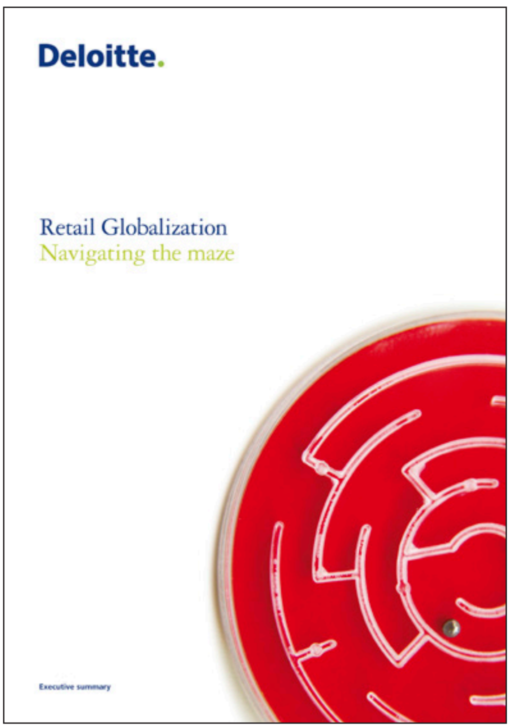
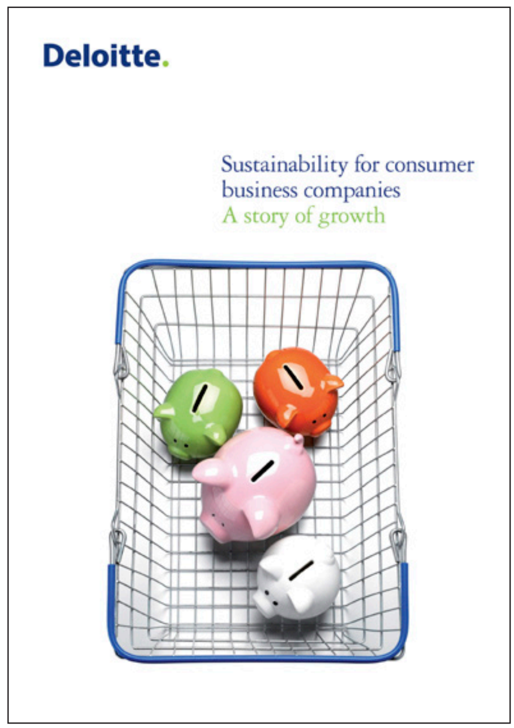
Global Powers of Retailing 2013
Retail Beyond

Retail perspectives from Deloitte.



Retail Globalization: Navigating the maze
The realities of going global



Sustainability in Consumer Business: A story of growth
Placing sustainability at the core of what you do

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Global economic outlook
The economic situation for retailers

Deloitte Touche Tohmatsu Limited (DTTL), in conjunction with STORES Media, is pleased to present the 16th annual Global Powers of Retailing. This report identifies the 250 largest retailers around the world based on publicly available data for fiscal 2011 (encompassing companies' fiscal years ended through June 2012). The report also provides an outlook for the global economy, trends for retailers to consider in the coming months and an analysis of market capitalization in the retail industry.

Each time it appears that the global economy is about to accelerate, something happens to throw a wrench into the wheels of growth. In the past year, that wrench has been the crisis in the Eurozone. With much of Europe in recession, European demand for imported goods has declined, thereby having a negative impact on many of the world's leading economies. It is often forgotten that the EU remains the world's largest economy—indeed, larger than the United States and of great importance to global commerce.

In the past year we have seen the economies of the United States, China, Japan, India and Brazil decelerate as the long arm of the European crisis has reached across the globe. Moreover, the slowdown in these critical economies influenced economic performance in their neighborhoods. For example, many economies in East Asia have been negatively influenced by the slowdown in China.

Observers who speak of the end of globalization are wrong, as are those who believe that the fate of emerging economies is no longer tied to that of developed economies. Thus, what happens in Europe in the coming year will likely have a significant impact on the rest of the world.

Likewise, what happens in the United States and China will also be of great importance. Barring a fiscal convulsion, the U.S. economy is likely to accelerate in the coming year, which will have a modest positive impact on global growth. China has avoided a hard landing through a combination of monetary and fiscal stimulus, and stronger growth is likely in 2013. In both economies, however, structural changes are underway that will influence the path of the global economy.

Western Europe

As of this writing, much of Western Europe is in recession. This results from several factors. First, nearly every country on the continent is cutting its fiscal deficit through tax increases and spending reductions, which has a negative impact on economic activity. Second, the fear that the Eurozone will fail has led to a perception of currency risk within the Eurozone. This means that lenders require a risk premium in order to provide credit in countries perceived as being at risk, including Spain, Portugal, Italy and Greece. The result is a decline in credit market activity in these countries. Third, the EU has compelled banks to recapitalize through reductions in lending and the sale of assets. Again, the impact is to discourage private credit market activity. Finally, the huge uncertainty about the economic future of Europe has led businesses to curtail capital spending.

Meanwhile, negotiations continue on the best path forward for the Eurozone. There is general agreement that failure would entail huge and unacceptable costs in the form of a severe economic downturn. Thus, the Eurozone must be fixed—but how? The consensus view is that the Eurozone requires three forms of integration to succeed. First, there needs to be a banking union with a central authority to supervise and recapitalize banks. Negotiations have been underway among EU members to achieve this goal, and EU leadership hopes to achieve a banking union in 2013.

Second, some mechanism will be needed to assure sovereign debt repayment that is not overly onerous for member countries. Currently, efforts at fiscal consolidation are backfiring in that they are suppressing economic activity, thus leading to reduced tax revenue and still large fiscal deficits. If Eurozone debt could be consolidated, shared or replaced by Eurobonds, repayment would be far easier – especially if a dedicated stream of revenue could be secured to fund debt servicing. However, opponents fear that without a central authority with the power to enforce fiscal probity, such debt consolidation would be a bottomless pit.

Finally, some form of fiscal and political union will probably be needed, making the Eurozone more like a single national entity rather than simply a fragmented monetary union. The problem is that such a move is politically difficult and would likely take decades to evolve. Yet Europe has a few years at most to achieve this goal before the whole enterprise unravels.

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What is the alternative? For the time being, it would be to simply muddle along from one crisis to another, with slow economic growth and continued economic uncertainty. Yet such a situation cannot last indefinitely. Failure to grow could ultimately lead voters to reject political parties that favor the continuation of the Eurozone. In the long run, failure is the only real alternative to further integration. What would the failure entail?

The collapse of the Eurozone would likely begin with a sovereign default. This would lead to the exit of the defaulting country from the Eurozone and its inability to tap ECB funding or other forms of external finance. A severe recession would ensue. Such an event would have a contagious and negative impact on financial markets, possibly leading to the exhaustion of existing bailout facilities as other countries find it difficult to tap into capital markets. If, at that point, the EU failed to quickly integrate, it is likely that other sovereign defaults would take place. This would probably lead to a seizing of credit markets, the printing of new currencies, an increase in inflation and a sharp drop in economic activity across Europe. Moreover, a deeper recession in Europe would surely have a significant negative impact on the global economy. After all, the modest recession in which Europe now finds itself has already slowed economic growth in such important economies as the United States and China.

It bears noting that there are some positive things happening in Europe today. First, the value of the euro has fallen significantly in the past few years, leading to increased competitiveness on the part of European exports. In addition, wage restraints combined with productivity improvements in Southern Europe have helped to restore some of the lost competitiveness that was at the heart of the crisis in the first place.

Second, the European Central Bank has promised to undertake unlimited purchases of sovereign debt from countries that submit to conditional bailouts from Europe's new bailout facility. Just the existence of this promise, which has not yet been implemented, has been sufficient to significantly lower sovereign bond yields for countries like Spain and Italy. The ECB program has drastically reduced the risk of imminent failure, thereby buying time for Europe to engage in longer-term solutions.

Nevertheless, many problems remain. As of this writing, there is concern about Spain's ability to roll over existing debts and fund troubled banks and regional governments. One such government, Catalonia, now threatens to secede from Spain if it doesn't obtain a better fiscal deal from the central government. Meanwhile, Greece has obtained the latest tranche of bailout money after promising to reform labor markets. But many observers doubt the deal is sustainable and believe that, ultimately, Greece will require significant forgiveness from sovereign holders of its debt.

China

By late 2012, China's economy appeared to be turning the corner following a rough year of decelerating growth. The main problem was exports, with Europe as the main culprit. By mid-2012, exports to the EU were down 12.7 percent from a year earlier. Chinese imports were down as well, partly due to declining commodity prices, but also reflecting weakening demand in China. Industrial production was up a relatively modest amount in 2012. This meant that China's economy became weaker than had been expected. The worry was that the much-anticipated soft landing would turn into a hard landing, which now appears unlikely.

Meanwhile, the weakness in the industrial sector had a negative impact on investment into China. Investors moved money out of China, perhaps as a result of declining profitability of Chinese companies and pessimism about the Chinese economy.

One effect of the weakening industrial sector is a decline in Chinese company profitability. Corporate revenue continues to increase, but export-oriented companies are struggling to maintain sales by cutting prices. The result is weak profitability.

To deal with the slowdown in economic activity, the government has taken a variety of actions. The central bank has cut the benchmark interest rate and has reduced banks' required reserves, thereby boosting bank lending. In addition, the government has increased public investment in infrastructure. The result of these measures has been positive. Bank lending has increased, although not as much as had been hoped. The rise in credit market activity is very likely due to the recent cuts in interest rates and the reduction in banks' required reserves. Indeed, the broad money supply has accelerated as well. The question now is whether the government will choose to take further actions aimed at stimulating the economy. With a change of leadership in late 2012, major decisions may be put on hold until the new leaders have time to assess the situation.

Longer term, China faces some serious challenges:

- First, too much of China's economic activity has taken the form of investment in fixed assets like factories, shopping centers, apartment complexes, office buildings and highways. This accounts for 48 percent of GDP. Much investment has had negative returns, resulting in large losses for state-run banks. Such investment fails to boost growth and represents a serious imbalance in the economy. Normal, sustainable growth will come from shifting resources away from investment and toward consumer spending. To accomplish this goal, China will have to privatize state-run banks and companies, liberalize credit markets, allow more currency appreciation and further increases in labor compensation and provide a greater safety net in order to discourage high saving.

- Second, China's demographics are changing rapidly. Labor force growth is slowing, which will result in slower economic growth. It will also create a shortage of labor, thus boosting wages—indeed, this is already happening. The result is that China's vast pool of cheap labor is dwindling, and along with it the cost advantage for global manufacturers. In fact, the wage differential with Mexico for manufacturing workers has nearly disappeared. Consequently, many manufacturers are shifting export-oriented production out of China and into countries like Mexico and Vietnam.

- Third, China's next phase of growth will require better human capital, more efficient capital markets and freer flow of information. These attributes will require economic and political reforms that will challenge the perks of China's elite. As such, it will be politically difficult.

United States

As of early December, negotiations were under way to avoid the so-called "fiscal cliff" which involves large automatic tax increases and spending cuts. If the United States was to go over that cliff, a recession would almost surely ensue. Most analysts expect that the cliff will be avoided and that a longer-term budget deal will be reached in early 2013. It is expected that such a deal will entail some revenue increases and some spending reductions, phased in over several years, with the goal of stabilizing the U.S. debt-to-GDP ratio over time. Assuming this scenario plays out, here is how the U.S. economy is likely to perform in 2013.

The economy will probably grow a bit faster than it did in 2012. By late 2012, it was apparent that U.S. consumer spending and the housing market were showing signs of modest improvement. Consumers have experienced several positive factors lately. Among these are a substantially reduced level of debt and debt service payments, thereby significantly improving consumer cash flow; increased wealth through good performance of the equity market; accelerating employment growth and steady, if very modest, income growth; and, finally, much increased confidence as measured by the leading indices of consumer confidence. All of this conspired to create modest growth of consumer spending, especially on automobiles. In addition, the housing market has gone from severe negative influence on economic growth to modest positive influence. Activity in the housing market has turned around, although it remains far below the levels reached during the last economic expansion. Home prices have risen, construction has accelerated and turnover among new and existing homes has increased – all creating the conditions for more spending on things related to the home.

Of course, 2012 saw significant negative factors as well. The recession in Europe led to a decline in U.S. exports to Europe and, consequently, to a sharp slowdown in the growth of industrial output. Moreover, concerns about Europe and uncertainty about its future caused U.S. companies to cut back on capital spending. The result was a slowdown in the growth of economic activity in mid-2012 and, indeed, renewed fears of a double-dip recession. Yet it appears as of this writing that the economy is doing better, despite the headwinds from Europe.

Exports not directed at Europe are performing well, the result of a weak dollar and improved competitiveness on the part of U.S. manufacturers. Moreover, with increasing supply and reduced prices of natural gas, U.S. energy-intensive companies are becoming even more competitive.

Assuming that the U.S. fiscal cliff is avoided, and assuming that the Eurozone does not collapse and does not experience a severe economic downturn, then it seems likely that 2013 will be a moderately good year for the U.S. economy. Growth should pick up, inflation should remain subdued and the policy environment might even be less rancorous following the surprisingly decisive nature of the November elections. But what can retailers and their suppliers expect longer term from the U.S. economic environment?

