

# Bulletin

April 2007 Retail Sales • Released June 21, 2007

## HOME IS WHERE THE GROWTH IS AS SUPERMARKET SALES TURN SOUR

Despite slowing slightly, retail sales growth steamed ahead at 4.6% in April, bringing year-to-date growth to 5.9%. Automotive played a central role in this robust sales activity as it rose 6.9% in April, one percentage point ahead of year-to-date figures.

Stores that stumbled in April include Supermarkets, whose declining sales were offset by strong sales at Convenience and Specialty Food Stores. As a result, 0.1% growth left a bitter taste among Food and Beverage Stores.

Clothing and Accessories Stores did not look their best as 1.9% growth in April clashed with the encouraging 6.6% seen year-to-date. One Canadian retailer who felt this blow was Reitmans. For the three months ending May 5, 2007, the chain saw same store sales decline - 6.5%. Many attribute cooling sales performance to a chilly spring and inclement weather.

General Merchandise Stores sales rose a mere 0.8% compared to 4.3% year-to-date. The curtailing of clothing sales likely dragged down Department Store performance as they continue to struggle amidst the increasingly competitive General Merchandise Stores category.

Although spring showers dampened some categories, other stores saw sales blossom in April. Pharmacies and Personal Care Stores sustained their healthy double-digit growth as sales climbed 10.3% in April, bringing year-to-date growth to 12.2%. New format stores opened by Shoppers Drug Mart and Katz Group continued to enlarge this category as they stole an increasing share of convenience food expenditure and premium beauty purchases. April saw Shoppers Drug Mart announce an agreement to carry Estée Lauder's entire prestige line of cosmetics, thus further targeting the troubled performance of Department Store cosmetic counters. The month also marked another milestone for the chain as they opened their 1,000 location on April 26, 2007.

Despite nailing down exceptional 10.6% growth during 2006, Building and Outdoor Home Supplies Stores showed a strong 6.2% sales increase in April. Recent research by the Canada Mortgage and Housing Corporation reports that Canadians spent \$17.3

billion on home renovations in 2006. In addition, eight percent of households plan to purchase a home during 2007, about one-half of which are first-time buyers. Up from 40% in 2006, this new home ownership likely underpins the impressive 8.9% rise in sales among Furniture, Home Furnishings, and Electronics Stores seen year-to-date. As this category grew 10.8% in April, many American chains are eyeing Canadian expansion to compensate for the housing slump south of the border. Bed, Bath & Beyond is but the latest American retailer to announce its entry into Canada.

In order to stay on top of the latest Americans advancing northward, be sure to look toward our July bulletin where we'll once again review the nation's retail results.

**RELEASE DATE OF THE NEXT  
NATIONAL RETAIL BULLETIN**  
July 24, 2007

### Please note:

The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality) retail sales figures to those in the *same calendar month of the previous year*. Statistics Canada also reports seasonally adjusted sales that are compared to the *previous month within the current calendar year* to measure change in Gross Domestic Product (GDP). Although other sources use seasonally adjusted figures, J.C. Williams Group believes that using raw figures and making comparisons to the previous year's performance more accurately reflects the seasonality of the retail industry and, therefore, are more useful in analysis.

## Retail Sales by Store Category

Sales for the Month of: April	2007	2006	2007/2006
<b>All Stores</b>	<b>33,634.7</b>	<b>32,155.3</b>	<b>4.6%</b>
Automotive	12,789.0	11,962.0	6.9%
<b>All Stores Less Automotive</b>	<b>20,845.7</b>	<b>20,193.4</b>	<b>3.2%</b>
Food and Beverage Stores	7,135.4	7,126.2	0.1%
Pharmacies and Personal Care Stores	2,246.8	2,036.6	10.3%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>11,463.5</b>	<b>11,030.5</b>	<b>3.9%</b>
<b>General Merchandise Stores</b>	<b>3,724.1</b>	<b>3,695.2</b>	<b>0.8%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,202.1</b>	<b>1,987.2</b>	<b>10.8%</b>
Furniture and Home Furnishings Stores	1,251.5	1,132.3	10.5%
Computer, Software, Home Electronics, and Appliance Stores	950.5	854.9	11.2%
<b>Clothing and Accessories Stores</b>	<b>1,829.1</b>	<b>1,794.2</b>	<b>1.9%</b>
Clothing Stores	1,422.3	1,385.8	2.6%
Shoes, Clothing Accessories, and Jewellery Stores	406.8	408.4	-0.4%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>798.0</b>	<b>757.9</b>	<b>5.3%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>2,124.4</b>	<b>1,999.8</b>	<b>6.2%</b>
<b>Miscellaneous Store Retailers</b>	<b>785.8</b>	<b>796.2</b>	<b>-1.3%</b>

