TOP COMPANIES: LONG ISLAND'S ELITE 15

The Elite 15

May 15, 2006

Among the public companies on Newsday's annual list, the largest differ radically from the smallest.

The top 15 companies bring in more revenue than the next 85. They employ many workers, often are active around the world and have the greatest impact on the business life of Long Island.

Here, we give special attention to the status and outlook for these leading enterprises.

1

ARROW ELECTRONICS INC.

50 Marcus Dr., Melville, 11747

631-847-2000

www.arrow.com

Revenue: $11.2 billion

Income: $253.6 million

Stock: ARW (NYSE)

Industry: Electronic parts distribution

CEO: William Mitchell

Employees: 11,000; local, 800

With a measured emphasis on cutting expenses, expanding globally and driving revenue growth, Arrow Electronics under chief executive William Mitchell has regained its footing in a sometimes mercurial market.

Seeking efficiencies while continuing to make strategic acquisitions, the company earlier this year disclosed two rounds of job cuts that will move some administrative functions such as sales support and back-office finance (and roughly 300 jobs) to an outside company, Infosys Technologies Inc. Expanding globally, Arrow last year acquired German distribution firm DNSint.com, as it follows through on Mitchell's aim to expand in Europe and the Far East. The company also dealt with allegations of "frat house" behavior by members of an internal auditing team by investigating, finding no serious wrongdoing and openly discussing elements of the scandal in the media - a change for the typically low-profile Arrow.

Bigger issues in running its business, Arrow said, are under control.

"The big stuff is behind us," Mitchell said last October, describing the corporate challenges Arrow faced in the previous year amid an unstable market. "What we're really doing is focusing the company more on growing. We'll continue to manage the cost structure."

2

CABLEVISION SYSTEMS CORP.

1111 Stewart Ave., Bethpage, 11714

516-803-2300

www.cablevision.com

Revenue: $5.2 billion

Income: $94.3 million

Stock: CVC (NYSE)

Industry: Cable TV

CEO: James Dolan

Employees: 21,000; local, 6,100

Cablevision's stock dropped, and the Dolans dropped their plans to take the company private, part of a whirlwind year in which the company's plans went on again and off again nearly as frequently as a television set. After the Dolans abandoned their idea to take the company private, they proposed a $10-a-share dividend. That proposal then went through its own on-again, off-again period, finally reaching shareholders in April after a lawsuit.

Verizon flipped the switch on for its competing cable television service in Massapequa Park this year after Cablevision's unsuccessful fight to protect its turf. Verizon continues to move into Cablevision's domain elsewhere for both television, Internet access and, of course, telephone service, although Cablevision grabbed hundreds of thousands of telephone customers with its own $35-a-month unlimited local- and long-distance service. Cablevision also faces increasing competition from satellite TV providers.

| 3 |

HENRY SCHEIN INC.

135 Duryea Rd., Melville, 11747

631-843-5500

www.henryschein.com

Revenue: $4.6 billion

Income: $151.3 million

Stock: HSIC (NASDAQ)

Industry: Medical and dental supplies

CEO: Stanley Bergman

Employees: 11,000; local, 1,000

Last fall Henry Schein received a shot in the arm, so to speak, as the company resumed sales of Chiron's Fluvirin influenza vaccine.

A year earlier, fourth-quarter profits had declined when manufacturing problems at Chiron led to flu vaccine shortages, depriving Schein, a key Fluvirin distributor, of those sales. But with the resumption, revenues were up for Schein in the fourth quarter of 2005.

The medical, dental and veterinary product supplier has a new, expanded headquarters in Melville and in 2005 celebrated its 10th anniversary as a public company.

Schein has shed its hospital supply arm, which it said was not working synergistically with its medical and dental businesses. And it has acquired a business it thinks will fit well with current operations: NLS Animal Health, a privately held veterinary supply distribution company in Owings Mills, Md. That acquisition more than doubled Schein's U. S. veterinary business.

In the executive suite, James Breslawski, a 25-year Schein veteran, became the company's new president and chief operating officer.

And internationally, Schein acquired Ash Temple Ltd., a Canadian dental supplier, and Halas Dental, an Australian dental supplier, broadening the prospect for more business abroad.

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CA INC.

