

FORTUNE®

MARCH 17, 2014

CUSTOM REPRINT

The World's Most Admired Companies

ATOP OUR ANNUAL RANKING: INNOVATORS, DISRUPTERS, AND
COMPANIES THAT OVERCOME ADVERSITY.

Reporter Associate: Caroline Fairchild

Even all-stars face reputational challenges. One of the World's Most Admired Companies, Target (No. 29 on the list of the 50 All-Stars), is trying to repair its image in the wake of a security breach that exposed consumers' personal data and credit card information. And on-line tools such as Twitter and review site Yelp make it easier for bad customer experiences to go viral. But the most successful companies have a way of restoring their reputations after a disastrous experience—in fact, the way they deal with problems can actually enhance a company's standing. (Admired Company stalwarts Coke, Nike, Johnson & Johnson, and Toyota all bounced back from corporate crises.) Perhaps not surprisingly, many top companies view social media as a friend, not a foe, in their reputation efforts. Hay Group, *Fortune's* partner in producing the World's Most Admired Companies rankings, found that 50% of more than 800 surveyed executives think technology and social tools have strengthened the control they have over their corporations' reputations. That fluency with social media may also help explain why Facebook, the youngest All-Star, jumps 10 spots this year to No. 38. —*Stephanie N. Mehta*

Compliments of
HayGroup®

The 50 All-Stars

		One-Year Total Return† vs. S&P 500
1	Apple (2012 rank: 1)	18.4%
2	Amazon.com (3)	29.8
3	Google (2)	49.3
4	Berkshire Hathaway (8)	11.7
5	Starbucks (5)	27.1
6	Coca-Cola (4)	1.4
7	Walt Disney (9)	33.8
8	FedEx (10)	24.4
9	Southwest Airlines (7)	84.5
10	General Electric (11)	12.3
11	American Express (13)	39.6
12	Costco Wholesale (23)	8.1
13	Nike (18)	32.8
14	BMW (14)	15.1
15	Procter & Gamble (15)	4.1
16	IBM (6)	-12.4
17	Nordstrom (16)	5.8
18	Singapore Airlines (31)	-13.9
19	Johnson & Johnson (23)	20.5
20	Whole Foods Market (19)	13.0
21	Samsung Electronics (35)	-12.9
22	McDonald's (12)	1.8
23	3M (21)	28.3
24	Microsoft (17)	34.2
25	Toyota Motor (29)	31.3
26	Boeing (26)	63.2
27	Exxon Mobil (25)	2.5
28	Wal-Mart Stores (27)	5.5
29	Target (22)	-9.6
30	J.P. Morgan Chase (28)	16.3
31	Nestlé (32)	5.7
32	UPS (30)	19.3
33*	Caterpillar (20)	-4.0
33*	Goldman Sachs Group (34)	8.0
35	Wells Fargo (38)	30.6
36	Volkswagen (33)	6.1
37	Unilever (39)	-7.3
38	Facebook (48)	117.1
39	Marriott International (36)	21.7
40	Home Depot (45)	15.7
41	BlackRock (-)	24.2
42	PepsiCo (37)	11.7
43	DuPont (41)	34.3
44	eBay (47)	-5.1
45	Accenture (44)	8.3
46	Deere (40)	-7.1
47	Intel (42)	15.3
48	Delta Air Lines (-)	116.6
49	Cisco Systems (49)	7.4
50	AT&T (-)	-4.5

DROPPED OUT OF THIS YEAR'S TOP 50
St. Jude Medical (43); Yum Brands (46); Ralph Lauren (50)

*TIE IN RANK. †ENDED FEB. 5. SOURCE FOR CHARTS: S&P CAPITAL IQ

Industry Stars

Computers and Communication

COMPUTER SOFTWARE

1. Salesforce.com (1)
2. Adobe Systems (2)
3. Intuit (3)
4. Microsoft (6)
5. Oracle (4)
6. Autodesk (7)
7. SAP (8)

COMPUTERS

1. Apple (1)
2. EMC (2)
3. Lenovo Group (7)
4. Seagate Technology (8*)
5. Western Digital (-)
6. Canon (4)
7. Fujitsu (8*)

INFORMATION TECHNOLOGY SERVICES

1. Accenture (2)
2. IBM (1)
3. Cognizant Technology Solutions (4)
4. Booz Allen Hamilton Holding (3)
5. Xerox (3*)
6. CACI International (6)

