

Bulletin

August 2002 Retail Sales • Released October 23, 2002

CANADA CONTINUES TO SPEND

As snow begins to fall in places like Calgary, and our minds start to turn towards Hallowe'en and winter holidays, it is hard to remember what we were doing in August. For many Canadians, they were still shopping! Strong retail sales in August proved that shopping remained a top priority among consumers. Sounding like a broken record, but continued low interest rates helped to keep consumers make a bee-line to the nearest mall, main street, or power centre.

Retail sales growth in August was in line with year-to-date sales growth. All Stores advanced 6.4% in August compared to last year, and year-to-date growth continues at a healthy pace of 6.2%. All Stores Less Auto, Food, and Drug grew at the same rate for the month and for the year-to-date (6.1%). Many retailers are on track for the year.

August witnessed some softening in the Department Store category and Furniture, Appliance, and Furnishings Stores, but overall these categories remained relatively strong. Department Stores jumped 6.1% in August, but were down from the 8.0% for the year-to-date. Double-digit growth (10.2%) for the Furniture, Appliance, and Furnishings Stores continues to impress us, but it was less than the year-to-date growth of 12.0%.

REGIONAL SHAKE UP

On a regional basis, the Prairies continued to outperform all other regions in Canada driven in large part by the healthy Alberta economy. Retail sales in Ontario have remained relatively weaker. For August, B.C. and Alberta did not grow as fast as their year-to-date averages. Alternatively, Quebec, Ontario and Atlantic Canada grew faster in August than their year-to-date averages revealing

some regional changes afoot. Monthly and year-to-date growth rates for the regions are:

Region	August Growth	YTD Growth
B.C.	5.2%	6.1%
Prairies	8.0%	8.4%
Ontario	6.2%	5.5%
Quebec	6.5%	6.2%
Atlantic	4.8%	4.6%

Alberta's August growth rate, while greater than Ontario, was lower than the other Prairie provinces (7.3%). No doubt, the August opening of Les Ailes de la Mode in Downtown Montreal helped push up retail sales in the province and, retail activity continued to buzz in la belle province.

FUTURE MATTERS

The Canadian Consumer Confidence Index has been updated for Fall 2002 and while slightly down by one point, it remains at a very high level. The prospects for Canadian retail remain relatively good. J.C. Williams Group expects retail sales to remain in the 5.5% to 6.0% for the end-of-year reflecting a slight deceleration in the market.

RETAIL MATTERS

J.C. Williams Group's continuing series, *Retail Matters*, can be found on our Website. Please follow the links. This is the second in a series of discussion articles on the retail industry that we hope you will find engaging.

The full article can be found at www.jcwg.com/downloads.htm

PROJECT YOURSELF INTO THE FUTURE: TAKING A BRAND TO A MULTI-CHANNEL

The move from where your brand has been, where it is now, and where you want it to go in the future starts with a clear understanding of your brand's identity.

This article takes you through some of the thinking you need to move your brand into a multi-channel. Envisioning your brand, multi-channeling tips, and the need for consistency at every touch point are some key concepts covered. The article ends with some pros and cons, and the idea of "is it all worth it?"

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

November 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.

