

# **ARE GOOGLE & CISCO FOREVER?**

*.....No Growth Is Permanent*

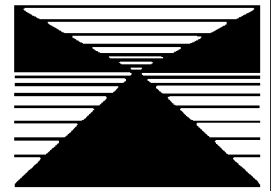
**September 2007**

Copyright ©2007  
By The Leuthold Group

**The Leuthold Group**

Prepared By: Andy Engel  
Edited By: Steve Leuthold

# TABLE OF CONTENTS



	Pages
INTRODUCTION .....	3
SUMMARY .....	4-5
PART I: BIGGEST 100 COMPANIES RANKED BY MARKET CAPITALIZATION.....	6-13
• Highlights .....	6
• Today's Biggest Companies By Market Cap .....	7-8
• 1966's Biggest Companies .....	9-10
• Turnover Detail .....	11-13
PART II: BIGGEST 100 COMPANIES RANKED BY TOTAL ASSETS .....	14-19
• Highlights .....	14
• Today's Biggest Companies Ranked By Assets .....	15-16
• Who Were Among 1917's Biggest Companies? .....	17-19
PART III: BIGGEST COMPANY TURNOVER: MARKET CAP VERSUS ASSET RANKING.....	20
PART IV: PERFORMANCE BASED ON BUYING BIGGEST COMPANIES.....	21-22

Published By The Leuthold Group

*The Leuthold Group, LLC provides research to institutional investors. The material herein is based on data from sources we considered to be reliable, but it is not guaranteed as to accuracy and does not purport to be complete. Any opinions are subject to change. Weeden Investors, L.P., Weeden & Co., L.P.'s parent company, owns 24.9% of Leuthold Group's voting securities and 0.1% of its non-voting securities. A Managing Director of Weeden & Co., L.P. is a member of The Leuthold Group, LLC board of directors. Weeden & Co., L.P. member FINRA, NASDAQ and SIPC.*

## INTRODUCTION.....By Steve Leuthold

This study is actually an update of some prior work done by The Leuthold Group. The first version of this **long term corporate survivorship study**, published almost three decades ago, was titled “Is IBM Forever?” The lesson then, as now, is don’t bet on it. Back then, we thought the title would induce clients to read the study, since IBM ranked number one in terms of market capitalization and had become the consensus long term investor favorite.

In August 2002, an update of this original work was also published entitled “Is Microsoft Forever?”. Microsoft had risen in popularity and was at that time also viewed as in institutional darling, just as Cisco or Google may be today. Obviously, Microsoft and IBM are still around (now ranked third and fifteenth respectively in terms of market cap), but the images of these companies as surefire long term growth stocks no longer exists.

**Cisco** burst into the 2001 rankings as the 14th largest company based on market capitalization, after going public in early 1990. From the opening trade (split-adjusted price of only \$0.08) to the market peak in March 2000 of \$80.06, the stock price rose an enormous 1039% over a ten year period, an annual return of just over 100% per year. **Not too bad!** Again, had an investor held Cisco for this ten year period, it probably became difficult for that investor to objectively assess the future prospects for this company.

In recent years, investors have embraced **Google** as the next great Technology issue. Google came public in August 2004 at \$100 per share. At the end of August 2007, the stock closed at \$515.25, a return of 415% in just over three years. This is an impressive annual compound return of 71.4%.

## Lessons To Be Learned By Looking At History

This current study includes rankings of the biggest companies by assets dating back to as far as 1917. Yes, going back to 1917 may be stretching a bit far back for most readers. Nevertheless, for those who think the major corporate powers live on and on, accumulating more wealth and power, there are lessons to be learned. **Do you recognize the following names from the 1917 list? These were at that time considered the best and strongest companies in America. Just as Google and Cisco are today.**

<u>1917 Rank</u>		<u>1917 Rank</u>	
8	Midvale Steel & Ordinance?	40	Willys-Overland?
11	International Mercantile Marine?	48	Lackawanna Steel?
22	Cambria Steel?	50	Prairie Oil & Gas?
24	Central Leather?	58	Atl. Gulf & W. Indies SS?
26	Pullman?	61	American Locomotive?
28	American Sugar Refining?	63	Cuba Cane Sugar?
29	Chile Copper?	78	Baldwin Locomotive?
34	American Car & Foundry?	89	Greene Cananea Cooper?
37	Magnolia Petroleum?	94	American Cotton Oil?
38	American Woolen?	100	United Verde Extension Mining?
39	Pittsburgh Coal?		

## “No Growth Is Permanent”

Back in my early years in this business, I read a treatise by Mansfield Mills concerning the rise and fall of corporate fortunes. He postulated that U.S. companies typically evolved from being growth leaders, to growth maturity. The next stage featured a high degree of earnings cyclicality and finally earnings decline. **This typical life cycle of companies is often ignored by investors.**

Back in 1979, I knew of a long term IBM holder who gave his heirs strict instructions to never, under any circumstances, sell IBM. An 80 year old gentleman, I personally knew, told his grandchildren they must hold the Warner Lambert stock he was leaving them for as long as they lived. In the early 1960s there was another classic case where trustees attempted to challenge the original trust donor’s binding instructions that his beloved Penn Central (then heading for Chapter 11) could never be sold.

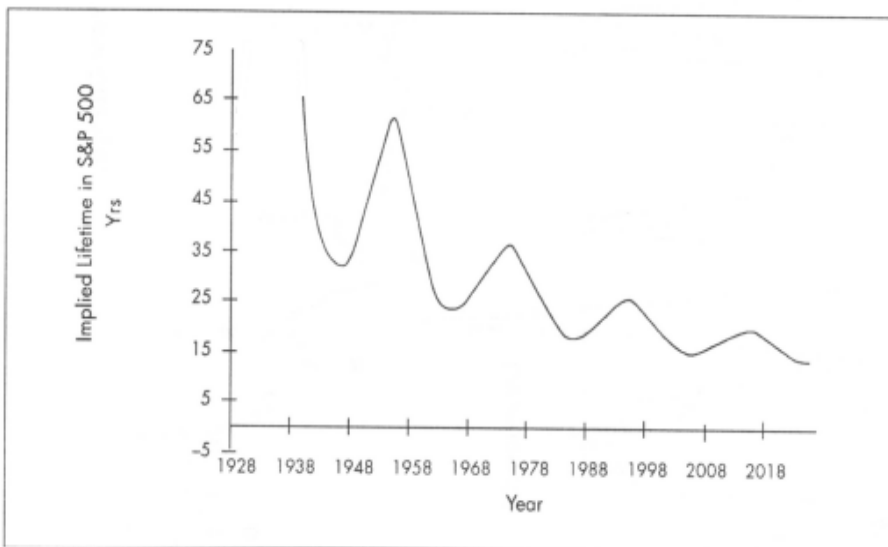
## “Creative Destruction”

**“Creative destruction” is a term coined to describe the dramatic, rapid changes in the technology world that create new superstar companies and at the same time destroy the old leaders.** Wireless and the internet have destroyed the profitability and business models of what were once blue-chip telephone companies. Polaroid was put out of business by dramatic changes in photography, and now Kodak is on the ropes (ranking just 199th in assets and not even making the top 200 in terms of market capitalization). Burroughs and Sperry Rand were once big names in the technology industry, but where are they today? There are many other examples of once great companies falling by the wayside.

Long before the term “creative destruction” was coined, it was a destructive part of U.S. capitalism, as airlines replaced passenger trains, as discount stores helped to destroy “Monkey Wards”, and as decentralized meat processors replaced Armour, Swift, and Wilson.

Back in the 1930s, a company coming onto the S&P 500 list could expect to remain there for 65 years or so. The chart below, included in the book *Creative Destruction* by Richard Foster and Sarah Kaplan of McKinsey & Company (a global management consulting firm) demonstrates how the life expectancy of an S&P 500 component has fallen considerably. **Indexers take note:** Since 1957, less than 50 of the companies in the S&P remain in that index today. McKinsey & Company estimates that by 2020, the average life of an S&P 500 company will be about 10 years, the result of both attrition and mergers.

Average Lifetime of S&P 500 Companies



- In summary, creative destruction and the rise and fall of corporate fortunes seems to have shifted into high gear, accelerated by accounting shams at WorldCom, Enron and others.

- **But, as the following historical study demonstrates, this is nothing new. Mansfield Mills had it right: “No Growth Is Permanent”**

.....with very, very few exceptions.

Still, investors continue to make the mistake of assuming that the great companies of today will continue as the great companies of tomorrow. American corporate history tells us this is rarely the case. Shifts in relative fortunes of America's leading corporations have taken place in a far more dramatic manner than most investors might perceive. The following table shows how the turnover of the biggest companies has actually been accelerating in recent years.

		<b>ASSET RANKING TURNOVER</b>	<b>MARKET CAP RANKING TURNOVER</b>
<b>1966 To 1977</b>	<b>11 Years</b>	<b>2.6 Deletions Per Year</b>	<b>3.2 Deletions Per Year</b>
<b>1977 To 1985</b>	<b>8 Years</b>	<b>3.9 Deletions Per Year</b>	<b>5.5 Deletions Per Year</b>
<b>1985 To 1995</b>	<b>10 Years</b>	<b>3.2 Deletions Per Year</b>	<b>4.3 Deletions Per Year</b>
<b>1995 To 2001</b>	<b>6 Years</b>	<b>6.2 Deletions Per Year</b>	<b>6.7 Deletions Per Year</b>
<b>2001 To mid 2007</b>	<b>5.7 Years</b>	<b>5.4 Deletions Per Year</b>	<b>5.3 Deletions Per Year</b>

## **CONCLUSION**

**The following study will provide some perspective on just how rapidly the corporate landscape can (and has) changed.** The one thing that we can count on about the future market leaders is that they will be different than today's leaders. The trip through history on the following pages may make the reader more aware of the degree of change that can and has taken place, even in the ranks of America's once largest, once richest corporations. **Size and a quality image are no guarantees of future prosperity.**

Buying stocks in today's biggest and richest companies does not lead to superior results (the nifty fifty myth). It is clearly imprudent to buy the biggest companies, put them away and forget about them. Remember the bigger the company, the more difficult it is to generate earnings growth. Slower earnings growth, increased earnings cyclical and creative destruction will lower P/E multiples.

