

THE CHICAGO NETWORK
5TH ANNUAL CENSUS
OF CHICAGO'S 50 LARGEST COMPANIES

Less than . . .

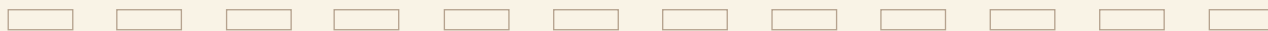


THE
CHICAGO
NETWORK

The Chicago Network is an organization of metropolitan Chicago's most distinguished professional women. Founded in 1979, The Chicago Network's 330 members have influential roles in leading corporations, professional service firms, government agencies, health care companies, entrepreneurial enterprises, and the arts and social benefit organizations.



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LESS THAN . . .

our financial goals. Less than . . . our shareholders' expectations. Less than . . . our customers' satisfaction. Less than . . . our employees' aspirations. Less than . . . our competition delivers. If Chicago businesses are performing at less than acceptable levels, perhaps it's because **we are tapping far less than the full potential of our available talent.** For another year, research shows that highly qualified women remain largely untapped for leadership positions. The Chicago business community has faced real economic challenges. In the last two years alone, our metropolitan area has lost more than 135,000 jobs, and many leading business institutions. To enhance revitalization, Chicago business leaders need to think differently, use every possible resource, and maximize the potential of our talent to heighten our competitiveness. We need to attract, fully engage, and retain the best talent available—especially in key leadership roles.

FOR ANOTHER YEAR, RESEARCH SHOWS THAT HIGHLY QUALIFIED WOMEN REMAIN LARGELY UNTAPPED FOR LEADERSHIP POSITIONS.

How can any organization expect to reach its full potential when it fails to utilize all of its available leadership talent? After five years of tracking the numbers of women at Chicago's top fifty public companies, there is one obvious conclusion: Chicago businesses have huge upside potential to grow assets, profitability, and return on investment. How? By valuing all of their human resources. But most of our metropolitan area's business leaders still fail to groom and select women for senior management spots.

LESS THAN . . . ACCEPTABLE PROGRESS

In Chicago's corporate ranks, the pace of including women in key roles is glacial. In this the fifth year of the Census, we cannot report material progress on this issue of concern to corporations and shareholders. There are, however, a few bright spots in this report. For the first time, two of the fifty largest Chicago area public companies by revenue (**"the Chicago 50"**) are led by female CEOs: Kraft Foods Inc. (Kraft) and TruServ Corporation (TruServ). We've talked with Network members Betsy D. Holden, Co-CEO of Kraft, and Pamela Forbes Lieberman, CEO of TruServ, about this issue. Their views are shared on pages 14 and 16.

A key factor in the growth and competitiveness of "the Chicago 50" will be the ability of businesses to fully utilize their existing assets. The business case for diversity is now commonly accepted and most corporations have perfected the talk of attaining diversity in their leadership ranks. It is time for the leadership of "the Chicago 50" to take action and make measurable progress.

NO SHORTAGE OF QUALIFIED WOMEN

For decades, significant numbers of women have entered the pipeline as professionals. The pipeline is full at the entry level. Unfortunately, the retention rates for women are unacceptable. Apparently, the pipeline leaks. (Not coincidentally, the rate of women moving up in line positions is also unacceptable.) What happens to these talented women? Studies by Catalyst* and others refute the myth that women leave the workforce when they have children. The overwhelming majority return to the business world after maternity leaves. Some move to more family-friendly companies and industries, while many become entrepreneurs. Women start new businesses at double the rate of men. In addition, according to projections by the U.S. Bureau of Labor Statistics, many baby boomer women are expected to stay in professional jobs well past age 60. In the next decade, the number of women working past the age of 55 will exceed 12 million, an increase of 51% over the current number. There is no shortage of talented, experienced women ready and willing to assume leadership positions in our companies.

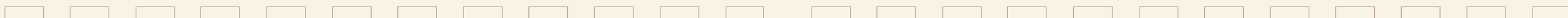
LET'S WORK TOGETHER

How long will it take to achieve appropriate representation of women in leadership roles? As an example, it would take two more decades at the current pace before women would reach just 40% representation among executive officers. That pace must be accelerated.

Our last Census produced a list of best practices that companies can employ to assure that the best talent rises to leadership positions. At the top of that list is the need for board chairs and CEOs to personally and publicly champion increasing the number of women in their executive ranks. That, above all else, is what we are asking of Chicago's business leadership.

Our membership of more than 330 of Chicago's most accomplished women stand ready to support you. The talent is here: Women are your employees, consumers and shareholders, and they offer vast untapped leadership potential. By working together to create a business community with a reputation for advancement based on substance—where all talented individuals have limitless opportunity—Chicago has the opportunity to rebound from these tough times stronger, and Chicago business will be best-in-class.

*Catalyst is the premier nonprofit research and advisory organization working to advance women in business. They have been the leading source of information on women in business for the past four decades. www.catalystwomen.org





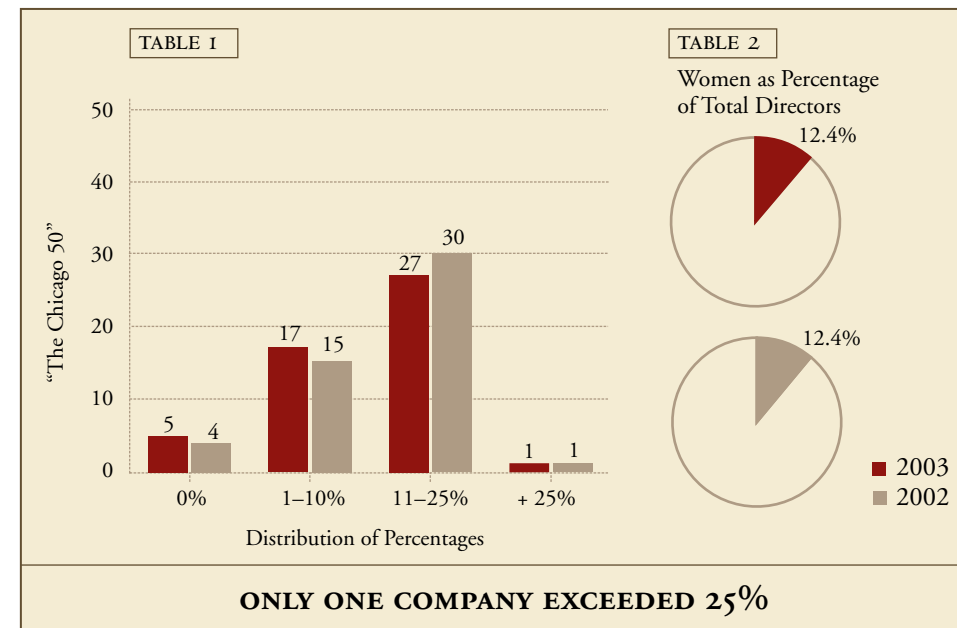
THERE IS NO SHORTAGE OF TALENTED, EXPERIENCED WOMEN READY AND WILLING TO ASSUME LEADERSHIP POSITIONS.



LESS THAN . . . OUR POTENTIAL

The Chicago Network Census measured the number of women on the boards of directors, as top earners, and in executive officer positions at the fifty largest Chicago area public companies (“the Chicago 50”). Although in most categories the 2003 Census showed slight improvement for women over the previous year, these increases were marginal at best. Growth of this magnitude in other business indicators would not be received by the market as positive news.

