

# Bulletin

U.S. Data

Advance April 2006 Retail Sales • Released May 11, 2006

## RETAIL RUNNING ON ALL CYLINDERS DESPITE RISING GAS PRICES

Amidst widespread concern over the impact of rising gas prices, consumers continued to fuel strong retail sales growth as April saw a 5.2% increase over 2005. Consumer confidence soared even higher as it hit 109.6, a level unseen since May 2002. With year-to-date growth hitting 7.4%, and revised first quarter figures showing an 8.2% increase, consumers defied looming pessimism as retail excelled throughout what is typically a slow period of the year. All eyes are now turned toward the months ahead, with retailers eagerly waiting to see if such encouraging growth continues into the summer.

Revised figures for the first quarter of 2006 showed that General Merchandise Stores fared well despite the decline of Department Stores by 0.9% over 2005. Warehouse Clubs and Superstores buoyed the category with 11.7% growth. Such encouraging numbers surely strengthen Wal-Mart's assessment that there is room for more than 1,500 additional stores in the United States during the coming years. Wal-Mart continues to increase their home base presence with plans to open 335-370 stores in 2006 alone.

The Electronic Shopping and Mail-order Houses continued their impressive expansion, with first quarter sales showing a 16.4% advance over last year. With few other categories able to claim such significant growth, it

is becoming increasingly clear that multi-channel retailing continues to be a key growth driver. As online retailers have begun to refine their seasonal merchandising strategies, the fruits of Valentine's Day and Easter are seen in strong sales figures. Turnout at the recent ACCM conference in Chicago is an indication that retailers are awakening to the necessity of an effective multi-channel strategy.

Electronics and Appliances Stores saw stable growth in April, with revised first quarter figures showing a 1.5% decline in Computer and Software Stores offset by double-digit increases in Home Furnishing Stores (13.6%) and Household Appliance Stores (10.0%). Radio, TV and Other Electronics grew 9.6%, thus continuing the positive trend that translated into 13.0% revenue growth for Circuit City in the fourth quarter of 2005.

Building Material and Garden Equipment Stores growth slowed in April, although they still enjoyed an increase of 9.1%. This category saw 18.6% growth in the first quarter thanks to the warmer weather that put an early spring in the step of many retailers. Sporting Goods Stores witnessed a 13.2% increase and accounted for the lion's share of growth in the Sporting Goods, Hobby, Book, and Music Stores category. Clothing and Accessories Stores enjoyed 7.2% growth, as retailers were unable to complain about the weather.

With the arrival of Mother's Day and summer weather blanketing the nation, retailers should be looking forward to both rising temperatures and sales thanks to robust consumer confidence.

**RELEASE DATE OF THE NEXT  
NATIONAL RETAIL BULLETIN:**  
June 13, 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](http://www.census.gov).