First, the growth in 2012 came largely from consumers rather than exporters. This is not how the recovery began in 2009 and is certainly not what one should expect going forward. Consumer spending remains an unusually—and probably unsustainably—high share of GDP following the debt-fueled boom of the last decade. Now, as consumers continue to deleverage and banks continue their effort to restore healthy balance sheets, it seems unlikely that consumer spending can again grow as fast as it did in recent years. Rather, consumer spending is likely to decline as a share of GDP while exports and business investment boost their share. The stage is already set. U.S. manufacturers are already more competitive due to a declining dollar, declining relative energy prices, improved labor and productivity. Moreover, U.S. companies that sell or distribute consumer goods and services now recognize that their future growth depends on going global. They are increasingly focused on emerging markets due to the expectation that these markets will account for a disproportionate share of global growth in the coming decade.

Second, much has been written about the continued skewing of income distribution in the United States. It continues apace, and higher taxes on the wealthy will do little to offset this trend. The causes are many, but an imbalance in the labor market between the skills demanded and those supplied is the principal culprit. A shortage of skilled labor is boosting compensation for the highly educated while a surplus of unskilled workers is suppressing compensation for everyone else. The result is hugely important for retailers and their suppliers. We are already witnessing a bifurcation of the consumer market, with upper-end sellers focused on offering clearly differentiated, high-quality goods in the context of a superior customer experience while other sellers focus on offering the lowest price.

Finally, a very positive aspect to the U.S. outlook concerns energy. Due to a massive increase in production of natural gas and oil through new technologies, the United States is expected to become the world's largest producer of hydrocarbons by the end of the decade and a net exporter of energy. This will have several implications. First, low energy prices will boost U.S. manufacturing competitiveness. Second, there will be a sizable improvement in the trade balance. Third, investment in energy will boost employment significantly. Finally, the switch from coal to natural gas will significantly reduce carbon emissions.

Japan

Japan's economy has been mostly sluggish for some time, despite the increased government spending on reconstruction following the earthquake and tsunami of 2011. Although there have been periodic bursts of economic activity like the 5.5 percent growth rate in the first quarter of 2012, growth has mostly been disappointing. In addition, compensation continues to decline, with total wages to workers in Japan in mid-2012 only marginally higher than in 1991. This means, of course, that unit labor costs are declining, thereby improving the competitiveness of Japanese products, but that is largely offset by the negative impact of a highly valued yen. On the other hand, declining wages contribute to declining purchasing power and stagnant consumer spending. It also contributes to deflation, which remains a serious problem in Japan.

To combat deflation, the Bank of Japan has set a formal inflation target of 1 percent. Yet prices continue to decline despite a more aggressive monetary policy. For the past year, the Bank of Japan has engaged in quantitative easing, whereby the Bank purchases assets like government bonds in order to inject liquidity into the economy. The idea is to boost the money supply, thereby creating some inflation. Other goals include keeping market interest rates low and putting downward pressure on the value of the yen. However, the policy has yet to result in any inflation. This raises a question as to whether the amount of quantitative easing is sufficient.

Meanwhile, many indicators suggest that the health of the Japanese economy is not improving. The well-known Tankan survey, which measures confidence among manufacturers, declined throughout much of 2012. In addition, exports declined, industrial production fell and purchasing managers' indices for both manufacturing and services were down.

At a time when the Japanese economy hardly needs bad news, the political dispute between Japan and China over a group of islands is having a real impact on the economy. Japan's major automotive company sales in China have fallen sharply. While the vehicles are mostly assembled in China, many of their parts are made in Japan. Consequently, if this dispute results in a sustained decline in Chinese demand for Japanese products, it could have real consequences for Japan's already troubled industrial sector.

For retailers, the economic situation in Japan suggests continued weak sales growth and declining prices. Even if there are changes in economic policy, it will take time for them to work their way through to consumer behavior. Therefore, retailers should not expect much strength of demand in 2013. Longer term, Japan faces challenging demographics, a continued strong yen, continued deflation or low inflation and a lack of economic reforms that would improve the efficiency of the distribution system. Thus, retailers in Japan are likely to seek growth outside of the home market. Still, Japan remains a very affluent society. For global retailers looking to tap into fat wallets, Japan will remain an attractive if slow-growing market.

Emerging markets

The slowdown in the global economy has taken a toll on many, but not all, emerging markets.

In Brazil, the slowdown in exports to Europe and China, combined with the lagged effect of monetary policy tightening, led to a substantial slowdown in growth in 2011 and 2012. To combat this, Brazil's central bank began a process of aggressive interest rate cuts starting in late 2011 and continuing through the autumn of 2012. In all, the benchmark interest rate was cut by more than 500 basis points, resulting in the lowest rate ever recorded. In addition, the government began a process of fiscal stimulus in 2012 that entailed tax cuts and spending increases. The result is expected to be a pickup in growth in 2013. The only problem is that this stimulatory policy was implemented even as inflation remained higher than desired. Therefore, in November, the central bank decided to stabilize interest rates and wait for inflation to decelerate before implementing further stimulus. In addition, the radical reduction in the benchmark rate helped to keep the currency from rising too far, thus reducing the risk that manufactured exports would become less competitive. As for Brazil's consumer market, it remains reasonably healthy. The biggest risk comes from a relatively high level of consumer debt.

In India, growth declined in 2012 as well. Yet unlike in Brazil, India's central bank has remained focused on inflation, even at the cost of delaying economic recovery. Much to the chagrin of the government and many businesses, the central bank has kept the benchmark interest rate relatively high, awaiting a drop in inflation. Meanwhile, the economy suffered in 2012 from the impact of a global slowdown as well as the effect of weak business confidence. To restore confidence and set the stage for faster growth in the future, the government proposed a series of major reforms aimed at boosting productivity. Among these was liberalization of foreign investment in retailing. As of this writing, it is not clear whether the government will be successful in implementing its reform agenda. Elections must take place no later than 2014, and they may help to clarify the direction of policy.

In Russia, the economy continues to grow modestly, but high inflation led the central bank to raise interest rates. External weakness has been offset by strong domestic demand, but higher interest rates may hurt domestically driven growth – especially business investment and interest sensitive consumer spending. In addition, government incentives for consumer spending have expired as the government seeks to reduce its deficit. Thus the outlook for economic growth is modest at best.

Despite the weakness in the BRIC economies, some parts of the world have managed to grow strongly. These include the Andean countries of South America, much of sub-Saharan Africa and some countries in Southeast Asia, including Indonesia and the Philippines. As the global economy ultimately recovers, these regions stand to benefit. Moreover, they are immensely attractive to the world's top retailers. This is because they are likely to experience strong growth, have limited modern retailing and are likely to see an expansion of the middle class which drives modern retail.

The Future of Retail

Retail Beyond

The retail industry is in the midst of a customer revolution. The collision of the virtual and physical worlds is fundamentally changing consumers' purchasing behaviors. Consumers are seeking an integrated shopping experience across all channels, and expect retailers to deliver this experience. Failure to deliver puts retailers at risk of becoming irrelevant. The key drivers of this customer revolution are the rapid adoption of mobile devices, digital media and tablets equipped with shopping apps. In fact, the number of smartphone users in the United States will rise to 159 million by 2015 from just 82 million in 2010.[1] Traditional retailers must find opportunities to seamlessly embed the virtual world into their retail strategy by developing in-store and online technologies that allow them to create and maintain meaningful and sincere connections with customers across all channels.

The Future of Retail Has Arrived

The retail paradigm has shifted from a single physical connection point with customers to a multi-pronged approach that crosses both physical and digital channels. The traditional bricks-and-mortar retail store is no longer the dominant medium for purchasing goods. Instead, it serves as one of many potential connection points between customers and a retailer's brand. As one industry observer has noted, "While physical stores may have once enjoyed the advantage of crafting cool shopping experiences, the aesthetics of the iPad and all the social sharing surrounding online shopping today are now shifting that advantage to online retailers."[2] However, many retailers are struggling to take advantage of the increasing number of channels available to them for connecting with customers. Further, they are neglecting to make appropriate investments in technology, operations and talent that would better equip them for seizing control of these channels. Retailers' technology can be disparate and fragmented, and multiple physical locations can drive an unsustainable cost structure that is not flexible and often underperforms. Additionally, employees often lack the knowledge, training and tools necessary to facilitate a shopping experience that engages customers across a variety of channels and extends beyond the traditional shopping experience. As a result, many retailers are falling behind in the race to offer a unique and comprehensive experience with their brand that keeps pace with customers' ever-evolving attitudes and expectations.

1 http://www.internetretailer.com/mobile/2012/03/01/smartphone-adoption-soars-46-february
2 http://techcrunch.com/2012/09/29/the-next-big-e-commerce-wave-vertically-integrated-commerce/
3 http://techcrunch.com/2012/09/29/the-next-big-e-commerce-wave-vertically-integrated-commerce/

Retailers are faced with the challenge of engaging customers on more than just price. They must make shopping across all channels a more stimulating and satisfying experience, rather than simply a way to find the lowest price for a particular product. New competitors are disrupting the market and capturing valuable market share through innovative business models. Many companies are now seeking to become vertically integrated by controlling the whole supply chain. As a result of a vertically integrated value chain, a new generation of e-commerce players is bringing high-quality products from the warehouse directly to consumers at significantly lower prices.[3] Hence, retailers must respond to new competition by enabling digital experiences that improve both the store and virtual experience for the customer. Equally important, they must find a path to success that not only addresses the needs of their customers today but is also flexible enough to continually evolve with customer interests and expectations. The customer revolution and the future of retail have arrived. Retailers must respond now or risk facing obsolescence.

Retail's Path to Relevance

Adopt a single strategy and vision across channels

Today's consumer is increasingly connected to both the physical and digital space and able to interact with retailers through multiple channels simultaneously. To stay competitive in this ever-evolving landscape, it is imperative for retailers to deliver a seamless customer experience across all channels and provide the right services and products at the right time. Specifically, retailers must develop an integrated strategy that aligns talent, physical space, processes, marketing and merchandising to meet consumer demands. This strategy should be supported by emerging technologies and continually adapted to remain relevant to the customer of tomorrow.

A robust retail strategy must include:

- A strong vision of the experience the customer desires across all channels.
- A nimble operating model that can adapt as the retail environment changes.
- A deep understanding of how to support the vision through inventive digital solutions and retail technologies, such as playbooks to operationalize the omni-channel strategy.

Create a Relevant Customer Experience

The transformation of the retail store begins with a deep understanding of the customer and a strategy to personalize the experience at every point of interaction. The most appropriate technologies should be leveraged to enhance the experience in both the physical store and digital world.

Mobile commerce is an important channel for many retailers; however, its application can and should be extended from merely an online sales alternative to a tool that drives meaningful connections between the brand and the consumer. Mobile currently contributes 5.1 percent of total retail sales and will increase exponentially to reach 17-21 percent ($628-$752 billion) of total sales by 2016.[4] Moreover, customers who access a retailer's app while shopping have a 21 percent higher conversion rate.[5]

Social commerce is another critical part of the customer experience and digitally savvy retailers will devote taskforces to supporting their social media strategy. Proper management of Facebook, Twitter and other media is vital. To keep customers engaged, retailers should also consider including a social element in their mobile apps.[6] The most successful retailers will maintain locally relevant Facebook, Twitter and other social media pages, and will also look to the next big development in social media.

How Do Retailers Prepare?

Invest in the Core

Addressing today's connected consumers may require structural changes to the retail organization in order to deliver a seamless experience across channels and drive competitive differentiation for your brand. The key is flexibility. With the increasing occurrence of channel overlap and the pace at which new applications and devices are brought to market, the future leaders of retail will be those who can quickly embrace operational changes brought about by new technologies and anticipate integration of emerging solutions that have not yet been invented. A flexible IT infrastructure needs to integrate existing and emerging applications and devices, and should be channel-agnostic. With 60 percent of smartphone owners reporting their use in in-store shopping, retailers that invest early in flexibility and in aligning their business around the customer, rather than the channel, can become leaders in an environment in which it is becoming increasingly harder to play catch-up.[7]

Innovate

It is time for retailers to push the boundaries in delivering a connected customer experience, and they can start with three key areas:

Figure 1

New talent strategies	• Position your talent as brand ambassadors. • Equip them with smartphones and train them to be technology savvy. • Empower them to use Twitter, Facebook or text messaging to connect with customers.
Change the physical space	• Evolve the physical space as a primary point of brand contact to one of many points of contact. • Embrace the virtual environment as a connection point to your brand from anywhere and at any time. • Transform the physical space to a compelling customer experience instead of a place to transact. • Evaluate your real estate strategy as the need for large physical spaces may be minimized by the influence of virtual.
Emerging solutions	• Embrace technology and be an early adopter. • Enhance the customer experience and support sales associates in delivering desired service models. • Use real-time data to provide relevant real-time promotions to further personalize the shopping experience.

Continually evaluate performance

There is no silver bullet or single solution. Retailers must commit to making change the "new normal" in their operating model, and this means continual evaluation and analysis of their business to determine if they are delivering on the customer experience. Thorough collection and analysis of customer data will give retailers the best chance to understand, anticipate and adapt to the continuous change that comes with the connected consumer. Information is king, and the use of predictive analytics can help retailers gain deeper insight into the value that is being generated for their customers through their own operating model, and provide them with leading indicators of the experience desired by the constantly evolving connected consumer.

