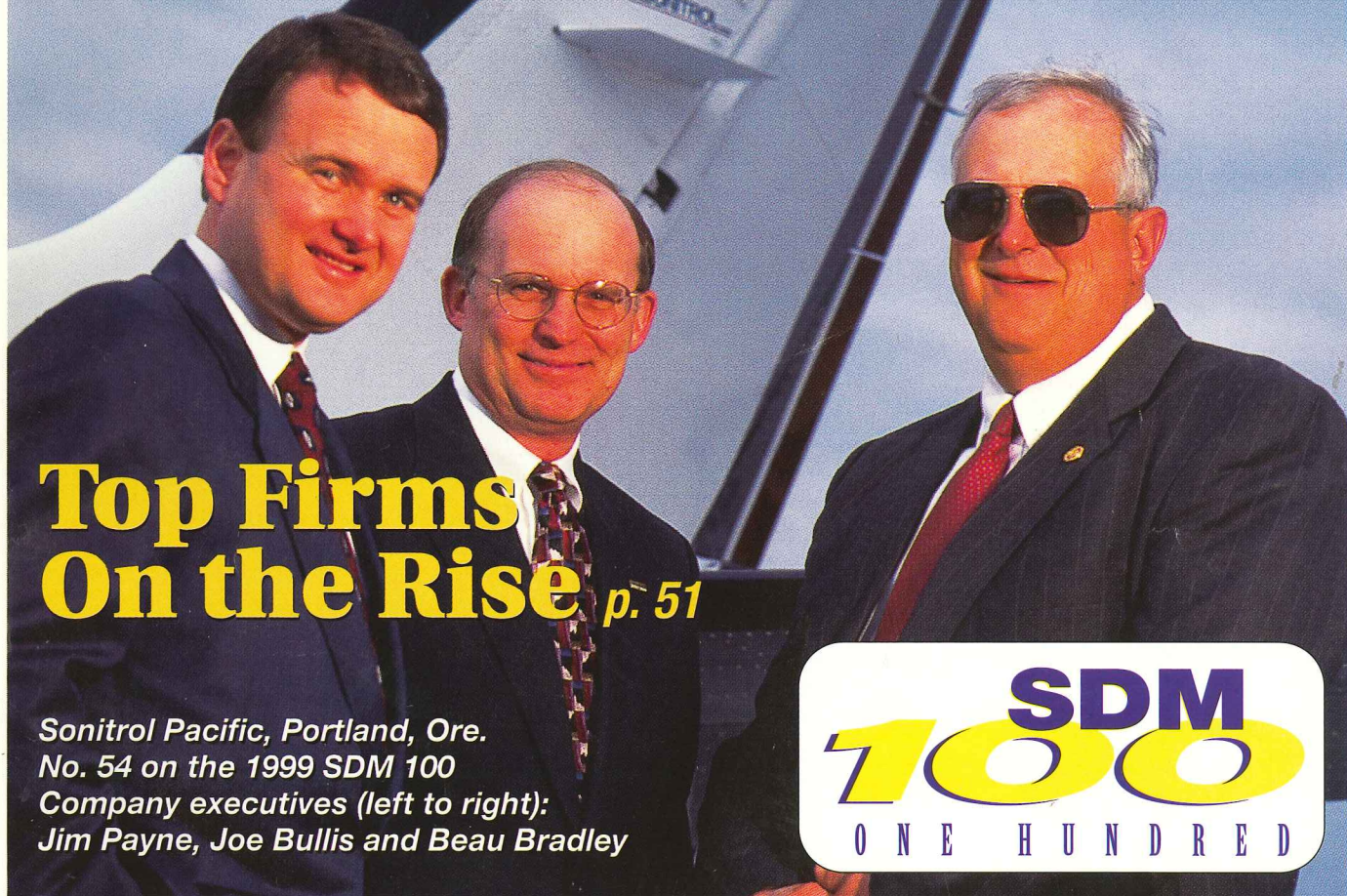


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MAY 1999



Top Firms On the Rise *p. 51*

Sonitrol Pacific, Portland, Ore.
No. 54 on the 1999 SDM 100
Company executives (left to right):
Jim Payne, Joe Bullis and Beau Bradley

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TECHNOLOGY:

Commercial Intercoms *p. 82*

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Ethics Plan *p. 74***

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Using RF Modulators *p. 21*

IN NEWS: NANNY CAMS ENABLE PARENTS, DEALERS

1999 Top Firms Ranked

Photo: Jeff Reinking/Mercury Pictures

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O N E H U N D R E D

A tight focus on its niche market—customized commercial—and plans for opening new Sonitrol dealerships in the Rocky Mountain region, kept Sonitrol Pacific, Portland, Ore., on a positive track. Ranked No. 54, the firm grew 6 percent to \$6.4 million. Owner Beau Bradley's (foreground) new Sonitrol dealership in Boise, Idaho, will open in June. Also from Sonitrol Pacific, Seattle branch manager Joe Bullis (middle) and Portland branch manager Jim Payne (rear).

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Consolidation Rebuilds the Top

Revenue growth through acquisition continues to shape the industry, while indicators point to a rebuilding of infrastructure to accommodate the fast-paced growth, in this 9th annual ranking of security's top firms.

By *Laura E. Stepanek*
Senior Editor, SDM

The game among SDM 100 firms in 1998 was consolidation and growth—with a twist. A greater number of firms reported downturned revenues compared with 1997.

SDM 100 firms reported acquiring at least 1.19 million subscribers, helping to surge their total annual recurring revenue to \$2.76 billion (a 23 percent increase over 1997). Yet the group's numbers also show that 20 percent of firms did not grow their total gross revenues last year. While the total number of new residential installations in 1998 rose 22 percent, much of that growth is attributed to a handful of firms with impressive numbers of new installs, as well as several firms that reported installation figures for the first time, making a year-to-year measurement of growth more difficult.

A curious fact—the count of full-time employees at SDM 100 firms grew only 2 percent last year.

Indicators and comments from these security dealers also point to a rebuilding of infrastructure for many firms, after a several-year period of rapid growth through acquisitions.

This year there are 21 firms listed for the first time on the SDM 100. Three of them rank in the top 16. Notably missing is The Westec Security Group, which sold its residential division to Edison International last August, but still remains in the security industry, operating Westec Interactive Security Inc. and Westec Business Security. It is hoped that this firm will rank in the 2000 SDM 100.

