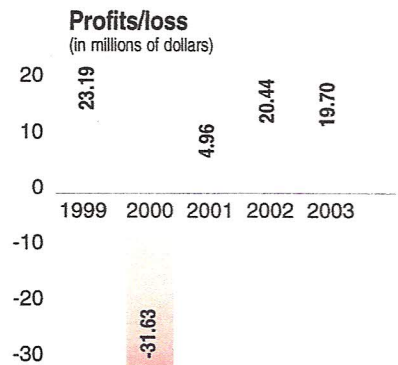
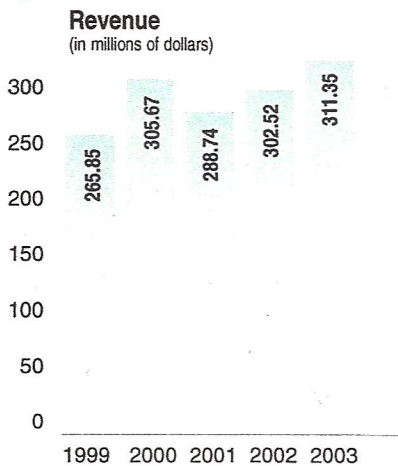




InfoUSA officials gathered at the Nasdaq stock market Wednesday in New York. In the foreground, from left, are Rakesh Gupta, president of database operations; Laurel Gupta and her husband, CEO Vin Gupta, who is flanked by sons Ben and Alex; Nasdaq Vice President Janet Lewis; Raj Das, chief financial officer; and Monica Messer, chief operating officer.

By the numbers



InfoUSA seizes opportunities

The Omaha company has become the world's biggest list brokerage, list manager and e-mail marketer.

BY VIRGIL LARSON
WORLD-HERALD
STAFF WRITER

Last year, after his InfoUSA Inc. had acquired seven companies in 2002 and early 2003, Vin Gupta said the shopping trip was over, that the Omaha database marketing firm would emphasize internal growth.

But in the first six months of this year, InfoUSA scooped up three more companies—Triplex Direct Marketing Corp. of Novato, Calif.; Edith Roman Cos. of Pearl River, N.Y.; and OneSource Information Services Inc. of Concord, Mass.

“These companies fell in our lap. They were such a good fit with our existing businesses that it wouldn’t have been good for us to give up the opportunity.”

Vin Gupta, chief executive, InfoUSA

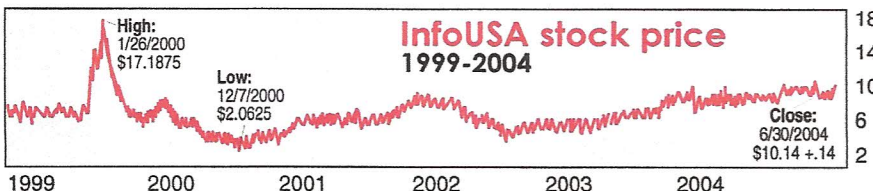
Gupta’s explanation?

“These companies fell in our lap,” he said Wednesday. “They were such a good fit with our existing businesses that it wouldn’t have been good for us to give up the opportunity.”

The three cost Gupta less than \$125 million, with OneSource accounting for \$103 million of the outlay.

One Source alone had \$57.3 million in revenue last year, and Gupta sees that kind of revenue from acquisitions and organic growth from a stronger economy pushing InfoUSA’s revenue over \$400 million in 2005. Revenue totaled \$311.4 million last year.

Continued on back



SOURCE: Bloomberg News

InfoUSA: Acquisitions fuel growth

Continued from front

He'd like to see a corresponding rise in the stock price. The stock made it back to the \$10 range in the middle of last year for the first time since early 2000.

The bursting of the technology bubble in 2001 hit InfoUSA as it did other tech companies. That came on top of troubles at InfoUSA that brought Gupta back into day-to-day operations, from which he had stepped back in 1998.

While revenue rose in 2000, earnings took a \$50 million turn down to a \$31.6 million loss. Revenue dropped in 2001, but Gupta brought the company back to profitability.

InfoUSA went bargain-shopping in 2002 and came back with six companies. In 2003, Gupta snapped up e-mail marketer CMGI of Andover, Mass., for 4 million. Two years earlier, Gupta said, it had changed hands for \$800 million.

InfoUSA now stands as the world's biggest list brokerage, list manager and e-mail marketer, Gupta said last month. In its database it has information on 14 million businesses, 200 million individuals and 110 million households.

InfoUSA has 2,500 employees, 1,100 of them scattered among facilities in the Omaha area.

At the same time he was buying companies, Gupta, who founded the company and owns 38 percent of its stock, was paying down debt and cutting costs. Long-term debt stood at \$121 million March 31, the end of the first quarter of 2003, compared with \$164 million at the end of 2002, 15 months earlier.

"We have adjusted, and I believe we will see strong growth again—internal growth," Gupta said Wednesday shortly after he had ceremonially opened the day's trading on the Nasdaq stock market in New York.

J. Bradford Eichler, an analyst with Stephens Inc., a Little Rock, Ark., investment banking firm, estimates InfoUSA's 2005 revenue at \$343 million. Eichler has an overweight/volatile rating on the stock, meaning he expects the 12-month return to be greater than the industry's and the stock price to be potentially higher than the sector's. Eichler does not own the stock.

InfoUSA's revenue is divided almost evenly between its Donnelley Group, which markets to large businesses, and its small-business InfoUSA Group.

The company recently introduced a new product for small businesses that Gupta used as an example of the company's potential. "For only 250 bucks a month," he said, a small business can get an unlimited flow of sales leads, downloading them from the Internet.

"If you take 3 million small businesses times \$3,000 a year, that's a \$9 billion market," he said.

Gupta, who started the company by using phone books to draw up mailing lists for businesses, is moving the company rapidly to Internet circulation of marketing services. Electronic delivery to small businesses has grown from 50 percent of overall volume five years ago to between 80 percent and 85 percent today, he said.

"Hardly anybody asks for mailing labels," he said.