

Bulletin

February 2010 Retail Sales • Released April 23, 2010

OLYMPIC BOOST KEEPS RETAIL ON POSITIVE TRACK

February is a short month, and its retail sales usually amount to only about 7% of the year's total. However, this one was special. The 2010 Winter Olympic Games in Vancouver sparked Canadian optimism, and retailers were the beneficiaries.

The March Consumer Confidence Index rose 4.3 points to 92.6. After a small dip in February, the index now stands almost 10 points above its December level.

Retail sales also continued their recovery in February. Non-automotive retail sales were up 3.1% from their 2009 level, and more importantly, up 1.4% from 2008 levels. Given the weakness of last year's markets, it is encouraging to see retail sales surpass their pre-recession figures.

Building and Outdoor Home Supplies Stores led all major categories in February by posting a sales increase of 6.9%. This growth comes on the heels of a very strong January (last month of eligibility for the home renovation tax credit) that saw this category increase its sales by 19.2%.

After suffering through the recession more than just about anyone else, Building and Outdoor Home Supplies retailers are now up 1% from their February 2008 levels.

The positive effects of the country's February Olympic fever were most noticeable in the Clothing and Accessories Stores (up 6.3%) and General Merchandise Stores (up 4.8%) categories; which were led by HBC's exclusive "must have" item of the month, the red mittens.

Within the Furniture, Home Furnishings and Electronic Stores category (up by 2.1%), we find that Furniture and Home Furnishings Stores continue to perform strongly (up 6.9%); while Computer, Software, Home Electronics, and Appliance Stores continue to struggle (down -2.8%). The delay of the iPad's Canadian release will only exacerbate what has been a tough stretch for retailers such as Future Shop and Best Buy Canada.

Pharmacies and Personal Care Stores also had a good February (up 4.5%), and Food and Beverage Stores managed to post an increase of 1.6%. Within this category, Specialty Food Stores and Beer, Wine, and Liquor Stores posted Olympic-boosted sales increases of 5.9% and 6.2% respectively.

On the regional front, the Gold Medal goes to British Columbia! This province managed to post February sales that were 8.5% higher than last year. The trend for the remainder of the country remains unchanged with the provinces east of Manitoba leading the retail growth.

Retail sales in 2010 will be affected by several market distortions. We have already experienced the effects of Olympic Games and what the renovation tax-credit deadline did to Building and Outdoor Home Supplies Stores sales in January. As the HST comes into effect in Ontario and British Columbia on July 1st, we expect to see a similar phenomenon with unusually high retail sales for the affected categories.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN
May 21, 2010

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	2010	2009	2010/2009
All Stores	28,519,834	26,790,271	6.5%
Automotive	9,220,814	8,079,402	14.1%
All Stores Less Automotive	19,299,020	18,710,869	3.1%
Food and Beverage Stores	7,372,820	7,258,758	1.6%
Pharmacies and Personal Care Stores	2,385,177	2,283,158	4.5%
All Stores Less Automotive, Food, Pharmacies	9,541,023	9,168,953	4.1%
General Merchandise Stores	3,303,625	3,151,121	4.8%
Furniture, Home Furnishings and Electronics Stores	1,863,250	1,824,112	2.1%
Furniture and Home Furnishings Stores	988,206	924,199	6.9%
Computer, Software, Home Electronics, and Appliance Stores	875,044	899,913	-2.8%
Clothing and Accessories Stores	1,416,649	1,332,221	6.3%
Clothing Stores	1,093,814	1,019,927	7.2%
Shoes, Clothing Accessories, and Jewellery Stores	322,835	312,294	3.4%
Sporting Goods, Hobby, Music, and Book Stores	669,049	658,770	1.6%
Building and Outdoor Home Supplies Stores	1,538,429	1,439,650	6.9%
Miscellaneous Store Retailers	750,022	763,078	-1.7%