4 Deloitte Digital, The Dawn of Mobile Influence
5 Deloitte Digital, The Dawn of Mobile Influence
6 "L2 Specialty Retail Digital IQ Index." L2 Think Tank, August 23, 2011 http://www.l2thinktank.com/research/specialty-retail-2011/
7 Mobile Retailing POV: "The Dawn of Mobile Influence"

Top 250 global retailers 2011

Retail revenue rank (FY11)	Name of company	Country of origin	2011 retail revenue (US$m)	2011 group revenue[1] (US$m)	2011 group net income[1] (US$m)	Dominant operational format 2011	# countries of operation 2011	2006-2011 retail revenue CAGR[2]
1	Wal-Mart Stores, Inc.	U.S.	446,950	446,950	16,387	Hypermarket/Supercenter/ Superstore	28	5.1%
2	Carrefour S.A.	France	113,197	115,277	563	Hypermarket/Supercenter/ Superstore	33	0.9%
3	Tesco PLC	U.K.	101,574	103,244	4,502	Hypermarket/Supercenter/ Superstore	13	8.3%
4	Metro AG	Germany	92,905	92,905	1,032	Cash & Carry/Warehouse Club	33	2.2%
5	The Kroger Co.	U.S.	90,374	90,374	596	Supermarket	1	6.5%
6	Costco Wholesale Corporation	U.S.	88,915	88,915	1,542	Cash & Carry/Warehouse Club	9	8.1%
7	Schwarz Unternehmens Treuhand KG	Germany	87,841	87,841	n/a	Discount Store	26	8.0%
8	Aldi Einkauf GmbH & Co. oHG	Germany	73,375 e	73,375 e	n/a	Discount Store	17	5.5%
9	Walgreen Co.	U.S.	72,184	72,184	2,714	Drug Store/Pharmacy	2	8.8%
10	The Home Depot, Inc.	U.S.	70,395	70,395	3,883	Home Improvement	5	-2.3%
11	Target Corporation	U.S.	68,466	69,865	2,929	Discount Department Store	1	3.4%
12	Groupe Auchan SA	France	60,515	61,804	1,194	Hypermarket/Supercenter/ Superstore	12	4.8%
13	Aeon Co., Ltd.	Japan	60,158 **	66,014 **	1,147	Hypermarket/Supercenter/ Superstore	9	1.5%
14	CVS Caremark Corp.	U.S.	59,599	107,100	3,457	Drug Store/Pharmacy	2	8.1%
15	Edeka Zentrale AG & Co. KG	Germany	59,460 **	63,458 **	n/a	Supermarket	1	6.1%
16	Seven & i Holdings Co., Ltd.	Japan	57,966 **	60,691 **	1,782	Convenience/Forecourt Store	18	-2.2%
17	Woolworths Limited	Australia	54,614	57,077	1,877	Supermarket	2	5.0%
18	Wesfarmers Limited	Australia	52,208	59,980	2,196	Supermarket	2	59.2%
19	Rewe Combine	Germany	51,331 **	56,123 **	371	Supermarket	11	6.4%
20	Best Buy Co., Inc.	U.S.	50,705	50,705	22	Electronics Specialty	13	7.1%
21	Lowe's Companies, Inc.	U.S.	50,208	50,208	1,839	Home Improvement	4	1.4%
22	Casino Guichard-Perrachon S.A.	France	47,107 e**	47,859 **	1,033	Hypermarket/Supercenter/ Superstore	26	8.9%
23	Amazon.com, Inc.	U.S.	46,491	48,077	631	Non-Store	10	34.8%
24	Centres Distributeurs E. Leclerc	France	45,407 e**	56,549 g**	n/a	Hypermarket/Supercenter/ Superstore	7	5.7%
25	Safeway Inc.	U.S.	42,758 e	43,630 **	518	Supermarket	3	1.7%
26	Koninklijke Ahold N.V	Netherlands	42,163	42,163	1,417	Supermarket	11	0.5%
27	Sears Holdings Corp.	U.S.	41,567	41,567	-3,147	Department Store	3	-4.7%
28	ITM Développement International (Intermarché)	France	37,050 e**	51,535 g**	n/a	Supermarket	8	3.2%
29	J Sainsbury plc	U.K.	35,600	35,600	955	Supermarket	1	5.7%
30	The IKEA Group (INGKA Holding B.V.)	Netherlands	34,314	34,971	4,134	Other Specialty	39	7.4%
31	Loblaw Companies Limited	Canada	31,070 **	31,624 **	778	Hypermarket/Supercenter/ Superstore	1	1.4%
32	Delhaize Group SA	Belgium	29,415 **	29,415 **	662	Supermarket	11	1.9%
33	Wm Morrison Supermarkets PLC	U.K.	28,300	28,300	1,106	Supermarket	1	7.2%
34	Grupo Pão de Açúcar	Brazil	27,988	27,988	432	Electronics Specialty	1	27.4%

[1] Revenue and net income for the parent company or group may include results from non-retail operations
[2] Compound annual growth rate

e = estimate
g = gross turnover as reported by company
n/a = not available

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Top 250 global retailers 2011

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35	SuperValu Inc.	U.S.	27,906	36,100 **	-1,040	Supermarket	1	-0.1%
36	Publix Super Markets, Inc.	U.S.	27,179	27,179	1,492	Supermarket	1	4.5%
37	Macy's, Inc.	U.S.	26,405 **	26,405 **	1,256	Department Store	3	-0.4%
38	Rite Aid Corporation	U.S.	26,121	26,121	-369	Drug Store/Pharmacy	1	8.3%
39	Migros-Genossenschafts Bund	Switzerland	25,352 e**	28,146 **	750	Supermarket	3	5.7%
40	Yamada Denki Co., Ltd.	Japan	23,483	23,483	738	Electronics Specialty	2	5.1%
41	Système U, Centrale Nationale	France	23,316 e**	29,403 g**	n/a	Supermarket	3	6.2%
42	The TJX Companies, Inc.	U.S.	23,191	23,191	1,496	Apparel/Footwear Specialty	7	5.9%
43	Alimentation Couche-Tard Inc.	Canada	22,998	22,998	458	Convenience/Forecourt Store	10	13.7%
44	Mercadona, S.A.	Spain	22,910	22,910	660	Supermarket	1	7.8%
45	LVMH Moët Hennessy-Louis Vuitton S.A.	France	20,760 e	32,953	4,826	Other Specialty	87	11.7%
46	Coop Group	Switzerland	20,065 e	30,163 **	570	Supermarket	5	4.9%
47	Inditex, S.A.	Spain	19,157 **	19,157 **	2,702	Apparel/Footwear Specialty	87	11.0%
48	Lotte Shopping Co., Ltd.	S. Korea	19,077	20,250	921	Hypermarket/Supercenter/Superstore	5	17.1%
49	Kohl's Corporation	U.S.	18,804	18,804	1,167	Department Store	1	3.9%
50	AS Watson & Company, Ltd.	Hong Kong SAR	18,444	18,444	n/a	Drug Store/Pharmacy	36	7.7%
51	H.E. Butt Grocery Company	U.S.	17,598	17,598	n/a	Supermarket	2	6.6%
52	Kingfisher plc	U.K.	17,354	17,354	1,024	Home Improvement	8	4.5%
53	J. C. Penney Company, Inc.	U.S.	17,260	17,260	-152	Department Store	2	-2.8%
54	El Corte Inglés, S.A.	Spain	17,143	21,860	291	Department Store	4	-2.5%
55	H & M Hennes & Mauritz AB	Sweden	16,974	16,974	2,441	Apparel/Footwear Specialty	43	10.0%
56	Coop Italia	Italy	16,787 e	18,246	n/a	Supermarket	1	2.0%
57	Groupe Adeo SA	France	16,157	16,157	n/a	Home Improvement	13	11.6%
58	Empire Company Limited/Sobeys	Canada	16,135	16,330	354	Supermarket	1	4.3%
59	Bailian (Brilliance) Group	China	15,930 e	18,317 g	n/a	Supermarket	1	11.4%
60	Marks & Spencer Group Plc	U.K.	15,863	15,863	782	Department Store	40	3.0%
61	X5 Retail Group N.V.	Russia	15,455	15,455	302	Discount Store	2	40.7%
62	Isetan Mitsukoshi Holdings Ltd.	Japan	15,373	15,710	755	Department Store	9	ne
63	Cencosud S.A.	Chile	14,967	15,744	621	Supermarket	5	20.0%
64	Staples, Inc.	U.S.	14,966 e	25,022	984	Other Specialty	14	4.0%
65	Gome Home Appliance Group	China	14,923 e	17,046 g	n/a	Electronics Specialty	3	22.4%
66	Louis Delhaize S.A.	Belgium	14,809 e	14,809 e	n/a	Hypermarket/Supercenter/Superstore	6	1.1%
67	Dollar General Corporation	U.S.	14,807	14,807	767	Discount Store	1	10.1%
68	The Gap, Inc.	U.S.	14,549 **	14,549 **	833	Apparel/Footwear Specialty	41	-1.8%
69	Suning Appliance Co. Ltd.	China	14,549	14,549	757	Electronics Specialty	3	29.2%
70	Meijer, Inc.	U.S.	14,400 e	14,400 e	n/a	Hypermarket/Supercenter/Superstore	1	1.8%

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71	ICA AB	Sweden	14,395 **	14,690 **	215	Supermarket	5	7.1%
72	Apple Inc./Apple Stores	U.S.	14,127	108,249 **	25,922	Electronics Specialty	11	33.3%
73	Toys “R” Us, Inc.	U.S.	13,909	13,909	151	Other Specialty	37	1.3%
74	Otto (GmbH & Co KG)	Germany	13,903	17,308	32	Non-Store	51	1.7%
75	Distribuidora Internacional de Alimentación, S.A. (Dia, S.A.)	Spain	13,621 **	13,782 **	131	Discount Store	8	ne
76	Jerónimo Martins, SGPS, S.A.	Portugal	13,508	13,703	498	Discount Store	2	18.6%
77	UNY Co., Ltd.	Japan	13,467 **	13,684 **	157	Hypermarket/Supercenter/ Superstore	2	-2.6%
78	Conad Consorzio Nazionale, Dettaglianti Soc. Coop. a.r.l.	Italy	13,329 e**	14,207 g**	n/a	Supermarket	2	5.3%
79	Co-operative Group Ltd.	U.K.	13,130	19,907	334	Supermarket	1	18.9%
80	SPAR Österreichische Warenhandels-AG	Austria	13,087 e**	14,639 g**	n/a	Supermarket	7	5.7%
81	Dixons Retail plc	U.K.	13,060	13,060	-260	Electronics Specialty	28	0.7%
82	S Group	Finland	12,633	15,963	375	Supermarket	5	8.9%
83	John Lewis Partnership plc	U.K.	12,431	12,431	218	Supermarket	3	6.4%
84	Alliance Boots GmbH	Switzerland	12,241	36,741 **	913	Drug Store/Pharmacy	17	4.7%
85	Dell Inc.	U.S.	11,900	62,071 **	3,492	Non-Store	n/a	1.5%
86	Metro Inc.	Canada	11,595 **	11,595 **	392	Supermarket	1	0.9%
87	Open Joint Stock Company “Magnit”	Russia	11,420	11,423 **	419	Convenience/Forecourt Store	1	35.9%
88	Tengelmann Warenhandelsgesellschaft KG	Germany	11,384 e	15,015 g	n/a	Home Improvement	14	-16.7%
89	BJ’s Wholesale Club, Inc.	U.S.	11,300 e	11,300 e	n/a	Cash & Carry/Warehouse Club	1	5.9%
90	PPR S.A.	France	11,249	17,031 **	1,456	Other Specialty	90	-10.6%
91	The Daiei, Inc.	Japan	10,859	11,025	-144	Hypermarket/Supercenter/ Superstore	1	-3.5%
92	J. Front Retailing Co., Ltd.	Japan	10,843	11,937	246	Department Store	1	ne
93	Shoprite Holdings Ltd.	S. Africa	10,717	10,717	394	Supermarket	17	16.3%
94	Shoppers Drug Mart Corporation	Canada	10,584	10,584	621	Drug Store/Pharmacy	1	6.1%
95	Nordstrom, Inc.	U.S.	10,497	10,877	683	Department Store	1	4.2%
96	Limited Brands, Inc.	U.S.	10,364 **	10,364 **	850	Apparel/Footwear Specialty	50	-0.6%
97	Dansk Supermarked A/S	Denmark	10,115	10,115	991	Discount Store	5	0.5%
98	Takashimaya Company, Limited	Japan	10,109	10,881	145	Department Store	3	-3.3%
99	Whole Foods Market, Inc.	U.S.	10,108	10,108	343	Supermarket	3	12.5%
100	Fast Retailing Co., Ltd.	Japan	10,028 **	10,057 **	690	Apparel/Footwear Specialty	20	12.8%
101	NorgesGruppen ASA	Norway	10,016 **	10,482 **	280	Supermarket	1	9.7%
102	Beisia Group Co., Ltd.	Japan	9,840 e	10,144 e	n/a	Home Improvement	1	5.1%
103	Liberty Interactive Corporation (formerly Liberty Media Corporation)	U.S.	9,616	9,616	965	Non-Store	8	5.6%
104	Kesko Corporation	Finland	9,606 e**	13,177 **	274	Supermarket	8	1.3%
105	GameStop Corp.	U.S.	9,551	9,551	339	Other Specialty	18	12.4%

