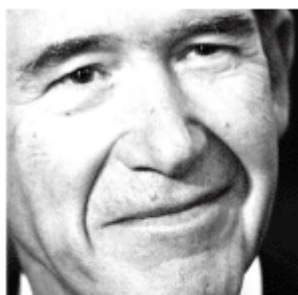


Monday, March 27, 2006

## The World's Best CEOs -- Part II

[Cover Story -- Part I<sup>1</sup>](#)

**Annualized Price Change**

One Year	2.3%
While CEO	11.2%
S&P 500	8.3%
<b>2006 P/E</b>	10.4
<b>5-Yr. Profit Growth</b>	13%

**John Browne**

BP, CEO since '95

**Why:** Lavishes rewards on investors

Look up "shareholder value" in a financial lexicon, and you just might find a picture of John Browne. The 58-year-old CEO has returned some \$40 billion to shareholders through dividends and stock buybacks over the past three years. He's promising as much as another \$65 billion over the next three, for a potential total of more than \$100 billion. That's nearly half the firm's market value.

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Through the ups and downs of the crude-oil cycle, Browne has set the standard for capital discipline, financial disclosure and aggressive targets. He's also taken the kind of political risks necessary to find oil around the globe investing in Russia, and, lately, showing interest in China. For shareholders, it's been a gusher. -- VITO J. RACANELLI


**Annualized Price Change**

One Year	-3.8%
While CEO	21.5%
S&P 500	10.3%
<b>2006 P/E</b>	20.5
<b>5-Yr. Profit Growth</b>	44%

**Warren E. Buffett**

Berkshire Hathaway, since '65

**Why:** Built one of the strongest companies anywhere.

As Wall Street frets about succession at Berkshire Hathaway, Warren Buffett, 75, is putting his baby in on the strongest footing possible for his eventual departure from the top job.

Berkshire is a company like no other, built to withstand unthinkable catastrophes. It keeps a fortress-like balance sheet, with \$40 billion of cash and another \$46 billion of stocks. Buffett also can't resist acquisitions -- at the right price. Berkshire now has 68 divisions, most of them spewing cash. Buffett takes a hands-off approach to the units, instead working his magic allocating capital from Omaha headquarters.

Buffett has been buying more stocks, taking stakes last year in Wal-Mart Stores and Anheuser-Busch. Investors, this Bud's for you. -- *ANDREW BARY*



### **Kenneth I. Chenault**

**American Express.** CEO since '01

**Why:** Honing the best business model in financial services.

One of the hardest things in business is to stay on top. Coca-Cola and Intel know that too well. Under Ken Chenault, American Express hasn't slipped the slightest. Its signature charge card is stronger than ever and outpacing the growth bank-issued cards from Visa and MasterCard.

Some \$500 billion was charged on Amex cards last year, with the company reaping an average fee of 2%. Earnings surged 22% last year after Chenault spun off lower-return businesses. Amex has won the highest price/earnings ratio of the world's top 25 financial firms.

Chenault, 54, sees ample room for more growth, since plastic accounts for only 14% of the \$28 trillion in global consumer spending. He just has to play his cards right. -- *A.B.*

<b>Annualized Price Change</b>	
One Year	13.7%
While CEO	5.4%
S&P 500	-1.3%
<b>2006 P/E</b>	<b>18.2</b>
<b>5-Yr. Profit Growth</b>	<b>19%</b>



### **George David**

**United Technologies,** since '94

**Why:** Leading a revolution performance.

George David is something of a stealth figure in the pantheon of top CEOs. His United Technologies is far better known for its brands -- Otis elevators, Carrier air conditioners, Pratt & Whitney jet engines -- than for its own name.

David, 63, has lived by the corporate mantra of "showing the back of your head, not your bright shining face."