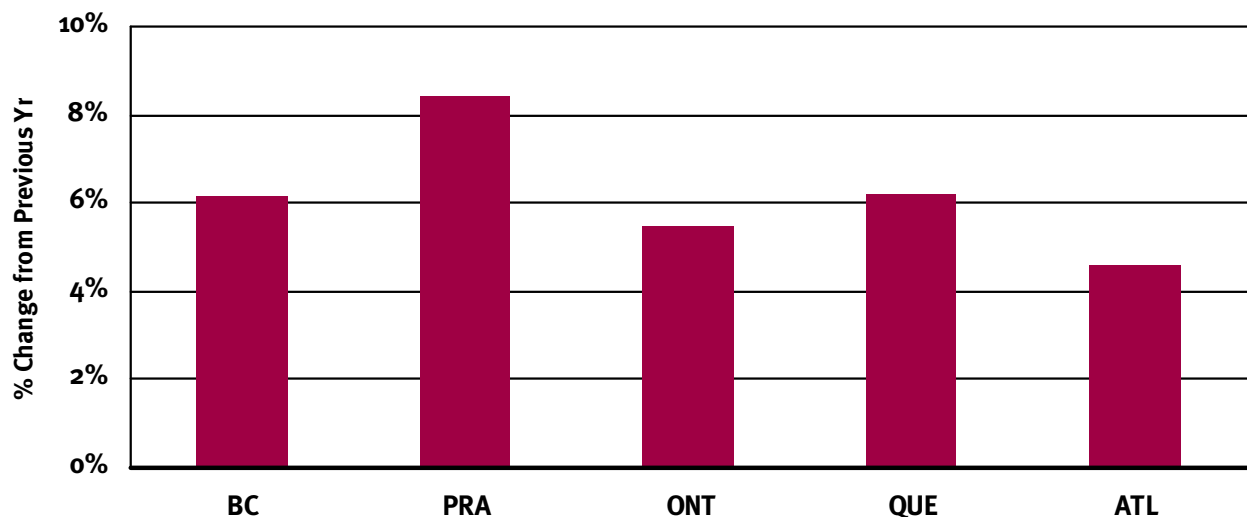
Retail Sales by Store Category

Sales for the Month of: August	2002	2001	2002 / 2001
All Stores	26,987.5	25,369.8	6.4%
Automotive Group	10,834.1	10,243.3	5.8%
All Stores Less Automotive	16,153.3	15,126.5	6.8%
Food and Drug Group	7,385.1	6,862.5	7.6%
All Stores Less Auto, Food and Drug	8,768.3	8,263.9	6.1%
General Merchandise Stores	2,804.4	2,655.1	5.6%
Department Stores (incl concessions)	1,730.2	1,631.0	6.1%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,537.7	1,395.3	10.2%
All Clothing and Shoe Stores	1,415.8	1,365.8	3.7%
Women's Clothing Stores	390.5	388.2	0.6%
Men's Clothing Stores	103.7	102.4	1.2%
Other Clothing Stores	763.3	720.1	6.0%
Shoe Stores	158.3	155.1	2.1%
All Other Retail (except auto, food, drug)	3,010.3	2,847.7	5.7%
Year-to-date Sales	2002	2001	2002 / 2001
All Stores	198,913.8	187,271.5	6.2%
Automotive Group	83,465.5	78,372.5	6.5%
All Stores Less Automotive	115,448.3	108,899.0	6.0%
Food and Drug Group	54,158.1	51,153.1	5.9%
All Stores Less Auto, Food and Drug	61,290.2	57,745.9	6.1%
General Merchandise Stores	20,240.9	19,232.7	5.2%
Department Stores (incl concessions)	12,302.8	11,395.8	8.0%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	11,050.1	9,862.5	12.0%
All Clothing and Shoe Stores	9,675.2	9,347.1	3.5%
Women's Clothing Stores	2,935.2	2,886.6	1.7%
Men's Clothing Stores	815.0	826.5	-1.4%
Other Clothing Stores	4,809.5	4,557.3	5.5%
Shoe Stores	1,115.5	1,076.8	3.6%
All Other Retail (except auto, food, drug)	20,324.1	19,303.5	5.3%

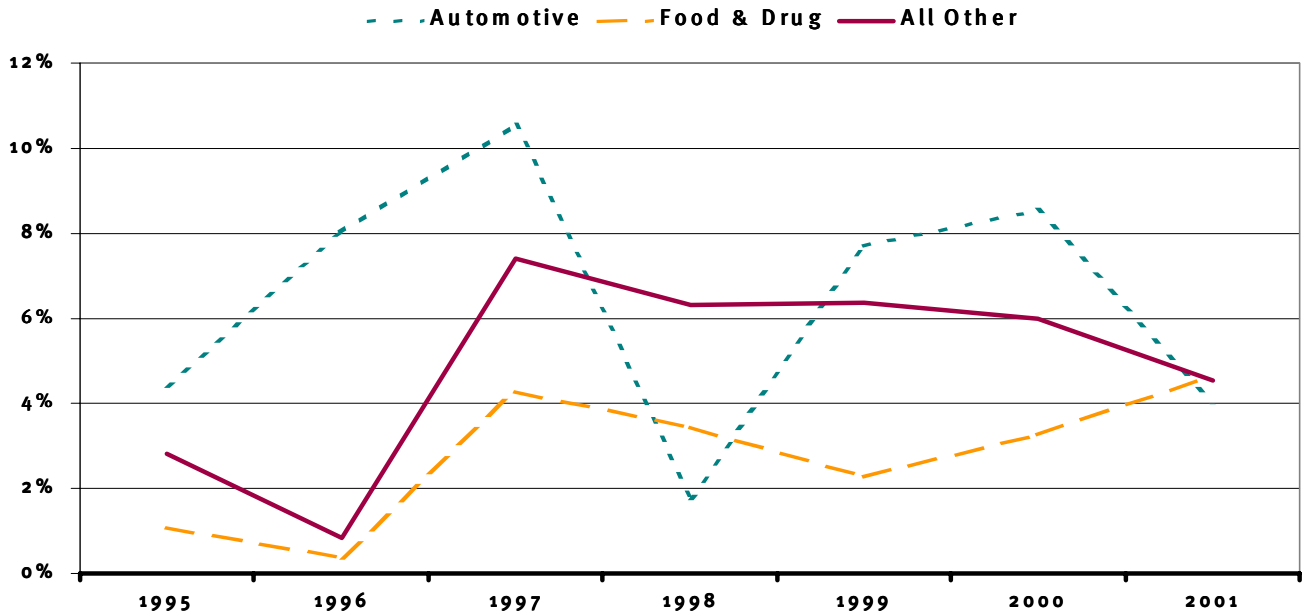
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2002	Same Period 2001	Change 2002 / 2001
British Columbia	26,166.4	24,652.3	6.1%
Prairies	36,822.3	33,960.0	8.4%
Ontario	74,163.8	70,327.4	5.5%
Quebec	46,138.5	43,443.1	6.2%
Atlantic Canada	14,895.2	14,243.7	4.6%

