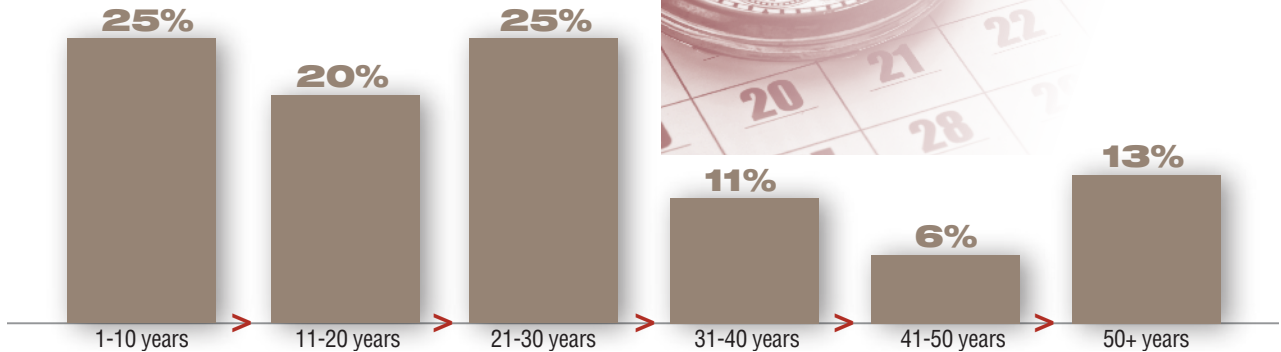


Companies' Years in Business

This graph shows a substantial increase in more established companies as 21 years or more in business rose 7 percentage points. Even beyond that, those with 41 years or more of company lifetimes grew by 5 points. Small companies tend to be younger, with 36 percent in the

1-10 range, while large firms exceed 50 years 40 percent of the time. On average, companies reside at the 25-year mark — 2 years older than in 2010.



2010 Company Gross Revenues

Revenues	Percentage
Less than \$100,000	16%
\$100,000-\$499,000	23%
\$500,000-\$999,999	16%
\$1M - \$4.9M	22%
\$5M - \$9.9M	8%
\$10M - \$49.9M	6%
\$50M - \$99.9M	1%
\$100M+	8%

Estimated 2011 Company Gross Revenues

Revenues	Percentage
Less than \$100,000	15%
\$100,000-\$499,000	22%
\$500,000-\$999,999	16%
\$1M - \$4.9M	22%
\$5M - \$9.9M	9%
\$10M - \$49.9M	7%
\$50M - \$99.9M	1%
\$100M+	8%



Many operators significantly overstated their projected gross revenues a year ago, apparently thinking the recession would be in the rearview mirror rather than an ongoing quagmire. Fully 10-percent more said they would earn at least \$1 million in 2010 than they actually did. The range that lost the most companies was \$5-\$9 million, which came in 4 percentage points below projections. More than one in five providers earned \$1 million to \$4.99 million, with the average gross revenue being \$12.2, the median, \$750,000.

Understandably, given operators' overzealous projections a year ago, conservatism (or perhaps pessimism) is the order of the day here. Respondents anticipating revenues of at least \$5 million are 8-percentage-points fewer than they were a year ago and more in line with what the actual returns for 2010 turned out to be. However, that same range is 2-points higher than 2010's actual returns. Still if this graph is any indication, it appears the industry is not yet out of the economic woods. The average estimated total gross sales for 2011 is \$12.6 million (3-percent growth vs. 2010). The median is flat at \$750,000.

INSTALLATION COMPANY Fast Facts

- Average number of installed **accounts** in 2011 is **456**.
- Annual residential net account **attrition** rate is **5%**.
- Annual commercial net account **attrition** rate is **5%**.
- Large companies average **189 commercial installations** per month, midsize firms average **30** and small firms perform **18**.
- Large companies average **357 residential installations** per month, midsize firms **29** and small firms **19**.
- Large companies (\$10 million+ in annual revenues) average **46 large industrial installations** per month; midsize firms (\$1 million to \$9.99 million) **8**; and small firms (less than \$1 million) **6**.
- Overall, **77 percent** use a **third-party** central monitoring station; for small companies the percentage is **89 percent**, midsize companies **71 percent**; and large firms **42 percent**.
- Overall, **16 percent** of operators own and operate their own central **monitoring** stations (**4 percent** for small firms; **23 percent** for midsize; **50 percent** for large).