There are three ways to compare and contrast the SDM 100 companies: by gross revenue, as presented in the main table on the

How to Use the SDM 100

The 1999 SDM 100 ranks, by 1998 gross revenue, firms that provide electronic security systems and services to both residential and nonresidential markets. This ranking is based on information either provided to or estimated by *SDM*. Ranked companies were asked to submit either an audited or reviewed financial statement, or a copy of their income tax return showing total gross receipts for the stated period. A vast majority of the firms ranked are privately held.

The main table, which begins on page 54, ranks 100 firms by their 1998 total gross revenue. The largest firm is ranked as No. 1, and so on.

For each of the 100 companies, the

following information is provided (from left to right):

* 1999 rank (in red print), which is based on total 1998 gross revenues.

* 1998 rank (in black print). Note: If the firm was not previously ranked, then no number appears in this column.

* Company name as used in the marketplace (in most cases) and headquarters city and state.

* Total gross revenue in millions of dollars. This number represents total U.S. revenue in calendar- or fiscal-year 1998 from security system sales/installation, service, leasing, and monitoring. An e following the revenue indicates it is an *SDM* estimate.

* Percentage of growth or descent from 1997 to 1998 total gross revenue, where applicable.

* Number of subscribers, or customers, each firm counted at year-end 1998. This number reflects contracts that are owned by the SDM 100 firms; it does not include additional subscribers that the firm may monitor, but not own.

* Number of new system installations in 1998. The letter *R* represents residential systems and the letter *C* represents non-residential, or commercial.

* Number of full-time employees.

* Number of business locations, including both headquarters and branch offices.

54•55 Sonitrol Pacific
Portland, OR

6.4

6.1%

2,100

10 (R)
275 (C)

65

2

This table presents the aggregate totals for the 1999 SDM 100. In a \$15.23 billion industry in 1998, these firms captured \$3.77 billion and count more than 7 million customers. It's important to note that most electronic security companies—even among the top 100—are privately held, and therefore, aren't required to release financial information. Most firms—but not all—reported recurring revenue, accounts, and installation volume. Therefore, you should exercise caution when using this information to extrapolate industry totals or to benchmark.

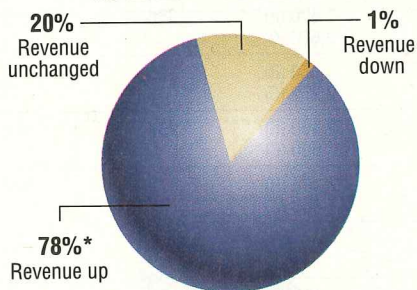
following pages; by installation volume, on p. 62; and by recurring revenue, p. 64.

For a firm to qualify for ranking on the SDM 100, it must be an installation company. It also must sell and install electronic security systems. It may also provide service and monitoring; however, firms that provide only service or monitoring do not qualify. **SDM**

Staff editors Allison Perlík and Jennifer Gill contributed to the SDM 100. SDM acknowledges the assistance of Barnes Associates Inc., St. Louis.

Editor's note: Questions about the SDM 100 should be sent in writing to Laura Stepanek, senior editor, SDM; fax (847)390-2140; e-mail lstepanek@cahners.com.

1998 More Likely for Revenue Declines



*percentage of SDM 100 firms that reported both 1997 and 1998 revenue; based on 79 responses.
Source: SDM Magazine, 1999

Twenty percent of SDM 100 firms experienced a downward revenue shift in 1998 (compared with 10 percent in 1997). The average revenue decline in 1998 was 6.35 percent. However, 78 percent of firms grew revenue. The average revenue increase was 23.3 percent. More than one in three firms with revenue increases also reported making acquisitions last year.

SDM 100 Stat Sheet

Total 1998 annual revenue: \$3.77 billion*

Total 1998 recurring annual revenue: \$2.76 billion†

Total number of customer contracts (year-end 1998): 7.3 million**

New 1998 installations/revenue††

Residential units: 905,478 Sales revenue: \$120.2 million
Non-residential units: 77,076 Sales revenue: \$175.9 million

Number of people employed (1998)***

Full-time: 39,231 Part-time: 989

Number of firms operating Websites: 58

Number of business locations operated: 985

Number of companies acquired in 1998: 142†††

Number of accounts gained from acquisitions: 1.19 million

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

† Average annualized recurring revenue based on the fourth quarter of 1998. Based on responses (or estimates) from 91 firms. Not included: Alert Alarm of Hawaii, Central District Alarm, Checkpoint Security Systems Group, Custom Alarm, Dallas Security Systems/DSS Fire, George Alarm Co., Honeywell, SDA Security Systems, SSD Systems/Kern Security Systems

**Based on responses (or estimates) from 93 firms. Not included: Central District Alarm, Checkpoint Security Systems Group, DGA Security Systems, George Alarm Co., Protection Networks, SDA Security Systems, SSD Systems/Kern Security Systems

†† Based on responses (or estimates) from 85 firms. (Note: Some firms reported unit sales or installation revenues only, while most reported both.) Not included in either unit sales or sales revenue: Central District Alarm, Checkpoint Security Systems Group, DGA Security Systems, Fire Alarm Service Corp./E.P. Reid, George Alarm Co., Guard-O-Matic, Honeywell, Koorsen Protection Services, Pacific Alarm Systems, Post Alarm Systems, PSI (Protection Service Industries), Safe Systems, SDA Security Systems, SecurityLink from Ameritech. These firms reported unit sales only: A-Com Protection Services, ADT Security Services, Brink's Home Security, Edison Security Services (estimate), Homesafe Security Protection One, Systems, Security One Systems, Security Systems of America, Sonitrol of Chattanooga, SSD Systems/Kern Security Systems

*** Based on responses (or estimates) from 94 firms. Not included: Central District Alarm, Edison Security Services, George Alarm Co., Global Security & Communication, Honeywell, Koorsen Protection Services

