Stores®

THE NATION'S
RETAIL
POWER PLAYERS

2008

TOP RETAILERS 100

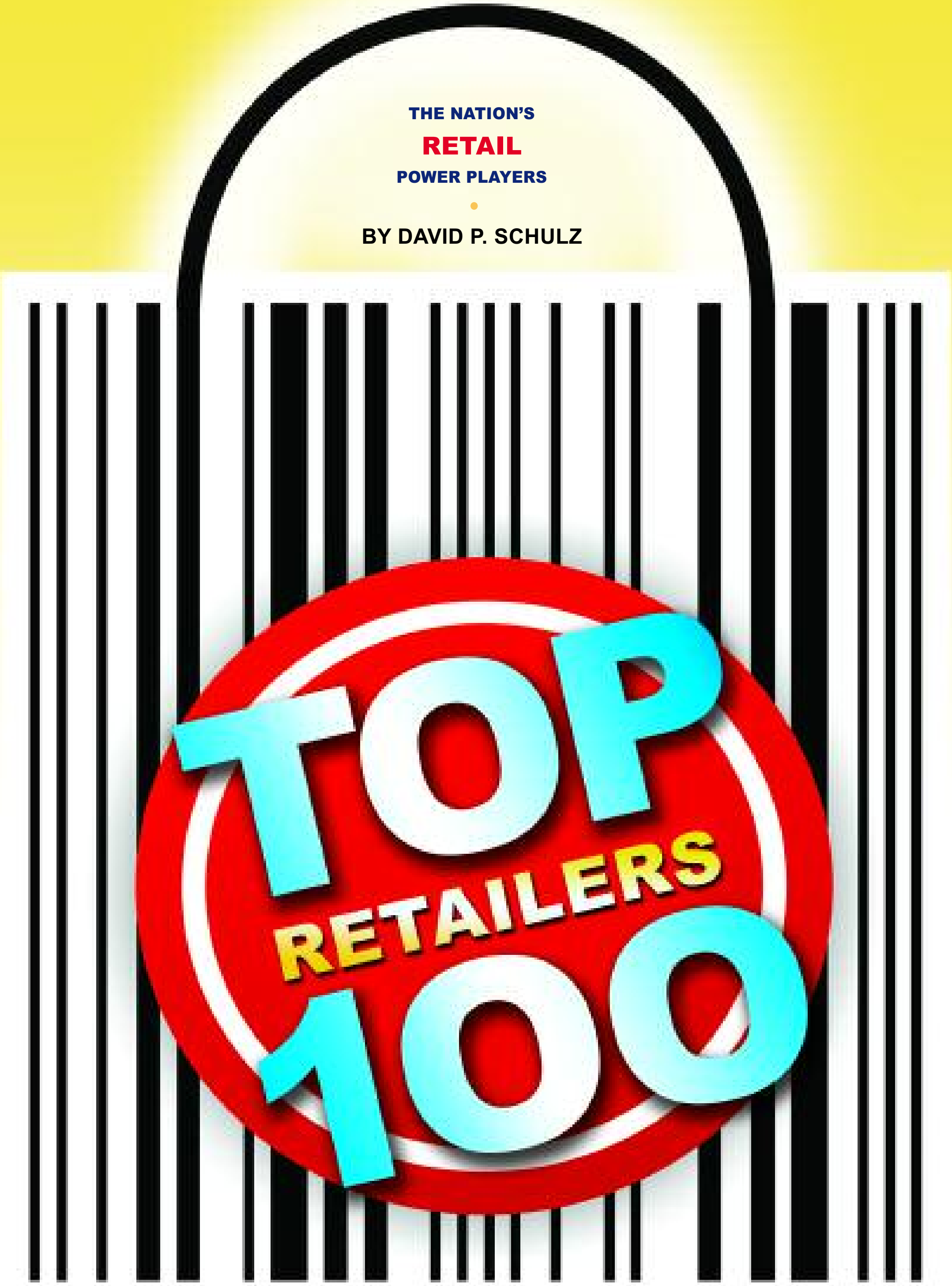
A Special Report
Sponsored by SAP

THE NATION'S

RETAIL

POWER PLAYERS

BY DAVID P. SCHULZ



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WHATEVER IT IS THAT'S HAPPENING OUT THERE NOW, RETAILERS HAVE BEEN THERE BEFORE. THE CASE CAN BE MADE THAT RETAILERS ARE MORE EXPERIENCED IN DEALING WITH BUMPY ECONOMIES THAN CONGRESS, THE WHITE HOUSE — OR ANYONE LOOKING TO TAKE UP RESIDENCE IN EITHER OF THOSE PLACES.

"Keep your inventories trim" may not sing like "keep your powder dry," but it is part of the collective lore of retailing to plan for the worst, hope for the best and wait until the back half of the year. There will always be a Christmas; it's just that sometimes you don't get what you wish for.

One thing retailers are loath to do is raise prices to their customers. Even as their own costs go up, retailers make sure their own operational houses are in order. Such tactics include streamlining operations, reducing part-time staff hours, conserving energy, buying locally to save on transportation costs and offering incentives to keep customers engaged.


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WHO, WHAT, WHY AND HOW

The Top 100 Retailers are listed by annual revenues, which may include estimates for private or closely-held companies.

The biggest changes to this year's Top 100 are the elimination of the convenience store Power Player category (the result of too little reliable financial data on these mostly closely-held companies) and the transitioning of booksellers into a wider entertainment category. In response to our annual re-evaluation of what does – and does not – constitute a retailer, Apple Stores/iTunes, Blockbuster, Dell Retail, AT&T Wireless and Verizon Wireless make their Top 100 debuts.

What is considered a segment Power Player? Any retailer with 2007 revenues equal to or greater than 10 percent of the revenues of the category leader.


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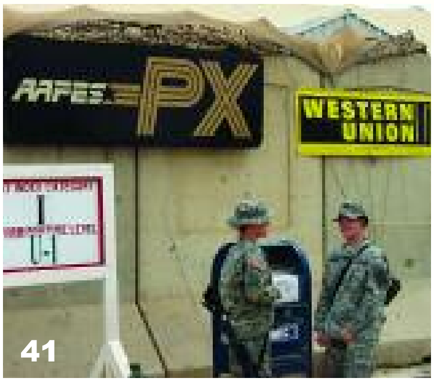

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SAP (www.sap.com) is proud to sponsor the annual Top 100 Retailers edition of STORES Magazine. As the authoritative ranking of the largest U.S.-based retail companies by annual revenues, the Top 100 is the most widely recognized and respected symbol of achievement for the nation's elite retailers. SAP congratulates these retailers on their outstanding accomplishments.


Chris Verheuvel

SAP is quickly becoming the de facto standard software foundation for best-run retailers. We have been helping large and medium retailers achieve the insight and agility they need to thrive in today's highly competitive market. As the world's leading provider of business software solutions and with more than 30 years of experience, SAP is a recognized industry leader. I'm proud to note that many of the Top 100 Retailers are SAP customers, and we appreciate our relationship with them.

With its listing of headquarters, annual revenues, earnings and store counts, the SAP Top 100 is an invaluable guide to the best and brightest in the retail industry. I know you will use it throughout the year as a ready reference. Congratulations to all!

Best regards,
Chris Verheuvel
General Manager
SAP Retail, Inc.

Retailers are eternally optimistic: Why bother to open the shop door otherwise? That's why the most successful retailers are the ones that keep planning for a better day. To wit: Wal-Mart continues its "green," organic and natural initiatives, all the while reaping benefits from its everyday low-price strategy in a tight economy.

In the same vein, Kroger knows people have to eat no matter the economic environment, so its customers won't be abandoning it anytime soon, especially since the supermarket chain was among a handful of retailers offering shoppers a bonus if they were willing to convert their tax refund or stimulus checks into Kroger gift cards.

The 2008 version of the STORES Top 100 Retailers study reflects many of the changes that will ultimately define this era. For the first time, the retailing of digital downloads and personal telecommunications devices by non-traditional retailers are included. Technology companies such as Dell, Apple and its iTunes Store are represented, as are wireless communications providers and handset sellers Verizon and AT&T.

