

Bulletin

June 2009 Retail Sales • Released August 24, 2009

CONSUMERS SHOP DESPITE RAIN

Consumer confidence continued its upward rise back to Spring 2008 levels. While the wet and damp weather that hit east of the Rockies dampened apparel sales, it buoyed other retailers.

Total Sales fell by -2.7% but bettered the year-to-date growth rate of -5.6%. All Stores Less Automotive moved back into positive territory growing by 1.8%.

Food and Beverage Stores and Pharmacies and Personal Care Stores were primarily responsible for the movement into the plus side of growth. The categories grew by 6.2% and 6.4% respectively and well above their year-to-date average.

The big news is the return to growth for Building and Outdoor Home Supplies Stores. In June the category, which accounts for over \$2.8 billion in sales, witnessed a 0.9% growth. Strong increases in home resales and new home starts have benefited this category. We expect this trend to continue with the ongoing strength of the housing market through the summer.

While the Building and Outdoor Home Supplies Stores have begun to see customers back in the stores shopping, the Furniture and Home Furnishings Stores category is still down. In June,

sales were down -10.2%, marginally better than their year-to-date fall of -11.2%. Typically, this category lags home starts and sales by several months and we expect this category to start to see benefits happening in the next few months.

There is no doubt the wet and cold weather took an early toll on apparel retailers. Both Clothing and Accessories Stores and General Merchandisers did not perform as well as other categories. Clothing Stores were down -5.6% compared to -4.5% year-to-date. Shoes, Clothing Accessories, and Jewellery Stores fell -6.0% compared to -3.8% year-to-date. General Merchandisers were able to maintain growth at 1.1%, but were off their year-to-date growth of 2.3%. While healthy food sales kept the General Merchandiser's sales in positive territory, the sluggish apparel sales dragged the category down. A recent study by Statistics Canada confirmed the declining importance of apparel and the increasing importance of food and beverage sales for General

Merchandisers. In 1999, their top selling commodity group was clothing, footwear and accessories which accounted for 23% of their total sales. However, today this share has dropped to 16%.

Despite the cool and wet weather, Sporting Goods, Hobby, Music, and Book Stores were able to drive ahead a further 3.2% compared to 1.1% year-to-date. Healthy book sales may be partially the reason.

While the summer overall appeared to be a miss for most apparel retailers, early indications are that the Fall is performing better than expected. Pent-up demand and cool weather are helping retailers regain some traction lost in the Spring and Summer.

Release Date of the Next National Retail Bulletin
September 22, 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 June	2009	2008	2009/2008
All Stores	36,688,730	37,710,974	-2.7%
Automotive	12,479,945	13,928,297	-10.4%
All Stores Less Automotive	24,208,785	23,782,677	1.8%
Food and Beverage Stores	8,395,579	7,905,150	6.2%
Pharmacies and Personal Care Stores	2,510,909	2,359,777	6.4%
All Stores Less Automotive, Food, Pharmacies	13,302,297	13,517,750	-1.6%
General Merchandise Stores	4,461,063	4,414,023	1.1%
Furniture, Home Furnishings and Electronics Stores	2,286,664	2,471,170	-7.5%
Furniture and Home Furnishings Stores	1,239,331	1,379,619	-10.2%
Computer, Software, Home Electronics, and Appliance Stores	1,047,333	1,091,551	-4.1%
Clothing and Accessories Stores	1,885,629	1,998,676	-5.7%
Clothing Stores	1,453,121	1,538,676	-5.6%
Shoes, Clothing Accessories, and Jewellery Stores	432,508	460,000	-6.0%
Sporting Goods, Hobby, Music, and Book Stores	878,273	851,263	3.2%
Building and Outdoor Home Supplies Stores	2,849,936	2,823,666	0.9%
Miscellaneous Store Retailers	940,732	958,950	-1.9%