WOMEN DIRECTORS



The number of companies with women directors dropped to 45, with the percentage of women directors against the total of all directors staying flat at 12.4%. This year only one company, Kraft Foods Inc., exceeded 25% female representation on its board.

COMPANIES WITH NO WOMEN DIRECTORS

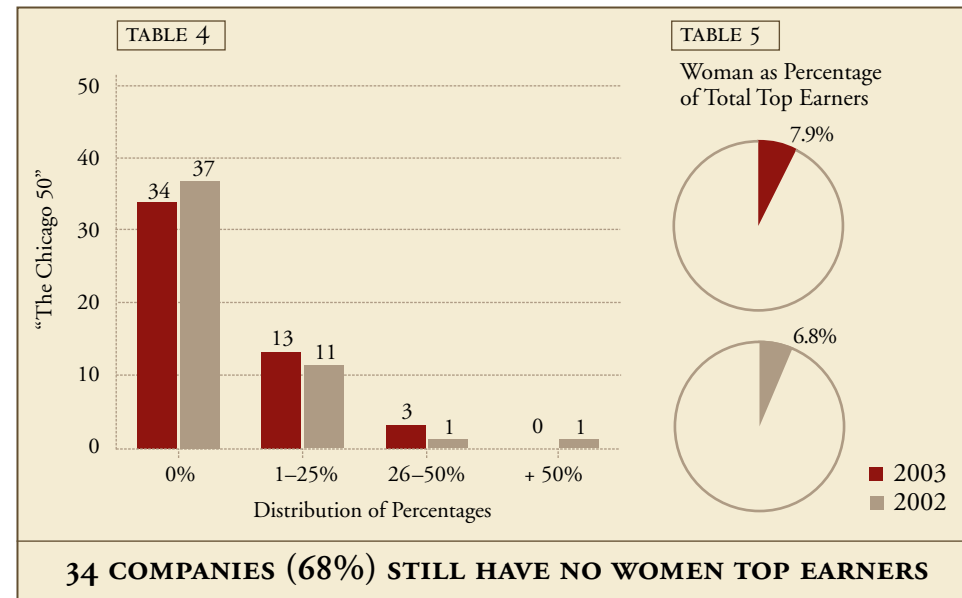
TABLE 3

2003	2002
<ul style="list-style-type: none"> ◇ Ace Hardware Corporation ◇ FMC Technologies ◇ Old Republic International Corporation ◇ Smurfit-Stone Container Corporation ◇ USFreightways Corporation 	<ul style="list-style-type: none"> ◇ Molex Incorporated ◇ Old Republic International Corporation ◇ Smurfit-Stone Container Corporation ◇ USFreightways Corporation

FIVE COMPANIES HAVE NO WOMEN DIRECTORS

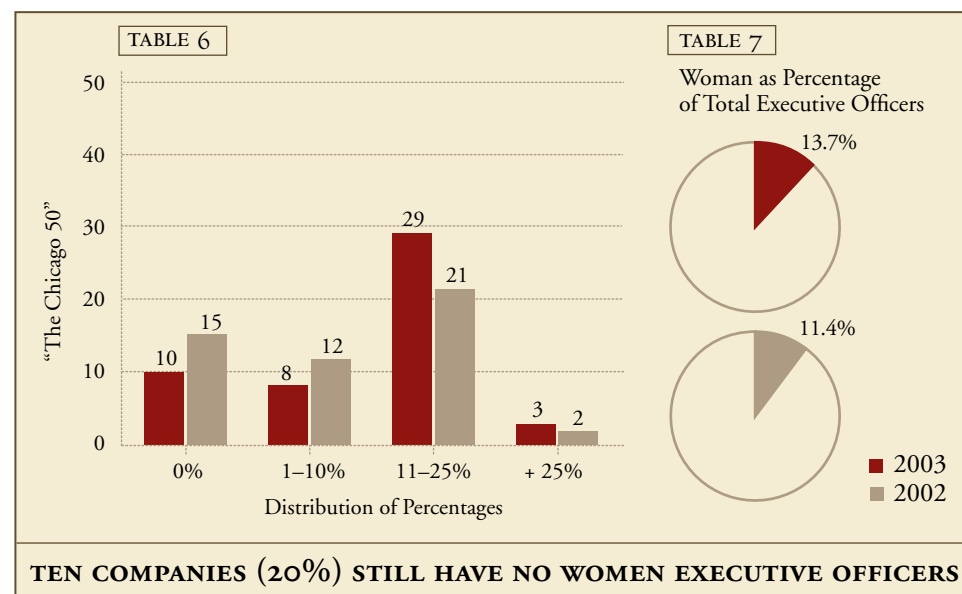
Three of the four companies without a woman on their boards in the 2002 Census return with none in the 2003 Census. The fourth, Molex Inc., dropped from “the Chicago 50” and was replaced on this list by two newcomers.

WOMEN TOP EARNERS



Top earners are defined here as the five most highly compensated officers in a company as listed in the company's securities filings. This year, 16 of the companies have at least one woman top earner, up from 13 in the 2002 Census. Three companies listed women as more than 25% of their top earners, up from only two in last year's Census. Overall, the percent of women top earners increased from 6.8% to 7.9%, while 34 companies (68%) still have no women top earners.

WOMEN EXECUTIVE OFFICERS



The overall percentage of women executive officers increased from 11.4% to 13.7% in this year's Census. The percentage of "Chicago 50" companies with more than one woman executive officer is only 50%, and 20% still have none. For the first time since the Census began, however, two of "the Chicago 50" report women at the top: Betsy D. Holden of Kraft Foods Inc. and Pamela Forbes Lieberman of TruServ Corporation.

TOP CENSUS PERFORMERS—2003

TABLE 8

Company	Women Directors		Women Executive Officers		Women Top Earners		Combined Percentages
	#	%	#	%	#	%	%
Kraft Foods Inc.	3	33%	5	20%	2	40%	31%
Alberto-Culver	2	14%	2	25%	2	40%	26%
Sears, Roebuck & Co.	2	20%	4	31%	1	25%	25%
United Stationers Incorporated	1	13%	2	18%	2	40%	24%
TruServ Corporation	2	18%	3	30%	1	20%	23%

KRAFT FOODS INC. LEADS THIS LIST BY A WIDE MARGIN

An analysis of this information indicates which of "the Chicago 50" leadership teams are best-in-class at tapping all of their human resources. The top five performing companies are led by Kraft Foods Inc. with a higher combined percentage than any other company in "the Chicago 50."

