

# Retailing Today

THE CONNECTION TO AMERICA'S LEADING RETAILERS

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ANNUAL  
**TOP**  
INDUSTRY  
**150**  
REPORT

THE SCORECARD OF AMERICA'S  
**TRILLION-DOLLAR**  
RETAILING INDUSTRY

## 1.6 TRILLION REASONS TO SMILE DESPITE A CHALLENGING ECONOMY

BY MIKE TROY

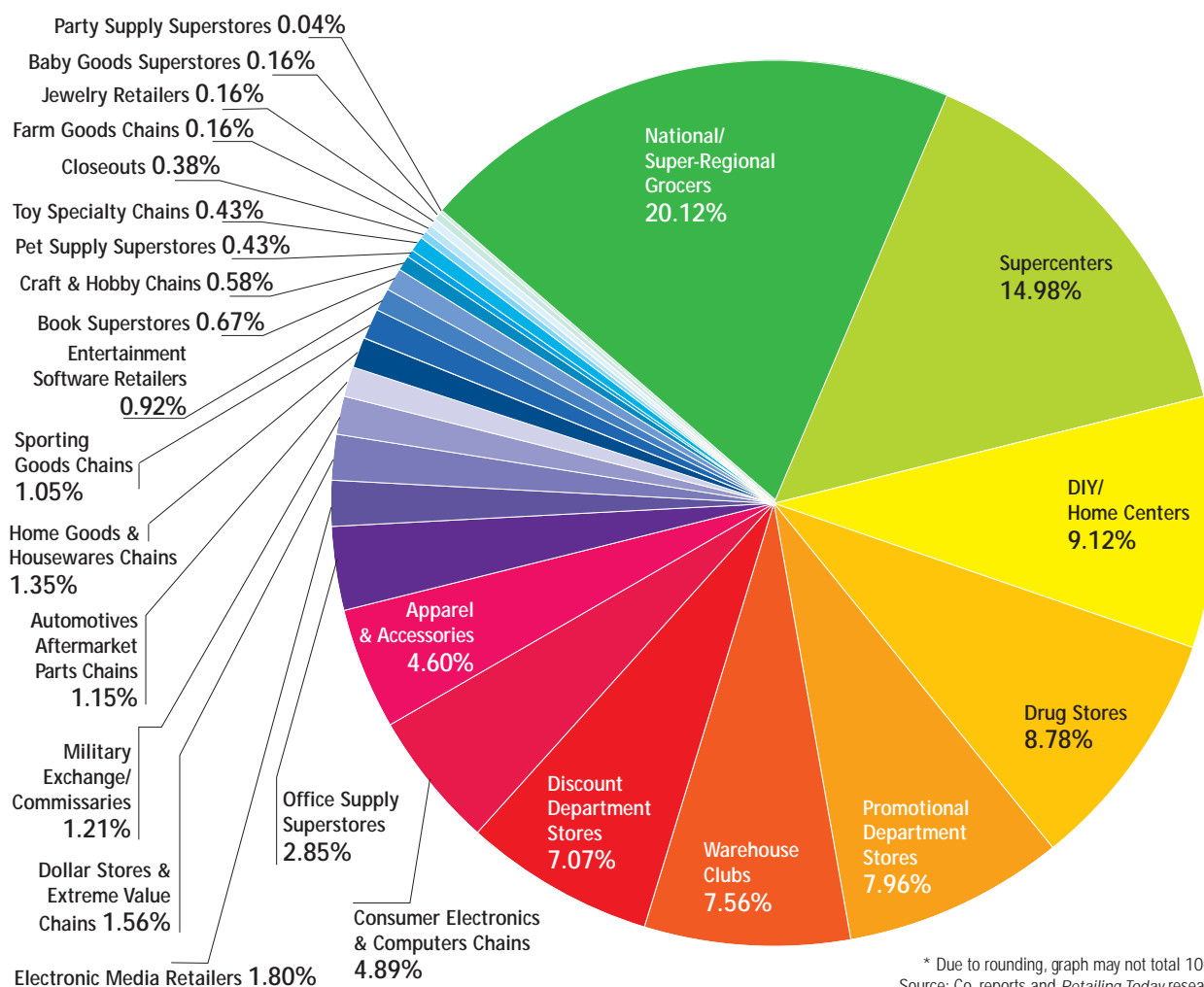
**W**hen the going gets tough, consumers keep spending, and the nation's largest retailers keep expanding.

That proved to be the case in 2006 as Americans shrugged off a litany of concerns and propelled sales of the nation's 150 largest retailers to new heights, according to *Retailing Today's* exclusive annual ranking of the top public and privately held retail companies. These operators achieved a combined sales increase of 10.6% that saw them add \$155 billion in revenue and end the year with total revenue of \$1.620 trillion compared to \$1.465 trillion the prior year.

They also added stores at a rapid clip, giving consumers even easier access to their favorite shops. At the end of 2006, the Top 150 operated a total of 161,132 stores representing

see STABLE

### 2006 SHARE BY CHANNEL



### 2006

### SALES BY CHANNEL

	2006	2005	% CHG		2006	2005	% CHG
Drug Stores	129,833	106,695	21.69%	Dollar Stores & Extreme Value Chains	23,067	21,130	9.17%
Electronic Media Retailers	26,688	22,214	20.14	Craft & Hobby Chains	8,587	7,949	8.03
Party Supply Superstores	561	468	19.87	Automotives Aftermarket Parts Chains	17,020	15,909	6.98
Entertainment Software Retailers	13,637	11,384	19.79	Office Supply Superstores	42,138	39,516	6.64
Supercenters	221,599	188,289	17.69	Apparel & Accessories	68,019	63,981	6.31
Sporting Goods Chains	15,560	13,462	15.58	Closeouts	5,654	5,362	5.45
Farm Goods Chains	2,370	2,068	14.60	DIY/Home Centers	134,924	128,725	4.82
Baby Goods Superstores	2,376	2,087	13.85	Jewelry Retailers	2,439	2,383	2.35
Pet Supply Superstores	6,434	5,660	13.67	Military Exchanges/Commissaries	17,943	17,560	2.18
Home Goods & Housewares Chains	19,942	18,074	10.34	Book Superstores	9,845	9,638	2.15
Consumer Electronics & Computers Chains	72,391	65,695	10.19	Discount Department Stores	104,647	115,083	(9.07)
National/Super-Regional Grocers	297,541	271,520	9.58	Toy Specialty Chains	6,424	7,151	(10.14)
Promotional Department Stores	117,681	107,517	9.45	Other*	141,382	113,720	24.32
Warehouse Clubs	111,824	102,309	9.30	<b>TOTAL</b>	<b>\$1,620,526</b>	<b>\$1,465,549</b>	<b>10.57%</b>

U.S. SALES IN MILLIONS

(): Decline or loss

\* Revenues from international operations, as well as all non-retail sources such as services, credit, distribution, interest, real estate and franchise fees

Source: Company reports and *Retailing Today* research

## SUPERCENTERS, SUPER-RESULTS: FORMAT DOMINATES FOOD SECTOR

BY MIKE DUFF

The new generation of food retailing is about to come of age. The growth first of warehouse clubs and then of supercenters has transformed the sector and, with Target's recent announcement that it is preparing to open its first supercenter in California, the evidence demonstrates that a new, more diverse food retailing industry built around food and general merchandise combination stores is poised to surmount its final hurdles and reach maturity.

In the most recent *Retailing Today* Top 150, the numbers tell a critical story. Two alternative food retailers now are among the top five retail operators in the United States: Wal-Mart and Costco. Notably, top dog Wal-Mart would be No. 1 even if supercenter operations were considered alone. Retail operations of the five largest supermarket chains—in other words, taking foodservice out of Ahold U.S. and distribution out of Supervalu—can't quite match the sales total generated by Wal-Mart supercenters. Add either Target or Meijer supercenter sales and you beat total grocery revenue of the top six supermarket chains.

The dominance of the supercenter can be judged in another way. Total sales from all three major warehouse club chains fall \$80 billion short of revenues generated by Wal-Mart supercenters, a shortfall of about 44%.

Yet, the story isn't just about the dominance of Wal-Mart or of the su-

### Leaders of the pack

SUPERCENTER	SALES*		STORES	
	2005	2006	As of 1/06	As of 1/07
Wal-Mart Supercenters	\$189,544	\$158,600	2,256	1980
Meijer	14,100	14,020	176	171
Target Supercenters	10,234	8,430	177	158
Fred Meyer/Marketplace	7,721	7,239	152	150
Kmart	1,925	1,980	55	55
bigg's	713	687	12	12

\* figures are RT estimates

percenter format. Actually, in dominating warehouse clubs, Wal-Mart is ruling it over one of its own divisions, Sam's Club. And therein lies the tale: More than anything else, the growth of warehouse clubs and, particularly, supercenters, broke open the structure of what had been a supermarket-dominated food retailing sector, producing a multiplicity of fresh formats and a greater range of choice for consumers in the United States and, increasingly, Canada as well.