Year to Date Sales Ending February	2010	2009	2010/2009
All Stores	58,998,761	55,831,866	5.7%
Automotive	18,344,305	16,409,373	11.8%
All Stores Less Automotive	40,654,456	39,422,493	3.1%
Food and Beverage Stores	15,492,362	15,260,316	1.5%
Pharmacies and Personal Care Stores	4,885,528	4,722,818	3.4%
All Stores Less Automotive, Food, Pharmacies	20,276,566	19,439,359	4.3%
General Merchandise Stores	6,917,047	6,682,862	3.5%
Furniture, Home Furnishings and Electronics Stores	4,015,441	3,983,035	0.8%
Furniture and Home Furnishings Stores	2,131,991	2,018,059	5.6%
Computer, Software, Home Electronics, and Appliance Stores	1,883,450	1,964,976	-4.1%
Clothing and Accessories Stores	2,928,807	2,858,483	2.5%
Clothing Stores	2,277,469	2,208,337	3.1%
Shoes, Clothing Accessories, and Jewellery Stores	651,338	650,146	0.2%
Sporting Goods, Hobby, Music, and Book Stores	1,539,071	1,480,775	3.9%
Building and Outdoor Home Supplies Stores	3,318,142	2,888,870	14.9%
Miscellaneous Store Retailers	1,558,061	1,545,331	0.8%

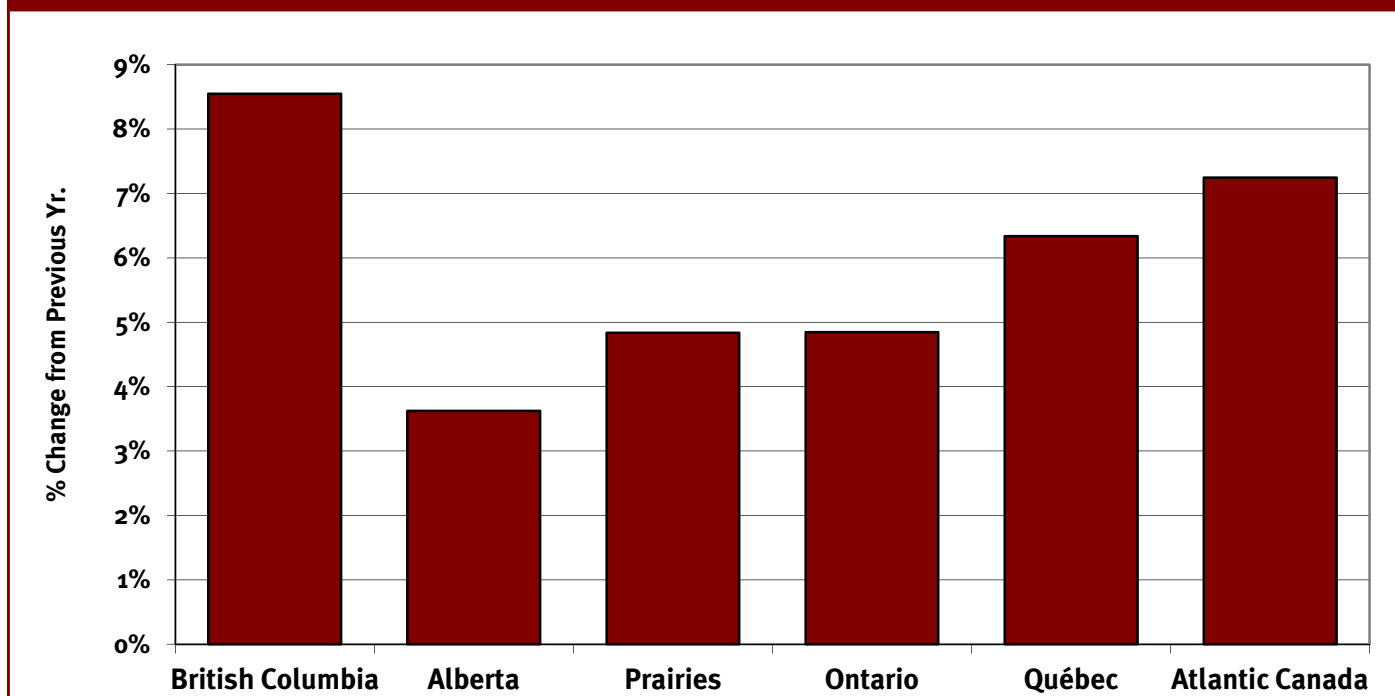
ALL DOLLAR VALUES EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

17 Dundonald Street, 3rd Floor, Toronto, ON M4Y 1K3 Tel: (416) 921-4181 Fax: (416) 921-4184 Website: www.jcwg.com
 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

