

Bulletin

U.S. Data

Advance October 2009 Retail Sales • Released November 16, 2009

GOOD RESULTS, BUT LITTLE TO CHEER ABOUT

All Stores sales fell by -1.7% this month, softening the 2009 year-to-date average to -8.2%. Excluding the Automotive categories, sales were only down -0.5% for October. While overall retail sales were good, the results varied greatly amongst retailers. There was also the expectation that sales performance should have been better given the poor results last year at this time.

Showing reluctance to invest in their homes, consumers still shied away from the home improvement stores. Building Material and Garden Equipment Stores were hard hit in October, with sales down by -16.6%. Faring better but still in deep negative territory, Furniture, Home Furnishings, Electronics and Appliance Stores were down only -7.5% this month. This is an improvement over their year-to-date decline of -10.9%.

Department Stores (excluding leased departments) also saw negative growth at -2.8% for the month. Some retailers performed better with same-store sales: Nordstrom had sales growth of 6.5% and Saks Inc. experienced a growth of 0.7%. Others like Macy's and JCPenney were hit harder with a decline in same-store-sales of -0.8% and -4.5% respectively.

Food and Beverage Stores were up 1.3% for the month, outpacing its year-to-date flat sales.

General Merchandise Stores remained above the fray, with sales growth of 2.2%. Target however, saw same-store-sales decline by -0.1%, while Costco sales grew by 3.0% for the month.

Sporting Goods, Hobby, Book and Music Stores were up 3.0%. Of note, Book Stores in particular performed well over the past nine months, with a growth of 9% in sales.

Clothing and Accessories Stores sales grew by 3.6% for October. A similar theme resonated within this category, as some retailers secured a gain in sales growth while others saw a decline. Abercrombie and Fitch continued to experience double-digit sales loss (-15%), while Aeropostale and Gap Inc. grew 3.0% and 4.0% respectively.

Health and Personal Care Stores continued to experience moderate sales growth of 3.8%. Walgreens reported

similar results with a sales growth of 4.9% for October.

October sales results reinforce that the retail sector is not out of the woods just yet. Consumer confidence has dropped 5 points to land at 48 points.

While holiday sales are forecasted to grow 0 to 1% this year, many retailers will be taking on extra precautions to cut back losses, such as limiting inventory. There is a worry that many retailers will be out of stock, negatively affecting sales. On the other hand, in the online sector, retailers will continue to see increased usage of the online channel with an augmentation in cross-channel behavior.

Join us next month, as consumers are expected to shop early to get in on Thanksgiving sales and retailers look to recoup on lost revenue from the past year.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:
December 11, 2009

Please note:

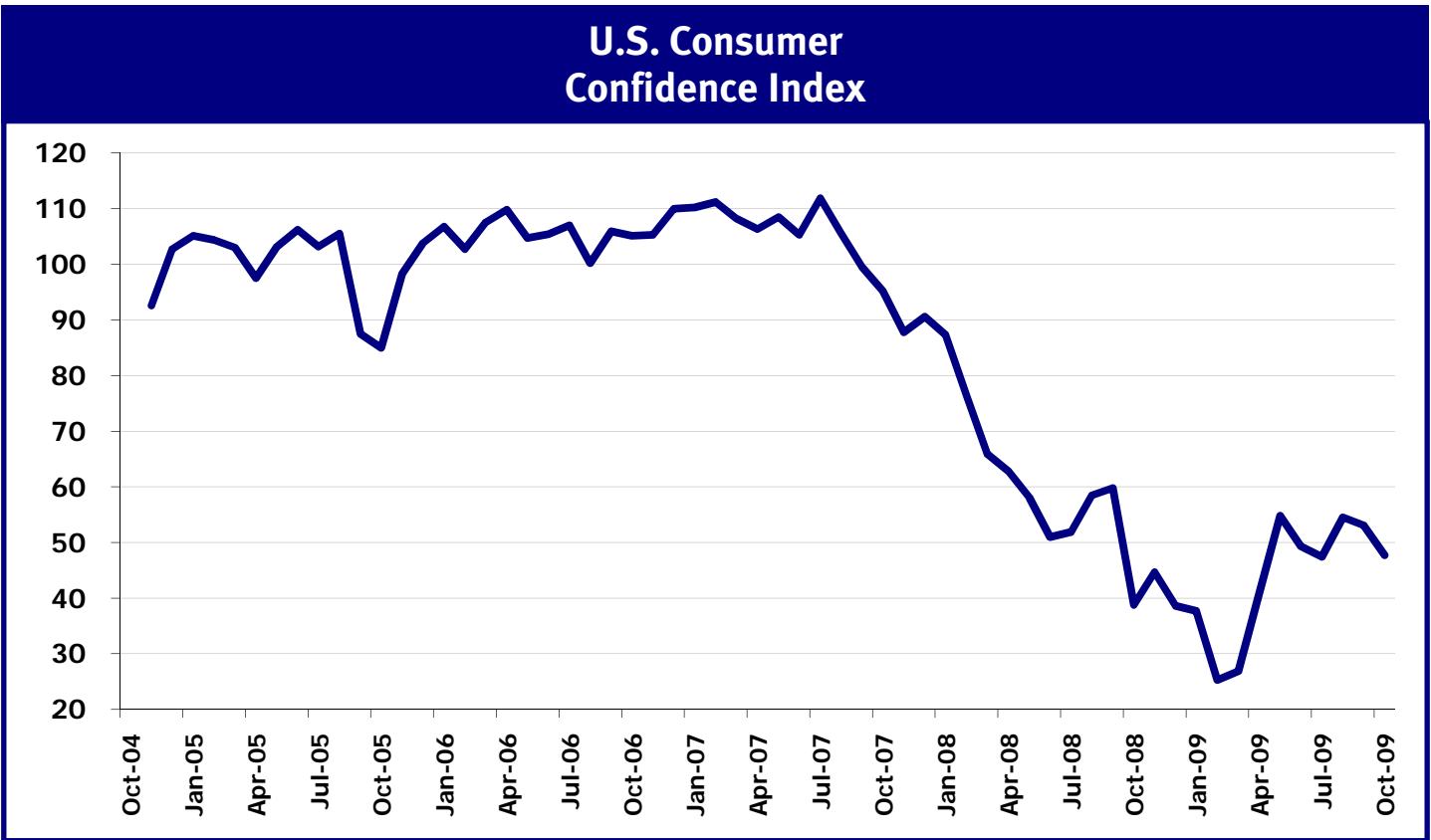
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that 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

