


SECURITY DISTRIBUTING & MARKETING

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SDM 100: Account Race Is On *p. 77*

*Russ MacDonnell, CEO
Alarmguard, Inc.
Orange, Conn.
No. 13 on this year's SDM 100*

8th Annual
Ranking of
Security Firms

SDM
100
ONE HUNDRED

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DSP Camera *p. 68*

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Compute Series Capacitors *p. 31*

ISC CENTRAL CHICAGO, MAY 30 — JUNE 1

8th ANNUAL

SDM 100

ONE HUNDRED

THE INDUSTRY'S TOP COMPANIES

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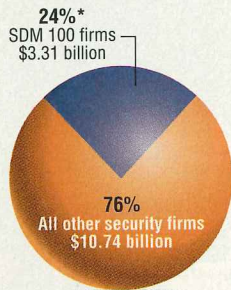
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Alarmguard Inc.'s newly renovated central station in Orange, Conn., connects with 64,000 subscribers. Alarmguard grew from \$15.6 recurring annual revenue in 1996 to \$25 million in 1997. Also see News, p. 50.

The Race for RMR

Nowhere is the race for critical subscriber-account mass as apparent as in SDM's 8th annual list of the largest electronic security firms — the SDM 100.

SDM 100 Share of Market: 24%



All electronic security firms
\$14.05 billion

*percentage of total 1997 industry revenue, based on SDM's 1998 Forecast Survey
Source: SDM Magazine, 1998

The top 100 firms captured about a fourth of total industry revenue. This market share has remained steady over the past eight years.

By *Laura E. Stepanek*
Senior Editor, SDM

The biggest news among the 1998 SDM 100 is overall growth in subscriber accounts. The number of customer contracts held by SDM 100 firms has nearly doubled in the past five years—increasing from 3.02 million at year-end 1992, to 5.9 million in 1997. That's an average annual growth rate of 15 percent.

The race for RMR (recurring monthly revenue) is at a feverish peak, as weekly news of acquisitions cycles through the industry. What dealers and other insiders have known for years has more recently been embraced by new investors and operators: that is, unlike installation and service, monitoring of alarm subscribers can be an extremely lucrative business—especially for firms with lots of subscribers.

One outcome of all this interest in subscriber contracts is that more firms than ever have minimized or eliminated their sales and installation business to focus strictly on monitoring. Dozens of dealer programs have

sprung up that outsource sales and installation to smaller “feeder” companies.

True or False Growth?

Some people question if the high growth rate in monitored accounts stems from organic industry growth or is simply a mark of customer ownership shifting from the small and medium to the larger players?

The answer is probably both.

While many SDM 100 firms, such as ADT, SecurityLink from Ameritech, Protection One, and even smaller companies such as Alarmguard—featured on this month's cover—have grown their account bases and RMR extensively through acquisitions, these and other firms also had solid internal growth last year. Whether it was because of an acquisition, a successful dealer program, a company-operated internal sales department, or a combination of any of the three last year, the SDM 100's rate of new installations was increased overall.

Overall, almost nine out of 10 SDM 100 dealers had increases in total gross revenue in 1997. However, the aggregate revenue for the SDM 100 grew less than 1 percent, from \$3.29

A Guide to the SDM 100

The 1998 SDM 100 ranks, by 1997 gross revenue, firms that provide electronic security systems and services to both residential and nonresidential markets. This ranking is based on information provided to *SDM* by the firms themselves. It is checked and often verified by an independent third party. (In a few cases, the revenue wasn't provided; therefore, it was estimated by *SDM*.)

The list is formatted so the same information appears about each company. Reading across, from left to right, the first bit of data is the firm's 1998 rank, based on total 1997 gross

revenues. If the firm is new to the list, then no other number appears next to the rank. If the firm was previously listed, then a dot and another number appears to the right. That is the firm's 1997 rank, which allows readers to compare with the previous year.

Next, the company name and its headquarters location appear. The third column shows total gross revenue in millions of dollars. This number represents total U.S. revenue in calendar- or fiscal-year 1997 from security system sales/installation, service, leasing, and monitoring. A *v* after the number means that this firm has submitted the appropriate documentation that verifies the stated rev-

enue. An *e* following the revenue indicates it is an *SDM* estimate.

The fourth column in the SDM 100 shows the positive or negative growth rate between reported 1996 and 1997 total gross revenue, where applicable.

The fifth column contains the number of subscribers, or customers, each firm counts. The sixth column shows the number of new systems that the firm installed in 1997. In this column, an *R* following a figure represents residential systems and a *C* represents commercial.

The seventh column shows the number of full-time employees and the last column indicates the total number of business locations.

13•23	Alarmguard Inc. Orange, CT	34.3	42.3%	64,000	6,900 (R) 4,200 (C)	450	11
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billion in 1996 to \$3.31 billion in 1997. This was because many large firms previously listed were acquired. In many cases, because these acquisitions occurred at various times during the year, the acquiring company wasn't able to post all or part of the revenue they acquired.

It should be noted that companies that were acquired in the first quarter of 1998 are included in the SDM 100 and have appropriate footnotes regarding the acquisition.

Who's Out, In?

Continued consolidation in the electronic security industry in 1997 made for a very different SDM 100 in 1998. In the top 25 alone, there are nine new names, most having moved up through the ranks. Notably missing are:

- ✓ Westar Security, merged with **Protection One**, No. 6, in a reverse acquisition. Protection One also acquired Multimedia Security Service, Network Multi-Family Security, and Comsec Narragansett Security.
- ✓ Republic Security Svcs., Rollins Protective Services Inc., and Masada Security acquired by **SecurityLink from Ameritech**, No. 2.
- ✓ Holmes Protection Group Inc., acquired by **Tyco International**. Tyco Int'l also acquired ADT Security Services, No. 1. And at press time, ADT and Wells Fargo had reached an

agreement for ADT to acquire the currently ranked No. 3 division of Borg-Warner Security.

- ✓ Ranger American acquired by **Energy Security Inc.**, No. 9.

In all, there are 21 firms ranked for the first time on the 1998 SDM 100.

