

Bulletin

May 2006 Retail Sales • Released July 24, 2006

RETAIL GETS A HEALTHY SHOT IN THE ARM

Consumers were back on track in May, spending on spring and summer merchandise. Total sales gained 9.6% compared to last May and all major categories with the exception of Food and Beverage Stores posted very healthy gains.

Double-digit gains were the norm across most categories rather than the exception. A burst in the Canadian Consumer Confidence Index by one and a half points raised spending levels.

Pharmacies and Personal Care Stores benefited the most from the shot in consumer confidence. The category experienced a healthy growth rate of 13.3%. Overall, the category has been performing very well throughout the year.

The Automotive category continued to be influenced by higher prices at the pumps but New Car Dealers also drove home growth 5.2% for the month. Overall, the category grew by 12.3%.

Not far behind, Furniture and Home Furnishings Stores kept up with their high year-to-date growth rate. Sales in May advanced 12.1% and year-to-date sales measured in at 11.5%. Despite a cooling in the housing market, sales on home furnishings will continue into the future.

The large, encompassing category of General Merchandise Stores threw their weight around by capturing 11.6% growth. While the traditional department stores did

not approach this growth level, the discounters and warehouse clubs were able to pick up the slack by gaining impressive sales growth.

The traditional high growth darling, Building and Outdoor Home Supplies Stores, kept growth on par with their year-to-date average. Sales advanced 11.5%. Investment in the home continues to be a high priority for consumers.

Clothing Stores are the last category to round out the double-digit winners this month. Specialty Clothing Store retailers hit the mark with consumers for spring and summer fashions. Sales in May flourished by 10.5%, which enabled them to beat their year-to-date growth rate of 6.3%.

As stated, other categories experienced healthy sales growth. Shoes, Clothing Accessories, and Jewellery Stores gained 7.2%. Summer-time footwear has been very hot this year. Flip flops and sandals have taken over the streets and it is hard not to take notice of the colourful Crocs everywhere you look.

Sporting Goods, Hobby, Music, and Book Stores have been enjoying a relatively good year so far in 2006. Sales in May grew by 8.9%, which was slightly above their year-to-date growth of 8.1%. The category, which had experienced some tough times in the recent past has been fighting back and finding favour with consumers.

Looking forward, sales growth is primarily on track for continued success.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

August 21, 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: May	2006	2005	2006/2005
All Stores	35,227.7	32,129.8	9.6%
Automotive	13,143.2	11,707.7	12.3%
All Stores Less Automotive	22,084.5	20,422.1	8.1%
Food and Beverage Stores	7,367.8	7,185.2	2.5%
Pharmacies and Personal Care Stores	2,228.3	1,967.2	13.3%
All Stores Less Automotive, Food, Pharmacies	12,488.5	11,269.7	10.8%
General Merchandise Stores	4,056.0	3,633.6	11.6%
Furniture, Home Furnishings and Electronics Stores	2,143.1	1,934.4	10.8%
Furniture and Home Furnishings Stores	1,226.2	1,093.8	12.1%
Computer, Software, Home Electronics, and Appliance Stores	917.0	840.6	9.1%
Clothing and Accessories Stores	1,882.2	1,720.9	9.4%
Clothing Stores	1,438.2	1,306.8	10.1%
Shoes, Clothing Accessories, and Jewellery Stores	444.0	414.1	7.2%
Sporting Goods, Hobby, Music, and Book Stores	774.1	711.0	8.9%
Building and Outdoor Home Supplies Stores	2,739.5	2,456.3	11.5%
Miscellaneous Store Retailers	893.6	813.5	9.9%

