

THE TOP-PAID CHIEF EXECUTIVES...

	1998 SALARY AND BONUS THOUSANDS OF DOLLARS	LONG-TERM COMPENSATION	TOTAL PAY		1998 SALARY AND BONUS THOUSANDS OF DOLLARS	LONG-TERM COMPENSATION	TOTAL PAY
1 MICHAEL EISNER WALT DISNEY	\$5,764	\$569,828	\$575,592	11 CHARLES HEIMBOLD BRISTOL-MYERS SQUIBB	\$3,194	\$53,085	\$56,279
2 MEL KARMAZIN** CBS	4,000	197,934	201,934	12 PHILIP PURCELL MORGAN STANLEY DEAN WITTER	8,888	44,487	53,374
3 SANFORD WEILL CITIGROUP	7,430	159,663	167,093	13 REUBEN MARK COLGATE-PALMOLIVE	3,456	49,247	52,703
4 STEPHEN CASE AMERICA ONLINE	1,177	158,057	159,233	14 SCOTT McNEALY SUN MICROSYSTEMS	1,698	46,317	48,014
5 CRAIG BARRETT INTEL	2,280	114,232	116,511	15 LOUIS GERSTNER IBM	9,387	36,947	46,335
6 JOHN WELCH GENERAL ELECTRIC	10,105	73,559	83,664	16 DUANE BURNHAM ABBOTT LABORATORIES	3,232	42,762	45,995
7 HENRY SCHACHT* LUCENT TECHNOLOGIES	2,020	65,016	67,037	17 MARGARET WHITMAN EBAY	247	42,755	43,002
8 L. DENNIS KOZLOWSKI TYCO INTERNATIONAL	3,750	61,514	65,264	18 RANDALL TOBIAS* ELI LILLY	6,008	35,680	41,687
9 HENRY SILVERMAN CENDANT	2,818	61,063	63,882	19 JOHN GIFFORD MAXIM INTEGRATED PRODUCTS	264	39,833	40,097
10 M. DOUGLAS IVESTER COCA-COLA	2,750	54,572	57,322	20 GORDON BINDER AMGEN	1,766	37,420	39,186

... AND 10 WHO AREN'T CEOs

	1998 SALARY AND BONUS THOUSANDS OF DOLLARS	LONG-TERM COMPENSATION	TOTAL PAY		1998 SALARY AND BONUS THOUSANDS OF DOLLARS	LONG-TERM COMPENSATION	TOTAL PAY
1 JOHN McGARTNEY 3COM	\$826	\$77,623	\$78,450	6 JAMES DIMON CITIGROUP	\$4,950	\$32,214	\$37,164
2 LESLIE VADASZ INTEL	1,135	54,759	55,894	7 CHARLES RICE BANKAMERICA	9,960	22,276	32,236
3 ROBERT LUCIANO* SCHERING-PLOUGH	2,196	51,780	53,976	8 TERRENCE LARSEN FIRST UNION	2,504	26,870	29,374
4 CHARLES CAWLEY MBNA	4,844	48,837	53,681	9 MARK SWARTZ TYCO INTERNATIONAL	1,810	27,223	29,032
5 RICHARD VAGUE BANK ONE	1,640	41,635	43,275	10 WILLIAM SHANAHAN COLGATE-PALMOLIVE	2,254	25,470	27,724

* Retired

** Became CEO 1/99

DATA: EXECUCOMP BY STANDARD & POOR'S COMPUSTAT, A DIVISION OF THE MCGRAW-HILL COMPANIES

PAY FOR PERFORMANCE: WHO MEASURES UP... AND WHO DOESN'T

To see how pay matches up to performance, BUSINESS WEEK uses two measurement systems. One relates to how good a job the boss did for shareholders. The other compares what the boss made with how well the company did.

EXECUTIVES WHO GAVE SHAREHOLDERS THE MOST FOR THEIR PAY...

		Total pay*	Shareholder	Relative
		Thousands of dollars	return**	index
1	RICHARD FAIRBANK Capital One Financial	\$1,312	393%	376
2	WILLIAM GATES Microsoft	1,696	532	373
3	JAMES SINEGAL Costco	1,483	373	319
4	EDWARD FRITZKY Immunex	2,437	663	313
5	WARREN BUFFETT Berkshire Hathaway	842	118	259

...AND THOSE WHO GAVE SHAREHOLDERS THE LEAST

1	MICHAEL EISNER Walt Disney	\$594,892	56%	0.3
2	SANFORD WEILL Citigroup	491,976	146	0.5
3	RAY IRANI Occidental Petroleum	110,670	-11	0.8
4	ANTHONY O'REILLY H.J. Heinz	104,678	86	1.8
5	JOHN WELCH General Electric	151,179	199	2.0

*Salary, bonus, and long-term compensation paid for the entire three-year period

EXECUTIVES WHOSE COMPANIES DID THE BEST RELATIVE TO THEIR PAY...