In order for a dealer to qualify for listing on the SDM 100, it must be an installer—that is, operate an installation department/division or contract for installation services—and must sell and install electronic security systems, such as intrusion (burglar) alarms, fire alarms, access control, and/or CCTV systems. These firms may also provide field service and monitoring; however, firms that provide only service and monitoring do not qualify.

There are three ways to compare and contrast the SDM 100 companies: by gross revenue, as listed in the main tables on the following pages; by annual recurring revenue, as shown on page 90; and by installation volume, on page 88.

Patrick O'Toole, associate editor, contributed to the SDM 100. SDM acknowledges the assistance of ProFinance Associates Inc., Westport, Conn., and Barnes & Associates, St. Louis.

SDM

SDM 100 Stat Sheet

Total 1997 annual revenue: \$3.31 billion*

Total 1997 recurring annual revenue: \$2.08 billion†

Total number of customer contracts (year-end 1997): 5.9 million**

New 1997 installations/revenue††

Residential units: 740,141	Sales revenue: \$111.2 million
Non-residential units: 166,431	Sales revenue: \$182.7 million

Number of people employed in 1997

Full-time: 38,380	Part-time: 906
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Number of business locations operated: 1,131

Number of companies acquired in 1997: 137***

Number of accounts gained from acquisitions: 1,549,865

*U.S. revenue from security systems sales/installation, service, leasing, and monitoring, as reported to or estimated by SDM.

†Average annualized recurring revenue based on the fourth quarter of 1997. Based on responses (or estimates) from 89 firms. Not included: Honeywell, Westec Security, Bay Alarm Co., SSD Systems/Kern Security Systems, Central District Alarm, Robinson Alarm, SDA Security Systems, Security of Los Angeles, Alert Alarm Co., John J. Harding Co., and HB Alarm Systems.

**Based on responses (or estimates) from 95 firms. Not included: SSD Systems/Kern Security Systems, Central District Alarm, DGA Security Systems, SDA Security Systems, and Alert Alarm Co.

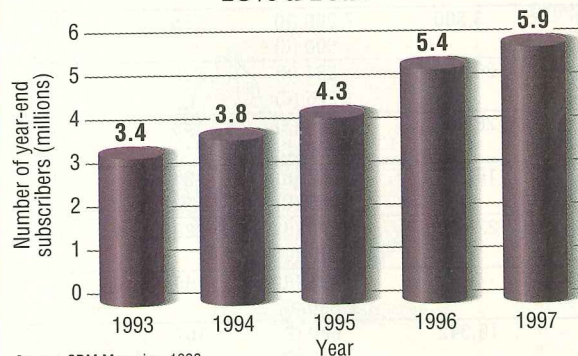
††Based on responses (or estimates) from 84 firms. (Note: some firms reported unit sales or installation revenues only, while most reported both.) Not included: SecurityLink from Ameritech, Honeywell, Westec Security, Bay Alarm Co., Central District Alarm, Dallas Security Systems, DGA Security Systems, Post Alarm Systems, Robinson Alarm Co., Koorsen Protection Services, Guardian International, George Alarm Co., Pelletier Alarm Services, Alert Alarm Co., Sievers Co., John J. Harding Co. (Includes ADT units only—not revenue.)

***Based on responses from 33 firms.

Electronic security companies are largely privately held, and therefore, aren't required to release financial information. Most, but not all firms provided their recurring revenue, number of accounts, or installation volume. Therefore, exercise care in using this information to extrapolate industry totals or to benchmark.

Editor's Note: Questions about the SDM 100 should be sent in writing to: Senior Editor Laura Stepanek, SDM, P.O. Box 5080, Des Plaines, IL 60017-5080. Fax (847)390-2140; or e-mail at lstepanek@cahners.com.

Subscriber Growth Averages 15% a Year



As the buzzword "RMR" echoed through central monitoring stations last year, the results were coming into SDM's offices: a 9% increase in subscriber accounts in 1997. Acquisitions and dealer programs played a large part in this growth, as more than 1.5 million subscribers changed hands.

The 1998 SDM 100

Rank 1998•1997	Company Headquarters	Gross revenue 1997 (\$ millions)	Growth Rate '96 to '97	Subscribers year-end 1997	1997 Installations	Full-time Employees	Business Locations
1•1	ADT Security Services Boca Raton, FL	1,100 ^e	10.7%	1,600,000 ^e	350,000 (R) ^e 60,000 (C) ^e	10,000 ^e	150 ^e
2•2	SecurityLink from Ameritech Oak Brook Terrace, IL	450 ^e	80.0%	1,100,000*	n/a	8,666*	247*
3•3	Wells Fargo Alarm Services Inc. † King of Prussia, PA	226.7	-6.0%	170,000	4,562 (R) 22,254 (C)	2,100	38
4•4	Honeywell Inc., Home & Building Control Minneapolis, MN	200.7 ^e	-10.0%	200,000 ^e	n/a	n/a	100 ^e
5•5	Brink's Home Security Inc. Irving, TX	180	15.4%	511,500	105,600 (R)	2,100	66
6•8	Protection One Inc. Culver City, CA	144.8 ^{v**}	97.1%	756,818	102,015 (R) 19,776 (C)	2,400	55
7•9	The Westec Security Group Newport Beach, CA	85	25.0%	120,000	n/a	2,500	50
8•14	Slomins Security Hicksville, NY	50.9	39.0%	84,791	30,596 (R) 277 (C)	157	8
9•16	Entergy Security Inc. Raleigh, NC	50.1	39.4%	168,000	4,533 (R) 9,836 (C)	868	33
10•12	Bay Alarm Co. Walnut Creek, CA	41	2.8%	65,000	n/a	450	10
11•17	Guardian Alarm Co. Southfield, MI	39.2	12.0%	87,543	8,750 (R) 3,200 (C)	390	6
12•18	Vector Security Inc. Pittsburgh, PA	35.5	10.9%	63,000	4,000 (R) 785 (C)	350	13
13•23	Alarmguard Inc. Orange, CT	34.3 ^v	42.3%	64,000 ^{††}	6,900 (R) 4,200 (C)	450	11
14•59	Sonitrol Mid-South Holdings - Sonitrol Management Corp. Baltimore, MD	33.8	452.4%***	19,821	38 (R) 2,172 (C)	329	12
15•19	Smith Alarm Systems Dallas, TX	32.2	11.3%	45,000	7,500 (R) 4,800 (C)	350	5
16•21	AFA Protective Systems Inc. Syosset, NY	29.8	8.4%	25,000	500 (R) 2,000 (C)	300	8
17•25	Guardian Protection Services Inc. Pittsburgh, PA	29 ^v	44.1%	72,407	22,230 (R) 690 (C)	920	20
18•31	Response USA Inc. Lawrenceville, NJ	20.6 ^{†††}	81.4%	60,000	1,800 (R) 500 (C)	220	12
19•45	Sentry Detection Inc. East Meadow, NY	18	125.0%	3,500	7,200 (R) 500 (C)	175	3
20•27	Protection Service Industries L.P. San Bernardino, CA	16.3	9.6%	26,488	687 (R) 1,225 (C)	209	9
21•30	American Alarm Systems Inc. Santa Ana, CA	15.8	29.7%	28,000	600 (R) 3,000 (C)	145	1
22•28	Alarm Detection Systems Inc. Aurora, IL	15.5 ^v	9.2%	16,744	132 (R) 525 (C)	133	1
23•32	Per Mar Security Services Davenport, IA	14.3	29.7%	22,400	875 (R) 2,810 (C)	220	10
24•29	SSD Systems/Kern Security Systems Anaheim, CA	13	0.1%	n/a	425 (R) 1,890 (C)	160	7
25•33	Alert Holdings Group Inc. Honolulu, HI	11.2	3.7%	16,342	680 (R) 642 (C)	107	7