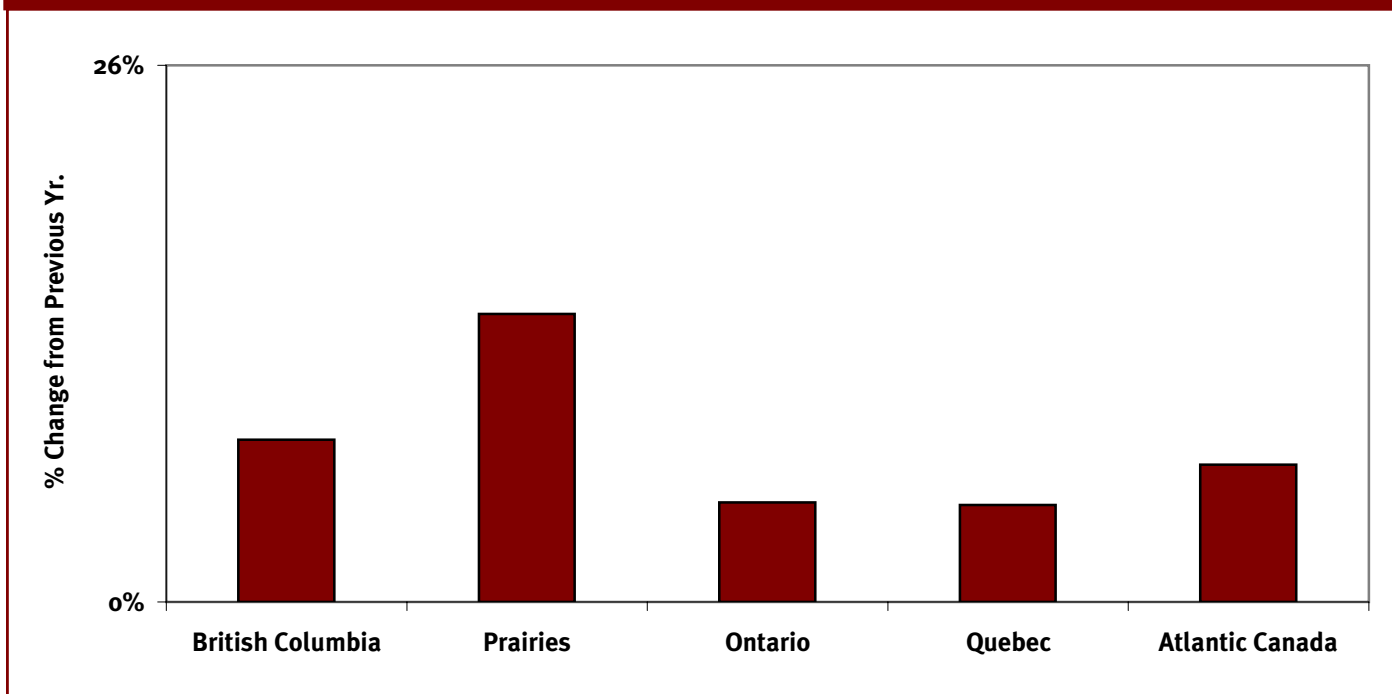
Year-to-date Sales	2006	2005	2006/2005
All Stores	150,079.1	140,256.0	7.0%
Automotive	54,034.2	49,787.0	8.5%
All Stores Less Automotive	96,045.0	90,469.0	6.2%
Food and Beverage Stores	34,283.4	33,759.7	1.6%
Pharmacies and Personal Care Stores	10,406.4	9,494.1	9.6%
All Stores Less Automotive, Food, Pharmacies	51,355.2	47,215.2	8.8%
General Merchandise Stores	16,865.4	15,570.0	8.3%
Furniture, Home Furnishings and Electronics Stores	10,104.1	9,201.5	9.8%
Furniture and Home Furnishings Stores	5,621.3	5,041.3	11.5%
Computer, Software, Home Electronics, and Appliance Stores	4,482.7	4,160.1	7.8%
Clothing and Accessories Stores	7,814.9	7,325.7	6.7%
Clothing Stores	5,998.9	5,640.8	6.3%
Shoes, Clothing Accessories, and Jewellery Stores	1,816.0	1,684.9	7.8%
Sporting Goods, Hobby, Music, and Book Stores	3,601.2	3,331.4	8.1%
Building and Outdoor Home Supplies Stores	9,195.6	8,225.5	11.8%
Miscellaneous Store Retailers	3,774.0	3,561.1	6.0%

