

The War Over Cheap Drugs

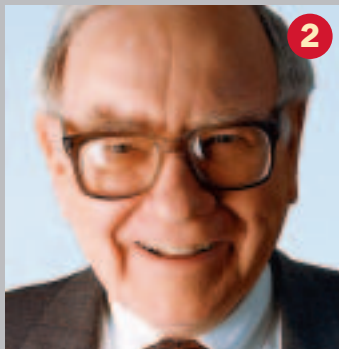
Enron: The Noose Tightens

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FORTUNE

MARCH 8, 2004



The 2004 List

AMERICA'S MOST ADMIRED COMPANIES

For the full report, see page 80.



PLUS Wal-Mart: It's Tough to Be No. 1

America's Most Admired Companies

Recent bad press hasn't dimmed the business world's affection for Wal-Mart. Plus, once-sluggish IBM surges onto the top ten list. BY ANN HARRINGTON

THOSE OF YOU WHO HAVE READ ABOUT WAL-MART locking in its employees overnight or being raided by the feds may be scratching your heads (see "Should We Admire Wal-Mart?"). Ditto any investors who've seen Wal-Mart's stock lag behind the market for the past year. But the 10,000 executives, directors, and analysts whom FORTUNE polled in late 2003 weren't deterred: They have named the retailing juggernaut America's Most Admired Company for the second year in a row.

These survey respondents don't flinch at a few negative headlines (you may recall that Microsoft, a member of the Most Admired top ten for a decade, has had its own issues with the government). And though they care about the bottom line, they aren't fixated on one year's results. Wal-Mart wins the business world's esteem because it is the most dominant force in commerce, renowned for its superb efficiencies, unprecedented clout with suppliers, and pervasive influence on everything from pop culture to the consumer price index. And though its stock has been uninspiring lately, over the past six years it has outperformed the S&P 500 by a hefty margin (a total return of 178% vs. 25%). Long-haul performance is something Wal-

Mart has in common with the other nine companies on the list: Over that same six-year period, this year's top ten stocks returned an average of 124%.

Though the 2004 list is remarkably similar to 2003's, there is one bit of drama: IBM has returned after 17 long years. Stock performance isn't the only reason. CEO Sam Palmisano credits his predecessor Lou Gerstner, who led the company's turnaround, as well as Big Blue's refusal to "hunker down" during the recession. "We believed strongly that the IT industry was undergoing a historic reordering, and we wanted to reposition the company to lead that shift," he says. Eighteen months ago Palmisano announced an "on-demand initiative" to provide computing services to customers as they needed them. At first, Palmisano says, "our competitors derided our strategy," but now "most of them have copied it in some way."

Imitation, after all, is the sincerest form of admiration. For more on that subject, turn the page and read about how No. 3 Southwest keeps beating back the copycats. Curious what your peers think of your corporation? Complete Most Admired listings for companies in 64 industries follow.

Who's Up and Who's Down

How companies rank in their industries.

IF LAST YEAR SET A LOW-WATER MARK for corporate admiration, the results of our latest survey of thousands of businesspeople may signal a rebound: Companies' median scores rose 5% over the previous year. Three firms roared up the rankings: Xerox zoomed from No. 9 to No. 3 in computers; McDonald's supersized from No. 7 to No. 2 in food services; Washington Mutual vaulted to first place in mortgage services. And Calpine took its share of the heat in the energy industry meltdown, but it tops that embattled group this year.

The less fortunate include Freddie Mac and Tenet Healthcare, where accounting troubles and federal investigations, respectively, sent rankings tumbling; Oracle, which fell from No. 2 to No. 7 as it struggled to take over PeopleSoft; and Anadarko Petroleum, which plunged from No. 2 to No. 9 as growth slowed.

Here's how we did the calculations. For the industry list, the Hay Group started with the ten largest companies by revenue in 64 industries, including foreign firms with large U.S. operations. (In some cases it included 11 companies—see footnotes.) Then it asked 10,000 executives, directors, and securities analysts to rate the companies in their own industries on eight criteria (see table), using a scale of one to ten.

By contrast, for the top ten list, respondents selected the ten companies they admire most in *any* industry. They chose from a list of corporations that ranked in the top 25% overall last year, plus any that finished in the top 20% of their category. Because insiders may grade differently from the business world as a whole, high scorers on the industry lists don't always make the overall top ten. — Ann Harrington

Corporate reputation: eight key attributes

To arrive at each company's score on the industry list, we averaged its score for these eight criteria. Here are the three highest scorers in each category. The lowest overall? Bankrupt United Airlines parent UAL.

Innovation		Financial soundness		Employee talent		Quality of management	
Washington Mutual	8.76	United Parcel Service	9.67	Procter & Gamble	8.97	United Parcel Service	9.29
Starbucks	8.62	Microsoft	9.50	American Express	8.79	Liz Claiborne	9.07
Procter & Gamble	8.53	Anheuser-Busch	9.30	Walgreen	8.79	Procter & Gamble	9.05
Use of corporate assets		Long-term investment		Social responsibility		Quality of products/services	
United Parcel Service	9.00	Exxon Mobil	9.42	United Parcel Service	9.00	Anheuser-Busch	9.25
Procter & Gamble	8.71	United Parcel Service	9.30	Alcoa	8.72	United Parcel Service	9.17
Berkshire Hathaway	8.65	Berkshire Hathaway	9.12	Washington Mutual	8.57	Procter & Gamble	8.97

Financial Industry

1. Securities

2003/2002	SCORE
1 2	Goldman Sachs 7.07
2 1	Bear Stearns 7.04
3 6	Lehman Brothers Holdings 6.90
4 5	Merrill Lynch 6.62
5 3	Morgan Stanley 6.59
6 4	Charles Schwab 5.91
7 8	Franklin Resources 5.31
8 9	AXA Financial 5.25
9 7	A.G. Edwards 5.21
10 10	E*Trade Group 4.82

