

Bulletin

May 2008 Retail Sales • Released July 22, 2008

MAY-BE GOOD; MAY-BE NOT SO GOOD

May retail sales softened but overall sales remained buoyant in the face of uncertain economic outlooks and wet weather. Overall, retail sales managed a 2.9% leap over last May however, excluding Automotive, retail sales were up 4.9%.

While economists have predicted the sky to fall along in step with the continuing rain, Canadian retailers are still enjoying modest gains throughout the spring. As the retail economy shifts into a lower gear and steers onward into summer, there are lessons to be learned from south of the border. While the U.S. Consumer Confidence and retail sales growth have stagnated, Canadian retailers are wondering if this will hit them in the months to come as the competition gets fierce, and what their tactics should be.

Crate and Barrel's and Aerie's anticipated openings are matched by news of Brook's Brothers and Bath and Body Works setting up shop in the near future. In addition, there is the anticipated Bed Bath and Beyond rollout across Canada to follow up on their Richmond Hill launch.

The other major news on everyone's lips is HBC's sale to NRDC Equity Partners – owner of Lord and Taylor.

Swirling reports on the Lord and Taylor buyout are leaving everyone wondering if a name change is in order that will match the product offering.

While Gasoline Stations socked it to the consumer with sales gains clocking in at 17.6% over last May, consumers didn't let it put a dent in their shopping habits. While some categories took a breather, others have risen to the challenge of satisfying consumer demand.

Food and Beverage Stores pushed sales up a notch or two gaining 7.0% over last year. Pharmacies and Personal Care Store were off slightly despite a strong showing by Shoppers Drug Mart.

While Home Furnishings Stores and Building and Outdoor Home Supplies Stores took a break this month, Home Furnishings Stores steadily moved ahead 5.3%.

Clothing and Accessories Stores kept pace with their year-to-date averaged despite the weather problems.

Leisure pursuits were also the name of the game as Home Electronics and Appliance Stores gained 10.8% and Sporting Goods, Hobby, Music, and Book Stores rallied for a 5.6%

Alberta witnessed a soft May based on very high comparables. Saskatchewan has become the new darling of retail growth. Double-digit growth in May and a strong showing by Manitoba pushed year-to-date sales growth to 12.6% for the Prairies.

**RELEASE DATE OF THE NEXT
NATIONAL RETAIL BULLETIN**
August 20, 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 May	2008	2007	2008/2007
All Stores	39,549,680	38,420,354	2.9%
Automotive	14,613,100	14,652,165	-0.3%
All Stores Less Automotive	24,936,580	23,768,189	4.9%
Food and Beverage Stores	8,557,485	7,994,046	7.0%
Pharmacies and Personal Care Stores	2,476,249	2,386,788	3.7%
All Stores Less Automotive, Food, Pharmacies	13,902,846	13,387,355	3.9%
General Merchandise Stores	4,531,930	4,282,226	5.8%
Furniture, Home Furnishings and Electronics Stores	2,471,225	2,322,114	6.4%
Furniture and Home Furnishings Stores	1,380,050	1,327,602	4.0%
Computer, Software, Home Electronics, and Appliance Stores	1,091,175	994,512	9.7%
Clothing and Accessories Stores	2,095,321	2,043,635	2.5%
Clothing Stores	1,609,895	1,563,616	3.0%
Shoes, Clothing Accessories, and Jewellery Stores	485,426	480,019	1.1%
Sporting Goods, Hobby, Music, and Book Stores	877,735	830,961	5.6%
Building and Outdoor Home Supplies Stores	2,949,714	2,947,273	0.1%
Miscellaneous Store Retailers	976,923	961,145	1.6%

Year to Date Sales Ending May	2008	2007	2008/2007
All Stores	167,817,826	159,075,907	5.5%
Automotive	61,423,574	57,571,340	6.7%
All Stores Less Automotive	106,394,252	101,504,567	4.8%
Food and Beverage Stores	37,563,569	35,854,838	4.8%
Pharmacies and Personal Care Stores	11,818,119	11,307,766	4.5%
All Stores Less Automotive, Food, Pharmacies	57,012,564	54,341,963	4.9%
General Merchandise Stores	18,670,537	17,545,604	6.4%
Furniture, Home Furnishings and Electronics Stores	11,541,259	10,899,619	5.9%
Furniture and Home Furnishings Stores	6,283,080	6,045,234	3.9%
Computer, Software, Home Electronics, and Appliance Stores	5,258,179	4,854,385	8.3%
Clothing and Accessories Stores	8,593,093	8,360,199	2.8%
Clothing Stores	6,642,886	6,427,757	3.3%
Shoes, Clothing Accessories, and Jewellery Stores	1,950,207	1,932,442	0.9%
Sporting Goods, Hobby, Music, and Book Stores	3,952,160	3,802,715	3.9%
Building and Outdoor Home Supplies Stores	10,052,783	9,715,844	3.5%
Miscellaneous Store Retailers	4,202,734	4,017,984	4.6%