††† Based on responses (or estimates) from 31 firms

Public Companies on the SDM 100

Company	Symbol	52-week		Price	Earn/Shr	P/E Ratio
		Low	High			
ADT Security Services Inc. (Tyco International)	TYC	40 1/4	82 3/16	81 7/8	1.546	33.15
AFA Protective Systems Inc.	AFAP	165	345 1/8	212	0.01	39.04
Brink's Home Security (Pittston Brinks Group)	PZB	21 9/16	41 7/16	24 7/8	2.021	12.19
Checkpoint Security Systems Group Inc.	CKP	6 1/2	20 3/4	8 7/8	0.511	16.14
Edison Security Services (Edison International)	EIX	21 5/8	31	24 3/16	1.8630	12.80
Guardian International Inc.	GIIS	9/16	2 5/8	0.94	-0.28	n/a
Honeywell Inc., Home & Building Control	HON	58 5/8	96 3/8	87 13/16	4.484	19.01
Protection One Inc.	POI	3 11/16	12 7/8	4 3/16	0.086	57.03
Response USA Inc.	RSPN	1 7/16	7 1/4	1 11/16	-2.365	n/a
SCANA Security (Scana Corp.)	SCG	21 7/8	37 1/4	22 9/16	1.88	12.00
SecurityLink from Ameritech (Ameritech Corp.)	AIT	41 1/2	69 3/8	68 15/16	3.25	21.21

Note: The letters n/a indicate that the information was not applicable.
Source: SDM Magazine, 1999. All figures taken at the close of trading April 21, 1999.

The number of public companies that are or that own alarm installing businesses remains at 12 since last year's SDM 100 was published. New to the list this year are Checkpoint Security, Edison Security and SCANA Security, replacing those companies acquired or merged—Alarmguard, Entergy Security Systems and Wells Fargo Alarm Services.

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The 1999 SDM 100

Rank 1999•1998	Company, location	Gross Revenue 1998 (\$ millions)	Growth Rate '97 to '98	Subscribers (1998)	Installations (1998)	Full-time employees	Business locations
1•1	ADT Security Services* Boca Raton, FL	1,330.0	20.9%	2,200,000	210,000 (R) n/a (C)	13,500	220
2•2	SecurityLink from Ameritech* Oak Brook Terrace, IL	482.0 ^e	7.1%	1,200,000	n/a	7,000	155
3•6	Protection One Inc.* Culver City, CA	421.1	190.9%	1,542,000	304,000 (R) 16,000 (C)	4,500	120
4•5	Brink's Home Security Inc. Irving, TX	203.6	13.1%	580,000	113,000 (R)	2,400	71
5•4	Honeywell Inc., Home & Building Control Minneapolis	200.7 ^e	0%	250,000 ^e	n/a	n/a	n/a
6•—	Edison Security Services* City of Industry, CA	90.0 ^e		175,000 ^e	70,000 (R) ^e 5,000 (C) ^e	n/a	n/a
7•8	Slomin's Inc. Hicksville, NY	67.8	33.2%	112,119	31,000 (R) 1,000 (C)	1,300	8
8•—	Checkpoint Security Systems Group Inc.* Eden Prairie, MN	55.2		n/a	n/a	240	2
9•10	Bay Alarm Co.* Walnut Creek, CA	50.0	22.0%	75,000	6,000 (R) 4,500 (C)	480	9
10•11	Guardian Alarm Co. Southfield, MI	45.0	14.8%	88,000	7,500 (R) 3,050 (C)	395	7
11•12	Vector Security Inc. Pittsburgh	41.5	16.9%	75,000	6,144 (R) 951 (C)	472	17
12•17	Guardian Protection Services Inc. Pittsburgh	37.0	27.5%	85,994	19,197 (R) 778 (C)	600	18
13•16	AFA Protective Systems Syosset, NY	34.2	14.8%	29,000	1,600 (R) 3,000 (C)	330	8
14•15	Smith Alarm Systems Dallas	33.4	3.7%	47,000	11,000 (R) 1,500 (C)	380	5
15•64	Protect America Inc.* Round Rock, TX	31.1	526.4%	8,500	19,000 (R)	300	19
16•—	Interface Security Systems St. Charles, MO	29.7		20,438	1,600 (R) 3,600 (C)	350	13
17•14	SMC (Sonitrol Management Corp.) Westlake, TX	29.4	-12.9%	19,750	50 (R) 2,259 (C)	350	18
18•18	Response USA Inc. Lawrenceville, NJ	24.3	18.2%	77,000	2,400 (R) 600 (C)	257	10
19•38	SLP Ventures LP* St. Louis	23.3	163.6%	41,304	22,100 (R) 460 (C)	270	21
20•20	PSI (Protection Service Industries)* Rancho Cucamonga, CA	22.7	39.2%	49,800	n/a	265	12
21•22	Alarm Detection Systems Inc. Aurora, IL	17.1	10.2%	17,223	125 (R) 778 (C)	160	1
22•19	Sentry Detection Inc. Hicksville, NY	15.4	-14.3%	7,400	7,400 (R) 100 (C)	150	4
23•57	Guardian Int'l & Mutual Central Alarm* Hollywood, FL	15.2	169.6%	23,515	2,260 (R) 640 (C)	192	6

KEY: e=SDM estimate R=residential C=commercial n/a=not available

*: **1.** Since the 1998 SDM 100 was published, ADT acquired Wells Fargo Alarm Services, Entergy Security, Alarmguard Inc., Robinson Alarm, and Midnight Security Network, all of which were ranked in 1998; **2.** In 1998, SecurityLink purchased an option to buy Smith Alarm Systems in 2001; **3.** Protection One added 750,000 accounts through acquisition; **6.** annualized run-rate revenue due to Edison Security Services' acquisition of Westec Security's residential division; **8.** a division of EAS-manufacturer Checkpoint Systems Inc., offering CCTV, burglar and fire alarm systems to retailers; **9.** SDM's 1998 Dealer of the Year; **15.** Revenue increase stems from bulk sale of monitoring contracts plus a substantial increase in residential system installations; **19.** SLP Ventures, which operates as Digital Detection Systems (among other names) in the marketplace, acquired 10,697 accounts in 1998; **20.** Started operating an independent dealer program; opened six branches; **23.** Acquired 8,665 accounts in 1998.

