

# THE INFORMATION TECHNOLOGY 100

To compile the Information Technology 100, BUSINESS WEEK began with financial data from Standard & Poor's Compustat, a division of The McGraw-Hill Companies that has computerized information on 10,000 publicly traded corporations. We trimmed this universe to information technology companies and then added non-U.S. tech companies recommended by our network of foreign bureaus. To qualify, companies had to have revenues of at least \$300 million with one exception. Internet companies with \$5 million or more in sales were included because their impact is often more

significant than their revenues.

We divided this collection of about 450 companies into eight industry categories, such as software and networking. Companies that did not increase revenues as fast as their industry were eliminated from contention. The remaining group of companies was ranked on four criteria that were given equal weight: shareholder return, return on equity, revenue growth, and total revenues. Companies with sharp declines in current financial results were excluded as were companies where other developments raised questions about future performance. Finally,

the top 200 companies were reranked as a group.

**REVENUES** Latest available revenues for the 12-month period ended Feb. 28, March 31, or April 30. For companies that do not report quarterly, the most recent annual data were used. Includes all sales and other operating revenues.

**REVENUE GROWTH** Percentage change in revenues compared to the previous 12-month period.

**RETURN ON EQUITY** Net income available for shareholders divided by common equity.

**TOTAL RETURN** The total return to shareholders including reinvested

dividends for the 12 months ended May 14, 1999.

**PROFITS** Latest available profits for the 12-month period ending Feb. 28, March 31, or April 30. Net income from continuing operations before extraordinary items.

Note: Data compiled by Standard & Poor's Compustat from sources such as statistical services, registration statements, and company reports that SPC believes to be reliable but are not guaranteed by SPC or BUSINESS WEEK as to correctness or completeness. This material is not an offer to buy or sell any security. Additional data: BUSINESS WEEK.

COMPANY (STOCK SYMBOL)	SECTOR	COUNTRY	REVENUES		REVENUE GROWTH		RETURN ON EQUITY		SHAREHOLDER RETURN		PROFITS
			\$ MIL.	RANK	%	RANK	%	RANK	%	RANK	
1 <b>AMERICA ONLINE (AOL)</b> The online service giant has the magic formula to attract 17 million subscribers and the electronic-commerce merchants that go after them.	INet	U.S.	4191.0	42	59.7	68	22.3	38	470.9	13	625.0
2 <b>DELL COMPUTER (DELL)</b> Look out, Compaq, the mighty Dell is poised to become the top supplier of commercial PCs.	Comp	U.S.	19859.0	15	45.4	86	56.4	6	73.0	72	1589.0
3 <b>SOLECTRON (SLR)</b> Outsourcing 'R' Us: This top-drawer contract manufacturer helped pioneer this booming business and is setting future trends.	Svcs	U.S.	6818.4	31	56.7	73	18.2	51	141.2	44	234.5
4 <b>VODAFONE GROUP (VOD)</b> British wireless star agreed to buy AirTouch and will be the biggest cellular company in the world. Next big acquisition could be Germany's Mannesmann.	TelS	Britain	4922.7	37	38.9	101	108.6	2	80.9	68	960.4
5 <b>CISCO SYSTEMS (CSCO)</b> The king of networking dominates nearly every corner of the business—from Internet routers to new combo voice/data switches.	Netw	U.S.	10952.0	26	39.8	98	19.0	48	127.6	50	1943.7
6 <b>EMC (EMC)</b> As the amount of computer data stored by corporations grows, so does the leader in enterprise storage.	Comp	U.S.	4273.3	41	35.8	105	24.1	32	131.2	47	867.9
7 <b>MCI WORLDCOM (WCOM)</b> With the largest Net backbone in the world and the second-biggest U.S. long-distance business, MCI WorldCom is on a roll. Now, it needs a wireless strategy.	TelS	U.S.	24357.0	11	203.5	19	-3.4	136	98.8	62	-1534.0
8 <b>INKTOMI (INKT) ‡</b> Starting as a search engine in 1996, it now provides large Web sites and storefronts software to handle huge amounts of Internet traffic.	INet	U.S.	39.9	177	325.3	9	19.5	46	1233.3	2	-24.2
9 <b>SUN MICROSYSTEMS (SUNW)</b> The king of Unix and creator of Java, Sun will have to hold off Microsoft's assault on its computer workstation and server markets.	Comp	U.S.	11092.7	25	17.3	153	20.6	42	203.7	31	909.2
10 <b>MICROSOFT (MSFT)</b> Upgrades to Office and Windows NT will drive the company forward, but Web-driven changes in computing plus ongoing legal headaches might slow the train.	Soft	U.S.	17217.0	20	26.0	133	27.9	27	72.9	73	6940.0
11 <b>LEXMARK INTERNATIONAL GROUP (LXK)</b> Who says all the good printers come from HP? This Lexington (Ky.) company is on the cutting edge of printer technology.	Comp	U.S.	3135.5	50	21.4	141	52.5	7	103.2	56	261.3
12 <b>NOKIA (NOK)</b> The Finnish giant is leaving Motorola and Ericsson in the dust while coming out with a flashy new phone every month. But it still needs a boost in Net technology.	TelE	Finland	9649.0	28	13.0	164	32.1	19	132.4	45	1191.9
13 <b>TELLABS (TLAB)</b> Telecom convergence reigns. So this maker of equipment connecting digital and analog networks is poised for further growth.	TelE	U.S.	1802.3	65	40.4	96	29.4	22	69.2	76	433.8
14 <b>QUANTA COMPUTER ‡</b> One of Dell's favored suppliers in notebook PCs, this contract manufacturer has picked up clients IBM and Apple and expects continued sales growth.	Comp	Taiwan	1587.0	73	48.6	84	74.0	3	44.1	102	282.0
15 <b>IBM (IBM)</b> Forget mainframes and PCs. These days, the computer giant is all about the Net.	Comp	U.S.	84366.0	1	7.0	186	37.3	13	91.4	64	6762.0
16 <b>CONVERSE TECHNOLOGY (CMVT)</b> The world leader in providing platforms for multimedia messaging and personal communications services.	TelE	U.S.	696.1	109	42.4	92	29.2	23	130.1	48	111.5
17 <b>FLEXTRONICS INTERNATIONAL (FLEX)</b> Fast-growing contract manufacturer has acquired its way to the upper rung of job shops for hire.	Svcs	U.S.	1807.6	64	62.4	64	11.1	95	126.1	51	51.5
18 <b>QWEST COMMUNICATIONS (QWST)</b> The upstart telco gained customers by acquiring LCI International and is developing services to fill the pipes of its leading-edge network.	TelS	U.S.	2944.0	52	267.5	16	-18.9	153	114.2	53	-832.6

**KEY TO INDUSTRIES** Comp = Computers and peripherals, INet = Internet companies, Netw = Networking, Semi = Semiconductors, Svcs = Services, resellers and distributors, Soft = Software, TelE = Telecom equipment, TelS = Telecom services

**FOOTNOTES** †Has agreed to be acquired. ††Revenue, revenue growth, and net income are annual data. ‡Total return is based on less than one year of data because IPO occurred since May 14, 1998.