One CA Plaza, Islandia, 11749

631-342-5224

www.ca.com

Revenue: $3.7 billion

Income: $210 million

Stock: CA (NYSE)

Industry: Software

CEO: John Swainson

Employees: 15,613; local, 2,225

As it pushed forward with a spree of acquisitions, high-level appointments and a name change, the former Computer Associates continued to wrestle with demons from its past.

Just this month, former chairman and chief executive Sanjay Kumar and former executive vice president Stephen Richards pleaded guilty to securities fraud, obstruction of justice and conspiracy charges after years of denying wrongdoing. The pleas spare the company a lengthy and potentially embarrassing trial after the disaster of a $2.2-billion accounting scandal.

But it doesn't spare CA the spotlight of its current pitfalls and setbacks. Last month, CA announced it would fall short of some previously issued financial projections for its fourth quarter. It also announced that two top-level executives, chief operating officer Jeff Clarke and chief technology officer Mark Barrenechea, were leaving.

Those setbacks come atop a year in which CA bulked up with several acquisitions, initiated a new branding campaign that stressed simplicity and challenged its customers to "believe again." Earlier this year, it opened a Manhattan executive office and put its Islandia headquarters on the selling block, with plans to lease back the space over 15 years and to use the capital to invest in its business.

Through it all, CA has articulated a consistent product strategy that stresses its core systems management, security and storage software offerings. When the dust clears from the personnel and accounting issues, it can always point to steady and significant cash flow from those products.

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SYSTEMAX INC.

11 Harbor Park Dr.,

Port Washington, 11050

516-608-7000

www.systemax.com

Revenue: $2.1 billion

Income: $12.3 million

Stock: SYX (NYSE)

Industry: Computer hardware

CEO: Richard Leeds

Employees: 3,100; local, 225

At Systemax, which makes and sells computers, "NT" may stand for Windows NT, one of Microsoft's operating systems, but it's been more frequently spotted in the company's filings with the Securities and Exchange Commission, with "NT" the SEC abbreviation for "Notice of Inability to Timely File." The company has postponed filing three quarterly reports and its annual report in the last year.

Subsidiary Tiger Direct, which faced accounting problems in May, led Systemax to restate earnings. Shares plummeted 26 percent on the news. The company had previously restated earnings for a similar accounting problem at Misco, its United Kingdom subsidiary.

After the errors were announced, the company postponed its annual meeting.

An investor sued Systemax, claiming the company failed to ensure interests of shareholders and key executives and that board members were "unjustly enriched."

In December the company appointed a new auditor but said it was unrelated to disagreements with previous auditors.

The most recent financial news came in an unaudited January news release, indicating net sales rose 11 percent for the first three quarters of last year and net income rose 41 percent. But pricing pressure in Europe and North America held down gross profits in the third quarter of last year.

In other news, Systemax subsidiary Tiger Direct growled at Apple Computer Inc. last year, complaining in a federal lawsuit that the Macintosh operating system "Tiger" infringed on the trademark for Tiger Direct. The lawsuit was dismissed.

| 6 |

PALL CORP.

2200 Northern Blvd., East Hills, 11548

516-484-5400

www.pall.com

Revenue: $1.9 billion

Income: $144.6 million

Stock: PLL (NYSE)

Industry: Fluid filtration

CEO: Eric Krasnoff

Employees: 11,000; local, 750

If you drink water, breathe air or use a computer, chances are you've come in contact with Pall's products. The company is a leader in the filtration and purification industry, specializing in the removal of contaminants from liquids and gases. Among its various applications, Pall's systems are used to filter city water, purify the cabin air in airplanes and create the coatings on LCD and plasma screens.

Last year Pall organized its business into two divisions: life sciences and industrial. The change will save about $20 million in 2006 and is creating a more specialized, nimble company, said chairman Eric Krasnoff. On tap for the coming year: more restructuring. Pall intends to consolidate by closing or selling at least seven of its 37 manufacturing facilities around the world. On Long Island "we may reduce our footprint, but we don't expect major layoffs," Krasnoff said.

Revenue in fiscal 2005 rose 7.5 percent. Pall's fastest-growing area is the sale of water filtering systems to municipalities. Those products offer lower profit margins but create long-term demand for replacement filters. Pall is seeing more opportunities in blood purification technologies. A system that removes the infectious agent that causes the human form of mad-cow disease was approved for sale last year in Europe and is now being tested in England and Ireland.

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NBTY INC.