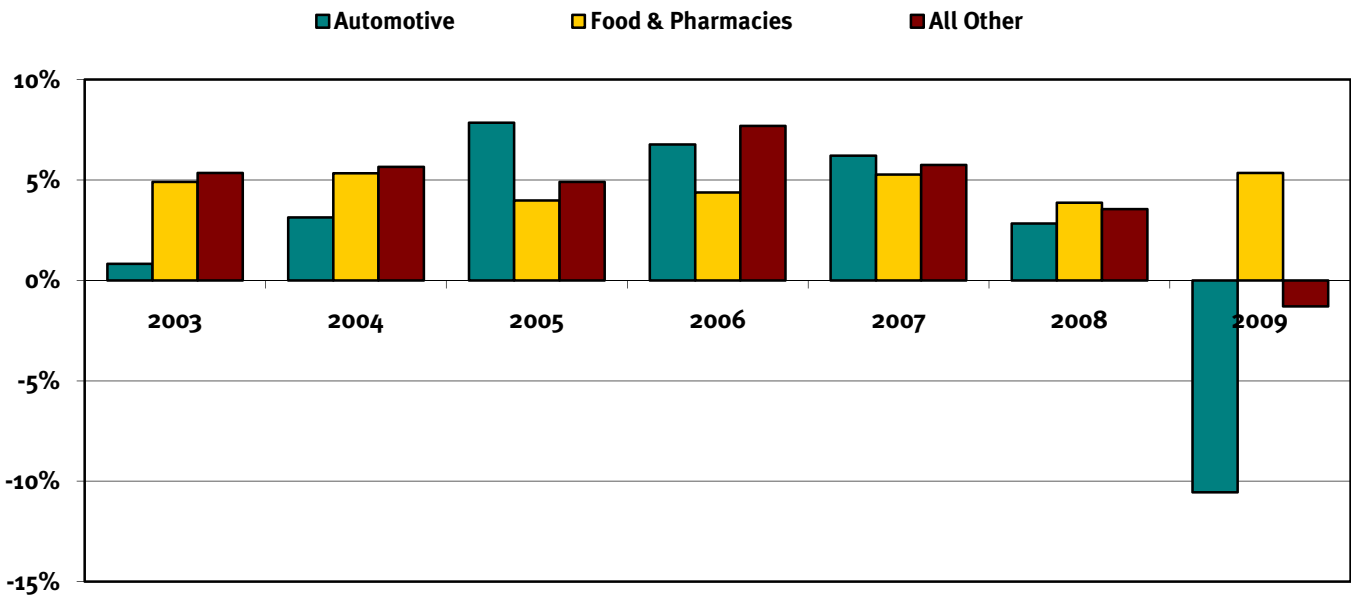
	Year-to-date 2010	Same period 2009	Change 2010/2009
British Columbia	8,207,240	7,561,190	8.5%
Alberta	8,173,624	7,887,705	3.6%
Prairies	4,115,249	3,925,530	4.8%
Ontario	20,879,804	19,914,462	4.8%
Québec	13,101,664	12,321,025	6.3%
Atlantic Canada	4,302,831	4,012,206	7.2%

