

# Bulletin

February 2008 Retail Sales • Released April 23, 2008

## FEBRUARY SALES FARE WELL DESPITE AN UNCERTAIN OUTLOOK FOR THE MONTHS AHEAD

Despite Statistics Canada's seasonally adjusted results prompting concerns over falling sales figures, unadjusted year-over-year growth showed great strength during the month of February. All Stores sales rose 10.2% on an unadjusted basis. With 2008 being a leap year, a portion of this boost in sales can be attributed to a longer than usual reporting period. That being said, retail sales continue to be stable despite economic uncertainty south of the border.

Unlike their American counterparts, Canadian consumers remained optimistic as Consumer Confidence climbed to 96.6 in February. This translated into noteworthy gains among categories that have underperformed in recent months. Building and Outdoor Home Supplies Stores rose 9.3% while Furniture Home Furnishings and Electronics Stores increased 9.8%. This comes as the seasonally adjusted annual rate of housing starts rose to 256,900 in February, up from 222,700 the month before.

Clothing and Accessories Stores enjoyed strong results in February as winter's fleeting weeks fuelled a 7.8% rise in sales. Even as Canadians enjoyed an unusually long ski season,

Sporting Goods, Hobby, Music, and Book Stores only managed a 4.7% bump in sales during the month of February.

As stagnant music sales continued to cause this category to stumble, HMV has begun selling books at select locations. This foray into fiction follows their growing focus on video games. The chain is continuing to diversify their offering as digital downloads threaten the future of CDs and DVDs. With the advent of internet enabled gaming consoles (e.g., Microsoft Xbox 360) and eBooks (e.g., Amazon Kindle), even these categories will likely face challenges in the future.

Food and Beverage Stores remained on track with recent growth as their sales rose 8.7% in February. In contrast, Loblaws continues to struggle amidst increasing competition from Metro and Sobeys.

Many expect the recent changes among their executive ranks to foreshadow the announcement of disappointing Q1 results later this month.

Even as February outpaced expectations, most industry onlookers are more reserved in their predictions for March's performance. Consumer Confidence is expected to fall while financial markets continue to stumble amidst an unstable economy south of the border.

Next month's bulletin will bring you the latest retail results and more insight into Canada's economic outlook.

**RELEASE DATE OF THE NEXT  
NATIONAL RETAIL BULLETIN**  
May 22, 2008

### 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 February	2008	2007	2008/2007
<b>All Stores</b>	<b>29,268,285</b>	<b>26,568,907</b>	<b>10.2%</b>
Automotive	10,246,655	9,026,942	13.5%
<b>All Stores Less Automotive</b>	<b>19,021,630</b>	<b>17,541,965</b>	<b>8.4%</b>
Food and Beverage Stores	7,072,859	6,504,997	8.7%
Pharmacies and Personal Care Stores	2,288,923	2,124,123	7.8%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>9,659,848</b>	<b>8,912,845</b>	<b>8.4%</b>
<b>General Merchandise Stores</b>	<b>3,143,232</b>	<b>2,907,554</b>	<b>8.1%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,126,863</b>	<b>1,936,216</b>	<b>9.8%</b>
Furniture and Home Furnishings Stores	1,136,240	1,054,075	7.8%
Computer, Software, Home Electronics, and Appliance Stores	990,623	882,141	12.3%
<b>Clothing and Accessories Stores</b>	<b>1,415,807</b>	<b>1,312,864</b>	<b>7.8%</b>
Clothing Stores	1,063,775	984,306	8.1%
Shoes, Clothing Accessories, and Jewellery Stores	352,032	328,558	7.1%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>668,142</b>	<b>638,018</b>	<b>4.7%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>1,528,686</b>	<b>1,398,912</b>	<b>9.3%</b>
<b>Miscellaneous Store Retailers</b>	<b>777,119</b>	<b>719,282</b>	<b>8.0%</b>

