

# Bulletin

U.S. Data

Advance February 2007 Retail Sales • Released March 13, 2007

## FASHION FUELS FEBRUARY FIGURES WHILE SUPER BOWL SUNDAY SPURS ON SALES

Consumer confidence continued to climb as it reached a five-and-a-half-year high at 112.5. Retail sales showed great stability as they rose 3.4% in February, bringing in year-to-date growth at a solid 3.8%.

Despite encouraging results across most categories, Building Material and Garden Equipment Stores fell victim to unprecedented growth in 2006 and slowing residential construction, falling -7.0%. As precarious property values left many holding onto their homes, consumers sought to update their residences and boosted Furniture and Home Furnishings Stores sales by 3.8%.

Home furnishings weren't the only thing in style as Clothing and Accessories Stores enjoyed a 4.6% bump in sales. This fashion frenzy also favored trend-forward discounters with Target seeing growth reaching 5.7%. Meanwhile, Wal-Mart's struggles with its apparel offering underpinned their disappointing 0.9% growth. Overall, General Merchandise Stores grew 4.2% while the category's laggards remain Department Stores whose sales fell -1.8%.

Luxury retailers showed the most promise amongst general merchandisers with Nordstrom posting impressive 9.1% growth and Saks reporting a jump of nearly 25%. Even as the latter's New

York flagship is pulling in \$362 per square foot, their success is dwarfed by the new kid on the block. Attracting over 50,000 visitors weekly, Apple's Fifth Avenue store has redefined many retail maxims as their avant-garde flagship is currently generating \$4,032 per square foot.

With iPods remaining a staple of their product offering, and the newly released iPhone having set sales records even before it hit the shelves, not everyone is enjoying Apple's achievements. Music downloads continue to gain momentum and piracy remains a significant concern. As a result, Sporting Goods, Hobby, Book and Music Stores suffered from Steve Jobs' success and saw sales drop -3.7%. This is also in part due to unusual weather conditions shrinking winter sporting goods sales.

Although shying away from active participation, consumers showed their adoration of athletics as they took

advantage of falling prices and bought LCD televisions in anticipation of the Super Bowl. Such large ticket purchases allowed Electronics and Appliance Stores to enjoy a 4.6% growth in sales.

Food and Beverage Stores and Food Services and Drinking Places also joined in the Super Bowl celebrations as sales jumped 5.3% and 4.6%, respectively.

The promise of a prosperous St. Patrick's Day has many merchants eagerly looking towards March. One study found that consumers will spend \$3.76 billion during the holiday, a 24.8% increase over 2006. Be sure to check back with our March release to see which retailers shared in the luck of the Irish.

**RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:**  
April 16, 2007

### 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 Website: [www.census.gov](http://www.census.gov).

## Retail Sales by Store Category

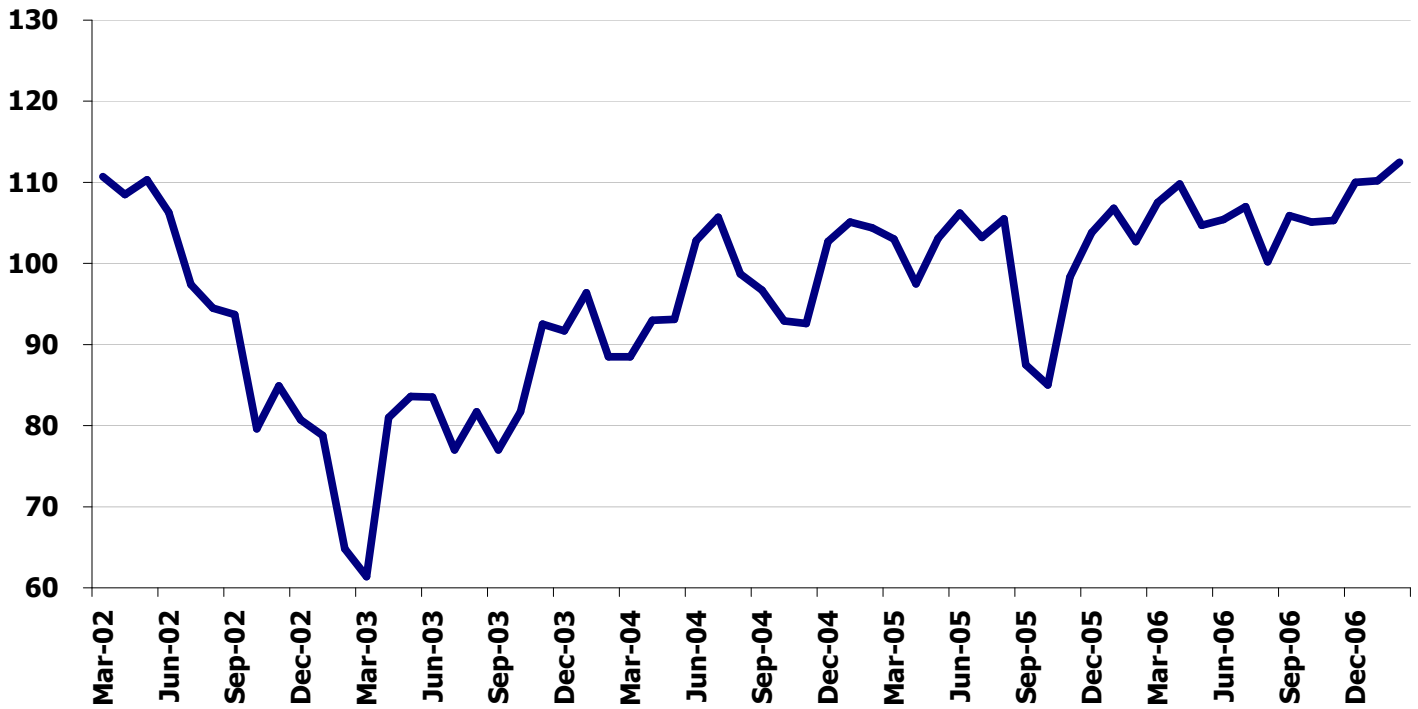
Sales for the Month of February	2007	2006	2007/2006
<b>All Stores</b>	<b>328,847</b>	<b>318,184</b>	<b>3.4%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>70,721</b>	<b>67,985</b>	<b>4.0%</b>
<b>Gasoline Stations</b>	<b>29,745</b>	<b>29,694</b>	<b>0.2%</b>
<b>Food and Beverage Stores</b>	<b>42,658</b>	<b>40,502</b>	<b>5.3%</b>
Grocery Stores	38,063	36,190	5.2%
<b>Health and Personal Care Stores</b>	<b>18,250</b>	<b>17,226</b>	<b>5.9%</b>
<b>Building Material and Garden Equipment Stores</b>	<b>22,271</b>	<b>23,948</b>	<b>-7.0%</b>
<b>General Merchandise Stores</b>	<b>41,070</b>	<b>39,424</b>	<b>4.2%</b>
Department Stores (excluding leased departments)	14,512	14,771	-1.8%
<b>Clothing and Accessories Stores</b>	<b>15,213</b>	<b>14,544</b>	<b>4.6%</b>
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>17,420</b>	<b>16,720</b>	<b>4.2%</b>
Furniture and Home Furnishing Stores	9,176	8,838	3.8%
Electronics and Appliance Stores	8,244	7,882	4.6%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>5,530</b>	<b>5,742</b>	<b>-3.7%</b>
<b>Miscellaneous Store Retailers</b>	<b>9,120</b>	<b>8,993</b>	<b>1.4%</b>
<b>Nonstore Retailers</b>	<b>23,455</b>	<b>21,495</b>	<b>9.1%</b>
<b>Food Services and Drinking Places</b>	<b>33,394</b>	<b>31,911</b>	<b>4.6%</b>

Year to Date Sales Ending February	2007	2006	2007/2006
<b>All Stores</b>	<b>664,773</b>	<b>640,406</b>	<b>3.8%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>138,578</b>	<b>134,200</b>	<b>3.3%</b>
<b>Gasoline Stations</b>	<b>60,859</b>	<b>61,079</b>	<b>-0.4%</b>
<b>Food and Beverage Stores</b>	<b>87,767</b>	<b>82,825</b>	<b>6.0%</b>
Grocery Stores	78,685	74,343	5.8%
<b>Health and Personal Care Stores</b>	<b>37,727</b>	<b>35,097</b>	<b>7.5%</b>
<b>Building Material and Garden Equipment Stores</b>	<b>46,155</b>	<b>48,329</b>	<b>-4.5%</b>
<b>General Merchandise Stores</b>	<b>82,068</b>	<b>77,965</b>	<b>5.3%</b>
Department Stores (excluding leased departments)	28,682	28,777	-0.3%
<b>Clothing and Accessories Stores</b>	<b>29,251</b>	<b>27,514</b>	<b>6.3%</b>
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>35,662</b>	<b>34,049</b>	<b>4.7%</b>
Furniture and Home Furnishing Stores	18,705	17,767	5.3%
Electronics and Appliance Stores	16,957	16,282	4.1%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>12,304</b>	<b>12,630</b>	<b>-2.6%</b>
<b>Miscellaneous Store Retailers</b>	<b>18,319</b>	<b>17,994</b>	<b>1.8%</b>
<b>Nonstore Retailers</b>	<b>48,509</b>	<b>44,194</b>	<b>9.8%</b>
<b>Food Services and Drinking Places</b>	<b>67,574</b>	<b>64,530</b>	<b>4.7%</b>