## Retail Sales by Store Category

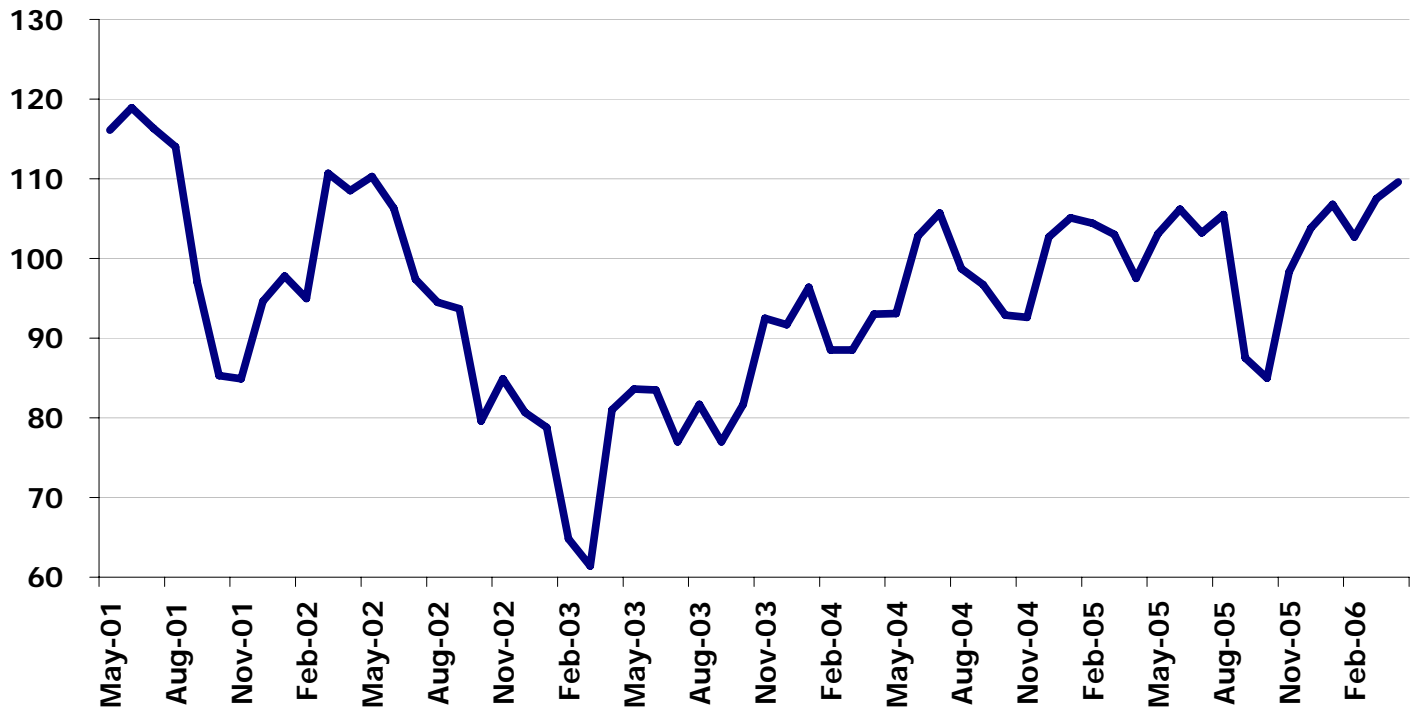
Sales for the Month of April	2006	2005	2006/2005
<b>All Stores</b>	<b>355,261</b>	<b>337,663</b>	<b>5.2%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>75,637</b>	<b>78,518</b>	<b>-3.7%</b>
<b>Gasoline Stations</b>	<b>35,816</b>	<b>31,247</b>	<b>14.6%</b>
<b>Food and Beverage Stores</b>	<b>43,996</b>	<b>41,668</b>	<b>5.6%</b>
Grocery Stores	39,245	37,357	5.1%
<b>Health and Personal Care Stores</b>	<b>18,009</b>	<b>16,932</b>	<b>6.4%</b>
<b>Building Material and Garden Equipment Stores</b>	<b>32,687</b>	<b>29,950</b>	<b>9.1%</b>
<b>General Merchandise Stores</b>	<b>44,116</b>	<b>40,805</b>	<b>8.1%</b>
Department Stores (excluding leased departments)	16,760	16,624	0.8%
<b>Clothing and Accessories Stores</b>	<b>16,869</b>	<b>15,741</b>	<b>7.2%</b>
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>16,405</b>	<b>15,689</b>	<b>4.6%</b>
Furniture and Home Furnishing Stores	8,972	8,544	5.0%
Electronics and Appliance Stores	7,433	7,145	4.0%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>6,369</b>	<b>6,001</b>	<b>6.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>8,993</b>	<b>8,595</b>	<b>4.6%</b>
<b>Nonstore Retailers</b>	<b>21,022</b>	<b>19,030</b>	<b>10.5%</b>
<b>Food Services and Drinking Places</b>	<b>35,342</b>	<b>33,487</b>	<b>5.5%</b>