## **OUTLINE OF THIS "OF SPECIAL INTEREST" STUDY**

This study was first produced in 1979, before the ease associated with computer screening. Originally the data came from a periodic ranking in *Forbes* magazine of the biggest U.S. companies in terms of Assets, Profits, Sales, and Market Capitalization. The longer term history contained in this special study (dating back to 1917 for the rankings by assets) comes from this *Forbes* data. This current study will focus on the biggest companies according to total market cap and asset size. Both of these measures consistently show that **corporate fortunes are often fleeting.**

- **PART 1: Rankings By Market Capitalization.** As of mid-2007, the top 100 U.S. traded companies are listed in order, with their historical ranks noted in ten year increments, beginning in 1960. Secondly, the largest 100 from 1966 are listed by their historical ranking, followed by subsequent rankings through mid 2007 (only 23 from the original 1966 list remain in top 100 today).
- **PART 2: Corporate Rankings By Assets.** Today's top 100 U.S. companies are listed in order, with their historical ranks also noted. Secondly, the top 100 based on assets in 1917 are listed, followed by the subsequent rankings for these original qualifiers (only 13 remain in the top 100 today). **These rankings are based on total assets, and liabilities are not subtracted.**
- **PART 3: Turnover Comparisons.** This part of the study examines 1966 through 2007 turnover in terms of market capitalization. This market cap turnover is then compared with the turnover in the rankings by assets.
- **PART 4: Performance Of 25 Largest Cap Stocks.** Performance comparisons by decade, beginning in 1960 are made in order to examine whether an investor could outperform the market by investing in the 100 largest capitalization stocks? The results are not very compelling.

.....Also includes comparable performance from year end 2001 through August 31, 2007.

## PART I:

### 100 BIGGEST COMPANIES RANKED BY MARKET CAPITALIZATION

The initial focus of this study is on the 100 largest companies with respect to **market capitalization**. Our study of market caps goes back to 1960. In the second part of this study, we will look at the largest companies based on **assets**. Within that part of the analysis, we present periodic statistical data back to 1917.

In order to draw meaningful comparisons of the turnover rates of the largest companies ranked both by **assets** (the focus of part two) and **market caps**, the following table of biggest corporations by market caps duplicates these ranking years for the asset ranks as far back as we could go (1966, 1977, 1985, 1995, and 2001).

At the end of this study, when the **performance** of the largest companies is examined, the focus is on 10 year periods starting in 1960. Performance is then tracked to 1970, 1980, 1990, 2000, and from 2001 to present.

Again, in this next section, **the ranking is market capitalization**. Given the huge stock market bubble during the late 1990s, the market cap ranks provide an interesting perspective. There are two sets of tables showing the biggest companies based on market capitalization.

- The first table on pages 7-8 shows the largest companies as of mid-August 2007, and then proceeds backwards in time to show when they first reached the list.



.....It's interesting to note that Microsoft, a giant today, ranked only as the 47th largest as recently as 1990. Cisco was not even on the list in 1990.

- The second table on pages 9-10 lists the largest companies in 1966 and then proceeds to periodically show where these once highfliers were ranked in subsequent years up until mid-August 2007.
- Pages 11-13 examine the turnover of the rankings, and shows those companies falling off the list as well as the replacements. **The high turnover will surprise many readers.**
- **An interesting observation made in comparing the asset rankings with these market cap ranks is Google. In terms of recent market capitalization, Google ranks as the 15th largest company, but in terms of assets it barely made the current list, ranking at 100.**

## TODAY'S BIGGEST COMPANIES RANKED BY MARKET CAP

- The following table lists the biggest companies based on recent market cap ranking (mid-August 2007 data).

.....Only 11 of the current biggest 100 companies were also among the biggest companies in 1960!

.....Even as recently as 1990, only 36 of today's biggest companies made the list 17 years ago.

- Some of the biggest ranking gains from the 2001 list include; ConocoPhillips (from 95th to 20th), Genentech (from 91st to 35th), United Health Group (from 100th to 47th), and Hewlett-Packard (from 60th to 24th).

.....Obviously, the merger between Conoco and Phillips, as well as the Hewlett-Packard and Compaq combination, provided much of the fuel for two of these runs.

- Interesting newcomers to the 2007 rankings include Google, Apple, and BHP Billiton.

Symbol	Company Name	2007 Market Cap (\$Millions)	2007 Rank	2001 Rank	1990 Rank	1980 Rank	1970 Rank	1960 Rank
XOM	Exxon Mobil Corp.	\$461,172	1	3	1	3	4	4
GE	General Electric Co.	\$392,941	2	1	4	11	8	7
MSFT	Microsoft Corp.	\$263,297	3	2	47	*	*	*
C	Citigroup Inc.	\$239,077	4	6	*	*	*	*
T	AT&T (formerly SBC Communications)	\$236,646	5	12	*	*	*	*
BAC	Bank of America Corp.	\$227,615	6	21	80	40	39	*
PG	Procter & Gamble Co.	\$202,980	7	19	11	29	17	16
BRK.A	Berkshire Hathaway Inc. (Cl A)	\$185,331	8	20	58	*	*	*
CSCO	Cisco Systems Inc.	\$182,225	9	14	*	*	*	*
CVX	Chevron Corp.	\$179,703	10	22	31	13	7	6
WMT	Wal-Mart Stores Inc.	\$179,554	11	4	5	*	*	*
JNJ	Johnson & Johnson	\$178,462	12	8	10	24	27	*
AIG	American International Group Inc.	\$169,791	13	9	24	68	*	*
PFE	Pfizer Inc.	\$167,913	14	5	29	50	36	*
GOOG	Google Inc. (Cl A)	\$157,250	15	*	*	*	*	*
JPM	JPMorgan Chase & Co.	\$157,013	16	34	66	*	*	*
IBM	International Business Machines	\$148,339	17	10	3	1	1	2
MO	Altria Group Inc.	\$141,491	18	18	2	30	88	*
INTC	Intel Corp.	\$139,111	19	7	62	*	*	*
COP	ConocoPhillips	\$127,311	20	95	*	*	*	*
WFC	Wells Fargo & Co.	\$125,646	21	28	*	*	*	*
KO	Coca-Cola Co.	\$124,863	22	15	8	48	16	38
VZ	Verizon Communications Inc.	\$121,065	23	13	*	*	*	*
HPQ	Hewlett-Packard Co.	\$120,132	24	60	44	31	*	*
PEP	PepsiCo Inc.	\$110,957	25	25	15	82	84	*
AAPL	Apple Inc.	\$110,879	26	*	*	*	*	*
MRK	Merck & Co. Inc.	\$107,730	27	11	6	23	20	66
SLB	Schlumberger Ltd.	\$106,392	28	*	*	5	*	*
BHPLF	BHP Billiton Ltd.	\$106,319	29	*	*	*	*	*
ORCL	Oracle Corp.	\$98,412	30	31	*	*	*	*
WB	Wachovia Corp.	\$93,704	31	44	*	*	*	*
ABT	Abbott Laboratories	\$80,920	32	27	22	53	100	*
UPS	United Parcel Service Inc. (Cl B)	\$79,447	33	35	*	*	*	*
DNA	Genentech Inc.	\$76,240	34	91	*	*	*	*
CMCSA	Comcast Corp. (Cl A)	\$75,782	35	70	*	*	*	*
BA	Boeing Co.	\$73,103	36	59	32	45	*	*
UTX	United Technologies Corp.	\$72,341	37	64	*	*	*	*
GS	Goldman Sachs Group Inc.	\$71,540	38	54	*	*	*	*
AXP	American Express Co.	\$69,903	39	42	41	65	75	*
TWX	Time Warner Inc.	\$69,471	40	16	*	*	*	*

