

Bulletin

August 2001 Retail Sales • Released October 22 2001

ANCIENT HISTORY

The events of September 11th and the days following make August and the last days of summer seem like ancient history. However, while slowdown rumors continued to run high during that time, Canadian consumers continued to increase their spending by 5% this August compared to last. Clearly, back-to-school was a significant driver lending a helping hand to the apparel and food and drug groups. All Clothing and Shoe Stores gained 6.4% on the month and the Food and Drug Group advanced 8.3%, buoyed by exceptionally strong growth at drug stores.

Men's Clothing Stores continued to uninspire retail sales growth for their category, dropping by 5.4%, while Other Clothing Stores, aided by newer retailers such as Old Navy, grew by almost 9%. Growth in the Department Stores' category is due to more stores (such as Eatons) compared to last year, and growth at Wal-Mart.

ONTARIO DRAGS THE NATION

Energy rich provinces such as Alberta and Newfoundland experienced strong retail sales growth compared to Ontario, who is dragging down total retail sales. On a year-to-date basis, Ontario grew by only 3.5% compared to the Prairies 7.5% growth.

HOLIDAY FORECAST

With uncertainty on everyone's minds this season, it is difficult to predict how retail sales will proceed in the upcoming months. J.C. Williams Group maintains that the holiday season will be traditional and family focused. Categories that will do well include food and drug, value merchants, traditional toys such as dolls and teddy bears, as well as electronic games, and home electronics such as DVDs. Apparel, automotive, and other big-ticket items will be weaker. The Canadian Consumer Confidence Index has been updated and reflects the downward sentiment towards making large purchases especially in the wake of September 11th.

Given last season's weaker retail sales performance, J.C. Williams Group forecasts that retail sales will advance modestly by 2% to 3%.

THE MULTI-CHANNEL RETAIL REPORT

Shop.org, the industry association for retailers conducting business online, released a new study earlier this month that indicates multi-channel shoppers spend more and demonstrate more loyalty. The "Multi-Channel Retail Report 2001," conducted by J.C. Williams Group and BizRate.com, is the most comprehensive of retailing in today's economy that combines consumer measures of cross-channel shopping with in-depth executive interviews. The report showed significant levels of cross-channel purchasing; however, many retail executives readily acknowledge that they are far from realizing rewards from true multi-channel integration. For more information contact Debra Kavchak or Dave West at (416) 921-4181.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

November 22, 2001

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 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.

Retail Sales by Store Category

Sales for the Month of: August	2001	2000	2001 / 2000
All Stores	25,442.0	24,222.9	5.0%
Automotive Group	10,286.5	10,033.1	2.5%
All Stores Less Automotive	15,155.5	14,189.8	6.8%
Food and Drug Group	6,901.0	6,374.1	8.3%
All Stores Less Auto, Food and Drug	8,254.5	7,815.7	5.6%
General Merchandise Stores	2,667.5	2,559.0	4.2%
Department Stores (incl concessions)	1,631.0	1,476.8	10.4%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,374.9	1,292.0	6.4%
All Clothing and Shoe Stores	1,369.5	1,286.8	6.4%
Women's Clothing Stores	387.9	364.8	6.3%
Men's Clothing Stores	106.7	112.8	-5.4%
Other Clothing Stores	718.9	660.1	8.9%
Shoe Stores	155.9	149.1	4.6%
All Other Retail (except auto, food, drug)	2,842.5	2,677.9	6.1%
Year-to-date Sales	2001	2000	2001/2000
All Stores	187,479.4	178,630.0	5.0%
Automotive Group	78,417.0	74,832.5	4.8%
All Stores Less Automotive	109,062.3	103,797.5	5.1%
Food and Drug Group	51,254.0	48,733.1	5.2%
All Stores Less Auto, Food and Drug	57,808.3	55,064.4	5.0%
General Merchandise Stores	19,351.5	18,520.4	4.5%
Department Stores (incl concessions)	11,395.8	10,480.8	8.7%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	9,817.5	9,207.3	6.6%
All Clothing and Shoe Stores	9,370.2	8,939.3	4.8%
Women's Clothing Stores	2,898.4	2,745.7	5.6%
Men's Clothing Stores	847.2	885.2	-4.3%
Other Clothing Stores	4,546.9	4,220.7	7.7%
Shoe Stores	1,077.7	1,087.8	-0.9%
All Other Retail (except auto, food, drug)	19,269.1	18,397.4	4.7%