Wal-Mart supercenters' arrival in Canada this past year didn't exactly take anyone by surprise. In Canada, over the past decade and under the influence of Wal-Mart, Kmart departed, Eaton's failed, Hudson's Bay was acquired, Canadian Tire retrenched (successfully) and Loblaw tried to reinvent itself, with the jury still out on whether or not it has been left in better shape.

In the United States, supercenter expansion has influenced food retailing for a longer period, and the impact is complex.

Take Kroger, for example. To compete in a supercenter-dominated marketplace, Kroger has been developing increasingly sophisticated food and general merchandising offerings, including its Marketplace and Food & Drug formats, thus garnering more general merchandise sales.

The situation is even more complex at the second-most lucrative supermarket operator, Supervalu. When it took part in the Albertsons dismantling, Supervalu inherited a refined combination of food and drug formats under banners including Albertsons/Sav-on and Jewel/Osco. Yet, it already controlled two formats heavily influenced by supercenters. Bigg's was developed in the 1980s, European hypermarket

operators looked for footing in the United States and American retailers experimented with the format, one that largely failed. In a manner of speaking, bigg's is the last hypermarket standing. Although today it only operates in Ohio, Supervalu has been expanding the format lately, with nine stores now in operation.

More significantly, Supervalu operates Save-A-Lot, a grocery format that was based on a successful European food and general merchandise operation, Aldi. Save-A-Lot wasn't developed to combat supercenters. Its initial purpose was to help independent grocers cope with the expansion of regional supercenters such as Kroger and Albertsons. Yet, as supercenters came to dominate, Save-A-Lot experimented both with assortment, even acquiring a dollar store chain, as well as pricing. In *Retailing Today* market basket studies, Wal-Mart supercenters were only beaten once on price, and that was by a Save-A-Lot.

And Aldi now operates over 1,000 stores in the United States under the Trader Joe's and Aldi banners.

The development of food retailing continues to be dynamic. Whole Foods' acquisition of Wild Oats, and its admission that more mainstream competition on natural products was becoming a competitive issue, demonstrates just that. Yet, how Whole Foods has been growing—as a specialty operation alongside retailers with multi-department assortments—brings to mind the broadliner/specialist structure that is evident in mass-market retailing generally, with Best Buy and Bed Bath and Beyond as analogous. Ultimately, the substantive result of supercenter domination of food retailing has been the transformation of that once-unique sector into something much more akin to retailing in general. ■

## SUPER T OPTS FOR UNCONVENTIONAL

Just as Target is emerging as a significant player in food retailing in the United States, is it beginning to fall behind the times? In a recent comparison of merchandising and operations at major supercenter and supermarket operations, it seems as if Target's food efforts are becoming a bit outdated.

In a fourth-quarter conference call, Target Stores president Gregg Steinhafel said food operations are a critical part of satisfying customer expectations. "To meet our guests' increasing demand, we continue to broaden our assortment, improve our quality, allocate additional space to food and general merchandise stores and open new SuperTarget locations. In 2007 we plan to open our first SuperTarget store in California."

Yet, some observers have ques-

tioned whether Target has yet to reach its potential in food. In part, that question has arisen because of changes in strategy over the years, but lately the company has reached a certain consistency as it seeks to use hip merchandising and upscale private labels to "Targetize" its edibles.

In the meantime, supermarkets, which are used to undertaking major merchandising every 10 years or so, have been advancing. Kroger has been particularly active, shifting merchandising it has developed for its Marketplace stores into its even bigger, new-generation Food & Drug units. Wegmans and HEB have been developing entirely new store concepts that include dedicated and carefully tailored general merchandise additions. Safeway has been rolling out its Lifestyle stores which, if less focused on general merchandise than Kroger Market-

place, still have included specific non-foods programs dedicated to building on the gourmet food and merchandising the supermarket chain has added.

And supercenter competitor Meijer, from which Target drew at least inspiration for its supercenter format, has shifted to prototypes that place heavy emphasis on upscale perishables and meal solutions.

Target, in the meantime, retains a food department built on its long-time grocery block layout and limited perishables that offer a reduced service feature, including Sutton & Dodge meat, a case-ready program. Where Meijer has boosted its service meat by branding it as the "Angus department," Target has renounced the staffed counter and created Sutton & Dodge as a label that is supposed to substitute for the traditional above-commodity element. Yet, on a recent

store visit during an unseasonably hot afternoon in the Chicago market, Target's Sutton & Dodge meat was experiencing heavy internal condensation, indicating that the case temperature was set too high and virtually ensuring the product wouldn't be purchased.

On another front, Safeway also has added O Organics, while Meijer has introduced Meijer Organics with a new generation of graphics that has taken a step forward, advancing a style that is somewhat more sophisticated than the slightly kitschy looks that Target employs in its own-brand food line.

Supercenter operators including Target have taught supermarkets a thing or two about serving today's consumer in food, but they should consider that recently revived rivals might have learned the lessons too well. ■

# TOP 150

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## STABLE

a 4.4% increase from the 154,395 units in operation at the end of the previous year.

The addition of 6,737 new stores and the growth in sales occurred despite lingering consumer concerns and the emergence of other issues that threatened to erode confidence. Issues such as the war in Iraq, volatile energy prices and health care costs failed to derail consumer spending while rising interest rates and a deflating housing market had an impact on specific sectors such as home improvement chains, but ultimately failed to have a material impact on the broader industry.

Overall, the increase in 2006 sales was broad based with 134 of the Top 150 retailers reporting a sales increase. The largest gain again belonged to Wal-Mart where the \$36.5 billion in additional volume added last year pushed its total revenues up to \$348.6 billion. Wal-Mart's growth alone accounted for roughly 24% of the \$155 billion in revenue added by the Top 150 last year. While the company's domestic business continued its growth, 2006 marked the first time in the company's history that international sales growth outpaced domestic sales. Wal-Mart International added \$17.9 billion in revenue last year compared to a \$16.4 billion increase for the U.S. Stores division.

In addition to Wal-Mart's continued growth, other major retailers maintained their growth leading to a further

concentration of sales among the industry's largest players. Growth from the likes of Target, Costco, a resurgent Kroger, an acquisitive Supervalu, chain drug operators, JCPenney and Kohl's, office products retailers and Federated Department Stores (now known as Macy's Inc.) resulted in roughly 75% of the more than \$1.6 trillion in revenue generated by the Top 150 being concentrated among the 25 largest companies.

**75% OF THE \$1.6 TRILLION GENERATED BY THE TOP 150 WAS CONCENTRATED AMONG THE TOP 25 LARGEST COMPANIES**

Although no other retailer comes close to Wal-Mart's scale, a number of other operators have surpassed the \$50 billion threshold, and The Home Depot is closing in on \$100 billion. The nation's largest home improvement chain managed to grow sales by 11.4% to \$90.8 billion largely as a result of new store openings, but the productivity of existing units sank as the softening housing market took a toll on same-store sales. Full-year same-store sales declined 2.8%, but the situation was even worse in the fourth quarter as comps declined 6.6%. Meanwhile, costly initiatives to improve the retail experience ate into op-

erating profits, which increased just 3.3% to \$9.7 billion.

Lowe's faced similar market conditions as the bottom fell out of the housing market, but its core retail business was in better shape than Home Depot's from a customer service standpoint, so its 5.3% decline in fourth-quarter same-store sales was not as severe. Even so, Lowe's top line didn't grow as fast as Home Depot's, as sales increased 8.5% to \$46.9 billion. Profits held up better, though, as Lowe's operating profit surged slightly more than 12.3% to \$3.1 billion.

While home channel retailers strug-

gled late in the year, drug chains proved they have what it takes to weather an economic downturn. Walgreens is poised to surpass sales of \$50 billion this year after its sales rose 12.3% last year to \$47.4 billion and its store count grew by 476 units to 5,461 stores. Rival CVS, aided by the early 2006 acquisition of 700 stores from Albertsons, exceeded Walgreens net store growth figure with an increase of 731 units for a year-end total of 6,202 stores. However, it continues to lag Walgreens in sales as CVS grew sales by 18.4% last year to end with total sales of \$43.8 billion.

Generally speaking, 2006 was a year

of relative stability for the retail industry as there was little movement among the top 25 chains in terms of their ranking from the prior year. Even further down the list most companies moved no more than a few positions from the prior year. A couple notable exceptions involved Gamestop which came in at No. 51 on the 2006 ranking up from 72 the prior year thanks to its acquisition of E.B. Games. An even bigger move was seen by Bon-Ton which moved up to No. 74 from 116 the prior year following its acquisition of five Parisian stores from Belk and 142 stores from Saks Northern Department Store Group.

The stability within the retail industry was in contrast to the prior year when mergers and acquisitions were more robust. Even the presence of private equity firms diminished somewhat in 2006 after a busy 2005 that saw the privatization of companies such as Albertson's Inc., The Sports Authority, Burlington Coat Factory, Linens 'N Things, ShopKo, Party City, Nieman Marcus, Toys "R" Us and Petco. Overall, private activity may have slowed in 2006, but rumors abounded of potential takeover targets including BJ's Wholesales Club, OfficeMax and Dollar General, the latter being a deal that came to fruition earlier this year.