BOTTOM CENSUS PERFORMERS—2003

TABLE 9

Company	Women Directors		Women Executive Officers		Women Top Earners		Combined Percentages
	#	%	#	%	#	%	%
FMC Technologies	0	0%	0	0%	0	0%	0%
Old Republic International Corporation	0	0%	0	0%	0	0%	0%
Smurfit-Stone Container Corporation	0	0%	0	0%	0	0%	0%
USFreightways Corporation	0	0%	0	0%	0	0%	0%

A FOUR-WAY TIE FOR LAST PLACE

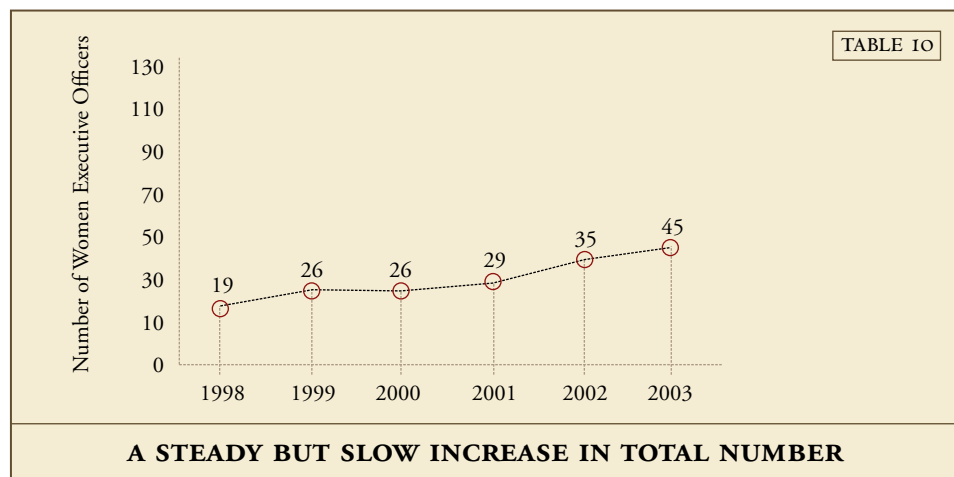
The four worst 2003 Census performers have NO women directors, NO women top earners and NO women executive officers. Three of these companies were included in this chart in the last Census, and FMC Technologies is new to the list this year.

ONLY 50% OF "THE CHICAGO 50" COMPANIES HAVE MORE THAN ONE WOMAN EXECUTIVE OFFICER, AND 20% STILL HAVE NONE.

LESS THAN . . . OUR EXPECTATIONS

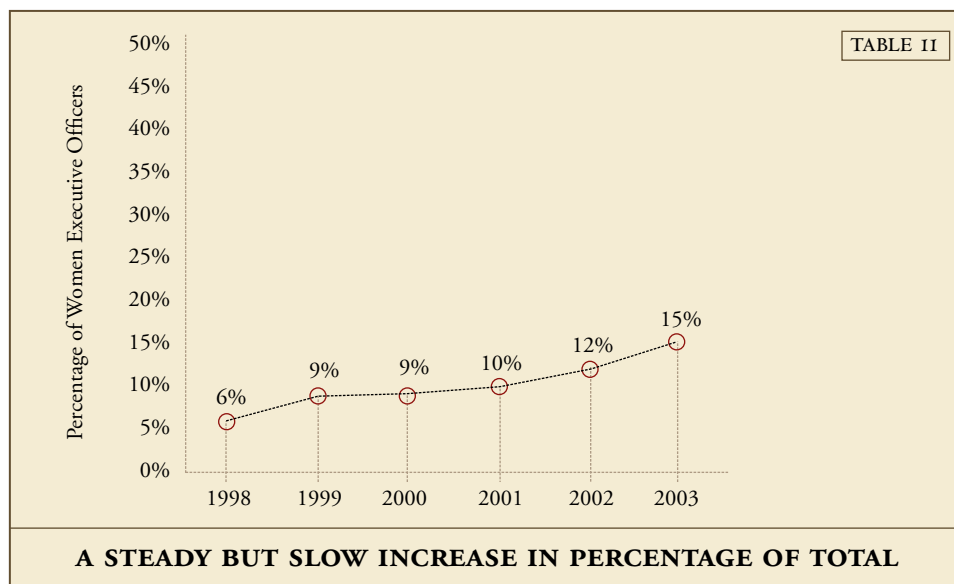
This year's Census not only provides a snapshot of the data for "the Chicago 50" for the last two years, but also the data that has been accumulated over the last six years (including the two years of data reported herein) on the 23 companies appearing in the Census since its inception ("the Chicago 23"). The six-year data on "the Chicago 23" can be used to discern trends.

TOTAL NUMBER OF WOMEN EXECUTIVE OFFICERS



Since the Census started in 1998, there has been a steady but slow increase in the total number of women executive officers in "the Chicago 23." The corporate leadership at Abbott Laboratories had the highest number of women executive officers in the 2003 Census with seven, though they were down from eight in the 2002 Census. Over the last six years, there were only six companies that increased the companies' number of women executive officers by more than one: Abbott Laboratories; Bank One Corporation; Sears, Roebuck & Co.; TruServ Corporation; USG Corporation; and W.W. Grainger, Incorporated.

PERCENTAGE OF WOMEN EXECUTIVE OFFICERS



The six years of data demonstrate a steady, though small, increase among "the Chicago 23" in the percentage of executive officers that are women. The corporate leadership with the highest success among its peers in retaining and promoting women into executive officer ranks in the 2003 Census was at Sears, Roebuck & Co., with 31%.

In the past six years, five companies outperformed their peers with increases in the percentage of women executive officers that exceeded 20%: Aon Corporation; Bank One Corporation; Sears, Roebuck & Co.; TruServ Corporation; and UAL Corporation. Posting increases of 10–19% were CNA Financial Corporation; United Stationers Incorporated; USG Corporation; and W.W. Grainger, Incorporated.

Two companies posted no improvements in this metric: Illinois Tool Works Inc. and Motorola Incorporated. The companies posting declining percentages: R.R. Donnelley & Sons Company and Sara Lee Corporation.

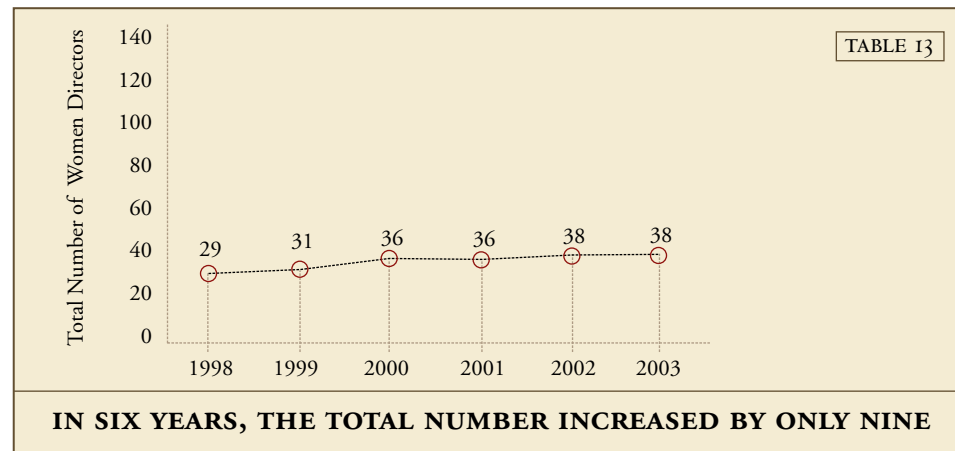
The rate of growth is relatively flat, only 1.5% per year. At this rate, it will take two more decades to see the representation of women executive officers among "the Chicago 23" reach 40%.

COMPANIES WITH NO WOMEN EXECUTIVE OFFICERS



As a baseline measure, there has been a steady decline in the number of companies in "the Chicago 23" with no women executive officers. Two companies, however, continue to have no female executive officers: Illinois Tool Works Inc. and Motorola Incorporated.

