

# Bulletin

August 2006 Retail Sales • Released October 23, 2006

## GREAT WAY TO START THE BACK-TO-SCHOOL SEASON

August delivered a strong month, with All Stores sales gaining a solid growth of 9.2% over last year, bringing the year-to-date All Stores sales to 7%. Back-to-school sales drove significant sales gains.

Pharmacies and Personal Care Stores was the stellar performer in August with sales gains up to 13.5% over 2005. The Shoppers Drug Mart has done a great job in merchandising; there are always new seasonable items on its shelves that allure customers back to its stores. The outstanding growth of this sector is also a reflection of the fact that customers are now paying more attention to health and well being, thus they are spending more in this category.

The sales of Building and Outdoor Home Supplies Stores remain strong in August despite the cooling down of the housing market in Canada. With a double digit growth of 11.1%, this category was in line with its year-to-date sales gains. According to a recent study conducted by Ipsos Reid for RBC, fewer homeowners plan to renovate, but for those who do plan to renovate their houses, they will spend \$8,982 on average, up \$148 from last year.

Furniture, Home Furnishings and Electronics Stores, positively correlating with the Building and

Outdoor Home Supplies Stores, witnessed another month of solid gains of 9.6% over last year. Computer, Software, Home Electronics, and Appliance Stores sold exceptionally well due to back-to-school/university sales and promotions of all kinds of novelty gadgets. Staples excelled in catching the back to school shopping frenzy.

Clothing and Accessories Stores was another winner in August. With sales growing by 7.2% over last year, this category beat the year-to-date sales increase of 6.5%. Clothing sales were slow at the beginning of the month, but they picked up at the month end. Sporting goods such as back-packs, kids clothing, and shoes were the popular items during the back-to-school sales. Women's boots were the "hot item" among the new arrivals.

Regionally, all provinces and territories saw sales increases this month. The

strong sales were boosted by Prairies, with Alberta leading the run, with a 20.2% increase in August. Ontario dragged down the overall sales growth figure.

The overall economy indicators were positive. The employment rate fell to 6.4% from 6.5%; the consumer confidence index remained strong; and the consumer expenditure Index continued to grow.

Looking forward, we expect to see the strong momentum in retail sales continue into the Christmas season and the retail sales gain a solid 7% during that period of time.

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

November 23, 2006

### 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: August	2006	2005	2006/2005
<b>All Stores</b>	<b>35,178.1</b>	<b>32,208.7</b>	<b>9.2%</b>
Automotive	13,075.1	11,767.0	11.1%
<b>All Stores Less Automotive</b>	<b>22,103.0</b>	<b>20,441.7</b>	<b>8.1%</b>
Food and Beverage Stores	7,638.7	7,251.1	5.3%
Pharmacies and Personal Care Stores	2,251.6	1,983.6	13.5%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>12,212.8</b>	<b>11,207.0</b>	<b>9.0%</b>
<b>General Merchandise Stores</b>	<b>3,857.4</b>	<b>3,543.6</b>	<b>8.9%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,384.4</b>	<b>2,175.9</b>	<b>9.6%</b>
Furniture and Home Furnishings Stores	1,310.1	1,196.5	9.5%
Computer, Software, Home Electronics, and Appliance Stores	1,074.2	979.4	9.7%
<b>Clothing and Accessories Stores</b>	<b>1,851.8</b>	<b>1,727.2</b>	<b>7.2%</b>
Clothing Stores	1,399.1	1,308.4	6.9%
Shoes, Clothing Accessories, and Jewellery Stores	452.7	418.8	8.1%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>867.6</b>	<b>796.4</b>	<b>8.9%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>2,391.5</b>	<b>2,152.3</b>	<b>11.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>860.1</b>	<b>811.6</b>	<b>6.0%</b>

