

Bulletin

September 2005 Retail Sales • Released November 21, 2005

PAR FOR THE COURSE IN SEPTEMBER

Despite declining consumer confidence as the storms and gas prices took their toll on Canadians' nerves, retailers were able to grow at a rate that was on par with the year.

Total sales advanced 6.4% for September and the year-to-date sales grew by 6.6%. There was across-the-board moderate growth for almost all categories generally in the 4% to 6% range. Most retailers were slightly above their year-to-date growth marking a good September and back-to-school season for retailers overall.

The do-it-yourself market and the broadening scope of offerings at Building and Outdoor Home Supplies Stores continued to outperform other retailers. September witnessed gains of 9.1% compared to 8.8% for the year-to-date.

Pharmacies and Personal Care Stores benefited from an aggressive back-to-school season by increasing sales by 9.0% in September, which was well above their year-to-date growth rate of 5.5%.

Two retail categories stand out from the others this month. Sporting Goods, Hobby, Music, and Book Stores; and Shoes, Clothing Accessories, and Jewellery Stores performed better than average.

Sporting Goods, Hobby, Book, and Music Stores gained 7.4% in September, which was above their year-to-date growth of 6.2%. However, the largest gains were in the Shoes, Clothing Accessories, and Jewellery Stores. The category gained 5.2% in September, which was well above their year-to-date growth of 0.3%. Brisker weather across the country at the important back-to-school season was an influencing factor.

Clothing Stores and Department Stores performed relatively well. Clothing Stores gained 5.5%, which was slightly off their year-to-date growth and Department Stores gained 2.6%, which was slightly above their year-to-date growth.

Furniture, Home Furnishings, and Electronics Stores performed well overall; however, Computer, Software, Home Electronics, and

Appliance Stores were off their year-to-date growth (6.8% compared to 9.2%).

September results and the results for the first three-quarters of 2005 revealed a relatively strong Canadian retail economy. While there have been reports of slower sales in October, looking forward there are more electronic toys and gadgets to grab consumers' attentions (e.g., Xbox 360 just in time for the holiday season). In addition, lower prices at the pumps have consumer confidence re-adjusting to a positive mood. Let's hope that the politicians do not interrupt our holiday cheer.

Release Date of the Next
NATIONAL RETAIL BULLETIN
December 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: September	2005	2004	2005/2004
All Stores	31,082.0	29,223.7	6.4%
Automotive	10,635.7	9,905.9	7.4%
All Stores Less Automotive	20,446.4	19,317.9	5.8%
Food and Beverage Stores	7,244.7	6,866.6	5.5%
Pharmacies and Personal Care Stores	2,040.4	1,872.8	9.0%
All Stores Less Automotive, Food, Pharmacies	11,161.3	10,578.4	5.5%
General Merchandise Stores	3,400.2	3,261.1	4.3%
Department Stores	1,729.9	1,685.7	2.6%
Other General Merchandise Stores	1,670.3	1,575.4	6.0%
Furniture, Home Furnishings and Electronics Stores	2,199.3	2,067.9	6.4%
Furniture and Home Furnishings Stores	1,194.9	1,127.5	6.0%
Computer, Software, Home Electronics, and Appliance Stores	1,004.4	940.4	6.8%
Clothing and Accessories Stores	1,800.8	1,707.5	5.5%
Clothing Stores	1,397.6	1,324.3	5.5%
Shoes, Clothing Accessories, and Jewellery Stores	403.2	383.3	5.2%
Sporting Goods, Hobby, Music, and Book Stores	804.0	748.6	7.4%
Building and Outdoor Home Supplies Stores	2,135.0	1,956.5	9.1%
Miscellaneous Store Retailers	822.0	836.7	-1.8%