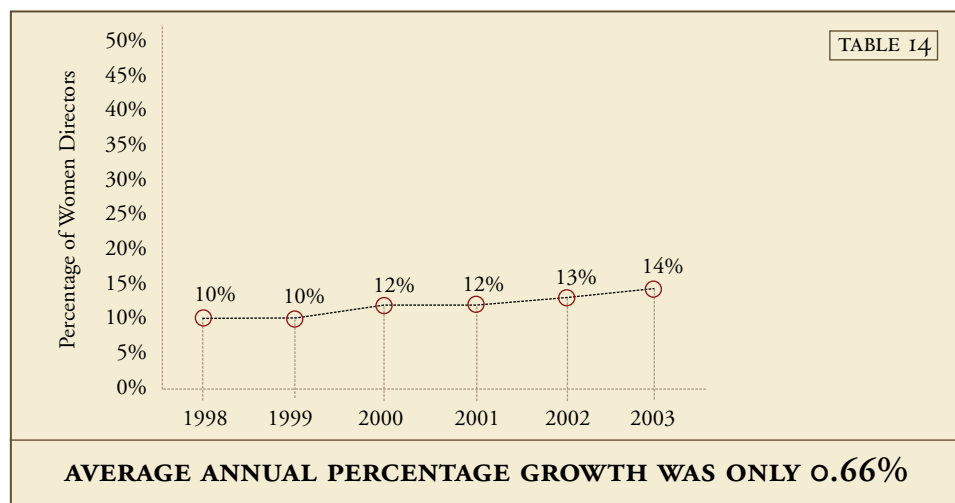
TOTAL NUMBER OF WOMEN DIRECTORS



“The Chicago 23” showed a slow increase in the number of women directors over the first five years of the Census, until 2003 when that improvement stalled.

Motorola Incorporated and Tribune Company led their peers in the 2003 Census with three female board members each. Over the six years, eleven companies added one each and ten companies posted no growth. The leadership of two of “the Chicago 23” posted decreasing numbers: Bank One Corporation and Baxter International Incorporated.

PERCENTAGE OF WOMEN DIRECTORS



The average percentage of women directors among “the Chicago 23” has improved slightly over the last six years. After the 1999 Census, all 23 have had at least one woman on their boards.

The companies posting the leading percentage of women directors in the 2003 Census were Motorola Incorporated; Sears, Roebuck & Co.; and Tribune Company, all at 20%.

With regard to percentages of women among their directors, three companies posted increases exceeding 10% in the past six years: TruServ Corporation, United Stationers Incorporated, and USG Corporation. The companies whose percentage fell were Bank One Corporation; Brunswick Corporation; Baxter International Incorporated; W.W. Grainger, Incorporated; and Walgreen Co.

The rate of growth of woman board members, 0.66% per year, is not material. The leadership of “the Chicago 23” must find more effective ways to increase this key utilization factor.

GAINING GROUND 1998–2003

Company	Change in Percentage of Women Directors	Change in Percentage of Women Executive Officers
TruServ Corporation	12%	30%
UAL Corporation	9%	20%
Sears, Roebuck & Co.	2%	23%
USG Corporation	10%	13%

ONLY FOUR OF THE CHICAGO 23 EXCEEDED 10% IN TOTAL AVERAGE CHANGE

The four top performers of “the Chicago 23” are led by TruServ Corporation with the largest percentage increase of both women directors and women executive officers, including the CEO.

NO OVERALL CENSUS IMPROVEMENT 1998–2003

Company	Change in Percentage of Women Directors	Change in Percentage of Women Executive Officers
Brunswick Corporation	0%	0%
Illinois Tool Works Incorporated	(4%)	4%
Sara Lee Corporation	3%	(6%)

THREE OF THE CHICAGO 23 HAD NO POSITIVE CHANGE

Three companies demonstrated zero growth or a decrease over the six years in the average percentage of women executive officers and directors.

FOR THE FIRST TIME, THE CEO LIST OF “THE CHICAGO 50” INCLUDES WOMEN: BETSY D. HOLDEN AND PAMELA FORBES LIEBERMAN

Earlier this year, The Chicago Network conducted interviews with each of these highly accomplished women. Both Holden and Lieberman have invaluable insights to offer those seeking to enhance the competitiveness of their organizations through better employment of all available talent. The following pages contain excerpts from those conversations.



BETSY D. HOLDEN
KRAFT FOODS INC.

Appointed president and CEO of Kraft Foods North America in 2000, and in 2001 took on additional responsibilities as Co-CEO of Kraft Foods Inc., Betsy D. Holden has more than 20 years of experience in the food industry.

- 2001 – Appointed Co-CEO of Kraft Foods Inc.
- 2000 – Named president and CEO of Kraft Foods North America
- 1998 – Elevated to executive vice president of Kraft Foods Inc.; responsible for Operations, Procurement, Research & Development, Consumer Insights & Communications, and E-Commerce
- 1997 – Named president of the Kraft Cheese Division
- 1995 – Named executive vice president and general manager of the Kraft Cheese Division
- 1993 – Became president of the Tombstone Pizza Division
- 1991 – Named vice president of marketing for Dinners and Enhancers
- 1990 – Became vice president of New Product Development and Strategy
- 1987 – Promoted to group brand manager for Confections and Snacks
- 1985 – Became a brand manager for Miracle Whip
- 1984 – Moved into Kraft’s Venture Division as a brand manager for New Products
- 1982 – Joined General Foods Corporation (which later merged with Kraft Foods Inc.) as an assistant product manager in the Desserts Division

Holden serves on the boards of Kellogg Graduate School of Management, the Grocery Manufacturers of America, Evanston Northwestern Healthcare, and Tribune Company. She also serves as the President of the Board for Off the Street Club, and on the boards of Ravinia Music Festival and the Museum of Science & Industry. She is a member of The Chicago Network.



PAMELA FORBES LIEBERMAN
TRUSERV CORPORATION (PARENT OF TRUE VALUE HARDWARE)

After joining TruServ in March 2001 as CFO, and then assuming the additional position of COO four months later, Pamela Forbes Lieberman was elected CEO in November, 2001. Lieberman has been the key architect of TruServ’s turnaround plan and its execution which is in progress and successful to date. TruServ has returned to operating profitability and permanent financing has been secured at an attractive rate.

- 2001 – Approved president and CEO of TruServ Corporation, a co-operative currently comprised of 6,300 member stores in 51 countries
- 2001 – Promoted to COO and CFO of TruServ Corporation
- 2001 – Became senior vice president and CFO of TruServ Corporation
- 2000 – Joined Shoptalk, Inc., a start up company providing voice application software, as senior vice president finance and CFO
- 1999 – Became senior vice president finance and CFO of The Martin-Brower Company, L.L.C., the largest full-line distributor to McDonald’s Corporation
- 1998 – Provided independent consulting and due diligence services
- 1993 – Served as vice president finance and CFO for Fel-Pro Incorporated until orchestrating the process that led to the sale of Fel-Pro to Federal-Mogul Corporation in 1998
- 1989 – Became vice president finance for Bunzl Building Supply, Incorporated, a distributor of commodity and branded building products
- 1988 – Joined Kraft Foods Inc. as director of accounting
- 1975 – Rose from staff accountant to senior manager in auditing and accounting services over a 13-year tenure at Price Waterhouse

Lieberman serves on Northwestern University’s Kellogg Alumni Advisory Board, is a member of The Chicago Network, the Federal Reserve Bank Seventh District Advisory Board Council, American Hardware Manufacturers Association Advisory Council, and Hardware Group Association. She is also a member of the Lyric Opera of Chicago’s Guild Board of Directors, and of the Opera Theatre of Highland Park.

BETSY D. HOLDEN

TCN: What advice would you give your fellow CEOs in “the Chicago 50” about how you get to the point where you have a multi-cultural organization that includes both genders at leadership levels?

BDH: We clearly made the business case for diversity. We are a consumer goods marketing company and we needed to ensure we were reflecting the population that we market to. We wanted to make sure that we were attracting and developing the most talented pool of people. We looked at who was coming into the workforce and it was very clear, if you are not appealing to women and people of color, in addition to white men, you are going to be seriously disadvantaged competitively.