2. Megabanks

2003/2002	SCORE
1 1	Citigroup 7.98
2 3	Bank of America 7.09
3 6	National City 6.78
4 2	Wells Fargo 6.65
5 8	U.S. Bancorp 6.12
6 5	Bank One 6.08
7 7	Wachovia 6.02
8 4	SunTrust Banks 5.48
9 9	FleetBoston Financial 5.31
10 10	J.P. Morgan Chase 5.29

3. Superregional Banks

2003/2002	SCORE
1 1	Fifth Third Bancorp 7.46
2 2	Mellon Financial 7.18
3 7	SouthTrust 6.79
4 6	Regions Financial 6.75
5 3	State Street 6.71
6 4	BB&T 6.70
7 5	Bank of New York 6.12
8 9	KeyCorp 5.38
9 8	Comerica 5.35
10 10	PNC Financial Services Grp. 5.31

4. Consumer Credit

2003/2002	SCORE
1 1	American Express 8.50
2 2	MBNA 7.87
3 6	SLM Corp. 6.06
4 3	Capital One Financial 6.06
5 •	Synovus Financial 5.96
6 •	AmeriCredit 5.92
7 7	Metris 4.39
8 8	Provident Financial 4.18

5. Mortgage Services

2003/2002	SCORE
1 7	Washington Mutual 8.43
2 1	Golden West Financial 7.69
3 4	Countrywide Financial 6.96
4 2	Fannie Mae 6.69
5 •	LandAmerica Financial Grp. 6.51
6 6	Fidelity National Financial 6.26
7 5	First American 6.17
8 3	Freddie Mac 5.92
9 •	GreenPoint Financial 5.61
10 9	Sovereign Bancorp 5.49

6. Insurance: Life, Health

2003/2002	SCORE
1 1	Northwestern Mutual 7.53
2 2	Massachusetts Mutual Life 7.18
3 3	New York Life 6.94
4 5	AFLAC 6.73
5 4	TIAA-CREF 6.65
6 7	MetLife 6.46
7 •	Principal Financial Group 6.45
8 6	Prudential Financial 6.25
9 9	John Hancock Finan. Svcs. 4.92
10 10	UnumProvident 3.95

7. Insurance: Property, Casualty

2003/2002	SCORE
1 1	Berkshire Hathaway 8.41
2 2	American Intl. Group 6.87
3 •	Progressive 6.58
4 4	Allstate 6.56
5 5	Hartford Financial Services 6.54
6 3	USAA 6.46
7 •	Travelers Property Casualty ¹ 6.06
8 8	Liberty Mutual Group ² 6.06
9 7	State Farm Insurance 5.87
10 6	Nationwide 5.84
11 10	Loews 5.18

¹Not ranked last year.
²Included because it spun off from Citigroup in 2002.
³Changed name from Liberty Mutual Insurance.

Shelter

8. Building Materials, Glass

2003/2002	SCORE
1 2	Vulcan Materials 8.03
2 •	Martin Marietta Materials 6.50
3 1	Texas Industries 6.48
4 5	Owens Corning 5.88
5 4	Armstrong Holdings 5.67
6 3	USG 5.53

9. Engineering, Construction

2003/2002	SCORE
1 4	Fluor 7.04
2 1	Jacobs Engineering Group 7.04
3 3	Granite Construction 6.56
4 2	Peter Kiewit Sons' 6.51
5 5	CH2M Hill 6.43
6 7	URS 6.22
7 6	EMCOR Group 5.84
8 •	Shaw Group 5.46
9 •	Washington Group Intl. 5.22
10 9	Quanta Services 5.15

10. Furniture

2003/2002	SCORE
1 2	Herman Miller 7.87
2 1	Hon Industries 7.35
3 3	Leggett & Platt 7.07
4 4	Steelcase 6.60
5 5	La-Z-Boy 6.23
6 8	Sealy 6.16
7 7	Kimball International 6.13
8 6	Furniture Brands Intl. 5.85

* Not ranked last year. ³Changed name from U.S. Industries.

11. Real Estate

2003/2002	SCORE
1 •	Boston Properties 7.56
2 1	Simon Property Group 7.19
3 •	Archstone-Smith 7.11
4 3	Equity Office Properties 7.08
5 •	Vornado Realty 6.97
6 •	Rouse 6.91
7 4	Equity Residential 6.81
8 2	Host Marriott 6.80
9 6	FelCor Lodging 5.84
10 5	AIMCO 5.17

12. Home Equip., Furnishings

2003/2002	SCORE
1 1	Fortune Brands 8.51
2 2	Newell Rubbermaid 8.22
3 3	Masco 6.32
4 4	Jacuzzi Brands ³ 5.12
5 •	Griffon 4.81

13. Homebuilders

2003/2002	SCORE
1 1	Lennar 8.28
2 2	Centex 7.97
3 5	NVR 7.24
4 4	Toll Brothers 7.04
5 3	Pulte Homes 7.01
6 •	Hovnanian Enterprises 6.54
7 8	Ryland Group 6.51
8 6	Beazer Homes USA 6.20
9 10	D.R. Horton 5.98
10 9	KB Home 5.88

Contracted Services

14. Diversified Outsourcing

2003/2002	SCORE
1 2	Cintas 7.72
2 7	Convergys 7.52
3 1	Aramark 7.35
4 4	US Oncology 6.84
5 3	Servicemaster 6.83
6 •	Hewitt Associates 6.64
7 2 ⁴	Paychex 6.61
8 8	Encompass Services 6.56
9 6	ABM Industries 6.03
10 10	Viad 5.11

15. Temporary Help

2003/2002	SCORE
1 1	Manpower 7.46
2 2	Robert Half International 6.88
3 3	Kelly Services 5.49
4 5	MPS Group 5.37
5 8	Spherion 5.29
6 7	Volt Information Sciences 4.84
7 4	CDI 4.66

16. Health Care

2003/2002	SCORE
1 1	WellPoint Health Networks 7.44
2 2	UnitedHealth Group 7.12
3 3	Anthem 6.97
4 6	Aetna 6.84
5 •	Express Scripts 5.35
6 7	Humana 5.19
7 •	AdvancePCS 5.14
8 4	HCA 4.92
9 9	Cigna 3.66
10 5	Tenet Healthcare 2.63

* Not ranked last year. ⁴Rank in payroll services last year.

