

Bulletin

August 2005 Retail Sales • Released October 21, 2005

CONSUMERS HEED WARNING OF BREWING STORMS

Overall, when Canadian retailers looked at their cash registers in August they will have found 9.2% greater sales compared to last August. For those retailers that exclude Automotive, Food, and Pharmacies, sales were 5.5% greater.

However, some retailers experienced a better month than others. Impressive sales reports in North America by Best Buy buoyed sales of Computer, Software, Home Electronics, and Appliance Stores by 11.2%. This brings their year-to-date growth just shy of 10%. Back-to-school sales and leisure spending on items such as iPods and other variations are two contributing factors.

Sales at Building and Outdoor Home Supplies Stores ratcheted up another 10.4% in August. On a year-to-date basis, sales are 8.8% greater. This category's lucrative market continues to be one of the shining stars.

Furniture and Home Furnishings Stores performed better than average gaining 6.8% in August, which was ahead of their year-to-date growth of 5.7%.

All three categories in the home and building categories witnessed a positive month and have generally performed well throughout the year.

Shoes, Clothing Accessories, and Jewellery Stores outshined some of the other categories. Throughout the year, this category as a whole has been suffering but in August, sales picked up 4.9% compared to last year. However, this category is still in the red on a year-to-date basis.

Sales at Clothing Stores began to stall last month and consumers continued to slow down the pace at which they were buying from these stores. Sales gained by 3.5%, which was off their year-to-date growth of 5.8%.

Similarly, Department Stores had a slower growth month in August compared to their year-to-date growth. Sales inched ahead 1.4% compared to 2.5% for the year.

Consumer confidence took a major hit in the third quarter falling 15 points to approximately the same level as measured after September 11, 2001. The devastating hurricane season and the impact on oil and gas prices sent huge shockwaves that rattled consumer sentiment. It will be important to watch retail sales in the next four months to see if this was a blip or a longer trend. While gas prices have eased since, there are inflationary fears as prices for transportation and plastics rise.

Please register for Jim Okamura's Webinar on Increasing Your Multi-Channel Business by Marketing to Overseas Buyers and Multi-lingual Americans at www.multichannelmerchant.com

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN
November 21, 2005

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	2005	2004	2005/2004
All Stores	32,229.3	29,525.4	9.2%
Automotive	11,750.0	10,182.3	15.4%
All Stores Less Automotive	20,479.3	19,343.2	5.9%
Food and Beverage Stores	7,270.9	6,858.6	6.0%
Pharmacies and Personal Care Stores	1,998.6	1,864.0	7.2%
All Stores Less Automotive, Food, Pharmacies	11,209.7	10,620.5	5.5%
General Merchandise Stores	3,544.9	3,432.1	3.3%
Department Stores	1,782.7	1,757.8	1.4%
Other General Merchandise Stores	1,762.2	1,674.3	5.3%
Furniture, Home Furnishings and Electronics Stores	2,188.0	2,011.5	8.8%
Furniture and Home Furnishings Stores	1,194.8	1,118.7	6.8%
Computer, Software, Home Electronics, and Appliance Stores	993.2	892.8	11.2%
Clothing and Accessories Stores	1,727.1	1,668.7	3.5%
Clothing Stores	1,308.6	1,269.6	3.1%
Shoes, Clothing Accessories, and Jewellery Stores	418.6	399.1	4.9%
Sporting Goods, Hobby, Music, and Book Stores	790.1	748.0	5.6%
Building and Outdoor Home Supplies Stores	2,150.2	1,947.3	10.4%
Miscellaneous Store Retailers	809.4	812.8	-0.4%

