

Bulletin

U.S. Data

Advance March 2005 Retail Sales • Released April 13, 2005

BLAME IT ON THE WEATHER

Despite fighting bad weather, particularly in the east and south, and high comparative sales growth figures from last March, retailers performed better than expected. All Stores gained 7.3% in March. Coincidentally, this is the same growth rate as All Stores Less Automotive, Food, and Health.

Without a doubt, the effect of extremely high gasoline prices is a hot button issue among consumers. The question continues to remain whether there is a psychological impact affecting consumers' willingness to spend. However, consumers still remain fairly resilient and continue to spend.

An early Easter fueled by sweets and large family meals helped to push Food and Beverage Store sales up 7.9% compared to last March.

Clothing and Accessories Stores were one of the top performers in March. The category gained 7.2% for the month, which was well ahead of its first quarter results of 4.6%. The results were achieved despite poor weather and very high growth rates last year (March 2003 vs. 2002 was 9.9%). Teen-oriented retailers performed well and have continued to pave the way to great results by holding strong sales growth since Christmas. Abercrombie and Fitch is one retailer that has been able to pull their sales up dramatically. J.C. Williams Group is unsure whether the bold color statements in the stores will pay off especially in men's apparel, but

certainly the bold colors have a strong appeal to the youth market.

Furniture, Home Furnishings, Electronics, and Appliance Stores, once the darling of the retail sales growth scene, are showing signs of demand saturation. Sales growth of 4.3% is in line with first quarter results but well off their double-digit growth rates in previous years. While the housing market appears to be relatively good, there are indications of deceleration and this is impacting the category overall. Some retailers are looking to diversify to maintain growth rates. Most growth came from the Electronics and Appliance Stores (7.1%), which were assisted by the release of the Sony Play Station.

Building Material and Garden Equipment Stores fell short of expectations. The reasonable gain of 5.8% is far short of where they should be. Contributing factors such as poor weather and the fact that last March's

sales growth was 27% helped to explain the results.

Finally, lower than expected results at Wal-Mart, JCPenney, Kohl's, May, and Neiman-Marcus were blamed on the weather. However, Wal-Mart's forecast was only slightly off (4.3% vs. 4.4% same store sales) and Target was able to beat expectations (8.2% same store sales).

Looking forward, consumer confidence has declined slightly hovering slightly above the 100 level.

