

Bulletin

November 2008 Retail Sales • Released January 22, 2009

FLAT HAS BECOME THE NEW UP

Despite the best of hopes for the pre-holiday season, consumer confidence continued to drop to 67.7 points in December from 71.0 in November and 73.9 in October. For November, the reality of the economic downturn was setting in as All Stores sales declined -3.2%. However, All Stores Less Automotive sales growth flattened to 0.8%.

November 2007's sales growth was very high, making it more difficult for retailers to match these numbers. Even Walmart Canada reported slightly negative growth results for same-store-sales compared to the same time last year. In addition, the perception of a slowdown was more a contributing factor as consumers became more cash-conscious, prompting a split in spending needs vs. wants.

On the needs side, General Merchandise Stores enjoyed a 4.6% rise in sales in November. With one-stop-shopping becoming a mantra and consumers searching for lower-priced clothing and accessories alternatives to the specialty stores, General Merchandisers were seen cutting into the retail share of sectors like Clothing and Accessories and Food and Beverage Stores. Food and Beverage Stores however, still enjoyed sales growth of 3.0% for the month.

Pharmacies and Personal Care Stores were up slightly at 0.4%. Despite flat-line sales for the sector, Shoppers Drug Mart took their 20% share of the Canadian cosmetics industry to another level this month; the industry's giant opened up two new concept stores, Murale, in Ontario and Quebec.

Clothing and Accessories Stores fell by -3.7% while Shoes, Clothing Accessories and Jewellery Stores declined -6.1% for the month. The negative result is heavily influenced by poor Jewellery sales; the Shoes sector on the other hand, benefitted from the wintery weather that shrouds the country.

Amidst news of an uncertain fate for Circuit City's Canadian division – The Source – Computer, Software, Home Electronics, and Appliance Stores grew their November sales by 1.6%. Year-to-date sales for the sector were up a heartening 7.4%, proving for some that electronics are a necessity.

Other big-ticket retailers like Furniture and Home Furnishings Stores declined -4.5% for the month but were up 2.6% year-to-date. Leisure retailers including Sporting Goods, Hobby, Music, and Book Stores also took a hit of -3.8% in November.

Consumer expenditure is beset with caution, as November's unemployment rate increased to 6.3%. Despite the gloomy atmosphere for both the weather and November's retail sales, year-to-date sales were positive overall; All Stores sales grew by 4.1%. If retailers can maintain these relatively flat growth numbers, they may be able to weather the storm into the next year.

**RELEASE DATE OF THE NEXT
NATIONAL RETAIL BULLETIN**
February 23, 2009

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 November	2008	2007	2008/2007
All Stores	33,954,322	35,070,019	-3.2%
Automotive	9,902,285	11,218,000	-11.7%
All Stores Less Automotive	24,052,037	23,852,019	0.8%
Food and Beverage Stores	7,975,472	7,743,721	3.0%
Pharmacies and Personal Care Stores	2,444,097	2,434,089	0.4%
All Stores Less Automotive, Food, Pharmacies	13,632,468	13,674,209	-0.3%
General Merchandise Stores	4,841,133	4,628,850	4.6%
Furniture, Home Furnishings and Electronics Stores	2,667,765	2,713,475	-1.7%
Furniture and Home Furnishings Stores	1,392,576	1,458,424	-4.5%
Computer, Software, Home Electronics, and Appliance Stores	1,275,189	1,255,051	1.6%
Clothing and Accessories Stores	2,180,560	2,264,895	-3.7%
Clothing Stores	1,703,445	1,756,910	-3.0%
Shoes, Clothing Accessories, and Jewellery Stores	477,115	507,985	-6.1%
Sporting Goods, Hobby, Music, and Book Stores	912,895	948,673	-3.8%
Building and Outdoor Home Supplies Stores	2,134,432	2,207,660	-3.3%
Miscellaneous Store Retailers	895,683	910,655	-1.6%