INTERNET SERVICES AND RETAILING

1. Google (1)
2. Amazon.com (2)
3. Facebook (3)
4. Priceline.com (5)
5. eBay (4)
6. Netflix (8)

NETWORK AND OTHER COMMUNICATIONS EQUIPMENT

1. Qualcomm (1)
2. Cisco Systems (2)
3. Motorola Solutions (4)
4. Corning (3)
5. Harris (6)
6. L.M. Ericsson (5)
7. Juniper Networks (7)

TELECOMMUNICATIONS

1. Verizon (1)
2. Telefónica (4)
3. Telcel (-)
4. AT&T (2)
5. Vodafone (5)
6. América Móvil (6)
7. Deutsche Telekom (8)
8. Nippon Telegraph & Telephone (10)

CABLE AND SATELLITE PROVIDERS

1. Comcast (3*)
2. Liberty Global (-)
3. DirecTV (-)
4. Time Warner Cable (-)

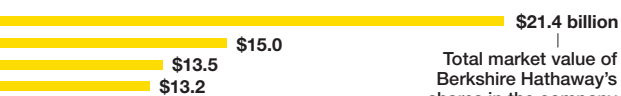
THE BUFFETT CONNECTION

Berkshire Hathaway owns shares in 13 of the Most Admired All-Stars.



THE MOST REPUTABLE COMPANIES, AS RANKED BY THEIR PEERS.

Consumer Products	APPAREL 1. Ralph Lauren (3) 2. Nike (1) 3. VF (2) 4. Adidas (5) 5. Levi Strauss (8) 6. Coach (6) 7. PVH (4)	Contracted Services	DIVERSIFIED OUTSOURCING SERVICES 1. Cintas (4) 2.* Iron Mountain (7) 2.* Towers Watson (2*) 4. Aramark (2*) 5. Sodexo (1)	Financials	CONSUMER CREDIT CARD AND RELATED SERVICES 1. American Express (1) 2. MasterCard (3) 3. Visa (2) 4. Discover Financial Services (4) 5. Alliance Data Systems (7)
BEVERAGES 1. Coca-Cola (2) 2. Anheuser-Busch InBev (1) 3. Diageo (6) 4. SABMiller (5) 5. Coca-Cola Enterprises (3) 6. Heineken (9) 7. Pernod Ricard (8) 8. Suntory (11)	CONSUMER FOOD PRODUCTS 1. Nestlé (1) 2. Unilever (2) 3. PepsiCo (3) 4. Danone (5) 5. General Mills (4) 6. Kellogg (6)	HEALTH CARE: INSURANCE AND MANAGED CARE 1. UnitedHealth Group (1) 2. Aetna* (2) 3. WellPoint (8) 4. Humana (5) 5. WellCare Health Plans (7)	HEALTH CARE: MEDICAL FACILITIES 1. DaVita HealthCare Partners (2) 2. Universal Health Services (3) 3. HCA (1) 4. Kindred Healthcare (5) 5. Tenet Healthcare ⁵ (10)	FINANCIAL DATA SERVICES 1. Automatic Data Processing (1) 2. Thomson Reuters (2) 3. McGraw Hill Financial (—) 4. Paychex (4) 5. Fiserv (8)	INSURANCE: LIFE AND HEALTH 1. Aflac (1) 2. MetLife (5) 3.* Prudential Financial (2) 3.* TIAA-CREF (7) 5. Massachusetts Mutual Life Insurance (3) 6. New York Life Insurance (4)
FOOD PRODUCTION 1. Ingredion (3) 2. Wilmar International (1) 3. Archer Daniels Midland (4) 4. Bunge (5) 5. Andersons (8 ³) 6. Tyson Foods (6)	HOME EQUIPMENT, FURNISHINGS 1. Whirlpool (1) 2. Tupperware (2) 3. Fortune Brands Home & Security (3) 4. Steelcase (4) 5. Stanley Black & Decker (6) 6. Leggett & Platt (5)	TEMPORARY HELP 1. Manpower Group (5 ⁶) 2. Robert Half International (6 ⁶) 3. Randstad Holding (—)		INSURANCE: PROPERTY AND CASUALTY 1. Berkshire Hathaway (1) 2. Munich Re Group (2) 3. USAA (—) 4. Allianz (4*) 5. Travelers Cos. (4*) 6. State Farm Insurance (6) 7. Zurich Insurance (3) 8. Allstate (9) 9. MS&AD Insurance (12)	MEGABANKS 1. Wells Fargo (2) 2. J.P. Morgan Chase (1) 3. Goldman Sachs (3) 4. Toronto-Dominion Bank (—) 5. Royal Bank of Canada (—) 6. HSBC Holdings (5) 7. Credit Suisse (4) 8. Deutsche Bank (6)
SOAPS AND COSMETICS 1. Procter & Gamble (2) 2. L'Oréal (4) 3. Colgate-Palmolive (1) 4. Estée Lauder (3) 5. Kimberly-Clark (5) 6. Reckitt Benckiser Group (6)				SECURITIES AND ASSET MANAGEMENT 1. BlackRock (1) 2. T. Rowe Price (3) 3. Charles Schwab (2) 4. Franklin Resources (4) 5. Carlyle Group (—) 6. Raymond James Financial (5)	SUPERREGIONAL BANKS 1. U.S. Bancorp (1) 2. Bank of New York Mellon (4) 3.* Northern Trust Corp. (3) 3.* PNC Financial Services Group (2) 5. State Street Corp. (5) 6. BB&T Corp. (6)