Diversity at Kraft wasn't about just race and gender; it was about different styles, experiences, and skill sets. It was really about maximizing the potential of all employees. There was something in it for everyone. We also do extensive training. In the early years, our training was just about race and gender diversity. Today, our training—called “The Power of Differences”—has broader goals: to maximize the potential of all employees; to maintain a talent pool that is capable of innovative solutions; and to leverage everyone's strengths in that effort. This is the Kraft model: establish the business case, create visible top management support, do the training, set the goals, set up support networks, and develop advancement plans. Diversity is a long-term investment and achieving the objectives is part of each manager's salary and bonus goals.

We also recognized that performance standards must be consistent for everyone. Because of Kraft's strong internal processes, we know we've trained potential leaders properly, we know they have the skills, and we know we've given them the experiences necessary for them to be successful. This game plan has an additional benefit: a strong internal network that enhances everyone's ability to succeed.

TCN: Compare Kraft 13 years ago, when you began this initiative, to Kraft today.

BDH: At that time, Kraft had very few women in key leadership positions. If I look at our organization today, 45% of our salaried employees are women or people of color. And, 32% of our North American senior leadership team is women or people of color—and a significant number of them hold key line and staff leadership positions. In addition, one-third of the members of our board of directors are women.

TCN: What was your personal involvement in this transition at Kraft?

BDH: I was one of the leaders of a team that explored issues related to women in our workplace. Our top management believed women were leaving to stay at home; but we showed that, instead, they were going to our competitors or starting their own businesses. We also dispelled the myth that there was a pipeline issue. We found that the real issue was that women got to a certain

point and then they were moved into staff roles. Women were not being given the key line jobs that were the traditional route to higher leadership positions.

Kraft did not try to find an “instant” solution by hiring a couple of senior-level women from the outside. Coming into any new organization at a leadership level is difficult. If you don't have an internal support network, your path to success is even more challenging. So if you really want to crack this issue, you have to instill your diversity goals and philosophy throughout the organization and grow people into leaders.

TCN: What advice do you give to women who want to become CEOs?

BDH: I encourage people to take risks. Go do some of the things that may seem like they're a little bit off the beaten path, but that give you the skills to be successful in the long run. One of my most pivotal jobs was the head of Kraft's Pizza Division,

where I had the opportunity to run all parts of the business: sales, operations, and marketing. At the time, the job was considered to be out of the mainstream career path. I looked at it and said, “What a great job,” but the people making the decision assumed that I wouldn't want it. If I hadn't gone forward and asked for it, I wouldn't even have been considered for it. That job turned out to be a terrific broadening assignment. It helped me grow and learn, and prepared me for other opportunities.

TCN: What do you think it will take to get women to 50% of the leadership of American business?

BDH: It will continue to take a dual commitment: business leaders must continue to strengthen their organizations by building diversity into their leadership pipeline; and women must continue to be the architects of their own careers, while actively supporting other women.

“ . . . BUSINESS LEADERS MUST CONTINUE TO STRENGTHEN THEIR ORGANIZATIONS BY BUILDING DIVERSITY INTO THEIR LEADERSHIP PIPELINE . . . ”

PAMELA FORBES LIEBERMAN

TCN: When you think of a hardware store, you don't think of a woman. How did you come to lead TruServ?

PFL: When I joined TruServ it was a company working to overcome problems associated with a 1997 merger and a 1999 loss associated with poor accounting practices which came to light in early 2000. Two weeks after I joined the company, a new default of a debt covenant was determined. As CFO, I met with the co-op's lenders, explained that the business generated significant cash and how a plan could be constructed to reduce costs, sell assets, and deleverage the balance sheet. TruServ's principal brand, True Value, was, and is, one of the top 80 brands in the country. The majority of True Value stores were healthy businesses. The stores, flying under the banner of "service and convenience," serve a market need in a world moving more to micro-markets, and we had, and continue to have, a dedicated customer-focused workforce. How could we not succeed?

In July 2001, upon the resignation of the then CEO, I donned the additional hat of COO and began what I called "glasnost": openness with all of our key constituents as to all the issues and opportunities our co-op faced and how we would go about this.

We established 10 key initiatives with measurements and milestones, and alignment of financial incentives. Underlying the focus on results, with a sense of urgency, was my leading a change in our culture to one of openness, integrity, high ethics, strong internal controls, performance, accountability, and lots of continual communications with all constituents.

The lenders grew more comfortable with the new business plan and the early stages of its execution. As the Board searched

internally and externally for a CEO, I was able to demonstrate that with strong leadership and financial skills—together with a growing passion for the co-op, its membership and its associates—I was in the best position to lead the turnaround of TruServ. It was a gender-blind decision: Who was the best person to fix the company?

TCN: Does TruServ have programs or initiatives that directly target increased involvement by women and minorities?

PFL: I've been revamping our management team since I joined the co-op, and we now have a great team. We have fourteen officers, including myself, and, based on some recent acceptances of offers, 50% of them will be women by the end of the year. In every case, however, my management team and I interviewed both men and women. The search firms were told to find us the best people. Period. I did not choose my new team members based on gender; the best people for the jobs were chosen. What I try to encourage throughout the company is: be gender-blind and minority-blind, and get the best person for the job.

I would never hire someone merely because of their gender or race. I know what that feels like from personal experience. I get lots of calls to sit on boards. The quickest turnoff is when the recruiter says a company is really looking for a woman to sit on their board. Then I'm not interested. I focus more on opportunities from people who want someone for their board who has done turnarounds, has finance in their background or someone with manufacturing, distribution, or retail experience—areas where I add value because of my expertise and experience.

TCN: What would you say to your fellow CEOs about hiring, retaining, and promoting the best people?

PFL: You have to give people, regardless of gender or race, the opportunity to succeed. If they're willing to take risks, give them the challenge and let them go for it. When you're looking to hire people, tell the search firm to bring you the people who are most qualified.

The most important job of leaders in any organization is to attract, retain, and motivate talented people. Leaders need to set, and get the buy-in of, the picture of the future, and then prime the pump of good feelings so employees believe in themselves and strive to achieve that picture.

TCN: What has been your greatest personal challenge in coming in and running this company.

PFL: Getting people to believe that TruServ could succeed was a challenge because our associates had faced, and our storeowner members had seen, one obstacle after another for the prior four years. In 1997, Cotter & Company's True Value merged with ServiStar Coast-to-Coast. On its face, it was a merger that made a great deal of strategic sense: it was a consolidating industry. What was underestimated, however, were the talents and time it would take to successfully integrate the businesses to achieve the economies of the merger. Then the company faced an unexpected loss

for 1999 as a result of poor accounting practices that dated back to at least early 1997: prior management, in Spring 2000, announced a \$131 million loss. Associates were demoralized, storeowner members were devastated by a 65% loss in value of their stock, and debt covenants were breached. Then, a year later, another debt covenant trip occurred. My challenge was to reenergize these great people. I had to get everyone jazzed. We would celebrate every success along the way. It really takes success to breed success.

TCN: What advice do you have for women who want to be CEO?

PFL: Take risks. Women need to take more risks. If you fail, you move on, no big deal. A lot of people in general are just afraid of failure. Well, if you don't take a risk, you're never going to know what the outcome could have been. Try something innovative and just go for it.

Consider being a little more confrontational. Some people avoid conflict. I like to get things going, set challenging goals, and then consistently encourage and push the team forward with a sense of urgency to achieve the goals. I try to inject fun into what has to get done, but I also make sure that everybody knows what counts is performance. At the start of our turnaround I began openly telling our associates: "Get it done and you will be handsomely rewarded; don't get it done and someone else may be sitting in your chair."