Year to Date Sales Ending February	2008	2007	2008/2007
<b>All Stores</b>	<b>59,558,918</b>	<b>54,336,809</b>	<b>9.6%</b>
Automotive	20,705,114	18,172,313	13.9%
<b>All Stores Less Automotive</b>	<b>38,853,804</b>	<b>36,164,496</b>	<b>7.4%</b>
Food and Beverage Stores	14,180,865	13,128,029	8.0%
Pharmacies and Personal Care Stores	4,648,638	4,367,079	6.4%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>20,024,301</b>	<b>18,669,388</b>	<b>7.3%</b>
<b>General Merchandise Stores</b>	<b>6,497,648</b>	<b>6,052,900</b>	<b>7.3%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>4,419,435</b>	<b>4,055,933</b>	<b>9.0%</b>
Furniture and Home Furnishings Stores	2,356,013	2,191,704	7.5%
Computer, Software, Home Electronics, and Appliance Stores	2,063,422	1,864,229	10.7%
<b>Clothing and Accessories Stores</b>	<b>2,929,747</b>	<b>2,764,745</b>	<b>6.0%</b>
Clothing Stores	2,240,832	2,107,316	6.3%
Shoes, Clothing Accessories, and Jewellery Stores	688,915	657,429	4.8%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>1,467,495</b>	<b>1,405,391</b>	<b>4.4%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>3,154,762</b>	<b>2,929,195</b>	<b>7.7%</b>
<b>Miscellaneous Store Retailers</b>	<b>1,555,215</b>	<b>1,461,224</b>	<b>6.4%</b>

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

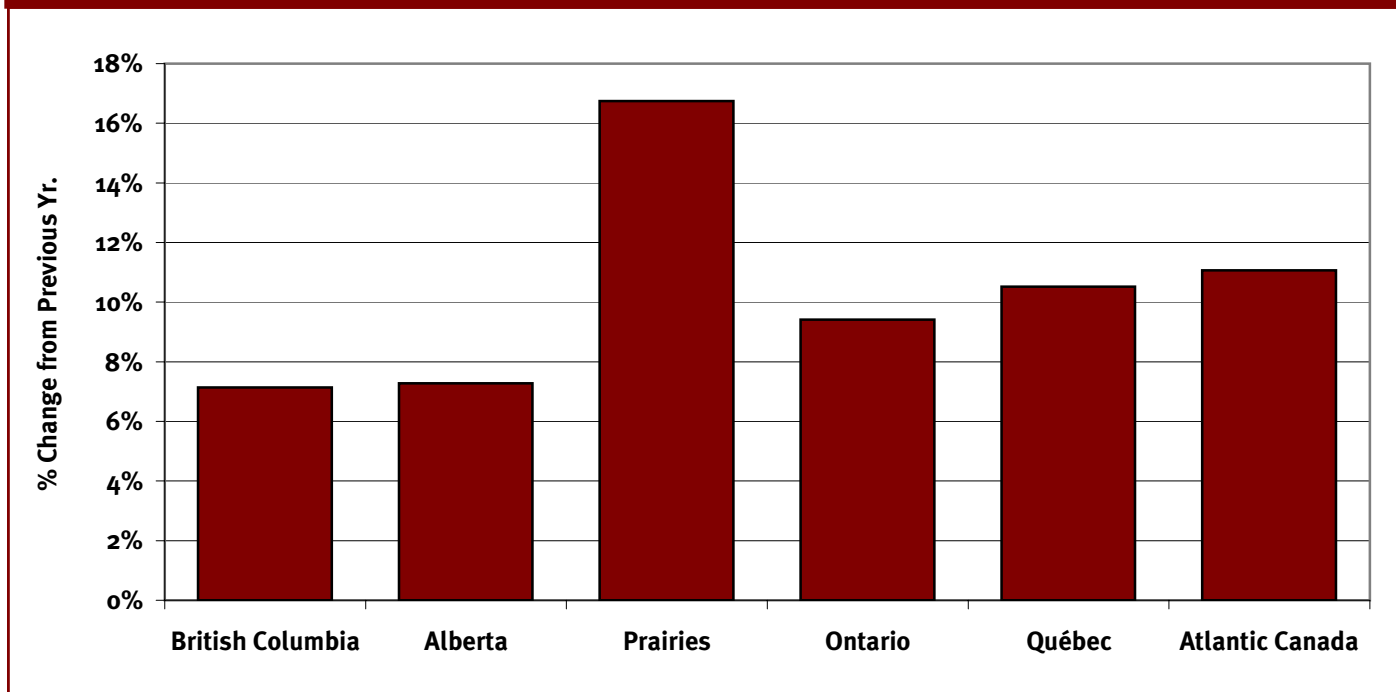
Chicago Office: 350 West Hubbard Street, Suite 240, Chicago, IL 60610 Tel: (312) 673-1254 Fax: (312) 822-9162