90 Orville Dr., Bohemia, 11716

631-567-9500

www.nbty.com

Revenue: $1.8 billion

Income: $71.2 million

Stock: NTY (NYSE)

Industry: Nutritional supplements

CEO: Scott Rudolph

Employees: 11,000; local, 2,384

Hoping to make new inroads in the health-food store market, Bohemia-based NBTY acquired Solgar Vitamin and Herb, a New Jersey vitamin company, from Wyeth Consumer Healthcare in 2005. NBTY makes and sells nutritional supplements in the United States and internationally.

NBTY president Harvey Kamil said the Solgar brand would be sold exclusively in independent health food stores. The company sells its other products - 22,000 of them - through pharmacy chains, supermarkets, individual drugstores and health food stores.

NBTY has 542 Vitamin World and Nutrition Warehouse retail stores in the United States, Puerto Rico and the Virgin Islands. Additionally, the company also operates hundreds of retail stores in Canada, Britain, Ireland and the Netherlands. It has acquired about 30 businesses in the past 15 years.

On top of its Solgar acquisition, NBTY also made inroads in Canada, acquiring SISU, a British Columbia vitamin and supplement outfit, with Kamil again stressing his company's desire to concentrate on products sold by individual health food stores.

The SISU brand is well-known to Canadian consumers of supplements, and the acquisition will help strengthen NBTY's presence in Canada in the years ahead, company officials said.

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SYMBOL TECHNOLOGIES INC.

One Symbol Plaza, Holtsville, 11742

631-738-2400

www.symbol.com

Revenue: $1.8 billion

Income: $32.2 million

Stock: SBL (NYSE)

Industry: Bar code scanners

CEO: Sal Iannuzzi

Employees: 5,200; local, 1,200

After starting 2005 on the upbeat note of record revenue, Symbol Technologies soon came down to earth with some sobering news. First, the company acknowledged problems with its systems for forecasting future sales, leaving it to revise forecasts on more than one occasion.

Next, a series of high-level executive departures, beginning with chief financial officer Mark Greenquist, and then the shocker of chief executive William Nuti, left the company appearing rudderless. A new round of shareholder lawsuits soon followed.

But the uncertainty was to be short-lived. Sal Iannuzzi, a Wall Street administrative and finance wiz, took the helm on a temporary basis, then earlier this year stepped in permanently. His aim: to focus the company on core strengths, to reduce expenses (it laid off 700 people last year) and to return a level of predictability and strength to Symbol.

While his low-key personality is in stark contrast to that of the vivacious Nuti, his blocking and tackling style is just what Symbol appears to need.

Challenges lie ahead, including costly legal fees for defending former management in federal securities fraud trials after a mistrial was declared earlier this year.

But Iannuzzi understands the need to rally the troops around a core mission: returning Symbol to prominence on its core strengths of bar code scanners and mobile computers, while seizing on key new technologies such as radio-frequency ID systems. "There's a lot of reasons to be proud of the name Symbol," he said last year.

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GRIFFON CORP.

100 Jericho Quadrangle,

Jericho, 11753

516-938-5544

www.griffoncorp.com

Revenue: $1.4 billion

Income: $46.4 million

Stock: GFF (NYSE)

Industry: Diversified manufacturing

CEO: Harvey Blau

Employees: 6,000; local 1,200

Telephonics Corp., the company's defense-electronics unit in Farmingdale, has been benefitting from higher defense budgets in the years since the Sept. 11, 2001, terrorist attacks. Last year was no exception.

The company, now one of Long Island's largest defense-electronics contractors, is designing radar equipment and intercommunications systems for the Navy's MH60-R helicopter. More than 250 of the choppers are to be outfitted with Telephonics equipment. The program could ultimately mean nearly $1 billion in sales over the next decade.

Another potentially big program for Telephonics is a contract from upstate Syracuse Research Corp. to help develop a device that will neutralize roadside bombs, a prime weapon of insurgents in Iraq. The program is highly classified, but Telephonics said that its share of the production of the device would exceed $150 million.

Griffon has two other divisions. One manufactures garage doors that are sold to independent installers and major home center retail chains. The other unit makes specialty plastic films used in disposable diapers and incontinence products. Higher costs for raw materials such as steel and resin have hurt the specialty plastic film business. But sales of garage doors have been healthier. The division has been able to recover more of the costs of raw materials in the past year.

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AMERICAN HOME

MORTGAGE INVESTMENT CORP.

