

THE FORTUNE 500 ISSUE

FORTUNE

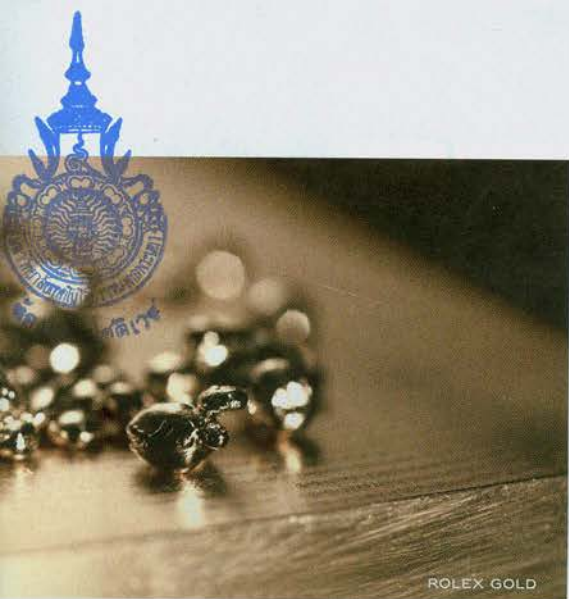
500

RANKING
AMERICA'S BIGGEST
COMPANIES

ASIA PACIFIC
EDITION
NUMBER 6



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CONTENTS

JUNE 1, 2018



FEATURES

The Annual Fortune 500

The definitive benchmark of America's biggest companies.

PAGE NO.

23

The Long Game

By CLIFTON LEAF

Every Fortune 500 CEO knows he or she should be managing for the long term. Why do so many of them get stuck on the next quarter?

24

Amazon Gets Fresh

By BETH KOWITT

What does the e-commerce titan want from its purchase of Whole Foods? Not much—just total retail domination.

26



▲ ON THE COVER: ILLUSTRATION BY MUOKKAA

Facebook's Fix-It Team

By MICHAL LEV-RAM

To purge bad posts, the social network is hiring thousands of moderators and deploying leading-edge A.I. It's also collecting even more data about its users.

PAGE NO.

36



VOLUME 177 // NUMBER 6





FEATURES

What the Hell Happened?

By GEOFF COLVIN

Few corporate meltdowns have been as dramatic as General Electric's. The question is whether this great company can come back.

PAGE NO.

44



Lone Star Rising

By JEFFREY BALL

In a dusty swath of West Texas known as the Permian Basin, a historic oil boom is pushing U.S. oil production to record levels and bringing sudden wealth to locals—along with some thorny challenges.

PAGE NO.

62

How JPMorgan Learned to Love the Blockchain

By ROBERT HACKETT

To take advantage of finance's buzziest innovations, America's biggest bank had to figure out how to collaborate with hacker types. The cultural collision could pay off.

54



Paper Jam!

By SHAWN TULLY

Xerox had planned to sell itself to Fujifilm—until activist Carl Icahn and a Texas billionaire blocked the deal. Inside the craziest showdown raging on Wall Street today.

74



Unlikely banker Amber Baldet.



THE LISTS

- F-1 The 500 Largest U.S. Corporations
- F-23 Arrivals and Departures
- F-24 Explanations and Notes
- F-25 Company Performance
- F-29 The 500 Ranked Within Industries
- F-38 Index

PAGE NO.

87





EXPRESS YOUR BUSINESS

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We Find the Way



NIPPON EXPRESS

DEPARTMENTS

BRIEFING

7 ▶ Solving a Wireless Merger Mystery

T-Mobile and Sprint have been trying to fit together since 2014, but regulators haven't been convinced. Could 5G be the key piece of the puzzle?

By AARON PRESSMAN

**10 ▶ Ford's Car Escape**

The humble sedan will soon be an afterthought to the company that built the American car industry.

By KIRSTEN KOROSEC

12 ▶ Barbie's Diversity Dance

Despite a few slip-ups, Mattel should double down on more-inclusive Barbies.

By LISA MARIE SEGARRA

13 ▶ Vacation, G7-Style

A Quebecois guide to foreign policy, piste, and poutine.

By PHIL WAHBA

14 ▶ America's Scooter Showdown

They've descended on U.S. cities overnight, but are our streets ready?

By ARIC JENKINS



FOCUS

TECH

15 ▶ Man in the Middle

Meet Ro Khanna, a little-known congressman who represents some of the biggest names in Silicon Valley. By RICHARD MORGAN

VENTURE

18 ▶ The Last Gasp of the Boys' Club

A dozen *Fortune* 500 boards still lack a single female director. What will it take to bring the holdouts into the age of equality?

By CLAIRE ZILLMAN

PASSIONS

20 ▶ Beauty Sleep

In a nonstop world, bed might be the ultimate luxury.

By LINDSEY TRAMUTA

BACK PAGE

LAST BYTE

128 ▶ The Fortune 500: Then and Now

A graphic look through the ages.

Text by BRIAN O'KEEFE;
graphics by NICOLAS RAPP

CORRECTION

The World's Greatest Leaders list [May 1] erroneously identified the Bill & Melinda Gates Foundation as a financial partner in Aspect Ventures; it should have said that Melinda Gates is a partner.

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THE
WORLD IN

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PAGES

PAGE

1

BRIEFING



Solving a Wireless Merger Mystery

T-Mobile and Sprint have been trying to make it fit together since 2014, but regulators haven't been convinced. Could 5G be the key piece of the puzzle?

By Aaron Pressman

TRADE

EVEN AFTER MERGER TALKS between T-Mobile and Sprint broke down last November, T-Mobile CEO John Legere never gave up hope. Combining his third-ranked wireless carrier with fourth-ranked Sprint could potentially unleash cost savings worth tens of billions of dollars and create a company with the heft to truly take on market leaders AT&T and Verizon, Legere believed.

But it wasn't until a few months later that a leaked White House document about the >>

BRIEFING

▷▷ next generation of wireless networks known as 5G gave Legere a new opening to restart deal talks. The product of a National Security Council staffer's worries that China would surpass the U.S. in developing 5G technologies, the paper proposed creating a government-built network dubbed "The Eisenhower National Highway System for the Information Age."

Legere had no interest in a nationalized 5G network, but the alarmist rhetoric on the issue could come in handy, he realized. Antitrust regulators had long opposed reducing the number of major wireless carriers from four down to three. But Sprint and T-Mobile combined would have greater resources to build a 5G system more quickly than either could separately. The argument helped Legere persuade his corporate parent, Deutsche Telekom, and Masayoshi Son—chairman of Sprint's majority owner, SoftBank—to finally strike a merger deal.

"The awareness by the United States of its trailing countries like China and the possibilities of what we could do together ... that became kind of the pushing point for this last emphatic push," Legere told *Fortune* after announcing the \$26.5 billion deal, which would



T-Mobile's John Legere (right) goofs off with Sprint CEO Marcelo Claure.

see him remain CEO of the combined company.

Still, some aren't convinced. "No matter how you cut it, 5G is not a legitimate justification for this merger," NYU economics professor and telecom expert Nicholas Economides says. New 5G networks are years away, he says, arguing the real justification for the deal is higher prices.

The 5G argument had better be persuasive, because antitrust experts don't think much has changed in the wireless market since the Obama administration killed Sprint and T-Mobile's first effort to combine in 2014, as well as AT&T's 2011 move to buy T-Mobile. Though the carriers say they will compete even more fiercely if combined—and promise not to raise prices—economists say the incentives shift to-

ward a more cooperative dynamic when a market shrinks from four major players to three.

"We've heard all this before," says Maurice Stucke, who tried cases for the Justice Department's antitrust division and then helped defend Microsoft when it was sued back in the 1990s. "There's nothing to suggest the division got it wrong the last two times."

When President Trump came into office with a pro-business agenda, many inferred a lighter touch on merger reviews. But at least so far, Trump's antitrust regulators have been active: suing to block AT&T and Time Warner from merging, stopping DraftKings and FanDuel from combining, and even moving to protect competition in the market for prosthetic knees by stopping Otto Bock Healthcare from

acquiring rival Freedom Innovations.

"It's always risky to bet that the antitrust division will view merger law differently due to a change in faces," says David Turetsky, former deputy assistant attorney general for antitrust. Trump's top antitrust lawyer, Makan Delrahim, "seems like a serious and experienced enforcer," he adds.

T-Mobile and Sprint have tried to combat that narrative by pointing to a few new entrants, particularly the services from cable-TV giants Comcast and Charter Communications. But in addition to the tiny market share the cable companies currently have, they are also both leasing wireless service from Verizon, not building their own networks, limiting their ability to cut prices or otherwise undercut their spectrum landlord.

That means it's all likely to come down to 5G. Qualcomm successfully persuaded the White House to block Broadcom's unwanted acquisition attempt, saying the deal would slow its 5G push. T-Mobile's Legere sees a similar argument helping him win approval: "We know all of the ways they're going to view these questions, and the answers are all in the best interests of all parties involved."

THE CEOs of Fortune 500 companies are an optimistic bunch this year, with the majority seeing a stronger economy and increased employment, topped off by reduced tax bills. Almost three-quarters believe the U.S. is the still best place in the world to invest money. And most don't see a recession hitting in the next two years. What worries them? A possible trade war with China and increased regulation (although most favor tougher regulation for Facebook). —ALAN MURRAY

2018 CEO SURVEY RESULTS

01 Fortune 500 CEOs think the global economy in the next 12 months will be:



03 They believe the single biggest risk to their business over the next year is:



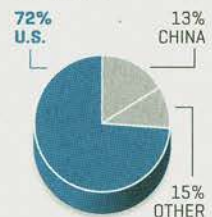
04 Though CEOs worry about growing regulation, many believe these big tech companies need more oversight:



They think the next recession is likely to come:



05 CEOs see this country as the best place to invest over the next two years:



07 They expect the new tax law to:



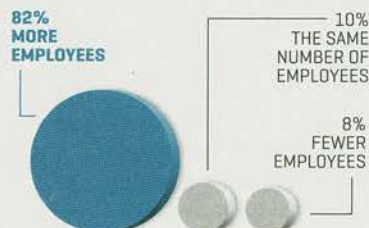
08 They plan to spend tax savings on:



06 When it comes to President Trump, they think his policies have been:



09 They think that two years from now, the company they lead will have:





FORD FIESTA

FORD C-MAX

FORD F-150

FORD MUSTANG

FORD ESCAPE

FORD TAURUS

FORD FOCUS

FORD FUSION

FORD EXPLORER

Ford's Car Escape

The humble sedan will soon be an afterthought to the company that built the American car industry.
By Kirsten Korosec

AUTO **BLAME CHANGING TASTES** and the perceived safety of SUVs for why Ford's thousands of U.S. dealerships will soon be nearly devoid of new sedans and hatchbacks.

The Mustang and an upcoming sedan-turned-crossover called the Focus Active will be the sole survivors. The last Ford Focus, in its current iteration, rolled off the assembly line May 4. Production of the Ford Taurus will end in March 2019; the Fiesta will be gone by May 2019. And the recently refreshed Fusion will remain only a few more years, Ford's U.S. sales chief Mark LaNeve said.

The upshot: In two years, nearly 90% of Ford vehicles sold in North America will be trucks, sport utilities, or commercial vehicles.

"I really don't see a downside," says former Ford, GM, and Chrysler executive Bob Lutz. "[Sedans] can be replaced by crossovers of about the same size, and they'll sell a lot better. The public will pay \$2,000 to \$3,000 more, even though they cost

exactly the same to make."

Ford's ditching of cars would have seemed implausible in 1992 when annual U.S. sales of the brand's bestselling Taurus peaked at 409,751 vehicles. But that same year, the shadow of a new SUV era was already creeping in as 300,000 Explorer SUVs were sold. Going all in on taller vehicles doesn't mean Ford is giving up on fuel economy. By 2022 the company will have seven battery-electric vehicles in showrooms, including a small performance SUV inspired by the Mustang.

PHARMA

NEARING A HISTORIC HIGH POINT FOR A CANNABIS-BASED DRUG

BARRING AN unexpected setback, GW Pharmaceuticals is headed for a milestone in marijuana history by June 27—the first Food and Drug Administration approval for a prescription cannabis-derived treatment. A panel of expert FDA advisers gave the medicine, Epidiolex [made from cannabidiol or CBD, not THC, the part of marijuana that produces a high], a unanimous recommendation in April to treat the devastating, rare childhood epileptic diseases Lennox-Gastaut syndrome [LGS] and Dravet syndrome. An FDA approval could open the floodgates for cannabis-based drug R&D.
—SY MUKHERJEE



PHOTO: COURTESY OF FORD; EPIDIOLEX: AP/REX/SHUTTERSTOCK

HELP SAVE THE DIVE MASK

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The coral reefs where we dive need help. Overfishing, careless tourism and climate change are putting reefs and people's livelihoods at risk. From the Coral Triangle to the coastlines of Africa and Australia's Great Barrier Reef, WWF is promoting responsible tourism and pushing for protected areas and responsible fishing. Help us look after the world where you live at panda.org



Tubbataha Reefs Natural Park, Palawan, Philippines.

© Jürgen Freund / WWF-Canon



Barbie's Diversity Dance

Despite a few slip-ups, Mattel should double down on more-inclusive Barbies.

By Lisa Marie Segarra

CULTURE A DOLL OF FRIDA KAHLO, released this spring as part of Barbie's Inspiring Women line, should have been an occasion to celebrate for fans of the 20th-century Mexican artist. Instead the doll's maker, Mattel, received scorn for depicting Kahlo with light eyes and omitting her wheelchair and the unibrow found in her self-portraits.

But other recent non-Caucasian Barbies based on real-life role models, including the U.S. Olympians Ibtihaj Muhammad (wearing a hijab) and Chloe

Kim, have been much better received.

Lately Barbie's sales have been bright for embattled Mattel, which is on its fourth CEO in six years and had posted sales declines every year since 2013. Sales of the dolls were up 24% in the first quarter of 2018, after the key holiday season.

And diversity, whether in skin tone or body size, has been a big part of that sales boost, says industry expert Richard Gottlieb. "[Diversity] was not speaking to children, but speaking to the moms," he says, noting that Barbie had become a problematic buy for modern mothers who want their children to see more realistic body types in toys.

The challenge for Barbie now is to lead that momentum into a larger shift around views of the iconic doll.

Says Gottlieb, "It's a macro-cultural issue. The world shifted under Barbie's feet."

AMAZON IS TOP 10

BY LUCINDA SHEN

2002 FORTUNE 500 DEBUT

Amazon has spent 16 years on the *Fortune* 500. This year it joined the top 10 for the first time.

566K EMPLOYEES

Amazon had just 7,500 workers in 2002. It's now the second-largest private employer in the U.S.

4,423% REVENUE GROWTH SINCE 2002

Over the same time, the rest of the *Fortune* 500 grew 70%.

SEE "AMAZON GETS FRESH" IN THIS ISSUE.

BOOK VALUE

TRUMP TELL-ALL TALLY

SEAN SPICER will have the bestselling political memoir ever—period. That may or may not prove to be an alternative fact, but Spicer will have a high bar to clear when *The Briefing* is released July 23. Michael Wolff's *Fire and Fury* sold 200,000 copies in its first week and has since sold over 2 million. James Comey's *A Higher Loyalty* sold 600,000 copies in its first week alone, double that of Hillary Clinton's *What Happened*.



RETAIL

WALMART'S WORLD JUST GOT A LITTLE SMALLER

WALMART INVESTORS didn't love its recent megadeal for Indian e-commerce leader Flipkart. But they may need to steel themselves for more upheaval in the retail giant's international business.

Shares sank 4% on the news that the world's largest retailer was investing \$16 billion for a majority stake in Flipkart, its biggest deal ever, to instantly become a major player in one of the most promising and fast-growing digital markets.

The move came just days after Walmart



announced it was selling its Asda grocery business in the U.K. to Sainsbury's. It showed how Walmart, which for years seemed intent on conquering the world, is concentrating its bets on a few countries where it sees the most potential.

International sales growth at Walmart has cooled in recent years, with some markets like Japan and Brazil particular laggards, so investors shouldn't be surprised if more deals pop up that reshape Walmart's global footprint. —PHIL WAHBA



WHAT TO DO

WHERE TO EAT

You can't go deep into the heart of Quebec without having poutine (fries with cheese curds and gravy). We recommend Chez Veilleux in La Malbaie, a greasy spoon to be sure, but home to an authentic, cardiac-arrest-worthy version.

For something much more refined away from the Manoir, go to Chez Truchon. And don't forget to buy some Quebecois cheese from one of the most renowned local producers, Le Mignon.

GOLF Up the hill behind the Manoir is a 27-hole golf course, inaugurated in 1925 by U.S. President William

H. Taft. After 18 holes, enjoy its superior restaurant with amazing views of mountains and the river.

ART GALLERIES

Baie St-Paul is a bit like Santa Fe before Santa Fe got too bougie: an arts center in a beautiful region out of the orbit of a big city. Maison de René Richard is a standout among the many top-notch galleries.

SKI

Prefer winter vacations? Between Quebec City and La Malbaie in Petite-Rivière-St-François lies Le Massif, arguably Quebec's best ski resort. It has slopes with stunning views of the St. Lawrence River, and it's too far from Montreal and New York to be that overrun by ski bunnies.

Vacation, G7-Style

A Quebecois guide to foreign policy, piste, and poutine.

By Phil Wahba

TRAVEL

WHEN THE LEADERS of the G7 gather east of Quebec City in mid-June, it will be Canada's seventh time hosting the annual confab. And though you may not lead a huge industrialized nation, you can still vacation like you do. The venue for the 2018 summit is the 119-year-old Manoir Richelieu, a castle-like hotel in the heart of Quebec's Charlevoix region. While the Manoir will be heavily fortified and off-limits during the summit, the region has plenty to offer long after Trump, Trudeau, and the inevitable throngs of protesters have left.





America's Scooter Showdown

They've descended on U.S. cities overnight. Are our streets ready? By Aric Jenkins

CITIES WOULD YOU LIKE to get to work on a fancy toy? Companies like Bird are betting you will. The Santa Monica-based startup raised \$100 million in Series B funding earlier this year with the hopes of bringing fleets of rental electric scooters to 50 U.S. markets by the end of 2018.

Bird is one of several startups already operating dock-less scooters in cities like San Francisco, Austin, and Washington, D.C. "It's been largely successful," says Sam Zimbabwe, an official at D.C.'s Transportation Department. "Everyone I see doing it has a smile on their face." He says the District allows the companies to operate a combined 600 to 700 scooters at the moment. That's off the heels of a half-year demonstration period, which D.C. recently extended until August. Like other cities, Washington is approaching the trend with a mix of intrigue and caution.

In San Francisco, caution has grown into annoyance for some. Bird unleashed its scooters without

warning, and city officials did not appreciate the Uber-esque strategy of doing first, asking later. (Bird's CEO, Travis VanderZanden, is a former Uber executive.) "We understand that this is a new technology, and in some cities the regulations just haven't kept up," he says. A common criticism is that people don't know where to place—or often, ride—the scooters, causing a nuisance for pedestrians on sidewalks. But there are plenty of benefits: less street traffic, cleaner air, and an affordable option for the last mile that's too long to walk and too short to drive. That last mile could literally be a breeze in summer, unlike sweat-inducing bicycles.

Gabe Klein, former commissioner of the Chicago and D.C. Transportation Departments, says the idea of personal mobility is here to stay and scooters should be treated like bikes, operating within those lanes. "It's important for startups to respectfully push," he says. "But you can't force it. Companies like Bird need to be careful and create a dialogue."

TRADE

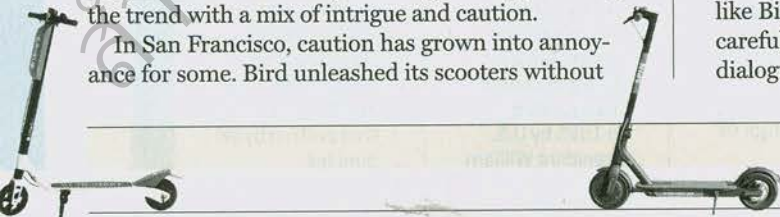
TRUMP TRADE TWEETS CAUSE TRIBULATION

BUSINESS LEADERS in China know a single entity has the final say in all matters of importance: the Communist Party. Not so in the U.S., where the rule of law trumps the rule of women or men.

But in the latest episode of the international reality show known as U.S.-China trade relations, President Trump said he was working with his Chinese counterpart to save handset maker ZTE, a company his own Commerce Department had just sanctioned for dealing with Iran.

How should CEOs plan when a capricious President orders one thing one day, presumably fields a phone call from a powerful peer the next day, and changes national policy the one after that?

—ADAM LASHINSKY



—
PRACTICAL
EXPERTISE
—

FOCUS

TECH

Khanna,
always
plugged in.

MAN IN THE MIDDLE

Meet Ro Khanna, a little-known congressman who represents some of the biggest names in Silicon Valley. By Richard Morgan

LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS make for an awful Terms of Service contract. But Rohit “Ro” Khanna is adamant about pushing an Internet Bill of Rights. The freshman representative from California is the most noteworthy member of Congress you’ve never heard of. As he seeks reelection, that’s about to change.

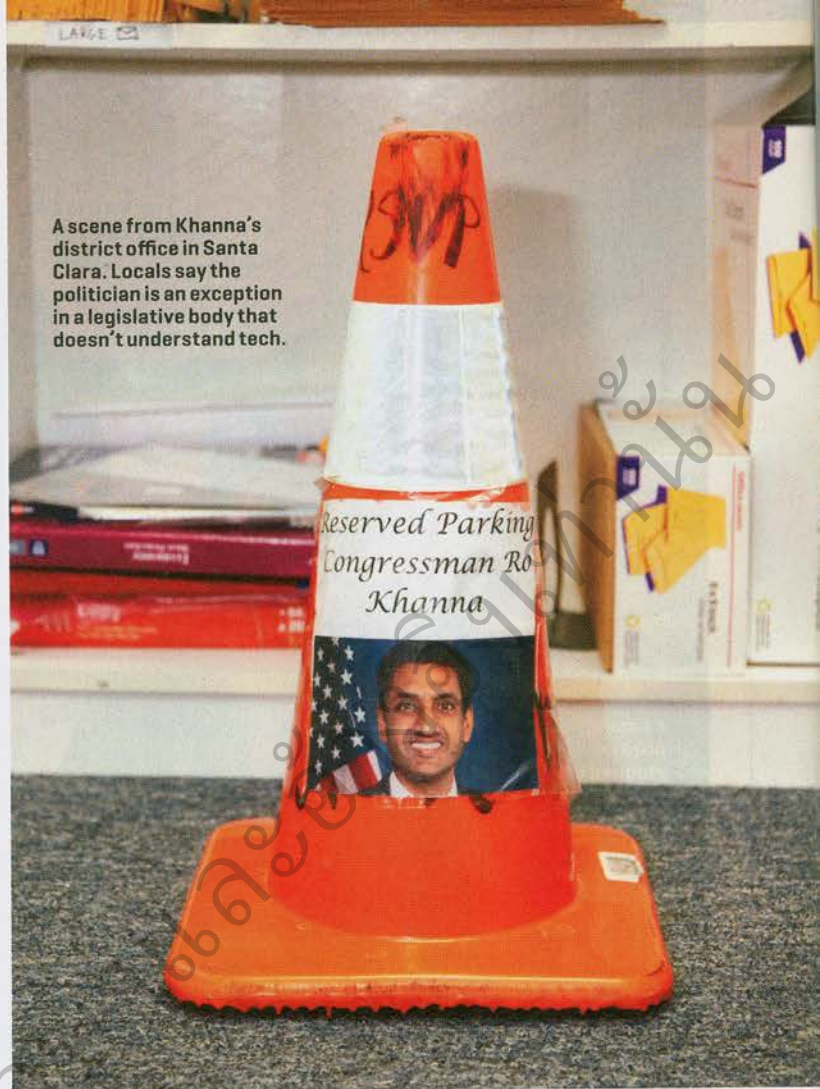
His district includes some towns you might know—Cupertino, Fremont, Santa Clara, Sunnyvale—and some corporate head- ➤➤

▷▷ quarters you definitely know: Apple, Google, Intel, Oracle, Tesla. The district is 54% Asian and 29% white. It has more foreign-born residents than native-born. The median income is \$121,000, more than twice the national average; an 848-square-foot home in Sunnyvale recently sold for \$2 million. It's Anytown, USA, circa 2080—making Khanna a weird guy in a weird district on a weird mission. When Apple, which has more cash on hand than the U.S. Treasury, is located in your constituency, is serving it still an act of public service? A smart use of taxpayer dollars? Okay, Google, all set? Yeah, thought so. How do you serve entrepreneurs with a private space fleet?

Here's a disruptive idea: You don't. Armed with expertise in intellectual-property law and experience as a Stanford economist, Khanna aims to de-jargonize Silicon Valley with the belief that if a policy cannot be explained in laypersons' language, then it is not common sense.

Yes, Khanna was one of the creators of the Antitrust Caucus, attacking Amazon's Whole Foods takeover and the AT&T-Time Warner merger, while letting Apple, Facebook, and Google slide by. But he is quick with the receipts on Apple's boast of bringing \$350 billion back to the U.S. It's more like \$35 billion, he says. And Khanna is wary of Facebook's ownership of Instagram and WhatsApp (he advocated for a stronger, tougher Federal Trade Commission long before it launched an investigation into Facebook). He says he was joking when he said "some of the engineers in the Valley have the biggest egos known to humankind," but he never says the joke is untrue. He floats the idea of a job displacement tax on corporations but also calls breaking up companies "the nuclear option." Two months into the job, he helped trigger the investigation of an Ohio defense contractor for operating as a "hidden monopolist."

The one predictable thing about Khanna is that he's a Democrat representing California's 17th Congressional District. The rest is up for grabs, and so far, it's been a hell of a grab. Forty-one, Hindu, and of Indian descent, the economist sticks out on Capitol Hill—though like 41% of Congress, he has a law degree (from Yale) and, like 39% of Congress, he's a millionaire. Khanna favors congressional



A scene from Khanna's district office in Santa Clara. Locals say the politician is an exception in a legislative body that doesn't understand tech.

term limits (12 years, which would wipe out huge swaths of Congress) and cocreated a No PAC Caucus consisting of, for now, just Khanna and Rep. Beto O'Rourke. With a net worth of \$27 million, he is the fourth-richest member of California's delegation (thanks to his heiress wife) but maintains \$50,000 in student debt because, he says, "We keep separate finances." He cites Bain and McKinsey studies or Alexis de Tocqueville quotes like he's doing a walk-and-talk in an Aaron Sorkin script, and casually references German philosopher Jürgen Habermas during his "office hours" listening sessions with constituents at a Panera Bread across from a Party City. He is a whip-smart firecracker of defiance, and he is just getting started.

Not everyone agrees. "Khanna is a smart man, a thoughtful man, but he's not a member of Congress. Nobody in that seat is. That's the seat we give to this lobby we call Big Tech," says Scott Galloway, author of *The Four: The Hidden DNA of Amazon, Apple, Facebook, and Google*. "One billion iPhones are preloaded with Safari, and 2 billion Android phones are preloaded with YouTube, but Khanna wants to focus on a merger that affects 130 million people because it's more important to him that AT&T doesn't own Cartoon Network. Middle America doesn't want to become the Silicon

Anything. It wants to break up Apple, Google, Amazon, and Facebook, and it wants it done 10 years ago. But I wouldn't expect Khanna to make that conclusion any more than I'd expect a tobacco country congressman to fight cigarettes or the NRA to push for gun control."

Over days when *Fortune* shadowed Khanna in California and Washington, D.C., a portrait emerged of a man who has tasked himself—in a legislative body where just one of 435 representatives has a computer science degree—with being more than a post-Obama demographic first-timer. He can't code, but he aims to be the ambassador of our collective digital future. And, as the only freshman Democrat to have passed a bill, he wants action. He recognizes that 21st-century America can't cloister its silicon prowess in the San Francisco Bay Area any more than 19th-century America could limit banks to New York or 20th-century America could huddle manufacturing in Detroit or filmmaking in Los Angeles. He is evangelizing the gospel of tech to Arizona, Kentucky, Michigan, Ohio, Tennessee, and anywhere else that will hear him out. Khanna positions himself as Congress's silicon soul, marrying tech's magic with old-school, blue-collar hustle. "Silicon Valley needs partners," he says. "You can't do edited manufacturing just in the Valley. Why not have the DNA of manufacturing but combine it with the digital world?" It's not difficult to extend Khanna's line of thought: Why not teach coal miners to mine data? Why not teach car mechanics to fix robots and 3D printers? Why not teach farmers to harvest solar and wind energy? Yet, while his desk is strewn with copies of *Brotopia* and *Dark Money* and his in-box is full of back-and-forths with Robert Reich, his digital worldview has found an unlikely framer in W.E.B. DuBois, a titan of black intellectualism who cofounded the NAACP in 1909. Khanna recently finished DuBois's 1903 book, *The Souls of Black Folk*.

"DuBois and Booker T. Washington had this fascinating debate about whether black education should focus on skills or on the bigger notions of poetry and philosophy and history and art," he says. "It was STEM vs. STEAM, even back then. It's an incredible cultural case study. So that's what I read instead of a Tim Ferriss book or whatever."

Broadly, Khanna wants to avoid a Sputnik

moment in the global race to develop artificial intelligence and is kept awake by a sweeping fear. "Imagine a world where Apple, Google, and Intel were Chinese companies," he says. "It would be scary." He wants tech to be more human and innovation to be more accessible.

He learned from the best. In 1996 as a student at the University of Chicago—long known as a place "where fun goes to die"—Khanna knocked on doors in a local race on behalf of a fellow weirdo named Barack Obama. When Obama shot into the White House 12 years later, Khanna sent in an old letter of thanks Obama had written him and begged for a job in the administration. "I tried very, very, very hard," he recalls. "I was very, very, very persistent." He became deputy assistant secretary at the U.S. Department of Commerce. In 2014 he ran (and lost) against longtime representative Mike Honda. Khanna ran again and won, but under a dark cloud (his campaign manager resigned after a lawsuit accused him of email hacking). Now Khanna is up for his first reelection. In Congress, Silicon Valley, like the rest of the country, gets an OS update every two years.

Thank God. In 2011 investors proposed Blueseed, a fix for tech's H-1B visa crisis that was, in essence, a luxurious slave ship anchored in international waters off the coast of San Francisco, offering tenants day passes into the country. In 2013 venture capitalist Tim Draper proposed to fracture California into six states (he later revised it to three). In 2015 the Russia-linked CalExit secession plan emerged. Does America really need that crackpot thinking infecting the hinterlands?

"I'm a technology optimist, and I'm glad to see a fellow technology optimist working hard in Washington," says Jonathan Levin, dean of Stanford's graduate school of business and a friend of Khanna's. "I want optimism, given the alternative."

On the bright side, the tech industry itself has galvanized an egalitarian awakening as toxic programmer culture gives way to leaning in and #MeToo empathy. At a gender equity panel he convened at Santa Clara University to shatter Silicon Valley's quid pro quo, Khanna sat onstage with eight powerful women (and no men), including senior staff from Facebook, Google, and LinkedIn.

He took the center seat. ■

"HE'S NOT A MEMBER OF CONGRESS. NOBODY IN THAT SEAT IS. THAT'S THE SEAT WE GIVE TO BIG TECH," ONE OBSERVER SAYS OF KHANNA.

THE LAST GASP OF THE BOYS' CLUB

Believe it or not, there are still a dozen *Fortune* 500 company boards that lack a single female director. What will it take to bring the final holdouts into the age of equality?

By Claire Zillman

BY THE TIME JENNIFER TEJADA and Jennifer Hyman joined the board of Estée Lauder in April, both were accustomed to being deluged with opportunities to claim a seat at the boardroom table. "Quite a few companies have approached me," says Hyman, CEO of wardrobe-rental startup Rent the Runway. Tejada, CEO of cloud-computing company PagerDuty, recalls fielding inbound inquiries multiple times a month. "Sometimes multiple times a week," she says.

It's no wonder qualified female director candidates are being hounded. The all-male board is entering endangered species territory, as investors ratchet up demands that companies diversify and the #MeToo movement prompts a reexamination of women's place in the business hierarchy.

But not all corporate ears are attuned to the cries for more female directors. Case in point: Twelve companies on the 2018 *Fortune* 500 lack a single female board member.

To be clear, these all-male bastions are outliers, with the trend going in the right direction. Five years ago there were 42 *Fortune* 500 compa-

THE 12 *FORTUNE* 500 COMPANIES WITH ALL-MALE BOARDS

Do homogenous boards hurt performance? Judge for yourself. Overall, the *Fortune* 500 returned 15.1% annually over the past five years.

RANK	COMPANY	SECTOR	BOARD SIZE	MARKET CAP (in billions)	5-YEAR RETURN VS. F 500*
64	Energy Transfer Equity	Energy	7	\$15.3	-0.4
91	World Fuel Services	Energy	9	\$1.7	-22.0
96	CHS	Food and Beverage	17	—	Private
103	INTL FCStone	Financial	10	\$0.8	4.5
115	Plains GP Holdings	Energy	12	\$6.3	Had IPO in 2013
136	Icahn Enterprises	Financial	6	\$9.9	-2.6
298	Sonic Automotive	Retail	9	\$0.8	-16.9
342	Navistar International	Industrials	11	\$3.5	-0.6
384	Delek US Holdings	Energy	6	\$3.4	-5.3
400	Builders FirstSource	Materials	10	\$2.3	16.2
422	HRG Group	Household Products	6	\$3.3	2.0
481	Seaboard	Food and Beverage	5	\$5.0	-3.3



NOTES: Board size and market cap as of 3/29/18. *These figures are percentage points.

nies without women directors; 10 years ago, 69.

It's natural to look for commonalities among the holdouts, but few jump out. Four are in the energy sector, two are financial companies, and two operate in the food and beverage world. Three are based in New York City, three in Texas, and the rest are scattered around the country. Their employee headcounts range from 89,000 (Icahn) to a modest 1,607 (INTL FCStone).

The companies do, however, share one thing: a dearth of women in other top jobs. Among the 12 firms, there are just three women among the executives identified in Securities and Exchange Commission filings.

The businesses themselves offer few explanations. Eleven of the 12 did not reply to *Fortune's* requests for comment. Only CHS responded. A spokesperson said that the board of the agricultural cooperative is nominated and elected "exclusively by our farmer-owners."

Fortune is, in a sense, calling out these companies by listing them here. But we are far from the first to blow the whistle. In March 2017 index-fund giant State Street Global Advisors re-upped the issue in dramatic fashion, planting its now famous *Fearless Girl* statue across from Wall Street's *Charging Bull* as it demanded that companies add more women to their boards. Paula Loop, head of PwC's Governance Insights Center, says that move was "a really big deal"—in part because of what happened next.

In August 2017 passive investor Vanguard cited gender diversity in its demand that U.S. companies improve their governance. BlackRock, the world's largest money manager, issued a similar warning five months later, stating publicly for the first time that the companies it invests in should have at least two female directors. In the U.S., says Loop, such investor pressure is now

assuming a similar role to the one played by quotas in countries like France, Germany, and Italy, where women must account for a federally mandated share of board seats.

According to the investors, diverse boards are key to business success. State Street and Vanguard cite studies that show companies with more women directors outperform rivals without them. BlackRock argues that diverse groups make better decisions, a stance backed by research that finds that nonhomogenous teams are more likely to reexamine facts and maintain objectivity.

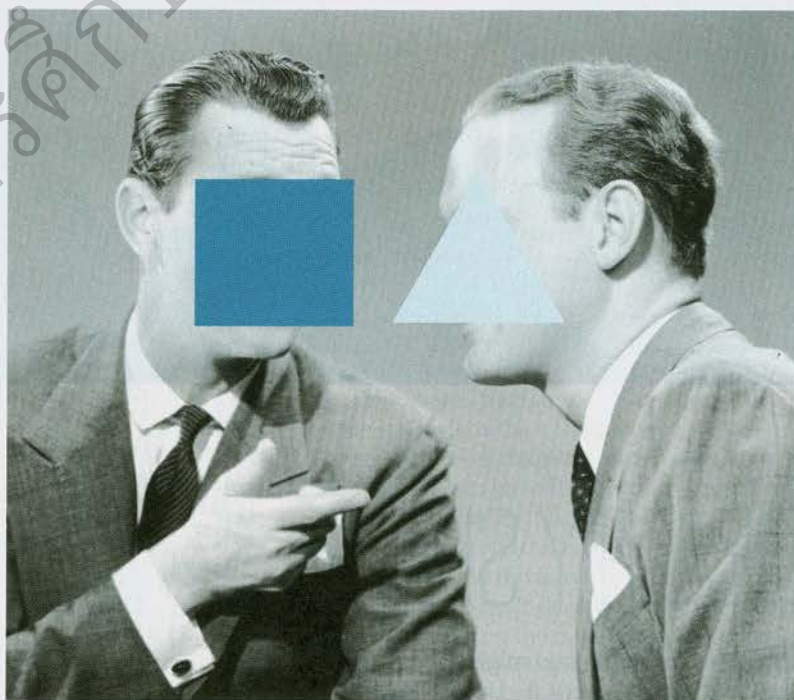
Katherine Klein, a Wharton professor, says meta-analysis shows a "tiny but positive" association between board diversity and financial performance, but she takes issue with the burden such studies foist on women. We don't ask men to prove that simply adding them to a company's board will boost its performance, she notes.

In this case, seven of the com-

panies underperformed the *Fortune* 500 in total returns over the past five years. (CHS is private, Plains GP went public in 2013, and the remaining three had better returns.)

For some, the issue also has an ethical dimension. When New York State Comptroller Thomas DiNapoli announced in March that the state's common retirement fund would vote on directors based on their boards' gender makeup, he called it "unconscionable" that some companies still have no female directors.

But the 488 *Fortune* 500 companies not mentioned here should not necessarily assume moral high ground. Firms on the 2018 ranking control a combined \$21.6 trillion in market value in a nation that's 51% female. Yet as of March 31, just three boards on this year's list had reached gender parity or better, according to Equilar. Estée Lauder's board is nearing that esteemed territory. With Tejada and Hyman, its female representation reached 47%. ■



TIME
WELL SPENT

PASSIONS



BEAUTY SLEEP

In a nonstop world, bed might be the ultimate luxury. By Lindsey Tramuta

LUXURY

HERE'S A DISCONCERTING FACT: The developed world's severe sleep deficiency is officially a public health epidemic, according to the World Health Organization. You may roll your eyes at the gospel of eight hours of shut-eye as a good, restorative night's sleep, but if you're like the majority of the world's population and regularly clock six or fewer hours a night, your health is



A craftsman fills the mattress with South American horsetail hair [left]. A Savoir Beds mattress is "tufted" (right) to prevent the filling from moving.



in jeopardy. Lack of sleep increases the risk of obesity, cancer, Alzheimer's disease, diabetes, and mood and mental disorders.

"Our lack of sleep is a slow form of self-euthanasia," claims sleep scientist Matthew Walker, director of the Center for Human Sleep Science at the University of California at Berkeley, in his eye-opening book *Why We Sleep*.

That sleep has become an elusive luxury is entirely of our own making. Modern society glorifies busyness, long hours, and early rising as badges of honor. As a result, much of the world population has adjusted to an "underslept" (and thus, underperforming) state of functioning.

"If a quarter of our lives is spent lying down on a bed, why aren't we devoting more time and resources to getting that part right?" That's the rhetorical question posed by Alistair Hughes, managing director of the U.K.-based luxury mattress firm Savoir Beds. "People often look to pills before they even consider their setup at home," Hughes adds.

Hughes's company, whose mattresses are made by skilled craftsmen and -women from premium materials like horsetail hair, and retail from \$10,500 to \$125,000 each, began making beds for the high-profile clientele of the Savoy hotel in London in 1905. (The highly customized beds went on to win over Frank Sinatra, Liza Minnelli, Madonna, and Emma Thompson.)

Hughes's mattresses may not have integrated sleep trackers or sensors to nudge a client who snores, innovations that online smart-mattress brands like Casper and Purple are working to develop, but he stands by the strength in 100 years of artisanal know-how.

Of course one doesn't have to spend five figures to sleep well, and technological innovation in the area of sleep is red-hot. (With \$30 billion spent on over-the-counter and prescription sleep aids every year in the U.S. alone, it's no wonder.)

Unveiled at the Consumer Electronics Show in January, Aromarest is designed to both ease users into restful sleep and help them awake feeling refreshed through the use of color, sound, and scent. The app-controlled device, a sort of three-in-one bedside lamp, changes colors (warm tones help stimulate melatonin secretion), emits various sounds (white noise for night, energizing tunes for morning), and diffuses aromatherapy.

In a similar vein, Dreem, a \$500 ergonomic headband, works with electroencephalography sensors to monitor brain waves, heart rate, and breathing during sleep. It also uses bone-conduction technology to play sounds to help its users fall asleep, stay asleep, and wake up, without requiring a Wi-Fi or Bluetooth connection. An app provides a detailed analysis of sleep patterns with personalized recommendations.

Then there's the Lumos Smart Sleep Mask, which uses light-flash technology developed by researchers at Stanford University to regulate a user's circadian rhythm across time zones and combat jet lag.

Still, there are no miracle solutions. Even the best bed and the most innovative wearable can't replace the self-discipline Walker insists is fundamental on the road to healthful sleep: Get to bed and wake up at the same time of day—no matter what—every day of the year. ■

\$411
BILLION

THE ANNUAL
COST OF SLEEP
DEPRIVATION TO
THE U.S. ECONOMY

SOURCE: RAND Europe



Is 60 the new 40?

What does that change?
Do I have the right plan?

Whenever you reach that next chapter in your life, you'll want to make the most of it. And keep yourself and your finances* in good shape. Although working less has its advantages, it has financial consequences too. We can help create a clear picture of what you need, so that the best is yet to come.

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Together we can find an answer.**

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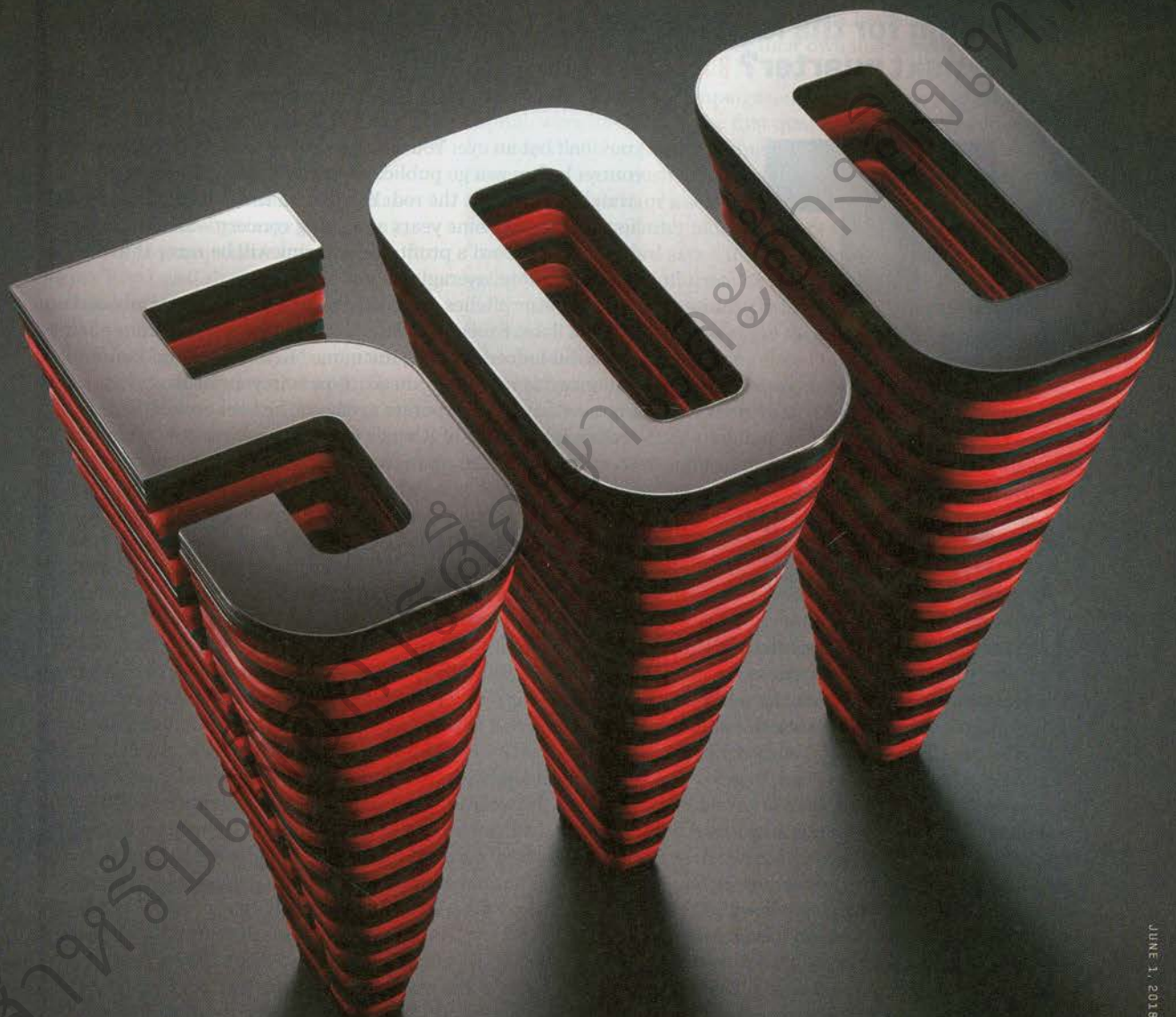
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INTRO

FORTUNE



TO SEE COMPANIES FROM 501 TO 1,000, VISIT FORTUNE.COM.



INSIDE

THE LONG GAME.....	24	JPMORGAN CHASE	54
AMAZON	26	THE PERMIAN BASIN BOOM ..	62
FACEBOOK.....	36	XEROX.....	74
GENERAL ELECTRIC	44	THE LISTS.....	87

THE LONG GAME

Every FORTUNE 500 company CEO knows he or she should be managing for the long term. Why do so many of them get stuck on the next quarter? BY CLIFTON LEAF

I

IT'S THE 1990s, THE DAWN of the Internet age—and you, like everyone you know, has a genius of a dotcom idea. Somehow, you get in to see one of the hottest venture capitalists in Silicon Valley. Your pitch, fired up and ready: You're going to sell books over the Internet. (The VC yawns.)

You tell him that you're planning to spend years, or really decades, building up technological infrastructure and warehouse capacity, focusing relentlessly on customer experience—you'll even call the company "Relentless.com" to capture that ferocious customer-centricity. Sure, you'll have to discount prices to gain market share, and take a hit on delivery, but in time you'll have the phenomenal scale to sell "Anything ... with a capital 'A'"—to everyone. You'll be "earth's biggest store."

The VC stirs a bit. When he asks you for some hard-number projections,

you don't bat an eye: You and your investors will bleed cash, of course, before you go public. Then you'll lose gobs more, going 17 straight quarters in the red. You'll be in the hole about \$3 billion in your first nine years as a going concern—and when you do eventually turn a profit, the margins will be razor thin for a decade or more, averaging about 2%.

As elevator pitches go, this one would almost certainly end on the first floor. Except it didn't. The story of Amazon.com—Jeff Bezos did indeed toy with the name "Relentless.com" before changing his mind (Go ahead: Type it in your browser)—is now engraved into the corporate mythos. The backer was the legendary John Doerr of Kleiner Perkins, who invested an initial \$8 million in the company in 1996, and who three years later would back another ludicrously ambitious startup called Google.

What Doerr saw in Bezos (and in Larry Page and Sergey Brin, for that matter) wasn't just a grand business vision but also the maniacal tenacity to see it through. Others saw it too: In 1999, Morgan Stanley analyst Mary Meeker, a prominent Amazon bull on Wall Street, brushed off concerns of the company's "aggressive" investment in its infrastructure, calling the strategy "rational recklessness." Bill Miller, the former Legg Mason fund manager whose 15-year market-beating streak remains unmatched, invested early and heavily in Amazon—and then doubled down on the stock as it careened from triple digits to six bucks a share (after 9/11) and up again. It's now trading above \$1,600, a 106,669% gain over the split-adjusted closing-day price of its 1997 IPO.

Such legend-making is easy in hindsight, of course. Everyone with access to a historical stock chart can plot the last generation's certain winners and losers. That said, when it comes to gaining wisdom, the past is one of best teachers we have—and the striking rise of Amazon, No. 8 on the *Fortune* 500 and the subject of a profile by Beth Kowitt this issue (see "Amazon Gets Fresh" on page 26), offers a core management lesson that ought to be carved in tablets by now: Building a great business requires not only a relentless focus on doing things well this minute (what business-book thumpers call "execution"), but also an equally relentless focus on doing things better in the future. As Bezos told my colleague Adam Lashinsky some years ago, "The three big ideas at Amazon are long-term thinking, customer obsession, and a willingness to invent."

Most of the celebrated company builders of our era—Apple’s Steve Jobs, Walmart’s Sam Walton, FedEx’s Fred Smith, Southwest’s Herb Kelleher, Intuit’s Scott Cook, Salesforce’s Marc Benioff—have known that instinctively. It’s a message reinforced by one biz-school case study after another and preached by the most acclaimed of investors. Warren Buffett, whose investing horizon is the horizon, likes to say his preferred holding period is “forever.”

While the parameters of what defines a long-term-focused company are still somewhat squishy, the limited evidence so far suggests that they make better investments too. At least compared to short-termers: companies that are chasing quarterly earnings targets, buying back stock to pump their share prices, cutting R&D, and slashing other key investments in technology and people. An October study by S&P Global found that an index of large and midsize companies that, it says, “embody long-termism” had consistently higher returns on equity over the previous 20 years than various quartiles of companies with more of a “next quarter” focus. (Working with the Boston Consulting Group, *Fortune* also unveiled in November a list of forward-looking companies—the Future 50—that steadily reinvest in the capacity to grow.)

A separate February 2017 study by the McKinsey Global Institute, likewise, found far better financial performance from far-horizon companies. From 2001 to 2014, long-term firms, drawn from a data set of more than 600 large and medium-size companies, had an average of 47% greater revenue growth than other

firms as well as faster growth of earnings and market capitalizations. Although share prices for this group did suffer more during the financial crisis, they also recovered more quickly, the McKinsey researchers discovered. And from a broader economic standpoint, the farsighted companies also created a lot more jobs than other firms did during the same period.

So why do so many companies still habitually manage to the next quarter? You guessed it: Wall Street. Nearly nine in 10 executives and directors feel mounting pressure to deliver strong financial results within two years or less, McKinsey found. And much of that push is coming from activist hedge funds, many of which are incentivized to goose their own investment returns in the near term.

A record 73 activist campaigns, deploying some \$25 billion in capital, were initiated in the first quarter of 2018, according to Lazard, which has been tracking shareholder activism for years. Some campaigns push for a breakup or sale of the business; some for share buybacks or a seat on the board (activists won 65 board seats in the first quarter alone). Others are merely interested in “bumpitraging,” Lazard says—that is, to block an M&A deal from going through or to influence its negotiations.

“To be sure there are some activists who actually behave a little more long term than we give them credit for,” says Dominic Barton, McKinsey & Company’s global managing partner, who has been championing efforts to encourage long-termism in corporate suites and boardrooms for more than a decade. These investors can often push for better execution of a far-thinking strategy and get company managements to move much faster in critical areas.

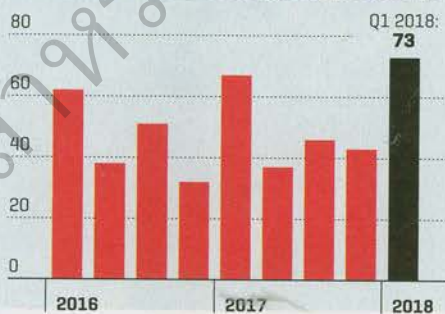
But short-termers dominate this crowd—and their influence is often outsize compared with their shareholdings. “Part of the challenge is that people often sit on multiple boards,” says Barton. “Given the amount of activist activity going on, someone will very likely have had experience with a campaign and will share it with the board,” he says. “It’s a good way to scare the hell out of the other members: ‘My God, you don’t want to go through this! It’s like you’ve come back from a war. You just don’t want to go there.’”

An even bigger threat to long-term managing is the way we do CEO compensation, says *Fortune* contributor Brian Dumaine, coauthor with Dennis Carey, Michael Useem, and Rodney Zemmel of an important new book titled, *Go Long: Why Long-Term Thinking Is Your Best Short-Term Strategy*. Today, most chief executives are rewarded based partly on how the stock performs during their tenure. Shareholder advocates like Vanguard chairman Bill McNabb are pushing instead to have half or more of the stock compensation vest five years after a CEO leaves the job—which is what Exxon Mobil actually does.

The rationale is straightforward: “If you’re the CEO of an oil company, you can decide to cut way back on exploration and you’d have lower capital spending and suddenly your earnings are going to look great,” says Dumaine. “But five years down the road your successor is going to be in trouble.”

That right there is the problem with short-termism. The great majority of shareholders in the U.S. *do* hold their stocks for years, if not decades. Inevitably, when managers chase the next quarter, it’s a nation of long-term investors who lose out. ■

SHAREHOLDER ACTIVISM CAMPAIGNS STARTED



SOURCE: LAZARD

500

▼
RANK
8

▼
COMPANY
PROFILE
AMAZON

▼
REVENUES
\$177.9
BILLION

▼
PROFITS
\$3
BILLION

▼
EMPLOYEES
566,000

▼
TOTAL RETURN
TO SHAREHOLDERS
(2007-2017
ANNUAL RATE)
28.9%





AMAZON GETS FRESH

What does the e-commerce titan want from its surprise purchase of Whole Foods? Not much—just total retail domination.

BY BETH KOWITT

AT 9 A.M. ON JUNE 16, 2017, Whole Foods employees packed into the main level of the company's Austin headquarters. Only an hour earlier Amazon had announced that it was acquiring the high-end natural grocer, and the corporate staffers were as shocked as the rest of the public. Amazon had been militant about leaks during the seven weeks that the two companies had been in negotiations, and the vast majority of those working inside the building had been unaware that the deal was afoot.

Now they were meeting their new overlords for the first time. Whole Foods CEO John Mackey introduced Jeff Wilke of Amazon, who had flown in for the gathering. Wilke, the e-commerce giant's CEO of Worldwide Consumer, decided to play to his foodie audience.

"I wanted to tell you just a little bit about how Whole Foods changed my life as a start," he said. "As I was sitting this morning, eating breakfast, watching the sun rise over this beautiful city—by the way, quinoa, blueberry, and some other vegetables..."

That's when Mackey, a vegan who avoids refined foods and travels with a rice cooker, lightheartedly corrected him. "Those aren't vegetables," he said. "That's okay. We're learning."

In that moment, it was clear why Wilke and his team needed Whole Foods. His comment may have been just a slip of the tongue, but it reflected a persistent issue for the company: Amazon has expertise in many areas, but food is not one of them. For a decade, Amazon—a company with \$178 billion in revenue and seemingly limitless resources—had not come close to breaking the billion-dollar sales mark in its fresh food operation.

The lack of progress is not entirely the retail giant's fault. Grocery is a notoriously difficult business—and that's before you

Amazon products—including Echo speakers, Kindles, and a Fire TV—on display inside the Union Station Whole Foods in Denver.



start layering on the costs and challenges of delivery. Scott Galloway, a professor of marketing at New York University's Stern School of Business, boils the problem down to this: A head of lettuce has a margin of less than a dollar and can survive outside the fridge for no more than a day. How can a retailer deliver it at peak quality—and make a profit?

But with the \$13.7 billion acquisition, Amazon had bought itself a real shot at remaking the \$800 billion U.S. grocery sector—the last frontier of e-commerce and a massive one at that. Some 20% of retail spending goes toward food, but only 2% of those sales take place on the Internet. "Grocery is the Wild West for online," says Carrie Bienkowski, the chief marketing officer of online grocer Peapod. "The size of the prize is huge, and it's growing."



The very thing that makes grocery delivery hard—that food goes bad—is the reason it’s so desirable to a company like Amazon. Because cheese grows mold and meat goes rancid and milk sours, consumers can’t hoard it in their cupboards or refrigerators indefinitely as they might toilet paper or laundry detergent. As a result, the average family hits the supermarket at minimum once a week; there’s nothing else you purchase or consume so much or so often. For Amazon, getting in on that frequency is critical to further ingraining itself in our routines and behaviors. “Food is the platform for selling you everything else,” says Walter Robb, the former co-CEO of Whole Foods. “It’s an everyday way into your life. There’s nothing else that happens quite that way.” Amazon’s quest is therefore about much more than just food.

Amazon is perhaps the most disruptive and innovative company in retail, but using food as a lever for growth is nothing new. Walmart became the biggest retailer in the U.S. by turning itself into the nation’s largest grocer. In its fiscal 1998, 14% of Walmart’s U.S. sales came from grocery. This year, as the company hit \$500 billion in revenue, that figure jumped to 56%. “Walmart pioneered this,” explains Wedbush analyst Michael Pachter. “Once you get them in the store for groceries, they walk up and down the aisle for everything else.” Says Jack Sinclair, who led Walmart’s U.S. grocery business for eight years, “The principle of what Amazon is doing is almost exactly the same.” Indeed, JPMorgan estimates that Amazon will match Walmart in U.S. sales by 2021.

Amazon declined to make any of its executives available to be interviewed for this story and has said little publicly about its long-term strategy for Whole Foods—or food more broadly, for that matter. But as a sign of how critical the sector is to Amazon’s future, Steve Kessel, part of CEO Jeff Bezos’s inner circle and a key figure on the Kindle team, has been brought in to run not only Whole Foods but also Amazon’s grocery delivery business, AmazonFresh, and Prime Now, its two-hour delivery offering.

For Amazon watchers, the company's purchase of Whole Foods and its physical footprint—for more money than it had spent on all of its previous acquisitions combined—is a reflection of Bezos's broader ambitions. Going as far back as a decade, Bezos has been explicit that grocery is essential to his long-term vision. In order to become a \$200 billion company, he has said, Amazon must learn how to sell food.

More than 40¢ of every dollar consumers spend on the Internet already goes to Amazon—an astonishing sum. And yet it appears Bezos is not satisfied leaving behind the roughly 85% of retail that still happens in brick-and-mortar stores. For the CEO, owning our digital lives is not enough. By attempting to seamlessly link both realms, Amazon has the potential to be part of every single purchase we make.

“This is a monumental reference point,” says Robb. “This is clearly a revolution in the world of commerce.”

BOOKS, WHERE IT ALL STARTED for Amazon, are the anti-food. They never spoil and are simple to ship and handle. *Fifty Shades of Grey*, one of the site's bestselling and most reviewed books of all time, is the same whether you buy it at your local independent store, at Barnes & Noble, or on Amazon.com. Books are what Credit Suisse analyst Stephen Ju calls “homogeneous, easy-to-handle” products, and Amazon has excelled at selling things that fit this criteria. If it can be shipped in a box and the purchaser cares little about whom she's buying it from, it's the perfect product for Amazon to sell.

Nonperishable groceries like canned goods, crackers, and cookies, which the company launched in the mid-2000s, were an obvious fit. “A box of Cheerios and a book aren't that different,” says Ian Clarkson, who spent 15 years at Amazon. “You don't have to fundamentally rewrite or build an entirely new infrastructure.”

Fresh goods, however, are about as heterogeneous and challenging to handle as it gets. Bananas bruise easily, no two are the same, and they are constantly evolving within the supply chain, going from green to ripe to mush.

PERCENT OF HOUSEHOLDS THAT SHOPPED THESE RETAILERS DURING PAST FOUR WEEKS



In 2007, Amazon decided to try fresh delivery anyway. Customers were asking for it, and Amazon was intrigued by how it might be able to leverage the frequency of grocery ordering to sell higher-margin nonfood products. The company launched AmazonFresh with a pilot in Seattle in which users would place an order online, and the food would be delivered to their doorstep.

Amazon's website, however, was not well suited for how people shop for food. Most e-commerce transactions comprise two to four items, which buyers find through targeted search. But shoppers tend to browse grocery, and an order can average 50 goods. “Amazon's business, I'd argue even today, is around a unit of one,” explains

A DELUGE OF DELIVERY OPTIONS

➤ Before the Amazon deal, the only legitimate way to order Whole Foods' product online was through delivery service Instacart. Now the floodgates have opened.

INSTACART

For \$9.99, contract workers deliver from Whole Foods stores within an hour. In 2016, Whole Foods invested in Instacart and the two signed a five-year partnership. What happens post-Amazon? TBD.

