

Bulletin

October 2008 Retail Sales • Released December 18, 2008

RETAIL SALES RESULTS PROVIDE HOPE FOR THE HOLIDAYS

Consumer confidence took a hit in October, falling from 85.7 in September to 73.9 points. Despite the major decline, All Stores sales came in at 5.8% for the month, providing a boost for retailers that focused early on the holiday season.

Several categories continued to see the positive aspect despite the confidence drop. These categories include Food and Beverage Stores; Computer, Software, Home Electronics, and Appliance Stores; and General Merchandise Stores.

Food and Beverage Stores increased a whopping 10.4% for the month as consumers continued to spend on 'necessity' purchases, including Thanksgiving fixings. This growth comes despite some consumers' switch to General Merchandisers for food and beverage products.

General Merchandisers fared well this month with strong positive results of 9.5% for October. Typifying the growth in this sector is Wal-Mart Canada, which opened up two new locations in October as part of their supercentre expansion program. Wal-Mart Canada reported low single-digit sales growth, spurred from average ticket, electronics and food sales.

Computer, Software, Home Electronics, and Appliance Stores enjoyed strong sales growth of 9.7% for the month, as consumers continued to seek the popular gadgets of the season, such as the iPhone.

Pharmacies and Personal Care Stores saw a decent sales growth of 4.3% for the month over the same time last year.

As retailers experience moderate growth, they are turning to aggressive promotions and new strategies.

Clothing and Accessories Stores saw a marked slowdown in comparison to other retail sectors this month. Compared to last year, October sales grew 2.9%.

Clothing Stores increased only 1.7% as Shoes, Clothing Accessories, and Jewellery Stores grew a significant 7.1%. Cold weather in some regions spurred these fall sales.

Sporting Goods, Hobby, Music, and Book Stores experienced a modest 1.3% growth.

Furniture and Home Furnishings Stores was the only sector experiencing negative growth of -1.4% as consumers cut back on these big ticket items.

Despite lower consumer confidence, sales remained surprisingly strong. The slight decrease in November's consumer confidence to 71.0, combined with encouraging sales growth for October, provides retailers with hope for a positive start to the holiday season.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

January 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 October	2008	2007	2008/2007
All Stores	36,001,183	34,037,555	5.8%
Automotive	11,953,555	11,414,994	4.7%
All Stores Less Automotive	24,047,628	22,622,561	6.3%
Food and Beverage Stores	8,200,209	7,427,702	10.4%
Pharmacies and Personal Care Stores	2,531,323	2,427,166	4.3%
All Stores Less Automotive, Food, Pharmacies	13,316,096	12,767,693	4.3%
General Merchandise Stores	4,386,603	4,006,522	9.5%
Furniture, Home Furnishings and Electronics Stores	2,586,697	2,501,387	3.4%
Furniture and Home Furnishings Stores	1,393,179	1,413,655	-1.4%
Computer, Software, Home Electronics, and Appliance Stores	1,193,518	1,087,732	9.7%
Clothing and Accessories Stores	2,066,015	2,008,473	2.9%
Clothing Stores	1,597,730	1,571,375	1.7%
Shoes, Clothing Accessories, and Jewellery Stores	468,285	437,098	7.1%
Sporting Goods, Hobby, Music, and Book Stores	827,487	816,774	1.3%
Building and Outdoor Home Supplies Stores	2,470,653	2,452,141	0.8%
Miscellaneous Store Retailers	978,640	982,397	-0.4%

Year to Date Sales Ending October	2008	2007	2008/2007
All Stores	353,327,946	337,022,887	4.8%
Automotive	127,027,518	120,104,629	5.8%
All Stores Less Automotive	226,300,428	216,918,258	4.3%
Food and Beverage Stores	78,328,663	75,275,540	4.1%
Pharmacies and Personal Care Stores	23,907,648	23,038,948	3.8%
All Stores Less Automotive, Food, Pharmacies	124,064,117	118,603,770	4.6%
General Merchandise Stores	40,230,379	37,688,669	6.7%
Furniture, Home Furnishings and Electronics Stores	24,695,296	23,364,174	5.7%
Furniture and Home Furnishings Stores	13,444,634	12,993,376	3.5%
Computer, Software, Home Electronics, and Appliance Stores	11,250,662	10,370,798	8.5%
Clothing and Accessories Stores	18,597,386	18,281,515	1.7%
Clothing Stores	14,331,017	14,063,239	1.9%
Shoes, Clothing Accessories, and Jewellery Stores	4,266,369	4,218,276	1.1%
Sporting Goods, Hobby, Music, and Book Stores	8,300,459	8,046,441	3.2%
Building and Outdoor Home Supplies Stores	23,248,195	22,500,797	3.3%
Miscellaneous Store Retailers	8,992,401	8,722,178	3.1%

