

# Bulletin

August 2008 Retail Sales • Released October 22, 2008

## BACK-TO-SCHOOL PROMOTIONS REVEAL DISAPPOINTING RESULTS

The highly anticipated back-to-school season had many retailers on the edge of their seats. However, August's All Stores sales came back soft, as they grew a mere 1.7% compared to the same time last year. Year-to-date sales fared slightly better with a 4.6% growth rate.

Reflecting back on the consumer confidence index's August results showed a small uptick; however, the overall softening of the retail economy was evident back in April. The sharp decline in October is a strong indication of the tough months ahead.

Clothing and Accessories Stores dropped -2.4% in August despite varied sales tactics employed by Canadian retailers. Some stores are now moving from complex strategies to simple price cuts in order to alleviate cash-strapped consumers. Sears Canada's "Budget Relief Price Drops" is a prime example, targeting back-to-school and other basic products.

The allure of General Merchandise Stores remained strongest, with a 6.7% increase in August. From food to back-to-school purchases, high fuel costs

have helped maintain a one-stop-shopping consumer mentality that favours General Merchandisers. Wal-Mart remains a leader as it now also vies for a greater share of the grocery sector.

Food and Beverage Stores grew 4.3% for the month of August. Pharmacies and Personal Care Stores were harder hit as they saw only 0.5% growth this month, but were up 3.7% year-to-date.

Furniture, Home Furnishings and Electronics Stores remained firm with a 5.9% showing for August; Computer, Software, Home Electronics and Appliance Stores accounted for the majority of the higher sales, as they had a 7.8% increase.

Sporting Goods, Hobby, Music and Book Stores retailers were the other winners of the back-to-school season,

experiencing 2.5% growth for August.

Building and Outdoor Home Supplies Stores continued on its downward trend as it experienced a -0.2% decline in sales. Another rainy season in Ontario and a slowing Canadian economy is pushing many consumers to place home renovation projects on the backburner.

With a steady decline in sales across the board, retailers are in for a tough holiday season.

Look for a special addition to the next *National Retail Bulletin* where we'll review retailer survival tips in this contracting economy.

**RELEASE DATE OF THE NEXT  
NATIONAL RETAIL BULLETIN**  
November 25, 2008

### 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	2008	2007	2008/2007
<b>All Stores</b>	<b>37,503,767</b>	<b>36,872,884</b>	<b>1.7%</b>
Automotive	13,024,550	13,161,316	-1.0%
<b>All Stores Less Automotive</b>	<b>24,479,217</b>	<b>23,711,568</b>	<b>3.2%</b>
Food and Beverage Stores	8,522,269	8,168,372	4.3%
Pharmacies and Personal Care Stores	2,411,796	2,400,162	0.5%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>13,545,152</b>	<b>13,143,034</b>	<b>3.1%</b>
<b>General Merchandise Stores</b>	<b>4,308,706</b>	<b>4,039,649</b>	<b>6.7%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,771,985</b>	<b>2,617,763</b>	<b>5.9%</b>
Furniture and Home Furnishings Stores	1,481,869	1,421,341	4.3%
Computer, Software, Home Electronics, and Appliance Stores	1,290,116	1,196,422	7.8%
<b>Clothing and Accessories Stores</b>	<b>2,023,174</b>	<b>2,073,908</b>	<b>-2.4%</b>
Clothing Stores	1,524,847	1,567,098	-2.7%
Shoes, Clothing Accessories, and Jewellery Stores	498,327	506,810	-1.7%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>929,462</b>	<b>906,567</b>	<b>2.5%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>2,545,616</b>	<b>2,550,725</b>	<b>-0.2%</b>
<b>Miscellaneous Store Retailers</b>	<b>966,208</b>	<b>954,423</b>	<b>1.2%</b>

Year to Date Sales Ending August	2008	2007	2008/2007
<b>All Stores</b>	<b>281,414,904</b>	<b>269,068,870</b>	<b>4.6%</b>
Automotive	102,488,541	97,374,706	5.3%
<b>All Stores Less Automotive</b>	<b>178,926,363</b>	<b>171,694,164</b>	<b>4.2%</b>
Food and Beverage Stores	62,388,690	60,166,631	3.7%
Pharmacies and Personal Care Stores	18,985,305	18,300,828	3.7%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>97,552,368</b>	<b>93,226,705</b>	<b>4.6%</b>
<b>General Merchandise Stores</b>	<b>31,746,256</b>	<b>29,833,351</b>	<b>6.4%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>19,445,319</b>	<b>18,341,023</b>	<b>6.0%</b>
Furniture and Home Furnishings Stores	10,627,593	10,200,111	4.2%
Computer, Software, Home Electronics, and Appliance Stores	8,817,726	8,140,912	8.3%
<b>Clothing and Accessories Stores</b>	<b>14,485,379</b>	<b>14,248,497</b>	<b>1.7%</b>
Clothing Stores	11,131,741	10,916,117	2.0%
Shoes, Clothing Accessories, and Jewellery Stores	3,353,638	3,332,380	0.6%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>6,581,082</b>	<b>6,328,481</b>	<b>4.0%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>18,231,840</b>	<b>17,657,737</b>	<b>3.3%</b>
<b>Miscellaneous Store Retailers</b>	<b>7,062,491</b>	<b>6,817,618</b>	<b>3.6%</b>

