

# Bulletin

November 2005 Retail Sales • Released January 23, 2006

## THE PERFECT STORM

Mother Nature produced the ideal conditions in November creating extraordinary sales results for retailers. The early cold snap in November boosted sales 6.2% for All Stores and 6.4% for All Stores Less Automotive, Food, and Pharmacies.

The weather must have put consumers in a jolly holiday spirit as they opened their wallets willingly. Traditional seasonal merchandise such as coats, boots, gloves, scarves, and winter apparel boosted sales at Clothing and Accessories Stores and Sporting Goods Stores. Clothing Stores gained 5.7% in November but Shoes, Clothing Accessories, and Jewellery Stores bustled their way to a stunning 10.5% increase. This was well above their year-to-date growth of 1.3%. The Sporting Goods, Hobby, Music, and Book Stores category gained 9.8% primarily as a result of strong sales at Sporting Goods Stores selling seasonal merchandise.

But it wasn't all "rosy cheeks" at retailers across the country. The Department Stores were not able to share in the selling frenzy. Sales gained 1.4% in November, which was off their year-to-date growth of 2.2%.

The future of the Department Store industry will continue to be a highlight in 2006 as the future of Hbc

comes into light and Wal-Mart begins to roll out their superstore formats.

Building Material and Outdoor Home Supplies Stores continued building their momentum. These retailers have been very adept at branching into other product categories, such as Christmas merchandise, to sustain sales growth. However, it does appear that some stores have reached a peak with Home Depot's announcement that they are concentrating on building sales at existing stores rather than continuing to build new ones.

Furniture, Home Furnishings, and Electronics Stores overall were slightly off the mark in November but the Home Furnishings Stores category performed well by gaining over 10% in November. Electronics products are still popular but the sales growth was masquerading behind deflationary prices throughout the industry.

Not only did most retailers have a fantastic November due to weather and holiday shopping but it also came at a time when most retailers were selling their merchandise at full-price. This fact should help boost overall profit margins for retailers as well.

Regionally, the story remained the same. Alberta and Western Canada continued at their break-neck growth. The situation in Alberta has manifested itself by the fact that many retailers cannot find enough staff for their stores. Alberta gained 13.5% in November. However, Ontario has been slowing gaining speed.

**RELEASE DATE OF THE NEXT  
NATIONAL RETAIL BULLETIN**  
February 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: November	2005	2004	2005/2004
<b>All Stores</b>	<b>31,089.0</b>	<b>29,263.4</b>	<b>6.2%</b>
Automotive	10,068.0	9,325.6	8.0%
<b>All Stores Less Automotive</b>	<b>21,021.0</b>	<b>19,937.8</b>	<b>5.4%</b>
Food and Beverage Stores	6,881.7	6,648.9	3.5%
Pharmacies and Personal Care Stores	2,070.9	1,947.3	6.3%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>12,068.5</b>	<b>11,341.6</b>	<b>6.4%</b>
<b>General Merchandise Stores</b>	<b>4,160.0</b>	<b>3,973.3</b>	<b>4.7%</b>
Department Stores	2,167.7	2,137.4	1.4%
Other General Merchandise Stores	1,992.3	1,835.9	8.5%
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,338.9</b>	<b>2,211.6</b>	<b>5.8%</b>
Furniture and Home Furnishings Stores	1,288.1	1,203.6	7.0%
Computer, Software, Home Electronics, and Appliance Stores	1,050.8	1,008.0	4.2%
<b>Clothing and Accessories Stores</b>	<b>1,950.7</b>	<b>1,827.8</b>	<b>6.7%</b>
Clothing Stores	1,506.1	1,425.3	5.7%
Shoes, Clothing Accessories, and Jewellery Stores	444.6	402.5	10.5%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>851.2</b>	<b>775.3</b>	<b>9.8%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>1,963.9</b>	<b>1,791.4</b>	<b>9.6%</b>
<b>Miscellaneous Store Retailers</b>	<b>803.9</b>	<b>762.1</b>	<b>5.5%</b>