Where Companies Rank in Their Industries

Consumer Products

17. Beverages

2003/2002	SCORE
1 2 Anheuser-Busch	8.69
2 4 Coca-Cola	7.53
3 3 Pepsi Bottling Group	7.34
4 6 PepsiAmericas	6.12
5 5 Adolph Coors	6.09
6 • Coca-Cola Bottling	5.74
7 7 Coca-Cola Enterprises	5.61
8 8 Constellation Brands	5.59
9 9 Brown-Forman	5.36

18. Consumer Food Products

2003/2002	SCORE
1 1 ⁵ PepsiCo	7.71
2 1 Nestlé	7.71
3 2 General Mills	7.30
4 3 Kellogg	6.68
5 4 Unilever	6.26
6 5 Sara Lee	5.77
7 6 H.J. Heinz	5.73
8 8 Campbell Soup	5.64
9 7 ConAgra Foods	5.56
10 9 Smithfield Foods	5.04

19. Tobacco

2003/2002	SCORE
1 1 Altria	8.39
2 2 UST	6.92
3 3 DIMON	6.76
4 5 Universal	6.51
5 4 R.J. Reynolds Tobacco	5.65

• Not ranked last year. ⁵Rank in beverages last year.

20. Apparel

2003/2002	SCORE
1 1 Liz Claiborne	8.47
2 2 Nike	7.85
3 6 Polo Ralph Lauren	6.39
4 7 Reebok International	6.35
5 4 VF	5.94
6 3 Jones Apparel Group	5.69
7 8 Phillips-Van Heusen	5.44
8 10 Kellwood	5.20
9 9 Levi Strauss	4.54
10 • Warnaco Group	3.67

21. Food Production

2003/2002	SCORE
1 3 Dean Foods	6.91
2 7 Pilgrim's Pride	6.49
3 1 Tyson Foods	6.35
4 • Corn Products Intl.	6.28
5 2 Gold Kist	5.99
6 8 Chiquita Brands Intl.	5.87
7 6 Seaboard	5.80
8 • Bunge	5.79
9 5 Archer Daniels Midland	5.35
10 10 Farmland Industries	3.84

22. Household, Personal Products

2003/2002	SCORE
1 1 Procter & Gamble	8.83
2 2 Colgate-Palmolive	6.76
3 3 Avon Products	6.59
4 5 Gillette	6.43
5 6 Kimberly-Clark	6.33
6 4 Estée Lauder	6.29
7 7 Clorox	5.63
8 • Energizer Holdings	5.46
9 8 Alberto-Culver	4.43
10 9 Stanley Works	3.93

Stores and Distributors

23. Wholesalers: Electrn., Office

2003/2002	SCORE
1 4 CDW ⁶	7.30
2 5 Graybar Electric	6.94
3 2 Arrow Electronics	6.77
4 3 Tech Data	6.21
5 1 Ingram Micro	5.95
6 9 United Stationers	5.85
7 6 Avnet	5.84
8 8 IKON Office Solutions	5.75
9 7 Anixter International	5.62
10 • Insight Enterprises	5.27

27. General Merchandisers

2003/2002	SCORE
1 1 Wal-Mart Stores	7.53
2 2 Target	7.19
3 3 Kohl's	6.76
4 8 Sears Roebuck	6.56
5 • Nordstrom [†]	6.41
6 5 J.C. Penney	6.28
7 4 Federated Dept. Stores	5.65
8 7 May Department Stores	5.51
9 • Dollar General	5.41
10 9 Dillard's	4.75
11 10 Kmart	2.63

24. Wholesalers: Diversified

2003/2002	SCORE
1 6 Fisher Scientific Intl.	7.21
2 2 Hughes Supply	6.86
3 1 W.W. Grainger	6.78
4 4 Ace Hardware	5.81
5 • Airgas	5.76
6 3 Genuine Parts	5.67
7 • Reliance Steel & Aluminum	5.62
8 10 WESCO International	4.90
9 8 TruServ	4.83
10 9 Ryerson Tull	4.74

25. Wholesalers: Food, Grocery

2003/2002	SCORE
1 1 Sysco	8.00
2 2 Performance Food Group	7.34
3 3 Supervalu	7.11
4 4 CHS ⁷	6.25
5 6 Roundy's	6.05
6 7 Unified Western Grocers	5.87
7 5 International Multifoods	5.61
8 10 Spartan Stores	5.41
9 8 Nash Finch	5.07
10 9 Fleming	2.98

26. Wholesalers: Health Care

2003/2002	SCORE
1 1 Cardinal Health	7.89
2 • Patterson Dental	6.62
3 5 McKesson	6.61
4 3 Owens & Minor	6.57
5 2 AmeriSourceBergen	6.49
6 4 Henry Schein	6.05
7 • Priority Healthcare	5.76
8 7 PSS World Medical	5.33
9 6 D&K Healthcare Resources	4.76

• Not ranked last year. [†]Included because it's nearly as big as the tenth-largest company. ⁶Changed name from CDW Computer Centers. ⁷Changed name from Cenex Harvest States. ⁸Included because it ranked No. 1 in its industry on the World's Most Admired list last year.