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

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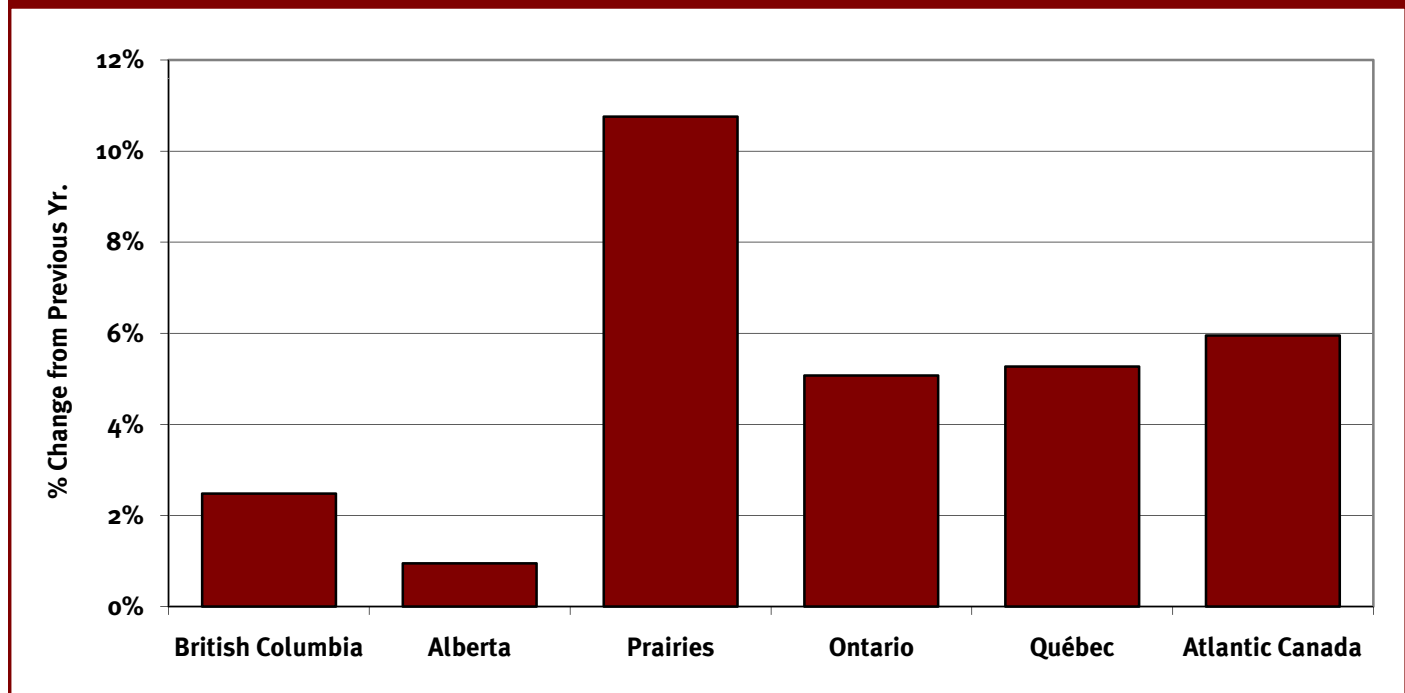
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## Retail Trade, Canada, All Stores, by Region

