

Bulletin

May 2002 Retail Sales • Released July 22, 2002

RETAIL NUMBERS SHOW WHO IS LOSING THEIR SHIRTS

Retail sales for May increased just shy of 5% led by a healthy increase in the Food and Drug group (6.3%) and All Stores Less Auto, Food, and Drug group (5.4%).

All Stores Less Auto, Food, and Drug group is continuing to keep pace with the year-to-date sales (5.9%). Furniture, Appliance, Furnishings Stores continue to outpace the year-to-date growth (17.3% compared to 13.1%), as well as General Merchandise Stores (4.9% compared to 4.5%). However, Department Stores, All Clothing Stores, and Shoe Stores are under performing. May's rainy weather in the east did not help summer fashions, affecting these categories. Shoe Stores led the decline, falling 3.5% compared to last year, followed closely by Men's Clothing Stores, which missed last years mark by 3.2%. Women's Clothing lost almost a full point compared to last May. Even Other Clothing Stores appears to have passed their peak by only gaining 2.9%.

As the end of the second quarter approaches, many public companies have issued their quarterly updates. Most recently Shoppers Drug Mart exceeded their expectations. This retailer appears to be doing extremely well, as seen by their consistent growth increases month after month.

ONTARIO MAPS UP LAST PLACE

Ontario slips, and the Prairies cannot cool down even with wild fires on their back doors. The Prairies continue to lead retail growth for the country growing by 8.6% for the year-to-date. British Columbia's 6.8% growth is above the national average of 6.2%.

CAN'T BURST OUR BUBBLE?

Last quarter the Canadian Consumer Confidence Index rose to its highest level since 1988, 125.0. Despite the wet and damp conditions in the eastern half of the country, Canadians took everything in good stride and proved they were feeling even more bullish about the economy cranking the Index up another half a point to 125.5. This is in contrast to events south of the border where the U.S. Conference Board's Consumer Confidence Index has failed to return to

its 2001 levels as consumers are being affected by the scandal-plagued business world and the continuing war effort. However, the recent stock corrections and continued bankruptcy filings in the U.S. is taking its toll on Canadians

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

August 22, 2002

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 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: May	2002	2001	2002 / 2001
All Stores	27,723.5	26,416.5	4.9%
Automotive Group	12,181.6	11,730.3	3.8%
All Stores Less Automotive	15,541.9	14,686.2	5.8%
Food and Drug Group	7,142.1	6,716.0	6.3%
All Stores Less Auto, Food and Drug	8,399.8	7,970.2	5.4%
General Merchandise Stores	2,774.0	2,645.4	4.9%
Department Stores (incl concessions)	1,685.6	1,585.3	6.3%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,440.1	1,227.8	17.3%
All Clothing and Shoe Stores	1,340.9	1,337.0	0.3%
Women's Clothing Stores	431.5	435.2	-0.8%
Men's Clothing Stores	118.2	122.1	-3.2%
Other Clothing Stores	622.7	605.0	2.9%
Shoe Stores	168.6	174.8	-3.5%
All Other Retail (except auto, food, drug)	2,844.7	2,760.0	3.1%
Year-to-date Sales	2002	2001	2002 / 2001
All Stores	118,398.2	111,511.2	6.2%
Automotive Group	49,917.7	46,878.3	6.5%
All Stores Less Automotive	68,480.5	64,632.9	6.0%
Food and Drug Group	32,786.5	30,929.9	6.0%
All Stores Less Auto, Food and Drug	35,693.9	33,703.0	5.9%
General Merchandise Stores	11,879.0	11,364.7	4.5%
Department Stores (incl concessions)	7,200.0	6,652.8	8.2%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	6,550.2	5,793.5	13.1%
All Clothing and Shoe Stores	5,663.2	5,529.4	2.4%
Women's Clothing Stores	1,747.2	1,741.9	0.3%
Men's Clothing Stores	487.0	494.6	-1.5%
Other Clothing Stores	2,787.6	2,662.8	4.7%
Shoe Stores	641.5	630.2	1.8%
All Other Retail (except auto, food, drug)	11,601.5	11,015.4	5.3%