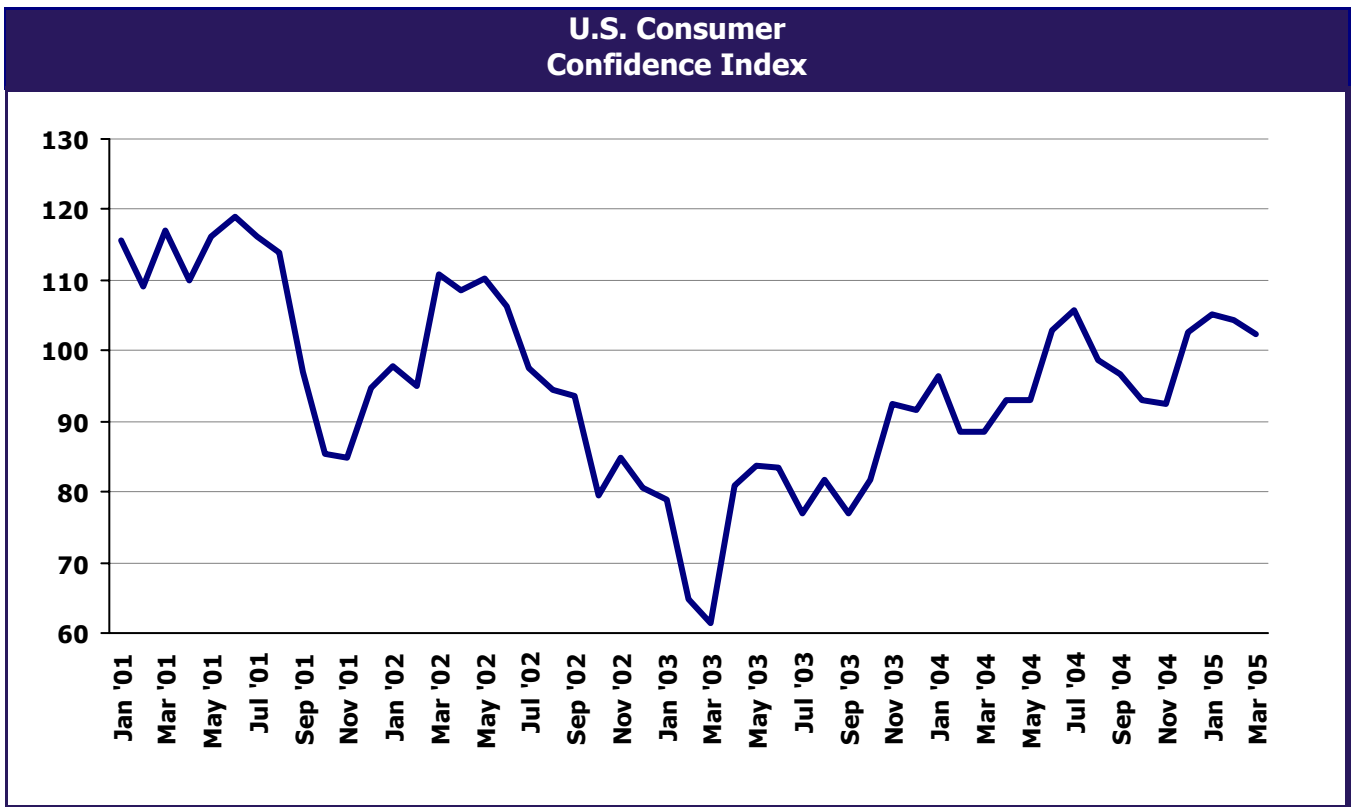
RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:
May 12, 2005

Please note:

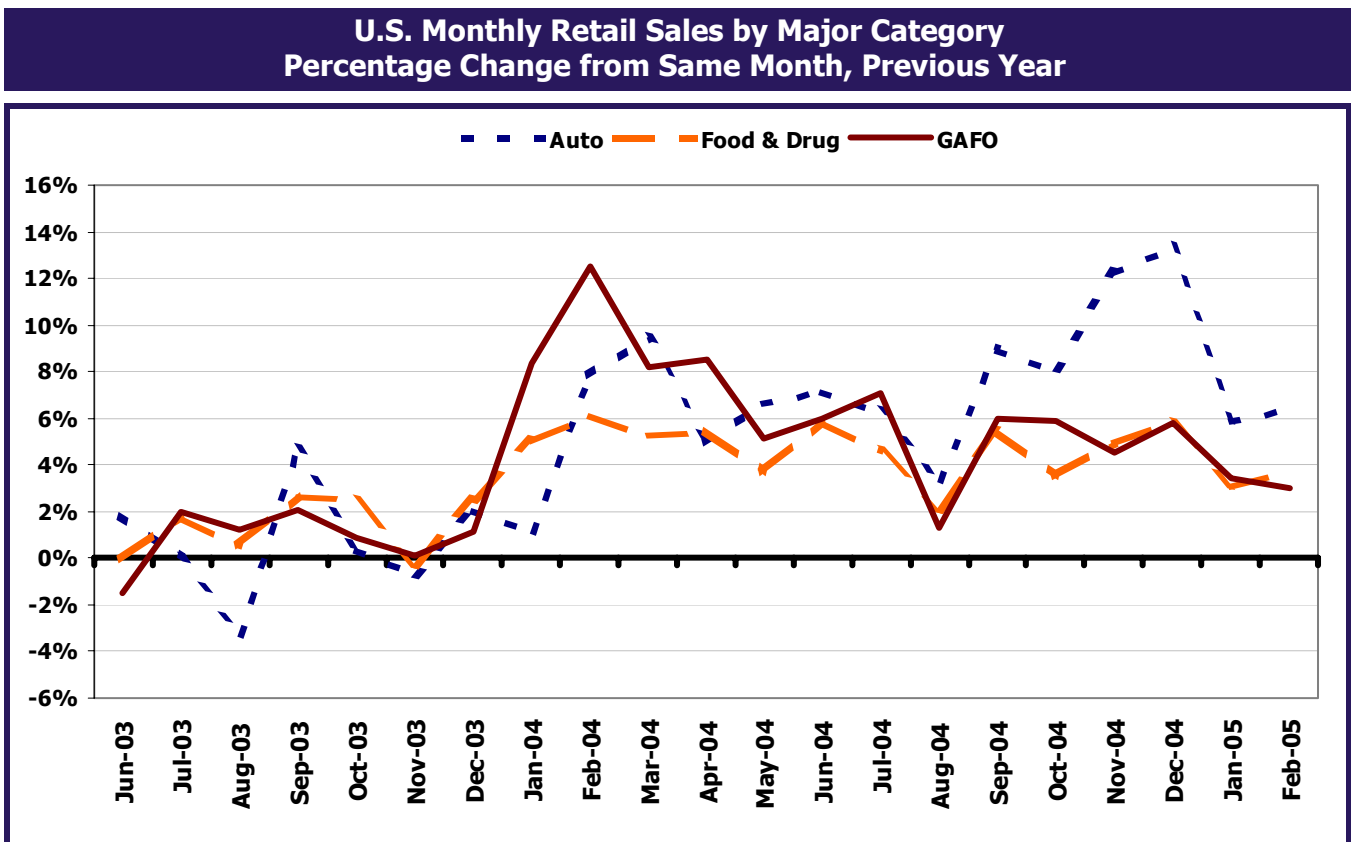
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that 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. Definitions can be found on the U.S. Census Website: www.census.gov.