KEY: v=verified e=estimate R=residential C=commercial n/a=not available * Includes U.S. and Canada

† April 20, 1998, announced agreement to be acquired by ADT

** completed merger with Westar Security Nov. 24, 1997. Since this was a reverse merger, the financial statements for the year ended Dec. 31, 1997, include 12 months of Westar results, and results for Protection One and Centennial Security only from Nov. 24, 1997. Run rates as of Jan 1, 1998 are: \$24.6 million RMR, \$30 million total monthly revenue

†† Acquisitions of Sentry Protective Systems and Pelletier Alarm in first quarter 1998 bring account total to 100,000

*** result of a 1997 merger between the two companies (previously ranked only as Sonitrol Mid-South Holdings).

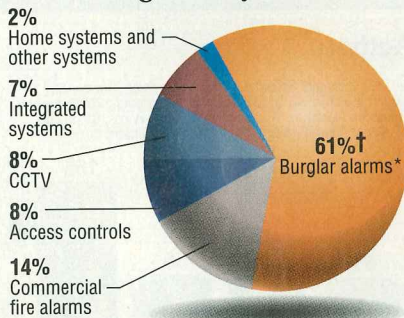
††† revenues are pro forma, inclusive of Triple A Protection, Wilkes Barre, PA., which Response USA acquired Feb. 10, 1998.

The 1998 SDM 100

Rank 1998•1997	Company Headquarters	Gross revenue 1997 (\$ millions)	Growth Rate '96 to '97	Subscribers year-end 1997	1997 Installations	Full-time Employees	Business Locations
26•35	Doyle Security Systems*** Rochester, NY	11.2	10.9%	14,320	510 (R) 664 (C)	126	4
27•34	Central District Alarm Inc. St. Louis, MO	11 ^e	2.8%	n/a	n/a	n/a	1
28•36	Security Corp. Novi, MI	9.8	2.5%	2,280	40 (R) 905 (C)	103	6
29•43	Fire Alarm Service Corp./E.P. Reid Inc. Lyndhurst, NJ	9.8 ^v	19.7%	420	130 (C)	89	4
30•—	Dynamark Security Centers Hagerstown, MD	9.7 ^{v*}		33,800	982 (R)	160	7
31•37	Kimberlite Corp. Concord, CA	9.6	2.8%	5,832	88 (R) 504 (C)	135	8
32•54	Sentry Protective Systems † Malden, MA	9.5	36.1%	26,000	9,364 (R) 800 (C)	110	3
33•42	Checkpoint Ltd. Naples, FL	9.5	13.4%	29,100	1,800 (R) 500 (C)	144	8
34•47	Electronic Security Services Co. LP Nashville, TN	9.3	16.8%	20,690	2,151 (R) 934 (C)	115	10
35•48	Dallas Security Systems Inc./DSS Fire Inc. Dallas, TX	9.1	15.5%	3,850	n/a	95	1
36•39	Engineered Protection Systems Inc. Grand Rapids, MI	9.1	6.0%	6,247	350 (R) 650 (C)	92	4
37•41	DGA Security Systems Inc. New York, NY	9	5.9%	n/a	n/a	n/a	2
38•80	SLP Ventures L.P.** St. Louis, MO	8.8	107.5%	22,421	9,007 (R) 460 (C)	236	17
39•—	Protection Networks Boca Raton, FL	8.1		1,000	5,010 (R)	120	5
40•50	Supreme Security Systems Inc. Union, NJ	8.1 ^v	5.2%	15,000	427 (R) 259 (C)	85	1
41•44	Post Alarm Systems Inc. Arcadia, CA	8 ^e	0.0%	14,500 ^e	n/a	70 ^e	2

KEY: v=verified e=estimate R=residential C=commercial n/a=not available
 * Represents revenue from the firm's first six company-owned installing companies
 † merged with Alarmguard (No. 13) March 17, 1998, and will not report separately in 1999
 ** previously ranked as Digital Detection Systems, the firm was acquired by SLP Ventures in 1997
 *** SDM's 1997 Dealer of the Year

Slight Revenue Shift towards Integrated Systems



*Including burg/fire
 †Average percentage of SDM 100 non-recurring revenue; based on the responses from 87 firms.
 Source: SDM Magazine, 1998

A slight revenue shift was noted this year. Integrated systems now account for 7% of revenue (up from 4% in 1996); while burglar alarms dipped from 64 percent in 1996 to 61 percent in 1997.