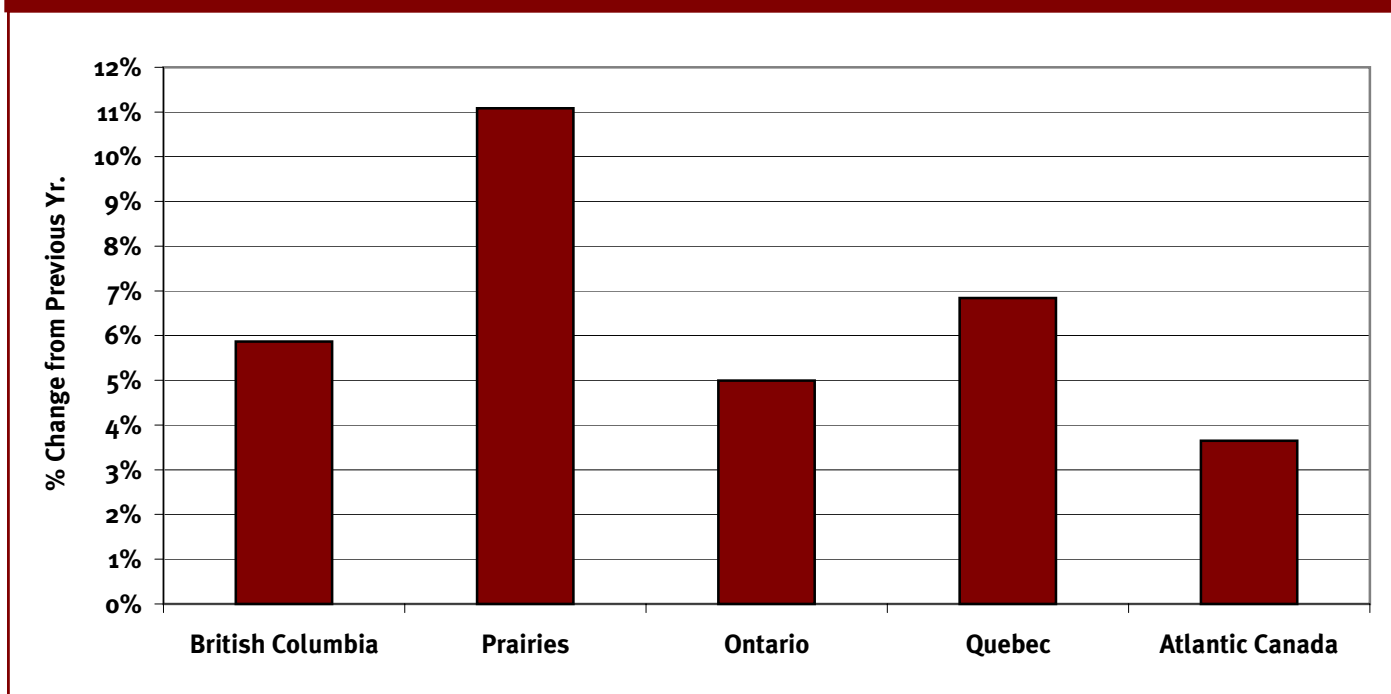
Year-to-date Sales	2005	2004	2005/2004
All Stores	270,157.1	253,445.5	6.6%
Automotive	96,507.9	88,370.4	9.2%
All Stores Less Automotive	173,649.2	165,075.1	5.2%
Food and Beverage Stores	63,647.0	60,513.2	5.2%
Pharmacies and Personal Care Stores	17,499.8	16,585.1	5.5%
All Stores Less Automotive, Food, Pharmacies	110,002.2	104,561.9	5.2%
General Merchandise Stores	30,040.0	29,013.6	3.5%
Department Stores	14,946.1	14,581.4	2.5%
Other General Merchandise Stores	15,093.9	14,432.2	4.6%
Furniture, Home Furnishings and Electronics Stores	17,797.8	16,591.4	7.3%
Furniture and Home Furnishings Stores	9,751.3	9,223.7	5.7%
Computer, Software, Home Electronics, and Appliance Stores	8,046.6	7,367.7	9.2%
Clothing and Accessories Stores	14,263.9	13,675.0	4.3%
Clothing Stores	10,971.1	10,370.9	5.8%
Shoes, Clothing Accessories, and Jewellery Stores	3,292.8	3,304.1	-0.3%
Sporting Goods, Hobby, Music, and Book Stores	6,396.8	6,021.3	6.2%
Building and Outdoor Home Supplies Stores	17,151.7	15,759.3	8.8%
Miscellaneous Store Retailers	6,852.1	6,916.1	-0.9%

