

Mo Problems, Mo Money

The information-technology sector brought up the rear in every area during 2002 – except in executive compensation. Of the 75 tech stocks in the S&P 500, 20 had negative ROE over the past five years and only four – Lexmark, Intuit, BMC Software and Symantec – posted positive returns in 2002. Yet 16 tech CEOs were among the best-paid CEOs in 2002; four turned up in the top 10. Who's paying for all this? Shareholders don't need to ask. (Companies with five-year ROEs are in bold, as are CEOs in the Top 100 pay bracket; they don't always match up.)

Company (Ticker Symbol)	5-yr ROE	1-yr ROE	Chief Executive Compensation Rank Among 500 Richest CEOs in '02	Stock Return in '02
Oracle (ORCL)	53.9%	35.89	Larry Ellison \$38,622 Not in Top 500	-21.8
Dell Computer (DELL)	46.6	44.36	Michael Dell \$15,923,480 #100-200	-1.6
Waters (WAT)	41.8	23.69	Douglas Berthiau \$632,302 Not in Top 500	-43.8
Lexmark (LXK)	40	33.99	P. Curlander \$6,197,145 #300-400	2.5
Adobe Systems (ADBE)	33.7	29.64	Bruce Chizen \$10,316,073 #200-300	-20
IBM (IBM)	32.3	15.43	Sam Palmisano \$25,407,274 Top 100	-35.5
Nvidia (NVDA)	29.6	10.7	Jen-Hsun Huang \$800,000 Not in Top 500	-82.8
Microsoft (MSFT)	26.1	15.74	Steve Ballmer \$758,810 Not in Top 500	-22
Maxim Integrated (MXIM)	23.6	13.49	John Gifford \$35,428,794 Top 100	-37
Linear Tech (LLTC)	22.9	11.09	Robert Swanson \$1,648,846 Not in Top 500	-33.7
Citrix Systems (CTXS)	20.3	14.89	Mark Templeton \$3,283,558 Not in Top 500	-45.6
Intel (INTC)	19.4	8.74	Craig Barrett \$9,394,900 #200-300	-50.3
Compuware (CPWR)	18.7	-19.11	Peter Karmanos \$21,412,364 Top 100	-59.3
Altera (ALTR)	18.2	8.13	John Daane \$5,049,722 #400-500	-41.8
Comverse Tech (CMVT)	17.7	-8.18	Kobi Alexander	-55.2

			\$7,775,294 #200-300	
Mercury Interactive (MERQ)	17.3	16.31	Amnon Landan \$1.3 million Not in Top 500	-12.9%
Unisys (UIS)	17.3	15.02	Lawrence Weinbach \$6,818,902 #300-400	-21.1
Symantec (SYMC)	17.3	-2.09	John Thompson \$21,931,288 Top 100	22
Electronic Data (EDS)	17	16.57	Richard Brown \$54,985,128 TOP 10	-72.6
Sun Microsystems (SUNW)	16.8	-5.76	Scott McNealy \$24,815,374 Top 100	-74.7
QLogic (QLGC)	16.2	12.38	H.Desai \$14,100,730 #100-200	-22.5
Network Appliance (NTAP)	15.9	0.36	Daniel Warmenhoven \$4,160,483 Not in Top 500	-54.3
Scientific Atlanta (SFA)	15.3	7.09	James McDonald \$8,885,968 #200-300	-50.3
Tellabs (TLAB)	15.3	-13.17	Michael Birck \$1,575,755 Not in Top 500	-51.4
Apple Computer (AAPL)	15	1.62	Steven Jobs \$89,887,282 #1	-34.6
Jabil Circuit (JBL)	14.8	2.38	Timothy Main \$3,280,295 Not in Top 500	-21.1
SunGard Data (SDS)	14.7	16.22	James Mann \$7,148,656 #200-300	-18.6
Analog Devices (ADI)	14.1	3.67	Jerald Fishman \$24,661,473 Top 100	-46.2
Siebel Systems (SEBL)	13.5	-1.88	Thomas Siebel #19,224,742 Top 100**	-73.6
Perkin-Elmer (PKI)	13.3	-11.62	Gregory Summe \$5,191,172 #400-500	-75.7
Computer Associates (CA)	13.3	-21.2	Sanjay Kumar \$1,029,362 Not in Top 500	-60.7
Xilinx (XLNX)	13.2	6.52	Willem Roalandts \$8,209,364 #200-300	-47.2
Autodesk (ADSK)	13.1	5.81	Carol Bartz \$9,001,165	-22.5

