

Bulletin

U.S. Data

Advance May 2002 Retail Sales • Released June 13, 2002

WHERE OH WHERE IS THE U.S. ECONOMY GOING?

That question has been begging to be answered for the last nine months and the predictions run the gamut of possible scenarios. However, at present All Stores continued their modest growth increase of 2.7%. To date, All Stores have gained 3.2% compared to last year.

American's personal health and their electronic gadgets continue to enjoy an increasing stronghold on consumer's wallets. Electronics and Appliance Stores leap-frogged over other retailers gaining 11.2% in May 2002 compared to last May. In addition, Health and Personal Care Stores continue to show robust growth by gaining 9.5% for the month and 9.3% for the year-to-date.

However, we are almost half way through the year and we have yet to see anything stellar come forward on the retail scene. Consumer confidence, while rebounding since last fall, has failed to receive the kick start it so badly needs. The confidence level appears to have stalled around the 110 point level.

HIDDEN PEARLS

As with most reported statistics, there are usually more stories painted just below the surface. An interesting category is the Nonstore Retailers. The U.S. Department of Commerce includes a significant number of electronic and mail order business (it may exclude some multi-channel retailers) along with fuel dealers in this category, an odd combination to say the least. However, given that oil prices are lower compared to last year at this time, one can anticipate that e-commerce and mail order businesses are performing better than average.

Also, the General Merchandise category is an enigma. For May,

General Merchandise gained 8.5% but just under half of the retail sales are from Department Stores which skidded along at 0.3% compared to last year. While we know Wal-Mart is back on track for high sales growth and that the Warehouse Clubs and Supercenters are growing at around 20%, this mean that the Traditional Department Stores must be suffering and trying to reposition themselves favorably in the consumer's mind. An example includes Sears announcement of its takeover of Lands End.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