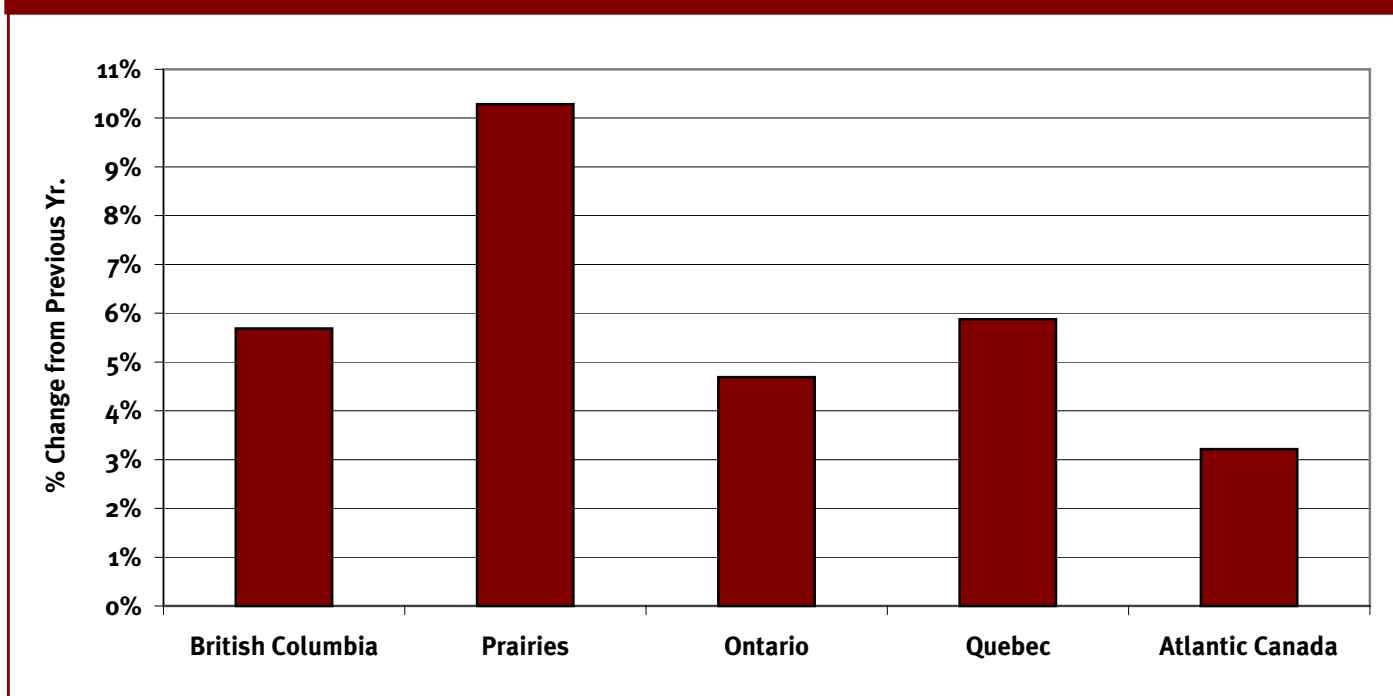
Year-to-date Sales	2005	2004	2005/2004
<b>All Stores</b>	<b>331,076.3</b>	<b>312,172.7</b>	<b>6.1%</b>
Automotive	116,339.9	107,314.5	8.4%
<b>All Stores Less Automotive</b>	<b>214,736.3</b>	<b>204,858.2</b>	<b>4.8%</b>
Food and Beverage Stores	77,558.2	74,229.2	4.5%
Pharmacies and Personal Care Stores	21,491.3	20,464.9	5.0%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>137,178.1</b>	<b>130,629.0</b>	<b>5.0%</b>
<b>General Merchandise Stores</b>	<b>37,961.1</b>	<b>36,625.6</b>	<b>3.6%</b>
Department Stores	19,095.1	18,677.6	2.2%
Other General Merchandise Stores	18,866.0	17,948.0	5.1%
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>22,189.5</b>	<b>20,871.2</b>	<b>6.3%</b>
Furniture and Home Furnishings Stores	12,260.3	11,597.3	5.7%
Computer, Software, Home Electronics, and Appliance Stores	9,929.1	9,273.9	7.1%
<b>Clothing and Accessories Stores</b>	<b>18,002.0</b>	<b>17,267.5</b>	<b>4.3%</b>
Clothing Stores	13,856.9	13,174.6	5.2%
Shoes, Clothing Accessories, and Jewellery Stores	4,145.1	4,092.9	1.3%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>8,017.4</b>	<b>7,467.7</b>	<b>7.4%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>21,092.4</b>	<b>19,465.3</b>	<b>8.4%</b>
<b>Miscellaneous Store Retailers</b>	<b>8,424.5</b>	<b>8,466.8</b>	<b>-0.5%</b>