Public Companies on the SDM 100

Company	Symbol	52-week High Low	Price	Earn/Shr	P/E Ratio
ADT Security Services Inc.	TYC	57 7/16 - 26 11/16	55 3/4	-1.04	n/a
Alarmguard	AGD	10 7/8 - 5 11/16	10 3/4	-2.61	n/a
AFA Protective Systems Inc.	AFAP	280 - 124	278	n/a	n/a
Brink's Home Security	PZB	42 7/8 - 28 1/4	37 5/8	1.90	20.03
Entergy Security Systems	ETR	30 1/4 - 22 7/8	27	1.03	26.09
Guardian International	GIIS	3 9/16 - 5/8	2 9/16	n/a	n/a
Honeywell Inc.	HON	96 1/4 - 64 15/16	93 7/16	3.80	24.87
Protection One Inc.	ALRM	21 3/4 - 9 3/8	12	-0.70	n/a
Response USA Inc.	RSPN	12 3/8 - 4 5/16	5 3/8	-0.33	n/a
SecurityLink from Ameritech	AIT	50 1/4 - 27 15/16	43 3/8	2.04	21.72
Wells Fargo Alarm Services Inc.	BOR	22 7/16 - 13 3/4	20 15/16	0.65	32.02
Westec Security Inc.	J.SCO	n/a	*\$61.07	n/a	n/a

*Secom Co. (Westec's parent) is traded on the Tokyo exchange. Its share price reflects a 130.16 Japanese yen per U.S. dollar exchange rate at the end of the trading day April 23, 1998.

Note: The letters n/a indicate that the information was not applicable.

Source: SDM Magazine, 1998. All figures taken at the close of trading April 24, 1998.

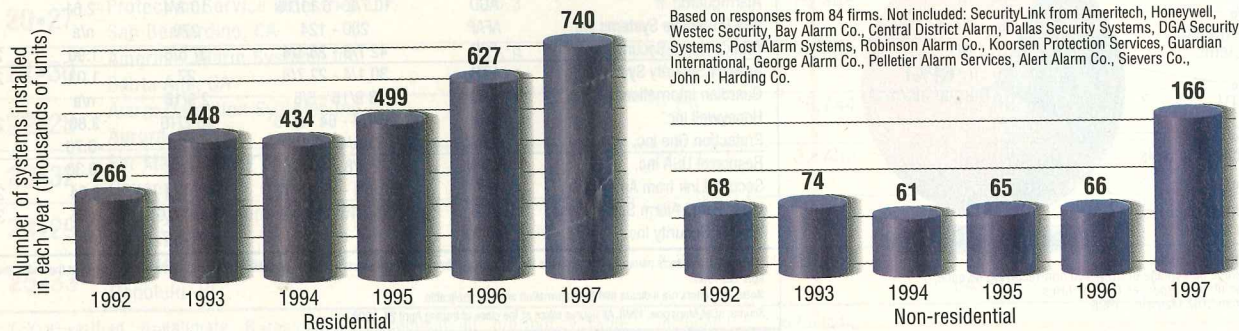
The number of public companies that own alarm installing businesses on the SDM 100 shrank from 19 to 12 since the last time the SDM 100 was published. In each case, the firm was acquired or merged; namely, Westar Security, Rollins Protective, Republic Industries, Multimedia Security, Holmes Protection, and Inter-Active Services.

The 1998 SDM 100

Rank 1998•1997	Company Headquarters	Gross revenue 1997 (\$ millions)	Growth Rate '96 to '97	Subscribers year-end 1997	1997 Installations	Full-time Employees	Business Locations
42•49	Robinson Alarm Co. Philadelphia, PA	7.8 ^e	0.0%	13,500 ^e	n/a	n/a	1
43•51	SDA Security Systems Inc. San Diego, CA	7.5	2.0%	n/a	150 (R) 1,000 (C)	97	2
44•57	Greater Alarm Company Inc., The Irvine, CA	7.4 ^v	15.6%	6,852	2,500 (R) 750 (C)	76	2
45•60	Sonitrol Security Systems of Hartford Inc. Hartford, CT	7.3	20.3%	14,015	1,200 (R) 268 (C)	70	2
46•55	US Alarm System Inc. Fort Worth, TX	7.1	2.9%	17,742	4,452 (R) 129 (C)	132	14
47•52	Sonitrol of Santa Clara & San Mateo Counties San Jose, CA	7.1	-2.5%	8,500	50 (R) 550 (C)	58	1
48•65	Mountain Alarm Ogden, UT	7	32.1%	7,600	696 (R) 807 (C)	64	3
49•—	First Alarm Inc. Seacliff, CA	7 ^v	46.9%	7,000	600 (R) 1,000 (C)	80	3
50•85	Safeguard Security Services Inc. Phoenix, AZ	7	76.9%	6,000	750 (R) 45 (C)	128	3
51•61	Sonitrol of Buffalo Buffalo, NY	6.6 ^v	14.4%	6,127	96 (R) 387 (C)	75	3
52•56	General Security Plainview, NY	6.6	-1.5%	23,063	2,650 (R) 315 (C)	52	3
53•—	Koorsen Protection Services Inc. Indianapolis, IN	6.5 ^v		1,000	n/a	n/a	n/a
54•58	Midnight Security Network * Flint, MI	6.4	4.9%	13,354	1,050 (R) 308 (C)	86	2
55•64	Sonitrol Pacific Portland, OR	6	12.4%	3,550	10 (R) 360 (C)	64	2
56•73	Central One Boca Raton, FL	5.8	28.9%	13,000	400 (R) 200 (C)	70	2
57•90	Guardian International Inc. Hollywood, FL	5.6 ^v	55.3%	13,500	n/a	73	2
58•66	Argus Security Systems Inc. McAllen, TX	5.5	5.8%	8,100	540 (R) 700 (C)	100	3

KEY: v=verified e=estimate R=residential C=commercial n/a=not available *formerly Midnight Burglar Alarm

More Sales, Acquisitions Boost Installation Activity



Acquisitions weren't the only reason for the dramatic positive growth in new installations in 1997. Whether stemming from a successful dealer program or a geared up internal sales department, nearly all firms experienced an increase in new sales. (Note: Of the 100,000-unit increase in commercial sales, an estimated 60,000 is attributed to ADT, which wasn't included in 1996.)

