

Bulletin

October 2007 Retail Sales • Released December 21, 2007

FALL SPENDING ON THE RISE

Total retail sales rose an impressive 6.8% during the month of October. All Stores Less Automotive also beat expectations by climbing 5.9% despite consumer confidence slipping to 98.2.

Lingering September weather swept the nation and left apparel retailers out in the cold as fall merchandise lay untouched. Clothing Store sales rose 4.1% while spending at Shoes, Clothing Accessories, and Jewellery Stores increased 3.9%. These figures paled in comparison to their 6.4% and 4.7% year-to-date growth respectively.

In contrast, Building and Outdoor Home Supplies Stores warmed to the balmy remains of summer as an elongated home improvement season helped bolster sales 10.2%. Following several months of challenging comparable sales, this boost offered an encouraging outlook for a sector sitting in the cross-hairs of a precarious housing sector. Furniture and Home Furnishings Stores also rose to the occasion as sales grew 9.8%.

Other retailers that outperformed during October were Pharmacies and Personal Care Stores. With a 9.5% increase in sales, these merchants managed to maintain their longstanding growth streak as year-to-dates sales also sat at 9.5%.

Sporting Goods, Hobby, Music and Book Stores failed to impress with

October's 5.7% rise in sales paling in comparison to the 6.4% growth seen year-to-date. General Merchandise Stores also found themselves in a slump as sales rose 2.5% versus their year-to-date figure of 4.2%.

Despite modest growth among select categories, October remained an encouraging month for Canadian retailers as they optimistically hope it's the harbinger of a fruitful festive selling season during November and December.

It remains to be seen whether such predictions will prove true as onlookers are struck by sometimes conflicting indications of this season's sales. Despite the continued strength of the dollar, many are taking comfort in a recent Scotiabank survey that indicated 78% of consumers are planning to do all their holiday shopping in Canada while 60% said that the strength of the loonie has had no impact on their shopping decisions.

Even as cross-border shopping concerns soften, harsh winter weather may deal an even more pointed blow to the season's sales. With much of the country having been blanketed with snow the second-last Sunday before Christmas, some analysts worry whether stores will have the capacity to recoup lost sales. Notwithstanding this climatic concern, the consensus among Canadian retailers seems to err towards the optimistic as a Visa Canada survey indicated that consumers will dole out 14% more that holiday season than last.

As shopping centres nearly burst at their seams, and procrastinated purchases are made by the millions, all that remains is to wish our readers a wonderful holiday season filled with the ringing sounds of their registers.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

January 22, 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: October	2007	2006	2007/2006
All Stores	34,016.3	31,846.7	6.8%
Automotive	11,422.5	10,509.0	8.7%
All Stores Less Automotive	22,593.9	21,337.7	5.9%
Food and Beverage Stores	7,372.4	7,060.9	4.4%
Pharmacies and Personal Care Stores	2,432.1	2,221.1	9.5%
All Stores Less Automotive, Food, Pharmacies	12,789.4	12,055.7	6.1%
General Merchandise Stores	4,010.9	3,913.4	2.5%
Furniture, Home Furnishings and Electronics Stores	2,509.8	2,307.1	8.8%
Furniture and Home Furnishings Stores	1,427.1	1,299.7	9.8%
Computer, Software, Home Electronics, and Appliance Stores	1,082.7	1,007.4	7.5%
Clothing and Accessories Stores	2,004.8	1,926.8	4.0%
Clothing Stores	1,564.3	1,502.7	4.1%
Shoes, Clothing Accessories, and Jewellery Stores	440.5	424.1	3.9%
Sporting Goods, Hobby, Music, and Book Stores	823.4	778.9	5.7%
Building and Outdoor Home Supplies Stores	2,463.5	2,234.8	10.2%
Miscellaneous Store Retailers	977.0	894.7	9.2%