28. Specialty Retailers

2003/2002	SCORE
1 1 Lowe's	7.79
2 3 Home Depot	7.32
3 • Limited Brands ⁸	6.99
4 5 Staples	6.93
5 6 TJX	6.67
6 4 Best Buy	6.56
7 2 Costco Wholesale	6.52
8 8 Circuit City Stores	6.41
9 7 Office Depot	5.94
10 9 Gap	5.24
11 10 Toys "R" Us	4.87

29. Food and Drug Stores

2003/2002	SCORE
1 1 Walgreen	8.49
2 3 Publix Super Markets	7.93
3 2 Safeway	7.29
4 5 CVS	6.94
5 4 Kroger	6.67
6 6 Albertson's	5.76
7 8 Delhaize Group	5.42
8 10 Rite Aid	4.22
9 9 Winn-Dixie Stores	3.67
10 7 Royal Ahold	3.60

30. Food Services

2003/2002	SCORE
1 1 Starbucks	8.24
2 7 McDonald's	7.67
3 4 Brinker International	7.11
4 3 Wendy's International	7.05
5 5 Outback Steakhouse	6.79
6 2 Darden Restaurants	6.75
7 6 Yum Brands	6.45
8 8 CBRL Group	5.93
9 9 Jack in the Box	5.35
10 10 CKE Restaurants	5.13

Computers and Communications

31. Computers

2003/2002	SCORE
1 1 IBM	6.90
2 3 Dell ⁹	6.75
3 9 Xerox	6.13
4 4 Apple Computer	6.11
5 2 Gateway	5.74
6 8 Canon	5.35
7 5 Hewlett-Packard	5.30
8 7 Pitney Bowes	5.02
9 6 Sun Microsystems	4.63
10 10 NCR	4.39

32. Computer Peripherals

2003/2002	SCORE
1 1 Storage Technology	7.95
2 2 Lexmark International	7.68
3 5 Maxtor	6.86
4 4 Symbol Technologies	6.84
5 3 EMC	6.44

⁹Not ranked last year. ⁹Changed name from Dell Computer.
¹⁰Rank in payroll services last year.

33. Computer Software

2003/2002	SCORE
1 1 Microsoft	8.10
2 5 Electronic Arts	7.52
3 • Intuit	7.07
4 3 PeopleSoft	6.53
5 7 Computer Associates Intl.	6.41
6 4 Veritas Software	6.07
7 2 Oracle	6.05
8 6 Siebel Systems	5.83
9 8 Cadence Design Systems	5.70
10 10 Compuware	5.03

34. Computer and Data Services

2003/2002	SCORE
1 3 Accenture	7.43
2 1 First Data	7.06
3 4 Affiliated Computer Services	6.96
4 1 ¹⁰ Automatic Data Processing	6.65
5 2 Science Applications Intl.	6.58
6 5 Unisys	6.55
7 • SunGard Data Systems	6.54
8 6 Computer Sciences	6.10
9 7 BearingPoint	6.01
10 10 Electronic Data Systems	4.72

35. Network Communications

2003/2002	SCORE
1 2 Cisco Systems	7.43
2 1 Corning	7.17
3 4 Qualcomm	6.85
4 3 3Com	6.08
5 6 Scientific-Atlanta	6.05
6 • Harris	5.89
7 • Tellabs	5.82
8 5 Motorola	5.46
9 10 Lucent Technologies	5.43
10 8 Avaya	5.40

36. Telecommunications

2003/2002	SCORE
1 1 SBC Communications	7.04
2 3 BellSouth	6.80
3 2 Verizon Communications	6.69
4 7 AT&T	6.12
5 5 AT&T Wireless	6.03
6 6 Sprint	5.96
7 • Nextel Communications	5.95
8 4 Comcast	5.93
9 8 Alltel	5.88
10 9 Qwest Communications	4.64

Precision

43. Semiconductors

2003/2002	SCORE
1 3 Texas Instruments	8.04
2 1 Intel	7.72
3 2 Applied Materials	7.00
4 5 Micron Technology	6.91
5 • Nvidia	5.84
6 7 Advanced Micro Devices	5.57
7 • Vishay Intertechnology	5.53
8 10 Sanmina-SCI	5.23
9 8 Solectron	5.15
10 9 Jabil Circuit	5.14

44. Electronics

2003/2002	SCORE
1 1 General Electric	7.80
2 2 Emerson Electric	7.69
3 7 Siemens	6.81
4 3 Maytag	6.45
5 6 Royal Philips Electronics	6.09
6 9 Eaton	5.95
7 5 Whirlpool	5.91
8 • Toshiba	5.76
9 8 SPX	5.44
10 10 Tyco International	3.57

45. Precision Equipment

2003/2002	SCORE
1 2 Danaher	7.13
2 1 3M	6.93
3 3 Thermo Electron	6.63
4 • Mettler-Toledo International	5.63
5 5 Agilent Technologies	5.38
6 7 PerkinElmer	4.75
7 6 Eastman Kodak	4.13
8 8 Acterna	3.94

46. Medical Products, Equipment

2003/2002	SCORE
1 1 Medtronic	8.30
2 2 Stryker	7.45
3 6 Boston Scientific	7.19
4 7 Hillenbrand Industries	6.98
5 3 Guidant	6.91
6 10 Applera	6.80
7 4 Baxter International	6.78
8 5 Becton Dickinson	6.47
9 9 Bausch & Lomb	5.66
10 8 Beckman Coulter	5.43

⁹Not ranked last year.

