

Bulletin

U.S. Data

Advance January 2009 Retail Sales • Released February 12, 2009

RETAILING IN A VOLATILE MARKET

The consumer confidence index dropped only one point since December, to settle at 38 points in January. With the start of a new year and a new federal administration, consumers are taking a deep breath in the face of uncertainty and hope.

The fight for survival of the fittest however continued as All Stores sales were down -9.0% in January. All Stores not including Motor Vehicle and Parts Dealers and Gasoline Stations were down only -1.3%. This drop comes at a time when some retailers face single digit decreases in their sales growth, while others are harder hit with double-digit losses. As long term planning is rendered virtually meaningless, retailers will need to juggle multiple scenarios in order to remain flexible in this volatile market.

With consumers shying away from 'free' credit and delaying large purchases, big-ticket retailers continue to feel the greatest impact. Furniture and Home Furnishing Stores dropped -13.9% in January.

Electronics and Appliance Stores were also down -7.4%. With Circuit City out of the picture for 2009, its competitors will look to take up Circuit City's market share to boost their own profits.

Building Material and Garden Equipment Stores didn't fare any better as they continued to slide, falling -15.5% from the same time last year.

No surprises were expected for the Clothing and Accessories Stores as Gap's same-store-sales fell -23% and Abercrombie and Fitch were down -20%. Overall, Clothing and Accessories Stores declined -8.0% in January.

Department stores dipped -4.4% in January, with some retailers feeling a greater impact. Macy's was down only -4.5%, while Nordstrom's same-store-sales plunged -11.4%.

On the other end of the spectrum, staple products continued to be in demand. Food and Beverage Stores, Health and Personal Care Stores and General Merchandise Stores each continued to enjoy 3.5% sales growth for the month over the same time last year. The strength of General Merchandisers was also reflected in Walmart's same-store-sales, which were up by 2.1%.

Annual sales growth, for 2008 over 2007, depicted a similar and familiar story. General Merchandisers, Health and Personal Care Stores and Food and

Beverage Stores were all up in 2008 compared to 2007.

Notably, Book Stores were up 6.7% and Electronic Shopping and Mail-Order Houses were up 3.2% in 2008 over 2007. Most retailers bought either their sales growth or marginal sales declines through heavy discounting throughout the year.

In this unstable market, it is still too early in the year to predict an economic turnaround for any one retail category; however, retailers who have survived past recessions know that flexibility and strong investments during a downturn can propel them to the top when the economic storm clears.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:
March 12, 2009

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.