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

Retail Trade, Canada, All Stores, by Region

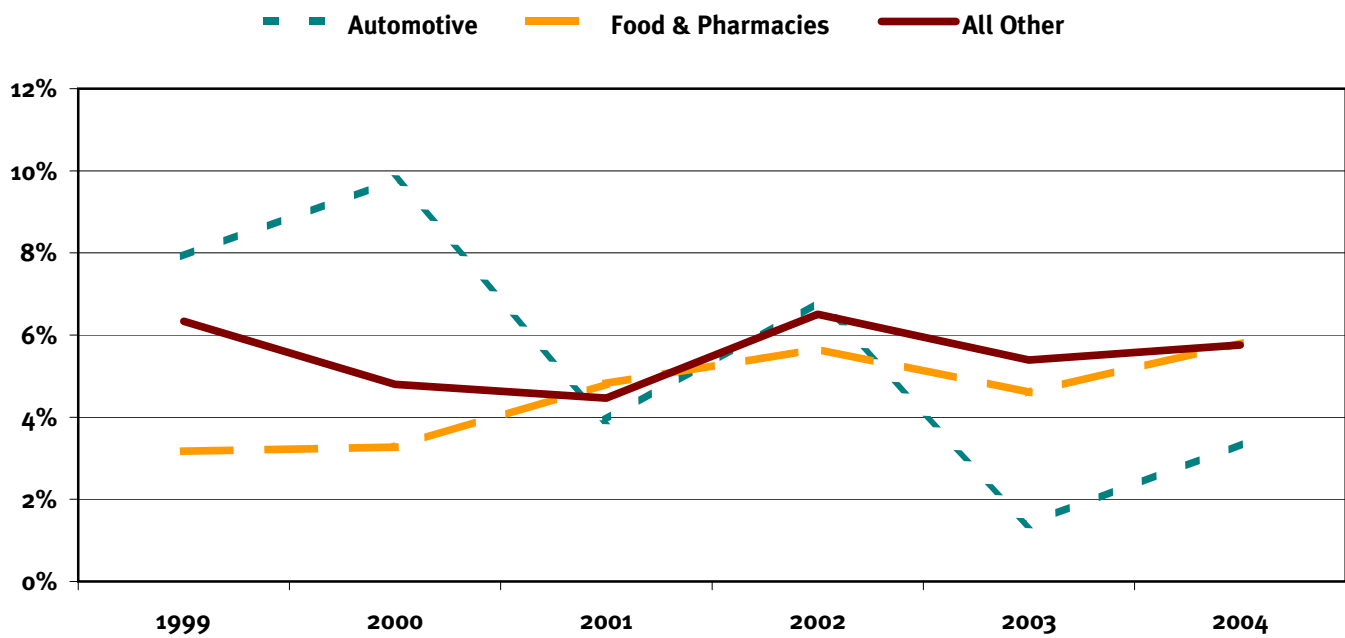
	Year-to-date 2005	Same Period 2004	Change 2005/2004
British Columbia	36,638.7	34,608.5	5.9%
Prairies	52,870.3	47,596.2	11.1%
Ontario	98,598.6	93,905.8	5.0%
Quebec	61,856.0	57,896.4	6.8%
Atlantic Canada	19,242.9	18,565.4	3.6%