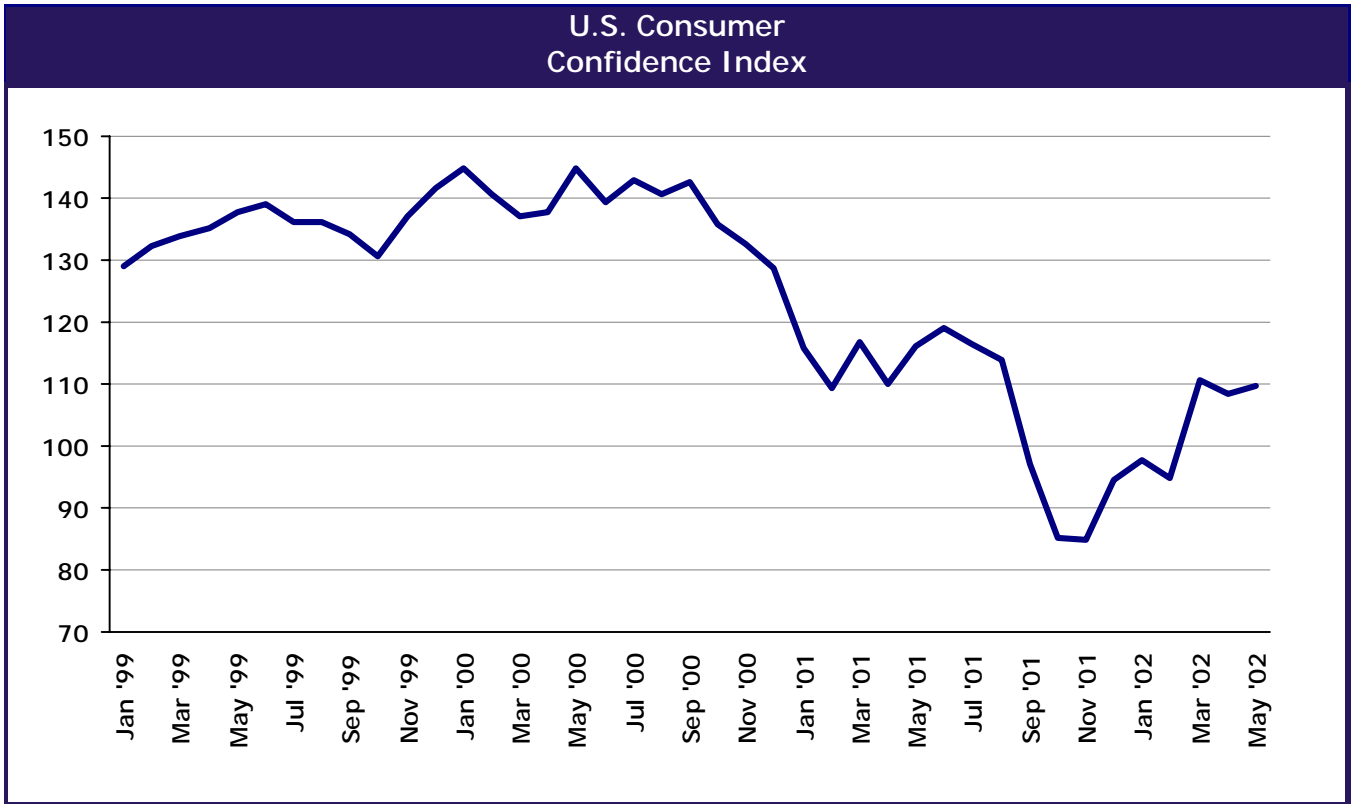
July 12, 2002

Please note:

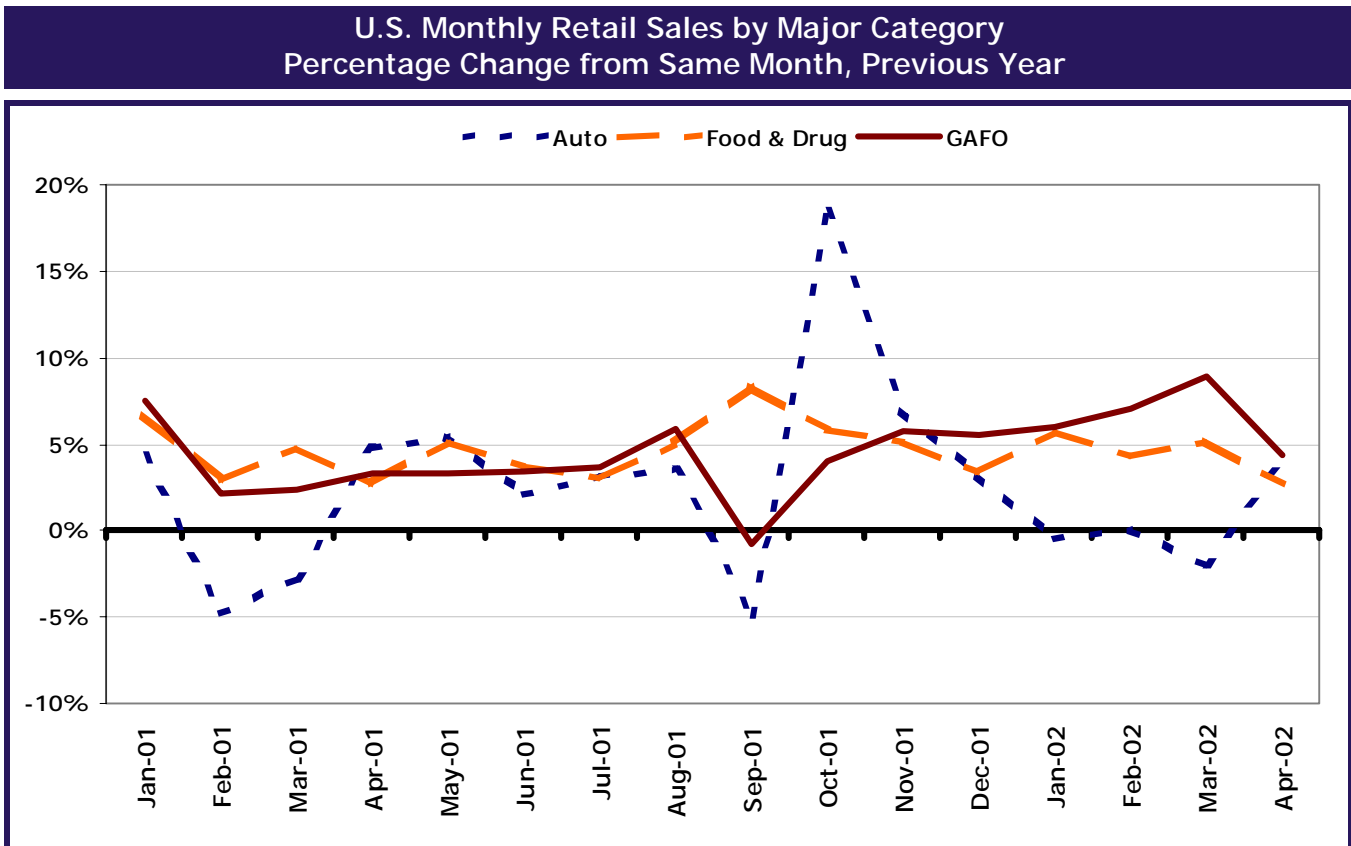
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that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

