

May 2006

NEW DIRECTIONS FOR SECURITY SYSTEMS & INTEGRATION



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# STRONG BALANCED

Sales for the country's largest electronic security providers are being driven by a strong economy and demand from all market sectors.

By Laura E. Stepanek, Editor

hen the floodgates of demand for security finally opened in 2004, the industry's largest companies – acting as a barometer of the health of the industry – were ready to market and sell, closing out that year with 9 percent overall growth in gross revenue. It was a stunning success following the SDM 100's meager 2 percent growth during 2003.

Last year, the industry's largest firms — ranked here on *SDM* Magazine's 16th annual SDM 100 – performed exceptionally well, illustrating that the market is strong and balanced, and that it provided ample opportunities in most segments.

The objective of the SDM 100 is to measure consumer dollars captured by electronic security service providers. The majority of SDM 100 firms offer sales, installation, service, and monitoring. (A very few are considered non-traditional alarm companies in that they provide sales and installation only or monitoring only.)

Collectively, the 2005 revenue for this group

increased by 4 percent to \$6.7 billion. However, the showing of individual companies is much more telling of their performance. (No. 1, ADT Security Services, at 2.6 percent growth, under-performed compared with many of its peers and, as such, skewed overall growth rate.)

For example, among companies with which two years of revenue could be compared, 89 percent improved their revenues, while only 10 percent decreased and 1 percent was unchanged. Individually, this is the best performance by SDM 100 companies since 1997.

Further, 40 of the 100 firms achieved *double-digit* growth in 2005. (View performance data in the table that begins on page 60.)

Security executives described the 2005 market in terms that ranged from stable to outstanding. Even residential got a boost in 2005, although primarily through bundled systems rather than stand-alone burglar alarm systems.

"Security system sales were improved in 2005 versus 2004 in every key market segment: residential, small business, commercial and integrated systems," stated ASG Security, Beltsville, Md., which moved up from No. 22 to No. 16 this year. "Residential systems sales were extremely bountiful due to an exceptionally active real estate market. Commercial sales continued to be strong in the areas of access control systems and CCTV, in particular. Fire system sales remained steady and tracked with new construction growth in 2005.

"We experienced very good growth in the area of very large and integrated systems in the public and government sector with project wins like RFK Stadium (Home of the Washington Nationals) and Ft. Meade Army Base," ASG went on. The firm acquired five security companies and opened new branch operations. But just as important, it more than doubled its organic residential sales and increased commercial sales revenue by nearly 30 percent.

Firms on this exclusive report are ranked by their total gross revenue from security system sales/installation, service, leasing, and monitoring. They are also re-ranked by other indicators, such as

### EDITOR'S NOTE:

Questions about the SDM 100 must be sent in writing: SDM Magazine, Attn. Editor, BNP Media, 1050 IL Route 83, Suite 200, Bensenville, IL 60106. Questions and comments also may be faxed to the Editor at (248) 502-1031, or e-mailed to stepanekl@bnpmedia.com.

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recurring monthly revenue (RMR), and residential be crossing boundaries these days. and commercial installations.

ASG, which operates a central station and increased its account base by nearly 14,000 subscribers, is indicative of many others that benefited from above-average growth in recurring monthly revenue. The SDM 100, which many people outside of the industry identify with as the installation and monitoring segment of the industry, added 1.2 million subscribers and improved RMR by a significant 11 percent in 2005 over 2004. Dealers noted that the additional recurring revenue from remote video monitoring services has started to be counted, especially as video surveillance remains the hottest item among all product categories.

But as these traditional security dealers delve into higher-end commercial markets, there they meet the systems integrators – both parties seem to

"We feel the market remains strong and have noticed an increased interest in CCTV and biometric readers," notes Sonitrol Tri-County of Farmington Hills, Mich., No. 79. "We are seeing increased competition from building control companies, like Siemens and Johnson Controls, who are offering access control, CCTV and intrusion detection as

part of a complete package for a company's building automation system."

While there continues to be some blurring of what was once considered two distinct industries, there is no doubt that the SDM 100 will remain a dominant market force for the remainder of 2006 and beyond – especially as monitoring services take on a more important role in society.

Watch for the June issue for SDM's **Up-and-Comers in** Security - ranking the next tier of security firms just following the SDM 100!

# The SDM 100 in 2005: **Overall Analysis**

Total 2005 recurring monthly revenue (RMR): . . . . . . . \$385.12 million<sup>†</sup>

Total installations/sales revenue: ††

Residential sales revenue: . . . . . \$207.1 million Non-residential units: . . . . . . . . . . . . . . . . . 84,432

Non-residential sales revenue: . . \$452.8 million

705 part-time"

Number of companies acquired by SDM 100 firms: .... 43

Source: 2006 SDM 100, SDM Magazine, May 2006



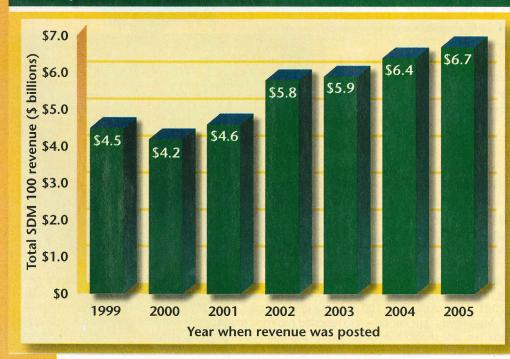
- Total annual (2005) revenue from electronic security system sales, installation, service, leasing, monitoring, and sales of subscriber accounts, as reported to SDM
- Total monthly recurring revenue, based on reported (or estimated) RMR of Dec 31, 2005. Based on responses (or estimates) from 97 firms. Not included: Icon Security, SDA Security, SSD Systems/Kern Security Systems.
- Access Systems Inc., Safeguard Security and Communications Inc., SD SSD Alarm Systems & Kern Security Systems. Residential/commercial pwas calculated among firms that reported all three data points (total, non-residential subscribers), and therefore does not include 10 firms.
- \*\* Based on responses from 99 firms. Not included: SSD Alarm Systems & Kern Security Systems.