The 1999 SDM 100

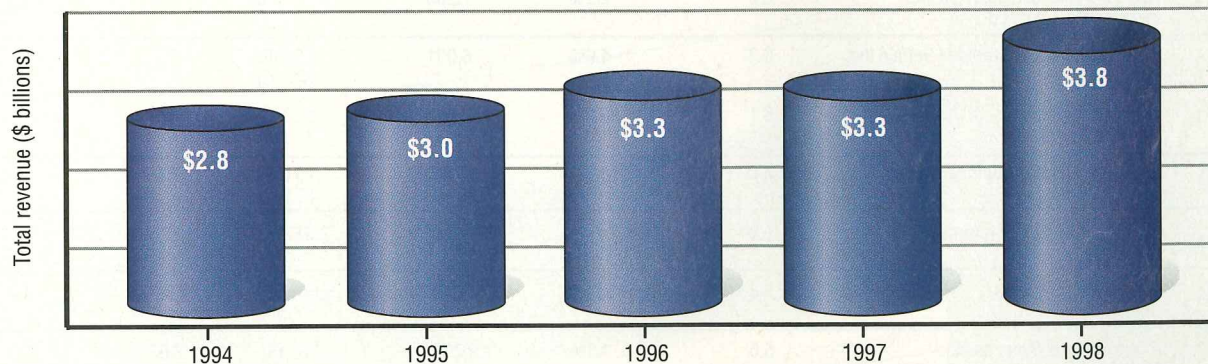
Rank 1999•1998	Company, location	Gross Revenue 1998 (\$ millions)	Growth Rate '97 to '98	Subscribers (1998)	Installations (1998)	Full-time employees	Business locations
24•23	Per Mar Security Services* Davenport, IA	15.0	5.0%	25,000	900 (R) 2,000 (C)	220	11
25•24	SSD Systems/Kern Security Systems Anaheim, CA	13.0	0.2%	n/a	433 (R) 2,011 (C)	163	7
26•29	Fire Alarm Service Corp./E.P. Reid Inc. Lyndhurst, NJ	12.0	22.7%	406	n/a	110	4
27•33	Checkpoint Ltd. & Adelphia Security* Naples, FL	12.0	26.4%	36,600	4,683 (R) 520 (C)	250	9
28•34	Electronic Security Services Co. LP Nashville, TN	11.8	27.0%	27,367	2,880 (R) 1,092 (C)	143	10
29•26	Doyle Security Systems Inc. Rochester, NY	11.1	-0.9%	13,511	450 (R) 710 (C)	125	5
30•25	Alert Alarm of Hawaii* Honolulu	10.6	-5.3%	10,780	1,021 (R) 1,860 (C)	106	4
31•39	Protection Networks Boca Raton, FL	10.5	29.1%	5,400	5,071 (R) 220 (C)	200	6
32•50	Safeguard Security Services Inc.* Scottsdale, AZ	10.4	49.2%	6,000	720 (R) 100 (C)	85	2
33•28	Security Corp. Novi, MI	10.3	5.0%	2,200	36 (R) 638 (C)	103	6
34•35	Dallas Security Systems Inc./DSS Fire Inc. Dallas	10.2	11.7%	4,000	20 (R) n/a (C)	100	1
35•31	Kimberlite Corp.* Concord, CA	10.2	6.5%	6,351	109 (R) 996 (C)	133	7
36•37	DGA Security Systems Inc. New York, NY	9.7	7.8%	n/a	n/a	140	2
37•—	Security First* Pasadena, CA	9.4		1,000	7,470 (R) 830 (C)	25	10
38•36	E.P.S. (Engineered Protection Systems) Grand Rapids, MI	9.1	0.3%	6,544	338 (R) 342 (C)	95	4

KEY: e=SDM estimate R=residential C=commercial n/a=not available

*: 24. Consolidated five central stations into new corporate central monitoring station; 27. Opened office in Buffalo, N.Y.; 30. Alert Alarm sold its Oregon operation to Protection One in Aug. 1998; 32. Safeguard Security recorded a 121% increase in non-residential sales revenue; 35. Kimberlite Corp. owns 11 Sonitrol franchises, doing business as Sonitrol Security of ...; 37. a division of Security Finance Associates.

5-Year Revenue Growth Pattern

1998 revenue up 13 percent



Source: SDM Magazine, 1999

Total gross revenue in 1998 from SDM 100 firms reached \$3.77 billion, a 13 percent increase over 1997. Much of the increase is attributed to growth in monthly recurring revenue, which surged 32 percent. Account acquisitions played a major role, with at least 1.2 million contracts changing hands in 1998.

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The 1999 SDM 100

Rank 1999•1998	Company, Location	Gross Revenue 1998 (\$ millions)	Growth Rate '97 to '98	Subscribers (1998)	Installations (1998)	Full-time employees	Business locations
39•44	Greater Alarm Irvine, CA	8.9	20.5%	n/a	n/a	104	3
40•41	Post Alarm Systems Inc. Arcadia, CA	8.4 ^e	5.0%	16,500	n/a	50	2
41•48	Mountain Alarm Ogden, UT	8.4	20.0%	11,416	1,041 (R) 880 (C)	70	4
42•49	First Alarm Aptos, CA	8.4	20.0%	7,400	400 (R) 800 (C)	86	5
43•40	Supreme Security Systems Inc. Union, NJ	8.3	2.7%	11,874	639 (R) 555 (C)	84	1
44•52	General Security* Plainview, NY	8.1	23.1%	24,640	2,800 (R) 490 (C)	65	5
45•45	Sonitrol Security Systems of Hartford Inc. Hartford, CT	7.8	7.3%	14,000	77 (R) 297 (C)	64	2
46•43	SDA Security Systems Inc. San Diego	7.6	2.0%	n/a	n/a	80	2
47•56	Central One* Boca Raton, FL	7.5	29.3%	16,600	400 (R) 200 (C)	86	2
48•47	Sonitrol of Silicon Valley San Jose, CA	7.3	3.4%	8,500	50 (R) 500 (C)	65	1
49•—	American Response* Las Vegas	7.1		5,000	4,000 (R) 100 (C)	120	3
50•—	Sentry Alarm Systems of America Inc. Monterey, CA	7.0		10,000	2,000 (R) 1,000 (C)	125	5
51•27	Central District Alarm Inc.* St. Louis	6.5 ^e	-40.9%	n/a	n/a	n/a	1
52•59	Custom Security Systems Lacey, WA	6.5	17.8%	6,250	275 (R) 675 (C)	95	2
53•—	Security One Systems Ft. Lauderdale, FL	6.4		2,500	20 (R) 300 (C)	60	4
54•55	Sonitrol Pacific Portland, OR	6.4	6.1%	2,100	10 (R) 275 (C)	65	2
55•53	Koorsen Protection Services Inc. Indianapolis	6.3	-2.2%	1,300	n/a	n/a	13
56•51	Sonitrol Security Systems of Buffalo Inc. Buffalo, NY	6.3	-4.9%	6,031	36 (R) 326 (C)	75	3
57•71	World Wide Security - GC Alarm Garden City, NY	6.1	33.9%	8,885	1,300 (R) 400 (C)	75	1
58•61	American Alarm & Communications Inc. Arlington, MA	6.0	13.2%	11,337	791 (R) 871 (C)	64	1
59•—	Ackerman Security Systems Atlanta	5.9		14,000	2,927 (R) 516 (C)	61	1
60•81	CPI Security Systems Charlotte, NC	5.6	56.1%	16,000	5,801 (R) n/a	130	4
61•58	Argus Security Systems Inc. McAllen, TX	5.6	1.1%	9,800	800 (R) 400 (C)	102	3