Natural Resources

37. Mining, Crude-Oil Production

2003/2002	SCORE
1 1 Apache	7.50
2 5 Occidental Petroleum	6.67
3 4 Devon Energy	6.44
4 7 Burlington Resources	6.34
5 6 Kerr-McGee	6.24
6 9 Newmont Mining	5.95
7 10 Freeport-McMoRan C&G	5.75
8 • Peabody Energy	5.58
9 2 Anadarko Petroleum	5.42
10 8 Unocal	5.09

38. Forest and Paper Products

2003/2002	SCORE
1 1 International Paper	6.95
2 2 Weyerhaeuser	6.69
3 6 Georgia-Pacific	6.07
4 3 MeadWestvaco	5.78
5 5 Bowater	5.58
6 4 Boise Cascade	5.56
7 9 Louisiana-Pacific	4.92
8 8 Universal Forest Products	4.75
9 • Sweetheart Holdings	4.57
10 7 Potlatch	4.55

39. Pharmaceuticals

2003/2002	SCORE
1 1 Johnson & Johnson	8.25
2 4 Eli Lilly	7.53
3 2 Pfizer	7.50
4 3 Merck	7.22
5 5 Amgen	6.84
6 8 Abbott Laboratories	6.55
7 6 Wyeth	5.55
8 • Allergan	4.96
9 9 Bristol-Myers Squibb	4.89
10 10 Schering-Plough	4.17

40. Packaging, Containers

2003/2002	SCORE
1 1 Pactiv	8.12
2 3 Sealed Air	7.37
3 5 Ball	6.21
4 2 Bemis	6.13
5 6 Silgan Holdings	5.61
6 4 Sonoco Products	5.41
7 9 Owens-Illinois	5.11
8 8 Temple-Inland	5.03
9 7 Smurfit-Stone Container	5.00
10 10 Crown Holdings ¹¹	4.95

41. Chemicals

2003/2002	SCORE
1 5 PPG Industries	7.02
2 1 DuPont	7.01
3 3 Praxair [†]	6.89
4 • BASF	6.84
5 2 Rohm & Haas	6.48
6 4 Air Products & Chemicals	6.47
7 • Sherwin-Williams	6.42
8 7 Bayer	6.22
9 6 Dow Chemical	5.98
10 10 Ashland	5.41
11 9 Eastman Chemical	4.91

42. Metals

2003/2002	SCORE
1 1 Alcoa	8.33
2 2 Nucor	6.91
3 4 Worthington Industries	6.81
4 3 Allegheny Technologies	5.75
5 6 United States Steel	5.58
6 7 Commercial Metals	5.34
7 • Olin	5.33
8 8 AK Steel Holding	5.15
9 5 Phelps Dodge	4.96

⁹Not ranked last year. ¹¹Included because it's nearly as big as the tenth-largest company. ¹¹Changed name from Crown Cork & Seal.

Power

47. Petroleum Refining

2003/2002	SCORE
1 1 BP	8.21
2 2 Exxon Mobil	7.97
3 3 Royal Dutch/Shell Group	7.56
4 5 ChevronTexaco	6.80
5 6 ConocoPhillips	6.19
6 7 Marathon Oil	5.31
7 • Sunoco	5.13
8 10 Valero Energy	5.12
9 8 Amerada Hess	5.11
10 9 Citgo	5.11

48. Electric and Gas Utilities

2003/2002	SCORE
1 1 Southern	7.23
2 3 Dominion Resources	6.56
3 1 ¹² Duke Energy	6.09
4 5 Exelon	6.06
5 2 Consolidated Edison [†]	5.88
6 6 Public Svc. Enterprise Group	5.49
7 8 Edison International	5.38
8 10 Xcel Energy	4.85
9 9 PG&E	4.70
10 • AES	4.70
11 • FirstEnergy	4.68

49. Energy

2003/2002	SCORE
1 • Calpine	6.50
2 3 Cinergy	6.33
3 • Plains All American Pipeline	6.05
4 7 ¹³ TXU	5.84
5 2 American Electric Power	5.74
6 8 Williams	5.58
7 4 El Paso	5.26
8 9 CMS Energy	5.23
9 • Reliant Resources	4.44
10 6 Mirant	4.00

50. Oil and Gas Equipment, Svcs.

2003/2002	SCORE
1 3 BJ Services	7.24
2 1 Smith International	7.14
3 2 Schlumberger	6.87
4 4 Baker Hughes	6.73
5 5 Cooper Cameron	6.22
6 • FMC Technologies	6.19
7 6 Varco International	5.99
8 7 National Oilwell	5.69
9 9 Halliburton	5.39
10 8 Pride International	4.69

• Not ranked last year. [†]Included because it's nearly as big as the tenth-largest company. ¹²Rank in energy last year. ¹³Rank in electric and gas utilities last year.

Things That Move

55. Airlines

2003/2002	SCORE
1 1 Southwest Airlines	7.01
2 2 Continental Airlines	6.89
3 3 Delta Air Lines	5.48
4 5 Alaska Air Group	5.47
5 4 Northwest Airlines	5.33
6 6 AMR	4.15
7 7 America West Holdings	3.88
8 8 US Airways Group	3.26
9 9 UAL	2.60

56. Motor Vehicle Parts

2003/2002	SCORE
1 1 Lear	7.68
2 2 Johnson Controls	7.03
3 3 Delphi	5.86
4 • Autoliv	5.08
5 5 Dana	4.90
6 4 Goodyear Tire & Rubber	4.89
7 9 Bridgestone ¹⁶	4.46
8 7 ArvinMeritor	4.22
9 8 Visteon	3.77
10 10 Federal-Mogul	3.08

57. Automotive Retailing, Services

2003/2002	SCORE
1 1 AutoNation	7.02
2 3 Lithia Motors	6.42
3 2 Group 1 Automotive	6.14
4 • CarMax	5.92
5 4 United Auto Group	5.84
6 5 Sonic Automotive	5.59
7 • Asbury Automotive Group	4.28
8 7 Allete	2.69