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106	Bed Bath and Beyond Inc.	U.S.	9,500	9,500	990	Other Specialty	4	7.5%
107	Canadian Tire Corporation, Limited	Canada	9,475 **	10,511 **	473	Other Specialty	1	4.1%
108	Giant Eagle, Inc.	U.S.	9,420 e**	9,420 e**	n/a	Supermarket	1	5.7%
109	K's Holdings Corporation	Japan	9,199	9,199	301	Electronics Specialty	1	11.0%
110	Army and Air Force Exchange Service (AAFES)	U.S.	9,184	9,184	278	Hypermarket/Supercenter/ Superstore	35	0.6%
111	S.A.C.I. Falabella	Chile	9,145	10,052	973	Home Improvement	4	16.5%
112	Edion Corporation	Japan	9,136 e**	9,617 **	70	Electronics Specialty	1	0.5%
113	Dairy Farm International Holdings Limited	Hong Kong SAR	9,134	9,134	485	Supermarket	10	12.0%
114	Yodobashi Camera Co., Ltd.	Japan	9,090	9,090	n/a	Electronics Specialty	1	3.6%
115	Oxylane Groupe	France	9,062	9,062	n/a	Other Specialty	19	10.2%
116	China Resources Enterprise, Limited	Hong Kong SAR	8,992	14,153	497	Hypermarket/Supercenter/ Superstore	2	28.0%
117	SHV Holdings N.V./Makro	Netherlands	8,946	24,182	1,090	Cash & Carry/Warehouse Club	6	9.6%
118	Home Retail Group plc	U.K.	8,931	8,931	116	Other Specialty	3	-0.9%
119	Grupo Eroski	Spain	8,929	9,221	-50	Supermarket	2	3.0%
120	Menard, Inc.	U.S.	8,800 e	8,800 e	n/a	Home Improvement	1	2.6%
121	C&A Europe	Belgium/ Germany	8,762 e	9,421 g	n/a	Apparel/Footwear Specialty	20	3.8%
122	Katz Group Canada Ltd.	Canada	8,710 e	8,710 e	n/a	Drug Store/Pharmacy	1	4.6%
123	Ross Stores, Inc.	U.S.	8,608	8,608	657	Apparel/Footwear Specialty	1	9.1%
124	Family Dollar Stores, Inc.	U.S.	8,548	8,548	388	Discount Store	1	6.0%
125	Esselunga S.p.A.	Italy	8,468 e	9,235 g	292	Hypermarket/Supercenter/ Superstore	1	6.0%
126	Etn. Fr. Colruyt N.V.	Belgium	8,268	10,820 **	473	Supermarket	3	8.2%
127	Office Depot, Inc.	U.S.	8,228 e	11,490	96	Other Specialty	19	-4.6%
128	The Pantry, Inc.	U.S.	8,139	8,139	10	Convenience/Forecourt Store	1	6.4%
129	AutoZone, Inc.	U.S.	8,073 **	8,073 **	849	Other Specialty	3	6.3%
130	Reitan Group	Norway	8,020	8,109	250	Discount Store	4	17.9%
131	Organización Soriana, S.A.B. de C.V.	Mexico	7,945	7,945	247	Hypermarket/Supercenter/ Superstore	1	11.0%
132	Dalian Dashang Group	China	7,934 e**	17,046 **	n/a	Department Store	1	16.7%
133	Steinhoff International Holdings Ltd.	S. Africa	7,761	10,419 **	783	Other Specialty	18	45.5%
134	dm-drogerie markt GmbH + Co. KG	Germany	7,760 e	8,614 g	n/a	Drug Store/Pharmacy	11	11.0%
135	Pick n Pay Stores Limited	S. Africa	7,560 **	7,560 **	152	Supermarket	9	7.1%
136	Bic Camera Inc.	Japan	7,432	7,505	112	Electronics Specialty	1	5.0%
137	Globus Holding GmbH & Co. KG	Germany	7,306 e	8,660 g	n/a	Hypermarket/Supercenter/ Superstore	4	7.6%
138	Hy-Vee, Inc.	U.S.	7,266	7,266	n/a	Supermarket	1	6.5%
139	E-MART Co., Ltd.	South Korea	7,257	7,257	287	Hypermarket/Supercenter/ Superstore	1	ne
140	Coop Danmark A/S	Denmark	7,183 **	7,397 **	74	Supermarket	1	ne
141	Dirk Rossmann GmbH	Germany	7,131	7,131	n/a	Drug Store/Pharmacy	6	13.1%

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142	Casey's General Stores, Inc.	U.S.	6,988	6,988	117	Convenience/Forecourt Store	1	11.7%
143	The Great Atlantic & Pacific Tea Company, Inc.	U.S.	6,700 [e]	6,700[e]	n/a	Supermarket	1	-0.4%
144	Dollar Tree, Inc.	U.S.	6,631	6,631	488	Discount Store	2	10.8%
145	Don Quijote Co., Ltd.	Japan	6,618	6,877	264	Discount Department Store	2	12.1%
146	Barnes & Noble, Inc.	U.S.	6,597	7,129 **	-69	Other Specialty	1	4.6%
147	Compagnie Financière Richemont SA	Switzerland	6,420	12,226 **	2,123	Other Specialty	55	18.3%
148	Sonae, SGPS, SA	Portugal	6,382	7,992	194	Hypermarket/Supercenter/Superstore	6	8.2%
149	Wegmans Food Markets, Inc.	U.S.	6,335	6,335	107	Supermarket	1	9.0%
150	Dillard's, Inc.	U.S.	6,194	6,400	464	Department Store	1	-4.1%
151	Life Corporation	Japan	6,191	6,379	52	Supermarket	1	3.7%
152	Tokyu Corporation	Japan	6,182	13,864	470	Department Store	1	-5.9%
153	Lojas Americanas S.A.	Brazil	6,128	6,128	204	Discount Department Store	1	21.9%
154	PetSmart, Inc.	U.S.	6,113	6,113	290	Other Specialty	3	7.6%
155	Izumi Co., Ltd.	Japan	6,052 [e]	6,541	180	Hypermarket/Supercenter/Superstore	1	3.1%
156	FEMSA Comercio, S.A. de C.V.	Mexico	5,992	5,992	n/a	Convenience/Forecourt Store	2	15.9%
157	Defense Commissary Agency (DeCA)	U.S.	5,958	5,958	n/a	Supermarket	13	1.9%
158	H2O Retailing Corporation	Japan	5,916	6,406	13	Department Store	1	ne
159	Shimamura Co., Ltd.	Japan	5,914	5,914	320	Apparel/Footwear Specialty	2	3.6%
160	Advance Auto Parts, Inc.	U.S.	5,885 **	6,170 **	395	Other Specialty	2	5.5%
161	QuikTrip Corporation	U.S.	5,800 [e]	10,000 [e]	n/a	Convenience/Forecourt Store	1	6.7%
162	O'Reilly Automotive, Inc.	U.S.	5,789 **	5,789 **	508	Other Specialty	1	20.5%
163	President Chain Store Corp.	Taiwan	5,692 [e]	6,469	245	Convenience/Forecourt Store	4	n/a
164	Foot Locker, Inc.	U.S.	5,623	5,623	278	Apparel/Footwear Specialty	30	-0.4%
165	The SPAR Group Limited	S. Africa	5,607 *	5,607 *	138	Supermarket	6	17.7%
166	DCM Holdings Co., Ltd.	Japan	5,601	5,603	103	Home Improvement	1	ne
167	Bauhaus GmbH & Co. KG	Germany	5,533 [e]	5,533 [e]	n/a	Home Improvement	15	7.0%
168	Darty plc (formerly Kesa Electricals plc)	U.K.	5,509	5,509	-430	Electronics Specialty	9	-9.5%
169	MatsumotoKiyoshi Holdings Co., Ltd.	Japan	5,468 **	5,506 **	129	Drug Store/Pharmacy	1	6.3%
170	Next plc	U.K.	5,378 **	5,513 **	761	Apparel/Footwear Specialty	68	1.7%
171	KF Gruppen	Sweden	5,354 **	5,754 **	-148	Hypermarket/Supercenter/Superstore	1	ne
172	Coop Norge, the Group	Norway	5,30 **	5,145 **	31	Supermarket	1	ne
173	CP ALL Public Company Limited	Thailand	5,258	5,346 **	265	Convenience/Forecourt Store	1	9.1%
174	Dick's Sporting Goods, Inc.	U.S.	5,212	5,212	264	Other Specialty	1	10.8%
175	Big Lots, Inc.	U.S.	5,202	5,202	207	Discount Store	2	1.9%
176	WinCo Foods LLC	U.S.	5,200 [e]	5,200 [e]	n/a	Supermarket	1	14.0%
177	Groupe Galeries Lafayette SA	France	5,164 **	6,903 **	65	Department Store	5	-0.4%
178	Joshin Denki Co., Ltd.	Japan	5,030 **	5,197 **	79	Electronics Specialty	1	4.7%

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179	East Japan Railway Company	Japan	5,019	32,083	1,389	Convenience/Forecourt Store	1	-0.2%
180	Sheetz, Inc.	U.S.	5,000 e	5,000 e	n/a	Convenience/Forecourt Store	1	5.6%
181	Deichmann SE	Germany	4,972	5,752 g	n/a	Apparel/Footwear Specialty	22	8.8%
182	Celesio AG	Germany	4,972	32,072 **	8	Drug Store/Pharmacy	9	1.8%
183	Valor Co., Ltd.	Japan	4,942	5,202	91	Supermarket	1	7.0%
184	Lawson, Inc.	Japan	4,941 **	6,073 **	325	Convenience/Forecourt Store	3	9.3%
185	BİM Birleşik Mağazalar A.Ş.	Turkey	4,907	4,907	179	Discount Store	2	29.8%
186	SUNDRUG Co., Ltd.	Japan	4,901	4,901	159	Drug Store/Pharmacy	1	14.7%
187	Associated British Foods plc/Primark	U.K.	4,889	17,777 **	927	Apparel/Footwear Specialty	7	18.4%
188	RONA Inc.	Canada	4,862 **	4,862 **	-76	Home Improvement	1	1.1%
189	The Sherwin-Williams Company	U.S.	4,780	8,766	442	Home Improvement	7	-0.3%
190	Wawa, Inc.	U.S.	4,760 e	n/a **	n/a	Convenience/Forecourt Store	1	4.4%
191	Controladora Comercial Mexicana S.A.B. de C.V.	Mexico	4,727 e	3,539	71	Hypermarket/Supercenter/ Superstore	1	5.5%
192	Douglas Holding AG	Germany	4,715	4,715	121	Other Specialty	18	4.7%
193	Heiwado Co., Ltd.	Japan	4,692	4,940	62	Hypermarket/Supercenter/ Superstore	2	-1.2%
194	OfficeMax Inc.	U.S.	4,672 e	7,121	38	Other Specialty	6	-2.9%
195	Kojima Co., Ltd.	Japan	4,670	4,693	6	Electronics Specialty	1	-5.9%
196	Grupo Comercial Chedraui, S.A.B. de C.V.	Mexico	4,602	4,648	123	Hypermarket/Supercenter/ Superstore	2	14.1%
197	Save Mart Supermarkets	U.S.	4,600 e	4,600 e	n/a	Supermarket	1	13.0%
198	Landmark Group	UAE	4,518	4,700	n/a	Apparel/Footwear Specialty	11	23.1%
199	Karstadt Warenhaus GmbH	Germany	4,505 e	4,505 e	n/a	Department Store	1	-6.4%
200	Jumbo Supermarkten B.V.	Netherlands	4,503	4,503	n/a	Supermarket	1	27.2%
201	Groupe Vivarte	France	4,491	4,491	n/a	Apparel/Footwear Specialty	55	7.0%
202	Belle International Holdings Limited	Hong Kong SAR	4,485	4,485	657	Apparel/Footwear Specialty	3	35.9%
203	Praktiker AG	Germany	4,433	4,433	-773	Home Improvement	10	0.1%
204	RaceTrac Petroleum Inc.	U.S.	4,400 e	n/a	n/a	Convenience/Forecourt Store	1	13.9%
205	Arcs Co., Ltd.	Japan	4,400	4,415	169	Supermarket	1	8.9%
206	RadioShack Corporation	U.S.	4,378	4,378	72	Electronics Specialty	31	-1.7%
207	XXXLutz Group	Austria	4,318 e	4,318 e	n/a	Other Specialty	9	7.6%
208	Arcadia Group Limited	U.K.	4,304	4,304	n/a	Apparel/Footwear Specialty	41	8.3%
209	Debenhams plc	U.K.	4,299	3,545	188	Department Store	28	4.1%
210	Wu-Mart Group	China	4,292 e**	4,292 e**	n/a	Hypermarket/Supercenter/ Superstore	1	39.9%
211	Ruddick Corporation/Harris Teeter	U.S.	4,286	4,286	91	Supermarket	1	8.0%
212	Izumiya Co., Ltd.	Japan	4,262	4,458	9	Hypermarket/Supercenter/ Superstore	2	-1.5%
213	Emke Group/Lulu Group International	UAE	4,250 e	4,250 e	n/a	Hypermarket/Supercenter/ Superstore	9	30.5%
214	Tractor Supply Company	U.S.	4,233	4,233	223	Other Specialty	1	12.3%
215	El Puerto de Liverpool, S.A.B. de C.V.	Mexico	4,232	4,742	529	Department Store	1	8.6%