The table, above, presents aggregate figures for the SDM 100 group of companies. In a \$27 billion industry (2005 total industry revenues based on SDM's Forecast Study), these top 100 firms captured \$6.68 billion in revenue – about 25 percent market share – and counted 10.87 million subscribers in 2005. Most of the SDM 100 firms are privately held. Submitting total revenue is required for ranking, but other figures are not required. Most firms – but not all – also reported recurring monthly revenue (RMR), number of subscriber accounts, and installation volume. Therefore, one should exercise caution in using this information to extrapolate industry totals or to benchmark. (See Footnotes above for more detailed information.)

RANK 2006	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER OF LOCATIONS
1	1	ADT Security Services Inc. Boca Raton, Fla.	\$4,000.00	2.6%	6,000,100e	\$233,871,898e	n/a	n/a	21,000	237
2	2	Brink's Home Security Inc. Irving, Texas	\$392.10	13.5%	1,018,800	\$29,100,000	n/a	n/a	3,300	66
3	3	Protection One Lawrence, Kan.	\$263.02	-2.3%	1,012,797	\$19,900,000	n/a	n/a	2,400	70
4	4	HSM Electronic Protection Services Inc. Lisle, III.	\$178.60	8.2%	161,000	\$8,750,000	n/a	n/a	1,110	49
5	5	Monitronics International Inc. Dallas, Texas	\$175.34	10.4%	485,933	\$15,600,000	n/a	n/a	560	1
6	7	Vector Security Inc. Pittsburgh, Pa.	\$142.00	14.5%	156,921	\$5,460,000	9,681	3,305	736	20
7	6	Slomin's Security Hicksville, N.Y.	\$139.86	11.5%	230,942	\$8,483,052	27,357	2,490	1,260	8
8	10	<b>Guardian Protection Services Inc.</b> Pittsburgh, Pa.	\$84.50	26.7%	156,551	\$4,656,571	24,309	940	810	15
9	9	Ranger American San Antonio, Texas	\$77.86	0.4%	5,820	\$141,005	42,651	870	1,017	14
10	11	Sonitrol Corp. Berwyn, Pa.	\$73.80	12.7%	40,748	\$4,126,887	0	4,000	507	25
11	12	Bay Alarm Company Pacheco, Calif.	\$70.30	9.8%	89,595	\$4,507,000	7,387	8,594	552	12
12	13	Interface Security Systems & The Greater Alarm Co. Earth City, Mo.	\$65.90	4.4%	82,742	\$2,734,644	7,739	6,363	621	24
13	14	AFA Protective Systems Inc. Syosset, N.Y.	\$65.32	7.8%	41,800	\$2,072,000	4,400	5,500	450	19
14	15	Guardian Alarm Co. Southfield, Mich.	\$49.15	0.1%	84,132	\$3,295,000	n/a	n/a	359	7

No. 1 – ADT Security Services Inc.'s subscribers and RMR are estimated by SDM. No. 4 – HSM Security was SDM's 2005 Dealer of the Year. No. 6 – Vector Security Inc. was SDM's 2003 Dealer of the Year. No. 8 – Guardian Protection Services Inc. was SDM's 1999 Dealer of the Year. No. 11 – Bay Alarm Company was SDM's 1998 Dealer of the Year.

# 4% Uptick in Total Revenue



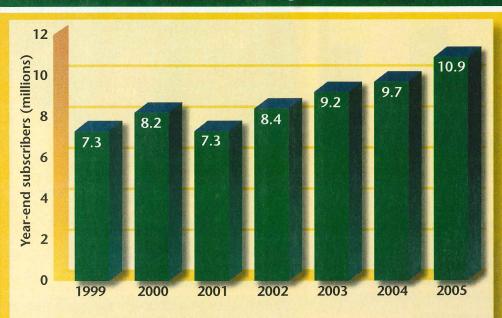
The SDM 100 grew revenue 4 percent in 2005 to reach \$6.68 billion, and dealers found the market to be strong and balanced with growth opportunities provided by all segments. This follows a 9 percent gain in 2004. However, because the total revenue of ADT Security Services so far exceeds that of the 99 other firms ranked, any aggregate growth rates tend to be skewed. If, for example, ADT were removed from the calculation, it would have resulted in 6 percent growth for the other 99 firms in 2005. Notable for the SDM 100 was that 89 percent had improved revenues in 2005, many in double-digit figures.

> Source: 2006 SDM 100, SDM Magazine, May 2006

	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER C LOCATION
15	16	Protect America Inc. Round Rock, Texas	\$38.40	7.3%	105,650	\$3,293,500	18,400	0	237	1
16	-22	ASG Security Beltsville, Md.	\$33.54	42.2%	60,313	\$2,003,083	9,280	3,539	396	9
17	18	Per Mar Security Services Davenport, Iowa	\$28.70	5.1%	38,345	\$959,104	952	4,248	296	21
18	21	Alarm Detection Systems Inc. Aurora, III.	\$27.82	9.2%	25,887	\$1,699,216	961	1,395	200	2
19	20	SSD Alarm Systems & Kern Security Systems Anaheim, Calif.	\$26.47	3.5%	n/a	n/a	n/a	n/a	n/a	9
20	24	CPI Security Systems Inc. Charlotte, N.C.	\$26.30	19.0%	51,643	\$1,720,406	8,775	486	285	4
21	23	ADS Security LP Nashville, Tenn.	\$25.18	8.7%	54,105	\$1,269,990	3,164	1,605	207	12
22	27	Central Security Group Inc. Tulsa, Okla.	\$22.59	28.5%	69,553	\$1,936,876	1,290	323	167	4
23	19	SAFE Security San Ramon, Calif.	\$20.50	-23.8%	64,250	\$1,700,000	1,000	0	75	1
24	26	<b>Mountain Alarm</b> Ogden, Utah	\$19.94	12.1%	25,303	\$712,000	515	1,098	128	7
25	25	Safeguard Security and Communications Inc. Scottsdale, Ariz.	\$19.83	3.7%	n/a	\$620,206	900	600	127	3
26	32	Firstline Security Orem, Utah	\$18.05	30.3%	3,371	\$134,807	11,500	0	1,576	1
<b>27</b>	29	Dallas Security Systems Inc. & DSS Fire Inc. Dallas, Texas	\$16.45	9.6%	6,570	\$122,549	35	800	190	1
28	30	Engineered Protection Systems Inc Grand Rapids, Mich.	. \$16.06	9.9%	14,074	\$837,150	n/a	n/a	157	6
29	-	Devcon Security Services Corp. Boca Raton, Fla.	\$16.00		116,500	\$2,400,000	5,000	1,200	278	10

No. 20 – CPI Security Systems Inc. was SDM's 2000 Dealer of the Year. No. 24 – Mountain Alarm was SDM's 1996 Dealer of the Year. No. 25 – Safeguard Security and Communications Inc. was SDM's 2002 Dealer of the Year.