58. Industrial and Farm Equip.

2003/2002	SCORE
1 3 Deere	7.21
2 2 Illinois Tool Works	7.16
3 1 Caterpillar	7.14
4 5 ITT Industries	6.92
5 6 Black & Decker	6.84
6 9 American Standard	6.57
7 8 Ingersoll-Rand	6.51
8 4 Dover	6.33
9 10 Cummins	6.32
10 7 Parker Hannifin	6.15

59. Transportation, Logistics¹⁷

2003/2002	SCORE
1 1 C.H. Robinson Worldwide	7.86
2 3 ¹⁸ Expeditors Intl. of Wash.	7.31
3 2 Alexander & Baldwin	5.63
4 3 ATA Holdings	5.56
5 • Pacer International	5.34
6 6 ¹⁹ EGL	5.24

7 4 Hub Group	4.75
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60. Aerospace, Defense

2003/2002	SCORE
1 1 United Technologies	7.17
2 2 Lockheed Martin	6.70
3 5 Honeywell International	6.69
4 3 Northrop Grumman	6.66
5 4 Boeing	6.65
6 6 General Dynamics	6.50
7 7 Textron	6.31
8 10 Raytheon	6.10
9 9 Goodrich	5.90
10 • L-3 Communications	5.78

61. Trucking

2003/2002	SCORE
1 1 Yellow Roadway ¹⁹	7.55
2 2 USF ²⁰	6.70
3 • Landstar System	6.43
4 8 J.B. Hunt Transport Services	6.31
5 4 Roadway ²¹	6.13
6 3 CNF	6.00
7 5 Arkansas Best	5.84
8 6 Ryder System	5.82
9 7 Swift Transportation	5.67
10 9 AMERCO	4.84

62. Railroads

2003/2002	SCORE
1 1 Union Pacific	8.01
2 2 Norfolk Southern	6.95
3 3 Burlington No. Santa Fe	6.37
4 4 CSX	5.71

63. Delivery

2003/2002	SCORE
1 1 United Parcel Service	9.04
2 2 FedEx	7.94
3 5 Brink's ²²	4.48
4 4 Airborne ²³	4.36

64. Motor Vehicles

2003/2002	SCORE
1 1 Toyota Motor	7.71
2 4 Paccar	7.60
3 3 Honda Motor	7.26
4 2 Harley-Davidson	7.02
5 5 General Motors	6.55
6 8 Oshkosh Truck	6.45
7 • Monaco Coach	5.76
8 7 Navistar International	5.57
9 9 Ford Motor	5.54
10 6 DaimlerChrysler	4.51

• Not ranked last year. ¹⁶Changed name from Bridgestone/Firestone. ¹⁷Category called transportation last year. ¹⁸Rank in delivery last year. ¹⁹Changed name from Yellow after acquiring Roadway, Dec. 11, 2003. ²⁰Changed name from USFreightways. ²¹Acquired by Yellow, now Yellow Roadway, Dec. 11, 2003. ²²Changed name from Pittston. ²³DHL Express, a subsidiary of Deutsche Post, acquired the ground-express delivery operations of Airborne, Aug. 15, 2003.

Media and Entertainment

51. Entertainment

2003/2002	SCORE
1 2 Walt Disney	6.93
2 1 Viacom	6.86
3 6 News Corp.	5.69
4 4 Liberty Media	5.49
5 3 Clear Channel Commun.	5.44
6 5 Time Warner ¹⁴	5.32
7 7 AMC Entertainment	5.15
8 8 Metro-Goldwyn-Mayer	4.53
9 • Regal Entertainment Group	4.45
10 10 Gemstar-TV Guide Intl.	4.35

52. Publishing

2003/2002	SCORE
1 1 New York Times	7.62
2 3 Washington Post	7.61
3 2 Tribune	7.52
4 • E.W. Scripps	6.68
5 4 Gannett	6.61
6 6 McGraw-Hill	6.18
7 7 Knight-Ridder	5.91
8 5 Dow Jones [†]	5.82
9 9 American Greetings	5.74
10 8 Scholastic	5.59
11 10 Reader's Digest Association	4.80

53. Hotels, Casinos, Resorts

2003/2002	SCORE
1 1 Marriott International	7.51
2 2 MGM Mirage	7.30
3 3 Harrah's Entertainment	7.07
4 5 Starwood Hotels & Resorts	6.46
5 6 Mandalay Resort Group	6.36
6 4 Hilton Hotels	6.17
7 • Boyd Gaming	5.83
8 7 Caesars Entertainment ¹⁵	5.20
9 8 Wyndham International	5.10
10 9 Trump Hotels & Casinos	3.37

54. Printing

2003/2002	SCORE
1 1 R.R. Donnelley & Sons	7.31
2 4 Mail-Well	6.32
3 2 Banta	6.07
4 3 Deluxe	5.87
5 5 Standard Register	5.55

• Not ranked last year. [†]Included because it's nearly as big as the tenth-largest company. ¹⁴Changed name from AOL Time Warner. ¹⁵Changed name from Park Place Entertainment.

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America's Most Admired Companies

