

Bulletin

March 2008 Retail Sales • Released May 22, 2008

RETAILERS MAKE THE MOST OF A MARCH THEY WOULD LIKE TO FORGET

Following strong performance in February, retail sales tumbled -0.1% during the month of March. This brought year-to-date growth to 6.0%. Consumer confidence fell to 90.6 as Canadians felt the effects of a worsening economic climate south of the border.

Falling temperatures cooled growth in the Clothing and Accessories category where sales dropped -5.2% in March. Shoes, Clothing Accessories, and Jewellery Stores were hit the hardest as springtime sandals filled stock rooms and sales figures fell -6.9%.

Building and Outdoor Home Supplies Stores felt the effects of a perfect storm as lingering winter weather compounded a soft housing market. Hesitant to invest in their homes, shoppers pushed sales down -1.8% among these retailers. Rona's recent announcement of an -18.2% drop in first quarter operating income underlines that Canadian home improvement retailers are starting to suffer the same fate their American counterparts have seen during the past nine months.

Furniture and Home Furnishings Stores faced a similar fortune in

March as sales dropped -1.8%, bringing year-to-date growth to 4.1%.

Sporting Goods, Hobby, Music, and Book Store sales remained flat with 0.3% growth while Pharmacies and Personal Care Stores rose a modest 0.5%. The latter is faced with challenging comparable figures as Shoppers Drug Mart's expansion during recent years has seen this category undergo rapid growth through an expanded assortment of convenience goods.

Food and Beverage Store sales dropped -0.6% despite rising grocery prices. The priority for key players in this category remains the challenge of maintaining margins at a time when product costs are rising on a daily basis. Even amidst such obstacles, Loblaw managed to post strong first quarter results as same store sales rose 2.8% and net earnings jumped 14.8%.

General Merchandise Stores made the most of March's dip in consumer confidence with sales that rose 2.6%. Shoppers are likely looking towards discounters and wholesale clubs for cost-savings on the basic items they purchase on a regular basis.

Despite a continued decline in consumer confidence in April, many expect retail spending to rebound as early reports from retailers suggest a renaissance in same-store sales figures. Next month's bulletin will bring you the latest growth figures and a further look at how Canadians are coping with mounting uncertainty in the marketplace.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN
June 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 March	2008	2007	2008/2007
All Stores	32,701,846	32,734,145	-0.1%
Automotive	11,977,621	11,955,058	0.2%
All Stores Less Automotive	20,724,225	20,779,087	-0.3%
Food and Beverage Stores	7,527,887	7,574,116	-0.6%
Pharmacies and Personal Care Stores	2,350,869	2,339,410	0.5%
All Stores Less Automotive, Food, Pharmacies	10,845,469	10,865,561	-0.2%
General Merchandise Stores	3,591,142	3,500,950	2.6%
Furniture, Home Furnishings and Electronics Stores	2,322,513	2,315,828	0.3%
Furniture and Home Furnishings Stores	1,249,472	1,272,024	-1.8%
Computer, Software, Home Electronics, and Appliance Stores	1,073,041	1,043,804	2.8%
Clothing and Accessories Stores	1,641,393	1,730,904	-5.2%
Clothing Stores	1,288,151	1,351,530	-4.7%
Shoes, Clothing Accessories, and Jewellery Stores	353,242	379,374	-6.9%
Sporting Goods, Hobby, Music, and Book Stores	774,001	771,385	0.3%
Building and Outdoor Home Supplies Stores	1,708,207	1,740,277	-1.8%
Miscellaneous Store Retailers	808,213	806,219	0.2%

