# About Hoover's Handbook of Emerging Companies 2009

Given the economic reality of the day, finding value in the marketplace becomes ever more difficult. We are pleased to present this 2009 edition of *Hoover's Handbook of Emerging Companies* — the result of a search of our extensive database of business information for companies with demonstrated growth and the potential for future gains. *Hoover's Handbook of Emerging* Companies is in its 16th year as one of America's premier sources of business information on younger, growth-oriented enterprises.

The 600 companies in this book were chosen from the universe of public US companies with sales between $10 million and $1 billion. Their selection was based primarily on sales growth and profitability, although in a few cases we made some rather subjective decisions about which companies we chose to include. They all have reported at least three years of sales and have sustained annualized sales growth of more than 19% during that time. Also, they are profitable (through year-end September 2008).

**HOOVER'S ONLINE FOR BUSINESS NEEDS**

In addition to the 2,550 companies featured in our handbooks, comprehensive coverage of more than 40,000 business enterprises is available in electronic format on our Web site, Hoover's Online (www.hoovers.com). Our goal is to provide one site that offers authoritative, updated intelligence on US and global companies, industries, and the people who shape them. Hoover's has partnered with other prestigious business information and service providers to bring you all the right business information, services, and links in one place.

*Hoover's Handbook of Emerging Companies* is one of our four-title series of handbooks that covers, literally, the world of business. The series is available as an indexed set, and also includes *Hoover's Handbook of American Business*, *Hoover's Handbook of World Business*, and *Hoover's Handbook of Private Companies*. This series brings you information on the biggest, fastest-growing, and most influential enterprises in the world.

We believe that anyone who buys from, sells to, invests in, lends to, competes with, interviews with, or works for a company should know as much as possible about that enterprise. Taken together, *Hoover's Handbook of Emerging Companies 2009* and the other Hoover's products represent the most complete source of basic corporate information readily available to the general public.

**HOW TO USE THIS BOOK**

This book has four sections:

1. "Using Hoover's Handbooks" describes the contents of our profiles.

2. "A List-Lover's Compendium" contains lists of the fastest-growing and most profitable companies. The lists are based on the information in our profiles, or compiled from well-known sources.

3. The company profiles section makes up the largest and most important part of the book — 600 profiles arranged alphabetically. Each profile features an overview of the company; some larger and more visible companies have an additional History section. All companies have up to five years of financial information, product information where available, and a list of company executives and key competitors.

4. At the end of this volume are the combined indexes from our 2009 editions of all Hoover's Handbooks. The information is organized into three separate sections. The first sorts companies by industry groups, the second by headquarters location. The third index is a list of all the executives found in the Executives section of each company profile. For a more thorough description of our indexing style, see page xiv.

As always, we hope you find our books useful. We invite your comments via phone (512-374-4500), fax (512-374-4538), mail (5800 Airport Boulevard, Austin, Texas 78752), or e-mail (custsupport@hoovers.com).

The Editors
Austin, Texas
February 2009

# Hawaiian Holdings

Luaus, leis, and lazing in the sun — Hawaiian Holdings knows how to get you there. The company's main subsidiary, Hawaiian Airlines, transports passengers and cargo between Honolulu and major cities in the western US. Transpacific routes account for more than two-thirds of the carrier's revenue. Hawaiian Airlines also serves four of the six main Hawaiian Islands and destinations in the South Pacific such as American Samoa, Australia, and Tahiti. It operates a fleet of about 30 Boeing aircraft. In addition to its scheduled passenger and cargo operations, Hawaiian Airlines provides charter services.

To supplement its own interisland offerings, Hawaiian Airlines serves other destinations within Hawaii via a code-sharing deal with Island Air. In addition, Hawaiian Airlines maintains code-sharing arrangements with carriers such as American Airlines, Continental Airlines, Northwest Airlines, and US Airways. Code-sharing allows airlines to extend their networks by selling tickets on other carriers' flights.