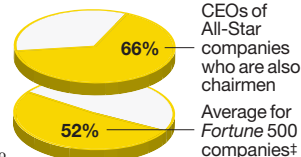


Total market value of Berkshire Hathaway's shares in the company (as of Dec. 31, 2013)

t, Goldman Sachs, Costco, Deere, Johnson & Johnson, General Electric, and UPS)

CONCENTRATED POWER Two-thirds of All-Star companies have CEOs who also chair the board.

SOURCES: FORTUNE, S&P CAPITAL IQ



†CEO AND CHAIRMAN DATA WERE NOT AVAILABLE FOR 26 OF THE FORTUNE 500 COMPANIES.

Media and Entertainment

- ENTERTAINMENT**
1. Walt Disney (1)
 2. Discovery Communications (2)
 3. Viacom (3)
 4. 21st Century Fox⁷ (10)
 5. Time Warner (4)
 6. Bertelsmann (7)

- HOTELS, CASINOS, AND RESORTS**
1. Marriott Intl. (1)
 2. Starwood Hotels & Resorts (2)
 3. Wynn Resorts (5)
 4. InterContinental Hotels Group (—)
 5. Hyatt Hotels (3)
 6. Las Vegas Sands (6)

- PHARMACEUTICALS**
1. Johnson & Johnson (4)
 2. Roche Group (5)
 3. Novartis (1)
 4. Bristol-Myers Squibb (11)
 5. Amgen (7)
 6. GlaxoSmithKline (6)
 7. Merck (2)
 8. AbbVie⁸ (—)

Natural Resources

- FOREST AND PAPER PRODUCTS**
1. International Paper (1)
 2. Weyerhaeuser (2)
 3. Stora Enso (4)
 4. UPM-Kymmene (5)

- MINING, CRUDE-OIL PRODUCTION**
1. Occidental Petroleum (1)
 2. ConocoPhillips (—)
 3. Apache (2)
 4. BHP Billiton (3*)
 5. Marathon Oil (—)
 6. Ecopetrol (—)
 7. Oil & Natural Gas (10)
 8. Freeport-McMoRan Copper & Gold (3*)

- PHARMACEUTICALS**
1. Johnson & Johnson (4)
 2. Roche Group (5)
 3. Novartis (1)
 4. Bristol-Myers Squibb (11)
 5. Amgen (7)
 6. GlaxoSmithKline (6)
 7. Merck (2)
 8. AbbVie⁸ (—)

CHEMICALS

- 1. BASF** (1)
 2. Monsanto (—)
 3. PPG Industries (6)
 4. Bayer (3)
 5. DuPont (2)

- METALS**
1. Alcoa (1)
 2. Nippon Steel & Sumitomo Metal (4)
 3. ArcelorMittal (3)
 4. Tata Steel (6)
 5. JFE Holdings (9)
 6. POSCO (2)
 7. Baosteel Group (7)
 8. Heraeus Holding (10)

- PACKAGING, CONTAINERS**
1. Sealed Air (5)
 2. Rock-Tenn (4)
 3. Bemis (2)
 4. Ball (1)
 5. Sonoco Products (3)
 6. Silgan Holdings (—)