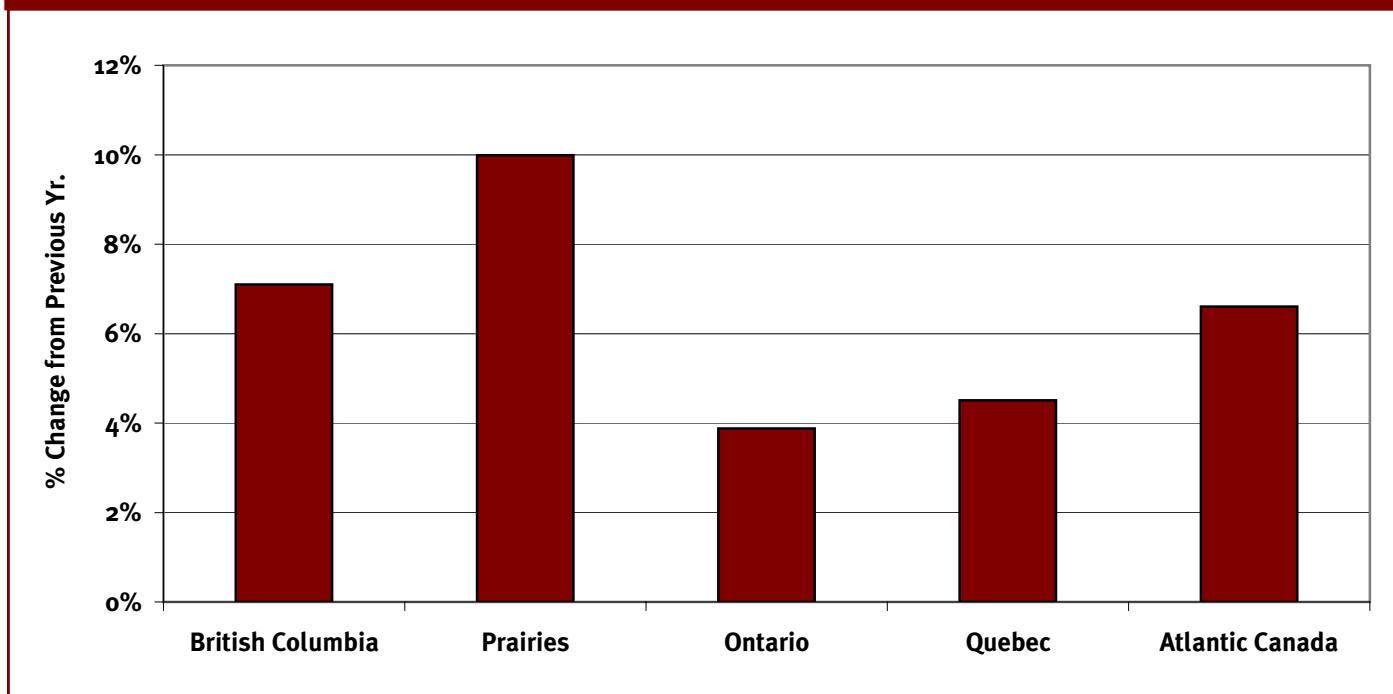
Year-to-date Sales	2007	2006	2007/2006
All Stores	337,242.3	318,355.0	5.9%
Automotive	120,206.0	113,322.7	6.1%
All Stores Less Automotive	217,036.4	205,032.3	5.9%
Food and Beverage Stores	74,962.7	71,994.7	4.1%
Pharmacies and Personal Care Stores	23,137.2	21,122.4	9.5%
All Stores Less Automotive, Food, Pharmacies	118,936.5	111,915.2	6.3%
General Merchandise Stores	37,714.1	36,197.8	4.2%
Furniture, Home Furnishings and Electronics Stores	23,437.9	21,550.4	8.8%
Furniture and Home Furnishings Stores	13,066.0	11,992.3	9.0%
Computer, Software, Home Electronics, and Appliance Stores	10,372.0	9,558.1	8.5%
Clothing and Accessories Stores	18,265.1	17,228.1	6.0%
Clothing Stores	14,062.5	13,212.6	6.4%
Shoes, Clothing Accessories, and Jewellery Stores	4,202.6	4,015.5	4.7%
Sporting Goods, Hobby, Music, and Book Stores	8,096.0	7,608.5	6.4%
Building and Outdoor Home Supplies Stores	22,676.4	20,939.4	8.3%
Miscellaneous Store Retailers	8,747.0	8,391.1	4.2%

