

Bulletin

U.S. Data

Advance January 2006 Retail Sales • Released February 14, 2006

THE SUNSHINE EFFECT

Consumers basked in the sunshine in January alongside rising consumer confidence. The Conference Board's Consumer Confidence Index jumped up a further 2.5 points in January. The improved consumer sentiment was partly the result of increased sunshine and warm breezes hitting our faces. In some parts of the country where winter parkas are the norm in January, consumers were outside jogging in shorts.

The sunshine effect not only lifted consumers' spirits but also lifted retail sales. Total sales in January 2006 were just shy of 9% greater than last January.

The warm weather helped to extend the building season as Building Material and Garden Equipment Stores hammered away to an impressive 17.6% gain.

Food Services and Drinking Places also benefited as sales were up 10.2% as consumers were more in an eating and drinking mood with family and friends rather than a hibernation mood. Food Service and Drinking Places' sales growth appeared to be at the expense of Food and Beverage Stores, which only gained 2.6%.

The balmy weather combined with increased gift card redemption

brought a ray of sunshine to other retailers as well. Clothing and Accessories Stores outshone many other retail categories by gaining 9.7%. Impressive same store sales were recorded for retailers such as Wet Seal (51.4%), Chico's (14.6%), and Ann Taylor (10.9%). Ann Taylor's sales growth was aided by the timing some of their new spring line up just as the weather improved. This combination could not have been better for retail sales.

Other retail categories benefiting from gift card redemption include Furniture, Home Furnishings, Electronics, and Appliance Stores (8.2%) and Sporting Goods, Hobby, Book, and Music Stores (6.3%). The Electronics and Appliance Stores received an additional boost with the increased popularity of plasma TVs for Super Bowl weekend.

This bulletin also includes full details of year-end 2005 sales. In retrospect, 2005 was a very good year for retailers. Some retailers struggled including Book Stores (-1.8%) and others are still going through a restructuring phase. Department Stores are down 0.6%. However, for 2006, Federated has announced a \$100 million re-invention plan for its stores as the company brings its stores inline with one another.

Given 2005's strong growth and January's exceptional start to 2006, the first half of the year appears promising for retailers.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:
March 14, 2006

Please note:

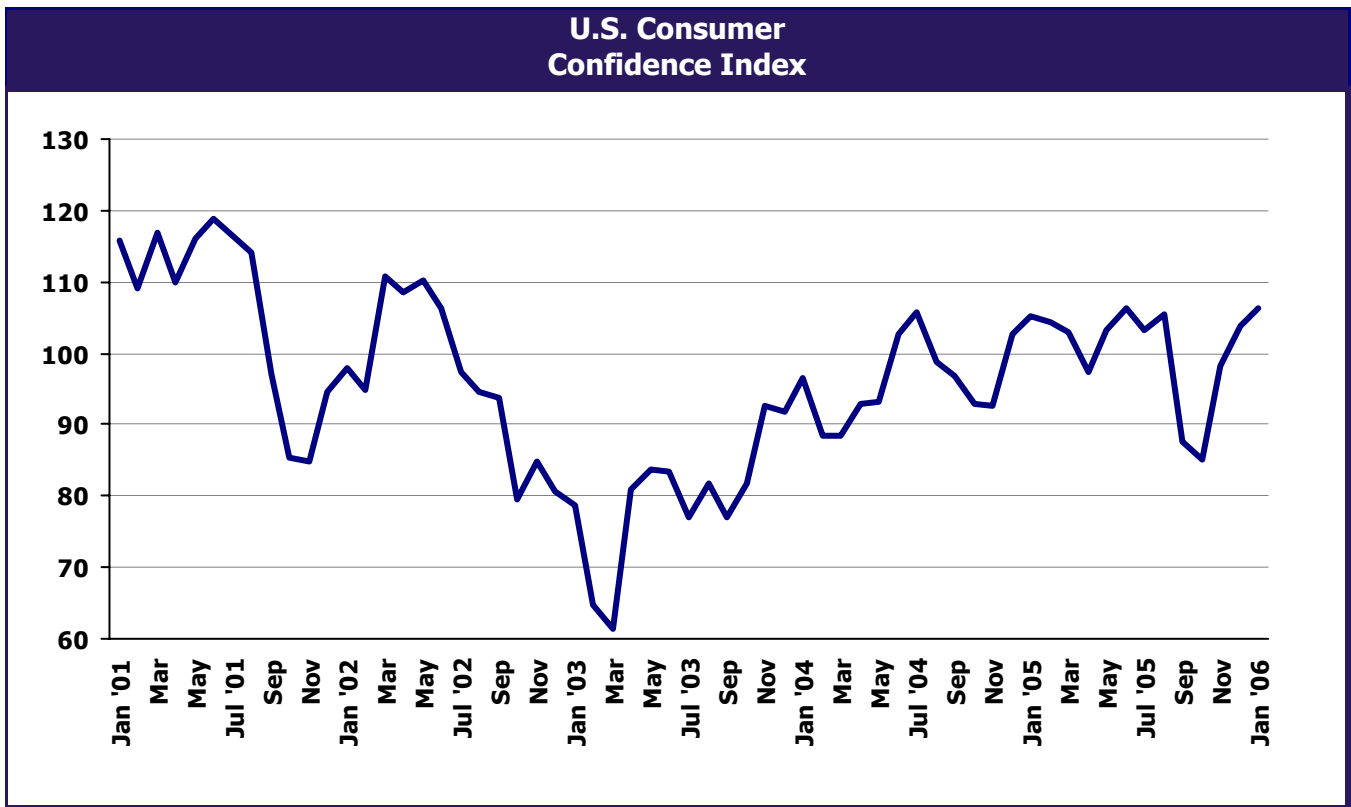
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that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