The retail industry faces no shortage of challenges at the midpoint of 2007, but if 2006 is any indication, consumers will remain resilient and keep on spending. Retailers are counting on it as expansion plans of the Top 150 call for the addition of 5,900 new units, a 3.66% increase from 2006 year-end levels. ■

# TOP 150

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COMPANY	RANK	COMPANY	RANK	COMPANY	RANK
<b>A</b> A&P	41	<b>G</b> GameStop Corp.	51	Price Chopper Inc.	87
Academy Sports & Outdoors Ltd.	119	Gander Mountain Co.	127	Publix Super Markets Inc.	16
A.C. Moore Arts & Crafts Inc.	141	Gap Inc.	21		
Advance Auto Parts Inc.	59	Gap International	21*	<b>Q</b> QVC Inc.	40
Ahold U.S.	10	Gap Stores (U.S.)	21*		
Ahold Foodservice	10*	Garden Ridge Corp.	148	<b>R</b> RadioShack Corp.	56
Ahold Supermarkets (U.S. retail)	10*	Gateway Inc.	86	Raley's Inc.	73
Albertsons LLC	35	Goody's Family Clothing Inc.	122	Retail Ventures Inc.	78
Aldi Inc.	55	Gottschalks Inc.	136	Rite Aid Corp.	14
Amazon.com Inc.	29			Ross Stores Inc.	48
Amscan Holdings (Party City)	142	<b>H</b> H.E. Butt Grocery Co.	28	Roundy's Supermarkets Inc.	63
Apple Computer Inc. (retail)	75	Harris Teeter Inc.	81		
Army/Air Force (AAFES)	26*	Hastings Entertainment Inc.	143	<b>S</b> Safeway Inc.	11
AutoZone Inc.	45	Hibbett Sporting Goods Inc.	147	Sam's Club	1*
		Hobby Lobby Stores Inc.	110	Schnuck Markets Inc.	94
<b>B</b> Babies 'R' Us	25*	Home Depot Inc., The	2	Sears Holdings Corp.	6
Banana Republic	21*	Home Depot Retail segment	2*	Sears (domestic)	6*
Barnes & Noble Inc.	53	Home Depot Supply segment	2*	Sears Canada	6*
Bashas' Inc.	97	HomeGoods	19*	ShopKo Stores Operating Co. LLC	99
Bass Pro Shops Inc.	76	Houchens Industries Inc.	89	Smart & Final Inc.	102
Bath & Body Works	30*	HSN Interactive Inc.	80	Spartan Stores Inc.	93
Beall's Inc.	125	Hy-Vee Inc.	52	Sports Authority Inc., The	82
Bed Bath & Beyond Inc.	42			Stage Stores Inc.	114
Belk Inc.	68	<b>I</b> IKEA U.S.	85	Staples Inc.	18
Best Buy Co. Inc.	13	Ingles Markets Inc.	88	Stater Bros. Holdings Inc.	71
Big 5 Sporting Goods Corp.	128			Stein Mart Inc.	115
Big Lots Inc.	57	<b>J</b> JCPenney Co. Inc.	17	Supervalu Inc.	12
BI-LO/Bruno's LLC	70	Jo-Ann Stores Inc.	109	Supervalu Food Distribution	12*
Bi-Mart Corp.	134			Supervalu Supermarkets	12*
BJ's Wholesale Club Inc.	34	<b>K</b> KB Toys Inc.	145		
Blockbuster Inc.	49	Kerr Drug Inc.	137	<b>T</b> Talbots Inc.	100
Bob's Stores	19*	Kinney Drugs	138	Target Corp.	4
Bon-Ton Stores Inc.	74	Kmart	6*	Target Discount Stores	4*
Books-A-Million Inc.	146	Kohl's Corp.	22	Target Supercenters	4*
Borders Group Inc.	61	Kroger Co.	3	TJX Cos. Inc., The	19
Bosco's Department Store LLC	120	Kroger Supermarkets	3*	Toys 'R' Us	25
BrandsMart USA	130			Toys 'R' Us Stores, U.S.	25*
Brookshire Grocery Co.	103	<b>L</b> Limited Brands Inc.	30	Toys 'R' Us, International	25*
Burlington Coat Factory Warehouse Corp.	72	Limited Brands Apparel segment	30*	Tractor Supply Co.	92
		Linens 'N Things Inc.	83	Trader Joe's Co. Inc.	58
<b>C</b> Cabela's Inc.	105	Liz Claiborne Specialty Retail Group	118	Trans World Entertainment Corp.	116
Cato Corp., The	129	Longs Drug Stores Corp.	54	Tuesday Morning Corp.	126
Charming Shoppes Inc.	79	Lowe's Cos. Inc.	8	Tweeter Home Entertainment Inc.	131
Children's Place Retail Stores Inc., The	106				
Circuit City Stores Inc.	27	<b>M</b> Macy's Inc.	15	<b>V</b> Value City Stores	78*
Coast Guard (CGES)	26*	Marine Corps (MCX)	26*	Variety Wholesalers Inc.	132
CompUSA Inc.	69	Marmaxx	19*	Veterans Canteen Service (VCS)	26*
Cost Plus Inc., Oakland, Calif.	123	McCoy's Corp.	144	Victoria's Secret	30
Costco Wholesale Corp.	5	Meek's Buliding Centers	149		
CSK Automotive Inc.	107	Meijer Inc.	24	<b>W</b> Wakefern Food Corp.	31
CVS Corp.	9	Menard's Inc.	37	Walgreen Co.	7
		Men's Wearhouse Inc., The	108	Wal-Mart Stores Inc.	1
<b>D</b> Defense Commissary Agency (DeCA)	50	Mervyns LLC	90	Wal-Mart Discount Stores	1*
Delhaize America, Salisbury, N.C.	20	Michaels Stores Inc.	65	Wal-Mart International	1*
Dell Inc.	36	Micro Center	140	Wal-Mart Supercenters	1*
Demoulas Super Markets Inc.	104	Military Exchange System	26	Wegmans Food Markets Inc.	66
Dick's Sporting Goods Inc.	77	Modell's Sporting Goods	135	Weis Markets Inc.	98
Dillard's Inc.	38			Whole Foods Market Inc.	47
Discount Drug Mart Inc.	139	<b>N</b> Navy (NEXCOM)	26*	Williams-Sonoma Inc.	67
Dollar General Corp.	32	Neighborhood Market	1*	Winn-Dixie Stores Inc.	39
Dollar Tree Stores Inc.	64	99 Cents Only Stores	124		
Dress Barn Inc.	121			<b>Z</b> Zale Corp.	91
DSW Shoe Warehouse	78*	<b>O</b> Office Depot Inc.	23		
Duane Reade Inc.	113	OfficeMax Inc.	33		
Duckwall-ALCO Stores Inc.	150	O'Reilly Automotive Inc.	95		
		Old Navy	21*		
<b>E</b> eBay Inc.	44				
		<b>P</b> Pacific Sunwear of California Inc.	117		
<b>F</b> Family Dollar Stores Inc.	43	Pathmark Stores Inc.	62		
Filene's Basement	78*	Payless Shoesource Inc.	84		
Foot Locker Inc.	46	Pep Boys – Manny, Moe & Jack, The	96		
Forever 21 Inc.	133	Petco Animal Supplies Inc.	101		
Fred Meyer/Marketplace	3*	PetSmart Inc.	60		
Fred's Inc	111	Pier 1 Imports Inc.	112		

For the complete Methodology of this year's Top 150 Report go to: [www.RetailingToday.com](http://www.RetailingToday.com)