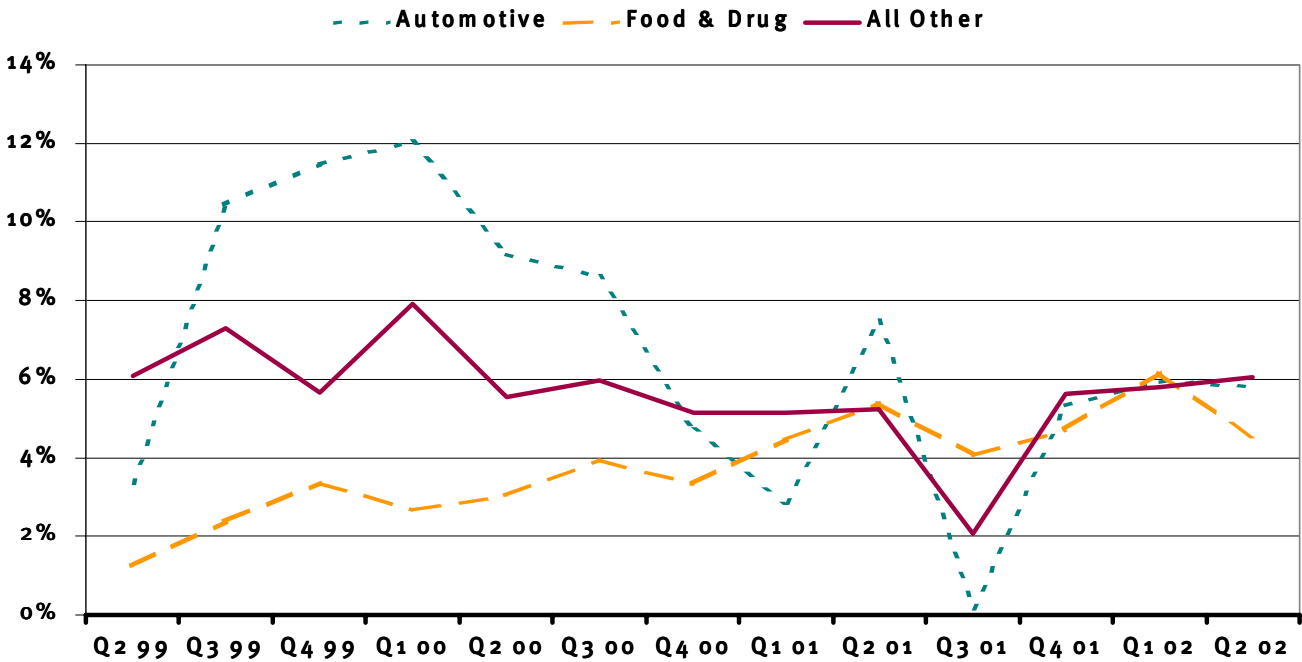
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



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



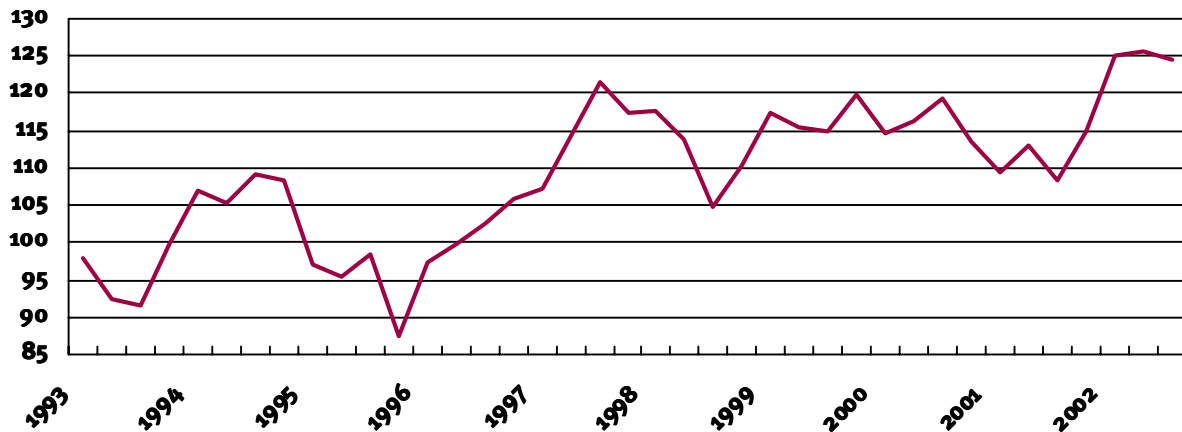
Consumer Price Index

September 2002

vs. September 2001

2.3%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