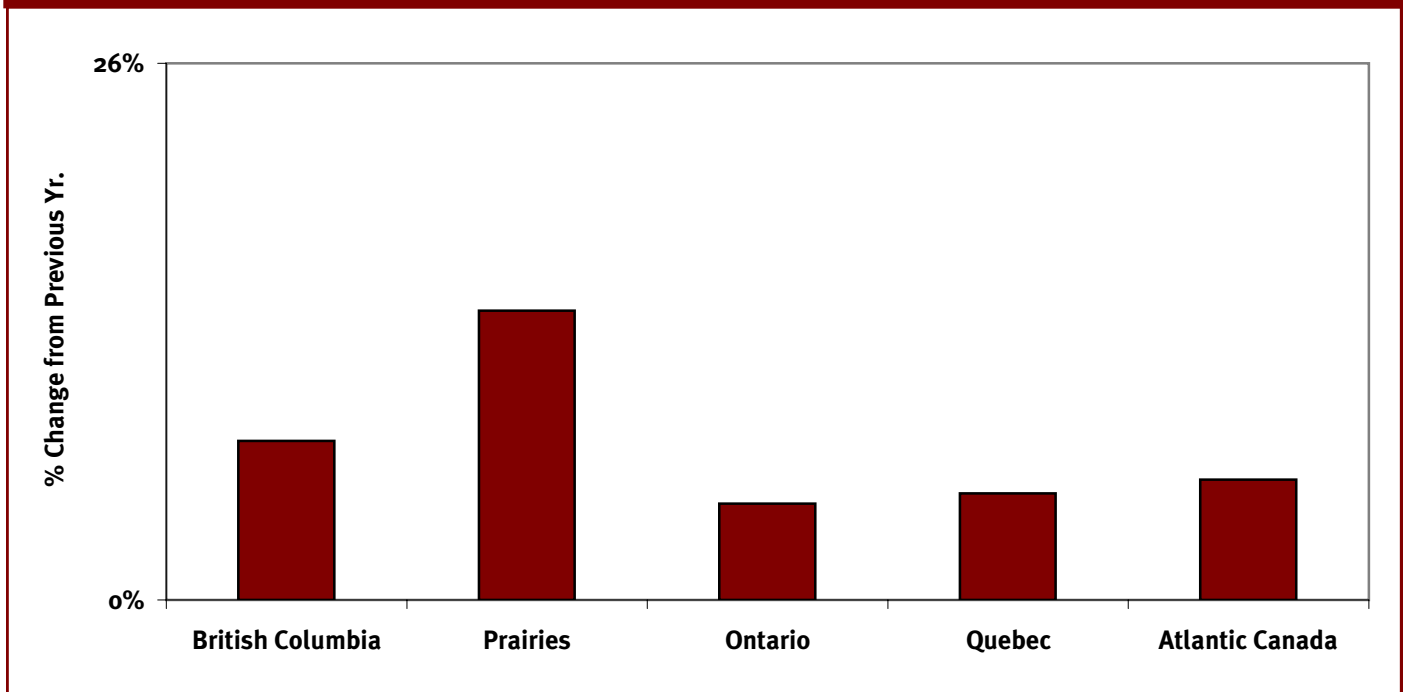
Year-to-date Sales	2006	2005	2006/2005
<b>All Stores</b>	<b>255,143.5</b>	<b>238,450.9</b>	<b>7.0%</b>
Automotive	92,711.7	85,619.8	8.3%
<b>All Stores Less Automotive</b>	<b>162,431.8</b>	<b>152,831.0</b>	<b>6.3%</b>
Food and Beverage Stores	57,357.3	56,343.2	1.8%
Pharmacies and Personal Care Stores	17,091.4	15,356.2	11.3%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>87,983.2</b>	<b>81,131.6</b>	<b>8.4%</b>
<b>General Merchandise Stores</b>	<b>28,669.8</b>	<b>26,641.6</b>	<b>7.6%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>16,971.6</b>	<b>15,464.9</b>	<b>9.7%</b>
Furniture and Home Furnishings Stores	9,449.6	8,540.9	10.6%
Computer, Software, Home Electronics, and Appliance Stores	7,522.1	6,924.0	8.6%
<b>Clothing and Accessories Stores</b>	<b>13,257.1</b>	<b>12,451.8</b>	<b>6.5%</b>
Clothing Stores	10,139.0	9,549.2	6.2%
Shoes, Clothing Accessories, and Jewellery Stores	3,118.1	2,902.6	7.4%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>6,054.0</b>	<b>5,618.3</b>	<b>7.8%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>16,662.1</b>	<b>14,958.0</b>	<b>11.4%</b>
<b>Miscellaneous Store Retailers</b>	<b>6,368.5</b>	<b>5,997.2</b>	<b>6.2%</b>