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216	Coach, Inc.	U.S.	4,232	4,763 [**]	1,039	Other Specialty	10	15.0%
217	Coppel SA de CV	Mexico	4,220 [e]	4,752 [g]	603	Department Store	1	14.1%
218	Marui Group Co. Ltd.	Japan	4,218	5,225	67	Department Store	2	-4.6%
219	Michaels Stores, Inc.	U.S.	4,210	4,210	176	Other Specialty	2	1.7%
220	FamilyMart Co., Ltd.	Japan	4,174 [**]	4,174 [**]	231	Convenience/Forecourt Store	7	2.0%
221	Iceland Foods Group Limited	U.K.	4,174	4,174	n/a	Supermarket	5	8.7%
222	Abercrombie & Fitch Co.	U.S.	4,158	4,158	128	Apparel/Footwear Specialty	17	4.6%
223	HORNBACH-Baumarkt-AG Group	Germany	4,157	4,158	107	Home Improvement	9	4.6%
224	Sugi Holdings Co., Ltd.	Japan	4,150 [**]	4,150 [**]	145	Drug Store/Pharmacy	1	8.5%
225	Nitori Holdings Co., Ltd.	Japan	4,141	4,197	425	Other Specialty	2	11.9%
226	Agrokor d.d.	Croatia	4,117	5,454	37	Supermarket	3	16.1%
227	TSURUHA Holdings, Inc.	Japan	4,076	4,076	135	Drug Store/Pharmacy	1	13.1%
228	Poslovni sistem Mercator, d.d.	Slovenia	4,053 [**]	4,079 [**]	33	Supermarket	7	7.4%
229	The Maruetsu, Inc.	Japan	4,050	4,098	12	Supermarket	1	-0.2%
230	Daiso Sangyo Inc.	Japan	4,024 [e**]	4,327 [g**]	n/a	Discount Department Store	26	0.7%
231	Neiman Marcus, Inc.	U.S.	4,002	4,002	32	Department Store	1	-0.1%
232	Bass Pro Shops, Inc.	U.S.	4,000 [e**]	4,000 [e**]	n/a	Other Specialty	2	8.5%
233	Fuji Co. Ltd.	Japan	3,944	3,945	13	Hypermarket/Supercenter/ Superstore	1	0.0%
234	Albertsons, LLC	U.S.	3,900 [e]	3,900 [e]	n/a	Supermarket	1	-13.4%
235	Norma Lebensmittelfilialbetrieb Stiftung & Co. KG	Germany	3,900 [e]	3,900 [e]	n/a	Discount Store	4	3.1%
236	Hudson's Bay Company	Canada	3,889	3,889	1,464	Department Store	2	ne
237	Burlington Coat Factory Investments Holdings, Inc.	U.S.	3,888	3,888	-6	Department Store	2	2.5%
238	Esprit Holdings Limited	Hong Kong SAR	3,881 [**]	3,881 [**]	112	Apparel/Footwear Specialty	72	0.4%
239	Roundy's, Inc.	U.S.	3,842	3,842	48	Supermarket	1	1.2%
240	OJSC "Company M.Video"	Russia	3,825	3,825	115	Electronics Specialty	1	28.9%
241	Central Retail Corporation Ltd.	Thailand	3,809	3,809	n/a	Department Store	3	10.0%
242	Liquor Control Board of Ontario	Canada	3,808 [e]	4,748 [**]	1,671	Other Specialty	1	4.0%
243	Blokker Holding N.V.	Netherlands	3,792 [**]	3,792 [**]	178	Other Specialty	11	2.3%
244	Systembolaget AB	Sweden	3,768	3,768	25	Other Specialty	1	5.1%
245	Nonggongshang Supermarket Group Co. Ltd.	China	3,759 [e]	4,687 [g]	n/a	Hypermarket/Supercenter/ Superstore	1	11.3%
246	Komeri Co., Ltd.	Japan	3,750	3,953	123	Home Improvement	1	4.1%
247	Signet Jewelers Limited	Bermuda	3,749	3,749	324	Other Specialty	3	1.0%
248	Axfood AB	Sweden	3,741	5,370 [**]	138	Supermarket	1	3.0%
249	Lagardère Services SA	France	3,735	5,187	105	Other Specialty	32	1.5%
250	Williams-Sonoma, Inc.	U.S.	3,721	3,721	237	Other Specialty	7	0.0%

[1] Revenue and net income for the parent company or group may include results from non-retail operations
[2] Compound annual growth rate

e = estimate
g = gross turnover as reported by company
n/a = not available

ne = not in existence (created by merger or divestiture)
* Revenue reflects wholesale sales
** Revenue includes wholesale and retail sales

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Alimentation Couche-Tard Inc.	43
Alliance Boots GmbH	84
Amazon.com, Inc.	23
Apple Inc./Apple Stores	72
Arcadia Group Limited	208
Arcs Co., Ltd.	205
Army and Air Force Exchange Service (AAFES)	110
AS Watson & Company, Ltd.	50
Associated British Foods plc/Primark	187
AutoZone, Inc.	129
Axfood AB	248
Bailian (Brilliance) Group	59
Barnes & Noble, Inc.	146
Bass Pro Shops, Inc.	232
Bauhaus GmbH & Co. KG	167
Bed Bath and Beyond Inc.	106
Beisia Group Co., Ltd.	102
Belle International Holdings Limited	202
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Global Powers of Retailing Top 250 highlights

Retail industry rebound continues as global economy stumbles

The global economy decelerated in 2011 in many of the world's leading markets. In Europe, the euro crisis led to the tightening of credit markets. Governments across the continent cut spending and raised taxes, which weakened economies and further undermined consumer confidence. By the first half of 2012, the region was heading toward the recession that it is now experiencing.

In China, monetary policy was tightened in 2011 in order to restrain an overheated, inflationary economy. Yet, as Europe slowed, Chinese export growth decelerated at the same time that tight monetary policy began to have a negative impact on domestic demand. Fearful of a hard landing, the Chinese authorities reversed course by late 2011 and began loosening monetary and fiscal policy. By 2012, China was facing a moderate slowdown in growth. The consumer sector, however, remained fairly robust.

In the United States, 2011 offered modest but improved growth as the manufacturing sector recovered and exports performed well. But the failure of the government to agree on a path toward fiscal rectitude—leading to the first-ever downgrade of the U.S. government's credit rating—wreaked havoc on investor confidence, hurting equity prices and employment creation. By 2012, with European and Chinese growth decelerating, the U.S. economy began to slow down as export growth trailed off. Yet the U.S. consumer sector continued to grow at a modest pace. In Japan, 2011 was an awful year following the devastating earthquake and tsunami.

Despite a stumbling global economy, consumers continued to spend in 2011 and the retail industry kept rolling—extending the rebound that began in 2010. Sales-weighted, currency-adjusted retail revenue rose 5.1 percent for the world's Top 250 retailers in fiscal 2011, building on the previous year's 5.3 percent growth. More than 80 percent of the Top 250 (204 companies) posted an increase in retail revenue. Those with declining sales could often point to restructuring activities and divestments of non-core assets rather than deterioration of the core business. A disproportionate share of the companies that experienced a decline in revenue were Japanese retailers whose revenue drops can be attributed in large part to the economic impact of the earthquake.

The Top 250 maintained a healthy 3.8 percent composite net profit margin in 2011, matching the industry's 2010 result. Nearly all of the companies that disclosed their bottom-line results (181 of 194 reporting companies) operated at a profit in 2011. Not surprisingly, perhaps, fewer companies saw an increase in their net profit margin in 2011 following 2010's improvement in profitability. Composite return on assets ticked up slightly to 5.9 percent from 5.8 percent in 2010.

For the first time, the aggregate retail revenue of the Top 250 topped $4 trillion. This milestone was achieved, in part, by a change in methodology that impacted some of the companies. This year, for the first time, companies were ranked by total retail *revenue*, not just retail *sales*.

For purposes of this analysis, retail revenue includes royalties and franchising/licensing fees as well as wholesale sales to affiliated/member stores or other "controlled wholesale space" operations (e.g., in-store shops or identity corners). For a detailed definition of retail revenue, see the Study Methodology section at the end of this report.

This change reflects the growing complexity of the operating model of many of the world's largest retail companies. As retailers in mature markets ramp up their efforts in foreign markets in search of more attractive growth rates, they are employing multiple market entry strategies including franchising, licensing and joint ventures in addition to owned expansion. Readers of this report who monitor the Top 250 rankings year-over-year should note that as more revenue was considered "retail" for companies with more diverse operating structures, this change in methodology resulted in some upward movement in these companies' Top 250 ranking in 2011, irrespective of their actual revenue growth.

The average size of the Top 250 in 2011, as measured by retail revenue, topped $17 billion. The threshold to join the Top 250 in 2011 was $3.7 billion.

Top 250 quick stats, 2011

- $4.271 trillion—aggregate retail revenue of Top 250
- $17.085 billion—average size of Top 250 retailers
- $3.721 billion—minimum retail revenue required to be among Top 250
- 5.1%—composite year-over-year retail revenue growth
- 5.4%—2006-2011 composite compound annual growth rate in retail revenue
- 3.8%—composite net profit margin
- 5.9%—composite return on assets
- 23.8%—percent of Top 250 retail revenue from foreign operations
- 9.0—average number of countries in which Top 250 companies have retail operations

Top 10 retailers worldwide, 2011

Top 250 rank	Name of company	Country of origin	Retail revenue (US$mil)	Retail revenue growth	Net profit margin	Return on assets	# countries of operation	% retail revenue from foreign operations
1	Wal-Mart	U.S.	446,950	6.0%	3.7%	8.5%	28	28.4%
2	Carrefour	France	113,197	-9.8%	0.5%	0.8%	33	56.7%
3	Tesco	U.K.	101,574	5.8%	4.4%	5.5%	13	34.5%
4	Metro	Germany	92,905	-0.8%	1.1%	2.2%	33	61.1%
5	Kroger	U.S.	90,374	10.0%	0.7%	2.5%	1	0.0%
6	Costco	U.S.	88,915	14.1%	1.7%	5.8%	9	27.0%
7	Schwarz	Germany	87,841	5.8%	n/a	n/a	26	55.8%
8	Aldi	Germany	73,375[e]	3.7%	n/a	n/a	17	57.1%
9	Walgreen	U.S.	72,184	7.1%	3.8%	9.9%	2	1.5%
10	The Home Depot	U.S.	70,395	3.5%	5.5%	9.6%	5	11.4%
Top 10*			1,237,710	4.4%	2.9%	6.2%	16.7**	32.9%
Top 250*			4,271,171	5.1%	3.8%	5.9%	9.0**	23.8%
Top 10 share of Top 250			29.0%					

* Sales-weighted, currency-adjusted composites
** Average

Source: Published company data and Planet Retail

Wal-Mart exceeds 10% of Top 250 revenue

The world's 10 largest retailers remained unchanged from 2010. With 6 percent revenue growth, retail giant Wal-Mart increased its lead over Carrefour. The French retailer maintained its No. 2 position despite a sales decline resulting from the spinoff of its Dia hard discount chain in July 2011. Metro hung onto fourth place, although its revenue fell slightly. Robust growth boosted Costco ahead of Schwarz, while Aldi overtook both Walgreen and The Home Depot on the back of a stronger euro against the U.S. dollar in 2011.

Wal-Mart, which accounted for more than 10 percent of total Top 250 revenue, acquired South Africa's Massmart in June 2011, its biggest deal in more than a decade. This will allow Wal-Mart to widen its lead over its top 10 rivals in the future.

As a group, the top 10 have a much larger geographic footprint than the Top 250 overall. These big retailers operated in 16.7 countries, on average, nearly twice as many as the average for the entire group. Revenue from foreign operations accounted for nearly one-third of total top 10 retail revenue. This compares with less than one-quarter of the larger group's combined retail revenue. That said, the biggest European retailers were much more likely to pursue growth outside their domestic borders than were U.S. top 10 retailers.

The composite year-over-year revenue growth for the top 10 of 4.4 percent was moderated by Carrefour's 9.8 percent sales decline. By comparison, the Top 250 posted composite revenue growth of 5.1 percent. As a result, the leader group's share of total Top 250 revenue continued to slide, falling to 29 percent in 2011 from a high of 30.2 percent in 2008. The profitability of the top 10 (2.9 percent) also lagged that of the Top 250 group as a whole (3.8 percent). In part, this reflects the composition of the top 10, which consists primarily of retailers in the lower-margin fast-moving consumer goods sector.

Global Powers of Retailing geographical analysis

For purposes of geographical analysis, companies are assigned to a region based on their headquarters location, which may not always coincide with where they derive the majority of their sales. Although many companies derive revenue from outside their region, 100 percent of each company's retail revenue is accounted for within that company's region.

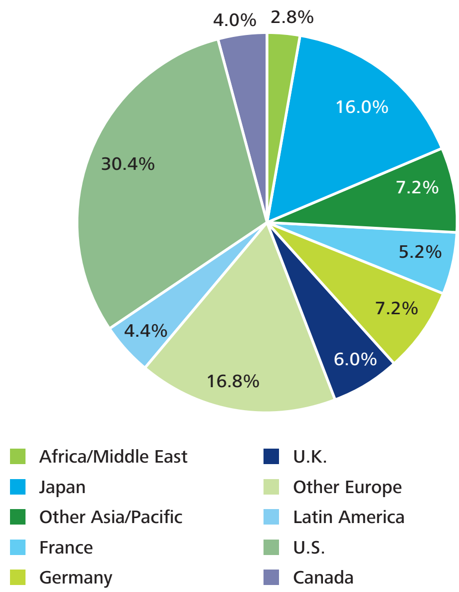
Emerging markets see continued high growth in retail demand

Despite the economic slowdown in 2011, composite retail revenue soared for companies based in Africa/Middle East, Latin America and Asia/Pacific (excluding Japan). Growth continued to be fueled by burgeoning middle classes, youthful populations and sizable foreign direct investment. Somewhat greater pricing flexibility in these markets also resulted in above-average profitability for retailers in these regions.

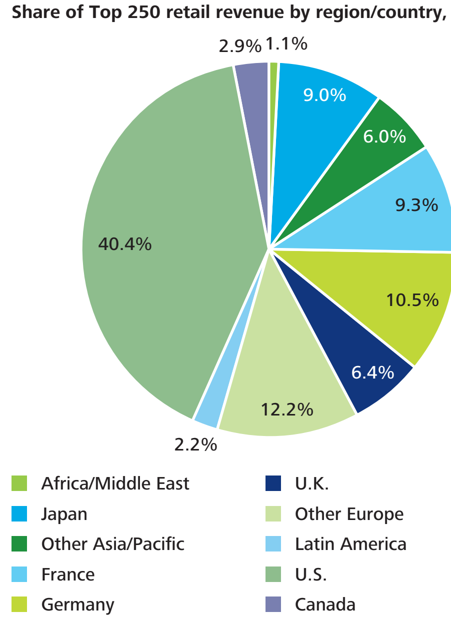
On the other hand, Japanese retailers suffered a composite revenue decline in 2011. As previously noted, the revenue drop for many of these retailers was due to the earthquake disaster and resulting impact on the country's economic environment. Nevertheless, Japan's share of Top 250 companies and revenue increased owing to the exchange rate effect of a stronger yen relative to the U.S. dollar in 2011.