Index

COMPANY/SCORE	INDUSTRY NUMBER	COMPANY/SCORE	INDUSTRY NUMBER	COMPANY/SCORE	INDUSTRY NUMBER
Abbot Laboratories 6.55	39	Encompass Services 6.56	14	Kelly Services 5.49	15
ABM Industries 6.03	14	Energizer Holdings 5.46	22	Kerr-McGee 6.24	37
Accenture 7.43	34	Equity Office Properties 7.08	11	KeyCorp 5.38	3
Ace Hardware 5.81	24	Equity Residential 6.81	11	Kiewit (Peter) Sons' 6.51	9
Acterna 3.94	45	E*Trade Group 4.82	1	Kimball International 6.13	10
Adolph Coors 6.09	17	Exelon 6.06	48	Kimberly-Clark 6.33	22
Advanced Micro Devices 5.57	43	Expeditors Intl. of Wash. 7.31	59	Kimart 2.63	27
AdvancePCS 5.14	16	Express Scripts 5.35	16	Knight-Ridder 5.91	52
AES 4.70	48	Exxon Mobil 7.97	47	Kohl's 6.76	27
Aetna 6.84	16	Fannie Mae 6.69	5	Kroger 6.67	29
Affiliated Computer Svcs. 6.96	34	Farmland Industries 3.84	21	LandAmerica Financial Grp. 6.51	5
AFLAC 6.73	6	Federal-Mogul 3.08	56	Landstar System 6.43	61
Agilent Technologies 5.38	45	Federated Dept. Stores 5.65	27	Lauder (Estée) 6.29	22
AIMCO 5.17	11	FedEx 7.94	63	La-Z-Boy 6.23	10
Air Products & Chemicals 6.47	41	FelCor Lodging 5.84	11	Lear 7.68	56
Airborne 4.36	63	Fidelity National Financial 6.26	5	Leggett & Platt 7.07	10
Airgas 5.76	24	Fifth Third Bancorp 7.46	3	Lehman Brothers Holdings 6.90	1
AK Steel Holding 5.15	42	First American 6.17	5	Lennar 8.28	13
Alaska Air Group 5.47	55	First Data 7.06	34	Lenmark International 7.68	32
Alberto-Culver 4.43	22	FirstEnergy 4.68	48	Liberty Media 5.49	51
Albertson's 5.76	29	Fisher Scientific Intl. 7.21	24	Liberty Mutual Group 6.06	7
Alcoa 8.33	42	FleetBoston Financial 5.31	2	Lilly (Eli) 7.53	39
Alexander & Baldwin 5.63	59	Fleming 2.98	25	Lithia Motors 6.42	57
Allegheny Technologies 5.75	42	Fluor 7.04	9	Lockheed Martin 6.70	60
Allergan 4.96	39	FMC Technologies 6.19	50	Loews 5.18	7
Alliate 2.69	57	Ford Motor 5.54	64	Louisiana-Pacific 4.92	38
Allstate 6.56	7	Fortune Brands 8.51	12	Lowe's 7.79	28
Altilit 5.88	36	Franklin Resources 5.31	1	L-3 Communications 5.78	60
Altria 8.39	19	Freddie Mac 5.92	5	Lucent Technologies 5.43	35
AMC Entertainment 5.15	51	Freight-McMoan C&G 5.75	37	Mail-Well 6.32	54
Amerad Hess 5.11	47	Furniture Brands Intl. 5.85	10	Mandalay Resort Group 6.36	53
AMERCO 4.84	61	Gannett 6.61	52	Manpower 7.46	15
American Electric Power 5.74	49	Gap 5.24	28	Marathon Oil 5.31	47
American Express 8.50	4	Gateway 5.74	31	Martini International 7.51	53
American Greetings 5.74	52	Genstar-TV Guide Intl. 4.35	51	Martin Marietta Materials 6.50	8
American Intl. Group 6.87	7	General Dynamics 6.50	60	Masco 6.32	12
American Standard 6.57	58	General Electric 7.80	44	Massachusetts Mutual Life 7.18	16
America West Holdings 3.88	55	General Mills 7.30	18	Maxtor 6.86	32
AmeriCredit 5.92	4	General Motors 6.55	64	May Department Stores 5.51	27
AmeriSourceBergen 6.49	26	Genuine Parts 5.67	24	Maytag 6.45	44
Amgen 6.84	39	Georgia-Pacific 6.07	38	MBNA 7.87	4
AMR 4.15	55	Gillette 6.43	22	McDonald's 7.67	30
Anadarko Petroleum 5.42	37	Golden West Financial 7.69	5	McGraw-Hill 6.18	52
Anheuser-Busch 8.69	17	Gold Kist 5.99	21	McKesson 6.61	26
Anixter International 5.62	23	Goldman Sachs 7.07	1	MeadWestvaco 5.78	38
Anthem 6.97	16	Goodrich 5.90	60	Medtronic 8.30	46
Apache 7.50	37	Goodyear Tire & Rubber 4.89	56	Mellon Financial 7.18	3
Apple Computer 6.11	31	Grainger (W.W.) 6.78	24	Merck 7.22	39
Applera 6.80	46	Granite Construction 6.56	9	Merrill Lynch 6.62	1
Applied Materials 7.00	43	Graybar Electric 6.94	23	MetLife 6.46	6
Aramark 7.35	14	GreenPoint Financial 5.61	5	Metris 4.39	6
Archer Daniels Midland 5.35	21	Griffon 4.81	4	Metro-Goldwyn-Mayer 4.53	51
Archstone-Smith 7.11	11	Group 1 Automotive 6.14	57	Mettler-Toledo Intl. 5.63	45
Arkansas Best 5.84	61	Guidant 6.91	46	MGM Mirage 7.30	53
Armstrong Holdings 5.67	8	Half (Robert) International 6.88	15	Micron Technology 6.91	43
Arrow Electronics 6.77	23	Halliburton 5.39	50	Microsoft 8.10	33
ArvinMeritor 4.22	56	Harley-Davidson 7.02	64	Miller (Herman) 7.87	10
Asbury Automotive Group 4.28	57	Harris's Entertainment 7.07	53	Mirant 4.00	49
Ashland 5.41	41	Harris 5.89	35	Monaco Coach 5.76	64
ATA Holdings 5.56	59	Hartford Financial Services 6.54	7	Morgan (J.P.) Chase 5.29	2
AT&T 6.12	36	HCA 4.92	16	Morgan Stanley 6.59	1
AT&T Wireless 6.03	36	Heinz (H.J.) 5.73	18	Motorola 5.46	35
Autoliv 5.08	56	Hewitt Associates 6.64	14	NPS Group 5.37	15