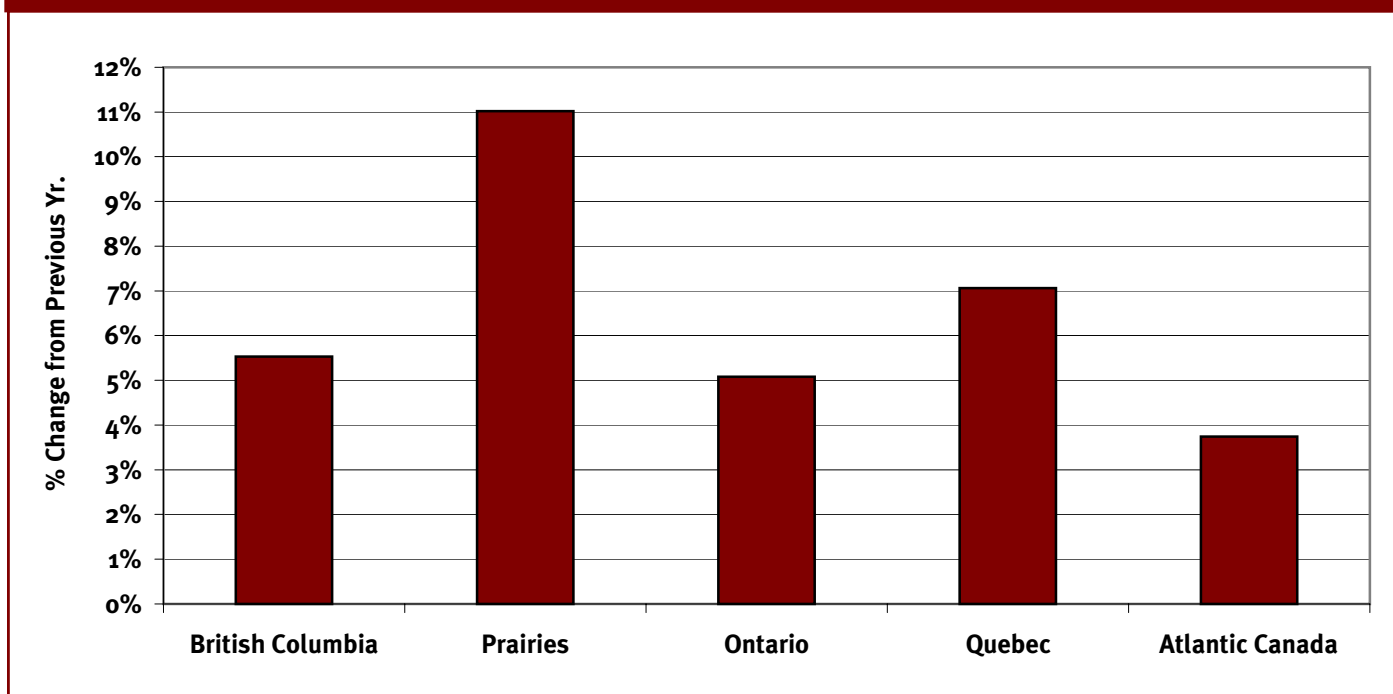
Year-to-date Sales	2005	2004	2005/2004
All Stores	239,075.9	224,221.8	6.6%
Automotive	85,847.8	78,464.5	9.4%
All Stores Less Automotive	153,228.1	145,757.3	5.1%
Food and Beverage Stores	56,425.1	53,646.6	5.2%
Pharmacies and Personal Care Stores	15,460.1	14,712.3	5.1%
All Stores Less Automotive, Food, Pharmacies	96,803.1	92,110.7	5.1%
General Merchandise Stores	26,642.9	25,752.4	3.5%
Department Stores	13,219.0	12,895.7	2.5%
Other General Merchandise Stores	13,423.9	12,856.7	5.7%
Furniture, Home Furnishings and Electronics Stores	15,607.3	14,523.5	7.5%
Furniture and Home Furnishings Stores	8,556.8	8,096.2	5.7%
Computer, Software, Home Electronics, and Appliance Stores	7,050.5	6,427.3	9.7%
Clothing and Accessories Stores	12,462.5	11,967.5	4.1%
Clothing Stores	9,573.5	9,046.7	5.8%
Shoes, Clothing Accessories, and Jewellery Stores	2,889.1	2,920.8	-1.1%
Sporting Goods, Hobby, Music, and Book Stores	5,586.9	5,272.7	6.0%
Building and Outdoor Home Supplies Stores	15,015.7	13,802.8	8.8%
Miscellaneous Store Retailers	6,027.5	6,079.4	-0.9%