PRIME NOW

Prime members can get a selection of Whole Foods products in two hours in certain zip codes for no additional charge. In some markets, Amazon makes these deliveries directly from Whole Foods stores.

AMAZONFRESH

Prime members in certain metro areas can pay \$14.99 a month for same- or next-day delivery of a wider selection of groceries. There are reports that AmazonFresh and Prime Now could merge.

PRIME PANTRY

Another perk for Prime members, this service provides free shipping on nonperishable and household goods like juice or pet food on orders of \$40 or more for \$4.99 a month. Available in 48 states.



An AmazonFresh truck in Los Angeles (left); inside the Amazon Go store in Seattle.



Clarkson, who was AmazonFresh's first full-time employee. "You buy it and move on. People don't shop to fill their fridge that way." And in grocery, where about 85% of the items people purchase are the same week to week, what customers bought recently is highly relevant to what they'll buy again. That's not the case for books. One copy of *Fifty Shades* is enough.

To cater to this different way of shopping, Amazon tried designing a separate website for AmazonFresh. The stand-alone site was necessary for another reason as well: Fresh food's short shelf life required Amazon to roll out the service city-by-city—then an unusual launch strategy for the company. Amazon couldn't just put products into a national fulfillment network and then turn on the web experience for the entire U.S. "That's how traditional Amazon categories get an advantage," says Clarkson. "You have so many people coming to the site. That doesn't work for grocery."

After six years in Seattle, AmazonFresh expanded to California but never grew its U.S. service beyond 20 states. The results have been mixed, and "that's putting it kindly," says Morningstar analyst R.J. Hottovy. The service was too expensive, the delivery windows were inconvenient, and people didn't really understand where their food was being sourced from, he says. In November, Amazon said that it was cutting service in several zip codes, a move it contended was unrelated to the Whole Foods deal.

And perhaps most critically, AmazonFresh hasn't been able to reach the scale it needs to get the service to work. The big difference between good and bad strawberries isn't where they're sourced from, explains Aaron Cheri, who leads Bain's Americas retail practice; it's who's able to sell them faster. He says, "AmazonFresh was never able to achieve that by itself."

AMAZON IS PARTIAL to building businesses rather buying them. But after a decade of trying to grow its grocery operation on its own, it was time for the latter. The company started exploring the possibility of an acquisition, and spent the two years leading up to the Whole Foods deal "walking around to every grocer in the U.S. asking them to be its fresh supplier," says Bain's Cheri.

Then, in April 2017, Amazon got a call from a consultant working on behalf of Whole Foods. The grocer had seen a report that Amazon may have been interested in buying the chain in the past. Would there be any appeal in setting up a meeting?

That first rendezvous came during a tumultuous period for Whole Foods. Competition was fierce in natural and organics, the very category it had essentially created, and the grocer was struggling to shake its "Whole Paycheck" reputation. Facing slowing sales growth and a flagging share price, Whole Foods was now clearly in play. Just weeks earlier, activist investor Jana Partners disclosed an 8.8% stake in the company. In addition to Ama-

zon, four private equity firms and reportedly supermarket chain Albertsons were among those who had expressed interest in a potential deal.

The tie-up solved a lot of problems for both parties. For Whole Foods, Amazon offered freedom from the relentless cycle of short-term quarterly pressures as it tried to fix the business. For Amazon, Whole Foods gave the company instant scale and the built-in demand it had lacked in fresh food. In a logistics operation, companies have a set of fixed costs and become more profitable by layering on incremental business. Thanks to Whole Foods, Amazon now had guaranteed and predictable volume for its grocery infrastructure.

Along with scale, Amazon was buying credibility. Most of the products consumers buy on Amazon are branded—a Sony TV, a Hot Wheels car, a S'well water bottle. But with the exception of a few products, such as Bolthouse Farms carrots or Cuties clementines, fresh goods don't have brands, or at least not ones that the consumer knows. Instead, we decide where to buy our broccoli and tomatoes based on our trust in the retailer. That authority was something Amazon just didn't have in fresh. Whole Foods supplied it—as well as providing Amazon shoppers with a more appealing story about where

their food originated. “The idea of ordering groceries online is conceptual,” says Barnaby Montgomery, cofounder and CEO of Yummy.com, a Los Angeles-based online grocer with brick-and-mortar stores. “I don't know where it comes from. I don't see it. I don't get it. It's a barrier.” Having a physical place to shop turns “the conceptual offer into something more tangible.”

One question that remains unanswered is how Amazon will use Whole Foods' 483 physical stores to help solve what's known in the industry as the “last mile” problem—the final and most expensive step of the delivery process that takes a product from a central hub to its final destination. There's some speculation that Amazon could use the stores as mini distribution centers, hiring people to pick product off the shelf to fulfill online orders that would then be sent out for delivery. “It makes sense in theory, but it's a much harder problem than it appears,” says Juozas Kaziukenas, CEO and founder of e-commerce intelligence firm Marketplace Pulse. “The way you stock for the warehouse and retail are two different things.” Grocery stores are maximized to make customers wander through and buy more stuff. Warehouses, where random products are stacked next to each other to make the most of the space, are much more efficient. They're also better for fresh goods because increased handling hurts quality. “Every time you touch a fresh product it degrades it,” says Matthew Hamory of consultancy AlixPartners.

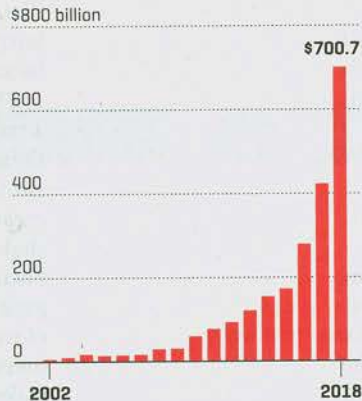
Right now, Amazon seems to be trying it all. When I placed an order via AmazonFresh in New York City, the food came from a New Jersey warehouse and was delivered off a truck by a contractor. When I did the same with Prime Now, which offers delivery in two hours, the goods came from a distribution facility in Midtown Manhattan and were dropped off by an Amazon Flex driver—an Uber-type model in which the company pays drivers \$18 to \$25 an hour. In 10 other markets, Amazon is offering

AMAZON ON THE RISE

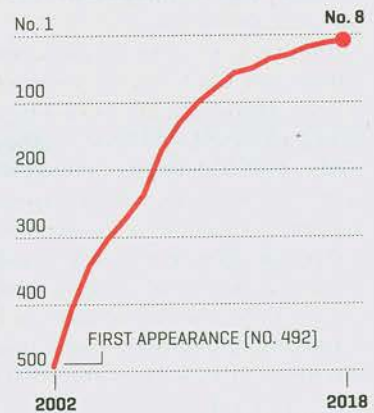
AMAZON TOTAL REVENUES



MARKET VALUATION



FORTUNE 500 RANK



SOURCE: S&P GLOBAL

OTHER INDUSTRIES AT RISK OF GETTING AMAZONED

► Grocery isn't the only business Amazon is turning upside down. Here are five sectors that had better watch their backs.

APPAREL

Morgan Stanley estimates that Amazon will surpass Walmart to become the biggest seller of apparel in the U.S. this year. The company has launched several private labels and a clothing subscription service.

BANKING

Amazon could offer checking accounts aimed at millennials. It's likely that it would partner with a bank to avoid regulatory issues; Bain estimates it could have more than 70 million consumer relationships over the next five years.

FURNITURE

Products like sofas and coffee tables are one of the fastest-growing categories at Amazon. Advancements in virtual reality that help shoppers visualize the layout of their living rooms will help push purchases online.

EVENT TICKETS

With the likes of Ticketmaster getting little consumer love, this is an area ripe for disruption. Until March Amazon ran a ticketing business in the U.K., and it has reportedly had conversations with Ticketmaster about a partnership.

DELIVERY

Amazon is planning on using its logistics prowess to compete with UPS, FedEx, and USPS. The *Wall Street Journal* has reported that the company is testing a delivery service in Los Angeles called Shipping With Amazon.

Prime Now delivery directly from Whole Foods stores. That model could be a good stepping-stone in smaller cities until the company reaches enough volume to build out a dedicated warehouse. "You have to scale your way up there," says grocery consultant Neil Stern. "Picking from a store, while crappy, is a way to establish volume and a customer base."

The future may be a hybrid approach: bigger stores that have a space carved out for putting together online deliveries. Or a store where the selection of packaged goods is automated but customers can pick out their own fresh goods.

"They're going to experiment like crazy," says Tom Furphy, formerly a VP of consumables and AmazonFresh and now CEO of a venture capital firm. "I would be completely surprised if they have it all figured out by now."

WITH THE AVERAGE supermarket operating on a 1% profit margin, the economics of the grocery industry are fragile at best. What makes Amazon such a threat is that the same math just does not apply. Investors have accepted that Bezos is uninterested in short-term profitability. "They are one

of our first competitors who doesn't really care about making money," Peapod cofounder Thomas Parkinson said at a food conference last year, "so that's a challenge for us." Food entrepreneur Greg Steltenpohl puts it this way: "They're not disruptive because they have all the answers, but because they don't have to play by the same rules."

Food delivery is a strange reversion to an old way of doing business. The supermarket was invented in the early 20th century to replace the full-service store of the past, where a clerk behind the counter would pull products off the shelves for the customer. The new supermarket model required shoppers to push the carts and do the heavy lifting themselves in exchange for lower prices. Today, a growing segment not only wants some version of that old-timey archetype in which someone else collects the items for them, they also want them delivered to their homes—services that Goldman Sachs estimates cost a retailer \$22.68 per order. That's just not something most consumers are willing to cough up. "There's a cultlike avoidance of paying for delivery," explains analyst Brendan Witcher of research firm Forrester.

Despite the cost, grocery executives realize that's where the market is heading. One Goldman estimate puts 20% of the industry online by 2027. That's market share Amazon has in its sights—and that supermarket chains cannot afford to lose. The stakes are incredibly high. When Walmart reported in February that its e-commerce sales growth had slowed, the stock took its biggest one-day dive in three decades. Walmart has been leveraging its physical locations with click-and-collect, in which customers order online and pick up their groceries at the store, but during the earnings call the company said it would "accelerate" grocery delivery. (A Walmart spokesman said the lower fourth-quarter

e-commerce rate was largely planned, as the company met its full-year guidance.)

Walmart's ultimate weapon in the grocery wars is its massive store footprint; Amazon's is Prime. In April, Amazon announced that the membership service had exceeded a whopping 100 million paid subscribers and that it would increase its annual fee. Morningstar's Hottovy thinks that the market for new members may be plateauing, and that Amazon is now focused on increasing what current Prime users spend rather than recruiting new ones.

The Whole Foods deal was a case in point. According to 1010data, at the time of the acquisition, 81% of Whole Foods customers were already Amazon shoppers. So rather than capturing a new base, adding Whole Foods to the portfolio served as a tool to further ingrain Amazon customers within its ecosystem—offering Whole Foods' popular 365 private label online, selling products like the Amazon Echo in its stores, and setting up Amazon lockers within Whole Foods for customers to pick up packages. Already, the symbiosis is at work. Since the deal closed, quick visits to Whole Foods were up 11% in stores with Amazon lockers.

Bezos says his aim is to make Prime so essential that it's "irresponsible" not to join. And its value to the company is unmissable: By some estimates, Prime members spend an average \$1,500 a year on Amazon, more than twice as much as non-Prime users. "Once you're a Prime customer, you don't go anywhere else to look," explains AlixPartners' Hamory. The goal, say insiders, is for Amazon to be the place where you start all of your searches. "Many people think our main competition is Bing or Yahoo," Google's onetime CEO Eric Schmidt has said. "But, really, our biggest search competitor is Amazon."

Capturing search means capturing data. Amazon knows every product you look for, every category you choose, everything you put in your cart then abandon—what's known as the "clickstream." Now the company is trying to capture the real-life version of the clickstream with Amazon Go. The Seattle store uses overhead cameras and weight sensors in shelves to track shoppers so closely that



ONCE YOU'RE A PRIME CUSTOMER, YOU DON'T GO ANYWHERE ELSE."

they can simply leave the store when done shopping—no need to check out.

Might Amazon have something similar planned for Whole Foods stores? Perhaps in its lower-priced 365 locations, but experts are skeptical that the "just walk out" experience is coming to flagship outposts. One of Whole Foods' assets is that it is high-touch—sensory, visual, and experiential. That's a major selling point in an era where boring, mediocre retail is dead or dying.

The stores play one part in the all-encompassing, frictionless retail experience that Bezos has long aspired to create; Alexa, Amazon's virtual assistant, and its Echo speaker devices play another. "The future of grocery shopping is most likely the ability to say, send me groceries, add garlic, remove tomatoes," says Witcher. "Amazon has put the pieces in place to actually make it happen." RBC Capital Markets predicts that by 2020, 128 million households will be using Alexa, driving a 10% increase in their Amazon spending.

Another aspect of Amazon's end-game is what NYU's Galloway calls a "zero-click environment" in which recurring purchases—the majority of retail—end up not just on your doorstep but in your closet or fridge. Prime members in some locations can already get packages delivered inside their homes with Amazon Key, which includes a security camera, smart lock, and app. Amazon's April acquisition of smart doorbell company Ring makes Galloway's vision even more likely. "It's staggering to think about what they could do with that," he says.

Whether this sounds utopian or dystopian is a matter of perspective. But there is no small risk to Amazon that people eventually begin to feel like the company knows too much or controls too much of their lives, that they become uncomfortable with the consequences of all of this convenience. Just ask Mark Zuckerberg, who recently testified on Capitol Hill over Facebook's privacy and security issues.

Food could be part of that tipping point for Amazon. For the past few years, as the tech world has been making strides with artificial intelligence and machine learning, foodies have been moving in the opposite direction, pushing to deindustrialize the agricultural system. "Healthy and sustainable food is incoherent with the Amazon model," says William Rosenzweig, who leads the Food Venture Lab program at UC-Berkeley. "I worry that the culture of Amazon doesn't contain that gene set. Convenience, price, and speed—those are not the right values or core competencies of food."

Can Amazon learn to walk that delicate line between convenience and care? That's something that not even Alexa can answer yet. ■

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\$15.9
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TOTAL RETURN
TO SHAREHOLDERS
(2012-2017
ANNUAL RATE)
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FACEBOOK'S FIX-IT TEAM

To purge hate speech and criminal activity and restore user trust, the giant social network is hiring thousands of moderators and deploying leading-edge A.I. That means it's going to be studying its billions of users a lot more closely.

BY MICHAL LEV-RAM



F

FOR 20 MINUTES on the morning of May 1, Facebook users saw a curious query at the end of every update on their feeds. “Does this post contain hate speech?” they were asked, in small font next to “yes” and “no” buttons. (If they clicked yes, a pop-up box of follow-up prompts emerged; if no, the question disappeared.) Users of the social network have long been able to report disturbing posts, but this in-your-face approach was unsettling. Even more perplexing: The question was appended to all posts, including photos of fuzzy kittens and foodie breakfast check-ins.

It didn't take long for word—and snark—to spread around the web. “So glad Facebook has finally given me the ability to report every single pro-New York Mets post as ‘hate speech,’” quipped one Twitter user. Adding to the embarrassment, May 1 was opening day for F8, the company's annual developer conference—and a cheerful “coming soon” status update from CEO Mark Zuckerberg himself was among those festooned with the query. “Even on a post from Zuck, it asked, ‘Is this hateful?’” says Guy Rosen, VP of product for the social media giant's safety and security team, who sat down with *Fortune* later that same day.

As it turns out, the hate-speech feature was a bug—an “uncooked test,” in Rosen's words, released prematurely. But though he was, broadly speaking, responsible for the blunder, he wasn't apologetic about

the technology. At some point soon, Rosen explained, feedback from such queries (applied smartly and sparingly) could be added to Facebook's growing stockpile of weapons in its fight against harassment and other offensive or illicit activity that has proliferated on the platform. Those reports, in turn, would help train artificial intelligence systems to distinguish between innocuous fluff and posts that infringe on Facebook's code of conduct.

In hindsight, it was ironically appropriate that the Zuckerberg post that was tagged that day read in part, “I'm going to share more about the work we're doing to keep people safe.”

That Facebook needs cleaning up is something only a free-speech absolutist would dispute these days. The platform, with its 2.2 billion users, has an unmatched global reach. And its spreading swamp of harmful content, from election-manipulating “fake news,” to racist and terrorist propaganda, to the streaming of assaults and suicides via Facebook Live, has prompted an unprecedented outcry, with critics in the U.S. and abroad demanding that Facebook police itself better—or be policed by regulators.

The social media giant recently disclosed the mind-boggling quantity of some of these transgressions. In mid-May, Facebook reported that in the first quarter of 2018 alone, it had discovered 837 million instances of spam, false advertising, fraud, malicious links, or promotion of counterfeit goods, along with 583 million fake accounts (all of which it says it disabled). It also found 21 million examples of “adult nudity and sexual activity violations,” 3.4 million of graphic violence, 2.5 million of hate speech, and 1.9 million of terrorist propaganda related to ISIS, al Qaeda, or their affiliates. Facebook's mission is to bring the world closer together—but this is not the closeness it had in mind.

Part of the fault lies in Facebook's business model, explains Sarah Roberts, an assistant professor at UCLA's Graduate School of Education and Information Studies who researches social media: “The only way to encourage user engagement without going broke is to ask people to contribute content for free. But when you ask unknown parties anywhere in the world to express themselves any way they see fit, you will get the full gamut of human expression.”

Granted, it wasn't such expression that most recently got Facebook in trouble: It was the Cambridge Analytica scandal, in which it emerged that data of some 87 million Facebook users had been obtained by a third-party developer—and used by Donald Trump and other candidates in 2016 to target voters. The privacy breach earned Zuckerberg two grueling days of grilling from Congress. Some legislators, though, were just as eager to press him on fake news and opioid-sales scams. In front of the nation, Zuckerberg conceded, “I agree we are responsible for the content [on Facebook]”—a remarkable admission from a company that for years insisted it was just providing a platform and thus absolved from blame for what gets said, done, or sold on its network.

By the end of 2018, Facebook plans to double, to nearly 20,000, the number of moderators and other “safety and security” personnel whose job it is to catch and remove inappropriate content. And because even 20,000 people can't possibly patrol all of the billions of videos, chats, and other posts on the massive network, Facebook is simultaneously developing artificial intelligence technologies to help do so.

THE A.I. GUY
Rosen is responsible for developing the tech to help Facebook flag hate speech, illicit photos, and other bad behavior.



GUY ROSEN : VP OF PRODUCT



“THE TECHNOLOGY NEEDS LARGE AMOUNTS OF TRAINING DATA,” GLEANED FROM USERS’ POSTS, TO SPOT “MEANINGFUL PATTERNS.”

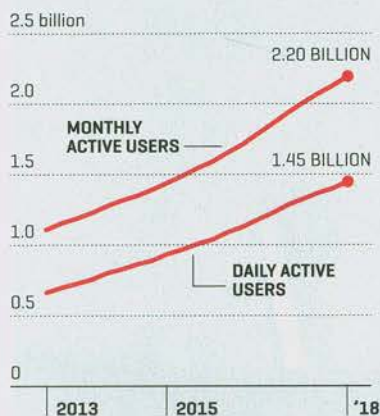
Over several weeks this spring, *Fortune* spent time at Facebook’s Menlo Park, Calif., headquarters to see what that policing might look like. An irony quickly became apparent: For these people and machines to be more effective at their jobs, they will need to rely on increasingly invasive tactics. More humans will need to pore through more of your photos, comments, and updates. To improve their pattern recognition, A.I. tools will need to do the same. (As for your “private” messages, Facebook A.I. already scans those.) And to put particu-

larly high-risk posts in context, humans and machines alike could dig through even more of a user’s history.

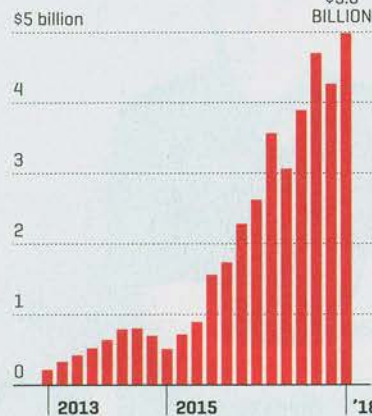
Such surveillance “is a bit of a double-edged sword,” says Roberts. It also doesn’t come cheap. Facebook has said that it expects its total expenses in 2018 to grow 45% to 60%, compared with 2017, partly owing to spending on human and A.I. monitoring. (The company doesn’t separately break out its monitoring expenses.)

It’s an outlay Facebook can certainly afford. The company, No. 76 on this year’s *Fortune* 500, has so far absorbed the recent controversies without taking a serious financial hit. Its first-quarter revenue jumped an impressive 49% year over year, to \$12 billion, and its stock, which lost \$134 billion in market value

FACEBOOK GLOBAL USERS



QUARTERLY PROFITS



STOCK PRICE



SOURCES: SEC FILINGS; BLOOMBERG

after the Cambridge Analytica news broke, now trades near pre-scandal levels. “[Monitoring] would have to be a pretty intensive investment to materially impact the margins of the business,” says John Blackledge, a senior research analyst with Cowen and a longtime follower of the company.

Still, it’s not an investment on which Facebook can skimp. Facebook can afford to lose some squeamish users, but if it drives away advertisers, who account for 98% of its revenue, it’s in big trouble. For now, Facebook says it hasn’t seen tangible disruption to the business, but some brands were voicing concerns over the presence of fake news and criminal activity well before the Cambridge Analytica exposé. And while beefed-up policing could create a safer user experience, that safety could come at an additional price. At a time when Facebook’s handling of private data and the sheer amount of information it holds have come under scrutiny, will consumers trust it to sift through even more of their posts? “We take user privacy very seriously and build our systems with privacy in mind,” Rosen asserts. But the more users know about Facebook’s cleanup efforts, the bigger the mess that might ensue.

ON A SPRING MORNING IN MENLO PARK, more than 30 senior staffers gathered in Facebook’s Building 23 to discuss several meaty topics, including how the network should categorize hateful language. Such conversations happen every two weeks, when the company’s Content Standards Forum convenes to discuss possible updates to its rules on what kind of behavior crosses the line between obnoxious and unacceptable.

Five years ago, Facebook assigned the task of running the forum to Monika Bickert, a former assistant U.S. attorney who first joined the company as counsel for its security team. Bickert works closely with Rosen to ensure that Facebook develops tools to help implement the policies her team sets. The duo, in turn, collaborates with Justin Osofsky, whose duties as VP of global operations include overseeing the company’s growing ranks of content reviewers. If Facebook’s worst posts resemble dumpster fires, these

three lead the bucket brigade.

Tall, redheaded, and athletic, Bickert exudes a bluntness that’s rare at the social network. She speaks openly about uncomfortable topics like the presence of sex offenders and beheading videos on the platform. And unlike some of the more idealistic executives, she doesn’t seem stunned by the fact that not everyone uses Facebook for good. “The abusive behaviors that we’re addressing are the same ones you would see off-line—certainly as a prosecutor,” she says.

Bickert’s team includes subject-matter experts and policy wonks whose credentials are as impressive as they are grim. (Think former counterterrorism specialists, rape crisis counselors, and hate-group researchers.) Their collective job is to develop enforceable policies to target and eradicate the nefarious activities they are all familiar with from the real world, while keeping the platform a bastion of (somewhat) free expression. “If Facebook isn’t a safe place, then people won’t feel comfortable coming to Facebook,” says Bickert.

Just defining impropriety is a tall order, however, especially on a global network. Take hate speech. The intention behind specific words can be tricky to parse: A Portuguese term might be considered a racial slur in Brazil, but not in Portugal. Language is also fluid: People in Russia and Ukraine have long used slang to describe one another, but as conflict between them has escalated in recent years, certain words



MONIKA BICKERT: HEAD OF GLOBAL POLICY MANAGEMENT

THE ABUSIVE BEHAVIORS THAT WE'RE ADDRESSING ARE THE SAME ONES YOU WOULD SEE OFF-LINE."



CONTENT COP
Monika Bickert served more than a decade as a prosecutor before joining the social network. Now she oversees how its community standards are set.

have taken on more hateful meaning.

In an effort to be more transparent about its rules, Facebook in late April publicly released for the first time its entire, 27-page set of "community standards." Some of its codes tackle racy content with an ultradry vocabulary. ("Do not post content that depicts or advocates for any form of nonconsensual sexual touching, crushing, necrophilia, or bestiality.") Others are surprising for what they *don't* ban. It's okay to discuss how to make explosives, for example, if it's for "scientific or educational purposes." And while anyone convicted of two or more murders is banned from Facebook, a single homicide won't get someone exiled from the land of the "Like" button—unless the individual posts an update about it. (The reason: While people may commit a single homicide accidentally or in self-defense, it is easier to establish *intent* with a multiple murderer; meanwhile, no users are allowed to promote or publicize crime of any kind.)

"They will not be definitions that every person will agree with," Bickert says of the standards. "But [we want to] at least be clear on what those definitions are." In the spirit of clarity, Facebook plans to host multiple "interactive" summits in the coming months to get feedback on its rules from the public and the press. Ultimately,

though, it is up to the company to decide what it allows and what it bans—even in matters of life and death.

IN THE SPRING OF 2017, Rosen put a team of engineers on "lockdown," a Facebook practice in which people drop everything to solve a problem. The problem was dire indeed: People were using Facebook Live, a video-streaming service that had just launched, to announce their intention to kill themselves, and even to stream themselves doing it.

Dressed in a black T-shirt, jeans, and slip-on gray shoes, Rosen looks the part of a Silicon Valley techie-dude. But his casual demeanor belies the urgency with which his cross-disciplinary team of a few dozen took on the tragic issues on Facebook Live. "The purpose is to help

accelerate work that's already happening," says the exec, seated in the same conference room where last year's lockdown took place. The work that came out of the two-months-long period serves as a case study for how Facebook hopes to police content—and it hints at how powerful and pervasive those efforts could become.

Facebook doesn't disclose the frequency of suicide attempts on its platform. But broader data hints at the scope of the problem. In the U.S. alone, about 45,000 people a year kill themselves, while some 1.3 million try to do so. The U.S. population stands at 325 million; Facebook's user base tops 2.2 billion. "The scale at which Facebook is dealing with this has to be enormous," says Dan Reidenberg, executive director of SAVE, a nonprofit aimed at raising suicide awareness.

During and after the lockdown, with Reidenberg's help, Facebook designed policies to help those in need while reducing the amount of traumatic content on the platform—and the likelihood of "contagion," or copycats. Company policy now states that Facebook removes content that "encourages suicide or self-injury, including real-time depictions of suicide," but also that it has been advised not to "remove live videos of self-harm while there is an opportunity for loved ones and authorities to provide help or resources."

That's obviously a difficult distinction to make, which is one reason Facebook also brought on 3,000 moderators—one of its biggest expansions of that workforce—to sift through videos of at-risk users. To serve them, engineers developed better review tools, including "speed controls" that allowed reviewers to easily go back and forth within a Live video; automated transcripts of flagged clips; and a "heat map" that showed the point in a video where viewer reactions spike, a sign that the streamers might be about to do harm.

Facebook says that all of its moderators receive ongoing training. The company gave *Fortune* a rare glimpse of material used to prep moderators (in this case, on what to do when dealing with content about "regulated goods" like prescription drugs and firearms), and it's admirably extensive. Still, even armed with training and high-tech tools, reviewers in suicide-risk

MODERATOR-IN-CHIEF Justin Osofsky, VP of global operations, oversees Facebook's fast-growing team of content reviewers—including staff who screen posts for hate speech and suicide risks.



situations have an emotionally taxing and hugely impactful task—and whether they're equipped to handle the weight of it is an open question. Like other tech companies that use content reviewers, including Twitter and YouTube, Facebook discloses little about their qualifications, or about how much they're paid. The company does say that all are offered psychological counseling: "The reality of this work is hard," admits Osofsky, who spoke with *Fortune* by phone while on paternity leave.

That makes the role of technology even more crucial. Facebook now deploys A.I. systems that can detect suicidal posts; the software searches for phrases like "Are you OK?," alerts human reviewers, and directs resources to users it deems at risk. It can even alert a user's friends and urge them



to offer help. At some point soon, chatbots could act more directly, sending messages of concern and even automatically calling first responders.

Rosen says that since last year's lockdown, Facebook has referred more than 1,000 suicide-risk cases worldwide to first responders. Each life saved is a profound achievement, and the increased reliance on software suggests there's more progress to come. That's why Reidenberg is optimistic about A.I. tools. "I believe that technology provides us the best hope of reducing the risk of suicide in the world," he says. Still, he concedes, "This is uncharted territory."

ASSESSING RISKS and parsing posts, on such a global scale, is indeed unprecedented. To do it effectively, Facebook will likely end up accessing and analyzing ever more of our data.

A.I. is already offering a radical shortcut, because it can sift through so much information in such little time. In cases of sexual exploitation and unlawful nudity, for example, software can already detect the presence of nipples. How do A.I. tools learn to do this? By studying lots and lots of photos—our photos—and looking for patterns. But while technology can ascertain an areola, it can't distinguish between an acceptable depiction of the body part—breastfeeding pics—and so-called "revenge porn," a major no-no on the platform.

Where tech fails, human surveillance fills the gaps. Here, too, more information and more context can lead to more informed decision-making. Facebook's content cops point out that its reviewers don't have access to data that isn't pertinent to the issue at hand. "The tools our content reviewers use provide a limited view and context based on the type of content that is being reviewed," says Rosen. The implication: Facebook doesn't have to know all your business to help you avoid hate speech or get help.

But where to draw that line—how much context is enough context—is a call Facebook will increasingly be making behind the scenes. Whether we can accept the tradeoff, giving the network more latitude to assess our data in exchange for safety, is a question too complex to answer with yes or no buttons. ■



HOT SEAT CEO
Zuckerberg testifies
before the U.S.
Senate on April 10.

DUDE, WHERE'S MY DATA?

▶ Deploying user data to help advertisers remains key to Facebook's business model. But big changes are looming.

A lot has happened since mid-March, when a series of news articles exposed how the now-defunct British data firm Cambridge Analytica used improperly obtained information to build voter profiles for upwards of 87 million Facebook users (and then sold the data to political campaigns). The ensuing public outcry forced CEO Mark Zuckerberg to embark on an apology tour in front of lawmakers, users, and the press.

Facebook has since begun to notify the millions of people affected by the breach. It has

also implemented more restrictions on the scope of the data currently available to third-party developers, and it kicked off a comprehensive audit of all apps that had access to large amounts of data on the platform, in order to identify other potential abuses. (An update on the audit, published May 14, stated that thousands of apps have already been investigated, with around 200 of them suspended from the platform.)

By the end of May, Facebook and other Internet companies will have to comply with the General

Data Protection Regulation [GDPR], a new privacy regime aimed at protecting European Union citizens. The GDPR mandates sweeping consumer controls, including allowing users to access and delete personal information, and enabling them to file class-action-style complaints and to download their data and port it to competitors. GDPR raises the bar in more painful ways too: Corporate violators can be punished by fines of up to 4% of annual revenue. That means just one infraction could cost Facebook \$1.6 billion.



500

COMPANY PROFILE
GENERAL ELECTRIC

REVENUES

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PROFITS

-\$5.8 BILLION

EMPLOYEES

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TOTAL RETURN TO SHAREHOLDERS
(2007-2017 ANNUAL RATE)

-3.8%

Few corporate meltdowns have been as swift and dramatic as General Electric's over the past 18 months—but the problems started long before that. Today, with rumors of a breakup swirling, the question is whether this great company can come back.

RANK 18

WHAT THE HELL HAPPENED?

BY GEOFF COLVIN

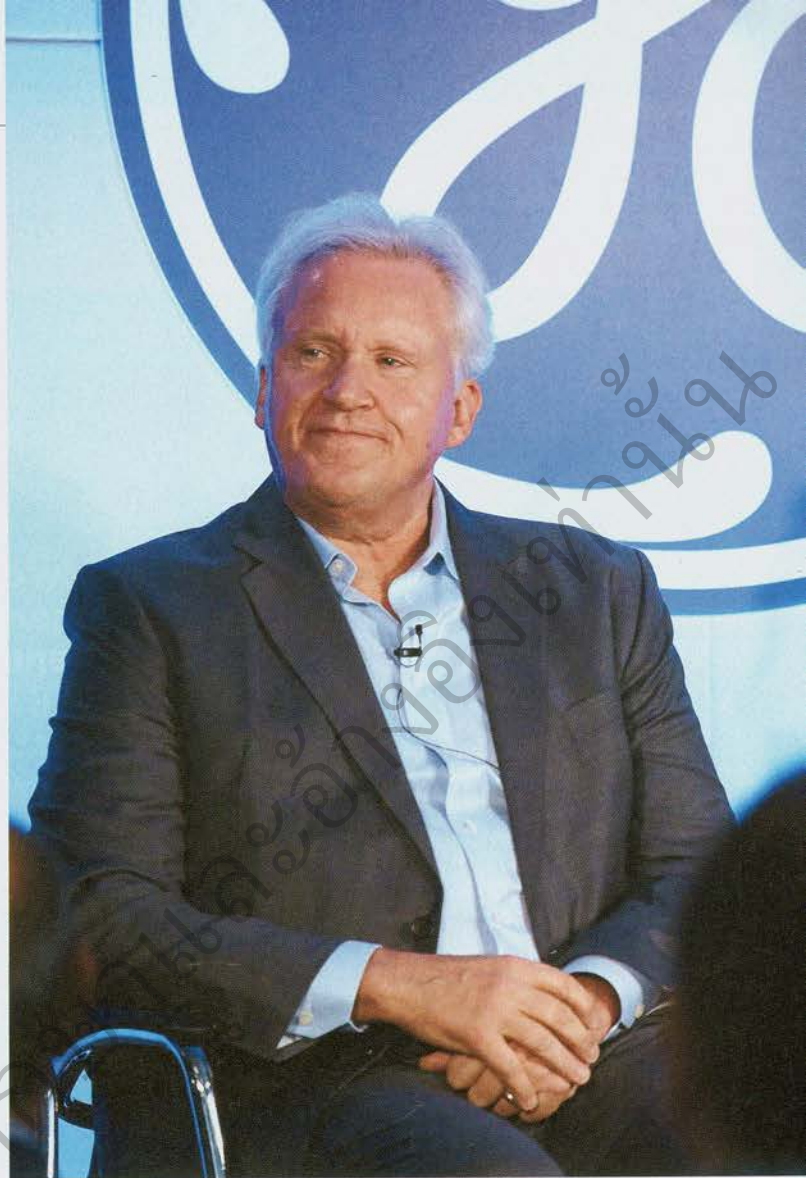
▲ ILLUSTRATION BY MARKUS HOFKO

IT'S A BAD DAY for a CEO when he announces he's retiring and the stock goes up. That was Jeff Immelt's day on June 12, 2017. The news of his departure was in one sense no surprise—some investors and analysts had been urging his ouster for years—but it was also a shock.

He'd been General Electric's CEO for almost 16 years, and outsiders were unaware of any specific succession plans or that Immelt, at age 61, had any intention of stepping down. Suddenly they were told that in just seven weeks he'd be gone as CEO (he remained nonexecutive board chairman an additional two months), to be succeeded by John Flannery, head of GE's health care business and a 30-year employee. Investors didn't need long to decide this was good news. The market was flat that day, but they bid GE stock up 4%.

Their optimism was at best premature. The stock closed at \$28.94 on June 12 and has not reached that price since. As economies boomed worldwide and U.S. stock indexes soared, GE has collapsed in a meltdown that has destroyed well over \$100 billion of shareholder wealth. Pounded by a nonstop barrage of bad news, investors are traumatized and disoriented. "They just can't figure it out and don't want to invest," says analyst Nicholas Heymann of William Blair & Co. "This isn't like surveying the landscape. It's spelunking with no lights and no manual." Analyst Scott Davis of Melius Research says some investors have become permanently disillusioned: "Many have told us they will never own GE again."

Retirees and employees who bought heavily into the stock are furious; some picketed GE's annual meeting in April.



Former executives are dumbfounded. "It's unfathomable," says one. "You couldn't possibly dream this up. It's crazy." After all, this is GE, a corporate aristocrat, an original Dow component, the world's most celebrated management academy, now revealed as a financial quagmire with a deeply uncertain future. Its bonds, rated triple-A when Immelt became chief, are now rated five tiers lower at A2 and trade at prices more consistent with a Baa rating, one notch above junk.

In response to this debacle, GE has repudiated its previous leadership with a zeal unprecedented in a company of its size and stature. Gone in the past 10 months are the CEO, the CFO (who was also a vice chair), two of the three other vice chairs, the head of the largest business, various other executives—and half the board of directors. The radical board shake-up "could be one of the most seminal events in the history of U.S. corporate governance," says a longtime vendor and close student of GE.

Immelt declined to be interviewed for this article but sent *Fortune* a statement in which he cited accomplishments and said, "None of us like where the stock is today. I purchased \$8 million of stock in my last year as CEO because I believe in the GE team.



Immelt (left) and Flannery announcing the succession. Flannery would soon replace much of Immelt's top team and strategy.

I love the company, and I urge them to start looking forward and win in the markets.”

Flannery's strongest message is how completely he's breaking with GE's recent past. "The review of the company has been, and continues to be, exhaustive," he told investors last October. Specifically: "We are evaluating our businesses, processes, [the] corporate [function], our culture, how decisions are made, how we think about goals and accountability, how we incentivize people, how we prioritize investments in the segments... global research, digital, and additive [manufacturing]. We have also reviewed our operating processes, our team, capital allocation, and how we communicate to investors. Everything is on the table... Things will not stay the same at GE."

Inescapable conclusion: This place is an unholy mess.

Flannery has even voiced the unthinkable, that GE might be more valuable in pieces. "The pressure on GE to announce some sort of breakup is very high," says Davis of Melius Research. Whatever happens, Flannery has a good shot at becoming famous—as the guy who saved GE or the guy who broke it up.

All of which leaves the world asking two questions: What hap-

pened? And what's next? The first question must be answered first. It is inevitably a story about Jeff Immelt, and it starts well before the stock's recent implosion. As a former GE executive puts it, "The wheels came off in 2017, but the lug nuts had been loosening for a long time."

IMMELT OFTEN NOTES that his CEO tenure got off to a rough start; it began just four days before 9/11. Airplanes, one of them powered by GE engines, crashed into the World Trade Center towers, insured by GE Capital. Air travel demand contracted violently, hobbling GE's business as the world's largest lessor of planes. In his first week as chief, at age 45, he faced a once-in-a-lifetime crisis.

He came through it well, forced to make decisions for which no one could be prepared. Should he support and partially backstop a government loan guarantee for America West Airlines, a GE customer? If he didn't say yes—now—the airline would fail. Never in his career had he touched the airline business. He said yes. "I'm eternally grateful to him," says Doug Parker, America West's CEO at the time, and now, through a series of mergers, CEO of American Airlines. "It was a huge risk. He could have said he didn't understand this and wouldn't do it."

In the following months, as countries and companies obsessed over security, Immelt saw an opportunity. GE bought Ion Track, a company with advanced explosive-detection technology, for an undisclosed price. Some 18 months later he bought another explosive-detection company, InVision, for \$900 million. But in 2009 he sold a large majority interest in the two firms, packaged as GE Homeland Security, in a deal that valued the unit at just \$760 million. His security bet was a bust.

It was the beginning of a pattern, which many analysts and observers say is an important element in GE's current misery. Immelt followed fads, they say, paying top dollar to acquire the hot businesses of the moment.

For example, from 2010 through 2014, when oil prices hovered around \$100 a barrel, GE bought at least nine businesses in the oil and gas industry. Then, in 2016, with prices down by half, it agreed to

combine its oil and gas unit with Baker Hughes, a publicly traded oilfield services provider, creating a company owned mostly by GE. Regulators approved the deal last July; Baker Hughes stock quickly fell and has yet to reach the price it hit that summer, even as oil prices have risen. Just days after Immelt left GE's board, in a telling move, it formed a panel called the Finance and Capital Allocation Committee, whose express purpose is to scrutinize management's loose control of its wallet. The first thing Flannery tasked them to work on was "evaluating our exit options on Baker Hughes."

Another example: In 2004, with U.S. home prices rocketing, GE paid \$500 million for a subprime mortgage company called WMC. In 2007, with home prices falling, GE laid off most WMC employees and sold the company, which lost \$1 billion that year. This past February, GE announced that the Justice Department "is likely to assert" violations of law at WMC when GE owned it, and GE reserved \$1.5 billion against a possible penalty.

By no means were all of Immelt's deals losers. What's most striking about his acquisitions and divestitures is their staggering quantity. He did hundreds of deals and claims with apparent pride to be the only CEO who has ever bought and sold over

\$100 billion of businesses. Among those deals were some big winners. GE bought Enron's wind turbine manufacturing assets for \$358 million in a bankruptcy auction, creating the foundation of a business (augmented with several later acquisitions) that brought in \$10.3 billion of revenue last year. In his largest industrial divestiture, Immelt sold GE's plastics business to Saudi Basic Industries for \$11.6 billion just before the financial crisis; the price was more than analysts expected, and the deal was widely regarded as excellent for GE.

On the whole, though, Immelt's shopping skills were not stellar, and it was part of a larger problem. Ask Wall Street analysts, customers, vendors, competitors, former executives, and former directors to explain how GE ended up where it is, and their first words are the same: "capital



RISE AND FALL OF JEFF IMMELT

► The CEO's performance encouraged his constituencies at first. But the reckoning from the financial crisis was lasting. As years passed, GE's problems only mounted.



SEPT. 11, 2001

Terrorist attacks hobble GE's aircraft leasing, jet engine, and insurance businesses just four days after Immelt becomes CEO. With the U.S. economy in recession, he navigates the crisis well.

AUGUST 2007

Immelt sells GE Plastics to Saudi Basic Industries for \$11.6 billion, part of over \$100 billion of businesses he bought and sold as CEO. This major industrial divestiture was an excellent deal for GE.

FEBRUARY 2009

At the depth of the financial crisis, Immelt cuts GE's dividend for the first time since the Great Depression. He had aggressively expanded GE Capital, which withered in the crisis.

APRIL 2015

GE announces it will divest most of GE Capital, which had never fully recovered from the financial crisis and which many investors found opaque. They cheer when Immelt gets rid of it.

JUNE 2016

With free cash flow plummeting, Immelt sells GE's century-old appliances business, along with rights to the GE brand, to China's Qingdao Haier for \$5.6 billion. Today cash remains tight.

JUNE 2017

GE announces Immelt will step down as CEO, to be replaced by company veteran John Flannery. The stock rises on the news but then resumes its decline, which soon accelerates.

allocation.” That’s a crucial job for any CEO, nowhere more so than at GE, with its ever-shifting portfolio of businesses. The near-universal consensus outside the company is that Immelt was bad at it.

While Immelt’s biggest industrial divestiture, plastics, may have been his best deal, his biggest acquisition looks like his worst—and it’s still dragging the company down. That was his 2015 acquisition of Alstom, a big French competitor of GE’s largest business, GE Power, which makes and services the huge turbines that utilities use to generate electricity. At a price of \$10.6 billion, this was GE’s most expensive industrial acquisition ever. An Immelt spokesman notes that the board reviewed the deal eight times and approved it.

The problems were many. Alstom’s profit margins were low, but GE figured it could raise them. GE’s strategy relied heavily on selling services, but regulators made the company divest Alstom’s service business. The acquisition added more than 30,000 high-cost employees, many in Europe, but GE figured they’d more than pay for themselves. Worst of all, the purchase was spectacularly mistimed. GE doubled down on fossil-fuel-fired turbines just as renewables were becoming cost competitive. Result: Global demand for GE Power’s products collapsed, while GE had bet heavily the other way. GE Power’s profit plunged 45%.

The transaction has been a debacle and an embarrassment. A former senior leader recalls that as GE Power cratered, “people looked at us and said, ‘You’ve been in this business a hundred years, right?’” GE nonetheless defended the deal stoutly as long as Immelt was around. Then, a few weeks after he stepped down as board chairman, Flannery acknowledged what everyone already knew, telling investors, “Alstom has clearly performed below our expectations, clearly. I don’t need to tell you that.”

Yet Alstom was not Immelt’s worst capital-allocation blunder, nor even close. That occurred years earlier, in increments, as he bulked up GE Capital before the financial crisis. A popular story line holds that his predecessor, Jack Welch, enlarged GE Capital unsustainably, forcing Immelt to deflate it back to sane dimensions. But



GE Transportation plans to end most locomotive production in Erie, Pa., by year-end, moving it to Fort Worth. The business will likely be sold or spun off soon.

the numbers show the opposite. GE Capital never accounted for more than 41% of GE profits during Welch’s last decade, while Immelt expanded the business by adding over \$250 billion of debt to it, until it accounted for 55% of GE’s profit in 2007. He also allowed it to take greater risks, notably by making direct equity investments in commercial real estate. That worked great until the crisis, when most of GE Capital’s profit evaporated. Immelt cut GE’s dividend for the first time since the Great Depression and had to ask Warren Buffett for \$3 billion right away. GE Capital never recovered, and when Immelt announced plans to dismantle it in 2015, investors cheered.

He mishandled capital in other ways too. He spent \$93 billion buying back stock, which isn’t necessarily a bad idea, but he had an unfortunate knack for buying at high prices. GE spent only \$7 billion of that \$93 billion from 2008 through 2011, when the stock price was mostly in the teens; the company spent almost \$80 billion buying back shares at prices over \$30.

Immelt also maintained the dividend even when GE’s operations weren’t furnishing enough cash, forcing him to borrow money and send it directly to shareholders. An Immelt spokesman

says, "Jeff cut the dividend once. He did not want to do it twice." Flannery admits, "We've been paying a dividend in excess of our free cash flow for a number of years now." Days after Immelt left, Flannery and the board cut the dividend by half.

NEPT CAPITAL ALLOCATION can be documented with hard data. Management of human capital and culture is much squishier but at least as important. It too was a contributor to GE's collapse.

The hardware of GE's famous talent development apparatus remains in place—the famous Crotonville, N.Y., campus, the Session C management appraisals—but several former executives who worked with Immelt believe the system's software deteriorated. "There's no question that the leadership development process lost some of its rigor," says one, echoing a common view that goes back years. Still, those are only opinions, and an Immelt spokesman notes that the strong performance of GE's jet engine and health care businesses rebuts the notion of a broad cultural problem. Some executives felt the culture of performance remained powerful. "I had many opportunities to leave and be paid more," says John Rice, who retired as a vice chairman in March. "I stayed because of the culture. It pushed you to do all you could do, and if you didn't, you had to explain it and be accountable for it."

The strongest evidence that human capital and culture need serious attention at GE comes from Flannery's actions and statements, which reinforce what the critics have been saying. He clearly wasn't happy with the top team he inherited and has noted that "40% of the team is new." He constantly reminds investors that "there have been significant changes in the leadership of the company."

Perhaps his favorite theme is the need to fix the GE culture. "Culture—you've heard me say it a hundred times," he told investors. "Inside the business they've heard it a lot." He's explicit that GE needs more "rigor" and "accountability—outcomes matter. Effort's good, outcomes matter."

Flannery (who declined an interview request) is describing a company that



WHERE IT ALL WENT WRONG

► Poor management of three crucial disciplines pulled GE into its quagmire. Climbing out won't be quick or easy.

CAPITAL ALLOCATION

Immelt's M&A record isn't good. Analysts say he overpaid for many companies (including France's Alstom, above). He borrowed heavily, bulked up GE Capital unsustainably, and bought back billions of dollars in stock at high prices.

PEOPLE & CULTURE

Gone in the past 10 months are the CEO, CFO, many other top executives, and half the board. New CEO Flannery harps on the need to overhaul GE's culture, saying it must have more rigor, accountability, candor, debate, and pushback.

EXECUTION

The discipline of delivering results, long a hallmark of GE management, clearly weakened under Immelt. In explaining the recent profit plunge at GE Power, the company's biggest business, Flannery cites "really poor execution."

doesn't execute. In GE Power, he says, "we have exacerbated the market situation with some really poor execution." Executives who worked with Immelt say he appreciated the importance of execution but felt it was a self-sustaining core competency. "Jeff assumed early on that this company is phenomenal at operational execution and will continue no matter what," says one. "That was a fatal mistake."

The most surprising element in Flannery's critique of the culture he inherited is that it needs "more candor, more debate, more pushback." Really—*more candor*? At GE? The place has long been famous as a company where frankness borders on rudeness. An Immelt spokesman says "there was a lot of pushback" in meetings with Immelt. Yet Flannery harps on the point, and executives who worked with Immelt voice the same concern. "Jeff just didn't listen to his subordinates," says a former finance executive. "Pushback went away under Jeff," says a former staff member. "When the top guy is the smartest guy in the world, you've got a real problem."



THE WHEELS CAME OFF IN 2017, BUT THE LUG NUTS HAD BEEN LOOSENING FOR A LONG TIME.”

JEFF IMMELT IS A BIG, affable, charming man. People tend to like him. He grew up in Cincinnati, where his father was a manager in GE's aircraft engine business, though Jeff says that fact didn't influence his decision to work at GE. Dartmouth recruited him as a football player in the nonglamorous position of offensive tackle, and he thought he might one day play professionally. Schoolmates saw him as a leader; he was president of his fraternity, and one of his fraternity brothers, former Vanguard CEO Bill McNabb, says no one was surprised when Immelt became GE's chief.

After college he returned to Cincinnati for a job in Procter & Gamble's famous brand management program. Seated next

The GEnx engine, which powers the Boeing 787 Dreamliner, is GE's fastest-selling high-thrust jet engine.

to him was future Microsoft CEO Steve Ballmer; they worked on Duncan Hines cake mix, and Immelt often recalls with a laugh that they were "horrible employees." They must not have been too bad. A couple of years later, Immelt went to Harvard Business School and then to GE, where he started as an internal marketing consultant at headquarters.

When he became CEO, he faced the task that confronts every new GE boss: remaking the company. By tradition, the former chief executive leaves the board and leaves the building, giving the new captain free rein to set GE's direction. Immelt's changes included two that urgently needed doing. He immediately started making GE more global. Surprisingly for such a big, famous

company, it was still doing 60% of its business in the U.S. By the time Immelt left, GE was operating in 180 countries and getting 61% of its revenue from outside the U.S.; annual revenue from emerging markets expanded from \$10 billion to \$45 billion. Some analysts complain that in certain markets, especially China, much of that new business was bought at too high a price. But the locus of global economic growth was moving, and GE needed to follow it.

Immelt's other major response to a megatrend was making GE more digital. It's obvious in retrospect, but seven years ago the digital opportunities for a big industrial company weren't so clear. Analysts praise Immelt for prescience, though again they fault the execution. "They were early in figuring out the value of data to industrial businesses," says analyst Heymann, "but it was dramatically more expensive than envisioned." In 2015 Immelt even said that GE would be a top 10 software company by 2020. No one expects that anymore, and the company is laying off more than 100 employees at its San Ramon, Calif., software operation. The concept, however, was clearly correct, and GE moved in the right direction. Flannery says, "We're still deeply committed to [digital], but we want a much more focused strategy."

Many of these changes happened in the aftermath of the financial crisis, and investors mostly liked what they saw. GE stock tracked the S&P 500's steady march upward. When GE fell behind in 2015, Immelt confidently predicted the company would earn \$2 a share in 2018, a big increase. Activist investor Nelson Peltz's Trian Fund bought a \$2.5 billion stake. Peltz is well known for holding leaders of his portfolio companies accountable, and Immelt was on the hook to deliver \$2 a share in 2018. The stock resumed its rise. But the lug nuts were loosening. Late in 2016, the world began to notice.

What it noticed first was cash. GE was spending far more than it was generating. The company could pay its bills, but its cushion was getting thin, and heavy cash requirements loomed, such as restocking a pension fund that was underfunded by billions. From 2015 through 2017, GE generated about \$30 billion from free cash flow and asset sales, but it spent about \$75 bil-

lion on stock buybacks, dividends, and acquisitions. As economist Herb Stein famously observed, if something can't go on forever, it will stop. GE was headed for a brick wall.

The next thing the world noticed was the magnitude of the trouble unfolding at GE Power. As recently as late May of 2017, Immelt was telling Wall Street the operating profit outlook for GE Power was "++," meaning very positive. Just two months later, GE reported that Power's quarterly profit was down, orders were down, and the outlook wasn't good. As the year progressed, it got worse.

The cascade of grim news accelerated. After GE halved the dividend in November, it announced in December that 12,000 GE Power employees would be axed. In January it wrote off \$6.2 billion in connection with a long-term-care insurance business in GE Capital and said that business would require another \$15 billion of write-offs over the next seven years. The charge was so big and unexpected that the SEC opened an investigation, still unresolved. Then, in February, GE revealed the Justice Department investigation into WMC Mortgage and in April announced its \$1.5 billion reserve. In May it said it might put WMC into bankruptcy.

Are the bad surprises finally over? No one has the faintest idea. Immelt's goal of \$2 EPS in 2018 is long forgotten (Wall Street's consensus forecast is \$0.94). In its place is Flannery's stated goal, which is almost pathetically modest: "restoring the oxygen of cash and earnings to the company."

That answers our first question, What happened? The answer to the second—What's next?—depends on the various pieces into which GE is disassembled. Its lighting and train-related businesses plus some smaller units are publicly for sale. If that's as far as it goes, a still recognizable GE would remain, comprising the power, aviation, and health care businesses. Rehabbing that troika into a thriving company would be a multiyear effort because of GE Power's decline; the health care and aviation units are doing well.

But some investors, especially Trian, might not want to wait so long. Trian's Ed Garden joined the GE board in October, and Trian is well known for often urging the breakup of its portfolio companies. In January Flannery explicitly raised the option of a breakup and has said nothing to dampen speculation. If even one of the three main businesses were to be separated from the others, GE as we know it would end. An entity by that name would surely persist, but its meaning would be lost. The analog would be ITT, once an imposing global conglomerate, now an assortment of diminished pieces on their own journeys of merging and subdividing.

Most in danger of extinction is GE's reputation as a superbly managed company. Unlike most marks of character, this one has a start date: April 24, 1900, when the *Wall Street Journal* declared, "General Electric is entitled now to take rank as one of the ... best managed industrial companies known to investors." That reputation survived economic ups and downs until sometime in the past decade. It's now on life support.

Whether its storied corporate brand can be revived has become the largest question about GE. The company faces no crisis of survival. Its main businesses will likely carry on in some form. The tension surrounding the company is of a higher nature, befitting GE. It's whether this extraordinary company will regain its lost luster or descend, at last, to mediocrity. ■

I am very Sensitive to Lights and Sounds

Jacob Sanchez
Diagnosed with autism

Sensory sensitivity is a sign of autism.
Learn the others at autismspeaks.org/signs.

 **AUTISM SPEAKS**

UNLIKELY
WALL STREETERS
Patrick Mylund
Nielsen and
Amber Baldet on
Baldet's roof in
Brooklyn.

500



REVENUES

PROFITS

EMPLOYEES

TOTAL RETURN TO SHAREHOLDERS (2007–2017 ANNUAL RATE)

\$113.9 BILLION

\$24.4 BILLION

252,539

12%

HOW JPMORGAN CHASE LEARNED TO LOVE THE BLOCKCHAIN

RANK 20

To take advantage of finance's buzziest innovations, America's biggest bank had to figure out how to collaborate with hacker types like Amber Baldet and Patrick Mylund Nielsen. It hasn't always been a comfortable fit—but the cultural collision could soon pay off. **BY ROBERT HACKETT**

A

AMBER BALDET FLINGS an oversize yellow die atop a display counter at a Best Buy near Times Square in Manhattan.

Five.

"It's odd," says Baldet. The outcome dictates her choice of laptop. Today she's making all her decisions this way—a precaution intended to confound any trailing spies. Dressed in an army-green flannel shirt and black leather boots with studs, Baldet selects a \$249 Lenovo computer, the "odd" designee, vs. a neighboring \$169 "even" option.

"You sure you don't want to roll again until you get the cheaper one?" asks Patrick Mylund Nielsen, her colleague. Negative. He whisks the box to a cashier.

On the mid-March Tuesday when this eccentric shopping trip takes place, Baldet is head of the blockchain program at JPMorgan Chase, the biggest bank in America and No. 20 on the *Fortune* 500. And Nielsen is lead engineer of the JPMorgan Chase-built blockchain Quorum, a distributed accounting ledger adapted from the technology behind the cryptocurrency network Ethereum.

The pair is taking off from work today... sort of. They're planning to load data onto the laptop—a "burner," literally to be incinerated—as part of a process aimed at upgrading the code behind Zcash, a cryptocurrency similar to Bitcoin except with significant privacy enhancements. Zcash enables anonymity, in theory, through mathematical techniques called

"zero knowledge proofs." To contribute their portion of the code for the proofs, Baldet and Nielsen must cook up a secret formula—and destroy the ingredients. If a bad actor compromised the data, the troublemaker could manufacture an infinite supply of Zcash, an inadmissible proposition.

"What are you going to use this for?" inquires a blue-shirted checkout clerk, scanning the package's bar code.

"Doing one thing, and then we're going to destroy it," Nielsen deadpans. Any hint of grin is obscured under his chest-length thicket of beard. The sales rep, undeterred, continues his script. "Do you need an extended warranty, or Microsoft Office Suite?"

"Nope," Nielsen says. "We're going to destroy it."

A crease forms on the salesman's forehead. "Are you doing an experiment or something?" he probes.

"We're going to smash it and then burn—"

"Yup! It's for science," Baldet chimes in. She hands the salesman a slip of paper bearing a QR code. "That's what we're working on, if you get bored you can look it up."

The project is indeed a science experiment—not one typical of two ostensible Wall Streeters, but one that could benefit their employer. Indeed, JPMorgan Chase's relationship with Zcash represents a very unusual alliance for a mainstream bank. The firm has incorporated the cryptography behind Zcash into Quorum, where one day it may shield transactions among banks from prying eyes. Along with Australia and New Zealand Banking Group and the Royal Bank of Canada, the financial titan in the fall formed an "interbank information network" to explore how to use Quorum to make global payments more efficient. Although the venture is in its early stages, JPMorgan Chase says the program, and others like it, could help reduce transaction-processing delays from weeks to hours; at the scale of the bank's treasury-services business, which facilitates a staggering \$6 trillion in payments per day, the technology could be a game changer.

But given the peculiar nature of the day's task, Baldet and Nielsen are cautious about not overstepping the bank's perceived boundaries. While leaving Best Buy, Baldet emphasizes to me that she doesn't want this cryptoconjuring expedition to reflect on JPMorgan Chase in any way. "Just make clear we're doing this in a personal capacity," she insists.

"They think we're batshit crazy."

BASED ON HIS DENUNCIATIONS of Bitcoin, JPMorgan Chase CEO Jamie Dimon might seem like the last person on earth who would employ Baldet and Nielsen. His criticisms have commanded headlines and earned him demonization (sometimes literally, in the form of the nickname "Jamie Demon") on cryptocentric blogs. Speaking at *Fortune's* Global Forum in San Francisco in November 2015, Dimon predicted that governments would crack down on unregulated moneys: "You're wasting your time with Bitcoin," he asserted. Last September, as Bitcoin prices began a run-up to near-\$20,000 highs, Dimon reiterated his skepticism. "Bitcoin is a fraud," he said, promising to fire any employees who traded it. A month later, he added, "If you're stupid enough to buy it, you'll pay the price for it one day."

Dimon later said he regretted airing his opinion. But as a



VERY BIG TECH AT AMERICA'S BIGGEST BANK

► Here's how JPMorgan Chase is deploying its army of more than 50,000 technologists.

"WE THINK OF OURSELVES as a digital bank powered by a leading technology company," says Lori Beer, JPMorgan Chase's global chief information officer. And while Beer's dark-wood-paneled executive suite at the bank's Park Avenue tower in Manhattan may not have a Silicon Valley feel, the numbers back her up.

JPMorgan Chase boasted a technology budget of \$10.8 billion in 2017—a sum roughly equivalent to Netflix's annual revenues. A third of its senior hires in the first quarter of 2018 came from the tech industry. The company employs more than 50,000 technologists—almost double the total number of employees at Facebook. The headcount includes 33,000 software engineers, all tasked with coding the machinery of modern commerce.

"It's important that we continue to innovate," Beer says, noting that tech is becoming deeply integrated within all parts of the business. "We're always focused on what we can do to better service our customers and clients for the next 100 years."

