businesses, which are responsible for more than half the nation's gross domestic product and 75% of its new jobs. And **Inc.** looks beyond work to address the entrepreneurial lifestyle. **Inc.**, a Gruner + Jahr USA publication, inspires and informs, with cutting-edge coverage that reflects our readers' energy, brashness, and imagination.

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