

Table of Contents

Result Highlights	iii
Economic Outlook	iii
The Comeback Year	iii
Summary of Retail Performance.....	iii
The Economic Environment	2
Unemployment	2
Real GDP	2
Prime Interest Rate.....	3
Stock Market.....	3
Consumer Confidence.....	4
Long-Term Treasury Bonds.....	4
CPI Food at Home.....	4
CPI.....	4
Retailer Economic Outlook.....	5
The Retail Environment	6
Introduction	6
Competition Cited as Top Concern	6
Retailers Increasingly Passing Health Care Costs on to Employees	7
A Look at Consumer-Based Health Care	9
Sarbanes-Oxley Increasing Auditing Expenses Considerably	12
Gas and Fuel Prices Impacting Consumers and Retailers.....	12
Check 21 — Potential Cost Savings for Retailers	13
A Brief Insight Into Check 21	14
Retailers Feel Positive About 2005-2006 Profitability Outlook	15
2004-2005 Retail Performance	16
Key Financial Ratios.....	17
Net Profit	17
EBITDA	18
Capital Expenditures	19
Return on Assets (ROA).....	20
Return on Equity (ROE)	21
Asset Turnover	22
Debt-to-Equity Ratio	23
Times Interest Earned.....	24
Current Ratio	25
Quick Ratio.....	26
Gross Margin Return on Investment (GMROI)	27
Unemployment Taxes.....	28
FICA Taxes	28
Income Statement	29
Balance Sheet	29
Cash Flow.....	29
Stockholder Equity Summary.....	30
Results by Company Size	36
Profit Leaders	44
Definitions	51
Methodology	52