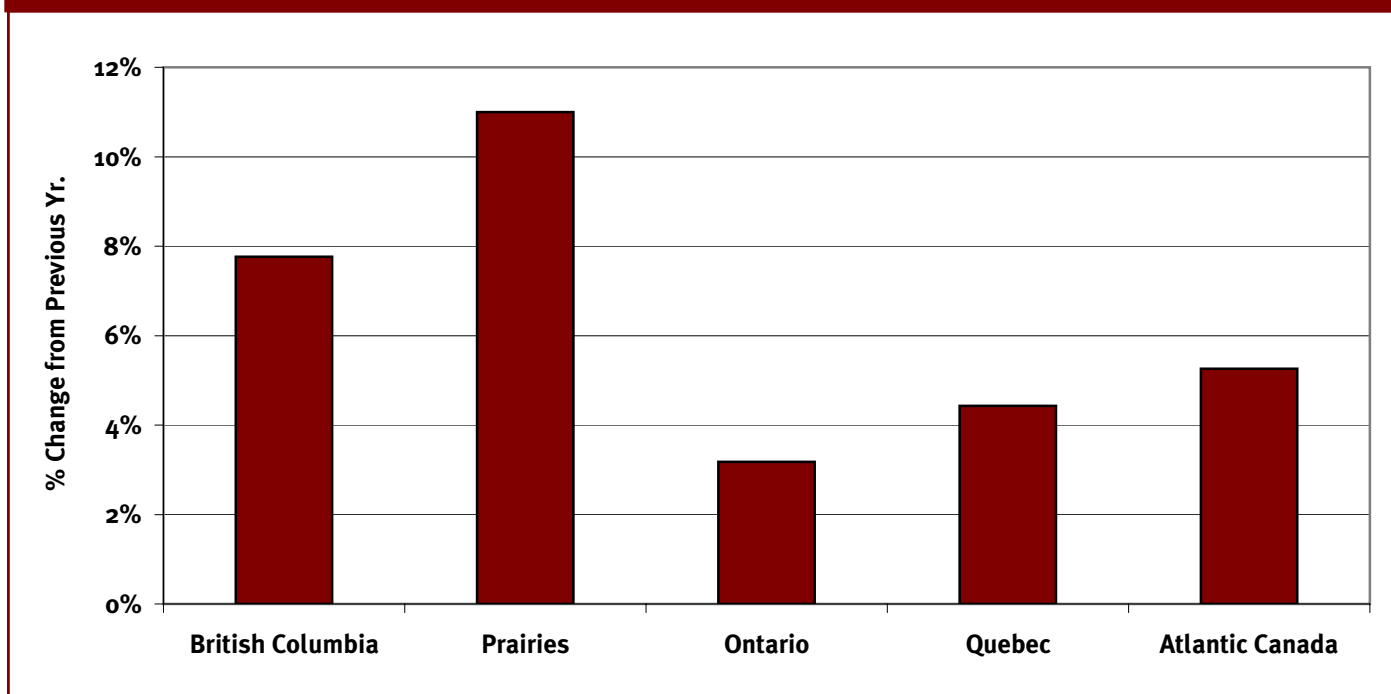
Year-to-date Sales	2007	2006	2007/2006
<b>All Stores</b>	<b>120,819.5</b>	<b>114,140.5</b>	<b>5.9%</b>
Automotive	42,962.9	40,562.5	5.9%
<b>All Stores Less Automotive</b>	<b>77,856.6</b>	<b>73,578.1</b>	<b>5.8%</b>
Food and Beverage Stores	27,757.8	26,803.5	3.6%
Pharmacies and Personal Care Stores	9,000.8	8,022.5	12.2%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>41,098.0</b>	<b>38,752.0</b>	<b>6.1%</b>
<b>General Merchandise Stores</b>	<b>13,317.0</b>	<b>12,765.6</b>	<b>4.3%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>8,615.3</b>	<b>7,910.9</b>	<b>8.9%</b>
Furniture and Home Furnishings Stores	4,739.3	4,351.1	8.9%
Computer, Software, Home Electronics, and Appliance Stores	3,876.0	3,559.9	8.9%
<b>Clothing and Accessories Stores</b>	<b>6,322.4</b>	<b>5,929.7</b>	<b>6.6%</b>
Clothing Stores	4,889.9	4,553.5	7.4%
Shoes, Clothing Accessories, and Jewellery Stores	1,432.5	1,376.2	4.1%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>2,983.0</b>	<b>2,799.6</b>	<b>6.6%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>6,866.8</b>	<b>6,351.3</b>	<b>8.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>2,993.5</b>	<b>2,995.0</b>	<b>-0.1%</b>

ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

## Retail Trade, Canada, All Stores, by Region

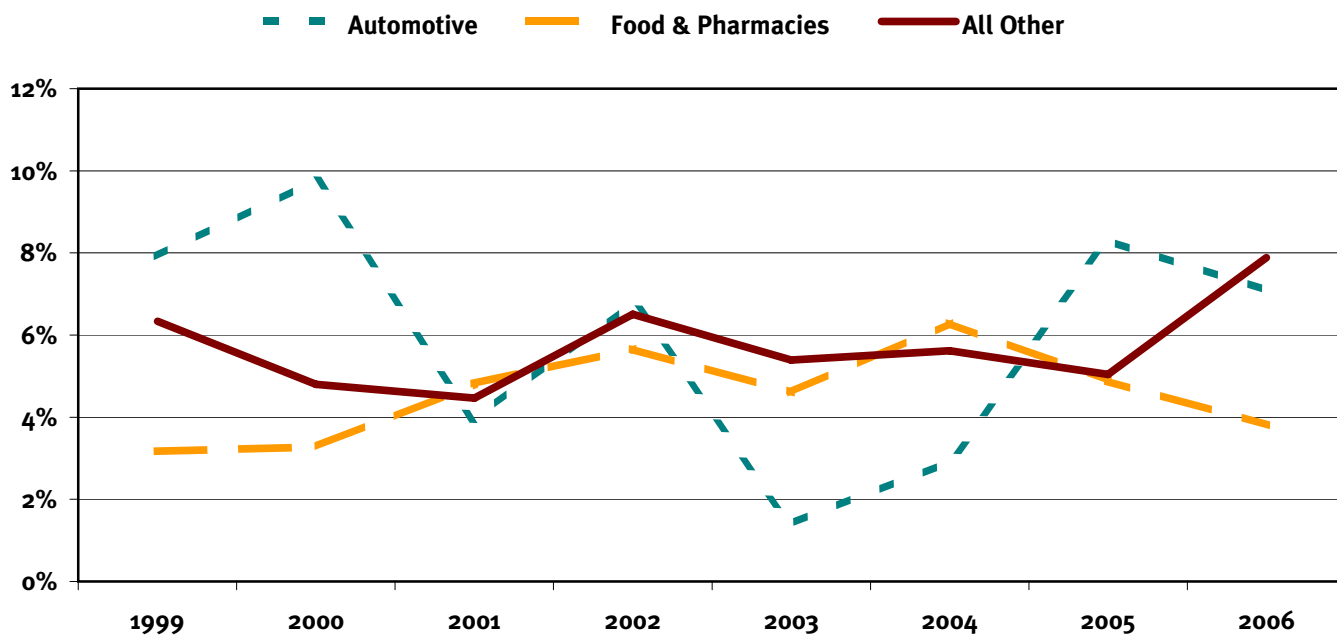
	Year-to-date 2007	Same Period 2006	Change 2007/2006
British Columbia	16,818.5	15,606.3	7.8%
Prairies	25,791.2	23,235.2	11.0%
Ontario	42,776.4	41,458.9	3.2%
Quebec	26,667.8	25,536.4	4.4%
Atlantic Canada	8,330.5	7,914.0	5.3%