## TODAY'S BIGGEST COMPANIES RANKED BY MARKET CAP - Continued

Symbol	Company Name	2007 Market Cap (\$Millions)	2007 Rank	2001 Rank	1990 Rank	1980 Rank	1970 Rank	1960 Rank
HD	Home Depot Inc.	\$67,674	41	17	100	*	*	*
DIS	Walt Disney Co.	\$67,016	42	45	34	*	*	*
FNM	Fannie Mae	\$66,947	43	30	*	*	*	*
MS	Morgan Stanley	\$66,141	44	37	*	*	*	*
MER	Merrill Lynch & Co. Inc.	\$65,409	45	50	*	*	*	*
UNH	UnitedHealth Group Inc.	\$65,370	46	100	*	*	*	*
NWS.A	News Corp. (CI A)	\$64,036	47	*	*	*	*	*
MMM	3M Co.	\$63,321	48	49	25	22	14	12
LLY	Eli Lilly & Co.	\$62,703	49	24	21	36	24	*
QCOM	QUALCOMM Inc.	\$61,697	50	75	*	*	*	*
WYE	Wyeth	\$61,275	51	29	28	41	21	27
MDT	Medtronic Inc.	\$60,440	52	41	*	*	*	*
DELL	Dell Inc.	\$59,668	53	33	*	*	*	*
MCD	McDonald's Corp.	\$57,762	54	62	42	*	*	*
USB	U.S. Bancorp	\$56,467	55	53	*	*	*	*
BMJ	Bristol-Myers Squibb Co.	\$55,520	56	23	7	59	46	*
CVS	CVS Caremark Corp.	\$53,886	57	*	*	*	*	*
AMGN	Amgen Inc.	\$53,622	58	36	*	*	*	*
S	Sprint Nextel Corp.	\$53,599	59	*	*	*	*	*
TGT	Target Corp.	\$50,953	60	58	*	*	*	*
KFT	Kraft Foods Inc.	\$49,887	61	*	*	*	*	*
EXC	Exelon Corp.	\$48,149	62	*	*	*	*	*
TXN	Texas Instruments Inc.	\$48,132	63	38	*	*	*	*
CAT	Caterpillar Inc.	\$47,477	64	*	*	*	*	*
MET	MetLife Inc.	\$47,435	65	*	*	*	*	*
WLP	WellPoint Inc.	\$46,869	66	*	*	*	*	*
EBAY	eBay Inc.	\$46,722	67	*	*	*	*	*
LBTBYB	Liberty Global Inc. (CI B)	\$45,850	68	*	*	*	*	*
OXY	Occidental Petroleum Corp.	\$45,325	69	*	*	*	*	*
WAG	Walgreen Co.	\$44,720	70	56	*	*	*	*
SGP	Schering-Plough Corp.	\$44,191	71	43	49	99	56	*
DD	E.I. DuPont de Nemours & Co.	\$43,943	72	48	18	25	11	5
LOW	Lowe's Cos.	\$42,931	73	66	*	*	*	*
FRE	Freddie Mac	\$42,445	74	51	*	*	*	*
PRU	Prudential Financial Inc.	\$41,195	75	*	*	*	*	*
HON	Honeywell International Inc.	\$41,177	76	72	*	*	*	*
EMC	EMC Corp.	\$40,457	77	89	*	*	*	*
DOW	Dow Chemical Co.	\$39,560	78	87	40	28	38	22
LMT	Lockheed Martin Corp.	\$39,479	79	93	*	*	*	*
MOT	Motorola Inc.	\$37,707	80	76	74	92	*	*
VLO	Valero Energy Corp.	\$37,364	81	*	*	*	*	*
GLW	Corning Inc.	\$36,745	82	*	*	*	*	*
EMR	Emerson Electric Co.	\$36,447	83	88	54	90	63	*
BUD	Anheuser-Busch Cos. Inc.	\$35,657	84	52	38	*	*	*
CCL	Carnival Corp.	\$35,417	85	*	*	*	*	*
MON	Monsanto Co.	\$34,940	86	*	*	*	*	*
GILD	Gilead Sciences Inc.	\$34,922	87	*	*	*	*	*
MRO	Marathon Oil Corp.	\$34,875	88	*	*	*	*	*
LVS	Las Vegas Sands Corp.	\$34,732	89	*	*	*	*	*
TRV	Travelers Cos. Inc.	\$34,026	90	*	*	*	*	*
CL	Colgate-Palmolive Co.	\$33,850	91	80	*	*	*	*
WM	Washington Mutual Inc.	\$33,514	92	84	*	*	*	*
FDX	FedEx Corp.	\$33,492	93	*	*	*	*	*
BAX	Baxter International Inc.	\$32,724	94	68	59	*	*	*
DVN	Devon Energy Corp.	\$32,669	95	*	*	*	*	*
ALL	Allstate Corp.	\$32,399	96	92	*	*	*	*
TWC	Time Warner Cable Inc.	\$32,241	97	*	*	*	*	*
BEN	Franklin Resources Inc.	\$32,040	98	*	*	*	*	*
AMZN	Amazon.com Inc.	\$32,003	99	*	*	*	*	*
KMB	Kimberly-Clark Corp.	\$31,616	100	69	84	*	*	78

## 1966's BIGGEST COMPANIES.....Ranked By Market Capitalization

<u>Company</u>	<u>1966</u>	<u>1977</u>	<u>1985</u>	<u>1995</u>	<u>2001</u>	<u>2007</u>
AT&T (Acquired By SBC Communications)	1	2	4	2	39	ACQ
IBM	2	1	1	12	10	17
General Motors	3	4	5	22	46	DQ
Standard Oil N.J. (Exxon Mobil)	4	3	2	3	3	1
Eastman Kodak	5	7	16	49	DQ	DQ
Texaco (ChevronTexaco)	6	8	46	54	ACQ	ACQ
Sears, Roebuck	7	6	10	81	DQ	DQ
General Electric	8	5	3	1	1	2
Du Pont	9	14	7	23	48	73
Gulf Oil (Acquired By Chevron 1984)	10	18	ACQ	ACQ	ACQ	ACQ
Xerox	11	29	64	87	DQ	DQ
Ford	12	16	19	30	77	DQ
Minnesota Mining	13	15	23	40	49	49
Standard Oil Calif. (Chevron)	14	12	11	27	22	10
General Tel. & Tel.	15	26	25	19	ACQ	ACQ
Mobil Oil (Exxon Mobil)	16	11	12	14	ACQ	ACQ
Shell Oil (Merged With Royal Dutch)	17	19	ACQ	ACQ	ACQ	ACQ
Standard Oil Ind. (Amoco)	18	9	8	25	ACQ	ACQ
Procter & Gamble	19	10	14	8	19	7
Union Carbide (Merged With Dow Chemical 1991)	20	46	78	DQ	ACQ	ACQ
Coca-Cola	21	23	17	4	15	22
Polaroid	22	DQ	DQ	DQ	DQ	Bankruptcy 2001
Avon Products	23	43	DQ	DQ	DQ	DQ
RCA (Acquired By GE 1986)	24	64	DQ	ACQ	ACQ	ACQ
Inter. Nickel (INCO) (Acquired by CVRD)	25	DQ	DQ	DQ	DQ	ACQ
Merck	26	27	27	5	11	27
Caterpillar	27	21	95	DQ	DQ	65
U.S. Steel (USX-Marathon Oil)	28	45	DQ	DQ	DQ	89
Coming Glass (Coming Inc.)	29	DQ	DQ	DQ	DQ	83
Amer. Home Prod. (Wyeth)	30	25	28	36	29	52
Dow Chemical	31	20	42	70	87	79
Litton (Aquired by Northrop Grumman)	32	DQ	DQ	DQ	DQ	ACQ
Commonwealth Edison (Unicom--Acquired By Excelon )	33	63	65	DQ	ACQ	ACQ
Pacific G & E	34	51	49	DQ	DQ	DQ
Westinghouse (Merged With CBS 1995)	35	82	DQ	ACQ	ACQ	ACQ
Phillips Petroleum (ConocoPhillips)	36	22	DQ	DQ	DQ	20
General Foods (Acquired By Philip Morris 1985)	37	DQ	ACQ	ACQ	ACQ	ACQ
Inter. Tel. & Tel.	38	36	71	DQ	DQ	DQ
American Electric Power	39	48	84	DQ	DQ	DQ
Alcoa	40	77	DQ	DQ	71	DQ
Chrysler	41	DQ	80	53	ACQ	ACQ
Bristol-Myers	42	57	30	17	23	57
Bethlehem Steel	43	DQ	DQ	DQ	DQ	Bankruptcy 2001
Continental Oil (Conoco--Merged with DuPont 1981)	44	37	ACQ	ACQ	ACQ	ACQ
Boeing	45	DQ	39	41	59	37
Goodyear	46	DQ	DQ	DQ	DQ	DQ
Phizer, Chas. (Pfizer)	47	67	DQ	37	5	14
Lilly, Eli	48	44	43	34	24	50
Reynolds, R.J. (now Reynolds American)	49	41	DQ	Private Equity	Private Equity	DQ
American Cyanamid (BASF Acquired 2000)	50	100	DQ	DQ	ACQ	ACQ

DQ—Still around, market cap not large enough to qualify for list.

ACQ—Acquired by another company.

## 1966's BIGGEST COMPANIES.....Ranked By Market Capitalization – Continued

<u>Company</u>	<u>1966</u>	<u>1977</u>	<u>1985</u>	<u>1995</u>	<u>2001</u>	<u>2007</u>
Southern California Edison (Edison Int'l)	51	90	63	DQ	DQ	DQ
J.C. Penney	52	52	97	DQ	DQ	DQ
Monsanto (Merged with Pharmacia/Upjohn 2000)	53	58	DQ	DQ	ACQ	ACQ
Texas Instruments	54	73	DQ	DQ	38	64
CBS (Acquired by Viacom)	55	94	48	DQ	ACQ	ACQ
Texas Utilities (TXU)	56	76	96	DQ	DQ	DQ
Gillette (Acquired By Procter & Gamble)	57	DQ	DQ	50	63	ACQ
Union Oil (Unocal) (acquired by ChevronTexaco)	58	54	DQ	DQ	DQ	ACQ
Southern Co.	59	50	54	76	DQ	DQ
Sun Oil (Sunoco)	60	56	DQ	DQ	DQ	DQ
Firestone (Acquired by Bridgestone 1988)	61	DQ	DQ	ACQ	ACQ	ACQ
Cities Services (Acquired By Occidental Petroleum)	62	87	ACQ	ACQ	ACQ	ACQ
Consolidated Edison	63	81	79	DQ	DQ	DQ
Johnson & Johnson	64	24	26	9	8	12
Kennecott Copper (Acquired By Standard Oil Ohio 1981)	65	DQ	ACQ	ACQ	ACQ	ACQ
Weyerhaeuser	66	32	DQ	DQ	DQ	DQ
Federated Dept. Stores (Macy's)	67	68	DQ	DQ	DQ	DQ
International Paper	68	62	DQ	DQ	DQ	DQ
Honeywell	69	DQ	36	97	72	77
Amerada Petroleum (Amerada Hess)	70	DQ	DQ	DQ	DQ	DQ
Tenneco	71	39	60	DQ	DQ	DQ
FMC Corp.	72	DQ	DQ	DQ	DQ	DQ
Northwest Airlines	73	DQ	DQ	DQ	DQ	Bankruptcy 2005
Louisiana Land (Acquired By Burlington Resources)	74	DQ	DQ	DQ	ACQ	ACQ
Allied Chemical (Allied Signal) (Merged with Honeywell)	75	DQ	DQ	DQ	DQ	ACQ
Texasgulf Inc (Acquired by Potash)	76	DQ	DQ	DQ	ACQ	ACQ
Public Service E & G	77	95	91	DQ	DQ	DQ
Pan American	78	DQ	DQ	Bankruptcy 1991	Bankrupt	Bankrupt
Deere & Co.	79	85	DQ	DQ	DQ	DQ
Va. Elec. & Power (Acquired by Dominion Resources 1983)	80	ACQ	ACQ	ACQ	ACQ	ACQ
Consumers Power (CMS Energy)	81	DQ	DQ	DQ	DQ	DQ
Inter. Harvester (Navistar)	82	DQ	DQ	DQ	DQ	DQ
Com Products (CPC Int'l - Best Products) (Acquired By Unilever)	83	DQ	DQ	DQ	DQ	ACQ
Zenith	84	DQ	DQ	DQ	DQ	Bankruptcy 1999
Florida Power & Light (FPL Group)	85	DQ	DQ	DQ	DQ	DQ
Atlantic Richfield (Acquired By British Pet 2000)	86	17	15	69	ACQ	ACQ
Hercules	87	DQ	DQ	DQ	DQ	DQ
Burroughs (Unisys)	88	38	DQ	DQ	DQ	DQ
Marathon Oil (Merged With US Steel 1982)	89	88	ACQ	ACQ	ACQ	ACQ
Georgia Pacific (Acquired By Koch Industries)	90	40	DQ	DQ	DQ	ACQ
McGraw-Hill	91	DQ	DQ	DQ	DQ	DQ
American Tobacco (Fortune Brands)	92	DQ	DQ	DQ	DQ	DQ
Norfolk & Western (Norfolk Southern)	93	DQ	DQ	DQ	DQ	DQ
Houston Light & Power (Reliant-Centerpoint)	94	DQ	DQ	DQ	DQ	DQ
National Dairy (Dart & Kraft) (Spun out in 2007)	95	DQ	DQ	ACQ	ACQ	62
Union Pacific	96	53	56	96	DQ	DQ
Grace, W. R.	97	DQ	DQ	DQ	DQ	DQ
Central & South West (Merged With American Electric Power)	98	DQ	DQ	DQ	DQ	ACQ
Alcan	99	DQ	DQ	DQ	DQ	DQ
Duke Power	100	91	DQ	DQ	86	DQ