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

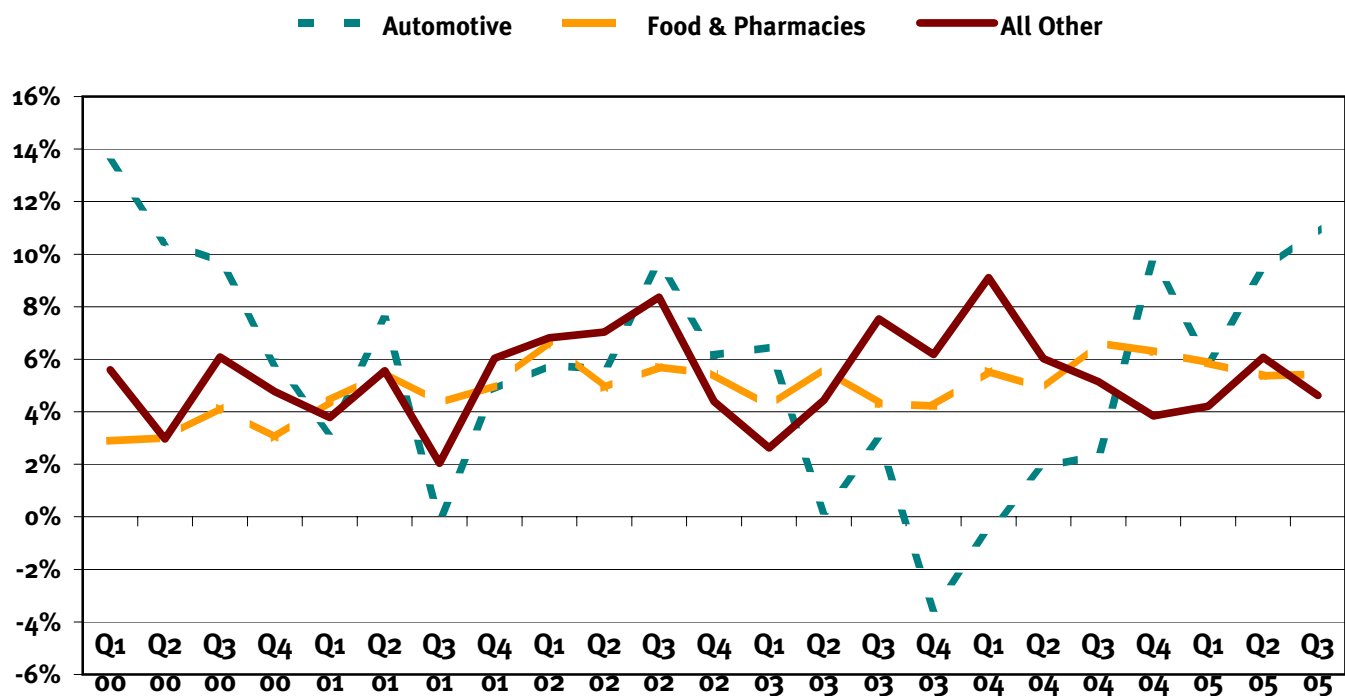


For more detailed information on retail sales, please contact J.C. Williams Group

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



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



Consumer Price Index

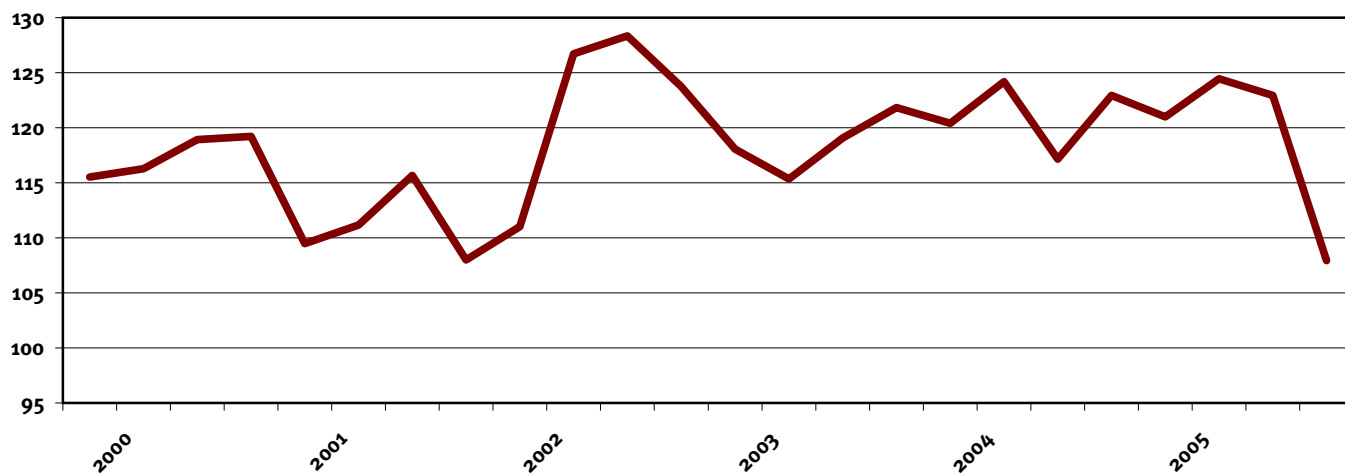
September 2005

vs.

September 2004

3.4%

Canadian Consumer Confidence Index 1999–2005



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2005