\*Ranked with corporate parent

# TOP 150

## ANNUAL • INDUSTRY • REPORT

RANK	COMPANY	SALES (IN MILLIONS)			EARNINGS* (IN MILLIONS)			STORE COUNT					
		'06	'05	%CHG	'06	'05	%CHG	1/06	1/07	1/08 <sup>e</sup>			
1	1	WMT	<b>Wal-Mart Stores Inc.</b> , Bentonville, Ark. <sup>1</sup>		\$348,650	\$315,257	10.59%	\$20,497	\$18,713	9.53%	6,047	6,779	7,426
			Supercenters	SPR-CNTR	189,544 <sup>e</sup>	158,600 <sup>e</sup>	19.51	12,699 <sup>e</sup>	10,630 <sup>e</sup>	19.46	1,980	2,256	2,524
			Discount Stores	DDS	34,286 <sup>e</sup>	49,110 <sup>e</sup>	(30.19)	4,193 <sup>e</sup>	4,571 <sup>e</sup>	(8.27)	1,209	1,075	1,083
			International	MISC	77,116	59,237	30.18	4,259	3,343	27.40	2,181	2,757	3,084
			Sam's Club	CLUB	41,582	39,798 <sup>e</sup>	4.48	1,512	1,373	10.12	567	579	605
			Neighborhood Market	SPR-MKT	2,464 <sup>e</sup>	2,200 <sup>e</sup>	12.00	137 <sup>e</sup>	123 <sup>e</sup>	8.85	110	112	130
2	2	HD	<b>The Home Depot Inc.</b> , Atlanta, Ga. <sup>2</sup>		90,837	81,511	11.44	9,673	9,363	3.31	2,045	3,040	3,095
			Retail segment	DIY	79,027	77,022	2.60	9,024	9,058	(0.38)	2,042	2,147	2,199
			Supply segment	MISC	12,070	4,614	161.62	800	319	150.78	3	893	893
3	3	KR	<b>Kroger Co.</b> , Cincinnati, Ohio <sup>3</sup>		66,111	60,553	9.18	2,236	2,035	9.88	4,305	4,272	4,296
			Supermarkets	SPR-MKT	54,446 <sup>e</sup>	49,759 <sup>e</sup>	9.42	N/A	N/A	N/A	2,507	2,468	2,492
			Fred Meyer/Marketplace	SPR-CNTR	7,721 <sup>e</sup>	7,239 <sup>e</sup>	6.66	N/A	N/A	N/A	150	152	156
4	5	TGT	<b>Target Corp.</b> , Minneapolis, Minn.		59,490	52,620	13.06	2,787	2,408	15.74	1,397	1,488	1,606
			Discount Stores	DDS	47,644 <sup>e</sup>	42,841 <sup>e</sup>	11.21	N/A	N/A	N/A	1,239	1,311	1,409
			Supercenters	SPR-CNTR	10,234 <sup>e</sup>	8,430 <sup>e</sup>	21.40	N/A	N/A	N/A	158	177	197
5	6	COST	<b>Costco Wholesale Corp.</b> , Issaquah, Wash. <sup>4</sup>		58,963	51,879	13.65	1,626	1,474	10.31	433	458	495
6	4	SHLD	<b>Sears Holdings Corp.</b> , Hoffman Estates, Ill. <sup>5</sup>		53,012	53,962	(1.76)	2,523	2,073	21.71	3,893	3,841	3,822
			Sears (domestic)	PDS	29,179	30,038	(2.86)	1,323	849	55.83	2,052	2,030	2,051
			Kmart	DDS	18,647	19,094	(2.34)	948	767	23.60	1,416	1,388	1,350
			Sears Canada	MISC	5,186	4,830	7.37	252	457	(44.86)	357	373	371
7	8	WAG	<b>Walgreen Co.</b> , Deerfield, Ill. <sup>6</sup>		47,409	42,202	12.34	2,754	2,456	12.13	4,985	5,461	5,864
8	7	LOW	<b>Lowe's Cos. Inc.</b> , Mooresville, N.C. <sup>7</sup>		46,927	43,243	8.52	3,105	2,765	12.30	1,234	1,385	1,530
9	11	CVS	<b>CVS Corp.</b> , Woonsocket, R.I. <sup>8</sup>		43,814	37,006	18.40	2,442	2,020	20.89	5,471	6,202	6,477
10	9	AHO	<b>Ahold U.S.</b> , Chantilly, Va. <sup>9</sup>		41,654	41,015	1.56	1,226	1,051	16.65	840	795	795
			Supermarkets (U.S. retail)	SPR-MKT	22,437	22,547	(0.49)	901	944	(4.56)	840	795	795
			Foodservice	MISC	19,217	18,468	4.06	325	107	203.74	N/A	N/A	N/A
11	10	SWY	<b>Safeway Inc.</b> , Pleasanton, Calif.		40,185	38,416	4.60	1,600	1,215	31.69	1,775	1,761	1,786
12	15	SVU	<b>Supervalu Inc.</b> , Eden Prairie, Minn. <sup>10</sup>		37,406	19,864	88.31	1,305	435	200.00	2,656	2,478	2,576
			Supermarkets	SPR-MKT	28,016	10,635	163.43	1,179	269	338.29	1,381	2,478	2,576
			Food Distribution	MISC	9,390	9,229	1.74	257	214	20.09	N/A	N/A	N/A
13	12	BBY	<b>Best Buy Co. Inc.</b> , Richfield, Minn. <sup>11</sup>		35,934	30,848	16.49	1,999	1,644	21.59	941	1,172	1,302
14	17	RAD	<b>Rite Aid Corp.</b> , Camp Hill, Pa. <sup>12</sup>		27,500 <sup>e</sup>	17,271	59.23	N/A	N/A	N/A	3,323	5,192	5,347
15	13	M	<b>Macy's Inc.</b> , St. Louis, Mo. <sup>13</sup>		26,970	22,390	20.46	1,836	2,424	(24.26)	1,675	868	875
16	14	PUSH.OB	<b>Publix Super Markets Inc.</b> , Lakeland, Fla.		21,655	20,589	5.18	1,688	1,551	8.83	875	892	929
17	16	JCP	<b>JCPenney Co. Inc.</b> , Plano, Texas		19,903	18,781	5.97	1,134	977	16.07	1,019	1,033	1,083
18	19	SPLS	<b>Staples Inc.</b> , Framingham, Mass. <sup>14</sup>		18,161	16,079	12.95	1,463	1,234	18.56	1,780	1,884	1,994

**CHAIN CODES:** APP: Apparel & Accessories • AUTO: Automotives Aftermarket Parts Chain • BABY: Baby Goods Superstore • BOOK: Books Superstore • CE: Consumer Electronics & Computers Chain • CLOSE: Closeout Merchandise Chain • CLUB: Warehouse Club • CRAFT: Hobby & Crafts Chain • DDS: Discount Department Store • DIY: Do-It-Yourself Home Center Chain • DLR-VALU: Dollar Stores & Extreme-Value Chain • DRUG: Drug Store • ENT: Entertainment Software • E-TAIL: Electronic Media Retailer • FARM: Farm Goods Chain • HOME: Home Goods & Housewares Chain • JWLRY: Jewelry Retailer • MISC: Miscellaneous • MLTRY: Military Retail Outpost • OFFICE: Office Supply Superstore • PARTY: Party Supply Superstore • PDS: Promotional Department Store • PETS: Pet Supply Superstore • SPORT: Sporting Goods Chain • SPR-MKT: National/Super-Regional Grocer • SPR-CNTR: Supercenter • TOY: Toy Specialty Chain

PVT: Denotes Private Co. • CP: Corp. Parent Ticker • ( ): Decline or loss • N/A: Not Available/Not Applicable • e: estimate • \*Operating Income or EBIT, unless noted • Corporate revenue may exceed division sales totals because of non-retail revenue not listed

1 Total corp. sales figures incl. membership fees from Sam's Club division: exited Korea market by selling 18 stores to Shinegae for \$882 mil. 5/26/06; exited Germany market by selling 85 stores to Metro AG 7/28/06 (terms not disclosed)

2 Retail segment incl. all retail ops., U.S. and Int'l, as well as EXPO Design Centers, Landscape Supply, The Floor Store, Home Decorators Collections (acquired 4/25/06), Jubilee Home Solutions (acquired in 3Q06) and Chinese home improvement retailer The Home Way (acquired 12/13/06); divested The Floor Store 2/15/07 and is pursuing strategic alternatives for HD Supply

(consisting of 12 supply companies all acquired during 2006; operated mostly as a catalog and online business prior to acquisitions)

3 Revenue and store count totals include c-stores, jewelry and supermarket fuel centers; figures do not reflect purchase of 18 Scott's Food & Pharmacy stores in Indiana 4/19/07

4 Figures incl. U.S., Canada and Mexico ops and membership fees; membership fees were increased by \$5 5/1/06 for new members and on 7/1/06 for existing members

5 2005 Sears domestic and Sears Canada figures are pro forma; Kmart incl. approx. \$2.3 bil. in sales from 55

supercenters

6 Figures incl. all 76 Happy Harry's stores acquired 6/5/06

7 Figures incl. Canadian ops

8 Purchased approx. 700 stores from Albertson's Inc. 1/22/06; 11/2/06 entered into agreement to buy pharmacy-benefit manager Caremark Rx for \$21 bil. in stock

9 Figures calculated as \$1 = Euro 1.3173; as of 5/2/07 entered into agreement to sell US Foodservice division for \$7.1 billion to Clayton Dubilier and Rice Fund VII and Kohlberg Kravis Roberts

10 Purchased 1,124 stores from Albertson's Inc.

11 Figures incl. U.S., Canadian and China operations as well as Future Shop, Pacific Sales Kitchen & Bath, Five Star, Magnolia, Geek Squad and online revenues

12 Entered into agreement to purchase Brooks-Eckerd from Jean Coutu Group 8/23/06; sales, earnings figures incl. combined entity

13 Previously Federated Dept. Stores Inc.; DBA Macy's and Bloomingdale's; sales and

earnings exclude divested businesses of Lord & Taylor (sold 10/06); David's Bridal and Priscilla of Boston (sold 1/07); After Hours Formalwear (sold 4/07); As a result of the acquisition of May Co. 8/05, Federated's 2005 results include sales from May Co. dept. stores from Sept. '05 through Jan. '06 only; store count as of Jan. '07 includes Macy's and Bloomingdale's only

