

# Bulletin

October 2006 Retail Sales • Released December 21, 2006

## A FLAT MONTH PRIOR TO THE HOLIDAY SHOPPING SEASON

Sales in October did not come as a surprise as All Stores Less Automotive grew a solid 4.7% over last year, 1.6 points behind the year-to-date sales growth of 6.3%. Most categories have achieved an increase ranging from 5% to 7% as compared to 2005. The slow-down of October sales is a result of the wrapping up of the Back-to-School spending and the soft-landing of Canadian housing market.

Food and Beverage Stores have seen a disappointing negative growth of 0.3% in October. On top of this, the category overall has experienced sluggish growth of 1.8% year-to-date. In addition, the stagnant growth might be also due to the shift from traditional shopping in Supermarkets (-1.7%) to Specialty Food Stores and Pharmacy and Personal Care Stores, which have seen strong growth of 5.7% and 12.0%, respectively. Sobeys had a relatively good year. However, reports indicated that Loblaws has been struggling to improve the sales.

Halloween definitely fuelled the outstanding performance in Pharmacies and Personal Care Stores this month. There is a shift in expenditure to this category.

Sales in Furniture, Home Furnishings and Electronic Stores have seen a mixed picture in October. Furniture and Home Furnishings Stores soared to 9.0% growth in October. Home Electronics and Appliance Stores delivered a robust 10.0% thanks to the strong sales in flat screen televisions. Partially offsetting the strong growth is plummeting Computer and Software Stores (-8.7%) and lacklustre growth in Furniture Stores (4.0%).

The Canadian housing market has cooled down since the third Quarter. However, it does not impact the strong sales growth at Building and Outdoor Home Supplies Stores, faring at 11.0%, which is on par with their year-to-date growth.

Sales of Clothing and Accessories Stores have softening. But the category still enjoyed a good month with 6.2% growth, only 1.1 points off the year-to-date growth. The cold weather in

Western Canada drove the apparel growth in this category.

Sales gains in Sporting Goods, Hobby, Music, and Book Stores slowed in October but were still strong at 6.6%. Considering the fact that sales for this category are not typically strong in October, higher Sporting Goods helped bring up the whole category.

Last but not least,

***Happy Holidays!!***

Please stay tuned for the next newsletter in which we will discuss early holiday shopping results.

**RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN**  
January 23, 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: October	2006	2005	2006/2005
<b>All Stores</b>	<b>31,933.7</b>	<b>30,464.7</b>	<b>4.8%</b>
Automotive	10,550.1	10,039.9	5.1%
<b>All Stores Less Automotive</b>	<b>21,383.6</b>	<b>20,424.8</b>	<b>4.7%</b>
Food and Beverage Stores	7,034.0	7,056.1	-0.3%
Pharmacies and Personal Care Stores	2,281.0	2,036.0	12.0%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>12,068.6</b>	<b>11,332.7</b>	<b>6.5%</b>
<b>General Merchandise Stores</b>	<b>3,922.3</b>	<b>3,756.1</b>	<b>4.4%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,322.7</b>	<b>2,183.1</b>	<b>6.4%</b>
Furniture and Home Furnishings Stores	1,303.3	1,233.1	5.7%
Computer, Software, Home Electronics, and Appliance Stores	1,019.3	950.0	7.3%
<b>Clothing and Accessories Stores</b>	<b>1,922.5</b>	<b>1,810.9</b>	<b>6.2%</b>
Clothing Stores	1,501.5	1,415.4	6.1%
Shoes, Clothing Accessories, and Jewellery Stores	421.0	395.5	6.4%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>787.1</b>	<b>738.6</b>	<b>6.6%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>2,260.2</b>	<b>2,036.1</b>	<b>11.0%</b>
<b>Miscellaneous Store Retailers</b>	<b>853.9</b>	<b>807.9</b>	<b>5.7%</b>