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

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

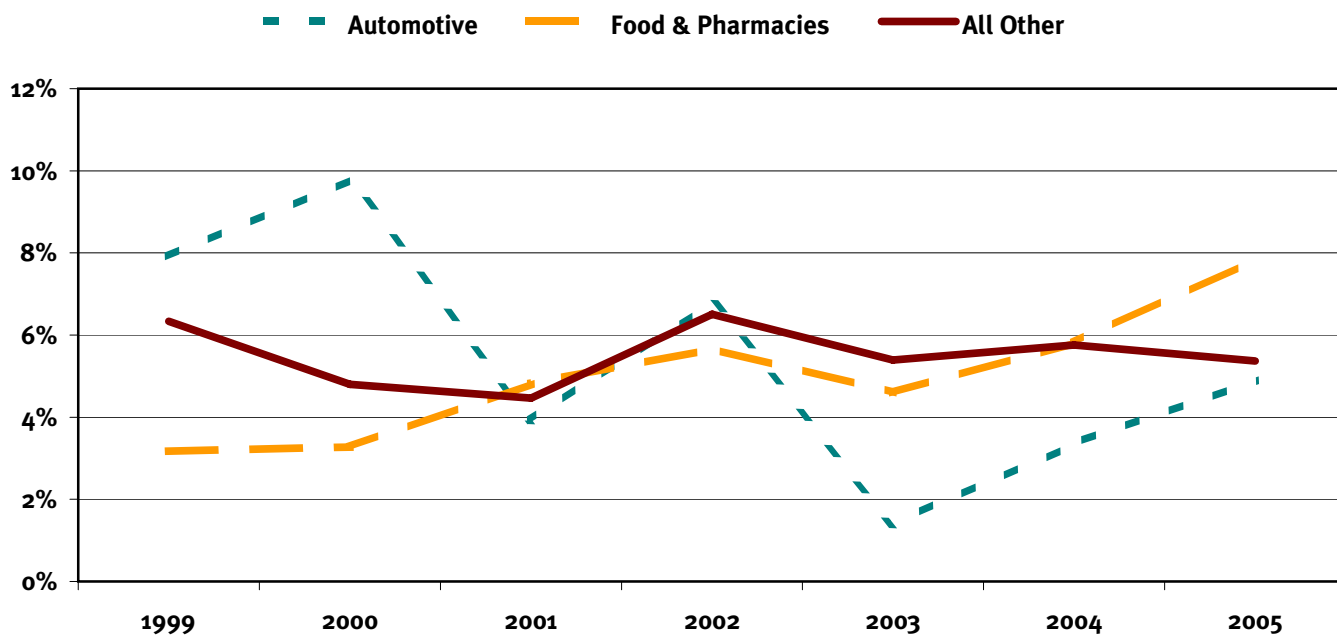
	Year-to-date 2006	Same Period 2005	Change 2006/2005
British Columbia	34,707.7	32,253.1	7.6%
Prairies	52,923.8	46,494.4	13.8%
Ontario	91,171.6	87,153.9	4.6%
Quebec	57,475.9	54,689.9	5.1%
Atlantic Canada	17,993.2	17,014.6	5.8%