## Market Cap Turnover

- A cursory glance at the previous tables reveals the great change that occurs over time.
- Of the largest 100 companies at the end of 1966 (based on market capitalization), only 23 remained on the list as of mid August 2007. This includes Kraft, which was called National Dairy back in 1966. It merged with Dart, and then was taken over by Philip Morris (now Altria). After the recent spin-off by Altria, Kraft once again hit the list as one of the biggest companies, with a current ranking of 62.
- It is not as common as one might think to see companies slide from the list of biggest companies by market cap and then rebound in a subsequent year to again qualify. Since 1966, there have been only 11 instances in which a company slipped from the biggest market cap list and then returned.

.....**Comeback Kids** include: **Boeing** and **Chrysler** (prior to acquisition) both missed in 1977. **Honeywell** also fell from the list in 1977. It's interesting to note that the 75th largest company in 1966 was Allied Chemical (renamed Allied Signal in 1981). In 1999, Allied acquired Honeywell and changed its name to Honeywell..

.....**Texas Instruments** did not qualify in either 1985 or in 1995, before returning in 2001. **Gillette** was an original qualifier in 1966, by failed to make the lists in 1977 or in 1985. It returned in 1995 and 2001, but was then acquired by Procter & Gamble in 2005. In 1966, **Duke Power** was the 100th largest company, and in 1977 it was the 91st. It fell from the top 100 in 1985 and 1995, then returned in 2001 at 86th, but again did not qualify in 2007.

.....**Pfizer** slipped off the list in 1985 and then returned by 1995. It rose to the 5th biggest in 2001, and now ranks as the 14th largest company. Also in 1985, **Alcoa** failed to qualify and did not hit the top 100 until 2001. By 2007, it no longer ranked in the top 100, and now appears bound to be acquired.

- Over the 10 year period from 1966 to 1977, 35% of the initial qualifiers were dropped from the list. By 1985, 57% of the original 1966 list were no longer qualifiers. Sixty nine percent of the original 1966 list was gone by 1995, and by year end 2001 ranking, 73% had been eliminated.

.....**Based on the mid-August 2007 market caps, 77% of the original list has been replaced. This includes 33 companies that have been acquired and 5 companies that have filed for bankruptcy. The remaining 39 non-qualifiers from the original 1966 list no longer have sufficient market capitalization to be ranked in the top 100.**

- The changes from period to period are very consistent in terms of turnover. The following tables show the changes that occurred between 1966-1977, 1977-1985, 1985-1995, and 1995-2001. During each of these periods, between 36-44 new companies made the list, prevailing over previous qualifiers.

• **CHANGES FROM 1966 TO 1977....35 New Names In 11 Years**

<b>35 NEW QUALIFIERS BY 1977</b>			<b>35 FROM 1966's LIST DROPPED</b>				
13	Schlumberger	70	Digital Equipment	22	Polaroid	76	Texas Gulf
28	Halliburton	71	Dresser Industries	25	Inter. Nickel	78	Pan American
30	Philip Morris	72	Colgate-Palmolive	29	Corning Glass	80	Va. Elec. & Power
31	Getty Oil	74	Abbott Laboratories	32	Litton	81	Consumers Power
33	Standard Oil Ohio	75	J P Morgan & Co	41	Chrysler	82	Inter. Harvester
34	BankAmerica Corp	78	Schering-Plough	43	Bethlehem Steel	83	Corn Products
35	K mart	80	Occidental Petroleum	45	Boeing	84	Zenith
42	Citicorp	83	Ralston Purina	46	Goodyear	85	Florida Power & Light
47	American Express	84	General Mills	47	Phizer, Chas.	87	Hercules
49	PepsiCo	86	SmithKline Corp	57	Gillette	91	McGraw-Hill
55	Beatrice Foods	89	Phila Electric	61	Firestone	92	American Tobacco
59	Hewlett-Pack	92	Continental Corp	65	Kennecott Copper	93	Norfolk & Western
60	McDonalds	93	Connecticut General	69	Honeywell	94	Houston Light & Power
61	Warner-Lambert	96	Revlon	70	Amerada Pet.	95	National Dairy
65	Aetna Life & Cas	97	Travelers	72	FMC Corp.	97	Grace, W. R.
66	Emerson Electric	98	American Intl Group	73	Northwest Airlines	98	Central & South West
67	Pfizer	99	Walt Disney	74	Louisiana Land	99	Alcan
69	Kellogg			75	Allied Chemical		

• **CHANGES FROM 1977 TO 1985.....44 New Names In 8 Years**

<b>44 NEW QUALIFIERS BY 1985</b>				<b>44 FROM 1977's LIST DROPPED</b>			
6	ROYAL DUTCH/SHELL GRP	69	UNITED TECHNOLOGIES	18	Gulf Oil	71	Dresser Industries
9	BELLSOUTH CORP	70	ROCKWELL AUTOMATION	19	Shell Oil	72	Colgate-Palmolive
20	VERIZON COMMUNICATIONS	72	NORFOLK SOUTHERN CORP	22	Phillips Petroleum	73	Texas Instruments
22	AMERITECH CORP	73	BURLINGTON NO. SANTA FE	28	Halliburton	77	Alcoa
24	NYNEX CORP	74	ELECTRONIC DATA SYS	31	Getty Oil	78	Schering-Plough
31	PACIFIC TELESIS GROUP	75	GANNETT CO	32	Weyerhaeuser	79	General Foods
32	WAL-MART STORES	76	GENERAL RE CORP	33	Standard Oil Ohio	80	Occidental Petroleum
33	SBC COMMUNICATIONS INC	77	MAY DEPARTMENT STORES	34	BankAmerica Corp	82	Westinghouse Elec
34	QWEST COMMUNICATION	80	CHRYSLER CORP	37	Continental Oil	83	Ralston Purina
36	HONEYWELL INTERNATIONAL	81	CIGNA CORP	38	Burroughs	84	General Mills
39	BOEING CO	82	MOTOROLA INC	40	Georgia-Pacific Gas & Elec	85	Deere
41	NABISCO GROUP HLDGS	83	CSX CORP	41	R J Reynolds Inds	86	SmithKline Corp
44	GENERAL MOTORS CL H	85	TARGET CORP	43	Avon Products	87	Cities Service
45	BCE INC	87	LOEWS CORP	45	United States Steel	88	Marathon Oil
50	SALOMON SMITH BARNEY	88	SEAGRAM CO LTD	54	Union Oil California	89	Phila Electric
53	DUN & BRADSTREET CORP	89	HEINZ (H J) CO	55	Beatrice Foods	91	Duke Power
55	IMPERIAL OIL LTD	92	PUBLIC SERVICE ENTRP	56	Sun Company	92	Continental Corp
59	ANHEUSER-BUSCH COS INC	93	RAYTHEON CO	58	Monsanto	93	Connecticut General
61	TENNESSEE GAS PIPELINE	94	PHARMACIA & UPJOHN INC	61	Warner-Lambert	96	Revlon
62	EDISON INTERNATIONAL	98	NORTEL NETWORKS CORP	62	International Paper	97	Travelers
66	UNICOM CORP	99	CANADIAN PACIFIC RAIL	64	RCA	99	Walt Disney
67	SUNOCO INC	100	CNA FINANCIAL CORP	68	Federated Dept Stores	100	American Cyanamid