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

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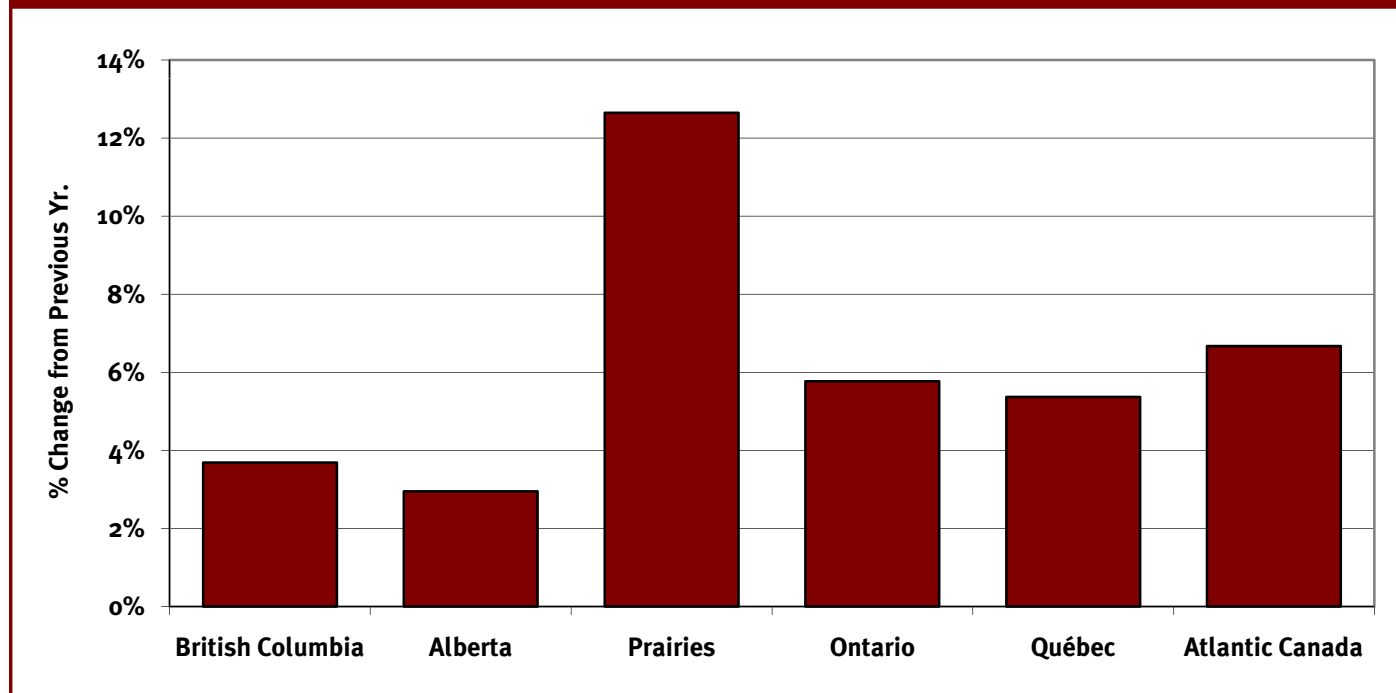
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Retail Trade, Canada, All Stores, by Region