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

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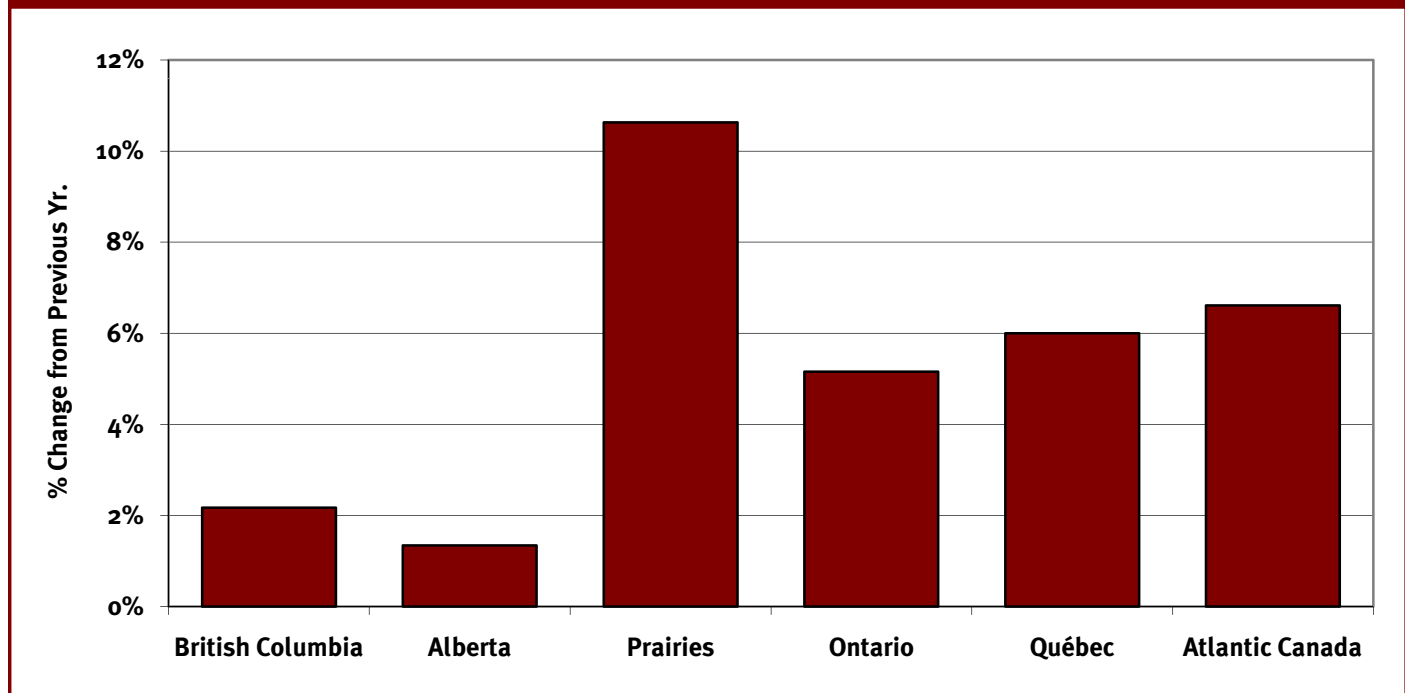
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Retail Trade, Canada, All Stores, by Region