The 1998 SDM 100

Rank 1998•1997	Company Headquarters	Gross revenue 1997 (\$ millions)	Growth Rate '96 to '97	Subscribers year-end 1997	1997 Installations	Full-time Employees	Business Locations
59•63	Custom Security Systems Lacey, WA	5.5	-1.6%	6,000	325 (R) 380 (C)	95	2
60•70	Mutual Central Alarm Services Inc. * New York, NY	5.4 ^v	13.3%	2,200	5 (R) 400 (C)	45	1
61•68	American Alarm & Communications Inc. Arlington, MA	5.3 ^v	6.0%	10,347	760 (R) 660 (C)	55	1
62•72	Homesafe Security Systems Hunt Valley, MD	5.3	12.8%	2,100	3,700 (R) 25 (C)	30	3
63•74	George Alarm Co. Inc. Springfield, IL	5 ^e	11.1%	5,100 ^e	n/a	n/a	5
64•—	Protect America, Inc. Round Rock, TX	5 ^v		10,800	13,700 (R) 220 (C)	n/a	24
65•71	Security Equipment Inc. Omaha, NE	5 ^v	5.2%	8,532	525 (R) 600 (C)	63	3
66•84	Peak Alarm Company Inc. Salt Lake City, UT	4.9	24.4%	6,783	373 (R) 514 (C)	63	2
67•79	Crime Detector Inc. West Columbia, SC	4.8	12.1%	4,100	1,800 (R) 15 (C)	55	2
68•76	Sonitrol of Sacramento Sacramento, CA	4.6	6.4%	3,200	20 (R) 800 (C)	46	1
69•—	Electronix Systems Central Station Alarms Huntington Station, NY	4.6 ^v		6,000	320 (R) 593 (C)	58	1
70•78	All-Guard Alarm Systems Inc. Hayward, CA	4.6	5.9%	6,875	228 (R) 218 (C)	44	1
71•89	World Wide Security - GC Alarm Garden City, NY	4.6	21.5%	7,550	1,825 (R) 220 (C)	75	1
72•75	Security of Los Angeles Inc. Van Nuys, CA	4.5	0.8%	4,100	6 (R) 308 (C)	35	4
73•77	Corporate Protection Services Inc. Toledo, OH	4.4	2.8%	9,320	590 (R) 418 (C)	44	1

KEY: v=verified e=estimate R=residential C=commercial n/a=not available
* acquired by Guardian Int'l in Feb. 1998 and will not report separately in 1999

Acquisitions Cause Flat Growth in '97



Source: SDM Magazine, 1998

Total gross revenue in 1997 from SDM 100 firms reached \$3.31 billion, less than 1 percent higher than 1996 revenue. While this may seem surprising in light of the positive year most firms had, it's important to remember that many large companies were sold in 1997 and all or part of their revenue may not have been accounted for by the acquiring firms that still rank in the SDM 100 (depending on when they were purchased).

The 1998 SDM 100

Rank 1998•1997	Company Headquarters	Gross revenue 1997 (\$ millions)	Growth Rate '96 to '97	Subscribers year-end 1997	1997 Installations	Full-time Employees	Business Locations
74•82	Pelletier Alarm Services † Danbury, CT	4.4	4.4%	8,500	n/a	52	2
75•—	Sonitrol Tri-County Farmington Hills, MI	4	6.7%	2,872	382 (C)	51	3
76•—	American Security Systems Inc. New York, NY	4 ^v	14.3%	3,750	250 (R) 350 (C)	38	1
77•94	Sonitrol of Tallahassee Inc. Tallahassee, FL	3.8 ^v	10.6%	3,323	67 (R) 175 (C)	53	1
78•81	Security Systems Inc. Boca Raton, FL	3.7	-12.1%	13,095	82 (R) 133 (C)	36	1
79•91	Sonitrol Security Services Inc. Charlotte, NC	3.7 ^v	1.8%	2,300	66 (R) 488 (C)	41	2
80•93	Alert Alarm Co. Inc. San Ramon, CA	3.6	2.9%	n/a	n/a	36	3
81•95	Crime Prevention Inc. Charlotte, NC	3.6	5.9%	11,100	4,521 (R) 300 (C)	104	4
82•92	Wyandotte Alarm Co. Wyandotte, MI	3.5	0.3%	5,690	130 (R) 160 (C)	52	1
83•96	Pacific Alarm Systems Inc. Culver City, CA	3.4	1.7%	3,800	65 (R) 195 (C)	39	1
84•97	Richmond Alarm Co. Richmond, VA	3.4	1.6%	6,500	275 (R) 220 (C)	57	2
85•87	Associated Security Corp. East Hartford, CT	3.3 ^v	-13.2%	6,200	200 (R) 250 (C)	35	2
86•—	Sievers Company Cleveland, OH	3.1	10.1%	3,000	n/a	30	2
87•—	Scarsdale Security Systems Inc. Scarsdale, NY	3.1	63.2%	3,127	305 (R) 331 (C)	42	1
88•100	Sylvester's Security Alarms Inc. Santa Maria, CA	3.1	4.4%	5,297	171 (R) 398 (C)	41	3
89•—	Security Systems of America Pittsburgh, PA	3.1 ^v	5.4%	8,160	495 (R) 230 (C)	42	3
90•—	Washington Alarm Inc. Seattle, WA	3	6.0%	4,200	57 (R) 194 (C)	34	1
91•—	Custom Communications Inc. Rochester, MN	3	34.6%	3,467	200 (R) 280 (C)	36	4
92•99	American Home Security (BHC Trust) Alexandria, VA	2.9	-8.1%	3,015	290 (R) 85 (C)	35	2
93•—	Global Security & Communication Inc. Portland, OR	2.9		6,500	1,200 (R) 10 (C)	38	4
94•—	Sonitrol of Chattanooga Chattanooga, TN	2.8	2.0%	2,930	72 (R) 111 (C)	35	2
95•—	Sonitrol of Pittsburgh Pittsburgh, PA	2.7	5.4%	2,950	36 (R) 272 (C)	26	1
96•—	John J. Harding Company Ltd. Honolulu, HI	2.5	19.4%	33	n/a	17	1
97•—	Sonitrol of New Orleans Inc. Metairie, LA	2.5	8.7%	1,601	33 (R) 189 (C)	32	1
98•—	Alaska General Alarm Anchorage, AK	2.4	5.0%	3,925	160 (R) 92 (C)	32	2
99•—	HB Alarm Systems Inc. Warwick, RI	2.4	14.3%	7,000	1,000 (R) 400 (C)	18	2
100•—	Sonitrol Mid-Atlantic Philadelphia, PA	2.3 ^v		2,200	25 (R) 240 (C)	16	1