The performance of North American retailers improved in 2011, with above-average revenue growth and profitability. Productivity, as measured by return on assets, was also well above average, outperforming all other regions. This group's strong results are a bit surprising given the various negative influences faced by U.S. consumers in 2011. Unemployment remained uncomfortably high and real disposable incomes continued to decline. However, there was considerable pent-up demand, and even though consumers remained price sensitive, their willingness to take on new debt increased. As a result, consumption regained much of the vigor lost during the recession.

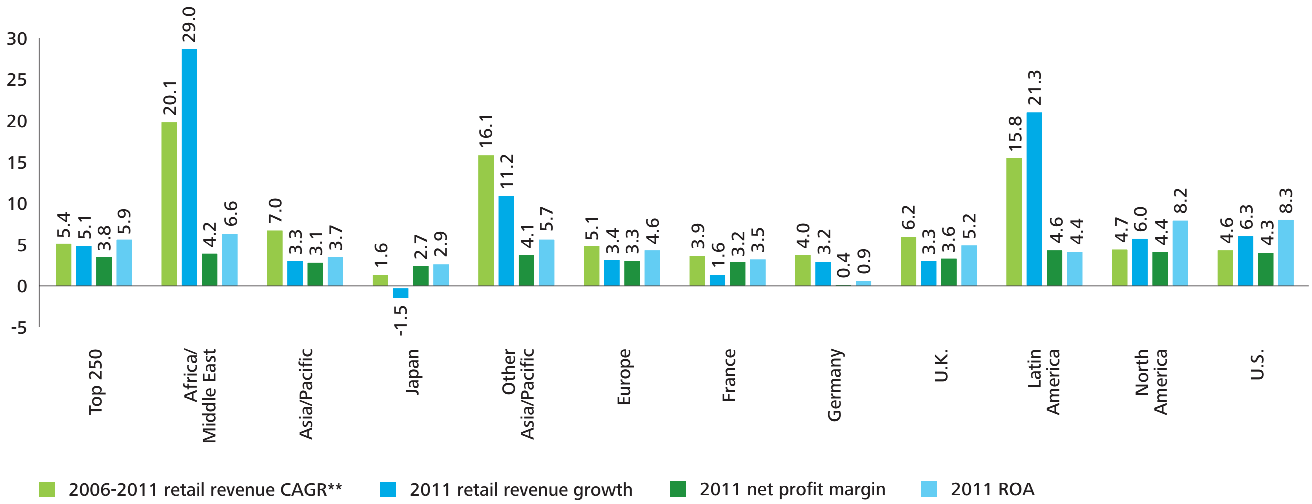
Share of Top 250 retail companies by region/country, 2011



Share of Top 250 retail revenue by region/country, 2011



Sales growth and profitability by region/country* (%)



Results reflect Top 250 companies headquartered in each region/country
* Sales-weighted, currency-adjusted composites
** Compound annual growth rate

Revenue growth and profitability deteriorated in the European region in 2011. Composite revenue growth for the French retailers fell to just 1.6 percent, though this result can be attributed primarily to Carrefour's spinoff of Dia. The historically sluggish German retail market saw the pace of growth pick up over the past two years. Nevertheless, it remained a low-margin place to do business, and the profitability of German retailers continued to lag. However, the composite net profit margin of 0.4 percent and composite return on assets of 0.9 percent may not be truly representative, as these figures are based on a small sample size. That is because 11 of the 18 German Top 250 companies are private and did not disclose their profitability.

Almost one-quarter of Top 250 revenue from foreign operations

Growth opportunities for many of the world's largest retailers continue to be driven by global expansion in an attempt to make up for slow-growing or stagnant domestic markets. As a result, by 2011, 23.8 percent of Top 250 composite retail revenue was generated in foreign markets, up slightly from 23.4 percent in 2010. Top 250 retailers operated in an average of nine countries compared with 8.2 in 2010. (This does not include Dell, which is truly global in scope, doing business with consumers in 176 countries.) And the share of Top 250 retailers that continued to operate only within their domestic borders dropped to 38 percent from 40 percent in 2010. (It should be noted that these statistics are not strictly comparable year-over-year as the composition of the Top 250 retailers fluctuates.)

In 2011, for the first time, the share of North American Top 250 retailers that remained single-country operators fell to less than half. Many U.S. retailers have made their first international foray close to home—moving into Canada, Mexico or Puerto Rico. Still, only 15 percent of the North American region's retail revenue came from foreign operations. Asia/Pacific was the only region with a lower percentage of foreign revenue, driven by limited international expansion of the Japanese companies.

All the Africa/Middle East Top 250 retailers operated outside their national borders, as most of the countries comprising this region are too small to sustain large retail organizations. So, too, did all the French retailers, who struggle to achieve growth domestically. German retailers were also very likely to operate internationally, with just 11 percent remaining as single-country operators. The French and German retailers turned to international markets for more than 40 percent of their combined revenue in 2011.

Region/country profiles, 2011

	# companies	Average retail revenue (US$mil)	% retail revenue from foreign operations	Average # countries	% single-country operators
Top 250*	250	17,085	23.8%	9.0	38.0%
Africa/Middle East	7	6,474	26.9%	10.3	0.0%
Asia/Pacific	58	11,009	11.6%	5.0	51.7%
Japan	40	9,608	6.6%	3.4	60.0%
Other Asia/Pacific	18	14,124	19.2%	8.5	33.3%
Europe	88	18,685	38.2%	15.0	19.3%
France	13	30,555	43.2%	30.0	0.0%
Germany	18	24,977	42.9%	14.6	11.1%
U.K.	15	18,320	23.0%	17.1	20.0%
Latin America	11	8,518	17.8%	2.0	54.5%
North America*	86	21,504	15.3%	6.2	48.8%
U.S.*	76	22,713	15.3%	6.8	44.7%

Results reflect Top 250 retailers headquartered in each region/country
* Average number of countries excludes Dell (U.S.), whose near-global coverage would skew the average

For the European region overall, less than 20 percent of Top 250 retailers operated exclusively within their national borders in 2011. They derived 38 percent of total revenue from foreign operations, far more than any other region.

Japanese retailers had the smallest international presence; 60 percent remained single-country operators in 2011. Top 250 retailers based in Japan did business in just 3.4 countries, on average, and foreign operations accounted for a meager 6.6 percent of composite retail revenue. Excluding Japan from the analysis, the other Asia/Pacific retailers were much more likely to move beyond their national borders. This group generated 19.2 percent of combined retail revenue from foreign operations and averaged 8.5 countries with retail operations.

Meanwhile, the fast-growing markets of Latin America continued to sustain domestic retailers; more than half have not yet ventured beyond their home country's borders.

It should be noted that the average number of countries with retail operations includes the location of franchised, licensed and joint venture operations in addition to corporate-owned channels of distribution. Where information was available, the number of countries reflects non-store sales channels, such as consumer-oriented e-commerce sites, catalogs and TV shopping programs, as well as store locations. However, for many retailers, specific information about non-store activity was not available.

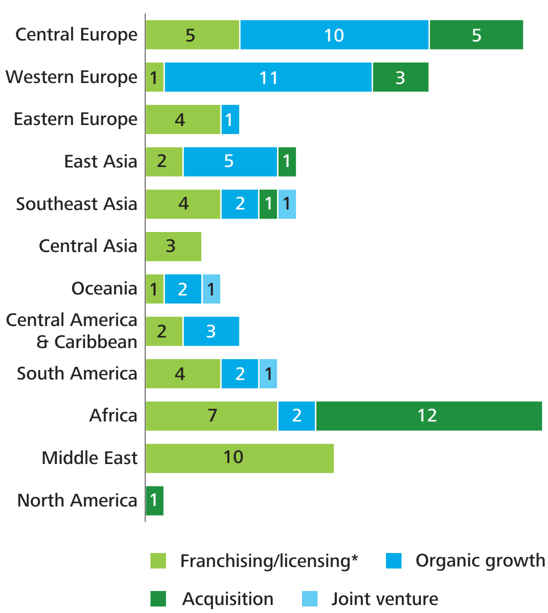
Central Europe and Africa/Middle East primary targets for new market entry

The Top 250 continued to extend their global reach in 2011. To better analyze the geographic footprint and expansion activities of the Top 250 Global Powers of Retailing, companies were assigned to one of 12 sub-regions based on their headquarters location, and their retail activity in each sub-region was tracked. Sixty-two percent (155) of the Top 250 retailers operated in more than one country in 2011, and 82 percent of those retailers (127 of 155) operated in more than one sub-region.

Forty of the Top 250 retailers began operations in a new country in 2011 (the same number as in 2010), with a combined total of 107 new market entries (up from 88 in 2010) involving 72 different countries (57 in 2010). These numbers are based on the information available and may not capture all activity. They also reflect new "bricks-and-mortar" retail activity only, except for companies that are primarily non-store retailers.

No one country emerged as the hottest new market for retail expansion—i.e., no country was entered for the first time by more than three of the Top 250 retailers in 2011. Europe and Africa/Middle East showed the highest levels of activity. A disproportionate share of new market entries took place in Central Europe, primarily through organic growth.

Top 250 new market entries by sub-region, 2011



* Includes franchised, licensed and other partnership or distribution arrangements
Excludes companies entering a new country through e-commerce or other non-store methods, except for companies that operate primarily as non-store retailers

Source: Published company data

Africa was the destination for 21 new market entries, the most of any sub-region in 2011. Much of this activity, however, involved a single player—Wal-Mart's acquisition of Massmart, giving the world's largest retailer entry into South Africa, the continent's biggest economy, as well as 11 other African nations. Franchising was the market entry method used for most of the other activity in the African sub-region.

Of the four methods of market entry tracked for this analysis, franchising was the predominant method employed in 2011, as was also the case in 2010. Franchising accounted for 40 percent of the activity (43 of 107 new market entries). All of the retailers that entered a Middle Eastern country for the first time in 2011 used a franchising model. Organic growth was the next most frequent market entry method (38 times). Retailers that entered Western European countries for the first time in 2011 did so mostly through organic growth (11 of 15 times). Acquisitions accounted for 23 new market entries. Joint ventures were established as the market entry method on only three occasions.

Perhaps not surprisingly, 80 percent of the retailers that entered a new market in 2011 (32 of 40 companies) were from mature, saturated markets: the United States (15), Japan (5) or one of the big three European economies (12). Almost half of the new market entries involved fashion retailers looking to extend their brands around the globe. Most pursued a franchise strategy, viewing it as a fast, low capital, lower-risk way to expand internationally.

No one country emerged as the hottest new market for retail expansion—i.e., no country was entered for the first time by more than three of the Top 250 retailers in 2011. Europe and Africa/Middle East showed the highest level of activity.

Global Powers of Retailing product sector analysis

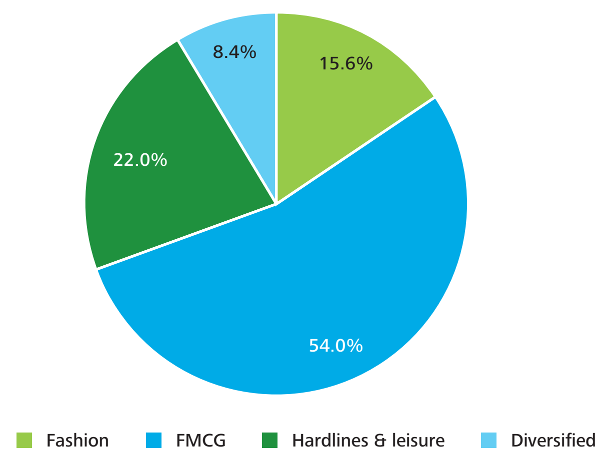
The Global Powers of Retailing analyzes retail performance by primary retail product sector as well as by geography. Four sectors are used for analysis: Fast-Moving Consumer Goods, Fashion Goods, Hardlines & Leisure Goods and Diversified. A company is assigned to one of three specific product sectors if at least half of its retail revenue is derived from that broadly defined product category. If none of the three specific product sectors account for at least 50 percent of a company's revenue, it is considered to be diversified.

FMCG sector outpaces specialty retailers in 2011

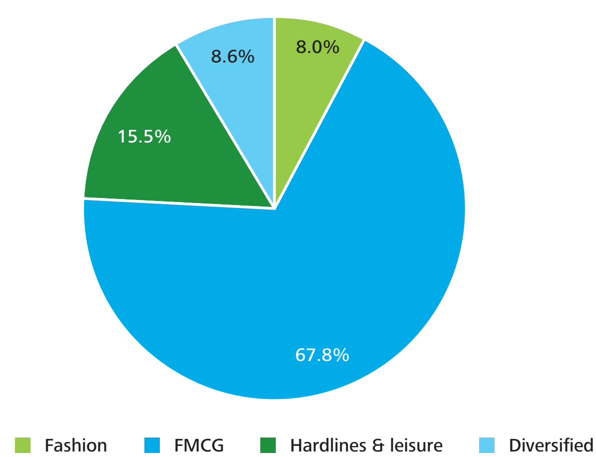
The three specific product-oriented sectors—Fast-Moving Consumer Goods, Hardlines & Leisure Goods, and Fashion Goods—recorded similar rates of growth in 2011, all within a half percentage point of the 5.1 percent Top 250 composite growth rate. A notable change from 2010, however, was that retailers of Fast-Moving Consumer Goods outpaced Fashion and Hardlines retailers, posting 5.6 percent revenue growth. Fashion retailers continued to be the most profitable. The slow-growing Diversified group remained the least profitable, suggesting that retailers operating too many concepts or formats can experience diseconomies of scale and increased operational and marketing complexity that can impact both top-line and bottom-line performance.