Year to Date Sales Ending June	2009	2008	2009/2008
All Stores	194,484,683	205,967,833	-5.6%
Automotive	62,894,707	75,555,851	-16.8%
All Stores Less Automotive	131,589,976	130,411,982	0.9%
Food and Beverage Stores	48,024,481	45,618,268	5.3%
Pharmacies and Personal Care Stores	14,607,237	14,221,063	2.7%
All Stores Less Automotive, Food, Pharmacies	68,958,258	70,572,651	-2.3%
General Merchandise Stores	23,627,116	23,089,442	2.3%
Furniture, Home Furnishings and Electronics Stores	12,794,420	14,014,466	-8.7%
Furniture and Home Furnishings Stores	6,791,792	7,645,880	-11.2%
Computer, Software, Home Electronics, and Appliance Stores	6,002,628	6,368,586	-5.7%
Clothing and Accessories Stores	10,183,819	10,642,900	-4.3%
Clothing Stores	7,855,240	8,222,205	-4.5%
Shoes, Clothing Accessories, and Jewellery Stores	2,328,579	2,420,695	-3.8%
Sporting Goods, Hobby, Music, and Book Stores	4,857,592	4,804,043	1.1%
Building and Outdoor Home Supplies Stores	12,396,905	12,874,231	-3.7%
Miscellaneous Store Retailers	5,098,401	5,147,567	-1.0%

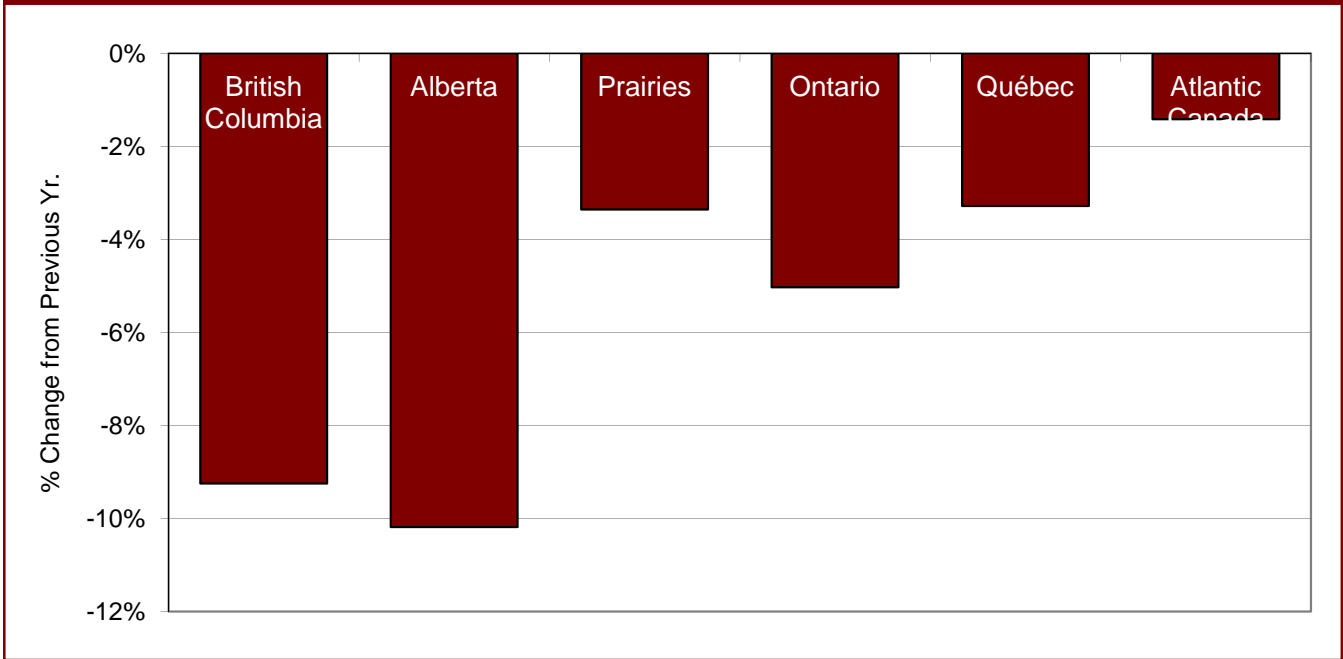
ALL DOLLAR VALUES EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

17 Dundonald Street, 3rd Floor, Toronto, ON M4Y 1K3 Tel: (416) 921-4181 Fax: (416) 921-4184 Website: www.jcwg.com
 Montreal Office: 780 Main Road, Montreal, Quebec J0P 1H0. Tel: (450) 458-2870 Fax: (450) 458-2905
 Chicago Office: 350 West Hubbard Street, Suite 240, Chicago, IL 60654 Tel: (312) 673-1254 Fax: (312) 822-9162
 For more information, please contact John Archer or Maureen Atkinson at (416) 921-4181 or info@jcwg.com