► Lori Beer's guide (edited for space) to some of the bank's biggest tech investments:

ON A.I. AND MACHINE LEARNING

"We can build more intelligent internal help desks and service clients better. We see beyond chatbots to using more virtual assistants. That's driven by consumer trends, like [Apple's] Siri, Google Home, and Amazon Alexa."

ON AUTOMATION

"We're using this technology to empower our employees. Sometimes that's through robotics, to simplify an operational workflow. Or sometimes that's through machine learning, to bring traders insights in real time."

ON DEVELOPER TOOLS

"We just launched JPMorgan Developer. It's an API [application programming interface] store. Clients previously had to call the tech team to connect or integrate software. Now, like with Google Maps, you can access our APIs."

ON EDUCATION

"We're doing immersive sessions called PowerUp that train software engineers on APIs and clouds so they can keep up to speed. Over 97% say they would recommend the course to their colleagues—and engineers can be tough."

ON BLOCKCHAIN

"We launched an IIN, or interbank information network, to streamline compliance inquiries. It can cut payment processing time from days to hours or minutes. It's a great example of blockchain simplifying a problem."

man who runs a financial behemoth that handles a quarter of the U.S. dollar supply on any given day, Dimon has good reason to be cynical about an asset class that defies governance and whose price fluctuates wildly and without warning. Yes, JPMorgan Chase employs more than 50,000 technologists—almost twice the total number of employees at Facebook.

But compared with the bank's many mission-critical tech operations—functions that sustain the flow of value that lets businesses and consumers get paid, take out loans, and invest in new endeavors—cryptocurrency can seem like both a financial pip-squeak and a distracting sideshow. Still, behind Dimon's public dismissals lies a subtler truth about the bank's relation-

ship to cryptocurrencies, blockchains, and their enticing if still unrealized potential.

On the heels of Dimon's blunt October rejection, Adam Ludwin, CEO of Chain, a Nasdaq- and Visa-backed startup building blockchains for the financial industry, addressed an open letter to Dimon elucidating the potential value of cryptotechnologies. The piece racked up nearly half a million reads, and promptly crossed the desk of Dimon, who arranged a call with his interlocutor. "He could have easily said, you know, how dare you use my name as clickbait, but instead his perspective was that he appreciated the note and the thinking in it," Ludwin recalls of their conversation. "I was, in turn, impressed that he took it seriously."

Indeed, as down as Dimon may seem on cryptocurrencies, he has lavished praise on the technology undergirding them. "God bless the blockchain," he said last year, at the same conference where he questioned the intelligence of Bitcoin buyers. And

he has given employees a long leash to work on experimental technologies drawn from the freewheeling cryptocurrency world, with far greater autonomy than most banks have conferred.

Quorum, for instance, is a derivation of a software client that uses the Google-conceived programming language Go. When the cryptocommunity makes improvements to Ethereum, the second-largest cryptocurrency network by market value after Bitcoin, JPMorgan Chase's blockchain crew can piggyback on those updates. Similarly, Quorum's "zero-knowledge security layer," which enables transactions involving digital tokens, was built in collaboration with the Zerocoin Electric Coin Co., makers of Zcash.

When Dimon's "fraud" comment lit up social media, Amber Baldet retweeted coverage with her take: "¯_(_)_¯", the unflappable shrug emoji, iconic among a generation weaned on the web. At last fall's Money 20/20 fintech conference, she offered a more nuanced response. "For most other banks it probably makes sense to stand up and say, 'Blockchain good, Bitcoin bad,' because you can completely draw a hard line between the two. Given the activity that JPMorgan has had both with Ethereum and with the folks who created Zcash ... it's less sensical."

Multinational corporations are sprawling organizations—collections of independent thinkers who encompass a diversity of dreams and fears. The beliefs of their top officers don't always match, or neatly summarize, the sentiments within. And in JPMorgan

DIGITALLY DISPERSED

► Several former JPMorgan Chase executives now run blockchain startups. Here are a few:



BLYPHE MASTERS
CEO, DIGITAL ASSET

ONCE HEAD of JPMorgan Chase's physical commodities trading, Masters left after that business was sold. In 2015 she took the helm at Digital Asset. The Australian Securities Exchange plans to replace its post-trade settlement and clearing system with Digital Asset tech by March 2021—a timeline that would make it the first major exchange to undergo a blockchain transplant.



STUART POPEJOY
COFOUNDER, KADENA

POPEJOY LED the development of Juno, an open-source blockchain designed by JPMorgan Chase's new-products team to be more resilient and scalable than older blockchains like Bitcoin. That tech is the foundation for Kadena, which Popejoy cofounded with Will Martino, a JPMorgan Chase colleague and Securities and Exchange Commission alum.



AMBER BALDET
CEO, CLOVYR

BALDET GUIDED the JPMorgan Chase team that developed Quorum, a business-oriented adaptation of the cryptocurrency network Ethereum. She left in April with her lead engineer, Patrick Mylund Nielsen, to found Clovyr, a startup that aims to help consumers, developers, and businesses explore and experiment with blockchain-based apps and toolkits.

Chase's blockchain efforts, a financial giant's cautious, bottom-line-oriented leadership has coexisted, often fruitfully, with the entrepreneurial, anarchic energies of a new technology's architects.

In truth, the bank has made enormous strides in blurring the lines between public blockchains—the Wild West world of cryptocurrencies—and business-friendly private or “permissioned” blockchains, the building blocks of future efficient financial infrastructures. As these technologies mature, their ascendance may owe a lot to the kinds of odd-couple relationships that linked Dimon and Baldet.

IN FEBRUARY 2015, an unusual job listing appeared on JPMorgan Chase's website. “You care about disruption,” the description read, in part. “You have an opinion on Bitcoin and other cryptocurrencies, and you are probably ambivalent about the prospect of working for a large financial institution.” As the *Wall Street Journal* characterized the self-deprecation at the time: “They need people who aren't eager to work for them.”

JPMorgan Chase wanted fresh blood—a desire known to many a century-old institution in days of technologic upheaval. To tap it, the bank created a skunkworks in 2014 called New Products Development. The team pursued the buzziest topics, including cloud computing, digitization, and developer-friendly programming interfaces—and it's where Amber Baldet eventually landed.

Baldet was an unlikely banker from the start. She has long had an affinity for counterculture and hung around hacker circles. She moved to New York in 2008, taking a job at a boutique hedge fund just as the firm—and the economy—unwound. She later joined a consultancy, Capco, where she did work for JPMorgan Chase before moving there full-time in 2012. Her rebelliousness persisted; during Occupy Wall Street, she posed for a portrait by Molly Crabapple, an activist-artist known for depicting life at Guantánamo Bay. In the scene, Baldet wears shades and leans on a sign that reads, “Wall Street workers for realistic fiscal reform. There are more of us than you think.” It now hangs at the New York Historical Society.



AMBER BALDET: FORMER JPMORGAN CHASE BLOCKCHAIN LEADER

FOR MOST OTHER BANKS IT MAKES SENSE TO STAND UP AND SAY, ‘BLOCKCHAIN GOOD, BITCOIN BAD.’”

At JPMorgan Chase, Baldet found her way to New Products Development, working at first on machine learning. As enthusiasm for enterprise blockchains surged, the group doubled down on strategic investments in such projects. The company pumped funds into Digital Asset, a startup helmed by Blythe Masters, a former JPMorgan Chase executive credited, controversially, with inventing the credit default swap. The bank was a founding member of the Enterprise Ethereum Alliance, a consortium of businesses exploring that technology, as well as of the Linux Foundation's cross-industry blockchain collaboration group, later dubbed Hyperledger.

Concurrently, the bank went further still, building its own technology in-house. It soon became clear, however, that the compliance-conscious culture of the bank wouldn't be a seamless fit with the share-everything ethos of blockchain tinkerers. In recent years, JPMorgan Chase's blockchain experiments have been promising; keeping their creators in the fold has proved challenging.

Among the first test cases was a distributed ledger known as Juno. Blockchain systems often tucker out under heavy use; Juno was designed to make them more resilient. Technologist Stuart Popejoy led the project's development with his main coder, Will Martino. What they were doing was so new to JPMorgan Chase, however, that the bank had little experience with releasing open-source software to fall back on. (Martino wound up releasing Juno's code under his personal account on Github, a code-sharing website.) When the team unveiled Juno at a Hyperledger meeting in 2016, JPMorgan Chase declined to issue a press release about it. “It became clear to us if we really wanted to realize the potential of this technology, we needed to go out on our own,” Popejoy told *Fortune*. They left the bank that year; their new project, Kadena, has raised nearly \$15 million, and the founders say they've signed on a *Fortune* 100 health care company as a client.

By then, Baldet had become the de facto leader of the product team's blockchain efforts. Her first hire was Christine Moy, a former securities trader who worked for a stint under Masters. They were eventually joined by Patrick Nielsen, a former researcher at Kaspersky Lab, the lately embattled Russian antivirus maker; eventually, Nielsen became the lead developer on Quorum.

Over time, Quorum began to resemble a blockchain that mainstream financial-service providers could rally behind. Its ease of use and its private messaging tool, Constellation, meant it could provide confidentiality that would be table stakes for many

banking clients. And its forward-looking zero knowledge security layer promised to bring more value—privately settling digital asset swaps—in the future. JPMorgan Chase's regulatory regime, meanwhile, had grown to embrace new-product culture: By the time the group was ready to release Quorum under an open-source software license, it could do so in a way that met compliance, and the bank released it under an official Github account for JPMorgan Chase.

"They were early to experimentation with what other banks would have viewed as untouchable technologies," says Chain's Ludwin, referring to Ethereum and Zcash. "I give Amber a lot of credit for that, and also [credit] Jamie for enabling that."

Still, Quorum's adoption and even its future at JPMorgan Chase are far from assured. Because Quorum is open-source, the bank must carefully navigate antitrust regulations, since such collaborative efforts involve coordinating with other banks. For that reason and others, industry insiders have speculated that Quorum would be better off overseen by a group like Hyperledger or a financial-industry consortium, like FINOS. Lori Beer, JPMorgan Chase's chief information officer, says its fate is yet to be decided. "We believe it's a really fantastic asset," Beer says. "We'll continue to assess what is the best approach to evolve and grow Quorum."

THAT EVOLUTION won't take place under Baldet and Nielsen, however; in April, they announced their resignation. "We simply wanted to move more quickly than was really possible at a highly regulated entity," Baldet says.

Baldet and Nielsen envision a world, not far off, where permissioned (business-ready) and public (Bitcoin-like) blockchains are joined much more closely. Baldet compares the state of blockchains today to the period a few years ago when corporations were weighing using public clouds such as Amazon Web Services or Microsoft's Azure. Eventually, they settled on hybrid architectures that include both private and public clouds, enabling more resilient, efficient ways of doing business. (Christine Moy, who succeeded Baldet as head of the JPMorgan Chase team,



JAMIE DIMON: CEO, JPMORGAN CHASE

WE ACTUALLY USE IT. IT'LL BE USEFUL IN A LOT OF DIFFERENT THINGS. GOD BLESS THE BLOCKCHAIN."

sees the blockchain world similarly; she recently told the website Coindesk, "Maybe someday this will all converge.") That's part of Baldet's and Nielsen's impetus to found Clovyr, their new startup, which takes its name from the cloverleaf infrastructure of highway on-ramps and off-ramps.

Clovyr will serve blockchain-curious developers, businesses, and consumers. Baldet's product ideas include a browserlike tool for desktops to help users plug into competing blockchains and play with decentralized apps, in order to experiment with the latest innovations. Nielsen has started writing preliminary code, and the company has begun fundraising. There doesn't have to be one winner in the blockchain race, in their view. Businesses and people—including Jamie Dimon—should be able to cobble together whatever pipes and component parts work best for them.

But before Clovyr launches, Baldet and Nielsen have one last task to complete to benefit Quorum and JPMorgan Chase, in an event I've come to Baldet's Brooklyn apartment to witness. Her cat, Lily, prances around the living room and mews while the duo dismantle a laptop—the last stage of the Zcash code-contribution ceremony.

The day prior, the duo had conducted video-recorded interviews in New York's Times Square and Union Square, using huge umbrellas to block eyes-in-the-sky from snooping. They interviewed a Canadian couple, an Israeli actor smoking a spliff, and a Buddhist monk, among others, for their thoughts on privacy, cryptocurrency, and surveillance. They caught footage of pigeons flapping around parks, taxis honking, and a Jamaican lady yelling an obscenity at them on the subway. The goal was to generate data in the form of a video file that would be impossible for anyone to reproduce, and then to feed that video into a program that converted it into foundational code for the privacy tech at the heart of Zcash.

With that work completed, it's time for destruction. On Baldet's rooftop, she whips out a propane blowtorch and melts the computer's innards, taking special care to incinerate the memory chips. An acrid miasma emanates from the pan in which the detritus sits. "We're making a nice PCB stew," Baldet says.

Back in her kitchen, Nielsen identifies an insufficiently demolished piece of the computer. Baldet places it in a pan on her stovetop. She turns on a range-hood vent, and lets the flame rip—frying the metal and plastic bits. She and Nielsen waft the white smoke through the exhaust fan. A faint white cloud escapes heavenward. And thus the ritual concludes. ■

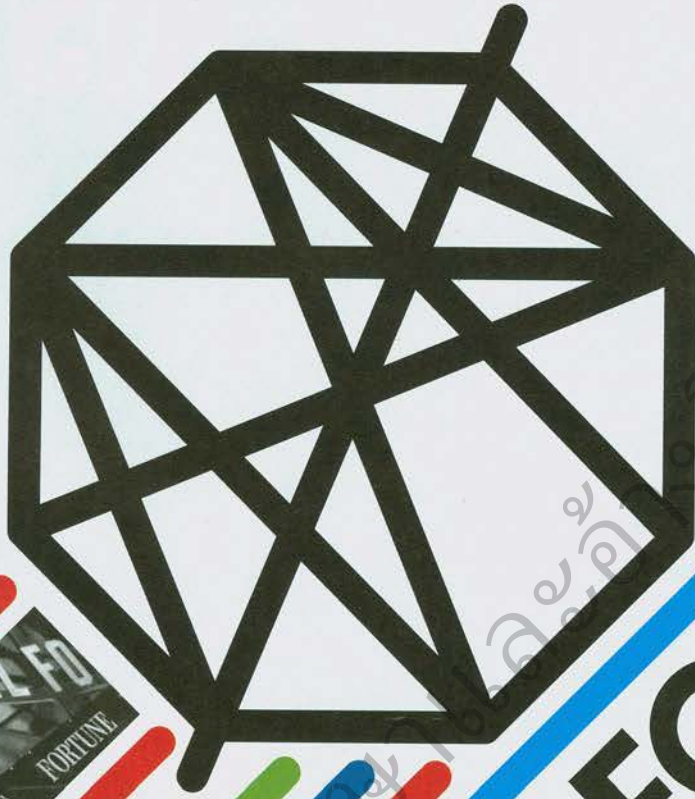
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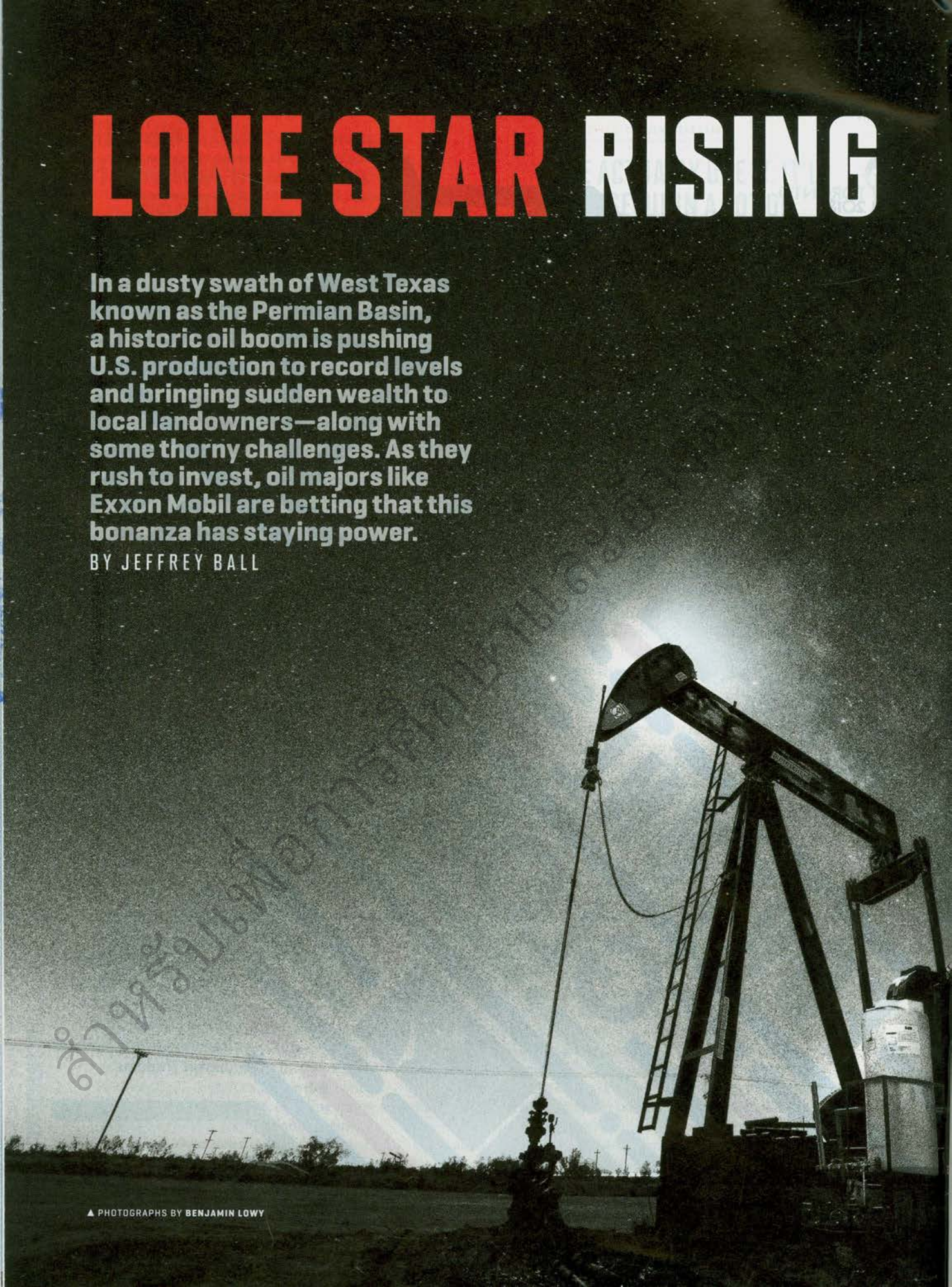
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LONE STAR RISING

In a dusty swath of West Texas known as the Permian Basin, a historic oil boom is pushing U.S. production to record levels and bringing sudden wealth to local landowners—along with some thorny challenges. As they rush to invest, oil majors like Exxon Mobil are betting that this bonanza has staying power.

BY JEFFREY BALL

▲ PHOTOGRAPHS BY BENJAMIN LOWY





500

SECTOR
PROFILE
ENERGY

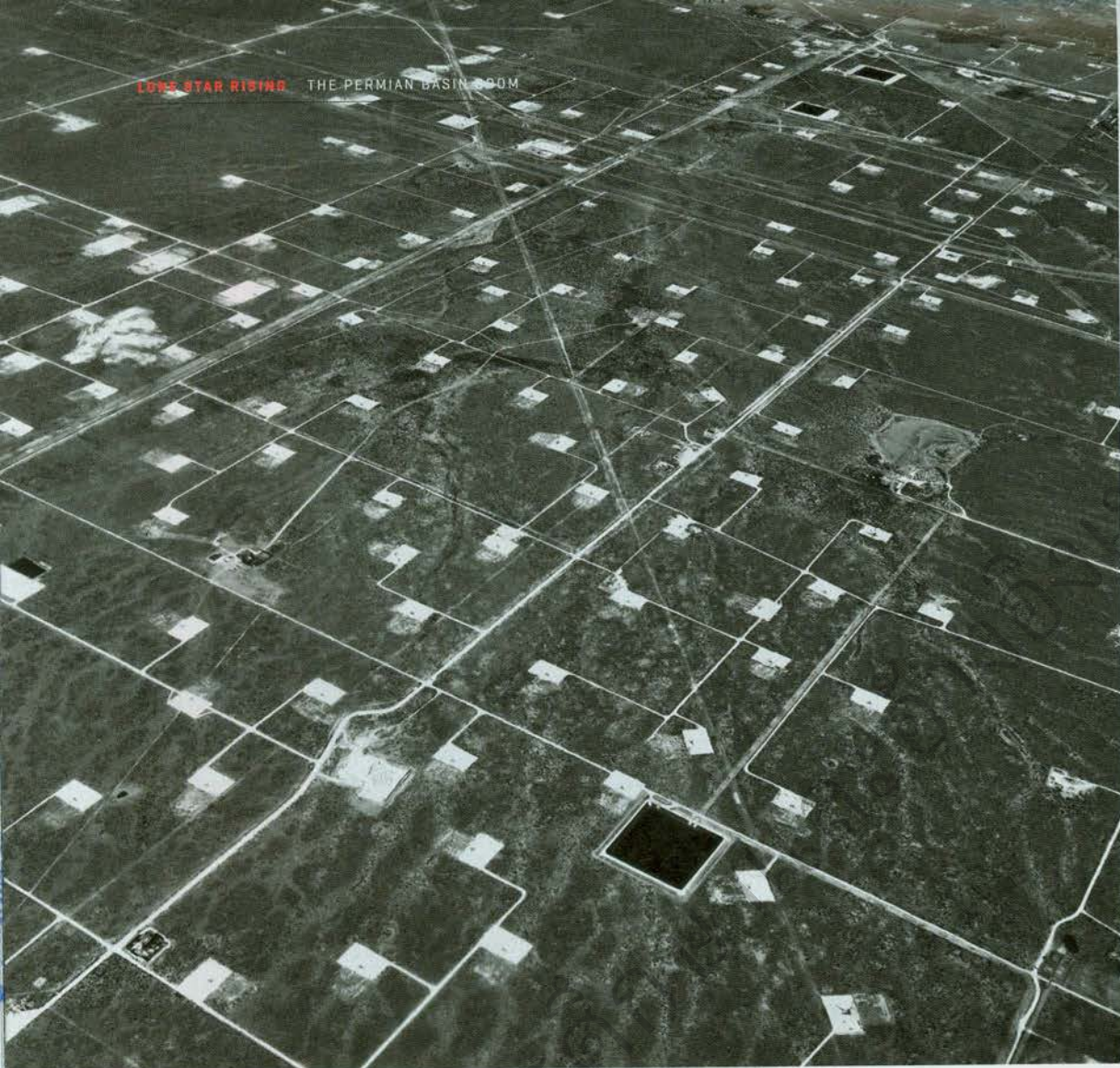
REVENUES
\$1.4
TRILLION

PROFITS
\$85
BILLION

EMPLOYEES
827,529

TOTAL RETURN
TO SHAREHOLDERS
(2007-2017
ANNUAL RATE)
5.1%

An oil pump jack near Midland, Texas. More than 400,000 wells have been drilled in the Permian region over the past century, but experts say vast amounts of oil remain.



SMACK IN THE MIDDLE of Grier Brunson's family's ranch, a patch of West Texas dirt that sprawls across 45 square miles, sits a lush, green dip in the land that the family calls "the draw." Thousands of years ago, Pueblos built rocky settlements here. Hundreds of years ago, Comanches thundered on horseback across this plain. Today, the natural bounty in and around the draw is producing a rather more modern stampede.

On the rim of the draw, amid the mesquite trees and the sagebrush, oil rigs loom like rockets at launch, and a team fracking a well shoots untold thousands of gallons of water and hundreds of truckloads of sand down into the earth, using huge hydraulic pumps that emit a dull, constant roar. For the Brunson family, these are the sights and sounds of money: Two miles underground, oil—thousands of barrels of it every day, worth millions of dollars—is being cracked loose from the rock and pulled up through carefully engineered holes.

Under the terms of the mineral leases they've signed with oil companies, Brunson and his extended family receive one-quarter of the revenue from every barrel the drilling companies pull up. The Brunsons have about 50 wells on the ranch, of various sizes and ages. With oil



Grier Brunson, in hat, with his son Evan on the family ranch, which now has about 50 wells. Brunson has mixed feelings about the boom that's making him rich. At left, an aerial shot of drill pads near Midland at night.



AMIR GERGES: ROYAL DUTCH SHELL'S GENERAL MANAGER FOR THE PERMIAN REGION

THERE IS HYPE IN THE MARKET NOW. EVERYBODY'S TRYING TO BUILD A POSITION IN THE PERMIAN."

trading around \$70 per barrel, among the most prolific of those wells could generate as much as \$3.8 million per year in royalties before taxes for the Brunsons. And that's just for the oil. The Brunsons earn additional royalties from the sale of the natural gas and other hydrocarbons that come up with the oil. And they earn fees from the drilling companies for permission to install infrastructure such as pipelines.

The size of this unexpected windfall is a bit bizarre and more than a little embarrassing to Brunson, who drives a GMC

pickup, idolizes a grandfather who rustled cattle here nearly 100 years back, and curses like a cowboy—"goddamn it!"—when he drives across his ranch and sees what he regards as messy operations by the oil companies leasing his land. The money "is more than we need. We don't know what to do with it. But it keeps coming," says Brunson, a lanky, bespectacled 73-year-old, who evokes Colonel Sanders with his silver goatee and Will Rogers with his silver tongue.

"We have no inclination to be rich beyond our wildest dreams," he adds. "Apparently, it's going to happen anyway."

Indeed, it's hard not to rack up wealth when fate puts your ranch at the epicenter of one of the biggest oil booms in history. Brunson's land sits in the bull's-eye of the Permian Basin, a

petroleum-rich swath of western Texas and southeastern New Mexico—bigger than North Dakota—that is experiencing a gusher of production growth epic even by the outsize standards of the Lone Star State. The boom is remaking every aspect of life in this parched part of the country, for good and for ill. And it is reverberating across the globe.

The emergence of the Permian is changing the geopolitics of energy. Oil production in the Permian soared to 3.2 million barrels per day in May. And it helped push total U.S. production above 10.2 million barrels per day in February. That was the highest that U.S. production has been since the federal government began keeping records in 1920—higher even than the prior peak of 10 million barrels per day in November 1970, according to the U.S. Energy Information Administration (EIA). In April, an average of 449 rigs were drilling holes in the Permian, according to market-data firm Baker Hughes. That was

44% of all the rigs drilling that month in the U.S. And it was 22% of all the rigs drilling in the world. Over the past two years, Baker Hughes figures show, the number of rigs drilling in the Permian has more than tripled. A surge in the price of oil over the past year has only added to the urgency of the drillers piling in.

Some compare the Permian's buried treasure to that of Saudi Arabia's Ghawar field, widely regarded as the mother of all giant petroleum troves—what the industry calls “elephants.” The Permian is “a huge resource, and it will play out globally,” says Sara Ortwein, president of the XTO Energy unit of Exxon Mobil, No. 2 on this year's *Fortune* 500, which already is one of the Permian's biggest producers and plans to triple its output here by 2025. Adds Vicki Hollub, CEO of Occidental Petroleum, No. 220 on the 500 this year, and another major Permian player that's doubling down in the region: The region is among “the best basins of the world.”

What has oil executives salivating is that the Permian, as it finishes its first century of production, may just be getting started.

EVER SINCE 1923, WHEN A NOW LEGENDARY oil well southeast of Midland called the Santa Rita No. 1 struck black gold, the Permian Basin has been known as a *big one*. The pump jacks dotting the landscape are iconic evidence that generations of oilmen have drilled this turf. Geologists estimate that the existing wells—more than 400,000 so far—have pulled up about



Workers operating a rig in Midland in May. Over the past two years, the number of rigs drilling in the Permian Basin has more than tripled.

30 billion barrels of oil. Yet industry analysis firm Wood Mackenzie estimates two or three times that amount of oil remains underground, and “recoverable,” in industry terms.

What makes the Permian so alluring is that it’s a massive geologic platter. Over millions of years, the death and decay of critters and the buildup of sediment has produced countless layers of oily rock—in particular, shale. Oilmen call each layer a “pay”—a rock-hard pancake full of hydrocarbon syrup just waiting to be tapped and sold. In the number of these pancakes and in their thickness, the Permian may well be unparalleled.

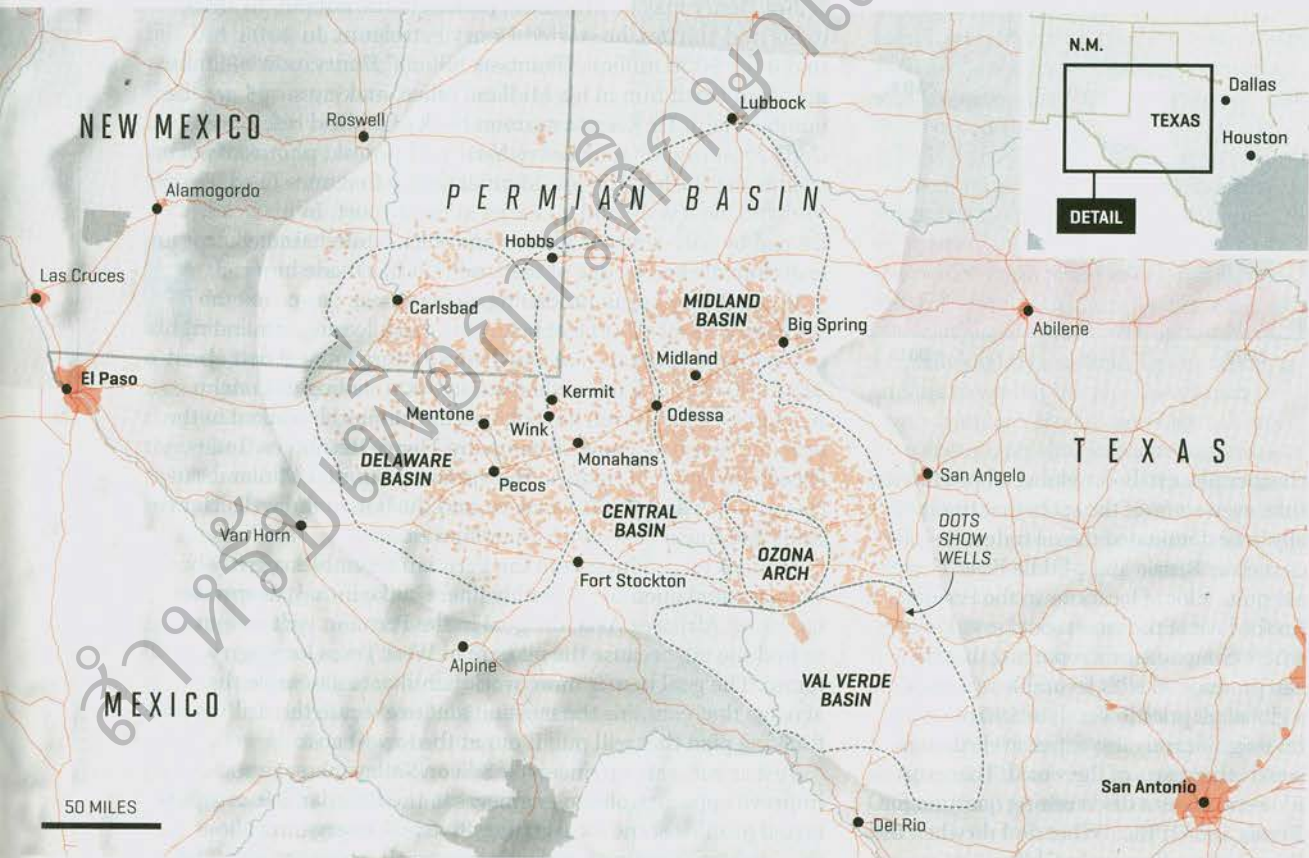
For decades, the oil industry was unable to profitably pull much oil from shale—only from other, easier-to-tap, rock formations. Understanding why requires realizing that buried oil doesn’t exist in vast pools; rather, it sits, as if in a sponge, inside tiny holes in rocks. The rocks that are easiest to tap have both

high porosity (meaning: big holes) and high permeability (holes that connect well to each other). Shale tends to have both low porosity and low permeability. It is, in the lingo, tight. Which used to mean the oil was essentially trapped.

Then the fracking revolution changed the game. About a decade ago, new technology made it cost-effective for oil companies to drill in tight shale. The trick was to combine horizontal drilling, enabling each well to fan out across a wide area, with industrial-scale hydraulic fracturing, or fracking, to crack up the innards of tight rock. Initially, the industry deployed these techniques in lesser shale plays such as the Bakken formation—in North Dakota, Montana, and Canada—and in the Eagle Ford, in South Texas, because they were simpler to drill. The Permian is a more complex area, but it’s also vastly richer with oil. Now that the drillers have mastered its geology, the basin’s production has begun to explode.

Over the next decade, the Permian will account for two-thirds of the increase in total U.S. oil production and one-quarter of the increase in total global oil production, projects Wood Mackenzie. Simon Flowers, Wood Mackenzie’s chief analyst, likens the global impact of the Permian to that of North Sea, which ushered in the era of large-scale deepwater drilling some 40 years ago. “The Permian,” he says, “is of that scale.”

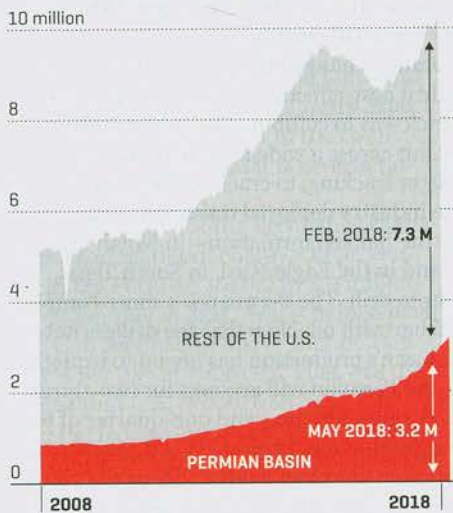
Because of its stack of pays and because it already has extensive oil-producing infrastructure in place, the Permian could be a



SOURCES: U.S. EIA; BUREAU OF ECONOMIC GEOLOGY; U.S. GEOLOGICAL SURVEY

U.S. OIL PRODUCTION (BARRELS PER DAY)

Includes both crude and condensate production

**U.S. CRUDE OIL PROVED RESERVES (BARRELS)**

SOURCE: EIA

cheaper place to boost global oil production than even some of the spots that traditionally have dominated the oil industry—places such as Russia and Middle East. There are quite a lot of locations in the Permian, “in the best of the sweet spot,” says Flowers, where companies are reporting that they can produce oil with favorable returns at a global oil price lower than \$30 per barrel—significantly less expensively than in some other parts of the world. That, says Flowers, raises a discomfiting question for Russia and OPEC: “What do I do when the Permian is eating my lunch?”

The Permian, in short, is a window onto an energy system that’s heading back to the future—to a time that, in fundamental ways, looks a lot like the start of the Oil Age a century ago. Over the years, Big Oil has buzzed over a succession of faraway frontiers: Saudi Arabia, Russia, West Africa. Now it’s agog anew about the place where it effectively was born: the West Texas desert.

On the ground in the Permian, the impacts of the boom are visible everywhere, and many of them aren’t good. Though the haves are cashing in, the have-nots are having trouble affording rising prices for everything from groceries to housing. The boom also is straining infrastructure, sometimes dangerously. Local roads are too narrow, boosting traffic deaths. Pipelines are inadequate, forcing buyers to truck out much of the oil, which is worsening gridlock and increasing pollution. Meanwhile, the ground itself is convulsing in earthquakes and sinkholes.

THE PERMIAN’S HUB IS MIDLAND, a city of about 150,000 people. It was founded in the 1880s essentially as a way station—the midway point on the Texas and Pacific Railway between Fort Worth and El Paso. Ever since the 1923 Santa Rita bonanza, Midland’s history has tracked the ups and downs of oil. The downtown architecture reflects waves of construction during periods when oil boomed. The most iconic structure remains downtown’s Petroleum Building, an ornate 12-story tower that was finished in 1929, months before the economy and oil prices crashed.

Jim Henry may be Midland’s paradigmatic oilman. In 1969, in his mid-thirties, he started Henry Petroleum. In 2008, he sold it for \$600 million. “Point-six billion,” Henry, now 83, tells me when I visit him in his Midland office, making sure I get the number right. He keeps a maroon book of biblical references, *God’s Promises for Your Every Need*, on his desk; photos of his friends the Bushes, the presidential family that once lived in Midland, on a wall; and a Learjet at the airport. In his head, framed by wire-rimmed glasses and thick white hair, he keeps an encyclopedic knowledge of the land that has made him rich.

When Henry began producing oil, in a stack pay called the Spraberry about 9,000 feet below Midland, leasing mineral rights cost perhaps \$300 an acre and drilling a vertical well cost about \$150,000. After Henry cashed out in 2008, selling to Concho Resources, a local rival, he took half the money he banked in the deal and founded a new oil company, Henry Resources. Today, leasing the mineral rights in the Spraberry around Midland can cost as much as \$40,000 an acre, and the horizontal wells Henry drills and fracks cost about \$8 million each.

Modern oil production in the Permian resembles a gritty but sophisticated open-air assembly line. Unlike in, say, deepwater basins off Africa or Asia, the goal in the Permian isn’t so much to find the oil, because the oil here in West Texas long ago was found. The goal here is more workmanlike: to assemble the acreage that contains the most oil and to execute the drilling and fracking plan that will pull it out at the lowest cost.

Just as software engineers in Silicon Valley massage code to improve apps, petroleum engineers in the Permian use computerized profiles of the local geology to tweak everything about the production process and wring more oil from the rock. They

decide how many wells to cram into each one-square-mile patch of land, called a "section"; at what depth and what distance from each other to drill the horizontal extensions of those wells, which typically run for two miles; and the precise amount and granularity of the specially engineered sand they buy from mines around the U.S. to mix into the million or so gallons of water that, often with certain chemicals, they use to make the fracking fluid they shoot down into a well.

A typical modern rig is several stories tall, its drill bit controlled by an operator who, sitting in a booth called a "doghouse," monitors a bank of computer screens and guides it with a joystick. When the rig finishes drilling one well, a process that often takes about three weeks, it stands up on its four monstrous steel feet and walks, one foot about every two minutes, to the spot where it will drill the next one.

"It's taken a long time and a lot of capital to figure out the recipe," says J. Craig Corbett, who headed exploration at Henry Resources for a decade until he retired last fall. His house, on an upscale street in Midland called Charismatic Drive, has a movie theater, a two-story wood-paneled library, and garage that holds, among several other throaty conveyances, two particularly fast Porsches. "I've done okay," he allows.

HENRY TODAY is but a small player in the Permian. That's because the big boys are piling in. Many of the multinational oil giants were here a generation ago but pulled out or pulled back in the 1990s or 2000s, convinced the deep water would be far more productive than this desert. Back then, Corbett recalls, the Permian Basin was known among many oil executives as the "Permanent Basement"—the godforsaken spot in the sand where careers went to die.

The innovations in fracking upended that view. Today, oil's "super majors" are betting they can bring to bear the large-scale corporate efficiencies they have been testing in shale plays elsewhere to squeeze out the Permian's vast quantities of oil more cheaply and profitably than can scrappy independents like Henry.

One of the biggest is Exxon Mobil. It has a position of 1.8 million Permian acres, an

THE PERMIAN BASIN BY THE NUMBERS

449

Number of oil rigs drilling in the Permian in April. That was 44% of all rigs drilling in the U.S. and 22% of the number worldwide.

3.2 MILLION

Barrels per day of oil produced in the Permian in May. The Permian boom has helped push U.S. production to a record 10.2 million barrels per day.

60 to 90 BILLION

Barrels of "recoverable" oil remaining underground in the Permian region.

SOURCES:
BAKER HUGHES;
U.S. E.I.A.;
WOOD MACKENZIE

area larger than Delaware. That includes about 250,000 Permian acres to which Exxon bought access in January 2017 from companies owned by the Bass family of Texas. The deal, valued at \$5.6 billion upfront with a potential additional payment of \$1 billion, implied a per-acre price of \$20,000, according to PLS Inc., a provider of data about oilfield transactions.

Globally, Exxon produces about 4 million barrels of oil equivalent per day. It produces about 4% of that in the Permian, and it plans to triple its Permian production by 2025. Its cost to develop and operate wells in the Permian is below \$15 per barrel—on the "low range" of Exxon's costs to develop shale plays around the world, says Ortwein, the XTO unit's president.

A major concern for Permian producers is that oil production in the basin has outstripped the capacity of pipelines to get it to market. Customers thus have to transport much of the oil they buy via truck, or let their oil sit until room opens up on today's pipelines. Both options can inflate costs. As a result, the buyers have been paying Permian producers as much as \$10 less per barrel than the prevailing market price—the "basin differential," as insiders call the gap.

"It is a problem, and it's going to be a problem until the next pipeline is built, which is not scheduled to come online until 2019," says Hollub, Occidental's CEO. Oxy, which has a position of 1.4 million acres of what it calls "unconventional"—essentially, shale—production in the Permian, only slightly less than Exxon Mobil, is angling to exploit the pipeline crunch to its own advantage. Hollub says Oxy has more than enough pipeline capacity to transport what it produces and to charge others to transport some of theirs. "We're very well suited not only to get our production out but also to get third-party production out and make money on it."

Royal Dutch Shell also is pouncing in the Permian, which it abandoned in 2000 and then reentered in 2012. Its Permian position is far smaller than Exxon Mobil's and Oxy's—Shell has a position of about 265,000 acres. But, contends Amir Gerges, Shell's general manager for the Permian, it's in "the thickest part of the formation."



DARRELL WEDDLE: HEAD MECHANIC AT OILFIELD FISHING AND RENTAL

Local entrepreneurs, like food truck owner Chuck Flusche, are scrambling to serve the oil workers arriving in the once-sleepy corner of Texas.

WE'RE BUSIER THAN A ONE-LEGGED MAN IN A BUTT-KICKING CONTEST."

Shell, like most Permian players, is busy swapping one-square-mile sections of land with other oil companies to assemble holdings of two sections apiece. It needs those contiguous sections to drill the crucial two-mile-long horizontal wells. Shell likes to drill between four and eight wells per section, but, notes Gerges, other companies are "more aggressive," poking as many as 16 wells into a given square mile. Squeezing every dollar from every acre is crucial in large part because land prices have risen so high. "There is hype in the market now," he says. "Everybody is trying to build a position in the Permian."

TRAVELING AROUND THE PERMIAN for a few days, I'm confronted by evidence of the boom everywhere. I hear and see it in the orange flames that dot the landscape, roaring like jet engines and lighting up the night sky. These are flares of the natural gas that comes up from the ground along with the oil. Natural-gas pipelines, just like oil pipelines, are insufficient in today's Permian; with gas prices low, oil producers are, with permission from Texas regulators, burning gas for specified periods as part of the race to maximize the output of oil.

I feel the boom when I stop in at Oilfield Fishing and Rental, a hangar-size shop in Midland that fixes and rents oil-production equipment. Darrell Weddle, wearing a head wrap that bears a Confederate flag and a flame, is repairing a "power take-off," a heavy metal device that oil workers often hook to a truck to power a pump in the field. With the Rolling Stones' "It's Only

Nobody was killed when this truck carrying sand overturned on U.S. 285 in May. But locals have dubbed the overburdened two-lane road "Death Highway" because of the large number of fatal accidents.



Rock 'n' Roll" blasting, Weddle, the head mechanic, tells it like it is: "We're busier than a one-legged man in a butt-kicking contest."

I sense the boom when, after a night at Midland's Hawthorn Suites hotel, I chat with V.J. Singh, the 30-year-old front-desk clerk. He moved to Midland two years ago from Mumbai following his wife, who already had gotten a hotel job in town. In early 2017, a room in the hotel, which is best described as serviceable, went for about \$100 a night, he says. Now, in the middle of the week, when business is brisk, that room typically fetches between \$300 and \$800—and sometimes even more. Late one night in April, Singh tells me, two men desperate for a place to sleep paid the going rate for the hotel's last two open rooms: \$1,000 apiece.

And I'm struck by the boom—both sides of it—when I stop for a cold drink at a Kwik Chek gas station by an on-ramp to Interstate 20 in Midland. It's late afternoon. Oil workers are coming in from the fields. The place is hopping.

On the customer side of the counter is Zach Eeckhout, 24, a tow-truck driver who moved to Midland from Nebraska about six months ago. He works long hours, and he takes home, on average, \$10,000 per month. "I don't know what to do with it sometimes," he says, "other than spend it on stupid stuff," such as Rock Revival jeans, which sell for upwards of \$160 a pair. "Last week I went to the mall and spent \$3,000," he recalls. His credit card had a \$1,500 limit, so he had to phone the card company and "up it for the day."

On the employee side of the counter is Shawna Lewellen, who has lived in Midland for all of her 39 years. The mother of two works up to 35 hours a week at the Kwik Chek, for \$12 an hour. To make ends meet, she also cleans houses and RVs, typically at least six per week, for \$150 apiece. Many of the homes are rented by oilfield workers, whose clothing, she notes, requires intense scrubbing. "You learn to juggle a lot out here. Everything's really

fast,” she says, lingering on the thought. “It’s really fast.”

I F THE BOOM IS PALPABLE in Midland, it is utterly remaking Pecos, about 95 miles to the southwest. Officially, Pecos’s population is 8,780; in fact, officials say, it’s probably 50% more than that. Pecos (pronounced PAY-cuss) is the main town on the Permian’s western flank, perched atop a particularly hydrocarbon-rich portion of the Permian known as the Delaware Basin. The Delaware extends from Reeves County, of which Pecos is the seat, north to Loving County, where Grier Brunson’s ranch sits, and then up into southeastern New Mexico. As of mid-May, according to Baker Hughes, 66 rigs were operating in Reeves County—more than in any other county in the nation. Midland County, with 49 active rigs, was No. 2.

Pecos historically has been a sleepy place. It claims to be the site of the world’s oldest rodeo. Its chief landmark is the West of the Pecos Museum, a trim sandstone building in front of which stand twin sculptures: brightly painted, 8-foot-tall cowboy boots.

Pecos and its surroundings are sleepy no more. Today the town bursts with “man camps”—hastily built encampments of dormitories, that, throughout Reeves County, probably house several thousand oilfield workers, officials estimate. Pecos’s Dairy Queen has sold more hamburgers than any other in Texas for six years running—exactly 149,897 in 2017. New truck stops anchor Pecos’s handful of highway intersections; they pulse at sunup with pickups at the pumps and at night with roughnecks buying Monster caffeine drinks and cold beer.

Typically, when a new man camp or truck stop opens in Pecos, the town’s mayor, Venetta Seals, shows up to cut the ribbon. “It’s a double-edged sword,” she says of the boom when I meet her at the local hospital, where she works as director of community relations. Her office is painted in two tones of purple; on one wall hangs a promotional poster from the town that reads, “This ain’t our first rodeo.”

On the upside, she notes, the tax base is bulging, and six-figure salaries are available to anyone who wants to work

hard and can drive a big rig. On the downside, the dumpsters are overflowing, the school district is experiencing a constant churn of students, and 140-car trains carrying fracking sand regularly arrive from the Midwest at a massive unloading yard in Pecos, halting traffic at the railroad crossing in the center of town. Much of the gridlock consists of 18-wheelers that, as they idle, spew diesel soot.

ALL THOSE TRUCKS CARRYING SAND—and thousands more carrying water, oil, pipe, pumps, tanks, and everything else an oilfield needs—are turning Permian roads into graveyards. U.S. 285, a two-lane road that runs through the heart of the Delaware Basin, chokes at all hours with semis turning into and out of the gravel paths that access the wells.


Dubbed by locals “Death Highway,” 285 was the site of eight of the 14 auto-related fatalities that, as of mid-May, had occurred this year in Reeves and Loving counties. “The oilfield changed everything for us,” says Robert Orr, the Texas Department of Public Safety sergeant who heads the Pecos office, adding that 12 of the 14 deaths were oilfield-related. He laments oilfield workers behind the wheel who are using drugs, who are overworked and tired, or who are driving too fast as they race to deliver another paying load.

Other dangers are coming from the ground itself. Residents, particularly around Pecos, report periodic earthquakes. In March, “it happened every Thursday,” says Mayor Seals, who says she felt the tremors. Kenneth Winkles Jr., executive director of the Pecos Economic Development Corporation, lives with his wife six blocks from Seals. As he, Seals, and I drive around Pecos in his Chevy Suburban, he tells me that the prior night, after he got out of the shower, his wife shouted to him: “Did you feel it? We just had another boom.” She meant the seismic sort.

In some places in the Permian, the ground isn’t merely shaking, it’s caving in. Wink, a Permian town northeast of Pecos, calls itself “The City That Oil & Friendship Built.” For decades it was known mainly as the onetime home of Roy Orbison, the rockabilly crooner. Now Wink also is gaining fame for its sinkholes. One especially deep one developed as far back as 1980. Another isn’t yet a true sinkhole; it’s a series of ominous ripples in the asphalt on County Road 201, northeast of town.

Zhong Lu, a geophysics professor at Southern Methodist University in Dallas, is part of a scientific team that has used satellite imagery to study what it regards as alarming land subsidence throughout the Permian. Over time, he believes, water from decaying oil-and-gas-related wells has leaked, dissolving subterranean salt layers and causing the ground to shift and ultimately, in places, to cave in. He warns that the industry needs to better shore up its aging wells against leaks. “We’re not trying to point fingers,” he tells me. “Everybody is enjoying the prosperity of oil and gas. But there’s technology we can use to modify the health of these wells.”

When I mention to Lu that I’m planning to visit the cracking section of County Road 201, he offers some advice: “I wouldn’t park my car there.” At any time, he warns, the road might “collapse.”



Natural gas flaring off at a well near Pecos, Texas. A shortage of pipeline infrastructure means that it's often much cheaper and easier for drillers to burn off the gas that comes up with oil than to capture it.

LOVING COUNTY, where Grier Brunson's ranch sits, has just one resident for every five miles, according to the latest count, in 2017. With 134 official residents, Loving is officially the second-least-populous county in the nation, behind Kalawao County, Hawaii, a tiny sliver of land that was set aside in the 1800s as a colony for people with leprosy. The emptiness of the landscape in the Permian tends to magnify the outsize benefits accruing to its beneficiaries.

One night I meet Brunson in the backyard of the suburban Midland house where his 24-year-old son, Evan, and Evan's wife, Taylor, live. Taylor, for whom the Brunsons have named three of the newest wells on the Loving County ranch—Taylor 1, Taylor 2, and Taylor 3—pours me a glass of Cabernet Sauvignon from a South African winery

owned by friends of a member of the extended Brunson family.

Brunson, sitting in a lawn chair, starts telling stories. Some are about his grandfather, "who husbanded these ranches through the Depression, two world wars, and the Dust Bowl. Those were hard times." One is about a well on the family ranch that exploded in 1980, burning stupendously and earning the moniker the Brunson Burner. The operator of that well was Getty Oil, whose founder, the legendary oilman J. Paul Getty, had a famous line: "The meek shall inherit the earth, but not its mineral rights." Says Brunson, "That's my mantra."

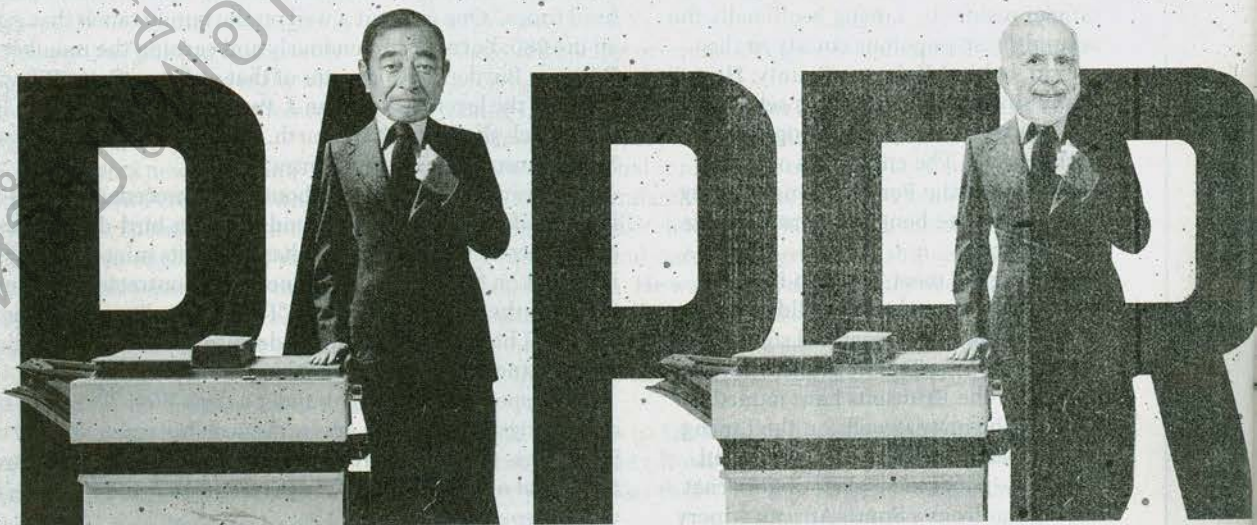
But Brunson is conflicted about the unprecedented drilling going on today. That's why he spends his days bird-dogging the oil companies to which his family has leased its mineral rights: He's hell-bent on forcing them to honor their contracts and minimize the scars they leave on his land. "I have been literally crying because I have seen the damage done to Texas in my lifetime just to get natural resources out of this ground," he says.

As he speaks, late at night under a dark West Texas sky, the drilling rigs that ring the grassy draw on his ranch are still cranking. Unless geologists, investors, and oil companies from around the planet are dead wrong, the Permian's star will be rising for years to come. ■



PAPER JAM!

Printer giant Xerox planned to sell itself to Carl Icahn teamed up with a Texas billionaire the craziest, nastiest, most unpredictable



500

RANK

291

COMPANY
PROFILE
XEROX

REVENUES
\$10.3
BILLION

PROFITS
\$195
MILLION

EMPLOYEES
36,100

TOTAL RETURN
TO SHAREHOLDERS
(2007-2017
ANNUAL RATE)
-2.1%

Fujifilm of Japan. But that was before activist titan named Darwin Deason to block the deal. An inside look at showdown raging on Wall Street today. BY SHAWN TULLY

C

CARL ICANH TYPICALLY works alone. The dark prince of corporate raiders shuns the usual clutch of outside attorneys, investment bankers, and PR firms that rival activists assemble for their assaults. Instead, Icahn relies on an in-house team of fewer than a dozen financial analysts and lawyers, a brain trust that toils alongside their controversial, 82-year-old boss on the 47th floor of Manhattan's General Motors Building. But that's just his support staff. As for partners, well, what's the point?

Icahn, whose Icahn Enterprises ranks No. 136 on this year's *Fortune* 500, hardly needs any financial backing. He commands a war chest in cash and securities of more than \$30 billion. Neither does he crave any counsel from peers on strategy. Icahn prides himself on personally composing the notorious attack letters he sends to boards of directors, piling on outraged barbs to skewer "ostrich" directors "with their heads in the sand" or those who've agreed to sell their companies "for a bowl of porridge."

It was certainly Icahn's intention to go it alone again when, in late 2015, he identified Xerox as a target. The once-great company was an ideal candidate for Icahn. It consisted of two divergent businesses, both of which were performing poorly—its traditional office products franchise, and a large division that provided back-office bill-paying and data processing services to companies and governments, a field called business process outsourcing (BPO).

Fujifilm chairman and CEO Shigetaka Komori (left) has hungered to buy Xerox for decades. Icahn (right) insisted any purchase had to come with a premium for shareholders.

Icahn reckoned that he could clean up by prodding Xerox to spin off its BPO arm. Instead of a muddled mass no one wanted to buy, Xerox would split into two pure-play companies—either of which could be a takeover target at a fat premium. If buyers didn't show up right away, Icahn figured he could improve performance by installing new management and profit by driving up each company's stock price.

"Xerox was one of the worst-run companies I ever saw," Icahn tells *Fortune*. "Both sides of the business were being mismanaged. It was a no-brainer to split it up and bring in new management. Xerox was doing nothing with a great brand—how many companies have a name that doubles as a famous verb?"

Icahn got his way when, at the beginning of 2017, Xerox spun off the BPO business as a new company called Conduent. And so far that half of the deal has proved a winner: Conduent has flourished, and its solid stock performance has generated a return of more than \$100 million for Icahn.

But Icahn's crusade to cash in on Xerox, where he's the largest individual shareholder with 9.2% of the stock, has proved to be one of the most complicated



of his half-century career. It's been so challenging, in fact, that Icahn has made an exception to his usual rule and teamed up with a partner: Darwin Deason, a feisty 78-year-old who sold the outsourcing business that now constitutes most of Conduent to Xerox in 2010 for \$6.4 billion and remains Xerox's third largest shareholder. Except in age and wealth, the two men are the oddest of pairings. The 6-foot-4 Icahn, who's never lost his thick Queens accent despite a Princeton education, is a creature of Wall Street, and the quintessential deal junkie. The compact Deason—who in both tenacity and appearance resembles a bulldog—is a business builder who grew up on a farm in Arkansas. With a combined age of 160 and combined Xerox holdings of 15.2%, they make a formidable duo.

Icahn and Deason joined forces to block what each regarded as a terrible deal: the planned \$6.1 billion acquisition of Xerox by Japan's Fujifilm. And on May 13, they won a significant victory in their battle when the Xerox board announced that it was pulling out of the agreed-upon merger with Fuji. In blocking the purchase, they appear to have outmaneuvered a foe whose power and savvy rivals theirs—Shigetaka Komori,

Fujifilm's CEO and chairman. Until Icahn and Deason teamed up, it appeared that Komori, 78, would cap his career by capturing an American icon on the cheap. Komori, who played American-style football at the University of Tokyo, is a self-described business "warrior" who's one of Prime Minister Shinzo Abe's closest friends and favorite golfing companions.

The Xerox board's decision to back out of the merger—a move that Fujifilm says it will contest—is just the latest twist in one of the wildest, most unpredictable Wall Street showdowns in years. And the anatomy of the conflict, extensively revealed in court records as well as testimony at trial by the main participants, exposes one of the most naked accounts of governance gone awry in corporate history. This two-year melodrama features a bitterly divided board and a former CEO who, days before he was scheduled to be fired, appeared to have saved his job by delivering a deal so favorable to Fuji that the Japanese giant could hardly say no—only to see the agreement fall apart under pressure from Icahn and Deason.

"The stuff that went on behind the scenes at Xerox is so crazy you'd be amazed to see it on [the TV series] *Billions*," says Icahn. "If it hadn't actually happened, I wouldn't have thought it was possible."

IT MIGHT SEEM IRONIC THAT XEROX, an American icon that time forgot, stands at the center of one of the most contentious takeover battles of the current millennium. But Xerox remains a big player in a giant industry—the \$180 billion worldwide printing and documents field. Even after spinning off Conduent, Xerox is still big enough to rank No. 291 on this year's *Fortune* 500 list with \$10.3 billion in sales. And its still-powerful brand and potential to expand into the fast-growing business



CARL ICAHN : ICAHN ENTERPRISES

**THE STUFF THAT
WENT ON BEHIND THE
SCENES AT XEROX IS
SO CRAZY YOU'D BE
AMAZED TO SEE IT ON
BILLIONS."**

of industrial printing give Xerox viable turnaround prospects.

The deal for the company nixed by Icahn and Deason amounted to the sale of the majority ownership in Xerox to an existing joint venture with FujiFilm called Fuji Xerox—a business that exclusively makes and sells Xerox products in Asia, and manufactures most of the office copiers that Xerox sells in the rest of the world. Xerox shareholders would have held 49.9% of the new Fuji Xerox, and Fuji would have held the controlling 50.1% stake. Fuji would have put none of its own cash into the deal. Rather, it would have merely contributed its majority share in the existing joint venture. Xerox shareholders would have received a \$2.5 billion one-time dividend—not paid by Fuji, but financed by adding the equivalent amount of debt to the new Fuji Xerox.

Icahn and Deason charged, correctly,

that this complex transaction would have enabled Fuji to take full control of Xerox while paying little or no premium. Great for Fuji—not so great for Xerox shareholders. Most takeovers include a “control premium” of at least 20% to 30%. And ceding control to Fuji meant that Xerox’s owners would have no sway over management decisions—an unacceptable outcome for Icahn. “It was not just a sweetheart deal for Fuji,” says Icahn. “You’d be trading full ownership of this great company to be in the minority forever. No matter what Fuji did with the business, your 49.9% is going to be completely powerless.”