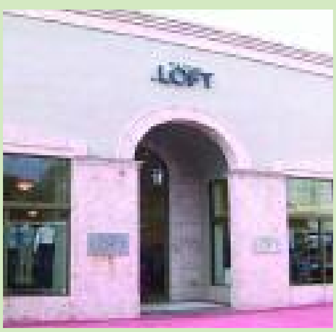
Wal-Mart remains the No. 1 retailer by revenues — a position it isn't likely to cede any time soon as it alone ac-

POWER PLAYERS • APPAREL retailers

This current calendar year has not been kind to apparel retailers, who had reason for high hopes coming off a 2007 in which clothing sales of all sorts increased nearly across the board. Total apparel sales rose 3 percent last year to just under $200 billion, led by children's clothing (6 percent gain) and menswear (4 percent), according to market research firm NPD Group. Dresses for women and girls and dress-up looks for men (suits, tailored clothing) were the big movers, notes Marshal Cohen, NPD's chief industry analyst for apparel.

Results-bred optimism faded faster than a knock-off T-shirt, however. Fashion retailers began marking down spring and summer garments as early as March, and fall merchandise began showing up in stores prior to Memorial Day weekend.

This drop in consumer demand has been a boon for off-pricers like Ross Stores, which operates the Dress for Less chain, but middle-of-the-road retailers like Gap have found the going pretty rough. Gap sales fell 4.8 percent in the first quarter as same-store sales dropped 11 percent across Gap, Old Navy and Banana Republic units. During one four-week period this spring, Old Navy's comps plunged 27 percent.



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Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Gap	$15,763,000	-4.0%	$4,977,266
Limited Brands	10,134,205	-2.0	3,463,501
Ross Stores	5,975,212	1.0	7,130,325
Abercrombie & Fitch	3,749,847	-1.0	3,647,711
Burlington Coat Factory	3,393,000	-5.2	8,546,599
American Eagle Outfitters	3,055,419	1.0	3,243,545
Charming Shoppes	3,009,953	-5.0	1,249,462
AnnTaylor	2,396,510	-3.3	2,579,666
Talbots	2,289,296	-5.7*	1,630,872
The Children's Place	2,162,559	2.0	1,745,407
Men's Wearhouse	2,112,558	-0.4**	1,659,511
Polo Ralph Lauren Stores	1,912,600	8.9	6,110,541
Chico's FAS	1,714,326	-8.1	1,651,566
L.L. Bean	1,620,000	N.A.	10,800,000
Aéropostale	1,590,883	3.3	1,921,356

* Does not include J.Jill ** Men's Wearhouse stores only N.A. Not available

2008 • TOP 100 retailers

To the extent that it is available, STORES gathers performance data from the annual reports of publicly traded retail companies. For some Top 100 companies, STORES has made sales estimates, which are indicated on the charts.

Rank	Company / *Comment*	Headquarters	2007 Revenues (000)	Y/Y Change	2007 Earnings (000)	Y/Y Change	No. of Stores	Y/Y Change
1	**Wal-Mart**	Bentonville, Ark.	$378,799,000	8.6%	$12,731,000	12.8%	7,262	7.1%
	Consumer uncertainty, rising commodity prices, cloudy - if not contradictory - economic forecasts play to Wal-Mart's strength, including its price leadership strategy							
2	**Home Depot**	Atlanta	77,349,000	-2.1	4,395,000	-23.7	2,234	4.1
	Has already taken a $586 million charge this year and will close 15 stores, yet CEO Blake is planning ahead, plowing money into new systems and store improvements							
3	**CVS Caremark**	Woonsocket, R.I.	76,329,500	74.2	2,622,800	93.6	6,301	1.5
	Merger costs have already shown up while the integration benefits are taking a little longer; stores showing nice same-store increases so far this year							
4	**Kroger**	Cincinnati	70,235,000	6.2	1,180,500	5.9	3,662	0.1
	Makes particularly good use of gasoline in enticing shoppers with promotions, says Wall Street analysts, and benefits from advice from relevance marketing specialist Dunnhumby							
5	**Costco**	Issaquah, Wash.	64,400,155	7.1	1,082,772	-1.9	520	6.6
	Has been used as anchor tenant in shopping centers abandoned by department stores; fuel centers drawing traffic en route to warehouse bargains							
6	**Target**	Minneapolis	63,367,000	6.5	2,849,000	2.2	1,591	7.0
	Target president Gregg Steinhafel admits the company is "seeing more inflation," but says passing along price increases will be "a matter of last resort"							
7	**Walgreen**	Deerfield, Ill.	53,762,000	13.4	2,041,300	16.6	5,997	9.8
	Willing to experiment: launched Casual Gear clothing collection; also acquired specialty pharmacies, health services providers and is opening in-store clinics							
8	**Sears Holdings**	Hoffman Estates, Ill.	50,703,000	-4.4	826,000	-44.6	3,800	0.0
	Hasn't turned corner yet, but not for lack of trying different things; national economy hasn't helped, but many of the company's maneuvers have yet to pay off							
9	**Lowe's**	Mooresville, N.C.	48,283,000	2.9	2,809,000	-9.5	1,525	10.9
	Like rival Home Depot, Lowe's is slowing expansion by delaying openings of 20 stores, though it did move into Canada with three units in greater Toronto							
10	**SUPERVALU**	Eden Prairie, Minn.	44,048,000	17.8	593,000	31.2	2,474	-0.2
	Rolling out private-label Wild Harvest organic and natural foods to all divisions, priced 15% under similar name brands; line pegged to grow to 250-300 items							
11	**Safeway**	Pleasanton, Calif.	42,286,000	5.2	888,400	2.0	1,743	-1.0
	Capital spending of more than $1.7 billion this year includes 20-25 new Lifestyle stores, 250-255 retrofits plus c-store-sized format in testing stage							
12	**Best Buy**	Minneapolis	40,023,000	11.4	1,407,000	2.2	1,314	11.3
	With strong foothold in China, Best Buy jumped into Europe with May deal to partner with Carphone Warehouse, operator of 2,200 stores in 11 countries							
13	**Macy's**	Cincinnati	26,313,000	-2.4	893,000	-10.3	853	-37.3
	With more demanding and discriminating consumers, surviving takes constant innovation and localization; plans proceed to put an FAO Schwarz in every store							
14	**Rite Aid**	Camp Hill, Pa.	24,326,846	39.8	(1,078,990)	N.A.	5,029	51.0
	Increased in size by more than 50% and nearing end of integrating former Eckerd/Brooks Pharmacy units, but highly leveraged position raises concerns							
15	**Publix**	Lakeland, Fla.	23,000,000	6.0	1,200,000	9.1	928	3.3
	Charlie Jenkins, 68-year-old nephew of founder George W. Jenkins, stepped down earlier this year; oversaw period of growth in both store count and profits							
16	**McDonald's**	Oak Brook, Ill.	22,786,600	9.1	2,395,100	-32.4	31,377	1.1
	Shed Boston Market and fine-tuned operations from Europe to China; won kids' vote in U.S. and now vying with Starbucks and Dunkin' Donuts in the coffee wars							
17	**Ahold USA** (e)	Chantilly, Va.	21,000,000	-12.5	N.A.	N.A.	830	0.4
	Price-cutting is in at Stop & Shop, Giant et al. as SKUs are also reduced; remodels include upgrading produce and other perishables departments							
18	**JCPenney**	Plano, Texas	19,860,000	-0.2	1,111,000	-3.6	1,067	3.3
	JCP has "excellent financial flexibility," says top man Myron Ullman, and rivals include "10 to 20 companies [that will] find it difficult" to get through this period							
19	**Staples**	Framingham, Mass.	19,372,682	6.7	995,670	2.3	2,000	5.3
	With U.S. growth stymied by Federal Trade Commission concerns, Staples made sweeter bids until deal was was sealed for Dutch office goods supplier Corporate Express							
20	**TJX**	Framingham, Mass.	18,647,126	7.1	771,750	4.6	2,563	3.9
	Still shaking off after-effects of security breach in its payment card technology system; started '08 with positive same-store results in all operating units							

N.A. Not available or not applicable (e) estimate

counts for 21.7 percent of aggregate Top 100 sales. Change is afoot, however, as CVS has vaulted into the No. 3 spot as a result of its acquisition of Caremark, reflecting the evolution of the health and wellness industry as served by drug stores. Home Depot managed to hold on to the No. 2 spot despite the depressed state of the housing market, while Kroger, the supermarket leader, slipped one place to No. 4.

