



Inc. The Handbook of the American Entrepreneur

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***Inc.* Magazine Reveals Its 26th Annual List of America's 500 Fastest-Growing Private Companies**

**California Is Fertile Ground For Entrepreneurs With 90 Inc. 500 Companies –
State Regains Top Spot**

**Washington, D.C.; New York City; San Francisco; Provo-Orem, Utah; and Austin
are Home to the Most Inc. 500 Companies**

**List Shows Environmental Services, Food & Beverage,
Media, Health, and Telecommunications
as Top Growth Industries**

NEW YORK, August 23, 2007 – *Inc.* magazine today announced its 26th annual Inc. 500 ranking of the fastest-growing private companies in the country. Topping the list this year is MemberHealth, a company that used Medicare's new Part D drug plan to benefit themselves. In 2006, it processed 52 million prescriptions and grew by one billion dollars.

The 2007 Inc. 500, as revealed in the September issue of *Inc.* magazine (on newsstands August 28 – October 2), reported aggregate revenue of \$16 billion and median three-year growth of 939 percent. The two largest companies on this year's Inc. 500 broke the billion dollar mark – No. 157 real estate developer MCZ Development (\$1.6 billion in revenue) and No. 1 MemberHealth (\$1.2 billion). Complete information on this year's Inc. 500, including company profiles and a list of the fastest-growing companies that can be sorted by industry and region can be found at www.inc.com/inc5000.

Most important, the 2007 Inc. 500 companies were engines of job growth, having created more than 64,064 jobs since those companies were founded.

"If you want to find out which companies are going to change the world, look at the Inc. 500," said *Inc.* Editor Jane Berentson. "These are the most innovative, dynamic, fast-growing companies in the nation, the ones coming up with solutions to some of our most intractable ills, creating systems that let us conduct business faster and easier, and manufacturing products we soon discover we can't live without. The Inc. 500 list is *Inc.* magazine's tribute to American business ingenuity and ambition."

Hottest Regions for Fastest-Growing Companies

After several years of losing ground to the Washington, D.C., area, California is flush with 90 Inc. 500 companies in 2007, up from 66 last year. Texas is home to 41 of the fastest-growing companies (up by nine), followed by Virginia with 35 (up one company from last year), and New York with 27 (down by seven companies), and Florida with 26 (up one company).

Washington, D.C., is the top metropolitan area for the fifth consecutive year, with 40 of the fastest-growing companies, down slightly from 43 last year. New York City is a close second,

with 39 (down three companies from last year), followed by San Francisco with 32 (up thirteen companies from last year), Los Angeles with 27 (up two companies), and Boston with 25 (up one company).

Interestingly, finance and advertising--two industries often associated with New York--contributed a quarter of California's total.

Hottest Industries for Fastest-Growing Businesses

The most notable median growth categories among *Inc.* magazine's list of the 500 fastest-growing businesses is in the Environmental Services category (which grew by 1,425.4 percent on average), followed by Food & Beverage (which grew by 1336.8 percent on average), Media (which grew by 1,179 percent on average), Health (which grew by 1,105.5 percent on average), and Telecommunications (which grew by 1,056.5 percent on average).

The largest business category is IT Services, with 56 Inc. 500 companies in this category. Advertising & Marketing (48 companies), Human Resources (50 companies), Software (39 companies) and Government Services (38 companies) round out the top five industries ranked on the 2007 Inc. 500.

Industries reporting the highest total revenue from 2003 – 2006 are Health (\$3.2 billion), Real Estate (\$2.1 billion), Advertising & Marketing (\$1.14 billion), Human Resources (\$883 million), and Retail (\$873.6 million).

Top 10 Inc. 500 Companies:

Rank	Company	Location	Industry	Year Founded	3-Year Revenue Growth	2006 Revenue
No. 1	MemberHealth	Solon, Ohio	Health	1998	20,128.9%	\$1.2 billion
No. 2	Cedar Point Communications	Derry, N.H.	Telecommunications	2000	14,853.3%	\$68.1 million
No. 3	Hospital Partners of America	Charlotte, N.C.	Health	2002	12,227.2%	\$348.9 million
No. 4	Genoptix Medical Laboratory	San Diego, CA	Health	1999	11,391.8%	\$24 million
No. 4	Red Ventures	Charlotte, N.C.	Advertising & Marketing	2000	9,470.5%	\$34 million
No. 5	Fusion Solutions	Addison, Texas	Human Resources	2002	9,301.7%	\$22 million
No. 6	Bill Me Later	Timonium, Md.	Business Services	2002	8,650.9%	\$53.6 million
No. 7	Groupware Technology	Campbell, Calif.	IT Services	1992	7,579.2%	\$58.9 million
No. 8	M Space Holdings	New York City	Construction	2002	6,402.1%	\$31.3 million
No. 9	By Light Professional IT Services	Arlington, V.A.	Government Services	2002	6,311.3%	\$13.3 million
No. 10	HydraMedia	Beverly Hills, CA	Advertising & Marketing	2001	6,030.8%	\$43.1 million

Top 10 Inc. 500 Companies Ranked by Revenue - Four of the top 10 are health care firms.
For the third consecutive year, all of the top 10 companies broke \$200 million.

Rank	Company	Location	Revenue	Industry
No. 157	MCZ Development	Chicago	\$1.6 billion	Real Estate
No. 1	MemberHealth	Solon, Ohio	\$1.2 billion	Health
No. 19	Vizio	Irvine, Calif.	\$676.6 million	Computers & Electronics
No. 115	Ancillary Care Management	Eden Prairie, Minn.	\$455.5 million	Health
No. 474	Zappos.com	Henderson, Nev.	\$380.8 million	Retail
No. 3	Hospital Partners of America	Charlotte, N.C.	\$348.9 million	Health
No. 416	Preferred Care Partners	Miami	\$289.5 million	Health
No. 466	Energy Alloys	Houston	\$263.7 million	Energy
No. 454	FirstComp	Omaha	\$214.5 million	Insurance
No. 296	Granite Telecommunications	Quincy, Mass.	\$206.6 million	Telecommunications

Methodology

The 2007 Inc. 500 list measures revenue growth from 2003 through 2006. To qualify, companies had to be U.S.-based and privately held, independent – not subsidiaries or divisions of other companies – as of December 31, 2006, and have had at least \$200,000 in revenue in 2003, and \$2 million in 2006.

Companies can apply for next year’s Inc. 500 and Inc. 5,000 by registering with IncBizNet, the new social network for private companies that will launch this fall on Inc.com.

Introducing the Inc. 5,000 – the Inc. 500, Plus 4,500 New Fast-Growing Companies

This year, Inc. expanded the Inc. 500 list tenfold, to create the first-ever Inc. 5,000, the most comprehensive look at the most important segment of the economy – America’s independent-minded entrepreneurs. Complete results of the Inc. 5,000 can be found at www.inc.com/inc5000, where you can scan profiles of honorees, view lists of the fastest-growing companies by industry and region, and sort the data according to your own parameters.

About Inc. magazine:

Founded in 1979 and acquired in 2005 by Mansueto Ventures, LLC., *Inc.* magazine (www.inc.com) is the only major business magazine dedicated exclusively to owners and managers of growing private companies that delivers real solutions for today’s innovative company builders. With a total paid circulation of 681,421, *Inc.* provides hands-on tools and market-tested strategies for managing people, finances, sales, marketing, and technology.

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