

Bulletin

May 2010 Retail Sales • Released July 22, 2010

SUMMER WEATHER DOESN'T BRIGHTEN MAY SALES

The good news is that unadjusted retail sales were up on a year-over-year basis for the sixth consecutive month. On the other hand, the vigorous growth of early 2010 seems to be losing steam.

Unadjusted All Stores Less Automotive sales were up by 1.4% in May. This modest growth signals a decelerating trend that began in April when sales were up by 4.5% after a very impressive 6.6% increase in March.

Furniture and Home Furnishings Stores led all categories with a 5.6% increase in sales while Clothing and Accessories Stores posted a year-over-year increase in sales of 5.5%. Warm weather and weak 2009 comparables are likely to have triggered this growth. However, these categories are respectively up 6.7% and 6.1% year-to-date, so May was by no means a banner month for furniture or clothing retailers.

General Merchandise Stores and Health and Personal Care Stores continued their steady growth in May posting moderate increases in sales of 3.7% and 3.3% respectively.

Building Material and Garden Equipment Stores reported an unimpressive 1.2% increase in sales for May. This category has enjoyed a very good 2010 after a dismal 2009. Year-to-date sales for Building Material and Garden Equipment Stores have grown 10% against 2009 sales. However, sales for May 2010 (\$2.93 billion) are below May 2008 (\$2.99 billion) and May 2007 (\$2.97 billion) comparables.

Despite the Canadian release of the iPad in late May, Electronics and Appliance Stores posted a decrease in sales of -1.1%. Also in negative territory, Sporting Goods, Hobby, Music and Book Stores saw their sales decline by -2.2%

On the regional front, the impressive growth of early 2010 has begun to moderate. However, every region remains comfortably in positive territory year-to-date. Leading the charge is British Columbia with a year-to-date growth of 8.1%, followed by Québec at 7.2% and Atlantic Canada at 6.9%. Posting more

moderate growth results are Ontario (5.7%), Alberta (5.2%) and the Prairies (5.0%).

Canadian Consumer Confidence has seesawed every month this year. Continuing this trend, the index stood at 89.3 in May (up 4.5 points from April), and at 83.6 in June (down 5.7 points from May). This trend reflects consumers' uneasiness with an unclear economic outlook and conflicting reports on what the future might hold for us.

May was not a great month for Canadian retailers, but it may be a harbinger for things to come. The erratic and somewhat schizophrenic nature of today's economic environment will continue to be reflected in both consumer behaviour and retail sales. This is the new normal.

**RELEASE DATE OF THE NEXT
NATIONAL RETAIL BULLETIN**
August 24, 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 May	2010	2009	2010/2009
All Stores	38,408,708	37,301,030	3.0%
Motor vehicle and parts dealers	8,920,693	8,667,749	2.9%
Gasoline stations	4,093,980	3,597,447	13.8%
All Stores Less Automotive	25,394,035	25,035,834	1.4%
Food and Beverage Stores	8,931,873	8,986,564	-0.6%
Health and Personal Care Stores	2,659,217	2,573,441	3.3%
All Stores Less Automotive, Food, Pharmacies	13,802,945	13,475,829	2.4%
General Merchandise Stores	4,753,449	4,583,462	3.7%
Furniture, Home Furnishings, Electronics and Appliance Stores	2,219,593	2,165,592	2.5%
Furniture and Home Furnishing Stores	1,241,084	1,175,799	5.6%
Electronics and Appliance Stores	978,509	989,793	-1.1%
Clothing and Accessories Stores	2,113,935	2,003,578	5.5%
Clothing Stores	1,643,201	1,555,365	5.6%
Shoes, Jewellery, luggage and leather goods stores	470,734	448,213	5.0%
Sporting Goods, Hobby, Music, and Book Stores	869,777	888,955	-2.2%
Building Material and Garden Equipment Stores	2,930,866	2,896,133	1.2%
Miscellaneous Store Retailers	915,325	938,110	-2.4%

