



News Release

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Tech dodges a bullet: even in a recession, Technology Fast50 companies keep on growing, hiring and innovating

Deloitte Canada Survey: Tech CEOs optimistic about their prospects, but staying flexible and focused on key products

Toronto, October 1, 2009 – The winners of the 2009 Deloitte Technology Fast 50™ have met this past year's economic turbulence with resilience, adaptability and a back-to-basics approach to their business strategy, while still managing to keep growth alive. In addition, the results from a survey of CEOs from Canada's fastest growing technology companies point to; a commitment to innovation, a reaffirmation of their optimism and competitive fire, and a decreased tolerance for riskier investments that deliver a less certain ROI.

The Deloitte Technology Fast 50™, the country's pre-eminent leading technology awards, ranks companies based on their past five-year revenue growth rates. Other categories in the awards recognize: Leadership, Companies-to-Watch and the Green 15™.

Montreal-based **ProSep**, an oil and gas process equipment company, has emerged as this year's triple threat: not only do they sit atop the ranking of this year's Fast 50 list by posting an 18,070% five-year revenue growth, ProSep also secured its second, consecutive spot on the Technology Green 15™, and a Leadership Award.

"Instead of trying to shoot the lights out, tech companies are strategically positioning themselves for a recovery that will see them stronger and even more competitive in the future," explains **John Ruffolo, National Leader, Technology, Media & Telecommunications Industry Group, Deloitte**. "Our CEO survey results this year reveal a high level of optimism and confirm their commitment to innovation through R&D spending – in fact, only 16% are cutting their R&D spending. Make no mistake; these companies are not resting on their laurels waiting for good times to return: they continue to post the kind of growth numbers that you almost never see in other industries."

Average growth rate dips to 1,993%

The average growth rate for the 2009 Fast 50 winning companies is 1,993%. Despite a decline from last year's average rate of 2,456%, this number is surprisingly robust because it comes amid a recession. "While the tech industry is not immune to the overall economy, what's most remarkable is how individual companies are dealing with the recession by acknowledging the difficulty, adapting their business strategy and positioning themselves for success," explains **Duncan Stewart, Director of Deloitte**

Canada Research. "In today's environment, the appetite for riskier investments with doubtful returns is simply not there...and that's a sensible strategy," he added.

Second and third spots go to **Dominion Voting Systems** (10,356%), a Toronto-based election solutions & services company, and **Level Platforms** (7,358%), an Ottawa-based remote IT management software company whose rank remains unchanged since last year. Rounding out the top five are London, Ontario-based **Car Proof** (5,716%), a vehicle history reports company, and **Impact Mobile** (5,507%), a Toronto-based mobile marketing solutions company and a repeat winner who moved up 5 spots with a growth rate of exactly 3,000% - higher than last year's 2,507%.

While there are fewer telecom companies, more software companies and more regional diversity since the Fast50 was launched twelve years ago - the trends of the last few years have held steady, even in today's recession. Security, smartphones, video and the environment are the current 'killer apps', as seen through the Leadership and Companies-to-Watch Award Winners.

Sources of financing a continuing challenge

With 73% of tech companies in the survey reporting a lengthening of their sales cycle and a continued drought of VC and other sources of financing in Canada, tech CEOs reached into company cash flows and their own pockets to make up for weakness in traditional sources of financing. 70% of CEOs report tapping into cash flow from operations as their primary source of growth capital this year and 80% see that trend increasing in 2010.

Respondents identified SR&ED (Scientific Research and Experimental Development) tax credits and their founders' personal investment as having been equally large sources of financing, which suggests a successful partnership between tech leaders and the federal government in getting tech companies started. "I've always known that SR&ED is considered a big deal in Canada, but until I saw this data, I never realized that it was in fact equal to what many founders were contributing," says Ruffolo. "It's almost like matching dollars."

Federal stimulus bucks welcome...

Over 60% of technology CEOs agree with the concept of federal stimulus spending, and an overwhelming majority (83%) feel that the tech industry should also receive their fair share of these program dollars. The CEOs who advocated tech-targeted stimulus funds promised to make good use of the money: 80% would go toward developing new products, innovation and growing their businesses.

"I can't overemphasize the importance of investing in the future," says Ruffolo. "Tech companies need a helping hand, not a bailout. The stimulus money that they would receive would go to an already growing sector and create a Canadian innovation platform that would last for the next 100 years."