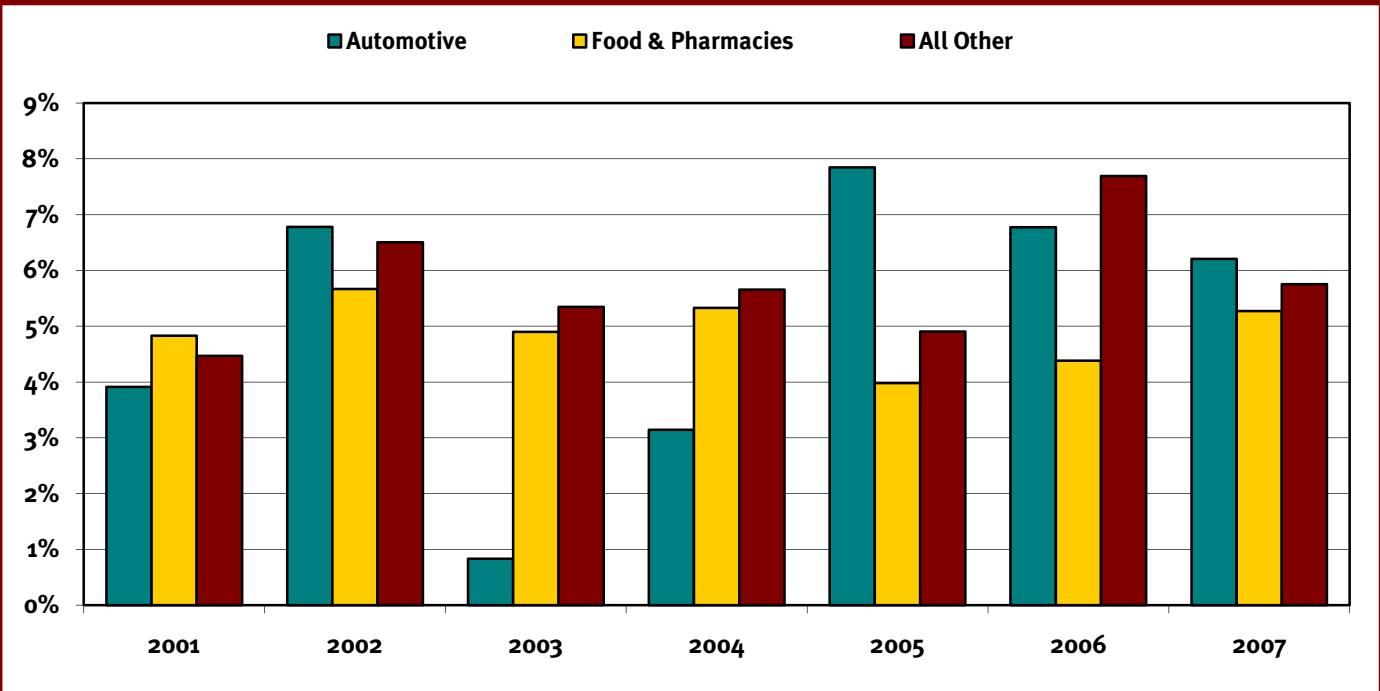
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	37,668,574	36,758,134	2.5%
Alberta	40,623,454	40,240,446	1.0%
Prairies	19,288,937	17,415,554	10.8%
Ontario	99,541,101	94,732,426	5.1%
Québec	63,170,405	60,009,429	5.3%
Atlantic Canada	20,086,285	18,957,860	6.0%