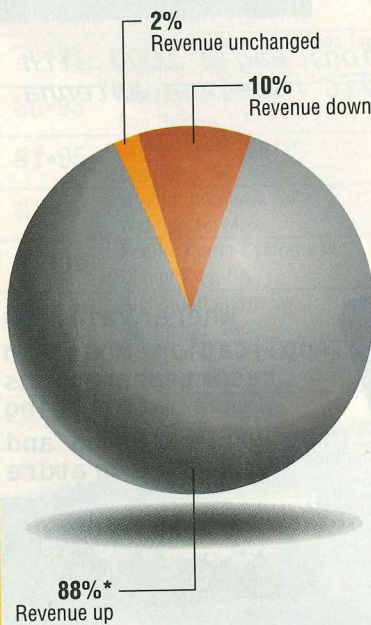
KEY: v=verified e=estimate R=residential C=commercial n/a=not available
† acquired by Alarmguard Inc. in Feb. 1998 and will not report separately in 1999

Re-Ranking by Installation Volume

Residential Systems				Non-Residential Systems			
Rank by Installation Volume	Company	Systems Installed (1997)	SDM 100 Rank	Rank by Installation Volume	Company	Systems Installed (1997)	SDM 100 Rank
1	ADT Security Services	350,000 ^e	1	1	ADT Security Services	60,000 ^e	1
2	Brink's Home Security Inc.	105,600	5	2	Wells Fargo Alarm Services Inc.	22,254	3
3	Protection One Inc.	102,015	6	3	Protection One Inc.	19,776	6
4	Slomins Security	30,596	8	4	Entergy Security Inc.	9,836	9
5	Guardian Protection Services	22,230	17	5	Smith Alarm Systems	4,800	15
6	Protect America, Inc.	13,700	64	6	Alarmguard Inc.	4,200	13
7	Sentry Protective Systems	9,364	32	7	Guardian Alarm Co.	3,200	11
8	SLP Ventures L.P.	9,007	38	8	American Alarm Systems Inc.	3,000	21
9	Guardian Alarm Co.	8,750	11	9	Per Mar Security Services	2,810	23
10	Smith Alarm Systems	7,500	15	10	Sonitrol Mid-South — SMC	2,172	14
11	Sentry Detection Inc.	7,200	19	11	AFA Protective Systems Inc.	2,000	16
12	Alarmguard Inc.	6,900	13	12	SSD Systems/Kern Security Systems	1,890	24
13	Protection Networks	5,010	39	13	Protection Service Industries	1,225	20
14	Wells Fargo Alarm Services Inc.	4,562	3	14	First Alarm Inc.	1,000	49
15	Entergy Security Inc.	4,533	9	15	SDA Security Systems Inc.	1,000	43
16	Crime Prevention Inc.	4,521	81	16	Electronic Security Services Co.	934	34
17	US Alarm System Inc.	4,452	46	17	Security Corp.	905	28
18	Vector Security Inc.	4,000	12	18	Mountain Alarm	807	48
19	Homesafe Security Systems	3,700	62	19	Sentry Protective Systems	800	32
20	General Security	2,650	52	20	Sonitrol of Sacramento	800	68
21	Greater Alarm Company Inc.	2,500	44	21	Vector Security Inc.	785	12
22	Electronic Security Services Co.	2,151	34	22	Greater Alarm Company Inc.	750	44
23	World Wide Security - GC Alarm	1,825	71	23	Argus Security Systems Inc.	700	58
24	Response USA Inc.	1,800	18	24	Guardian Protection Services Inc.	690	17
25	Checkpoint Ltd.	1,800	33	25	Doyle Security Systems	664	26
26	Crime Detector Inc.	1,800	67	26	American Alarm & Communications	660	61
27	Global Security & Comm.	1,200	93	27	Engineered Protection Systems Inc.	650	36
28	Sonitrol Security Systems of Hartford	1,200	45	28	Alert Holdings Group Inc.	642	25
29	Midnight Security Network	1,050	54	29	Security Equipment Inc.	600	65
30	HB Alarm Systems Inc.	1,000	99	30	Electronix Systems	593	69
31	Dynamark Security Centers	982	30	31	Sonitrol of Santa Clara & San Mateo Counties	550	47
32	Per Mar Security Services	875	23	32	Alarm Detection Systems Inc.	525	22
33	American Alarm & Comm.	760	61	33	Peak Alarm Company Inc.	514	66
34	Safeguard Security Services Inc.	750	50	34	Kimberlite Corp.	504	31
35	Mountain Alarm	696	48	35	Response USA Inc.	500	18
36	Protection Service Industries	687	20	36	Checkpoint Ltd.	500	33
37	Alert Holdings Group Inc.	680	25	37	Sentry Detection Inc.	500	19
38	First Alarm Inc.	600	49	38	Sonitrol Security Services Inc.	488	79
39	American Alarm Systems Inc.	600	21	39	SLP Ventures L.P.	460	38
40	Corporate Protection Services	590	73	40	Corporate Protection Services Inc.	418	73
41	Argus Security Systems Inc.	540	58	41	Mutual Central Alarm Services Inc.	400	60
42	Security Equipment Inc.	525	65	42	HB Alarm Systems Inc.	400	99
43	Doyle Security Systems	510	26	43	Sylvester's Security Alarms Inc.	398	88
44	AFA Protective Systems Inc.	500	16	44	Sonitrol of Buffalo	387	51
45	Security Systems of America	495	89	45	Sonitrol Tri-County	382	75
46	Supreme Security Systems Inc.	427	40	46	Custom Security Systems	380	59
47	SSD Systems/Kern Security	425	24	47	Sonitrol Pacific	360	55
48	Central One	400	56	48	American Security Systems Inc.	350	76
49	Peak Alarm Company Inc.	373	66	49	Scarsdale Security Systems Inc.	331	87
50	Engineered Protection Systems	350	36	50	General Security	315	52
51	Custom Security Systems	325	59	51	Security of Los Angeles Inc.	308	72
52	Electronix Systems	320	69	52	Midnight Security Network	308	54
53	Scarsdale Security Systems Inc.	305	87	53	Crime Prevention Inc.	300	81
54	American Home Security (BHC)	290	92	54	Custom Communications Inc.	280	91
55	Richmond Alarm Co.	275	84	55	Slomins Security	277	8
56	American Security Systems Inc.	250	76	56	Sonitrol of Pittsburgh	272	95
57	All-Guard Alarm Systems Inc.	228	70	57	Sonitrol Security Systems of Hartford	268	45
58	Associated Security Corp.	200	85	58	Supreme Security Systems Inc.	259	40
59	Custom Communications Inc.	200	91	59	Associated Security Corp.	250	85
				60	Sonitrol Mid-Atlantic	240	100
				61	Security Systems of America	230	89
				62	World Wide Security - GC Alarm	220	71
				63	Richmond Alarm Co.	220	84
				64	Protect America, Inc.	220	64
				65	All-Guard Alarm Systems Inc.	218	70
				66	Central One	200	56