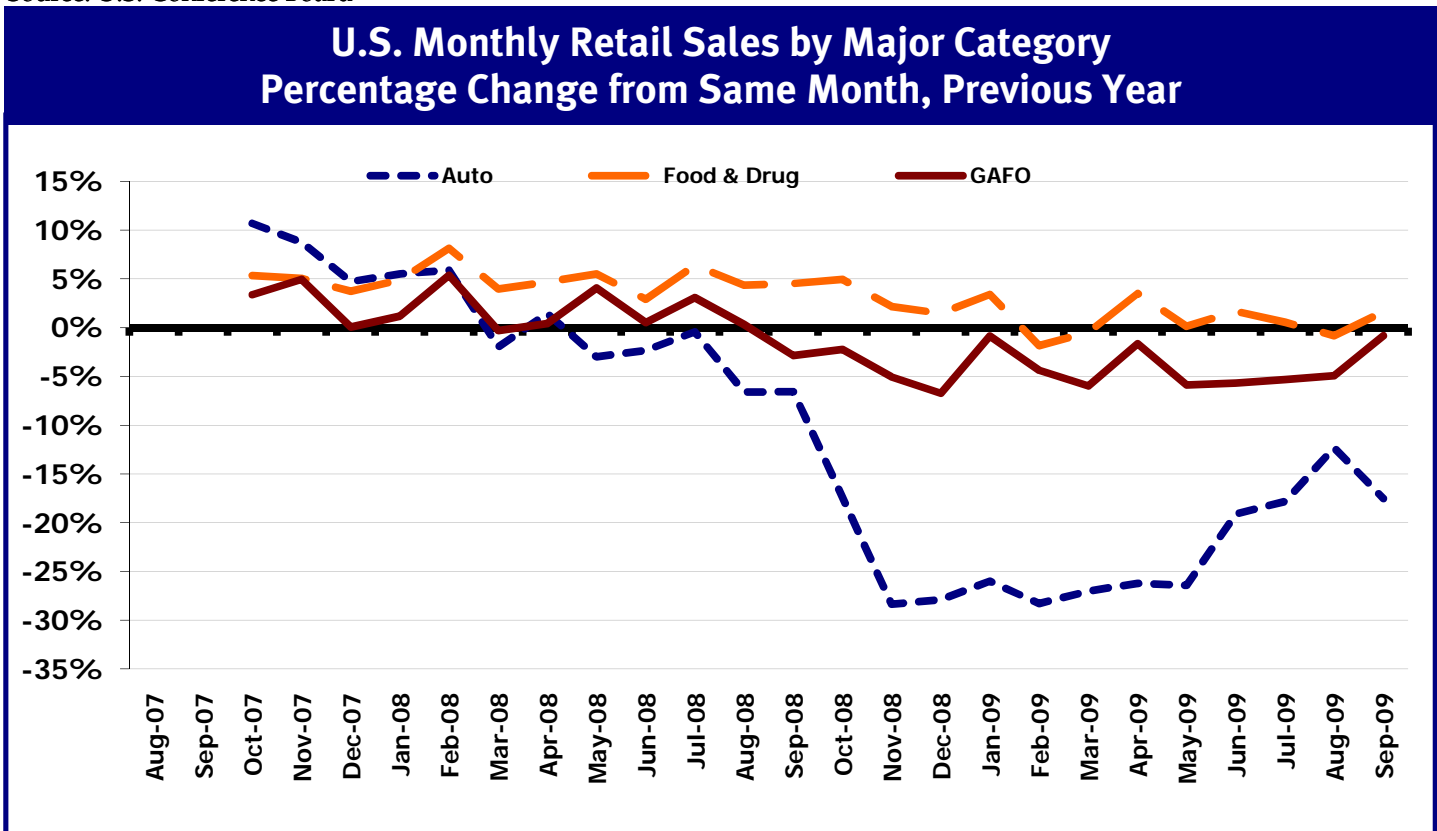
| Sales for the Month of October | 2009 | 2008 | 2009/2008 |
|--|----------------|----------------|---------------|
| All Stores | 346,584 | 352,479 | -1.7% |
| Motor Vehicle and Parts Dealers | 57,298 | 55,979 | 2.4% |
| Gasoline Stations | 32,565 | 38,326 | -15.0% |
| Food and Beverage Stores | 50,047 | 49,403 | 1.3% |
| Grocery Stores | 44,681 | 44,164 | 1.2% |
| Health and Personal Care Stores | 21,567 | 20,786 | 3.8% |
| Building Material and Garden Equipment Stores | 23,069 | 27,676 | -16.6% |
| General Merchandise Stores | 48,771 | 47,705 | 2.2% |
| Department Stores (excluding leased departments) | 15,060 | 15,487 | -2.8% |
| Clothing and Accessories Stores | 17,473 | 16,860 | 3.6% |
| Furniture, Home Furnishings, Electronics and Appliance Stores | 15,159 | 16,381 | -7.5% |
| Furniture and Home Furnishing Stores | 7,753 | 8,393 | -7.6% |
| Electronics and Appliance Stores | 7,406 | 7,988 | -7.3% |
| Sporting Goods, Hobby, Book and Music Stores | 6,374 | 6,190 | 3.0% |
| Miscellaneous Store Retailers | 10,011 | 9,984 | 0.3% |
| Nonstore Retailers | 24,863 | 24,934 | -0.3% |
| Food Services and Drinking Places | 39,387 | 38,255 | 3.0% |

| Year to Date Sales Ending October | 2009 | 2008 | 2009/2008 |
|--|------------------|------------------|---------------|
| All Stores | 3,384,719 | 3,686,134 | -8.2% |
| Motor Vehicle and Parts Dealers | 587,522 | 690,582 | -14.9% |
| Gasoline Stations | 297,419 | 426,296 | -30.2% |
| Food and Beverage Stores | 486,612 | 486,140 | 0.1% |
| Grocery Stores | 435,818 | 437,030 | -0.3% |
| Health and Personal Care Stores | 209,040 | 202,821 | 3.1% |
| Building Material and Garden Equipment Stores | 242,853 | 277,936 | -12.6% |
| General Merchandise Stores | 468,297 | 471,587 | -0.7% |
| Department Stores (excluding leased departments) | 142,778 | 153,016 | -6.7% |
| Clothing and Accessories Stores | 161,903 | 170,241 | -4.9% |
| Furniture, Home Furnishings, Electronics and Appliance Stores | 155,078 | 174,101 | -10.9% |
| Furniture and Home Furnishing Stores | 76,476 | 87,258 | -12.4% |
| Electronics and Appliance Stores | 78,602 | 86,843 | -9.5% |
| Sporting Goods, Hobby, Book and Music Stores | 67,339 | 68,311 | -1.4% |
| Miscellaneous Store Retailers | 93,430 | 97,510 | -4.2% |
| Nonstore Retailers | 232,435 | 241,725 | -3.8% |
| Food Services and Drinking Places | 382,791 | 378,884 | 1.0% |