Year to Date Sales Ending November	2008	2007	2008/2007
All Stores	387,232,244	372,092,906	4.1%
Automotive	136,912,307	131,322,629	4.3%
All Stores Less Automotive	250,319,937	240,770,277	4.0%
Food and Beverage Stores	86,328,891	83,019,261	4.0%
Pharmacies and Personal Care Stores	26,353,198	25,473,037	3.5%
All Stores Less Automotive, Food, Pharmacies	137,637,848	132,277,979	4.1%
General Merchandise Stores	45,076,042	42,317,519	6.5%
Furniture, Home Furnishings and Electronics Stores	27,317,489	26,077,649	4.8%
Furniture and Home Furnishings Stores	14,827,288	14,451,800	2.6%
Computer, Software, Home Electronics, and Appliance Stores	12,490,201	11,625,849	7.4%
Clothing and Accessories Stores	20,764,475	20,546,410	1.1%
Clothing Stores	16,030,231	15,820,149	1.3%
Shoes, Clothing Accessories, and Jewellery Stores	4,734,244	4,726,261	0.2%
Sporting Goods, Hobby, Music, and Book Stores	9,208,811	8,995,114	2.4%
Building and Outdoor Home Supplies Stores	25,381,203	24,708,457	2.7%
Miscellaneous Store Retailers	9,889,828	9,632,833	2.7%

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

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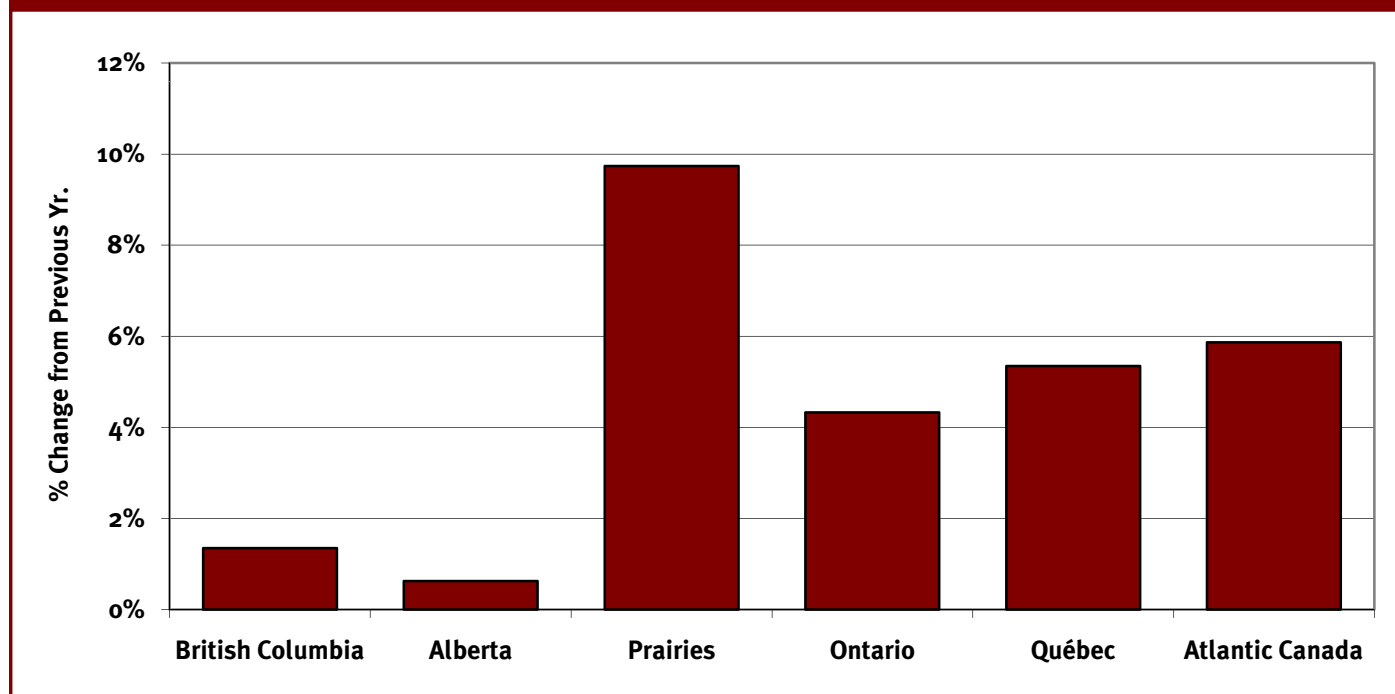
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Retail Trade, Canada, All Stores, by Region