Hawaiian Airlines is counting on continued growth in its transpacific and South Pacific operations, and the company reached closer to Asia by adding service to Manila in 2008. To support its expansion plans, the company has ordered a dozen wide-body and extra-wide-body aircraft from Airbus for delivery between 2012 and 2020. At the same time, Hawaiian Airlines is focused on controlling costs.

Company chairman Lawrence Hershfield, through investment firm Ranch Capital, controls an 11% stake in Hawaiian Holdings.

## HISTORY

In 1929 former Navy pilot Stanley Kennedy, general manager of the Inter-Island Steam Navigation Company, persuaded the Inter-Island board to fund a passenger line linking Honolulu (Oahu) with the other Hawaiian Islands. The new airline, which started out with amphibian aircraft, began interisland airmail service in 1934.

The company became Hawaiian Airlines in 1941. TWA bought control in 1944 but sold out four years later, after the new Trans-Pacific Airlines (later Aloha Airlines) ended Hawaiian's 17-year monopoly in Hawaii in 1946. The two competed intensely for the same routes. Investor John Magoon bought control of Hawaiian in 1964. The rival airlines agreed to merge in 1970, but negotiations failed a year later.

Airline deregulation in 1978 gave Hawaiian access to new markets. It adopted the name HAL in 1982 and by 1985 had added service to the US West Coast (where it was hammered by United and Continental) and to the South Pacific. HAL built the $8.5 million West Maui Airport in 1987. Rising costs forced Magoon to sell 47% of HAL to an investor group that included Magoon's friend, former baseball commissioner Peter Ueberroth. The group, led by Jet America Airlines founder Thomas Talbot, bought control of HAL in 1989, and Talbot took over as chairman and CEO.

Rival Aloha surpassed HAL at home, capturing 61% of the interisland market in 1991. HAL had also gained a nickname, "Hawaiian Always Late," from complaining passengers. To raise $20 million, HAL sold Northwest a 25% stake (which Northwest later disposed of), along with some international routes. HAL's president, John Ueberroth (Peter's brother), replaced Talbot as chairman. In 1992, as HAL was narrowing its losses, Hurricane Iniki cost it some $7 million in sales. HAL filed for bankruptcy in 1993, and Ueberroth resigned.

Airline veteran Bruce Nobles became CEO that year. He guided HAL through reorganization, and in 1994 the slimmed-down airline took the name Hawaiian Airlines once again.

John Adams of Smith Management formed a partnership to invest in the airline in 1996 and was subsequently named Hawaiian's chairman. Before CEO Nobles made way for Paul Casey in 1997, he won a union wage concession and an agreement from American to defer aircraft lease payments. In 1998 Hawaiian partnered with American in a code-sharing deal and launched another in 1999, this time with Continental. Also in 1999 Hawaiian began negotiations with the pilots union, and in 2000 the airline requested a federal mediator to assist in the negotiations.

The airline came to an agreement with the pilots in 2001 and reached another agreement with the union representing its flight attendants later that year. Also in late 2001, Hawaiian and Aloha Airlines, both suffering from the industry downturn that followed the September 11 terrorist attacks, agreed to merge and form a new company, Aloha Holdings, but the plans were abandoned in 2002 because of heavy opposition to the merger by employees and shareholders of Hawaiian. The company formed a holding company later that year called Hawaiian Holdings.

As the effects of September 11 on the air travel market lingered, Hawaiian Airlines filed for Chapter 11 bankruptcy protection in March 2003. (Hawaiian Holdings was not included in the filing.) During the carrier's reorganization, San Diego-based investment firm Ranch Capital bought Adams' stake in Hawaiian Holdings.

Hawaiian Airlines completed its reorganization and emerged from bankruptcy in June 2005.