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

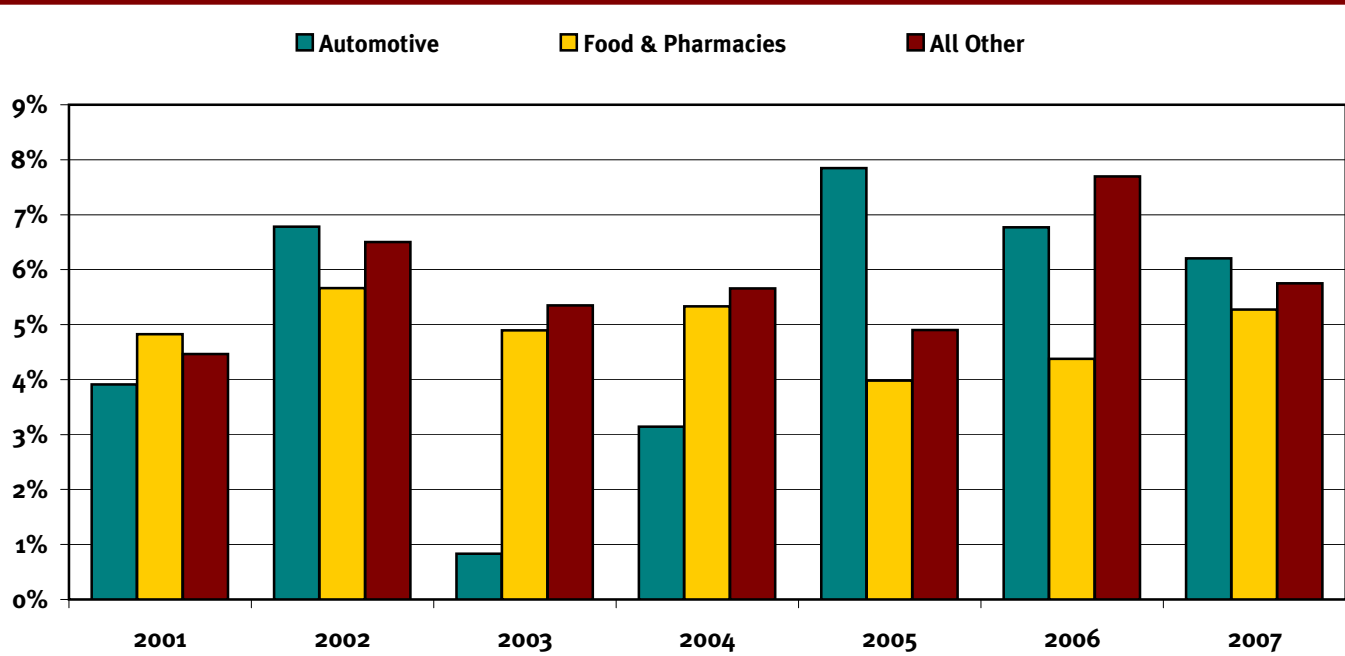
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	8,256,519	7,706,742	7.1%
Alberta	8,709,037	8,118,286	7.3%
Prairies	4,026,102	3,448,630	16.7%
Ontario	21,218,593	19,392,400	9.4%
Québec	12,947,862	11,715,768	10.5%
Atlantic Canada	4,176,377	3,760,122	11.1%