Talent strategies take on added significance

When companies look for ways to reduce expenses in tough economic times, layoffs are traditionally among the first options to be considered. This year's CEO survey results provide reassuring confirmation that this is not the preferred option among today's tech companies: less than 10% are cutting staff. In fact, one-third have even accelerated their hiring. Where these tech companies are hiring is also of key importance: while engineering and R&D help is always sought after, the marketing and

sales talent gap was identified by over half (55%) of respondents as a key area of focus.

Leadership Awards

Leadership Awards single out companies that are the elite members of the Canadian technology industry, whose ability to create a distinct competitive advantage in a high-growth market allows them to dominate their sector and quickly join the ranks of other Canadian global leaders. This year's four Leadership Awards recipients are: **Absolute Software**, a Vancouver, British Columbia-based IT asset management and security company; Burlington, Ontario based **Evertz Technologies Limited**, an HDTV infrastructure company; **ProSep**, a Montreal, Quebec-based oil and gas process equipment company; and Waterloo, Ontario-based **Research in Motion**, Canada's globally recognized wireless Smartphone manufacturer who has made the Fast 50 ranking every year since the creation of the awards in 1998.

Companies-to-Watch Awards

The Deloitte Technology Fast 50™, the Companies-to-Watch (CTW) Awards honour early-stage Canadian technology companies who have been in business less than five years, and have the potential to be future Deloitte Technology Fast 50™ winners. The ten companies recognized as CTW this year are: **3esi (Calgary, AB), Aeryon Labs (Waterloo, ON), Bayalink Solutions Corp. (Waterloo, ON), CiRBA (Richmond Hill, ON), Clickfree Automatic Backup (Toronto, ON), Haivision Network Video (Montreal, QC), OneChip Photonics (Ottawa, ON), Searidge (Gatineau, QC), Telepin Software (Ottawa, ON), and Varicent (Toronto, ON).**

Deloitte Technology Green 15™ Awards

These awards recognize Canada's leading GreenTech companies who promote a more efficient use and re-use of the earth's resources in industrial production and consumption. In doing so, they use new, innovative technologies to create products and services that compete with existing products and services on price and performance while reducing our impact on the environment. The 15 winners are: **Bionest Technologies Inc. (Grand-Mère, QC), Distech Controls (Brossard, QC), Eco Waste Solutions (Burlington, ON), ecobee (Toronto, ON), Energate (Ottawa, ON), EnviroTower Inc. (Toronto, ON), Fifth Light Technology Ltd. (Oakville, ON), Ground Effects Environmental Services Inc. (Regina, SK), H2O Innovation (Quebec City, QC), HTC Pureenergy (Regina, SK), ProSep (Montreal, QC), Real Tech Inc. (Whitby, ON), Sempa Power Systems Ltd. (North Vancouver, BC), Tantalus Systems Corp. (Burnaby, BC), and Vive Nano (Toronto, ON).**

About the Deloitte Technology Fast 50™

The Deloitte Technology Fast 50™ program is Canada's pre-eminent technology awards program. Celebrating business growth, innovation and entrepreneurship, the program features four distinct categories including the Deloitte Technology Fast 50™ Ranking, Companies-to-Watch Awards (early-stage Canadian tech companies in business less than five years, with the potential to be a future Deloitte Technology Fast 50™ candidate,) Leadership Awards (companies that demonstrate technological leadership in four industry subcategories: hardware/semiconductor, software, telecommunications and emerging technologies) and the Deloitte Technology Green 15™ Awards (Canada's leading GreenTech companies that promote a more efficient use and re-use of the earth's resources in industrial production and consumption.) Program sponsors include Deloitte, Gowlings, GrowthWorks, RBC, Wellington Financial,

Stonewood Group, HKMB Hub, CATAAlliance, CleanTech Group, IGLOO Software, ITAC, MaRS and Microsoft. For further information, visit www.fast50.ca.

