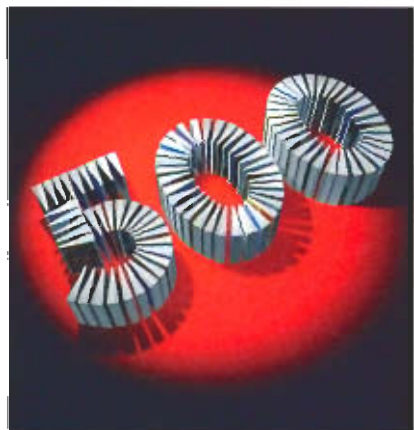


FORTUNE

July 23, 2007 • Vol. 156, No. 2



GLOBAL 500

74 The Greatest Economic Boom Ever

Okay, it may not feel like a day at the beach to many people. But for your average globetrotting FORTUNE 500 CEO, right now is about as good as it gets. BY RIK KIRKI AND

84 How Microsoft Conquered China

Or is it the other way around? On the road to Beijing with Bill Gates, who threw his business model out the window. BY DAVID KIRKPATRICK

92 The Mouse That Roared

Tiny Porsche is shaking things up at Volkswagen. BY ALEX TAYLOR III

FIRST

17 Subprime Contagion?

Ohio's attorney general is investigating the role credit-rating agencies like Moody's played in rubber-stamping dicey bonds. BY KATIE BENNER AND ADAM LASHINSKY

19 China's New Export: Lawsuits

U.S. importers are learning that defective products may come from China but the liability is here. BY ROGER PARLOFF

20 India's Mounting E-Waste

Computer recycling is booming in India, but the government has been slow to regulate the industry. BY DANIEL PEPPER

23 Picture This

Piling on inequities: near slavery for some workers in China. BY SHERIDAN PRASSO

PLUS Question Authority • Teamwork at Shea Stadium • and more

COLUMNS

29 Value Driven

Corporate America has to make IT jobs sexy again. BY GEOFF COLVIN

32 Lessons in Leadership

Gucci Group's Robert Polet shares his tips for marrying art and commerce. BY JIA LYNN YANG

34 Technology

How I succumbed to chronic subscription fatigue syndrome. BY BRENT SCHLENDER

INVESTING

161 Young Funds to Watch

We sort through hundreds of new entrants to find three portfolios with solid roots and the potential to grow into great long-term performers. BY YUVAL ROSENBERG

165 A Buy-and-Hold Standout

Emerson Electric is a stock with "core holding" written all over it. BY COREY HAJIM



84

CHINA CONQUEST

Bill Gates at a gala dinner with Asian government leaders in Beijing. The Microsoft chairman and his team have turned the company around in China.

BUSINESS LIFE

169 Om Work

With hellish hours and information overload now the norm, the C-Suite set is turning to extreme meditation to cope. BY OLIVER RYAN

172 The Mustang Rides Again

At 84, auto legend Carroll Shelby delivers a road-ripping muscle car for Ford. BY SUE ZESIGER CALLAWAY

PLUS Road Warrior: Andrea Bernholtz

10 Index 12 Letters 174 Bing!



Find the latest FORTUNE stories and more on fortune.com.



THE FORTUNE GLOBAL 500 LISTS

100 THE WORLD'S LARGEST CORPORATIONS

Rising oil prices and a global M&A glut helped old-economy companies stay at the top of the list with another year of record profits. **PLUS:** Asia's top 50. BY TELIS DEMOS

F-1 THE LIST

F-11 ARRIVALS AND DEPARTURES

F-12 EXPLANATIONS AND FOOTNOTES

F-13 HOW THE COMPANIES MEASURE UP

F-16 THE 500 RANKED WITHIN INDUSTRIES

F-24 HOW THE INDUSTRIES MEASURE UP

F-27 THE 500 RANKED WITHIN COUNTRIES

F-44 INDEX TO THE 500

FORTUNE Asia (ISSN 0738-5587) is published 23 issues a year by Time Asia (Hong Kong) Limited. FORTUNE Asia may also publish occasional extra issues. **Customer Service and Subscriptions:** For 24/7 service, please use our website: fortune.com/customerserviceasia. You may also contact Customer Services Center at (852) 3128-5688, or e-mail to enquiries@timeasia.com or write to Time Asia (Hong Kong) Limited, 30/F Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. **Subscribers:** If the postal authorities alert us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within two years. **Mailing List:** We make a portion of our mailing list available to reputable firms. If you would prefer that we not include your name, please contact Customer Services Center. Member, Audit Bureau of Circulations. © 2007 Time Asia (Hong Kong) Limited. All rights reserved. FORTUNE is protected through trademark registration in the U.S. and in the countries where FORTUNE magazine circulates. FORTUNE Asia is printed in Singapore. Singapore MICA (P) No. 245/06/2006. Malaysia KKD permit No. PPS 1162/5/2008. Worldwide publisher: Michael Federie.