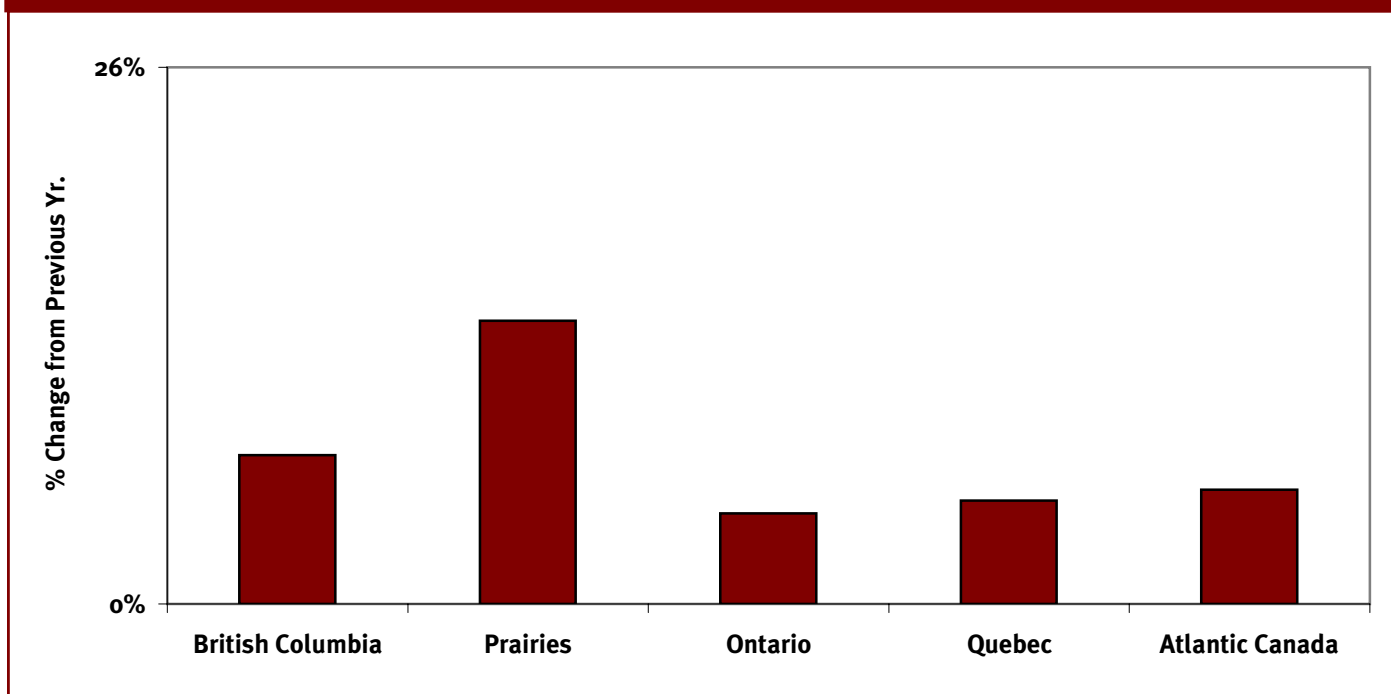
Year-to-date Sales	2006	2005	2006/2005
<b>All Stores</b>	<b>320,158.7</b>	<b>299,987.2</b>	<b>6.7%</b>
Automotive	114,277.0	106,271.9	7.5%
<b>All Stores Less Automotive</b>	<b>205,881.7</b>	<b>193,715.3</b>	<b>6.3%</b>
Food and Beverage Stores	71,950.0	70,676.5	1.8%
Pharmacies and Personal Care Stores	21,610.4	19,420.4	11.3%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>112,321.2</b>	<b>103,618.4</b>	<b>8.4%</b>
<b>General Merchandise Stores</b>	<b>36,337.6</b>	<b>33,801.1</b>	<b>7.5%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>21,709.1</b>	<b>19,850.6</b>	<b>9.4%</b>
Furniture and Home Furnishings Stores	12,056.7	10,972.2	9.9%
Computer, Software, Home Electronics, and Appliance Stores	9,652.4	8,878.3	8.7%
<b>Clothing and Accessories Stores</b>	<b>17,226.4</b>	<b>16,051.3</b>	<b>7.3%</b>
Clothing Stores	13,230.3	12,350.8	7.1%
Shoes, Clothing Accessories, and Jewellery Stores	3,996.1	3,700.6	8.0%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>7,718.0</b>	<b>7,166.3</b>	<b>7.7%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>21,250.9</b>	<b>19,128.5</b>	<b>11.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>8,079.3</b>	<b>7,620.6</b>	<b>6.0%</b>