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



Source: U.S. Conference Board



Source: U.S. Census Bureau

Retail Sales by Store Category

| Revised Year to Date Sales Ending September | 2009 | 2008 | 2009/2008 |
|--|------------------|------------------|---------------|
| All Stores | 3,038,135 | 3,333,655 | -8.9% |
| Motor Vehicle and Parts Dealers | 530,224 | 634,603 | -16.4% |
| Gasoline Stations | 264,854 | 387,970 | -31.7% |
| Food and Beverage Stores | 436,565 | 436,737 | 0.0% |
| Grocery Stores | 391,137 | 392,866 | -0.4% |
| Beer, Wine and Liquor Stores | 29,956 | 29,562 | 1.3% |
| Health and Personal Care Stores | 187,473 | 182,035 | 3.0% |
| Pharmacies and Drug Stores | 155,924 | 150,924 | 3.3% |
| Building Material and Garden Equipment Stores | 219,784 | 250,260 | -12.2% |
| Building Material and Supplies Stores | 181,945 | 212,263 | -14.3% |
| Hardware Stores | 13,635 | 14,858 | -8.2% |
| GAFO (general merchandise, apparel, furniture, and other) | 792,437 | 825,756 | -4.0% |
| General Merchandise Stores | 419,526 | 423,882 | -1.0% |
| Department Stores (excluding leased departments) | 127,718 | 137,529 | -7.1% |
| <i>Discount Department Stores (excluding leased departments)</i> | <i>83,774</i> | <i>86,609</i> | <i>-3.3%</i> |
| <i>Conventional and National Dept. Stores (ex. Leased depts.)</i> | <i>43,944</i> | <i>50,920</i> | <i>-13.7%</i> |
| Warehouse Clubs and Superstores | 259,231 | 254,457 | 1.9% |
| All Other General Merchandise Stores | 32,577 | 31,896 | 2.1% |
| Clothing and Accessories Stores | 144,430 | 153,381 | -5.8% |
| Men's Clothing Stores | 6,227 | 6,799 | -8.4% |
| Women's Clothing Stores | 24,845 | 27,502 | -9.7% |
| Family Clothing Stores | 56,120 | 58,042 | -3.3% |
| Shoe Stores | 18,743 | 19,814 | -5.4% |
| Jewellery Stores | 17,154 | 19,111 | -10.2% |
| Furniture, Home Furnishings, Electronics and Appliance Stores | 139,919 | 157,720 | -11.3% |
| Furniture Stores | 38,105 | 43,058 | -11.5% |
| Home Furnishing Stores | 30,618 | 35,807 | -14.5% |
| Household Appliance Stores | 11,709 | 12,816 | -8.6% |
| Radio, TV and Other Electronics Stores | 42,398 | 47,320 | -10.4% |
| Computer and Software Stores | 15,283 | 16,081 | -5.0% |
| Sporting Goods, Hobby, Book and Music Stores | 60,965 | 62,121 | -1.9% |
| Sporting Goods Stores | 26,864 | 27,187 | -1.2% |
| Book Stores | 11,988 | 10,977 | 9.2% |
| Miscellaneous Store Retailers | 83,419 | 87,526 | -4.7% |
| Nonstore Retailers | 207,572 | 216,791 | -4.3% |
| Electronic Shopping and Mail-Order Houses | 147,964 | 146,506 | 1.0% |
| Fuel Dealers | 25,745 | 35,442 | -27.4% |
| Food Services and Drinking Places | 343,404 | 340,629 | 0.8% |

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