• **CHANGES FROM 1985 TO 1995.....43 New Names In 10 Years**

<b>43 NEW QUALIFIERS BY 1995</b>				<b>43 FROM 1985's LIST DROPPED</b>			
10	MICROSOFT CORP	67	NATL WESTMINSTER BANK	40	DIGITAL EQUIPMENT	76	GENERAL RE CORP
13	INTEL CORP	68	MCI COMMUNICATIONS	41	NABISCO GROUP	77	MAY DEPARTMENT STORES
24	BERKSHIRE HATHAWAY	71	VIACOM INC	45	BCE INC	78	UNION CARBIDE CORP
28	FANNIE MAE	77	AMGEN INC	48	CBS CORP	79	CONSOLIDATED EDISON
35	DISNEY (WALT) CO	78	LOCKHEED MARTIN CORP	49	PG&E CORP	81	CIGNA CORP
37	SMITHKLINE BEECHAM	79	SARA LEE CORP	50	SALOMON SMITH BARNEY	83	CSX CORP
42	J P MORGAN CHASE & CO	80	WACHOVIA CORP	53	DUN & BRADSTREET	84	AMER.ELECTRIC POWER
43	TOSHIBA CORP	82	GRAND MET PLC	55	IMPERIAL OIL LTD	85	TARGET CORP
45	ASTRA AB -SPON ADR A	84	CAMPBELL SOUP CO	57	AETNA INC	86	K MART CORP
46	BANKAMERICA CORP	85	FIRST DATA CORP	60	TENNECO AUTOMOTIVE	87	LOEWS CORP
48	KIMBERLY-CLARK CORP	86	FEDERAL HOME LOAN	61	TENNESSEE GAS	88	SEAGRAM CO LTD
50	GILLETTE CO	88	WASTE MANAGEMENT	62	EDISON INTERNATIONAL	89	HEINZ (H J) CO
51	HOME DEPOT INC	89	TIME WARNER INC	63	SO CALIFORNIA EDISON	91	PUB.SERVICE ELEC & GAS
52	HCA INC	90	BANK ONE CORP	65	COMMONWEALTH EDISON	92	PUBLIC SERVICE ENTRP
55	CISCO SYSTEMS INC	92	PHARMACIA CORP	66	UNICOM CORP	93	RAYTHEON CO
57	SCHERING-PLOUGH	93	AIRTOUCH COMMUN	67	SUNOCO INC	95	CATERPILLAR INC
58	ELF AQUITAINE	94	SPRINT FON GROUP	69	UNITED TECHNOLOGIES	96	TXU CORP
59	CITIGROUP INC	95	COMPUTER ASSOCIATES	70	ROCKWELL AUTOMATION	97	PENNEY (J C) CO
60	CABLE & WIRELESS	98	WARNER-LAMBERT CO	71	ITT INDUSTRIES INC	98	NORTEL NETWORKS CORP
63	BANK OF AMERICA CORP	99	TELE-COMM TCI GRP	72	NORFOLK SOUTHERN	99	CANADIAN PACIFIC
64	ORACLE CORP	100	MEDTRONIC INC	73	BURLINGTON NO. SANTA FE	100	CNA FINANCIAL CORP
65	ALLSTATE CORP			75	GANNETT CO		

• **CHANGES FROM 1995 TO 2001.....40 New Names In 6 Years**

<b>40 NEW QUALIFIERS BY 2001</b>				<b>40 FROM 1995's LIST DROPPED</b>			
16	TYCO INTERNATIONAL	69	COMCAST CORP	6	ROYAL DUTCH/SHELL	68	MCI COMMUNICATIONS
32	WELLS FARGO & CO	71	APPLIED MATERIALS INC	14	MOBIL CORP	69	ATLANTIC RICHFIELD CO
35	DELL COMPUTER CORP	73	COLGATE-PALMOLIVE CO	19	GTE CORP	73	QWEST COMMUN
36	UBS AG	74	BAXTER INTERNATIONAL	25	AMOCO CORP	75	KELLOGG CO
39	MORGAN STAN DEAN WIT	78	DUKE ENERGY CORP	32	AMERITECH CORP	76	SOUTHERN CO
43	TEXAS INSTRUMENTS INC	80	CLEAR CHANNEL	37	SMITHKLINE BEECHAM	78	LOCKHEED MARTIN
48	GOLDMAN SACHS	81	UNITED TECHNOLOGIES	39	CITICORP	79	SARA LEE CORP
50	MERRILL LYNCH & CO	82	ALCOA INC	43	TOSHIBA CORP	81	SEARS ROEBUCK & CO
53	WORLDCOM INC	83	BANK OF NEW YORK	45	ASTRA AB -SPON ADR A	82	GRAND MET PLC
54	U S BANCORP	84	MBNA CORP	46	BANKAMERICA CORP	83	MORGAN (J P) & CO
56	SUN MICROSYSTEMS INC	86	EMC CORP/MA	47	NYNEX CORP	84	CAMPBELL SOUP CO
58	QUALCOMM INC	87	MARSH & MCLENNAN	49	EASTMAN KODAK CO	87	XEROX CORP
59	FLEETBOSTON FINANCIAL	88	CARDINAL HEALTH INC	52	HCA INC	88	WASTE MANAGEMENT
60	TARGET CORP	89	WASHINGTON MUTUAL	53	CHRYSLER CORP	91	PACIFIC TELESIS GROUP
61	LIBERTY MEDIA	90	GENENTECH INC	54	TEXACO INC	93	AIRTOUCH COMMUN
62	AT&T WIRELESS	91	STMICROELECTRONICS	58	ELF AQUITAINE	94	SPRINT FON GROUP
63	AUTOMATIC DATA PROCESS	95	HOUSEHOLD INT'L	60	CABLE & WIRELESS	95	COMPUTER ASSOCIATES
64	LOWES COS	98	COX COMMUNICATIONS	61	GENERAL MOTORS CL H	96	UNION PACIFIC CORP
65	FIFTH THIRD BANCORP	99	CORP	62	PHARMACIA & UPJOHN	98	WARNER-LAMBERT CO
67	WALGREEN CO	100	KOHL'S CORP	67	NATL WESTMINSTER BANK	99	TELE-COMM TCI GRP

• **CHANGES FROM 2001 TO MID 2007.....30 New Names In 5.7 Years**

<b>30 NEW QUALIFIERS BY MID 2007</b>				<b>30 FROM 2001's LIST DROPPED</b>			
15	Google Inc. (Cl A)	70	Occidental Petroleum Corp.	69	Kimberly-Clark Corp.	40	Pharmacia
26	Apple Inc.	76	Prudential Financial Inc.	71	Alcoa Inc.	46	General Motors Corp.
28	Schlumberger Ltd.	82	Valero Energy Corp.	97	Illinois Tool Works Inc.	47	Bank One
29	BHP Billiton Ltd.	83	Corning Inc.	79	Bank of New York Mellon Corp.	61	FleetBoston Financial
32	Publix Super Markets Inc.	86	Carnival Corp.	55	Applied Materials Inc.	63	Gillette
48	News Corp. (Cl A)	87	Monsanto Co.	81	Cardinal Health Inc.	67	Liberty Media
58	CVS Caremark Corp.	88	Gilead Sciences Inc.	65	Automatic Data Processing	73	MBNA
60	Sprint Nextel Corp.	89	Marathon Oil Corp.	74	First Data Corp.	77	Ford Motor
62	Kraft Foods Inc.	90	Las Vegas Sands Corp.	86	Duke Energy Corp.	78	Sun Microsystems
63	Exelon Corp.	91	Travelers Cos. Inc.	26	CBS Corp. Cl A (Viacom)	82	Electronic Data Systems
65	Caterpillar Inc.	94	FedEx Corp.	57	Fifth Third Bancorp	83	Marsh & McLennan Cos
66	MetLife Inc.	96	Devon Energy Corp.	98	Kohl's Corp.	90	Household International
67	WellPoint Inc.	98	Time Warner Cable Inc.	85	Clear Channel Commun	94	AT&T Wireless Services
68	eBay Inc.	99	Franklin Resources Inc.	32	BellSouth	96	El Paso
69	Liberty Global Inc. (Cl B)	100	Amazon.com Inc.	39	AT&T	99	Cox Communications

## **PART II:**

### **TODAY'S BIGGEST 100 COMPANIES RANKED BY ASSETS**

The table on the next two pages is a listing of America's largest 100 publicly held "industrial" corporations (excluding railroads, utilities and financials) ranked by assets. **This is total assets, and does not subtract liabilities**. For each company in the current top 100, we include its previous ranking (if any) in 2001, 1995, 1985, 1977, 1966, 1945, 1929, and 1917. This provides interesting insight into the degree of change in corporate fortunes.

**Note:** The market cap rankings previously presented in the first part of this study include all companies; utilities, railroads, and financials were not excluded. In the following tables, showing the rankings by asset class, these groups have been excluded. These typically have large asset bases, which tend to skew the rankings based on assets.

#### **Highlights**

- Only 13 of today's top 100 were on the initial list in 1917. GE and Exxon have maintained high rankings over the entire 84 year period, but they are the exceptions. Only 13 of today's top 100 were on the top list back in 1929, with only 21 in the top 100 back in 1945, at the end of WWII.
- There has been even greater acceleration of changes among the biggest companies in recent years. **Seventy percent of today's top 100 did not make the top 100 list until after 1966**, with about 55% moving on to the top 100 list since 1977. Over the last 16 years, 32 new members have joined the top 100 club (after 1985).

*.....Even from 2001, just five and a half years ago, 31 new companies have reached the top 100 in terms of assets.*

- **NOTE:** Daimler Chrysler ranked as the second largest company according to assets in mid-August. It took the assets of Mercedes Benz to push Chrysler onto this list. Since Chrysler is being spun out, Daimler will also fall from the list with Chrysler.
- One might expect there to be ebb and flow among the rankings, especially near the cut-off at 100. This is, however, not the case. During the periods tracked, very few of today's top 100 are "come back" companies. That is, **very few have done an encore, returning to the top 100 after having dropped out of the club**.

*..... Exceptions are Philip Morris (absent in the 1966 ranking), Deere (absent in the 1929 ranking), Lockheed (absent in 1977), and Coca-Cola (absent in the 1966 ranking). Minnesota Mining & Manufacturing missed the cut-off in 2001, as did Federated Department Stores (now Macy's).*

*.....Typically, when a company drops out of the top 100, it stays out.  
**Reversals of fortunes are rare.***

- The industrial representation in the list continues to evolve as the complexion of the U.S. economy changes. Back in 1917, 30% of the 50 largest industrial corporations were metal and mining companies. By 1977, only 6% were metal and mining, and today only two of the top 50 are metal or mining companies. At present, consumer driven companies dominate, with retailers and consumer goods and service companies making up 36% of the top 50 list.

