



**SIMON LOK ▶ The Kid
Who Wants To Kill Cisco**

**Indian Retail Reform
Begins At The Pump**

NOVEMBER 1, 2004 | WWW.FORBES.COM

Forbes

Best UNDER A Billion



**ASIA'S RISING
COMPANIES
INDIA'S 24 GEMS**

Australia A \$5.95
Hong Kong HK \$45
India Rs 150
Indonesia Rp 23,000
Japan (tax incl.) ¥940
Korea W 5,000
Malaysia RM 12.00
New Zealand NZ \$8.00
Philippines P 130
Singapore S \$7.00
Taiwan NT \$130
Thailand B 100
United States US \$4.95



9 770015 691050

38 >

Contents

NOVEMBER 1, 2004 | VOLUME 7 NUMBER 19

- 5 **Sidelines**
- 6 **Index**
- 8 **Readers Say**
- 11 **Fact and Comment**
Steve Forbes
- 14 **Current Events**
Paul Johnson
- 16 **Digital Rules**
Rich Karlgaard
- 64 **Thoughts on the Business of Life**

Companies, People, Ideas

- 18 **Is Merck a Goner?**
Tallying up the damage.
By Matt Herper and Robert Langreth
- 20 **Paul Klebnikov (1963-2004)**
We remember the slain FORBES
journalist; James W. Michaels
takes a look at how Russia went
down a dead end.

Best Small U.S. Companies

- 39 **Urban Cowboy** Harnessing
merchandising creativity and
tight financial controls, Dick
Hayne is riding a retail phenom.
By Heidi Brown

Money & Investing

- 44 **The New Divining Rod** Oil services
get a boost. *By Michael Maiello*
- 46 **Portfolio Strategy | When Earnings
Are Cheap** *By Kenneth L. Fisher*
- 47 **Makers & Breakers**
Sun Microsystems.

On The Cover

- 30 **Best Under A Billion**
We list 200 rising companies in Asia and
Europe. India, with 24 entries,
leads the Asian list.
(Plus: The Top Ten Small U.S. Companies.)
- 24 **Mavericks: Simon Lok**
Meet a 26-year-old with plans
to crush Lucent and Cisco.
By Daniel Lyons
- 28 **Fuel for Consumption**
India opens gas retailing to multinationals.
By Dinakar Sethuraman

Technology

- 48 **Easy Designer** Computer-aided-
design tools: cheap and potent.
By Christopher Steiner
- 50 **Going Deep** Search engines.
By David Whelan

Health

- 52 **Curing Prostate Cancer** New
weapons to give men hope.
By Robert Langreth

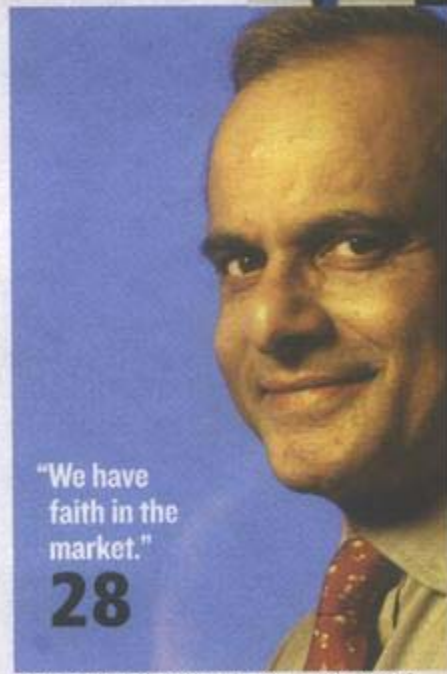
Forbes Global Life

- 60 **Floating in Amsterdam**
Sick of hotels? Try a houseboat.
By Chana R. Schoenberger
- 62 **Books | The Witch of Wall Street**
Hetty Green, America's first
female tycoon. *By Susan Adams*



"I want to kill
them all. I want
to crush them"

24



"We have
faith in the
market."

