

Bulletin

U.S. Data

Advance August 2002 Retail Sales • Released September 13, 2002

THE UPS AND DOWNS OF RETAIL

Overall, retail sales in August gained an impressive 5.1% bringing the year-to-date sales growth to 3.6% compared to last year. However, category growth was not consistent across all stores.

Motor Vehicle and Parts Dealers were a major contributor to the overall growth figure, gaining 9.5% on the month. Other strong performers include Sporting Goods, Hobby, Book, and Music Stores. This store group performed better in August than their year-to-date growth providing momentum to help finish off the year on a positive note. Sporting Goods, Hobby, Book, and Music Stores gained jumped 7.7% in August bringing the year-to-date growth to 6.9%. Other store groups that performed better in August than their year-to-date growth include Gasoline Stations, Food and Beverage Stores, General Merchandise, Furniture and Home Furnishings Stores, and Non-store Retailers.

Health and Personal Care Stores grew by a notable 6.7% in August but that was lower than their year-to-date growth of 8.4%. Other poor performing categories include Department Stores and Clothing and Accessory Stores among others. This is not particularly good news for the

Back-to-School season. However, a number of retailers have reported that the Back-to-School season started very late this year as the warm weather persisted across the nation.

CONFIDENCE SLIPS FURTHER

Despite low interest rates that have stood still for a number of months and very modest employment growth, the same "let's spend" attitude has not returned to the consumer. Consumer confidence slipped almost 5 points from 97.4 in July to 93.5 in August. This is down from 114 points in August 2001. However, the Expectation Index (not shown in the chart) is slightly greater at 94.5, which is similar to where it was in August 2001 (93.7).

WHERE DO WE GO FROM HERE?

The next J.C. Williams Group Bulletin will compare this September's retail sales against September 2001. To say this will be an anomaly would be over-stating the obvious. J.C. Williams Group will attempt analyze the information in a meaningful manner to provide a better indication of retail sales over the longer term.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