"YOU HAVE TO GIVE PEOPLE, REGARDLESS OF GENDER OR RACE, THE OPPORTUNITY TO SUCCEED. IF THEY'RE WILLING TO TAKE RISKS, GIVE THEM THE CHALLENGE AND LET THEM GO FOR IT."

COMMITMENT AT THE HIGHEST LEVEL

The Chicago Network congratulates those companies that have worked hard to effectively diversify their management. In an effort to share lessons learned in this process, last year we interviewed nine Chicago companies with programs designed to increase the numbers of women leaders on their senior management teams and their boards. We studied each company and its efforts to include women in senior positions. We conducted interviews with key people in those organizations: Exelon Corporation; McDonald's Corporation; Quaker Oats Company; R.R. Donnelley & Sons Company; Sears, Roebuck & Co.; State Farm Mutual Automobile Insurance Companies; Tellabs, Inc.; United Stationers Inc.; and USG Corporation.

What was consistent among all nine companies is that their board chairs and CEOs all personally and publicly champion increasing the number of women in their executive ranks. When the leaders actively advance women, other people follow suit and change occurs.

BEST PRACTICES—STRATEGIES THAT WORK

- ◇ Formally acknowledging talent optimization as a competitive driver
- ◇ Requiring managers to prepare annual promotion plans
- ◇ Tying management compensation to staffing goals via formal review
- ◇ Consistently assigning women to project teams
- ◇ Reviewing progress on promotion goals by the board of directors
- ◇ Creating succession plans that include initiatives for the advancement of women
- ◇ Instituting career progression plans that map a path from entry level to senior management
- ◇ Funding training, recruiting, mentoring, and coaching for women
- ◇ Affirming that management should reflect the demographics of the company's consumers
- ◇ Establishing a monthly high-ranking women's meeting to encourage networking and mentoring
- ◇ Founding a Diversity Advisory Council
- ◇ Ensuring every slate presented for promotions is diverse

IT'S GOOD BUSINESS

It is interesting to note that in all of our discussions with these nine companies there was no mention of greater opportunities for women as a moral or ethical obligation. These conversations were focused almost exclusively on the competitive imperative of maximizing a company's investment in its employees. Companies that are successful in tapping the talent of women understand that it is a significant positive opportunity for their business.

METHODOLOGY

This year, the publication of The Chicago Network Census moved from spring to fall to make its results more timely based on the latest information. As a result, information from both 2002 and 2003 is included in this report.

To determine the 50 companies to include in the Census, we first combined the Fortune 1000 list with the Tribune 100 list, ranking all companies in descending order of annual revenue. We then chose the 50 largest companies, in terms of revenue, that are headquartered within the Chicago metropolitan area (Cook, DuPage, Kane, Lake, McHenry, and Will counties or northern Indiana). We followed this process separately for each of fiscal years 2001 and 2002, arriving at two separate lists of 50 companies for each of the two fiscal years included in this year's Census. This process is different than in prior years as we have selected only those Illinois companies within the Chicago area as defined above. It is also different in that we have used revenue as the common ranking mechanism for companies on the Fortune 1000 and Tribune 100 lists.

For each company chosen, we reviewed the 10-K and proxy statement for fiscal years 2001 and 2002, and, based on that review, compiled statistics as to the companies' executive officers, board members, and most highly-compensated employees. We gathered this information related to both men and women for each company. We relied strictly on the information as it appeared in 10-Ks and proxy statements, and applied an "as of" date of each company's fiscal year-end. For example, if a company identified an executive officer in their 10-K who assumed his/her new responsibilities after the fiscal year-end, but before the writing of the 10-K, we did NOT include this person in the statistics. In the past, the information was gathered directly from each company as of a specific date. The change in methodology was implemented to accelerate the pace of reporting and remove subjectivity from the process.

In addition to reviewing the 50 largest companies in 2001 and 2002, we also analyzed trends across the 23 companies that have appeared in the top 50 for the last six fiscal years. Because the methodology described above marks a departure from that which was employed in previous years' reports, and because we were interested in preserving the comparability of the data across these 23 consistent companies, we restated the corporate officer and top earner information, using the new methodology, for the previous four years for each of these 23 companies. We did not restate the board of director information as we felt it would likely be similar under both methodologies.

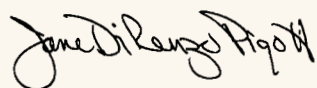
Also, because this year's Census marks the first time that "the Chicago 50" has included women in the CEO position, we sought to learn about the careers, strategies and thoughts of these top women. To do this, we interviewed both Betsy D. Holden, Co-CEO of Kraft Foods Inc., and Pamela Forbes Lieberman, CEO of TruServ Corporation. Excerpts from these interviews are contained within this publication.


On behalf of **The Chicago Network**, we would like to thank our fellow members of the Census Committee, whose dedication, judgment and attention to the lack of women in senior positions helped produce the 5th Annual Chicago Network Census of Chicago's 50 Largest Companies: Susan E. Anderson, Deborah L. DeHaas, Christine Edwards, Lyn Corbett Fitzgerald, Cheryl Francis, Ronee Hagen, Barbara L. Provus, Sheli Z. Rosenberg, Lynn C. Thurber, and Donna Zarcone.

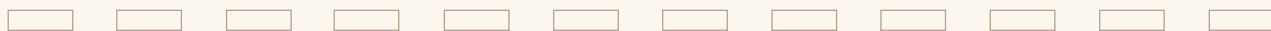
The Census Committee appreciates the critical support of Carol Bailey and Pamela Stennes from Deloitte & Touche LLP, who spearheaded the research, quality control, and analyses that form the backbone of this report. We also appreciate the continued support of Lisa C. Snow of Huron Consulting Group.

We would like to acknowledge the writers, strategists, and designers of Maddock Douglas, Inc., especially Elizabeth Fiden and David Stratton, who helped us communicate our message so effectively. We are grateful to Barnaby Dinges of The Dinges Gang Ltd., for his assistance in generating broader awareness of the need to accelerate the pace of change.

Finally, thank you to Amy Osler, executive director of The Chicago Network, for continuing to be the essential touchstone in this important endeavor.