KEY: e=SDM estimate R=residential C=commercial n/a=not available
 *: **44.** opened two new branches; **47.** acquired 3,000 accounts in 1998; **49.** plans to launch a dealer program May 1 to acquire residential accounts nationally; **51.** revenue estimate reflects new information available to *SDM*, resulting in a drop in rank

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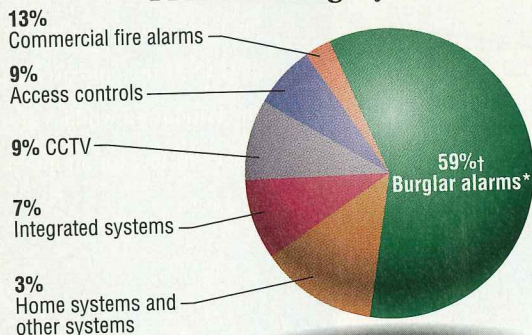
SDM 100 ONE HUNDRED

The 1999 SDM 100

Rank 1999•1998	Company, Location	Gross Revenue 1998 (\$ millions)	Growth Rate '97 to '98	Subscribers (1998)	Installations (1998)	Full-time employees	Business locations
62 —	SCANA Security Columbia, SC	5.4 ^e		11,000	8,373 (R) n/a	100	7
63 •65	Security Equipment Inc. Omaha, NE	5.3	7.4%	8,186	620 (R) 525 (C)	70	4
64 •68	Sonitrol of Sacramento North Highlands, CA	5.3	14.1%	2,742	21 (R) 495 (C)	50	1
65 •63	George Alarm Co. Inc. Springfield, IL	5.3 ^e	5.0%	n/a	n/a	n/a	1
66 •69	Electronix Systems Central Station Alarms Inc. Huntington Station, NY	5.1	10.9%	6,850	274 (R) 789 (C)	68	1
67 —	Trans-Alarm Inc. Burnsville, MN	5.0		3,000	30 (R) 600 (C)	52	1
68 •66	Peak Alarm Co. Inc. Salt Lake City	4.9	-0.3%	7,300	539 (R) 808 (C)	102	5
69 —	JMG Security Systems Inc. Fountain Valley, CA	4.7		2,500	75 (R) 365 (C)	23	1
70 •75	Sonitrol Tri-County Farmington Hills, MI	4.6	13.8%	3,485	42 (R) 484 (C)	58	3
71 •76	American Security Systems Inc. New York	4.5	13.1%	4,000	250 (R) 2,000 (C)	40	1
72 •70	All-Guard Alarm Systems Inc. Hayward, CA	4.4	-3.3%	7,206	285 (R) 264 (C)	48	2
73 •73	CPS (Corporate Protection Services)* Toledo, OH	4.4	-0.6%	10,390	620 (R) 475 (C)	46	1
74 •62	Homesafe Security Systems* Hunt Valley, MD	4.4	-17.0%	2,450	3,700 (R) 100 (C)	40	3
75 •79	Sonitrol Security Services Inc. Charlotte, NC	4.3	17.4%	3,000	30 (R) 200 (C)	45	3

KEY: e=SDM estimate R=residential C=commercial n/a=not available
 *: 73. CPS was acquired in 1998 by Blade Communications Inc., a communications holding company with telephone, cable TV, and publishing holdings; 74. Operates Global Marketing Concepts, which provides sales telemarketing service to security dealers.

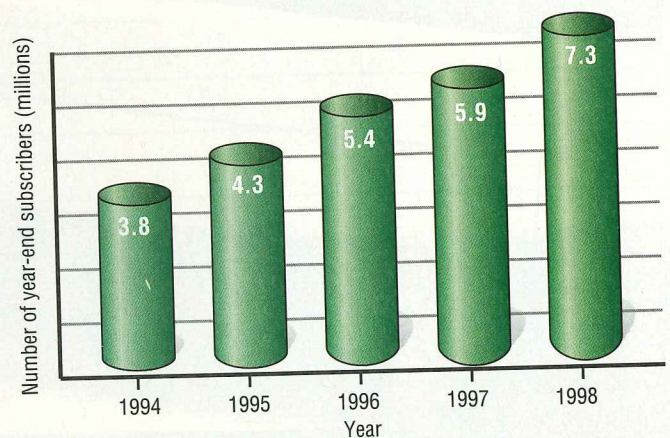
SDM 100 Sales Revenue by Product Category



*Including burg/fire average percentage of SDM 100 non-recurring revenue; based on responses from 86 firms. Source: SDM magazine, 1999

A majority of SDM 100 installation revenue traditionally comes from burglar alarm systems—59 percent in 1998. Access controls and CCTV each gained a percentage point in 1998 over 1997.

Subscriber Ownership Jumps 23 Percent



Source: SDM Magazine, 1999

SDM 100 firms owned more than 7 million subscriber contracts in 1998, up 23 percent from 1997. Acquisitions played a large part: at least 1.19 million subscribers changed hands.