Retailers of Fast-Moving Consumer Goods (FMCG) represent the largest product sector, accounting for more than half of all Top 250 retailers and more than two-thirds of Top 250 revenue in 2011. Although the companies comprising this sector are large, averaging more than $21 billion in retail revenue, they are the least global: In 2011, nearly half operated only within their domestic borders. As a group, they operated in an average of 4.9 countries, compared with 9 countries for the Top 250 as a whole.

Share of Top 250 retail companies by product sector, 2011



Share of Top 250 retail revenue by product sector, 2011

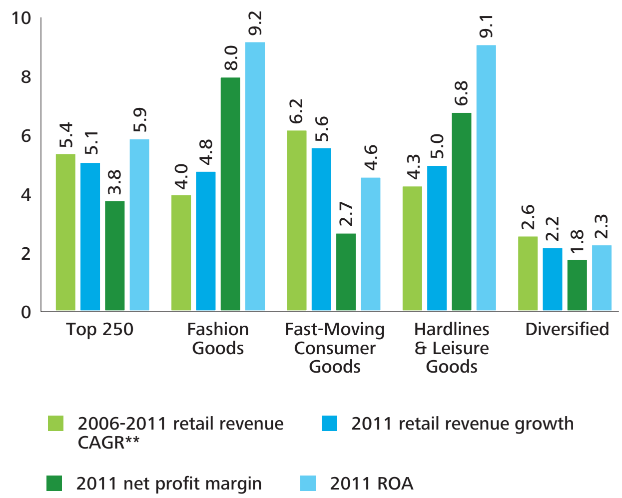


Nevertheless, the sector generated nearly 23 percent of its total retail revenue from operations in foreign countries, the result of several large, truly global operators like Carrefour, AS Watson and hard discounters Schwarz and Aldi, each of which generated more than half of its revenue from foreign operations.

Revenue growth for Fashion Goods retailers cooled to 4.8 percent in 2011 from 7.4 percent in 2010. These retailers continued to be the most global of the product groups. In 2011, nearly 80 percent operated outside their home country, engaging consumers in an average of 21.3 countries. Not surprisingly, they derived a larger share of sales from foreign operations (29.5 percent) than the other product sectors.

The Hardlines & Leisure Goods sector posted good profitability and solid gains in revenue in 2011, though not quite as robust as in 2010 when this sector staged a strong comeback following two years of depressed sales. Overall performance was hampered slightly by the sector's home improvement retailers as the housing market remained troubled in 2011. Yet, the home improvement subgroup still turned in a respectable 4.2 percent increase in revenue and a composite net profit margin of 4.3 percent.

Sales growth and profitability by product sector* (%)



* Sales-weighted, currency-adjusted composites
** Compound annual growth rate

Product sector profiles, 2011

	# companies	Average retail revenue (US$mil)	% retail revenue from foreign operations	Average # countries	% single-country operators
Top 250*	250	17,085	23.8%	9.0	38.0%
Fashion Goods	39	8,813	29.5%	21.3	20.5%
Fast-Moving Consumer Goods	135	21,464	22.6%	4.9	47.4%
Hardlines & Leisure Goods*	55	12,013	26.6%	9.6	30.9%
Diversified	21	17,577	22.5%	10.1	28.6%

* Average number of countries excludes Dell (Hardlines), whose near-global coverage would skew the average

Top 250 newcomers

Thirteen retailers joined the ranks of the Top 250 in 2011, all but one—Japan's Daiso Sangyo—for the first time. As would be expected, most debuted near the bottom of the list, joining the Top 250 by virtue of superior growth. However, the two highest-ranking newcomers are "new" companies that were separated from their former parent in 2011: Dia, following the spinoff from Carrefour; and E-MART, a South Korean hypermarket retailer spun off from Shinsegae in May 2011.

Lawson, FamilyMart and Esprit were launched into the Top 250 as a result of the new methodology that now includes franchise fees and affiliated wholesale sales as part of "retail revenue."

All the newcomers except for Dia (Spain) and three based in Japan are emerging market retailers, mostly from the Asia/Pacific region. Retailers based in the UAE, Mexico and Russia complete the list.

Top 250 newcomers, 2011

Top 250 rank	Name of company	Country of origin	Dominant format	2011 retail revenue growth
75	Distribuidora Internacional de Alimentación, S.A. (Dia, S.A.)	Spain	Discount Store	ne
139	E-MART Co., Ltd.	South Korea	Hypermarket/ Supercenter/ Superstore	ne
184	Lawson, Inc.	Japan	Convenience/ Forecourt Store	10.7%
198	Landmark Group	UAE	Apparel/Footwear Specialty	22.5%
202	Belle International Holdings Limited	Hong Kong	Apparel/Footwear Specialty	22.1%
210	Wu-Mart Group	China	Hypermarket/ Supercenter/ Superstore	94.4%
213	Emke Group/ Lulu Group International	UAE	Hypermarket/ Supercenter/ Superstore	52.1%
217	Coppel SA de CV	Mexico	Department Store	18.7%
220	FamilyMart Co., Ltd.	Japan	Convenience/ Forecourt Store	2.9%
230	Daiso Sangyo Inc.	Japan	Discount Department Store	0.0%
238	Esprit Holdings Limited	Hong Kong	Apparel/Footwear Specialty	-10.7%
240	OJSC "Company M.Video"	Russia	Electronics Specialty	29.6%
241	Central Retail Corporation Ltd.	Thailand	Department Store	18.8%

ne = not in existence as a separate entity prior to fiscal 2011

Source: Published company data and Planet Retail

Emerging markets fuel Fastest 50

Retail revenue for the 50 fastest-growing retailers increased at a compound annual rate of 22 percent between 2006 and 2011. In 2011, composite retail revenue for the Fastest 50 rose nearly 20 percent year-over-year. In both cases, growth was nearly four times faster than that for the Top 250 as a whole. The Fastest 50 did not sacrifice margin for sales; the group's composite net profit margin of 8.4 percent was more than double the Top 250's 3.8 percent.

While the Fastest 50 is based on revenue growth over a five-year period, most of the retailers on the list maintained their aggressive growth in 2011. Indeed, 32 of the Fastest 50 were also among the 50 fastest-growing retailers in 2011. Companies in this elite group are designated in bold type on the list.

Chinese and Russian retailers are well-represented among the Fastest 50, as are retailers from Africa/Middle East and Latin America. Seven of 11 Top 250 retailers based in China (including Hong Kong) are among the Fastest 50, as are all three of the Russian companies. Six of seven Top 250 retailers headquartered in the Africa/Middle East region also are on the list. So, too, are seven of 11 from South America and Mexico.

Six of the Fastest 50 were newcomers to the Top 250 in 2011:

- Wu-Mart, a Chinese operator of hypermarkets and convenience stores (growth rank No. 4)
- Belle International, the number one women's shoe retailer in China (No. 6)
- Lulu Group International, the retail division of Emke Group based in the UAE, operating hypermarkets, supermarkets and department stores across the Middle East (No. 9)
- Company M.Video, one of Russia's biggest consumer electronics retail chains (No. 12)
- Landmark Group, another Middle Eastern retailer with a portfolio of fashion and home brands (No. 16)
- Coppel, a highly profitable Mexican department store retailer (No. 35)

Altogether, emerging markets accounted for almost half (24) of the 50 fastest-growing companies and nearly two-thirds (21) of the "elite 32."

50 fastest-growing retailers 2006-2011

Growth rank	Top 250 rank	Name of company	Country of origin	2011 retail revenue (US$mil)	Dominant operational format	2006-2011 retail revenue CAGR[1]	2011 retail revenue growth	2011 net profit margin
1	18	Wesfarmers Limited	Australia	52,208	Supermarket	59.2%	5.0%	3.7%
2	**133**	**Steinhoff International Holdings Ltd.**	S. Africa	7,761	Other Specialty	45.5%	132.0%	7.5%
3	**61**	**X5 Retail Group N.V.**	Russia	15,455	Discount Store	40.7%	37.0%	2.0%
4	**210**	**Wu-Mart Group**	China	4,292 e**	Hypermarket/ Supercenter/ Superstore	39.9%	94.4%	n/a
5	**87**	**Open Joint Stock Company "Magnit"**	Russia	11,420	Convenience/ Forecourt Store	35.9%	46.9%	3.7%
6	**202**	**Belle International Holdings Limited**	Hong Kong	4,485	Apparel/Footwear Specialty	35.9%	22.1%	14.6%
7	**23**	**Amazon.com, Inc.**	U.S.	46,491	Non-Store	34.8%	39.8%	1.3%
8	**72**	**Apple Inc./Apple Stores**	U.S.	14,127	Electronics Specialty	33.3%	44.2%	23.9%

Companies in bold type were also among the 50 fastest-growing retailers in 2011.

[1]Compound annual growth rate
e = estimate

* Revenue reflects wholesale sales

** Revenue includes wholesale and retail sales

Growth rank	Top 250 rank	Name of company	Country of origin	2011 retail revenue (US$mil)	Dominant operational format	2006-2011 retail revenue CAGR[1]	2011 retail revenue growth	2011 net profit margin
9	**213**	**Emke Group/Lulu Group International**	UAE	4,250[e]	Hypermarket/ Supercenter/ Superstore	30.5%	52.1%	n/a
10	**185**	**BİM Birleşik Mağazalar A.Ş.**	Turkey	4,907	Discount Store	29.8%	24.6%	3.7%
11	**69**	**Suning Appliance Co. Ltd.**	China	14,549	Electronics Specialty	29.2%	24.3%	5.2%
12	**240**	**OJSC "Company M.Video"**	Russia	3,825	Electronics Specialty	28.9%	29.6%	3.0%
13	**116**	**China Resources Enterprise, Limited**	Hong Kong	8,992	Hypermarket/ Supercenter/ Superstore	28.0%	27.1%	3.5%
14	**34**	**Grupo Pão de Açúcar**	Brazil	27,988	Electronics Specialty	27.4%	45.2%	1.5%
15	**200**	**Jumbo Supermarkten B.V.**	Netherlands	4,503	Supermarket	27.2%	-8.0%	n/a
16	**198**	**Landmark Group**	UAE	4,518	Apparel/Footwear Specialty	23.1%	22.5%	n/a
17	**65**	**Gome Home Appliance Group**	China	14,923[e]	Electronics Specialty	22.4%	18.3%	n/a
18	153	Lojas Americanas S.A.	Brazil	6,128	Discount Department Store	21.9%	8.7%	3.3%
19	162	O'Reilly Automotive, Inc.	U.S.	5,789[**]	Other Specialty	20.5%	7.2%	8.8%
20	**63**	**Cencosud S.A.**	Chile	14,967	Supermarket	20.0%	22.1%	3.9%
21	79	Co-operative Group Ltd.	U.K.	13,130	Supermarket	18.9%	-2.3%	1.7%
22	**76**	**Jerónimo Martins, SGPS, S.A.**	Portugal	13,508	Discount Store	18.6%	13.8%	3.6%
23	**187**	**Associated British Foods plc/Primark**	U.K.	4,889	Apparel/Footwear Specialty	18.4%	11.5%	5.2%
24	**147**	**Compagnie Financière Richemont SA**	Switzerland	6,420	Other Specialty	18.3%	34.2%	17.4%
25	**130**	**Reitan Group**	Norway	8,020	Discount Store	17.9%	11.7%	3.1%
26	165	The SPAR Group Limited	S. Africa	5,607[*]	Supermarket	17.7%	10.4%	2.5%
27	**48**	**Lotte Shopping Co., Ltd.**	S. Korea	19,077	Hypermarket/ Supercenter/ Superstore	17.1%	17.2%	4.6%
28	**132**	**Dalian Dashang Group**	China	7,934[e**]	Department Store	16.7%	19.9%	n/a
29	**111**	**S.A.C.I. Falabella**	Chile	9,145[e]	Home Improvement	16.5%	17.7%	9.7%
30	**93**	**Shoprite Holdings Ltd.**	S. Africa	10,717	Supermarket	16.3%	14.4%	3.7%
31	226	Agrokor d.d.	Croatia	4,117	Supermarket	16.1%	9.5%	0.7%
32	**156**	**FEMSA Comercio, S.A. de C.V.**	Mexico	5,992	Convenience/ Forecourt Store	15.9%	19.0%	n/a
33	**216**	**Coach, Inc.**	U.S.	4,232	Other Specialty	15.0%	16.8%	21.8%
34	186	SUNDRUG Co., Ltd.	Japan	4,901	Drug Store/ Pharmacy	14.7%	7.3%	3.3%
35	**217**	**Coppel SA de CV**	Mexico	4,220[e]	Department Store	14.1%	18.7%	12.7%

Companies in bold type were also among the 50 fastest-growing retailers in 2011.