The two angry billionaires fought the deal in their own ways. Icahn deployed his preferred plan of attack, the proxy battle. Deason pledged to back Icahn’s slate of four new directors, but also went his own way by fighting in the courts. He brought two sweeping lawsuits, unveiled in February and March. The first claimed that because Xerox had concealed a poison pill provision, the company was obligated to grant Deason’s demand to extend the nominating deadline so that he could replace the entire board. The second, brought against both Xerox and Fuji, charged that Xerox’s board and CEO blatantly violated their fiduciary duties by negotiating a deal that promoted their own interests, while sticking Xerox shareholders with a bad deal, and accused

A BRUISING BATTLE

► Activist Carl Icahn and billionaire Xerox shareholder Darwin Deason have been fighting to stop a merger with Fujifilm and install a new leadership team at Xerox.

XEROX DIVIDEND-ADJUSTED STOCK PRICE

\$35

30

25

20

Nov. 2015
Carl Icahn acquires a 9% stake in Xerox.

January 2017
Jeff Jacobson becomes CEO despite opposition from Icahn. Xerox spins off Conduent.

April 2017
An accounting scandal at Fuji Xerox results in charges of \$360 million. Because of the scandal, Fuji puts talks with Xerox on hold.

April 2016
CEO Ursula Burns renews a joint venture agreement governing Fuji Xerox, containing provisions that penalize Xerox if it's purchased by a competitor.

March 2017
Jacobson is told that Fuji is interested in buying all of Xerox in an all-cash deal, at a substantial premium.

July 2017
The Xerox board launches a search for a new CEO. Jacobson proposes that Fuji purchase a majority of interest in Xerox without spending any of its own cash.

Dec. 2017
Fuji offers to buy 50.1% by trading its shares in Fuji Xerox and paying a \$2 billion dividend. Icahn nominates four directors to launch a proxy fight.

Jan. 2018
Deason teams with Icahn. Xerox announces its accepting Fuji's offer; Fuji raises the dividend to \$2.5 billion.

April and May 2018
Court rules in Deason's favor on both suits, freezing the deal and granting him the right to nominate new directors. On May 13, Xerox calls off the takeover and parts ways with its CEO and several other board members, handing a major victory to the two activist investors.

Feb. and March 2018
Darwin Deason sues Fuji to stop the deal, and sues Xerox to allow him to nominate a new slate of directors.

SOURCE: S&P GLOBAL

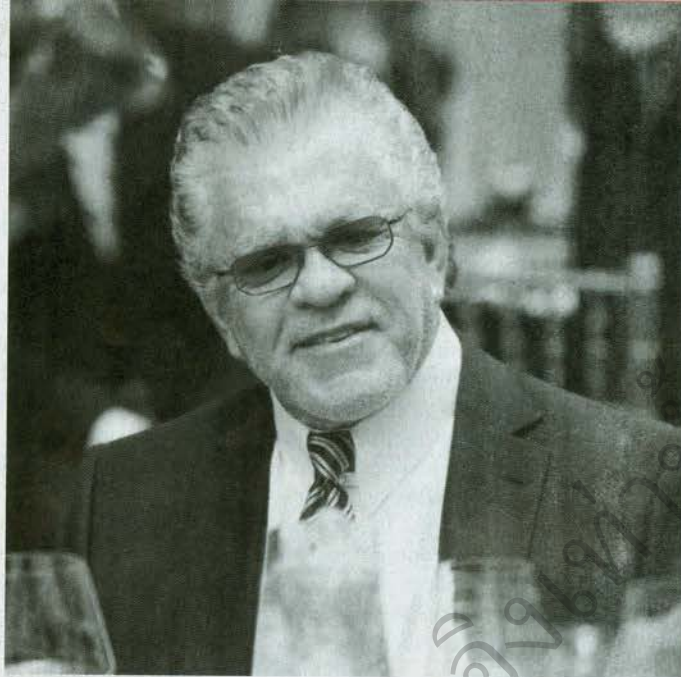
Fuji of conspiring in a quid pro quo—the CEO delivers a bargain price, and Fuji puts him in charge of the new Fuji Xerox.

Icahn didn't join Deason's suits. "I find suing boards distasteful," he tells *Fortune*. "Once we're inside the boardroom, we try to work collaboratively with other directors." But it was his partner's assault in the New York courts that laid bare the inside story. The court records exposed a trove of frequently shocking emails, texts, depositions, and internal reports from executives, directors, and financial advisers at Xerox, and top managers at Fuji.

At a trial in Manhattan over two days in late April—the two lawsuits were consolidated and decided together—Xerox's then-CEO Jeff Jacobson, its chairman Robert Keegan, a dissident director, and its investment banker all gave extensive testimony under oath. This reporter attended the trial and reviewed the more than 700 exhibits, all unsealed by the judge. *Fortune* also talked extensively with Icahn and representatives for Deason. Xerox and Fuji both declined to make any of their executives or directors available for interviews, citing the litigation. But the testimony, depositions, and emails provide a rare window into the motives and thinking of all the players.

At the conclusion of the trial, Judge Barry Ostrager—himself an esteemed former M&A litigator with more than 40 years in private practice—issued a scalding opinion that granted Deason big wins on both of his suits. He also delivered a stinging condemnation of the role of Jacobson, Keegan, and Xerox's directors, stating that Jacobson was "massively conflicted" in his negotiations with Fuji because delivering a sweetheart deal promised to save his job. As a result, Ostrager wrote, Jacobson was "in breach of his fiduciary duties," as was Keegan.

In their legal filings, Xerox and Fuji present a righteous scenario that echoed in the testimony from Jacobson and Keegan. Their attorneys argue that Jacobson, Keegan, and the board pursued a deal with the only logical buyer, when no other acquirers were interested. Fuji argues that Jacobson wasn't promised the CEO job—a view contradicted by directors—but was simply its top choice as "a talented executive well-suited to achieving the synergies that will benefit shareholders of Fuji and Xerox alike." Keegan was fully justified in assigning the CEO to negotiate a deal



Billionaire Darwin Deason, Xerox's third-largest shareholder, filed a pair of lawsuits to stop the merger with Fujifilm, and won both.

without the full board's approval, argued Xerox's attorneys, and Keegan testified that he encouraged the board to reverse its decision to fire Jacobson because his performance suddenly improved in late 2017. In his testimony, Jacobson called the suggestion that he put his or Fujifilm's interests before those of his shareholders "reprehensible and unconscionable."

The overwhelmingly pro-Deason decisions kicked off a tumultuous two-week period of reckoning: Xerox first announced a settlement with Icahn and Deason, then withdrew from it and engaged in talks with Fujifilm that turned acrimonious. Then, on May 13, Xerox's board reversed itself again—coming to terms with Icahn and Deason and announcing that the merger was terminated and Jacobson was out as CEO. Keegan and four other directors also departed, to be replaced with execs chosen by Icahn and Deason. The new CEO is John Visentin, a well-regarded turnaround expert in data processing.

Xerox now says it will field offers from all interested bidders. Meanwhile, Fuji is still battling to revive the original deal and released a defiant statement after Xerox pulled out: "We do not believe that Xerox has the legal right to terminate our agreement, and we are reviewing all of our available options, including bringing a legal action to seek damages." To understand how the two companies reached such an impasse, it helps to review the history between them.

BY THE TIME ICAHN zeroed in on Xerox in late 2015, the company had been shrinking for decades. Started as a photographic-paper maker in Rochester, N.Y., in 1906, the company introduced the world's first high-speed copiers in the late 1940s, and thrived as its hardware formed the essential engine room for document production inside big companies, law firms, and government agencies. But starting in the 1980s, mass adoption of the personal computer sharply curtailed the need for paper printing and copying. As its key patents expired, Xerox faced stiff competition from Japanese rivals Ricoh and Canon, as well as Hewlett-Packard in the U.S.

To counteract flagging sales in its core franchise, Xerox (now based in Norwalk, Conn.) diversified into such fields as financial services, and most recently, the 2010 purchase of Affiliated Computer Services, the outsourcing outfit founded by Deason. Those businesses fit poorly with making and selling printers and copiers, and Xerox exited most of them—while at the same time engaging in round after round of restructuring. Remarkably, Xerox's highly lucrative, if shrinking, managed print services franchise—in which it furnishes a full package of hardware, supplies, and maintenance to big companies—combined with constant cost-cutting have kept free cash flow at healthy levels. Hence, Xerox is today a gradually melting iceberg, but far from a catastrophe.

Xerox's partnership with Fujifilm dates to 1962, when Xerox and Fuji formed an alliance to manufacture and sell Xerox office products in Fuji's home market of Japan. For 39 years, Xerox and Fuji were equal partners, each holding 50% of the shares. Then came a pivotal moment in the year 2000. A botched restructuring of its sales force hammered Xerox's revenues, and it was drowning in debt. As Xerox stood on the brink of bankruptcy, CEO Paul Allaire rushed to raise cash by selling assets. First, Xerox sold its China franchise, which it owned independently, to Fuji Xerox for \$550 million. Then in early 2001, it pocketed \$1.3 billion in exchange for 25% of Fuji Xerox—giving Fuji a 75%, controlling stake in the joint venture. As a result, Xerox now owns just one-fourth of

the vehicle with exclusive rights to make and sell its products in the \$35 billion Asia and the Pacific Rim markets. And as Xerox weakened, Fuji got stronger. Under Komori, it avoided Kodak's fate by successfully diversifying from photographic film into such growth fields as medical equipment and cosmetics. The sales assured that Fuji would benefit disproportionately from growth in Asia, even though Fuji Xerox relied heavily on Xerox's patents and engineering.

The damage to Xerox, however, extended far beyond its diminished share of sales and profits. The 2001 transaction included a new agreement called the Joint Enterprise Contract or JEC, that outlined the governance rights of the two partners, and established severe penalties that would be triggered by a sale of Xerox. It's the combination of the JEC, and a second pact—the Technology Agreement or TA—that puts Xerox in a real bind. Each TA runs for five years; the current one, approved by former CEO Ursula Burns in 2016, expires in March 2021. Under the two agreements, if Xerox is sold, it not only loses its governance rights, it can't regain its brand name in Asia until the TA expires, and doesn't get it back exclusively for another two years.

What would this mean for a potential buyer? If the JEC and TA went unchallenged, a rival or private equity firm that buys Xerox would have no say in running Fuji Xerox and would be unable to independently and exclusively make and sell Xerox products in Asia until early 2023.

Together, the two agreements add up to a crippling so-called poison pill for Xerox—making a sale to a partner other than Fuji extremely difficult. Incredibly, the existence of the provisions was never disclosed publicly until Xerox and Fujifilm announced that they were merging on Jan. 31. By that time, Icahn and Deason were already fuming.

ICAHN HAD BEEN TRYING TO INSTALL new leadership since he first got into Xerox's stock. "I wanted new, competent management at both Conduent and Xerox," says Icahn. "I told Burns I didn't believe she should run either one." (Burns declined to comment for this story.) In mid-2016, Icahn reached an agreement with the Xerox board that he reckoned would smooth the way to naming an outside CEO. He signed both a "standstill" pact, under which he pledged not to challenge the Xerox board in a proxy fight, and a nondisclosure document that entitled him to inside information that he was obligated to keep secret. In exchange for those concessions, Xerox agreed to name an Icahn lieutenant, Jonathan Christodoro, first as an observer to the board, then as a full member starting in mid-2016. But in June, Burns announced that her No. 2, Jeff Jacobson, would succeed her as CEO. He was exactly what Icahn didn't want. "Jacobson was an acolyte of Burns," says Icahn. "He was part of the team that badly hurt Xerox."

At first, however, it appeared that Jacobson, who took over for Burns on Jan. 1, 2017, might deliver the kind of deal that Icahn wanted. The following account is extensively documented in the court records. During Jacobson's first visit to Fuji's Tokyo headquarters in early March, Komori and president Kenji Sukeno expressed interest in purchasing 100% of Xerox in an all-cash

transaction, and noted that they understood that a typical premium would amount to 30% over Xerox's current price of \$30. On March 16, Jacobson, after consulting with the board, wrote a letter to Fuji confirming that Xerox wanted only an all-cash transaction at an "appropriate premium," and had no need to do a deal since it was pursuing a highly promising standalone plan that would "drive growth well above our peers."

Why did Fuji suddenly suggest a 100% deal when it already got most of the benefits from Fuji Xerox, and had never before proposed buying all of Xerox? The answer is probably that Fuji was concerned that, with Xerox now a pure-play in document management post-split, other suitors might pounce. The joint venture agreements provided protection, but it was also possible that they could be circumvented.

But the deal talks were soon derailed by controversy. On April 20, 2017, Fujifilm publicly disclosed a gigantic accounting scandal at Fuji Xerox that, it revealed, would saddle Fuji and Xerox with big losses (although it didn't disclose an amount at the time). Fuji, who controlled management of Fuji Xerox, delayed filing its quarterly statements for the first time in its 83-year history. Because of the scandal, Fuji informed Xerox that it needed to concentrate on fixing Fuji Xerox and couldn't proceed with an acquisition.

Meanwhile, Xerox's board was facing another crisis—of leadership. The directors were already losing confidence in the company's new CEO. At a board meeting the day the scandal broke, held on the phone, a number of directors skewered Jacobson's early performance. In his handwritten notes from the meeting that were later submitted to the court, Keegan, soon to replace Burns as chairman, recorded complaints that Jacobson was "too slow on the learning curve," "a whiner," "overconfident," and exhibited "poor listening skills." Keegan also jotted down a prophetic question, "Do we need him to complete 'Juice'?" referring to the code name for a Fuji-Xerox transaction.

MONITORING the situation from his sumptuous 203-foot, Italian-built yacht in the Caribbean, Deason was getting worried. He didn't know about the poison pill provisions, but he was suspicious that Fuji had some kind of a string on Xerox. Deason is every bit

Icahn pressured Xerox CEO Ursula Burns to split the company and spin off its outsourcing business. She did at the beginning of 2017 and stepped down as chief executive.



Icahn's match in grit. The day after his high school graduation, he left the farm where he was raised for a job in the mailroom at Gulf Oil in Tulsa. There he hung out with the data processing folks. Moving to Texas, he pioneered the processing of ATM transactions for banks. In 1988 he founded Affiliated Computer Services—a major customer was E-ZPass. He describes the way he ran things thusly: "You're on a treadmill going 100 mph, so if you're just going 80, you get thrown off. It's self-policing."

In late May, Deason wrote a private letter to Xerox expressing alarm that conditions hidden in the agreements threaten "a potentially major loss in value for Xerox in any change in control of the company." In response to Deason's request, Xerox stated that it would only release the agreements if Deason would sign his own NDA. Deason refused, and had little contact with Xerox until January when reports of a possible Fuji deal broke in the *Wall Street Journal*.

Jacobson claimed in his testimony at trial that, until mid-May, he had no idea the board was dissatisfied with his performance. But he soon learned where he stood with Icahn. The activist invited Jacobson to his penthouse apartment adjacent to Manhattan's Museum of Modern Art for dinner and some frank talk. According to both *Fortune's* interviews with Icahn and Jacobson's notes and testimony, Icahn told Jacobson that he wanted Xerox sold—and if Jacobson couldn't sell it, Icahn would push to have him replaced. Jacobson took umbrage with the threat. "I told him the worst thing you can do to me is that I go back to my beautiful wife and beautiful family," Jacobson testified. (Jacobson declined to be interviewed for this story.) Icahn also expressed extreme disappointment in Jacobson's "Long Range Plan" for growth, which was targeted at raising EPS by a mere 8% over five years. "I told him, 'We understand numbers,'" says Icahn. "This plan produces no value for shareholders."

Icahn shared his dim view of Jacobson and his strategy with Keegan. And soon after Keegan decided, according to his testimony, that only one path remained for the board. Xerox "needed to sell post haste."

Jacobson grabbed the baton, and pushed hard with Fuji to restart talks. To ratchet up the pressure, he invoked the looming threat of Icahn—especially the idea that Icahn might try to end the joint venture, using the accounting scandal as an out. In late June, Jacobson emailed Keegan, “I did play the Icahn card as a reason we need a sense of urgency and they [Fuji] appreciate this.”

Also in June, Fuji released an independent report on the Fuji Xerox accounting scandal that put the total losses at \$360 million, including a \$90 million hit to Xerox. The report also assailed a “culture of concealment” at Fuji Xerox, and slammed Fuji for lax oversight. At an earnings briefing on June 12, Komori bowed and apologized for the scandal.

TWO WATERSHED moments came in July. The first was a meeting on July 10 at the Manhattan offices of Centerview Partners, Xerox’s bankers, between Jacobson and two leading executives from Fuji. The Fuji camp dropped what should have been a bombshell, stating that a deal for 100% of Xerox was now impossible because Xerox was too expensive—a puzzling assertion, since its stock price was 3% lower than when Fuji expressed interest in a 100% acquisition in March. But instead of maintaining its long-held position that only a 100%, all-cash transaction would work, the Xerox camp voluntarily advanced an extraordinary proposal: Centerview suggested that Fuji purchase just over 50% of Xerox in a deal that, the bankers said, would require no cash outlay.

Centerview had used a similar formula in H.J. Heinz–Kraft Foods merger under which Heinz shareholders owned 51% of the new company, Kraft Heinz. It’s not clear if the idea came from Centerview or Jacobson; Jacobson claims that Centerview introduced the concept. But Jacobson embraced it. The same day, he texted Keegan and director Ann Reese that “I threw a Hail Mary pass. The door is open and we may have a chance.” But he had effectively taken the all-cash buy-out proposal off the table.

Because he’d signed an NDA, and could get reports from Christodoro, Icahn



Jeff Jacobson took over as CEO of Xerox in 2017 and quickly lost the confidence of both Icahn and the board. He took the lead in negotiating the merger deal with Fujifilm.

soon learned about the 49.9% minority proposal, and he was anything but happy. Icahn’s position was that either Fuji paid what he called “real money,” or as Icahn puts it, “We’d gradually take business away from Fuji Xerox and eventually terminate the joint venture and take back the Xerox name in Asia,” a prospect Fuji obviously dreaded.

Despite Icahn’s constant demands, it wasn’t until mid-October that talks resumed in earnest. At Jacobson’s prodding, Fuji finally hired a financial adviser, Morgan Stanley. Although Jacobson had been Xerox’s sole face in the negotiations, the board made a pivotal decision in late October: It would replace Jacobson with John Visentin, an IBM veteran who’d revitalized document outsourcer Novitex, and whom Icahn strongly endorsed. Visentin, in fact, was to start work on Dec. 11, the deadline for Icahn to file for a proxy fight.

The board also unanimously decided that Jacobson should halt all negotiations with Fuji. According to testimony from two directors, the board determined that talks should be conducted by Visentin when he took charge. On Nov. 10, Keegan, who’d just recovered from foot surgery, met with Jacobson at Westchester County Airport and told him that the board was seriously considering replacing him. According to both parties, Keegan told Jacobson that no final decision had been made. Christodoro and director Cheryl Krongard, however, insist that the board had indeed spoken.

BUT JACOBSON HAD an ace to play. Top executives from Fuji were scheduled for a meeting to discuss a deal on Nov. 14 in New York, and Jacobson was slated to meet with Komori in Japan on Nov. 21. When Jacobson informed Takashi Kawamura, Fujifilm's chief of planning, that the meetings had to be canceled, Kawamura texted back that CEO Komori "would be very disappointed" if the meetings didn't go forward, and that the two sides "may lose the momentum of the deal." Jacobson relayed the news to Keegan.

Then came another shocking twist: Keegan reversed the unanimous decision of the board and allowed Jacobson to keep talking to Fuji. "I made a battlefield decision," said Keegan in his testimony. Keegan's notes show that he clearly believed that, whatever his weaknesses, Jacobson was critical to clinching the merger. Keegan told only the bankers from Centerview and one director, Ann Reese, that he'd allowed the soon-to-be-fired Jacobson to remain point man on the deal.

Given a reprieve by his chairman, Jacobson was getting support and encouragement from Fujifilm. Kawamura sent chummy messages to the CEO touting their alliance against Icahn. "We should be the one team to fight against our mutual enemy," Kawamura texted to Jacobson on Nov. 12. "We are aligned my friend," replied Jacobson. The day before Jacobson's meeting Komori, Kawamura sent Jacobson a text strongly implying that Komori wanted to help protect Jacobson's job—writing that Komori "would focus on hearing current situation surrounding you and what we can do." Jacobson then texted Centerview's Hess, "Kawamura told me that there is no deal without me." At his meeting with Komori on Nov. 21, Jacobson proposed that Fuji offer a one-time dividend of \$2 billion as part of the deal, hardly a big number.

By keeping Jacobson, Keegan was severely antagonizing his biggest individual shareholder. Icahn was constantly calling Keegan to deliver on installing Visentin as CEO, and according to Icahn, Keegan kept saying the change was imminent. "Keegan talked and talked," says Icahn. "He kept saying that Visentin was about to take over, but he was just stalling. Meanwhile, Jacobson is conniving behind the scenes. I wish he were half as good at running the company as he was at conniving. I'd have made a lot of money."

On Nov. 30, Fuji sent Xerox its formal

offer, echoing the structure proposed in July, giving Xerox 49.9% of Fuji Xerox, and in addition, the \$2 billion dividend Jacobson had suggested. Keegan presented the offer at a board meeting on Dec. 4. Most—if not all—of the directors besides Keegan and Reese were unaware that Jacobson had been meeting with Fujifilm. Several expressed shock that Jacobson had negotiated a transaction when the board had unanimously barred him from even talking to Fuji three weeks before.

Because of his NDA, Icahn was cleared to track board deliberations and he quickly learned of the proposed terms of the deal Jacobson had negotiated with Fujifilm. "That's when I blew up," says Icahn. "Keegan keeps saying, 'Trust me.' Then I see the deal and say, 'You came up with this? Are you crazy?' He tried to flimflam me! We all agreed Jacobson couldn't run Xerox. How's he going to run a company twice that size?"

Christodoro resigned from the board in protest on Friday, Dec. 8. His departure freed Icahn from his standstill agreement, and allowed Icahn to name a slate of four directors, which he did on Monday, Dec. 11. According to court documents, Jacobson, Keegan, and executives at Fuji were hoping that the terms would satisfy Icahn, but were also keenly aware he might bolt and launch a proxy battle.

In its presentations to the board, Centerview argued that the transaction presented an excellent opportunity for Xerox to rid itself of Icahn. That's because transactions recommended by a board almost never lose a shareholder vote. The plan was to hold both the election for directors and the vote on the deal back-to-back at the annual meeting. Shareholders would only support the Icahn slate if they opposed the deal, and according to Centerview, that was highly unlikely. Hence, the best bet was that Icahn would sell his shares before the vote, or face defeat at the annual meeting.

AS THE PROPOSED TRANSACTION careened forward in January, Jacobson appeared to cement his hold on the CEO post of the new Fuji Xerox. On Jan. 16, Kawamura texted Jacobson, "I clearly told Komori to tell Keegan that he wants Jeff to be CEO." In reality, that's not quite what Komori requested. Komori had suggested co-CEOs, one to be named by Fuji. But when Keegan demurred, Komori dropped the request. Jacobson maintains that his becoming CEO was not a condition of the deal. But in her testimony, board member Krongard stated that both Centerview and outside counsel Paul Weiss Rifkind Wharton & Garrison told the board that making Jacobson CEO was indeed a requirement. On the witness stand on April 27, Centerview's David Hess, when he was asked "whether it's correct Centerview advised the board about whether Mr. Jacobson had to be CEO of the combined company for the deal to proceed," answered simply, "Yes."

Xerox and Fujifilm announced the merger on Jan. 31. After last-minute lobbying by Keegan, Komori had agreed to raise the dividend modestly, to \$2.5 billion. Xerox's stock traded up modestly at first, then drifted back down as investors drilled into the details. As part of the deal disclosures, Xerox for the first time published the full joint venture agreements—the poison pill. Deason went ballistic and began preparing his lawsuits.

Another disclosure, too, would come back to undermine the merger. In the mad rush to complete the deal, Xerox and Fuji decided not to wait until Fuji Xerox submitted audited financial statements that put a final number on its losses from the accounting scandal. According to Xerox, the transaction's terms stipulated that if the losses far exceeded those in the unaudited statements, Xerox could cancel the merger. On April 24, Fuji Xerox finally unveiled the audited numbers—and they showed that the losses had jumped from a preliminary estimate of \$360 million to a definitive \$470 million, a difference of 31%. Xerox's loss ballooned from \$90 million to \$118 million. And indeed, Xerox ultimately cited the accounting imbroglio as the basis for nixing the deal.

THERE WAS A FINAL bit of drama before the merger agreement fell apart. The narrative is disclosed in the Notice of Termination that Xerox sent to Fuji on May 13. Xerox states that the accounting debacle gave it the right to cancel the deal, because Fuji Xerox both missed the deadline for submitting the audited numbers, and because those numbers diverged sharply from the original estimates.

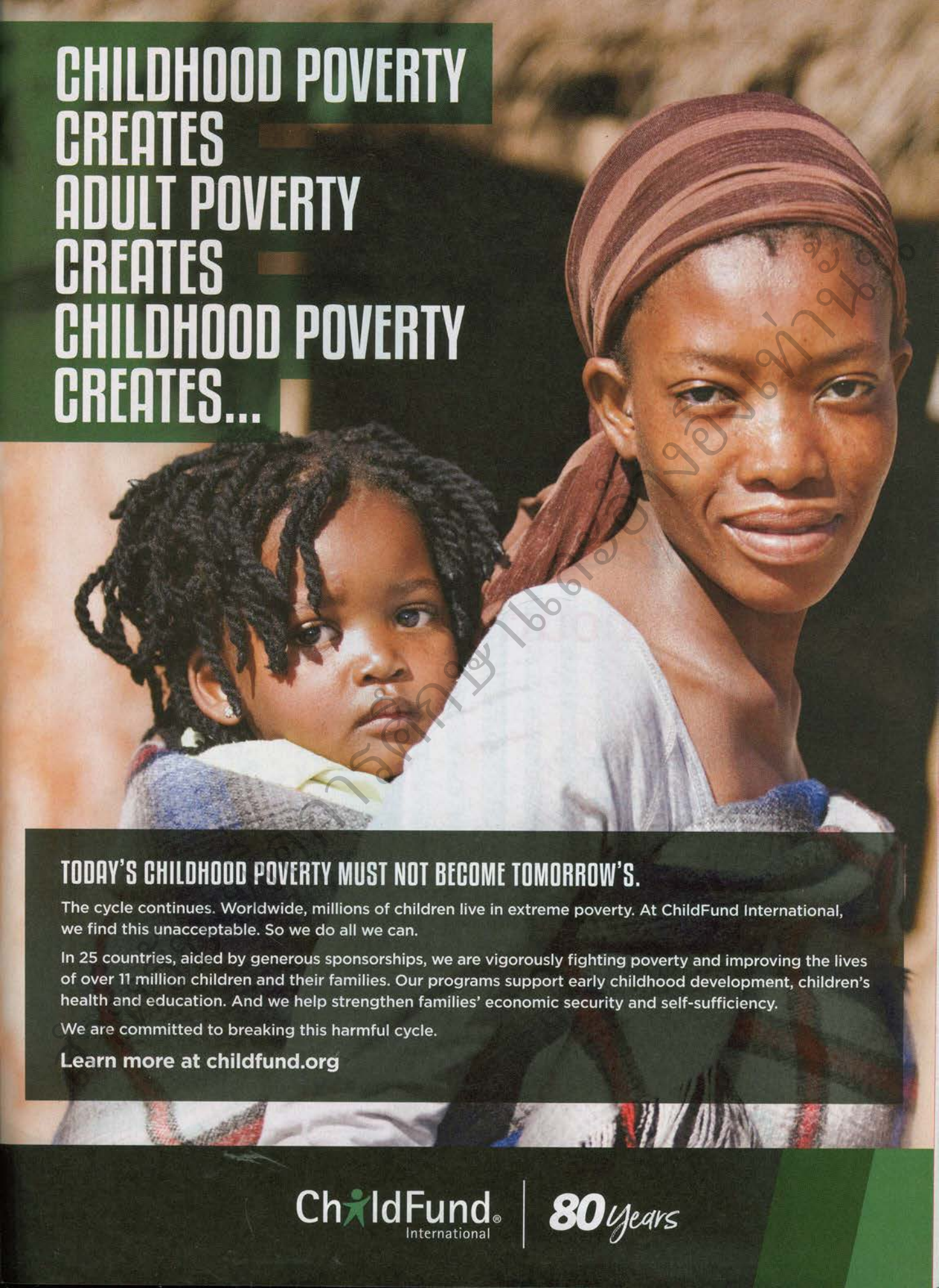
But the filing also reveals, for the first time, efforts by Jacobson to salvage the deal by getting better terms—even though Xerox was arguing publicly that the existing deal was a winner for shareholders. Jacobson lobbied for a better price during two meetings with Komori in Tokyo during March and April. And Keegan appealed to Komori by videoconference on April 24, two days before the trial began. The day after Judge Ostrager issued his decisions in favor of Deason, Keegan made further entreaties

in a letter to his Komori. And on May 9 and 10, Xerox's bankers and lawyers made their case to their counterparts from Fuji. Xerox's request: that Fuji add \$1.25 billion to the dividend, not by piling more debt on Fuji Xerox, but from Fuji's own cash horde. That increase would have handed shareholders an extra \$5 a share, or around 17%.

Komori wouldn't bite. He told Keegan he wouldn't be available to discuss any new terms until the week of May 21. The rift grew deeper when Fuji issued a press release on May 10, stating that it had received no new proposal from Xerox, even though Xerox had been championing the extra dividend as the deal's salvation. As Xerox states in the Notice of Termination, "That statement was clearly false. It does establish, however, Fuji's lack of good faith."

WHILE FUJI FUMES, Icahn and Deason are celebrating their victories in court and on the board. With Visentin in place as CEO, they're hopeful that Xerox's results will start to improve. And with the merger off, they hope to see a true auction process for the company. If Fujifilm tries to enforce the poison pill to block a deal, it's likely that Icahn and Deason would use the accounting scandal to challenge the move in court.

Meanwhile, the two partners have a bet to settle. *Fortune* has learned that Icahn and Deason wagered \$50,000—in cash—that Deason would lose his lawsuit to push back the deadline for nominating directors, and the Texan gladly took the bet. "I generally don't lose a lot of bets. I guess that's why people say never bet against Carl Icahn," says Icahn, chuckling. "But I'm happy to lose this one." Now he and Deason are wagering that together they can finally win big with Xerox. ■



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F·24

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AND
NOTES

F·25

COMPANY
PERFORMANCE

F·29

THE 500
RANKED WITHIN
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F·38

INDEX

LARGEST U.S. CORPORATIONS

500

WALMART

claimed the top spot in the 500 for a sixth straight year and became the first company in history to generate \$500 billion in annual sales.

APPLE

took a small step back, from No. 3 to No. 4, despite a 6% gain in annual sales, but it led the way in profits with more than \$48 billion in net income.

AMAZON.COM

cracked the top 10 for the first time, continuing its remarkable growth run. Sales have jumped some \$70 billion in two years.

NO. 2

EXXON MOBIL

Crude prices rebounded in 2017, boosting results for the oil major. At right, the Exxon platform Hebron being towed out for installation off the coast of Newfoundland in May 2017.

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RANK		REVENUES		PROFITS			ASSETS		STOCKHOLDERS' EQUITY			
2017	2016	\$millions	% change from 2016	\$millions	Rank	% change from 2016	\$millions	Rank	\$millions	Rank		
1	1	WALMART	Bentonville, Ark. ^{1,2}	500,343.0	3.0	9,862.0	20	(27.7)	204,522.0	41	77,869.0	14
2	4	EXXON MOBIL	Irving, Texas	244,363.0 ⁶	17.4	19,710.0	10	151.4	348,691.0	21	187,688.0	6
3	2	BERKSHIRE HATHAWAY	Omaha, Neb.	242,137.0	8.3	44,940.0	2	86.7	702,095.0	11	348,296.0	1
4	3	APPLE	Cupertino, Calif. ³	229,234.0	6.3	48,351.0	1	5.8	375,319.0	18	134,047.0	10
5	6	UNITEDHEALTH GROUP	Minnetonka, Minn.	201,159.0	8.8	10,558.0	17	50.5	139,058.0	56	47,776.0	32
6	5	MCKESSON	San Francisco, Calif. ⁴	198,533.0	3.1	5,070.0	46	124.5	60,969.0	113	11,095.0	143
7	7	CVS HEALTH	Woonsocket, R.I.	184,765.0	4.1	6,622.0	31	24.5	95,131.0	81	37,691.0	39
8	12	AMAZON.COM	Seattle, Wash. ⁵	177,866.0	30.8	3,033.0	73	27.9	131,310.0	62	27,709.0	56
9	9	AT&T	Dallas, Texas	160,546.0	[2.0]	29,450.0	4	127.0	444,097.0	15	140,861.0	9
10	8	GENERAL MOTORS	Detroit, Mich.	157,311.0 ⁵	[5.5]	[3,864.0]	496	[141.0]	212,482.0	39	35,001.0	41
11	10	FORD MOTOR	Dearborn, Mich.	156,776.0	3.3	7,602.0	29	65.4	257,808.0	27	34,890.0	42
12	11	AMERISOURCEBERGEN	Chesterbrook, Pa. ³	153,143.8	4.3	364.5	356	[74.5]	35,316.5	172	2,064.5	386
13	19	CHEVRON	San Ramon, Calif.	134,533.0 ⁶	25.1	9,195.0	24	-	253,806.0	30	148,124.0	8
14	15	CARDINAL HEALTH	Dublin, Ohio ⁶	129,976.0	6.9	1,288.0	194	[9.7]	40,112.0	156	6,808.0	226
15	16	COSTCO WHOLESALE	Issaquah, Wash. ⁷	129,025.0	8.7	2,679.0	87	14.0	36,347.0	166	10,778.0	150
16	14	VERIZON COMMUNICATIONS	New York, N.Y.	126,034.0	0.0	30,101.0	3	129.3	257,143.0	28	43,096.0	34
17	18	KROGER	Cincinnati, Ohio ²	122,662.0	6.4	1,907.0	135	[3.4]	37,197.0	163	6,931.0	219
18	13	GENERAL ELECTRIC	Boston, Mass. ⁸	122,274.0 ⁵	[3.5]	[5,786.0]	497	[165.5]	377,945.0	17	64,263.0	24
19	17	WALGREENS BOOTS ALLIANCE	Deerfield, Ill. ⁷	118,214.0	0.7	4,078.0	58	[2.3]	66,009.0	105	27,466.0	57
20	21	JPMORGAN CHASE & CO.	New York, N.Y.	113,899.0	8.0	24,441.0	5	[1.2]	2,533,600.0	2	255,693.0	3



MARKET VALUE 3/29/18		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017		
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2017 \$	% change from 2016	2007-2017 annual growth rate		2007-2017 annual rate		2017 %	Rank	%	Rank		
		%	Rank	%	Rank	%	Rank		%	%	Rank	%	Rank						
263,563.1	12	2.0	386	4.8	227	12.7	259	3.28	(25.1)	0.5	258	46.8	71	10.2	190	24	1		
316,157.1	9	8.1	208	5.7	195	10.5	297	4.63	146.3	(4.4)	298	(3.8)	374	1.7	340	47	2		
492,008.4	5	18.6	67	6.4	164	12.9	253	27,326.00	86.6	12.3	77	21.9	201	7.7	254	37	3		
851,317.9	1	21.1	50	12.9	41	36.1	58	9.21	10.8	32.3	4	48.5	62	20.9	23	11	4		
207,079.9	18	5.2	277	7.6	128	22.1	138	10.72	47.9	12.1	80	39.8	95	15.6	73	25	5		
29,067.0	169	2.6	362	8.3	107	45.7	35	22.73	134.3	22.5	20	11.9	284	9.9	199	67	6		
63,114.0	83	3.6	332	7.0	148	17.6	187	6.44	31.4	12.9	72	[5.7]	387	7.7	251	27	7		
700,667.7	4	1.7	396	2.3	331	10.9	289	6.15	25.5	18.6	35	56.0	43	28.9	8	38	8		
218,945.6	15	18.3	70	6.6	155	20.9	144	4.76	126.7	9.4	113	[3.8]	373	4.9	304	57	9		
50,971.6	105	[2.5]	465	[1.8]	473	[11.0]	456	[2.60]	[143.3]	-		22.5	195	-		43	10		
44,244.3	122	4.8	289	2.9	305	21.8	140	1.90	65.2	-		8.6	307	8.9	220	43	11		
18,937.7	230	0.2	439	1.0	387	17.7	185	1.64	[74.1]	2.8	232	19.4	220	16.6	58	67	12		
217,845.3	16	6.8	240	3.6	275	6.2	379	4.85	-	[5.8]	309	10.5	293	6.8	273	47	13		
19,725.8	224	1.0	421	3.2	293	18.9	167	4.03	[6.7]	[1.7]	285	[12.8]	418	6.0	285	67	14		
82,686.9	64	2.1	381	7.4	138	24.9	117	6.08	14.1	9.9	105	22.2	198	13.2	117	24	15		
197,496.6	22	23.9	29	11.7	54	69.8	17	7.36	129.3	14.5	59	4.1	335	7.9	245	57	16		
20,827.8	211	1.6	404	5.1	215	27.5	97	2.09	2.0	9.5	112	[19.0]	429	9.2	211	20	17		
117,053.7	42	[4.7]	475	[1.5]	468	[9.0]	452	[0.72]	[180.9]	-		[42.7]	453	[3.8]	376	32	18		
64,924.3	80	3.4	336	6.2	170	14.8	226	3.78	[1.0]	6.4	163	[10.5]	412	8.8	225	20	19		
375,042.9	7	21.5	47	1.0	392	9.6	316	6.31	1.9	3.7	213	26.7	167	12.0	142	9	20		

→ 21-68 / 500

22

ALPHABET Consumers are never far from Alphabet. Its Google search is ubiquitous. YouTube entertains. Android powers phones. And Alphabet prospers: A \$20.6 billion sales gain vaulted it into the top 25. But profits took a hit in part because of a \$2.7 billion antitrust fine levied by the EU last summer. —Adam Lashinsky

RANK 2017	RANK 2016	CORPORATION	REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
			\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
21	20	FANNIE MAE Washington, D.C. ⁹	112,394.0	4.9	2,463.0	95	(80.0)	3,345,529.0	1	(3,686.0)	494
22	27	ALPHABET Mountain View, Calif.	110,855.0	22.8	12,662.0	14	(35.0)	197,295.0	42	152,502.0	7
23	23	HOME DEPOT Atlanta, Ga. ²	100,904.0	6.7	8,630.0	26	8.5	44,529.0	143	1,454.0	413
24	26	BANK OF AMERICA CORP. Charlotte, N.C.	100,264.0	7.0	18,232.0	11	1.8	2,281,234.0	3	267,146.0	2
25	22	EXPRESS SCRIPTS HOLDING St. Louis, Mo.	100,064.6	(0.2)	4,517.4	54	32.7	54,255.8	122	18,119.6	88
26	25	WELLS FARGO San Francisco, Calif.	97,741.0	3.8	22,183.0	7	1.1	1,951,757.0	5	206,936.0	4
27	24	BOEING Chicago, Ill.	93,392.0	(1.2)	8,197.0	27	67.5	92,333.0	88	355.0	468
28	34	PHILLIPS 66 Houston, Texas	91,568.0 ⁶	26.5	5,106.0	44	228.4	54,371.0	121	25,085.0	63
29	29	ANTHEM Indianapolis, Ind.	90,039.4	6.1	3,842.8	62	55.6	70,540.0	100	26,502.9	58
30	28	MICROSOFT Redmond, Wash. ⁶	89,950.0	5.4	21,204.0	9	26.2	241,086.0	32	72,394.0	17
31	37	VALERO ENERGY San Antonio, Texas	88,407.0 ⁶	26.0	4,065.0	59	77.6	50,158.0	129	21,991.0	74
32	30	CITIGROUP New York, N.Y.	87,966.0	6.8	(6,798.0)	499	(145.6)	1,842,465.0	6	200,740.0	5
33	31	COMCAST Philadelphia, Pa.	84,526.0	5.1	22,714.0	6	161.2	186,949.0	44	68,606.0	20
34	32	INTERNATIONAL BUSINESS MACHINES Armonk, N.Y.	79,139.0	(1.0)	5,753.0	35	(51.5)	125,356.0	64	17,594.0	89
35	41	DELL TECHNOLOGIES Round Rock, Texas ²	78,660.0	21.4	(3,728.0)	495	—	122,281.0	67	9,326.0	180
36	33	STATE FARM INSURANCE COS. Bloomington, Ill.	78,330.8	2.9	2,206.5	112	529.9	272,345.2	25	97,035.5	12
37	35	JOHNSON & JOHNSON New Brunswick, N.J.	76,450.0	6.3	1,300.0	192	(92.1)	157,303.0	49	60,160.0	25
38	39	FREDDIE MAC McLean, Va. ⁹	74,676.0	13.7	5,625.0	36	(28.0)	2,049,776.0	4	(312.0)	478
39	38	TARGET Minneapolis, Minn. ²	71,879.0	3.4	2,934.0	79	7.2	38,999.0	158	11,709.0	134
40	40	LOWE'S Mooresville, N.C. ²	68,619.0	5.5	3,447.0	67	11.4	35,291.0	173	5,873.0	244
41	51	MARATHON PETROLEUM Findlay, Ohio	67,610.0 ⁶	21.0	3,432.0	69	192.3	49,047.0	130	14,033.0	116
42	36	PROCTER & GAMBLE Cincinnati, Ohio ⁶	66,217.0 ⁴	(7.7)	15,326.0	13	45.9	120,406.0	68	55,184.0	27
43	42	METLIFE New York, N.Y.	66,153.0 ⁴	4.2	4,010.0	60	401.3	719,892.0	10	58,676.0	26
44	46	UNITED PARCEL SERVICE Atlanta, Ga.	65,872.0	8.2	4,910.0	48	43.1	45,403.0	141	1,000.0	432
45	44	PEPSICO Purchase, N.Y.	63,525.0	1.2	4,857.0	50	(23.3)	79,804.0	89	10,889.0	147
46	47	INTEL Santa Clara, Calif.	62,761.0	5.7	9,601.0	22	(6.9)	123,249.0	66	69,019.0	19
47	62	DOWDUPONT Wilmington, Del. ¹⁰	62,683.0 ⁴	30.2	1,460.0	174	(66.2)	192,164.0	43	100,330.0	11
48	45	ARCHER DANIELS MIDLAND Chicago, Ill.	60,828.0	(2.4)	1,595.0	157	24.7	39,963.0	157	18,313.0	85
49	43	AETNA Hartford, Conn.	60,535.0	(4.1)	1,904.0	136	(16.2)	55,151.0	119	15,580.0	106
50	58	FEDEX Memphis, Tenn. ¹¹	60,319.0	19.8	2,997.0	76	64.7	48,552.0	131	16,073.0	101
51	50	UNITED TECHNOLOGIES Farmington, Conn.	59,837.0	4.5	4,552.0	53	(10.0)	96,920.0	78	29,610.0	53
52	48	PRUDENTIAL FINANCIAL Newark, N.J.	59,689.0	1.5	7,863.0	28	80.0	831,921.0	9	54,069.0	28
53	49	ALBERTSONS COS. Boise, Idaho ¹²	59,678.2	1.6	(373.3)	468	—	23,755.0	223	1,371.2	420
54	57	SYSCO Houston, Texas ⁶	55,371.1	9.9	1,142.5	213	20.3	17,756.7	276	2,381.5	367
55	52	WALT DISNEY Burbank, Calif. ³	55,137.0	(0.9)	8,980.0	25	(4.4)	95,789.0	80	41,315.0	36
56	53	HUMANA Louisville, Ky.	53,767.0	(1.1)	2,448.0	96	298.7	27,178.0	205	9,842.0	166
57	54	PFIZER New York, N.Y.	52,546.0	(0.5)	21,308.0	8	195.3	171,797.0	46	71,308.0	18
58	61	HP Palo Alto, Calif. ¹³	52,056.0	7.9	2,526.0	91	1.2	32,913.0	185	(3,408.0)	493
59	56	LOCKHEED MARTIN Bethesda, Md.	51,048.0	0.8	2,002.0	126	(62.2)	46,521.0	137	(683.0)	482
60	55	AMERICAN INTERNATIONAL GROUP New York, N.Y.	49,520.0	(5.4)	(6,084.0)	498	—	498,301.0	13	65,171.0	23
61	66	CENTENE St. Louis, Mo.	48,572.0	19.3	828.0	252	47.3	21,855.0	238	6,850.0	223
62	60	CISCO SYSTEMS San Jose, Calif. ¹⁴	48,005.0	(2.5)	9,609.0	21	(10.5)	129,818.0	63	66,137.0	21
63	63	HCA HEALTHCARE Nashville, Tenn. ¹⁵	47,653.0	6.5	2,216.0	111	(23.3)	36,593.0	165	(6,806.0)	498
64	79	ENERGY TRANSFER EQUITY Dallas, Texas ⁹	47,487.0 ⁸	26.6	954.0	237	(4.1)	86,246.0	86	(1,196.0)	486
65	74	CATERPILLAR Deerfield, Ill.	45,462.0	18.0	754.0	266	—	76,362.0	93	13,697.0	120
66	68	NATIONWIDE Columbus, Ohio	43,939.9	9.6	246.5	387	(26.2)	221,256.9	37	14,741.2	110
67	76	MORGAN STANLEY New York, N.Y.	43,642.0	15.0	6,111.0	33	2.2	851,733.0	8	77,391.0	15
68	75	LIBERTY MUTUAL INSURANCE GROUP Boston, Mass. ¹⁶	42,687.0 ⁸	11.4	17.0	440	(98.3)	142,502.0	54	20,661.0	76



MARKET VALUE 3/29/18		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2017 \$	% change from 2016	2007-2017 annual growth rate		2017 %	Rank	2007-2017 annual rate			
		%	Rank	%	Rank	%	Rank			%	Rank			%	Rank		
1,632.9	442	2.2	376	0.1	444	-	-	(1.12)	[11,300.0]	-	-	(32.1)	445	(23.5)	407	13	21
719,123.6	2	11.4	137	6.4	163	8.3	344	18.00	[35.4]	10.5	98	32.9	129	11.8	149	38	22
206,271.7	20	8.6	196	19.4	8	593.5	2	7.29	13.0	11.9	84	44.5	80	24.6	14	56	23
306,618.4	10	18.2	73	0.8	406	6.8	373	1.56	4.0	[7.2]	320	35.6	111	[1.8]	362	9	24
38,790.6	135	4.5	301	8.3	105	24.9	114	7.74	43.6	21.8	23	8.5	309	7.4	260	27	25
255,556.0	13	22.7	43	1.1	380	10.7	293	4.10	2.8	5.6	172	13.2	270	10.2	187	9	26
192,539.1	23	8.8	191	8.9	93	2,309.0	1	13.43	76.5	9.8	108	94.5	7	16.0	70	2	27
44,729.9	120	5.6	270	9.4	85	20.4	150	9.85	237.3	-	-	20.9	207	-	-	47	28
56,182.1	95	4.3	308	5.4	203	14.5	230	14.35	55.8	9.9	103	58.8	97	11.2	165	25	29
702,760.1	3	23.6	33	8.8	96	29.3	85	2.71	29.0	6.7	157	40.7	92	11.9	146	10	30
39,976.7	133	4.6	296	8.1	111	18.5	177	9.16	85.4	0.3	261	40.0	94	6.2	279	47	31
172,822.0	27	(7.7)	483	(0.4)	448	(3.4)	441	(2.98)	(163.1)	-	-	27.0	166	(11.9)	394	9	32
158,702.8	28	26.9	19	12.1	47	33.1	69	4.75	166.1	27.6	9	17.7	235	17.9	45	57	33
141,334.8	35	7.3	227	4.6	237	32.7	72	6.14	(50.4)	(1.6)	282	(4.0)	377	6.1	283	33	34
-	-	(4.7)	476	(3.0)	482	(40.0)	464	-	-	-	-	-	-	-	-	11	35
-	-	2.8	355	0.8	404	2.3	409	-	-	-	-	-	-	-	-	36	36
343,780.3	8	1.7	398	0.8	402	2.2	410	0.47	(92.1)	(18.5)	344	24.3	186	11.0	170	48	37
877.6	455	7.5	220	0.3	436	-	-	(1.00)	(3,433.3)	-	-	(32.6)	447	(22.7)	404	13	38
37,408.6	141	4.1	315	7.5	132	25.1	113	5.33	13.4	4.8	193	(5.8)	388	5.2	298	24	39
72,811.5	72	5.0	283	9.8	78	58.7	22	4.09	17.9	8.2	131	33.2	128	17.2	49	56	40
34,682.7	151	5.1	281	7.0	145	24.5	120	6.70	203.2	-	-	34.7	121	-	-	47	41
199,865.2	21	23.1	39	12.7	43	27.8	94	5.59	51.5	6.3	166	12.7	275	5.5	293	31	42
47,571.5	114	6.1	258	0.6	424	6.8	372	3.62	474.6	(4.1)	296	8.1	313	1.6	342	35	43
90,156.1	57	7.5	222	10.8	60	491.0	4	5.61	45.0	31.6	5	7.1	322	8.6	230	39	44
154,932.5	29	7.6	218	6.1	175	44.6	39	3.38	(22.5)	(0.1)	266	17.9	228	7.7	252	21	45
243,109.4	14	15.3	90	7.8	117	13.9	239	1.99	(6.1)	5.4	178	31.0	143	9.1	213	54	46
148,186.0	33	2.3	366	0.8	409	1.5	421	0.91	(74.1)	(11.2)	330	28.7	153	10.0	196	8	47
24,238.3	188	2.6	358	4.0	258	8.7	329	2.79	29.2	(1.7)	284	(9.5)	402	0.8	347	22	48
55,229.2	96	3.1	346	3.5	260	12.2	264	5.68	(11.4)	5.1	185	47.2	69	13.1	122	25	49
64,161.0	81	5.0	284	6.2	172	18.6	172	11.07	70.0	5.5	174	35.2	114	11.5	155	39	50
100,666.8	50	7.6	219	4.7	230	15.4	216	5.70	(6.9)	2.9	229	19.1	222	7.8	248	2	51
43,685.8	123	13.2	113	0.9	383	14.5	228	17.86	83.9	8.9	121	13.6	267	4.8	308	35	52
-	-	(0.6)	453	(1.6)	469	(27.2)	461	-	-	-	-	-	-	-	-	20	53
31,294.2	161	2.1	382	6.4	161	48.0	32	2.08	26.8	2.7	234	12.4	278	10.4	184	66	54
151,029.2	31	16.3	83	9.4	86	21.7	141	5.69	(0.7)	9.7	109	4.6	331	14.3	98	18	55
37,122.0	142	4.6	298	9.0	89	24.9	116	16.81	313.0	13.1	70	22.4	196	13.4	116	25	56
211,115.3	17	40.6	7	12.4	45	29.9	81	3.52	200.9	11.6	86	15.7	253	9.3	210	48	57
35,893.3	147	4.9	288	7.7	121	-	-	1.48	3.5	(5.8)	310	45.9	74	0.4	351	11	58
96,588.6	54	3.9	319	4.3	248	-	-	6.89	(60.6)	(0.3)	271	31.7	137	15.5	76	2	59
49,144.7	110	(12.3)	490	(1.2)	459	(9.3)	453	(6.54)	-	-	-	(6.9)	393	(23.3)	405	37	60
18,703.5	233	1.7	397	3.8	267	12.1	269	4.69	36.7	19.1	32	78.5	16	22.1	18	25	61
206,623.3	19	20.0	60	7.4	137	14.5	229	1.90	(10.0)	5.0	187	31.2	139	5.5	292	44	62
34,165.1	152	4.7	294	6.1	176	-	-	5.95	(18.5)	-	-	18.7	223	-	-	26	63
15,334.7	262	2.0	385	1.1	381	-	-	0.83	(9.8)	7.9	136	(4.6)	378	13.7	110	49	64
88,078.1	58	1.7	400	1.0	390	5.5	388	1.26	-	(13.5)	335	74.7	20	11.3	163	12	65
-	-	0.6	431	0.1	441	1.7	414	-	-	-	-	-	-	-	-	36	66
96,688.0	53	14.0	103	0.7	412	7.9	352	3.07	5.1	0.3	262	26.6	168	1.5	344	9	67
-	-	0.0	444	0.0	446	0.1	429	-	-	-	-	-	-	-	-	37	68

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94

RITE AID Dramatic changes are afoot at the third-largest drugstore chain in the U.S. Last year Rite Aid agreed to sell nearly 2,000 pharmacies to Walgreens. And in February grocery giant Albertsons [No. 53] said it would buy the rest of Rite Aid, creating an \$83-billion-in-revenue behemoth. —Beth Kowitz

RANK 2017	2016		REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
			\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
69	65	NEW YORK LIFE INSURANCE New York, N.Y.	42,296.0	3.7	1,866.9	138	71.6	303,182.8	22	20,957.0	79
70	78	GOLDMAN SACHS GROUP New York, N.Y.	42,254.0	12.0	4,286.0	55	[42.1]	916,776.0	7	82,243.0	13
71	67	AMERICAN AIRLINES GROUP Fort Worth, Texas	42,207.0	5.0	1,919.0	133	[28.3]	51,396.0	125	3,926.0	306
72	72	BEST BUY Richfield, Minn. ²	42,151.0	7.0	1,000.0	229	[18.6]	13,049.0	316	3,612.0	317
73	70	CIGNA Bloomfield, Conn.	41,616.0	4.9	2,237.0	109	19.8	61,753.0	111	13,735.0	119
74	96	CHARTER COMMUNICATIONS Stamford, Conn.	41,581.0	43.4	9,895.0	19	180.9	146,623.0	53	39,084.0	38
75	71	DELTA AIR LINES Atlanta, Ga.	41,244.0	4.0	3,577.0	65	[18.2]	53,292.0	123	13,910.0	117
76	98	FACEBOOK Menlo Park, Calif.	40,653.0	47.1	15,934.0	12	56.0	84,524.0	87	74,347.0	16
77	73	HONEYWELL INTERNATIONAL Morris Plains, N.J.	40,534.0	3.1	1,655.0	154	[65.6]	59,387.0	116	17,276.0	91
78	69	MERCK Kenilworth, N.J.	40,122.0	0.8	2,394.0	100	[38.9]	87,872.0	85	34,336.0	43
79	84	ALLSTATE Northbrook, Ill.	38,524.0	5.4	3,189.0	70	69.9	112,422.0	72	22,551.0	71
80	82	TYSON FOODS Springdale, Ark. ³	38,260.0	3.7	1,774.0	144	0.3	28,066.0	202	10,541.0	155
81	83	UNITED CONTINENTAL HOLDINGS Chicago, Ill.	37,736.0	3.2	2,131.0	118	[5.8]	42,326.0	149	8,806.0	186
82	81	ORACLE Redwood City, Calif. ¹¹	37,728.0	1.8	9,335.0	23	4.9	134,991.0	61	53,860.0	29
83	107	TECH DATA Clearwater, Fla. ²	36,775.0	40.2	116.6	418	[40.2]	12,652.6	324	2,921.5	342
84	80	TIAA New York, N.Y. ¹⁷	36,025.3	[2.9]	1,049.7	220	[29.7]	583,631.7	12	36,336.1	40
85	87	TJX Framingham, Mass. ²	35,864.7	8.1	2,607.9	88	13.5	14,058.0	315	5,148.3	262
86	86	AMERICAN EXPRESS New York, N.Y.	35,583.0	5.2	2,736.0	86	[49.4]	181,159.0	45	18,227.0	87
87	64	COCA-COLA Atlanta, Ga.	35,410.0	[15.4]	1,248.0	202	[80.9]	87,896.0	84	17,072.0	93
88	85	PUBLIX SUPER MARKETS Lakeland, Fla.	34,836.8	1.6	2,291.9	105	13.1	18,183.5	272	14,070.3	115
89	88	NIKE Beaverton, Ore. ¹¹	34,350.0	6.1	4,240.0	56	12.8	23,259.0	230	12,407.0	131
90	117	ANDEAVOR San Antonio, Texas ¹⁸	34,204.0	42.5	1,528.0	164	108.2	28,573.0	201	9,815.0	167
91	103	WORLD FUEL SERVICES Miami, Fla.	33,695.5	24.7	[170.2]	459	[234.5]	5,587.8	440	1,721.9	397
92	89	EXELON Chicago, Ill.	33,531.0	6.9	3,770.0	63	232.5	116,700.0	71	29,857.0	51
93	77	MASSACHUSETTS MUTUAL LIFE INSURANCE Springfield, Mass.	33,495.4	[11.4]	513.0	315	[59.7]	288,854.8	23	15,705.2	104
94	91	RITE AID Camp Hill, Pa. ¹²	32,845.1	6.9	4.1	445	[97.6]	11,593.8	336	614.1	455
95	115	CONOCOPHILLIPS Houston, Texas	32,584.0	33.8	[855.0]	483	—	73,362.0	98	30,607.0	50
96	93	CHS Inver Grove Heights, Minn. ^{5,7}	31,934.8	5.2	127.9	415	[69.9]	15,973.8	299	7,893.2	202
97	94	3M St. Paul, Minn.	31,657.0	5.1	4,858.0	49	[3.8]	37,987.0	160	11,563.0	137
98	95	TIME WARNER New York, N.Y.	31,271.0	6.7	5,247.0	42	33.6	69,209.0	102	28,375.0	54
99	90	GENERAL DYNAMICS Falls Church, Va. ¹⁹	30,973.0	[1.2]	2,912.0	81	[1.5]	35,046.0	174	11,435.0	139
100	102	UNITED SERVICES AUTOMOBILE ASSN. San Antonio, Texas ¹⁸	30,015.8	10.6	2,421.9	99	36.1	155,390.5	50	30,609.5	49
101	100	CAPITAL ONE FINANCIAL McLean, Va.	29,999.0	9.0	1,982.0	127	[47.2]	365,693.0	20	48,730.0	31
102	105	DEERE Moline, Ill. ¹³	29,737.7	11.6	2,159.1	116	41.7	65,786.3	106	9,557.3	173
103	189	INTL FCSTONE New York, N.Y. ^{3,20}	29,423.6	99.4	6.4	443	[88.3]	6,243.4	428	449.9	463
104	97	NORTHWESTERN MUTUAL Milwaukee, Wis.	29,331.0	1.8	1,017.0	227	24.3	265,049.0	26	20,851.0	75
105	122	ENTERPRISE PRODUCTS PARTNERS Houston, Texas ⁹	29,241.5	27.0	2,799.3	84	11.4	54,418.1	120	22,547.2	72
106	99	TRAVELERS COS. New York, N.Y.	28,902.0	4.6	2,056.0	122	[31.8]	103,483.0	75	23,731.0	68
107	59	HEWLETT PACKARD ENTERPRISE Palo Alto, Calif. ^{15,21}	28,871.0	[42.4]	344.0	363	[89.1]	61,406.0	112	23,466.0	70
108	104	PHILIP MORRIS INTERNATIONAL New York, N.Y.	28,748.0	7.7	6,035.0	34	[13.4]	42,968.0	146	[12,086.0]	500
109	101	TWENTY-FIRST CENTURY FOX New York, N.Y. ⁵	28,500.0	4.3	2,952.0	77	7.2	50,724.0	127	15,722.0	103
110	111	ABBVIE North Chicago, Ill.	28,216.0	10.1	5,309.0	41	[10.8]	70,786.0	99	5,097.0	264
111	135	ABBOTT LABORATORIES Abbott Park, Ill. ²²	27,390.0	31.3	477.0	322	[65.9]	76,250.0	95	30,897.0	47
112	120	PROGRESSIVE Mayfield Village, Ohio	26,839.0	14.5	1,592.2	158	54.4	38,701.2	158	9,284.8	182
113	118	ARROW ELECTRONICS Centennial, Colo.	26,812.5	12.5	402.0	343	[23.1]	16,462.8	292	4,951.5	268
114	106	KRAFT HEINZ Pittsburgh, Pa.	26,232.0	[1.0]	10,999.0	15	202.8	120,232.0	69	66,034.0	22
115	141	PLAINS GP HOLDINGS Houston, Texas ⁹	26,223.0	29.9	[731.0]	481	[877.7]	26,753.0	206	1,695.0	399
116	92	GILEAD SCIENCES Foster City, Calif.	26,107.0	[14.1]	4,628.0	51	[65.7]	70,283.0	101	20,442.0	78