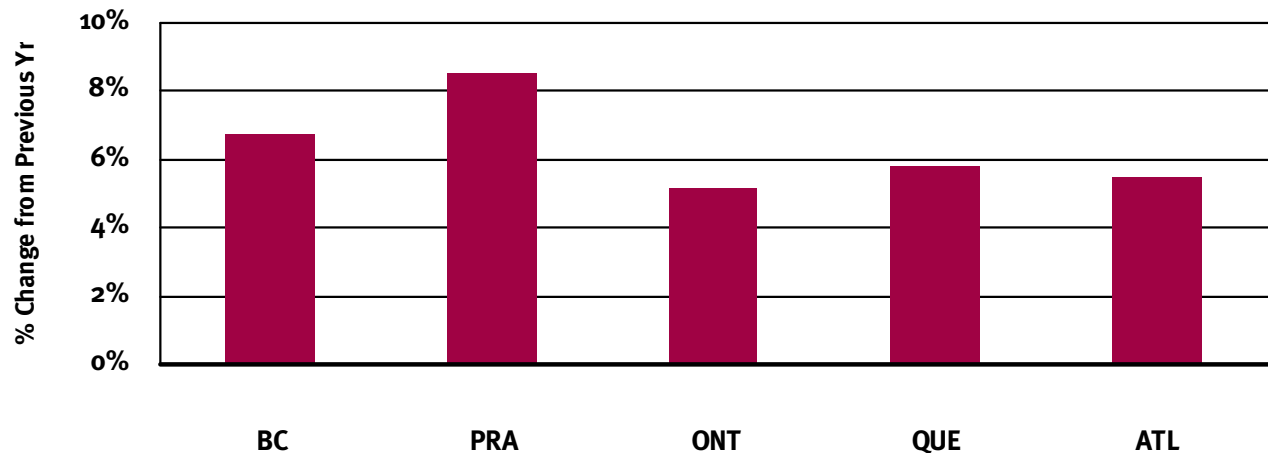
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

17 Dundonald St., Toronto, Ontario M4Y 1K3 Tel: (416) 921-4181 Fax: (416) 921-4184 Website: <http://www.jcwg.com>
 Chicago Office: 350 West Hubbard St. Ste 240, Chicago, Il. 60610 Tel: (312) 673-1254 Fax: (312)822-9162
 For more information, please contact John Archer or Maureen Atkinson at (416) 921-4181 or e-mail info@jcwg.com

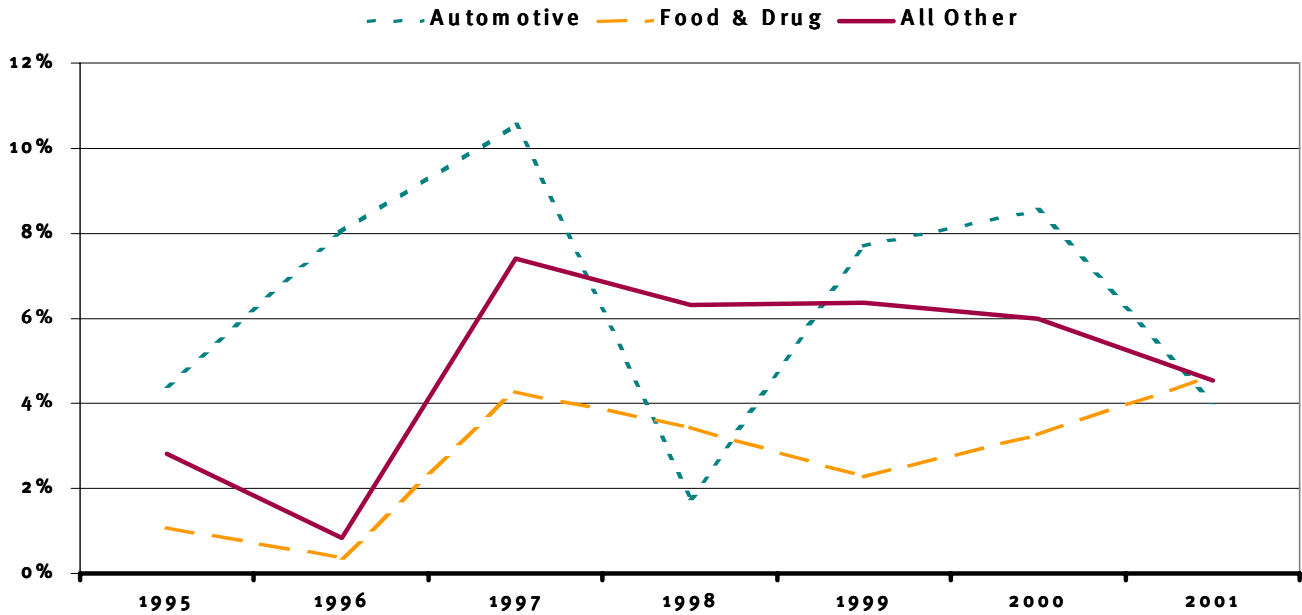
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2002	Same Period 2001	Change 2002 / 2001
British Columbia	15,634.3	14,645.5	6.8%
Prairies	21,942.8	20,214.0	8.6%
Ontario	44,130.5	41,966.1	5.2%
Quebec	27,510.8	26,009.9	5.8%
Atlantic Canada	8,753.3	8,298.0	5.5%