Mass merchants are well represented in the Top 10, with warehouse club operator Costco Wholesale ranking fifth, Target sixth and Sears Holdings — parent of Sears, Kmart and several chains of hardware and home furnishings stores — in the eighth position. No. 7 Walgreen has been displaced as the volume leader among drug store companies, though it has been beefing up via acquisitions. Rounding out the Top 10 is SUPERVALU, which this year has its wholesale and distribution business included in total revenues.

As a group, the Top 100 Retailers rang up sales of $1.74 trillion last year, in part by tapping into the trends coursing through the economy. As Experian Consumer Re-

POWER PLAYERS • DEPARTMENT stores

Macy's is rethinking at least portions of its approach to homogenization; JCPenney proclaims its national identity is a plus; Sears Holdings keeps shuffling its deck in the hope of producing a winning hand.

"What the consumer wants in the Saint Louis Galleria is different from what the consumer wants in State Street Chicago or wants in Portland, Ore.," says Macy's CEO Terry Lundgren, who wants 15 percent of the merchandise in each of the chain's stores to reflect local tastes. This, even as the company has mandated that each Macy's store should have a toy department operated by F.A.O. Schwarz.

With $2 billion in cash and manageable debt, Penney is in good shape to weather any rough going in the economy, according to chairman and CEO Myron E. Ullman. Nationally, he says, "there's more spending power above us than below us, so we're well positioned between the upscale department stores and the discount stores to take advantage of it." The ones to worry about are regional operators lacking a broad-based cost structure to ride out a downturn. Thirty years ago, there were 65 department store companies, he says. "Now, we have a couple of solid competitors that we respect."

It's difficult to predict what the future holds for Sears. Amid quarterly losses, management changes and sagging sales, investors are growing impatient. Dillard's is battling choppy waters, too, having admitted to entering some markets it shouldn't have and announcing plans to rein in costs. The company will continue closing stores; six are slated to close this year.

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Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Sears*	$27,845,000	-4.3%	$13,354,000
Macy's	26,313,000	-1.3	30,847,596
JCPenney	19,860,000	even	18,612,933
Kohl's	16,473,700	0.5	17,732,723
Nordstrom	8,828,000	3.9	56,229,299
Dillard's	7,370,800	-5.0	22,609,815
Neiman Marcus	4,390,076	6.7	70,806,677
Belk	3,824,800	-1.1	12,458,631
Bon-Ton	3,467,650	-6.5	12,428,885
Saks	3,282,640	4.9	32,182,745
Mervyns(e)	3,000,000	N.A.	17,142,857

* Includes specialty stores (e) Estimate N.A. Not available

Meijer (#28) touts its environmentally-friendly natural and organic credentials while expanding to nine new locations this year

Rank	Company / *Comment*	Headquarters	2007 Revenues (000)	Y/Y Change	2007 Earnings (000)	Y/Y Change	No. of Stores	Y/Y Change
21	**Delhaize America** (e)	Salisbury, N.C.	$18,200,000	5.5%	N.A.	N.A.	1,585	2.7%
	Hannaford's data security breach was downside, overshadowing Bloom's success, launch of Bottom Dollar units; progress also evident at Sweetbay chain							
22	**Kohl's**	Menomonee Falls, Wis.	16,473,700	5.6	1,083,900	-2.2	929	13.7
	Times are tough when Kohl's cuts store openings to 70-75 this year from 112 in '07; differentiating with Vera Wang, Bobby Flay, Fila Sport and Food Channel							
23	**Gap**	San Francisco	15,763,000	-1.0	833,000	7.1	3,167	1.1
	New CEO Glenn Murphy tries righting ship that has tended to list under former skippers; Banana Republic launches standalone BR Monogram location							
24	**Office Depot**	Delray Beach, Fla.	15,527,537	3.4	395,615	-21.4	1,600	6.2
	Showdown at annual meeting gave management some room — and time — to breathe; moved into India as majority partner in joint venture with Reliance Retail							
25	**Amazon.com**	Seattle	14,835,000	38.5	476,000	150.5	0	N.A.
	Digital downloads for MP3 players, Kindle e-books reader keeps things humming and, says CFO Tom Szkutak, new and improved offerings are being readied							
26	**Toys "R" Us** (e)	Wayne, N.J.	13,794,000	5.7	153,000	40.4	1,553	9.0
	A long way from being a subsidiary of Interstate Department Stores and a long road to recovery under private ownership, but the improvement can be seen							
27	**H.E.B.** (e)	San Antonio	13,400,000	4.7	N.A.	N.A.	310	2.0
	Another convert to price-cutting, rolling out "Big Savings Start Here" initiative on thousands of SKUs; H.E.B. Plus stores innovate and compete vs. supercenters							
28	**Meijer** (e)	Grand Rapids, Mich.	13,300,000	4.3	N.A.	N.A.	183	4.6
	Midwestern supercenter operator touts its environmentally-friendly, natural and organic credentials while expanding to nine new locations this year							
29	**7-Eleven** (e)	Dallas	13,000,000	-13.3	N.A.	N.A.	6,100	-12.9
	Changing from operator to franchisor while moving ahead with food offerings by testing 90-second pizzas, Philly cheese steaks and a Slurpuccino beverage							
30	**PTC** (e)	Knoxville, Tenn.	12,500,000	5.9	N.A.	N.A.	323	13.3
	Rapidly growing joint venture of Pilot Corp. and Marathon Oil sells more than 4.5 billion gallons of petroleum products and $300 million in fast food a year							
31	**Alimentation CoucheTarde** (e)	Laval, Quebec	12,087,400	19.0	196,400	0.1	5,513	8.2
	Adds business wherever it can be found; recent deal involves operating 252 convenience stores in New England, Mid-Atlantic states for Irving Oil							
32	**Circuit City**	Richmond, Va.	11,743,691	-5.5	(319,897)	N.A.	1,472	27.8
	Carl Icahn, Blockbuster and others are vying for control; still expanding its online presence and service initiatives through firedog.com and remodeling some stores into "The City"							
33	**Yum Brands**	Louisville, Ky.	10,416,000	8.9	909,000	10.3	35,000	1.2
	Parent of KFC, Taco Bell, Pizza Hut, A&W and Long John Silver's has grown franchised units 13% over past five years; company-owned units declined 3%							
34	**Limited Brands**	Columbus, Ohio	10,134,205	-5.0	717,972	6.4	2,926	-23.0
	Shed a lot of apparel with Limited, Express chains and now down to Victoria's Secret lingerie, plus beauty goods in VS, Bath & Body Works							
35	**Dollar General**	Goodlettsville, Tenn.	9,495,246	3.5	(12,816)	N.A.	8,222	2.8
	A full year under private equity ownership has brought many changes, ranging from executive shake-ups to retrenching expansion plans and altering store layouts							
36	**Starbucks**	Seattle	9,411,497	20.9	672,638	19.2	15,011	20.7
	With Howard Schultz back at helm, Starbucks has been introducing new products, closing old stores and pushing all the buttons to see what works							
37	**OfficeMax**	Naperville, Ill.	9,081,962	1.3	207,373	126.1	976	6.8
	Slower sales blamed on state of the economy as chairman/CEO Sam Duncan assures, "We continue to advance the strategies of our turnaround plan"							
38	**BJ's Wholesale Club**	Natick, Mass.	9,005,002	6.2	122,861	70.6	177	2.9
	Exited pharmacy business, but as a value retailer, benefitting from consumer concerns about rising prices even as groceries, gasoline drive sales gains							
39	**Valero**	San Antonio	8,884,000	7.9	N.A.	N.A.	953	-1.4
	Largest North American refiner bought 72 c-stores and fueling kiosks from Albertsons this spring; introduced Road Runner store concept in San Antonio							
40	**Nordstrom**	Seattle	8,828,000	3.1	715,000	5.5	157	-17.8
	Shed Façonnable last year and keeps plowing ahead regardless of economy, planning 4-5 new stores a year through 2015; may even head to the Big Apple							

N.A. Not available or not applicable (e) estimate

POWER PLAYERS • ENTERTAINMENT retailers

This is a new Power Player category this year, replacing the more narrowly-focused booksellers grouping. Though it might, at first glance, appear to be a hodge-podge of diverse specialty stores, there is more overlap and convergence than the companies' traditional realms would indicate.