Advance Sales for the Month of January	2006	2005	% Change
All Stores	325,686	299,014	8.9%
Motor Vehicle and Parts Dealers	67,036	63,528	5.5%
Gasoline Stations	31,463	25,793	22.0%
Food and Beverage Stores	42,486	41,416	2.6%
Grocery Stores	38,513	37,794	1.9%
Health and Personal Care Stores	18,836	17,426	8.1%
Building Material and Garden Equipment Stores	24,274	20,640	17.6%
General Merchandise Stores	39,167	36,623	6.9%
Department Stores (excluding leased departments)	14,017	14,169	-1.1%
Clothing and Accessories Stores	13,261	12,090	9.7%
Furniture, Home Furnishings, Electronics and Appliance Stores	16,668	15,404	8.2%
Furniture and Home Furnishing Stores	8,607	7,863	9.5%
Electronics and Appliance Stores	8,061	7,541	6.9%
Sporting Goods, Hobby, Book and Music Stores	6,620	6,214	6.5%
Miscellaneous Store Retailers	8,776	8,256	6.3%
Nonstore Retailers	23,525	21,170	11.1%
Food Services and Drinking Places	33,574	30,454	10.2%
Year-to-Date Sales Ending January	2006	2005	% Change
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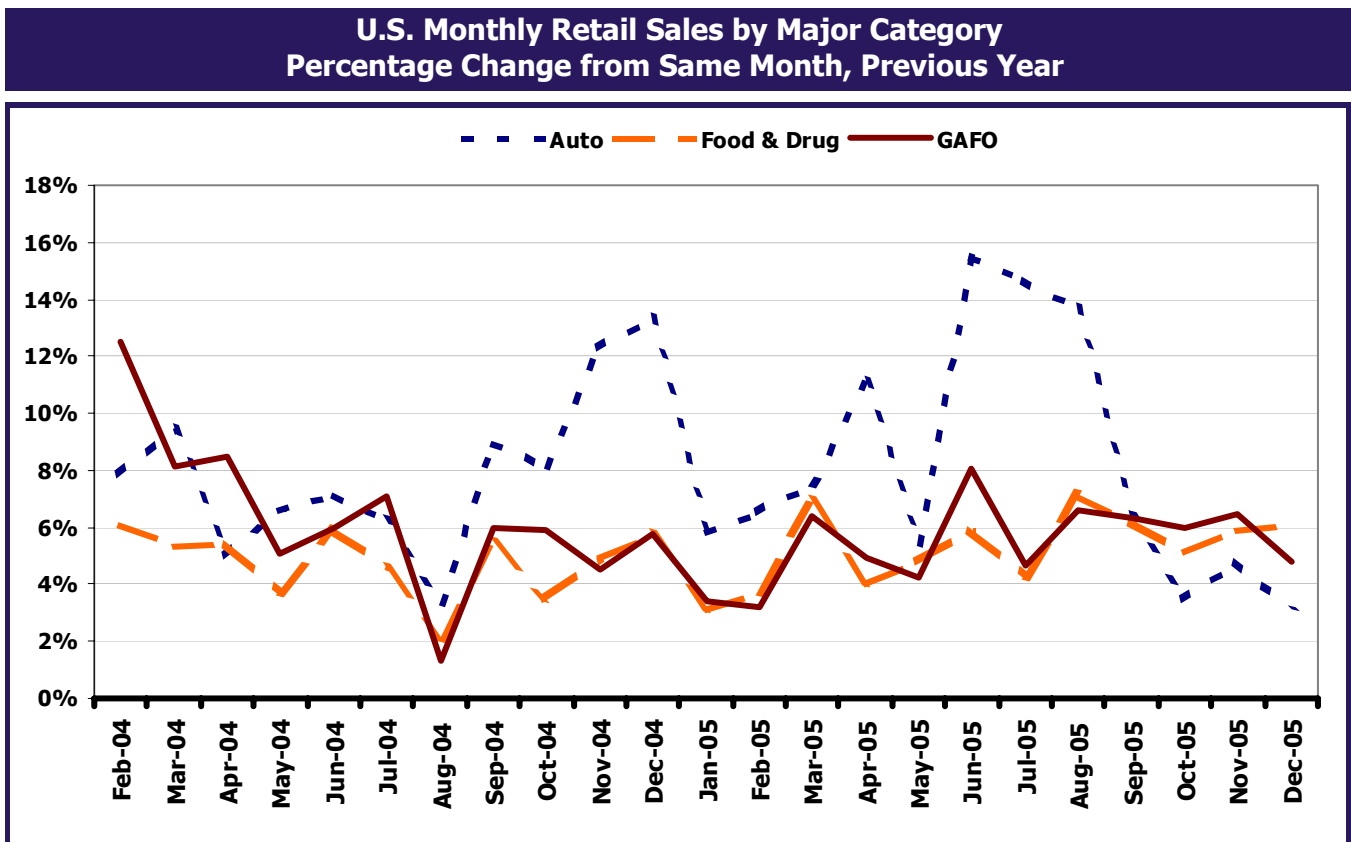
Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.