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

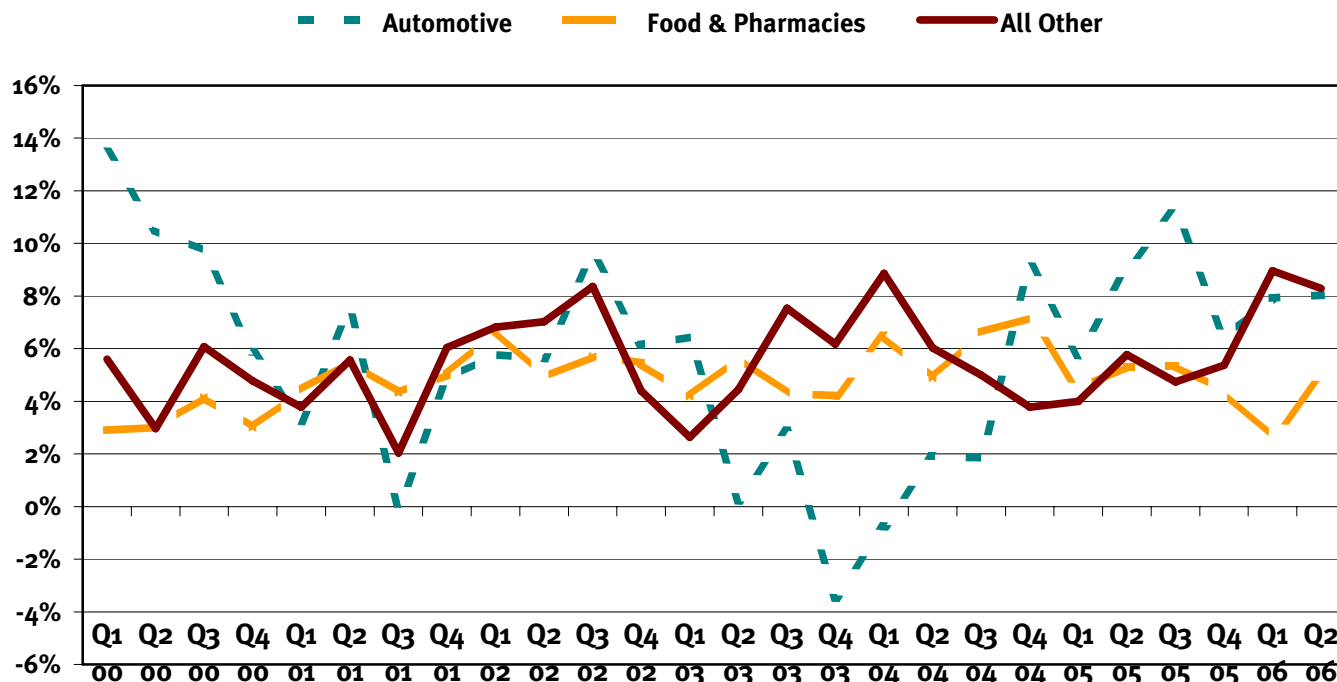


For more detailed information on retail sales, please contact J.C. Williams Group

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2005)



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



Consumer Price Index

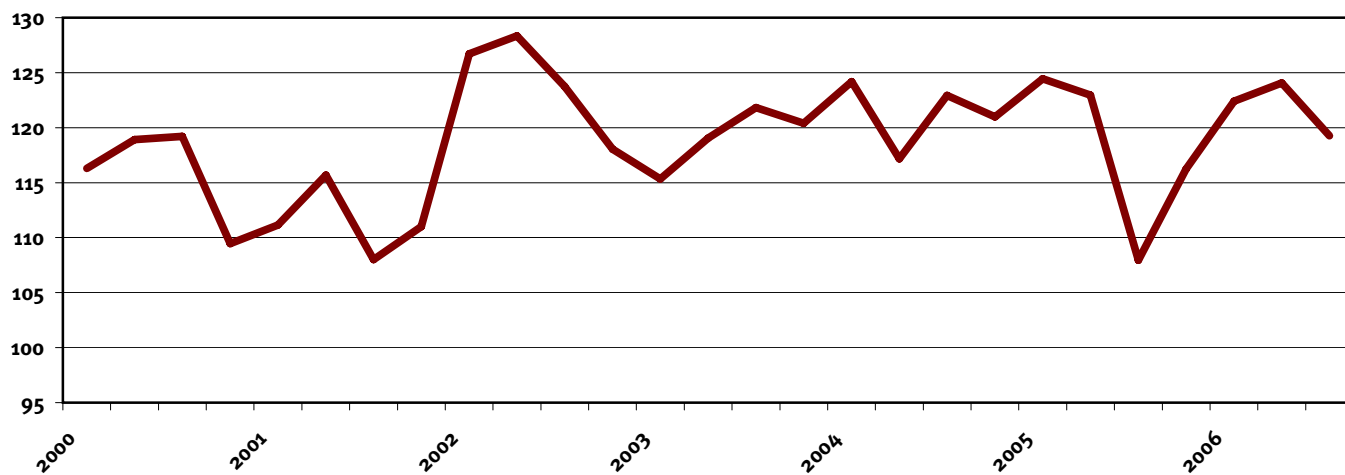
September 2006

vs.

September 2005

0.7%

Canadian Consumer Confidence Index 1999–2006



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2006