## EXECUTIVES

**Chairman:** Lawrence S. Hershfield, age 51
**President, CEO, and Director:** Mark B. Dunkerley, age 44, $550,000 pay
**EVP, CFO, and Treasurer, Hawaiian Holdings and Hawaiian Airlines:** Peter R. Ingram, age 41, $303,750 pay
**SVP, General Counsel, and Secretary:** David Z. Arakawa, age 50
**Secretary; SVP and General Counsel, Hawaiian Airlines:** Hoyt H. Zia, age 54
**EVP and CIO, Hawaiian Airlines:** David J. Osborne, age 52, $300,000 pay
**SVP, Operations, Hawaiian Airlines:** Charles R. Nardello
**SVP, Sales and Marketing, Hawaiian Airlines:** Glenn G. Taniguchi, age 65, $250,000 pay
**SVP, Human Resources, Hawaiian Airlines:** Barbara D. Falvey, age 49, $263,750 pay
**VP and Controller, Hawaiian Airlines:** Paul Y. Kobayashi Jr.
**VP, Corporate Audit, Hawaiian Airlines:** Donald A. E. Sealey
**VP, Customer Services, Hawaiian Airlines:** Blaine J. Miyasato
**VP, Sales and Marketing, Hawaiian Airlines:** Richard J. (Rick) Peterson
**VP, Finance, Hawaiian Airlines:** Karen A. Berry
**VP, Public Affairs, Hawaiian Airlines:** John R. (Keoni) Wagner, age 41
**VP, Inflight Services, Hawaiian Airlines:** Louis D. Saint-Cyr
**VP, Flight Operations, Hawaiian Airlines:** Kenneth E. Rewick
**Auditors:** Ernst & Young LLP

## LOCATIONS

**HQ:** Hawaiian Holdings, Inc.
3375 Koapaka St., Ste. G-350, Honolulu, HI 96819
**Phone:** 808-835-3700 **Fax:** 808-835-3690
**Web:** www.hawaiianair.com

## PRODUCTS/OPERATIONS

**2007 Sales**

| | $ mil. | % of total |
|---|---|---|
| Passenger | 889.0 | 91 |
| Cargo | 30.9 | 3 |
| Charter | 11.9 | 1 |
| Other | 50.8 | 5 |
| **Total** | **982.6** | **100** |

## COMPETITORS

ACE Aviation
AMR Corp.
Continental Airlines
Delta Air Lines
Hawaii Island Air
Mesa Air
Northwest Airlines
Qantas
UAL
US Airways

## HISTORICAL FINANCIALS

Company Type: Public

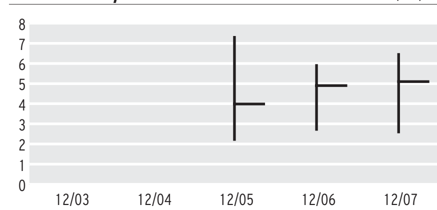
**Income Statement** FYE: December 31

| | REVENUE ($ mil.) | NET INCOME ($ mil.) | NET PROFIT MARGIN | EMPLOYEES |
|---|---|---|---|---|
| **12/07** | 982.6 | 7.1 | 0.7% | 3,415 |
| **12/06** | 888.0 | (40.5) | — | 3,454 |
| **12/05** | 504.3 | (12.4) | — | 3,317 |
| **Annual Growth** | 39.6% | — | — | 1.5% |

**2007 Year-End Financials**

Debt ratio: 161.9%
Return on equity: 6.5%
Cash ($ mil.): 183.2
Current ratio: 0.84
Long-term debt ($ mil.): 215.9
No. of shares (mil.): 47.2
Dividends
Yield: —
Payout: —
Market value ($ mil.): 240.9
R&D as % of sales: —
Advertising as % of sales: —

**Stock History** NASDAQ (GM): HA




| | STOCK PRICE ($) FY Close | P/E High | P/E Low | PER SHARE ($) Earnings | Dividends | Book Value |
|---|---|---|---|---|---|---|
| **12/07** | 5.10 | 43 | 17 | 0.15 | — | 2.82 |
| **12/06** | 4.90 | — | — | (0.86) | — | 1.80 |
| **12/05** | 3.99 | — | — | (0.31) | — | 1.05 |
| **Annual Growth** | 13.1% | — | — | — | — | 64.3% |

# Health Grades

Health Grades (which does business as HealthGrades) takes the health care industry to school. The company offers report cards on hospitals, physicians, nursing homes, home health agencies, hospice programs, and other health care providers. It sells the quality and patient safety information to a number of constituencies, including consumers, health plans, employers, and liability insurance companies. Hospitals themselves represent its biggest customer base, however; providers can license HealthGrades' ratings and trademarks (its Distinguished Hospital Award, for instance) to use in their marketing campaigns. They also come to the company for quality improvement consulting.