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

Retail Trade, Canada, All Stores, by Region

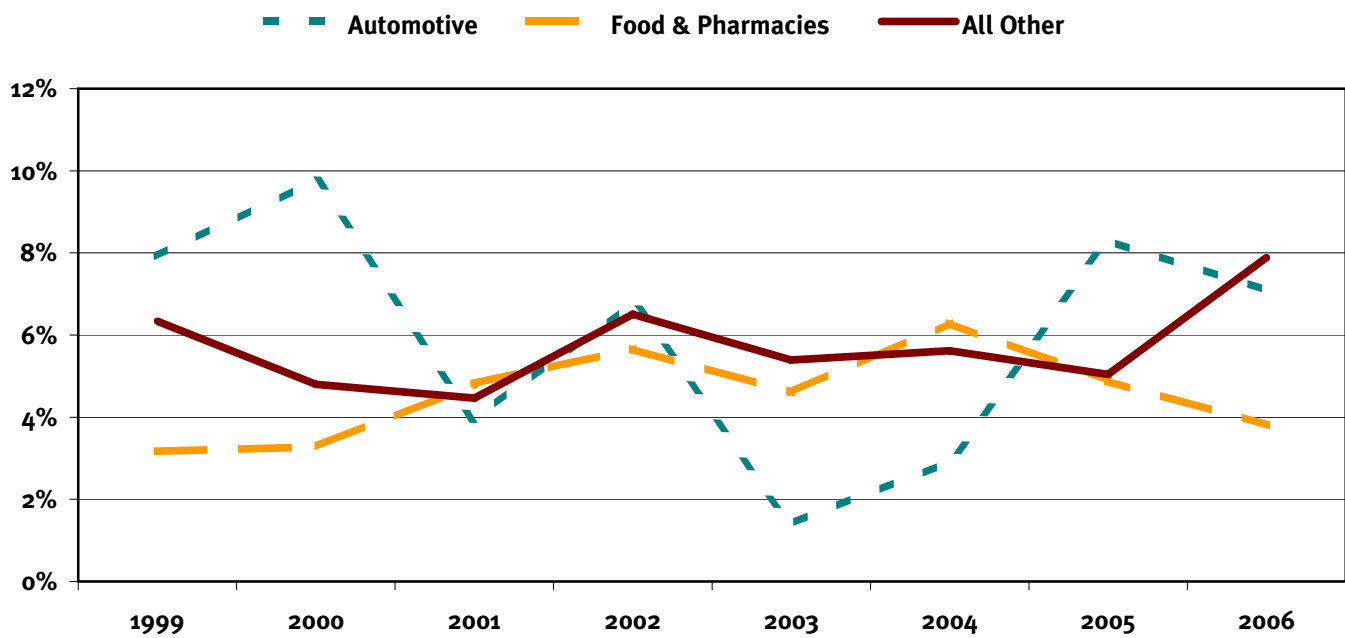
	Year-to-date 2007	Same Period 2006	Change 2007/2006
British Columbia	46,151.9	43,092.7	7.1%
Prairies	72,289.6	65,722.8	10.0%
Ontario	118,967.8	114,527.4	3.9%
Quebec	74,783.3	71,559.1	4.5%
Atlantic Canada	23,848.0	22,369.9	6.6%

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

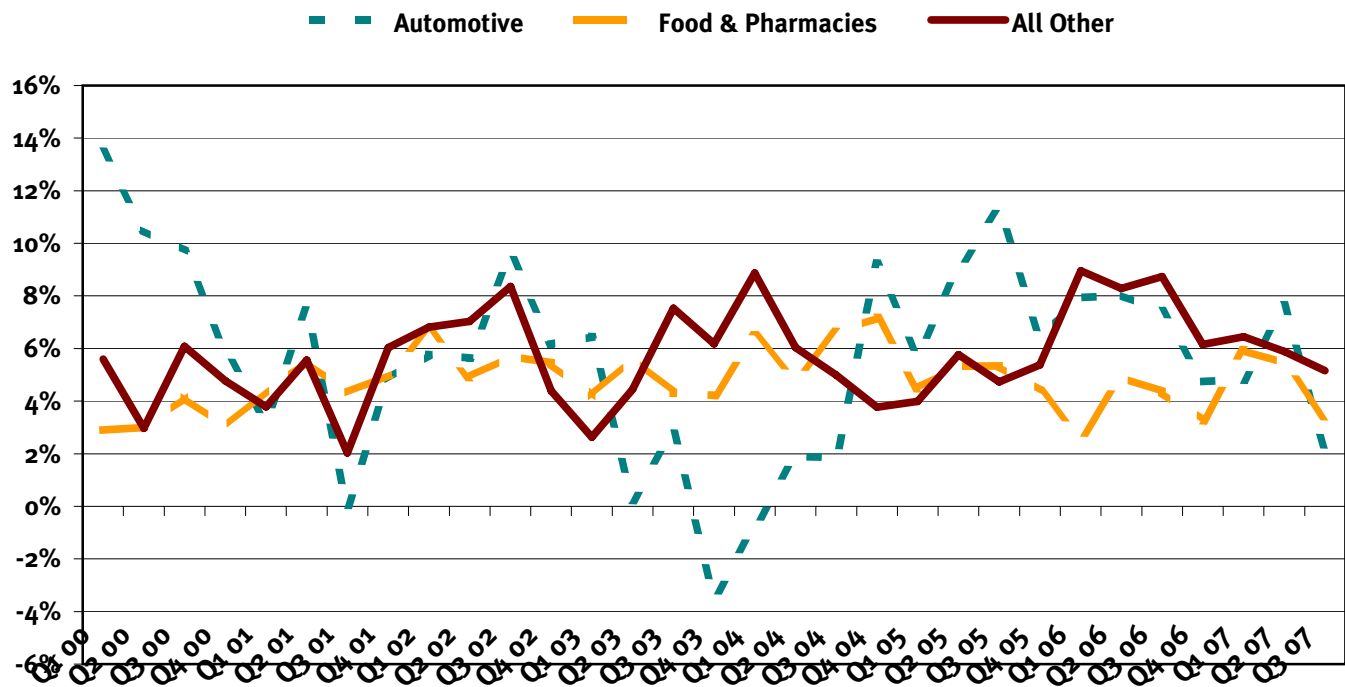


For more detailed information on retail sales, please contact J.C. Williams Group

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

October 2007

vs.

October 2006

2.4%

Canadian Consumer Confidence Index 2001–2007



Source: Conference Board of Canada, 2002 = 100

Canadian Consumer Expenditures Index 1999–2007