MARKET VALUE 3/29/18		PROFITS AS % OF ...					EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017	
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank		2017 \$	% change from 2016	2007-2017 annual growth rate %	2007-2017 annual rate Rank	2017 %	Rank	2007-2017 annual rate Rank					
-		4.4	305	0.6	417	9.2	322	-	-	-	-	-	-	34	69		
95,462.5	55	10.1	161	0.5	430	5.2	391	9.01	(44.7)	(9.6)	325	7.7	317	3.0	328	9	70
24,584.3	187	4.5	299	3.7	271	48.9	30	3.90	(18.9)	-	-	12.4	279	-	-	3	71
20,459.9	218	2.4	365	7.7	122	27.7	95	3.26	(14.4)	0.4	260	64.3	26	5.4	295	56	72
40,734.6	130	5.4	273	3.6	276	16.3	203	8.77	22.0	8.5	125	52.3	53	14.3	96	25	73
80,953.7	67	23.8	31	6.7	151	25.3	110	34.09	113.9	-	-	16.7	243	-	-	57	74
38,745.9	136	8.7	193	6.7	154	25.7	106	4.95	(14.5)	-	-	16.2	247	14.8	85	3	75
464,190.1	136	39.2	9	18.9	10	21.4	143	5.39	54.4	-	-	53.4	51	-	-	38	76
108,148.5	43	4.1	314	2.8	312	9.6	315	2.14	(65.5)	(3.8)	295	35.0	117	12.3	139	15	77
146,861.5	34	6.0	262	2.7	315	7.0	368	0.87	(38.3)	(5.2)	305	(1.5)	364	3.5	322	48	78
33,477.6	156	8.3	202	2.8	310	14.1	235	8.36	79.0	0.7	256	43.8	82	9.9	201	37	79
29,233.1	168	4.6	295	6.3	168	16.8	196	4.79	5.7	20.4	27	33.3	127	19.4	36	22	80
19,778.1	223	5.6	266	5.0	218	24.2	125	7.02	2.5	9.7	110	(7.5)	395	7.2	266	3	81
186,765.8	24	24.7	25	6.9	149	17.3	192	2.21	6.8	10.6	96	24.9	180	8.8	226	10	82
3,248.9	418	0.3	437	0.9	395	4.0	401	3.05	(44.6)	4.5	198	15.7	255	10.0	195	65	83
-		2.9	352	0.2	438	2.9	407	-	-	-	-	-	-	-	-	34	84
51,570.6	102	7.3	226	18.6	11	50.7	29	4.04	16.8	17.1	41	3.4	340	19.7	31	55	85
80,234.3	68	7.7	217	1.5	366	15.0	222	2.97	(47.4)	(1.2)	278	36.2	109	8.5	234	13	86
185,207.2	25	3.5	334	1.4	370	7.3	363	0.29	(80.5)	(13.8)	336	14.4	263	7.3	264	6	87
-		6.6	245	12.6	44	16.3	202	3.04	15.6	8.0	135	-	-	-	-	20	88
108,093.9	44	12.3	125	18.2	14	34.2	64	2.51	16.2	13.1	69	24.7	181	16.1	67	4	89
15,386.0	261	4.5	304	5.3	208	15.6	213	10.81	76.6	10.3	101	33.8	125	10.9	177	47	90
1,660.7	441	(0.5)	450	(3.0)	481	(9.9)	454	(2.50)	(238.1)	-	-	(38.3)	449	7.4	261	16	91
37,644.1	140	11.2	140	3.2	289	12.6	260	3.97	225.4	(0.2)	269	14.9	259	(3.0)	370	62	92
-		1.5	406	0.2	439	3.3	405	-	-	-	-	-	-	-	-	34	93
1,793.4	438	0.0	446	0.0	445	0.7	426	0.00	(99.9)	-	-	(76.1)	469	(3.4)	372	20	94
69,640.7	75	(2.6)	467	(1.2)	457	(2.8)	438	(0.70)	-	-	-	11.9	283	1.6	343	42	95
-		0.4	433	0.8	405	1.6	416	-	-	-	-	-	-	-	-	22	96
130,550.3	37	15.3	89	12.8	42	42.0	48	7.93	(2.8)	3.5	219	34.8	120	13.7	112	68	97
73,758.4	71	16.8	79	7.6	129	18.5	176	6.64	33.9	6.6	160	(3.7)	372	12.0	143	18	98
65,845.4	79	9.4	177	8.3	108	25.5	109	9.56	0.4	6.5	162	19.8	216	11.1	166	2	99
-		8.1	207	1.6	363	7.9	351	-	-	-	-	-	-	-	-	37	100
46,583.9	116	6.6	244	0.5	427	4.1	400	3.49	(49.3)	(1.3)	280	16.3	245	9.7	205	9	101
50,290.7	107	7.3	228	3.3	288	22.6	133	6.68	38.9	5.3	181	55.0	47	7.7	250	12	102
804.3	457	0.0	445	0.1	442	1.4	422	0.31	(89.3)	-	-	7.4	319	4.7	309	13	103
-		3.5	335	0.4	431	4.9	394	-	-	-	-	-	-	-	-	34	104
52,903.6	100	9.6	173	5.1	214	12.4	261	1.30	8.3	-	-	4.3	333	-	-	49	105
37,690.5	136	7.1	232	2.0	351	8.7	331	7.33	(28.7)	0.7	256	13.3	269	12.5	134	37	106
27,243.2	175	1.2	417	0.6	423	1.5	420	0.21	(88.5)	-	-	8.1	314	-	-	11	107
154,513.8	30	21.0	51	14.0	34	-	-	3.88	(13.4)	-	-	20.0	212	-	-	58	108
67,969.3	77	10.4	156	5.8	187	18.8	169	1.59	12.0	3.9	207	24.7	182	7.7	253	18	109
150,179.9	32	18.8	63	7.5	135	104.2	11	3.30	(9.1)	-	-	60.1	32	-	-	48	110
104,640.3	46	1.7	395	0.6	416	1.5	418	0.27	(71.3)	(19.3)	345	51.9	55	10.8	180	40	111
35,478.1	148	5.9	263	4.1	255	17.1	195	2.72	54.5	5.1	183	61.5	31	14.7	88	37	112
6,749.6	373	1.5	407	2.4	325	8.1	347	4.48	(21.1)	3.2	226	12.8	274	7.4	259	65	113
75,919.9	70	41.9	6	9.1	88	16.7	198	8.95	218.5	-	-	(8.4)	399	-	-	21	114
6,328.2	379	(2.8)	468	(2.7)	479	(43.1)	465	(5.03)	(635.1)	-	-	(31.7)	443	-	-	49	115
98,297.3	52	17.7	76	6.6	156	22.6	131	3.51	(64.7)	15.4	52	2.9	342	12.7	129	48	116

→ 117-164 / 500

141

UNION PACIFIC The venerable railroad steamed its way to record profits last year. But there are obstacles on the track ahead: Union Pacific is getting pinched by rising fuel costs and a tight labor market, and shareholders are asking it to wring more efficiency from its operations. —Jeff John Roberts

RANK 2017	RANK 2016	COMPANY	REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
			\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
117	109	MONDELEZ INTERNATIONAL Deerfield, Ill.	25,896.0	(0.1)	2,922.0	80	76.1	63,109.0	110	26,111.0	60
118	114	NORTHROP GRUMMAN Falls Church, Va.	25,803.0	5.3	2,015.0	125	(8.4)	34,917.0	175	7,048.0	216
119	116	RAYTHEON Waltham, Mass.	25,348.0	5.3	2,024.0	123	(8.5)	30,860.0	191	9,963.0	165
120	110	MACY'S Cincinnati, Ohio ²	24,837.0	(3.7)	1,547.0	161	149.9	19,381.0	260	5,673.0	245
121	124	US FOODS HOLDING Rosemont, Ill.	24,147.2	5.4	444.3	329	111.8	9,037.2	361	2,751.4	353
122	125	U.S. BANCORP Minneapolis, Minn.	23,996.0	5.5	6,218.0	32	5.6	462,040.0	14	49,040.0	30
123	128	DOLLAR GENERAL Goodlettsville, Tenn. ²	23,471.0	6.8	1,539.0	162	23.0	12,516.9	926	6,125.8	238
124	133	INTERNATIONAL PAPER Memphis, Tenn.	23,302.0 ⁵	10.5	2,144.0	117	137.2	38,903.0	178	6,522.0	231
125	121	DUKE ENERGY Charlotte, N.C.	23,189.0 ⁶	(0.8)	3,059.0	71	42.1	137,914.0	58	41,739.0	35
126	145	SOUTHERN Atlanta, Ga.	23,031.0	15.8	842.0	250	(65.6)	111,005.0	73	24,167.0	67
127	163	MARRIOTT INTERNATIONAL Bethesda, Md.	22,894.0	34.1	1,372.0	179	75.9	23,948.0	222	3,731.0	310
128	108	AVNET Phoenix, Ariz. ⁶	22,872.1 ¹	(12.8)	525.3	309	3.7	9,699.6	367	5,182.1	261
129	132	ELI LILLY Indianapolis, Ind.	22,871.3	7.8	(204.1)	460	(107.5)	44,981.0	142	11,592.2	136
130	123	AMGEN Thousand Oaks, Calif.	22,849.0	(0.6)	1,979.0	128	(74.4)	79,954.0	88	25,241.0	62
131	112	MCDONALD'S Oak Brook, Ill.	22,820.4	(7.3)	5,192.3	43	10.8	33,803.7	179	(3,268.0)	492
132	131	STARBUCKS Seattle, Wash. ³	22,386.8	5.0	2,884.7	82	2.4	14,365.6	313	5,450.1	252
133	119	QUALCOMM San Diego, Calif. ³	22,291.0	(5.4)	2,466.0	94	(56.8)	65,486.0	107	30,746.0	48
134	136	DOLLAR TREE Chesapeake, Va. ²	22,245.5	7.4	1,714.3	147	91.3	16,332.8	295	7,182.3	214
135	172	PBF ENERGY Parsippany, N.J.	21,786.6 ⁸	36.8	415.5	339	143.3	8,118.0	396	2,336.7	370
136	168	ICAHN ENTERPRISES New York, N.Y. ⁹	21,744.0 ⁶	33.0	2,430.0	98	—	31,801.0	189	5,106.0	263
137	126	AFLAC Columbus, Ga.	21,667.0	(4.0)	4,604.0	52	73.1	137,217.0	60	24,598.0	66
138	129	AUTONATION Fort Lauderdale, Fla.	21,534.6	(0.9)	434.6	333	1.0	10,271.5	355	2,369.3	368
139	142	PENSKE AUTOMOTIVE GROUP Bloomfield Hills, Mich.	21,389.0 ¹	6.2	613.3	290	78.9	10,540.6	350	2,395.2	366
140	137	WHIRLPOOL Benton Harbor, Mich.	21,253.0	2.6	350.0	360	(60.6)	20,038.0	254	4,198.0	294
141	143	UNION PACIFIC Omaha, Neb.	21,240.0	6.5	10,712.0	16	153.1	57,806.0	117	24,856.0	65
142	138	SOUTHWEST AIRLINES Dallas, Texas	21,171.0	3.7	3,488.0	66	55.4	25,110.0	213	10,430.0	156
143	146	MANPOWERGROUP Milwaukee, Wis.	21,034.3	7.0	545.4	303	22.9	8,883.6	383	2,774.9	351
144	154	THERMO FISHER SCIENTIFIC Waltham, Mass.	20,918.0	14.5	2,225.0	110	10.1	56,669.0	118	25,413.0	61
145	147	BRISTOL-MYERS SQUIBB New York, N.Y.	20,776.0	6.9	1,007.0	228	(77.4)	33,551.0	181	11,741.0	132
146	173	HALLIBURTON Houston, Texas	20,620.0	29.8	(463.0)	473	—	25,085.0	215	8,322.0	191
147	134	TENET HEALTHCARE Dallas, Texas	20,613.0	(2.2)	(704.0)	479	—	23,385.0	228	(147.0)	475
148	151	LEAR Southfield, Mich.	20,467.0	10.3	1,313.4	187	34.7	11,945.9	334	4,150.5	297
149	159	CUMMINS Columbus, Ind.	20,428.0	16.7	999.0	230	(28.3)	18,075.0	273	7,259.0	211
150	226	MICRON TECHNOLOGY Boise, Idaho ⁷	20,322.0	63.9	5,089.0	45	—	35,336.0	171	18,621.0	83
151	169	NUCOR Charlotte, N.C.	20,252.4	25.0	1,318.7	186	65.6	15,841.3	301	8,739.0	187
152	156	MOLINA HEALTHCARE Long Beach, Calif.	19,883.0	11.8	(512.0)	475	(1,084.6)	8,471.0	390	1,337.0	421
153	149	FLUOR Irving, Texas	19,521.0	2.5	191.4	398	(32.0)	9,327.7	376	3,342.3	327
154	148	ALTRIA GROUP Richmond, Va.	19,494.0 ⁶	0.8	10,222.0	18	(28.2)	43,202.0	144	15,377.0	108
155	164	PACCAR Bellevue, Wash.	19,456.4	14.2	1,675.2	152	221.1	23,440.2	227	-8,050.5	198
156	153	HARTFORD FINANCIAL SERVICES GROUP Hartford, Conn.	19,228.0 ⁵	5.1	(3,131.0)	494	(449.4)	225,260.0	34	13,494.0	121
157	150	KOHL'S Menomonee Falls, Wis. ²	19,095.0	2.2	859.0	245	54.5	13,340.0	317	5,426.0	253
158	217	WESTERN DIGITAL San Jose, Calif. ⁸	19,093.0	46.9	397.0	344	64.0	29,860.0	196	11,418.0	140
159	152	JABIL St. Petersburg, Fla. ^{7,23}	19,063.1	3.9	129.1	414	(49.2)	11,096.0	342	2,353.5	369
160	130	COMMUNITY HEALTH SYSTEMS Franklin, Tenn. ²⁴	18,477.0 ⁵	(13.6)	(2,459.0)	492	—	17,450.0	280	(767.0)	485
161	187	VISA San Francisco, Calif. ³	18,358.0	21.7	6,699.0	30	11.8	86,977.0	104	32,760.0	45
162	144	DANAHER Washington, D.C. ²⁵	18,329.7	(7.9)	2,492.1	93	(2.4)	46,648.6	136	26,358.2	59
163	155	KIMBERLY-CLARK Irving, Texas	18,259.0	0.3	2,278.0	106	5.2	15,151.0	306	629.0	454
164	161	AECOM Los Angeles, Calif. ³	18,203.4	4.6	339.4	366	253.1	14,397.0	311	3,996.1	301



MARKET VALUE 3/29/18		PROFITS AS % OF ...					EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017	
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank		2017 \$	% change from 2016	2007-2017 annual growth rate % Rank		2017 % Rank	2007-2017 annual rate Rank						
62,066.2	86	11.3	139	4.6	234	11.2	286	1.91	81.9	1.7	248	(1.7)	365	10.1	193	21	117
60,777.5	88	7.8	214	5.8	189	28.6	89	11.47	(5.9)	8.4	129	33.9	124	18.8	39	2	118
62,265.4	85	8.0	210	6.6	157	20.3	151	6.95	(6.6)	1.8	244	34.8	119	15.0	81	2	119
9,064.8	339	6.2	256	8.0	113	27.3	99	5.04	153.3	9.8	106	(25.5)	438	2.2	335	24	120
7,065.3	370	1.8	393	4.9	221	16.1	204	1.97	91.3	-	-	16.2	246	-	-	66	121
83,367.0	62	25.9	22	1.3	372	12.7	257	3.51	8.3	3.7	211	6.6	326	8.1	240	9	122
25,140.8	185	6.6	246	12.3	46	25.1	112	5.63	27.1	-	-	27.3	162	-	-	56	123
22,063.4	203	9.2	184	6.3	167	32.9	71	5.13	135.3	6.6	159	13.0	272	9.8	203	46	124
54,275.9	98	13.2	112	2.2	336	7.3	362	4.36	40.2	2.1	241	12.9	273	8.5	233	62	125
45,024.4	118	3.7	328	0.8	410	3.5	403	0.84	(67.1)	(9.5)	324	2.3	348	7.2	267	62	126
48,531.2	111	6.0	261	5.7	191	36.8	56	3.61	36.7	7.6	140	66.1	25	16.9	52	30	127
5,008.9	393	2.3	367	5.4	204	10.1	308	4.08	7.4	4.5	201	(15.3)	421	2.0	338	65	128
84,542.2	61	(0.9)	455	(0.5)	451	(1.8)	436	(0.19)	(107.4)	-	-	17.7	233	9.0	215	48	129
122,841.5	40	8.7	194	2.5	323	7.8	354	2.69	(73.7)	(0.5)	278	22.1	199	15.7	72	48	130
124,243.6	39	22.8	42	15.4	24	-	-	6.37	17.1	12.4	75	45.0	78	14.8	86	23	131
81,370.2	66	12.9	117	20.1	7	52.9	27	1.97	3.7	16.3	46	5.3	330	20.2	27	23	132
82,026.9	65	11.1	144	3.8	270	8.0	349	1.65	(56.7)	(1.7)	283	2.1	352	7.4	258	54	133
22,523.2	199	7.7	216	10.5	69	23.9	126	7.21	90.7	28.3	14	39.0	96	28.7	10	56	134
3,751.8	410	1.9	388	5.1	216	17.8	184	3.73	114.4	-	-	33.8	126	-	-	47	135
9,900.8	327	11.2	142	7.6	124	47.6	33	14.80	-	25.3	15	(0.7)	363	(3.5)	373	13	136
34,038.1	153	21.2	48	3.4	285	18.7	170	5.77	79.8	13.3	66	28.9	152	6.1	282	35	137
4,295.6	401	2.0	384	4.2	252	18.3	178	4.43	6.7	12.3	78	5.5	329	12.6	131	5	138
3,817.2	407	2.9	353	5.8	188	25.6	108	7.14	78.9	18.1	37	(5.2)	384	12.5	135	5	139
10,823.7	313	1.6	401	1.7	357	8.3	342	4.70	(59.1)	(5.2)	304	(4.9)	380	10.2	189	15	140
104,261.1	47	50.4	3	18.5	12	43.1	45	13.36	163.5	22.7	18	32.1	135	18.0	44	51	141
33,677.8	155	16.5	80	13.9	36	33.4	67	5.79	63.1	21.3	25	32.5	132	18.9	38	3	142
7,614.2	362	2.6	360	6.1	173	19.7	160	8.04	28.2	3.4	221	44.2	81	10.1	192	68	143
82,952.3	63	10.6	149	3.9	260	8.8	328	5.59	9.8	12.5	74	35.1	116	13.0	125	68	144
103,415.3	48	4.8	290	3.0	302	8.6	335	0.61	(77.0)	(5.6)	307	7.8	315	13.0	124	48	145
41,068.3	129	(2.2)	462	(1.8)	474	(5.6)	446	(0.53)	-	-	-	(8.2)	398	3.9	321	45	146
2,451.9	427	(3.4)	470	(3.0)	480	-	-	(7.00)	-	-	-	2.2	350	(2.9)	369	26	147
12,453.2	293	6.4	252	11.0	69	31.6	74	18.59	39.5	-	-	35.2	113	-	-	43	148
26,757.3	177	4.9	286	5.5	199	13.8	242	5.97	(27.5)	4.9	188	32.7	130	13.1	123	32	149
60,470.1	89	25.0	24	14.4	32	27.3	98	4.41	-	-	-	87.6	11	19.0	37	54	150
19,432.2	227	6.5	249	8.3	106	15.1	219	4.10	65.3	(1.8)	286	9.7	299	4.1	318	41	151
4,867.4	395	(2.6)	466	(6.0)	491	(38.3)	463	(9.07)	(1,085.9)	-	-	41.3	90	11.5	157	25	152
8,005.9	357	1.0	422	2.1	342	5.7	387	1.36	(32.0)	(7.4)	321	0.1	357	(2.2)	365	17	153
118,436.0	41	52.4	1	23.7	4	66.5	18	5.31	(27.1)	1.4	251	9.5	300	18.3	43	58	154
23,297.5	193	8.6	195	7.1	142	20.8	146	4.75	220.9	3.7	212	13.9	265	5.7	289	12	155
18,391.7	235	(16.3)	494	(1.4)	464	(23.2)	460	(8.61)	(479.3)	-	-	20.3	211	(2.3)	367	37	156
11,021.2	311	4.5	302	6.4	160	15.8	209	5.12	64.6	4.2	206	15.8	252	4.1	317	24	157
27,455.9	173	2.1	380	1.3	373	3.5	404	1.34	34.0	(6.0)	311	19.9	215	11.6	154	11	158
5,034.5	391	0.7	427	1.2	379	5.5	389	0.69	(47.7)	7.0	149	12.1	282	7.6	256	54	159
453.9	466	(13.3)	492	(14.1)	497	-	-	(22.00)	-	-	-	(23.8)	435	(17.8)	397	26	160
270,221.6	11	36.5	10	9.9	77	20.4	149	-	-	-	-	47.2	70	-	-	19	161
68,384.5	76	13.6	108	5.3	209	9.5	318	3.53	(3.3)	5.4	179	20.0	213	11.0	168	40	162
38,552.7	137	12.5	123	15.0	28	362.2	6	6.40	6.8	4.6	197	9.1	304	10.0	197	31	163
5,671.2	385	1.9	391	2.4	329	8.5	339	2.13	243.5	6.4	164	2.2	349	2.7	332	17	164

GRAHAM LEESE - ALAMY STOCK PHOTO

→ 165-212 / 500

172

SEARS HOLDINGS The once-mighty retailer continues to fade, with sales plummeting 25% last year. In the company's most recent, dispiriting earnings call, CEO and largest shareholder Eddie Lampert suggested his hedge fund, ESL, might buy Sears' Kenmore brand and some of its real estate. —J.J.R.

RANK	2017	2016	COMPANY	REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
				\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
165	166		PNC FINANCIAL SERVICES GROUP Pittsburgh, Pa.	18,035.0	9.8	5,338.0	40	36.8	380,768.0	16	47,513.0	33
166	160		CENTURYLINK Monroe, La. ²⁶	17,656.0	1.1	1,389.0	177	121.9	75,611.0	96	23,491.0	69
167	170		NEXTERA ENERGY Juno Beach, Fla.	17,195.0	6.4	5,378.0	39	84.7	97,827.0	77	28,208.0	55
168	157		PG&E CORP. San Francisco, Calif.	17,135.0	(3.0)	1,646.0	156	18.2	68,012.0	103	19,220.0	81
169	198		SYNNEX Fremont, Calif. ²⁷	17,045.7	21.2	301.2	375	28.2	7,698.5	405	2,283.7	373
170	195		WELLCARE HEALTH PLANS Tampa, Fla.	17,007.2	19.5	373.7	353	54.4	8,364.6	392	2,416.7	365
171	171		PERFORMANCE FOOD GROUP Richmond, Va. ⁶	16,761.8	4.1	96.3	425	41.0	3,804.1	472	925.5	437
172	127		SEARS HOLDINGS Hoffman Estates, Ill. ²	16,702.0	[24.6]	[383.0]	469	—	7,262.0	413	[3,723.0]	495
173	185		SYNCHRONY FINANCIAL Stamford, Conn.	16,695.0	10.4	1,935.0	132	[14.0]	95,808.0	79	14,234.0	112
174	174		CARMAX Richmond, Va. ¹²	16,637.1	5.1	627.0	286	0.6	16,279.4	296	3,108.6	335
175	177		BANK OF NEW YORK MELLON CORP. New York, N.Y.	16,621.0	6.0	4,090.0	57	15.3	371,758.0	19	41,251.0	37
176	175		FREEMPORT-MCMORAN Phoenix, Ariz.	16,416.0 ¹	4.0	1,817.0	140	—	37,302.0	162	7,977.0	200
177	180		GENUINE PARTS Atlanta, Ga.	16,308.8	6.3	616.8	287	[10.9]	12,412.4	328	3,412.2	323
178	139		EMERSON ELECTRIC St. Louis, Mo. ³	16,301.0 ¹	[19.6]	1,518.0	168	[7.2]	19,589.0	257	8,718.0	188
179	181		DAVITA Denver, Colo.	16,038.2 ¹	5.5	663.6	279	[24.6]	18,948.2	264	4,690.0	275
180	158		SUPERVALU Eden Prairie, Minn. ¹²	16,009.0 ¹	[8.7]	650.0	281	265.2	3,580.0	475	376.0	467
181	178		GAP San Francisco, Calif. ²	15,855.0	2.2	848.0	247	25.4	7,989.0	399	3,144.0	334
182	165		GENERAL MILLS Minneapolis, Minn. ¹¹	15,619.8	(5.7)	1,657.5	153	[2.4]	21,812.6	241	4,327.9	289
183	188		NORDSTROM Seattle, Wash. ²	15,478.0	4.9	437.0	331	23.4	8,115.0	397	977.0	434
184	182		COLGATE-PALMOLIVE New York, N.Y.	15,454.0	1.7	2,024.0	123	[17.1]	12,676.0	323	[60.0]	473
185	167		AMERICAN ELECTRIC POWER Columbus, Ohio	15,424.9	[5.8]	1,912.6	134	213.1	64,729.1	108	18,287.0	86
186	191		XPO LOGISTICS Greenwich, Conn.	15,380.8	5.2	340.2	364	393.0	12,601.6	325	3,604.4	319
187	184		GOODYEAR TIRE & RUBBER Akron, Ohio	15,377.0	1.4	346.0	362	[72.6]	17,064.0	285	4,603.0	279
188	179		OMNICOM GROUP New York, N.Y.	15,273.6	[0.9]	1,088.4	218	[5.2]	24,931.2	216	2,615.1	360
189	199		CDW Lincolnshire, Ill.	15,191.5	8.7	523.0	310	23.2	6,956.6	418	982.9	433
190	236		SHERWIN-WILLIAMS Cleveland, Ohio	14,983.8	26.4	1,772.3	145	56.5	19,958.4	256	3,692.2	314
191	183		PPG INDUSTRIES Pittsburgh, Pa.	14,967.0 ¹	[1.4]	1,591.0	159	81.4	16,538.0	291	5,558.0	248
192	206		TEXAS INSTRUMENTS Dallas, Texas	14,961.0	11.9	3,682.0	64	2.4	17,642.0	278	10,337.0	158
193	212		C.H. ROBINSON WORLDWIDE Eden Prairie, Minn.	14,869.4	13.1	504.9	317	[1.7]	4,235.8	462	1,425.7	415
194	190		WESTROCK Atlanta, Ga. ³	14,859.7	1.0	708.2	271	—	25,089.0	214	10,342.5	157
195	205		COGNIZANT TECHNOLOGY SOLUTIONS Teaneck, N.J.	14,810.0	9.8	1,504.0	168	[3.2]	15,221.0	305	10,669.0	153
196	208		NEWELL BRANDS Hoboken, N.J.	14,742.2	11.1	2,748.8	85	420.8	33,135.5	183	14,144.7	113
197	193		CBS New York, N.Y.	14,710.0 ¹	2.3	357.0	358	[71.7]	20,843.0	246	1,978.0	388
198	•		ENVISION HEALTHCARE Nashville, Tenn.	14,700.5 ¹	220.4	[228.0]	461	—	16,572.6	289	6,527.1	230
199	204		MONSANTO St. Louis, Mo. ⁷	14,640.0	8.4	2,260.0	108	69.2	21,333.0	242	6,438.0	233
200	192		ARAMARK Philadelphia, Pa. ³	14,604.4	1.3	373.9	352	29.9	11,006.2	344	2,459.1	363
201	265		APPLIED MATERIALS Santa Clara, Calif. ¹³	14,537.0	34.3	3,434.0	68	99.5	19,419.0	258	9,349.0	179
202	201		WASTE MANAGEMENT Houston, Texas	14,485.0	6.4	1,949.0	130	64.9	21,829.0	240	6,019.0	241
203	186		DISH NETWORK Englewood, Colo.	14,391.4	[4.7]	2,098.7	120	44.8	29,773.8	198	6,937.4	218
204	202		ILLINOIS TOOL WORKS Glenview, Ill.	14,314.0	5.3	1,687.0	151	[17.1]	16,780.0	288	4,585.0	280
205	207		LINCOLN NATIONAL Radnor, Pa.	14,257.0	7.0	2,079.0	121	74.4	281,763.0	24	17,322.0	90
206	274		HOLLYFRONTIER Dallas, Texas	14,251.3 ^E	35.3	805.4	260	—	10,692.2	347	5,370.8	257
207	214		CBRE GROUP Los Angeles, Calif.	14,209.6	8.7	691.5	274	20.9	11,483.8	339	4,019.4	300
208	200		TEXTRON Providence, R.I.	14,198.0	3.0	307.0	374	[68.1]	15,340.0	304	5,647.0	246
209	219		ROSS STORES Dublin, Calif. ²	14,134.7	9.9	1,362.8	181	21.9	5,722.1	436	3,049.3	338
210	227		PRINCIPAL FINANCIAL Des Moines, Iowa	14,093.2	13.7	2,310.4	104	75.5	253,941.2	29	12,849.3	127
211	232		D.R. HORTON Arlington, Texas ³	14,091.0	15.9	1,038.4	223	17.2	12,184.6	330	7,747.1	204
212	210		MARSH & MCLENNAN New York, N.Y.	14,024.0	6.2	1,492.0	170	[15.6]	20,429.0	251	7,359.0	210



MARKET VALUE 3/29/18		PROFITS AS % OF ...				EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017		
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2017 \$	% change from 2016	2007-2017 annual growth rate % Rank	2017 % Rank	2007-2017 annual rate Rank	Industry table number	RANK 2017						
71,323.3	73	29.6	1.4	371	11.2	284	10.36	41.9	9.1	118	25.9	174	10.8	179	9	165	
17,577.8	240	7.9	213	1.8	355	5.9	384	2.21	90.5	[5.1]	303	[22.1]	431	[1.5]	360	57	166
76,894.8	69	31.3	15	5.5	200	19.1	164	11.38	82.1	13.3	67	34.3	123	12.4	136	62	167
22,663.9	197	9.6	172	2.4	327	8.6	336	3.21	15.5	1.4	250	[23.8]	436	4.4	315	62	168
4,702.1	397	1.8	394	3.9	264	13.2	249	7.51	27.7	14.6	58	13.3	268	21.7	20	65	169
8,622.2	351	2.2	375	4.5	242	15.5	214	8.31	53.0	4.9	190	46.7	73	16.8	53	25	170
3,104.4	419	0.6	430	2.5	322	10.4	300	0.93	32.9	—	—	37.9	101	—	—	66	171
288.2	469	[2.3]	463	[5.3]	488	—	—	[3.57]	—	—	—	[61.5]	464	[26.2]	408	24	172
25,490.1	181	11.6	135	2.0	347	13.6	243	2.42	[10.7]	—	—	8.4	312	—	—	13	173
11,201.7	306	3.8	322	3.9	265	20.2	153	3.26	7.6	13.5	63	[0.4]	360	12.5	133	5	174
51,918.9	101	24.6	28	1.1	383	9.9	310	3.72	18.1	5.5	175	15.7	256	2.9	329	9	175
25,438.6	182	11.1	143	4.9	224	22.8	130	1.25	—	[10.4]	328	43.7	83	[7.1]	382	42	176
13,182.6	280	3.8	321	5.0	220	18.1	180	4.18	[8.9]	3.4	222	2.3	347	11.0	173	64	177
43,359.4	124	9.3	178	7.7	119	17.4	190	2.35	[6.7]	[1.2]	279	28.9	151	5.3	296	32	178
12,001.1	298	4.1	312	3.5	279	14.1	234	3.47	[19.1]	6.9	153	12.5	277	9.9	200	26	178
585.0	463	4.1	317	18.2	15	172.9	9	17.01	268.2	0.5	259	[33.9]	448	[20.6]	402	20	180
12,146.7	297	5.3	274	10.6	66	27.0	101	2.14	26.6	7.4	144	57.4	39	7.3	263	55	181
26,715.6	178	10.6	151	7.6	127	38.3	51	2.77	0.0	5.7	171	[0.7]	362	10.9	176	21	182
8,122.7	355	2.8	354	5.4	205	44.7	37	2.59	28.2	[1.1]	277	2.1	351	5.8	286	24	183
62,607.3	84	13.1	114	16.0	19	—	—	2.28	[16.2]	3.6	215	17.9	230	9.3	207	31	184
33,766.4	154	12.4	124	3.0	304	10.5	299	3.88	212.9	3.6	214	20.8	208	9.3	208	62	185
12,210.4	295	2.2	374	2.7	317	9.4	320	2.45	362.3	22.6	19	112.2	3	34.0	2	59	186
6,391.9	378	2.3	371	2.0	346	7.5	359	1.37	[71.1]	[6.4]	315	6.1	328	1.8	339	43	187
16,733.5	246	7.1	231	4.4	246	41.6	49	4.65	[2.7]	4.7	196	[12.1]	415	6.8	272	1	188
10,716.9	314	3.4	338	7.5	133	53.2	26	3.31	29.3	—	—	34.9	118	—	—	33	189
36,899.0	144	11.8	131	8.9	92	48.0	31	18.67	55.7	14.8	56	54.1	48	23.5	16	8	190
27,824.4	172	10.6	150	9.6	83	28.6	88	6.17	88.1	9.4	114	25.2	178	15.5	78	8	191
102,134.9	49	24.6	27	20.9	6	35.6	59	3.61	3.7	7.0	151	46.8	72	14.7	90	54	192
13,152.6	281	3.4	340	11.9	51	35.4	60	3.57	[0.6]	6.7	155	24.5	183	7.3	262	59	193
16,371.5	251	4.8	293	2.8	311	6.8	371	2.77	—	10.3	100	28.2	156	20.8	24	46	194
47,338.1	115	10.2	160	9.9	76	14.1	236	2.53	[0.8]	16.0	49	27.6	159	15.5	77	33	195
12,362.9	294	18.6	64	8.3	109	19.4	162	5.63	350.4	12.9	73	[29.3]	440	4.1	316	28	196
19,668.0	225	2.4	364	1.7	358	18.0	181	0.88	[68.7]	[6.5]	316	[6.2]	391	10.2	188	18	197
4,647.2	399	[1.6]	460	[1.4]	461	[3.5]	442	[1.93]	—	—	—	[45.4]	459	2.5	333	27	198
51,443.7	103	15.4	88	10.6	67	35.1	62	5.09	70.2	11.0	90	13.1	271	2.1	336	8	199
9,725.1	329	2.6	361	3.4	282	15.2	217	1.49	28.4	—	—	20.9	206	—	—	14	200
58,428.7	91	23.6	32	17.7	17	36.7	57	3.17	105.8	10.2	102	59.8	34	13.4	115	54	201
36,371.7	146	13.5	109	8.9	91	32.4	73	4.41	66.4	7.1	148	24.4	185	14.0	105	63	202
17,681.5	236	14.6	96	7.0	143	30.3	80	4.07	33.4	9.3	116	[17.6]	424	5.6	290	57	203
53,141.6	99	11.8	132	10.1	73	36.8	55	4.86	[14.7]	3.8	210	39.0	97	14.8	83	32	204
15,945.9	259	14.6	97	0.7	411	12.0	270	9.22	83.3	7.6	141	17.9	229	4.5	313	35	205
8,650.2	350	5.7	265	7.5	131	15.0	223	4.52	—	4.2	205	63.0	29	12.3	138	47	206
16,042.4	257	4.9	287	6.0	180	17.2	193	2.03	20.1	2.0	242	37.5	104	7.2	265	52	207
15,292.9	263	2.2	377	2.0	349	5.4	390	1.14	[6.7]	[10.9]	329	16.7	242	[1.7]	361	2	208
29,799.7	163	9.6	170	23.8	3	44.7	38	3.55	25.4	22.3	22	23.5	190	30.2	5	55	209
17,643.0	239	16.4	81	0.9	397	18.0	182	7.88	75.1	9.8	107	25.5	176	2.9	330	35	210
16,480.4	250	7.4	223	8.5	102	13.4	247	2.74	16.1	—	—	89.0	10	16.0	69	29	211
41,924.4	126	10.6	148	7.3	140	20.3	152	2.87	[15.1]	[4.5]	300	22.7	194	14.8	84	13	212

→ 213-260 / 500

260

TESLA Elon Musk's electric-car company made the biggest leap on this year's 500—moving up 123 spots—thanks to booming sales of its Model S sedan and Model X SUV. But the costly, delayed rollout of Tesla's mass-market Model 3 caused its stock to drop 6% in the first four months of 2018. —Andrew Nusca

RANK		CORPORATION	REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY	
2017	2016		\$ millions	% change from 2016	\$ millions	Rank	\$ millions	Rank	\$ millions	Rank
213	231	DEVON ENERGY Oklahoma City, Okla.	13,949.0	14.4	898.0	240	30,241.0	194	9,254.0	183
214	194	AES Arlington, Va.	13,850.0 ^a	(3.1)	(1,161.0)	486	33,112.0	184	2,465.0	362
215	211	ECOLAB St. Paul, Minn.	13,838.3	5.2	1,508.4	167	19,962.4	255	7,618.5	205
216	209	LAND O'LAKES Arden Hills, Minn. ^c	13,740.4	3.8	314.2	372	9,508.9	371	2,695.4	356
217	213	LOEWS New York, N.Y.	13,735.0	4.8	1,164.0	210	79,586.0	90	19,204.0	82
218	215	KINDER MORGAN Houston, Texas	13,705.0	5.0	183.0	400	79,055.0	91	33,636.0	44
219	196	FIRSTENERGY Akron, Ohio	13,627.0 ^e	(3.7)	(1,724.0)	487	42,257.0	150	3,925.0	307
220	278	OCCIDENTAL PETROLEUM Houston, Texas	13,274.0	27.7	1,311.0	188	42,026.0	152	20,572.0	77
221	224	VIACOM New York, N.Y. ³	13,263.0	6.2	1,874.0	137	23,698.0	224	6,035.0	240
222	264	PAYPAL HOLDINGS San Jose, Calif.	13,094.0	20.8	1,795.0	142	40,774.0	155	15,994.0	102
223	237	NGL ENERGY PARTNERS Tulsa, Okla. ^{9,4}	13,022.2	10.9	137.0	412	6,320.4	426	2,203.9	379
224	254	CELGENE Summit, N.J.	13,003.0	15.8	2,940.0	78	30,141.0	195	6,921.0	220
225	228	ARCONIC New York, N.Y.	12,960.0	4.6	(74.0)	452	18,718.0	266	4,910.0	271
226	216	KELLOGG Battle Creek, Mich.	12,923.0	(0.7)	1,269.0	197	16,350.0	294	2,212.0	378
227	249	LAS VEGAS SANDS Las Vegas, Nev.	12,882.0	12.9	2,806.0	83	20,687.0	247	6,493.0	232
228	250	STANLEY BLACK & DECKER New Britain, Conn.	12,747.2	11.7	1,226.0	206	19,079.9	261	8,297.1	192
229	268	BOOKING HOLDINGS Norwalk, Conn. ²⁸	12,681.1	18.0	2,940.8	103	25,451.3	210	11,260.6	142
230	260	LENNAR Miami, Fla. ^{27,29}	12,646.4	15.5	810.5	259	18,745.0	265	7,872.3	203
231	220	L BRANDS Columbus, Ohio ²	12,632.4	0.5	983.0	234	8,149.0	395	(753.0)	484
232	272	DTE ENERGY Detroit, Mich.	12,607.0	18.6	1,134.0	214	33,767.0	180	9,512.0	174
233	238	DOMINION ENERGY Richmond, Va.	12,586.0	7.2	2,999.0	75	76,585.0	94	17,142.0	92
234	246	REINSURANCE GROUP OF AMERICA Chesterfield, Mo.	12,515.8	8.6	1,822.2	139	60,514.8	115	9,569.5	172
235	221	J.C. PENNEY Plano, Texas ²	12,506.0	(0.3)	(116.0)	456	8,413.0	391	1,379.0	418
236	267	MASTERCARD Purchase, N.Y.	12,497.0	16.0	3,915.0	61	21,329.0	243	5,468.0	251
237	255	BLACKROCK New York, N.Y.	12,491.0	12.0	4,970.0	47	220,217.0	38	31,825.0	46
238	243	HENRY SCHEIN Melville, N.Y.	12,461.5	7.7	406.3	341	7,811.2	402	2,811.5	346
239	218	GUARDIAN LIFE INS. CO. OF AMERICA New York, N.Y.	12,454.5	(3.6)	455.3	327	75,038.2	97	6,683.7	228
240	252	STRYKER Kalamazoo, Mich.	12,444.0	9.9	1,020.0	225	22,197.0	236	9,966.0	164
241	262	LEUCADIA NATIONAL New York, N.Y.	12,407.9	14.1	171.7	406	47,169.1	134	10,106.0	160
242	230	VF Greensboro, N.C.	12,399.6 ³	1.6	614.9	288	9,958.5	362	3,719.9	312
243	240	AUTOMATIC DATA PROCESSING Roseland, N.J. ⁸	12,379.8	6.1	1,733.4	146	37,180.0	164	3,977.0	304
244	235	EDISON INTERNATIONAL Rosemead, Calif.	12,320.0	3.8	565.0	295	52,580.0	124	11,671.0	135
245	248	BIOGEN Cambridge, Mass.	12,273.9	7.2	2,539.1	90	23,652.6	226	12,612.8	130
246	279	UNITED STATES STEEL Pittsburgh, Pa.	12,250.0	19.4	387.0	347	9,862.0	363	3,320.0	328
247	247	CORE-MARK HOLDING South San Francisco, Calif.	12,225.0 ^e	6.2	33.5	437	1,782.5	498	555.2	460
248	233	BED BATH & BEYOND Union, N.J. ¹²	12,215.8	0.9	685.1	276	6,846.0	421	2,719.3	355
249	312	ONEOK Tulsa, Okla.	12,173.9	36.5	387.8	346	16,845.9	287	5,527.9	250
250	245	BBGT CORP. Winston-Salem, N.C.	12,156.0	5.4	2,394.0	100	221,642.0	36	29,648.0	52
251	225	BECTON DICKINSON Franklin Lakes, N.J. ^{3,30}	12,093.0	(3.1)	1,100.0	217	37,734.0	161	12,946.0	125
252	239	AMERIPRISE FINANCIAL Minneapolis, Minn.	12,075.0	2.9	1,480.0	171	147,470.0	52	5,998.0	243
253	222	FARMERS INSURANCE EXCHANGE Woodland Hills, Calif.	12,071.8	(3.5)	(65.4)	451	16,164.8	297	4,203.1	292
254	242	FIRST DATA New York, N.Y.	12,052.0	4.0	1,465.0	173	48,269.0	132	3,152.0	333
255	234	CONSOLIDATED EDISON New York, N.Y.	12,033.0	(0.3)	1,525.0	165	48,111.0	133	15,418.0	107
256	251	PARKER-HANNIFIN Cleveland, Ohio ⁶	12,029.3	5.9	983.4	233	15,489.9	303	5,261.6	259
257	344	ANADARKO PETROLEUM The Woodlands, Texas	11,908.0	51.3	(456.0)	472	42,086.0	151	10,696.0	152
258	253	ESTÉE LAUDER New York, N.Y. ⁶	11,824.0	5.0	1,249.0	201	11,568.0	338	4,384.0	287
259	271	STATE STREET CORP. Boston, Mass.	11,774.0	10.7	2,177.0	114	238,425.0	33	22,317.0	73
260	383	TESLA Palo Alto, Calif.	11,758.8	68.0	(1,961.4)	489	28,655.4	200	4,237.2	291



MARKET VALUE
3/29/18

PROFITS AS % OF...

EARNINGS PER SHARE

TOTAL RETURN TO INVESTORS

MARKET VALUE 3/29/18		PROFITS AS % OF...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2017	% change from 2016	2007-2017 annual growth rate		2017	Rank	2007-2017 annual rate			
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	Rank	%	Rank		
16,724.7	247	6.4	250	3.0	303	9.7	314	1.70	-	(14.3)	339	(8.8)	400	(6.2)	380	42	213
7,509.8	363	(8.4)	484	(3.5)	483	(47.1)	468	(1.76)	-	-	-	(2.7)	369	(5.2)	379	82	214
39,523.9	134	10.9	146	7.6	130	19.8	158	5.13	23.9	11.7	85	15.8	250	11.5	160	8	215
-	-	2.3	368	3.3	287	11.7	278	-	-	-	-	-	-	-	-	21	216
16,134.3	256	8.5	200	1.5	368	6.1	382	3.45	78.8	(0.6)	274	7.4	320	0.6	350	37	217
33,223.4	157	1.3	415	0.2	437	0.5	427	0.01	(96.0)	-	-	(10.5)	411	-	-	49	218
16,174.8	255	(12.7)	491	(4.1)	485	(43.9)	466	(3.88)	-	-	-	3.4	338	(3.7)	375	62	219
49,737.9	108	9.9	166	3.1	297	6.4	378	1.70	-	(12.5)	332	8.4	311	2.9	331	42	220
12,918.9	284	14.1	102	7.9	115	31.1	77	4.68	29.6	5.6	173	(10.2)	408	(1.9)	363	18	221
91,056.2	56	13.7	107	4.4	244	11.2	285	1.47	27.8	-	-	86.5	12	-	-	19	222
1,331.9	447	1.1	420	2.2	338	4.9	395	0.95	-	-	-	(25.2)	437	-	-	16	223
67,101.6	78	22.6	44	9.8	79	42.5	47	3.64	46.2	29.7	8	(9.8)	405	16.3	64	48	224
11,123.9	309	(0.6)	452	(0.4)	449	(1.5)	433	(0.28)	-	-	-	48.3	64	-	-	2	225
22,531.9	198	9.8	168	7.8	118	57.4	23	3.62	84.7	2.7	233	(4.9)	381	5.7	287	21	226
56,720.6	94	21.8	46	13.6	40	43.2	44	3.54	68.6	28.8	13	36.2	108	(1.1)	356	30	227
23,609.9	191	9.6	171	6.4	162	14.8	227	8.04	23.5	7.2	147	50.4	59	16.1	68	28	228
100,459.1	51	18.5	69	9.2	87	20.8	147	46.86	9.9	29.9	7	18.5	225	31.2	4	38	229
18,738.2	232	6.4	253	4.3	247	10.3	304	3.38	(12.3)	-	-	50.7	56	14.7	87	29	230
10,655.2	315	7.8	215	12.1	50	-	-	3.42	(14.1)	6.1	167	(3.9)	375	19.8	29	55	231
18,759.9	231	9.0	186	3.4	284	11.9	271	6.32	30.8	1.0	253	14.7	261	14.3	99	62	232
45,344.1	117	23.8	30	3.9	263	17.5	189	4.72	37.2	2.0	243	10.0	297	9.8	204	62	233
9,930.1	324	14.6	98	3.0	301	19.0	165	27.71	156.8	-	-	25.6	175	-	-	35	234
942.9	454	(0.9)	456	(1.4)	462	(8.4)	451	(0.37)	-	-	-	(62.0)	466	(22.2)	403	24	235
184,160.6	26	31.3	14	18.4	13	71.6	16	3.65	(1.1)	16.4	44	47.6	67	22.1	19	19	236
87,064.5	59	39.8	8	2.3	334	15.6	211	30.23	58.8	14.9	54	38.2	100	11.7	151	53	237
10,329.8	322	3.3	342	5.2	213	14.5	232	2.57	(17.0)	8.1	134	(7.9)	397	8.6	229	67	238
-	-	3.7	329	0.6	419	6.8	374	-	-	-	-	-	-	-	-	34	239
60,041.3	90	8.2	203	4.6	236	10.2	305	2.68	(38.4)	0.9	254	30.8	144	8.9	217	40	240
8,097.6	356	1.4	412	0.4	433	1.7	413	0.45	32.4	(14.3)	338	15.4	257	(4.5)	378	13	241
29,403.3	165	5.0	285	6.2	171	16.5	199	1.52	(40.2)	1.5	249	42.7	86	18.7	40	4	242
50,302.2	106	14.0	104	4.7	233	43.6	42	3.85	18.5	6.6	161	16.5	244	14.7	89	14	243
20,741.1	213	4.6	297	1.1	386	4.8	396	1.72	(56.7)	(6.3)	314	(9.7)	403	4.8	307	62	244
57,930.1	92	20.7	55	10.7	65	20.1	154	11.92	(29.6)	19.6	31	21.8	203	19.8	30	48	245
6,199.9	381	3.2	345	3.9	261	11.7	279	2.19	-	(11.5)	331	7.4	321	(10.7)	392	41	246
981.2	452	0.3	438	1.9	353	6.0	383	0.72	(38.5)	3.0	227	(25.8)	439	16.8	55	66	247
2,989.2	420	5.6	269	10.0	74	25.2	111	4.58	(10.2)	8.2	132	(44.8)	458	(2.6)	368	56	248
23,373.3	192	3.2	344	2.3	332	7.0	367	1.29	(22.3)	(0.8)	275	(2.0)	366	15.6	75	49	249
40,453.8	132	19.7	61	1.1	385	8.1	348	2.74	(1.1)	(1.4)	281	8.6	308	8.4	235	9	250
57,694.7	93	9.1	185	2.9	307	8.5	338	4.60	2.4	2.8	231	31.2	138	12.0	145	40	251
21,612.9	206	12.3	126	1.0	389	24.7	118	9.44	20.9	10.8	94	56.4	40	14.5	95	13	252
-	-	(0.5)	451	(0.4)	450	(1.6)	434	-	-	-	-	-	-	-	-	36	253
14,865.4	266	12.2	127	3.0	298	46.5	34	1.56	239.1	-	-	17.8	232	-	-	19	254
24,192.3	189	12.7	121	3.2	295	9.9	311	4.94	19.9	3.6	216	19.2	221	10.6	181	62	255
22,755.3	196	8.2	204	6.3	185	18.7	171	7.25	23.1	4.5	200	44.8	79	12.3	137	32	256
31,131.0	162	(3.8)	471	(1.1)	456	(4.3)	444	(0.85)	-	-	-	(22.8)	432	(1.3)	359	42	257
55,063.6	97	10.6	152	10.8	62	28.5	90	3.35	13.2	12.0	83	68.6	23	20.8	25	31	258
36,688.2	145	18.5	68	0.9	396	9.8	312	5.24	5.4	4.3	203	27.9	158	3.4	323	9	259
44,954.7	119	(16.7)	495	(6.8)	492	(46.3)	467	(11.83)	-	-	-	45.7	76	-	-	43	260

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306

NVIDIA A gaming-giant-turned-A.I.-authority, chipmaker Nvidia rocketed up more than 80 spots on this year's list as its innovative microprocessors found their way into more data centers, powering cutting-edge technology from self-driving cars to deep-learning systems. —A.N.

RANK		2016	2017	REVENUES	% change from 2016	PROFITS	% change from 2016	ASSETS	STOCKHOLDERS' EQUITY		
									\$ millions	Rank	\$ millions
261	314	NETFLIX	Los Gatos, Calif.	11,692.7	32.4	558.9	297	19,012.7	263	3,582.0	320
262	300	ALCOA	Pittsburgh, Pa.	11,652.0	25.0	217.0	394	17,447.0	281	4,523.0	282
263	277	DISCOVER FINANCIAL SERVICES	Riverwoods, Ill.	11,545.0	10.0	2,099.0	119	100,087.0	76	10,892.0	146
264	275	PRAXAIR	Danbury, Conn.	11,437.0	8.6	1,247.0	203	20,436.0	250	6,018.0	242
265	257	CSX	Jacksonville, Fla.	11,408.0	3.1	5,471.0	37	35,739.0	169	14,705.0	111
266	256	XCELENERGY	Minneapolis, Minn.	11,404.0	2.7	1,148.0	211	43,030.0	145	11,455.0	138
267	258	UNUM GROUP	Chattanooga, Tenn.	11,286.8	2.2	994.2	231	64,013.1	109	9,574.9	171
268	276	UNIVERSAL HEALTH SERVICES	King of Prussia, Pa.	11,278.9	7.3	752.3	267	10,761.8	345	4,989.5	267
269	229	NRG ENERGY	Princeton, N.J.	11,275.0 ¹	(8.7)	(2,153.0)	491	23,318.0	229	(346.0)	479
270	356	EDG RESOURCES	Houston, Texas	11,208.3	46.5	2,582.6	89	29,833.1	197	16,283.3	98
271	280	SEMPRA ENERGY	San Diego, Calif.	11,207.0	10.1	256.0	383	50,454.0	128	12,670.0	128
272	244	TOYS "R" US	Wayne, N.J. ³¹	11,146.0	(3.4)	(612.0)	477	7,262.0	413	(1,999.0)	491
273	261	GROUP 1 AUTOMOTIVE	Houston, Texas	11,123.7	2.2	213.4	395	4,871.1	452	1,124.3	425
274	263	ENTERGY	New Orleans, La.	11,074.5	2.1	411.6	340	46,707.1	135	7,992.5	199
275	•	MOLSON COORS BREWING	Denver, Colo.	11,002.8 ⁸	125.2	1,414.2	175	30,246.9	193	13,226.1	124
276	273	I3 TECHNOLOGIES	New York, N.Y.	11,002.0 ¹	3.8	677.0	277	12,729.0	320	5,083.0	266
277	306	BALL	Broomfield, Colo.	10,983.0	21.2	374.0	351	17,169.0	283	3,941.0	305
278	270	AUTOZONE	Memphis, Tenn. ⁷	10,888.7	2.4	1,280.9	195	9,259.8	377	(1,428.4)	488
279	291	MURPHY USA	El Dorado, Ark.	10,853.4 ⁵	12.7	245.3	388	2,331.0	494	738.4	447
280	297	MGM RESORTS INTERNATIONAL	Las Vegas, Nev.	10,773.9	13.9	1,960.3	129	29,159.2	199	7,612.7	206
281	203	OFFICE DEPOT	Boca Raton, Fla.	10,752.0 ¹	(20.9)	181.0	401	6,323.0	425	2,120.0	382
282	289	HUNTSMAN	The Woodlands, Texas	10,592.0 ¹	9.7	636.0	285	10,244.0	356	2,620.0	358
283	281	BAXTER INTERNATIONAL	Deerfield, Ill.	10,561.0	3.9	717.0	270	17,111.0	284	9,124.0	184
284	284	NORFOLK SOUTHERN	Norfolk, Va.	10,551.0	6.7	5,404.0	38	35,711.0	170	16,359.0	97
285	326	SALESFORCE.COM	San Francisco, Calif. ⁹	10,480.0	24.9	127.5	416	21,009.8	245	9,388.5	178
286	290	LABORATORY CORP. OF AMERICA	Burlington, N.C.	10,441.4	8.3	1,268.2	198	16,568.0	290	6,830.0	224
287	282	W.W. GRAINGER	Lake Forest, Ill.	10,424.9	2.8	585.7	292	5,804.3	433	1,690.1	400
288	269	QRATE RETAIL	Englewood, Colo. ³²	10,404.0	(2.3)	2,441.0	97	24,122.0	221	9,984.0	163
289	283	AUTOLIV	Auburn Hills, Mich. ³³	10,382.6	3.1	427.1	335	8,549.9	387	4,035.1	299
290	330	LIVE NATION ENTERTAINMENT	Beverly Hills, Calif.	10,337.4	23.7	(6.0)	447	7,504.3	409	1,181.2	424
291	162	XEROX	Norwalk, Conn. ³⁴	10,265.0	(40.1)	195.0	397	15,946.0	300	5,256.0	260
292	381	LEIDOS HOLDINGS	Reston, Va.	10,170.0	44.4	366.0	355	8,990.0	382	3,370.0	325
293	298	CORNING	Corning, N.Y.	10,116.0	7.7	(497.0)	474	27,494.0	204	15,698.0	105
294	318	LITHIA MOTORS	Medford, Ore.	10,086.5	16.2	245.2	389	4,683.1	455	1,083.2	427
295	317	EXPEDIA GROUP	Bellevue, Wash. ³⁵	10,059.8	14.7	378.0	349	18,515.6	270	4,522.3	283
296	299	REPUBLIC SERVICES	Phoenix, Ariz.	10,041.5	7.0	1,278.4	196	21,147.0	244	7,958.8	201
297	259	JACOBS ENGINEERING GROUP	Dallas, Texas ^{33b}	10,022.8	(8.6)	293.7	376	7,380.9	410	4,428.4	286
298	287	SONIC AUTOMOTIVE	Charlotte, N.C.	9,867.2	1.4	93.0	426	3,818.5	470	786.8	444
299	286	ALLY FINANCIAL	Detroit, Mich.	9,866.0	0.3	929.0	239	167,148.0	47	13,494.0	121
300	304	LKO	Chicago, Ill.	9,848.0 ¹	8.4	533.7	307	9,366.9	375	4,198.2	293
301	305	BORGWARNER	Auburn Hills, Mich.	9,799.3	8.0	439.9	330	9,787.6	364	3,716.8	313
302	293	FIDELITY NATIONAL FINANCIAL	Jacksonville, Fla.	9,769.0 ¹	2.3	771.0	265	9,151.0	380	4,447.0	284
303	303	SUNTRUST BANKS	Atlanta, Ga.	9,741.0	6.3	2,273.0	107	205,962.0	40	25,051.0	64
304	390	IQVIA HOLDINGS	Durham, N.C. ³⁷	9,739.0	41.6	1,309.0	189	22,742.0	232	8,109.0	195
305	320	RELIANCE STEEL & ALUMINUM	Los Angeles, Calif.	9,721.0	12.9	613.4	289	7,751.0	403	4,667.1	277
306	387	NVIDIA	Santa Clara, Calif. ⁹	9,714.0	40.6	3,047.0	72	11,241.0	341	7,471.0	207
307	266	VOYA FINANCIAL	New York, N.Y.	9,660.0 ¹	(10.4)	(2,992.0)	493	222,532.0	35	10,009.0	162
308	362	CENTERPOINT ENERGY	Houston, Texas	9,614.0	27.7	1,792.0	143	22,736.0	233	4,688.0	276