Year to Date Sales Ending April	2006	2005	2006/2005
<b>All Stores</b>	<b>1,362,283</b>	<b>1,268,712</b>	<b>7.4%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>293,302</b>	<b>289,010</b>	<b>1.5%</b>
<b>Gasoline Stations</b>	<b>131,071</b>	<b>112,431</b>	<b>16.6%</b>
<b>Food and Beverage Stores</b>	<b>171,142</b>	<b>164,091</b>	<b>4.3%</b>
Grocery Stores	153,269	148,139	3.5%
<b>Health and Personal Care Stores</b>	<b>72,204</b>	<b>67,811</b>	<b>6.5%</b>
<b>Building Material and Garden Equipment Stores</b>	<b>112,033</b>	<b>96,825</b>	<b>15.7%</b>
<b>General Merchandise Stores</b>	<b>165,244</b>	<b>154,914</b>	<b>6.7%</b>
Department Stores (excluding leased departments)	61,992	62,270	-0.4%
<b>Clothing and Accessories Stores</b>	<b>60,854</b>	<b>57,488</b>	<b>5.9%</b>
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>68,604</b>	<b>63,573</b>	<b>7.9%</b>
Furniture and Home Furnishing Stores	36,587	33,551	9.0%
Electronics and Appliance Stores	32,017	30,022	6.6%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>25,634</b>	<b>23,836</b>	<b>7.5%</b>
<b>Miscellaneous Store Retailers</b>	<b>36,497</b>	<b>33,653</b>	<b>8.5%</b>
<b>Nonstore Retailers</b>	<b>89,799</b>	<b>79,656</b>	<b>12.7%</b>
<b>Food Services and Drinking Places</b>	<b>135,899</b>	<b>125,424</b>	<b>8.4%</b>

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

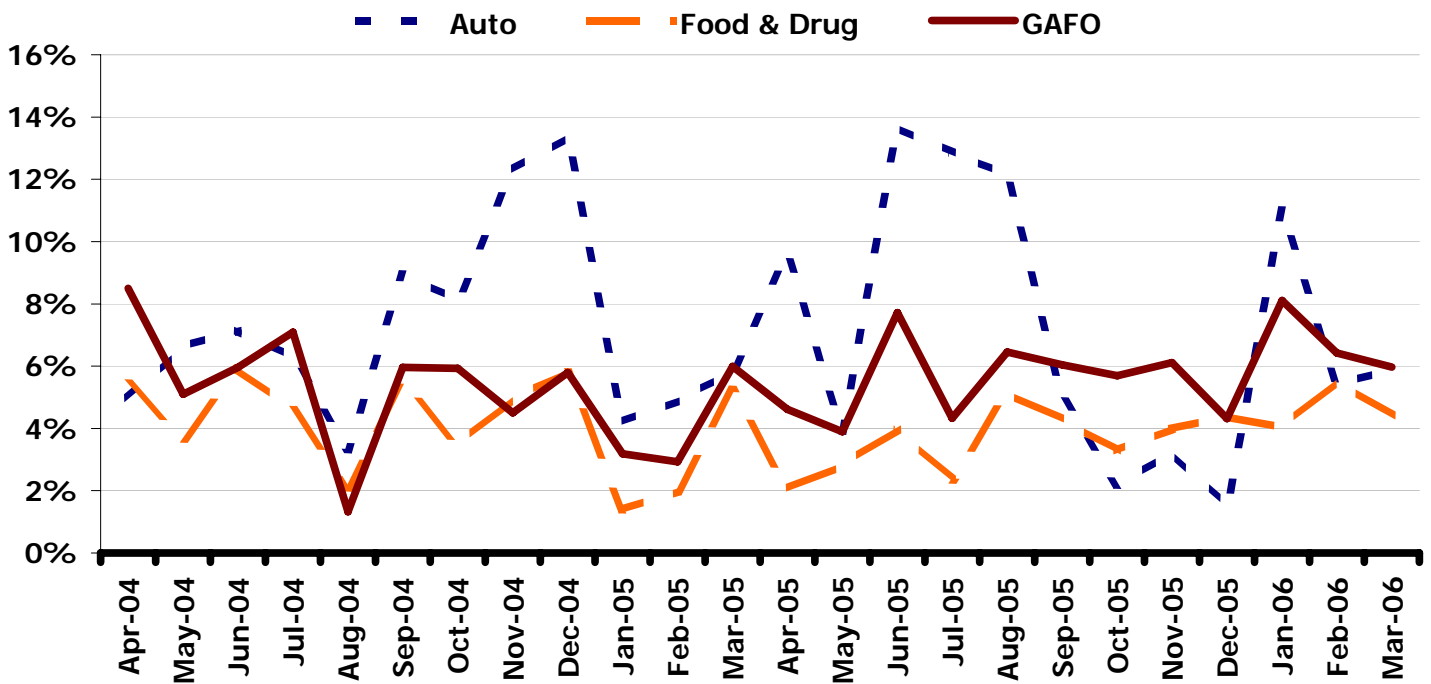
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### U.S. Consumer Confidence Index