14 Total figures incl. U.S. and Int'l ops

# TOP 150

## ANNUAL • INDUSTRY • REPORT

RANK	COMPANY	SALES (IN MILLIONS)			EARNINGS* (IN MILLIONS)			STORE COUNT					
		'06	'05	%CHG	'06	'05	%CHG	1/06	1/07	1/08 <sup>e</sup>			
19	21 TJX <b>The TJX Cos. Inc.</b> , Framingham, Mass.	TJX	APP	17,405	15,956	9.08%	\$1,247	\$1,008	23.71%	1,800	1,875	1,937	
				Marmaxx	11,532	10,957	5.25	1,079	985	9.54	1,514	1,569	1,619
				HomeGoods	1,365	1,187	15.00	61	28	117.86	251	270	282
				Bob's Stores	300	288	4.17	(17)	(28)	N/A	35	36	36
20	18 DEG <sup>CP</sup>	<b>Delhaize America</b> , Salisbury, N.C.	SPR-MKT	17,289	16,551	4.46	944	899	5.01	1,537	1,549	1,582	
21	20 GPS	<b>Gap Inc.</b> , San Francisco, Calif. <sup>1</sup>	APP	15,943	16,023	(0.50)	1,264	1,793	(29.50)	3,053	3,131	3,156	
				Gap Stores (U.S.)	4,873	5,176	(5.85)	N/A	N/A	N/A	1,239	1,293	1,240
				Old Navy	6,484	6,588	(1.58)	N/A	N/A	N/A	959	1,012	1,060
				Banana Republic	2,370	2,196	7.92	N/A	N/A	N/A	494	534	559
				Gap International	1,373	1,428	(3.85)	N/A	N/A	N/A	356	273	297
22	24 KSS	<b>Kohl's Corp.</b> , Menomonee Falls, Wis.	PDS	15,544	13,402	15.98	1,815	1,416	28.18	732	817	939	
23	22 ODP	<b>Office Depot Inc.</b> , Delray Beach, Fla. <sup>2</sup>	OFFICE	15,011	14,279	5.13	733	348	110.63	1,047	1,158	1,308	
24	23 PVT	<b>Meijer Inc.</b> , Grand Rapids, Mich.	SPR-CNTR	14,100 <sup>e</sup>	14,020 <sup>e</sup>	0.57	N/A	N/A	N/A	171	176	181	
25	28 PVT	<b>Toys 'R' Us</b> , Wayne, N.J. <sup>3</sup>	TOY	13,050	11,333	15.15	649	(142)	N/A	1,542	1,515	1,572	
				Toys 'R' Us Stores, U.S.	5,894	6,431	(8.35)	254	(4)	N/A	671	586	608
				Toys 'R' Us, International	3,130	2,815	11.19	233	193	20.73	641	678	698
				Babies 'R' Us	2,376	2,087	13.85	340	226	50.44	230	251	266
26	25 —	<b>Military Exchange System</b> <sup>4</sup>	MLTRY	12,526	12,181	2.83	N/A	N/A	N/A	524	525	546	
				Army/Air Force (AAFES), Dallas, Texas	8,900	8,700	2.30	54	N/A	N/A	160	160	175
				Navy (NEXCOM), Virginia Beach, Va.	2,430	2,312	5.10	47	N/A	N/A	103	103	104
				Marine Corps (MCX), Quantico, Va.	774	756	2.38	N/A	N/A	N/A	16	16	21
				Veterans Canteen Service (VCS), St. Louis, Mo.	295	287	2.79	N/A	N/A	N/A	176	172	172
				Coast Guard (CGES), Chesapeake, Va.	127	126	0.79	N/A	N/A	N/A	69	74	74
27	27 CC	<b>Circuit City Stores Inc.</b> , Richmond, Va.	CE	12,430	11,514	7.96	(5)	215	N/A	631	654	716	
28	26 PVT	<b>H.E. Butt Grocery Co.</b> , San Antonio, Texas <sup>5</sup>	SPR-MKT	12,300 <sup>e</sup>	11,800 <sup>e</sup>	4.24	N/A	N/A	N/A	300	303	305	
29	35 AMZN	<b>Amazon.com Inc.</b> , Seattle, Wash.	E-TAIL	10,711	8,490	26.16	389	432	(9.95)	N/A	N/A	N/A	
30	30 LTD	<b>Limited Brands Inc.</b> , Columbus, Ohio <sup>6</sup>	APP	10,671	9,699	10.02	1,176	986	19.27	3,590	3,798	3,777	
				Victoria's Secret	5,139	4,448	15.54	958	886	8.13	998	1,326	1,393
				Apparel segment	2,242	2,339	(4.15)	27	(92)	N/A	1,035	918	775
				Bath & Body Works	2,556	2,285	11.86	456	403	13.15	1,548	1,546	1,601
31	32 PVT	<b>Wakefern Food Corp.</b> , Elizabeth, N.J. <sup>7</sup>	SPR-MKT	9,500	9,088 <sup>e</sup>	4.53	N/A	N/A	N/A	190	207	213	
32	34 DG	<b>Dollar General Corp.</b> , Goodlettsville, Tenn. <sup>8</sup>	DLR-VALU	9,170	8,582	6.85	248	562	(55.87)	8,019	8,260	8,310	
33	31 OMX	<b>OfficeMax</b> , Shaker Heights, Ohio	OFFICE	8,966	9,158	(2.10)	99	(41)	N/A	970	914	974	
34	37 BJ	<b>BJ's Wholesale Club Inc.</b> , Natick, Mass. <sup>9</sup>	CLUB	8,480	7,914	7.15	144	215	(33.02)	163	168	175	
35	29 PVT	<b>Albertsons LLC</b> , Boise, Idaho <sup>10</sup>	SPR-MKT	8,125 <sup>e</sup>	10,722 <sup>e</sup>	(24.22)	N/A	N/A	N/A	655	395	390	
36	36 DELL	<b>Dell Inc.</b> , Round Rock, Texas <sup>11</sup>	CE	8,009	7,930	1.00	N/A	N/A	N/A	0	0	1	
37	39 PVT	<b>Menard's Inc.</b> , Eau Claire, Wis.	DIY	7,960 <sup>e</sup>	7,450 <sup>e</sup>	6.85	N/A	N/A	N/A	202	214	225	
38	38 DDS	<b>Dillard's Inc.</b> , Little Rock, Ark.	PDS	7,636	7,552	1.11	254	126	101.59	330	328	333	
39	40 WINN	<b>Winn-Dixie Stores Inc.</b> , Jacksonville, Fla. <sup>12</sup>	SPR-MKT	7,194	7,005	2.70	(150)	(308)	N/A	913	539	539	
40	41 LINTA <sup>CP</sup>	<b>QVC Inc.</b> , Philadelphia, Pa.	E-TAIL	7,074	6,501	8.81	1,656	1,422	16.46	8	8	7	
41	33 GAP	<b>A&amp;P</b> , Montvale, N.J. <sup>13</sup>	SPR-MKT	6,850	8,740	(21.62)	27	390	(93.08)	405	406	406	
42	43 BBBY	<b>Bed Bath &amp; Beyond Inc.</b> , Union, N.J. <sup>14</sup>	HOME	6,617	5,810	13.89	889	879	1.14	809	888	918	
43	42 FDO	<b>Family Dollar Stores Inc.</b> , Matthews, N.C.	DLR-VALU	6,395	5,825	9.79	311	343	(9.33)	5,898	6,173	6,428	
44	55 EBAY	<b>eBay Inc.</b> , San Jose, Calif.	E-TAIL	5,970	4,552	9.79	3,290	2,293	43.48	N/A	N/A	N/A	

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1 Announced closing all North & Towne locations 2/26/07

2 Figures incl. U.S. and Canada

3 Acquired 7/21/05 by a consortium of private equity investors

4 All divisions are operating units of U.S. Military

5 Figures include HEB supermarkets (U.S. and

Mexico), HEB Plus! and Central Market stores

6 Announced a definitive agreement 5/15/07

to sell majority stake in Express to Golden Gate Capital for \$548 mil; also announced