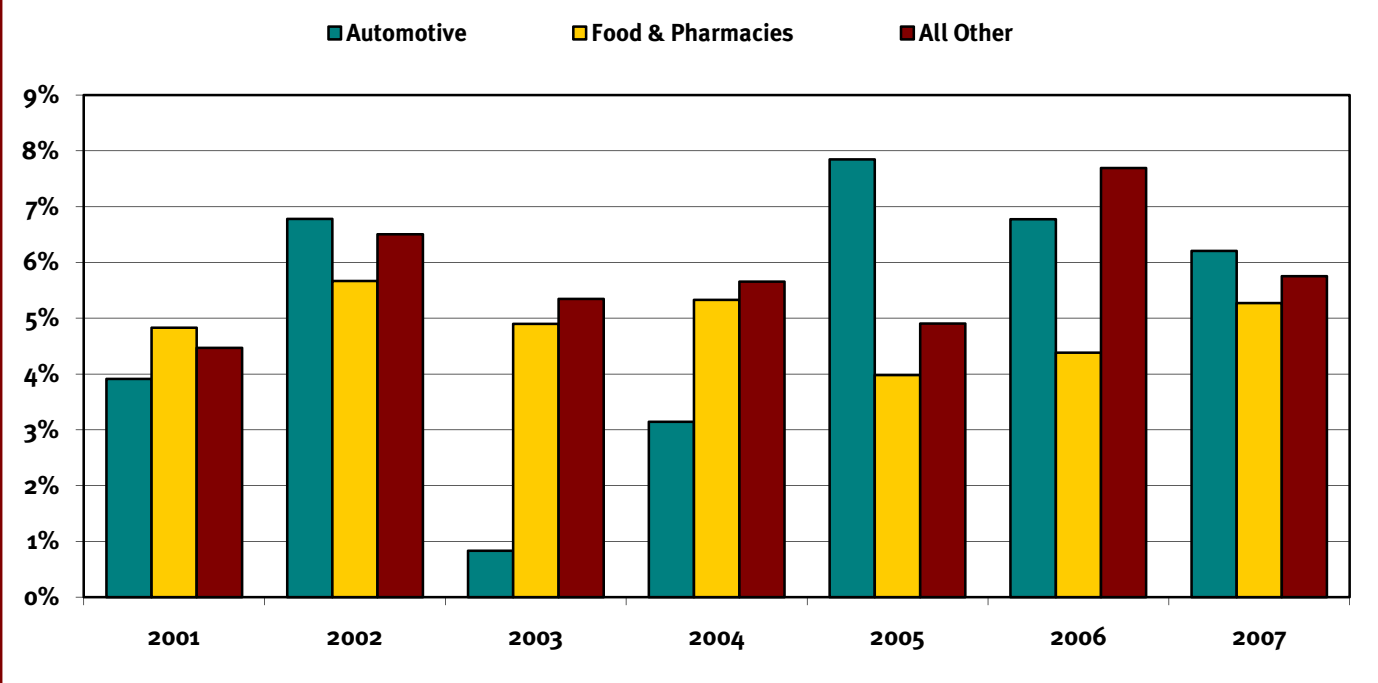
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	47,107,323	46,105,311	2.2%
Alberta	50,890,482	50,217,804	1.3%
Prairies	24,292,087	21,957,748	10.6%
Ontario	124,970,159	118,840,438	5.2%
Québec	79,432,338	74,935,441	6.0%
Atlantic Canada	25,342,684	23,771,041	6.6%