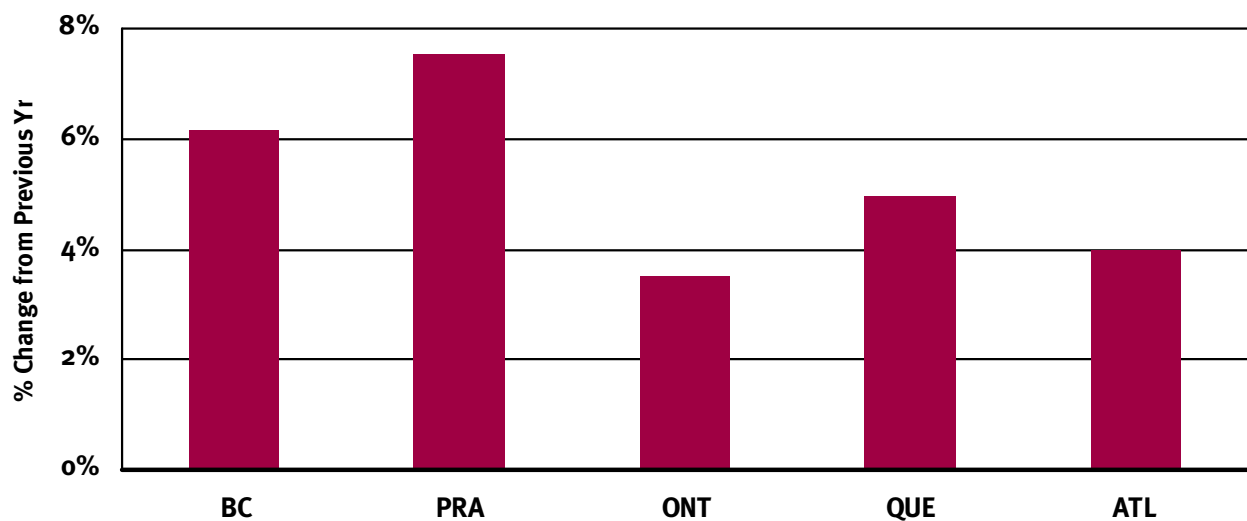
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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

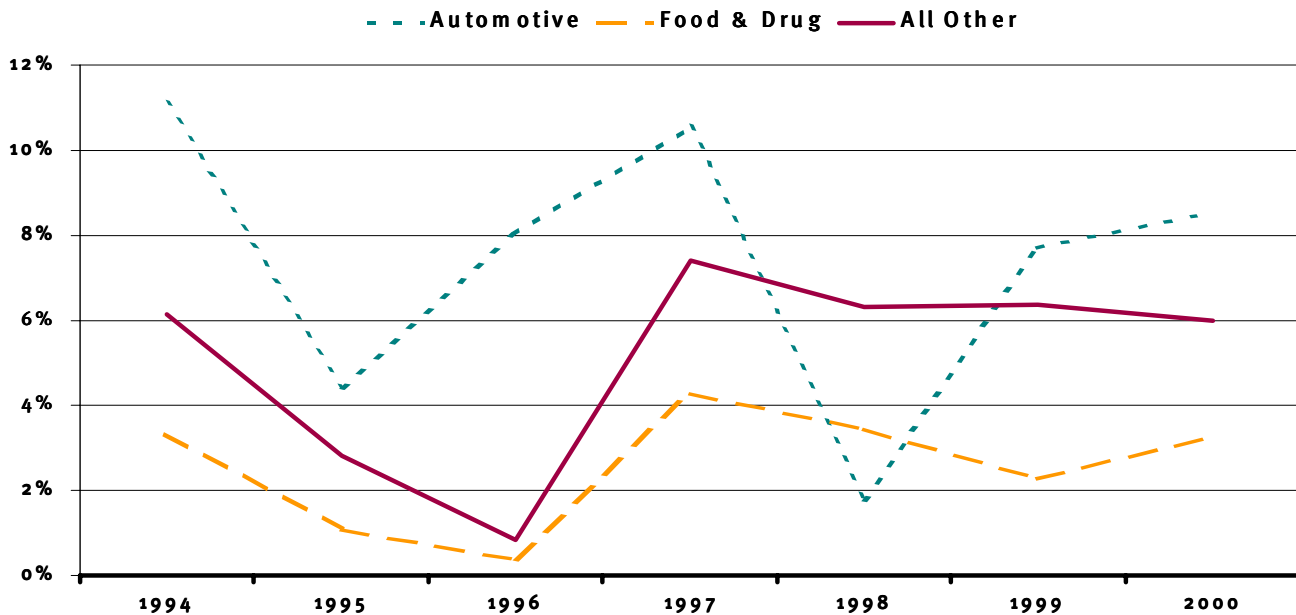
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2001	Same Period 2000	Change 2001 / 2000
British Columbia	24,535.2	23,116.0	6.1%
Prairies	33,939.7	31,564.5	7.5%
Ontario	70,566.4	68,163.6	3.5%
Quebec	43,572.5	41,504.8	5.0%
Atlantic Canada	14,222.9	13,676.7	4.0%