HealthGrades' database has ratings and profiles on the US's more than 5,800 hospitals, as well as some 750,000 doctors and thousands of nursing homes and other health care providers.

Consumers can access certain basic information about these providers online for free but have to pay a fee for more in-depth profiles. In 2008 it announced it would also partner with Google to provide information on providers through the search giant's Google Health portal.

For employers and insurers, the company offers a wide array of information products (under the umbrella brand Health Management Suite). In addition to quality reports, HealthGrades offers medical cost calculators and disease management tools that an employer, for instance, could license and provide to its employees to help them make cost-effective health care decisions.

Doctors aren't left out of the HealthGrades' business model. The company's Internet Patient Acquisition program lets doctors create and maintain online profiles that consumers can look at free of charge. In 2006 HealthGrades signed a multi-year deal with Tenet Healthcare to use the program to promote Tenet-affiliated physicians.

## EXECUTIVES

**Chairman, President, and CEO:** Kerry R. Hicks, age 48, $328,311 pay
**EVP:** Steven (Steve) Wood, age 64, $213,200 pay
**EVP:** David G. Hicks, age 49, $218,400 pay
**EVP:** Sarah P. Loughran, age 43, $218,400 pay
**EVP, CFO, Secretary, and Treasurer:** Allen Dodge, age 40, $205,000 pay
**SVP Corporate Communications and Marketing:** Scott Shapiro
**SVP Information Technology:** Mark Bartling
**SVP Medical Affairs and Chief Medical Officer:** Samantha Collier
**SVP Sales:** Jan R. Rutherford Jr.
**Director Human Resources:** Carolyne Petty
**Auditors:** Grant Thornton LLP

## LOCATIONS

**HQ:** Health Grades, Inc.
500 Golden Ridge Rd., Golden, CO 80401
**Phone:** 303-716-0041 **Fax:** 303-716-1298
**Web:** www.healthgrades.com

## PRODUCTS/OPERATIONS

**2007 Sales**

| | $ mil. | % of total |
|---|---|---|
| Provider Services | 25.1 | 70 |
| Internet Business Group | 6.1 | 17 |
| Strategic Health Solutions | 1.5 | 4 |
| Other | 3.5 | 9 |
| **Total** | **36.2** | **100** |

**Selected Products and Services**

Provider Services
- Hospital marketing programs
  - America's 50 Best Hospitals
  - Distinguished Hospital Program for Patient Safety
  - Strategic Quality Initiative
  - Strategic Quality Partnership
- Quality improvement services
  - Quality Assessment
  - Quality Assessment and Implementation
  - Quality Report for Hospital Professionals

Internet Business Group
- Healthcare Quality Reports for Consumers
- Internet Patient Acquisition program (marketing tools for physicians)

Strategic Health Solutions (for employers, benefit consultants, payors, and others)
- Decision Points (health care decision-making tools)
- Healthcare Quality Guides
- Health Management Suite (customized sets of quality data)
- Medical Cost Calculator

## COMPETITORS

GE Healthcare
Healthvision
Ingenix
Premier, Inc.
Thomson Reuters
WebMD Health

## HISTORICAL FINANCIALS

Company Type: Public

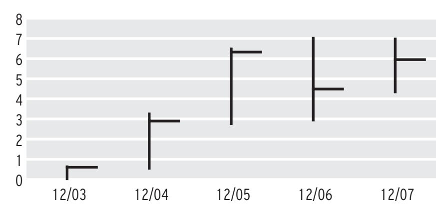
**Income Statement** FYE: December 31

| | REVENUE ($ mil.) | NET INCOME ($ mil.) | NET PROFIT MARGIN | EMPLOYEES |
|---|---|---|---|---|
| **12/07** | 36.2 | 6.8 | 18.8% | 142 |
| **12/06** | 27.8 | 3.2 | 11.5% | 123 |
| **12/05** | 20.8 | 4.1 | 19.7% | 106 |
| **12/04** | 14.5 | 1.8 | 12.4% | 67 |
| **12/03** | 8.8 | (1.3) | — | 56 |
| **Annual Growth** | 42.4% | — | — | 26.2% |