# 1.2 Million Net Customers Brought on in 2005



In 2004 SDM 100 companies increased their subscriber base by one-half million customers to 9.7 million. Subscriber growth in 2005 was even more robust, growing nearly 12 percent to 10.9 million. The No. 1 firm, ADT Security Services, stands at more than 6 million subscribers alone (this is an estimated figure), while Nos. 2 and 3 (Brink's Home Security and Protection One) each count more than 1 million customers.

Source: 2006 SDM 100, SDM Magazine, May 2006



RANK 2006	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, FULL TI NON-RES. 2005 EMPLOY	
30	35	Safe Home Security Inc. Rocky Hill, Conn.	\$15.39	16.1%	40,506	\$1,350,950	0	7,758 1	18 4
31	34	Kimberlite Corp. Fresno, Calif.	\$15.36	14.0%	6,693	\$846,431	50	558 1	06 6
32	36	Ackerman Security Systems Atlanta, Ga.	\$15.24	24.8%	29,928	\$565,678	6,251	1,162 1	30 1
33	31	Matrix Security Group Inc. Wilmington, Del.	\$15.21	9.3%	34,720	\$937,458	1,459	306 1	40 10
34	33	First Alarm Aptos, Calif.	\$14.49	5.4%	n/a	\$673,500	515	1,223 1	13 6
35	37	American Alarm & Communications Inc. Arlington, Mass.	\$14.33	18.6%	18,887	\$554,530	1,694	1,919 1	18 3
36	45	Defender Security Co. Indianapolis, Ind.	\$11.93	29.2%	3,200	\$121,600	6,207	75	90 14
37	38	Alert Alarm of Hawaii Honolulu, Hawaii	\$11.80	3.3%	16,230	\$656,470	1,243	828	84 4
38	39	General Security Inc. Plainview. N.Y.	\$11.59	2.0%	38,693	\$878,482	1,878	963 1	32 8

No. 31 – Kimberlite Corp., doing business as Sonitrol of NW Los Angeles/Ventura Co., Sonitrol of Bakersfield, Sonitrol of Fresno, Sonitrol of Modesto, Sonitrol of Stockton, Sonitrol of Oakland, Sonitrol of So. Alameda Co., Sonitrol of Berkeley/Richmond, Sonitrol of Contra Costa Co., Sonitrol of San Francisco, Sonitrol of Napa/Solano Cos., Sonitrol of Marin/Sonoma Cos. No. 33 – Matrix Security Group Inc. also does business as SafeGuard Security in North and South Carolina. All figures are for Matrix and SafeGuard combined. 🍍 No. 34 – Approximately 15 percent of First Alarm's revenue stems from its Security and Patrol Div., as it directly relates to alarm company activity. Total company revenue is \$25.92 million.

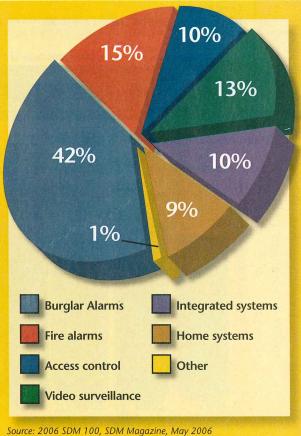
## Very Brisk 11% Growth in RMR



Above: Recurring monthly revenue (RMR) - a prime revenue category for SDM 100 companies - improved more than 11 percent in 2005, following an 8 percent increase in 2005. Total RMR in 2005 was \$385.1 million. At right: As burglar alarm systems are now more often sold as part of an integrated security system, this stand-alone product category continues to decrease (from 46 percent in 2004 to 42 percent in 2005). Picking up points as a percentage of total revenue are the categories of video surveillance, access control, integrated commercial systems, and integrated home systems.

Source: 2006 SDM 100, SDM Magazine, May 2006

# Revenue Sources Spread Broadly for SDM 100 Dealers

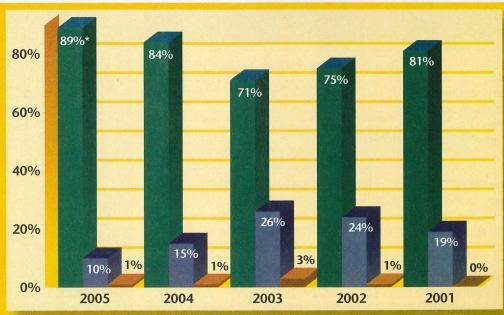




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	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER OF LOCATIONS
39	68	Trans-Alarm Inc. & Automated Entrance Products Inc. Burnsville, Minn.	\$10.97	82.8%	6,008	\$273,309	42	283	100	1
40	47	<b>JMG Security Systems Inc.</b> Fountain Valley, Calif.	\$10.88	21.0%	4,359	\$278,087	15	475	41	1
41	40	Supreme Security Systems Inc. Union, N.I.	\$10.67	5.9%	10,315e	\$562,433	165	725	94	1
42	41	Sonitrol of Sacramento & Sonitrol Orange County Roseville, Calif.	\$10.60	7.9%	3,550	\$545,873	9	380	57	2
43	-	Vintage Security LLC Jessup, Md.	\$10.38		6,883	\$189,442	1,882	350	73	2
44	46	<b>Security Solutions Inc.</b> Garner, N.C.	\$9.85	8.7%	4,353	\$121,240	3,619	381	74	5
45	105	Icon Security Inc. Provo, Utah	\$9.79	226.4%	82	n/a	7,247	8	305	15
46	42	Sonitrol Security Systems of Hartford Inc. & Sonitrol Security Rocky Hill, Conn.	\$9.55 Systems of Rho	-2.0% ode Island	12,789	\$488,930	66	402	63	2
47	43	SecureNet Alarm Systems Inc. Wichita, Kan.	\$9.51	2.3%	27,083	\$628,000	n/a	n/a	128	8
48	49	A-1 Security Ltd. Las Vegas, Nev.	\$9.49	12.2%	7,103	\$252,729	943	1,268	90	2
49	-	SDA Security San Diego, Calif.	\$9.40		n/a	n/a	n/a	n/a	93	2
50	44	Sonitrol Pacific Portland, Ore.	\$9.36	1.2%	4,435	\$647,934	15	400	86	5
51	50	Sonitrol Security Systems of Buffalo Inc. Buffalo, N.Y.	\$8.83	5.1%	5,907	\$413,000	20	251	96	3