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

Retail Trade, Canada, All Stores, by Region

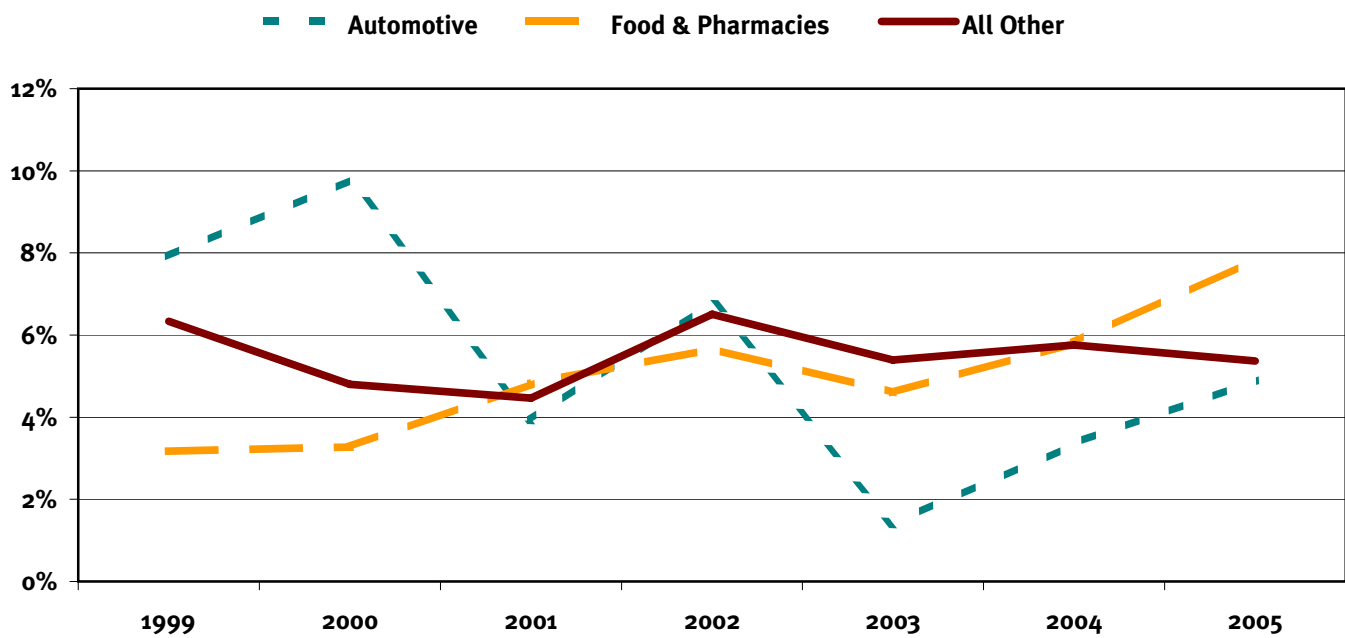
	Year-to-date 2006	Same Period 2005	Change 2006/2005
British Columbia	20,532.2	19,054.9	7.8%
Prairies	30,904.2	27,162.5	13.8%
Ontario	53,855.5	51,407.9	4.8%
Quebec	33,817.4	32,316.8	4.6%
Atlantic Canada	10,463.1	9,818.9	6.6%