*.....In all, the largest 50 companies ranked by assets are divided into the following broad sectors:  
**36% Consumer, 15% Technology, 13% Industrial, 12% Health Care, 7% Materials, and 4% Telecom.***

## TODAY'S BIGGEST COMPANIES RANKED BY ASSETS

Symbol	Company Name	2007	2001	1995	1985	1977	1966	1945	1929	1917
		Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank
GE	General Electric Co.	1	1	2	12	11	9	8	11	10
DAI	DaimlerChrysler AG	2	*	*	*	*	*	*	*	*
F	Ford Motor Co.	3	3	1	10	6	3	10	6	20
T	AT&T Inc.	4	6	5	6	26	20	19	22	54
XOM	Exxon Mobil Corp.	5	7	4	1	1	1	1	2	2
GM	General Motors Corp.	6	2	3	3	2	2	3	3	30
VZ	Verizon Communications	7	5	*	*	*	*	*	*	*
COP	ConocoPhillips	8	44	*	*	*	*	*	*	*
WMT	Wal-Mart Stores Inc.	9	13	11	*	*	*	*	*	*
CVX	Chevron Corp.	10	14	14	7	7	12	11	10	35
PG	Procter & Gamble Co.	11	26	20	26	34	38	68	92	57
TWX	Time Warner Inc.	12	4	30	*	*	*	*	*	*
CMCSA	Comcast Corp. (CI A)	13	31	85	*	*	*	*	*	*
PFE	Pfizer Inc.	14	28	62	91	79	*	*	*	*
IBM	Int'l Business Machines	15	11	6	4	5	10	94	*	*
S	Sprint Nextel Corp.	16	64	*	*	*	*	*	*	*
HPQ	Hewlett-Packard Co.	17	36	21	68	*	*	*	*	*
JNJ	Johnson & Johnson	18	30	38	77	*	*	*	*	*
MSFT	Microsoft Corp.	19	16	90	*	*	*	*	*	*
NWS.A	News Corp. (CI A)	20	58	*	*	*	*	*	*	*
DIS	Walt Disney Co.	21	17	48	*	*	*	*	*	*
HD	Home Depot Inc.	22	49	*	*	*	*	*	*	*
KFT	Kraft Foods Inc.	23	*	*	*	*	*	*	*	*
TWC	Time Warner Cable	24	*	*	*	*	*	*	*	*
CVS	CVS Caremark Corp.	25	*	*	*	*	*	*	*	*
BA	Boeing Co.	26	20	31	40	94	41	*	*	*
CAT	Caterpillar Inc.	27	40	43	63	37	54	*	*	*
CSCO	Cisco Systems Inc.	28	33	*	*	*	*	*	*	*
APC	Anadarko Petroleum	29	89	*	*	*	*	*	*	*
UTX	United Technologies	30	47	45	34	61	58	71	*	*
INTC	Intel Corp.	31	22	41	*	*	*	*	*	*
MO	Altria Group Inc.	32	12	8	19	44	*	97	*	*
L	Liberty Media Corp.	33	18	*	*	*	*	*	*	*
DOW	Dow Chemical Co.	34	34	27	29	20	33	99	*	*
CBS.A	CBS Corp. CI A	35	10	18	*	*	*	*	*	*
MRK	Merck & Co. Inc.	36	24	26	81	*	*	*	*	*
WYE	Wyeth	37	67	33	*	*	*	*	*	*
FCX	Freeport-McMoRan	38	*	*	*	*	*	*	*	*
AA	Alcoa Inc.	39	42	56	56	46	24	24	39	47
KO	Coca-Cola Co.	40	69	49	51	96	*	74	*	*
TGT	Target Corp.	41	61	63	93	*	*	*	*	*
VLO	Valero Energy Corp.	42	*	*	*	*	*	*	*	*
DVN	Devon Energy Corp.	43	*	*	*	*	*	*	*	*
DE	Deere & Co.	44	70	51	69	52	50	63	*	79
ABT	Abbott Laboratories	45	66	88	*	*	*	*	*	*
MOT	Motorola Inc.	46	38	29	94	*	*	*	*	*
ORCL	Oracle Corp.	47	*	*	*	*	*	*	*	*
DAL	Delta Air Lines Inc.	48	65	68	*	*	*	*	*	*
OXY	Occidental Petroleum Corp.	49	82	39	30	36	*	*	*	*
MRO	Marathon Oil Corp.	50	93	78	17	14	6	2	1	1

## TODAY'S BIGGEST COMPANIES RANKED BY ASSETS

Symbol	Company Name	2007	2001	1995	1985	1977	1966	1945	1929	1917
		Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank	Asset Rank
UPS	United Parcel Service	51	55	*	*	*	*	*	*	*
FDC	First Data Corp.	52	73	*	*	*	*	*	*	*
CCL	Carnival Corp.	53	*	*	*	*	*	*	*	*
AMGN	Amgen Inc.	54	*	*	*	*	*	*	*	*
DD	E.I. DuPont de Nemours	55	27	12	14	19	16	5	12	7
TYC	Tyco Intl	56	*	*	*	*	*	*	*	*
NOC	Northrop Grumman	57	75	*	*	*	*	*	*	*
PEP	PepsiCo Inc.	58	74	22	66	*	*	*	*	*
HON	Honeywell International	59	59	64	24	66	37	39	26	*
BSX	Boston Scientific Corp.	60	*	*	*	*	*	*	*	*
AMR	AMR Corp.	61	39	35	55	*	*	*	*	*
LMT	Lockheed Martin Corp.	62	45	40	95	*	93	78	*	*
SHLD	Sears Holdings Corp.	63	23	15	2	10	7	16	30	32
LBTYA	Liberty Global Inc.	64	*	*	*	*	*	*	*	*
LOW	Lowe's Cos.	65	15	7	22	*	*	*	*	*
AL	Alcan Inc.	66	*	*	*	*	*	*	*	*
MCD	McDonald's Corp.	67	68	46	78	*	*	*	*	*
LCAPA	Liberty Media Holding	68	*	*	*	*	*	*	*	*
M	Macy's (formerly Federated)	69	*	53	70	73	87	*	*	*
CHK	Chesapeake Energy Corp.	70	*	*	*	*	*	*	*	*
BMJ	Bristol-Myers Squibb Co.	71	56	55	*	*	*	*	*	*
APA	Apache Corp.	72	*	*	*	*	*	*	*	*
ADP	Automatic Data Processing	73	84	*	*	*	*	*	*	*
WMB	Williams Cos.	74	29	*	*	*	*	*	*	*
ADM	Archer Daniels Midland Co.	75	100	74	*	*	*	*	*	*
SLB	Schlumberger Ltd.	76	*	*	*	*	*	*	*	*
UAUA	UAL Corp.	77	52	70	46	*	*	*	*	*
MCK	McKesson Corp.	78	*	*	*	*	*	*	*	*
RTN	Raytheon Co.	79	48	83	*	*	*	*	*	*
CCE	Coca-Cola Enterprises	80	62	91	*	*	*	*	*	*
LLY	Eli Lilly & Co.	81	91	52	98	*	*	*	*	*
FDX	FedEx Corp.	82	*	*	*	*	*	*	*	*
MGM	MGM MIRAGE	83	*	*	*	*	*	*	*	*
GD	General Dynamics Corp.	84	*	*	*	*	*	*	*	*
WY	Weyerhaeuser Co.	85	81	58	65	39	65	79	*	*
JCI	Johnson Controls Inc.	86	*	*	*	*	*	*	*	*
HES	Hess Corp.	87	99	*	*	*	*	*	*	*
CAH	Cardinal Health Inc.	88	95	*	*	*	*	*	*	*
IP	International Paper Co.	89	32	25	62	40	47	45	25	71
DELL	Dell Inc.	90	*	*	*	*	*	*	*	*
TEL	Tyco Electronics Ltd.	91	*	*	*	*	*	*	*	*
XRJ	Xerox Corp.	92	43	19	20	30	*	*	*	*
EP	El Paso Corp.	93	21	*	*	*	*	*	*	*
MMM	3M Co.	94	*	54	54	49	71	*	*	*
HET	Harrah's Entertainment	95	*	*	*	*	*	*	*	*
HCA	HCA Inc.	96	83	34	*	*	*	*	*	*
VMED	Virgin Media Inc.	97	46	*	*	*	*	*	*	*
VIA	Viacom Inc. (CI A)	98	*	*	*	*	*	*	*	*
AAPL	Apple Inc.	99	*	*	*	*	*	*	*	*
GOOG	Google Inc. (CI A)	100	*	*	*	*	*	*	*	*