Revised Year-to-Date Sales Ending December	2005	2004	% Change
All Stores	4,183,705	3,901,739	7.2%
Motor Vehicle and Parts Dealers	914,909	882,040	3.7%
Gasoline Stations	387,559	320,604	20.9%
Food and Beverage Stores	522,574	498,151	4.9%
Grocery Stores	467,239	447,677	4.4%
Beer, Wine and Liquor Stores	34,201	31,950	7.0%
Health and Personal Care Stores	218,252	205,404	6.3%
Pharmacies and Drug Stores	186,082	175,624	6.0%
Building Material and Garden Equipment Stores	332,632	303,071	9.8%
Building Material and Supplies Stores	294,520	267,932	9.9%
Hardware Stores	20,048	19,012	5.4%
GAFO (general merchandise, apparel, furniture, and other)	1,065,270	1,010,230	5.4%
General Merchandise Stores	533,275	502,845	6.1%
Department Stores (excluding leased departments)	214,738	215,999	-0.6%
<i>Discount Department Stores (excluding leased departments)</i>	<i>127,854</i>	<i>127,244</i>	<i>0.5%</i>
<i>Conventional and National Dept. Stores (ex. leased depts.)</i>	<i>86,884</i>	<i>88,755</i>	<i>-2.1%</i>
Warehouse Clubs and Superstores	277,454	247,285	12.2%
All Other General Merchandise Stores	41,083	39,561	3.8%
Clothing and Accessories Stores	201,608	189,997	6.1%
Men's Clothing Stores	9,926	9,457	5.0%
Women's Clothing Stores	37,330	35,242	5.9%
Family Clothing Stores	75,899	70,632	7.5%
Shoe Stores	24,514	23,715	3.4%
Jewelry Stores	28,108	27,424	2.5%
Furniture, Home Furnishings, Electronics and Appliance Stores	209,236	198,326	5.5%
Furniture Stores	58,966	56,741	3.9%
Home Furnishing Stores	50,030	47,040	6.4%
Household Appliance Stores	17,400	15,870	9.6%
Radio, TV and Other Electronics Stores	60,296	56,427	6.9%
Computer and Software Stores	18,846	18,609	1.3%
Sporting Goods, Hobby, Book and Music Stores	81,549	80,062	1.9%
Sporting Goods Stores	32,004	29,740	7.6%
Book Stores	15,924	16,224	-1.8%
Miscellaneous Store Retailers	114,119	107,928	5.7%
Nonstore Retailers	260,939	233,281	11.9%
Electronic Shopping and Mail-Order Houses	163,475	148,252	10.3%
Fuel Dealers	40,798	33,729	21.0%
Food Services and Drinking Places	407,053	380,030	7.1%

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