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

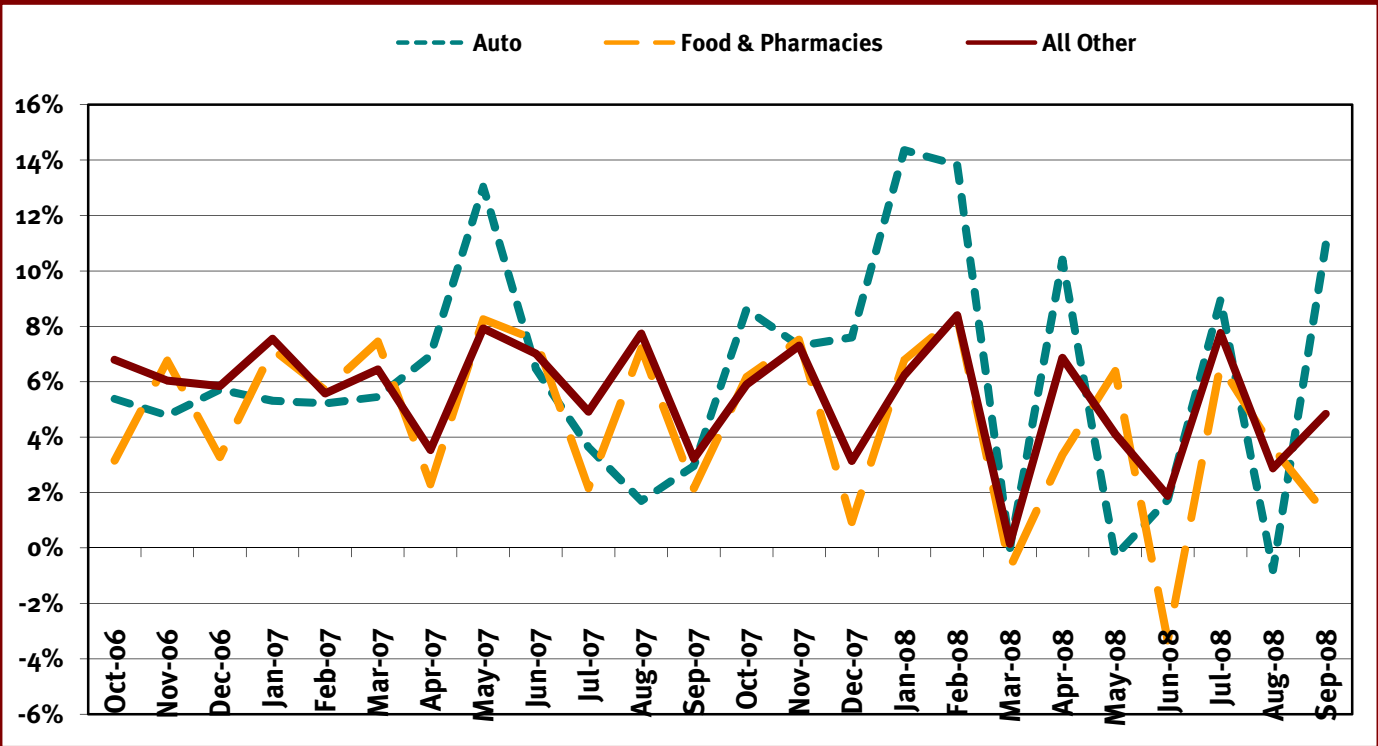


For more detailed information on retail sales, please contact J.C. Williams Group

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

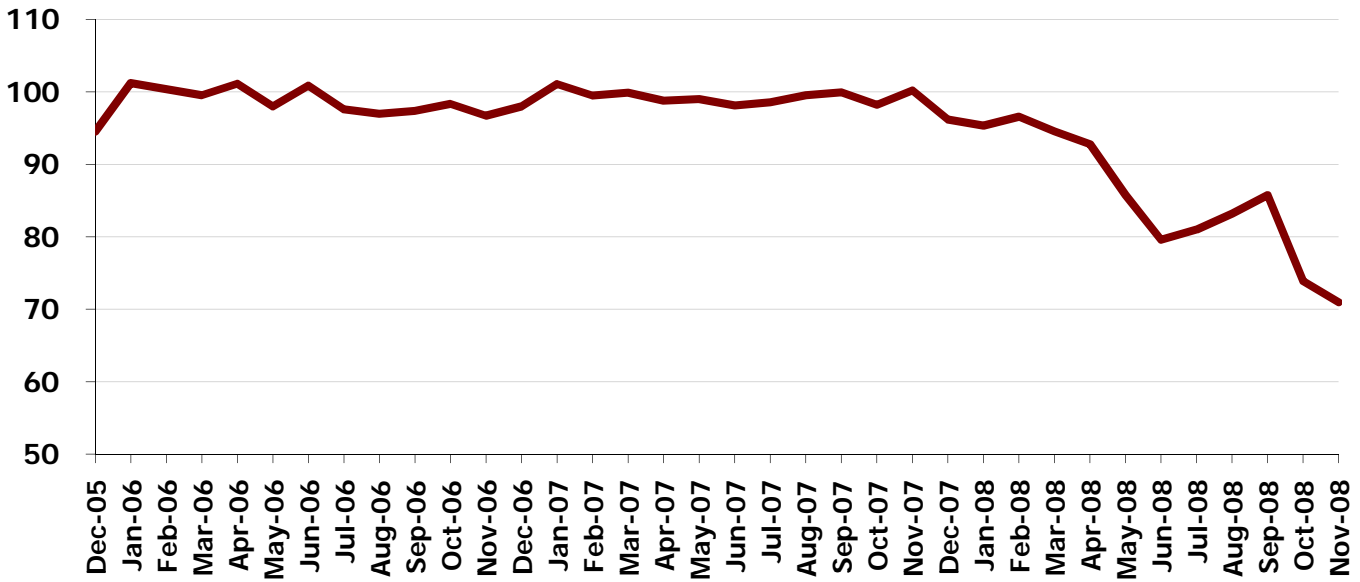
October 2008

vs.

October 2007

2.6%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