No. 39 – SDM's 2001 Dealer of the Year. The consolidated revenues of Trans-American Security Services (the parent holding company of Trans-Alarm and Automated Entrance Products) for 2005 is \$15,864,234. The \$10,970,248 of revenues reported for the SDM 100 represents the sum of revenues received from alarm and monitoring services. The remaining are revenues from integrated systems and related services and will be reported on SDM's 2006 Top Systems Integrators Report. No. 41 – Supreme Security Systems Inc.'s number of subscribers is estimated. Due to a computer conversion, total subscriber count is not available.

# 9 in 10 Firms Build upwards



\* Calculation is based on 91 firms from which prior-year data were supplied and could be compared. Source: 2006 SDM 100, SDM Magazine, May 2006

Percentage of SDM 100 firms with positive growth

Percentage of SDM 100 firms with negative growth

Percentage of SDM 100 firms with no growth

Since 1997, there hasn't been a better year than 2005 for SDM 100 firms in general. For those companies for which prior-year data were available, 89 percent increased their revenue, while only 10 percent decreased and 1 percent was unchanged.



RANK 2006		COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER OF LOCATIONS
52	51	<b>Doyle Security Systems Inc.</b> Rochester, N.Y.	\$8.78	6.2%	16,550	\$432,254	1,019	680	81	4
53	48	Custom Security Systems Lacey, Wash.	\$8.78	-0.4%	9,544	\$446,505	450	800	110	3
54	67	Blue Ridge Security Systems Inc. Anderson, S.C.	\$8.21	36.3%	30,584	\$292,300	533	934	61	3
55	53	New York Merchants Protective Co. Inc. Freeport, N.Y.	\$7.88	10.0%	9,536	\$586,957	267	839	76	2
56	63	Koorsen Fire & Security Inc. Indianapolis, Ind.	\$7.81	18.0%	4,677	\$105,050	97	228	600	19
57	61	Scarsdale Security Systems Inc. Scarsdale, N.Y.	\$7.69	13.1%	9,169	\$244,996	267	1,007	70	1
58	-	National Guardian Security Services Inc. Norwalk, Conn.	\$7.65		7,300	\$160,000	9 .	1,801	89	6
59	60	Vyanet Security Group Eugene, Ore.	\$7.55	10.5%	12,367	\$439,030	149	729	38	4
60	62	Post Alarm Systems Inc. Arcadia, Calif.	\$7.50	10.6%	11,600	\$440,000	526	0	56	2
61	57	All-Guard Systems Inc. Hayward, Calif.	\$7.35	6.4%	8,237	\$452,000	572	307	49	2
62	56	CS Security & Sound Palm Desert, Calif.	\$7.28	5.1%	927	\$15,781	481	35	68	2
63	52	Ultraguard Protective Systems Inc Woburn, Mass.	\$7.22	-3.4%	7,500	\$222,000	300	1,025	63	1
64	54	Custom Alarm Rochester, Minn.	\$7.20	0.8%	4,704	\$152,200	190	713	60	3

No. 52 – Doyle Security Systems Inc. was SDM's 1997 Dealer of the Year. No. 56 – Koorsen Fire & Security Inc. does not include fire alarm sales and service. Total company revenue is \$17.97 million. No. 64 – Custom Alarm was SDM's 1995 Dealer of the Year.

# **Top 20 Ranked by Residential Customers**

COMPANY	NUMBER OF RESIDENTIAL SUBSCRIBERS
Brink's Home Security Inc	978,048
Monitronics International Inc	
Slomin's Security	
Guardian Protection Services Inc	
Vector Security Inc	
Protect America Inc	
Devcon Security Services Corp	75,725
HSM Electronic Protection Services Inc	
Central Security Group Inc	
Interface Security Systems & The Greater Alarm Co	
SAFE Security	
ASG Security	
CPI Security Systems Inc	
Bay Alarm Company	
Guardian Alarm Co	
Safe Home Security Inc	
ADS Security LP	
General Security Inc	
Matrix Security Group Inc	
Ackerman Security Systems	

Note: ADT did not report a 2005 residential subscriber number; in 2004, ADT reported 4,251,332 residential subscribers. Source: 2006 SDM 100, SDM Magazine, May 2006



RANK 2006	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER OF LOCATIONS
65	59	Alarmco Inc.	\$7.04	2.2%	13,017	\$443,594	299	749	93	1
66	64	Las Vegas, Nev. Rimi Security Systems Inc.	\$7.01	6.5%	1,970	\$39,417	2,540	10	60	3
67	58	Simi Valley, Calif.  Electronix Systems Central  Station Alarms Inc.	\$7.00	1.4%	11,154	\$322,292	455	535	75	1
68	65	Huntington Station, N.Y.  Matson Alarm Co. Inc.	\$6.95	11.3%	15,642	\$376,699	360	700	51	5
69	93	Fresno, Calif.  Fire Protection Inc.	\$6.80	88.7%	3,150	\$125,000	n/a	n/a	33	3
70	72	Everett, Wash.  American Security Systems Inc.	\$6.69	20.2%	5,224	\$310,000	200	200	48	-1
71	66	Long Island City, N.Y.  Sonitrol of Tallahassee Inc.	\$6.46	5.8%	4,572	\$318,356	n/a	n/a	43	3
72	86	Tallahassee, Fla. Simpson Security Systems Inc.	\$6.37	54.6%	2,131	\$41,226	94	67	82	2
73	55	Alexandria, La.  Intelli-Tec Security Services LLC	\$6.36	-10.5%	4,000	\$160,653	190	150	32	1
74	69	Westbury, N.Y.  EMC Security  Lawrenceville, Ga.	\$6.35	7.7%	13,228	\$213,675	4,454	800	44	1
75	73	American Home Security Alexandria, Va.	\$6.30	13.8%	2,346	\$101,689	1,724	142	51	1
76	70	Security Equipment Inc. Omaha, Neb.	\$6.10	3.9%	11,574	\$436,898	700	700	114	4
77	75	A-Com Protection Services Inc. Columbus, Ga.	\$5.88	10.9%	9,651	\$257,135	763	201	52	2
78	81	World Wide Security/GC Alarm Garden City, N.Y.	\$5.80	28.9%	8,500	\$230,000	300	200	51	1