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

Retail Trade, Canada, All Stores, by Region

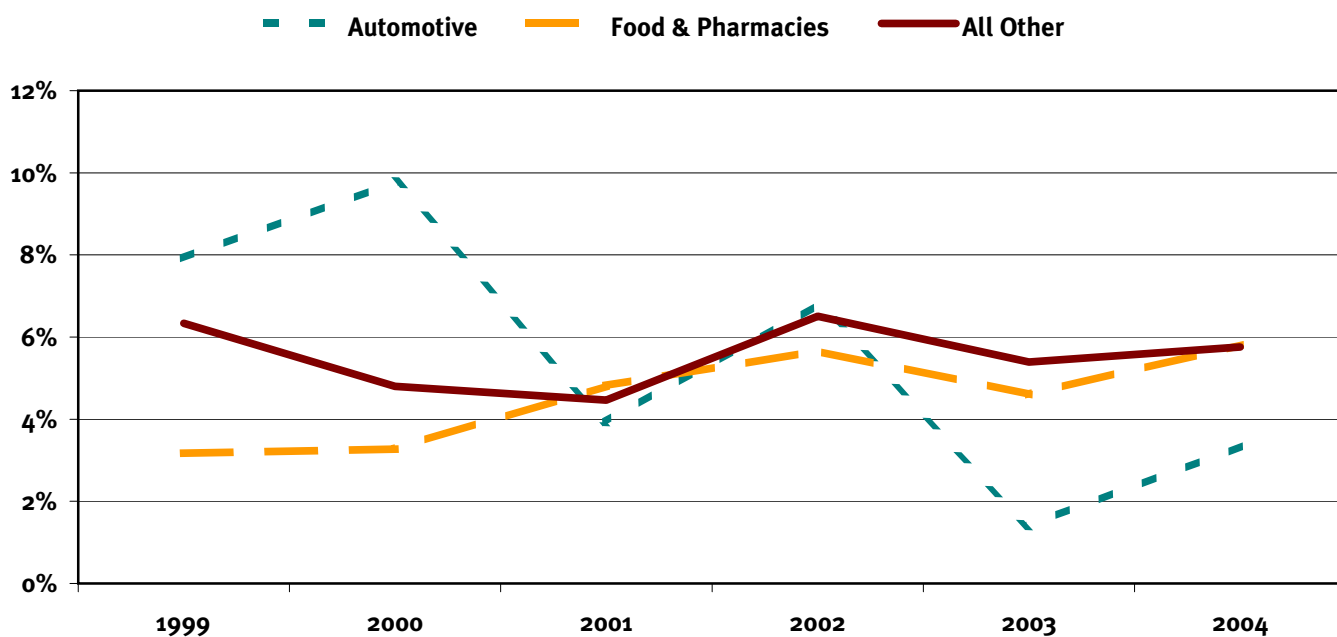
	Year-to-date 2005	Same Period 2004	Change 2005/2004
British Columbia	32,353.8	30,657.2	5.5%
Prairies	46,723.4	42,085.6	11.0%
Ontario	87,214.2	82,997.9	5.1%
Quebec	54,900.4	51,279.3	7.1%
Atlantic Canada	17,041.7	16,427.2	3.7%