David's approach has paid off nicely for shareholders. He has pared bloat, invested big bucks in innovative products and dramatically improved quality. The revolution goes on: David says United should keep delivering double-digit earnings gains for years after he retires in 2008. Has the back of a head ever looked so good? -- *JONATHAN R. LAING*

<b>Annualized Price Change</b>	
One Year	17.1%
While CEO	18.3%
S&P 500	9.2%
<b>2006 P/E</b>	<b>16.6</b>
<b>5-Yr. Profit Growth</b>	<b>10%</b>



### **Lew Frankfort**

**Coach,** CEO since '95

**Why:** Knows how to keep his handbags hot.

Lew Frankfort wins over the ladies with his charms -- literally. His New York-based Coach has been doing brisk business in \$28 letter charms to hang on handbags, 198 Python-skin iPod covers and other high-margin accents for accessories.

Frankfort, 60, is also keeping his famed line of handbags fresh; they pull in nearly two-thirds of the company's \$2 billion in sales. One recent winner: the \$458 Large Pocket Satchel, with a special pocket for a cellphone and six more pockets for the other essentials of modern life.

It's all part of Frankfort's "affordable luxury" strategy. Investors certainly have luxuriated: Since Coach's 2000 spinoff from Sarah Lee, the stock is up 18-fold. -- *JENNIFER ABLAN*



**Richard S. Fuld Jr.**

**Lehman Brothers**, CEO since '94

**Why:** Turned a Wall Street also-ran into a powerhouse.

In the rarefied world of Wall Street CEOs, there's none tougher and none better than Dick Fuld. He's pushed the firm to the top ranks while delivering huge returns to shareholders.

**Annualized Price Change**

One Year	60.1%
While CEO	26.7%
S&P 500	9.2%

**2006 P/E** 12.9

**5-Yr. Profit Growth** 21%

Once just a bond shop, Lehman now has a strong global investment-banking franchise and a big asset-management arm, thanks to its purchase of Neuberger Berman in 2003. Goldman Sachs and Morgan Stanley, the Street's traditional banking powers have learned to take Lehman seriously.

Fuld, 59, commands enormous loyalty from the troops. Employees are happy because they own 30% of a company whose stock has risen to 145 from 7 since a

1994 spinoff from American Express. Luckily, Fuld shows no signs of retiring. -- *A.B.*



**Carlos Ghosn**

**Renault**, CEO since '05

**Why:** Saving two fabled auto makers.

After spearheading an extraordinary turnaround at Japan's Nissan Motor, Carlos Ghosn, 52, is attempting an encore with the hurting Renault, whose operating profit plunged by a third in '05.

**Annualized Price Change**

One Year	17.9%
While CEO	18.7%
S&P 500	8.9%

**2006 P/E** 8.0

**5-Yr. Profit Growth** 32%

The Brazilian-born Ghosn -- who took the French car maker's reins last May and remains CEO of Nissan, which is 44% owned by Renault -- has announced a sweeping restructuring.

His goal: a Renault revival without job cuts. This is France, after all. Ghosn intends to cut non-labor manufacturing costs 12%, boost capacity utilization, introduce 26 new models, and expand sales into South America, India, Iran and South Korea. If

anyone can do it, it's Ghosn. -- *V. J. R*



**Fred Goodwin**

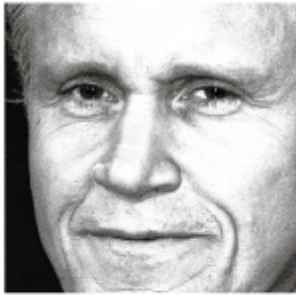
**Royal Bank of Scotland**, since '00

**Why:** Shaking up the global banking establishment.

He's been called "Fred the Shred" for his tough cost-cutting ways -- and a megalomaniac for his acquisitive strategy. But year after year, healthy profits roll out of the Royal Bank of Scotland Group, thanks to CEO Fred Goodwin.

Starting with the purchase of National Westminster Bank in 2000, the CEO has taken RBS from a regional piddler to one of the 10 biggest global financial service companies by market capitalization. Lately, he's been busy building up the group's investment bank and U.S. divisions.

After a 17% earnings pop last year, Goodwin has cheered investors with a £1 billion (\$1.7 billion) stock buyback plan, and a 25% dividend hike. Great Scot! -- *V. J. R*



### Jeffrey R. Immelt

**General Electric**, CEO since '01

**Why:** Transformed a giant while preserving a winning culture.

Wall Street doesn't always reward achievement. Just ask Jeff Immelt. From the time he took over from Jack Welch in 2001, General Electric's shares have gone nowhere. Yet, Immelt unquestionably has transformed the giant company -- shoring up its balance sheet, divesting \$30 billion of slow-growth divisions and spending \$65 billion on acquisitions to push into high-growth areas like health care.