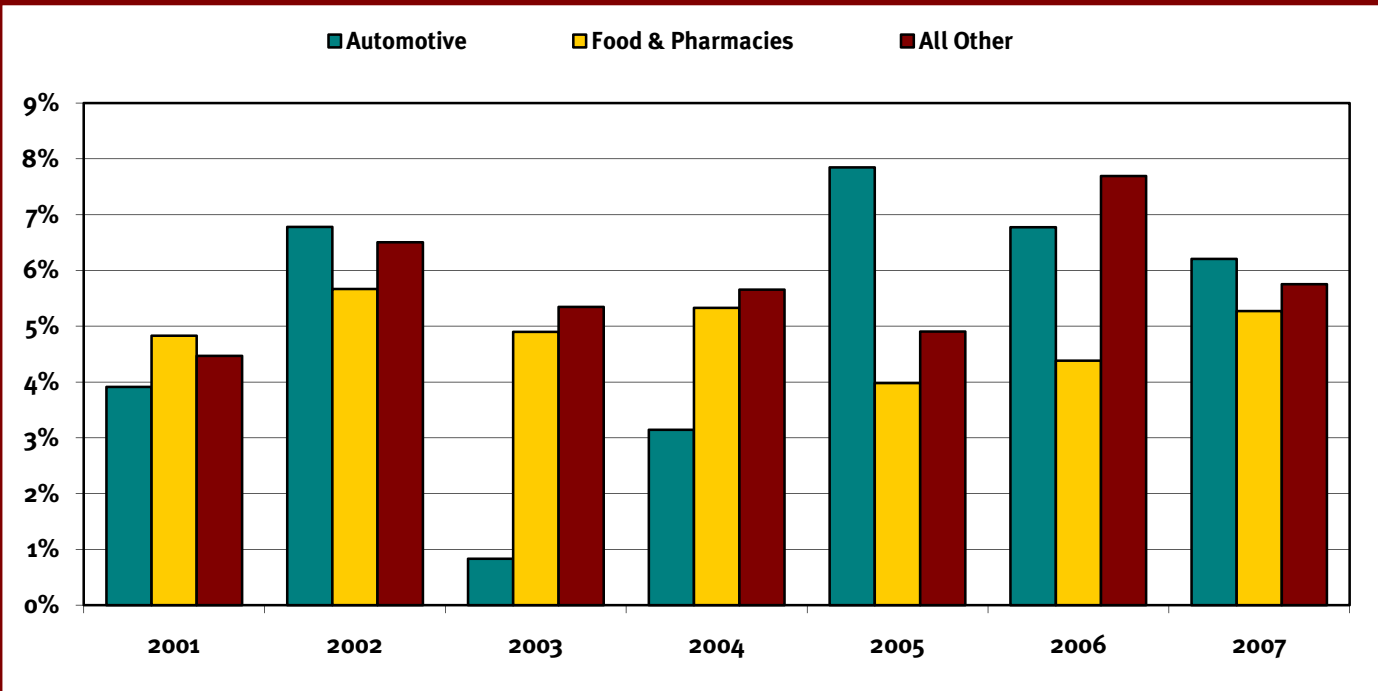
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	22,570,252	21,767,347	3.7%
Alberta	24,409,588	23,710,653	2.9%
Prairies	11,480,626	10,191,795	12.6%
Ontario	59,438,298	56,196,342	5.8%
Québec	37,593,706	35,679,132	5.4%
Atlantic Canada	11,706,265	10,973,939	6.7%