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

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

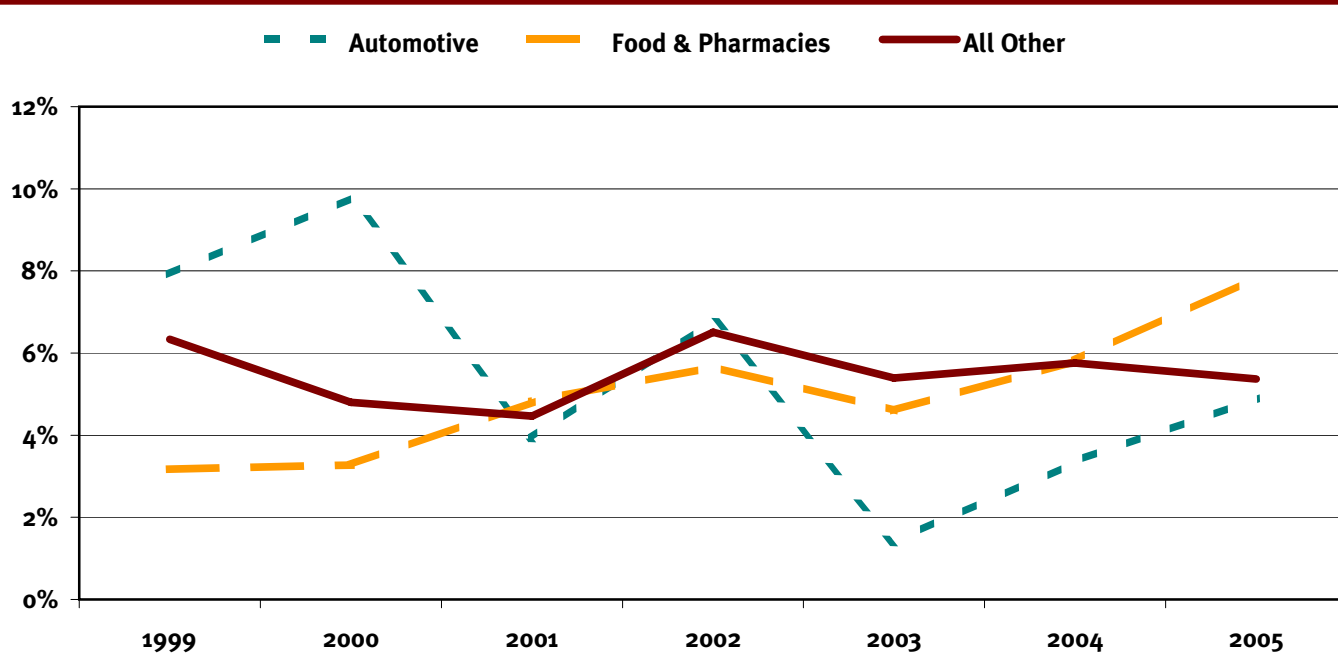
	Year-to-date 2006	Same Period 2005	Change 2006/2005
British Columbia	43,566.8	40,675.0	7.1%
Prairies	66,571.2	58,633.7	13.5%
Ontario	114,452.0	109,697.9	4.3%
Quebec	71,936.1	68,551.1	4.9%
Atlantic Canada	22,542.0	21,375.7	5.5%