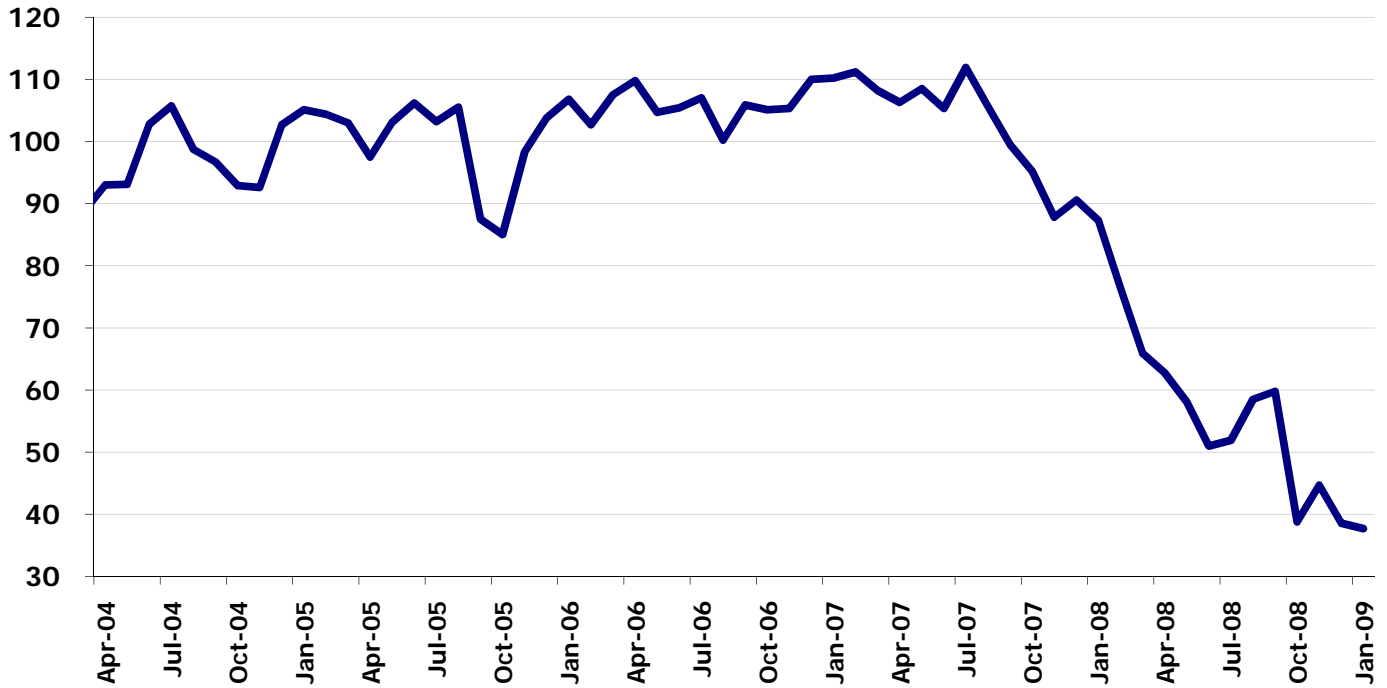
Retail Sales by Store Category

Sales for the Month of January	2009	2008	2009/2008
All Stores	315,603	346,951	-9.0%
Motor Vehicle and Parts Dealers	51,721	66,840	-22.6%
Gasoline Stations	24,828	37,914	-34.5%
Food and Beverage Stores	48,612	46,981	3.5%
Grocery Stores	44,231	42,843	3.2%
Health and Personal Care Stores	20,926	20,219	3.5%
Building Material and Garden Equipment Stores	18,518	21,906	-15.5%
General Merchandise Stores	43,514	42,052	3.5%
Department Stores (excluding leased departments)	12,819	13,412	-4.4%
Clothing and Accessories Stores	13,300	14,459	-8.0%
Furniture, Home Furnishings, Electronics and Appliance Stores	15,800	17,690	-10.7%
Furniture and Home Furnishing Stores	7,623	8,858	-13.9%
Electronics and Appliance Stores	8,177	8,832	-7.4%
Sporting Goods, Hobby, Book and Music Stores	6,725	7,049	-4.6%
Miscellaneous Store Retailers	8,396	9,253	-9.3%
Nonstore Retailers	26,930	27,657	-2.6%
Food Services and Drinking Places	36,333	34,931	4.0%

Year to Date Sales Ending January	2009	2008	2009/2008
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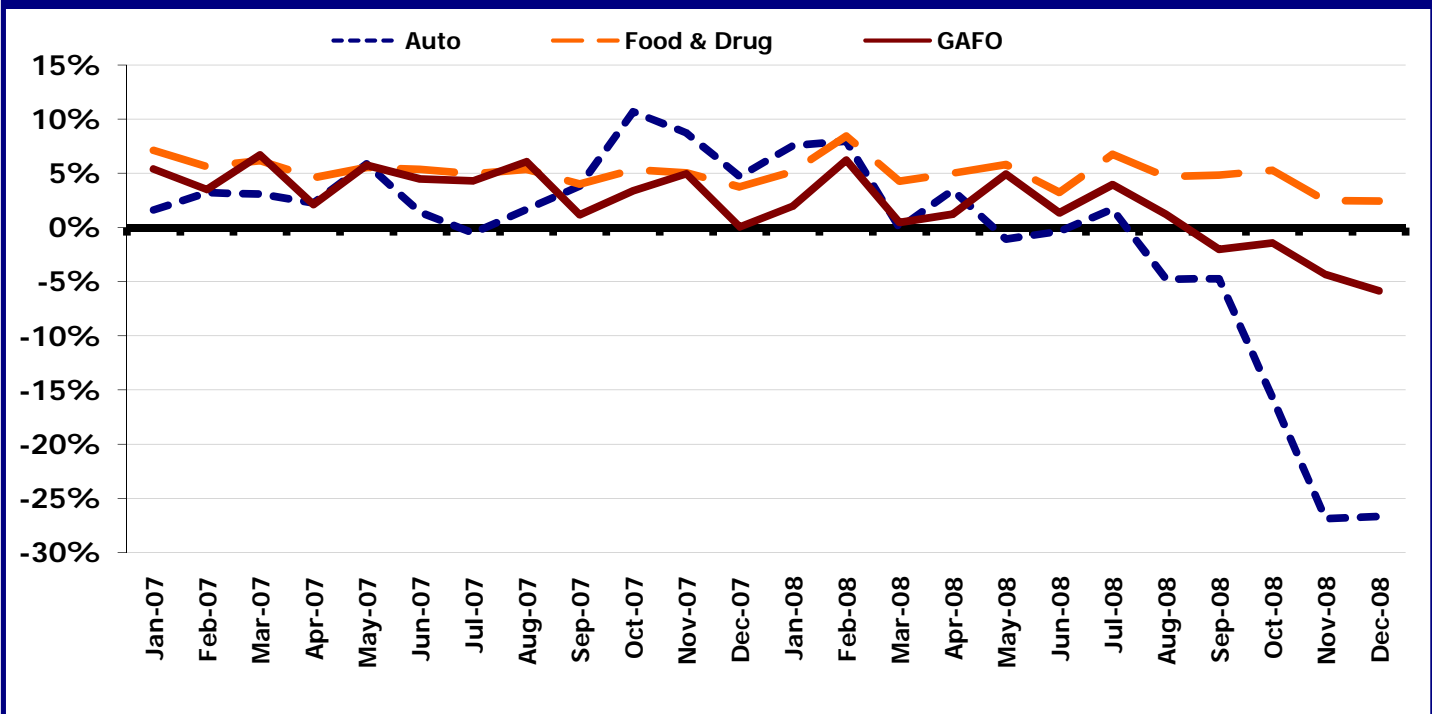
Source: US Census Bureau. All Values are expressed in millions of US dollars and are not seasonally adjusted