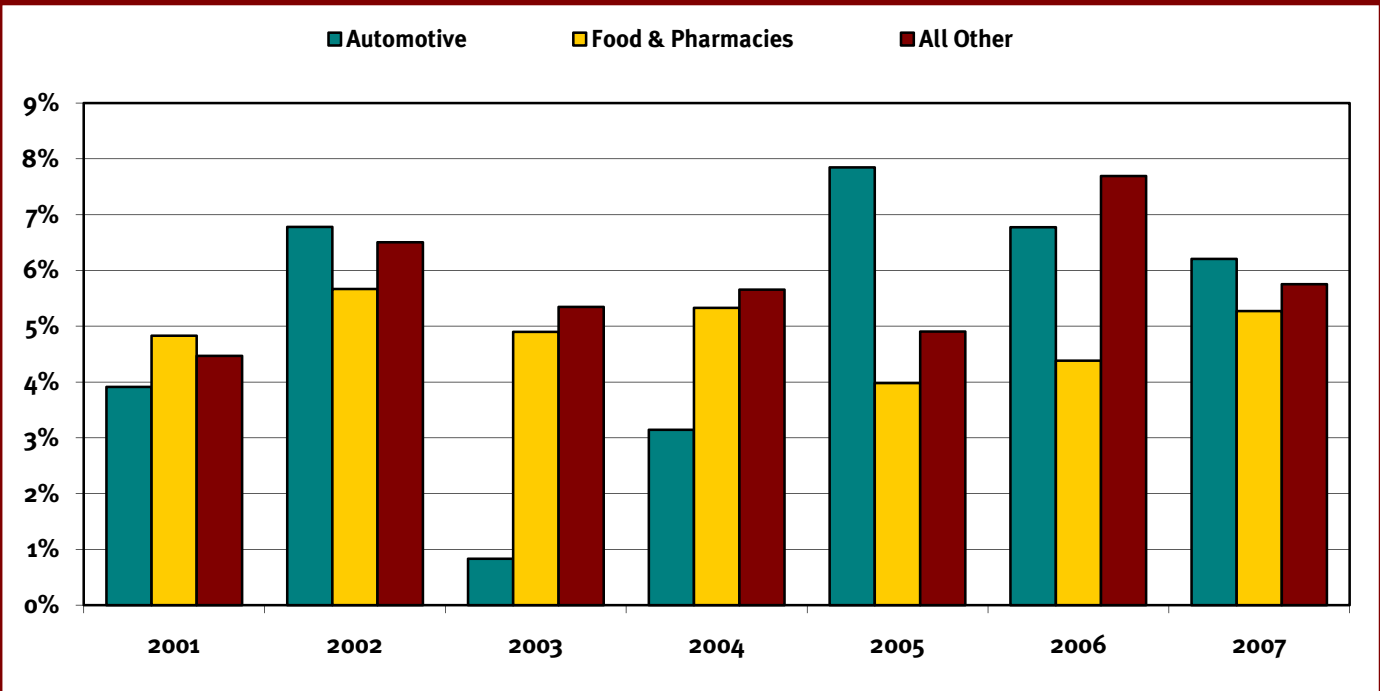
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	51,466,658	50,780,550	1.4%
Alberta	55,692,981	55,345,630	0.6%
Prairies	26,673,255	24,306,376	9.7%
Ontario	137,163,480	131,476,237	4.3%
Québec	86,972,215	82,558,033	5.3%
Atlantic Canada	27,856,200	26,311,734	5.9%