Conglomerates like Tyco International are breaking up, but Immelt sees clear benefits to GE's size and scope, saying, "big is beautiful." Immelt, 50, is putting his own money on the line: He took his \$6 million bonus last year in stock and bought 45,000 shares on the open market earlier this year. Committed is beautiful, too. -- *A.B.*

Annualized Price Change	
One Year	-6.6%
While CEO	-2.8%
S&P 500	4.8%
<b>2006 P/E</b>	<b>16.6</b>
<b>5-Yr. Profit Growth</b>	<b>5%</b>



### Steven P. Jobs

**Apple Computer**, CEO since '97

**Why:** Dazzling techdom on two fronts.

Steve Jobs is more than the CEO of two hugely influential companies: He's an outright legend. No single person in Silicon Valley more fascinates the investing public. No tech CEO alive is more closely scrutinized.

Since co-founding Apple in the mid-1970s, Jobs fundamentally changed the computer business with the Mac. Then he remade the music business with the iPod. His deals to sell video content through Apple's iTunes music store for viewing on iPods have triggered many imitators.

At Pixar, Jobs revolutionized animation. When Disney's pending deal for Pixar closes, Jobs becomes Disney's top shareholder. Apple shares have wobbled lately, but fans eagerly await Jobs' next new thing. Apple mobile phones? Apple TVs? Don't rule it out. -- *ERIC J. SAVITZ*



## Henning Kagermann

**SAP**, CEO since '03

**Why:** Showing Larry Ellison who's who.

Henning Kagermann has a tough act to follow. As chief of Germany's SAP, he has taken over from iconic founder Hasso Plattner, "the Bill Gates of Europe." And he's doing just fine.

Under the professorial Kagermann, SAP has boosted its global market share in corporate software to 47%, nearly triple that of its nearest competitor, Oracle. And unlike Larry Ellison's Oracle, SAP has steered clear of messy mergers, instead bulking up through internal growth.

While Oracle may not be ready with the next generation, Web-based platform until 2008, SAP is starting a rollout. "Our customers can already touch and feel ours," Kagermann says. There's nothing like tangible gains. -- *MARK VEVERKA*



## Richard M. Kovacevich

**Wells Fargo**, CEO since '98

**Why:** Raises financial cross-selling to an art form.

As other big banks make epic acquisitions, Wells Fargo busies itself with -- get this -- the nitty gritty of banking, stuff like deposits, loans, credit cards and investment services. Cross-selling is the mantra of long-time CEO Dick Kovacevich: The average Wells customer has five accounts, far above the industry norm.

The approach works. Kovacevich, 62, has delivered double-digit growth in annualized revenue and profits per share for the past five, 10, 15 and 20 years. Warren Buffett, who thinks Kovacevich runs the bank "brilliantly," last year boosted Berkshire Hathaway's holdings of Wells to 95 million shares. The stock, hurt by worries of a mortgage slowdown, still looks tempting. -- *A.B.*

Annualized Price Change	
One Year	8.1%
While CEO	8.3%
S&P 500	1.3%
<b>2006 P/E</b>	<b>12.9</b>
<b>5-Yr. Profit Growth</b>	<b>15%</b>



## A.G. Lafley

**Procter & Gamble**, CEO since '00.

**Why:** Breathing fresh life into a consumer-products icon.

Procter & Gamble's successful integration of Gillette in recent months owes much to the thoughtful, unassuming ways of A.G. Lafley. The 58-year-old, who once aspired to be a professor of medieval history, is a collaborator who "doesn't let himself get put up on a pedestal," says chief financial officer Clayton Daley.