28

COVER PHOTOGRAPH BY LAWRENCE LAWRY / PHOTO
RESEARCHERS; DIGITAL IMAGING BY SLIM FILMS FOR FORBES
COVER INSET BY JEFFERY SALTER / REDUX PICTURES

Best Under a Billion

FINDING 100 OF THE BEST SMALLER-SIZE ENTERPRISES IN both Asia/Pacific and Europe is, well, no small feat. First, compiler Mitchell Martin screened our databases to find 2,600 publicly traded companies that had under \$1 billion a year in revenue and five-year returns on capital of at least 5%. Then we ranked the lot by sustained gains in sales and returns, plus latest-year market momentum. What emerges is the cream. While not all of these entities fit an entrepreneurial mold, we trust they represent economic dynamism in the two regions. But we are also looking for companies with a track record of rewarding their shareholders, so this leaves off most flashes in the pan. (For highlights of a similar list from the U.S., see p. 38.)

FORBES GLOBAL has been refining this collection for six years now, and it has been a consistent guide to winners. The first roster, in 1998, included now-familiar names: Infosys,

Johnson Electric, Anglo Irish Bank and Dassault Systèmes.

We suggest you could do worse in a small-company portfolio than these selections. But a word of caution: Liquidity and transparency can be a problem in even some of these better companies. Balance your holdings accordingly.

One thing that's a surer bet: A country's climate for entrepreneurship is reflected in these ranks. Note that India, with 24 entries, has more than any nation except the U.K. This year we have 2 selections from China. As the private sector continues to develop there, we expect that number to increase. Japan does better this year, with its export rebound, but South Korea still trails in Best Under a Billion businesses. In Europe we welcome Poland to the list and include Turkey, recognizing its approach to membership in the EU. A continuing disappointment, given its industrious small concerns: Italy. —Tim W. Ferguson

COMPANY Industry	US \$MIL			5-YEAR AVERAGE %		P/E Latest 12-mo
	Sales	Net income	Market value	Return on equity	EPS Growth	
ASIA/PACIFIC						
AUSTRALIA						
Centennial Coal Coal	350	37	568	22	30	11
Cochlear Hearing devices	198	26	948	62	16	33
Equigold Gold mining	65	12	163	20	51	13
GRD Gold mining & construction	158	15	312	28	NA	22
Jubilee Mines Nickel mining	104	33	404	44	NA	.5
Macquarie Goodman Management Real estate development	55	26	760	29	59	26
Pacific Hydro Renewable energy generator	24	28	362	19	36	9
Perpetual Trustees Australia Investment managers	215	63	1,401	30	22	20
Primary Health Care Health care industry services	105	13	519	8	18	32
Select Harvests Nuts & dried fruits	89	11	218	21	25	17
Sonic Healthcare Diagnostic imaging services	717	40	1,910	12	9	42
Timbercorp Forest products	74	18	234	78	23	12
CHINA						
Anhui Conch Cement Cement	683	90	2,022	NA	42	18
Global Bio-Chem Technology Corn products	300	67	1,594	NA	NA	18
HONG KONG						
China Pharmaceutical Group Pharmaceuticals	319	65	387	17	28	7
Kingboard Chemical Holdings Industrial goods	571	61	1,332	30	23	15
Lung Kee (Bermuda) Holdings Molds for plastics industry	156	20	404	19	8	13
Sun Hing Vision Group Holdings Eyeglass frames	66	12	113	34	7	9
Truly International Holdings Consumer electronic devices	180	25	454	12	27	18
INDIA						
Aurobindo Pharma Pharmaceuticals	334	25	412	34	28	17
Balrampur Chini Mills Sugar, molasses, industrial alcohols	170	14	178	18	7	10
Bharat Forge Auto parts, presses, industrial equipment	181	40	703	34	27	23
Cipla Pharmaceuticals	425	68	1,943	29	21	24
Corporation Bank Banking	647	122	860	23	18	8
Essel Propack Containers	126	15	148	17	17	12

All figures are in U.S. dollars. Data as of Oct. 1. NA: Not available. NM: Not meaningful. Sources: Worldscope via FactSet Research Systems; Bloomberg.



