MagnaDrive

N E W S R E L E A S E

MagnaDrive Recognized as One of America's Fastest Growing Private Companies

Growth Confirms MagnaDrive's Sound Business Strategy

Bellevue, Washington, May 9, 2005 – MagnaDrive Corporation announced today that the company was honored by ***Inc.*** Magazine as one of the fastest growing private companies in America.

The twenty-third annual ***Inc***. ***500*** rankings were based on the percentage growth in revenue for the last three years. MagnaDrive achieved a 94% annual growth rate during this period – ranking as the 392nd fastest growing private company in the country. The company ranked 22nd in the Northwest Region (Alaska, Idaho, Oregon and Washington).

"We are pleased that the hard work of the MagnaDrive employees and distributors is getting this kind of national recognition," stated Jim Cich, President & CEO of MagnaDrive Corporation. "We will continue to increase awareness of MagnaDrive's technology in the marketplace." Cich commented that a key element of MagnaDrive's extraordinary growth rate was the decision to strategically target the company's ability to provide customers with unparalleled reliability and demonstrate the associated savings. "MagnaDrive has been taking market share away from more established technologies by providing customers with tools to evaluate their total cost of ownership rather than just initial purchase price. Despite a larger base each year, the company's growth rate is actually accelerating."

"The best thing you can say about this year's crop of ***Inc. 500*** entrepreneurs is that they didn't buy into the hype," said ***Inc.*** editor-in-chief John Koten. "When people were practically giving away funding in the late 1990's, these companies didn't overextend, and when everyone hit the panic button a few years later, they stayed calm and seized opportunity." Current industry powerhouses to make past ***Inc. 500*** lists include Microsoft, Timberland, Oracle, Dominos Pizza, E*Trade and Intuit.

About MagnaDrive

Bellevue-based MagnaDrive Corporation was founded in 1999. The company's breakthrough magnetic technology provides a cost effective solution to increase reliability and lower maintenance expense while achieving energy savings and process control. The technology is protected by 19 domestic patents and over 150 international patents. The impact and potential of the technology was recognized by *Industry Week* magazine, which selected MagnaDrive as a Technology of the Year in 2001. More information about MagnaDrive is available at www.magnadrive.com. For a self-paced online tutorial about MagnaDrive's technology, please see the MagnaDrive Education System at www.magnadriveeducation.com.

About *Inc.*

Inc., the only business dedicated exclusively to owners and managers of fast-growing private companies, delivers real solutions for today's innovative company builders. It provides hands-on tools and market-tested strategies for managing people, finances, sales, marketing and technology. ***Inc.*** is the premier publication that focuses on small to medium-size businesses, which are responsible for more than half the nation's gross domestic product and 75% of its new jobs. And ***Inc.*** looks beyond work to address the

entrepreneurial lifestyle. ***Inc.***, a Gruner + Janer USA publication, inspires and informs, with cutting-edge coverage that reflects our readers' energy, brashness and imagination.

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