The \$57 billion Gillette deal already is producing earnings ahead of expectations. Lafley, meanwhile, is reaching beyond the company's mainstream customer base. He aims to serve the billions of lower-income households worldwide that could use P&G's diapers, detergents and beauty products. Says he: "The consumer is boss." -- *ROBIN GOLDWYN BLUMENTHAL*

Annualized Price Change	
One Year	12.9%
While CEO	14.1%
S&P 500	-2.2%
<b>2006 P/E</b>	<b>21.6</b>
<b>5-Yr. Profit Growth</b>	<b>13%</b>


**Annualized Price Change**

One Year	0.6%
While CEO	14%
S&P 500	6.1%
<b>2006 P/E</b>	<b>15.3</b>
<b>5-Yr. Profit Growth</b>	<b>15%</b>

**Terry Leahy**
**Tesco**, CEO since '97

**Why:** Ringing up big gains with a huge British supermarket.

When Wal-Mart squawks for an investigation into the U.K. market dominance of Tesco -- as it did last year -- then Tesco CEO Terry Leahy, 50, must be doing something right. About a third of all the groceries sold in Britain go through the giant supermarket chain's cash registers -- and half the company's shelf space is elsewhere, namely Central Europe and Asia.

Leahy runs the 2,500-store company by following its founding credo: "Pile it high and sell it cheap." He has taken Tesco sales and earnings to £34 billion and £1.4 billion, respectively, from £13.3 billion and £520 million. Next stop: America. Leahy is planning to open convenience stores on the West Coast to take on 7-Eleven. -- *V.J.R.*


**Annualized Price Change**

One Year	81.5%
While CEO	33.5%
S&P 500	-0.6%
<b>2006 P/E</b>	<b>47.1</b>
<b>5-Yr. Profit Growth</b>	<b>33%</b>

**Arthur D. Levinson**
**Genentech**, CEO since '95

**Why:** Taking biotech's potential to the max.

A few weeks back, Art Levinson wowed the Street again. The Genentech CEO predicted that the biotech pioneer would produce per-share earnings growth of 40%-50% this year, with average annual gains of 25% through 2010. It was just the kind of performance that has helped lift Genentech shares seven-fold in seven years.

The company, which spends more than \$1 billion a year on research -- about 20% of sales -- cranks out important drugs like Avastin for cancer. In fact, Genentech is now the No. 3 U.S. drug maker by market value, trailing only Pfizer and Johnson & Johnson. A biochemist from Princeton, Levinson is said to have created a dream workplace for talented scientists. The stock's been a dream for investors, too. -- *E.J.S.*


**Annualized Price Change**

One Year	24.3%
While CEO	24.4%
S&P 500	8.4%
<b>2006 P/E</b>	<b>43.8</b>

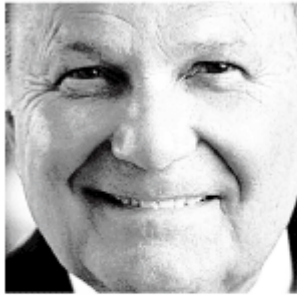
**John P. Mackey**
**Whole Foods**, CEO since '80

**Why:** Showing the rewards of healthy eating.

Twenty-five years after starting the first Whole Foods Market in Austin, Texas, John Mackey has set conventional wisdom about the grocery business on its head. Thin numbers? Whole Foods has rung up average sales gains of 21% for the past five years, minting profits.

The 52-year-old Mackey, a vegan long before most folks knew what the term meant, has tapped into Americans' growing interest in healthy eating. His bright and inviting stores are now fixtures in affluent communities across the country.

Mackey, a college dropout who likes to read everything from John Locke to Milton Friedman, is out to give American business a better name. Call it healthy capitalism. -- *R. G. B.*



### Raymond A. Mason

**Legg Mason**, CEO since '81

**Why:** Created an investment giant from scratch.

How many CEOs of \$15 billion companies still have the family name on the door, have produced a 4,500% return for shareholders, can claim to have foreseen the future of the investment business a decade before the pack, and still are known by a youthful nickname?

As far as we know, only Raymond A. "Chip" Mason, 69. In 1970, Mason merged his eponymous brokerage shop with the old-line Baltimore broker Legg & Co. to form Legg Mason. In the 1980s, he began acquiring top-quality asset managers and leaving them to operate freely.