Advance Sales for the Month of March	2005	2004	% Change
All Stores	346,053	322,390	7.3%
Motor Vehicle and Parts Dealers	82,819	79,731	3.9%
Gasoline Stations	29,735	25,243	17.8%
Food and Beverage Stores	43,274	40,111	7.9%
Grocery Stores	39,068	36,339	7.5%
Health and Personal Care Stores	18,717	17,605	6.3%
Building Material and Garden Equipment Stores	26,797	25,339	5.8%
General Merchandise Stores	41,649	38,621	7.8%
Department Stores (excluding leased departments)	16,594	16,470	0.8%
Clothing and Accessories Stores	15,787	14,728	7.2%
Furniture, Home Furnishings, Electronics and Appliance Stores	16,513	15,834	4.3%
Furniture and Home Furnishing Stores	8,716	8,551	1.9%
Electronics and Appliance Stores	7,797	7,283	7.1%
Sporting Goods, Hobby, Book and Music Stores	6,124	5,939	3.1%
Miscellaneous Store Retailers	9,008	8,418	7.0%
Nonstore Retailers	22,138	19,314	14.6%
Food Services and Drinking Places	33,492	31,507	6.3%
Year-to-Date Sales Ending March	2005	2004	% Change
All Stores	946,248	891,516	6.1%
Motor Vehicle and Parts Dealers	215,075	207,649	3.6%
Gasoline Stations	80,813	70,029	15.4%
Food and Beverage Stores	123,382	118,109	4.5%
Grocery Stores	111,775	107,246	4.2%
Health and Personal Care Stores	53,097	50,316	5.5%
Building Material and Garden Equipment Stores	68,100	62,092	9.7%
General Merchandise Stores	115,792	109,433	5.8%
Department Stores (excluding leased departments)	45,678	45,726	-0.1%
Clothing and Accessories Stores	41,657	39,834	4.6%
Furniture, Home Furnishings, Electronics and Appliance Stores	47,276	45,505	3.9%
Furniture and Home Furnishing Stores	24,517	23,932	2.4%
Electronics and Appliance Stores	22,759	21,573	5.5%
Sporting Goods, Hobby, Book and Music Stores	17,681	17,706	-0.1%
Miscellaneous Store Retailers	25,723	24,538	4.8%
Nonstore Retailers	63,259	56,899	11.2%
Food Services and Drinking Places	94,393	89,406	5.6%

Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.



Source: U.S. Conference Board



Source: U.S. Census Bureau