

Bulletin

July 2008 Retail Sales • Released September 22, 2008

ALL SECTORS BENEFIT FROM HIGHER CONSUMER CONFIDENCE

Canadian retail sales posted strong results during the month of July. All Stores sales were up 7.7%, compared to July 2007. In addition, year-to-date sales climbed 5.0%. Leading into the second half of 2008, these positive results may provide a ray of optimism for Canadian retailers.

Computer, Software, Home Electronics, and Appliance Stores experienced a hike in overall sales of 12.1% during the month. Home Electronics and Appliance Stores also beat out last month's sales by 8.6%. Amongst all retail categories, sub-category Shoes, Clothing Accessories, and Jewellery Stores posted the lowest growth comparatively; however, Clothing and Accessories Stores enjoyed positive growth of 3.9% during July. This also surpasses the sub-category's year-to-date sales of 1.0%.

Furniture and Home Furnishings Stores continued to post positive growth of 6.2%. These results are encouraging for new U.S. home furnishings retailers like Bed, Bath and Beyond and Crate&Barrel, who

have targeted Canada in their international expansion plans.

Given record rainfall in Central Canada, Building and Outdoor Home Supplies Stores witnessed a welcome surprise as July sales grew by 8.9% over the same time last year. With only one month left in the summer, retailers in this sector will have to work hard to convince consumers to start and finish their home renovation projects.

Food and Beverage Stores also experienced robust growth at 7.1% for the month and 3.6% year-to-date. Pharmacies and Personal Care Stores were up 5.6% for the month and 4.2% year-to-date, while General Merchandise Stores saw stronger, positive results of 9.1% during July.

Retailers will be gearing up for 'back to school' promotions next month, in the hopes to build on and continue July's results. While consumer confidence is slightly up at 65.8 compared to 65.4 last month, value and savings will continue to be the focus for both retailers and consumers. Discounters and warehouse clubs like Costco are likely to gain sales if they are able to maintain and provide these two fundamental consumer requirements.

Look for next month's National Retail Bulletin as we continue to assess consumer confidence and find out who has gained the most from back-to-school promotions.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN
October 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 July	2008	2007	2008/2007
All Stores	38,340,480	35,608,851	7.7%
Automotive	14,067,268	13,006,378	8.2%
All Stores Less Automotive	24,273,212	22,602,473	7.4%
Food and Beverage Stores	8,413,172	7,853,969	7.1%
Pharmacies and Personal Care Stores	2,388,786	2,262,284	5.6%
All Stores Less Automotive, Food, Pharmacies	13,471,254	12,486,220	7.9%
General Merchandise Stores	4,351,256	3,987,089	9.1%
Furniture, Home Furnishings and Electronics Stores	2,646,413	2,433,856	8.7%
Furniture and Home Furnishings Stores	1,473,484	1,387,153	6.2%
Computer, Software, Home Electronics, and Appliance Stores	1,172,929	1,046,703	12.1%
Clothing and Accessories Stores	1,876,674	1,806,048	3.9%
Clothing Stores	1,439,713	1,378,660	4.4%
Shoes, Clothing Accessories, and Jewellery Stores	436,961	427,388	2.2%
Sporting Goods, Hobby, Music, and Book Stores	852,856	799,642	6.7%
Building and Outdoor Home Supplies Stores	2,808,335	2,579,549	8.9%
Miscellaneous Store Retailers	935,718	880,036	6.3%

Year to Date Sales Ending July	2008	2007	2008/2007
All Stores	243,841,345	232,195,986	5.0%
Automotive	89,359,299	84,213,390	6.1%
All Stores Less Automotive	154,482,046	147,982,596	4.4%
Food and Beverage Stores	53,894,239	51,998,259	3.6%
Pharmacies and Personal Care Stores	16,564,669	15,900,666	4.2%
All Stores Less Automotive, Food, Pharmacies	84,023,138	80,083,671	4.9%
General Merchandise Stores	27,439,262	25,793,702	6.4%
Furniture, Home Furnishings and Electronics Stores	16,672,524	15,723,260	6.0%
Furniture and Home Furnishings Stores	9,147,982	8,778,770	4.2%
Computer, Software, Home Electronics, and Appliance Stores	7,524,542	6,944,490	8.4%
Clothing and Accessories Stores	12,469,308	12,174,589	2.4%
Clothing Stores	9,614,363	9,349,019	2.8%
Shoes, Clothing Accessories, and Jewellery Stores	2,854,945	2,825,570	1.0%
Sporting Goods, Hobby, Music, and Book Stores	5,650,624	5,421,914	4.2%
Building and Outdoor Home Supplies Stores	15,693,163	15,107,012	3.9%
Miscellaneous Store Retailers	6,098,256	5,863,195	4.0%