His boldest deal: swapping his brokerage business last year for Citigroup Asset Management, making Legg home to \$850 billion in assets under management. -- *MICHAEL SANTOLI*

Annualized Price Change	
One Year	61.9%
While CEO	20%
S&P 500	9.6%
<b>2006 P/E</b>	<b>24.0</b>
<b>5-Yr. Profit Growth</b>	<b>24%</b>



### Lakshmi Mittal

**Mittal Steel**, CEO since `76.

**Why:** Taking big risks to conquer steel.

Indian steel tycoon Lakshmi Mittal is one big spender: He reportedly dropped \$60 million on his daughter's wedding, a six-day feast in France's finest settings, including Versailles. There's more where that came from -- Mittal's \$24 billion fortune makes him the world's fifth richest person. Mittal and his family control nearly 88% of Mittal Steel, the world's largest steel company.

He built it by buying up one mill after another in risky places like Kazakhstan and the Balkans. The Rotterdam-based company has been rattling Europe with an unsolicited bid for No. 2-ranked Arcelor of Luxembourg. Lakshmi Mittal, 55, firmly intends to be a player in what he sees as a fast-consolidating industry. -- *LESLIE P. NORTON*

Annualized Price Change	
One Year	-20.8%
While CEO	2.5%
S&P 500	4.2%
<b>2006 P/E</b>	<b>7.5</b>
<b>5-Yr. Profit Growth</b>	<b>103%</b>



### Angelo R. Mozilo

**Countrywide Financial**, CEO since '98.

**Why:** Making home loans by the hundreds of billions.

Angelo Mozilo has tangled with some of the country's most powerful financial companies, including Wells Fargo, J.P. Morgan and Washington Mutual, and still managed to stay on top of the mortgage business. The company he co-founded in

**Annualized Price Change**

1969 wrote nearly \$500 billion of home loans last year, making it No. 1 in the industry.

The scrappy, Bronx-born Mozilo has cut Countrywide Financial's reliance on the volatile mortgage sector: Banking, insurance and capital markets chipped in 41% of profits last year. Mozilo, 67, plans to triple banking assets by 2010, to \$250 billion. Will he ever call it quits? He could probably sell the firm for a rich price. -- *A.B.*



Annualized Price Change	
One Year	30.6%
While CEO	26.6%
S&P 500	7.5%
<b>2006 P/E</b>	<b>16.3</b>
<b>5-Yr. Profit Growth</b>	<b>28%</b>

### Allan E. Moss

**Macquarie Bank**, CEO since '93.

**Why:** Thinking big about aging city infrastructures

If you happen to be a city or a state with an aging infrastructure and a fat budget deficit -- hardly uncommon in America -- you might want to talk with an Australian bank called Macquarie. Chicago, for instance, has sold Macquarie the rights to operate its famed Skyway toll road. The move plugged the city's budget gap -- and may generate decent returns for Macquarie and its shareholders.

Innovative deals like this spring naturally from the mind of Allan Moss, 56. Though mild mannered, he's known for bold initiatives with big payoffs. He recently withdrew a hotly contested bid for London Stock Exchange. Expect another big idea soon. -- *L.P.N.*



Annualized Price Change	
One Year	-4.5%
While CEO	11.3%
S&P 500	2.7%
<b>2006 P/E</b>	<b>14.3</b>
<b>5-Yr. Profit Growth</b>	<b>75%</b>

### Anne M. Mulcahy

**Xerox**, CEO since '01.

**Why:** Reviving an American icon.

Xerox's Anne M. Mulcahy is no photocopy. She is the original article. Since being tapped as CEO in 2001, Mulcahy has saved the venerable copier company from the brink of bankruptcy and steered it toward a solid long-term future.

Though she has blazed new trails in high-volume color copying, it is her obsession with black ink -- of the financial-statement variety -- that truly impresses. After inheriting about \$14 billion in debt, Mulcahy, 53, slashed that in half by last year.

Xerox faces tough competition, not only from traditional rivals like Canon but from Hewlett-Packard, which is pushing hard into corporate printing. Count on Mulcahy

to push right back. -- *M.V.*



### Shigenobu Nagamori

**Nidec**, CEO since '73

**Why:** Makes the motors in all your favorite gadgets.

By rights, Shigenobu Nagamori should be getting ready to retire and spend his days trimming bonsai trees. Instead, the energetic 61-year-old chief of Kyoto-based Nidec

is pushing to double sales by 2010, to ¥1 trillion (\$8.5 billion).