5/15/07 it is seeking strategic options for its

Limited stores

7 DBA ShopRite; FY ended 10/06; revenue incl.

wholesale business; store counts incl. co-ops

8 Announced 3/12/07 to be acquired by

Kohlberg Kravis Roberts & Co. for \$7.3 billion

9 Sales figures incl. membership fees

10 Purchased by consortium incl. Cerberus

Capital Management, Kimco Realty Corp.,

Schottenstein Stores Corp., Lubert-Adler

Partners and Klaff Realty LP

11 Figures based on preliminary company

guidance due to delayed SEC filing

12 FY ended 6/29/06; exited Ch. 11 11/21/06;

plan to reopen two stores closed due to

Katrina, but open zero new stores

13 Acquired Pathmark Stores 3/07; deal

was not complete as of press time, hence store

count projections are kept flat; '06 revenue

decrease reflects sale of Canadian ops in 2005

14 Figures incl. Bed Bath, Christmas Tree Shops

and Harmon stores

Source: Co. reports and *Retailing Today* research

# TOP 150

## ANNUAL • INDUSTRY • REPORT

RANK	COMPANY	SALES (IN MILLIONS)			EARNINGS* (IN MILLIONS)			STORE COUNT			
		'06	'05	%CHG	'06	'05	%CHG	1/06	1/07	1/08 <sup>e</sup>	
45	45 AZO <b>AutoZone Inc.</b> , Memphis, Tenn. <sup>1</sup>	AUTO	5,948	5,710	4.17	1,010	976	3.48	3,673	3,871	4,065
46	46 FL <b>Foot Locker Inc.</b> , New York, N.Y. <sup>2</sup>	APP	\$5,750	\$5,653	1.72%	\$381	\$409	(6.85%)	3,921	3,942	3,997
47	52 WFMI <b>Whole Foods Market Inc.</b> , Austin, Texas <sup>3</sup>	SPR-MKT	5,607	4,701	19.27	319	229	39.30	175	186	215
48	50 ROST <b>Ross Stores Inc.</b> , Newark, Calif. <sup>4</sup>	APP	5,570	4,944	12.66	398	328	21.34	734	797	887
49	44 BBI <b>Blockbuster Inc.</b> , Dallas, Texas <sup>5</sup>	ENT	5,524	5,721	(3.44)	79	388	(79.64)	7,158	5,194	4,787
50	47 PVT <b>Defense Commissary Agency (DeCA)</b> , Fort Lee, Va.	MLTRY	5,417	5,379	0.71	N/A	N/A	N/A	284	284	284
51	72 GME <b>GameStop Corp.</b> , Grapevine, Texas <sup>6</sup>	ENT	5,319	3,092	72.02	334	193	73.06	4,490	4,778	5,303
52	51 PVT <b>Hy-Vee Inc.</b> , West Des Moines, Iowa	SPR-MKT	5,300 <sup>e</sup>	4,925 <sup>e</sup>	7.61	N/A	N/A	N/A	219	221	224
53	48 BKS <b>Barnes &amp; Noble Inc.</b> , New York, N.Y. <sup>7</sup>	BOOK	5,261	5,103	3.10	253	252	0.40	799	793	809
54	54 LDG <b>Longs Drug Stores Corp.</b> , Walnut Creek, Calif.	DRUG	5,097	4,670	9.14	123	126	(2.38)	476	509	505
55	53 PVT <b>Aldi Inc.</b> , Batavia, Ill.	SPR-MKT	5,000 <sup>e</sup>	4,700 <sup>e</sup>	6.38	N/A	N/A	N/A	800	805	840
56	49 RSH <b>RadioShack Corp.</b> , Fort Worth, Texas <sup>8</sup>	CE	4,778	5,082	(5.98)	350	157	122.93	4,972	4,467	4,450
57	57 BIG <b>Big Lots Inc.</b> , Columbus, Ohio	CLOSE	4,743	4,430	7.07	168	27	522.22	1,401	1,375	1,387
58	56 PVT <b>Trader Joe's Co. Inc.</b> , Monrovia, Calif.	SPR-MKT	4,650 <sup>e</sup>	4,450 <sup>e</sup>	4.49	N/A	N/A	N/A	250	262	272
59	58 AAP <b>Advance Auto Parts Inc.</b> , Roanoke, Va. <sup>9</sup>	AUTO	4,617	4,265	8.25	403	408	(1.23)	2,872	3,082	3,287
60	64 PETM <b>PetSmart Inc.</b> , Phoenix, Ariz.	PETS	4,234	3,760	12.61	322	311	3.54	826	908	1,006
61	59 BGP <b>Borders Group Inc.</b> , Ann Arbor, Mich. <sup>10</sup>	BOOK	4,064	4,031	0.82	(137)	173	N/A	1,204	1,131	1,026
62	62 PTMK <b>Pathmark Stores Inc.</b> , Carteret, N.J. <sup>11</sup>	SPR-MKT	4,058	3,977	2.04	33	(1)	N/A	141	141	141
63	65 PVT <b>Roundy's Supermarkets Inc.</b> , Milwaukee, Wis.	SPR-MKT	4,000 <sup>e</sup>	3,700 <sup>e</sup>	8.11	N/A	N/A	N/A	135	155	156
64	69 DLTR <b>Dollar Tree Stores Inc.</b> , Chesapeake, Va. <sup>12</sup>	DLR-VALU	3,969	3,394	16.94	311	284	9.51	2,914	3,219	3,409
65	66 PVT <b>Michaels Stores Inc.</b> , Irving, Texas <sup>13</sup>	CRAFT	3,865 <sup>e</sup>	3,676 <sup>e</sup>	5.14	381	203	87.68	1,066	1,101	1,146
66	63 PVT <b>Wegmans Food Markets Inc.</b> , Rochester, N.Y.	SPR-MKT	3,820 <sup>e</sup>	3,763 <sup>e</sup>	1.51	N/A	N/A	N/A	70	70	71
67	67 WSM <b>Williams-Sonoma Inc.</b> , San Francisco, Calif. <sup>14</sup>	HOME	3,728	3,539	5.34	337	349	(3.44)	570	588	590
68	73 BLKIA.PK <b>Belk Inc.</b> , Charlotte, N.C.	PDS	3,685	2,969	24.12	324	359	(9.75)	276	315	327
69	60 PVT <b>CompUSA Inc.</b> , Dallas, Texas <sup>15</sup>	CE	3,680 <sup>e</sup>	4,000 <sup>e</sup>	(8.00)	N/A	N/A	N/A	249	229	103
70	61 PVT <b>BI-LO/Bruno's LLC</b> , Mauldin, S.C. <sup>16</sup>	SPR-MKT	3,600 <sup>e</sup>	4,000 <sup>e</sup>	(10.00)	N/A	N/A	N/A	N/A	294	287
71	68 PVT <b>Stater Bros. Holdings Inc.</b> , Colton, Calif.	SPR-MKT	3,500 <sup>e</sup>	3,400 <sup>e</sup>	2.94	N/A	N/A	N/A	155	162	169
72	71 PVT <b>Burlington Coat Factory Warehouse Corp.</b> , Burlington, N.J. <sup>17</sup>	PDS	3,449 <sup>e</sup>	3,171 <sup>e</sup>	8.77	N/A	N/A	N/A	361	367	379
73	70 PVT <b>Raley's Inc.</b> , West Sacramento, N.Y.	SPR-MKT	3,420 <sup>e</sup>	3,370 <sup>e</sup>	1.48	N/A	N/A	N/A	135	138	140
74	116 BONT <b>Bon-Ton Stores Inc.</b> , York, Pa. <sup>18</sup>	PDS	3,362	1,287	161.23	174	50	248.00	137	283	285
75	88 AAPL <b>Apple Computer Inc. (retail)</b> , Cupertino, Calif. <sup>19</sup>	CE	3,359	2,350	42.94	198	151	31.13	124	165	203
76	80 PVT <b>Bass Pro Shops Inc.</b> , Springfield, Mo.	SPORT	3,181 <sup>e</sup>	2,625 <sup>e</sup>	21.18	N/A	N/A	N/A	33	40	48
77	81 DKS <b>Dick's Sporting Goods Inc.</b> , Pittsburgh, Pa.	SPORT	3,114	2,625	18.63	198	133	48.87	255	294	339
78	74 RVI <b>Retail Ventures Inc.</b> , Columbus, Ohio		3,068	2,913	5.32	(94)	(137)	N/A	339	367	403
	Value City Stores	DDS	1,361	1,380	(1.38)	(18)	(52)	N/A	113	113	113
	DSW Shoe Warehouse	APP	1,279	1,144	11.80	101	70	44.29	199	223	253
	Filene's Basement	APP	427	389	9.77	(1)	(11)	N/A	27	31	37
79	75 CHRIS <b>Charming Shoppes Inc.</b> , Bensalem, Pa.	APP	3,068	2,756	11.32	173	163	6.13	2,236	2,378	2,434
80	77 IACI <sup>CP</sup> <b>HSN Interactive Inc.</b> , St. Petersburg, Fla.	E-TAIL	2,933	2,671	9.81	228	217	5.07	N/A	N/A	N/A
81	79 RDK <sup>CP</sup> <b>Harris Teeter Inc.</b> , Matthews N.C.	SPR-MKT	2,923	2,645	10.51	128	114	12.28	145	152	174

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1 Store counts incl. Mexico locations