Rodriguez Group



New Wave Group



Coloplast

These companies from the 2003 list
outgrew our billion-dollar (revenue) cutoff:

Puma, Wipro, Ryanair, NH Hoteles,
Infosys, Johnson Electric

COMPANY Industry	US \$MIL			5-YEAR AVERAGE %		
	Sales	Net Income	Market value	Return on equity	EPS Growth	P/E Latest 12-mo
Graphite India Graphite products, reinforced plastics	121	12	64	16	5	5
Gujarat Ambuja Cements Cement	525	79	1,346	22	19	12
HDFC Bank Banking	699	118	2,554	28	34	21
Iflex Software for financial industry	182	41	1,044	NA	NA	24
Indian Hume Pipe Pipes & other metal products	37	12	16	33	38	6
IPCA Laboratories Pharmaceuticals	138	17	175	25	25	11
Jammu & Kashmir Bank Banking	421	94	273	33	37	6
JB Chemicals & Pharmaceuticals Pharmaceuticals & chemicals	70	12	118	23	26	10
Jubilant Organosys Pharmaceuticals, chemicals & adhesives	193	18	396	26	20	22
Mphasis BFL Software for financial industry	134	23	461	12	15	19
Neyveli Lignite Coal	636	264	2,202	17	16	8
Nicholas Piramal India Pharmaceuticals & glass containers	320	46	763	23	26	14
Oriental Bank of Commerce Banking	929	158	1,026	24	24	8
Satyam Computer Services Computer services	591	118	2,676	53	42	18
Sesa Goa Steel	201	38	297	19	39	6
Shanthy Gears Auto parts	19	3	45	17	23	8
Sun Pharmaceutical Industries Pharmaceuticals	228	81	1,694	44	44	17
Zee Tele Films Movies	316	68	1,381	32	17	19
INDONESIA						
Berlian Laju Tanker Shipping	115	18	277	12	12	13
Dankos Laboratories Pharmaceuticals	142	15	146	54	NA	9
Enseval Putera Megatrading Distributor, medical & consumer goods	454	18	104	237	NA	5
Indocement Tunggul Prakarsa Cement & property management	495	80	782	69	NA	14
Indonesian Satellite (Indosat) Wireless telecommunications	980	187	2,483	23	7	10
Multi Bintang Indonesia Beer	67	11	70	37	38	7
Ramayana Department stores	423	36	1,297	27	26	20
Sepatu Bata Footwear	49	4	18	48	7	5
JAPAN						
Arisawa Manufacturing Fiberglass & other industrial materials	466	49	1,365	15	21	26
Global Media Online Internet software & services	146	10	801	25	56	35
Goldcrest Home building	751	49	1,076	33	48	23
Iida Home Max Home building	927	52	812	28	47	20
Japan Cash Machine Cash-handling equipment	313	39	786	21	25	17
Kappa Create Sushi & noodle restaurants	585	36	592	29	58	30
Mars Engineering Equipment for pachinko parlors	294	41	801	8	50	19
Meiko Network Japan Private schools	72	7	142	20	48	7
Musashi Seimitsu Industry Auto parts	884	46	652	32	18	13
Nichiiko Pharmaceutical Pharmaceuticals	161	22	242	58	NA	11
Nishimatsuya Chain Retail apparel	715	36	925	21	33	20
Park24 Parking garages	387	30	1,077	19	31	27
Resorttrust Hotels	685	39	755	21	21	18
Right On Retail apparel	635	37	657	17	24	19
Saint Marc Bakeries & restaurants	154	17	434	19	13	22

All figures are in U.S. dollars. Data as of Oct. 1. NA: Not available. NM: Not meaningful.
Sources: Workscope via FactSet Research Systems; Bloomberg.