Though not well known, Nidec helps power many of the coolest gadgets on Earth. It's the leader in the tiny, brushless motors that power hard drives in digital cameras, iPods, and other handheld devices. Nagamori, an engineer, founded the company in his backyard in 1973, then made countless cold calls in the U.S. for new clients. Since then, he's taken over 23 companies, For Nagamori, who still owns 8% of the shares, the motor just keeps humming along. -- *L.P.N.*



#### Annualized Price Change

One Year	21.5%
While CEO	31.9%
S&P 500	4.8%
<b>2006 P/E</b>	20.3
<b>5-Yr. Profit Growth</b>	28%

### Michael O'Leary

**Ryanair**, CEO since '94

**Why:** Stirs the pot in European air-travel.

Michael O'Leary isn't one to slow down. After building Dublin-based Ryanair practically from scratch into Europe's largest budget airline, O'Leary now is preparing for another huge expansion.

Through a major initiative in Germany over the next two years -- watch out, Deutsche Lufthansa! -- O'Leary aims to double the company's annual passenger count, to 70 million, by 2010. Ryanair continues to innovate, recently introducing a plan to cut fares across the board but have passengers pay extra for checked-in baggage.

An outspoken, free-markets champion, O'Leary, gives investors good reason to cheer. Profits may have nearly tripled in the five years through fiscal 2006, to €301 million. -- *V. J. R.*



#### Annualized Price Change

One Year	9.7%
While CEO	6%
S&P 500	0.4%
<b>2006 P/E</b>	20.1
<b>5-Yr. Profit Growth</b>	12%

### Steven S. Reinemund

**PepsiCo**, CEO since '01

**Why:** Whips Coke and gets the juices flowing.

As Coca-Cola struggles to get its growth formula right, arch-rival PepsiCo has established itself as the pre-eminent food and beverage company. Credit goes to Steve Reinemund, 57, who has made smart acquisitions, like Quaker Oats, assembled the industry's strongest management team, and kept on track Pepsi's biggest profit engine, Frito-Lay, despite increasing health concerns about junk food.

Taking a cue from Coke, Reinemund, a former marine, is aggressively expanding abroad. And the company is winning the race in non-soda drinks with brands like Aquafina water, Tropicana juice and Gatorade. Last year Pepsi's market value finally matched Coke's: Break open a Mountain Dew. -- *A.B.*



### Glenn M. Renwick

**Progressive**, CEO since '01

**Why:** Sets the standard in insurance.

It's easy for an insurer to grow -- the trick is to grow profitably. Progressive has done that in spades, and probably ranks as the country's best-run insurance company.

Glenn Renwick, who took over the reins from industry maverick Peter Lewis in 2001, has kept up Lewis' winning ways. Premium volume has doubled under Renwick, making the company the third-largest U.S. auto insurer.

Renwick, 50, a statistics maven from New Zealand, has made good use of a sophisticated method for determining premiums. And thanks to top-notch financial systems, the company is the only one in the S&P 500 index to report earnings each month. Now, that's progressive. -- *A.B.*



#### Annualized Price Change

One Year	29.5%
While CEO	15.8%
S&P 500	9.0%
<b>2006 P/E</b>	<b>16.9</b>
<b>5-Yr. Profit Growth</b>	<b>13%</b>

### Steven Roth

**Vornado Realty**, CEO since '80

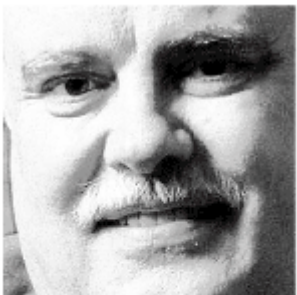
**Why:** Mastering Manhattan and beyond.

Steven Roth has ridden the real-estate boom in grand style. His Vornado Realty Trust is one of the largest landlords in Manhattan, holding 19 office buildings snapped up by Roth over the past 20 years. He also positioned Vornado in the hot Washington D.C. office market.

