

PA. HELPS COMPANY TO ADD TECH JOBS VERTICALNET PLANS TO HIRE 1,000 MORE EMPLOYEES. THE STATE WILL PUT UP \$3 MILLION; THE COMPANY, \$12 MILLION.

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VerticalNet Inc., the Horsham online-business company, said it would add 1,000 jobs over the next three years with the help of \$3 million in cash and tax credits from the state of Pennsylvania.

VerticalNet plans to invest \$12 million of its own in this expansion, bringing the total to \$15 million. The company said the money would go to salaries, new computers and new space.

The company's goal is bigger than finding a few good employees. "What Microsoft is to Seattle, we want to be to Philadelphia," said Joseph Galli Jr., the chief executive officer VerticalNet recently hired from Amazon.com, where he had been president. "We think we can be the catalyst of this region. "

Gov. Ridge said the \$1 million cash grant and \$2 million in tax credits would lure young people back to the Philadelphia area.

"For too long, we sat back and watched as our talented crop of young professionals reluctantly left our state for the West Coast, seeking the high-tech jobs they could not find here at home," Ridge said. "But the tide is turning. The 'brain drain' is turning into the 'brain gain. ' "

VerticalNet , which employs 676 people in Horsham and another 900 around the world, operates 57 online sites, such as HydroCarbon Online and Pollution Online, targeted at various industries. The company is under heavy pressure from investors to get business buyers and sellers doing business on VerticalNet online exchanges. About half of VerticalNet 's \$54 million in second-quarter revenue came from a computer-industry exchange that conducts most of its trading via phones and paper.

The company, which went public in a highly successful initial public offering in February 1999, is built on the premise that it can make money by pushing a major portion of corporate purchasing online. If that doesn't happen, VerticalNet will remain just a collection of online trade magazines.

The transformation will require hiring more Web designers, computer engineers and customer-support staff. The average salary for the new jobs is about \$55,000, the company said.

Mike Hagan, company cofounder and chief operating officer, said VerticalNet would recruit heavily on area college campuses next spring. He said VerticalNet would avoid traditional interviews, where students simply sign up with the companies that interest them. Instead, VerticalNet executives will try to identify talented students.

"We really want to go in there and do grassroots-style recruiting by talking to the college deans," Hagan said.