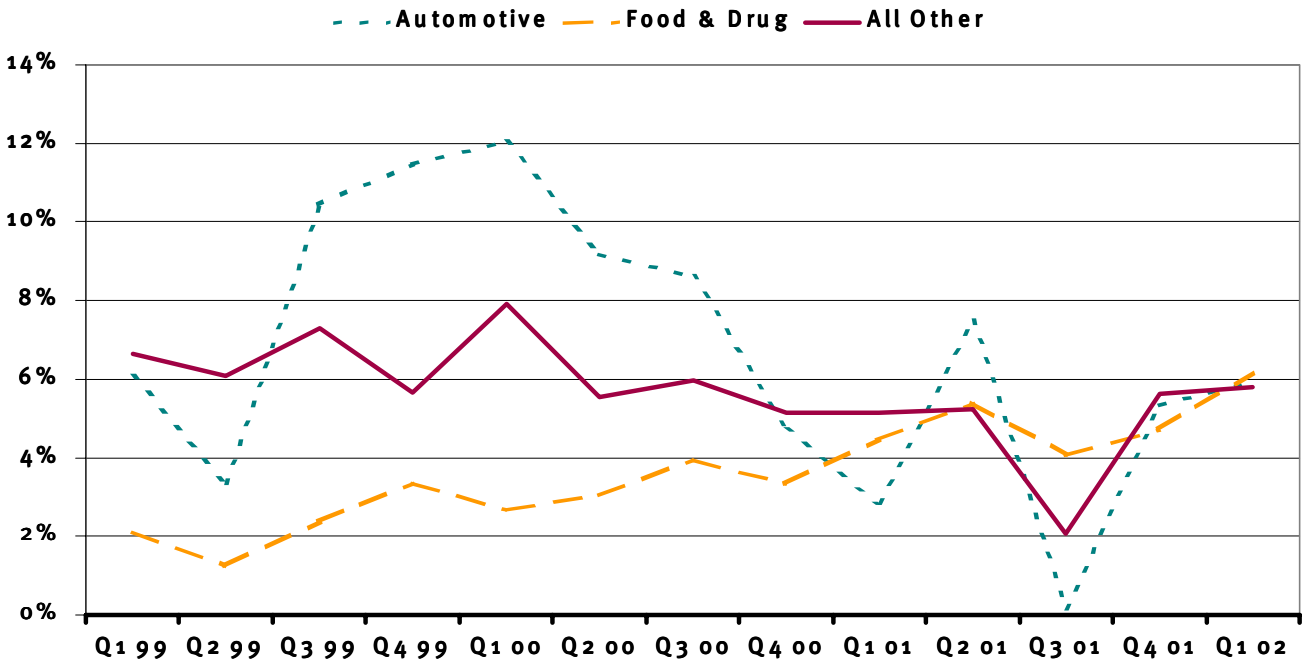
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



Canadian Retail Sales by Major Product Categories Year Over Year (1994 -2001)



Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



Consumer Price Index

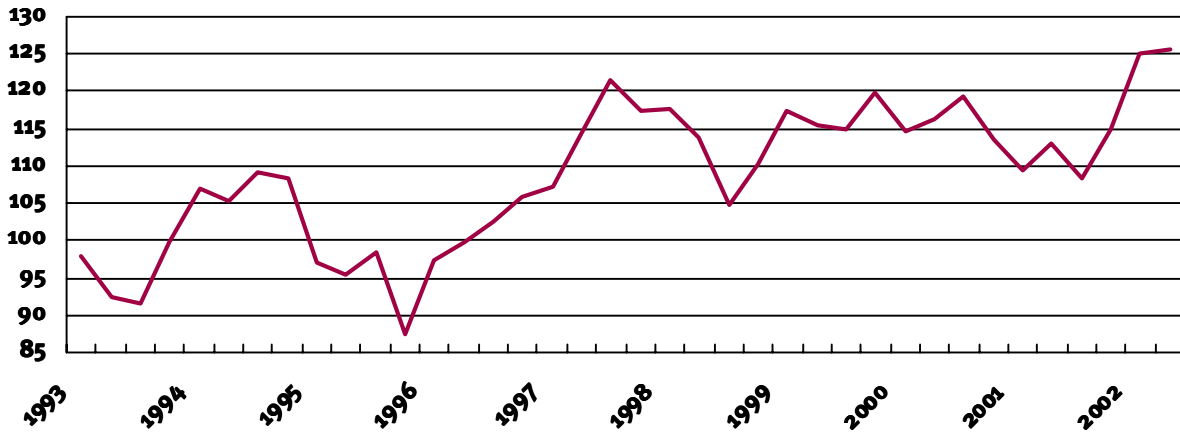
May 2002

vs.

May 2001

1.0%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