F13 // FORTUNE FIVE HUNDRED // JUNE 1, 2018

MARKET VALUE 3/29/18		PROFITS AS % OF ...				EARNINGS PER SHARE			TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2017 \$	% change from 2016	2007-2017 annual growth rate % Rank	2017 % Rank	2007-2017 annual rate Rank	% Rank	2017 % Rank	2007-2017 annual rate Rank		
128,166.7	38	4.8 292	2.9 306	15.6 212	1.25	190.7	24.6 17	55.1 46	48.0 1	38	261			
8,371.5	354	1.9 392	1.2 375	4.8 397	1.16	-	-	91.8 9	-	41	262			
25,430.9	183	18.2 74	2.1 340	19.3 163	5.42	(6.1)	16.0 48	8.9 306	19.4 35	9	263			
41,433.8	127	10.9 145	6.1 174	20.7 148	4.32	(17.1)	1.8 245	35.1 115	8.0 241	8	264			
49,427.9	109	48.0 4	15.3 26	37.2 54	5.99	230.9	19.6 30	56.0 41	16.6 60	51	265			
23,106.8	195	10.1 162	2.7 318	10.0 309	2.25	1.8	5.2 182	22.0 200	12.3 141	62	266			
10,530.0	319	8.8 190	1.6 364	10.4 301	4.37	10.6	8.6 123	27.2 163	10.8 178	35	267			
11,162.6	307	6.7 243	7.0 146	15.1 220	7.81	9.4	17.3 40	6.9 324	16.6 59	26	268			
9,698.3	330	(19.1) 496	(9.2) 495	-	(6.79)	-	-	133.7 1	(3.1) 371	16	269			
60,913.2	87	23.0 40	8.7 98	15.9 208	4.46	-	7.4 143	7.5 318	9.9 198	42	270			
29,351.4	166	2.3 369	0.5 428	2.0 411	1.01	(81.5)	(13.2) 333	9.4 301	8.8 222	62	271			
-	-	(5.5) 479	(8.4) 494	-	-	-	-	-	-	56	272			
1,366.4	446	1.9 387	4.4 245	19.0 166	10.08	51.1	13.3 68	(7.7) 396	12.8 128	5	273			
14,297.5	271	3.7 325	0.9 399	5.2 392	2.28	-	(8.6) 322	15.7 254	0.6 349	62	274			
16,238.0	254	12.9 118	4.7 232	10.7 294	6.53	(29.5)	9.1 117	(14.1) 420	7.1 269	6	275			
16,283.3	252	6.2 257	5.3 210	13.3 248	8.51	(5.5)	3.6 217	32.3 134	9.1 214	2	276			
13,920.4	274	3.4 339	2.2 337	9.5 317	1.05	28.8	4.4 202	1.8 354	13.9 108	46	277			
17,450.3	241	11.8 133	13.8 37	-	44.07	8.3	17.8 38	(9.9) 406	19.5 34	56	278			
2,440.3	428	2.3 370	10.5 68	33.2 68	6.78	21.3	-	30.7 145	-	56	279			
19,844.3	220	18.2 72	6.7 153	25.8 105	3.35	74.5	(4.5) 301	17.5 236	(8.7) 386	30	280			
1,195.1	451	1.7 399	2.9 309	8.5 337	0.34	(64.6)	(13.4) 334	(19.9) 430	(12.5) 395	56	281			
7,090.4	369	6.0 260	6.2 169	24.3 122	2.61	91.9	-	77.7 17	6.2 281	8	282			
34,979.0	149	6.8 241	4.2 253	7.9 353	1.29	(85.7)	(6.8) 317	47.4 68	9.6 206	40	283			
41,226.2	128	51.2 2	15.1 27	33.0 70	18.61	231.1	17.6 39	36.7 105	14.0 106	51	284			
85,073.5	60	1.2 416	0.6 418	1.4 423	0.17	(34.6)	16.3 45	49.3 60	20.6 26	10	285			
16,482.3	249	12.1 128	7.7 123	18.6 173	12.21	73.9	12.0 82	24.2 187	7.8 249	27	286			
15,823.2	260	5.6 268	10.1 72	34.7 63	10.02	1.5	7.3 145	4.4 332	12.6 132	64	287			
12,587.0	290	23.5 34	10.1 71	24.4 121	-	-	-	22.2 197	-	38	288			
12,710.0	287	4.1 313	5.0 219	10.6 296	4.87	(24.1)	2.8 230	14.7 260	11.8 147	43	289			
8,772.2	347	(0.1) 447	(0.1) 447	(0.5) 430	(0.48)	-	-	60.0 33	11.4 162	18	290			
7,329.5	364	1.9 399	1.2 376	3.7 402	0.71	-	(17.3) 342	23.6 189	(2.1) 364	11	291			
9,918.2	326	3.6 331	4.1 256	10.9 290	2.38	1.3	(5.7) 308	29.2 149	7.1 268	33	292			
23,676.6	190	(4.9) 478	(1.8) 472	(3.2) 440	(0.66)	(120.4)	-	34.6 122	4.9 303	15	293			
2,515.1	426	2.4 368	5.2 211	22.6 132	9.75	26.3	24.8 16	18.6 224	25.6 12	5	294			
16,763.9	245	3.8 324	2.0 343	8.4 341	2.42	33.0	2.6 236	6.7 325	15.6 74	38	295			
21,832.2	204	12.7 120	6.0 177	16.1 206	3.77	111.8	9.6 111	21.0 205	11.0 171	63	296			
8,379.9	353	2.9 351	4.0 259	6.6 376	2.42	39.9	0.3 263	17.0 238	(3.5) 374	17	297			
803.7	458	0.9 424	2.4 326	11.8 274	2.09	3.0	(0.2) 268	(18.6) 428	1.0 345	5	298			
11,767.4	301	9.4 176	0.6 425	6.9 370	2.04	(5.1)	-	56.0 42	-	13	299			
11,750.1	302	5.4 271	5.7 193	12.7 255	1.72	14.7	20.1 28	32.7 131	14.5 94	64	300			
10,586.0	317	4.5 303	4.5 241	11.8 273	2.08	278.2	5.4 177	31.2 140	8.5 232	43	301			
10,983.0	312	7.9 212	8.4 103	17.3 191	-	-	-	63.6 28	-	37	302			
31,883.1	160	23.3 36	1.1 382	9.1 323	4.47	24.2	(0.2) 267	20.4 209	2.3 334	9	303			
20,493.4	219	13.4 110	5.8 190	16.1 205	5.88	673.7	-	28.7 154	-	27	304			
6,244.4	380	6.3 254	7.9 114	13.1 250	8.34	100.5	4.5 199	10.4 294	6.5 276	41	305			
140,112.0	36	31.4 13	27.1 1	40.8 50	4.82	87.5	13.9 61	82.0 14	19.9 28	54	306			
8,686.2	349	(31.0) 498	(1.3) 460	(29.9) 462	(16.25)	-	-	26.3 170	-	13	307			
11,822.3	299	18.6 65	7.9 116	38.2 52	4.13	313.0	13.4 64	19.5 219	10.2 191	62	308			

AKOS STILLER - BLOOMBERG VIA BETTY IMAGES

→ 309-356 / 500

355

ALASKA AIR GROUP The airline's \$2.6 billion acquisition of Virgin America in late 2016 led to a big leap in the rankings this year. Although its stock fell 16% in 2017, Alaska's long-term record is stellar: Over the past decade, it has averaged a total annual return of 28.7%, or ninth best in the 500. —Shawn Tully

RANK			REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY			
2017	2016		\$ millions	% change from 2016	\$ millions	Rank	\$ millions	Rank	\$ millions	Rank		
309	310	EBAY	San Jose, Calif.	9,567.0	6.5	(1,016.0)	484	(114.0)	25,981.0	207	8,063.0	196
310	309	EASTMAN CHEMICAL	Kingsport, Tenn.	9,549.0	6.0	1,384.0	178	62.1	15,999.0	298	5,403.0	256
311	315	AMERICAN FAMILY INSURANCE GROUP	Madison, Wis. ¹⁶	9,545.4	8.1	155.6	409	(52.2)	24,233.0	220	8,051.8	197
312	347	STEEL DYNAMICS	Fort Wayne, Ind.	9,538.8	22.7	812.7	256	112.7	6,855.7	420	3,351.6	326
313	302	PACIFIC LIFE	Newport Beach, Calif. ¹⁸	9,510.0	3.7	1,365.0	180	65.7	157,877.0	48	12,888.0	126
314	343	CHESAPEAKE ENERGY	Oklahoma City, Okla.	9,496.0	20.6	949.0	238	—	12,425.0	327	(496.0)	481
315	311	MOHAWK INDUSTRIES	Colhoun, Ga.	9,491.3	5.9	971.6	235	4.4	12,094.9	382	7,059.2	215
316	355	QUANTA SERVICES	Houston, Texas	9,466.5	23.7	315.0	371	58.8	6,480.2	423	3,791.6	308
317	292	ADVANCE AUTO PARTS	Roanoke, Va.	9,373.8	(2.0)	475.5	323	3.5	8,482.3	388	3,415.2	322
318	288	OWENS & MINOR	Mechanicsville, Va.	9,318.3	(4.2)	72.8	429	(33.1)	3,376.3	477	1,015.5	429
319	325	UNITED NATURAL FOODS	Providence, R.I. ¹⁴	9,274.5	9.5	130.2	413	3.5	2,886.6	486	1,681.9	401
320	322	TENNECO	Lake Forest, Ill.	9,274.0	7.8	207.0	396	(41.9)	4,842.0	453	696.0	450
321	197	CONAGRA BRANDS	Chicago, Ill. ¹¹	9,234.8*	(34.7)	639.3	283	—	10,096.3	357	3,990.8	302
322	321	GAMESTOP	Grapevine, Texas ²	9,224.6	7.2	34.7	436	(90.2)	5,041.6	451	2,214.5	377
323	295	HORMEL FOODS	Austin, Minn. ¹³	9,167.5	(3.7)	846.7	248	(4.9)	6,975.9	417	4,935.9	269
324	241	HILTON WORLDWIDE HOLDINGS	McLean, Va. ³⁸	9,140.0	(21.6)	1,259.0	200	261.8	14,308.0	314	2,072.0	385
325	313	FRONTIER COMMUNICATIONS	Norwalk, Conn.	9,128.0	2.6	(1,804.0)	488	—	24,884.0	217	2,274.0	374
326	301	FIDELITY NATIONAL INFORMATION SERVICES	Jacksonville, Fla.	9,123.0	(1.3)	1,319.0	185	132.2	24,517.0	218	10,835.0	148
327	306	PUBLIC SERVICE ENTERPRISE GROUP	Newark, N.J.	9,084.0	0.6	1,574.0	160	77.5	42,716.0	147	13,847.0	118
328	327	BOSTON SCIENTIFIC	Marlborough, Mass.	9,048.0	7.9	104.0	423	(70.0)	19,042.0	262	7,012.0	217
329	323	O'REILLY AUTOMOTIVE	Springfield, Mo.	8,977.7	4.5	1,133.8	215	9.3	7,571.9	407	653.0	453
330	357	CHARLES SCHWAB	San Francisco, Calif.	8,960.0	17.2	2,354.0	102	24.6	243,274.0	31	18,525.0	84
331	334	GLOBAL PARTNERS	Waltham, Mass. ^P	8,920.6	8.3	58.8	433	—	2,320.2	495	391.0	465
332	335	PVH	New York, N.Y. ²	8,914.8	8.7	537.8	304	(2.0)	11,885.7	335	5,536.4	249
333	319	AVIS BUDGET GROUP	Parsippany, N.J.	8,848.0	2.2	361.0	357	121.5	17,699.0	277	573.0	458
334	402	TARGA RESOURCES	Houston, Texas	8,814.9	31.7	54.0	434	—	14,388.6	312	6,378.8	234
335	296	HERTZ GLOBAL HOLDINGS	Estero, Fla.	8,803.0	(7.1)	327.0	368	—	20,058.0	253	1,520.0	410
336	400	CALPINE	Houston, Texas ³⁹	8,752.0	30.3	(339.0)	466	(468.5)	16,453.0	293	2,988.0	340
337	342	MUTUAL OF OMAHA INSURANCE	Omaha, Neb. ¹⁵	8,731.9	10.6	862.6	244	141.9	42,429.3	148	6,683.8	227
338	333	CROWN HOLDINGS	Philadelphia, Pa.	8,698.0	5.0	323.0	370	(34.9)	10,663.0	348	601.0	456
339	324	PETER KIEWIT SONS	Omaha, Neb.	8,678.0	1.2	371.0	354	(6.3)	5,710.0	437	3,066.0	337
340	340	DICK'S SPORTING GOODS	Corona, Pa. ³	8,590.5	8.4	323.4	369	12.5	4,203.9	463	1,941.5	389
341	353	PULTEGROUP	Atlanta, Ga.	8,573.3	11.8	447.2	328	(25.8)	9,686.6	368	4,154.0	296
342	337	NAVISTAR INTERNATIONAL	Lisle, Ill. ¹³	8,570.0	5.7	30.0	438	—	6,135.0	430	(4,578.0)	496
343	316	THRIVENT FINANCIAL FOR LUTHERANS	Minneapolis, Minn. ¹⁷	8,527.9	(2.8)	558.4	298	(5.0)	95,001.3	82	8,269.3	193
344		• DCP MIDSTREAM	Denver, Colo. ^P	8,462.0	465.3	229.0	391	(26.6)	13,878.0	316	7,408.0	209
345	294	AIR PRODUCTS & CHEMICALS	Allentown, Pa. ³	8,442.4*	(11.4)	3,000.4	74	375.4	18,467.2	271	10,086.2	161
346	331	VERIVIX	Atlanta, Ga.	8,364.7	0.5	(13.3)	448	(163.3)	2,708.4	489	549.7	461
347	370	AGCO	Duluth, Ga.	8,306.5	12.1	186.4	399	16.4	7,971.7	400	3,029.6	339
348	328	BENWORTH FINANCIAL	Richmond, Va.	8,295.0	(0.9)	817.0	254	—	105,297.0	74	13,418.0	123
349	338	UNIVAR	Downers Grove, Ill.	8,253.7	2.2	119.8	417	—	5,732.7	435	1,090.1	426
350	332	NEWS CORP.	New York, N.Y. ⁶	8,139.0	(2.2)	(738.0)	482	(512.3)	14,552.0	309	10,789.0	149
351		• SPARTANNASH	Byron Center, Mich.	8,128.1	5.1	(52.8)	450	(193.0)	2,055.8	497	722.0	448
352		• WESTLAKE CHEMICAL	Houston, Texas	8,041.0	58.4	1,304.0	190	226.9	12,076.0	333	4,874.0	272
353	367	WILLIAMS	Tulsa, Okla.	8,031.0	7.1	2,174.0	115	—	46,352.0	139	9,656.0	169
354	440	LAM RESEARCH	Fremont, Calif. ⁸	8,013.6	36.1	1,697.8	148	85.7	12,122.8	331	6,817.5	225
355	438	ALASKA AIR GROUP	Seattle, Wash.	7,933.0	33.8	1,034.0	224	27.0	10,740.0	346	3,721.0	311
356	391	JONES LANG LASALLE	Chicago, Ill.	7,932.4	16.6	254.2	384	(20.1)	8,014.5	398	3,243.2	330



MARKET VALUE 3/29/18		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2017 \$	% change from 2016	2007-2017 annual growth rate % Rank	2017 % Rank	2007-2017 annual rate % Rank	2017 % Rank	2007-2017 annual rate % Rank						
40,726.1	131	[10.6] 488	[3.9] 484	[12.6] 458	[0.95]	[115.0]	—	27.1	164	10.3	166	38	309				
15,072.5	265	14.5 99	8.7 99	25.6 107	9.47	64.7	18.1	26.3	171	14.6	92	8	310				
—	—	1.6 402	0.6 415	1.9 412	—	—	—	—	—	—	—	37	311				
10,443.8	320	8.5 197	11.9 52	24.2 124	3.36	115.4	5.3	23.3	192	6.4	278	41	312				
—	—	14.4 101	0.9 401	10.6 295	—	—	—	—	—	—	—	35	313				
2,745.9	423	10.0 164	7.6 125	—	0.90	—	[10.1]	[43.6]	454	[19.2]	400	42	314				
17,283.1	242	10.2 158	8.0 112	13.8 241	12.98	4.0	2.3	38.2	99	14.0	102	28	315				
5,281.1	388	3.3 341	4.9 226	8.3 343	2.00	58.7	8.4	12.2	281	4.1	319	17	316				
8,770.1	348	5.1 282	5.6 196	13.9 238	6.42	3.5	10.9	[40.9]	451	10.5	183	56	317				
961.3	453	0.8 426	2.2 339	7.2 366	1.20	[31.8]	0.1	[44.4]	455	[1.3]	358	67	318				
2,164.6	433	1.4 410	4.5 240	7.7 357	2.56	2.4	8.1	3.2	341	4.5	312	66	319				
2,821.9	422	2.2 373	4.3 250	29.7 84	3.91	[38.0]	—	[4.7]	379	8.6	228	43	320				
14,776.4	267	6.9 237	6.3 166	16.0 207	1.46	—	[0.3]	[2.6]	368	11.1	167	21	321				
1,278.5	448	0.4 435	0.7 413	1.6 417	0.34	[90.0]	[15.1]	[23.5]	434	[9.3]	387	56	322				
18,173.6	236	9.2 181	12.1 48	17.2 194	1.57	[4.3]	11.2	6.6	327	15.7	71	21	323				
24,957.2	186	13.8 105	8.8 95	60.8 21	3.85	266.7	—	43.0	85	—	—	30	324				
581.8	464	[19.8] 497	[7.2] 493	[79.3] 469	[25.99]	—	—	[83.4]	470	[20.1]	401	57	325				
31,892.6	159	14.5 100	5.4 206	12.2 265	3.93	128.5	3.2	26.0	172	16.8	56	19	326				
25,359.4	184	17.3 77	3.7 274	11.4 281	3.10	77.1	1.7	21.8	202	4.6	311	62	327				
37,687.8	139	1.1 418	0.5 426	1.5 419	0.08	[68.0]	—	14.6	262	7.9	246	40	328				
20,606.8	214	12.6 122	15.0 29	173.6 8	12.67	18.1	22.5	[13.6]	419	22.2	17	56	329				
70,312.8	74	26.3 21	1.0 391	12.7 256	1.61	22.9	[2.0]	31.2	141	8.5	231	53	330				
521.8	465	0.7 428	2.5 321	15.0 221	1.74	—	2.3	[5.3]	385	5.0	302	64	331				
11,648.4	303	6.0 259	4.5 239	9.7 313	8.84	0.7	7.9	52.2	54	14.3	97	4	332				
3,791.8	408	4.1 316	2.0 344	63.0 20	4.25	142.9	—	19.6	217	12.9	126	5	333				
9,628.5	331	0.6 429	0.4 432	0.8 425	[0.31]	—	—	[6.9]	394	—	—	49	334				
1,662.0	440	3.7 326	1.6 361	21.5 142	3.94	—	[0.3]	2.5	343	[9.9]	389	5	335				
—	—	[3.9] 472	[2.1] 477	[11.3] 457	[0.95]	[465.4]	—	32.4	133	—	—	16	336				
—	—	9.9 165	2.0 345	12.9 252	—	—	—	—	—	—	—	35	337				
6,815.8	372	3.7 327	3.0 300	53.7 25	2.38	[33.1]	[2.9]	7.0	323	8.2	239	46	338				
—	—	4.3 307	6.5 159	12.1 268	—	—	—	—	—	—	—	17	339				
3,764.5	409	3.8 323	7.7 120	16.7 197	3.01	17.6	8.5	[44.8]	457	1.7	341	56	340				
8,439.2	352	5.2 278	4.6 235	10.8 291	1.44	[17.7]	—	83.7	13	13.1	120	29	341				
3,451.2	415	0.4 436	0.5 429	—	0.32	—	—	36.7	106	[2.3]	366	12	342				
—	—	6.5 247	0.6 421	6.8 375	—	—	—	—	—	—	—	34	343				
5,033.0	392	2.7 356	1.7 359	3.1 406	0.43	[73.8]	—	3.4	339	6.5	275	49	344				
34,817.9	150	35.5 11	16.2 18	29.7 83	13.65	372.3	11.4	17.0	239	8.9	219	8	345				
616.8	461	[0.2] 448	[0.5] 453	[2.4] 437	[0.85]	[165.4]	—	[46.2]	461	—	—	64	346				
5,157.1	389	2.2 372	2.3 330	6.2 380	2.32	18.4	[0.9]	24.5	184	0.9	346	12	347				
1,412.7	444	9.8 167	0.8 408	6.1 381	1.63	—	[5.0]	[18.4]	427	[18.6]	399	35	348				
3,920.0	404	1.5 408	2.1 341	11.0 287	0.85	—	—	9.1	303	—	—	64	349				
9,272.2	337	[9.1] 485	[5.1] 487	[6.8] 448	[1.27]	[523.3]	—	43.6	84	—	—	50	350				
620.4	460	[0.7] 454	[2.6] 478	[7.3] 450	[1.41]	[193.4]	—	[30.9]	441	3.3	324	66	351				
14,385.0	270	16.2 84	10.8 61	26.8 103	10.00	226.8	27.5	92.3	8	29.2	7	8	352				
20,567.4	216	27.1 18	4.7 231	22.5 134	2.62	—	4.9	1.9	353	4.6	310	16	353				
33,105.4	158	21.2 49	14.0 35	24.9 115	9.24	77.0	6.7	76.4	18	16.1	66	54	354				
7,645.5	361	13.0 116	9.6 82	27.8 93	8.35	27.7	26.9	[15.9]	422	28.7	9	3	355				
7,930.2	358	3.2 343	3.2 294	7.8 355	5.55	[20.5]	[3.1]	48.2	65	8.3	238	52	356				

DANIEL SLIM - AFP/BETTY IMAGES

JUNE 1, 2018 // FORTUNE FIVE HUNDRED // F18

→ 357-404 / 500

371

COTY Now the world's third-largest beauty company, Coty scaled up (and on to the 500 for the first time) with its late-2016 acquisition of 43 brands from P&G, including Hugo Boss and Gucci fragrances. But steeper-than-expected costs related to the deal hurt profits. —*Phil Wahba*

RANK 2017	RANK 2016	COMPANY	REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
			\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
357	359	ANIXTER INTERNATIONAL Glenview, Ill.	7,927.4	4.0	109.0	421	(9.5)	4,252.2	461	1,459.0	412
358	339	CAMPBELL SOUP Camden, N.J. ^{14,40}	7,890.0	[0.9]	887.0	241	57.5	7,726.0	404	1,837.0	405
359	345	INTERPUBLIC GROUP New York, N.Y.	7,882.4	0.5	579.0	294	[4.8]	12,695.2	321	2,201.0	380
360	392	DOVER Downers Grove, Ill.	7,830.4	15.2	811.7	257	59.5	10,657.7	349	4,383.2	288
361	352	ZIMMER BIOMET HOLDINGS Warsaw, Ind.	7,824.1	1.8	1,813.8	141	492.9	25,964.5	208	11,735.8	133
362	351	DEAN FOODS Dallas, Texas	7,795.0	1.1	61.6	432	[48.6]	2,503.8	492	655.9	452
363	348	FOOT LOCKER New York, N.Y. ²	7,782.0	0.2	284.0	380	[57.2]	3,961.0	466	2,519.0	361
364	358	EVERSOURCE ENERGY Springfield, Mass.	7,752.0	1.5	988.0	232	4.8	36,220.4	167	11,086.2	144
365	378	ALLIANCE DATA SYSTEMS Plano, Texas	7,719.4	8.1	788.7	262	52.9	30,684.8	192	1,855.3	391
366	389	FIFTH THIRD BANCORP Cincinnati, Ohio	7,713.0	12.0	2,194.0	113	40.3	142,193.0	55	16,365.0	96
367	366	QUEST DIAGNOSTICS Secaucus, N.J.	7,709.0	2.6	772.0	264	19.7	10,503.0	351	4,921.0	270
368	360	EMCOR GROUP Norwalk, Conn.	7,687.9 ¹	1.8	227.2	392	24.9	3,965.9	465	1,673.3	402
369	354	W.R. BERKLEY Greenwich, Conn.	7,684.8	0.4	549.1	302	[8.8]	24,299.9	219	5,411.3	255
370	373	WESCO INTERNATIONAL Pittsburgh, Pa.	7,679.0	4.7	163.5	408	60.9	4,735.5	454	2,119.7	383
371		• COTY New York, N.Y. ⁶	7,650.3	75.9	[422.2]	471	[369.1]	22,548.2	235	9,314.7	181
372	368	WEC ENERGY GROUP Milwaukee, Wis.	7,648.5	2.4	1,203.7	207	28.2	31,590.5	190	9,461.4	177
373	372	MASCO Livonia, Mich.	7,644.0	3.9	533.0	308	8.6	5,488.0	443	[60.0]	473
374		• DXC TECHNOLOGY Tysons, Va. ^{41,42}	7,607.0	7.1	[123.0]	457	[149.0]	8,663.0	385	1,888.0	390
375	398	AUTO-OWNERS INSURANCE Lansing, Mich.	7,603.7	12.2	845.7	282	[8.6]	23,694.1	225	10,942.9	145
376	403	JONES FINANCIAL (EDWARD JONES) Des Peres, Mo. ⁴³	7,597.0	14.6	872.0	242	16.9	17,176.0	282	2,795.0	347
377	491	LIBERTY MEDIA Englewood, Colo. ⁴⁴	7,594.0	49.9	1,354.0	182	99.1	41,996.0	153	16,943.0	94
378	382	ERIE INSURANCE GROUP Erie, Pa. ⁴⁵	7,535.1	7.4	857.5	246	15.6	20,669.2	248	9,660.1	168
379	369	HERSHEY Hershey, Pa.	7,515.4	1.0	783.0	263	8.7	5,553.7	441	915.3	438
380	365	PPL Allentown, Pa.	7,447.0	[0.9]	1,128.0	216	[40.7]	41,479.0	154	10,761.0	151
381	380	HUNTINGTON INGALLS INDUSTRIES Newport News, Va.	7,441.0	5.3	479.0	321	[16.4]	6,374.0	424	1,758.0	396
382	377	MOAIC Plymouth, Minn.	7,409.4	3.4	[107.2]	455	[136.0]	18,633.4	268	9,617.5	170
383	346	J.M. SMUCKER Orrville, Ohio ⁴⁶	7,392.3	[5.4]	592.3	291	[14.0]	15,639.7	302	6,850.2	222
384	480	DELEKUS HOLDINGS Brentwood, Tenn. ⁴⁷	7,349.5 ⁴⁸	35.7	288.8	378	—	5,935.2	432	1,650.6	403
385	346	NEWMONT MINING Greenwood Village, Colo.	7,348.0	[12.3]	[98.0]	453	—	20,563.0	249	10,609.0	154
386	408	CONSTELLATION BRANDS Victor, N.Y. ¹²	7,331.5 ⁵	12.0	1,535.1	163	45.5	18,602.4	269	6,891.2	221
387	394	RYDER SYSTEM Miami, Fla.	7,329.6	8.0	790.6	261	201.2	11,452.2	340	2,835.0	345
388	375	NATIONAL OILWELL VARCO Houston, Texas	7,304.0	0.7	[237.0]	462	—	20,206.0	252	14,094.0	114
389	443	ADOBE SYSTEMS San Jose, Calif. ⁴⁹	7,301.5	24.7	1,694.0	150	44.9	14,535.6	310	8,459.9	190
390	374	LIFEPOINT HEALTH Brentwood, Tenn.	7,263.1	[0.1]	102.4	424	[16.0]	6,286.4	427	2,242.5	376
391	396	TRACTOR SUPPLY Brentwood, Tenn.	7,256.4	7.0	422.6	337	[3.3]	2,868.8	487	1,418.7	416
392		• THOR INDUSTRIES Elkhart, Ind. ¹⁴	7,247.0	58.2	374.3	350	45.9	2,557.9	491	1,576.5	407
393	447	DANA Maumee, Ohio	7,209.0	23.7	111.0	419	[82.7]	5,644.0	439	1,013.0	430
394	341	WEYERHAEUSER Seattle, Wash. ⁸	7,196.0	[8.9]	582.0	293	[43.3]	18,059.0	274	8,899.0	185
395	407	J.B. HUNT TRANSPORT SERVICES Lowell, Ark.	7,189.6	9.7	686.3	275	58.8	4,465.3	457	1,839.3	393
396	385	GARDEN RESTAURANTS Orlando, Fla. ¹¹	7,170.2	3.4	479.1	320	27.8	5,504.2	442	2,101.7	384
397	359	YUM CHINA HOLDINGS Plano, Texas	7,144.0	5.8	403.0	342	[19.7]	4,263.0	460	2,782.0	348
398		• BLACKSTONE GROUP New York, N.Y. ⁹	7,119.1	38.9	1,470.8	172	41.5	34,428.9	177	6,636.3	229
399	413	BERRY GLOBAL GROUP Evansville, Ind. ³	7,095.0	9.3	340.0	365	44.1	8,476.0	389	1,012.0	431
400	421	BUILDERS FIRSTSOURCE Dallas, Texas	7,034.2	10.5	38.8	435	[73.1]	3,006.1	482	376.2	466
401	406	ACTIVISION BLIZZARD Santa Monica, Calif.	7,017.0	6.2	273.0	382	[71.7]	18,668.0	267	9,462.0	176
402	403	JETBLUE AIRWAYS Long Island City, N.Y.	7,015.0	5.8	1,147.0	212	51.1	9,781.0	365	4,834.0	273
403	424	AMPHENOL Wallingford, Conn.	7,011.3	11.5	650.5	280	[21.0]	10,003.9	360	3,989.8	303
404	395	A-MARK PRECIOUS METALS El Segundo, Calif. ⁶	6,989.6	3.0	7.1	442	[23.6]	478.5	500	69.6	472



MARKET VALUE 3/29/18		PROFITS AS % OF ...					EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017	
\$ millions	Rank	Revenues % Rank		Assets % Rank		Stockholders' equity % Rank		2017 \$	% change from 2016	2007-2017 annual growth rate % Rank		2017 %	Rank	2007-2017 annual rate % Rank			
2,522.0	425	1.4	413	2.6	320	7.5	360	3.21	(10.6)	(6.1)	312	(6.2)	392	4.0	320	65	357
13,020.5	282	11.2	141	11.5	57	54.2	24	2.89	59.7	3.0	228	(18.4)	426	6.1	294	21	358
8,854.3	344	7.3	224	4.6	238	26.3	104	1.46	(2.0)	18.8	33	(11.1)	413	11.4	161	1	359
15,182.5	264	10.4	155	7.6	126	18.5	174	5.15	58.5	4.7	195	37.6	103	12.7	130	32	360
22,151.1	201	23.2	38	7.0	147	15.5	215	8.90	489.4	10.6	95	17.9	231	6.7	274	40	361
787.1	459	0.8	425	2.5	324	9.4	321	0.67	(48.9)	(10.0)	326	(45.6)	460	(6.6)	361	21	362
5,379.0	387	3.6	330	7.2	141	11.3	283	2.22	(54.8)	21.0	26	(32.2)	446	16.5	62	55	363
18,670.9	234	12.7	119	2.7	313	8.9	325	3.11	5.1	6.9	152	18.0	227	11.0	174	62	364
11,805.5	300	10.2	159	2.6	319	42.5	46	14.10	92.1	21.4	24	11.9	285	13.1	121	19	365
21,811.7	205	28.4	17	1.5	365	13.4	246	2.83	46.6	3.6	218	15.0	258	4.4	314	9	366
13,619.1	278	10.0	163	7.4	139	15.7	210	5.50	22.0	12.2	79	9.2	302	8.0	244	17	367
4,549.0	400	3.0	350	5.7	192	13.6	244	3.82	28.6	7.2	146	16.1	248	13.8	109	27	368
8,836.1	346	7.1	229	2.3	333	10.1	307	4.26	(9.0)	1.2	252	10.1	296	11.0	169	37	369
2,919.9	421	2.1	379	3.5	281	7.7	358	3.38	61.0	(3.8)	294	2.4	345	5.6	291	64	370
13,722.5	277	(5.5)	480	(1.9)	475	(4.5)	445	(0.66)	(250.0)	-	-	11.6	287	-	-	31	371
19,784.3	221	15.7	86	3.8	266	12.7	254	3.79	28.0	10.4	99	17.0	237	14.2	101	62	372
12,590.0	289	7.0	236	9.7	80	-	-	1.66	12.9	4.9	189	40.5	93	11.5	159	28	373
28,720.2	170	(1.6)	461	(1.4)	466	(6.5)	447	-	-	-	-	-	-	-	-	33	374
-	-	8.5	199	2.7	314	5.9	385	-	-	-	-	-	-	-	-	36	375
-	-	11.5	136	5.1	217	31.2	76	-	-	-	-	-	-	-	-	53	376
13,815.8	275	17.8	75	3.2	290	8.0	350	-	-	-	-	-	-	-	-	18	377
-	-	11.4	138	4.1	254	8.9	327	-	-	-	-	-	-	-	-	36	378
20,773.8	212	10.4	153	14.1	33	85.5	14	3.66	9.6	14.7	57	12.3	280	14.0	103	21	379
19,634.7	226	15.1	92	2.7	316	10.5	298	1.64	(41.2)	(6.9)	318	(5.1)	383	0.0	352	62	380
11,539.2	304	6.4	251	7.5	134	27.2	100	10.46	(13.8)	-	-	29.5	148	-	-	2	381
9,357.9	335	(1.4)	458	(0.6)	454	(1.1)	432	(0.31)	(136.5)	-	-	(10.4)	410	(10.6)	391	8	382
14,087.4	272	8.0	209	3.8	268	8.6	332	5.10	(11.5)	6.3	165	(0.5)	361	13.1	119	21	383
3,415.5	416	3.9	318	4.9	225	17.5	188	4.00	-	-	-	48.4	63	-	-	47	384
20,852.6	210	(1.3)	457	(0.5)	452	(0.9)	431	(0.18)	-	-	-	10.9	292	(1.3)	357	42	385
44,378.6	121	20.9	53	8.3	110	22.3	136	-	-	-	-	50.7	57	25.8	11	6	386
3,867.2	406	10.8	147	6.9	150	27.9	92	14.86	203.3	13.4	65	15.8	251	8.4	236	61	387
13,993.1	273	(3.2)	469	(1.2)	458	(1.7)	435	(0.63)	-	-	-	(3.3)	370	(4.5)	377	45	388
106,413.0	45	23.2	37	11.7	55	20.0	155	3.38	45.7	10.8	93	70.2	22	15.2	80	10	389
1,832.0	437	1.4	409	1.6	362	4.6	398	2.51	(11.0)	3.4	223	(12.3)	417	5.3	297	26	390
7,806.7	359	5.8	254	14.7	30	29.8	82	3.30	0.9	18.6	34	0.3	356	24.5	15	56	391
6,068.9	382	5.2	279	14.6	31	23.7	127	7.09	45.3	11.4	87	52.6	52	17.5	46	43	392
3,741.2	411	1.5	405	2.0	352	11.0	288	0.71	(83.7)	-	-	70.4	21	-	-	43	393
26,463.4	173	8.1	206	3.2	291	6.5	377	0.77	(44.6)	(14.3)	337	21.5	204	5.4	294	68	394
12,857.7	285	9.5	174	15.4	23	37.3	53	6.18	82.2	14.8	55	19.6	218	16.7	57	61	395
10,531.3	318	6.7	242	8.7	97	22.8	129	3.80	31.0	10.9	92	36.0	110	18.4	42	23	396
16,008.5	258	5.6	267	9.5	84	14.5	231	1.01	(25.7)	-	-	53.6	50	-	-	23	397
21,057.9	208	20.7	56	4.3	251	22.2	137	2.21	41.7	-	-	27.4	160	10.5	182	13	398
7,191.1	367	4.8	291	4.0	257	33.6	65	2.56	35.4	-	-	20.4	210	-	-	46	399
2,264.1	431	0.6	432	1.3	374	10.3	303	0.34	(73.2)	-	-	98.6	5	11.7	152	7	400
51,177.3	104	3.9	320	1.5	369	2.9	408	0.36	(71.9)	9.9	104	76.3	19	16.6	61	18	401
6,540.2	376	16.4	82	11.7	53	23.7	128	3.47	56.3	42.6	1	(0.4)	359	14.2	100	3	402
26,311.3	180	9.3	179	6.5	158	16.3	201	2.06	(21.1)	7.8	138	31.9	136	14.9	82	44	403
86.1	471	0.1	442	1.5	367	10.2	306	1.00	(23.1)	-	-	(23.4)	433	-	-	68	404

→ 405-452 / 500

447

WYNN RESORTS In February, 76-year-old founder Steve Wynn resigned as chairman and CEO amid sexual misconduct allegations, then sold off his shares in the company. But on the business side, Wynn Resorts has been thriving. It posted the best revenue growth in the industry last year. —J.J.R.

RANK 2017	2016		REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
			\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
405	393	SPIRIT AEROSYSTEMS HOLDINGS	6,983.0	2.8	354.9	359	(24.4)	5,267.8	446	1,801.0	394
406	388	R.R. DONNELLEY & SONS	6,939.6	0.6	[34.4]	449	—	3,904.5	467	[217.6]	477
407	363	HARRIS	6,939.0 ¹	[7.8]	553.0	300	70.7	10,090.0	358	2,928.0	341
408	429	EXPEDITORS INTERNATIONAL OF WASHINGTON	6,920.9	13.5	489.3	318	13.6	3,117.0	479	1,991.9	387
409	412	DISCOVERY	6,873.0	5.8	[337.0]	465	[128.2]	22,555.0	284	4,610.0	278
410	401	OWENS-ILLINOIS	6,869.0	2.5	180.0	403	[13.9]	9,756.0	366	808.0	443
411	414	SANMINA	6,868.6	6.0	138.8	411	[26.1]	3,847.4	469	1,647.7	404
412	479	KEYCORP	6,868.0	26.7	1,296.0	193	63.8	19,698.0	59	15,023.0	109
413	411	AMERICAN FINANCIAL GROUP	6,865.0	5.6	475.0	324	[26.8]	60,658.0	114	5,330.0	258
414	425	OSHKOSH	6,829.6	8.8	285.6	379	32.0	5,098.9	450	2,307.4	371
415	492	ROCKWELL COLLINS	6,822.0	29.7	705.0	272	[3.2]	17,997.0	275	6,043.0	239
416	376	KINDRED HEALTHCARE	6,767.6 ¹	[6.4]	[698.4]	478	—	5,292.7	447	123.3	470
417	473	INSIGHT ENTERPRISES	6,703.6	22.2	90.7	427	7.1	2,685.7	490	843.5	441
418	416	DR PEPPER SNAPPLE GROUP	6,690.0	3.9	1,076.0	219	27.0	10,022.0	359	2,451.0	364
419	449	AMERICAN TOWER	6,663.9	15.2	1,238.9	205	29.5	33,214.3	182	6,241.5	236
420		• FORTIVE	6,656.0	—	1,044.5	222	—	10,500.6	352	3,790.3	309
421	371	RALPH LAUREN	6,652.8	[10.2]	[99.3]	454	[125.1]	5,652.0	438	3,299.6	329
422	418	HRG GROUP	6,650.0 ¹	3.9	106.0	422	—	35,849.7	168	758.0	445
423	384	ASCENA RETAIL GROUP	6,649.8	[4.9]	[1,067.3]	485	—	3,871.5	468	821.0	442
424	452	UNITED RENTALS	6,641.0	15.3	1,346.0	183	137.8	15,030.0	307	3,106.0	336
425	423	CASEY'S GENERAL STORES	6,640.6 ¹	5.3	177.5	404	[21.5]	3,020.1	481	1,190.6	423
426	420	GRAYBAR ELECTRIC	6,631.2	3.9	71.6	430	[23.1]	2,261.4	496	757.4	446
427	430	AVERY DENNISON	6,613.8	8.7	281.8	381	[12.1]	5,136.9	449	1,046.2	428
428		• MASTEC	6,607.0	28.7	347.2	361	164.5	4,066.6	464	1,430.8	414
429	419	CMS ENERGY	6,589.0	2.9	460.0	326	[16.5]	23,050.0	231	4,441.0	285
430	364	HD SUPPLY HOLDINGS	6,534.0 ¹	[13.2]	970.0	236	394.9	4,318.0	458	1,466.0	411
431	469	RAYMOND JAMES FINANCIAL	6,524.9	18.2	636.2	284	20.2	34,883.5	176	5,581.7	247
432	409	NCR	6,516.0	[0.4]	232.0	390	[14.1]	7,654.0	406	1,529.0	409
433	432	HANESBRANDS	6,478.3 ¹	6.9	61.9	431	[88.5]	6,894.8	419	686.2	451
434	410	ASBURY AUTOMOTIVE GROUP	6,456.5	[1.1]	139.1	410	[16.8]	2,356.7	493	394.2	464
435	451	CITIZENS FINANCIAL GROUP	6,454.0	12.0	1,652.0	155	58.1	152,336.0	51	20,270.0	80
436	450	PACKAGING CORP. OF AMERICA	6,444.9	11.5	668.6	278	48.7	6,197.5	429	2,182.6	381
437	428	ALLEGHANY	6,424.7	4.8	90.1	428	[80.3]	25,384.3	211	8,514.1	189
438	408	APACHE	6,423.0	20.0	1,304.0	190	—	21,922.0	237	7,416.0	208
439	417	DILLARD'S	6,422.7	0.1	221.3	393	30.8	3,673.2	474	1,708.2	398
440	361	ASSURANT	6,415.0	[14.8]	519.6	313	[8.1]	31,843.0	188	4,270.6	290
441	405	FRANKLIN RESOURCES	6,392.2	[3.4]	1,696.7	149	[1.7]	17,534.0	279	12,620.0	129
442	458	OWENS CORNING	6,384.0	12.5	289.0	377	[26.5]	8,632.0	386	4,162.0	295
443	433	MOTOROLA SOLUTIONS	6,380.0	5.7	[155.0]	458	[127.7]	8,208.0	393	[1,742.0]	489
444	446	NVR	6,322.3	8.4	537.5	305	26.4	2,989.3	483	1,605.5	406
445	442	ROCKWELL AUTOMATION	6,311.3	7.3	825.7	253	13.2	7,161.7	416	2,663.6	357
446	427	TREEHOUSE FOODS	6,307.1	2.1	[286.2]	464	—	5,779.3	434	2,263.3	375
447		• WYNN RESORTS	6,306.4	41.2	747.2	268	208.8	12,681.7	322	947.8	435
448	467	OLIN	6,268.4	12.9	549.5	301	—	9,218.3	379	2,753.7	352
449		• AMERICAN AXLE & MANUFACTURING	6,266.0	58.7	337.1	367	40.0	7,882.8	401	1,536.0	408
450	439	OLD REPUBLIC INTERNATIONAL	6,263.1	6.1	560.5	296	20.0	19,403.5	259	4,733.3	274
451	482	CHEMOURS	6,183.0	14.5	746.0	269	10,557.1	7,293.0	412	860.0	440
452	426	IHEARTMEDIA	6,178.2	[1.5]	[704.4]	480	—	12,257.3	329	[11,791.8]	499



MARKET VALUE
3/29/18

PROFITS AS % OF ...

EARNINGS PER SHARE

TOTAL RETURN TO INVESTORS

MARKET VALUE 3/29/18		PROFITS AS % OF ...						EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017
\$ millions	Rank	Revenues		Assets		Stockholders' equity		2017	% change from 2016	2007-2017 annual growth rate		2017	2007-2017 annual rate				
		%	Rank	%	Rank	%	Rank	\$		%	Rank	%	%	Rank	%	Rank	
9,594.6	332	5.1	280	6.7	152	19.7	159	3.01	[18.6]	3.5	220	50.5	58	9.8	202	2	405
611.8	462	[0.5]	449	[0.9]	455	-	-	[0.49]	-	-	-	[40.0]	450	[10.8]	393	50	406
19,148.7	228	8.0	211	5.5	202	18.9	168	4.44	71.4	2.6	235	40.7	91	11.5	156	2	407
11,086.9	310	7.1	233	15.7	21	24.6	119	2.69	14.0	8.3	130	23.8	188	5.1	300	59	408
11,155.6	308	[4.9]	477	[1.5]	467	[7.3]	449	[0.59]	[130.1]	-	-	[18.4]	425	6.9	270	18	409
3,537.6	414	2.6	359	1.8	354	22.3	135	1.10	[14.1]	[18.0]	343	27.3	161	[7.7]	383	46	410
1,863.1	436	2.0	383	3.6	277	8.4	340	1.78	[25.2]	-	-	[10.0]	407	11.7	150	54	411
20,570.3	215	18.9	62	0.9	394	8.6	334	1.13	41.3	[6.9]	319	12.7	276	0.8	348	9	412
9,923.2	325	6.9	238	0.8	407	8.9	326	5.28	[28.0]	5.5	176	29.2	150	17.4	47	37	413
5,767.9	384	4.2	311	5.6	197	12.4	262	3.77	29.6	0.5	257	42.3	88	7.9	247	12	414
22,107.7	202	10.3	157	3.9	262	11.7	277	4.79	[13.1]	3.3	224	47.9	66	8.4	237	2	415
836.4	456	[10.3]	487	[13.3]	496	[566.3]	471	[7.98]	-	-	-	25.3	177	[7.9]	385	26	416
1,251.8	449	1.4	414	3.4	283	10.8	292	2.50	7.8	4.8	193	[5.3]	386	7.7	255	33	417
21,278.1	207	16.1	85	10.7	64	43.9	41	5.89	29.7	-	-	9.8	298	-	-	6	418
64,073.4	82	18.6	66	3.7	272	19.8	157	2.67	34.8	35.3	2	37.7	102	14.0	104	52	419
26,979.4	176	15.7	87	9.9	75	27.6	96	2.96	-	-	-	35.5	112	-	-	32	420
9,088.2	338	[1.5]	459	[1.8]	471	[3.0]	439	[1.20]	[126.0]	-	-	17.7	234	6.4	277	4	421
3,328.4	417	1.6	403	0.3	435	14.0	237	0.53	-	15.1	53	8.9	305	8.8	224	31	422
394.4	467	[16.1]	493	[27.6]	499	[130.0]	470	[5.48]	-	-	-	[62.0]	467	[9.3]	388	55	423
14,537.2	269	20.3	59	9.0	90	43.3	43	15.73	143.9	17.1	42	62.8	30	25.1	13	68	424
4,120.3	402	2.7	357	5.9	185	14.9	224	4.46	[21.8]	13.9	62	[5.0]	382	15.4	79	56	425
-	-	1.1	419	3.2	296	9.5	319	3.70	[23.9]	[2.0]	288	-	-	-	-	64	426
9,360.8	334	4.3	309	5.5	201	26.9	102	3.13	[11.6]	0.2	264	66.6	24	11.2	164	46	427
3,873.8	405	5.3	276	8.5	100	24.3	123	4.22	162.1	-	-	28.0	157	17.0	50	17	428
12,793.1	286	7.0	235	2.0	350	10.4	302	1.64	[17.2]	-	-	16.9	240	14.5	93	62	429
7,040.4	371	14.8	94	22.5	5	66.2	19	5.01	416.5	-	-	[5.8]	389	-	-	64	430
13,019.4	283	9.8	169	1.8	356	11.4	280	4.33	18.6	7.5	142	30.4	146	12.3	140	53	431
3,737.4	412	3.6	333	3.0	299	15.2	218	0.97	[43.3]	[4.3]	297	[16.2]	423	3.1	327	11	432
6,637.7	374	1.0	423	0.9	398	9.0	324	0.17	[87.9]	[6.3]	313	[0.3]	358	12.8	127	4	433
1,411.6	445	2.2	378	5.9	183	35.3	61	6.62	[10.5]	15.8	51	3.7	337	16.2	65	5	434
20,474.4	217	25.6	23	11	394	8.2	346	3.25	65.0	-	-	19.9	214	-	-	9	435
10,633.2	316	10.4	154	10.8	63	30.6	79	7.07	48.8	15.9	50	45.7	75	19.5	33	46	436
9,460.3	333	1.4	411	0.4	434	1.1	424	5.85	[80.2]	[15.3]	341	[2.0]	367	4.8	306	37	437
14,678.1	268	20.3	58	5.9	182	17.6	186	3.41	-	[8.6]	323	[32.0]	444	[7.9]	384	42	438
2,288.5	430	3.4	367	6.0	179	13.0	251	7.51	52.3	27.1	11	[3.7]	371	13.7	111	24	439
4,802.9	396	8.1	205	1.6	360	12.2	266	9.39	2.8	5.7	170	11.0	291	6.2	280	37	440
19,133.1	229	26.5	20	9.7	81	13.4	245	3.01	2.4	2.5	237	11.5	288	3.3	325	53	441
8,981.8	341	4.5	300	3.3	286	6.9	369	2.55	[25.2]	13.0	71	80.6	15	17.0	51	7	442
17,026.5	244	[2.4]	464	[1.9]	476	-	-	[0.95]	[129.3]	-	-	11.4	289	5.1	301	44	443
10,261.9	323	8.5	198	18.0	16	33.5	66	126.77	22.4	8.9	122	110.2	4	20.9	22	29	444
22,260.1	200	13.1	115	11.5	56	31.0	78	6.35	14.2	[3.7]	293	48.8	61	13.7	113	15	445
2,158.7	434	[4.5]	473	[5.0]	486	[12.6]	459	[5.01]	-	-	-	[31.5]	442	8.0	243	21	446
19,778.2	222	11.8	130	5.9	184	78.8	15	7.28	205.9	12.0	81	98.0	6	8.7	227	30	447
5,081.0	390	8.8	192	6.0	181	20.0	156	3.26	-	-	-	42.4	87	10.4	185	8	448
1,699.4	439	5.4	272	4.3	249	21.9	139	3.21	4.9	16.5	43	[11.8]	414	[0.5]	354	43	449
5,777.5	383	8.9	187	2.9	308	11.8	272	1.92	18.5	5.1	184	16.8	241	8.9	218	37	450
8,840.2	345	12.1	129	10.2	70	86.7	13	3.91	9,675.0	-	-	127.3	2	-	-	8	451
39.4	472	[11.4]	489	[5.7]	489	-	-	[8.29]	-	-	-	[55.0]	462	-	-	18	452

→ 453-500 / 500

473

REGENERON PHARMACEUTICALS Propelled by strong sales of the vision-loss drug Eylea, which provides nearly two-thirds of its revenue, Regeneron landed on the 500 for the first time. But pipeline concerns have caused the drugmaker's share price to tumble more than 30% in a year. —*Sy Mukherjee*

RANK 2017	2016		REVENUES		PROFITS		ASSETS		STOCKHOLDERS' EQUITY		
			\$ millions	% change from 2016	\$ millions	Rank	% change from 2016	\$ millions	Rank	\$ millions	Rank
453	431	AMEREN St. Louis, Mo.	6,177.0	1.7	523.0	310	[19.9]	25,945.0	209	7,184.0	213
454	462	ARTHUR J. GALLAGHER Rolling Meadows, Ill.	6,159.6	10.1	463.1	325	11.8	12,897.4	319	4,105.2	298
455	484	CELANESE Irving, Texas	6,140.0	13.9	843.0	249	[6.3]	9,538.0	370	2,887.0	344
456	397	SEALED AIR Charlotte, N.C.	6,130.6 ^h	[9.6]	814.9	255	67.5	5,280.3	445	152.3	469
457	457	UGI King of Prussia, Pa. ³	6,120.7	7.7	436.6	332	19.7	11,582.2	337	3,163.3	332
458	448	REALOGY HOLDINGS Madison, N.J.	6,114.0	5.2	431.0	334	102.3	7,337.0	411	2,618.0	359
459	463	BURLINGTON STORES Burlington, N.J. ²	6,110.0	9.3	384.9	348	78.3	2,812.8	488	86.8	471
460	436	REGIONS FINANCIAL Birmingham, Ala.	6,093.0	2.1	1,263.0	199	8.6	124,394.0	65	16,192.0	100
461	441	AK STEEL HOLDING West Chester, Ohio	6,080.5	3.4	6.2	444	—	4,296.1	459	[216.0]	476
462		• SECURIAN FINANCIAL GROUP St. Paul, Minn.	6,066.5	27.0	418.9	338	68.7	51,232.4	126	5,087.1	265
463	459	SGP GLOBAL New York, N.Y.	6,063.0	7.1	1,496.0	169	[29.0]	9,425.0	374	711.0	449
464	460	MARKEL Glen Allen, Va.	6,061.7	8.0	395.3	345	[13.3]	32,805.0	186	9,504.1	175
465	470	TRAVELCENTERS OF AMERICA Westlake, Ohio ⁴	6,051.6 ^e	9.8	9.3	441	—	1,617.9	499	565.9	459
466		• CONDUENT Florham Park, N.J. ⁵¹	6,022.0	—	181.0	401	—	7,548.0	408	3,671.0	316
467	455	MGT BANK CORP. Buffalo, N.Y.	6,018.9	5.2	1,408.3	176	7.1	118,593.5	70	16,250.8	99
468	453	CLOROX Oakland, Calif. ⁶	5,973.0	3.7	701.0	273	8.2	4,573.0	456	542.0	462
469	475	AMTRUST FINANCIAL SERVICES New York, N.Y.	5,958.9	9.3	[348.9]	467	[184.9]	25,218.6	212	3,189.8	331
470		• KKR New York, N.Y. ⁹	5,930.0	71.4	1,018.3	226	229.2	45,834.7	140	7,185.9	212
471		• ULTA BEAUTY Bolingbrook, Ill. ²	5,884.5	21.2	555.2	299	35.5	2,908.7	485	1,774.2	395
472	422	YUM BRANDS Louisville, Ky.	5,878.0	[7.7]	1,340.0	184	[17.2]	5,311.0	444	[6,334.0]	497
473		• REGENERON PHARMACEUTICALS Tarrytown, N.Y.	5,872.2	20.8	1,198.5	209	33.8	8,764.3	384	6,144.1	237
474	485	WINDSTREAM HOLDINGS Little Rock, Ark.	5,852.9	8.6	[2,116.6]	490	—	11,084.3	343	[1,298.9]	487
475		• MAGELLAN HEALTH Scottsdale, Ariz.	5,838.6	20.7	110.2	420	41.5	2,957.2	484	1,276.5	422
476	483	WESTERN & SOUTHERN FINANCIAL GROUP Cincinnati, Ohio	5,836.3	8.1	310.4	373	28.7	46,395.1	138	5,417.3	254
477	437	INTERCONTINENTAL EXCHANGE Atlanta, Ga.	5,834.0	[2.1]	2,514.0	92	76.8	78,264.0	92	16,924.0	95
478	456	INGREDION Westchester, Ill.	5,832.0	2.3	519.0	314	7.0	6,080.0	431	2,891.0	343
479	461	WYNDHAM WORLDWIDE Parsippany, N.J.	5,821.0 ^h	4.0	871.0	243	42.6	10,403.0	353	878.0	439
480	497	TOLL BROTHERS Horsham, Pa. ¹³	5,815.1	12.5	535.5	306	40.1	9,445.2	373	4,531.2	281
481	486	SEABOARD Merriam, Kans.	5,809.0	8.0	247.0	386	[20.8]	5,161.0	448	3,397.0	324
482	481	BOOZ ALLEN HAMILTON HOLDING McLean, Va. ¹⁴	5,804.3	7.4	252.5	385	[14.1]	3,373.1	478	573.6	457
483	464	FIRST AMERICAN FINANCIAL Santa Ana, Calif.	5,772.4	3.5	423.0	336	23.3	9,573.2	369	3,480.0	321
484	476	CINCINNATI FINANCIAL Fairfield, Ohio	5,732.4	5.2	1,045.0	221	76.9	21,843.1	239	8,242.8	194
485	444	AVON PRODUCTS Rye, N.Y. ⁵²	5,715.6	[2.3]	22.0	439	—	3,697.9	473	[725.0]	483
486		• NORTHERN TRUST Chicago, Ill.	5,715.5	11.1	1,199.0	208	16.1	138,590.5	57	10,216.2	159
487	471	FISERV Brookfield, Wis.	5,696.0	3.5	1,246.0	204	34.0	10,289.0	354	2,731.0	354
488	435	HARLEY-DAVIDSON Milwaukee, Wis.	5,647.2	[5.8]	521.8	312	[24.6]	9,972.7	361	1,844.3	392
489		• CHENIERE ENERGY Houston, Texas	5,601.0	336.5	[393.0]	470	—	27,906.0	203	[1,764.0]	490
490	466	PATTERSON St. Paul, Minn. ⁴⁶	5,593.1	0.7	170.9	407	[8.7]	3,507.9	476	1,394.4	417
491		• PEABODY ENERGY St. Louis, Mo. ⁵³	5,578.8	18.3	—	—	—	8,181.2	394	3,606.4	318
492		• ON SEMICONDUCTOR Phoenix, Ariz.	5,543.1	41.9	810.7	258	345.2	7,195.1	415	2,778.8	350
493	477	SIMON PROPERTY GROUP Indianapolis, Ind. ^R	5,538.6	1.9	1,948.0	131	5.9	32,257.6	187	3,686.2	315
494	478	WESTERN UNION Englewood, Colo.	5,524.3	1.9	[557.1]	476	[320.0]	9,231.4	378	[491.4]	480
495	468	NETAPP Sunnyvale, Calif. ⁴⁶	5,519.0	[0.5]	509.0	316	122.3	9,493.0	372	2,780.0	349
496		• POLARIS INDUSTRIES Medina, Minn.	5,504.8	19.8	172.5	405	[19.0]	3,089.6	480	931.7	436
497		• PIONEER NATURAL RESOURCES Irving, Texas	5,455.0	42.7	833.0	251	—	17,003.0	286	11,274.0	141
498	500	ABM INDUSTRIES New York, N.Y. ¹³	5,453.6	6.0	3.8	446	[93.4]	3,812.6	471	1,375.7	419
499	499	VISTRA ENERGY Irving, Texas ⁵⁴	5,430.0	5.2	[254.0]	463	—	14,600.0	308	6,342.0	235
500		• CINTAS Cincinnati, Ohio ¹¹	5,428.9 ^h	10.7	480.7	319	[30.7]	6,844.1	422	2,302.8	372
TOTALS			12,814,475.7		1,004,801.2			42,118,454.1		7,234,598.9	



MARKET VALUE 3/29/18		PROFITS AS % OF...					EARNINGS PER SHARE				TOTAL RETURN TO INVESTORS				Industry table number	RANK 2017	
\$ millions	Rank	Revenues % Rank	Assets % Rank	Stockholders' equity % Rank	2017 \$	% change from 2016	2007-2017 annual growth rate % Rank	2017 %	Rank	2007-2017 annual rate % Rank	2017 %	Rank					
13,740.4	276	8.5	201	2.0	348	7.3	364	2.14	[20.1]	[3.3]	292	16.0	249	5.7	288	62	453
12,512.0	291	7.5	221	3.6	278	11.3	282	2.54	9.5	5.9	168	25.0	179	14.7	91	13	454
13,610.8	279	13.7	106	8.8	94	29.2	86	6.09	[1.5]	9.4	115	38.5	98	11.0	172	8	455
7,162.0	368	13.3	111	15.4	22	535.1	3	4.29	74.4	8.5	124	10.3	295	10.0	194	46	456
7,685.3	360	7.1	230	3.8	269	13.8	240	2.46	18.3	6.9	154	4.0	336	13.1	118	16	457
3,568.4	413	7.0	234	5.9	186	16.5	200	3.11	113.0	—	—	4.2	334	—	—	52	458
9,018.1	340	6.3	255	13.7	38	443.5	5	5.48	82.1	—	—	45.2	77	—	—	55	459
20,860.6	209	20.7	54	1.0	388	7.8	356	1.00	14.9	[5.5]	306	22.9	193	[0.8]	355	9	460
1,428.2	443	0.1	441	0.1	440	—	—	0.02	—	[40.3]	347	[44.6]	456	[18.4]	398	41	461
—	—	6.9	239	0.8	403	8.2	345	—	—	—	—	—	—	—	—	35	462
47,642.5	113	24.7	26	15.9	20	210.4	7	5.78	[27.2]	7.0	150	59.3	36	17.4	48	19	463
16,264.1	253	6.5	248	1.2	377	4.2	399	25.81	[17.5]	[4.4]	299	25.9	173	8.8	223	37	464
143.9	470	0.2	440	0.6	422	1.6	415	0.23	—	—	—	[42.3]	452	[10.5]	390	56	465
3,923.1	403	3.0	349	2.4	328	4.9	393	0.83	—	—	—	8.5	310	—	—	14	466
27,379.2	174	23.4	35	1.2	378	8.7	330	8.70	11.8	3.9	209	11.3	290	11.0	175	9	467
17,225.0	243	11.7	134	15.3	25	129.3	10	5.33	8.3	5.0	186	27.0	165	12.0	144	31	468
2,415.9	429	[5.9]	481	[1.4]	463	[10.9]	455	[2.23]	[207.2]	—	—	[61.7]	465	8.0	242	37	469
9,882.0	328	17.2	78	2.2	335	14.2	233	1.95	230.5	—	—	41.8	89	—	—	53	470
12,458.9	292	9.4	175	19.1	9	31.3	75	8.96	37.4	34.0	3	[12.3]	416	29.4	6	56	471
28,306.8	171	22.8	41	25.2	2	—	—	3.77	[6.7]	8.4	128	31.0	142	13.9	107	23	472
37,086.5	143	20.4	57	13.7	39	19.5	161	10.34	34.3	—	—	2.4	344	31.6	3	48	473
288.5	468	[36.2]	499	[19.1]	498	—	—	[12.52]	—	—	—	[72.6]	468	[13.8]	396	57	474
2,605.1	424	1.9	390	3.7	273	8.6	333	4.51	40.1	6.7	156	28.3	155	7.5	257	25	475
—	—	5.3	275	0.7	414	5.7	386	—	—	—	—	—	—	—	—	34	476
42,132.4	125	43.1	5	3.2	292	14.9	225	4.23	78.5	20.1	29	26.6	169	6.8	271	53	477
9,312.6	336	8.9	188	8.5	101	18.0	183	7.06	7.8	10.5	97	13.8	266	16.4	63	22	478
11,411.4	305	15.0	93	8.4	104	99.2	12	8.40	51.9	14.3	60	55.4	45	19.6	32	30	479
6,566.3	375	9.2	183	5.7	194	11.8	275	3.17	45.4	30.6	6	55.8	44	9.2	212	29	480
4,992.4	394	4.3	310	4.8	228	7.3	365	211.01	[20.8]	3.9	208	11.8	286	11.8	148	22	481
5,616.8	386	4.4	306	7.5	136	44.0	40	1.67	[13.9]	—	—	7.8	316	—	—	33	482
6,511.1	377	7.3	225	4.4	243	12.2	267	3.76	21.7	—	—	57.8	38	—	—	37	483
12,185.3	296	18.2	71	4.8	229	12.7	258	6.29	77.2	2.4	238	2.4	346	11.5	158	37	484
1,250.7	450	0.4	434	0.6	420	—	—	0.00	—	[60.9]	348	[57.3]	463	[23.4]	406	31	485
23,264.3	194	21.0	52	0.9	400	11.7	276	4.92	13.9	4.3	204	14.2	264	4.9	305	9	486
29,466.4	164	21.9	45	12.1	49	45.6	36	2.89	39.3	16.1	47	23.4	191	16.8	54	19	487
7,198.0	366	9.2	180	5.2	212	28.3	91	3.02	[21.1]	[2.1]	289	[10.3]	409	3.1	326	60	488
12,702.8	288	[7.0]	482	[1.4]	465	—	—	[1.68]	—	—	—	30.0	147	5.1	299	16	489
2,103.7	435	3.1	348	4.9	223	12.3	263	1.79	[6.3]	1.7	246	[9.7]	404	2.0	337	67	490
4,648.8	398	—	—	—	—	—	—	—	—	—	—	—	—	—	—	42	491
10,406.8	321	14.6	95	11.3	58	29.2	87	1.89	339.5	9.0	119	64.1	27	9.0	216	54	492
47,661.0	112	35.2	12	6.0	178	52.8	28	6.24	6.3	12.3	76	1.0	355	11.6	153	52	493
8,857.4	343	[10.1]	486	[6.0]	490	—	—	[1.19]	[333.3]	—	—	[9.3]	401	[0.2]	353	19	494
16,528.2	248	9.2	182	5.4	207	18.3	179	1.81	135.1	8.9	120	59.8	35	9.3	209	11	495
7,223.7	365	3.1	347	5.6	198	18.5	175	2.69	[17.7]	5.8	169	54.0	49	20.9	21	60	496
29,254.3	167	15.3	91	4.9	222	7.4	361	4.85	—	4.7	194	[4.0]	376	13.7	114	42	497
2,199.6	432	0.1	443	0.1	443	0.3	428	0.07	[93.1]	[23.7]	346	[6.1]	390	8.9	221	14	498
8,924.6	342	[4.7]	474	[1.7]	470	[4.0]	443	[0.59]	—	—	—	18.2	226	—	—	16	499
18,164.9	237	8.9	189	7.0	144	20.9	145	4.38	[29.5]	7.7	139	36.2	107	18.7	41	14	500

21,593,103.0

THE ONLY CONSTANT IS CHANGE

LIQUEFIED NATURAL GAS EXPORTER CHENIERE ENERGY IS ONE OF 17 COMPANIES MAKING THEIR DEBUT ON THE 500 (ALONG WITH EIGHT RETURNING TO THE LIST), WHILE FAMILIAR NAMES LIKE DUPONT AND YAHOO WERE ACQUIRED AND DROPPED OFF. CITIGROUP TOOK A LOSS THANKS TO A ONE-TIME CHARGE RELATED TO THE NEW TAX LAW, BUT STANDS TO BENEFIT NEXT YEAR.