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The 1999 SDM 100

Rank 1999•1998	Company, Locations	Gross Revenue 1998 (\$ millions)	Growth Rate '97 to '98	Subscribers (1998)	Installations (1998)	Full-time employees	Business locations
76 —	Custom Security Systems Inc. Baton Rouge, LA	4.3		11,750	1,773 (R) 330 (C)	51	1
77 •90	Washington Alarm Inc. Seattle	3.7	23.4%	5,450	154 (R) 405 (C)	40	1
78 •77	Sonitrol of Tallahassee Inc. Tallahassee, FL	3.6	-6.2%	3,767	138 (R) 364 (C)	42	1
79 —	Matson Alarm Co. Inc. Fresno, CA	3.5		10,000	720 (R) 400 (C)	40	5
80 •84	Richmond Alarm Co. Richmond, VA	3.4	2.5%	6,200	275 (R) 340 (C)	50	2
81 •85	Associated Security Corp. East Hartford, CT	3.4	3.0%	8,000	150 (R) 200 (C)	30	2
82 •91	Custom Alarm* Rochester, MN	3.4	14.8%	4,000	290 (R) 270 (C)	30	5
83 •88	Sylvester's Security Alarms Inc. Santa Maria, CA	3.4	9.0%	6,420	436 (R) 461 (C)	51	3
84 •86	Sievers Company Cleveland, OH	3.4	7.1%	3,200	200 (R) 200 (C)	30	3
85 •83	Pacific Alarm Systems Inc. Culver City, CA	3.3	-3.0%	3,200	n/a	40	1
86 •87	Scarsdale Security Systems Scarsdale, NY	3.3	5.2%	3,820	182 (R) 546 (C)	43	1
87 •93	Global Security & Communication Inc.* Vancouver, WA	3.2	9.2%	6,839	1,334 (R) 23 (C)	n/a	4
88 —	Guard-O-Matic Inc. Tempe, AZ	3.1		6,700	n/a	30	1
89 —	Audio Sentry Corp. Fraser, MI	3.1		6,500	432 (R) 288 (C)	48	2
90 —	Southeastern Alarm Systems Greenville, SC	3.1		8,900	960 (R) 190 (C)	45	4
91 •89	Security Systems of America Pittsburgh	3.1	-0.3%	8,536	250 (R) 202 (C)	54	3
92 —	A-Com Protection Services Inc. Columbus, GA	2.9		7,300	600 (R) 150 (C)	37	2
93 •100	Sonitrol Mid-Atlantic Philadelphia	2.7	16.8%	2,000	20 (R) 340 (C)	16	1
94 •97	Sonitrol of New Orleans Inc. Metairie, LA	2.7	7.5%	1,587	27 (R) 168 (C)	33	1
95 •92	American Home Security Alexandria, VA	2.6	-10.6%	2,617	267 (R) 57 (C)	32	1
96 •94	Sonitrol of Chattanooga Inc. Chattanooga, TN	2.6	-7.4%	2,300	219 (R) ^e 219 (C) ^e	33	2
97 —	Safe Systems Inc. Boulder, CO	2.5		3,900	n/a	32	1
98 —	Sonitrol of Kalamazoo Inc. Kalamazoo, MI	2.3		3,842	156 (R) 250 (C)	24	1
99 —	Sonitrol of Tidewater Virginia Beach, VA	2.2		3,200	60 (R) 145 (C)	28	1
100 —	Triad Security Systems Union, NJ	2.2		3,620	102 (R) 303 (C)	15	1

KEY: e=SDM estimate R=residential C=commercial n/a=not available
 *: **82**. Recently completed new corporate building with UL- and FM-listed central station; **87**. New corporate headquarters

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Notable Acquisitions

Company: Alarmguard Inc.
When acquired: Jan. 1999
By: ADT Security Services
Purchase price: not available
1998 SDM 100 rank: 13

Company: Entergy Security Inc.
When acquired: Jan. 1999
By: ADT Security Services
Purchase price: not available
1998 SDM 100 rank: 9

Company: Midnight Security Network
When acquired: Nov. 1998
By: ADT Security Services
Purchase price: not available
1998 SDM 100 rank: 54

Company: Mutual Central Alarm Services Inc.
When acquired: Feb. 1998
By: Guardian Int'l Industries
Purchase price: \$14.5 million
1998 SDM 100 rank: 60

Company: Robinson Alarm Co.
When acquired: June 1998
By: ADT Security Services
Purchase price: not available
1998 SDM 100 rank: 42

Company: Sentry Protective
When acquired: March 1999
By: Alarmguard Inc.
Purchase price: \$26 million
1998 SDM 100 rank: 32

Company: Wells Fargo Alarm Services Inc.
When acquired: April 1998
By: ADT Security Services
Purchase price: not available
1998 SDM 100 rank: 3

Company: Westec Security's residential division
When acquired: Aug. 1998
By: Edison International
Purchase price: not available
1998 SDM 100 rank: 7