Power

- ENERGY**
1. Koç Holding (6)
 2. Ultrapar Holdings (4)
 3. RWE (5)
 4.*E.ON (7)
 4.*Gas Natural Fenosa (2)
 6. GDF Suez (8)
 7. Marquard & Bahls (—)
 8. AntarChile (—)

- PIPELINES**
1. Plains All American Pipeline (1⁹)
 2. Kinder Morgan (—)
 3. Enterprise Products Partners (2⁹)
 4. ONEOK (—)
 5. Spectra Energy (—)
 6. Targa Resources (—)

- PIPELINES**
1. Plains All American Pipeline (1⁹)
 2. Kinder Morgan (—)
 3. Enterprise Products Partners (2⁹)
 4. ONEOK (—)
 5. Spectra Energy (—)
 6. Targa Resources (—)

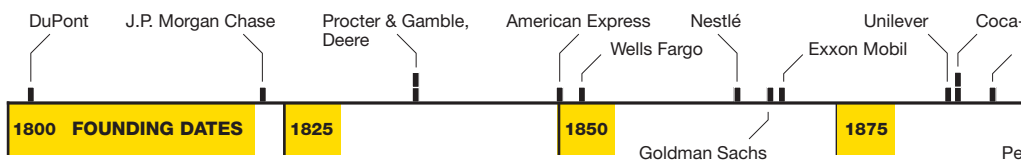
ELECTRIC AND GAS UTILITIES

- 1. NextEra Energy** (1)
 2. Dominion Resources (2)
 3. Southern (3)
 4. Public Service Enterprise Group (4)
 5. Xcel Energy (—)
 6. Duke Energy (13)
 7. Amer. Electric Power (—)
 8. PPL (7)

- PETROLEUM REFINING**
1. Exxon Mobil (1)
 2. Royal Dutch Shell (2)
 3. Chevron (3)
 4. Statoil (4)
 5. Valero Energy (6)
 6. Total (5)
 7. Phillips 66 (—)
 8. BP (11)

- PETROLEUM REFINING**
1. Exxon Mobil (1)
 2. Royal Dutch Shell (2)
 3. Chevron (3)
 4. Statoil (4)
 5. Valero Energy (6)
 6. Total (5)
 7. Phillips 66 (—)
 8. BP (11)

ROARING '70s
 Seven of the Most Admired All-Stars were founded in the 1970s. (Dates indicate formation of present-day corporate entities.)



NOTES: A DASH IN PRIOR YEAR'S RANK MEANS COMPANY WAS NOT IN THE SURVEY LAST YEAR. *TIE IN RANK. ¹RANK IN COMPUTERS LAST YEAR. ²RANK IN TELECOMMUNICATIONS LAST YEAR. ³RANK IN WHOLESALE YEAR. ⁴CHANGED NAME FROM NEWS CORP. ⁵SPUN OFF FROM ABBOTT LABORATORIES (2012 RANK: 3), JAN. 1, 2013. ⁶RANK IN ENERGY LAST YEAR. ⁷CHANGED NAME FROM ROYAL PHILIPS ELECTRONICS. ⁸RANK IN ⁹RANK IN SPECIALTY RETAILERS: APPAREL LAST YEAR. ¹⁰CHANGED NAME FROM LIMITED BRANDS.

Precision

- ELECTRONICS**
 1. General Electric (1)
 2. Samsung Electronics (2)
 3. Siemens (3)
 4. Emerson Electric (4)
 5.* LG Display (8)
 5.* Royal Philips¹⁰ (6)
 7. Schneider Electric (5)
 8. LG Electronics (7)

- MEDICAL PRODUCTS AND EQUIPMENT**
 1. Abbott Laboratories (3¹¹)
 2. 3M (1)
 3. Thermo Fisher Scientific (7)
 4. Stryker (3)
 5. St. Jude Medical (5)
 6. Baxter International (2)
 7. Becton Dickinson (4)

- SEMICONDUCTORS**
 1. Intel (1)
 2. Texas Instruments (2)
 3. Taiwan Semiconductor Mfg. (5)
 4. Broadcom (3)
 5. Applied Materials (4)
 6. Flextronics Intl. (7)
 7. SanDisk (—)
 8. Micron Technology (6)

Shelter

- ENGINEERING, CONSTRUCTION**
 1. Fluor (1)
 2. Jacobs Engineering Group (2)
 3. Peter Kiewit Sons' (3)
 4. CH2M Hill (4)
 5. EMCOR Group (5)