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

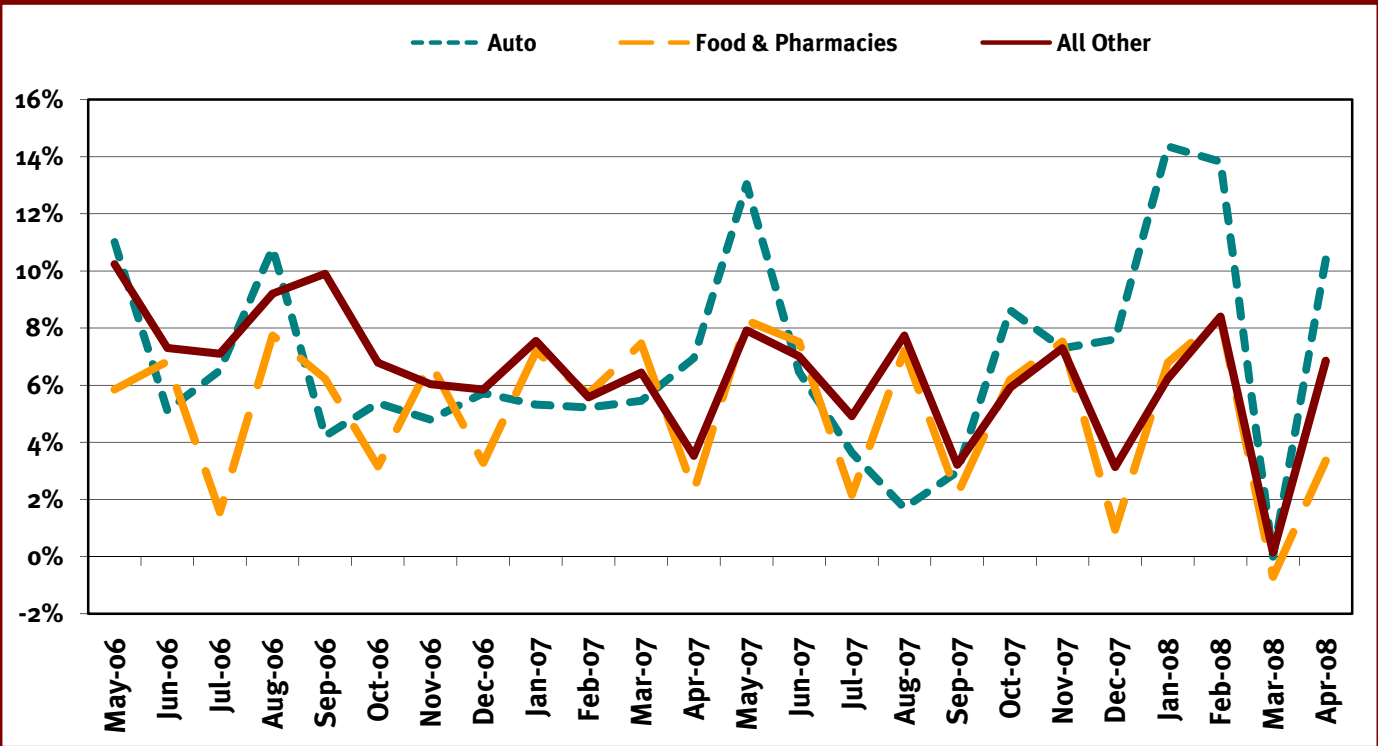


For more detailed information on retail sales, please contact J.C. Williams Group

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

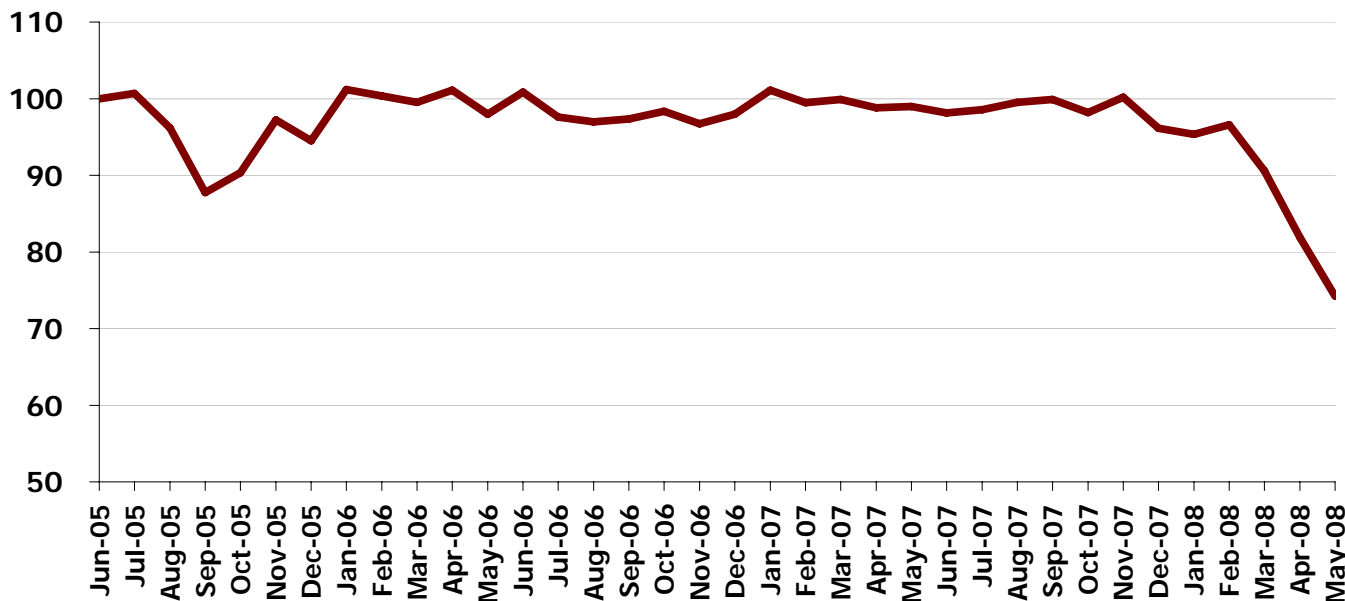
May 2008

vs.

May 2007

2.2%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