ARRIVALS AND DEPARTURES

NEWCOMERS AND RETURNEES

	500 rank 2017	1,000 rank 2016	2017 REVENUES \$ millions	
1	AMERICAN AXLE & MANUFACTURING*	449	593	6,266.0
2	BLACKSTONE GROUP*	398	503	7,119.1
3	CHENIERE ENERGY	489	—	5,601.0
4	CINTAS	500	520	5,428.9
5	CONDUENT	466	—	6,022.0
6	COTY	371	558	7,650.3
7	DCP MIDSTREAM	344	—	8,462.0
8	DXC TECHNOLOGY	374	—	7,607.0
9	ENVISION HEALTHCARE	198	538	14,700.5
10	FORTIVE	420	—	6,656.0
11	KKR*	470	656	5,930.0
12	MABELLAN HEALTH	475	526	5,838.6
13	MASTEC	428	502	6,607.0
14	MOLSON COORS BREWING*	275	522	11,002.8
15	NORTHERN TRUST*	486	501	5,715.5
16	ON SEMICONDUCTOR	492	598	5,543.1
17	PEABODY ENERGY*	491	533	5,578.8
18	PIONEER NATURAL RESOURCES*	497	606	5,455.0
19	POLARIS INDUSTRIES	496	537	5,504.8
20	REGENERON PHARMACEUTICALS	473	523	5,872.2
21	SECURIAN FINANCIAL GROUP	462	532	6,066.5
22	THOR INDUSTRIES	392	540	7,247.0
23	ULTA BEAUTY	471	524	5,884.5
24	WESTLAKE CHEMICAL	352	507	8,041.0
25	WYNN RESORTS*	447	548	6,306.4

DISPLACED FROM LIST

	1,000 rank 2017	500 rank 2016	2016 REVENUES \$ millions	
1	AIRGAS	—	489	5,313.8
2	BAKER HUGHES	—	285	9,841.0
3	BIG LOTS	510	495	5,200.4
4	CALATLANTIC GROUP	—	415	6,476.7
5	CH2M HILL	—	494	5,235.9
6	COMPUTER SCIENCES	—	379	7,106.0
7	CST BRANDS	—	306	9,061.0
8	DUPONT	—	113	24,594.0
9	ESSENDANT	522	487	5,369.0
10	GENESIS HEALTHCARE	504	454	5,732.5
11	ROBERT HALF INTERNATIONAL	511	493	5,250.4
12	HARMAN INTERNATIONAL INDUSTRIES	—	386	6,911.7
13	HOST HOTELS & RESORTS	502	472	5,488.0
14	KELLY SERVICES	503	490	5,276.8
15	LEVEL 3 COMMUNICATIONS	—	336	8,172.0
16	MATTEL	533	474	5,456.7
17	MICHAELS COS.	505	496	5,197.3
18	REVOLLOS AMERICAN	—	223	12,503.0
19	STAPLES	—	140	20,217.0
20	ST. JUDE MEDICAL	—	434	6,004.0
21	SYMANTEC	586	465	5,568.0
22	TEREX	572	445	5,841.3
23	WESTERN REFINING	—	349	7,743.2
24	WHOLE FOODS MARKET	—	176	15,724.0
25	YAHOO	—	498	5,169.1

*A RETURNEE TO THE FORTUNE 500 LIST.

THE 53 MONEY LOSERS

Company	500 rank	LOSS \$ millions	Company	500 rank	LOSS \$ millions	Company	500 rank	LOSS \$ millions
CITIGROUP	32	6,798.0	PLAINS GP HOLDINGS	115	731.0	VISTRA ENERGY	499	254.0
AMERICAN INTERNATIONAL GROUP	60	6,084.0*	IHEARTMEDIA	452	704.4*	NATIONAL OILWELL VARCO	388	237.0*
GENERAL ELECTRIC	18	5,786.0	TENET HEALTHCARE	147	704.0*	ENVISION HEALTHCARE	198	228.0*
GENERAL MOTORS	10	3,864.0	KINDRED HEALTHCARE	416	698.4*	ELI LILLY	129	204.1
DELL TECHNOLOGIES	35	3,728.0*	TOYS "R" US	272	612.0*	WORLD FUEL SERVICES	91	170.2
HARTFORD FINANCIAL SERVICES GROUP	156	3,131.0	WESTERN UNION	494	557.1	MOTOROLA SOLUTIONS	443	155.0
VOYA FINANCIAL	307	2,992.0*	MOLINA HEALTHCARE	152	512.0	DXC TECHNOLOGY	374	123.0
COMMUNITY HEALTH SYSTEMS	160	2,459.0*	CORNING	293	497.0	J.C. PENNEY	235	116.0
NRG ENERGY	269	2,153.0*	HALLIBURTON	146	463.0*	MOSAIC	382	107.2
WINDSTREAM HOLDINGS	474	2,116.6*	ANADARKO PETROLEUM	257	456.0*	RALPH LAUREN	421	99.3
TESLA	260	1,961.4*	COTY	371	422.2	NEWMONT MINING	385	98.0*
FRONTIER COMMUNICATIONS	325	1,804.0*	CHENIERE ENERGY	489	393.0*	ARCONIC	225	74.0*
FIRSTENERGY	219	1,724.0*	SEARS HOLDINGS	172	383.0*	FARMERS INSURANCE EXCHANGE	253	65.4*
AES	214	1,161.0*	ALBERTSONS COS.	53	373.3*	SPARTAN NASH	351	52.8
ASCENA RETAIL GROUP	423	1,067.3*	AMTRUST FINANCIAL SERVICES	469	348.9	R.R. DONNELLEY & SONS	406	34.4*
EBAY	309	1,016.0	CALPINE	336	339.0	VERITIV	346	13.3
CONOCOPHILLIPS	95	855.0*	DISCOVERY	409	337.0	LIVENATION ENTERTAINMENT	290	6.0
NEWS CORP.	350	738.0	TREEHOUSE FOODS	446	286.2*			

*ALSO LOST MONEY IN 2016.

DEFINITIONS AND EXPLANATIONS

METHODOLOGY Companies are ranked by total revenues for their respective fiscal years. Included in the survey are companies that are incorporated in the U.S. and operate in the U.S. and file financial statements with a government agency. This includes private companies and cooperatives that file a 10-K or a comparable financial statement with a government agency, and mutual insurance companies that file with state regulators. It also includes companies that file with a government agency but are owned by private companies, domestic or foreign, that do not file such financial statements. Excluded are private companies not filing with a government agency; companies incorporated outside the U.S.; and U.S. companies consolidated by other companies, domestic or foreign, that file with a government agency. Also excluded are companies that failed to report full financial statements for at least three-quarters of the current fiscal year. Percent change calculations for revenue, net income, and earnings per share are based on data as originally reported. They are not restated for mergers, acquisitions, or accounting changes. The only changes to the prior years' data are for significant restatement due to reporting errors that require a company to file an amended 10-K.

REVENUES Revenues are as reported, including revenues from discontinued operations when published. If a spinoff is on the list, it has not been included in discontinued operations. Revenues for commercial banks include interest and noninterest revenues. Revenues for insurance companies include premium and annuity income, investment income, and capital gains or losses, but exclude deposits. Revenues figures for all companies include consolidated subsidiaries and exclude excise taxes. Data shown are for the fiscal year ended on or before Jan. 31, 2018. Unless otherwise noted, all figures are for the year ended Dec. 31, 2017.

PROFITS Profits are shown after taxes, extraordinary credits or charges, cumulative effects of accounting changes, and noncontrolling interests (including subsidiary preferred dividends), but before preferred dividends of the company. Figures in parentheses indicate a loss. Profit declines of more than 100% reflect swings from 2016 profits to 2017 losses. Profits for real estate investment trusts, partnerships, and cooperatives are reported but are not comparable with those of the other companies on the list because they are not taxed on a comparable basis. Profits for mutual insurance companies are based on statutory accounting.

BALANCESHEET Assets are the company's year-end total. Total stockholders' equity is the sum of all capital stock, paid-in capital, and retained earnings at the company's year-end. Excluded is equity attributable to noncontrolling interests. Also excluded is redeemable preferred stock whose redemption is either mandatory or outside the company's control. Dividends paid on such stock have been subtracted from the profit figures used in calculating return on equity.

EMPLOYEES The figure shown is a fiscal year-end number as published by the company in its annual report. Where the breakdown between full- and part-time employees is supplied, a part-time employee is counted as one-half of a full-time employee.

EARNINGS PER SHARE The figure shown for each company is the diluted earnings-per-share figure that appears on the income statement. Per-share earnings are adjusted for stock splits and stock dividends. Though earnings-

per-share numbers are not marked by footnotes, if a company's profits are footnoted it can be assumed that earnings per share is affected as well. The five-year and 10-year earnings-growth rates are the annual rates, compounded.

TOTAL RETURN TO INVESTORS Total return to investors includes both price appreciation and dividend yield to an investor in the company's stock. The figures shown assume sales at the end of 2017 of stock owned at the end of 2007, 2012, and 2016. It has been assumed that any proceeds from cash dividends and stock received in spinoffs were reinvested when they were paid. Returns are adjusted for stock splits, stock dividends, recapitalizations, and corporate reorganizations as they occurred; however, no effort has been made to reflect the cost of brokerage commissions or of taxes. Total-return percentages shown are the returns received by the hypothetical investor described above. The five-year and 10-year returns are the annual rates, compounded.

MEDIANS No attempt has been made to calculate median figures in the tables for groups of fewer than four companies. The medians for profit changes from 2016 to 2017 do not include companies that lost money in 2016 or lost money in both 2016 and 2017, because no meaningful percentage changes can be calculated in such cases.

CREDITS This Fortune 500 Directory was prepared under the direction of list editor Scott DeCarlo. Income statement and balance sheet data provided by the companies were reviewed and verified against published earnings releases, 10-K filings, and annual reports by reporter Douglas G. Eiam and accounting specialist Rhona Altschuler. Markets editor Kathleen Smyth used those same sources to check the data for earnings per share. In addition, we used data provided by Thomson Reuters and S&P Global Market Intelligence to calculate total return and market capitalization. Database administrator Scott Shield provided technical support. The data verification process was aided substantially by information provided by S&P Global Market Intelligence.

FOOTNOTES

¹ Includes revenues from discontinued operations.

² A cooperative.

³ Excise taxes have been deducted.

⁴ A limited liability company.

⁵ A partnership.

⁶ A real estate investment trust.

⁷ Changed name from Wal-Mart Stores, Feb. 1, 2018.

⁸ Figures are for fiscal year ended Jan. 31, 2018.

⁹ Figures are for fiscal year ended Sept. 30, 2017.

¹⁰ Figures are for fiscal year ended March 31, 2017.

¹¹ Acquired Whole Foods Market (2016 rank: 176), Aug. 28, 2017.

¹² Figures are for fiscal year ended June 30, 2017.

¹³ Figures are for fiscal year ended Aug. 31, 2017.

¹⁴ General Electric completed the combination of GE's Oil & Gas business (GE Oil & Gas) with Baker Hughes (2016 rank: 285), July 3, 2017. GE now holds 62.5% of the ownership interest in the new combined company and consolidates figures.

¹⁵ Company's senior preferred stock is owned by the U.S. Treasury, which also holds a warrant to purchase 79.9% of the common stock.

¹⁶ Dow Chemical merged with DuPont (2016 rank: 113) to form a holding company, Aug. 31, 2017. Prior year figures and rank are for Dow Chemical, which was deemed the accounting acquirer.

¹⁷ Figures are for fiscal year ended May 31, 2017.

¹⁸ Figures are for fiscal year ended Feb. 28, 2017.

¹⁹ Figures are for fiscal year ended Oct. 31, 2017.

²⁰ Figures are for fiscal year ended July 31, 2017.

²¹ Changed name from HCA Holdings, May 8, 2017.

²² A mutual company, not a stock company. It is grouped with stock companies because it reports according to Generally Accepted Accounting Principles.

²³ Not a mutual company, but reports financial data according to statutory accounting.

²⁴ Changed name from Tesoro, Aug. 1, 2017.

²⁵ Acquired CSRA (2017 rank: 526), April 3, 2018.

²⁶ Company reports sale of physical commodities on a gross basis.

²⁷ Spun off DXC Technology (2017 rank: 374), April 1, 2017.

²⁸ Acquired Alere (2016 rank: 835), Oct. 3, 2017.

²⁹ Changed name from Jabil Circuit, June 5, 2017.

³⁰ Spun off Quorum Health (2017 rank: 937), April 29, 2016.

³¹ Spun off Fortive (2017 rank: 420), July 2, 2016.

³² Acquired Level 3 Communications (2016 rank: 336), Nov. 1, 2017.

³³ Figures are for fiscal year ended Nov. 30, 2017.

³⁴ Changed name from the Priceline Group, Feb. 21, 2018.

³⁵ Acquired CalAtlantic Group (2016 rank: 415), Feb. 12, 2018.

³⁶ Acquired C.R. Bard (2016 rank: 617), Dec. 29, 2017.

³⁷ Figures are for the 12 months ended Oct. 31, 2017. Comparison is with fiscal year ended Jan. 31, 2017.

³⁸ Changed name from Liberty Interactive, April 9, 2018. Acquired HSN (2016 rank: 641), Dec. 29, 2017.

³⁹ Incorporated in the U.S. and headquartered in Stockholm. Its North American headquarters are in Auburn Hills, Mich.

⁴⁰ Spun off Conduent (2017 rank: 466), Dec. 31, 2016.

⁴¹ Changed name from Expedia, March 26, 2018.

⁴² Acquired CH2M Hill (2016 rank: 494), Dec. 15, 2017.

⁴³ Changed name from Quintiles IMS Holdings, Nov. 6, 2017. Spun off Park Hotels & Resorts (2017 rank: 773), Jan. 3, 2017.

⁴⁴ Went private March 8, 2018.

⁴⁵ Acquired Snyder's-Lance (2017 rank: 901), March 26, 2018.

⁴⁶ Figures are for fiscal year ended March 31, 2017, prior to the merger.

⁴⁷ Formed through the spinoff by HPE (2017 rank: 107) of its enterprise services business and reverse merger with Computer Sciences (2016 rank: 379), April 1, 2017. DXC was deemed the legal acquirer and Computer Sciences the accounting acquirer.

⁴⁸ Net income before allocations to partners. Total partnership capital subject to mandatory redemption.

⁴⁹ Market value of Liberty SiriusXM stock.

⁵⁰ Consists of a nonpublic reciprocal insurer and a publicly held management company.

⁵¹ Figures are for fiscal year ended April 30, 2017.

⁵² Acquired Alon USA Energy (2016 rank: 605), July 1, 2017.

⁵³ Acquired Scripps Networks Interactive (2017 rank: 655) and changed name from Discovery Communications, March 6, 2018.

⁵⁴ Spun off from Danaher (2017 rank: 162), July 2, 2016.

⁵⁵ Figures are for the 12 months ended Sept. 30, 2017. Comparison is with fiscal year ended Dec. 31, 2016.

⁵⁶ Spun off from Xerox (2017 rank: 291), Dec. 31, 2016.

⁵⁷ Incorporated in the U.S. and headquartered in London. Its U.S. executive office is in Rye, N.Y.

⁵⁸ Profit and earnings-per-share figures are not included because company emerged from bankruptcy and implemented fresh-start accounting, April 3, 2017.

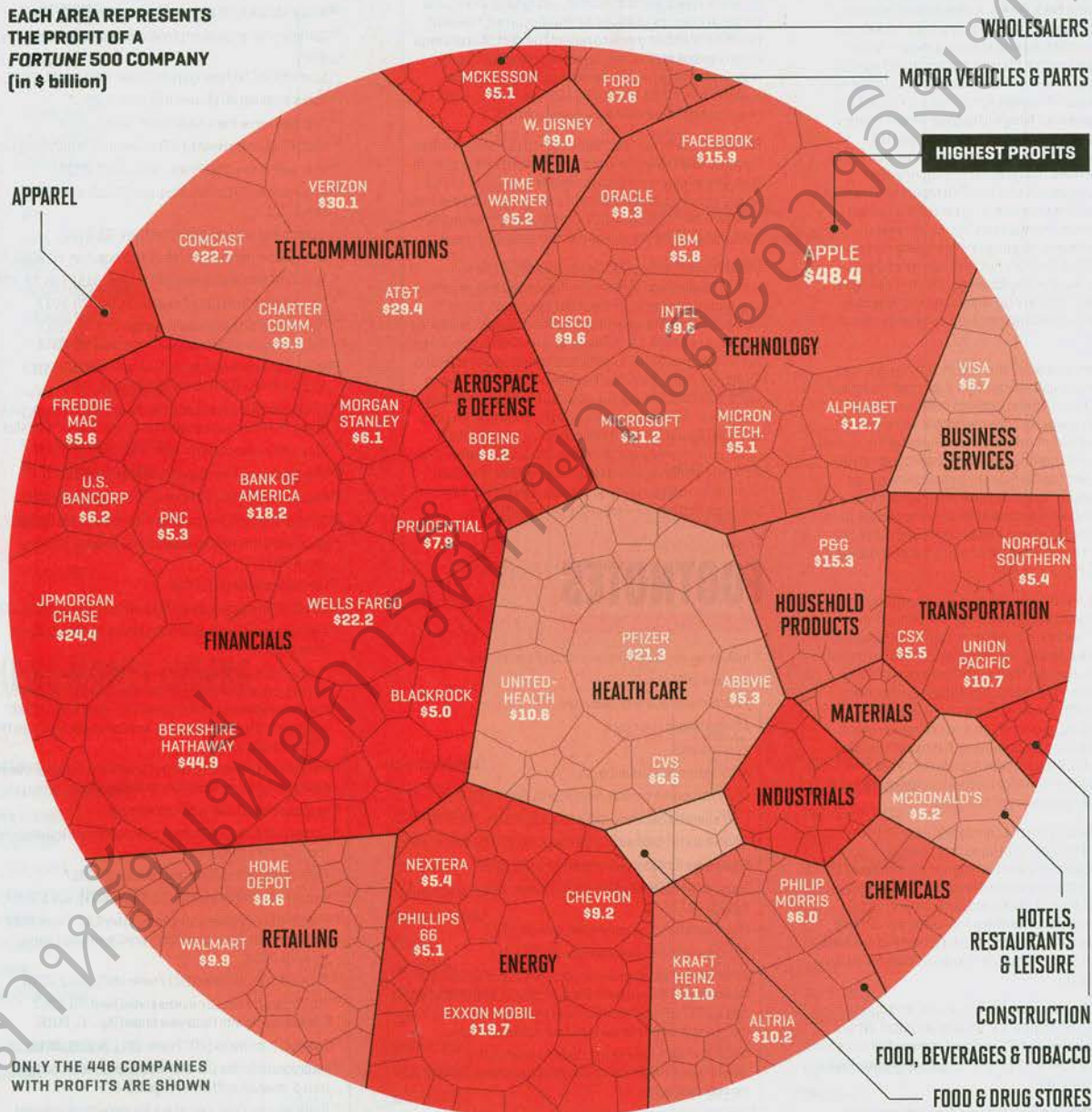
⁵⁹ Acquired Dynegy (2017 rank: 538), April 9, 2018.



HOW THE COMPANIES STACK UP

Here are the top performers in categories such as earnings growth and total return. **Berkshire Hathaway** came close to matching **Apple** in total profit.

EACH AREA REPRESENTS THE PROFIT OF A FORTUNE 500 COMPANY (in \$ billion)



ONLY THE 446 COMPANIES WITH PROFITS ARE SHOWN

JUST WHAT THE DOCTOR ORDERED

OBAMACARE HAS BEEN VERY GOOD FOR THE LONG-TERM SALES AND PROFIT GROWTH OF MEDICAID GIANT CENTENE, THE COUNTRY'S LARGEST MANAGER OF INDIVIDUAL HEALTH PLANS UNDER THE AFFORDABLE CARE ACT WITH SOME 1.6 MILLION MEMBERS. BUT NOBODY GREW PROFITS AT A FASTER PACE OVER THE PAST FIVE YEARS THAN FACEBOOK.

FASTEST-GROWING COMPANIES

**GROWTH IN PROFITS
1 YEAR**

Rank	500 revenues rank	2017 % growth in EPS
1	CHEMOURS 451	9,675.0
2	IQVIA HOLDINGS 304	673.7
3	ZIMMER BIOMET HOLDINGS 361	489.4
4	METLIFE 43	474.6
5	HD SUPPLY HOLDINGS 430	416.5
6	AIR PRODUCTS & CHEMICALS 345	372.3
7	XPO LOGISTICS 186	362.3
8	NEWELL BRANDS 196	350.4
9	ON SEMICONDUCTOR 492	339.5
10	HUMANA 56	313.0
11	CENTERPOINT ENERGY 308	313.0
12	BORGWARNER 301	278.2
13	SUPERVALU 180	268.2
14	HILTON WORLDWIDE HOLDINGS 324	266.7
15	AECOM 164	243.5
16	FIRST DATA 254	239.1
17	PHILLIPS 66 28	237.3
18	NORFOLK SOUTHERN 284	231.1
19	CSX 265	230.9
20	KKR 470	230.5
THE 500 MEDIAN		10.6

5 YEARS

Rank	500 revenues rank	2012-17 % annual growth in EPS
1	FACEBOOK 76	251.8
2	CENTENE 61	215.5
3	PBF ENERGY 135	115.6
4	APPLIED MATERIALS 201	103.9
5	NETFLIX 261	97.7
6	VERIZON COMMUNICATIONS 16	88.4
7	UNITED RENTALS 424	81.9
8	PRUDENTIAL FINANCIAL 52	80.2
9	HARRIS 407	76.4
10	SPIRIT AEROSYSTEMS HOLDINGS 405	65.8
11	SOUTHWEST AIRLINES 142	59.6
12	DOMINION ENERGY 233	54.9
13	JETBLUE AIRWAYS 402	54.0
14	LAM RESEARCH 354	46.9
15	UNITED PARCEL SERVICE 44	46.5
16	BANK OF AMERICA CORP. 24	44.2
17	BLACKSTONE GROUP 398	40.1
18	NVIDIA 306	39.9
19	STEEL DYNAMICS 312	35.7
20	EXPRESS SCRIPTS HOLDING 25	34.5
THE 500 MEDIAN		8.3

10 YEARS

Rank	500 revenues rank	2007-12 % annual growth in EPS
1	JETBLUE AIRWAYS 402	42.6
2	AMERICAN TOWER 419	35.3
3	ULTA BEAUTY 471	34.0
4	APPLE 4	32.3
5	UNITED PARCEL SERVICE 44	31.6
6	TOLL BROTHERS 480	30.6
7	BOOKING HOLDINGS 229	29.9
8	CELGENE 224	29.7
9	COMCAST 33	27.6
10	WESTLAKE CHEMICAL 352	27.5
11	DILLARD'S 439	27.1
12	ALASKA AIR GROUP 355	26.9
13	LAS VEGAS SANDS 227	26.8
14	DOLLAR TREE 134	26.3
15	ICAHN ENTERPRISES 136	25.3
16	LITHIA MOTORS 294	24.8
17	NETFLIX 261	24.6
18	UNION PACIFIC 141	22.7
19	XPO LOGISTICS 186	22.6
20	MCKESSON 6	22.5
THE 500 MEDIAN		5.5

**GROWTH IN REVENUES
1 YEAR**

Rank	500 revenues rank	2017 % growth in revenues
1	DCP MIDSTREAM 344	465.3
2	CHENIERE ENERGY 489	336.5
3	ENVISION HEALTHCARE 198	220.4
4	MOLSON COORS BREWING 275	125.2
5	INTL FCSTONE 103	99.4
6	COTY 371	75.9
7	KKR 470	71.4
8	TESLA 260	68.0
9	MICRON TECHNOLOGY 150	63.9
10	AMERICAN AXLE & MFG. 449	58.7
11	WESTLAKE CHEMICAL 352	58.4
12	THOR INDUSTRIES 392	58.2
13	ANADARKO PETROLEUM 257	51.3
14	FACEBOOK 76	47.1
15	WESTERN DIGITAL 158	46.9
16	EOG RESOURCES 270	46.5
17	LEIDOS HOLDINGS 292	44.4
18	LIBERTY MEDIA 377	43.9
19	CHARTER COMMUNICATIONS 74	43.4
20	PIONEER NATURAL RESOURCES 497	42.7
THE 500 MEDIAN		6.1

5 YEARS

Rank	500 revenues rank	2012-17 % annual growth in revenues
1	TESLA 260	95.4
2	NGL ENERGY PARTNERS 223	58.3
3	FACEBOOK 76	51.5
4	CENTENE 61	41.0
5	CHARTER COMMUNICATIONS 74	40.8
6	DCP MIDSTREAM 344	37.5
7	INTERCONTINENTAL EXCHANGE 477	33.8
8	REGENERON PHARMACEUTICALS 473	33.6
9	SALESFORCE.COM 285	28.0
10	MOLINA HEALTHCARE 152	27.0
11	NETFLIX 261	26.5
12	D.R. HORTON 211	26.5
13	AMTRUST FINANCIAL SERVICES 469	26.2
14	TOLL BROTHERS 480	25.3
15	SPARTANNASH 351	25.3
16	LENNAR 230	25.2
17	DOLLAR TREE 134	24.6
18	LAM RESEARCH 354	24.6
19	LITHIA MOTORS 294	24.3
20	AMAZON.COM 8	23.8
THE 500 MEDIAN		3.1

10 YEARS

Rank	500 revenues rank	2007-17 % annual growth in revenues
1	CENTENE 61	32.4
2	AMAZON.COM 8	28.2
3	LEUCADIA NATIONAL 241	26.8
4	DISCOVERY 409	25.5
5	APPLE 4	25.3
6	CELGENE 224	24.9
7	BOOKING HOLDINGS 229	24.6
8	LKQ 300	24.2
9	MOLINA HEALTHCARE 152	23.1
10	ICAHN ENTERPRISES 136	22.0
11	ENERGY TRANSFER EQUITY 64	21.5
12	COGNIZANT TECHNOLOGY 195	21.4
13	CHARTER COMMUNICATIONS 74	21.4
14	ALPHABET 22	20.9
15	CENTURYLINK 166	20.9
16	INTL FCSTONE 103	20.8
17	WESTROCK 194	20.4
18	GLEAD SCIENCES 116	20.0
19	EXPRESS SCRIPTS HOLDING 25	18.5
20	DOLLAR TREE 134	18.0
THE 500 MEDIAN		3.2

MOST PROFITABLE COMPANIES

PROFITS			2017
Rank	500 revenues rank		\$ millions
1	APPLE	4	48,351.0
2	BERKSHIRE HATHAWAY	3	44,940.0
3	VERIZON COMMUNICATIONS	16	30,101.0
4	AT&T	9	29,450.0
5	JPMORGAN CHASE & CO.	20	24,441.0
6	COMCAST	33	22,714.0
7	WELLS FARGO	26	22,183.0
8	PFIZER	57	21,308.0
9	MICROSOFT	30	21,204.0
10	EXXON MOBIL	2	19,710.0
11	BANK OF AMERICA CORP.	24	18,232.0
12	FACEBOOK	76	15,934.0
13	PROCTER & GAMBLE	42	15,326.0
14	ALPHABET	22	12,662.0
15	KRAFT HEINZ	114	10,999.0
16	UNION PACIFIC	141	10,712.0
17	UNITEDHEALTH GROUP	5	10,558.0
18	ALTRIA GROUP	154	10,222.0
19	CHARTER COMMUNICATIONS	74	9,895.0
20	WALMART	1	9,862.0
THE 500 MEDIAN			842.0

RETURN ON REVENUES			2017
Rank	500 revenues rank		profits as % of revenues
1	ALTRIA GROUP	154	52.4
2	NORFOLK SOUTHERN	284	51.2
3	UNION PACIFIC	141	50.4
4	CSX	265	48.0
5	INTERCONTINENTAL EXCHANGE	477	43.1
6	KRAFT HEINZ	114	41.9
7	PFIZER	57	40.6
8	BLACKROCK	237	39.8
9	FACEBOOK	76	39.2
10	VISA	161	36.5
11	AIR PRODUCTS & CHEMICALS	345	35.5
12	SIMON PROPERTY GROUP	493	35.2
13	NVIDIA	306	31.4
14	MASTERCARD	236	31.3
15	NEXTERA ENERGY	167	31.3
16	PNC FINANCIAL SVCS. GROUP	165	29.6
17	FIFTH THIRD BANCORP	366	28.4
18	WILLIAMS	353	27.1
19	COMCAST	33	26.9
20	FRANKLIN RESOURCES	441	26.5
THE 500 MEDIAN			6.4

RETURN ON SHAREHOLDERS' EQUITY			2017
Rank	500 revenues rank		profits as % of equity
1	BOEING	27	2,309.0
2	HOME DEPOT	23	593.5
3	SEALED AIR	456	535.1
4	UNITED PARCEL SERVICE	44	491.0
5	BURLINGTON STORES	459	443.5
6	KIMBERLY-CLARK	163	362.2
7	S&P GLOBAL	463	210.4
8	O'REILLY AUTOMOTIVE	329	173.6
9	SUPERVALU	180	172.9
10	CLOROX	468	129.3
11	ABBVIE	110	104.2
12	WYNDHAM WORLDWIDE	479	99.2
13	CHEMOURS	451	86.7
14	HERSHEY	379	85.5
15	WYNN RESORTS	447	78.8
16	MASTERCARD	236	71.6
17	VERIZON COMMUNICATIONS	16	69.8
18	ALTRIA GROUP	154	66.5
19	HD SUPPLY HOLDINGS	430	66.2
20	AVIS BUDGET GROUP	333	63.0
THE 500 MEDIAN			14.1

MOST BANG FOR THE BUCK

REVENUES PER DOLLAR OF ASSETS			2017
Rank	500 revenues rank		\$
1	A-MARK PRECIOUS METALS	404	14.6
2	CORE-MARK HOLDING	247	6.9
3	WORLD FUEL SERVICES	91	6.0
4	INTL FCSTONE	103	4.7
5	MURPHY USA	279	4.7
6	SUPERVALU	180	4.5
7	PERFORMANCE FOOD GROUP	171	4.4
8	AMERISOURCEBERGEN	12	4.3
9	SPARTANNASH	351	4.0
10	GLOBAL PARTNERS	331	3.8
11	TRAVELCENTERS OF AMERICA	465	3.7
12	COSTCO WHOLESALE	15	3.5
13	C. H. ROBINSON WORLDWIDE	193	3.5
14	KROGER	17	3.3
15	MCKESSON	6	3.3
16	CARDINAL HEALTH	14	3.2
17	BEST BUY	72	3.2
18	UNITED NATURAL FOODS	319	3.2
19	SYSCO	54	3.1
20	DEAN FOODS	362	3.1
THE 500 MEDIAN			0.7

REVENUES PER DOLLAR OF EQUITY			2017
Rank	500 revenues rank		\$
1	BOEING	27	263.1
2	A-MARK PRECIOUS METALS	404	100.4
3	AMERISOURCEBERGEN	12	74.2
4	BURLINGTON STORES	459	70.4
5	HOME DEPOT	23	69.4
6	UNITED PARCEL SERVICE	44	65.9
7	INTL FCSTONE	103	65.4
8	KINDRED HEALTHCARE	416	54.9
9	RITE AID	94	53.5
10	ALBERTSONS COS.	53	43.5
11	SUPERVALU	180	42.6
12	SEALED AIR	456	40.3
13	KIMBERLY-CLARK	163	29.0
14	SYSCO	54	23.3
15	GLOBAL PARTNERS	331	22.8
16	CORE-MARK HOLDING	247	22.0
17	WORLD FUEL SERVICES	91	19.6
18	CARDINAL HEALTH	14	19.1
19	BUILDERS FIRSTSOURCE	400	18.7
20	PERFORMANCE FOOD GROUP	171	18.1
THE 500 MEDIAN			2.3

REVENUES PER EMPLOYEE			2017
Rank	500 revenues rank		\$ millions
1	A-MARK PRECIOUS METALS	404	55.5
2	INTL FCSTONE	103	18.3
3	FANNIE MAE	21	15.6
4	FREDDIE MAC	38	12.1
5	VALERO ENERGY	31	8.8
6	AMERISOURCEBERGEN	12	7.9
7	PBF ENERGY	135	6.9
8	WORLD FUEL SERVICES	91	6.7
9	PHILLIPS 66	28	6.3
10	PLAINS GP HOLDINGS	115	5.4
11	NORTHWESTERN MUTUAL	104	5.4
12	KKR	470	5.0
13	ONEOK	249	4.9
14	NGL ENERGY PARTNERS	223	4.8
15	REINSURANCE GROUP	234	4.7
16	CHEMIE RE ENERGY	489	4.6
17	GLOBAL PARTNERS	331	4.5
18	EOG RESOURCES	270	4.2
19	ENTERPRISE PRODUCTS	105	4.2
20	TARGA RESOURCES	334	4.1
THE 500 MEDIAN			0.5

TECH'S RICH REWARDS

LED BY APPLE, FIVE OF THE SIX MOST VALUABLE COMPANIES ON THE 500 WERE TECHNOLOGY GIANTS, WITH WARREN BUFFETT'S BERKSHIRE HATHAWAY THE EXCEPTION IN THE TOP FIVE. INVESTORS WHO BET ON VIDEO-STREAMING POWERHOUSE NETFLIX HAVE BEEN REWARDED WITH REMARKABLE FIVE- AND 10-YEAR RETURNS.

BIGGEST COMPANIES

BY MARKET VALUE		3/29/18
Rank	500 revenues rank	\$ millions
1	APPLE	4 851,317.9
2	ALPHABET	22 719,123.6
3	MICROSOFT	30 702,760.1
4	AMAZON.COM	8 700,667.7
5	BERKSHIRE HATHAWAY	3 492,008.4
6	FACEBOOK	76 464,190.1
7	JPMORGAN CHASE & CO.	20 375,042.9
8	JOHNSON & JOHNSON	37 343,780.3
9	EXXON MOBIL	2 316,157.1
10	BANK OF AMERICA CORP.	24 306,618.4
11	VISA	161 270,221.6
12	WALMART	1 263,563.1
13	WELLS FARGO	26 255,556.0
14	INTEL	46 243,109.4
15	AT&T	9 218,945.6
16	CHEVRON	13 217,845.3
17	PFIZER	57 211,115.3
18	UNITEDHEALTH GROUP	5 207,079.9
19	CISCO SYSTEMS	62 206,623.3
20	HOME DEPOT	23 206,271.7
THE 500 MEDIAN		18,169.2

BY EQUITY		2017
Rank	500 revenues rank	\$ millions
1	BERKSHIRE HATHAWAY	3 348,296.0
2	BANK OF AMERICA CORP.	24 267,146.0
3	JPMORGAN CHASE & CO.	20 255,693.0
4	WELLS FARGO	26 206,936.0
5	CITIGROUP	32 200,740.0
6	EXXON MOBIL	2 187,688.0
7	ALPHABET	22 152,502.0
8	CHEVRON	13 148,124.0
9	AT&T	9 140,861.0
10	APPLE	4 134,047.0
11	DOWDUPONT	47 100,330.0
12	STATE FARM INSURANCE COS.	36 97,035.5
13	GOLDMAN SACHS GROUP	70 82,243.0
14	WALMART	1 77,869.0
15	MORGAN STANLEY	67 77,391.0
16	FACEBOOK	76 74,347.0
17	MICROSOFT	30 72,394.0
18	PFIZER	57 71,308.0
19	INTEL	46 69,019.0
20	COMCAST	83 68,606.0
THE 500 MEDIAN		5,497.9

BY EMPLOYEES		2017
Rank	500 revenues rank	number of employees
1	WALMART	1 2,300,000
2	AMAZON.COM	8 566,000
3	YUM CHINA HOLDINGS	397 450,000
4	KROGER	17 449,000
5	HOME DEPOT	23 413,000
6	INTERNATIONAL BUSINESS MACHINES	34 397,800
7	BERKSHIRE HATHAWAY	3 377,000
8	FEDEX	50 357,000
9	UNITED PARCEL SERVICE	44 346,415
10	TARGET	39 345,000
11	GENERAL ELECTRIC	18 313,000
12	WALGREENS BOOTS ALLIANCE	19 290,000
13	STARBUCKS	132 277,000
14	ALBERTSONS COS.	53 273,000
15	PEPSICO	45 263,000
16	WELLS FARGO	26 262,700
17	COGNIZANT TECHNOLOGY	195 260,000
18	UNITEDHEALTH GROUP	5 260,000
19	LOWE'S	40 255,000
20	AT&T	9 254,000
THE 500 MEDIAN		25,732

BEST INVESTMENTS

TOTAL RETURN TO SHAREHOLDERS 1 YEAR		
Rank	500 revenues rank	2017 %
1	NRG ENERGY	269 133.7
2	CHEMOURS	451 127.3
3	XPO LOGISTICS	186 112.2
4	NVR	444 110.2
5	BUILDERS FIRSTSOURCE	400 98.6
6	WYNN RESORTS	447 98.0
7	BOEING	27 94.5
8	WESTLAKE CHEMICAL	352 92.3
9	ALCOA	262 91.8
10	D.R. HORTON	211 89.0
11	MICRON TECHNOLOGY	150 87.6
12	PAYPAL HOLDINGS	222 86.5
13	PULTEGROUP	341 83.7
14	NVIDIA	306 82.0
15	DWENS CORNING	442 80.6
16	CENTENE	61 78.5
17	HUNTSMAN	282 77.7
18	LAM RESEARCH	354 76.4
19	ACTIVISION BLIZZARD	401 76.3
20	CATERPILLAR	65 74.7
THE 500 MEDIAN		17.6

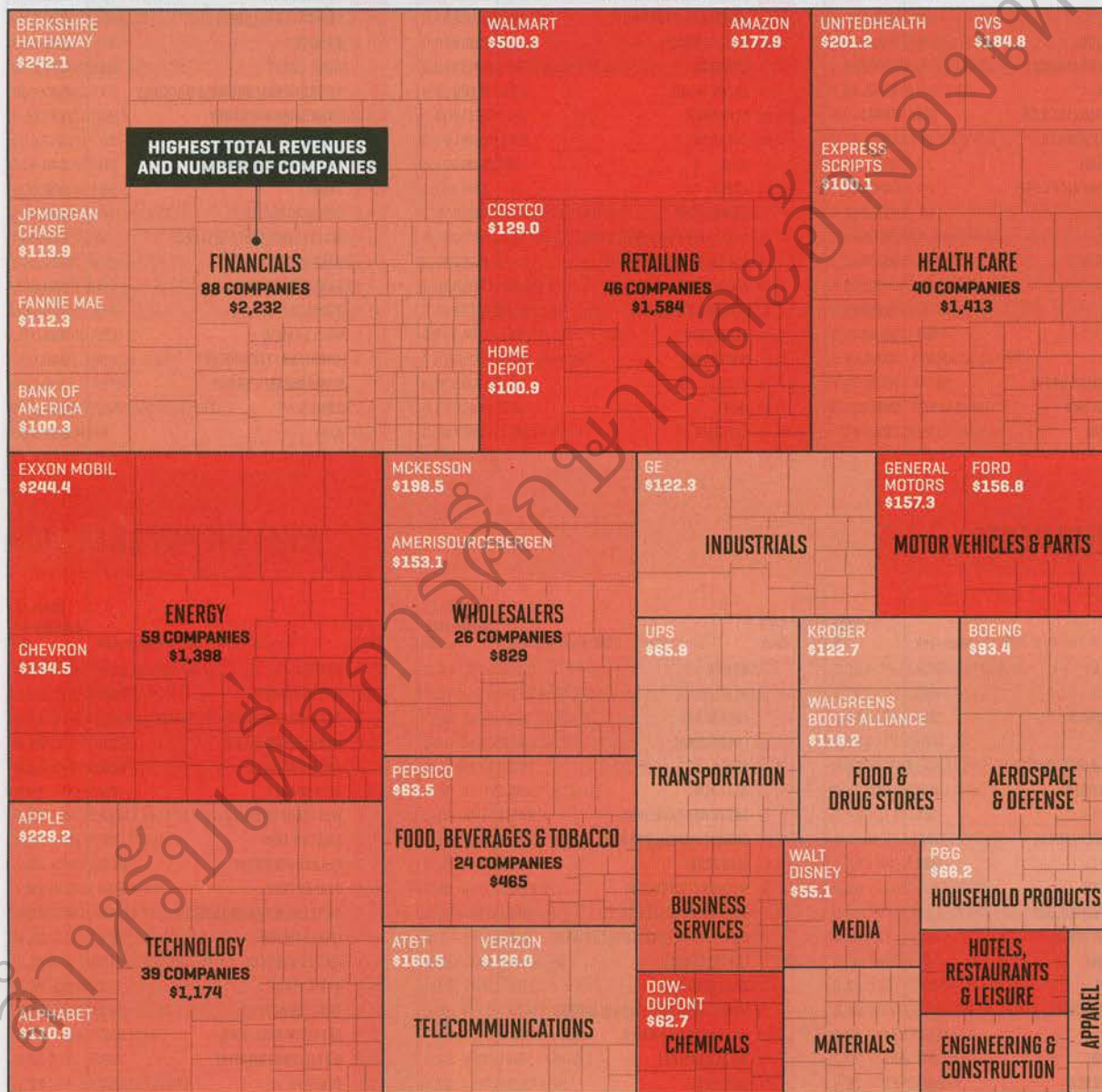
5 YEARS		
Rank	500 revenues rank	2012-17 annual rate %
1	NVIDIA	306 76.0
2	NETFLIX	261 70.7
3	FANNIE MAE	21 59.7
4	FREDDIE MAC	38 57.1
5	TESLA	260 55.8
6	BEST BUY	72 46.5
7	SOUTHWEST AIRLINES	142 46.1
8	CONSTELLATION BRANDS	386 46.0
9	FACEBOOK	76 46.0
10	MICRON TECHNOLOGY	150 45.3
11	ACTIVISION BLIZZARD	401 44.2
12	HUNTINGTON INGALLS INDUSTRIES	381 41.9
13	LAM RESEARCH	354 39.8
14	XPO LOGISTICS	186 39.4
15	SPIRIT AEROSYSTEMS HOLDINGS	405 38.9
16	NORTHROP GRUMMAN	118 38.0
17	DELTA AIR LINES	75 38.0
18	CENTENE	61 37.5
19	APPLIED MATERIALS	201 37.3
20	AMAZON.COM	8 36.1
THE 500 MEDIAN		15.3

10 YEARS		
Rank	500 revenues rank	2007-17 annual rate %
1	NETFLIX	261 48.0
2	XPO LOGISTICS	186 34.0
3	REGENERON PHARMACEUTICALS	473 31.6
4	BOOKING HOLDINGS	229 31.2
5	ROSS STORES	209 30.2
6	ULTA BEAUTY	471 29.4
7	WESTLAKE CHEMICAL	352 29.2
8	AMAZON.COM	8 28.9
9	ALASKA AIR GROUP	355 28.7
10	DOLLAR TREE	134 28.7
11	CONSTELLATION BRANDS	386 25.8
12	LITHIA MOTORS	294 25.6
13	UNITED RENTALS	424 25.1
14	HOME DEPOT	23 24.6
15	TRACTOR SUPPLY	391 24.5
16	SHERWIN-WILLIAMS	190 23.5
17	O'REILLY AUTOMOTIVE	329 22.2
18	CENTENE	61 22.1
19	MASTERCARD	236 22.1
20	SYNNEX	169 21.7
THE 500 MEDIAN		9.8

RANKED WITHIN INDUSTRIES

The total number of financial companies on the 500 grew from 84 to 88, and together they earned some \$228 billion in profits last year.

EACH AREA REPRESENTS THE REVENUES OF A FORTUNE 500 COMPANY (in \$ billion)



INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
1 ADVERTISING, MARKETING 2 COMPANIES							
1	OMNICOM GROUP	188	15,274	1,088	1	7 2	42 1
2	INTERPUBLIC GROUP	359	7,882	579	2	7 1	26 2
TOTAL			23,156	1,667			

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
2 AEROSPACE AND DEFENSE 13 COMPANIES							
1	BOEING	27	93,392	8,197	1	9 3	2,309 1
2	UNITED TECHNOLOGIES	51	59,837	4,552	2	8 7	15 6
3	LOCKHEED MARTIN	59	51,048	2,002	6	4 11	—
4	GENERAL DYNAMICS	99	30,973	2,912	3	9 2	25 4
5	NORTHROP GRUMMAN	118	25,803	2,015	5	8 6	29 2
6	RAYTHEON	119	25,348	2,024	4	8 4	20 5
7	TEXTRON	208	14,198	307	12	2 12	5 11
8	ARCONIC	225	12,960	[74]	13	[1] 13	[2] 12
9	L3 TECHNOLOGIES	276	11,002	677	8	6 9	13 9
10	HUNTINGTON INGALLS INDUSTRIES	381	7,441	479	10	6 8	27 3
11	SPIRIT AEROSYSTEMS HOLDINGS	405	6,983	355	11	5 10	20 6
12	HARRIS	407	6,939	553	9	8 5	19 7
13	ROCKWELL COLLINS	415	6,822	705	7	10 1	12 10
TOTAL			352,746	24,704			
MEDIAN			14,198	705		8	19

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
3 AIRLINES 6 COMPANIES							
1	AMERICAN AIRLINES GROUP	71	42,207	1,919	4	5 6	49 1
2	DELTA AIR LINES	75	41,244	3,577	1	9 4	26 4
3	UNITED CONTINENTAL HOLDINGS	81	37,736	2,131	3	6 5	24 5
4	SOUTHWEST AIRLINES	142	21,171	3,488	2	16 1	33 2
5	ALASKA AIR GROUP	355	7,933	1,034	6	13 3	28 3
6	JETBLUE AIRWAYS	402	7,015	1,147	5	16 2	24 6
TOTAL			157,306	13,296			
MEDIAN			29,454	2,025		11	27

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
4 APPAREL 5 COMPANIES							
1	NIKE	89	34,350	4,240	1	12 1	34 1
2	VF	242	12,400	615	2	5 3	17 2
3	PVH	338	8,915	538	3	6 2	10 3
4	RALPH LAUREN	421	6,653	[99]	5	[1] 5	[3] 5
5	HANES BRANDS	433	6,478	62	4	1 4	9 4
TOTAL			68,795	5,355			
MEDIAN			8,915	538		5	10

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
5 AUTOMOTIVE RETAILING, SERVICES 9 COMPANIES							
1	AUTonation	138	21,535	435	3	2 7	18 8
2	PENNSKE AUTOMOTIVE GROUP	139	21,389	613	2	3 4	26 3
3	CARMAX	174	16,637	627	1	4 2	20 6
4	GROUP 1 AUTOMOTIVE	273	11,124	213	7	2 8	19 7
5	LITHIA MOTORS	294	10,087	245	6	2 5	23 4
6	SONIC AUTOMOTIVE	298	9,867	93	9	1 9	12 9

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
6 BEVERAGES 4 COMPANIES							
7	AVIS BUDGET GROUP	333	8,848	361	4	4 1	63 1
8	HERTZ GLOBAL HOLDINGS	335	8,803	327	5	4 3	22 5
9	ASBURY AUTOMOTIVE GROUP	434	6,457	139	8	2 6	35 2
TOTAL			114,746	3,054			
MEDIAN			10,087	327		2	22

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
6 BEVERAGES 4 COMPANIES							
1	COCA-COLA	87	35,410	1,248	3	4 4	7 4
2	MOLSON COORS BREWING	275	11,003	1,414	2	13 3	11 3
3	CONSTELLATION BRANDS	386	7,332	1,535	1	21 1	22 2
4	DR PEPPER SNAPPLE GROUP	418	6,690	1,076	4	16 2	44 1
TOTAL			60,434	5,273			
MEDIAN			9,167	1,331		14	16

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
7 BUILDING MATERIALS, GLASS 2 COMPANIES							
1	BUILDERS FIRSTSOURCE	400	7,034	39	2	1 2	10 1
2	OWENS CORNING	442	6,384	289	1	5 1	7 2
TOTAL			13,418	328			

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
8 CHEMICALS 14 COMPANIES							
1	DOW DUPONT	47	62,683	1,460	6	2 13	1 13
2	SHERWIN-WILLIAMS	190	14,984	1,772	3	12 7	48 2
3	PPG INDUSTRIES	191	14,967	1,591	4	11 10	29 6
4	MONSANTO	199	14,640	2,260	2	15 3	35 3
5	ECOLAB	215	13,838	1,508	5	11 9	20 12
6	PRAXAIR	264	11,437	1,247	9	11 8	21 10
7	HUNTSMAN	282	10,592	636	12	6 12	24 9
8	EASTMAN CHEMICAL	310	9,549	1,384	7	14 4	26 8
9	AIR PRODUCTS & CHEMICALS	345	8,442	3,000	1	36 1	30 4
10	WESTLAKE CHEMICAL	352	8,041	1,304	8	16 2	27 7
11	MOASIC	382	7,409	[107]	14	[1] 14	[1] 14
12	OLIN	448	6,268	550	13	9 11	20 11
13	CHEMOURS	451	6,183	746	11	12 6	87 1
14	CELANESE	455	6,140	843	10	14 5	29 5
TOTAL			195,174	18,194			
MEDIAN			10,071	1,344		11	26

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank		Stock-holders' equity % Rank	
9 COMMERCIAL BANKS 20 COMPANIES							
1	JPMORGAN CHASE & CO.	20	113,899	24,441	1	21 9	10 9
2	BANK OF AMERICA CORP.	24	100,264	18,232	3	18 15	7 17
3	WELLS FARGO	26	97,741	22,183	2	23 8	11 6
4	CITIGROUP	32	87,966	[6,798]	20	[8] 20	[3] 20
5	MORGAN STANLEY	67	43,642	6,111	5	14 17	8 15
6	GOLDMAN SACHS GROUP	70	42,254	4,286	7	10 18	5 18
7	CAPITAL ONE FINANCIAL	101	29,999	1,982	14	7 19	4 19
8	U.S. BANCORP	122	23,996	6,218	4	26 3	13 3
9	PNC FINANCIAL SVCS. GROUP	165	18,035	5,338	6	30 1	11 5
10	BANK OF N.Y. MELLON CORP.	175	16,621	4,090	8	25 5	10 7
11	BBGT CORP.	250	12,156	2,394	9	20 12	8 14

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
12	STATE STREET CORP.	259	11,774	2,177 12	18 14 10 8
13	DISCOVER FINANCIAL SERVICES	263	11,545	2,099 13	18 16 19 1
14	SUNTRUST BANKS	303	9,741	2,273 10	23 7 9 10
15	FIFTH THIRD BANCORP	366	7,713	2,194 11	28 2 13 2
16	KEYCORP	412	6,868	1,296 17	19 13 9 12
17	CITIZENS FINANCIAL GROUP	435	6,454	1,652 15	26 4 8 13
18	REGIONS FINANCIAL	460	6,093	1,263 18	21 11 8 16
18	MGT BANK CORP.	467	6,019	1,408 16	23 6 9 11
20	NORTHERN TRUST	486	5,716	1,199 19	21 10 12 4
TOTAL		658,495	104,038		
MEDIAN		14,389	2,234	21	9

10 COMPUTER SOFTWARE 4 COMPANIES

1	MICROSOFT	30	89,950	21,204 1	24 2 29 1
2	ORACLE	82	37,728	9,335 2	25 1 17 3
3	SALESFORCE.COM	285	10,480	127 4	1 4 1 4
4	ADOBE SYSTEMS	389	7,302	1,694 3	23 3 20 2
TOTAL		145,460	32,360		
MEDIAN		24,104	5,514	23	19

11 COMPUTERS, OFFICE EQUIPMENT 8 COMPANIES

1	APPLE	4	229,234	48,351 1	21 1 36 1
2	DELL TECHNOLOGIES	35	78,660	[3,728] 8	[5] 8 [40] 7
3	HP	58	52,056	2,526 2	5 3 -
4	HEWLETT PACKARD ENTERPRISE	107	28,871	344 5	1 7 1 6
5	WESTERN DIGITAL	158	19,093	397 4	2 5 3 5
6	XEROX	291	10,265	195 7	2 6 4 4
7	NCR	432	6,516	232 6	4 4 15 3
8	NETAPP	495	5,519	509 3	8 2 18 2
TOTAL		430,214	48,828		
MEDIAN		23,982	371	3	4

12 CONSTRUCTION AND FARM MACHINERY 6 COMPANIES

1	CATERPILLAR	65	45,462	754 3	2 5 6 5
2	DEERE	102	29,738	2,159 1	7 2 23 1
3	PACCAR	155	19,456	1,675 2	9 1 21 2
4	NAVISTAR INTERNATIONAL	342	8,570	30 6	0 6 -
5	AGCO	347	8,307	186 5	2 4 6 4
6	DSHKOSH	414	6,830	286 4	4 3 12 3
TOTAL		118,362	5,090		
MEDIAN		14,013	520	3	12

13 DIVERSIFIED FINANCIALS 13 COMPANIES

1	FANNIE MAE	21	112,394	2,463 3	2 10 -
2	FREDDIE MAC	38	74,676	5,625 1	8 8 -
3	AMERICAN EXPRESS	86	35,583	2,736 2	8 7 15 5
4	INTL FCSTONE	103	29,424	6 12	0 12 1 10
5	ICAHN ENTERPRISES	136	21,744	2,430 4	11 4 48 1
6	SYNCHRONY FINANCIAL	173	16,695	1,935 5	12 3 14 6
7	MARSH & MCLENNAN	212	14,024	1,492 6	11 5 20 4
8	LEUCADIA NATIONAL	241	12,408	172 11	1 11 2 9

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
9	AMERIPRISE FINANCIAL	252	12,075	1,480 7	12 2 25 2
10	ALLY FINANCIAL	299	9,866	929 9	9 6 7 8
11	VOYA FINANCIAL	307	9,660	[2,992] 13	[31] 13 [30] 11
12	BLACKSTONE GROUP	398	7,119	1,471 8	21 1 22 3
13	ARTHUR J. GALLAGHER	454	6,160	463 10	8 9 11 7
TOTAL		361,827	18,210		
MEDIAN		14,024	1,480	8	14

14 DIVERSIFIED OUTSOURCING SERVICES 5 COMPANIES

1	ARAMARK	200	14,604	374 3	3 4 15 3
2	AUTOMATIC DATA PROCESSING	243	12,380	1,733 1	14 1 44 1
3	CONDUENT	466	6,022	181 4	3 3 5 4
4	ABM INDUSTRIES	498	5,454	4 5	0 5 0 5
5	CINTAS	500	5,429	481 2	9 2 21 2
TOTAL		43,889	2,773		
MEDIAN		6,022	374	3	15

15 ELECTRONICS, ELECTRICAL EQUIPMENT 4 COMPANIES

1	HONEYWELL INTERNATIONAL	77	40,534	1,655 1	4 2 10 2
2	WHIRLPOOL	140	21,253	350 3	2 3 8 3
3	CORNING	293	10,116	[497] 4	[5] 4 [3] 4
4	ROCKWELL AUTOMATION	445	6,311	826 2	13 1 31 1
TOTAL		78,214	2,334		
MEDIAN		15,685	588	3	9

16 ENERGY 8 COMPANIES

1	WORLD FUEL SERVICES	91	33,696	[170] 4	[1] 4 [10] 5
2	NGL ENERGY PARTNERS	223	13,022	137 3	1 3 5 3
3	NRG ENERGY	269	11,275	[2,153] 8	[19] 8 -
4	CALPINE	336	8,752	[339] 6	[4] 5 [11] 6
5	WILLIAMS	353	8,031	2,174 1	27 1 23 1
6	UGI	457	6,121	437 2	7 2 14 2
7	CHENIERE ENERGY	489	5,601	[393] 7	[7] 7 -
8	VISTRA ENERGY	499	5,430	[254] 5	[5] 6 [4] 4
TOTAL		91,927	[562]		
MEDIAN		8,392	[212]	[2]	0

17 ENGINEERING, CONSTRUCTION 7 COMPANIES

1	FLUOR	153	19,521	191 7	1 7 6 7
2	AECOM	164	18,203	339 3	2 6 8 4
3	JACOBS ENGINEERING GROUP	297	10,023	294 5	3 5 7 6
4	QUANTA SERVICES	316	9,466	315 4	3 3 8 5
5	PETER KIEWIT SONS'	339	8,678	371 1	4 2 12 3
6	EMCOR GROUP	368	7,688	227 6	3 4 14 2
7	MASTEC	428	6,607	347 2	5 1 24 1
TOTAL		80,186	2,085		
MEDIAN		9,466	315	3	8

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
18 ENTERTAINMENT 10 COMPANIES					
1	WALT DISNEY	55	55,137	8,980 1	16 3 22 2
2	TIME WARNER	98	31,271	5,247 2	17 2 18 4
3	TWENTY-FIRST CENTURY FOX	109	28,500	2,952 3	10 5 19 3
4	CBS	197	14,710	357 6	2 7 18 5
5	VIACOM	221	13,263	1,874 4	14 4 31 1
6	LIVE NATION ENTERTAINMENT	290	10,337	(6) 8	[0] 8 [1] 8
7	LIBERTY MEDIA	377	7,594	1,354 5	18 1 8 6
8	ACTIVISION BLIZZARD	401	7,017	273 7	4 6 3 7
9	DISCOVERY	409	6,873	(337) 9	[5] 9 [7] 9
10	IHEARTMEDIA	452	6,178	(704) 10	[11] 10 -
TOTAL		180,981	19,990		
MEDIAN		11,800	856	7	18

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
19 FINANCIAL DATA SERVICES 9 COMPANIES					
1	VISA	161	18,358	6,699 1	36 1 20 6
2	PAYPAL HOLDINGS	222	13,094	1,795 3	14 6 11 8
3	MASTERCARD	236	12,497	3,915 2	31 2 72 2
4	FIRST DATA	254	12,052	1,465 5	12 7 46 3
5	FIDELITY NATL. INFO. SVCS.	326	9,123	1,319 6	14 5 12 7
6	ALLIANCE DATA SYSTEMS	365	7,719	789 8	10 8 43 5
7	S&P GLOBAL	463	6,063	1,496 4	25 3 210 1
8	FISERV	487	5,696	1,246 7	22 4 46 4
9	WESTERN UNION	494	5,524	(557) 9	[10] 9 -
TOTAL		90,127	18,167		
MEDIAN		9,123	1,465	14	44