Automatic Data Processing 6.65	34	Hewlett-Packard 5.30	31	Nash Finch 5.07	25
AutoNation 7.02	57	Hillbrand Industries 6.98	46	National City 6.78	2
Avaya 5.40	35	Hilton Hotels 6.17	53	National Oilwell 5.69	50
Avnet 5.84	23	Home Depot 7.32	28	Nationwide 5.84	7
Avon Products 6.59	22	Honda Motor 7.26	64	Navistar International 5.57	64
AXA Financial 5.25	11	Honeywell International 6.69	60	NCR 4.39	31
Baker Hughes 6.73	50	Hon Industries 7.35	10	Nestlé 7.71	18
Ball 6.21	40	Horton (D.R.) 5.98	13	New York Life 6.94	6
Bank of America 7.09	2	Host Marriott 6.80	11	New York Times 7.62	52
Bank of New York 6.12	3	Hovnanian Enterprises 6.54	13	Newell Rubbermaid 8.22	12
Bank One 6.08	2	Hub Group 4.75	59	Newmont Mining 5.95	37
Banta 6.07	54	Hughes Supply 6.86	24	News Corp. 5.69	51
BASF 6.84	41	Humana 5.19	16	Nexel Communications 5.95	36
Bausch & Lomb 5.66	46	IBM 6.90	31	Nike 7.85	20
Baxter International 6.78	46	IKON Office Solutions 5.75	23	Nordstrom 6.41	27
Bayer 6.22	41	Illinois Tool Works 7.16	58	Norfolk Southern 6.95	62
BB&T 6.70	3	Ingersoll-Rand 6.51	58	Northern Plum 6.66	60
Bear Stearns 7.04	1	Ingram Micro 5.95	23	Northwest Airlines 5.33	55
BearingPoint 6.01	34	Insight Enterprises 5.27	23	Northwestern Mutual 7.53	6
Beazer Homes USA 6.20	13	Intel 7.72	43	Norcur 6.91	42
Beckman Coulter 5.43	46	International Multifoods 5.61	25	Nvidia 5.84	43
Becton Dickinson 6.47	46	International Paper 6.95	38	NVR 7.24	13
BellSouth 6.80	36	Intuit 7.07	33	Offshore Petroleum 6.67	37
Bemis 6.13	40	ITT Industries 6.92	58	Office Depot 5.94	28
Berkshire Hathaway 8.41	7	Hunt (J.B.) Transport Svcs. 6.31	61	Olin 5.33	42
Best Buy 6.56	28	Jabil Circuit 5.14	43	Oliver 6.05	33
BJ Services 7.24	50	Jack in the Box 5.35	30	Oshkosh Truck 6.45	64
Black & Decker 6.84	58	Jacobs Engineering Group 7.04	9	Outback Steakhouse 6.79	30
Boeing 6.65	38	Jacuzzi Brands 5.12	12	Owens Corning 5.88	8
Boise Cascade 5.56	30	John Hancock Finan. Svcs. 4.92	6	Owens-Illinois 5.11	40
Boston Properties 7.56	11	Johnson Controls 7.52	56	Owens & Minor 6.57	26
Boston Scientific 7.19	46	Johnson & Johnson 8.25	39	Paccar 7.60	64
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				Paychex 6.61	14
				Peabody Energy 5.58	37
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				PeopleSoft 6.53	33
				PepsiAmericas 6.12	17
				Pepsi Bottling Group 7.34	17
				PepsiCo 7.71	18
				Performance Food Group 7.34	25
				PerkinElmer 4.75	45
				Pfizer 7.50	39
				PG&E 4.70	48
				Phelps Dodge 4.96	42
				Phillips-Van Heusen 5.44	20
				Pilgrim's Pride 6.49	21
				Pitney Bowes 5.02	31
				Plains All Amer. Pipeline 6.05	49
				PNC Financial Svcs. Grp. 5.31	3
				Polo Ralph Lauren 6.39	20
				Potlatch 4.55	38
				PPG Industries 7.02	41
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				Pride International 4.69	50
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				Procter & Gamble 8.83	22
				Progressive 6.58	7
				Provident Financial 4.18	4
				Prudential Financial 6.25	6
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				Publix Super Markets 7.93	13
				Pulte Homes 7.01	35
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				Sara Lee 5.77	18
				SBC Communications 7.04	36
				Schein (Henry) 6.05	26
				Schering-Plough 4.17	39
				Schlumberger 6.87	50
				Scholastic 5.59	52
				Schwab (Charles) 5.91	1
				Science Applications Intl. 6.58	34
				Scientific Atlanta 6.05	35
				Scripps (E.W.) 6.68	52
				Seaboard 5.80	21
				Sealed Air 7.37	40
				Sealy 6.16	20
				Sears Roebuck 6.56	27
				Servicemaster 6.83	44
				Shaw Group 5.46	9
				Sherwin-Williams 6.42	41
				Siebel Systems 5.83	33
				Siemens 6.81	44
				Silgan Holdings 5.61	40
				Simon Property Group 7.19	11
				SLM Corp. 6.06	4
				Smithfield Foods 5.04	18
				Smith International 7.14	50
				Smurfit-Stone Container 5.00	40
				Soletron 5.15	47
				Sonic Automotive 5.59	53
				Sonoco Products 5.41	40
				Southern 7.23	48
				SouthTrust 6.79	3
				Southwest Financial 7.01	55
				Sovereign Bancorp 5.49	5
				Spartan Stores 5.41	25
				Spherion 5.29	15
				Sprint 5.96	36
				SPX 5.44	44
				Standard Register 5.55	54
				Stanley Systems 3.93	22
				Staples 6.93	28
				Starbucks 8.24	30
				Starwood Hotels & Resorts 6.46	53
				State Farm Insurance 5.87	7
				State Street 6.71	10
				Steelcase 6.60	3