

MEMORANDUM

Date: February 6, 2006

Subject: Fortune 500 Analysis

To: Matt Ford

From: Chris Godwin

Introduction

As requested, the Fortune 500 list from 2005 was analyzed. The top five companies, ranked by their annual revenues, are listed below. The type of company (service or product based) is also noted. The two companies from the Fortune 50 that are headquartered in Greater Cincinnati are also given.

Findings

Fortune 500 Top Five. Listed below is the top five from the 2005 Fortune 500 list.

Rank	Company	Revenue (\$ millions)	Type
1	Wal-Mart Stores	288,189	Service
2	Exxon Mobil	270,772	Service
3	General Motors	193,517	Product
4	Ford Motor	172,233	Product
5	General Electric	152,363	Product

Greater Cincinnati Companies. Two companies in the Fortune 50 from 2005 are headquartered in the Greater Cincinnati area. They are 21st ranked Kroger (with revenues of \$56,434.4 million) and 26th ranked Procter & Gamble (with revenues of \$51,407 million).

Discussion

The Fortune 500 list was obtained by visiting Fortune.com and clicking on the link at the top of the page entitled "Fortune 500". The type of company listed is how the average consumer would view the company.

The Fortune 500 list ranks the companies by annual revenue dollars. But this could sometimes be misleading. If one were looking at the Fortune 500 list for *profitable* companies, the list would not be a good indicator. Take Kroger for example. They are ranked 21st on the list with revenues of over 56 Billion dollars. But they posted a 128 Million dollar loss. It seems that the Fortune 500 list could be skewed by simply higher sales revenue, even if large expenses adversely affect profits.