538 Broadhollow Rd., Melville, 11747

516-949-3900

www.americanhm.com

Revenue: $1.4 billion

Income: $260.8 million

Stock: AHM (NYSE)

Industry: Mortgage banking

CEO: Michael Strauss

Employees: 7,295; local, 1,248

American Home Mortgage, a mortgage real estate investment trust, was one of Long Island's fastest-growing companies during the last five years. But it suffered what its CEO, Michael Strauss, called a "highly disappointing" fourth quarter last year due to changes in interest rates that lowered the value of its investment portfolio and the loans it sells. The company said it is adjusting the rates it charges consumers to reflect the changed market conditions, and it is taking other measures to reduce interest rate risk.

American Home agreed in January to acquire Waterfield Financial Corp., a unit of Union Federal Bank of Indianapolis that has 46 loan production offices in 16 states. The deal raised American Home's total number of such offices to 629 in 45 states.

In a January statement, Strauss said he expects 2006 earnings to be affected by "progressively increasing net interest income" due to a buildup of American Home's investment portfolio, and also by improved profits on sales of loans.

| 11 |

MSC INDUSTRIAL DIRECT CO.

75 Maxess Rd., Melville, 11747

516-812-2000

www.mscdirect.com

Revenue: $1.1 billion

Income: $118.2 million

Stock: MSM (NYSE)

Industry: Manufacturing tools and supplies

CEO: David Sandler

Employees: 3,300; local, 650

MSC Industrial Direct keeps things running smoothly. The company - one of the largest

American distributors of tools and industrial supplies - primarily helps manufacturers tend to their maintenance, repair and operations needs so their factories can keep making the widgets the rest of us use in our lives.

MSC has focused on plumping up operating margins over the last few years, bringing them to a healthy 16.2 percent in fiscal 2005. They're tracking closer to 17 percent so far this year, according to chief financial officer Charles A. Boehlke Jr.

The company has lately turned its attention to revenue growth, boosting its sales force from 428 in 2003 to 561 by the end of the second quarter of fiscal 2006. Sales in the second quarter, ended Feb. 25, rose 12.7 percent.

In March, MSC spent $349.5 million to acquire J&L Industrial Supply, a distributor of metalworking products. Even though acquisitions don't figure in MSC's five-year strategic plan, "this one was too good to pass up," Boehlke said.

Now MSC is working on integrating the acquisition, making key decisions such as whether to move J&L's headquarters from Southfield, Mich. to Long Island. "As of yet, we don't have the plan worked out. We're working through it all right now," Boehlke said.

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GENTIVA HEALTH SERVICES

3 Huntington Quadrangle, 200S, Melville, 11747

631-501-7000

www.gentiva.com

Revenue: $865.2 million

Income: $23.4 million

Stock: GTIV (Nasdaq)

Industry: Home health care

CEO: Ron Malone

Employees: 7,000; local, 350

Gentiva Health Services broke past the $1-billion revenue mark in February after committing $454 million for its latest acquisition, The Healthfield Group Inc., an Atlanta-based home and hospice health care provider. That helped boost the stock and gave the company a national reach, making it one of the 10 biggest providers of hospice care.

In October, the company signed a three-year contract with CIGNA HealthCare to provide nurses and other resources for home-based care. In its last quarter, Gentiva continued its stock-buyback spree, shelling out $7.6 million to reclaim more than half a million shares of its common stock. In all of last year, it spent more than $21 million on 1.325 million shares, and it is nearing the end of an initiative to repurchase up to 6 million shares. Gentiva's ambitions for this year are more diversified revenue sources, more Medicare payments at a time when baby boomers are aging, and more regional managed care contracts. At the same time, it's trying to expand its high-tech ventures beyond the experimental stage, including handheld devices that cut down on paperwork, and "telemedicine."

How well Gentiva integrates Healthfield will be key to its growth during the next few years, one Wall Street analyst said, because this acquisition put the company where it needs to be: in profitable Medicare, hospice and Southeast markets.

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NATIONAL MEDICAL HEALTH CARD SYSTEMS INC.