 Jane DiRenzo Pigott
 Census Chair
 The Chicago Network


 Erin E. McInerney
 Census Chair-elect
 The Chicago Network



APPENDIX 1: WOMEN EXECUTIVE OFFICERS OF 23 CONSISTENT COMPANIES

Six-Year Trend														
Company	2003 Women		2002 Women		2001 Women		2000 Women		1999 Women		1998 Women		6-Year Change Incr/(Decr)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Abbott Laboratories	7	15%	8	18%	6	15%	5	13%	4	13%	4	11%	3	4%
The Allstate Corp.	2	17%	1	7%	1	7%	2	13%	2	13%	2	13%	0	4%
Aon Corp.	1	20%	0	0%	0	0%	0	0%	0	0%	0	0%	1	20%
Bank One Corp.	4	29%	3	27%	2	20%	1	8%	1	6%	1	6%	3	22%
Baxter International Inc.	2	10%	2	10%	2	11%	1	5%	1	4%	1	5%	1	5%
Brunswick Corp.	4	25%	4	24%	3	20%	3	21%	4	25%	3	21%	1	4%
CNA Financial Corp.	1	17%	0	0%	0	0%	0	0%	0	0%	0	0%	1	17%
Household International, Inc.	1	9%	1	10%	0	0%	0	0%	0	0%	0	0%	1	9%
Illinois Tool Works Inc.	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
McDonald's Corp.	2	14%	1	14%	1	9%	1	9%	1	8%	1	6%	1	8%
Motorola, Inc.	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Navistar International Corp.	1	9%	1	10%	1	17%	0	0%	0	0%	0	0%	1	9%
R.R. Donnelley & Sons Co.	1	14%	1	14%	1	13%	2	29%	2	29%	1	20%	0	(6%)
Sara Lee Corp.	2	18%	2	17%	0	0%	1	11%	2	22%	2	20%	0	(2%)
Sears, Roebuck & Co.	4	31%	2	15%	2	17%	3	23%	1	8%	1	8%	3	23%
The ServiceMaster Co.	1	13%	0	0%	1	7%	1	9%	1	8%	1	8%	0	4%
Tribune Co.	1	10%	1	9%	1	10%	1	11%	1	9%	1	9%	0	1%
TruServ Corp.	3	30%	1	13%	0	0%	0	0%	0	0%	0	0%	3	30%
UAL Corp.	1	20%	1	20%	1	17%	1	17%	2	18%	0	0%	1	20%
United Stationers Inc.	2	18%	2	22%	3	38%	2	25%	2	22%	1	8%	1	10%
USG Corp.	2	13%	2	14%	2	13%	2	12%	2	14%	0	0%	2	13%
W.W. Grainger, Inc.	2	17%	1	10%	1	8%	0	0%	0	0%	0	0%	2	17%
Walgreen Co.	1	6%	1	5%	1	5%	0	0%	0	0%	0	0%	1	6%
Total	45	15%	35	12%	29	10%	26	9%	26	9%	19	6%	26	9%

APPENDIX 2: WOMEN DIRECTORS OF 23 CONSISTENT COMPANIES

Six-Year Trend														
Company	2003 Women		2002 Women		2001 Women		2000 Women		1999 Women		1998 Women		6-Year Change Incr/(Decr)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Abbott Laboratories	2	14%	2	14%	2	15%	1	8%	1	8%	1	8%	1	6%
The Allstate Corp.	2	15%	2	15%	2	15%	2	15%	0	0%	1	13%	1	3%
Aon Corp.	1	8%	1	6%	1	6%	1	6%	1	7%	1	7%	0	1%
Bank One Corp.	1	9%	2	14%	2	14%	2	10%	2	9%	2	10%	(1)	(1%)
Baxter International Inc.	2	18%	3	25%	2	17%	3	23%	3	23%	3	19%	(1)	(1%)
Brunswick Corp.	2	14%	2	17%	2	17%	2	15%	2	17%	2	18%	0	(4%)
CNA Financial Corp.	1	9%	1	9%	1	9%	1	8%	1	8%	1	8%	0	1%
Household International, Inc.	2	14%	3	19%	1	7%	1	7%	1	6%	1	8%	1	7%
Illinois Tool Works Inc.	1	10%	1	9%	1	10%	1	10%	1	10%	1	10%	0	0%
McDonald's Corp.	2	15%	2	15%	2	13%	2	13%	1	7%	1	7%	1	9%
Motorola, Inc.	3	20%	2	15%	2	13%	2	13%	2	13%	2	12%	1	8%
Navistar International Corp.	1	7%	1	8%	1	8%	1	10%	1	9%	0	0%	1	7%
R.R. Donnelley & Sons Co.	2	18%	2	18%	2	20%	2	20%	2	18%	2	15%	0	3%
Sara Lee Corp.	2	13%	2	12%	2	12%	2	12%	3	18%	2	11%	0	3%
Sears, Roebuck & Co.	2	20%	2	18%	2	22%	2	18%	2	18%	2	18%	0	2%
The ServiceMaster Co.	1	7%	1	7%	2	13%	2	13%	1	6%	1	6%	0	1%
Tribune Co.	3	20%	1	7%	2	13%	2	17%	2	17%	2	17%	1	3%
TruServ Corp.	2	18%	2	15%	1	8%	1	7%	1	7%	1	6%	1	12%
UAL Corp.	1	9%	1	11%	1	8%	1	8%	0	0%	0	0%	1	9%
United Stationers Inc.	1	13%	1	13%	1	11%	1	13%	0	0%	0	0%	1	13%
USG Corp.	2	18%	2	18%	2	18%	2	15%	2	14%	1	8%	1	10%
W.W. Grainger, Inc.	1	8%	1	8%	1	9%	1	9%	1	9%	1	9%	0	(1%)
Walgreen Co.	1	10%	1	10%	1	10%	1	10%	1	9%	1	11%	0	(1%)
Total	38	14%	38	13%	36	12%	36	12%	31	10%	29	10%	9	4%