**Percentage Change in Retail Trade, All Stores, By Region  
Year-to-date Compared to Same Period Last Year**

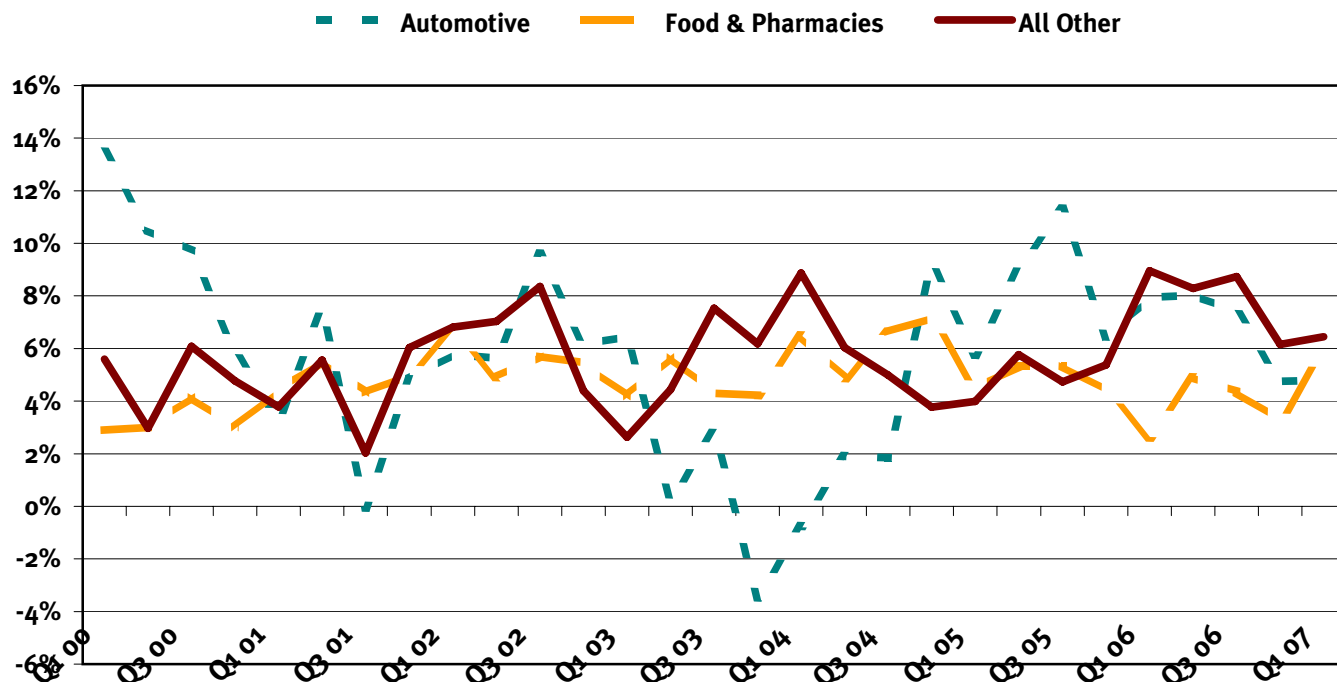


**For more detailed information on retail sales, please contact J.C. Williams Group**

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2006)



Canadian Retail Sales by Major Product Category, From the Same Quarter a Year Earlier



Consumer Price Index

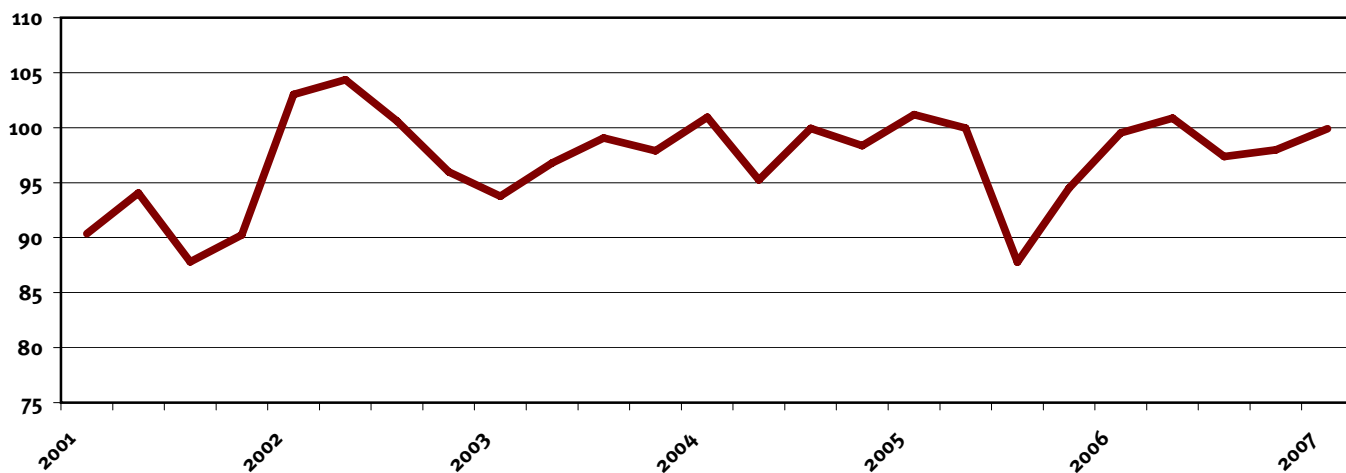
April 2007

vs.

April 2006

2.2%

Canadian Consumer Confidence Index 2001–2007



Source: Conference Board of Canada, 2002 = 100

Canadian Consumer Expenditures Index 1999–2007