Nothing embodies this more than Borders' current concept stores, which bring together digital and Internet options with the hands-on approach to books, CDs and DVDs. Borders is opening 14 of these prototype stores this year, combining 170,000 book, music and movie titles on the shelves with digital centers where customers can download e-books, mix and match songs on CDs and create electronic photo albums, family histories and the like.

Apple's iTunes Store is now the largest seller of music, surpassing Wal-Mart, Amazon.com, Best Buy and Target. And iTunes broke the news in May that it would sell movie downloads, beginning the same day the titles are released on DVD.

Blockbuster, once viewed as a dinosaur lumbering toward extinction, has rejuvenated itself to the point where rentals constitute only half its revenues. Blockbuster's Total Access program enables it to compete with Netflix and other electronic retailers, while video games constitute a growth area for store merchandise. With the release of the highly-anticipated "Grand Theft Auto IV" earlier this year, for example, Blockbuster enjoyed a 4.5 percent share of the sales, compared with the 1 to 1.5 percent share it usually captures in game sales.

Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
GameStop	$7,093,962	24.7%	$1,347,637
Blockbuster	5,542,400	1.7	710,564
Barnes & Noble	5,410,828	1.8	6,780,486
Borders Group	3,820,900	1.5 *	3,493,154
iTunes	2,496,000	N.A.	N.A.
TransWorld Ent.	1,265,700	-8.0	1,582,125
Netflix	1,205,340	N.A.	N.A.

* Domestic superstores only N.A. Not applicable

search recently reported, energy drinks, online socializing and banking and being "green" are in, while what's out includes dining out and spending more on clothes than one can afford.

Retailers grasp this. Video game merchant GameStop, ranked No. 47 among the Top 100 Retailers, saw sales jump 33.4 percent last year (to more than $7 billion) while earnings soared 82.2 percent — and that doesn't include the release of this year's monster-selling game, "Grand Theft Auto IV."

Perhaps no retailer embodies societal cross currents as much as Amazon.com, which pushed its way into the Top 25 this year on the strength of a 38.5 percent increase in sales. Amazon has always been more about the future than the past or present: recall that Time named founder and chairman Jeffrey Bezos its Man of the Year in 1999, years before the company turned a profit. Amazon is about staying current and keeping on top of things such as digital downloading and reducing the price of its Kindle e-book reader without abandoning loyal customers who still prefer to read hard copy, listen to music on CDs or watch DVDs.

Apple (#52) keeps wowing customers wherever they open — no cookie-cutter here — while iTunes, though barely 5 years old, is now the largest music retailer in the world

Rank	Company / *Comment*	Headquarters	2007 Revenues (000)	Y/Y Change	2007 Earnings (000)	Y/Y Change	No. of Stores	Y/Y Change
41	**Army Air Force Exchange**	Dallas	$8,700,000	-2.4%	$426,600	27.1%	3,100	0.0%
	New leader Brig. Gen Thurgood's five strategies for "Winning the Future" include getting back to basics, driving supply chain productivity and leveraging technology							
42	**Giant Eagle** (e)	Pittsburgh	7,400,000	3.9	N.A.	N.A.	223	1.4
	Another supermarket and c-store operator making savvy use of gasoline to keep consumers coming back for bonus promotions and in-store price rollbacks							
43	**QVC**	West Chester, Pa.	7,397,000	4.6	N.A.	N.A.	0	N.A.
	Reaches 93 million homes, but only about 10% buy something; there's a core of loyal devotees and 95% of sales come from repeat customers. Now broadcasting in HD							
44	**Dillard's**	Little Rock, Ark.	7,370,800	-5.6	53,800	-78.1	326	-0.6
	Less-than-stellar results amid sluggish consumer spending has attracted attention of activist investors willing to engage in proxy battles							
45	**Menard** (e)	Eau Claire, Wis.	7,300,000	2.8	N.A.	N.A.	215	2.4
	Chain has been buying land around stores to develop residences and create a ready-made customer base among contractors, then DIY consumers							
46	**Winn-Dixie**	Jacksonville, Fla.	7,201,161	1.0	300,594	N.A.	520	-3.5
	Remodeled stores enjoy a 12% sales boost after work is done, but many challenges remain in hanging on to 14% market share in competitive Florida							
47	**GameStop**	Grapevine, Texas	7,093,962	33.4	288,291	82.2	5,264	10.2
	Ups and downs in economy, consumer spending and oil prices don't have much effect on game sales, as indicated by 25% same-store gain last year							
48	**Bed Bath & Beyond**	Union, N.J.	7,048,942	6.5	562,808	-5.3	971	19.0
	Opened first of a dozen planned Canadian stores in December, though cutting back this year's store openings in U.S. to 50-55; adding fine china to more units							
49	**Love's** (e)	Oklahoma City	7,000,000	4.3	N.A.	N.A.	200	11.1
	Parent Musket building new fuel terminal in Fort Worth, Texas; travel stop and country store chain plans on adding 15 locations a year for foreseeable future							
50	**The Pantry**	Sanford, N.C.	6,911,163	15.9	26,732	-70.0	1,644	10.1
	Kangaroo Express is the major brand for company that has had it rough of late after being on the wrong side of gasoline hedges; store comps also fell							
51	**Family Dollar**	Matthews, N.C.	6,834,305	6.9	242,854	27.1	6,400	4.9
	Really moved into the food-selling arena with c-store-sized "supercenters," balancing higher-margin grocery products with merchandise like home goods							
52	**Apple Stores/iTunes**	Cupertino, Calif.	6,611,000	28.7	N.A.	N.A.	197	10.1
	Apple Stores keep wowing consumers wherever they open — no cookie cutter here — while iTunes, though barely 5 years old, now largest music retailer in the world							
53	**Whole Foods Markets**	Austin, Texas	6,591,773	17.6	182,740	-10.3	269	43.1
	Acquiring Wild Oats is one thing; getting indigestion while trying to make the deal pay off is another, especially given aggressive new store openings							
54	**Trader Joe's** (e)	Monrovia, Calif.	6,500,000	30.0	N.A.	N.A.	280	9.8
	Product offerings are limited, prices are good but not terrific yet loyal customer base keeps coming back for service and items that are hard to find elsewhere							
55	**A&P**	Montvale, N.J.	6,401,130	19.2	(160,680)	N.A.	447	10.1
	With Pathmark acquired and operating territory reduced, chairman Christian Haub says company has become "format-driven" rather than a "geographic banner"							
56	**Dell Retail**	Round Rock, Texas	6,224,000	-12.0	N.A.	N.A.	0	N.A.
	Pursuing dual strategies by selling direct to consumers as well as through select retailers, including Wal-Mart and, this year, Australia's Officeworks							
57	**AutoZone**	Memphis, Tenn.	6,169,804	3.7	595,672	4.6	4,056	3.1
	Financier Edward S. Lampert, who also controls Sears and Kmart, keeps increasing his holdings in chain with about 15% share of auto aftermarket							
58	**Travel Centers of America**	Westlake, Ohio	6,166,157	28.9	123,356	297.5	189	15.2
	Units offer fuel centers, full- and quick-service eateries, 24-hour c-stores, heavy truck maintenance, WiFi; added a Tim Horton's to Monroe, Mich., food court							
59	**Albertsons** (e)	Boise, Idaho	6,000,000	-20.0	N.A.	N.A.	325	-17.7
	Scrapped discount card for everyday low prices; investor-owners selling stores piecemeal — 17 in Colorado, 23 in Oklahoma; bought eight stores in New Mexico							
60	**Ross Stores**	Pleasanton, Calif.	5,975,212	7.3	261,051	8.0	838	5.1
	Something of a contrarian performer in apparel segment, with a nice string of same-store gains and improving margins making case for another good year							

N.A. Not available or not applicable (e) estimate

The STORES Top 100 Retailers are ranked by sales volume — including foreign revenues — as reported in SEC filings, public statements by the companies and, where noted, estimates based on STORES research. All of the companies are U.S.-based with the exception of convenience store operator Alimentation Couche-Tarde, most of whose operations are in the United States and with financial statements denominated in U.S. dollars. STORES

David P. Schulz, a New York-based writer and editor, reports on U.S. and foreign retailers for several publications.