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 December	2008	2007	2008/2007
All Stores	4,474,970	4,482,668	-0.2%
Motor Vehicle and Parts Dealers	807,659	919,252	-12.1%
Gasoline Stations	489,340	445,212	9.9%
Food and Beverage Stores	589,392	560,649	5.1%
Grocery Stores	527,447	501,077	5.3%
Beer, Wine and Liquor Stores	42,233	39,584	6.7%
Health and Personal Care Stores	247,141	237,437	4.1%
Pharmacies and Drug Stores	204,525	198,370	3.1%
Building Material and Garden Equipment Stores	325,262	337,173	-3.5%
Building Material and Supplies Stores	276,772	295,819	-6.4%
Hardware Stores	20,965	20,888	0.4%
GAFO (general merchandise, apparel, furniture, and other)	1,165,318	1,162,719	0.2%
General Merchandise Stores	595,639	576,426	3.3%
Department Stores (excluding leased departments)	200,574	209,892	-4.4%
<i>Discount Department Stores (excluding leased departments)</i>	<i>125,207</i>	<i>128,875</i>	<i>-2.8%</i>
<i>Conventional and National Dept. Stores (ex. Leased depts.)</i>	<i>75,367</i>	<i>81,017</i>	<i>-7.0%</i>
Warehouse Clubs and Superstores	350,569	323,305	8.4%
All Other General Merchandise Stores	44,496	43,229	2.9%
Clothing and Accessories Stores	219,945	224,651	-2.1%
Men's Clothing Stores	10,088	10,527	-4.2%
Women's Clothing Stores	38,924	40,383	-3.6%
Family Clothing Stores	84,472	85,313	-1.0%
Shoe Stores	26,642	26,506	0.5%
Jewellery Stores	29,303	30,743	-4.7%
Furniture, Home Furnishings, Electronics and Appliance Stores	219,722	230,016	-4.5%
Furniture Stores	58,240	62,727	-7.2%
Home Furnishing Stores	50,864	55,930	-9.1%
Household Appliance Stores	17,484	18,121	-3.5%
Radio, TV and Other Electronics Stores	67,843	67,293	0.8%
Computer and Software Stores	21,755	22,353	-2.7%
Sporting Goods, Hobby, Book and Music Stores	88,184	87,324	1.0%
Sporting Goods Stores	38,066	37,079	2.7%
Book Stores	18,443	17,279	6.7%
Miscellaneous Store Retailers	118,509	118,848	-0.3%
Nonstore Retailers	314,888	303,423	3.8%
Electronic Shopping and Mail-Order Houses	217,177	210,431	3.2%
Fuel Dealers	52,547	46,190	13.8%
Food Services and Drinking Places	459,289	442,257	3.9%

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