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2009 Deloitte Technology Fast 50™

Rank	Growth	Company name	City	Prov	Sector	Product service
1	18,070%	ProSep	Montreal	QC	Emerging	Oil and gas process equipment
2	10,356%	Dominion Voting Systems	Toronto	ON	Software	Election solutions & services
3	7,358%	Level Platforms	Ottawa	ON	Software	Remote IT management software
4	5,716%	CarProof	London	ON	Software	Vehicle History Reports
5	5,507%	Impact Mobile	Toronto	ON	Telecom	Mobile Marketing Solutions
6	4,626%	Vision Critical	Vancouver	BC	Software	Online research communities
7	4,338%	Creaform	Lévis	QC	Hardware	3D imaging
8	4,157%	Allegro Mobile Solutions	Mississauga	ON	Telecom	Enterprise Mobility Solutions
9	3,862%	Corinex Communications Corp	Vancouver	BC	Telecom	Networking solutions
10	3,549%	BelAir Networks Inc	Kanata	ON	Telecom	Wireless LAN hardware
11	3,376%	Nightingale Informatix	Markham	ON	Software	Electronic Medical Records
12	2,365%	Immersive Media Corp	Calgary	AB	Hardware	Interactive spherical video platform
13	2,134%	PNI Digital Media	Vancouver	BC	Software	Digital Media Solutions
14	2,052%	SCI	Markham	ON	Software	Auto Retail Software-as-a-Service
15	1,750%	ARISE Technologies	Waterloo	ON	Emerging	Solar Technology
16	1,680%	GuestLogix Inc	Toronto	ON	Software	On-board Retail Technology
17	1,466%	Sandvine	Waterloo	ON	Telecom	Intelligent network management

18	1,405%	DragonWave Inc	Kanata	ON	Telecom	Broadband wireless access
19	910%	Research In Motion	Waterloo	ON	Telecom	Wireless smartphones
20	787%	BTI Systems	Ottawa	ON	Telecom	Optical metro edge networks
21	777%	TelcoBridges	Boucherville	QC	Telecom	Telecom Hardware Platforms
22	761%	NetShelter Technology Media	Thornhill	ON	Software	Online Media Services
23	739%	ViXS Systems Inc.	Toronto	ON	Hardware	Fabless semi-conductors
24	700%	March Networks Corporation	Kanata	ON	Hardware	IP-based Security Surveillance
25	606%	Grey Island Systems International Inc.	Toronto	ON	Telecom	Wireless fleet, transit management
26	594%	Averna	Montreal	QC	Software	Test solutions and services
27	567%	BlueCat Networks Inc.	Toronto	ON	Hardware	IP address management
28	536%	WellPoint Systems Inc.	Calgary	AB	Software	Broadcast workflow solutions
29	521%	Serenic Corporation	Edmonton	AB	Software	Financial management software
30	513%	RuggedCom Inc.	Woodbridge	ON	Hardware	Rugged communications equipment
31	511%	Cyberplex Inc.	Toronto	ON	Software	Web-advertising solutions
32	508%	Payworks	Winnipeg	MB	Software	Workforce Management Solutions
33	499%	Camilion Solutions Inc.	Markham	ON	Software	Policy administration systems
34	461%	Navtech, Inc.	Waterloo	ON	Software	Flight Operations Software
35	457%	Solium Capital	Calgary	AB	Software	Stock plan administration software
36	430%	Nstein Technologies Inc.	Montreal	QC	Software	Software solutions for publishers
37	423%	Genetec Technology Corp	Saint-Laurent	QC	Software	Video surveillance, security solutions
38	397%	Absolute Software	Vancouver	BC	Software	IT asset management and security
38	397%	MyThum Interactive	Toronto	ON	Telecom	Mobile interactive media
40	383%	Sangoma Technologies Corp..	Markham	ON	Hardware	Voice Connectivity Equipment

41	362%	Desire2Learn Incorporated	Kitchener-Waterloo	ON	Software	Enterprise learning systems
42	359%	Wmode Inc	Calgary	AB	Telecom	Mobile Data Services
43	344%	TeraXion	Quebec	QC	Telecom	Photonics components & sub-systems
44	341%	EION Wireless	Ottawa	ON	Telecom	Broadband Wireless Products
45	329%	Talent Technology Corporation	Richmond	BC	Software	Recruitment and hiring software
46	325%	PointClickCare (Wescom Solutions Inc.)	Mississauga	ON	Software	Integrated long-term care solutions
47	318%	Evertz Technologies Limited	Burlington	ON	Hardware	HDTV, IPTV equipment
47	318%	Klick Communications Inc.	Toronto	ON	Software	Custom web application development
49	317%	Intelx Technologies	Toronto	ON	Software	EQH&S Management Software
50	312%	SDP Components Inc	Dorval	QC	Telecom	RF isolators