- REAL ESTATE**
 1. Simon Property Group (1)
 2. CBRE Group (3)
 3. Prologis (—)
 4. Equity Residential (8)
 5. Host Hotels & Resorts (2)

-

Stores and Distributors

- GENERAL MERCHANDISERS**
 1. Nordstrom (1)
 2. Target (2)
 3. Wal-Mart Stores (3)
 4.* Dollar General (6)
 4.* Macy's (4)

- WHOLESALEERS: DIVERSIFIED**
 1. W.W. Grainger (2)
 2. Graybar (1)
 3. Rexel (3)
 4. Genuine Parts (5)
 5. WESCO International (6)

-

- FOOD AND DRUG STORES**
 1. Whole Foods Market (1)
 2. Publix Super Markets (2)
 3. CVS Caremark (3)
 4. Kroger (4)
 5. Walgreen (5)
 6. Safeway (6)

- SPECIALTY RETAILERS¹²**
 1. Costco Wholesale (1)
 2. Home Depot (2)
 3. Lowe's (3)
 4. Gap (5¹³)
 5. TJX (2¹³)
 6. AutoZone (6)
 7. L Brands¹⁴ (1¹³)

- WHOLESALEERS: ELECTRONICS AND OFFICE EQUIPMENT**
 1. Arrow Electronics (2)
 2. Avnet (1)
 3. Ingram Micro (4)
 4. Tech Data (3)

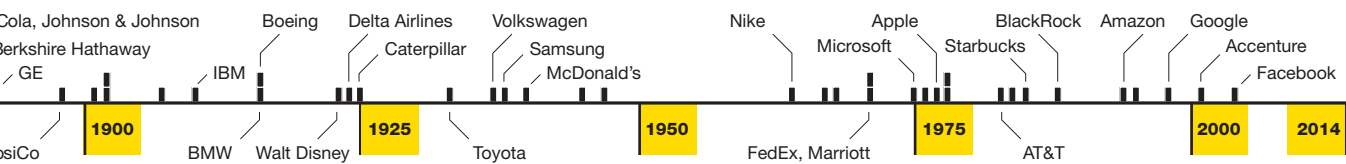
-

- FOOD SERVICES**
 1. Starbucks (1)
 2. McDonald's (2)
 3. Chipotle Mexican Grill (4)
 4. Yum Brands (3)
 5. Panera Bread (5)
 6. Cheesecake Factory (6)
 7. Bloomin' Brands (—)

- TRADING COMPANIES**
 1. Sinochem Group (1)
 2. Mitsubishi (3)
 3. Samsung C&T (4)
 4. Noble Group (6)
 5. Mitsui (7)
 6. SHV Holdings (9)
 7. Marubeni (11)


- WHOLESALEERS: HEALTH CARE**
 1. Henry Schein (2)
 2. McKesson (1)
 3. AmerisourceBergen (4)
 4. Owens & Minor (5)

-



...ERS: FOOD AND GROCERY LAST YEAR. ¹⁰ACQUIRED COVENTRY HEALTH CARE (2012 RANK: 3), MAY 7, 2013. ¹¹ACQUIRED VANGUARD HEALTH SYSTEMS (2012 RANK: 9), OCT. 1, 2013. ¹²RANK IN DIVERSIFIED OUTSOURCING LAST PHARMACEUTICALS LAST YEAR. ¹³INDUSTRY COMBINES SPECIALTY RETAILERS: APPAREL, AND SPECIALTY RETAILERS: DIVERSIFIED. PRIOR YEAR'S RANK IS FOR SPECIALTY RETAILERS: DIVERSIFIED UNLESS OTHERWISE NOTED.