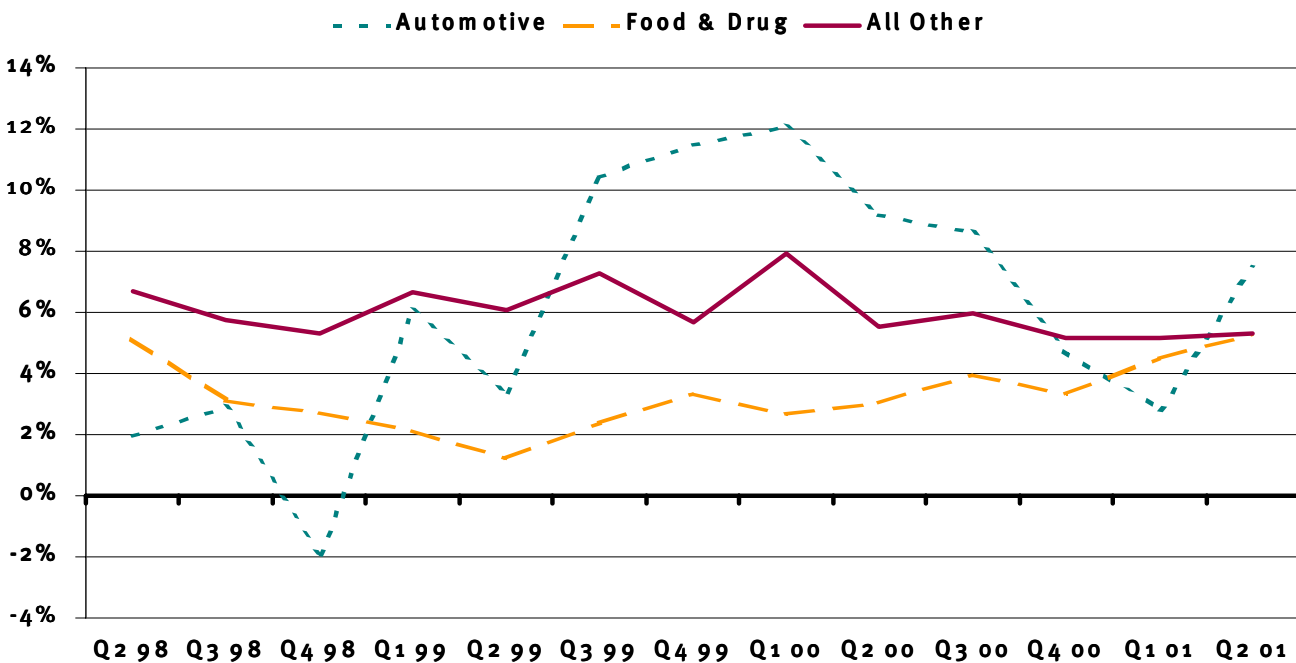
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



Canadian Retail Sales by Major Product Categories Year Over Year (1994 -2000)



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



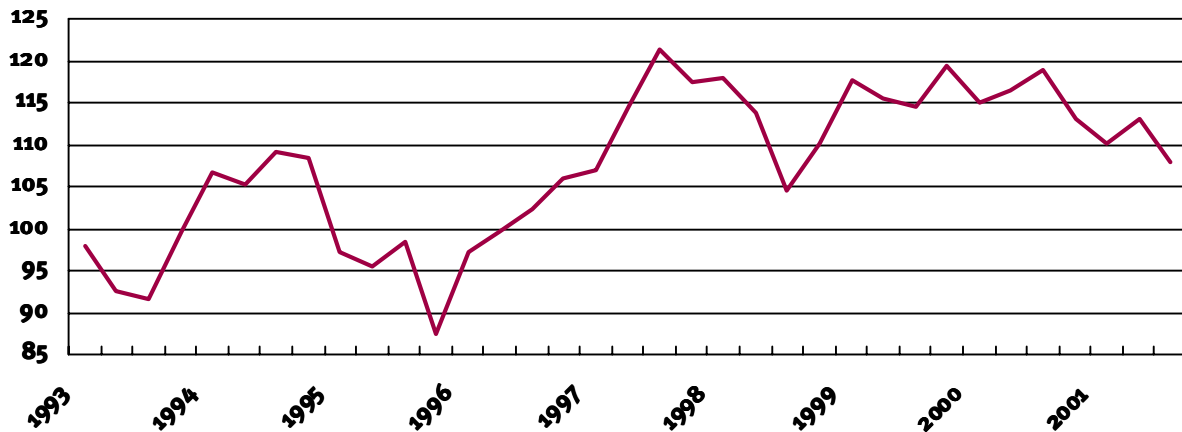
Consumer Price Index

September 2001

vs. September 2000

2.6%

Canadian Consumer Confidence Index 1993-2001



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2001