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
20 FOOD AND DRUG STORES 6 COMPANIES					
1	KROGER	17	122,662	1,907 3	2 4 28 2
2	WALGREENS BOOTS ALLIANCE	19	118,214	4,078 1	3 3 15 4
3	ALBERTSONS COS.	53	59,678	(373) 6	[1] 6 [27] 6
4	PUBLIX	88	34,837	2,292 2	7 1 16 3
5	RITEAID	94	32,845	4 5	0 5 1 5
6	SUPERVALU	180	16,009	650 4	4 2 173 1
TOTAL		384,245	8,558		
MEDIAN		47,258	1,279	3	16

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
21 FOOD CONSUMER PRODUCTS 13 COMPANIES					
1	PEPSICO	45	63,525	4,857 2	8 9 45 4
2	KRAFT HEINZ	114	26,232	10,999 1	42 1 17 7
3	MONDELEZ INTERNATIONAL	117	25,896	2,922 3	11 2 11 10
4	GENERAL MILLS	182	15,620	1,658 4	11 4 38 5
5	LAND O'LAKES	216	13,740	314 11	2 11 12 9
6	KELLOGG	226	12,923	1,269 5	10 6 57 2
7	CONAGRA BRANDS	321	9,235	639 9	7 10 16 8
8	HORMEL FOODS	323	9,168	847 7	9 7 17 6
9	CAMPBELL SOUP	358	7,890	887 6	11 3 54 3

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
22 FOOD PRODUCTION 5 COMPANIES					
10	DEAN FOODS	362	7,795	62 12	1 12 9 11
11	HERSHEY	379	7,515	783 8	10 5 86 1
12	J.M. SMUCKER	383	7,392	592 10	8 8 9 12
13	TREEHOUSE FOODS	446	6,307	(286) 13	[5] 13 [13] 13
TOTAL		213,238	25,542		
MEDIAN		8,235	847	9	17

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
23 FOOD SERVICES 5 COMPANIES					
1	ARCHER DANIELS MIDLAND	48	60,828	1,595 2	3 4 9 3
2	TYSON FOODS	80	38,260	1,774 1	5 2 17 2
3	CHS	96	31,935	128 5	0 5 2 5
4	INGREDION	478	5,832	519 3	9 1 18 1
5	SEABOARD	481	5,909	247 4	4 3 7 4
TOTAL		142,664	4,263		
MEDIAN		31,935	519	4	9

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
24 GENERAL MERCHANDISERS 9 COMPANIES					
1	MCDONALD'S	191	22,820	5,192 1	23 2 -
2	STARBUCKS	132	22,387	2,885 2	13 3 53 1
3	DARDEN RESTAURANTS	396	7,170	479 4	7 4 23 2
4	YUM CHINA HOLDINGS	397	7,144	403 5	6 5 14 3
5	YUM BRANDS	472	5,878	1,340 3	23 1 -
TOTAL		65,399	10,299		
MEDIAN		7,170	1,340	13	

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
25 HEALTH CARE: INSURANCE AND MANAGED CARE 9 COMPANIES					
1	WALMART	1	500,343	9,862 1	2 7 13 7
2	COSTCO WHOLESALE	15	129,025	2,679 3	2 6 25 4
3	TARGET	39	71,879	2,934 2	4 3 25 3
4	MACY'S	120	24,837	1,547 4	6 1 27 2
5	KOHL'S	157	19,095	859 5	5 2 16 5
6	SEARS HOLDINGS	172	16,702	(383) 9	[2] 9 -
7	NORDSTROM	183	15,478	437 6	3 5 45 1
8	J.C. PENNEY	235	12,506	(116) 8	[1] 8 [8] 8
9	DILLARD'S	439	6,423	221 7	3 4 13 6
TOTAL		796,288	18,040		
MEDIAN		19,095	859	3	20

INDUSTRY NO. RANK	500rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
26 HEALTH CARE: PHARMACEUTICALS 9 COMPANIES					
1	UNITEDHEALTH GROUP	5	201,159	10,558 1	5 2 22 2
2	ANTHEM	29	90,039	3,843 2	4 4 15 5
3	AETNA	49	60,535	1,904 5	3 5 12 6
4	HUMANA	56	53,767	2,448 3	5 3 25 1
5	CENTENE	61	48,572	828 6	2 8 12 7
6	CIGNA	73	41,616	2,237 4	5 1 16 3
7	MOLINA HEALTHCARE	152	19,883	(512) 9	[3] 9 [38] 9
8	WELLFARE HEALTH PLANS	170	17,007	374 7	2 6 15 4
9	MAGELLAN HEALTH	475	5,839	110 8	2 7 9 8
TOTAL		538,417	21,790		
MEDIAN		48,572	1,904	3	15

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
26 HEALTH CARE: MEDICAL FACILITIES 7 COMPANIES					
1	HCA HEALTHCARE 63	47,653	2,216 1	5 2	—
2	TENET HEALTHCARE 147	20,613	(704) 6	(3) 5	—
3	COMMUNITY HEALTH SYSTEMS 160	18,477	[2,459] 7	[13] 7	—
4	DAVITA 179	16,038	664 3	4 3	14 2
5	UNIVERSAL HEALTH SERVICES 268	11,279	752 2	7 1	15 1
6	LIFEPOINT HEALTH 390	7,263	102 4	1 4	5 3
7	KINDRED HEALTHCARE 416	6,768	(698) 5	[10] 6	[566] 4
TOTAL		128,091	[127]		
MEDIAN		16,038	102	1	9

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
27 HEALTH CARE: PHARMACY AND OTHER SERVICES 6 COMPANIES					
1	CVS HEALTH 7	184,765	6,622 1	4 5	18 3
2	EXPRESS SCRIPTS HOLDING 25	100,065	4,517 2	5 4	25 1
3	ENVISION HEALTHCARE 198	14,701	[228] 6	[2] 6	[3] 6
4	LAB. CORP. OF AMERICA 286	10,441	1,268 4	12 2	19 2
5	IQVIA HOLDINGS 304	9,739	1,309 3	13 1	16 4
6	QUEST DIAGNOSTICS 367	7,709	772 5	10 3	16 5
TOTAL		327,420	14,261		
MEDIAN		12,571	1,289	7	17

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
28 HOME EQUIPMENT, FURNISHINGS 4 COMPANIES					
1	NEWELL BRANDS 196	14,742	2,749 1	19 1	19 1
2	STANLEY BLACK & DECKER 228	12,747	1,226 2	10 3	15 2
3	MOHAWK INDUSTRIES 315	9,491	972 3	10 2	14 3
4	MASCO 373	7,644	533 4	7 4	—
TOTAL		44,625	5,479		
MEDIAN		11,119	1,099	10	

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
29 HOMEBUILDERS 5 COMPANIES					
1	D.R. HORTON 211	14,091	1,038 1	7 3	13 2
2	LENNAR 230	12,646	810 2	6 4	10 5
3	PULTEGROUP 341	8,573	447 5	5 5	11 4
4	NVR 444	6,322	538 3	9 2	33 1
5	TOLL BROTHERS 480	5,815	536 4	9 1	12 3
TOTAL		47,448	3,369		
MEDIAN		8,573	538	7	12

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
30 HOTELS, CASINOS, RESORTS 6 COMPANIES					
1	MARRIOTT INTERNATIONAL 127	22,894	1,372 3	6 6	37 5
2	LAS VEGAS SANDS 227	12,882	2,806 1	22 1	43 4
3	MGM RESORTS INTERNATIONAL 280	10,774	1,960 2	18 2	26 6
4	HILTON WORLDWIDE HOLDINGS 324	9,140	1,259 4	14 4	61 3
5	WYNN RESORTS 447	6,306	747 6	12 5	79 2
6	WYNDHAM WORLDWIDE 479	5,821	871 5	15 3	99 1
TOTAL		67,817	9,015		
MEDIAN		9,957	1,316	14	52

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
31 HOUSEHOLD AND PERSONAL PRODUCTS 8 COMPANIES					
1	PROCTER & GAMBLE 42	66,217	15,326 1	23 1	28 4
2	KIMBERLY-CLARK 163	18,259	2,278 2	12 3	362 1
3	COLGATE-PALMOLIVE 184	15,454	2,024 3	13 2	—
4	ESTÉE LAUDER 258	11,824	1,249 4	11 5	28 3
5	COTY 371	7,650	[422] 8	[6] 8	[5] 6
6	HRG GROUP 422	6,650	106 6	2 6	14 5
7	CLOROX 468	5,973	701 5	12 4	129 2
8	AVON PRODUCTS 485	5,716	22 7	0 7	—
TOTAL		137,743	21,284		
MEDIAN		9,737	975	11	28

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
32 INDUSTRIAL MACHINERY 7 COMPANIES					
1	GENERAL ELECTRIC 18	122,274	[5,786] 7	[5] 7	[9] 7
2	CUMMINS 149	20,428	999 4	5 6	14 6
3	EMERSON ELECTRIC 178	16,301	1,518 2	9 4	17 5
4	ILLINOIS TOOL WORKS 204	14,314	1,687 1	12 2	37 1
5	PARKER-HANNIFIN 256	12,029	983 5	8 5	19 3
6	DOVER 360	7,830	812 6	10 3	19 4
7	FORTIVE 420	6,656	1,045 3	16 1	28 2
TOTAL		199,833	1,258		
MEDIAN		14,314	999	9	19

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
33 INFORMATION TECHNOLOGY SERVICES 7 COMPANIES					
1	INTL. BUSINESS MACHINES 34	79,139	5,753 1	7 2	33 3
2	CDW 189	15,192	523 3	3 5	53 1
3	COGNIZANT TECHNOLOGY 195	14,810	1,504 2	10 1	14 4
4	LEIDOS HOLDINGS 292	10,170	366 4	4 4	11 5
5	DXC TECHNOLOGY 374	7,607	[123] 7	[2] 7	[7] 7
6	INSIGHT ENTERPRISES 417	6,704	91 6	1 6	11 6
7	BOOZ ALLEN HAMILTON 482	5,804	252 5	4 3	44 2
TOTAL		139,425	8,366		
MEDIAN		10,170	366	4	14

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
34 INSURANCE: LIFE, HEALTH (MUTUAL) 7 COMPANIES					
1	NEW YORK LIFE INSURANCE 69	42,296	1,867 1	4 3	9 1
2	TIAA* 84	36,025	1,050 2	3 6	3 7
3	MASSACHUSETTS MUTUAL LIFE 93	33,495	513 5	2 7	3 6
4	NORTHWESTERN MUTUAL 104	29,331	1,017 3	3 5	5 5
5	GUARDIAN LIFE OF AMERICA 239	12,455	455 6	4 4	7 2
6	THRIVENT FINANCIAL* 343	8,528	558 4	7 1	7 3
7	WESTERN & SOUTHERN 476	5,836	310 7	5 2	6 4
TOTAL		167,966	5,771		
MEDIAN		29,331	558	4	6

*SEE NOTE 17, PAGE F24.

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
35 INSURANCE: LIFE, HEALTH (STOCK) 11 COMPANIES					
1	METLIFE 43	66,153	4,010 3	6 11	7 10
2	PRUDENTIAL FINANCIAL 52	59,689	7,863 1	13 6	15 4
3	AFLAC 137	21,667	4,604 2	21 1	19 2
4	LINCOLN NATIONAL 205	14,257	2,079 5	15 3	12 6
5	PRINCIPAL FINANCIAL 210	14,093	2,310 4	16 2	18 3
6	REINSURANCE GROUP 234	12,516	1,822 6	15 4	19 1
7	UNUM GROUP 267	11,287	994 8	9 9	10 8
8	PACIFIC LIFE* 313	9,510	1,365 7	14 5	11 7
9	MUTUAL OF OMAHA* 337	8,732	863 9	10 7	13 5
10	GENWORTH FINANCIAL 348	8,295	817 10	10 8	6 11
11	SECURIAN FINANCIAL GROUP 462	6,066	419 11	7 10	8 9
TOTAL		232,265	27,146		
MEDIAN		12,516	1,822	13	12

*SEE NOTE 16, PAGE F24.

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
36 INSURANCE: PROPERTY AND CASUALTY (MUTUAL) 5 COMPANIES					
1	STATE FARM INSURANCE COS. 36	78,331	2,207 1	3 3	2 3
2	NATIONWIDE 66	43,940	247 4	1 4	2 4
3	FARMERS INSURANCE EXCHANGE 253	12,072	(65) 5	(1) 5	(2) 5
4	AUTO-OWNERS INSURANCE 375	7,604	646 3	8 2	6 2
5	ERIE INSURANCE GROUP 378	7,535	858 2	11 1	9 1
TOTAL		149,481	3,891		
MEDIAN		12,072	646	3	2

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
37 INSURANCE: PROPERTY AND CASUALTY (STOCK) 20 COMPANIES					
1	BERKSHIRE HATHAWAY 3	242,137	44,940 1	19 1	13 4
2	AMERICAN INTERNATIONAL GROUP 80	49,520	(6,084) 20	(12) 19	(9) 18
3	LIBERTY MUTUAL INS. GROUP* 68	42,687	17 17	0 17	0 17
4	ALLSTATE 79	38,524	3,189 2	8 5	14 3
5	UNITED SVCS. AUTO. ASSN.* 100	30,016	2,422 3	8 7	8 12
6	TRAVELERS COS. 106	28,902	2,056 4	7 11	9 11
7	PROGRESSIVE 112	26,839	1,592 5	6 14	17 2
8	HARTFORD FINANCIAL SERVICES 156	19,228	(3,131) 19	(16) 20	(23) 20
9	LOEWS 217	13,735	1,164 6	8 4	6 13
10	FIDELITY NATIONAL FINANCIAL 302	9,769	771 8	8 8	17 1
11	AMERICAN FAMILY INS. GROUP* 311	9,545	156 15	2 15	2 15
12	W.R. BERKLEY 369	7,685	549 10	7 10	10 9
13	AMERICAN FINANCIAL GROUP 413	6,865	475 12	7 12	9 10
14	ALLEGHANY 437	6,425	90 16	1 16	1 16
15	ASSURANT 440	6,415	520 11	8 6	12 6
16	OLD REPUBLIC INTERNATIONAL 450	6,263	561 9	9 3	12 8
17	MARKET 464	6,062	395 14	7 13	4 14
18	AMTRUST FINANCIAL SERVICES 469	5,959	(349) 18	(6) 18	(11) 19
19	FIRST AMERICAN FINANCIAL 483	5,772	423 13	7 9	12 7
20	CINCINNATI FINANCIAL 484	5,732	1,045 7	18 2	13 5
TOTAL		568,080	50,800		
MEDIAN		9,657	534	7	9

*SEE NOTE 16, PAGE F24.

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
38 INTERNET SERVICES AND RETAILING 8 COMPANIES					
1	AMAZON.COM 8	177,866	3,033 3	2 7	11 5
2	ALPHABET 22	110,855	12,662 2	11 4	8 7
3	FACEBOOK 76	40,653	15,934 1	39 1	21 2
4	BOOKING HOLDINGS 229	12,681	2,341 5	18 3	21 3
5	NETFLIX 261	11,693	559 6	5 5	16 4
6	QURATE RETAIL 288	10,404	2,441 4	23 2	24 1
7	EXPEDIA GROUP 295	10,060	378 7	4 6	8 6
8	EBAY 309	9,567	(1,016) 8	(11) 8	(13) 8
TOTAL		383,779	36,332		
MEDIAN		12,187	2,391	8	13

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
39 MAIL, PACKAGE, AND FREIGHT DELIVERY 2 COMPANIES					
1	UNITED PARCEL SERVICE 44	65,872	4,910 1	7 1	491 1
2	FEDEX 50	60,319	2,997 2	5 2	19 2
TOTAL		126,191	7,907		

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
40 MEDICAL PRODUCTS AND EQUIPMENT 7 COMPANIES					
1	ABBOTT LABORATORIES 111	27,390	477 6	2 6	2 6
2	DANAHER 162	18,330	2,492 1	14 2	9 3
3	STRYKER 240	12,444	1,020 4	8 4	10 2
4	TECTON DICKINSON 251	12,093	1,100 3	9 3	9 4
5	BAXTER INTERNATIONAL 283	10,561	717 5	7 5	8 5
6	BOSTON SCIENTIFIC 328	9,048	104 7	1 7	1 7
7	ZIMMER BIOMET HOLDINGS 361	7,824	1,814 2	23 1	15 1
TOTAL		97,690	7,724		
MEDIAN		12,093	1,020	8	9

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
41 METALS 6 COMPANIES					
1	NUCOR 151	20,252	1,319 1	7 2	15 2
2	UNITED STATES STEEL 246	12,250	387 4	3 4	12 4
3	ALCOA 262	11,652	217 5	2 5	5 5
4	RELIANCE STEEL & ALUMINUM 305	9,721	613 3	6 3	13 3
5	STEEL DYNAMICS 312	9,539	813 2	9 1	24 1
6	AK STEEL HOLDING 461	6,081	6 6	0 6	—
TOTAL		69,495	3,355		
MEDIAN		10,687	500	5	13

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock-holders' equity % Rank
42 MINING, CRUDE-OIL PRODUCTION 11 COMPANIES					
1	CONOCOPHILLIPS 95	32,584	(855) 10	(3) 9	(3) 8
2	FREEMPORT-MCMORAN 176	16,416	1,817 2	11 4	23 1
3	DEVON ENERGY 213	13,949	898 6	6 7	10 4
4	OCCIDENTAL PETROLEUM 220	13,274	1,311 3	10 6	6 6
5	ANADARKO PETROLEUM 257	11,908	(456) 9	(4) 10	(4) 9
6	EOG RESOURCES 270	11,208	2,583 1	23 1	16 3
7	CHESAPEAKE ENERGY 314	9,496	949 5	10 5	—

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity		
			\$mil.	Rank	% Rank	% Rank	% Rank	% Rank	
8	NEWMONT MINING	385	7,348	[98]	8	[1]	8	[1]	7
9	APACHE	438	6,423	1,304	4	20	2	18	2
10	PEABODY ENERGY	491	5,579	—	—	—	—	—	—
11	PIONEER NATURAL RESOURCES	497	5,455	833	7	15	3	7	5
TOTAL			133,640	8,286					
MEDIAN			11,208	924		10		7	

43 MOTOR VEHICLES AND PARTS 11 COMPANIES

1	GENERAL MOTORS	10	157,311	[3,864]	11	[2]	10	[11]	10
2	FORD MOTOR	11	156,776	7,602	1	5	4	22	5
3	LEAR	148	20,467	1,313	2	6	1	32	1
4	GOODYEAR TIRE	187	15,377	346	6	2	7	8	9
5	TESLA	260	11,759	[1,961]	10	[17]	11	[46]	11
6	AUTOLIV	289	10,383	427	4	4	6	11	8
7	BORGWARNER	301	9,799	440	3	4	5	12	6
8	TENNECO	320	9,274	207	8	2	8	30	2
9	THOR INDUSTRIES	392	7,247	374	5	5	3	24	3
10	DANA	393	7,209	111	9	2	9	11	7
11	AMERICAN AXLE & MFG.	449	6,266	337	7	5	2	22	4
TOTAL			411,868	5,332					
MEDIAN			10,383	346		4		12	

44 NETWORK AND OTHER COMMUNICATIONS EQUIPMENT 3 COMPANIES

1	CISCO SYSTEMS	62	48,005	9,609	1	20	1	15	2
2	AMPHENOL	403	7,011	651	2	9	2	16	1
3	MOTOROLA SOLUTIONS	443	6,380	[155]	3	[2]	3	—	—
TOTAL			61,396	10,105					

45 OIL AND GAS EQUIPMENT, SERVICES 2 COMPANIES

1	HALLIBURTON	146	20,620	[463]	2	[2]	1	[6]	2
2	NATIONAL OILWELL VARCO	388	7,304	[237]	1	[3]	2	[2]	1
TOTAL			27,924	[700]					

46 PACKAGING, CONTAINERS 9 COMPANIES

1	INTERNATIONAL PAPER	124	23,302	2,144	1	9	3	33	4
2	WESTROCK	194	14,860	708	3	5	5	7	9
3	BALL	277	10,983	374	5	3	8	9	8
4	CROWN HOLDINGS	338	8,698	323	7	4	7	54	2
5	BERRY GLOBAL GROUP	399	7,095	340	6	5	4	34	3
6	OWENS-ILLINOIS	410	6,869	180	9	3	9	22	7
7	AVERY DENNISON	427	6,614	282	8	4	6	27	6
8	PACKAGING CORP. OF AMERICA	436	6,445	669	4	10	2	31	5
9	SEALED AIR	456	6,131	815	2	13	1	535	1
TOTAL			90,996	5,835					
MEDIAN			7,095	374		5		31	

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS		PROFITS AS % OF... Revenues		Stock- holders' equity		
			\$mil.	Rank	% Rank	% Rank	% Rank	% Rank	
47 PETROLEUM REFINING 9 COMPANIES									
1	EXXON MOBIL	2	244,363	19,710	1	8	1	11	8
2	CHEVRON	13	134,533	9,195	2	7	2	6	9
3	PHILLIPS 66	28	91,568	5,106	3	6	4	20	2
4	VALERO ENERGY	31	88,407	4,065	4	5	6	18	3
5	MARATHON PETROLEUM	41	67,610	3,432	5	5	5	24	1
6	ANDEAVOR	90	34,204	1,528	6	4	7	16	6
7	PBF ENERGY	135	21,787	416	8	2	9	18	4
8	HOLLYFRONTIER	206	14,251	805	7	6	3	15	7
9	DELEK US HOLDINGS	384	7,350	289	9	4	8	18	5
TOTAL			704,072	44,546					
MEDIAN			67,610	3,432		5		18	

48 PHARMACEUTICALS 11 COMPANIES

1	JOHNSON & JOHNSON	37	76,450	1,300	8	2	10	2	10
2	PFIZER	57	52,546	21,308	1	41	1	30	3
3	MERCK	78	40,122	2,394	6	6	8	7	9
4	ABBVIE	110	28,216	5,309	2	19	5	104	1
5	GILEAD SCIENCES	116	26,107	4,628	3	18	6	23	4
6	ELI LILLY	129	22,871	[204]	11	[1]	11	[2]	11
7	AMGEN	130	22,849	1,979	7	9	7	8	8
8	BRISTOL-MYERS SQUIBB	145	20,776	1,007	10	5	9	9	7
9	CELGENE	224	13,003	2,940	4	23	2	42	2
10	BIIGEN	245	12,274	2,539	5	21	3	20	5
11	REGENERON PHARMACEUTICALS	473	5,872	1,199	9	20	4	20	6
TOTAL			321,086	44,399					
MEDIAN			22,871	2,394		18		20	

49 PIPELINES 7 COMPANIES

1	ENERGY TRANSFER EQUITY	64	47,487	954	2	2	4	—	—
2	ENTERPRISE PRODUCTS	105	29,242	2,799	1	10	1	12	1
3	PLAINS GP HOLDINGS	115	26,223	[731]	7	[3]	7	[43]	6
4	KINDER MORGAN	218	13,705	183	5	1	5	1	5
5	ONEOK	249	12,174	388	3	3	2	7	2
6	TARGA RESOURCES	334	8,815	54	6	1	6	1	4
7	DCP MIDSTREAM	344	8,462	229	4	3	3	3	3
TOTAL			146,107	3,876					
MEDIAN			13,705	229		2		2	

50 PUBLISHING, PRINTING 2 COMPANIES

1	NEWS CORP.	350	8,139	[738]	2	[9]	2	[7]	1
2	R.R. DONNELLEY & SONS	406	6,940	[34]	1	[1]	1	—	—
TOTAL			15,079	[772]					

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
51 RAILROADS	3 COMPANIES				
1	UNION PACIFIC	141	21,240	10,712 1	50 2 43 1
2	CSX	265	11,408	5,471 2	48 3 37 2
3	NORFOLK SOUTHERN	284	10,551	5,404 3	51 1 33 3
	TOTAL		43,199	21,587	

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
52 REAL ESTATE	5 COMPANIES				
1	CBRE GROUP	207	14,210	691 3	5 4 17 3
2	JONES LANG LASALLE	356	7,932	254 5	3 5 8 5
3	AMERICAN TOWER	419	6,664	1,239 2	19 2 20 2
4	REALOGY HOLDINGS	458	6,114	431 4	7 3 16 4
5	SIMON PROPERTY GROUP	493	5,539	1,948 1	35 1 53 1
	TOTAL		40,459	4,564	
	MEDIAN		6,664	691	7 17

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
53 SECURITIES	7 COMPANIES				
1	BLACKROCK	237	12,491	4,970 1	40 2 16 2
2	CHARLES SCHWAB	330	8,960	2,354 3	26 4 13 6
3	JONES FINANCIAL (EDWARD JONES)	376	7,597	872 6	11 6 31 1
4	RAYMOND JAMES FINANCIAL	431	6,525	636 7	10 7 11 7
5	FRANKLIN RESOURCES	441	6,392	1,697 4	27 3 13 5
6	KKR	470	5,930	1,018 5	17 5 14 4
7	INTERCONTINENTAL EXCHANGE	477	5,834	2,514 2	43 1 15 3
	TOTAL		53,729	14,061	
	MEDIAN		6,525	1,697	26 14

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
54 SEMICONDUCTORS AND OTHER ELECTRONIC COMPONENTS	10 COMPANIES				
1	INTEL	46	62,761	9,601 1	15 6 14 7
2	QUALCOMM	133	22,291	2,466 6	11 8 8 9
3	MICRON TECHNOLOGY	150	20,322	5,089 2	25 2 27 5
4	JABIL	159	19,063	129 10	1 10 5 10
5	TEXAS INSTRUMENTS	192	14,961	3,682 3	25 3 36 3
6	APPLIED MATERIALS	201	14,537	3,434 4	24 4 37 2
7	NVIDIA	306	9,714	3,047 5	31 1 41 1
8	LAM RESEARCH	354	8,014	1,698 7	21 5 25 6
9	SANMINA	411	6,869	139 9	2 9 8 8
10	ON SEMICONDUCTOR	492	5,543	811 8	15 7 29 4
	TOTAL		184,074	30,095	
	MEDIAN		14,749	2,757	18 26

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
55 SPECIALTY RETAILERS: APPAREL	7 COMPANIES				
1	TJX	85	35,865	2,608 1	7 3 51 2
2	GAP	181	15,855	848 4	5 5 27 4
3	ROSS STORES	209	14,135	1,363 2	10 1 45 3
4	L BRANDS	231	12,632	983 3	8 2 —
5	FOOT LOCKER	363	7,782	284 6	4 6 11 5
6	ASCENA RETAIL GROUP	423	6,650	[1,067] 7	[16] 7 [130] 6
7	BURLINGTON STORES	459	6,110	385 5	6 4 444 1
	TOTAL		99,029	5,403	
	MEDIAN		12,632	848	6 36

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
56 SPECIALTY RETAILERS: OTHER	18 COMPANIES				
1	HOME DEPOT	23	100,904	8,630 1	9 4 594 1
2	LOWE'S	40	68,619	3,447 2	5 10 59 3
3	BEST BUY	72	42,151	1,000 7	2 18 28 7
4	DOLLAR GENERAL	123	23,471	1,539 4	7 6 25 9
5	DOLLAR TREE	134	22,246	1,714 3	8 5 24 10
6	BED BATH & BEYOND	248	12,216	685 8	6 8 25 8
7	TOYS "R" US	272	11,146	[612] 18	[5] 18 —
8	AUTOZONE	278	10,889	1,281 5	12 2 —
9	MURPHY USA	279	10,853	245 13	2 14 33 4
10	OFFICE DEPOT	281	10,752	181 14	2 15 9 14
11	ADVANCE AUTO PARTS	317	9,974	476 10	5 9 14 13
12	GAMESTOP	322	9,225	35 16	0 16 2 16
13	O'REILLY AUTOMOTIVE	329	8,978	1,134 6	13 1 174 2
14	DICK'S SPORTING GOODS	340	8,590	323 12	4 11 17 11
15	TRACTOR SUPPLY	391	7,256	423 11	6 7 30 6
16	CASEY'S GENERAL STORES	425	6,641	177 15	3 12 15 12
17	TRAVELCENTERS OF AMERICA	465	6,052	9 17	0 17 2 15
18	ULTA BEAUTY	471	5,885	555 9	9 3 31 5
	TOTAL		375,246	21,243	
	MEDIAN		10,803	515	5 25

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
57 TELECOMMUNICATIONS	8 COMPANIES				
1	AT&T	9	160,546	29,450 2	18 4 21 5
2	VERIZON COMMUNICATIONS	16	126,034	30,101 1	24 2 70 1
3	COMCAST	33	84,526	22,714 3	27 1 33 2
4	CHARTER COMMUNICATIONS	74	41,581	9,895 4	24 3 25 4
5	CENTURYLINK	166	17,656	1,389 6	8 6 6 6
6	DISH NETWORK	203	14,391	2,099 5	15 5 30 3
7	FRONTIER COMMUNICATIONS	325	9,128	[1,804] 7	[20] 7 [79] 7
8	WINDSTREAM HOLDINGS	474	5,853	[2,117] 8	[36] 8 —
	TOTAL		459,715	91,727	
	MEDIAN		29,619	5,997	16 25

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
58 TOBACCO	2 COMPANIES				
1	PHILIP MORRIS INTERNATIONAL	108	28,748	6,035 2	21 2 —
2	ALTRIA GROUP	154	19,494	10,222 1	52 1 66 1
	TOTAL		48,242	16,257	

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
59 TRANSPORTATION AND LOGISTICS	3 COMPANIES				
1	XPO LOGISTICS	186	15,381	340 3	2 3 9 3
2	C.H. ROBINSON WORLDWIDE	193	14,869	505 1	3 2 35 1
3	EXPEDITORS INTL. OF WASH.	408	6,921	489 2	7 1 25 2
	TOTAL		37,171	1,334	

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
60	TRANSPORTATION EQUIPMENT 2 COMPANIES				
1	HARLEY-DAVIDSON 488	5,647	522 1	9 1	28 1
2	POLARIS INDUSTRIES 496	5,505	172 2	3 2	19 2
TOTAL		11,152	694		

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
61	TRUCKING, TRUCK LEASING 2 COMPANIES				
1	RYDER SYSTEM 387	7,330	791 1	11 1	28 2
2	J.B. HUNT TRANSPORT SVCS. 395	7,190	686 2	10 2	37 1
TOTAL		14,519	1,477		

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
62	UTILITIES: GAS AND ELECTRIC 22 COMPANIES				
1	EXELON 92	33,531	3,770 2	11 11	13 5
2	DUKE ENERGY 125	23,189	3,059 3	13 7	7 15
3	SOUTHERN 126	23,031	842 15	4 19	3 19
4	NEXTERA ENERGY 167	17,195	5,378 1	31 1	19 2
5	PG&E CORP. 168	17,135	1,646 7	10 13	9 14
6	AMERICAN ELECTRIC POWER 185	15,425	1,913 5	12 10	10 9
7	AES 214	13,850	[1,161] 21	[8] 21	[47] 22
8	FIRSTENERGY 219	13,627	[1,724] 22	[13] 22	[44] 21
9	DTE ENERGY 232	12,607	1,134 12	9 14	12 6
10	DOMINION ENERGY 233	12,586	2,999 4	24 2	18 3
11	EDISON INTERNATIONAL 244	12,320	565 16	5 17	5 18
12	CONSOLIDATED EDISON 255	12,033	1,525 9	13 9	10 12
13	XCEL ENERGY 266	11,404	1,148 11	10 12	10 11
14	SEMPRA ENERGY 271	11,207	256 20	2 20	2 20
15	ENERGY 274	11,074	412 19	4 18	5 17
16	CENTERPOINT ENERGY 308	9,614	1,792 6	19 3	38 1
17	PUBLIC SVC. ENTERPRISE GROUP 327	9,084	1,574 8	17 4	11 7
18	EVERSOURCE ENERGY 364	7,752	988 14	13 8	9 13
19	WEC ENERGY GROUP 372	7,649	1,204 10	16 5	13 4
20	PPL 380	7,447	1,128 13	15 6	10 8
21	CMS ENERGY 429	6,583	460 18	7 16	10 10
22	AMEREN 453	6,177	523 17	8 15	7 16
TOTAL		294,520	29,430		
MEDIAN		12,177	1,141	11	10

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
63	WASTE MANAGEMENT 2 COMPANIES				
1	WASTE MANAGEMENT 202	14,485	1,949 1	13 1	32 1
2	REPUBLIC SERVICES 296	10,042	1,278 2	13 2	16 2
TOTAL		24,527	3,227		

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
64	WHOLESALEERS: DIVERSIFIED 9 COMPANIES				
1	GENUINE PARTS 177	16,309	617 2	4 4	18 3
2	W.W. GRAINGER 287	10,425	586 3	6 2	35 2
3	LKQ 300	9,848	534 4	5 3	13 5
4	GLOBAL PARTNERS 331	8,921	59 8	1 8	15 4
5	VERITIV 346	8,365	[13] 9	[0] 9	[2] 9
6	UNIVAR 349	8,254	120 6	1 6	11 6
7	WESCO INTERNATIONAL 370	7,679	163 5	2 5	8 8
8	GRAYBAR ELECTRIC 426	6,631	72 7	1 7	9 7
9	HD SUPPLY HOLDINGS 430	6,534	970 1	15 1	66 1
TOTAL		82,965	3,107		
MEDIAN		8,365	183	2	13

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
65	WHOLESALEERS: ELECTRONICS AND OFFICE EQUIPMENT 5 COMPANIES				
1	TECH DATA 83	36,775	117 4	0 5	4 5
2	ARROW ELECTRONICS 113	26,813	402 2	2 3	8 3
3	AVNET 128	22,872	525 1	2 1	10 2
4	SYNMEX 169	17,046	301 3	2 2	13 1
5	ANIXTER INTERNATIONAL 357	7,927	109 5	1 4	7 4
TOTAL		111,433	1,454		
MEDIAN		22,872	301	2	8

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
66	WHOLESALEERS: FOOD AND GROCERY 6 COMPANIES				
1	SYSCO 54	55,371	1,143 1	2 1	48 1
2	US FOODS HOLDING 121	24,147	444 2	2 2	16 2
3	PERFORMANCE FOOD GROUP 171	16,762	96 4	1 4	10 3
4	CORE-MARK HOLDING 247	12,225	34 5	0 5	6 5
5	UNITED NATURAL FOODS 319	9,274	130 3	1 3	8 4
6	SPARTANASH 351	8,128	[53] 6	[1] 6	[7] 6
TOTAL		125,908	1,794		
MEDIAN		14,493	113	1	9

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
67	WHOLESALEERS: HEALTH CARE 6 COMPANIES				
1	MCKESSON 6	198,533	5,070 1	3 3	46 1
2	AMERISOURCEBERGEN 12	153,144	364 4	0 6	18 3
3	CARDINAL HEALTH 14	129,976	1,288 2	1 4	19 2
4	HENRY SCHEIN 238	12,462	406 3	3 1	14 4
5	OWENS & MINOR 318	9,318	73 6	1 5	7 6
6	PATTERSON 490	5,593	171 5	3 2	12 5
TOTAL		509,026	7,372		
MEDIAN		71,219	385	2	16

INDUSTRY NO. RANK	500 rank	REVENUES \$mil.	PROFITS \$mil. Rank	PROFITS AS % OF... Revenues % Rank	Stock- holders' equity % Rank
68	MISCELLANEOUS 6 COMPANIES				
1	3M 97	31,657	4,858 1	15 2	42 2
2	MANPOWERGROUP 143	21,034	545 5	3 5	20 3
3	THERMO FISHER SCIENTIFIC 144	20,918	2,225 2	11 3	9 5
4	WEYERHAEUSER 394	7,196	582 4	8 4	7 6
5	A-MARK PRECIOUS METALS 404	6,990	7 6	0 6	10 4
6	UNITED RENTALS 424	6,641	1,346 3	20 1	43 1
TOTAL		94,436	9,563		

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INDEX

Company (Rank)	Industry number
ABBOTT LABORATORIES [111]	40
ABBVIE [110]	48
ABM INDUSTRIES [498]	14
ACTIVISION BLIZZARD [401]	18
ADBE SYSTEMS [389]	10
ADVANCE AUTO PARTS [317]	56
AECOM [164]	17
AES [214]	62
AETNA [49]	25
AFLAC [137]	35
AGCO [347]	12
AIR PRODUCTS & CHEMICALS [345]	8
AK STEEL HOLDING [461]	41
ALASKA AIR GROUP [355]	3
ALBERTSONS COS. [53]	20
ALCOA [262]	41
ALLEGHANY [437]	37
ALLIANCE DATA SYSTEMS [365]	19
ALLSTATE [79]	37
ALLY FINANCIAL [299]	13
ALPHABET [22]	38
ALTRIA GROUP [154]	58
A-MARK PRECIOUS METALS [404]	68
AMAZON.COM [8]	38
AMEREN [453]	62
AMERICAN AIRLINES GROUP [71]	3
AMERICAN AXLE & MFG. [449]	43
AMERICAN ELECTRIC POWER [185]	62
AMERICAN EXPRESS [86]	13
AMERICAN FAMILY INS. GROUP [311]	37
AMERICAN FINANCIAL GROUP [413]	37
AMERICAN INTERNATIONAL GROUP [60]	37
AMERICAN TOWER [419]	52
AMERIPRISE FINANCIAL [252]	13
AMERSOURCE BERGEN [12]	67
AMGEN [130]	48
AMPHENOL [403]	44
AMTRUST FINANCIAL SERVICES [469]	37
ANADARKO PETROLEUM [257]	42
ANDEAVOR [90]	47
ANIXTER INTERNATIONAL [357]	66
ANTHEM [29]	25
APACHE [438]	42
APPLE [4]	11
APPLIED MATERIALS [201]	54
ARAMARK [200]	14
ARCHER DANIELS MIDLAND [48]	22
ARCONIC [225]	2
ARRAW ELECTRONICS [113]	65
ASBURY AUTOMOTIVE GROUP [434]	5
ASCENA RETAIL GROUP [423]	55
ASSURANT [440]	37
AT&T [9]	57
AUTOLIV [289]	43
AUTOMATIC DATA PROCESSING [243]	14
AUTONATION [138]	5
AUTO-OWNERS INSURANCE [375]	36

AUTOZONE [278]	56
AVERY DENNISON [427]	46
AVIS BUDGET GROUP [333]	5
AVNET [128]	65
AVON PRODUCTS [485]	31
BALL [277]	46
BANK OF AMERICA CORP. [24]	9
BANK OF NEW YORK MELLON CORP. [175]	9
BAXTER INTERNATIONAL [283]	40
BBGT CORP. [250]	9
BECTON DICKINSON [251]	40
BED BATH & BEYOND [248]	56
BERKLEY (W.R.) [369]	37
BERKSHIRE HATHAWAY [3]	37
BERRY GLOBAL GROUP [399]	46
BEST BUY [72]	56
BIOGEN [245]	48
BLACKROCK [237]	53
BLACKSTONE GROUP [398]	13
BOEING [27]	2
BOOKING HOLDINGS [229]	38
BOOZ ALLEN HAMILTON [482]	33
BORGWARNER [301]	43
BOSTON SCIENTIFIC [328]	40
BRISTOL-MYERS SQUIBB [145]	48
BUILDERS FIRSTSOURCE [400]	7
BURLINGTON STORES [459]	55
CALPINE [336]	16
CAMPBELL SOUP [358]	21
CAPITAL ONE FINANCIAL [101]	9
CARDINAL HEALTH [14]	67
CARMAX [174]	5
CASEY'S GENERAL STORES [425]	56
CATERPILLAR [65]	12
CBRE GROUP [207]	52
CBS [197]	18
CDW [189]	33
CELANESE [455]	8
CELGENE [224]	48
CENTENE [61]	28
CENTERPOINT ENERGY [308]	62
CENTURYLINK [166]	57
CHARTER COMMUNICATIONS [74]	57
CHEMOURS [451]	8
CHENIERE ENERGY [489]	16
CHESAPEAKE ENERGY [314]	42
CHEVRON [13]	47
CHS [96]	22
CIGNA [73]	25
CINCINNATI FINANCIAL [484]	37
CINTAS [500]	14
CISCO SYSTEMS [62]	44
CITIGROUP [32]	9
CITIZENS FINANCIAL GROUP [435]	9
CLOROX [468]	31
CMS ENERGY [429]	62
COCA-COLA [87]	6
COGNIZANT TECHNOLOGY SOLUTIONS [195]	33
COLGATE-PALMOLIVE [184]	31
COMCAST [33]	57
COMMUNITY HEALTH SYSTEMS [160]	26
CONAGRA BRANDS [321]	21
CONDUENT [466]	14
CONOCOPHILLIPS [95]	42

CONSOLIDATED EDISON [255]	62
CONSTELLATION BRANDS [386]	6
CORE-MARK HOLDING [247]	66
CORNING [293]	15
COSTCO WHOLESALE [15]	24
COTY [371]	31
CROWN HOLDINGS [338]	46
CSX [265]	51
CUMMINS [149]	32
CVS HEALTH [7]	27
DANA [393]	43
DANAHER [162]	40
DARDEN RESTAURANTS [396]	23
DAVITA [179]	26
DCP MIDSTREAM [344]	49
DEAN FOODS [362]	21
DEERE [102]	12
DELEKUS HOLDINGS [384]	47
DELL TECHNOLOGIES [35]	11
DELTA AIR LINES [75]	3
DEVON ENERGY [213]	42
DICK'S SPORTING GOODS [340]	56
DILLARD'S [439]	24
DISCOVER FINANCIAL SERVICES [263]	9
DISCOVERY [409]	18
DISH NETWORK [203]	57
DISNEY (WALT) [55]	18
DOLLAR GENERAL [123]	56
DOLLAR TREE [134]	56
DOMINION ENERGY [233]	62
DONNELLEY (R.R.) & SONS [406]	50
DOVER [360]	32
DOWDUPONT [47]	8
DR PEPPER SNAPPLE GROUP [418]	6
DTE ENERGY [232]	62
DUKE ENERGY [125]	62
DXC TECHNOLOGY [374]	33
EASTMAN CHEMICAL [310]	8
EBAY [309]	38
ECOLAB [215]	8
EDISON INTERNATIONAL [244]	62
EMCOR GROUP [368]	17
EMERSON ELECTRIC [178]	32
ENERGY TRANSFER EQUITY [64]	49
ENTERGY [274]	62
ENTERPRISE PRODUCTS [105]	49
ENVISION HEALTHCARE [198]	27
EGG RESOURCES [270]	42
ERIE INSURANCE GROUP [378]	36
EVERSOURCE ENERGY [364]	62
EXELON [92]	62
EXPEDIA GROUP [295]	38
EXPEDITORS INTL. OF WASHINGTON [408]	59
EXPRESS SCRIPTS HOLDING [25]	27
EXXON MOBIL [2]	47
FACEBOOK [76]	38
FANNIE MAE [21]	13
FARMERS INSURANCE EXCHANGE [253]	36
FEDEX [50]	39
FIDELITY NATIONAL FINANCIAL [302]	37
FIDELITY NATIONAL INFO. SERVICES [326]	19
FIFTH THIRD BANCORP [366]	9
FIRST AMERICAN FINANCIAL [483]	37
FIRST DATA [254]	19

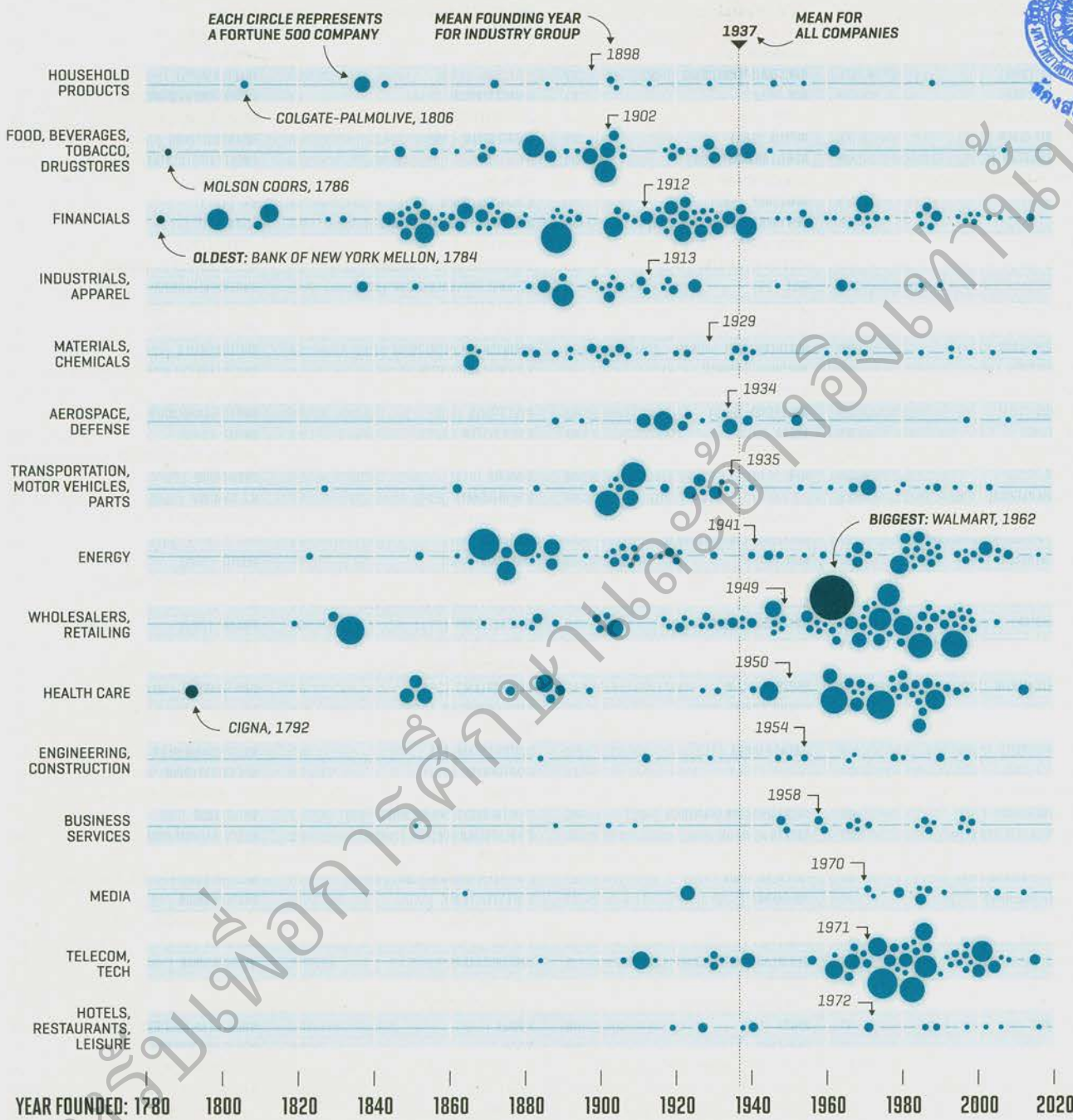
FIRSTENERGY [219]	62
FISERV [487]	19
FLUOR [153]	17
FOOT LOCKER [363]	55
FORD MOTOR [11]	49
FORTIVE [420]	32
FRANKLIN RESOURCES [441]	53
FREDDIE MAC [38]	13
FREEPORT-MCMORAN [176]	42
FRONTIER COMMUNICATIONS [325]	57
GALLAGHER (ARTHUR J.) [454]	13
GAMESTOP [322]	56
GAP [181]	55
GENERAL DYNAMICS [99]	2
GENERAL ELECTRIC [18]	32
GENERAL MILLS [182]	21
GENERAL MOTORS [10]	43
GENUINE PARTS [177]	64
GENWORTH FINANCIAL [348]	35
GILEAD SCIENCES [116]	48
GLOBAL PARTNERS [331]	64
GOLDMAN SACHS GROUP [70]	9
GOODYEAR TIRE & RUBBER [187]	43
GRAINGER (W.W.) [287]	64
GRAYBAR ELECTRIC [426]	64
GROUP 1 AUTOMOTIVE [273]	5
GUARDIAN LIFE OF AMERICA [239]	34
HALLIBURTON [146]	45
HANES BRANDS [433]	4
HARLEY-DAVIDSON [488]	60
HARRIS [407]	2
HARTFORD FINANCIAL SERVICES [156]	37
HCA HEALTHCARE [63]	26
HD SUPPLY HOLDINGS [430]	64
HERSHEY [379]	21
HERTZ GLOBAL HOLDINGS [335]	5
HEWLETT PACKARD ENTERPRISE [107]	11
HILTON WORLDWIDE HOLDINGS [324]	30
HOLLYFRONTIER [206]	47
HOME DEPOT [23]	56
HONEYWELL INTERNATIONAL [77]	15
HORMEL FOODS [323]	21
HORTON (D.R.) [211]	29
HP [58]	11
HRG GROUP [422]	31
HUMANA [56]	25
HUNTINGTON INGALLS INDUSTRIES [381]	2
HUNT (J.B.) TRANSPORT SVCS. [395]	61
HUNTSMAN [282]	8
ICAHN ENTERPRISES [136]	13
IHEARTMEDIA [452]	18
ILLINOIS TOOL WORKS [204]	32
INGREDION [478]	22
INSIGHT ENTERPRISES [417]	33
INTEL [46]	54
INTERCONTINENTAL EXCHANGE [477]	53
INTERNATIONAL BUSINESS MACHINES [34]	33
INTERNATIONAL PAPER [124]	46
INTERPUBLIC GROUP [359]	1
INTLFCSTONE [103]	13
IQVIA HOLDINGS [304]	27
JABIL [159]	54
JACOBS ENGINEERING GROUP [297]	17
JETBLUE AIRWAYS [402]	3

JOHNSON & JOHNSON [37]	48	MURPHY USA [279]	56	PUBLIC SERVICE ENTERPRISE GROUP [327]	62	TIME WARNER [98]	18
JONES FINANCIAL (EDWARD JONES) [376]	53	MUTUAL OF MAHA [337]	35	PUBLIX SUPER MARKETS [88]	20	TJX [85]	55
JONES LANG LASALLE [356]	52	NATIONAL OILWELL VARCO [388]	45	PULTEGROUP [341]	29	TOLL BROTHERS [480]	29
JPMORGAN CHASE & CO. [20]	9	NATIONWIDE [66]	36	PVH [332]	4	TOYS "R" US [272]	56
KELLOGG [226]	21	NAVISTAR INTERNATIONAL [342]	12	QUALCOMM [133]	54	TRACTOR SUPPLY [391]	56
KEYCORP [412]	9	NCR [432]	11	QUANTA SERVICES [316]	17	TRAVELCENTERS OF AMERICA [465]	56
KIEWIT (PETER) SONS' [339]	17	NETAPP [495]	11	QUEST DIAGNOSTICS [367]	27	TRAVELERS COS. [106]	37
KIMBERLY-CLARK [163]	31	NETFLIX [261]	38	QRATE RETAIL [288]	38	TREEHOUSE FOODS [446]	21
KINDER MORGAN [218]	49	NEWELL BRANDS [196]	28	RAYMOND JAMES FINANCIAL [431]	53	TWENTY-FIRST CENTURY FOX [109]	18
KINDRED HEALTHCARE [416]	26	NEWMONT MINING [385]	42	RAYTHEON [119]	2	TYSON FOODS [80]	22
KKR [470]	53	NEWS CORP. [350]	50	REALOGY HOLDINGS [458]	52	UGI [457]	16
KOHL'S [157]	24	NEW YORK LIFE INSURANCE [69]	34	REGENERON PHARMACEUTICALS [473]	48	ULTA BEAUTY [471]	56
KRAFT HEINZ [114]	21	NEXTERA ENERGY [167]	62	REGIONS FINANCIAL [460]	9	UNION PACIFIC [141]	51
KROGER [17]	20	NG ENERGY PARTNERS [223]	16	REINSURANCE GROUP OF AMERICA [234]	35	UNITED CONTINENTAL HOLDINGS [81]	3
LABORATORY CORP. OF AMERICA [286]	27	NIKE [89]	4	RELIANCE STEEL & ALUMINUM [305]	41	UNITED HEALTH GROUP [5]	25
LAM RESEARCH [354]	54	NORDSTROM [183]	24	REPUBLIC SERVICES [296]	63	UNITED NATURAL FOODS [319]	66
LAND O' LAKES [216]	21	NORFOLK SOUTHERN [284]	51	RITEAID [94]	20	UNITED PARCEL SERVICE [44]	39
LAS VEGAS SANDS [227]	30	NORTHERN TRUST [486]	9	ROBINSON (C.H.) WORLDWIDE [193]	59	UNITED RENTALS [424]	68
LAUDER (ESTÉE) [258]	31	NORTHROP GRUMMAN [118]	2	ROCKWELL AUTOMATION [445]	15	UNITED SERVICES AUTO. ASSN. [100]	37
LAUREN (RALPH) [421]	4	NORTHWESTERN MUTUAL [104]	34	ROCKWELL COLLINS [415]	2	UNITED STATES STEEL [246]	41
L BRANDS [231]	55	NRG ENERGY [269]	16	ROSS STORES [209]	55	UNITED TECHNOLOGIES [51]	2
LEAR [148]	43	NUCOR [151]	41	RYDER SYSTEM [387]	61	UNIVAR [349]	64
LEIDOS HOLDINGS [292]	33	NVIDIA [306]	54	SALESFORCE.COM [285]	10	UNIVERSAL HEALTH SERVICES [268]	26
LENNAR [230]	29	NVR [444]	29	SANMINA [411]	54	UNUM GROUP [267]	35
LEUCADIA NATIONAL [241]	13	OCCIDENTAL PETROLEUM [220]	42	SCHEIN (HENRY) [238]	67	U.S. BANCORP [122]	9
LIBERTY MEDIA [377]	18	OFFICE DEPOT [281]	56	SCHWAB (CHARLES) [330]	53	US FOODS HOLDING [121]	66
LIBERTY MUTUAL INSURANCE GROUP [68]	37	OLD REPUBLIC INTERNATIONAL [450]	37	SEABOARD [481]	22	VALERO ENERGY [31]	47
LIFEPOINT HEALTH [390]	26	OLIN [448]	8	SEALED AIR [456]	46	VERIVIT [346]	64
LILLY (ELI) [129]	48	OMNICOM GROUP [188]	1	SEARS HOLDINGS [172]	24	VERIZON COMMUNICATIONS [16]	57
LINCOLN NATIONAL [205]	35	ONEOK [249]	49	SECURIAN FINANCIAL GROUP [462]	35	VF [242]	4
LITHIA MOTORS [294]	5	ON SEMICONDUCTOR [492]	54	SEMPRA ENERGY [271]	62	VIACOM [221]	18
LIVE NATION ENTERTAINMENT [290]	18	ORACLE [82]	10	SHERWIN-WILLIAMS [190]	8	VISA [161]	19
LKQ [300]	64	O'REILLY AUTOMOTIVE [329]	56	SIMON PROPERTY GROUP [493]	52	VISTRA ENERGY [499]	16
LOCKHEED MARTIN [59]	2	OSHKOSH [414]	12	SMUCKER (J.M.) [383]	21	VOYA FINANCIAL [307]	13
LOEWS [217]	37	OWENS CORNING [442]	7	SONIC AUTOMOTIVE [298]	5	WALGREENS BOOTS ALLIANCE [19]	20
LOWE'S [40]	56	OWENS-ILLINOIS [410]	46	SOUTHERN [126]	62	WALMART [1]	24
L3 TECHNOLOGIES [276]	2	OWENS & MINOR [318]	67	SOUTHWEST AIRLINES [142]	3	WASTE MANAGEMENT [202]	63
MACY'S [120]	24	PACCAR [155]	12	SPARTANNASH [351]	66	WEC ENERGY GROUP [372]	62
MAGELLAN HEALTH [475]	25	PACIFIC LIFE [313]	35	SBP GLOBAL [463]	19	WELL CARE HEALTH PLANS [170]	25
MANPOWER GROUP [143]	68	PACKAGING CORP. OF AMERICA [436]	46	SPIRIT AEROSYSTEMS HOLDINGS [405]	2	WELLS FARGO [26]	9
MARATHON PETROLEUM [41]	47	PARKER-HANNIFIN [256]	32	STANLEY BLACK & DECKER [228]	28	WESCO INTERNATIONAL [370]	64
MARKEL [464]	37	PATTERSON [490]	67	STARBUCKS [132]	23	WESTERN DIGITAL [158]	11
MARRIOTT INTERNATIONAL [127]	30	PAYPAL HOLDINGS [222]	19	STATE FARM INSURANCE COS. [36]	36	WESTERN SOUTHERN FINANCIAL [476]	34
MARSH & MCLENNAN [212]	13	PBF ENERGY [135]	47	STATE STREET CORP. [259]	9	WESTERN UNION [494]	19
MASCO [373]	28	PEABODY ENERGY [491]	42	STEEL DYNAMICS [312]	41	WESTLAKE CHEMICAL [352]	8
MASSACHUSETTS MUTUAL LIFE [93]	34	PENNEY (J.C.) [235]	24	STRYKER [240]	40	WESTROCK [194]	46
MASTEC [428]	17	PENSKE AUTOMOTIVE GROUP [139]	5	SUNTRUST BANKS [303]	9	WEYERHAEUSER [394]	68
MASTERCARD [236]	19	PEPSICO [45]	21	SUPERVALU [180]	20	WHIRLPOOL [140]	15
MCDONALD'S [131]	23	PERFORMANCE FOOD GROUP [171]	66	SYNCHRONY FINANCIAL [173]	13	WILLIAMS [353]	16
MCKESSON [6]	67	PFIZER [57]	48	SYNNEX [169]	65	WINDSTREAM HOLDINGS [474]	57
MERCK [78]	48	PGBE CORP. [168]	62	SYSCO [54]	66	WORLD FUEL SERVICES [91]	16
METLIFE [43]	35	PHILIP MORRIS INTERNATIONAL [108]	58	TARGA RESOURCES [334]	49	WYNDHAM WORLDWIDE [479]	30
MGM RESORTS INTERNATIONAL [280]	30	PHILLIPS 66 [28]	47	TARGET [39]	24	WYNN RESORTS [447]	30
MICRON TECHNOLOGY [150]	54	PIONEER NATURAL RESOURCES [497]	42	TECH DATA [83]	65	XCEL ENERGY [266]	62
MICROSOFT [30]	10	PLAINS GP HOLDINGS [115]	49	TENET HEALTHCARE [147]	26	XEROX [291]	11
MOHAWK INDUSTRIES [315]	28	PNC FINANCIAL SERVICES [165]	9	TENNECO [320]	43	XPD LOGISTICS [186]	59
MOLINA HEALTHCARE [152]	25	POLARIS INDUSTRIES [496]	60	TESLA [260]	43	YUM BRANDS [472]	23
MOLSON COORS BREWING [275]	6	PPG INDUSTRIES [191]	8	TEXAS INSTRUMENTS [192]	54	YUM CHINA HOLDINGS [397]	23
MONDELEZ INTERNATIONAL [117]	21	PPL [380]	62	TEXTRON [208]	2	ZIMMER BIOMET HOLDINGS [361]	40
MONSANTO [199]	8	PRAXAIR [264]	8	THERMO FISHER SCIENTIFIC [144]	68		
MORGAN STANLEY [67]	9	PRINCIPAL FINANCIAL [210]	35	THOR INDUSTRIES [392]	43		
MOISAIC [382]	8	PROCTER & GAMBLE [42]	31	3M [97]	68		
MOTOROLA SOLUTIONS [443]	44	PROGRESSIVE [112]	37	THRIVENT FINANCIAL [343]	34		
MGT BANK CORP. [467]	9	PRUDENTIAL FINANCIAL [52]	35	TIAA [84]	34		



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THE FORTUNE 500 THROUGH THE AGES

LONG BEFORE Alexander Hamilton inspired a hit Broadway musical, he started a bank. In 1784, just after the end of the Revolutionary War, Hamilton was the founding father of what is today the Bank of New York Mellon—the oldest company on this year's *Fortune* 500, and one of four that can trace their roots to the 18th century. The oldest member of the household products industry, Colgate-Palmolive, dates to 1806. While a majority of the 500—360 companies to be exact—were started in the 20th century, 136 launched since Jan. 1, 1980, and 26 in this century. —BRIAN O'KEEFE

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