APPENDIX 3: 2003 DETAILED STATISTICS, RANKED BY REVENUE—ALL 50 COMPANIES

		Women Executive Officers & Directors (as of Fiscal Year-End 2002)						Women Executive Officers & Directors (as of Fiscal Year-End 2001)							
		D	WD	%D	TEO	WEO	%EO	D	WD	%D	TEO	WEO	%EO		
1	The Boeing Co.	11	1	9%	13	2	15%	1	The Boeing Co.	12	1	8%	16	1	6%
2	Sears, Roebuck & Co.	10	2	20%	13	4	31%	2	Sears, Roebuck & Co.	11	2	18%	13	2	15%
3	Kraft Foods Inc.	9	3	33%	25	5	20%	3	Kraft Foods Inc.	9	3	33%	13	3	23%
4	The Allstate Corp.	13	2	15%	12	2	17%	4	Motorola, Inc.	13	2	15%	15	0	0%
5	Walgreen Co.	10	1	10%	18	1	6%	5	The Allstate Corp.	13	2	15%	14	1	7%
6	Motorola, Inc.	15	3	20%	13	0	0%	6	Walgreen Co.	10	1	10%	19	1	5%
7	Bank One Corp.	11	1	9%	14	4	29%	7	Bank One Corp.	14	2	14%	11	3	27%
8	Abbott Laboratories	14	2	14%	47	7	15%	8	Sara Lee Corp.	17	2	12%	12	2	17%
9	Sara Lee Corp.	15	2	13%	11	2	18%	9	Abbott Laboratories	14	2	14%	45	8	18%
10	McDonald's Corp.	13	2	15%	14	2	14%	10	UAL Corp.	9	1	11%	5	1	20%
11	Exelon Corp.	15	2	13%	21	3	14%	11	Exelon Corp.	16	2	13%	17	4	24%
12	Household International, Inc.	14	2	14%	11	1	9%	12	McDonald's Corp.	13	2	15%	7	1	14%
13	UAL Corp.	11	1	9%	5	1	20%	13	Household International, Inc.	16	3	19%	10	1	10%
14	CNA Financial Corp.	11	1	9%	6	1	17%	14	CNA Financial Corp.	11	1	9%	5	0	0%
15	Illinois Tool Works Inc.	10	1	10%	13	0	0%	15	Illinois Tool Works Inc.	11	1	9%	14	0	0%
16	Aon Corp.	13	1	8%	5	1	20%	16	NiSource Inc.	11	1	9%	12	1	8%
17	Baxter International Inc.	11	2	18%	20	2	10%	17	Smurfit-Stone Container Corp.	9	0	0%	19	0	0%
18	Smurfit-Stone Container Corp.	10	0	0%	20	0	0%	18	Aon Corp.	16	1	6%	5	0	0%
19	NiSource Inc.	10	1	10%	8	1	13%	19	Baxter International Inc.	12	3	25%	20	2	10%
20	Navistar International Corp.	14	1	7%	11	1	9%	20	Navistar International Corp.	12	1	8%	10	1	10%
21	Tribune Co.	15	3	20%	10	1	10%	21	The ServiceMaster Co.	14	1	7%	9	0	0%
22	Fortune Brands, Inc.	10	2	20%	5	1	20%	22	Fortune Brands, Inc.	10	2	20%	6	1	17%
23	R.R. Donnelley & Sons Co.	11	2	18%	7	1	14%	23	R.R. Donnelley & Sons Co.	11	2	18%	7	1	14%
24	W.W. Grainger, Inc.	12	1	8%	12	2	17%	24	Tribune Co.	15	1	7%	11	1	9%
25	CDW Computer Centers, Inc.	10	2	20%	8	2	25%	25	W.W. Grainger, Inc.	12	1	8%	10	1	10%
26	Brunswick Corp.	14	2	14%	16	4	25%	26	CDW Computer Centers, Inc.	9	1	11%	8	0	0%
27	United Stationers Inc.	8	1	13%	11	2	18%	27	United Stationers Inc.	8	1	13%	9	2	22%
28	The ServiceMaster Co.	14	1	7%	8	1	13%	28	Brunswick Corp.	12	2	17%	17	4	24%
29	Equity Office Properties Trust	15	1	7%	29	6	21%	29	Tenneco Automotive Inc.	8	1	13%	10	0	0%
30	USG Corp.	11	2	18%	15	2	13%	30	USG Corp.	11	2	18%	14	2	14%
31	Tenneco Automotive Inc.	8	1	13%	11	0	0%	31	Northern Trust Corp.	14	2	14%	12	0	0%
32	Ace Hardware Corp.	10	0	0%	13	2	15%	32	Comdisco, Inc.	10	1	10%	9	1	11%
33	Telephone and Data Systems, Inc.	12	2	17%	20	1	5%	33	Anixter International Inc.	11	1	9%	8	0	0%
34	Pactiv Corp.	7	1	14%	7	0	0%	34	Equity Office Properties Trust	16	1	6%	7	0	0%
35	Northern Trust Corp.	14	2	14%	14	1	7%	35	Ace Hardware Corp.	10	1	10%	9	2	22%
36	Old Republic International Corp.	12	0	0%	6	0	0%	36	TruServ Corp.	13	2	15%	8	1	13%
37	Wm. Wrigley Jr. Co.	9	2	22%	24	3	13%	37	Pactiv Corp.	7	1	14%	7	0	0%
38	BorgWarner Inc.	10	2	20%	16	2	13%	38	IMC Global Inc.	8	1	13%	10	2	20%
39	Alberto-Culver	14	2	14%	8	2	25%	39	Telephone and Data Systems, Inc.	12	2	17%	19	1	5%
40	Anixter International Inc.	11	1	9%	6	0	0%	40	Nicor Inc.	11	1	9%	5	1	20%
41	USFreightways Corp.	8	0	0%	4	0	0%	41	Unitrin, Inc.	8	1	13%	7	0	0%
42	IMC Global Inc.	8	1	13%	8	1	13%	42	Alberto-Culver	11	2	18%	8	2	25%
43	Unitrin, Inc.	10	1	10	8	0	0%	43	USFreightways	7	0	0%	3	0	0%
44	U.S. Cellular	9	1	11%	18	4	22%	44	Wm. Wrigley Jr. Co.	9	2	22%	25	2	8%
45	TruServ Corp.	11	2	18%	10	3	30%	45	Old Republic International Corp.	12	0	0%	5	0	0%
46	Ryerson Tull Inc.	8	1	13%	12	2	17%	46	Molex Inc.	11	0	0%	11	1	9%
47	FMC Technologies	8	0	0%	7	0	0%	47	BorgWarner Inc.	9	2	22%	14	2	14%
48	Equity Residential Properties Trust	13	1	8%	11	1	9%	48	Peoples Energy Corp.	9	1	11%	15	3	20%
49	Nicor Inc.	11	1	9%	9	2	22%	49	Ryerson Tull Inc.	8	1	13%	12	2	17%
50	Corn Products International, Inc.	11	1	9%	11	2	18%	50	Tellabs Inc.	9	1	11%	10	3	30%

“THE CHICAGO 50” WOMEN DIRECTORS 2003, RANKED BY COMPANY REVENUE (as of Company's Fiscal Year-End)

The Boeing Company Rozanne L. Ridgway	Household International, Inc. Anthea Disney Larree M. Renda	CDW Computer Centers, Inc. Susan D. Wellington Michelle L. Collins	Alberto-Culver Carol L. Bernick Bernice E. Lavin
Sears, Roebuck & Co. Brenda C. Barnes Dorothy A. Terrell	UAL Corporation Hazel R. O'Leary	Brunswick Corporation Dorrit J. Bern Bettye Martin Musham	Anixter International Inc. Mary A. Wilderoter
Kraft Foods Inc. (<i>Phillip Morris IPO</i>) Betsy D. Holden Mary L. Schapiro Deborah C. Wright	CNA Financial Corporation Antoinette Cook Bush	United Stationers Inc. Ilene S. Gordon	IMC Global Inc. Pamela B. Strobel
The Allstate Corporation Judith A. Sprieser Mary Alice Taylor	Illinois Tool Works Inc. Susan Crown	The ServiceMaster Company Michele M. Hunt	Unitrin, Inc. Ann E. Ziegler
Walgreen Co. Marilou von Ferstel	Aon Corporation Carolyn Y. Woo	Equity Office Properties Trust Sheli Z. Rosenberg	U.S. Cellular Sandra L. Helton
Motorola Incorporated Indra K. Nooyi Anne P. Jones Judy C. Lewent	Baxter International Inc. Gail D. Fosler Susan Crown	USG Corporation Valerie B. Jarrett Judith A. Sprieser	TruServ Corporation Judith S. Harrison Pamela Forbes Lieberman
Bank One Corporation Maureen A. Fay	NiSource Inc. Carolyn Y. Woo	Tenneco Automotive Inc. M. Kathryn Eickhoff	Ryerson Tull Incorporated Jameson A. Baxter
Abbott Laboratories Roxanne S. Austin W. Ann Reynolds	Navistar International Corporation Abbie J. Griffin	Telephone and Data Systems, Inc. Letitia G.C. Carlson Sandra L. Helton	Equity Residential Properties Trust Sheli Z. Rosenberg
Sara Lee Corporation Rozanne L. Ridgway Joan D. Manley	Tribune Company Kathryn C. Turner Betsy D. Holden Nancy Hicks Maynard	Pactiv Corp. Mary R. Henderson	Nicor Inc. Patricia A. Wier
McDonald's Corporation Terry L. Savage Jeanne P. Jackson	Fortune Brands, Inc. Patricia O. Ewers Anne M. Tatlock	Northern Trust Corporation Dolores E. Cross Susan Crown	Corn Products International Karen L. Hendricks
Exelon Corporation Rosemarie B. Greco Sue L. Gin	R.R. Donnelley & Sons Company Martha Layne Collins Judith H. Hamilton	Wm. Wrigley Jr. Company Penny Pritzker Melinda R. Rich	
	W.W. Grainger, Inc. Janiece S. Webb	BorgWarner Inc. Alexis P. Michas Phyllis O. Bonanno	

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THE CHICAGO NETWORK
5TH ANNUAL CENSUS
OF CHICAGO'S 50 LARGEST COMPANIES



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