Year to Date Sales Ending May	2010	2009	2010/2009
All Stores	168,573,303	158,530,340	6.3%
Motor vehicle and parts dealers	37,858,055	34,616,577	9.4%
Gasoline Stations			
All Stores Less Automotive	112,032,259	108,102,042	3.6%
Food and Beverage Stores	41,041,482	40,442,461	1.5%
Health and Personal Care Stores	12,676,484	12,189,920	4.0%
All Stores Less Automotive, Food, Pharmacies	58,314,293	55,469,661	5.1%
General Merchandise Stores	20,020,929	19,046,330	5.1%
Furniture, Home Furnishings and Electronics Stores	10,551,032	10,218,700	3.3%
Furniture and Home Furnishings Stores	5,701,324	5,344,851	6.7%
Electronics and Appliance Stores	4,849,708	4,873,849	-0.5%
Clothing and Accessories Stores	8,745,203	8,245,275	6.1%
Clothing Stores	6,834,318	6,441,292	6.1%
Shoes, Clothing Accessories, and Jewellery Stores	1,910,885	1,803,983	5.9%
Sporting Goods, Hobby, Music, and Book Stores	4,102,760	4,017,456	2.1%
Building Material and Garden Equipment Stores	10,700,293	9,724,997	10.0%
Miscellaneous Store Retailers	4,194,077	4,216,905	-0.5%

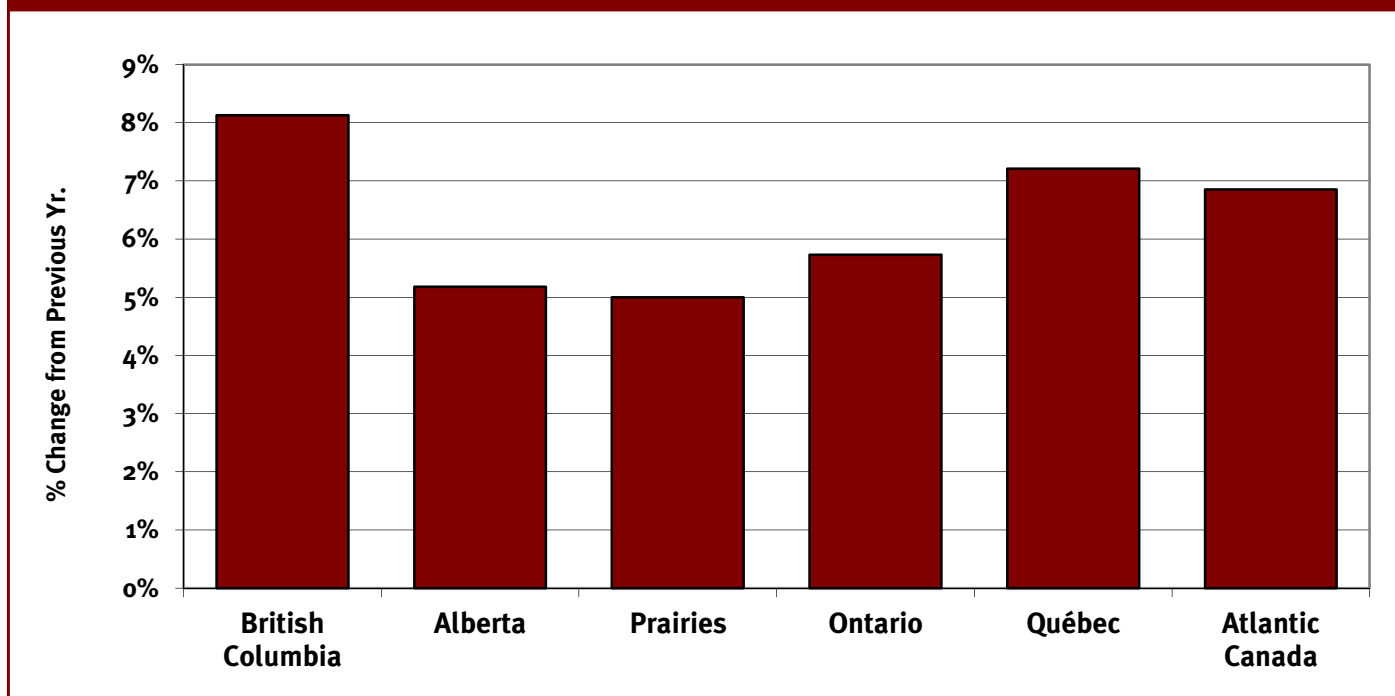
ALL DOLLAR VALUES EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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Retail Trade, Canada, All Stores, by Region