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

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

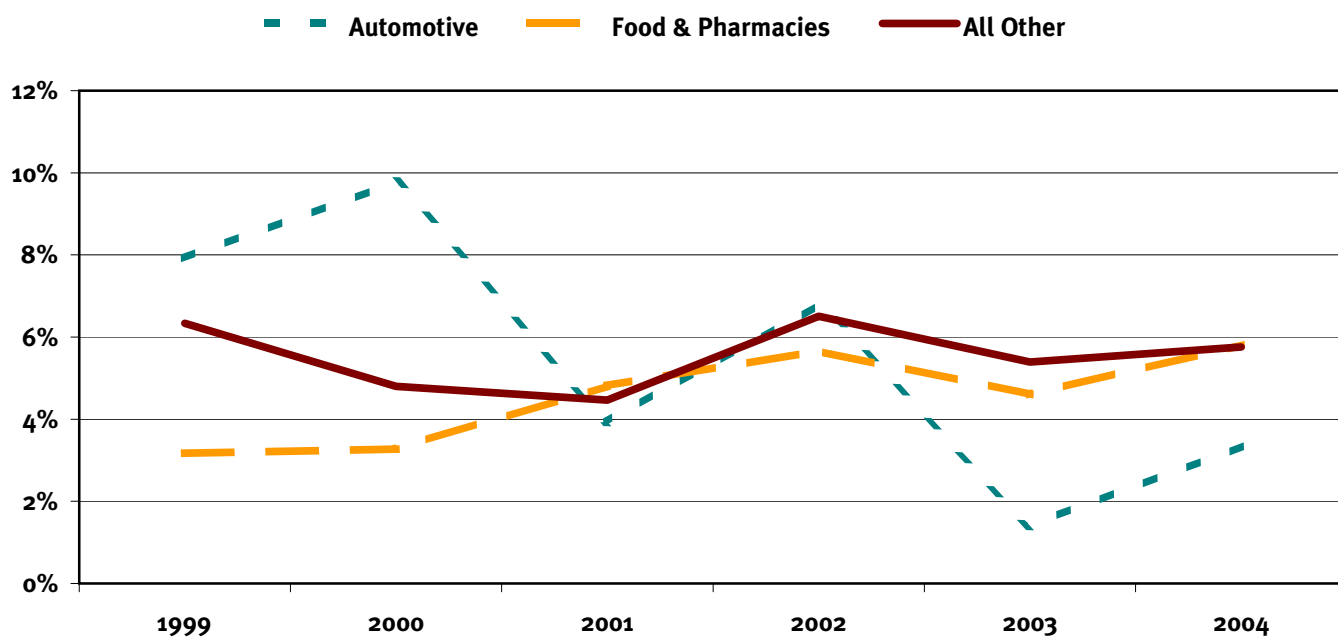
	Year-to-date 2005	Same Period 2004	Change 2005/2004
British Columbia	44,821.4	42,408.9	5.7%
Prairies	64,790.3	58,747.6	10.3%
Ontario	121,300.7	115,866.4	4.7%
Quebec	75,397.8	71,210.4	5.9%
Atlantic Canada	23,611.8	22,875.8	3.2%

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

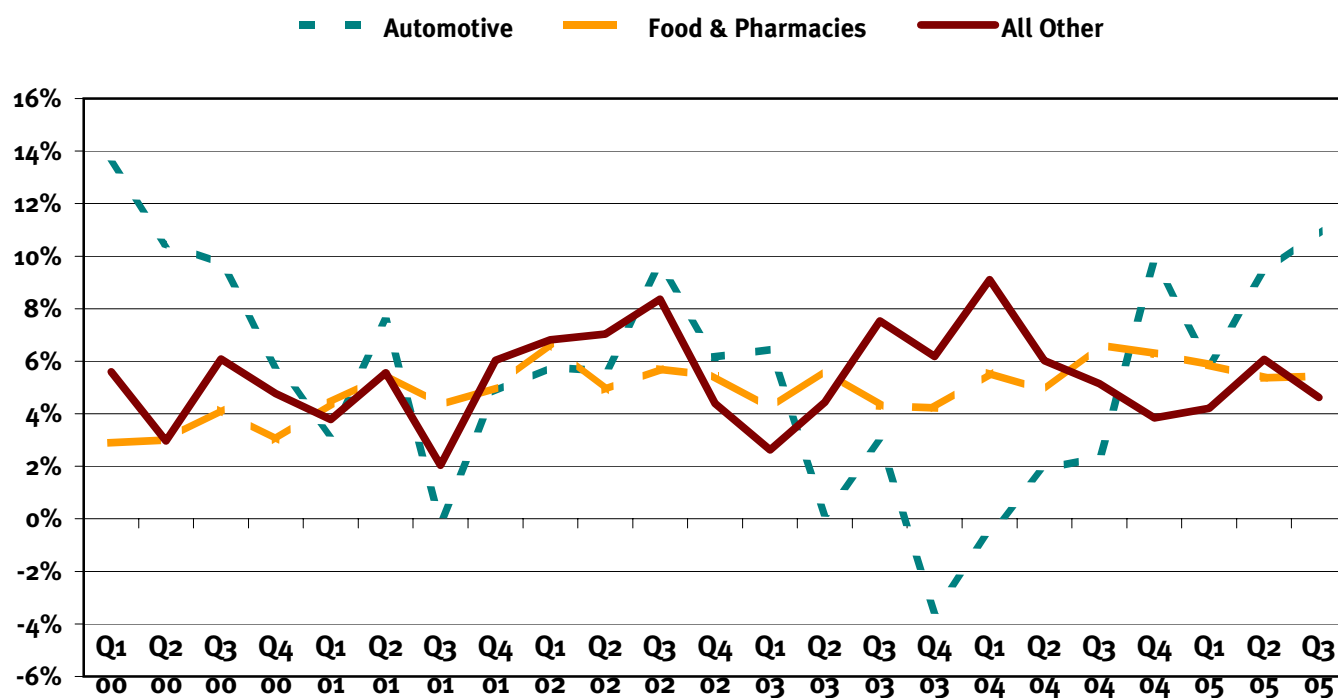


For more detailed information on retail sales, please contact J.C. Williams Group

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

December 2005

vs.

December 2004

2.2%

Canadian Consumer Confidence Index 1999–2005



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2005