1/28/06

2 Figures incl. all company banners

7 Figures incl. sales and/or store counts for

3 Purchased Wild Oats Markets 2/22/07; figures do not reflect acquisition

B&N, B.Dalton and online

4 Figures incl. Ross and dd's Discount banners

8 Store counts are for company-operated stores only

5 Sold Rhino Video Games 1/07; projected store counts account for exiting of Australia, Brazil, U.K. markets

9 Figures incl. Auto Parts Int'l, acquired in 2005

6 Figures incl. E.B. Games from 10/9/05 to

10 Sales, earnings incl. all company banners; store counts only incl. Borders and Waldenbooks locations

# TOP 150

## ANNUAL • INDUSTRY • REPORT

RANK	COMPANY	SALES (IN MILLIONS)			EARNINGS* (IN MILLIONS)			STORE COUNT					
		'06	'05	%CHG	'06	'05	%CHG	1/06	1/07	1/08 <sup>e</sup>			
82	83	PVT	<b>The Sports Authority Inc.</b> , Fort Lauderdale, Fla. <sup>1</sup>	SPORT	2,900	2,509	15.58	N/A	N/A	N/A	398	410	439
83	76	PVT	<b>Linens 'N Things Inc.</b> , Clifton, N.J.	HOME	\$2,819	\$2,695	4.60%	N/A	N/A	N/A	542	571	591
84	78	PSS	<b>Payless Shoesource Inc.</b> , Topeka, Kan.	APP	2,797	2,666	4.91	\$125	\$77	62.34%	4,605	4,572	4,562
85	95	PVT	<b>IKEA U.S.</b> , Plymouth Meeting, Pa.	HOME	2,750 <sup>e</sup>	2,096 <sup>e</sup>	31.20	N/A	N/A	N/A	26	29	33
86	87	GTW	<b>Gateway Inc.</b> , Poway, Calif.	CE	2,740	2,359	16.15	118	137	(13.87)	N/A	N/A	N/A
87	82	PVT	<b>Price Chopper Inc.</b> , Schenectady, N.Y. <sup>2</sup>	SPR-MKT	2,700 <sup>e</sup>	2,540 <sup>e</sup>	6.30	N/A	N/A	N/A	115	116	116
88	90	IMKTA	<b>Ingles Markets Inc.</b> , Asheville, N.C. <sup>3</sup>	SPR-MKT	2,612	2,274	14.86	104	76	36.84	197	197	201
89	86	PVT	<b>Houchens Industries Inc.</b> , Bowling Green, Ky. <sup>4</sup>	SPR-MKT	2,500 <sup>e</sup>	2,360 <sup>e</sup>	5.93	N/A	N/A	N/A	N/A	413	434
90	84	PVT	<b>Mervyn's LLC</b> , Hayward, Calif.	PDS	2,459 <sup>e</sup>	2,433 <sup>e</sup>	1.07	N/A	N/A	N/A	187	189	193
91	85	ZLC	<b>Zale Corp.</b> , Irving, Texas <sup>5</sup>	JWLRY	2,439	2,383	2.35	81	178	(54.49)	2,345	2,349	2,417
92	96	TSCO	<b>Tractor Supply Co.</b> , Nashville, Tenn. <sup>6</sup>	FARM	2,370	2,068	14.60	148	136	8.82	595	676	766
93	98	SPTN	<b>Spartan Stores Inc.</b> , Grand Rapids, Mich. <sup>7</sup>	SPR-MKT	2,370	2,040	16.18	51	37	37.84	68	75	107
94	89	PVT	<b>Schnuck Markets Inc.</b> , St. Louis, Mo.	SPR-MKT	2,325 <sup>e</sup>	2,300 <sup>e</sup>	1.09	N/A	N/A	N/A	N/A	101	102
95	97	ORLY	<b>O'Reilly Automotive Inc.</b> , Springfield, Mo.	AUTO	2,283	2,045	11.64	282	253	11.46	1,470	1,640	1,832
96	91	PBY	<b>The Pep Boys – Manny, Moe &amp; Jack</b> , Philadelphia, Pa.	AUTO	2,272	2,238	1.52	36	(11)	N/A	593	593	593
97	94	PVT	<b>Bashas' Inc.</b> , Chandler, Ariz. <sup>8</sup>	SPR-MKT	2,250 <sup>e</sup>	2,100 <sup>e</sup>	7.14	N/A	N/A	N/A	153	156	162
98	93	WMK	<b>Weis Markets Inc.</b> , Sunbury, Pa.	SPR-MKT	2,245	2,223	0.99	81	86	(5.81)	158	156	157
99	92	PVT	<b>ShopKo Stores Operating Co. LLC</b> , Green Bay, Wis. <sup>9</sup>	DDS	2,234	2,225	0.40	N/A	N/A	N/A	135	138	138
100	104	TLB	<b>Talbots Inc.</b> , Hingham, Mass. <sup>10</sup>	APP	2,231	1,809	23.33	75	152	(50.66)	1,083	1,364	1,434
101	102	PVT	<b>Petco Animal Supplies Inc.</b> , San Diego, Calif. <sup>11</sup>	PETS	2,200 <sup>e</sup>	1,900 <sup>e</sup>	15.79	75	N/A	N/A	779	850	920
102	99	SMF	<b>Smart &amp; Final Inc.</b> , City of Commerce, Calif. <sup>12</sup>	CLUB	2,104	2,003	5.04	42	43	(2.33)	236	255	262
103	100	PVT	<b>Brookshire Grocery Co.</b> , Tyler, Texas	SPR-MKT	2,100 <sup>e</sup>	2,000 <sup>e</sup>	5.00	N/A	N/A	N/A	N/A	155	157
104	101	PVT	<b>Demoulas Super Markets Inc.</b> , Tewksbury, Mass.	SPR-MKT	2,100 <sup>e</sup>	2,000 <sup>e</sup>	5.00	N/A	N/A	N/A	58	58	59
105	105	CAB	<b>Cabela's Inc.</b> , Sidney, Neb.	SPORT	2,064	1,800	14.67	144	115	25.22	14	18	26
106	108	PLCE	<b>The Children's Place Retail Stores Inc.</b> , Secaucus, N.J. <sup>13</sup>	APP	2,018	1,669	20.91	114	103	10.68	1,119	1,192	1,272
107	109	CAO	<b>CSK Automotive Inc.</b> , Phoenix, Ariz. <sup>14</sup>	AUTO	1,900	1,651	15.08	N/A	N/A	N/A	1,273	1,332	1,376
108	107	MW	<b>The Men's Wearhouse Inc.</b> , Houston, Texas <sup>15</sup>	APP	1,882	1,767	6.51	224	165	35.70	719	752	786
109	103	JAS	<b>Jo-Ann Stores Inc.</b> , Hudson, Ohio <sup>16</sup>	CRAFT	1,851	1,883	(1.70)	9	(8)	N/A	838	801	787
110	113	PVT	<b>Hobby Lobby Stores Inc.</b> , Oklahoma City, Okla. <sup>17</sup>	CRAFT	1,800 <sup>e</sup>	1,436 <sup>e</sup>	25.35	N/A	N/A	N/A	367	380	400
111	111	FRED	<b>Fred's Inc.</b> , Memphis, Tenn. <sup>18</sup>	DLR-VALU	1,767	1,589	11.20	41	40	2.50	621	677	694
112	106	PIR	<b>Pier 1 Imports Inc.</b> , Fort Worth, Texas	HOME	1,623	1,777	(8.67)	(226)	(43)	N/A	1,183	1,196	1,141
113	110	PVT	<b>Duane Reade Inc.</b> , New York, N.Y. <sup>19</sup>	DRUG	1,600 <sup>e</sup>	1,590 <sup>e</sup>	0.63	N/A	N/A	N/A	251	248	454
114	115	SSI	<b>Stage Stores Inc.</b> , Houston, Texas <sup>20</sup>	APP	1,550	1,344	15.33	88	89	(1.12)	550	655	700
115	112	SMRT	<b>Stein Mart Inc.</b> , Jacksonville, Fla.	APP	1,501	1,482	1.28	58	79	(26.58)	262	268	283
116	118	TWMC	<b>Trans World Entertainment Corp.</b> , Albany, N.Y. <sup>21</sup>	ENT	1,471	1,238	18.82	(24)	5	N/A	782	992	997
117	114	PSUN	<b>Pacific Sunwear of California Inc.</b> , Anaheim, Calif. <sup>22</sup>	APP	1,447	1,391	4.03	60	197	(69.54)	1,105	1,199	1,145
118	119	LIZ <sup>CP</sup>	<b>Liz Claiborne Specialty Retail Group</b> , New York, N.Y. <sup>23</sup>	APP	1,362	1,208	12.75	42	68	(38.24)	338	399	511
119	120	PVT	<b>Academy Sports &amp; Outdoors Ltd.</b> , Katy, Texas	SPORT	1,319 <sup>e</sup>	1,193 <sup>e</sup>	10.56	N/A	N/A	N/A	85	94	106
120	121	PVT	<b>Boscov's Department Store LLC</b> , Reading, Pa. <sup>24</sup>	PDS	1,314 <sup>e</sup>	1,051 <sup>e</sup>	25.02	N/A	N/A	N/A	40	50	52
121	123	DBRN	<b>Dress Barn Inc.</b> , Suffern, N.Y. <sup>25</sup>	APP	1,300	1,000	30.00	132	93	41.94	1,272	1,339	1,444

**CHAIN CODES:** APP: Apparel & Accessories • AUTO: Automotives Aftermarket Parts Chain • BABY: Baby Goods Superstore • BOOK: Books Superstore • CE: Consumer Electronics & Computers Chain • CLOSE: Closeout Merchandise Chain • CLUB: Warehouse Club • CRAFT: Hobby & Crafts Chain • DDS: Discount Department Store • DIY: Do-It-Yourself Home Center Chain • DLR-VALU: Dollar Stores & Extreme-Value Chain • DRUG: Drug Store • ENT: Entertainment Software • E-TAIL: Electronic Media Retailer • FARM: Farm Goods Chain • HOME: Home Goods & Housewares Chain • JWLRY: Jewelry Retailer • MISC: Miscellaneous • MLTRY: Military Retail Outpost • OFFICE: Office Supply Superstore • PARTY: Party Supply Superstore • PDS: Promotional Department Store • PETS: Pet Supply Superstore • SPORT: Sporting Goods Chain • SPR-MKT: National/Super-Regional Grocer • SPR-CNTR: Supercenter • TOY: Toy Specialty Chain

