

---

Monday, March 27, 2006

## BARRON'S COVER

### The World's Best CEOs

*Which executives really make a difference? The 30 on our list. From Amex's Chenault to Samsung's Yun.*

By **ANDREW BARY**

**JUST AS NEW YORK KIDS** in the 1950s used to argue about who was the best centerfielder in town, many investors today have strong opinions about the best CEOs in the world.

We're taking a cut at the CEO debate for the second straight year by identifying 30 top corporate leaders from around the world. Our list includes 20 from the U.S. and 10 from abroad. Call it a *Barron's* hall of fame. Admission to Cooperstown is based on the subjective judgment of baseball writers, and entry to our shrine reflects the assessment of *Barron's* editors and reporters.

The CEO list, however, isn't arbitrary. We looked at profit growth during a CEO's tenure and stock-price gains. We also assessed less tangible factors, like leadership strength and industry stature. We sought CEOs who've made a difference to their organizations and who would be missed by investors if they departed. To qualify, the CEOs needed to be on the job for three years. We talked to investors and relied on the knowledge of our staff.


Management, of course, can have a tremendous effect on a company's performance, especially in competitive industries like financial services. As a result, this list could provide solid investment ideas -- as did last year's tally.

There was considerable holdover from last year's list with 20 of the 30 CEOs returning. Some, like **Exxon Mobil's** Lee Raymond and **Toyota's** Fujio Cho, departed due to retirement, while others like **Lexmark's** Paul Curlander and **Yahoo!'s** Terry Semel, were dropped because of business setbacks or growth slowdowns that affected their stocks.

---

#### DOW JONES REPRINTS

---

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit: [www.djreprints.com](http://www.djreprints.com). • [See a sample reprint in PDF format](#) • [Order a reprint of this article now](#).

---

The new blood on the list is notable. From the U.S. we added Dick Kovacevich of **Wells Fargo**, "Chip" Mason of **Legg Mason**, A.G. Lafley of **Procter & Gamble**, John Mackey of **Whole Foods Market** and Art Levinson of **Genentech**. New to the list from overseas are Lakshmi Mittal of **Mittal Steel**, Allan Moss of Macquarie, Shigenobu Nagamori of Japan's Nidec, Terry Leahy of **Tesco** and Henning Kagermann of **SAP**.

P&G long has been the largest household-products company in the world, and under Lafley's six-year tenure, it may have become the best operator in its group. It got even stronger last year with its purchase of Gillette. Kovacevich is a maverick banker focused on internal growth rather than acquisitions. His strong record at Wells Fargo earned praise recently from **Berkshire Hathaway** CEO Warren Buffett, himself a repeater on our list.

Legg Mason has quietly become a colossus in the asset-management industry and its stock price is up almost 50-fold since its 1983 IPO. Chip Mason has led it every step of the way. John Mackey, the longtime CEO of Whole Foods, has disproved the idea that natural foods wouldn't travel beyond the Birkenstock crowd in places like Berkeley and Boulder. At a time when supermarkets are struggling, Whole Foods is flourishing. Wall Street loves the stock, now trading for more than 40 times estimated 2006 profits. Genentech has become the world's top biotech company under Art Levinson's leadership of the past 11 years. Powered by profits from promising cancer drugs, Genentech has seen its market value approach \$100 billion, topping **Merck**, **Eli Lilly**, **Bristol-Myers Squibb** and **Amgen**. Among American drug companies, only **Pfizer** and **Johnson & Johnson** are larger.

India's Lakshmi Mittal has built the world's largest steel company and amassed a \$24 billion fortune, ranking him fifth in the world, right up there with Bill Gates and Buffett. Unlike the restrained Gates and Buffett, Mittal spends lavishly, including the purchase of a \$127 million London mansion.

Under Kagermann, SAP has solidified its position as one of the world's top software companies and demonstrated that Europeans can play in a largely American game. Tesco has become Britain's dominant supermarket chain by pursuing a Wal-Mart-style strategy of high volume and low prices. CEO Leahy has been drubbing the actual Wal-Mart, which competes in the U.K. grocery market. Allan Moss, the head of Australia's Macquarie Bank, is little known outside the country, but his innovative company is having global impact by purchasing toll roads and other infrastructure, including a big deal for an Indiana highway.

Another obscure businessman, Shigenobu Nagamori, is one of Japan's most shareholder-oriented CEOs, heading Nidec, a firm that makes brushless motors that power hard drives in iPods and other products.

Some of the returning CEOs are familiar, including **General Electric's** Jeff Immelt, **Apple Computer's** Steve Jobs and **American Express' Ken** Chenault. There also are some lesser-known stars, including **Lehman Brothers' Dick** Fuld, arguably Wall Street's best CEO.

Readers may quibble with some of these selections. We thoroughly welcome feedback. Which CEOs should we keep? Which should we drop? Which should we add? Please e-mail your ideas to [editors@barrons.com](mailto:editors@barrons.com)<sup>1</sup>.

Meanwhile the 30 profiles that follow, arranged alphabetically, say a lot about what it takes to make a mark on global business today. May they also point to you to some profitable investing.

### Cover Story – Part II<sup>2</sup>

**URL for this article:**

<http://online.barrons.com/article/SB114324411795507985.html>

**Hyperlinks in this Article:**

(1) <mailto:editors@barrons.com>

(2) <http://online.barrons.com/article/SB114324409971207983.html>

**Copyright 2006 Dow Jones & Company, Inc. All Rights Reserved**

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by

our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com).