No. 76 – Security Equipment Inc.'s total 2005 revenue is \$14.49 million, of which \$6.1 million represents the alarm and monitoring business segment and \$14.5 million represents the integrated systems business segment and will be reported on SDM's 2006 Top Systems Integrators Report

# Top 20 Ranked by Non-Residential Customers

COMPANY NUMBER OF NON-RESIDENTIAL SUBSCRIBERS
HSM Electronic Protection Services Inc
Pay Alarm Company 43,102
Daycon Security Services Corp
Prink's Home Security Inc
Guardian Alarm Co
Monitronics International Inc
Vector Security Inc
Sonitrol Corn
Interface Security Systems & The Greater Alarm Co
AFA Protective Systems Inc
Per Mar Security Services
ADS Security I P
Slomin's Security
Mountain Alarm
Alarm Detection Systems Inc
ASG Security
SAFE Security
Blue Ridge Security Systems Inc
Alarmco Inc
General Security Inc

Note: ADT did not report a 2005 non-residential subscriber number; in 2004, ADT reported 946,456 non-residential subscribers. Source: 2006 SDM 100, SDM Magazine, May 2006

# The 16th Annual

	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER OF LOCATIONS
79	71	Sonitrol Tri-County Farmington Hills, Mich.	\$5.70	-1.2%	4,760	\$285,544	14	406	44	3
80	-	Intelligent Access Systems Inc. Atlanta, Ga.	\$5.61		n/a	\$43,000	0	100	17	2
81	78	Acadiana Security Plus Broussard, La.	\$5.48	9.5%	7,546	\$209,235	553	195	50	1
82	124	Guard-O-Matic Inc. Tempe, Ariz.	\$5.30	0.0%	1,700	\$31,220	2,200	100	47	2
83	76	Security Alliance Command Cente Lynchburg Alarm Co. Richmond, Va.	r, \$5.28	0.8%	5,700	\$227,076	300	300	58	2
84	80	Sonitrol of Southwest Ohio Cincinnati, Ohio	\$5.25	14.4%	3,281	\$260,665	150	207	38	2
85	77	Peak Alarm Co. Inc. Salt Lake City, Utah	\$5.20	2.8%	8,802	\$258,179	320	811	55	4
86	79	Moon Security Services Inc. Pasco, Wash.	\$5.19	12.7%	3,986	\$163,023	155	240	61	3
87	-	Security Networks West Palm Beach, Fla.	\$5.00		23,000	\$860,000	n/a	n/a	60	5
88	87	Safe Systems Inc. Boulder, Colo.	\$4.89	20.3%	7,400	\$201,134	n/a	n/a	37	1
89	89	Sentry Alarm Systems Monterey, Calif.	\$4.59	14.2%	7,000	\$231,470	142	151	39	2
90	-	Security Systems of America Pittsburgh, Pa.	\$4.58		8,432	\$202,769	n/a	n/a	46	4

RANK BY STALLATI VOLUME	ION	RESIDENTIAL SYSTEMS INSTALLED, 2005	SDM 100 RANK	RANK BY INSTALLAT VOLUMI	ION	RESIDENTIAL SYSTEMS INSTALLED, 2005	SDM 100 RANK
1	Ranger American	42,651	9	26	Crime Prevention Security Systems LLC	1,411	97
2	Slomin's Security	27,357	7	27	Central Security Group Inc.	1,290	22
3	Guardian Protection Services Inc.	24,309	8	28	Alert Alarm of Hawaii	1,243	37
4	Protect America Inc.	18,400	15	29	Doyle Security Systems Inc.	1,019	52
5	Firstline Security	11,500	26	30	SAFE Security	1,000	23
6	Vector Security Inc.	9,681	6	31	Alarm Detection Systems Inc.	961	18
7	ASG Security	9,280	16	32	Per Mar Security Services	952	17
8	CPI Security Systems Inc.	8,775	20	33	A-1 Security Ltd.	943	48
9	Interface Security Systems & The Greater Alarm Co.	7,739	12	34	Safeguard Security and Communications Inc.	900	25
10	Bay Alarm Company	7,387	11	35	A-Com Protection Services Inc.	763	77
11	Icon Security Inc.	7,247	45	36	Security Equipment Inc.	700	76
12	Ackerman Security Systems	6,251	32	37	All-Guard Systems Inc.	572	61
13	Defender Security Co.	6,207	36	38	Acadiana Security Plus	553	8
14	Devcon Security Services Corp.	5,000	29	39	Blue Ridge Security Systems Inc.	533	54
15	EMC Security	4,454	74	40	Post Alarm Systems Inc.	526	60
16	AFA Protective Systems Inc.	4,400	13	41	Mountain Alarm	515	24
17	Security Solutions Inc.	3,619	44	42	First Alarm	515	34
18	ADS Security LP	3,164	21	43	CS Security & Sound	481	6.
19	Rimi Security Systems Inc.	2,540	66	44	Electronix Systems Central Station Alarms Inc.	455	6
20	Guard-O-Matic Inc.	2,200	82	45	Custom Security Systems	450	5
21	Vintage Security LLC	1,882	43	46	Advent Security Corp.	438	9
22	General Security Inc.	1,878	38	47	Matson Alarm Co. Inc.	360	6
23	American Home Security	1,724	75	48	Amherst Alarm Inc.	325	9
24	American Alarm & Communications Inc.	1,694	35	49	Peak Alarm Co. Inc.	320	8
25	Matrix Security Group Inc.	1,459	33	50	Ultraguard Protective Systems Inc.	300	6