		Total pay*	Avg. return	Relative
		Thousands of dollars	on equity	index
1	DANE MILLER Biomet	\$992	19%	30
2	WARREN BUFFETT Berkshire Hathaway	842	9	29
3	STEPHEN SANGER General Mills	8,488	190	29
4	WILLIAM GATES Microsoft	1,696	32	27
5	RICHARD FAIRBANK Capital One Financial	1,312	21	27

EXECUTIVES WHOSE COMPANIES DID THE WORST RELATIVE TO THEIR PAY

1	JEFFREY BEZOS Amazon.com	\$225.4	-119%	-0.5
2	NOLAN ARCHIBALD Black & Decker	50,638	-37	-0.4
3	STEPHEN CASE America Online	213,785	-122	-0.2
4	MICHAEL EISNER Walt Disney	504,892	9	0.1
5	SANFORD WEILL Citigroup	491,976	16	0.1

**Stock price at the end of 1998, plus dividends reinvested for three years, divided by stock price at the end of 1995
DATA: STANDARD & POOR'S COMPUSTAT

FORTUNES IN THE FUTURE

These chief executives still have huge rewards to reap from stock options that have yet to be exercised. The top 20 treasure chests:

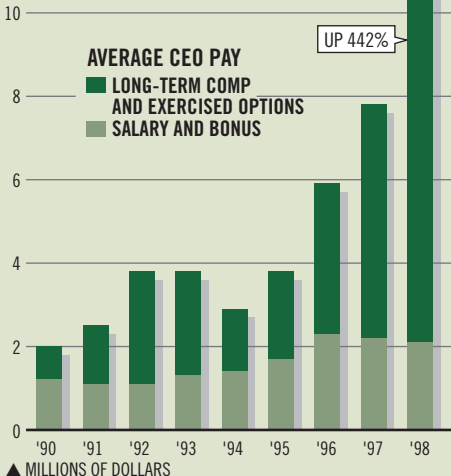
EXECUTIVE/ COMPANY	VALUE OF NONEXERCISED STOCK OPTIONS* THOUSANDS OF DOLLARS
MILLARD DREXLER GAP	\$659,493
TIMOTHY KOOGLE YAHOO!	544,314
BARRY DILLER USA NETWORKS	496,349
CHARLES WANG COMPUTER ASSOCIATES	481,764
LOUIS GERSTNER IBM	435,333
ECKHARD PFEIFFER COMPAQ COMPUTER	410,403
HENRY SILVERMAN CENDANT	399,517
GERALD LEVIN TIME WARNER	304,104
STEPHEN CASE AMERICA ONLINE	286,260
STEVEN BURD SAFEWAY	276,360

EXECUTIVE/ COMPANY	VALUE OF NONEXERCISED STOCK OPTIONS* THOUSANDS OF DOLLARS
JOHN CHAMBERS CISCO SYSTEMS	\$266,793
JOHN WELCH GENERAL ELECTRIC	261,538
RICHARD FAIRBANK CAPITAL ONE FINANCIAL	258,638
MELVIN GOODES WARNER-LAMBERT	250,681
DAVID POTTRUCK CHARLES SCHWAB	240,766
JOSEPH NACCHIO QWEST COMMUNICATIONS	211,944
CHARLES HEIMBOLD BRISTOL-MYERS SQUIBB	205,349
THOMAS SIEBEL SIEBEL SYSTEMS	199,929
REUBEN MARK COLGATE-PALMOLIVE	193,398
WILLIAM ESREY SPRINT	181,152

*Based on stock price at end of company's fiscal year

DATA: STANDARD & POOR'S COMPUSTAT

RAKING IT IN



DATA: BUSINESS WEEK ANNUAL EXECUTIVE PAY SURVEY

COMPENSATION SCOREBOARD GLOSSARY

If the system worked perfectly, executive pay would rise when the boss delivered the goods for shareholders. And it would fall when corporate performance declined. But it doesn't always happen that way.

In this Scoreboard, BUSINESS WEEK, along with Standard & Poor's Compustat, attempts to measure how closely pay matches performance. The study uses two approaches: It compares an executive's total

compensation with the company's total return to shareholders in stock appreciation and dividends over three years. A second comparison measures pay against corporate profitability for the same period. Three years of data are examined to minimize the impact of single-year windfalls.

The Scoreboard companies boast market values that are among the 500 largest companies measured by market value for which 1998 compensation

data are available. Each company is assigned to one of nine industry groups. Then, each executive's pay, the company's total return to shareholders, and the company's profit record are measured against the others in the group.

Performance ratings are given only when three years of data are available. On a scale of 5, 1 indicates the best performance; 5 is the worst. The top 15% of the sample receives a 1, 25% a 2, 30% a 3, 20% a 4, and 10% a 5.

1996-98 PAY-PERFORMANCE ANALYSIS

PAY VS. SHAREHOLDER'S RETURN

TOTAL COMPENSATION is the sum of an executive's salary, bonus, and long-term compensation for the three years.

VALUE OF \$100 INVESTED is the yearend 1998 value of a \$100 investment in the company made three years earlier, including both share-price appreciation and dividends (reinvested).

RATING shows how an executive stacks up against industry peers, measured in terms of pay relative to total return to shareholders. The rating is based on an index in which the value of the investment at the end of the three-year period is divided by an executive's total pay and then compared with other executives in the same industry group.

PAY VS. CORPORATE PROFIT

ROE is the company's average return on common equity over the three-year period.

CHANGE IN ROE is the improvement or decline in the company's profitability over the 1996-98 period, expressed in terms of a percentage.

RATING shows how an executive compares with industry peers in pay for company profitability. The rating is based on an index that provides equal weight to the company's overall ROE as well as its improvement or decline during the past three years. Both these measurements are adjusted for the executive's total pay and then compared with others in the same industry grouping.

Footnotes: †Indicates executive retired in 1998-99 ‡May exclude option gains in earlier years e=estimated NA=not available NM=not meaningful