



## Publix Increases Profits, Number Of Stores

By MARY SHEDDEN The Tampa Tribune

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TAMPA - Publix Super Markets' investment in expansion is helping boost the company's sales and profits.

The state's largest grocer says nine new stores and the completion of 20 remodeling projects were two reasons it increased sales and boasted a 10 percent profit jump in the first quarter of 2007, according to a report filed Thursday with the Securities and Exchange Commission.

In the first quarter ended March 31, Publix's same-store sales jumped \$281 million to \$5.9 billion, a 5.1 percent increase in the important retail indicator category. But new stores contributed \$86.9 million more, or 1.6 percent, to the overall increase in sales.

Publix is building on its ability to be close to more and more customers, said Arun Jain, a University of Buffalo marketing research professor. It's a smart investment and helps hold off less-expensive but regionally located grocers like Wal-Mart Supercenters.

"The grocery business is something where accessibility is very important," Jain said. "If people have to drive far, it discourages them."

The Lakeland-based chain's \$144.4 million capital investment is significant compared with last year, when it spent about half of that on capital improvements and opened just two new stores.

Today, Publix operates 901 supermarkets in five states and owns five convenience stores, 25 liquor stores and 40 Crispers restaurants. It dominates Florida's grocery industry - with a 40 percent market share. Wal-Mart Supercenters come in a distant second, owning just 25 percent of the market, according to May's edition of the Shelby Report of the Southeast.

For the rest of 2007, Publix projects investing more than \$455 million in store construction, remodeling, computers, backup generators and warehouse expansions. A spokesman said Publix is adding stores but doesn't have a specific expansion plan.

It's clear, though, that the number of new stores in the first quarter is a departure from all of last year, when just 17 net new locations opened. According to the SEC filings and the company's Web site, Publix will open 15 new stores by the end of this week. Most will be in Florida.

Publix reported \$317.6 million in profits for the quarter ended March 31 compared with \$288.4 million for the period in 2006. The performance translated into an additional per share earnings of 4 cents to 38 cents. Publix is a private company but sells stock to employees and directors.

On Thursday, Publix stock was reported up \$1, at \$20.90 per share. The price, set once a quarter by Raymond James Financial, was most recently listed at \$19.90.

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