Rank by Installation Volume

RESIDENTIAL SYSTEMS				NON-RESIDENTIAL SYSTEMS			
Rank by Installation Volume	Company	Systems Installed (1998)	SDM 100 Rank	Rank by Installation Volume	Company	Systems Installed (1998)	SDM 100 Rank
1	Protection One	304,000	3	1	Protection One	16,000	3
2	ADT Security Services	210,000	1	2	Edison Security Services	5,000 ^e	6
3	Brink's Home Security Inc.	113,000	4	3	Bay Alarm Co.	4,500	9
4	Edison Security Services	70,000 ^e	6	4	Interface Security Systems	3,600	16
5	Slomin's Inc.	31,000	7	5	Guardian Alarm Co.	3,050	10
6	SLP Ventures LP	22,100	19	6	AFA Protective Systems	3,000	13
7	Guardian Protection Svcs Inc.	19,197	12	7	SMC (Sonitrol Management Corp.)	2,259	17
8	Protect America Inc.	19,000	15	8	SSD Systems/Kern Security Systems	2,011	25
9	Smith Alarm Systems	11,000	14	9	Per Mar Security Services	2,000	24
10	SCANA Security	8,373	62	10	American Security Systems Inc.	2,000	71
11	Guardian Alarm Co.	7,500	10	11	Alert Alarm of Hawaii	1,860	30
12	Security First	7,470	37	12	Smith Alarm Systems	1,500	14
13	Sentry Detection Inc.	7,400	22	13	Electronic Security Services Co. LP	1,092	28
14	Vector Security Inc.	6,144	11	14	Slomin's Inc.	1,000	7
15	Bay Alarm Co.	6,000	9	15	Sentry Alarm Systems of America Inc.	1,000	50
16	CPI Security Systems	5,801	60	16	Kimberlite Corp.	996	35
17	Protection Networks	5,071	31	17	Vector Security Inc.	951	11
18	Checkpoint Ltd. & Adelphia Security	4,683	27	18	Mountain Alarm	880	41
19	American Response	4,000	49	19	American Alarm & Communications Inc.	871	58
20	Homesafe Security Systems	3,700	74	20	Security First	830	37
21	Ackerman Security Systems	2,927	59	21	Peak Alarm Co. Inc.	808	68
22	Electronic Security Services Co. LP	2,880	28	22	First Alarm	800	42
23	General Security	2,800	44	23	Electronix Systems Central Station Alarms Inc.	789	66
24	Response USA Inc.	2,400	18	24	Guardian Protection Services Inc.	778	12
25	Guardian Int'l & Mutual Central Alarm	2,260	23	25	Alarm Detection Systems Inc.	778	21
26	Sentry Alarm Systems of America Inc.	2,000	50	26	Doyle Security Systems Inc.	710	29
27	Custom Security Systems Inc.	1,773	76	27	Custom Security Systems	675	52
28	AFA Protective Systems	1,600	13	28	Guardian Int'l & Mutual Central Alarm	640	23
29	Interface Security Systems	1,600	16	29	Security Corp.	638	33
30	Global Security & Communication Inc.	1,334	87	30	Response USA Inc.	600	18
31	World Wide Security—GC Alarm	1,300	57	31	Trans-Alarm Inc.	600	67
32	Mountain Alarm	1,041	41	32	Supreme Security Systems Inc.	555	43
33	Alert Alarm of Hawaii	1,021	30	33	Scarsdale Security Systems	546	86
34	Southeastern Alarm Systems	960	90	34	Security Equipment Inc.	525	63
35	Per Mar Security Services	900	24	35	Checkpoint Ltd. & Adelphia Security	520	27
36	Argus Security Systems Inc.	800	61	36	Ackerman Security Systems	516	59
37	American Alarm & Communications Inc.	791	58	37	Sonitrol of Silicon Valley	500	48
38	Safeguard Security Services Inc.	720	32	38	Sonitrol of Sacramento	495	64
39	Matson Alarm Co. Inc.	720	79	39	General Security	490	44
40	Supreme Security Systems Inc.	639	43	40	Sonitrol Tri-County	484	70
41	Security Equipment Inc.	620	63	41	CPS (Corporate Protection Services)	475	73
42	CPS (Corporate Protection Svcs)	620	73	42	Sylvester's Security Alarms Inc.	461	83
43	A-Com Protection Services Inc.	600	92	43	SLP Ventures LP	460	19
44	Peak Alarm Co. Inc.	539	68	44	Washington Alarm Inc.	405	77
45	Doyle Security Systems Inc.	450	29	45	World Wide Security—GC Alarm	400	57
46	Sylvester's Security Alarms Inc.	436	83	46	Argus Security Systems Inc.	400	61
47	SSD Systems/Kern Security Sys.	433	25	47	Matson Alarm Co. Inc.	400	79
48	Audio Sentry Corp.	432	89	48	JMG Security Systems Inc.	365	69
49	First Alarm	400	42	49	Sonitrol of Tallahassee Inc.	364	78
50	Central One	400	47	50	E.P.S. (Engineered Protection Systems)	342	38

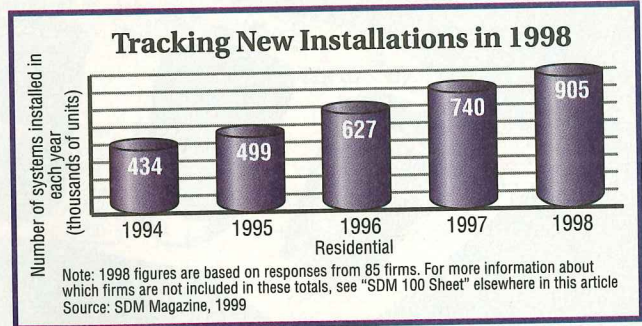
KEY: e=SDM estimate

The table above re-ranks SDM 100 companies by both residential (left column) and non-residential (right column) installation volume. The top 50 in each sector are ranked.

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Total residential system installations among the SDM 100 in 1998 were 22 percent higher than in 1997, reaching more than 900,000 systems. Several factors were involved: substantial increases for Protection One, Protect America, and SLP Ventures, among others; several previously ranked firms that for the first time reported installations to SDM; and a nearly 2-to-1 ratio of firms reporting new-installation gains versus those reporting declines in 1998. In the non-residential sector, a substantial decrease in new installations can be largely attributed to non-reporting by ADT.



Rank by Recurring Annual Revenue

Rank by Recurring Revenue	Company	Recurring Annual Revenue (1998) (\$ millions)	SDM 100 Rank	Rank by Recurring Revenue	Company	Recurring Annual Revenue (1998) (\$ millions)	SDM 100 Rank
1	ADT Security Services	1,100.00	1	35	Sonitrol of Silicon Valley	4.31	48
2	Protection One Inc.	454.80	3	36	Doyle Security Systems Inc.	4.30	29
3	SecurityLink from Ameritech	432.00 ^e	2	37	Safeguard Security Services Inc.	4.03	32
4	Brink's Home Security Inc.	181.20	4	38	All-Guard Alarm Systems Inc.	3.76	72
5	Edison Security Services	84.00 ^e	6	39	Sonitrol of Sacramento	3.45	64
6	Bay Alarm Co.	33.29	9	40	Sonitrol Security Systems of Buffalo Inc.	3.42	56
7	Guardian Alarm Co.	32.50	10	41	SCANA Security	3.30 ^e	62
8	Slomin's Inc.	30.57	7	42	Sentry Detection Inc.	3.29	22
9	Guardian Protection Services Inc.	29.35	12	43	Custom Security Systems	3.24	52
10	AFA Protective Systems	22.20	13	44	World Wide Security - GC Alarm	3.20	57
11	SMC (Sonitrol Management Corp.)	22.16	17	45	American Alarm & Communications Inc.	3.14	58
12	Smith Alarm Systems	21.36	14	46	Greater Alarm	3.10	39
13	Vector Security Inc.	21.00	11	47	Mountain Alarm	3.00	41
14	Response USA Inc.	19.68	18	48	Sylvester's Security Alarms Inc.	2.88	83
15	PSI (Protection Service Industries)	16.81	20	49	Southeastern Alarm Systems	2.87	90
16	SLP Ventures LP	15.30	19	50	Protect America Inc.	2.85	15
17	Guardian Int'l & Mutual Central Alarm	11.48	23	51	Custom Security Systems Inc.	2.82	76
18	Alarm Detection Systems Inc.	10.81	21	52	Electronix Systems Central Station Alarms Inc.	2.80	66
19	Interface Security Systems	10.24	16	53	Pacific Alarm Systems Inc.	2.72	85
20	DGA Security Systems Inc.	8.40	36	54	Ackerman Security Systems	2.67	59
21	Checkpoint Ltd. & Adelpia Security	8.21	27	55	Peak Alarm Co. Inc.	2.51	68
22	Per Mar Security Services	8.00	24	56	Washington Alarm Inc.	2.50	77
23	Kimberlite Corp.	7.49	35	57	Sonitrol Tri-County	2.43	70
24	Central One	6.90	47	58	Matson Alarm Co. Inc.	2.40	79
25	Electronic Security Services Co. LP	6.77	28	59	Sonitrol Security Services Inc.	2.36	75
26	General Security	6.44	44	60	Global Security & Communication Inc.	2.30	87
27	Supreme Security Systems Inc.	6.39	43	61	Sonitrol of Tallahassee Inc.	2.28	78
28	Fire Alarm Service Corp./E.P. Reid Inc.	5.00	26	62	Security Equipment Inc.	2.27	63
29	First Alarm	4.89	42	63	Security Corp.	2.24	33
30	CPI Security Systems	4.88	60	64	A-Com Protection Services Inc.	2.10	92
31	Sonitrol Security Systems of Hartford Inc.	4.85	45	65	Sentry Alarm Systems of America Inc.	2.00	50
32	E.P.S. (Engineered Protection Systems)	4.76	38	66	Richmond Alarm Co.	2.00	80
33	Post Alarm Systems Inc.	4.62 ^e	40				
34	Sonitrol Pacific	4.48	54				