# The 16th Annual

RANK 2006	RANK 2005	COMPANY	GROSS REVENUE 2005 (\$ MIL.)	+/- FROM PRIOR YEAR	SUBSCRIBERS 2005	RMR 12/05	INSTALLS, RES. 2005	INSTALLS, NON-RES. 2005	FULL TIME EMPLOYEES	NUMBER OF LOCATIONS
91	88	Global Security & Communication Inc. Vancouver, Wash.	\$4.40	9.2%	6,125	\$181,208	n/a	n/a	40	4
92	83	Washington Alarm Inc. Seattle, Wash.	\$4.39	4.1%	5,379	\$253,952	48	182	36	1
93	90	Fleenor Security Systems Knoxville, Tenn.	\$4.22	8.0%	2,660	\$71,443	n/a	n/a	49	1
94	-	Amherst Alarm Inc. Amherst, N.Y.	\$4.21		14,940	\$161,000	325	80	57	1
95	91	Audio Sentry Corp. Fraser, Mich.	\$4.13	13.2%	6,746	\$140,471	82	249	48	2
96	-	Advent Security Corp. Oreland, Pa.	\$4.13		6,805	\$218,480	438	63	34	1
97	96	Crime Prevention Security Systems LLC Gainesville, Fla.	\$4.12	18.7%	5,608	\$148,527	1,411	292	39	2
98	85	Sonitrol of Indianapolis Inc. Indianapolis, Ind.	\$4.11	-1.2%	1,930	\$203,850	7	210	30	1
99	84	Century Tel Security Systems Inc. Monroe, La.	\$4.06	-3.5%	9,206	\$166,372	n/a	n/a	49	3
100	94	Sonitrol Security of Pittsburgh Pittsburgh, Pa.	\$3.91	10.2%	3,054	\$145,833	15	223	32	1

NK BY	RANK BY NON-	NON-RESIDENTIAL INSTALLATION	SDM 100	RANK BY	( ION	NON-RESIDENTIAL INSTALLATION	SDM 100
ALLATI VENUE		REVENUE, 2005	RANK	REVENUI		REVENUE, 2005	RANI
1	HSM Electronic Protection Services Inc.	\$64,400,000	4	26	Intelligent Access Systems Inc.	\$4,145,000	80
2	Vector Security Inc.	\$51,900,000	6	27	Simpson Security Systems Inc.	\$4,091,495	72
3	AFA Protective Systems Inc.	\$31,000,000	13	28	Engineered Protection Systems Inc.	\$4,000,000	28
4	Interface Security Systems & The Greater Alarm Co.	\$26,081,072	12	29	Sonitrol of Sacramento & Sonitrol Orange County	\$3,934,000	42
5	Sonitrol Corp.	\$22,445,437	10	30	First Alarm	\$3,773,000	34
6	Slomin's Security	\$18,447,441	7	31	Sonitrol Security Systems of Buffalo Inc.	\$3,418,700	5
7	Per Mar Security Services	\$13,866,000	17	32	Ultraguard Protective Systems Inc.	\$3,100,000	6
8	Dallas Security Systems Inc. & DSS Fire Inc.	\$12,028,429	27	33	Sonitrol Security Systems of Hartford Inc.		
9	Devcon Security Services Corp.	\$12,000,000	29		& Sonitrol Security Systems of Rhode Island	\$3,055,891	4
10	Bay Alarm Company	\$9,359,000	11	34	Supreme Security Systems Inc.	\$3,032,000	4
11	Mountain Alarm	\$8,600,000	24	35	Scarsdale Security Systems Inc.	\$3,005,069	5
12	Trans-Alarm Inc. & Automated			36	Sonitrol Pacific	\$2,700,000	5
	Entrance Products Inc.	\$7,901,341	39	37	Intelli-Tec Security Services LLC	\$2,700,000	7
13	Security Equipment Inc.	\$7,579,377	76	38	Post Alarm Systems Inc.	\$2,500,000	6
14	Guardian Protection Services Inc.	\$7,498,464	8	39	American Security Systems Inc.	\$2,250,000	7
15	Safeguard Security and Communications Inc.	\$7,200,000	25	40	CPI Security Systems Inc.	\$2,200,000	2
16	JMG Security Systems Inc.	\$6,900,000	40	41	Electronix Systems Central Station Alarms Inc.	\$2,170,000	6
17	ASG Security	\$6,800,000	16	42	Sonitrol Security of Pittsburgh	\$2,111,652	10
18	Alarm Detection Systems Inc.	\$5,967,489	18	43	Moon Security Services Inc.	\$2,074,863	8
19	ADS Security LP	\$5,780,195	21	44	Custom Alarm	\$2,067,000	6
20	Blue Ridge Security Systems Inc.	\$5,700,000	54	45	Custom Security Systems	\$2,062,863	
21	American Alarm & Communications Inc.	\$5,638,245	35	46	Fleenor Security Systems	\$2,015,689	9
22	National Guardian Security Services Inc.	\$5,600,000	58	47	Audio Sentry Corp.	\$1,985,758	ç
23	Kimberlite Corp.	\$4,757,364	31	48	A-1 Security Ltd.	\$1,949,381	
24	Ackerman Security Systems	\$4,413,022	32	49	Sonitrol Tri-County	\$1,883,400	
25	Matrix Security Group Inc.	\$4,346,000	33	50	Peak Alarm Co. Inc.	\$1,765,000	



