

IN THIS AGE OF VIRTUALLY-ANYTHING-GOES DOT.COM, IT'S COMFORTING to remember that, as the old song by Herman Hupfeld goes, the fundamental things apply. And so it is with our annual list of the hottest 200 small companies in America. There's not an internet stock among them-for the simple reason that FORBES has very strict financial

200 Best Small Companies

performance standards for this exclusive club. For starters, that means clear evidence of profits-a five year average annual growth in earnings of 10%, which no Web company can come close to-just to qualify as a candidate for the list. Dozens and dozens of financially solid companies still don't make the cut. Those that survive-a fair cross section of America's service and manufacturing economy-are a battle-hardened bunch of companies.

200 Best Small Companies | 1999 RANKINGS

RANK 99 00	COMPANY (consecutive years on list) business	PROFITABILITY			GROWTH				SALES latest 12 mos (\$mil)	NET INCOME latest 12 mos (\$mil)	MARKET VALUE ¹ (\$mil)	EPS 2000E (\$)	P/E 2000E	RECENT PRICE (\$)
		RETURN ON EQUITY		DEBT/ EQUITY	SALES		EPS							
		5-year average	latest 12 mos		5-year average	latest 12 mos	5-year average	latest 12 mos						
1	Cognizant Technology Solutions software development & maintenance services	22%	20%	0%	113%	104%	130%	100%	78	0.6	291	1.43	21	30.72
12	Timberline Software (5) software for contractors, property managers &...	31	44	27	20	30	63	40	51	0.0	177	1.25	18	18.50
13	Pre-Paid Legal Services (4) members, paying a preset fee, get legal services	33	33	1	60	15	50	73	175	33.7	674	2.13	18	38.13
14	Colorado Instruments (2) designs & manufactures medical equipment	21	38	8	30	30	36	73	65	7.9	157	0.86	18	14.00
15	FactSet Research Systems (3) supplies computer-based financial & economic data	23	36	8	30	32	48	41	104	18.8	572	1.36	41	55.75

Rank prices as of Oct. 1. — list on last year's list. ¹Includes all share classes. ²Initial public offering within past five years. NA: Not available or not applicable.
Sources: William O'Neil & Co.; Interactive Data Corp. and IBIS International via FactSet Research Systems; IBIS Express.