POWER PLAYERS • LARGE-FORMAT retailers

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"The bigger they come, the harder they fall" is an axiom that has been ascribed to everything from trees to celebrities. Large-format value retailer power players are working hard to prevent it from being applied to them any time soon. In addition to keeping their financial houses in order, they all are polishing their altruistic credentials in order to show a beneficent side to the public, whether it is championing environmentalism, cutting prescription prices or espousing other forms of good corporate citizenship.

The current economic environment has been a boon to value retailers like Wal-Mart, Costco and Target. This provides ample resources and opportunity to build energy-efficient stores and stock their shelves with healthier, more natural and "greener" merchandise.

At Costco, for instance, CEO Jim Sinegal spent a good part of his annual shareholders address touting efforts to reduce the company's carbon footprint. A half-dozen stores are equipped with solar panels, and at least that many are having them installed this year; skylights also are being employed to cut down on electric lighting. Just about everything that can be is being recycled, from shipping pallets to the plastic used to shrink-wrap merchandise.

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Consumer-goods packaging is being rethought so more units can be shipped per carton, pallet or truckload, thus saving on fuel.

Target paid Mother Nature props with a line of eco-couture first available at Barneys New York (which did nothing to damage Target's cheap chic rep). Next year, two new store prototypes will debut. They will be larger than existing Target stores, green-certified and devote more space to food and electronics.

Wal-Mart is writing the book on eco-friendly approaches to store design, while pressuring suppliers to cut down on wasteful packaging and giving consumers options on everything from energy-efficient light bulbs to organic dairy goods and produce.

Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Wal-Mart	$378,799,000	1.61%*	$52,161,801
Costco	64,400,155	6.0	123,846,452
Target	63,367,000	3.0	39,828,409

*U.S. division only

Controlled growth hasn't hurt Wegman's (#78) and may add to mystique as communities lobby company to build locally, as just happened in Westwood Station, Mass.

Rank	Company / *Comment*	Headquarters	2007 Revenues (000)	Y/Y Change	2007 Earnings (000)	Y/Y Change	No. of Stores	Y/Y Change
61	**Verizon Wireless**	Basking Ridge, N.J.	$5,866,000	11.8%	N.A.	N.A.	2,400	7.6%
	Expanding its store-within-a-store approach by adding seven Atlanta-area locations inside BJ's Wholesale Clubs to its network serving 65 million consumers							
62	**Hy-Vee** (e)	West Des Moines, Iowa	5,600,000	6.2	N.A.	N.A.	222	-1.3
	Adopted Hannaford's widely-praised rating system called the Overall Nutritional Quality Index, which highlights products that are considered healthier							
63	**Darden Restaurants**	Orlando	5,567,100	4.0	201,400	-40.4	1,397	-2.1
	Red Lobster, Olive Garden parent bought Longhorn Steakhouse and Capital Grille a year ago and says "cost synergies" saved $10 million in first six months							
64	**Blockbuster**	Dallas	5,542,400	0.4	(85,100)	N.A.	7,800	N.A.
	Under CEO Jim Keyes, rentals make up only about half of total revenues and games have become major contributor; Total Access now competitive with Netflix							
65	**Foot Locker**	New York	5,437,000	-5.4	53,000	-78.9	3,785	-4.0
	Low-profile and casual footwear slumped last year, resulting in over-inventoried positions; heavy markdowns hurt gross margin, with comps down 6.3% for year							
66	**Barnes & Noble**	New York	5,410,828	2.8	135,799	-9.8	798	0.6
	With online book sales still only about 7% of total, B&N hasn't moved away from bricks-and-mortar model, though some Wall Street investors aren't thrilled							
67	**Longs Drug Stores**	Walnut Creek, Calif.	5,262,565	3.2	96,201	29.2	510	0.2
	After rightsizing and redrawing geographic footprint, looks for 5%-7% revenue growth this year while adding 20-30 stores and remodeling up to 40 locations							
68	**RaceTrac Petroleum** (e)	Atlanta	5,000,000	5.3	N.A.	N.A.	525	0.0
	Locations, all of which are company owned, feature 20 to 24 fueling positions and a 4,000-sq.-ft. convenience store with more than 4,000 SKUs							
69	**Advance Auto Parts**	Roanoke, Va.	4,844,404	4.9	238,317	3.0	3,261	5.8
	DIY segment still growing but professional customers have seen their business slow; bulking up with new locations, three-quarters of which are leased							
70	**Casey's General Stores**	Ankeny, Iowa	4,827,087	19.8	84,891	37.2	1,468	-0.03
	A good year in calendar 2007, but prospects for this year aren't as bright; c-store operation is one of largest purveyors of fresh-baked pizza in the country							
71	**Luxottica Retail** (e)	Cincinnati	4,700,000	-1.8	N.A.	N.A.	5,700	-5.0
	Exploiting its unique niche marketing tactics like outfitting Robert Downey Jr. with frames as Tony Stark in this summer's "Iron Man" movie							
72	**PetSmart**	Phoenix	4,672,656	10.4	258,684	39.8	1,008	11.0
	Looking to increase service end of business 20% this year, including "doggy day camp" and boarding accommodations with bedtime treat and belly rub							
73	**Big Lots**	Columbus, Ohio	4,656,302	-1.8	158,461	27.7	1,353	-1.6
	Some 40 units being retrofitted this year with merchandising plan that calls for more goods on the floor; consumables get a big emphasis, as does furniture							
74	**Save Mart** (e)	Modesto, Calif.	4,550,000	-4.2	N.A.	N.A.	248	-4.6
	Converted former Albertsons stores to Lucky brand; both Save Mart and Lucky websites now offer consumers savings via interactive weekly circulars							
75	**Quik Trip** (e)	Tulsa, Okla.	4,500,000	5.9	N.A.	N.A.	480	4.3
	QT Kitchens produce rolls and doughnuts for stores, including 100,000-sq.-ft. facility opened in Belton, Mo., last year to supplement Tulsa bakery							
76	**Neiman Marcus Group**	Dallas	4,390,076	8.9	111,932	97.7	62	5.1
	With a fiscal year that ends this month, company anticipates hard landing after upbeat first half; continues to grow Last Call chain of outlet stores							
77	**Brinker International**	Dallas	4,376,904	5.4	230,049	8.3	1,801	11.0
	Chili's brand active with new expansion pacts in Canada, while selling multiple company-owned locations in U.S. to franchisees ERJ Dining, Pepper Dining							
78	**Wegman's** (e)	Rochester, N.Y.	4,300,000	4.9	N.A.	N.A.	72	0.0
	Controlled growth hasn't hurt and may add to mystique as communities lobby company to build locally, as just happened in Westwood Station, Mass.							
79	**RadioShack**	Fort Worth, Texas	4,251,700	-11.0	236,800	222.6	6,150	2.5
	Sprint Nextel's woes spilled over to dampen Q1 bottom line, as did shrinking margins, but games, GPS and house brand goods are boosting sales							
80	**Dollar Tree Stores**	Chesapeake, Va.	4,242,600	6.9	201,300	4.8	3,411	6.0
	CEO Bob Sasser says company is "relevant for these challenging times," with strong sales of groceries, HBC and party supplies bolstering sales							

N.A. Not available or not applicable (e) estimate

POWER PLAYERS • SUPERMARKETS

Among supermarkets, the "Big Thing" is all about getting small.