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

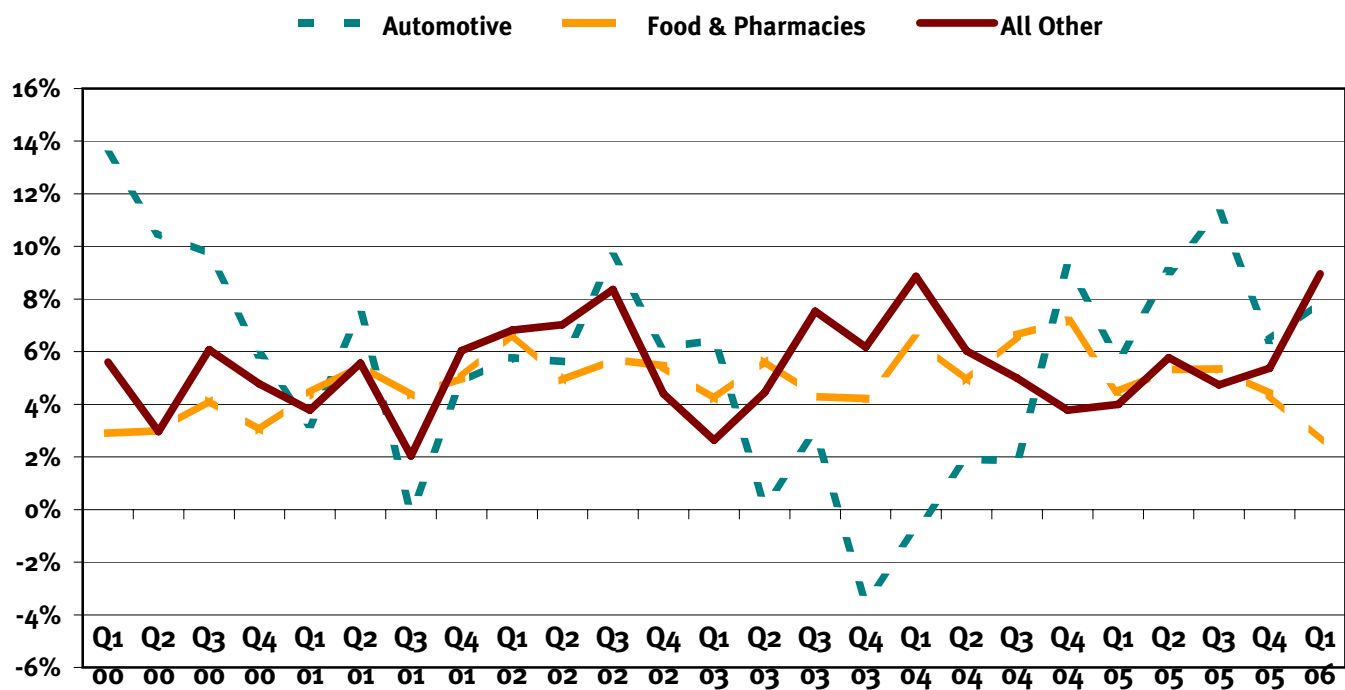


For more detailed information on retail sales, please contact J.C. Williams Group

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



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



Consumer Price Index

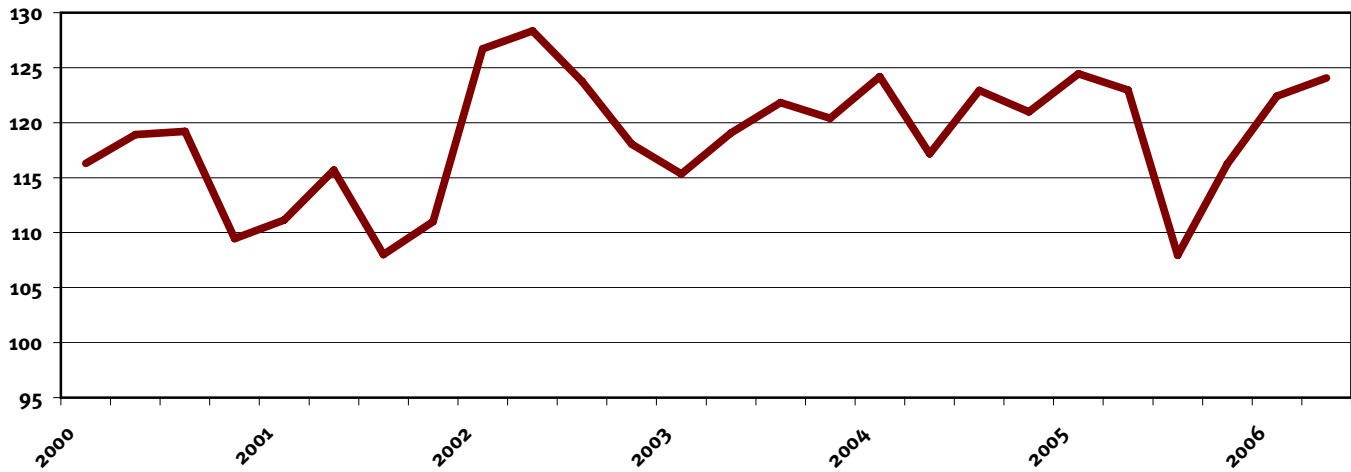
June 2006

vs.

June 2005

2.5%

Canadian Consumer Confidence Index 1999–2006



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2006

