

Best Under a Billion

Tim W. Ferguson, 11.01.04

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. 40.)

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 Systemes.

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.

Company Industry	-----US \$mil-----			5-Year average %		
	Sales	Net Income	Market value	Return on equity	EPS Growth	P/E Latest 12-mo
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
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	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
Shanthi Gears Auto parts	19	3	45	17	23	8
Sun Pharmaceutical Industries	228	81	1,694	44	44	17

Pharmaceuticals						
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	454	18	104	237	NA	5
Distributor, medical & consumer goods						
Indocement Tunggal 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
Square Enix Videogames	605	105	3,031	14	9	31
The Japan General Estate Real estate development	583	27	253	46	81	12
Tokyo Individualized Educational Institute1 Cram school	105	-1	128	28	NA	NM
Trend Micro Computer-security software	448	86	5,785	21	50	41
United Arrows Retail apparel	411	28	508	23	34	11
Urban Corp Home building	492	26	623	16	82	10
USS Used-car auctions	406	85	2,342	21	21	29
MALAYSIA						

Sources: Worldscope via FactSet Research Systems; Bloomberg.

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	Sales	Net Income	Market value	Return on equity	EPS Growth	P/E Latest 12-mo
EUROPE						
BELGIUM						
Melexis Semiconductors	168	31	500	28	25	17
DENMARK						
Coloplast Health care products	891	88	2,283	39	17	22
Djurslands Bank Banking	46	11	83	14	32	7
Forstaedernes Bank Financial services	139	17	233	14	10	11
Parken Sport & Entertainment Soccer team & stadium	36	2	130	11	-3	51
Ringkjobing Landbobank Banking	104	39	318	17	32	8
Sjaelso Gruppen Commercial property developer	132	23	174	38	26	7
Thrane & Thrane Satellite communications equipment	103	10	200	22	12	16
William Demant Holdings Hearing aids, communications equip	654	104	2,979	170	27	23
FINLAND						
Exel Sports equipment & industrial products	72	4	155	29	10	19
Marimekko Textiles & clothing	71	8	238	25	30	12
Nokian Renkaat Tires	665	60	1,166	22	17	13
PKC Group Automotive electronics & contract manufacturing	184	15	192	27	11	10
Ramirent Construction equipment leasing	218	13	272	29	1	9
FRANCE						
ABC Arbitrage Arbitrage trading	89	10	102	56	6	9
April Group Insurance brokers	338	29	882	34	15	25
Audika Hearing aids & related products	66	6	209	49	29	26
Banque de la Reunion Banking (Reunion & Indian Ocean)	158	31	546	18	16	13
Beneteau Shipbuilding	700	64	1,181	47	30	12
Bois et Chiffons International Home furnishings retailer	18	4	35	112	80	6
Fiducial Real Estate Property & financial services investment	25	5	73	13	51	11
Fininfo Software & databases for financial industry	172	17	348	27	16	20
Fonciere des Regions Real estate devel & parking garages	122	52	886	14	43	7

GL Trade Brokerage software	161	17	350	55	28	25
Groupe Philippe Bosc Home hairstyling services	40	4	62	46	19	14
Ioltech Eye care equipment & pharmaceuticals	56	7	110	25	27	17
IPO Institut de Participations de l'Ouest Venture capital	57	50	293	19	27	6
Metrologic Group 3-D measuring software	22	8	196	51	30	18
Neopost Mailing & shipping equipment	936	104	1,959	26	22	14
NRJ Group Radio broadcasting	407	61	1,714	NA	20	25
Passat Consumer products	73	7	72	35	52	12
Rodriguez Group Shipbuilding	354	33	623	81	54	25
Toupargel-Agrigel Telephone food sales	396	15	385	38	35	13
GERMANY						
Bijou Brigitte Modische Accessoires Costume jewelry	207	41	839	48	41	10
Centrotec Sustainable Heat-resistant plastics	145	8	155	28	NA	12
ElringKlinger Auto parts, plastics & real estate	524	30	602	18	49	15
Rational Professional food preparation devices	235	34	824	57	13	19
IRELAND						
FBD Holdings Multiline insurance	406	115	896	19	38	6
McInerney Holdings Real estate development & construction	432	30	243	47	25	6
ITALY						
Navigazione Montanari Shipping	174	27	324	14	21	9
NETHERLANDS						
Aalberts Industries Flow-control devices	987	56	876	89	6	11
Airspray Dispensers	45	8	127	36	17	15
Exact Holding Business management software	260	41	614	45	16	16
Fornix BioSciences Pharmaceuticals & medical devices	85	7	85	51	25	14
InnoConcepts Markets inventions	60	6	83	39	36	13
Qiagen DNA & RNA processing equipment	387	47	1,678	18	25	38
Unit 4 Agresso Business management software	276	16	367	89	5	17
NORWAY						
Aktiv Kapital Debt collection	125	23	537	57	38	14
Ekornes Home furnishings	303	44	740	47	13	14
Solstad Offshore Shipping	149	24	324	19	-11	10