Advance Sales for the Month of May	2002	2001	% Change
All Stores	314,345	305,942	2.7%
Motor Vehicle and Parts Dealers	76,879	78,027	-1.5%
Gasoline Stations	20,586	22,614	-9.0%
Food and Beverage Stores	41,890	40,564	3.3%
Grocery Stores	37,684	36,594	3.0%
Health and Personal Care Stores	15,916	14,537	9.5%
Building Material and Garden Equipment Stores	32,401	30,972	4.6%
General Merchandise Stores	38,110	35,124	8.5%
Department Stores (excluding leased departments)	18,697	18,640	0.3%
Clothing and Accessories Stores	14,418	13,939	3.4%
Furniture, Home Furnishings, Electronics and Appliance Stores	15,259	14,073	8.4%
Furniture and Home Furnishing Stores	8,025	7,567	6.1%
Electronics and Appliance Stores	7,234	6,506	11.2%
Sporting Goods, Hobby, Book and Music Stores	6,725	6,251	7.6%
Miscellaneous Store Retailers	9,720	9,922	-2.0%
Nonstore Retailers	13,058	12,190	7.1%
Food Services and Drinking Places	29,383	27,729	6.0%
Year-to-Date Sales Ending May	2002	2001	% Change
All Stores	1,434,318	1,389,173	3.2%
Motor Vehicle and Parts Dealers	356,760	349,172	2.2%
Gasoline Stations	90,619	99,918	-9.3%
Food and Beverage Stores	195,315	189,813	2.9%
Grocery Stores	176,622	171,986	2.7%
Health and Personal Care Stores	75,581	69,174	9.3%
Building Material and Garden Equipment Stores	127,696	121,499	5.1%
General Merchandise Stores	171,727	158,240	8.5%
Department Stores (excluding leased departments)	84,693	84,493	0.2%
Clothing and Accessories Stores	64,305	62,386	3.1%
Furniture, Home Furnishings, Electronics and Appliance Stores	73,099	68,820	6.2%
Furniture and Home Furnishing Stores	37,588	35,970	4.5%
Electronics and Appliance Stores	35,511	32,850	8.1%
Sporting Goods, Hobby, Book and Music Stores	32,546	30,050	8.3%
Miscellaneous Store Retailers	44,606	44,290	0.7%
Nonstore Retailers	65,229	66,354	-1.7%
Food Services and Drinking Places	136,835	129,457	5.7%

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