KEY: e=SDM estimate

The table re-ranks SDM 100 companies by recurring annual revenue. Firms were asked to average their fourth-quarter 1998 recurring revenue and then annualize it. Not included are firms with less than \$2 million in recurring revenue, as well as firms that did not provide this information.

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1999 SDM 100 Alphabetical Index

Company	SDM 100 Rank	Company	SDM 100 Rank
A-Com Protection Services Inc.	92	Pacific Alarm Systems Inc.	85
Ackerman Security Systems	59	Peak Alarm Co. Inc.	68
ADT Security Services	1	Per Mar Security Services	24
AFA Protective Systems	13	Post Alarm Systems Inc.	40
Alarm Detection Systems Inc.	21	Protect America Inc.	15
Alert Alarm of Hawaii	30	Protection Networks	31
All-Guard Alarm Systems Inc.	72	Protection One Inc.	3
American Alarm & Communications Inc.	58	PSI (Protection Service Industries)	20
American Home Security	95	Response USA Inc.	18
American Response	49	Richmond Alarm Co.	80
American Security Systems Inc.	71	Safe Systems Inc.	97
Argus Security Systems Inc.	61	Safeguard Security Services Inc.	32
Associated Security Corp.	81	SCANA Security	62
Audio Sentry Corp.	89	Scarsdale Security Systems	86
Bay Alarm Co.	9	SDA Security Systems Inc.	46
Brink's Home Security Inc.	4	Security Corp.	33
Central District Alarm Inc.	51	Security Equipment Inc.	63
Central One	47	Security First	37
Checkpoint Ltd. & Adelphia Security	27	Security One Systems	53
Checkpoint Security Systems Group Inc.	8	Security Systems of America	91
CPI Security Systems	60	SecurityLink from Ameritech	2
CPS (Corporate Protection Services)	73	Sentry Alarm Systems of America Inc.	50
Custom Alarm	82	Sentry Detection Inc.	22
Custom Security Systems (Washington)	52	Sievers Company	84
Custom Security Systems Inc. (Louisiana)	76	Slomin's Inc.	7
Dallas Security Systems Inc./DSS Fire Inc.	34	SLP Ventures LP	19
DGA Security Systems Inc.	36	SMC (Sonitrol Management Corp.)	17
Doyle Security Systems Inc.	29	Smith Alarm Systems	14
E.P.S. (Engineered Protection Systems)	38	Sonitrol Mid-Atlantic	93
Edison Security Services	6	Sonitrol of Chattanooga Inc.	96
Electronic Security Services Co. LP	28	Sonitrol of Kalamazoo Inc.	98
Electronix Systems Central Station Alarms Inc.	66	Sonitrol of New Orleans Inc.	94
Fire Alarm Service Corp./E.P. Reid Inc.	26	Sonitrol of Sacramento	64
First Alarm	42	Sonitrol of Silicon Valley	48
General Security	44	Sonitrol of Tallahassee Inc.	78
George Alarm Co. Inc.	65	Sonitrol of Tidewater	99
Global Security & Communication Inc.	87	Sonitrol Pacific	54
Greater Alarm	39	Sonitrol Security Services Inc.	75
Guard-O-Matic Inc.	88	Sonitrol Security Systems of Buffalo Inc.	56
Guardian Alarm Co.	10	Sonitrol Security Systems of Hartford Inc.	45
Guardian Int'l & Mutual Central Alarm	23	Sonitrol Tri-County	70
Guardian Protection Services Inc.	12	Southeastern Alarm Systems	90
Homesafe Security Systems	74	SSD Systems/Kern Security Systems	25
Honeywell Inc., Home & Building Control	5	Supreme Security Systems Inc.	43
Interface Security Systems	16	Sylvester's Security Alarms Inc.	83
JMG Security Systems Inc.	69	Trans-Alarm Inc.	67
Kimberlite Corp.	35	Triad Security Systems	100
Koorsen Protection Services Inc.	55	Vector Security Inc.	11
Matson Alarm Co. Inc.	79	Washington Alarm Inc.	77
Mountain Alarm	41	World Wide Security - GC Alarm	57

SDM 100 on Disk

More complete SDM 100 information is available about each company, including the contact name, mailing address, telephone and fax numbers, Web site URL, branch office locations, and more. The diskette, which sells for \$295, comes in two versions:

Disk 1: Microsoft Access (database) and Excel (spreadsheet). (Note: this is one disk.)

Disk 2: ASCII (plain text).

To order, contact Diane Gnatek at **SDM**, telephone (847)390-2122, fax (847)390-2140, or e-mail your request to sdm@cahners.com.

Also look for unique coverage of the 1999 SDM 100 on the Web at www.sdmmag.com.

However, data available on the Web is not as complete as data on the for-sale diskette.