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

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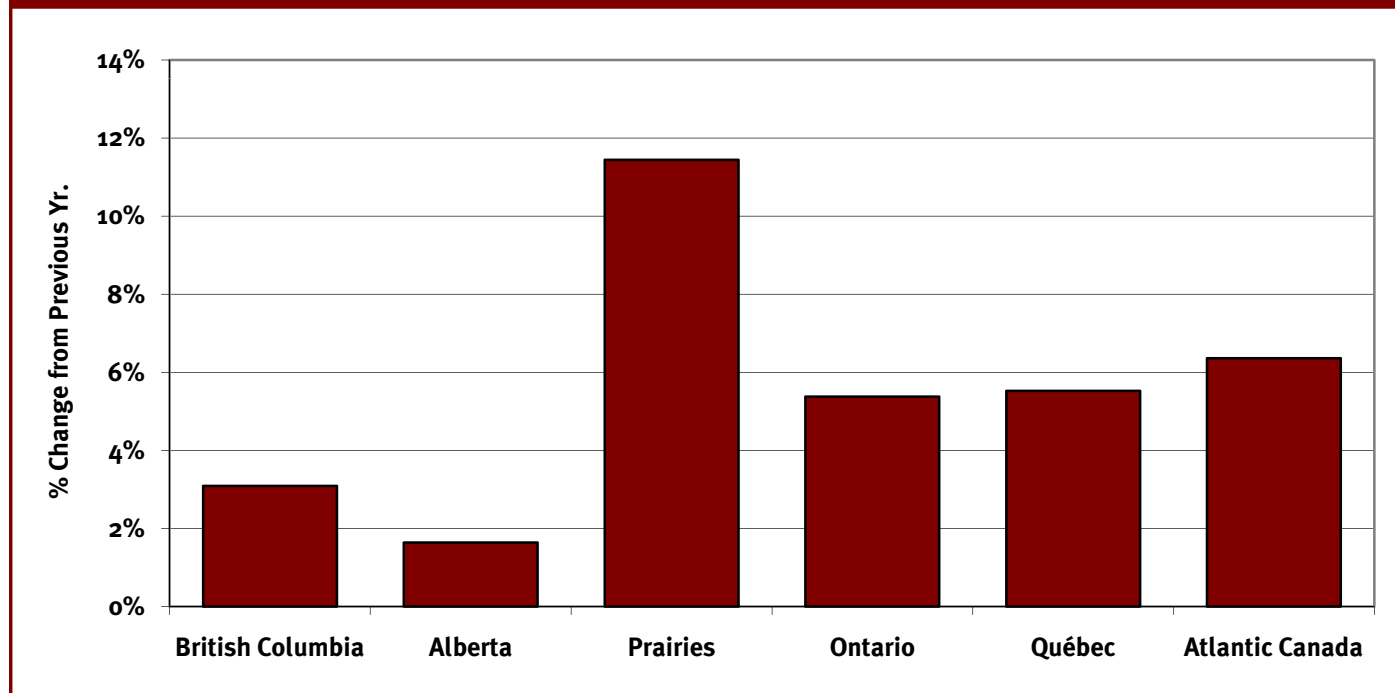
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Retail Trade, Canada, All Stores, by Region

