



The Midas List

Technology's Growth Champs

Jody Yen, 02.14.05

These 25 stocks in defense, computer security, biotech and other fields show sustained sales growth.

Technology began to rebound last year--this time with real, rising profits replacing the empty promises of the bubble era.

This year's roster of fast-growing publicly traded tech companies averaged 92% for five-year annualized sales growth, up from the 78% rate last year. Only 14 companies were able to repeat.

To get on this list a company must have at least a 10% sales gain in each of the last five years, \$25 million in sales and a positive net income over the last 12 months, and no large legal problems or other open-ended liabilities.

Heading this year's group in five-year sales growth is newcomer AtRoad of Fremont, Calif., which provides services and gear that help off-site workers keep in touch with the office. AtRoad generated revenues of \$73 million over the past 12 months, a 23% increase over the same period a year earlier. Demand for flat-panel TVs helped Pixelworks and Applied Films earn their first spots on our ranking.

Why isn't Google on this list? Its financial history falls one year short of the period needed to calculate five-year sales growth. It will probably qualify next year.

25 Fastest Growing Technology Companies

Company Business	Rank	Price	----- Sales -----				
			2005 EST. P/E	EPS Growth ¹	Latest 12- Mos. (\$mil)	5-Year Growth ²	1-Year Growth ³
Altiris IT asset mgmt software	5	\$31.42	28	24%	\$148	134%	70%
Applied Films Thin-film deposition equip	18	20.26	51	20	222	49	30
Atroad IT svcs for mobile workers	1	5.77	31	24	73	281	23
Celgene Cancer drugs	16	29.85	52	48	353	64	55
Cognizant Tech Solutions IT services	21	38.05	41	33	522	42	60
Digital Insight Banking software	15	16.60	21	21	182	66	24
Digital River Internet-commerce software	8	35.09	23	27	133	91	39

Ebay Online market & auction svcs	9	105.20	65	36	2,984	86	55
ECollege.com Software for online education	12	10.00	19	20	80	79	200
EDO Defense electronics	19	28.61	19	17	503	43	17
EPIQ Systems Bankruptcy mgmt software	23	14.48	14	13	115	40	63
Gilead Sciences Infectious-disease drugs	22	32.67	28	21	1,219	41	63
Harvard Bioscience Precision instruments	20	4.28	16	18	92	43	13
iPass Network security software	7	6.16	17	15	160	97	27
j2 Global Comm Web-based messaging svcs	10	33.56	21	34	97	85	49
L-3 Communications Hldgs Defense electronics	25	70.11	18	18	6,467	38	32
LifeCell Tissue-replacement therapies	24	9.30	40	53	56	38	44
Magma Design Automation Chip design software	2	11.83	16	25	138	255	12
Martek Biosciences Microalgae- & fungi-based prods	6	46.99	20	25	184	114	65
Packeteer Network traffic mgmt software	17	13.53	26	21	86	53	26
Pixelworks Flat panel display chips	4	10.92	27	22	179	147	38
SFBC International Pharmaceutical research svcs	11	36.36	20	29	144	82	54
UTStarcom Telecomm switches	13	16.96	12	23	2,601	78	60
WebEx Comm Internet videoconferencing	3	22.05	20	22	235	179	34
Websense Employee monitoring software	14	52.17	39	22	103	72	35

Prices as of Jan 14. ¹Annualized; projected over the next three to five years. ²Annualized. ³Based on latest 12 months. Sources: FT Interactive Data, Reuters Fundamentals, Thomson First Call via FactSet Research Systems; Bloomberg Financial Markets.