			#200-300	
Tektronix (TEK)	12.9	3.37	Richard Wills \$2,083,829 Not in Top 500	-29.4
EMC (EMC)	12.8	-1.6	Joseph Tucci \$7,142,000 #300-400	-54.3
Cisco Systems (CSCO)	12.4	6.79	John Chambers \$58,098,968 TOP 10	-27.7
Hewlett-Packard (HPQ)	11.9	-3.6	Carleton Fiorina \$10,934,357 #100-200	-13.9
Molex (MOLX)	11.5	4.26	J. King \$2,908,564 Not in Top 500	-25.3
Novellus Systems (NVLS)	10.2	1.17	Richard Hill \$9,748,858 #200-300	-28.8
Intuit (INTU)	9.9	6.4	Stephen Bennett \$8,280,461 #200-300	9.7
Andrew (ANDW)	9.8	-3.65	Floyd English \$3,128,567 Not in Top 500	-53
Electronic Arts (ERTS)	9.7	8.91	Lawrence Probst \$11,840,897 #100-200	-17
KLA-Tencor (KLAC)	9.6	11.41	Kenneth Schroeder \$6,999,152 #300-400	-28.6
Texas Instruments (TXN)	9.5	-3.04	Tom Engibous \$19,026,709 Top 100	-46.2
Applied Materials (AMAT)	8.6	3.44	James Morgan \$4,280,259 Not in Top 500	-35
BMC Software (BMC)	8.6	3.32	Robert Beauchamp \$1,626,021 Not in Top 500	4.5
PeopleSoft (PSFT)	8.4	10.29	Craig Conway \$16,492,481 #100-200**	-54.5
NCR (NCR)	8	-13.13	Lars Nyberg \$4,291,071 Not in Top 500	-35.6
Qualcomm (QCOM)	6.7	7.05	Irwin Jacobs \$10,374,542 #200-300	-27.9
Parametric (PMTC)	5.9	-27.74	C. Harrison \$2,143,695 Not in Top 500	-67.7
Symbol Tech (SBL)	5.5	0.88	Tomo Razmilovic \$1,010,500	-48.1

			Not in Top 500**	
Agilent Tech (A)	5	-20.07	Edward Barnholt \$13,040,794 #100-200	-37
Xerox (XRX)	3.7	1.02	Anne Mulcahy \$5.2 million* ** #400-500	-22.7
Thermo Electron (TMO)	2.9	15.72	Richard Syron \$16,406,132 #100-200	-15.7
Yahoo! (YHOO)	0.7	2.02	Terry Semel \$25,878,711 Top 100	-7.8
Teradyne (TER)	-0.7	-51.45	George Chamillar \$6,383,664 #300-400**	-56.8
Micron Technology (MU)	-0.9	-13.5	Steven Appleton \$5,421,163 #400-500	-68.6
Gateway (GTW)	-2.8	-25.63	Ted Waitt \$1,621,000 Not in Top 500**	-60.9
Solelectron (SLR)	-3.2	-62.68	Koichi Nishimura \$2,413,645 Not in Top 500	-68.5
Advanced Micro Devices (AMD)	-3.3	-43.27	Hector Ruiz \$13,742,528 #100-200	-59.3
Novell (NOVL)	-4	-21.13	Jack Messman \$3,300,888 Not in Top 500	-27.2
Lucent (LU)	-4.43	-87.25	Henry Schact \$21,567,312 Top 100	-75.2
National Semiconductor (NSM)	-4.4	-6.87	Brian Halla \$23,086,087 Top 100	-51.3
Veritas Software (VRTS)	-6.1	2.05	Gary Bloom \$10,334,213 #200-300	-65.2
Corning (GLW)	-7.6	-28.74	John Loose \$9,323,551 #200-300	-62.9
Motorola (MOT)	-7.8	-19.94	Chris Galvin \$11,878,635 #100-200	-41.7
Sanmina-SCI (SANM)	-8.1	-102.62	Jure Sola \$6,317,418 #300-400	-77.4
LSI Logic (LSI)	-9.3	-12.24	Wilfred Corrigan \$799,402 Not in Top 500	-63.4
ADC Telecom (ADCT)	-15.4	-87.22	Richard Roscitt \$8,849,471	-54.6

			#200-300	
PMC-Sierra (PMCS)	-18.5	-27.61	Robert Bailey \$361,044 Not in Top 500	-73.8
Avaya(AV)	-24.7	-60.72	Donald Peterson \$30,619,867 Top 100**	-79.8
Applied Micro Circuits (AMCC)	-28.6	-50.66	Dave Rickey \$4,163,193 Not in Top 500	-67.4
Broadcom (BRCM)	-29.8	-92.19	Henry Nicholas \$110,500 Not in Top 500**	-63.3
Ciena (CIEN)	-37.5	-87.38	Gary Smith \$8,183,206 #200-300	-64.1
JDS Uniphase (JDSU)	-94.6	-132.62	Josef Straus \$4,122,782 Not in Top 500	-71.7

Sources: TheStreet.com research, eComp, Bloomberg, Morningstar.

* eComp Online didn't provide compensation figures, so Yahoo! figures were used

** 2002 figures aren't available, so most recent figures were used.