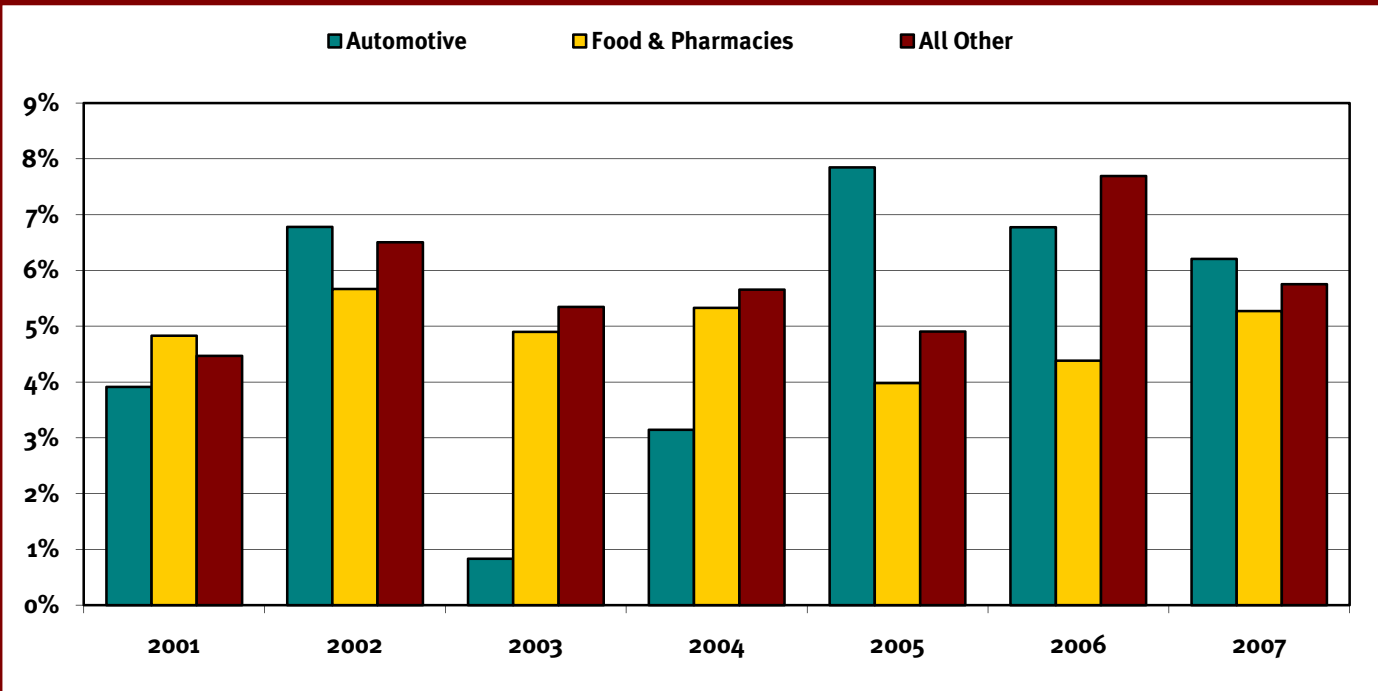
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	32,667,954	31,688,862	3.1%
Alberta	35,323,911	34,753,552	1.6%
Prairies	16,708,784	14,993,545	11.4%
Ontario	86,198,627	81,797,566	5.4%
Québec	54,742,818	51,876,720	5.5%
Atlantic Canada	17,299,321	16,264,244	6.4%