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

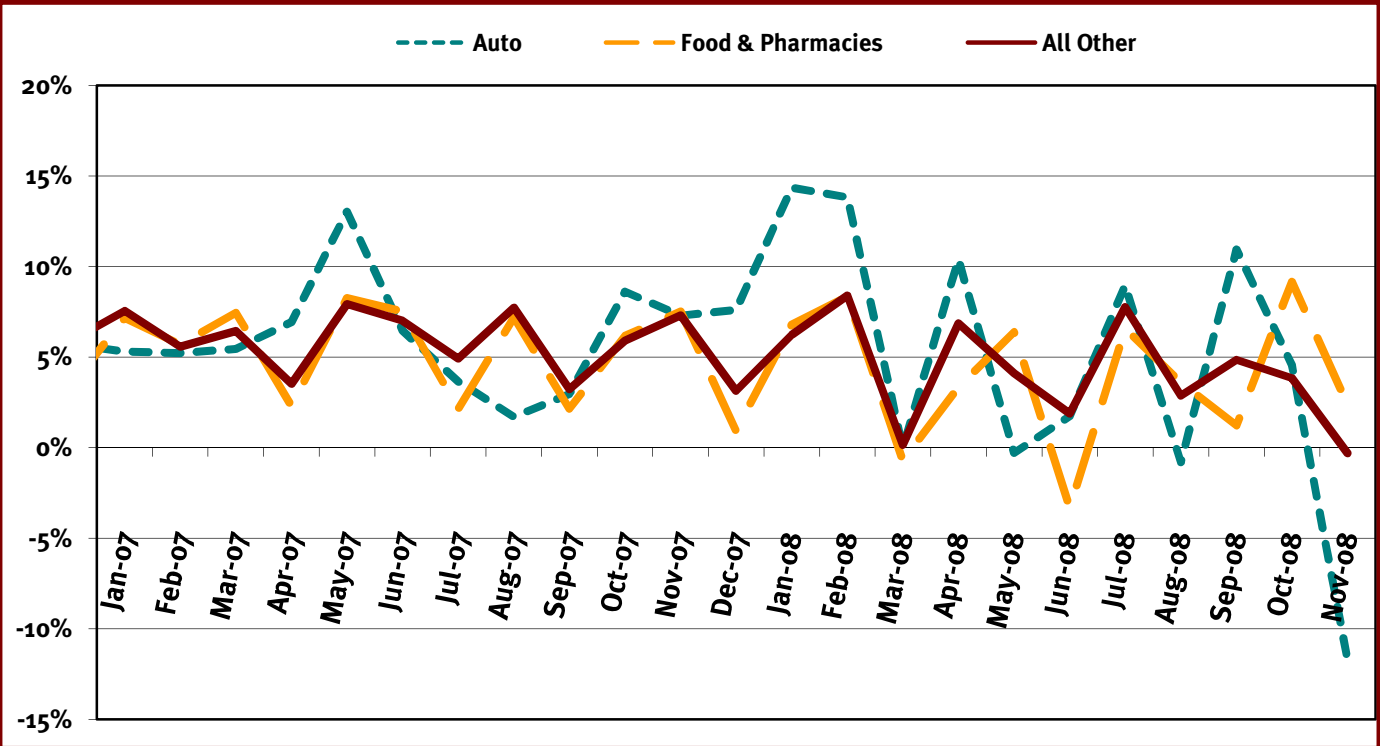


For more detailed information on retail sales, please contact J.C. Williams Group

Canadian Retail Sales by Major Product Category, Year Over Year



Canadian Retail Sales by Major Product Category, From the Same Month a Year Earlier



Consumer Price Index

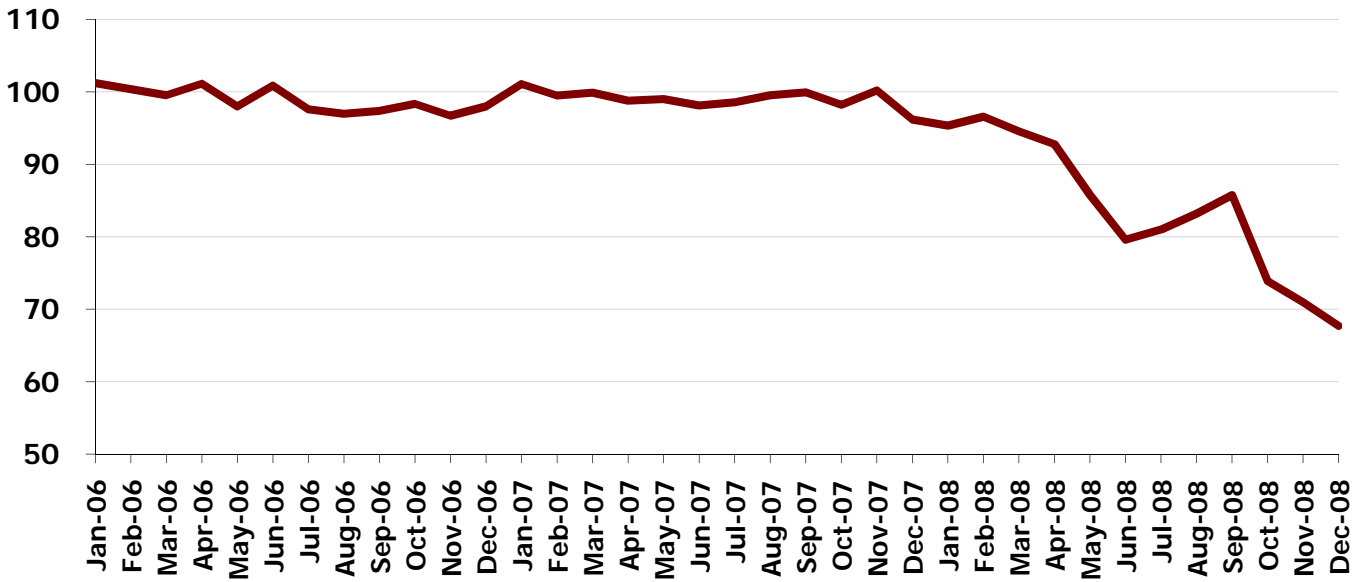
November 2008

vs.

November 2007

2.0%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