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

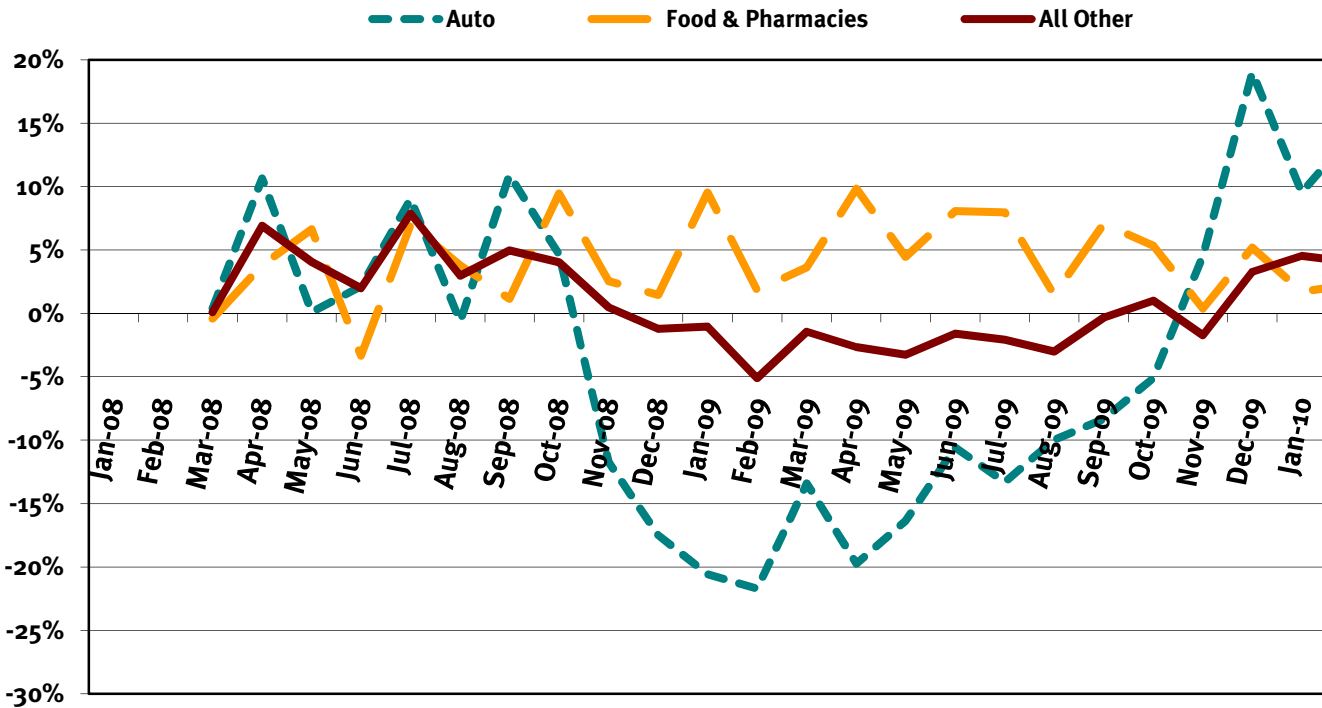


For more detailed information on retail sales, please contact J.C. Williams Group

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

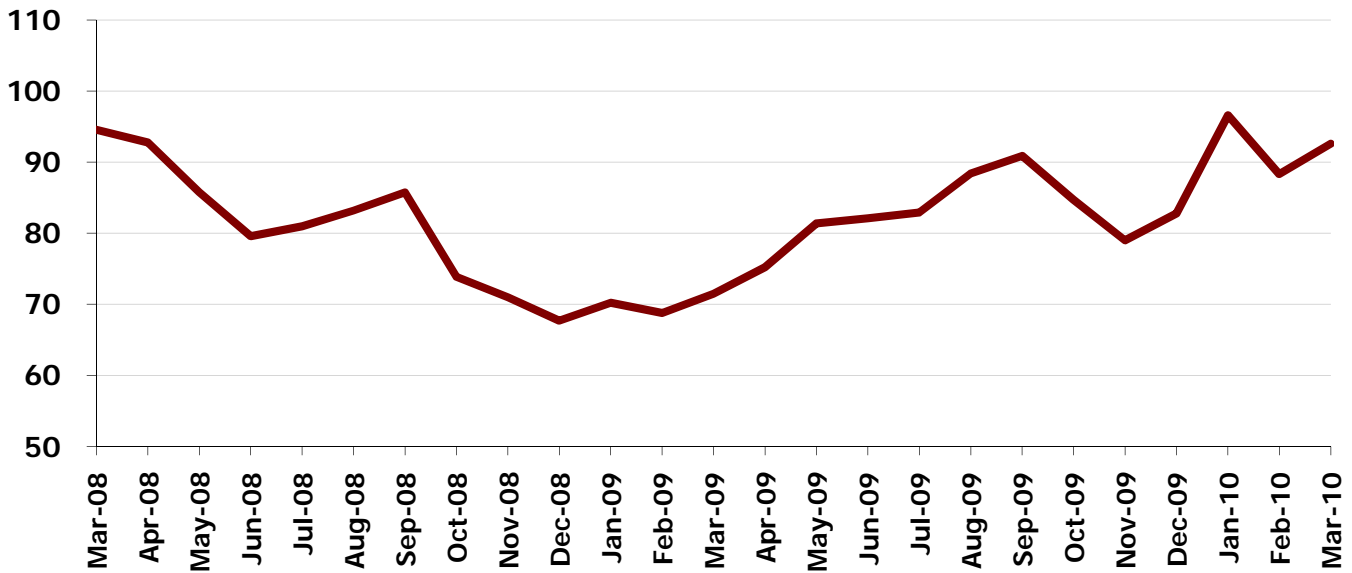
February 2010

vs.

February 2009

1.6%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