Retail Trade, Canada, All Stores, by Region

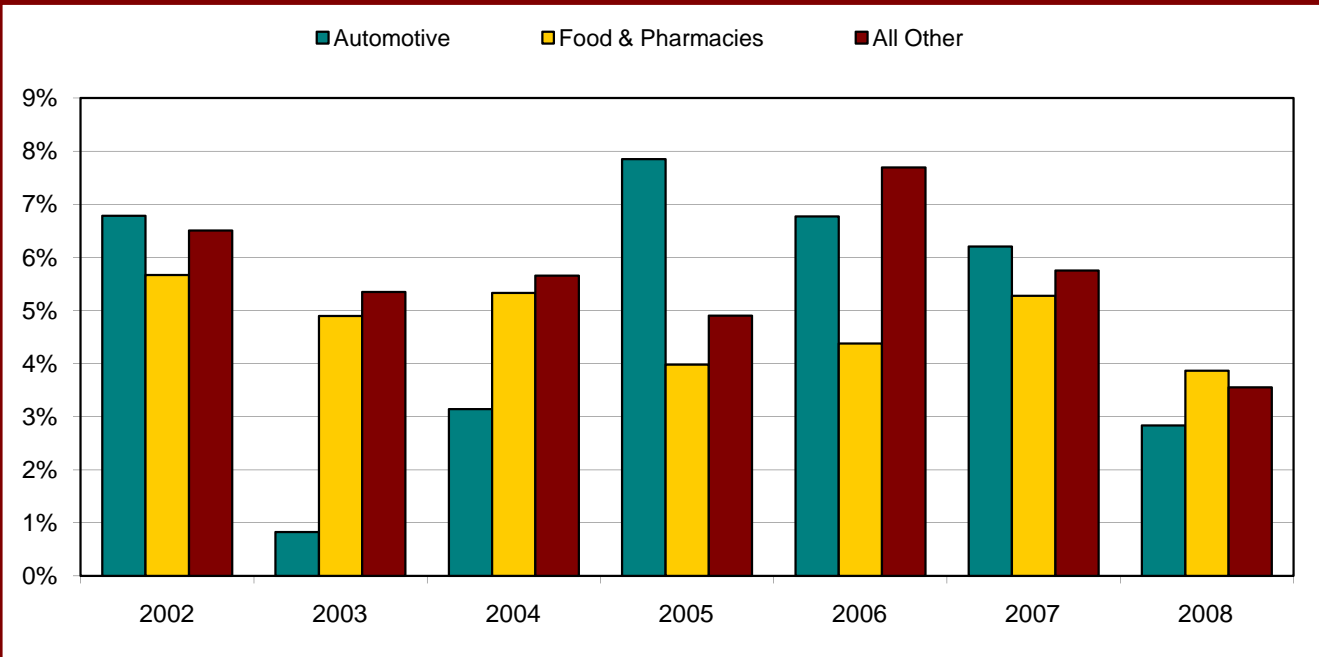
	Year-to-date 2009	Same period 2008	Change 2009/2008
British Columbia	25,035,202	27,585,899	-9.2%
Alberta	26,784,970	29,822,245	-10.2%
Prairies	13,617,015	14,090,136	-3.4%
Ontario	69,234,610	72,900,644	-5.0%
Québec	44,814,671	46,336,084	-3.3%
Atlantic Canada	14,269,927	14,474,532	-1.4%