Source: US Census Bureau. All Values are expressed in millions of US dollars and are not seasonally adjusted

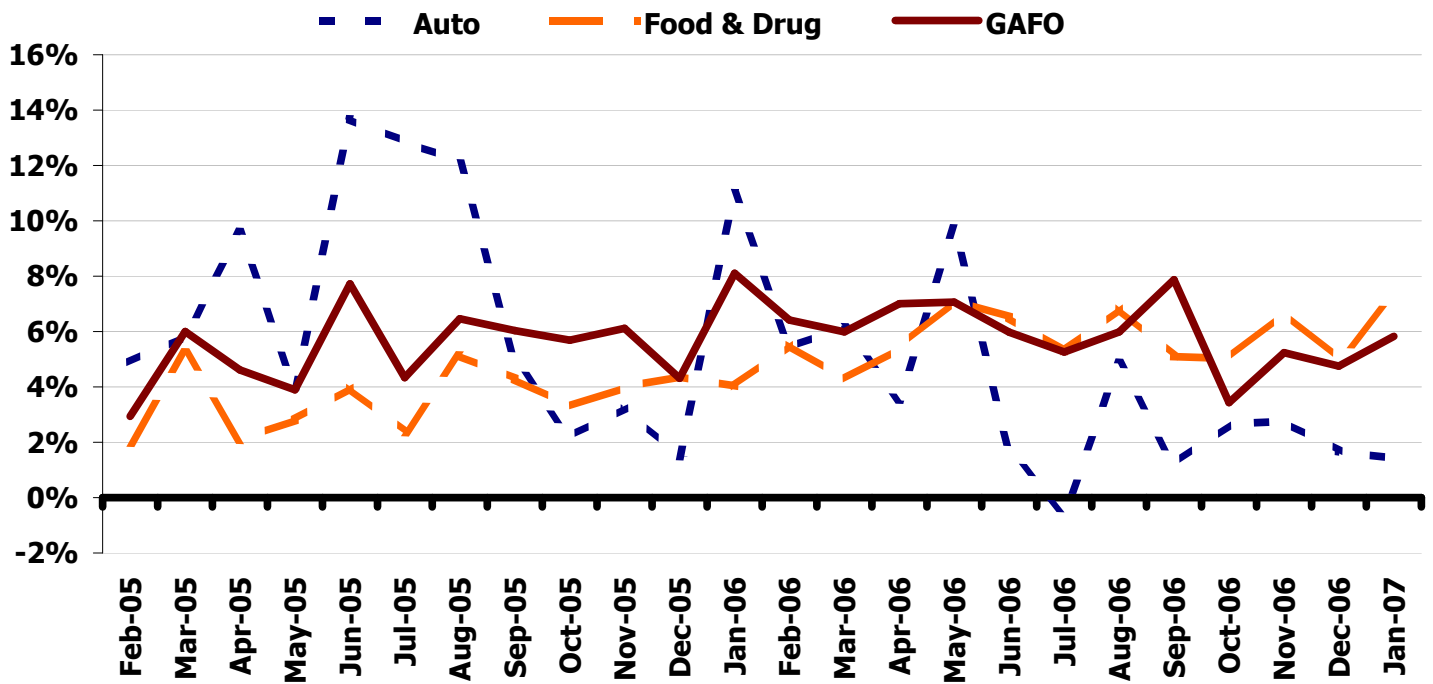
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### U.S. Consumer Confidence Index



Source: U.S. Conference Board

### U.S. Monthly Retail Sales by Major Category Percentage Change from Same Month, Previous Year



Source: U.S. Census Bureau