**2007 Year-End Financials**

Debt ratio: 0.0%
Return on equity: 49.1%
Cash ($ mil.): 23.4
Current ratio: 1.49
Long-term debt ($ mil.): 0.0
No. of shares (mil.): 27.8
Dividends
Yield: —
Payout: —
Market value ($ mil.): 165.3
R&D as % of sales: —
Advertising as % of sales: —

**Stock History** NASDAQ (CM): HGRD




| | STOCK PRICE ($) FY Close | P/E High | P/E Low | PER SHARE ($) Earnings | Dividends | Book Value |
|---|---|---|---|---|---|---|
| **12/07** | 5.95 | 35 | 22 | 0.20 | — | 0.56 |
| **12/06** | 4.49 | 78 | 33 | 0.09 | — | 0.43 |
| **12/05** | 6.32 | 54 | 23 | 0.12 | — | 0.34 |
| **12/04** | 2.90 | 65 | 11 | 0.05 | — | 0.14 |
| **12/03** | 0.60 | — | — | (0.05) | — | 0.06 |
| **Annual Growth** | 77.5% | — | — | — | — | 74.2% |

# Healthways, Inc.

For health insurers, healthy plan members are cheap plan members; and that's where Healthways comes in. The health services company provides disease management and wellness programs to managed care companies, self-insured employers, governments, and hospitals, with the ultimate goals of improving members' health and lowering health care costs. Its disease management programs help members manage chronic illnesses like diabetes and emphysema, making sure they keep up with treatment plans and maintain healthy behaviors. Its wellness offerings, including its SilverSneakers program for seniors, encourage fitness and other good lifestyle choices.

Healthways provides services to more than 31 million people in all 50 states, Puerto Rico, and Guam, as well as some international markets. Its largest customers are health insurers CIGNA and Blue Cross Blue Shield of Massachusetts, which account for 20% and 10% of total revenue, respectively.

Since healthy people require expensive health care services less often, the company's strategy consists of finding new and better ways of controlling health care costs lower by improving members' well-being. It has added services through partnerships with other health care companies, including collaborations with pharmacy benefits manager Medco and not-for-profit content provider Healthwise.

In 2006 the firm acquired preventive health services provider AXIA Health Management for more than $450 million. The acquisition added a host of wellness services, such as fitness and nutrition programs, to Healthways' service offering. Among them were the SilverSneakers program, as well as an online smoking cessation support group called QuitNet.

Healthways set up shop overseas at the beginning of 2008, with a contract to provide disease management and wellness services to members of German health insurer Deutsche Angestellten Krankenkasse. The same year, it also entered the Brazil market via a partnership with Brazilian health services company Fleury.

## HISTORY

In 1981 Thomas Cigarran and Henry Herr (alumni of a company that's now part of HCA) joined with venture capitalist Martin Koldyke to found American Healthcorp to buy hospitals. The company diversified, entering the diabetes market in 1984 and arthritis care in 1987.

With profitability lagging, the company sold its hospitals to focus on niche care. In the same spirit, it de-emphasized arthritis care in 1990. The company went public in 1991.

After a brief foray into obesity treatment, the company in 1994 invested in AmSurg, a manager of ambulatory surgery centers. (AmSurg was spun off in 1997.)

By the late 1990s the company increasingly targeted HMOs. It signed its first contract with Principal Health Care (1996, ended in 1998 after Coventry Health Care bought the HMO). Contracts with such HMOs as John Deere Health Care and Health Options of Blue Cross & Blue Shield of Florida followed in 1998.

To standardize income, the company in 1998 converted all of its contracts from shared savings arrangements (in which the company's