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

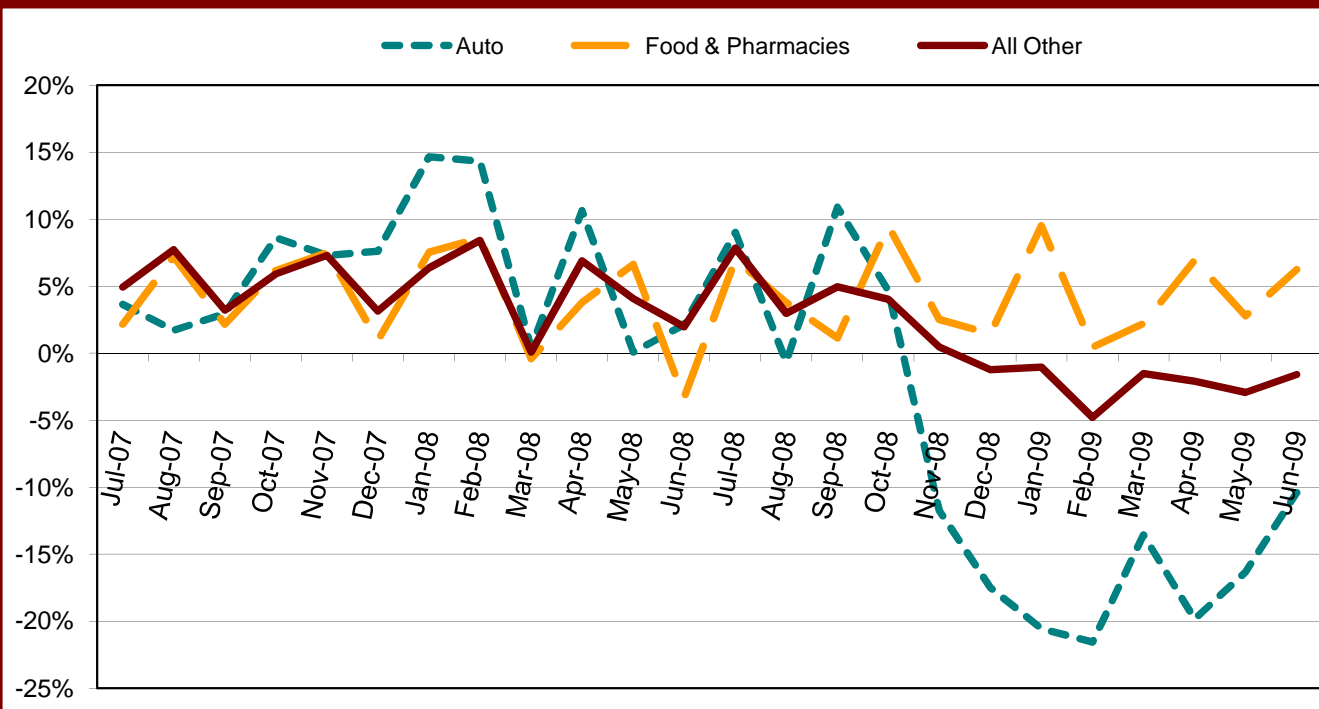


For more detailed information on retail sales, please contact J.C. Williams Group

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

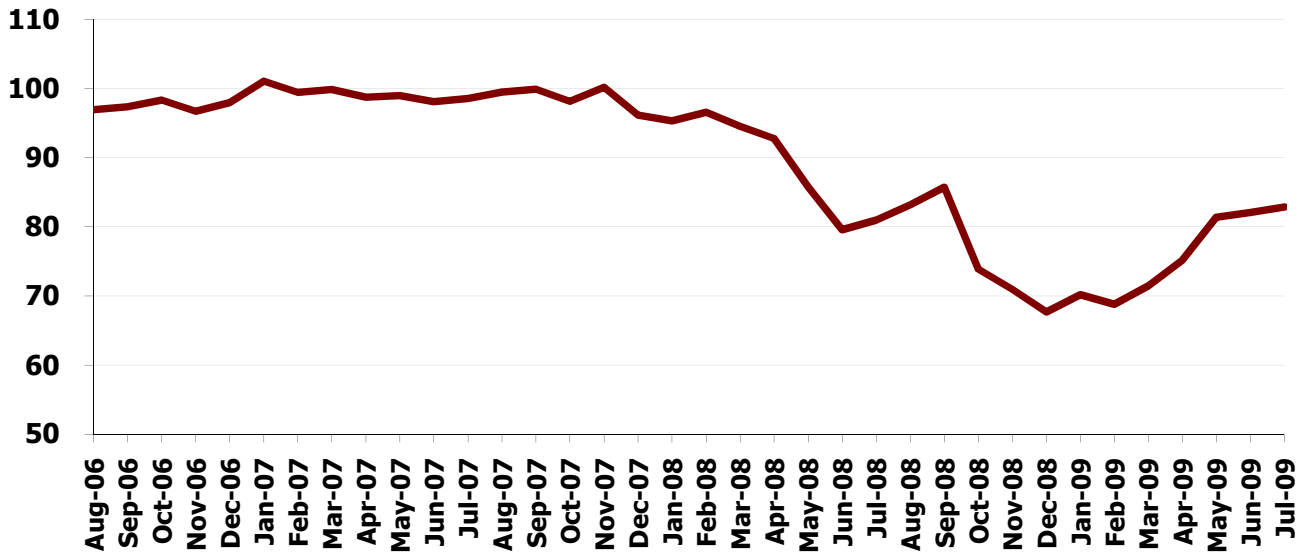
July 2009

vs.

July 2008

-0.9%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