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

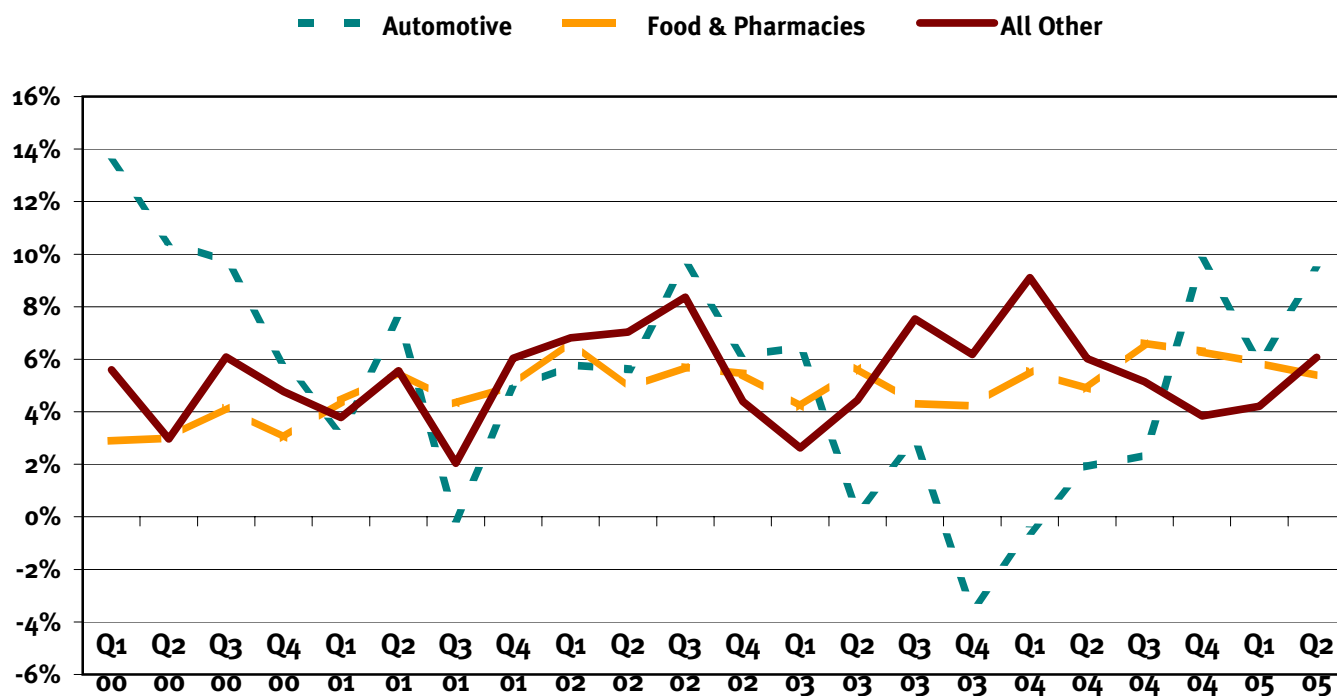


For more detailed information on retail sales, please contact J.C. Williams Group

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2004)



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



Consumer Price Index

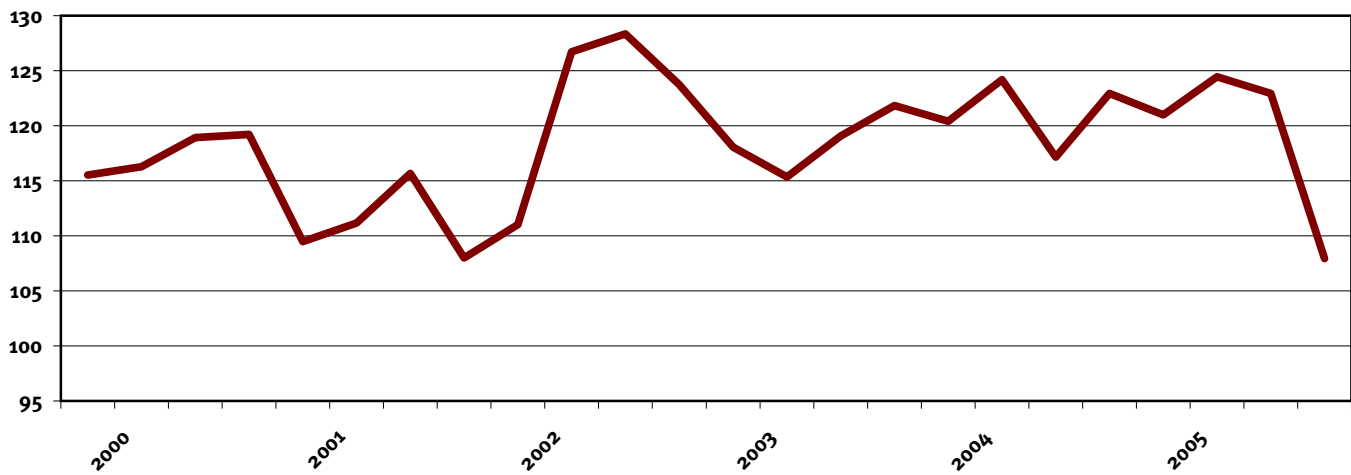
August 2005

vs.

August 2004

2.6%

Canadian Consumer Confidence Index 1999–2005



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2005