British supermarketer Tesco, the world's third-largest retailer, appeared to take the United States by storm last year when it began plopping down 10,000-sq.-ft. Fresh & Easy convenience grocery stores in western cities. Loaded with prepared foods and private-label goods, these units were widely viewed as being the catalyst in transforming the American supermarket industry from big (or medium-sized) box operations to community food stores.

After an initial sprint, Tesco has taken a breather from opening more stores – and Wal-Mart has seized the opportunity to accelerate the launch of Marketside, a community grocery store of about 15,000 sq. ft. Featuring a kitchen and an eat-in food counter, Marketside will also make its maiden appearance in the West.

Among the traditional supermarket Power Players, only Safeway has actually built a smaller unit — The Market by Vons, a 15,000-sq.-ft. location in Long Beach, Calif. Kroger already operates 780 convenience stores, under several banners, including Kwik Stop, Loaf & Jug and Tom Thumb Food Stores, which would seem to give it all the tools necessary to open neighborhood groceries. Instead, the company appears to prefer concentrating resources on larger concepts like the Marketplace supercenter and more traditional Fresh Market stores.

SUPERVALU had opened a smaller-format store called Sunflower, but pulled the plug in the aftermath of its acquisition of a multitude of Albertsons locations. "The jury is still out on whether small-format food stores will meet shopper expectations and company return on investment objectives going forward," writes Jennifer Halterman, author of the report Small Stores, Big Trend and a senior consultant with TNS Retail Forward.

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Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Kroger	$70,235,000	5.3%*	$19,179,410
SUPERVALU Retail	44,048,000	0.5**	17,804,365
Safeway	42,286,000	3.4	24,260,470
Publix	23,000,000	4.7	24,784,482
Ahold USA(e)	21,000,000	N.A.	25,301,204
Delhaize America(e)	18,200,000	N.A.	11,482,649
H.E.B.(e)	13,400,000	N.A.	43,225,806

(e) Estimate * Identical supermarkets without fuel
** Identical stores, pro forma N.A. Not Available

Abercrombie & Fitch (#89) is sailing along on good demographics, appealing merchandise and fast-growing non-store sales; it is cutting store openings back to about 100 this year

Rank	Company / *Comment*	Headquarters	2007 Revenues (000)	Y/Y Change	2007 Earnings (000)	Y/Y Change	No. of Stores	Y/Y Change
81	**AT&T Wireless**	Atlanta	$4,006,000	6.9%	N.A.	N.A.	2,200	4.8%
	Though handsets, accessories, memory cards and other merchandise are only a sideline to phone services, it adds up to big retail business							
82	**Williams-Sonoma**	San Francisco	3,944,934	5.8	195,757	-6.3	600	2.0
	Hit hard last year, as many home goods retailers were, company began to review how it allocated resources and synergies between store and catalog channels							
83	**Roundy's** (e)	Milwaukee, Wis.	3,900,000	2.6	N.A.	N.A.	164	1.2
	Private equity owners had America's Dairyland-dominant grocer on selling block, but the anticipated herd of potential buyers failed to materialize							
84	**Sheetz** (e)	Altoona, Pa.	3,900,000	4.0	N.A.	N.A.	340	3.0
	Industry stalwart on the leading edge of technological and other innovations; continues to expand into South and Midwest from Mid-Atlantic base							
85	**Dick's Sporting Goods**	Pittsburgh	3,888,422	24.9	155,036	37.7	434	20.9
	Busy on many fronts, adding Reebok apparel chainwide, buying 15 Chick's Sporting Goods stores in Southern California and pushing into South Florida							
86	**Michaels Stores**	Irving, Texas	3,862,000	0.5	(32,000)	N.A.	1,136	3.4
	Stepping back from niche marketing by closing Recollections chain and most of Star Wholesale to focus on Michaels and Aaron Bros. units; new president/COO brings retail strategic leadership experience							
87	**Belks**	Charlotte, N.C.	3,824,800	3.8	95,700	-47.4	307	-0.6
	Integration of 25 Parisian stores acquired from Saks took its toll, but company is pushing ahead with eight store openings in the works for this year							
88	**Borders Group**	Ann Arbor, Mich.	3,820,900	2.6	(157,400)	N.A.	1,111	-3.5
	Newest stores include a Digital Center for entertainment downloads as well as creation of CDs and photo books, either leather-bound or electronic							
89	**Abercrombie & Fitch**	New Albany, Ohio	3,749,847	13.0	475,697	12.7	1,028	8.9
	Sailing along on good demographics, appealing merchandise and fast-growing non-store sales; cutting store openings back to about 100 this year							
90	**Stater Bros.**	San Bernardino, Calif.	3,674,427	4.7	49,395	89.5	164	1.2
	With much ballyhoo, opened new headquarters and 2.1-million-sq.-ft. distribution center in San Bernardino; now ready to close eight older DCs							
91	**Aldi** (e)	Batavia, Ill.	3,600,000	12.5	N.A.	N.A.	850	3.7
	Building warehouse in Denton, Texas, to support Southwest expansion; also growing in New England and Florida, touting everyday low prices all the way							
92	**The Bon-Ton Stores**	York, Pa.	3,467,659	0.3	11,562	-75.3	279	-0.4
	Building private labels acquired from Saks in Northern Division transaction, including U.S. license for Laura Ashley; also tinkering with store formats							
93	**Raley's** (e)	West Sacramento, Calif.	3,400,000	0.0	N.A.	N.A.	130	1.6
	Shedding "sleepy" reputation, initiatives include rollout of private label organic line, Peet's coffee kiosks in 100 stores and sell-off of New Mexico units							
94	**Berkshire-Hathaway Retail**	Omaha, Neb.	3,397,000	1.9	N.A.	N.A.	557	0.4
	Helzberg Diamonds extending its reach among the jewelers in this corporate amalgamation while Jordan's Furniture makes hay as the Red Sox shine							
95	**Burlington Coat Factory**	Burlington, N.J.	3,393,000	-0.3	N.A.	N.A.	397	4.7
	Making a big move in Puerto Rico that includes occupying former Pueblo supermarkets; back on the mainland, is converting former Value City locations							
96	**Bass Pro Shops** (e)	Springfield, Mo.	3,350,000	4.7	N.A.	N.A.	49	4.3
	U.S. Fish & Wildlife Service says fishing has been declining in popularity for more than a decade, but Bass Pro Shops manages to grow a little each year							
97	**Wawa** (e)	Wawa, Pa.	3,300,000	1.5	N.A.	N.A.	575	3.6
	Has gone back to the future and, after a six-month test, is asking fuel customers to pay cash and offers a discount to those who eschew payment cards							
98	**Harris Teeter**	Charlotte, N.C.	3,299,377	12.9	154,083	20.7	164	7.9
	Added 19 new units last year and 15 are on the schedule for this year; clicking with early and wide introduction of house-branded organic and natural items							
99	**Saks**	New York	3,282,640	11.7	47,473	-11.7	102	-38.2
	Store is rejuvenated and the turnaround is attracting more than just well-heeled customers; Icelandic retailer Bauger Group is among those expressing interest							
100	**IACI Retail**	St. Petersburg, Fla.	3,180,771	1.7	87,486	107.5	0	N.A.
	In transition as Barry Diller breaks up conglomerate into five public companies; HSN faces challenges of plateauing customer base and higher shipping costs							

N.A. Not available or not applicable (e) estimate

POWER PLAYERS • OFFICE SUPPLY superstores

It's one thing to be a Power Player within a retail segment, as Office Depot, OfficeMax and Staples certainly are. It's an altogether different thing to be a power in retailing. One way to illustrate the distinction is to take a closer look at the office supply superstore share of market — approximately 10 percent.