RANK	KANK B	RMR 12/31/05	SUBSCRIBERS YEAR-END	SDM 100	RANK BY	ONTHLY REVENUE	RMR 12/31/05	SUBSCRIBERS YEAR-END	SDM 100
BY RMR	COMPANY	(\$ MIL)	2005	RANK	RMR	COMPANY	(\$ MIL)	2005	RANK
1	ADT Security Services Inc. \$	233.87e	6,000,100e	1	56	Trans-Alarm Inc. & Automated			
2	Brink's Home Security Inc.	\$29.10	1,018,800	2		Entrance Products Inc.	\$0.27	6,008	39
3	Protection One	\$19.90	1,012,797	3	57	Sonitrol of Southwest Ohio	\$0.26	3,281	84
4	Monitronics International Inc.	\$15.60	485,933	5	58	Peak Alarm Co. Inc.	\$0.26	8,802	85
5	HSM Electronic Protection Services Inc.	\$8.75	161,000	4	59	A-Com Protection Services Inc.	\$0.26	9,651	77
6	Slomin's Security	\$8.48	230,942	7	60	Washington Alarm Inc.	\$0.25	5,379	92
7	Vector Security Inc.	\$5.46	156,921	6	61	A-1 Security Ltd.	\$0.25	7,103	48
B	Guardian Protection Services Inc.	\$4.66	156,551	8	62	Scarsdale Security Systems Inc.	\$0.24	9,169	57
9	Bay Alarm Company	\$4.51	89,595	11	63	Sentry Alarm Systems	\$0.23	7,000	89
10	Sonitrol Corp.	\$4.13	40,748	10	64	World Wide Security/GC Alarm	\$0.23	8,500	78
11	Guardian Alarm Co.	\$3.30	84,132	14	65	Security Alliance Command Center,			
12	Protect America Inc.	\$3.29	105,650	15		Lynchburg Alarm Co.	\$0.23	5,700	83
13	Interface Security Systems				66	Ultraguard Protective Systems Inc.	\$0.22	7,500	63
	& The Greater Alarm Co.	\$2.73	82,742	12	67	Advent Security Corp.	\$0.22	6,805	96
4	Devcon Security Services Corp.	\$2.40	116,500	29	68	EMC Security	\$0.21	13,228	74
5	AFA Protective Systems Inc.	\$2.07	41,800	13	69	Acadiana Security Plus	\$0.21	7,546	81
	Matter Control (Control (Contr	\$2.00	60,313	16	70	Sonitrol of Indianapolis Inc.	\$0.20	1,930	98
6	ASG Security	\$1.94		22	71	Security Systems of America	\$0.20	8,432	90
7	Central Security Group Inc.	\$1.72	69,553 51,643	20	72	Safe Systems Inc.	\$0.20	7,400	88
8	CPI Security Systems Inc.				73		\$0.20	6,883	43
19	SAFE Security	\$1.70	64,250	23	G SHEEDSELV	Vintage Security LLC	\$0.19	6,125	91
20	Alarm Detection Systems Inc.	\$1.70	25,887	18	74	Global Security & Communication Inc.	\$0.18	9,206	99
21	Safe Home Security Inc.	\$1.35	40,506	30	75	Century Tel Security Systems Inc.		SOURCE SECURITION OF STREET	
2	ADS Security LP	\$1.27	54,105	21	76	Moon Security Services Inc.	\$0.16	3,986	86
23	Per Mar Security Services	\$0.96	38,345	17	77	Amherst Alarm Inc.	\$0.16	14,940	94
4	Matrix Security Group Inc.	\$0.94	34,720	33	78	Intelli-Tec Security Services LLC	\$0.16	4,000	73
25	General Security Inc.	\$0.88	38,693	38	79	National Guardian Security Services Inc.	\$0.16	7,300	58
26	Security Networks	\$0.86		87	80	Custom Alarm	\$0.15	4,704	64
27	Kimberlite Corp.	\$0.85	6,693	31	81	Crime Prevention Security Systems LLC	\$0.15	5,608	97
8	Engineered Protection Systems Inc.	\$0.84	14,074	28	82	Sonitrol Security of Pittsburgh	\$0.15	3,054	
29	Mountain Alarm	\$0.71	25,303	24	83	Ranger American	\$0.14	5,820	9
0	First Alarm	\$0.67	n/a	34	84	Audio Sentry Corp.	\$0.14	6,746	95
31	Alert Alarm of Hawaii	\$0.66	16,230	37	85	Firstline Security	\$0.13	3,371	26
32	Sonitrol Pacific	\$0.65	4,435	50	86	Fire Protection Inc.	\$0.13	3,150	69
33	SecureNet Alarm Systems Inc.	\$0.63	27,083	47	87	Dallas Security Systems Inc. & DSS Fire Inc.	\$0.12	6,570	DOMESTIC STATES
34	Safeguard Security and Communications Inc	\$0.62	n/a	25	88	Defender Security Co.	\$0.12	3,200	36
35	New York Merchants Protective Co. Inc.	\$0.59	9,536	55	89	Security Solutions Inc.	\$0.12	4,353	
36	Ackerman Security Systems	\$0.57		32	90	Koorsen Fire & Security Inc.	\$0.11	4,677	56
37	Supreme Security Systems Inc.	\$0.56		41	91	American Home Security	\$0.10	2,346	75
	American Alarm & Communications Inc.	\$0.55		35	92	Fleenor Security Systems	\$0.07	2,660	93
39	Sonitrol of Sacramento				93	AN ADMINISTRAÇÃO DE ANTA DE AN	\$0.04	n/a	80
	& Sonitrol Orange County	\$0.55	3,550	42	94		\$0.04	2,131	AND THE PARTY AN
40	Sonitrol Security Systems of Hartford Inc.		ouros naras estano de artico.		95		\$0.04	1,970	
	& Sonitrol Security Systems of Rhode Island	\$0.49	12,789	46	96		\$0.03	1,700	
41	All-Guard Systems Inc.	\$0.45			97		\$0.02	927	
42	Custom Security Systems	\$0.45	ate in the second control of the second cont		SEL LEVENDES	= not available 📮 e = estimate			
43	Alarmco Inc.	\$0.43			Name of the last			743 H F 20 W	Mississi
44	Post Alarm Systems Inc.	\$0.44	STREET, STREET		F	OW TO PURCHASE			
		\$0.44			T	HE SDM 100 DIRECTO	DRY		
45	Vyanet Security Group								
46	Security Equipment Inc.	\$0.44			V	Vouldn't it be useful to have more info	mation a	bout each	of the
47	Doyle Security Systems Inc.	\$0.43	MATCHER PROPERTY AND INCOME.			00 firms ranked here? The 2006 SDM			
48	Sonitrol Security Systems of Buffalo Inc.	\$0.41				ontact names, mailing addresses, telep			
49	Matson Alarm Co. Inc.	\$0.38	CONTRACTOR OF STREET	and propriet many and the		IRLs, branch office locations, product b			
50	Electronix Systems Central Station Alarms Inc					ata, revenue sources, and more. The S			
51	Sonitrol of Tallahassee Inc.	\$0.32				Microsoft Excel format. To order the			
52	American Security Systems Inc.	\$0.31				www.sdmmag.com and search under "l			
53	Blue Ridge Security Systems Inc.	\$0.29	SCHOOL SC			esearch," or contact Cory Maxwell at (			
54	Sonitrol Tri-County	\$0.29	NAME AND POST OF THE PARTY OF T			o maxwellc@bnpmedia.com.			
EF	IMC Socurity Systems Inc	\$0.28	1 250	40	600 ESSE				