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

## Retail Sales by Store Category

Revised Year to Date Sales Ending March	2006	2005	2006/2005
<b>All Stores</b>	<b>1,007,022</b>	<b>931,049</b>	<b>8.2%</b>
<b>Motor Vehicle and Parts Dealers</b>	<b>217,665</b>	<b>210,492</b>	<b>3.4%</b>
<b>Gasoline Stations</b>	<b>95,255</b>	<b>81,184</b>	<b>17.3%</b>
<b>Food and Beverage Stores</b>	<b>127,146</b>	<b>122,423</b>	<b>3.9%</b>
Grocery Stores	114,024	110,782	2.9%
Beer, Wine and Liquor Stores	8,147	7,280	11.9%
<b>Health and Personal Care Stores</b>	<b>54,195</b>	<b>50,879</b>	<b>6.5%</b>
Pharmacies and Drug Stores	45,129	42,732	5.6%
<b>Building Material and Garden Equipment Stores</b>	<b>79,346</b>	<b>66,875</b>	<b>18.6%</b>
Building Material and Supplies Stores	71,659	60,217	19.0%
Hardware Stores	4,109	3,875	6.0%
<b>GAFO (general merchandise, apparel, furniture, and other)</b>	<b>246,475</b>	<b>230,798</b>	<b>6.8%</b>
<b>General Merchandise Stores</b>	<b>121,128</b>	<b>114,109</b>	<b>6.2%</b>
Department Stores (excluding leased departments)	45,232	45,646	-0.9%
<i>Discount Department Stores (excluding leased departments)</i>	<i>28,181</i>	<i>28,236</i>	<i>-0.2%</i>
<i>Conventional and National Dept. Stores (ex. Leased depts.)</i>	<i>17,051</i>	<i>17,410</i>	<i>-2.1%</i>
Warehouse Clubs and Superstores	66,792	59,795	11.7%
All Other General Merchandise Stores	9,104	8,668	5.0%
<b>Clothing and Accessories Stores</b>	<b>43,985</b>	<b>41,747</b>	<b>5.4%</b>
Men's Clothing Stores	1,944	1,988	-2.2%
Women's Clothing Stores	8,304	7,796	6.5%
Family Clothing Stores	16,017	15,378	4.2%
Shoe Stores	5,660	5,349	5.8%
Jewellery Stores	6,134	5,645	8.7%
<b>Furniture, Home Furnishings, Electronics and Appliance Stores</b>	<b>52,199</b>	<b>47,884</b>	<b>9.0%</b>
Furniture Stores	14,998	13,899	7.9%
Home Furnishing Stores	12,617	11,108	13.6%
Household Appliance Stores	4,253	3,867	10.0%
Radio, TV and Other Electronics Stores	14,933	13,614	9.7%
Computer and Software Stores	4,629	4,700	-1.5%
<b>Sporting Goods, Hobby, Book and Music Stores</b>	<b>19,265</b>	<b>17,835</b>	<b>8.0%</b>
Sporting Goods Stores	7,231	6,388	13.2%
Book Stores	4,235	4,205	0.7%
<b>Miscellaneous Store Retailers</b>	<b>27,504</b>	<b>25,058</b>	<b>9.8%</b>
<b>Nonstore Retailers</b>	<b>68,777</b>	<b>60,626</b>	<b>13.4%</b>
Electronic Shopping and Mail-Order Houses	43,000	36,951	16.4%
Fuel Dealers	12,648	12,139	4.2%
<b>Food Services and Drinking Places</b>	<b>100,557</b>	<b>91,937</b>	<b>9.4%</b>

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

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