By way of comparison, contract specialists have a 21 percent share of the office supply market, specialty stores 20 percent and mass merchants 18 percent. The Federal Trade Commission doesn't read the statistics this way, however, and has adamantly opposed any alliance, union, merger, marriage or other combination of domestic office superstore retailers – even though each of these companies' market share is in the low single digits: Staples (4 percent), Office Depot (3.4 percent), OfficeMax (2.3 percent). Nipping at their heels is FedExKinkos, which features the copying, printing and other services found at a typical office supply superstore.

As a result of FTC recalcitrance, all the companies have had to seek unique solutions to achieve the bulk necessary to remain competitive in the U.S. market. Staples and Office Depot have looked abroad for partners, while OfficeMax is still dealing with the after-effects of its acquisition by timber company Boise Cascade.

Staples already has extensive overseas operations, including a foothold in China (where it has partnered with UPS) and the 2007 opening of its first store in India. Last month, Staples announced it had reached an agreement to acquire Corporate Express, a Netherlands-based contract dealer in office supplies. The four-month campaign yielded a $2.7 billion deal that Staples executives hope will put further distance between the retailer and its rivals. Faced with sluggish sales in its North American division, Office Depot is entering

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POWER PLAYERS • DRUG STORES

Cheap prescription drugs from the likes of Wal-Mart (which claims to have saved consumers more than $1 billion since rolling back pharmaceutical prices in September 2006), Target and major supermarket chains aren't worrying the large drug store chains. For the most part, CVS, Walgreen and Rite Aid have ignored the bargain-basement approach to pharmacy pricing, absorbed the punch from the competition and moved on.

What's of more concern to this segment are the reimbursement rates on Medicaid prescriptions delineated in the Deficit Reduction Act of 2005. The large drug store chains have deep enough pockets to deal with the low rates, but reduced revenues could precipitate a wave of pharmacy closings in rural areas and low income communities, where marginal locations are pushed into the "underperforming" category.

One industry survey indicates as many as 11,100 pharmacies could

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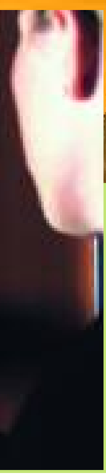
Company	2007 Revenues (000)	Comp-Store Rx Sales	Comp-Store Front-End Sales	Sales per Store
CVS	$76,329,500	5.2%	5.3%	$12,113,870
Walgreen	53,762,000	9.5	5.8	8,964,815
Rite Aid	24,326,846	1.7	0.7	4,808,627



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Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Staples	$19,372,682	-3.0%*	$9,579,474
Office Depot	15,527,537	-5.0*	9,622,255
OfficeMax	9,081,962	-1.2	9,305,288

*North American retail

India by partnering with Reliance Retail. The joint venture has acquired eOfficePlanet, which uses a direct sales force to peddle office products and services to businesses.

close as a result of low reimbursement rates. "These cuts threaten to diminish access to medications and pharmacy services, and they also threaten the vitality of communities," says Steve Anderson, head of the National Association of Chain Drug Stores. "Pharmacies are the face of neighborhood health care, but these cuts could wipe these faces away, particularly in rural and urban areas with higher Medicaid populations."

A snapshot of the industry shows that chain drug stores accounted for 40.4 percent of the $260 billion in domestic prescription sales last year, with supermarkets ringing up 11 percent and mass merchants 9.9 percent. Mail order houses handled 20.5 percent of the script business; independent druggists, 18.2 percent.

Whatever else is causing foment among drug Power Players, it isn't the economy, at least so far as CVS is concerned. CEO Thomas Ryan says only about 3 percent of the chain's business has been affected by the economy, and he's projecting sales gains of 13 to 16 percent this year. Walgreen is not quite so upbeat, and has been strengthening its hand in non-traditional businesses like work-site services and specialty pharmacies. Rite Aid just ended a money-losing year and is facing escalating costs as it wraps up the integration of former Eckerd and Brooks Pharmacy stores.

POWER PLAYERS • SMALL-FORMAT retailers

Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Dollar General	$9,495,246	2.1%	$1,154,858
Family Dollar	6,834,305	0.9	1,048,323
Big Lots	4,656,302	2.0	3,441,465
Dollar Tree Stores	4,242,600	2.7	1,243,799
Fred's	1,780,923	0.3	2,487,322
99 Cents Only	1,199,374	4.0	4,525,940

N.A. Not available

Dollar stores were all the rage just a few years ago, touted as vehicles to counter big-box mass merchants' march across the landscape. More than a few things have happened in the interim, however, and these small-format value retailers are now fighting to get their share of the dollars consumers are trying to stretch in a tight economy.

Dollar General has scaled back expansion plans from recent historical levels operating under new owner Kohlberg Kravis Roberts & Co., the private-equity firm that took control a year ago. KKR brought in drug store and supermarket veteran Rick Dreiling to run the chain; his first assignment was to get costs under control, which he is doing by weeding out underperforming stores and combing through the inventory to eliminate underproductive SKUs. At headquarters, Dreiling has been shuffling senior management, seeking the right combination to implement his strategies.

Family Dollar, which was in reinvention mode a couple of years ago, has made a number of positive moves, pursuing an urban strategy that has largely kept many of its new store locations from bumping into Wal-Mart. Inside the stores, Family Dollar has been using general merchandise — particularly home goods and apparel — to create a "treasure hunt" ambience while expanding supermarket merchandise to drive traffic. Larger grocery sections were installed in about 2,800 of the chain's 6,500 locations during the current fiscal year.


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Dollar Tree has maintained a low profile while reorganizing its corporate structure, and Fred's has also been making strategic moves to enhance its performance, marking some 75 stores for closings. Among Fred's other initiatives are trimming capital spending and slowing the pace of expansion (though it will open 18 stores and 15 pharmacies this year), cutting corporate overhead 10 percent and initiating multiple merchandising programs to enhance margin and address shifts in the sales mix.

Closeout chain Big Lots is still on the road to recovery, finding pockets of success in consumables and seasonal goods.

POWER PLAYERS • NON-STORE retailers

Amazon is the standard-bearer for retailers without stores, but there is nothing standard about what the Seattle-based company has accomplished as it has grown into a $15 billion entity while operating in the black. Amazon is more about the future than last year's results or this year's performance, and it has blazed the e-commerce trail with operations so sophisticated that some observers view it as a technology company that happens to sell goods. Its potential is seen as larger that its accomplishments.

So good is it at what it does, Amazon lets other merchants piggyback on its capabilities through its web services operation. On its own, Amazon sells jewelry, watches, housewares, consumer electronics, home goods and all kinds of general merchandise, although books, music and


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POWER PLAYERS • HOME IMPROVEMENT retailers

Preferences and loyalties are being tested this year as home improvement retailers slog through another summer of depressed activity in the housing market. Home Depot and Lowe's have made moves to retrench a bit: Home Depot is closing 15 underperforming stores and reducing the number of new-store openings by more than half, while Lowe's has postponed openings for 20 stores — primarily in Florida and California, where housing woes are particularly acute. Analysts suggest there's a light at the end of the tunnel, but hedge their bets about the timing.

Still, a couple of non-Power Players are showing that the entire home improvement segment hasn't fallen into disrepair. Menards is a Top 100 retailer that is employing a novel strategy in its site selection process by buying plenty of land around new stores. The Eau Claire, Wis., company puts in utilities and engages local home builders to develop the real estate with the understanding that materials will be purchased from Menards. In Yorkville, Ill., for example, Menards purchased enough real estate for more than 160 single-family homes and 69 townhouse condominiums. Once these units are occupied, Menards has a ready-made core group of consumers in the immediate vicinity.