[1]Compound annual growth rate
e = estimate
Source: Published company data and Planet Retail

* Revenue reflects wholesale sales

** Revenue includes wholesale and retail sales

Growth rank	Top 250 rank	Name of company	Country of origin	2011 retail revenue (US$mil)	Dominant operational format	2006-2011 retail revenue CAGR[1]	2011 retail revenue growth	2011 net profit margin
36	196	Grupo Comercial Chedraui, S.A.B. de C.V.	Mexico	4,602	Hypermarket/ Supercenter/ Superstore	14.1%	8.9%	2.6%
37	176	WinCo Foods LLC	U.S.	5,200 e	Supermarket	14.0%	4.0%	n/a
38	204	RaceTrac Petroleum Inc.	U.S.	4,400 e	Convenience/ Forecourt Store	13.9%	7.3%	n/a
39	**43**	**Alimentation Couche-Tard Inc.**	Canada	22,998	Convenience/ Forecourt Store	13.7%	21.3%	2.0%
40	227	TSURUHA Holdings, Inc.	Japan	4,076	Drug Store/ Pharmacy	13.1%	7.4%	3.3%
41	141	Dirk Rossmann GmbH	Germany	7,131	Drug Store/ Pharmacy	13.1%	10.6%	n/a
42	197	Save Mart Supermarkets	U.S.	4,600 e	Supermarket	13.0%	-4.2%	n/a
43	100	Fast Retailing Co., Ltd.	Japan	10,028 **	Apparel/Footwear Specialty	12.8%	0.6%	6.9%
44	**99**	**Whole Foods Market, Inc.**	U.S.	10,108	Supermarket	12.5%	12.2%	3.4%
45	105	GameStop Corp.	U.S.	9,551	Other Specialty	12.4%	0.8%	3.5%
46	**214**	**Tractor Supply Company**	U.S.	4,233	Other Specialty	12.3%	16.3%	5.3%
47	145	Don Quijote Co., Ltd.	Japan	6,618	Discount Department Store	12.1%	6.6%	3.8%
48	**113**	**Dairy Farm International Holdings Limited**	Hong Kong	9,134	Supermarket	12.0%	14.6%	5.3%
49	225	Nitori Holdings Co., Ltd.	Japan	4,141	Other Specialty	11.9%	5.1%	10.1%
50	**45**	**LVMH Moët Hennessy-Louis Vuitton S.A.**	France	20,760 e	Other Specialty	11.7%	20.3%	14.6%
Fastest 50 sales-weighted, currency-adjusted composite						**22.1%**	**19.9%**	**8.4%**
Top 250 sales-weighted, currency-adjusted composite						**5.4%**	**5.1%**	**3.8%**

Companies in bold type were also among the 50 fastest-growing retailers in 2011.

[1]Compound annual growth rate
e = estimate
Source: Published company data and Planet Retail

* Revenue reflects wholesale sales

** Revenue includes wholesale and retail sales

Q ratio analysis for Global Powers

For the last eight years, this report has included an analysis of the Q ratios of publicly traded retailers from our Top 250 list. The Q ratios for this year are slightly higher than last year as global equity prices have, on balance, increased. There are 157 publicly traded retail companies in this analysis.

Notably, and for the first time, the highest Q ratio is held by a retailer based in an emerging market (Turkey). Another interesting aspect of this year's analysis is the huge role of Apple, Inc. Although Apple is a supplier of electronic products and services, it is also a significant retailer. It is the most valuable company in the world based on market capitalization and accounts for 20 percent of the market value of all 157 companies on the list. Its high Q ratio thus makes an important contribution to the overall Q ratio—especially to the composite Q ratio of electronics retailers.

What is the Q ratio—and why do we care?

In the business environment of the early 21st century, the world's leading retailers face intense competition, volatile input prices and slow growth in major developed markets, yet they cannot raise their prices in line with cost increases as consumers will not accept them. All of this implies that, in order for retailers to succeed, they will have to find ways to distinguish themselves from competitors. That means having strong brand identity, offering consumers a superior shopping experience and being clearly differentiated from competitors. The latter can entail exclusive merchandise offerings including private brands, distinctive store formats and designs and superior customer experience. The goal is to have a sufficiently unique position in the market to generate pricing power and, consequently, strong profitability. If a publicly traded retailer has these characteristics, it is likely to be rewarded by the financial markets. That is where the Q ratio comes in.

The Q ratio—also known as "Tobin's Q" after economist James Tobin—is the ratio of a publicly traded company's market capitalization to the value of its tangible assets. If this ratio is greater than one, it means that financial market participants believe that part of a company's value comes from its non-tangible assets. These can include such things as brand equity, differentiation, innovation, customer experience, market dominance, customer loyalty and skillful execution. The higher the Q ratio, the greater share of a company's value that stems from such non-tangibles. A Q ratio of less than one, on the other hand, indicates failure to generate value on the basis of non-tangible assets—that the financial markets view a retailer's strategy as unable to generate a sufficient return on physical assets. Indeed, it suggests an arbitrage opportunity: If a company's Q ratio is less than one, theoretically a company could be purchased through equity markets and the tangible assets could then be sold at a profit.

Which companies have high Qs?

This year we analyzed the financial results of 157 publicly traded companies on our list of the world's top 250 retailers. This is unchanged from last year. The composite Q ratio for all companies was 1.115, up from 1.006 last year and higher than in each of the past three years. Yet this year's composite Q remains well below the 1.57 recorded in 2008, just before the start of the global financial crisis. The company with the highest Q ratio is BIM, the hard discount retailer from Turkey. This is the first time that an emerging market retailer has topped the list. Moreover, the second-highest Q ratio is held by CP of Thailand, another emerging market company. Third on the list is Swedish fashion retailer H&M.

Top retailers by Q ratio

Name of Company	Country	Q ratio
BİM Birleşik Mağazalar A.Ş.	Turkey	6.49
CP ALL Public Company Limited	Thailand	6.47
H & M Hennes & Mauritz AB	Sweden	5.5
Inditex, S.A.	Spain	5.13
Coach, Inc.	U.S.	4.98
Apple Inc./Apple Stores	U.S.	4.26
Dairy Farm International Holdings Limited	Hong Kong SAR	4.15
Amazon.com, Inc.	U.S.	4.03
Belle International Holdings Limited	Hong Kong SAR	3.98
Whole Foods Market, Inc.	U.S.	3.91
Tractor Supply Company	U.S.	3.85
Dollar Tree, Inc.	U.S.	3.78
The TJX Companies, Inc.	U.S.	3.73
Ross Stores, Inc.	U.S.	3.64
Fast Retailing Co., Ltd.	Japan	3.41
Next plc	U.K.	3.06
The Sherwin-Williams Company	U.S.	2.98
PetSmart, Inc.	U.S.	2.86
Shoprite Holdings Ltd.	S. Africa	2.71
Family Dollar Stores, Inc.	U.S.	2.56
Open Joint Stock Company "Magnit"	Russia	2.43
AutoZone, Inc.	U.S.	2.39
Compagnie Financière Richemont SA	Switzerland	2.39
The Home Depot, Inc.	U.S.	2.31
Bed Bath and Beyond Inc.	U.S.	2.25
The Gap, Inc.	U.S.	2.17
Limited Brands, Inc.	U.S.	2.17
President Chain Store Corp.	Taiwan	2.09
El Puerto de Liverpool, S.A.B. de C.V.	Mexico	2.07
Williams-Sonoma, Inc.	U.S.	2.06

Highlights

The retail formats with the highest composite Q ratios are apparel/footwear and electronics specialty. Apparel retailers have become extremely important global players, with a combined market capitalization nearly four times higher than the department store industry. The Q ratio of apparel retailers (3.055) is nearly six times higher than that of the department store industry (0.584). The electronics specialty industry is dominated by Apple, Inc.: While the industry has a composite Q ratio of 2.654, when Apple is excluded its Q ratio is a mere 0.420.

Although retailers that focus on fast-moving consumer goods (FMCG) have a composite Q ratio of 0.769, the discount store industry does much better, with a composite Q ratio of 1.618. The discounters with the highest Q ratios are BIM and Dollar Tree of the United States. Of the four merchandise categories, the one with the highest composite Q ratio is hardlines (1.856) which includes electronics, home improvement, furniture and the like. Yet when Apple, Inc. is excluded, the hardlines composite Q ratio falls to 1.106.

Geographically, retailers in emerging and developed markets have roughly similar Q ratios on average. The weakest composite Q ratios are those of Japan and Europe, while the Q ratios for the United States, Hong Kong and Mexico are relatively high. Of course, there are exceptions to every rule. Japan-based fashion retailer Fast Retailing has a very high ratio once again. Similarly, two of the top four retailers on our Q ratio list are European: H&M and Inditex of Spain.

Q ratio by dominant format

Q ratio by dominant format	
Apparel/Footwear	3.05
Electronic specialty	2.65
Discount store	1.61
Home improvement	1.47
Non-store	1.46
Other specialty	1.15
Discount dept store	0.92
Supermarket	0.84
Drugstore/pharm	0.83
Hypermarket	0.63
Convenience/Forecourt	0.6
Department store	0.58
Electronic less Apple	0.42
Q ratio by primary retail sector	
Hardlines	1.85
Fashion	1.69
Hardlines less Apple	1.1
FMCG	0.76
Diversified	0.55
Q ratio by country	
Hong Kong	1.65
U.S.	1.59
Mexico	1.3
Russia	1.19
South Africa	0.88
Canada	0.79
U.K.	0.62
France	0.6
Japan	0.4
Germany	0.21
Q ratio by region	
Africa/ ME	1.11
Asia Pac less Japan	1.08
Latin America	1.06
Europe	0.82
Emerging markets	1.14
Developed markets	1.11

Study methodology and data sources

Companies were included in the Top 250 Global Powers of Retailing list based on their non-auto retail revenue for fiscal year 2011 (encompasses fiscal years ended through June 2012). To be included on the list, a company does not have to derive the majority of its revenue from retailing, so long as its retailing activity is large enough to qualify.

A number of sources were consulted to develop the Top 250 list. The principal data sources for financial and other company information were annual reports, SEC filings and information found in company press releases and fact sheets or on their websites. If company-issued information was not available, other public-domain sources were used, including trade journal estimates, industry analyst reports and various business information databases.

Much of the data for non-U.S. retailers came from Planet Retail, a leading provider of global intelligence, analysis, news and data covering more than 10,000 retail operations across 211 markets. Planet Retail has offices in London, Frankfurt, Chicago, Tokyo and Qingdao, China. For more information, please visit www.planetretail.net.

Group Revenue reflects the consolidated net revenue of a retailer's parent company, whether or not that company itself is primarily a retailer. Similarly, the income/loss figure also reflects the consolidated results of the parent organization. If a privately held company reports gross turnover only, this figure is used and footnoted accordingly as "g." Revenue figures do not include operations in which a company has only a minority interest.

The **Retail Revenue** figures in this report reflect only the retail portion of the company's consolidated net revenue. As a result, they may reflect adjustments to reported revenue figures to exclude non-retail operations. Retail Revenue includes foodservice sales if foodservice is sold as one of the merchandise offerings inside the retail store or if restaurants are located within the company's stores, but excludes separate foodservice/restaurant operations. Retail Revenue also includes sales of services related to the company's retail activities, such as alterations, repair, maintenance, installation, fuel sales and membership fees.

Revenue figures do not include the retail banner sales of franchised, licensed or independent cooperative member stores; they do include royalties and franchising or licensing fees. Group Revenue includes wholesale sales to such networked operations—both member stores and other supplied stores. Retail Revenue includes wholesale sales to affiliated/member stores but excludes traditional wholesale or other business-to-business revenue (except where such revenue is derived from retail stores) where it is possible to break them out.

In order to provide a common base from which to rank companies by their Retail Revenue results, fiscal year 2011 revenue (and profits) for non-U.S. companies were converted to U.S. dollars. Exchange rates, therefore, have an impact on the results. OANDA.com is the source for the exchange rates. The average daily exchange rate corresponding to each company's fiscal year was used to convert that company's results to U.S. dollars. The 2011 year-over-year growth rate and the 2006-2011 compound annual growth rate (CAGR) for Retail Revenue, however, were calculated in each company's local currency.

Group financial results

This report uses sales-weighted composites rather than simple arithmetic averages as the primary measure for understanding group financial results. Therefore, results of larger companies contribute more to the composite than do results of smaller companies. Because the data has been converted to U.S. dollars for ranking purposes and to facilitate comparison among groups, composite growth rates also have been adjusted to correct for currency movement. While these composite results generally behave in a similar fashion to arithmetic averages, they provide better representative values for benchmarking purposes.

Group financial results are based only on companies with data. Not all data elements were available for all companies.

It should also be noted that the financial information used for each company in a given year is accurate as of the date the financial report was originally issued. Although a company may have restated prior-year results to reflect a change in its operations or as a result of an accounting change, such restatements are not reflected in this data.

This study is not an accounting report. It is intended to provide an accurate reflection of market dynamics and their impact on the structure of the retailing industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond to other published results.

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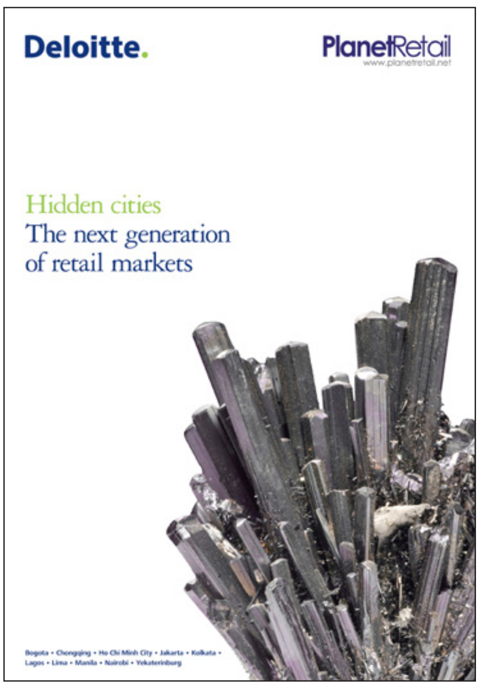
Ten cities to watch.



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