26 Harbor Park Dr.,

Port Washington, 11050

800-251-3883

www.nmhc.com

Revenue: $850.9 million

Income: $12.1 million

Stock: NMHC (Nasdaq)

Industry: Drug benefits management

CEO: James F. Smith

Employees: 475; local, 100

The pharmacy benefits manager has been integrating seven acquisitions from the past five years, an expansion mode that shot it to No. 6 on Fortune Magazine's 2004 list of fastest-growing U.S. firms. But the integration has gone slower than expected by one Wall Street analyst, who thinks the company has been a bit conservative lately in courting new clients. Still, the acquisitions combined with increases in mail and specialty pharmacy business to hike gross profits to $86.7 million, a 35 percent jump, for the fiscal year that ended last June, the company reported.

National Medical Health Card Systems may be staying in expansion mode this year, because it hired an executive known for mergers and acquisitions to be its finance chief. Chief executive Jim Smith said the management team is in place now and ready to wade into Medicare's prescription drug program with a two-pronged approach next year, having waited out the first year of the federal program. The company, which manages drug coverage for employers and unions, has been negotiating with a major health care provider to be its partner in bidding to be a national Medicare drug plan. It's also trying to convince other firms to set up private drug plans to take advantage of federal subsidies. This new Medicare ground is a natural direction for the company, especially as baby boomers age and the search goes on for health-care cost containment.

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KIMCO REALTY CORP.

3333 New Hyde Park Rd.,

New Hyde Park, 11042

516-869-9000

www.kimcorealty.com

Revenue: $744.4 million

Income: $363.6 million

Stock: KIM (NYSE)

Industry: Real estate

CEO: Milton Cooper

Employees: 488; local, 264

Kimco Realty Corp., a New Hyde Park real estate investment trust, continued to expand its portfolio during the past year, buying interests in seven shopping centers in Puerto Rico - its first investment in the region.

The company signed or renewed more than 2.7 million square feet of new leases in the United States, with an average of 10 percent increase in rent, company officials said. In addition, it eliminated and replaced $100 million worth of "marginal or unproductive properties" for more promising shopping centers and invested $70 million to improve existing properties in the company's portfolio. More recently, Kimco was added to the exclusive ranks of the Standard & Poor's 500 index.

The company specializes in buying and operating shopping centers, which host major retailers such as Home Depot, Kohl's, Bed Bath & Beyond and Wal-Mart. Kimco, the largest publicly traded U.S. owner of neighborhood shopping centers, has interests in 1,046 properties, with about 135.8 million square feet of leasable space located in 44 states, Canada and Mexico.

Kimco has been expanding. Last month, the company agreed to purchase stakes in the shopping centers in Puerto Rico for $448 million. The company also completed its acquisition of Atlantic Realty Trust for $81.8 million last month and is part of a group that agreed in January to buy a grocery chain, Albertson's Inc., for $9.8 billion, mainly for its real estate.

A company spokesman said since Kimco's initial public offering in 1991 the total return on its stock has been 1,926 percent.

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1-800-FLOWERS.COM

One Old Country Rd.,

Carle Place, 11514

516-237-6000

www.1-800-flowers.com

Revenue: $733.7 million

Income: $5.6 million

Stock: FLWS (Nasdaq)

Industry: Flower and gift retailing

CEO: Jim McCann

Employees: 3,000; local, 700

After 30 years in business, 1-800-Flowers.com chief executive Jim McCann has big ambitions for the company.

"It's not time to slow down yet," he told his employees at an anniversary celebration.

The florist and gift retailer marked its third decade by announcing it would be adding yet another acquisition to its food and wine selections: the Chicago-based Fannie May Confections Brands, Inc.

Gone are the days when florists were the primary last-minute gift solution, providing next-day delivery service. So in addition to offering same-day delivery for some of its items, the company has continued to expand its selection of gifts, executives have said. Customers can now purchase gift baskets of wine, chocolates, baked goods and home and garden products in addition to flowers. Its customer base has been growing, with the company listing 1.3 million new customers in its second-quarter report.

In February, the company had a soft launch of a new Web site - 1-800-Baskets.com -

where customers can purchase baskets filled with a variety of gourmet items, fruit, wine and spa products.

"The company's focus is on growing its position in the food, wine and gift basket category," said Joseph Pititto, vice president of investor relations. "We've done that both organically and through acquisitions."

The company's customer base also has been growing, with the company listing 1.3 million new customers in its second-quarter report.

The most recent acquisition was of Fannie May Confections for about $85 million. Company officials expect the addition will help its food, wine and gift basket business bring in revenues of more than $200 million.

McCann predicts only more growth. He has said he expects revenues to pass $1 billion over the next 18 months. And over time, McCann said, he can see the company doing just as much business overseas.