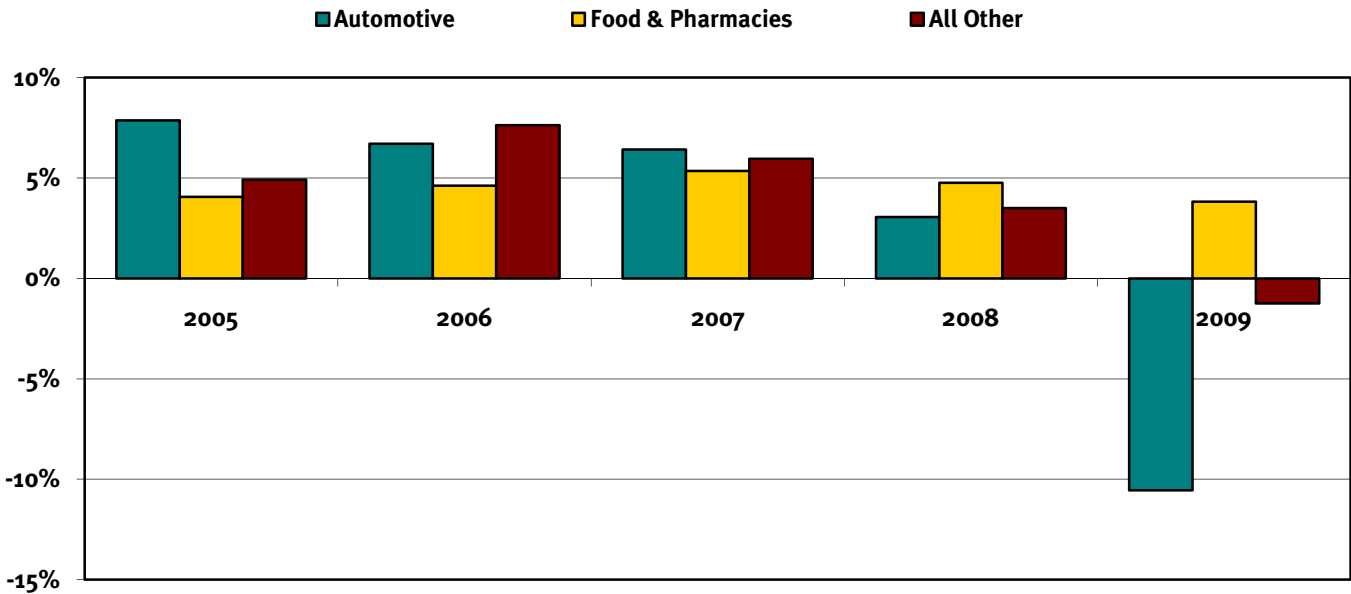
	Year-to-date 2010	Same period 2009	Change 2010/2009
British Columbia	22,630,258	20,929,441	8.1%
Alberta	22,916,420	21,787,457	5.2%
Prairies	11,743,493	11,184,585	5.0%
Ontario	59,670,117	56,436,808	5.7%
Québec	38,707,422	36,103,750	7.2%
Atlantic Canada	12,289,336	11,501,475	6.9%