## THE 1917 RANKING OF BIGGEST COMPANIES BY ASSETS

<u>Industrial Corporation</u>	<u>1917</u>	<u>1929</u>	<u>1945</u>	<u>1966</u>	<u>1977</u>	<u>1985</u>	<u>1995</u>	<u>2001</u>	<u>2007</u>
→ U.S. Steel (USX Marathon)	1	1	2	6	14	17	78	93	50
Standard Oil (NJ) (Exxon)	2	2	1	1	1	1	4	7	5
Bethlehem Steel	3	5	7	19	28	85	*	*	*
Armour & Co.	4	14	30	99	*	*	*	*	*
Swift & Co. (Esmark)	5	18	29	*	*	*	*	*	*
International Harvester	6	17	14	29	45	*	*	*	*
El du Pont de Nemours	7	12	5	16	19	14	12	27	55
Midvale Steel & Ordnance	8	*	*	*	*	*	*	*	*
U.S. Rubber (Uniroyal)	9	23	46	63	*	*	*	*	*
General Electric	10	11	8	9	11	12	2	1	1
Infl. Merc. Marine (U.S. Lines)	11	*	*	*	*	*	*	*	*
Amer. Smelt & Refng (ASARCO)	12	34	59	*	*	*	*	*	*
Anaconda Copper Mining	13	7	*	*	*	*	*	*	*
Standard Oil (NY)	14	7	*	*	*	*	*	*	*
Phelps Dodge	15	77	64	*	*	*	*	*	*
Singer Manufacturing	16	27	54	67	*	*	*	*	*
Jones & Laughlin Steel	17	41	40	55	*	*	*	*	*
Westinghouse Elec. & Mfg.	18	29	24	25	25	39	44	*	*
American Tobacco (Am. Brands)	19	28	17	59	65	43	99	*	*
Ford Motor	20	6	10	3	6	10	1	3	3
Union Carbide & Carbon	21	24	23	21	21	33	*	*	*
Cambria Steel	22	*	*	*	*	*	*	*	*
B.F. Goodrich	23	59	55	83	*	*	*	*	*
Central Leather	24	*	*	*	*	*	*	*	*
Kennecott Copper	25	19	18	57	72	*	*	*	*
Pullman	26	21	41	*	*	*	*	*	*
Consolidated Coal	27	*	*	*	*	*	*	*	*
Amer. Sugar Refining (AMSTAR)	28	65	*	*	*	*	*	*	*
Chile Copper	29	*	*	*	*	*	*	*	*
General Motors	30	3	3	2	2	3	3	2	6
American Can (Primerica)	31	49	51	56	91	75	*	*	*
→ Sears Roebuck	32	30	16	7	10	2	15	23	63
→ Texas Co. (Texaco)	33	9	9	4	4	9	23	14	10
Amer. Car & Foundry (ACF Indust.)	34	81	84	*	*	*	*	*	*
→ Standard Oil-CA (Chevron)	35	10	11	12	7	7	14	14	10
Standard Oil-IN (Amoco)	36	4	6	13	12	13	17	*	*
Magnolia Petroleum	37	*	*	*	*	*	*	*	*
American Woolen	38	86	*	*	*	*	*	*	*
Pittsburgh Coal	39	*	*	*	*	*	*	*	*
Willys-Overland	40	*	*	*	*	*	*	*	*
Corn Prod. Refining (CPC Int'l.)	41	*	*	*	*	*	*	*	*
Ohio Cities Gas	42	*	*	*	*	*	*	*	*
Republic Iron & Steel (Rep. Steel)	43	20	26	44	70	*	*	*	*
United Fruit (United Brands)	44	40	49	*	*	*	*	*	*
Liggett & Myers Tobacco. (Liggett Grp)	45	66	38	*	*	*	*	*	*
Virginia Carolina Chem.	46	*	*	*	*	*	*	*	*
Aluminum Co. Of America	47	39	24	24	46	56	56	42	39
Lackawanna Steel	48	*	*	*	*	*	*	*	*
Gulf Oil	49	15	12	5	9	*	*	*	*
Prairie Oil & Gas	50	*	*	*	*	*	*	*	*

→ *Exxon and Mobil merged...combined entity ranked #5*  
*Texaco and Chevron merged...combined entity ranked #10*

## THE 1917 RANKING OF BIGGEST COMPANIES BY ASSETS - Continued

<u>Industrial Corporation</u>	<u>1917</u>	<u>1929</u>	<u>1945</u>	<u>1966</u>	<u>1977</u>	<u>1985</u>	<u>1995</u>	<u>2001</u>	<u>2007</u>
Wilson & Co.	51	*	*	*	*	*	*	*	*
W.R. Grace	52	*	*	*	*	*	*	*	*
Youngstown Sheet & Tube	53	38	48	72	*	*	*	*	*
Western Electric (AT&T)	54	22	19	20	26	6	5	6	4
Colorado Fuel & Iron	55	*	*	*	*	*	*	*	*
Great Northern Iron Ore	56	*	*	*	*	*	*	*	*
Proctor & Gamble	57	92	68	38	34	26	20	26	11
Atl. Gulf & W. Indies SS	58	*	*	*	*	*	*	*	*
Crucible Steel	59	78	*	*	*	*	*	*	*
Ohio Oil (Marathon Oil)	60	89	96	51	80	*	*	*	*
American Locomotive	61	95	*	*	*	*	*	*	*
F.W. Woolworth	62	58	36	68	85	*	*	*	*
Cuba Cane Sugar	63	99	*	*	*	*	*	*	*
Mexican Petroleum	64	*	*	*	*	*	*	*	*
Morris & Co.	65	*	*	*	*	*	*	*	*
Amer. Agric. Chem.	66	*	*	*	*	*	*	*	*
Lehigh Coal & Navigation	67	*	*	*	*	*	*	*	*
National Lead (NL Industries)	68	93	100	*	*	*	*	*	*
Sinclair Oil & Refining	69	16	20	*	*	*	*	*	*
International Paper	71	25	45	47	40	62	25	32	89
U.S. Smelt., Rfg & Mng. (U.V. Ind.)	72	*	*	*	*	*	*	*	*
Goodyear Tire & Rubber	73	33	31	26	31	49	82	*	*
Union Oil of CA (Unocal)	74	35	53	27	33	32	80	*	*
→ Vacuum Oil (Mobil)	75	46	4	8	3	5	10	7	5
National Biscuit (Nabisco)	76	72	95	*	*	*	*	*	*
United Shoe Machinery	77	*	98	*	*	*	*	*	*
Baldwin Locomotive	78	100	*	*	*	*	*	*	*
Deere & Co.	79	*	63	50	52	69	51	70	44
Studebaker	80	71	*	*	*	*	*	*	*
Int'l. Nickel (INCO Inc.)	81	51	37	61	42	*	*	*	*
R.J. Reynolds (RJR Nabisco)	82	61	33	49	32	21	16	*	*
Associated Oil	83	*	*	*	*	*	*	*	*
Cudahy Packing	84	*	*	*	*	*	*	*	*
Eastman Kodak	85	60	34	35	24	28	50	*	*
P. Lorillard	86	94	*	*	*	*	*	*	*
Atl. Refining (Atlantic Richfield)	87	55	42	36	15	16	24	*	*
Calumet & Hecla Mining	88	*	*	*	*	*	*	*	*
Greene Cananea Copper	89	*	*	*	*	*	*	*	*
HJ Heinz	90	*	*	*	*	*	*	*	*
Inland Steel	91	97	67	62	86	*	*	*	*
United Motors	92	*	*	*	*	*	*	*	*
Allis Chalmers	93	*	60	*	*	*	*	*	*
American Cotton Oil	94	*	*	*	*	*	*	*	*
Crane	95	84	*	*	*	*	*	*	*
Libby, McNeil & Libby	96	*	*	*	*	*	*	*	*
Sinclair Gulf	97	*	*	*	*	*	*	*	*
Distillers Sec. (Nat'l. Dist & Chem)	98	*	*	*	*	*	*	*	*
Pan Amer. Pet & Trans.	99	*	*	*	*	*	*	*	*
Utd. Verde Extension Mining	100	*	*	*	*	*	*	*	*

→ *Exxon and Mobil merged...combined entity ranked #5*  
*Texaco and Chevron merged...combined entity ranked #10*

## 1917: The World War I Era

It's true that 1917 is almost becoming ancient history, and some readers may even be surprised that any of these companies are still around. But remember, back in 1917 these were viewed as the truly bluesy of blue chips, and it's likely that these companies were expected to be around forever. Just as Google and Cisco are today.

Standard Oil of New Jersey (now Exxon/Mobil) ranked number 2 back then and ranks number 5 today, almost 90 years later and after several mergers (including Mobil which also was on the 1917 list at #75). GE ranked 10th in 1917 and ranks number one today. U.S. Steel has fallen from its number one slot back in 1917 to #50 at present. It had dropped as low as 93rd in 2001. (U.S. Steel merged with Marathon Oil and became USX. Later to be divided again. The 93rd ranking was actually for Marathon Oil.)

Consider 1917's 4th and 5th largest corporate powers, Armour and Swift. Both are long gone from the top 100. In 1985, the third richest company from 1917, Bethlehem Steel, dropped out of the top 100. The most recent departures include Westinghouse, American Brands, Goodyear, RJR Nabisco, Kodak, and Atlantic Richfield. **What was the ultimate outcome for these companies from the 1917 list which we presented earlier in this study?**

<u>Industrial Corporation</u>	<u>1917</u>
Midvale Steel & Ordnance	8 Acquired By Bethlehem Steel in 1923.
Infl. Merc. Marine (U.S. Lines)	11 Dissolved in 1932; Cunard bought White Star Line; Remaining pieces amalgamated into U.S. Lines
Cambria Steel	22 Acquired By Bethlehem Steel in 1923.
Central Leather	24 Underwent restructuring in 1927 changing name back to US Leather. Dissolved 1952
Pullman	26 Justice Department anti-trust complaint led to 1944 break up. Ultimately dissolved in 1969.
Amer. Sugar Refining (AMSTAR)	28 Private Buyout In 1984. Now Operating as Domino Foods.
Chile Copper	29 Anaconda Copper purchased company in 1929
Amer. Car & Foundry (ACF Indust.)	34 Name change in in 1954. Purchased in 1984 by Icahn.
Magnolia Petroleum	37 Standard Oil NY (Socony) exchanged stock for all of the Magnolia in 1925.
American Woolen	38 Virtually bankrupt, it was absorbed by Amerstron Corp. in mid-1950s
Pittsburgh Coal	39 Merged with Consolidated Coal in 1945, which was ultimately acquired by Conoco In 1966.
Willys-Overland	40 Purchased by Kaiser Motors in 1953. Name changed in 1963 to Kaiser-Jeep. Sold to American Motors 1970.
Lackawanna Steel	48 Acquired By Bethlehem Steel in 1922.
Prairie Oil & Gas	50 Broken up in 1921 as a result of anti-trust litigation
Atl. Gulf & W. Indies SS	58 Unable to track the lineage
American Locomotive	61 Named changed to Alco Products in 1955. In 1965 most assets purchased by Worthington Corp.
Cuba Cane Sugar	63 Privatized In The 1950 By Castro
Baldwin Locomotive	78 Merged with Lima-Hamilton on December 4, 1950
Greene Cananea Copper	89 Anaconda Copper purchased company in 1928
American Cotton Oil	94 Gold Dust absorbed company in 1923
Utd. Verde Extension Mining	100 Phelps Dodge bought out in 1935 after death of Senator William Clark

## 1945-Post World War II

Let's skip ahead to 1945. Almost 76% of the most powerful companies of that year are now long gone from the top 100. Many fell on hard times and were either acquired or went out of business. Others could not or would not adjust to a changing world and fell off the list. Listed below are some of the richest and most powerful corporations in existence in 1945. 76% of 1945's elite are no longer on the list. The post World War II attrition rate is surprisingly high.