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

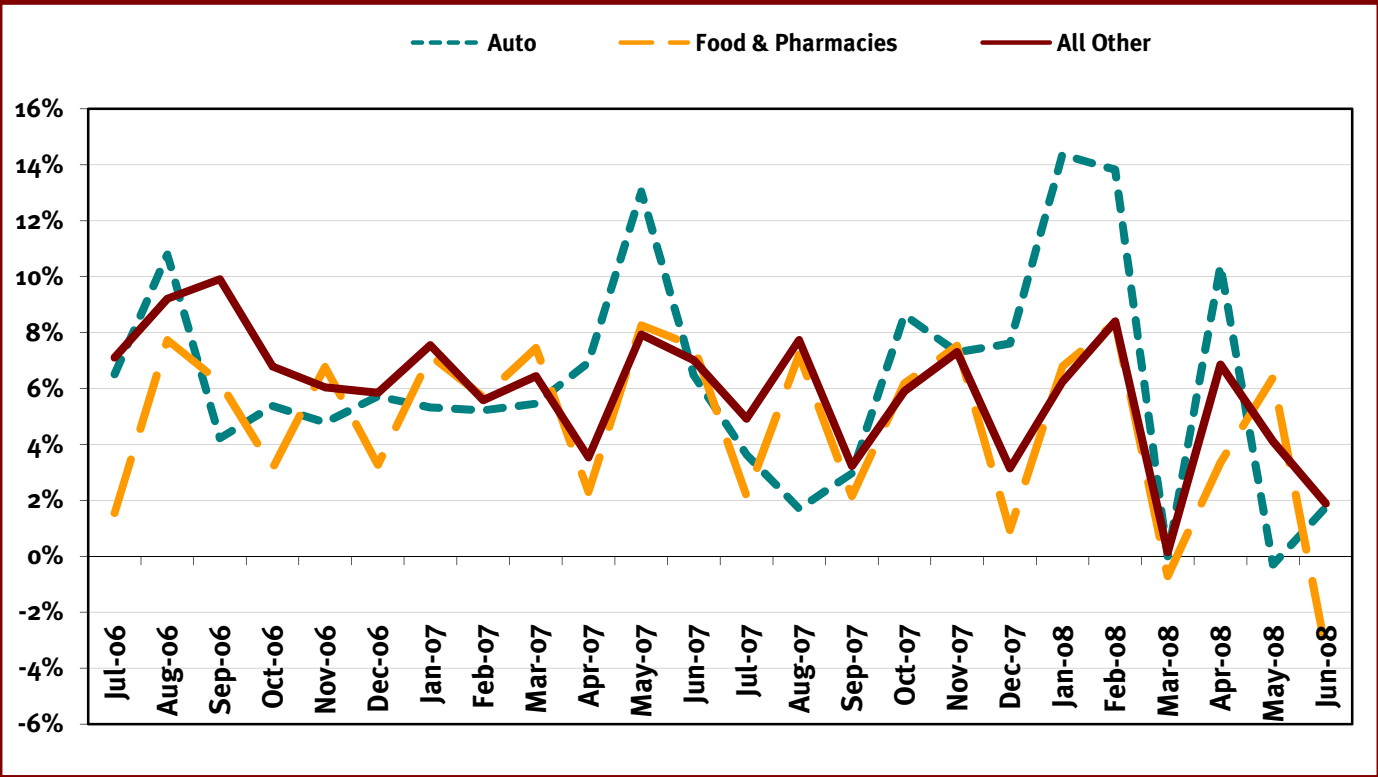


For more detailed information on retail sales, please contact J.C. Williams Group

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

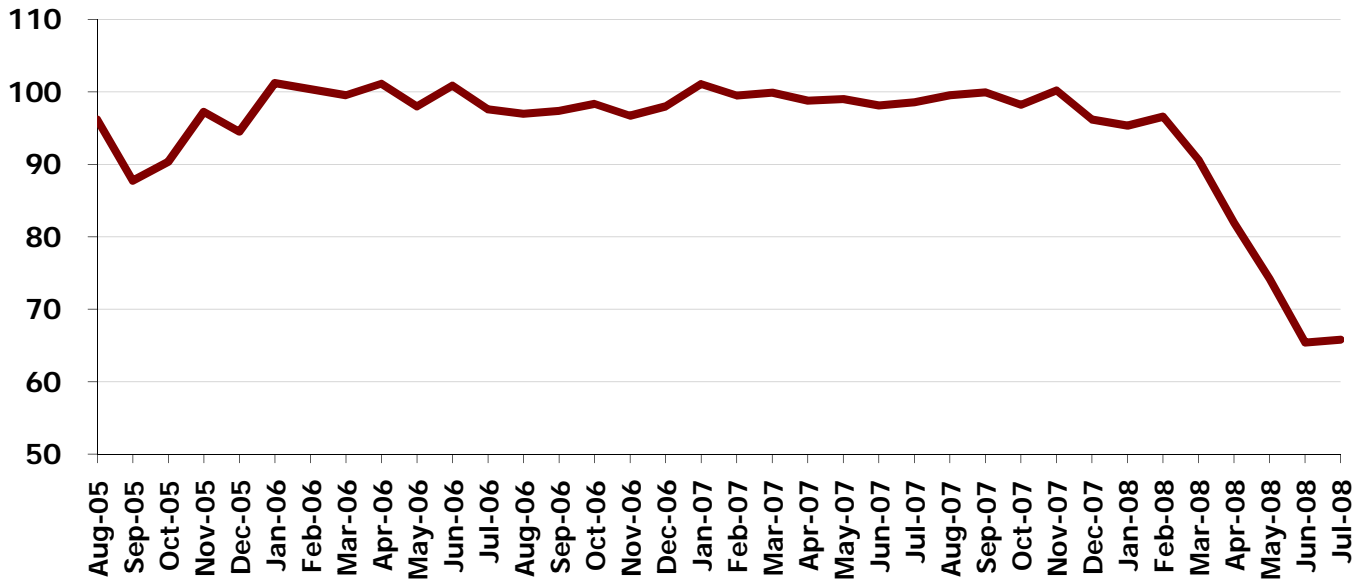
July 2008

vs.

July 2007

3.4%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