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

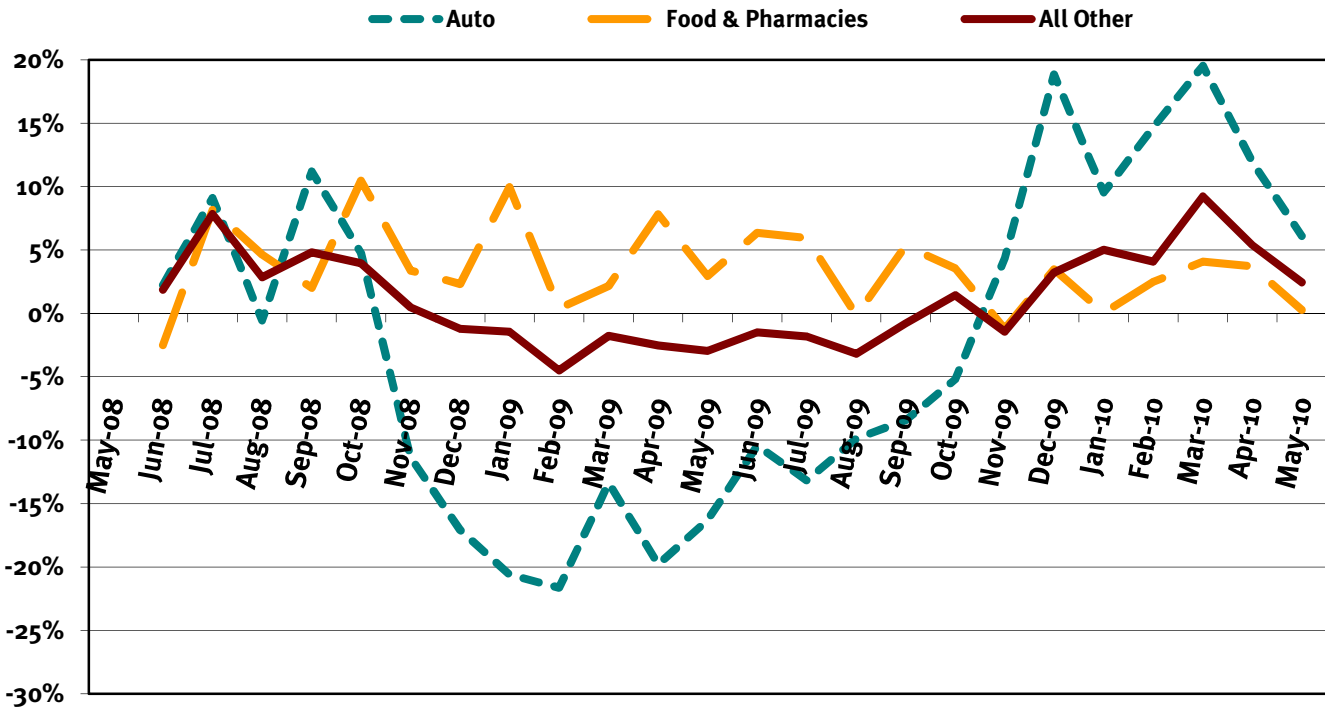


For more detailed information on retail sales, please contact J.C. Williams Group

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

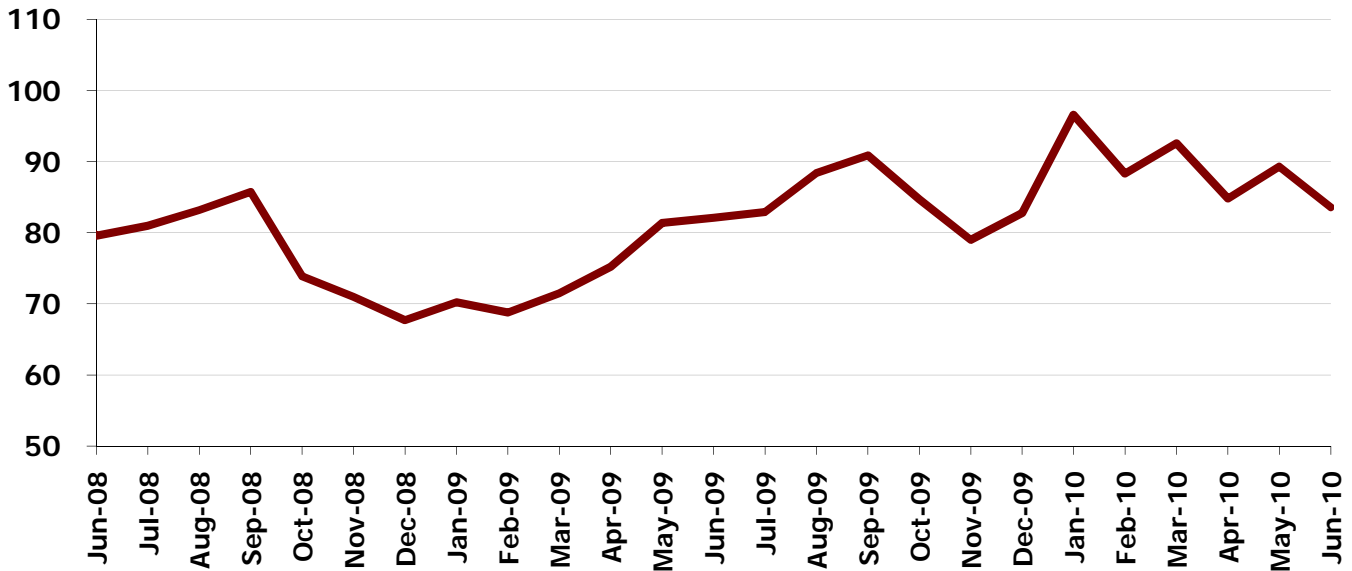
May 2010

vs.

May 2009

1.4%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (2004 = 100)