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

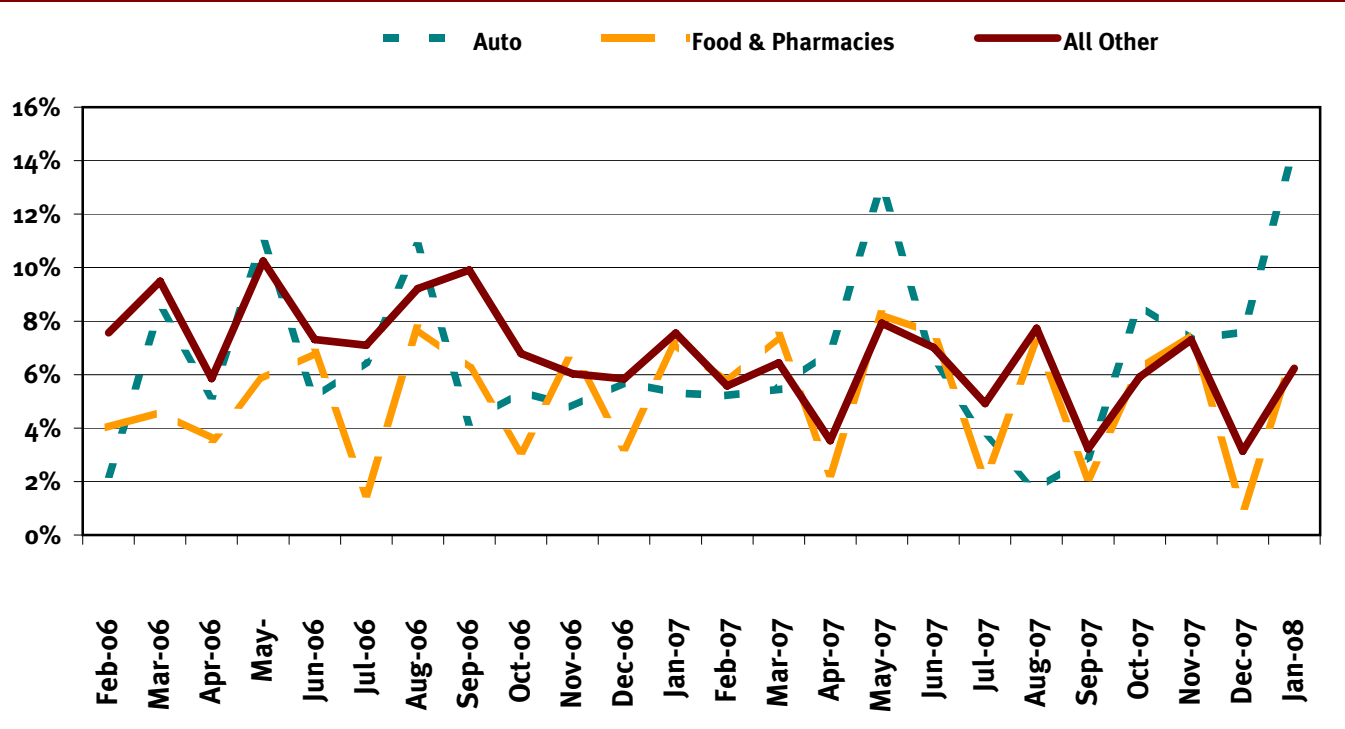


**For more detailed information on retail sales, please contact J.C. Williams Group**

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

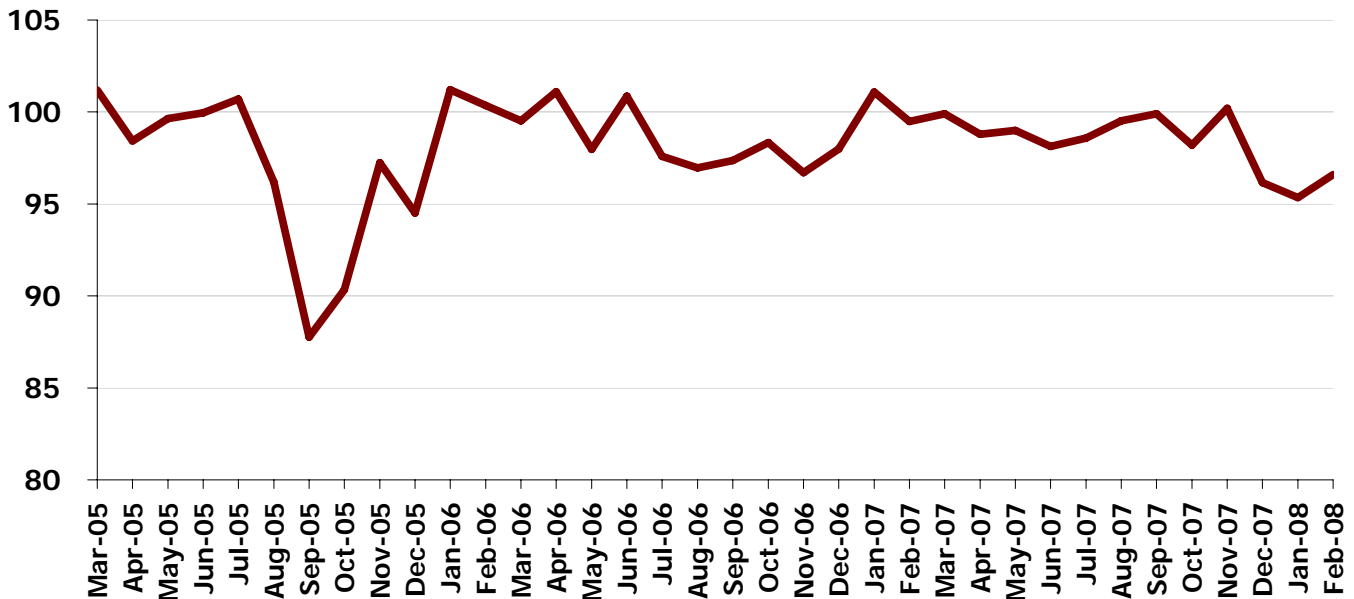
February 2008

vs.

February 2007

1.8%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