**55** JMG Security Systems Inc.

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### SDM 100 ALPHABETICAL INDEX TO COMPANIES

OMPANY SDM 100 RA	ANK	COMPANY SDM 100 RA	ANK
A-1 Security Ltd.	48	Matrix Security Group Inc.	33
Acadiana Security Plus	81	Matson Alarm Co. Inc.	68
Ackerman Security Systems	32	Monitronics International Inc.	5
A-Com Protection Services Inc.	77	Moon Security Services Inc.	86
ADS Security LP	21	Mountain Alarm	24
ADT Security Services Inc.	1	National Guardian Security Services Inc.	58
Advent Security Corp.	96	New York Merchants Protective Co. Inc.	55
AFA Protective Systems Inc.	13	Peak Alarm Co. Inc.	85
Alarm Detection Systems Inc.	18	Per Mar Security Services	17
Alarmco Inc.	65	Post Alarm Systems Inc.	60
Alert Alarm of Hawaii	37	Protect America Inc.	15
All-Guard Systems Inc.	61	Protection One	3
American Alarm & Communications Inc.	35	Ranger American	9
American Home Security	75	Rimi Security Systems Inc.	66
American Security Systems Inc.	70	Safe Home Security Inc.	30
Amherst Alarm Inc.	94	SAFE Security	23
ASG Security	16	Safe Systems Inc.	88
Audio Sentry Corp.	95	Safeguard Security	
Bay Alarm Company	11	and Communications Inc.	25
Blue Ridge Security Systems Inc.	54	Scarsdale Security Systems Inc.	57
Brink's Home Security Inc.	2	SDA Security	49
Central Security Group Inc.	22	SecureNet Alarm Systems Inc.	47
Century Tel Security Systems Inc.	99	Security Alliance Command Center,	
CPI Security Systems Inc.	20	Lynchburg Alarm Co.	83
Crime Prevention Security Systems LLC	97	Security Equipment Inc.	76
CS Security & Sound	62	Security Networks	87
Custom Alarm	64	Security Solutions Inc.	44
Custom Security Systems	53	Security Systems of America	90
Dallas Security Systems Inc. & DSS Fire Inc.	27	Sentry Alarm Systems	89
Defender Security Co.	36	Simpson Security Systems Inc.	72
Devcon Security Services Corp.	29	Slomin's Security	7
Doyle Security Systems Inc.	52	Sonitrol Corp.	10
Electronix Systems Central Station Alarms Inc.	67	Sonitrol of Indianapolis Inc.	98
EMC Security	74	Sonitrol of Sacramento	
Engineered Protection Systems Inc.	28	& Sonitrol Orange County	42
Fire Protection Inc.	69	Sonitrol of Southwest Ohio	84
First Alarm	34	Sonitrol of Tallahassee Inc.	71
Firstline Security	26	Sonitrol Pacific	50
Fleenor Security Systems	93	Sonitrol Security of Pittsburgh	100
General Security Inc.	38	Sonitrol Security Systems of Buffalo Inc.	51
Global Security & Communication Inc.	91	Sonitrol Security Systems of Hartford Inc.	
Guardian Alarm Co.	14	& Sonitrol Security Systems of Rhode Island	46
Guardian Protection Services Inc.	8	Sonitrol Tri-County	79
Guard-O-Matic Inc.	82	SSD Alarm Systems & Kern Security Systems	19
HSM Electronic Protection Services Inc.	4	Supreme Security Systems Inc.	4
<u>ERENDO POR PARA PARA PARA PARA PARA PARA PARA</u>	45	Trans-Alarm Inc. & Automated	
Icon Security Inc.	80	Entrance Products Inc.	3
Intelligent Access Systems Inc.	differences:		6
Intelli-Tec Security Services LLC	73	Ultraguard Protective Systems Inc.  Vector Security Inc.	
Interface Security Systems	12	NOTE THAT THE PROPERTY OF THE	4
& The Greater Alarm Co.	12	Vintage Security LLC	5
JMG Security Systems Inc.	40	Vyanet Security Group	9
Kimberlite Corp.	31	Washington Alarm Inc.	,

# A GUIDE TO READING THE SDM 100

The 2006 SDM 100 ranks U.S. companies that provide electronic security systems and services to both residential and non-residential customers. 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 60, ranks 100 firms by their 2005 total gross revenue. The firm with the highest revenue is ranked as No. 1, and so on. For each of the 100 companies, the following information is provided, from left to right:

- Current year rank, which is based on total 2005 gross revenues. (If two firms have identical revenues, before rounding, then the number of subscribers is the second determining factor for ranking.)
- Previous year rank. If the firm was not previously ranked, then no number appears in this column.
- Company name, as used in the marketplace, and headquarters location.
- Total gross revenue in millions of dollars. This number represents total revenue in calendar-year or (the company's) fiscal-year 2005 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 2004 to 2005, where applicable.
- Number of subscribers (recurring-billable customers) that each firm counted at year-end 2005.
- Amount of recurring monthly revenue (RMR) as reported to or estimated by *SDM*. This figure reflects RMR on Dec. 31, 2005.
- Number of system installations (units) in 2005, residential.
- Number of system installations (units) in 2005, non-residential.
- Number of full-time employees.
- Number of business locations, including headquarters location.

To find a firm by name, use the alphabetical index on this page.