<u>1945</u>	<u>1945</u>
<u>Rank</u>	<u>Rank</u>
13 Anaconda Copper Mining	49 United Fruit
20 Sinclair Oil	54 Singer Manufacturing
26 Republic Steel	57 American Rolling Mill
27 Montgomery Ward	62 Warner Brothers Pictures
28 Curtis Wright	69 Schenley Distillers
29 Swift	76 Paramount Pictures
30 Armour	90 American Viscose
38 Liggett & Myers Tobacco	91 Glenn L. Martin
40 Jones & Laughlin Steel	92 Wheeling Steel
48 Youngstown Sheet & Tube	98 United Shoe Machine

**•Before leaving 1945, it is worth mentioning that IBM ranked 94th that year, and had net income after taxes of \$10.9 million.**

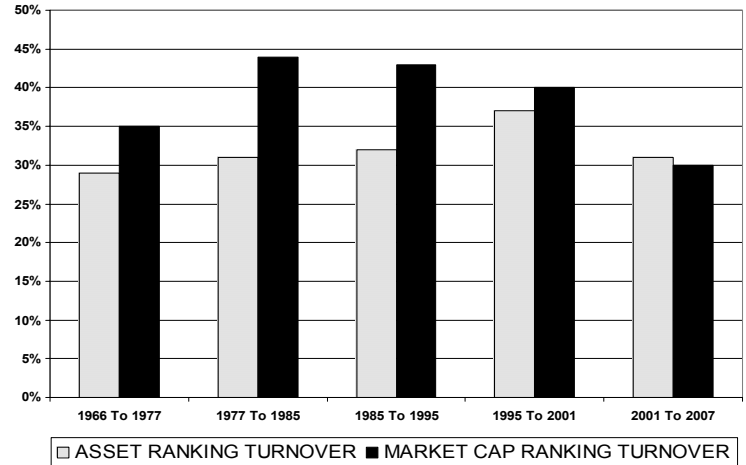
**PART III:**

**BIGGEST COMPANY TURNOVER: MARKET CAP VERSUS ASSET RANKING**

Based on assets, the turnover is not quite as great as with the market cap rankings. In each period examined (1966-1977, 1977-1985, 1985-1995, 1995-2001, and 2001-2002), there was a little more turnover within the market cap rankings than among the asset rankings.

Since the market cap is obviously related to stock price, and given the greater volatility, it was expected that the market cap work would fluctuate more than with the asset base ranking. Thus, the higher turnover among market cap rankings is not a surprise.

**It is surprising that the turnover rates of the top 100 companies based on assets are as close to the turnover rates based on market cap.**



**Turnover Per Year Has Been Accelerating**

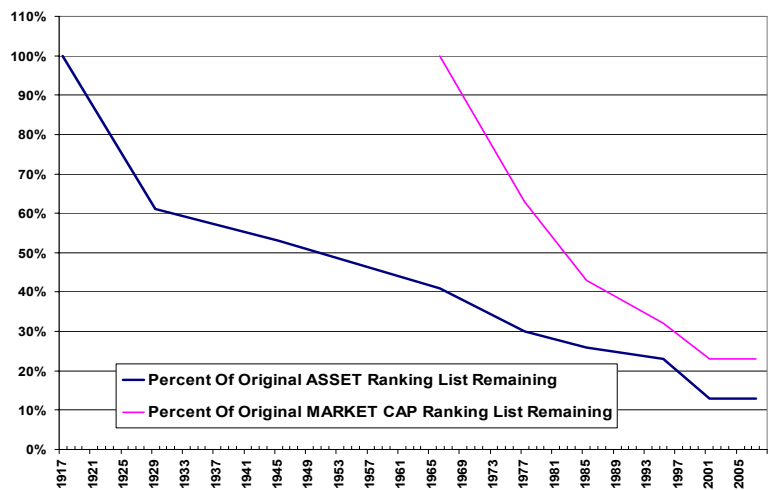
There are different lengths in the time frame between the periods examined on the prior page’s chart. From 1966 to 1977 the gap is eleven years. It is eight years from 1977 to 1985 and ten years from 1985 to 1995. The 1995 to 2001 period was six years, and the most recent gap is about five and a half years. The following table compares the turnover rates of the market cap rankings and asset rankings per year.

		<u>ASSET RANKING TURNOVER</u>	<u>MARKET CAP RANKING TURNOVER</u>
<b>1966 To 1977</b>	<b>11 Years</b>	<b>2.6 Deletions Per Year</b>	<b>3.2 Deletions Per Year</b>
<b>1977 To 1985</b>	<b>8 Years</b>	<b>3.9 Deletions Per Year</b>	<b>5.5 Deletions Per Year</b>
<b>1985 To 1995</b>	<b>10 Years</b>	<b>3.2 Deletions Per Year</b>	<b>4.3 Deletions Per Year</b>
<b>1995 To 2001</b>	<b>6 Years</b>	<b>6.2 Deletions Per Year</b>	<b>6.7 Deletions Per Year</b>
<b>2001 To mid 2007</b>	<b>5.7 Years</b>	<b>5.4 Deletions Per Year</b>	<b>5.3 Deletions Per Year</b>

- The turnover rates in the 1995-2001 time frame exhibited the highest level of turnover for both the asset rankings and for market cap. The most recent period (2001 to mid-2007), while not as high is still above the turnover rates in the earlier periods.

The final chart on this page shows the impact of the greater turnover rates for the market cap rankings versus the asset rankings. The market cap ranking begins in 1966 versus the asset rankings which began in 1917. Of course, at the beginning the original ranking lists were intact, hence the beginning value of 100%.

- By the end of 2007, there is only 13% of the original 1917 list of biggest companies by assets in the current list.
- For the market cap rankings, there is only 23% of the original 100 companies in 1966 on today’s top 100 list.



#### **PART 4: PERFORMANCE BASED ON BUYING THE BIGGEST COMPANIES**

It is one thing to talk about turnover among the rankings of the largest companies, but the real proof is in how these companies performed following their ability to become an elite stock as one of the largest 100 companies. With respect to market cap, the growth of the stock prices is critical to ultimately reaching the top rankings. **But have these companies continued to perform?**

We looked at the potential performance of a portfolio made up of the largest 50 stocks as well as for the largest 25 stocks. Both of these hypothetical portfolios produced similar results. It was difficult for these biggest companies to keep pace with the S&P 500.

*.....But remember, when looking at the largest 25 or largest 50 U.S. based companies, these are all represented within the S&P 500. So investing in these big names would likely produce S&P 500 like returns. Today, the biggest 50 companies by market cap make up 49% of the S&P 500 market cap.*

- **Generally, the S&P 500 consistently outperforms these 50 biggest companies.** The one exception was the 1990-2000 period. In this period, the portfolio of the 50 biggest stocks grew from \$50,000 to \$220,500. A whopping 16.0% annual compound rate. The S&P 500 did not do too bad, compounding at 14.9% per year.

.....Despite the impressive overall portfolio performance, only 18 of the 50 individual stocks outperformed the S&P 500. The primary factor contributing to the portfolio's out-performance was the huge gain in Microsoft, with the initial \$1,000 investment growing to \$20,700, an annual compound rate of 35.4%.

- **On average, only about 35% of the biggest 100 companies were able to beat the S&P 500 in the ten year periods following their ranking among the elite companies.**
- **Size does not guarantee an investor can match the performance of the stock market.**

## PERFORMANCE OF THE BIGGEST COMPANIES

### FROM END OF 1960 THROUGH 1970-----

	10 Year <u>Price Gain</u>	<u>ACR</u>
25 LARGEST COMPANIES	52.7%	4.3%
50 LARGEST COMPANIES	41.1%	3.5%
S&P 500 PERFORMANCE	58.6%	4.7%

### FROM END OF 1970 THROUGH 1980-----

	10 Year <u>Price Gain</u>	<u>ACR</u>
25 LARGEST COMPANIES	40.2%	3.4%
50 LARGEST COMPANIES	44.5%	3.8%
S&P 500 PERFORMANCE	47.3%	4.0%

### FROM END OF 1980 THROUGH 1990-----

	10 Year <u>Price Gain</u>	<u>ACR</u>
25 LARGEST COMPANIES	109.1%	7.7%
50 LARGEST COMPANIES	137.5%	9.0%
S&P 500 PERFORMANCE	143.2%	9.3%

### FROM END OF 1990 THROUGH 2000-----

	10 Year <u>Price Gain</u>	<u>ACR</u>
25 LARGEST COMPANIES	295.1%	14.7%
50 LARGEST COMPANIES	340.9%	16.0%
S&P 500 PERFORMANCE	299.8%	14.9%

### FROM END OF 2001 THROUGH August 2007-----

	5.7Year <u>Price Gain</u>	<u>ACR</u>
25 LARGEST COMPANIES	11.9%	2.0%
50 LARGEST COMPANIES	14.6%	2.4%
S&P 500 PERFORMANCE	28.4%	4.5%

# Notes...

## Disclosures

---

The Leuthold Group, LLC provides research to institutional investors. It is also a registered investment advisor that uses its own research, along with other data, in making investment decisions for its managed accounts. As a result, The Leuthold Group, LLC may have executed transactions for its managed accounts in securities mentioned prior to this publication.

The information contained in The Leuthold Group, LLC research is not, without additional data and analysis, sufficient to form the basis of an investment decision regarding any one security. The research reflects The Leuthold Group, LLC's views as of the date of publication, which are subject to change without notice. The Leuthold Group, LLC does not undertake to give notice of any change in its views regarding a particular industry prior to publication of their next research report covering that industry in the normal course of business. The Leuthold Group, LLC may make investment decisions for its managed accounts that are inconsistent with, or contrary to, the views expressed in current Leuthold Group, LLC reports.

Weeden Investors, L.P., Weeden & Co., L.P.'s parent company, owns 24.9% of Leuthold Group's voting securities and 0.1% of its non-voting securities. A Managing Director of Weeden & Co., L.P. is a member of The Leuthold Group, LLC board of directors.

Weeden & Co., L.P. Member FINRA, NASDAQ, and SIPC.