Year to Date Sales Ending March	2008	2007	2008/2007
All Stores	92,278,304	87,070,954	6.0%
Automotive	32,710,952	30,127,371	8.6%
All Stores Less Automotive	59,567,352	56,943,583	4.6%
Food and Beverage Stores	21,705,470	20,702,145	4.8%
Pharmacies and Personal Care Stores	6,990,646	6,706,489	4.2%
All Stores Less Automotive, Food, Pharmacies	30,871,236	29,534,949	4.5%
General Merchandise Stores	10,093,651	9,553,850	5.7%
Furniture, Home Furnishings and Electronics Stores	6,737,008	6,371,761	5.7%
Furniture and Home Furnishings Stores	3,605,761	3,463,728	4.1%
Computer, Software, Home Electronics, and Appliance Stores	3,131,247	2,908,033	7.7%
Clothing and Accessories Stores	4,576,441	4,495,649	1.8%
Clothing Stores	3,532,833	3,458,846	2.1%
Shoes, Clothing Accessories, and Jewellery Stores	1,043,608	1,036,803	0.7%
Sporting Goods, Hobby, Music, and Book Stores	2,239,361	2,176,776	2.9%
Building and Outdoor Home Supplies Stores	4,859,430	4,669,472	4.1%
Miscellaneous Store Retailers	2,365,344	2,267,443	4.3%

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

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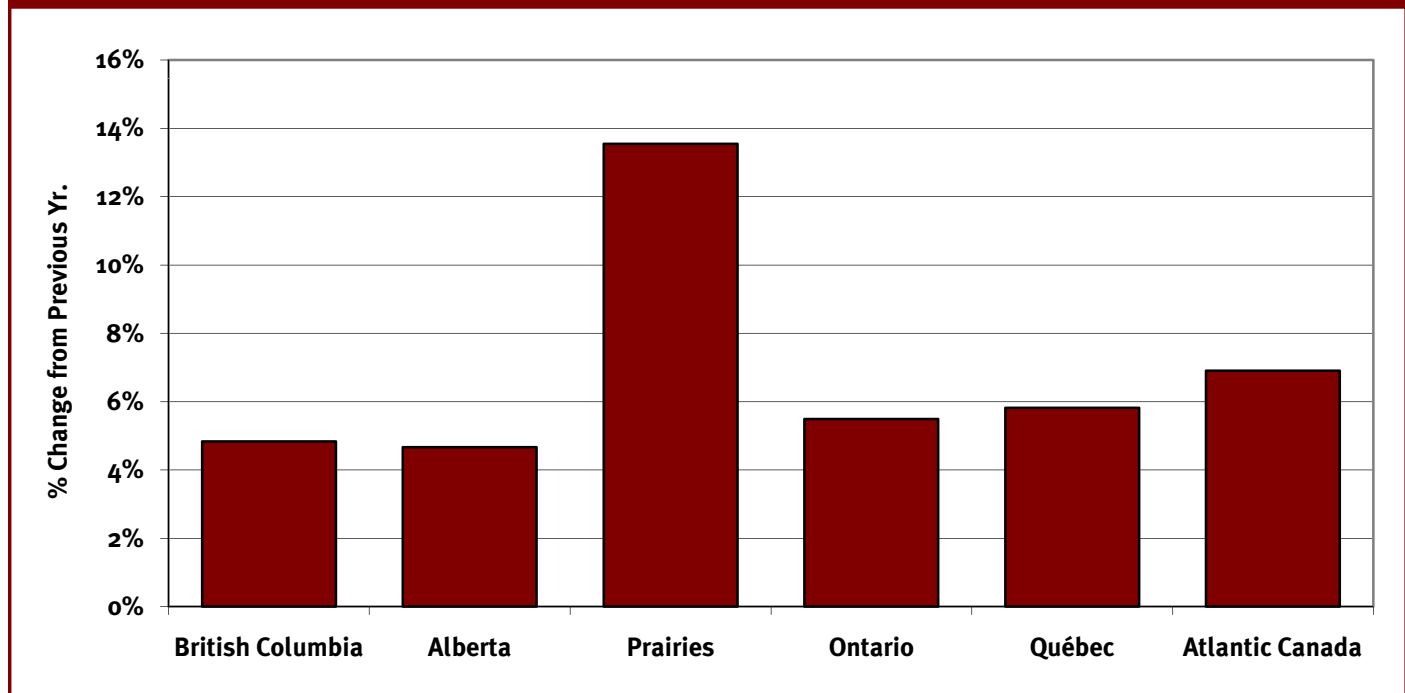
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Retail Trade, Canada, All Stores, by Region