Tandberg Videoconferencing equipment	236	39	1,217	19	51	25
TGS-NOPEC Geophysical Oilfield services	145	30	481	29	2	11
Visma Business software	201	29	314	63	40	11
POLAND						
Cersanit-Krasnystaw Ceramic products	139	18	450	26	28	15
PORTUGAL						
Brisa-Auto-Estradas Toll road construction & operation	673	191	4,825	26	NA	21
SPAIN						
Grupo Empresarial ENCE Forest products	607	52	710	20	75	11
Inmobiliaria Del Sur Real estate development	72	15	662	20	32	25
SWEDEN						
Kungsleden Real estate investment	377	104	594	21	32	5
Lennart Wallenstam Byggnads Real estate management	148	63	463	29	85	5
Meda Pharmaceutical marketing	121	8	239	15	NA	19
New Wave Group Promotional items & apparel	261	19	435	26	44	16
Nibe Industrier Heating products	340	20	427	23	24	21
ORC Software Financial trading software	33	8	138	55	32	22
SkiStar Ski resorts	115	15	313	14	23	13
SWITZERLAND						
Nobel Biocare Dental implants & prosthetics	410	88	3,921	19	66	29
Phonak Holding Hearing aids & communications equipment	503	54	2,095	16	17	29
Straumann Holding Dental implants	277	65	3,276	43	50	37
Temenos Group Banking software	157	12	413	75	NA	33
TURKEY						
Mardin Cimento Sanayii Ve Ticaret Cement	42	11	102	60	19	9
UNITED KINGDOM						
Albemarle & Bond Holdings Pawnshops	41	6	95	19	16	13
ARM Holdings Semiconductors	229	27	1,636	30	24	86
Aveva Group Engineering software	70	7	192	27	15	22
Ben Bailey Home building	112	16	84	32	51	5
Bovis Homes Group Home building	854	154	1,178	20	22	6
Cairn Energy Oil & gas production	278	83	4,173	11	NA	13
Carpetright Carpet retailing	806	87	1,328	79	25	15
Clarkson Shipping finance	105	14	199	35	44	10
Enterprise Inns Pubs	800	207	3,634	16	33	13

Findel Catalog/specialty distribution	777	51	610	22	19	10
Hornby Model railroads & cars	72	8	168	18	44	17
Intermediate Capital Group Short-term finance	249	80	1,338	21	13	16
Johnston Press Weekly newspapers, printing & Web sites	878	160	2,863	20	17	15
Latchways Safety equipment	36	4	71	42	7	16
London Security Fire protection	96	10	367	13	7	35
McCarthy & Stone Real estate development	402	128	1,133	30	35	6
Monsoon Retail apparel	497	55	606	50	18	10
Mountview Estates Real estate development	102	37	286	17	22	8
Northern Racing Horse-racing tracks	17	2	124	17	15	26
Numis Financial services	40	11	184	28	27	13
Paladin Resources Oil & gas production	479	51	896	18	NA	10
Rensburg Investment managers	57	26	171	36	29	7
Sanctuary Group Recorded music	252	11	287	45	10	24
Savills Real estate agency	539	39	472	23	18	8
SCI Entertainment Group Computer games	47	7	62	273	NA	8
St Mowden Properties Real estate development	211	41	692	13	17	13
Ted Baker Retail apparel	162	17	325	59	12	17
Topps Tiles Tile retailer	190	20	734	60	31	16
Vanco Computer networking services	140	5	279	37	25	59
Warner Chilcott Pharmaceuticals	448	97	2,770	15	36	22
Watermark Group Travel marketing	74	4	105	44	24	16

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