Lumber Liquidators has carved out a specialty niche in this segment by selling flooring at deep discounts, whether it's 80 cents per square foot for down-scale laminate or 10 times as much for tropical hardwoods. The 130-store retailer, headquartered in Toano, Va., generated just over $400 million in sales last year and plans to open stores at a rate of 30 to 40 annually until it reaches a minimum of 300 locations and its stated goal of becoming a billion-dollar company.

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Company	2007 Revenues (000)	Comparable-Store Sales	Sales per Store
Home Depot	$77,394,000	-6.7%	$34,623,545
Lowe's	48,283,000	-5.1	31,660,983

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movies account for half the revenues.

Both QVC and IACI/HSN have e-commerce operations, but their main selling venue remains television. But just as online retailing has made a dent in the sales of bricks-and-mortar merchants, so has it impacted TV-reliant home shopping retailers. A recent Nielsen survey indicated that, worldwide, 85 percent of people with Internet access have used it to shop.

HSN.com has been transformed into a dynamic stand-alone storefront with more than 40,000 products. The site provides shoppers with an array of unique features, including When-To-Watch e-mail reminders, an interactive Program Guide and Weekly Product Reviews. At QVC.com, enhancements included a wish list, the ability to print pre-paid return labels and improved auto-delivery management.

Company	2007 Revenues (000)
Amazon.com	$14,835,000
QVC	7,397,000
IACI Retail	3,180,771

POWER PLAYERS • RESTAURANTS

Forget about smoking in a restaurant. Transfat avoidance; calorie counts on menu boards; size, amount and synthetic content of take-away food and beverage containers; price paid for tomatoes. It's an election year, so politicians of every stripe and at every level of government are insinuating themselves into the restaurant business, using as excuses whatever they think will resonate with the electorate: health issues, the environment, migrant workers, etc.

Being the largest of the restaurant Power Players, McDonald's can rarely avoid such activism, and it is using TV commercials, other advertising and the corporate website to rebut some of the more egregious and fanciful allegations. "We're engaging in a conversation with our guests because we feel it's important for them to know the truth about our food," says Molly Starmann, head of domestic marketing for McDonald's.

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To convey the message that it sells quality food that is safe to eat and counter accusations in works such as "The Omnivore's Dilemma" by Michael Pollan, McDonald's provides quality assurances and detailed information, lists of ingredients with allergen information and product-specific food exchange amounts for use in diabetes- and weight-control diets. The company also created a series of TV commercials employing a documentary-style approach articulating food quality concerns and safety issues from farmers straight on through the supply chain.

Yum! Brands, operator of KFC, Pizza Hut and Taco Bell, is one to watch, particularly as it turns itself into an international juggernaut, with roughly half of its operations and profits coming from outside the United States. But all eyes seem focused on Starbucks to see if Howard Shultz can give the coffee giant a jolt of renewed growth.

Company	2007 Revenues (000)	Comparable-Store Sales
McDonald's	$22,786,600	6.8%
Yum Brands	10,416,000	3.0
Starbucks	9,411,497	4.0
Darden Restaurants	5,567,100	2.7(1)
Brinker International	4,376,904	-2.7
Jack in the Box	2,875,978	6.1A
Wendy's	2,450,244	1.4C
CBRL Group	2,351,576	0.7B

N.A. Not available
** U.S. units only
(1) U.S. Olive Garden units only
A Company-owned Jack in the Box units only
B Cracker Barrel restaurants only, no merchandise sales
C U.S. franchised locations

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COMPANY	HEADQUARTERS	RANK	COMPANY	HEADQUARTERS	RANK
7-Eleven	Dallas	29	Limited Brands	Columbus, Ohio	34
A&P	Montvale, N.J.	55	Longs Drug Stores	Walnut Creek, Calif.	67
Abercrombie & Fitch	New Albany, Ohio	89	Love's	Oklahoma City, Okla.	49
Advance Auto Parts	Roanoke, Va.	69	Lowe's	Mooresville, N.C.	9
Ahold USA	Chantilly, Va.	17	Luxottica Retail	Cincinnati	71
Albertsons	Boise, Idaho	59	Macy's	Cincinnati	13
Aldi	Batavia, Ill.	91	McDonald's	Oak Brook, Ill.	16
Alimentation Couche Tarde	Laval, Quebec	31	Meijer	Grand Rapids, Mich.	28
Amazon.com	Seattle	25	Menard	Eau Claire, Wis.	45
Apple Stores/iTunes	Cupertino, Calif.	52	Michaels Stores	Irving, Texas	86
Army Air Force Exchange	Dallas	41	Neiman Marcus Group	Dallas	76
AT&T Wireless	Atlanta	81	Nordstrom	Seattle	40
AutoZone	Memphis, Tenn.	57	Office Depot	Delray Beach, Fla.	24
Barnes & Noble	New York	66	OfficeMax	Naperville, Ill.	37
Bass Pro Shops	Springfield, Mo.	96	The Pantry	Sanford, N.C.	50
Bed Bath & Beyond	Union, N.J.	48	PetSmart	Phoenix	72
Belk	Charlotte, N.C.	87	PTC	Knoxville, Tenn.	30
Berkshire-Hathaway Retail	Omaha, Neb.	94	Publix	Lakeland, Fla.	15
Best Buy	Minneapolis	12	Quik Trip	Tulsa, Okla.	75
Big Lots	Columbus, Ohio	73	QVC	West Chester, Pa.	43
BJ's Wholesale Club	Natick, Mass.	38	RaceTrac Petroleum	Atlanta	68
Blockbuster	Dallas	64	RadioShack	Fort Worth, Texas	79
The Bon-Ton Stores	York, Pa.	92	Raley's	West Sacramento, Calif.	93
Borders Group	Ann Arbor, Mich.	88	Rite Aid	Camp Hill, Pa.	14
Brinker International	Dallas	77	Ross Stores	Pleasanton, Calif.	60
Burlington Coat Factory	Burlington, N.J.	95	Roundy's	Milwaukee, Wis.	83
Casey's General Stores	Ankeny, Iowa	70	Safeway	Pleasanton, Calif.	11
Circuit City	Richmond, Va.	32	Saks	New York	99
Costco	Issaquah, Wash.	5	Save Mart	Modesto, Calif.	74
CVS Caremark	Woonsocket, R.I.	3	Sears Holdings	Hoffman Estates, Ill.	8
Darden Restaurants	Orlando	63	Sheetz	Altoona, Pa.	84
Delhaize America	Salisbury, N.C.	21	Staples	Framingham, Mass.	19
Dell Retail	Round Rock, Texas	56	Starbucks	Seattle	36
Dick's Sporting Goods	Pittsburgh	85	Stater Bros.	San Bernardino, Calif.	90
Dillard's	Little Rock, Ark.	44	SUPERVALU	Eden Prairie, Minn.	10
Dollar General	Goodlettsville, Tenn.	35	Target	Minneapolis	6
Dollar Tree Stores	Chesapeake, Va.	80	TJX	Framingham, Mass.	20
Family Dollar	Matthews, N.C.	51	Toys "R" Us	Wayne, N.J.	26
Foot Locker	New York	65	Trader Joe's	Monrovia, Calif.	54
GameStop	Grapevine, Texas	47	Travel Centers of America	Westlake, Ohio	58
Gap	San Francisco	23	Valero	San Antonio	39
Giant Eagle	Pittsburgh	42	Verizon Wireless	Basking Ridge, N.J.	61
H.E.B.	San Antonio	27	Walgreen	Deerfield, Ill.	7
Harris Teeter	Charlotte, N.C.	98	Wal-Mart	Bentonville, Ark.	1
Home Depot	Atlanta	2	Wawa	Wawa, Pa.	97
Hy-Vee	West Des Moines, Iowa	62	Wegman's	Rochester, N.Y.	78
IACI Retail	St. Petersburg, Fla.	100	Whole Foods Markets	Austin, Texas	53
JCPenney	Plano, Texas	18	Williams-Sonoma	San Francisco	82
Kohl's	Menomonee Falls, Wis.	22	Winn-Dixie	Jacksonville, Fla.	46
Kroger	Cincinnati	4	Yum Brands	Louisville, Ky.	33


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