Industry Stars

 <p>Transport</p>	<p>AEROSPACE AND DEFENSE</p> <ol style="list-style-type: none"> 1. Boeing (1) 2. United Technologies (2) 3. Lockheed Martin (3) 4. Raytheon (5) 5. Honeywell (4) 6. Northrop Grumman (6) 7. EADS (9) 8. Rolls-Royce (8) 	<p>AIRLINES</p> <ol style="list-style-type: none"> 1. Delta Air Lines (1) 2. Singapore Airlines (2) 3. Air France-KLM Group (6) 4. Lufthansa Group (3) 5. Cathay Pacific Airways (4) 6. Qantas Airways (11) 7. Southwest Airlines (5) 	
	<p>CONSTRUCTION AND FARM MACHINERY¹⁵</p> <ol style="list-style-type: none"> 1. Caterpillar (1¹⁶) 2. Deere (2¹⁶) 3. Cummins (4¹⁶) 4. Volvo (10¹⁷) 5. Komatsu (10¹⁶) 	<p>DELIVERY</p> <ol style="list-style-type: none"> 1. FedEx (2) 2. Deutsche Post (1) 3. UPS (3) 4. Poste Italiane (4) 5. Japan Post Holdings (7) 6. Nippon Express (6) 	<p>INDUSTRIAL MACHINERY¹⁵</p> <ol style="list-style-type: none"> 1. ABB (6¹⁶) 2. Parker Hannifin (5¹⁶) 3. Illinois Tool Works (9¹⁶) 4. Ingersoll-Rand (8¹⁶) 5. Hyundai Heavy Industries (7¹⁶) 6. Dover (—)
	<p>MOTOR VEHICLE PARTS</p> <ol style="list-style-type: none"> 1. Goodyear Tire & Rubber (3) 2. Robert Bosch (1) 3. Toyota Industries (5) 4. Johnson Controls (2) 5. ZF Friedrichshafen (6) 6. Michelin (4) 7. TRW Automotive Holdings (7) 8. Magna Intl. (11) 	<p>MOTOR VEHICLES</p> <ol style="list-style-type: none"> 1. BMW (2) 2. Toyota Motor (1) 3. Volkswagen (3) 4. General Motors (6) 5. Daimler (5) 6. Honda Motor (4) 7. Hyundai Motor (9) 8. Ford Motor (7) 	<p>TRUCKING, TRANSPORTATION, LOGISTICS</p> <ol style="list-style-type: none"> 1. Union Pacific (1) 2. CSX (2) 3. J.B. Hunt Transport Services (7) 4. Norfolk Southern (8) 5. Ryder System (5)

NOTES: ¹⁵ONE OF TWO NEW INDUSTRIES DERIVED FROM INDUSTRIAL AND FARM EQUIPMENT. ¹⁶RANK IN INDUSTRIAL AND FARM EQUIPMENT LAST YEAR. ¹⁷RANK IN MOTOR VEHICLES LAST YEAR.

Methodology

The Most Admired list is the definitive report card on corporate reputations. Our survey partners at Hay Group started with about 1,400 companies: the *Fortune* 1,000—the 1,000 largest U.S. companies ranked by revenue and non-U.S. companies in *Fortune's* Global 500 database with revenue of \$10 billion or more. Hay then selected the 15 largest for each international industry and the 10 largest for each U.S. industry, surveying a total of 692 companies from 30 countries. To create the 57 industry lists, Hay asked executives, directors, and analysts to rate companies in their industry on nine criteria, from investment value to social responsibility. A company's score must rank in the top half of its industry survey to be listed. Because of the distribution of responses, only the aggregate industry scores and ranks are published in *Energy*; *Forest and Paper Products*; *Mining, Crude-Oil Production*; *Pipelines*; *Temporary Help*; *Trading Companies*; and *Wholesalers: Diversified*. Because of an insufficient response rate, the results for companies in *Health Care: Pharmacy and Other Services* and *Wholesalers: Food and Grocery* are not reported.

To arrive at the top 50 Most Admired Companies overall, Hay Group asked the 3,920 respondents to select the 10 companies they admired most from a list made up of the companies that ranked in the top 25% in last year's survey, plus those that finished in the top 20% of their industry. Anyone could vote for any company in any industry, which is why some results may seem anomalous. For example, Southwest Airlines ranks No. 9 on the overall Most Admired list, far ahead of No. 48 Delta. But within the airline category, based on industry experts' responses, Delta leads the ranking, and Southwest is the seventh Most Admired company.

<p>ROOM FOR RIVALS</p> <p>The Most Admired All-Stars highlight some heated rivalries. Among the combatants:</p>	<p>APPLE</p> <p>vs.</p> <p>SAMSUNG</p>	<p>MCDONALD'S</p> <p>vs.</p> <p>STARBUCKS</p>	<p>TARGET</p> <p>vs.</p> <p>WAL-MART</p>	<p>FACEBOOK</p> <p>vs.</p> <p>GOOGLE</p>	<p>DEERE</p> <p>vs.</p> <p>CATERPILLAR</p>	<p>COCA-COLA</p> <p>vs.</p> <p>PEPSI</p>
	