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

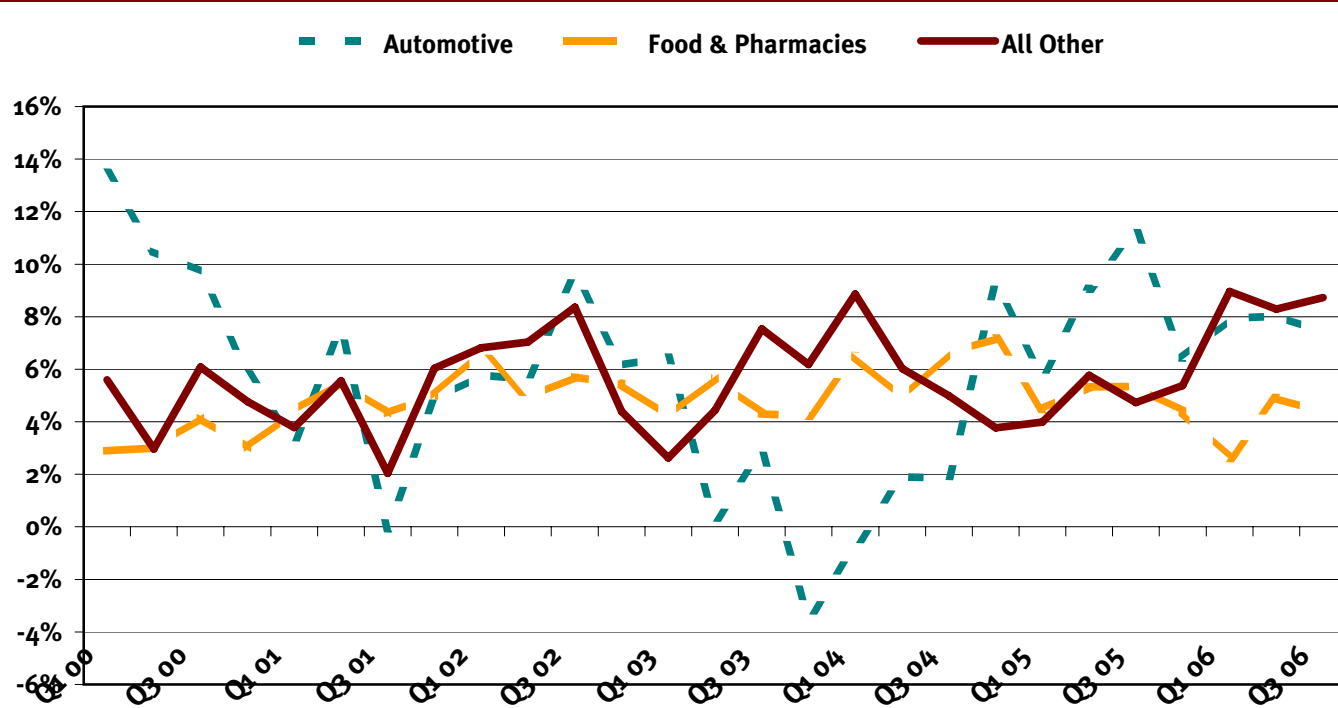


For more detailed information on retail sales, please contact J.C. Williams Group

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

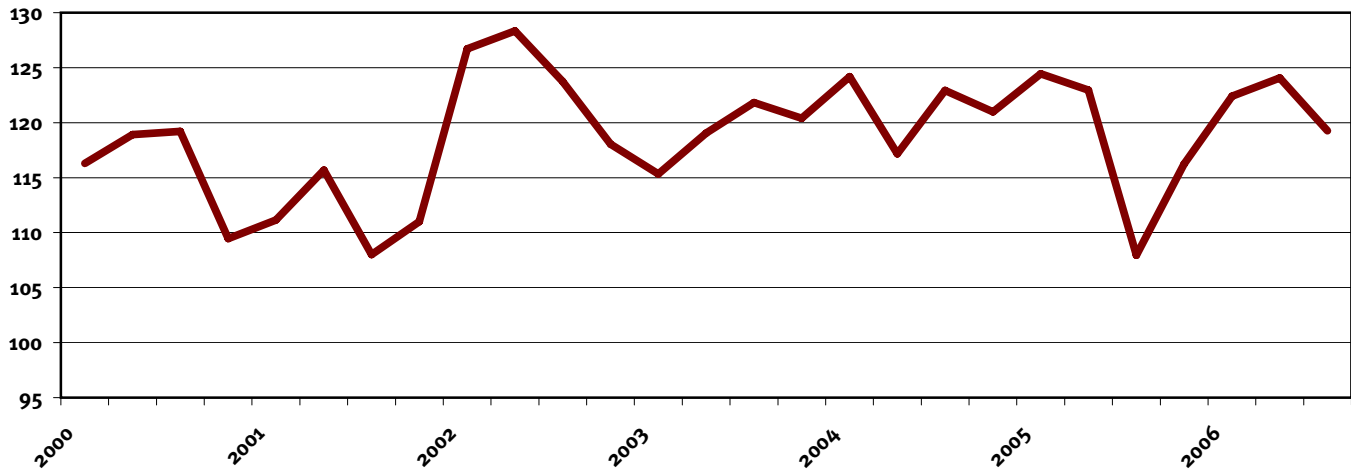
October 2006

vs.

October 2005

0.9%

Canadian Consumer Confidence Index 1999–2006



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2006