e=estimate

A Good Year for Most Firms



*percentage of SDM 100 firms that reported both 1997 and 1996 revenue; based on 94 responses. Source: SDM Magazine, 1998

Last year was a great year in terms of increased revenue for many of the firms in this year's SDM 100. As comparison, in 1996, 74 percent of companies had higher revenues, but in 1997, 88 percent had positive growth of overall revenues.

The table above re-ranks SDM 100 companies by both residential (left column) and non-residential (right column) installation volume. Firms not included either didn't provide this information, or had fewer than 200 units.

Top 12 Fastest Growing Firms
Based on Total Installation Volume (1994-1997)

Firm (SDM 100 Rank)	Avg. 3-year growth rate (%)	Firm (SDM 100 Rank)	Avg. 3-year growth rate (%)
1. Protection One (6)	328.3	7. Sonitrol Security Systems of Hartford (45)	59.2
2. Response USA (18)	159.3	8. Doyle Security Systems (26)	52.8
3. Entergy Security Inc. (9)	108.7	9. Slomins Security (8)	48.2
4. Sentry Detection (19)	79.5*	10. Sonitrol of Sacramento (68)	47.8
5. Guardian Protection Services (17)	63.3	11. Mountain Alarm (48)	43.4
6. Smith Alarm Systems (15)	62.4	12. General Security (52)	37.2

*sells accounts to Protection One under a dealer program arrangement

These 12 companies have the highest growth rate of total installation volume (residential and non-residential, if applicable, combined) during a four-year period between 1994 and 1997. Note that this list is limited to firms that have participated in the SDM 100 for the past four years and have provided installation figures for those years.

Re-Ranking by Recurring Annual Revenue

Rank by Recurring Revenue	Recurring Annual Revenue (1997) (\$ millions)	Company	SDM 100 Rank	Rank by Recurring Revenue	Recurring Annual Revenue (1997) (\$ millions)	Company	SDM 100 Rank
1	756 ^e	ADT Security Services	1	42	3.7	Mutual Central Alarm Services Inc.	60
2	396 ^e	SecurityLink from Ameritech	2	43	3.3	All-Guard Alarm Systems Inc.	70
3	155	Brink's Home Security Inc.	5	44	3.3	Fire Alarm Service Corp./E.P. Reid Inc.	29
4	133.2	Wells Fargo Alarm Services Inc.	3	45	3.3	Sonitrol of Buffalo	51
5	126.6	Protection One Inc.	6	46	3.2	Security Systems Inc.	78
6	48.4	Entergy Security Inc.	9	47	3.2	Protect America, Inc.	64
7	30	Guardian Alarm Co.	11	48	2.9	Custom Security Systems	59
8	25	Alarmguard Inc.	13	49	2.9	World Wide Security - GC Alarm	71
9	24.8	Guardian Protection Services Inc.	17	50	2.9	American Alarm & Communications Inc.	61
10	24.7	Sonitrol Mid-South Holdings — SMC	4	51	2.8	Sonitrol of Sacramento	68
11	23.1	Slomins Security	8	52	2.8 ^e	George Alarm Co. Inc.	63
12	20.9	AFA Protective Systems Inc.	16	53	2.7	Wyandotte Alarm Co.	82
13	18.6	Smith Alarm Systems	15	54	2.7	Pacific Alarm Systems Inc.	83
14	16.8	Vector Security Inc.	12	55	2.6	Electronix Systems	69
15	14.4	American Alarm Systems Inc.	21	56	2.6	Sonitrol Tri-County	75
16	13.2	Response USA Inc.	18	57	2.6	Greater Alarm Company Inc., The	44
17	11.5	Protection Service Industries L.P.	20	58	2.5	Peak Alarm Company Inc.	66
18	10	Alarm Detection Systems Inc.	22	59	2.4	Sylvester's Security Alarms Inc.	88
19	10	Dynamark Security Centers	30	60	2.4	Crime Prevention Inc.	81
20	9.2	Alert Holdings Group Inc.	25	61	2.3	Washington Alarm Inc.	90
21	8.1	Per Mar Security Services	23	62	2.3	Pelletier Alarm Services	74
22	8	SLP Ventures L.P.	38	63	2.2	Security Equipment Inc.	65
23	7.7	DGA Security Systems Inc.	37	64	2.1	Sonitrol Security Services Inc.	79
24	7.2	Sentry Protective Systems	32	65	2.1	Security Corp.	28
25	6.9	Kimberlite Corp.	31	66	2	Sonitrol of Tallahassee Inc.	77
26	6.5	Central One	56	67	2	Mountain Alarm	48
27	6.4	Checkpoint Ltd.	33	68	1.9	Richmond Alarm Co.	84
28	6.3	Supreme Security Systems Inc.	40	69	1.8	Sonitrol of Pittsburgh	95
29	5.7	Electronic Security Services Co. LP	34	70	1.7	Sonitrol of Chattanooga	94
30	5.4	General Security	52	71	1.77	Sonitrol of New Orleans Inc.	97
31	4.9	Midnight Security Network	54	72	1.7	Global Security & Communication Inc.	93
32	4.7	Sonitrol Security Systems of Hartford Inc.	45	73	1.6	Security Systems of America	89
33	4.6	Engineered Protection Systems Inc.	36	74	1.6	Argus Security Systems Inc.	58
34	4.4	Guardian International Inc.	57	75	1.6	Scarsdale Security Systems Inc.	87
35	4.3	Doyle Security Systems	26	76	1.5	American Security Systems Inc.	76
36	4.3	Sonitrol of Santa Clara & San Mateo Counties	47	77	1.5	Crime Detector Inc.	67
37	4.1	Sonitrol Pacific	55	78	1.5	American Home Security (BHC Trust)	92
38	4.1	US Alarm System Inc.	46	79	1.5	Associated Security Corp.	85
39	3.9	First Alarm Inc.	49	80	1.3	Sonitrol Mid-Atlantic	100
40	3.9	Safeguard Security Services Inc.	50	81	1.2	Alaska General Alarm	98
41	3.7 ^e	Post Alarm Systems Inc.	41	82	1.2	Corporate Protection Services Inc.	73