With the run-up in real estate prices, Roth has shifted attention to the stock market, where Vornado buys shares of property-rich companies. It invested in the leveraged buyout of Toys 'R' Us and scored with a well-timed purchase of Sears Roebuck shares. It's almost the REIT equivalent of a hedge fund.

The latest betting: that Vornado will redevelop New York's Madison Square Garden.

No one ever accused Roth of thinking small. -- *A.B.*



#### Annualized Price Change

One Year	22.7%
While CEO	29.9%
S&P 500	8.5%
<b>2006 P/E</b>	<b>9.8</b>
<b>5-Yr. Profit Growth</b>	<b>33%</b>

### Bob R. Simpson

**XTO Energy**, CEO since '93

**Why:** Knows the drill and manages shrewdly.

As major oil companies hunt high and low for new energy deposits, independent producers are getting some fresh attention. Chevron snapped up Unocal, and ConocoPhillips is buying Burlington Resources.

XTO Energy may be the best of the big independents, thanks to Bob Simpson, 57. The financially astute Texan, who comes to work daily in cowboy boots, is obsessed with "finding the right rock." He usually does: He made dozens of deals last year and grew reserves 30%. "Simpson is the Warren Buffett of the energy industry," says Adam Seessel, head of Gravity Partners in New York.

XTO's stock is up 40-fold since its 1993 IPO. Were the firm a takeover target, investors could really hit paydirt. -- *A.B.*



### James D. Sinegal

**Costco Wholesale**, since '88

**Why:** Bringing bargains to the masses and the classes.

Shop at Costco on a weekend and you'll see plenty of Mercedes and Lexuses in the parking lot. The well-to-do love bargains and have helped Costco become the dominant warehouse chain Costco, in fact, is now America's top seller of fine French wine.

In outfoxing Wal-Mart's Sam's Clubs and other rivals, co-founder James Sinegal has stuck doggedly to one rule: No product may be marked up more than 15% above cost. Some 25 million households have shown approval by becoming members for \$45 a year or more.

Sinegal, 70, keeps a grueling travel schedule, aiming to visit all 471 Costco stores twice a year. And he insists on getting paid modestly -- \$500,000 last year before options. That's some bargain for shareholders. -- *A.B.*

**Robert I. Toll**

**Toll Brothers**, CEO since '67

**Why:** Delivers lush profits from luxe homes.

Luxury-home titan Bob Toll doesn't buy all the talk of a housing bubble. "We feel pretty good about the future," he said recently. "We don't see any doomsday scenario."

Annualized Price Change	
One Year	-26.6%
While CEO	20.8%
S&P 500	9%
<b>2006 P/E</b>	<b>6.6</b>
<b>5-Yr. Profit Growth</b>	<b>37%</b>

Toll, 65, has profited nicely over the years by ignoring the doubters. They used to say high-end homes couldn't be built on a large scale, but this year his Toll Brothers plans to build almost 10,000 homes and sell them for an average of \$700,000 each. Call them McMansions if you must, but people can't stop buying Toll's homes. Revenues are up 10-fold in the past 10 years, profits 15-fold.

With builder stocks out of favor, Toll shares trade at just seven times estimated earnings for this year -- an attractive price for a solid foundation. -- *A.B.*

**Jong-Yong Yun**

**Samsung Electronics**, since '96

**Why:** Doubling the power of a tech juggernaut.

Annualized Price Change	
One Year	30.4%
While CEO	35.9%
S&P 500	6.2%
<b>2006 P/E</b>	<b>11.8</b>
<b>5-Yr. Profit Growth</b>	<b>30%</b>

Is there no stopping Samsung? Under Jong-Yong Yun, Samsung Electronics has become the world's biggest maker of memory chips and one of the largest of cellphones and flat-panel displays. Rivals like Intel and Nokia are looking over their shoulders.

Yun's bold plan is to double revenues by 2010, to about 160 trillion Korean won (\$164 billion), and become "one of the top three electronics companies in the world." He expects 20 Samsung products to dominate their markets, up from eight.

The South Korean company faces a strong won, which cuts export earnings, and persistent concerns about its corporate governance. But Yun, 62 and due to retire soon, has delivered. The stock chart is as pretty as any picture on a high-def TV. -- *L.P.N.*

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