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

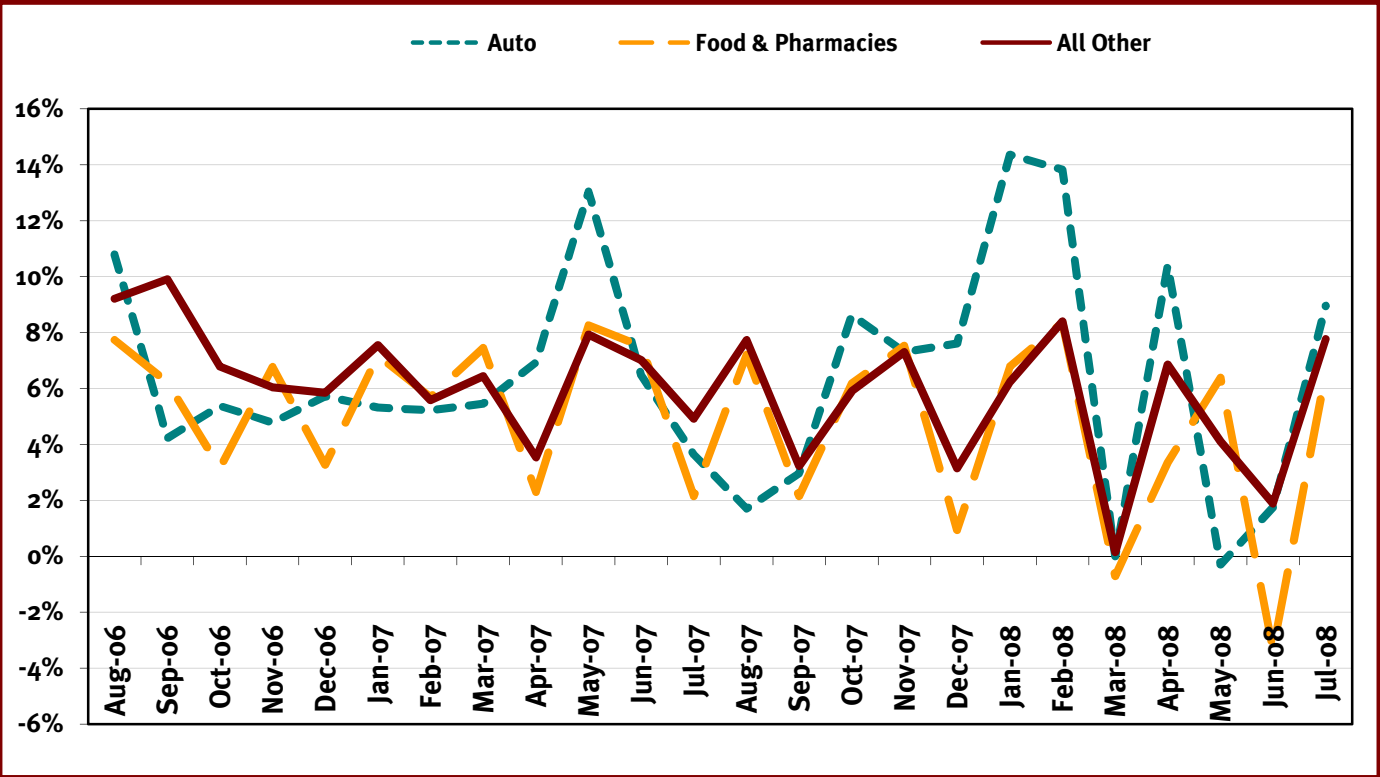


**For more detailed information on retail sales, please contact J.C. Williams Group**

Canadian Retail Sales by Major Product Category, Year Over Year



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



Consumer Price Index

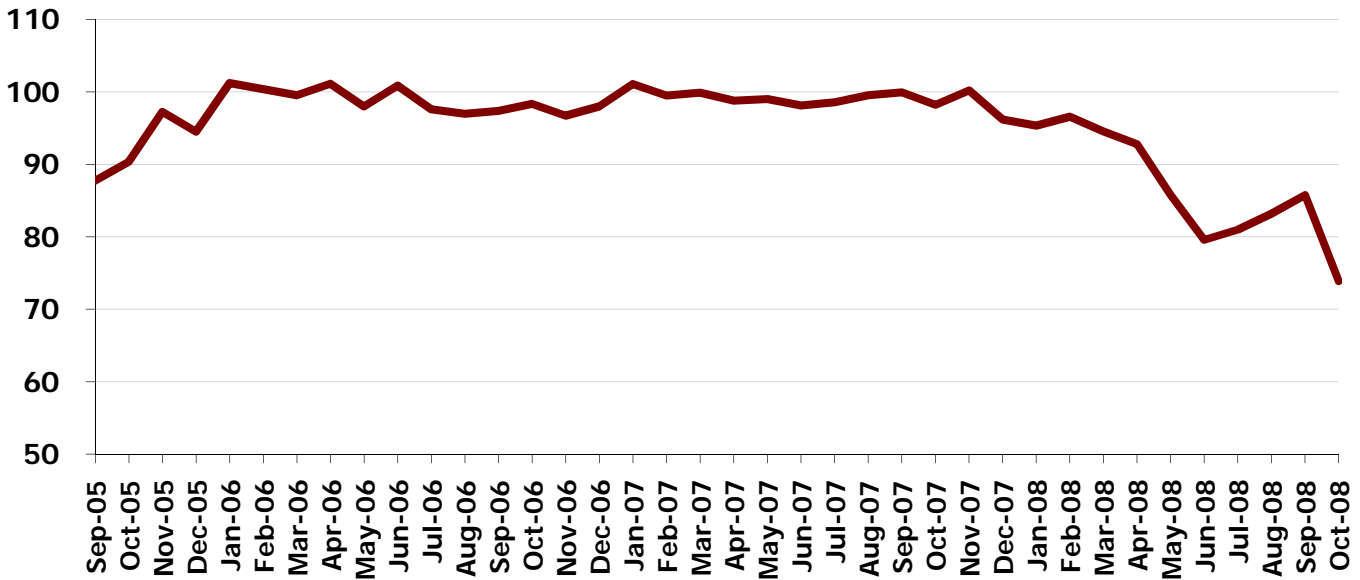
August 2008

vs.

August 2007

3.5%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