PVT: Denotes Private Co. • CP: Corp. Parent Ticker • ( ): Decline or loss • N/A: Not Available/Not Applicable • e: estimate • \*Operating Income or EBIT, unless noted • Corporate revenue may exceed division sales totals because of non-retail revenue not listed

1 Company acquired by Leonard Green & Partners LLP 5/3/06 and subsequently taken private

2 Acquired six stores from Tops Markets in early 2006 and announced 11/7/06 it may acquire the last 73 stores from parent company Ahold

3 Sales, earnings incl. fuel for Ingles and Sav-Mor banners

4 Figures incl. all company banners, c-stores and cigarette outlets

5 Figures incl. all Zales banners and kiosks

6 Figures incl. Tractor Supply and Del's Farm Supply stores

7 Proj. store counts incl. anticipated acquisition of 20 retail stores from G&R Felpausch Co.

8 Figures incl. all company banners as well as Sportsman's Fine Wine & Spirits (acquired 1/4/07)

9 Acquired by Sun Capital Partners 12/23/05 and subsequently taken private; results do not include sales from sister company

Pamida, also acquired by Sun Capital 12/23/05, of \$820 mil. from 215 stores

10 Figures incl. Talbots and J. Jill banners

11 Acquired by Leonard Green & Partners and Texas Pacific Group 9/06 for \$1.8 billion

12 Acquired by Apollo Management 2/20/07

13 Store counts only incl. U.S. Children's Place and Disney Store locations

14 Figures incl. all company banners; sales figures based on preliminary disclosures as SEC filings were delayed as of press time

15 Figures incl. Men's Wearhouse, K&G and Moore's locations in U.S. and Canada

16 Figures incl. traditional stores and superstores

17 Store counts incl. Hobby Lobby and Hemispheres stores

18 Store counts do not incl. in-store pharmacies

19 Store counts incl. acquisition of eight Grinsteades locations 2/20/07

20 Acquired B.C. Moore 2/26/06

21 Figures incl. all banners under Trans World Corp.; acquired Musicland and all

accompanying banners 3/27/06

22 Figures incl. PacSun retail, outlet and demo locations

23 Figures for all ops in retail group, U.S. and Int'l; store counts do not incl. outlets

24 Boscov's acquired 10 stores from Federated Dept. Stores 2/7/06

25 Figures incl. all Dress Barn banners and Maurices

Source: Co. reports and Retailing Today research

# TOP 150

## ANNUAL • INDUSTRY • REPORT

RANK	COMPANY	SALES (IN MILLIONS)			EARNINGS* (IN MILLIONS)			STORE COUNT				
		'06	'05	%CHG	'06	'05	%CHG	1/06	1/07	1/08 <sup>e</sup>		
122	117 PVT	Goody's Family Clothing Inc., Knoxville, Tenn.	APP	\$1,286 <sup>e</sup>	\$1,279 <sup>e</sup>	0.55%	N/A	N/A	N/A	381	383	385
123	125 CPWM	Cost Plus Inc., Oakland, Calif.	HOME	1,040	970	7.22	(\$27)	(\$31)	N/A	267	287	299
124	122 NDN	99 Cents Only Stores, City of Commerce, Pa.	DLR-VALU	1,024	1,012	1.19	39	12	225.00%	223	232	267
125	124 PVT	Beall's Inc., Bradenton, Fla.	PDS	1,009 <sup>e</sup>	1,000 <sup>e</sup>	0.90	N/A	N/A	N/A	560	565	570
126	126 TUES	Tuesday Morning Corp., Addison, Texas	CLOSE	911	932	(2.25)	58	97	(40.21)	732	795	845
127	130 GMTN	Gander Mountain Co., Minneapolis, Minn.	SPORT	911	804	13.31	15	(2)	N/A	98	105	115
128	129 BGFV	Big 5 Sporting Goods Corp., El Segundo, Calif.	SPORT	877	814	7.74	58	50	16.00	324	343	361
129	128 CTR	The Cato Corp., Charlotte, N.C.	APP	876	836	4.78	80	70	14.29	1,244	1,276	1,351
130	132 PVT	BrandsMart USA, Hollywood, Fla.	CE	858 <sup>e</sup>	751 <sup>e</sup>	14.25	N/A	N/A	N/A	7	8	8
131	131 TWTR	Tweeter Home Entertainment Inc., Canton, Mass.	ENT	775	795	(2.52)	(14)	(47)	N/A	159	153	153
132	133 PVT	Variety Wholesalers Inc., Raleigh, N.C.	DLR-VALU	742 <sup>e</sup>	728 <sup>e</sup>	1.92	N/A	N/A	N/A	504	510	540
133	137 PVT	Forever 21 Inc., Los Angeles, Calif. <sup>1</sup>	APP	735 <sup>e</sup>	652 <sup>e</sup>	12.73	N/A	N/A	N/A	346	390	413
134	135 PVT	Bi-Mart Corp., Eugene, Ore.	CLUB	695 <sup>e</sup>	715 <sup>e</sup>	(2.80)	N/A	N/A	N/A	64	65	65
135	138 PVT	Modell's Sporting Goods, New York, N.Y.	SPORT	682 <sup>e</sup>	652 <sup>e</sup>	4.60	N/A	N/A	N/A	127	133	138
136	136 GOT	Gottschalks Inc., Fresno, Calif. <sup>2</sup>	PDS	681	665	2.41	14	17	(17.65)	69	65	67
137	139 PVT	Kerr Drug Inc., Durham, N.C.	DRUG	645 <sup>e</sup>	600 <sup>e</sup>	7.50	N/A	N/A	N/A	104	102	104
138	144 PVT	Kinney Drugs, Gouverneur, N.Y.	DRUG	607 <sup>e</sup>	525 <sup>e</sup>	15.62	N/A	N/A	N/A	79	88	98
139	140 PVT	Discount Drug Mart Inc., Medina Ohio	DRUG	605 <sup>e</sup>	546 <sup>e</sup>	10.81	N/A	N/A	N/A	64	66	68
140	127 PVT	Micro Center, Hilliard, Ohio <sup>3</sup>	CE	603 <sup>e</sup>	861 <sup>e</sup>	(29.97)	N/A	N/A	N/A	19	14	15
141	141 ACMR	A.C. Moore Arts & Crafts Inc., Blackwood, N.J.	CRAFT	590	539	9.46	5	17	(70.59)	109	122	138
142	147 PVT	Amscan Holdings (Party City), Elmsford, N.Y. <sup>4</sup>	PARTY	561	468	19.87	N/A	N/A	N/A	502	767	790
143	142 HAST	Hastings Entertainment Inc., Amarillo, Texas <sup>5</sup>	ENT	548	538	1.86	11	12	(8.33)	153	154	157
144	143 PVT	McCoy's Corp., San Marcos, Texas	DIY	535 <sup>e</sup>	535 <sup>e</sup>	0.00	N/A	N/A	N/A	85	85	84
145	134 PVT	KB Toys Inc., Pittsfield, Mass.	TOY	530 <sup>e</sup>	720 <sup>e</sup>	(26.39)	N/A	N/A	N/A	750	549	500
146	145 BAMB	Books-A-Million Inc., Birmingham, Ala. <sup>6</sup>	BOOK	520	504	3.17	30	23	30.43	205	206	213
147	148 HIBB	Hibbett Sporting Goods Inc., Birmingham, Ala. <sup>7</sup>	SPORT	512	440	16.36	62	52	19.23	549	613	700
148	150 PVT	Garden Ridge Corp., Houston, Texas	CRAFT	481 <sup>e</sup>	415 <sup>e</sup>	15.90	N/A	N/A	N/A	35	35	35
149	146 PVT	Meek's Buliding Centers, Lockwood, Mo.	DIY	475 <sup>e</sup>	475 <sup>e</sup>	0.00	N/A	N/A	N/A	45	45	44
150	149 DUCK	Duckwall-ALCO Stores Inc., Abilene, Kan.	DDS	475	433	9.70	9	6	50.00	251	256	276

### SHARE OF TOP 150

### SALES (IN MILLIONS)

### STORE COUNT

		'06	'05	%CHG	1/06	1/07	1/08 <sup>e</sup>
TOP 10	52.88%	\$856,867	\$779,248	9.96%	30,650	33,721	35,406
TOP 25	73.61	1,192,923	1,065,050	12.01	54,576	59,222	61,973
TOP 50	85.98	1,393,323	1,257,671	10.79	94,128	97,276	100,471
TOP 100	96.48	1,563,464	1,412,373	10.70	134,448	139,810	144,661
TOP 150	100.00	1,620,526	1,465,549	10.57	154,395	161,132	167,032

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1 Acquired 44 Rampage stores 6/30/06

2 Figures incl. Gottschalks dept. stores, specialty stores and Village East locations

3 Division of Micro Electronics Inc.

4 Amscan acquired Party City 12/23/05 and Party America 9/29/06; figures are for combined entity; store counts incl. company-owned and franchised locations under all

company banners

5 Sales, earnings figures incl. rental asset revenues

6 Figures incl. Books-A-Million, Books & Co.

and Bookland banners

7 Figures incl. Hibbett, Sport Additions and Sports & Co. locations