^e=estimate

The table re-ranks SDM 100 companies by recurring annual revenue. Firms were asked to average their fourth-quarter 1997 recurring revenue and then annualize it. Those companies not included either did not provide this information, or didn't have significant recurring revenue to report.

SDM 100 ONE HUNDRED EXCLUSIVE

1998 SDM 100 Alphabetical Index

Company	SDM 100 Rank	Company	SDM 100 Rank
ADT Security Services	1	Pacific Alarm Systems Inc.	83
AFA Protective Systems Inc.	16	Peak Alarm Company Inc.	66
Alarm Detection Systems Inc.	22	Pelletier Alarm Services	74
Alarmguard Inc.	13	Per Mar Security Services	23
Alaska General Alarm	98	Post Alarm Systems Inc.	41
Alert Alarm Co. Inc.	80	Protect America, Inc.	64
Alert Holdings Group Inc.	25	Protection Networks	39
All-Guard Alarm Systems Inc.	70	Protection One Inc.	6
American Alarm & Communications Inc.	61	Protection Service Industries L.P.	20
American Alarm Systems Inc.	21	Response USA Inc.	18
American Home Security (BHC Trust)	92	Richmond Alarm Co.	84
American Security Systems Inc.	76	Robinson Alarm Co.	42
Argus Security Systems Inc.	58	Safeguard Security Services Inc.	50
Associated Security Corp.	85	Scarsdale Security Systems Inc.	87
Bay Alarm Co.	10	SDA Security Systems Inc.	43
Brink's Home Security Inc.	5	Security Corp.	28
Central District Alarm Inc.	27	Security Equipment Inc.	65
Central One	56	Security of Los Angeles Inc.	72
Checkpoint Ltd.	33	Security Systems Inc.	78
Corporate Protection Services Inc.	73	Security Systems of America	89
Crime Detector Inc.	67	SecurityLink from Ameritech	2
Crime Prevention Inc.	81	Sentry Detection Inc.	19
Custom Communications Inc.	91	Sentry Protective Systems	32
Custom Security Systems	59	Sievers Company	86
Dallas Security Systems Inc./DSS Fire	35	Slomins Security	8
DGA Security Systems Inc.	37	SLP Ventures L.P.	38
Doyle Security Systems	26	Smith Alarm Systems	15
Dynamark Security Centers	30	Sonitrol Mid-Atlantic	100
Electronic Security Services Co. LP	34	Sonitrol Mid-South Holdings — SMC	14
Electronix Systems Central Station Alarms	69	Sonitrol of Buffalo	51
Engineered Protection Systems Inc.	36	Sonitrol of Chattanooga	94
Entergy Security Inc.	9	Sonitrol of New Orleans Inc.	97
Fire Alarm Service Corp./E.P. Reid Inc.	29	Sonitrol of Pittsburgh	95
First Alarm Inc.	49	Sonitrol of Sacramento	68
General Security	52	Sonitrol of Santa Clara & San Mateo Counties	47
George Alarm Co. Inc.	63	Sonitrol of Tallahassee Inc.	77
Global Security & Communication Inc.	93	Sonitrol Pacific	55
Greater Alarm Company Inc., The	44	Sonitrol Security Services Inc.	79
Guardian Alarm Co.	11	Sonitrol Security Systems of Hartford	45
Guardian International Inc.	57	Sonitrol Tri-County	75
Guardian Protection Services Inc.	17	SSD Systems/Kern Security Systems	24
HB Alarm Systems Inc.	99	Supreme Security Systems Inc.	40
Homesafe Security Systems	62	Sylvester's Security Alarms Inc.	88
Honeywell Inc., Home & Building Control	4	US Alarm System Inc.	46
John J. Harding Company Ltd.	96	Vector Security Inc.	12
Kimberlite Corp.	31	Washington Alarm Inc.	90
Koorsen Protection Services Inc.	53	Wells Fargo Alarm Services Inc.	3
Midnight Security Network	54	Westec Security Group, The	7
Mountain Alarm	48	World Wide Security - GC Alarm	71
Mutual Central Alarm Services Inc.	60	Wyandotte Alarm Co.	82

SDM 100 on Disk

More complete SDM 100 information is available about each firm, including the firm's CEO, complete mailing address, and telephone/fax numbers. The diskette, which sells for \$100, comes in one of two formats: Microsoft Access (a relational database) or plain-text ASCII. To order, contact Diane Gnatek at SDM, telephone (847)390-2122, fax (847)390-2140, or e-mail your request to sdm@cahners.com.

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