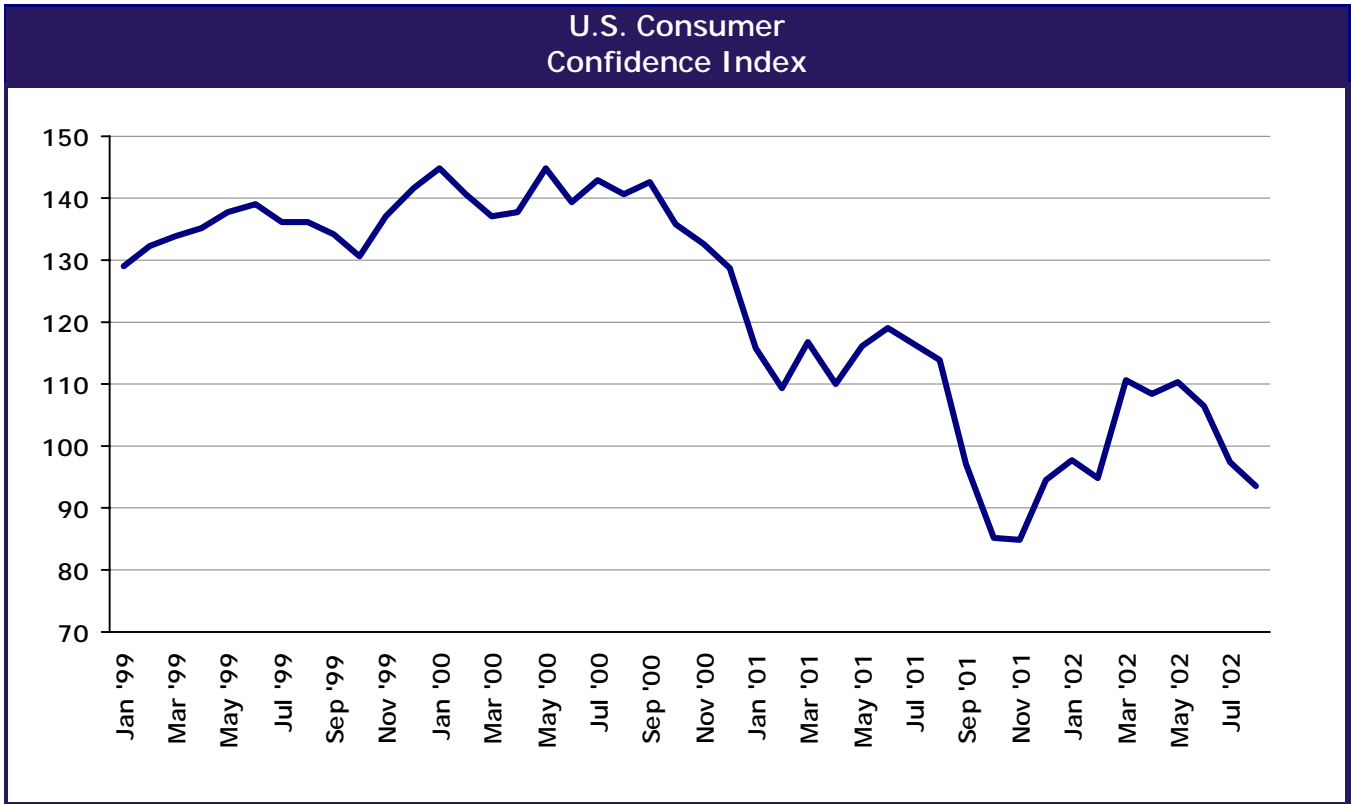
October 11, 2002

Please note:

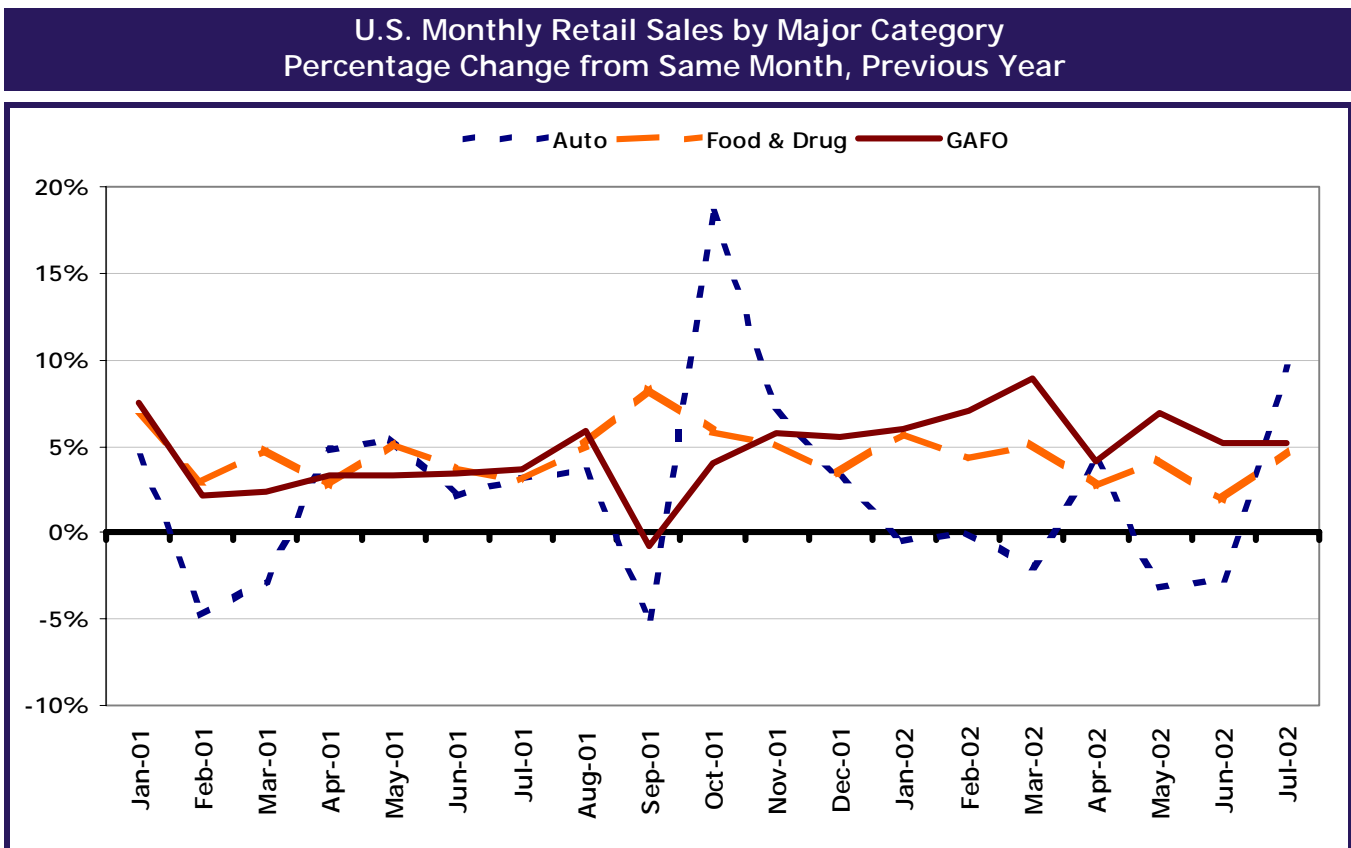
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that 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 August	2002	2001	% Change
All Stores	320,615	305,003	5.1%
Motor Vehicle and Parts Dealers	84,728	77,403	9.5%
Gasoline Stations	21,399	21,411	-0.1%
Food and Beverage Stores	41,476	40,501	2.4%
Grocery Stores	37,149	36,488	1.8%
Health and Personal Care Stores	15,355	14,387	6.7%
Building Material and Garden Equipment Stores	27,456	26,422	3.9%
General Merchandise Stores	38,290	36,224	5.7%
Department Stores (excluding leased departments)	18,746	19,223	-2.5%
Clothing and Accessories Stores	15,223	14,923	2.0%
Furniture, Home Furnishings, Electronics and Appliance Stores	15,873	15,283	3.9%
Furniture and Home Furnishing Stores	8,300	7,979	4.0%
Electronics and Appliance Stores	7,573	7,304	3.7%
Sporting Goods, Hobby, Book and Music Stores	8,074	7,498	7.7%
Miscellaneous Store Retailers	9,850	9,840	0.1%
Nonstore Retailers	12,865	12,454	3.3%
Food Services and Drinking Places	30,026	28,657	4.8%
Year-to-Date Sales Ending August	2002	2001	% Change
All Stores	2,363,754	2,280,543	3.6%
Motor Vehicle and Parts Dealers	598,276	575,813	3.9%
Gasoline Stations	153,735	164,238	-6.4%
Food and Beverage Stores	317,689	310,086	2.5%
Grocery Stores	286,300	280,205	2.2%
Health and Personal Care Stores	120,780	111,374	8.4%
Building Material and Garden Equipment Stores	212,852	202,831	4.9%
General Merchandise Stores	282,607	262,248	7.8%
Department Stores (excluding leased departments)	138,234	138,791	-0.4%
Clothing and Accessories Stores	105,793	103,121	2.6%
Furniture, Home Furnishings, Electronics and Appliance Stores	118,733	112,556	5.5%
Furniture and Home Furnishing Stores	61,194	58,934	3.8%
Electronics and Appliance Stores	57,539	53,622	7.3%
Sporting Goods, Hobby, Book and Music Stores	53,781	50,297	6.9%
Miscellaneous Store Retailers	72,986	72,570	0.6%
Nonstore Retailers	101,171	101,436	-0.3%
Food Services and Drinking Places	225,351	213,973	5.3%

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