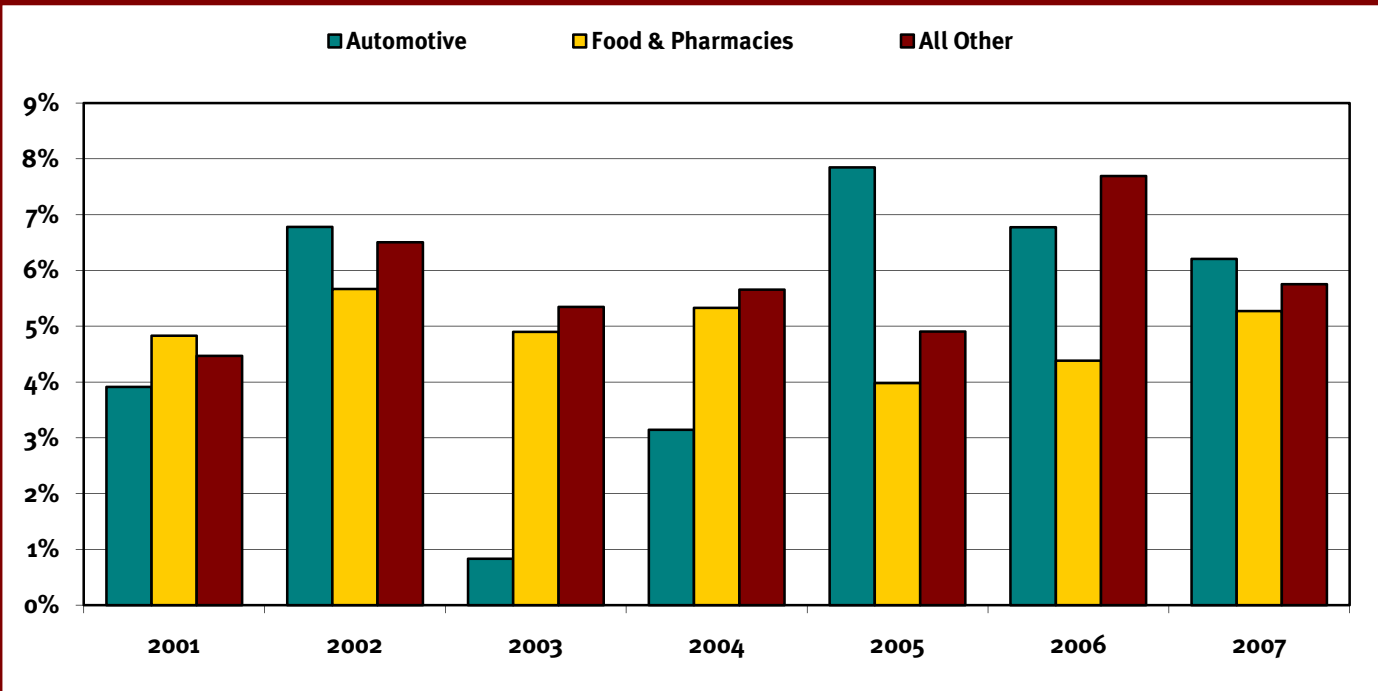
	Year-to-date 2008	Same period 2007	Change 2008/2007
British Columbia	12,846,342	12,254,368	4.8%
Alberta	13,647,146	13,039,076	4.7%
Prairies	6,306,479	5,554,106	13.5%
Ontario	32,695,789	30,995,056	5.5%
Québec	19,999,685	18,899,402	5.8%
Atlantic Canada	6,427,652	6,012,650	6.9%

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

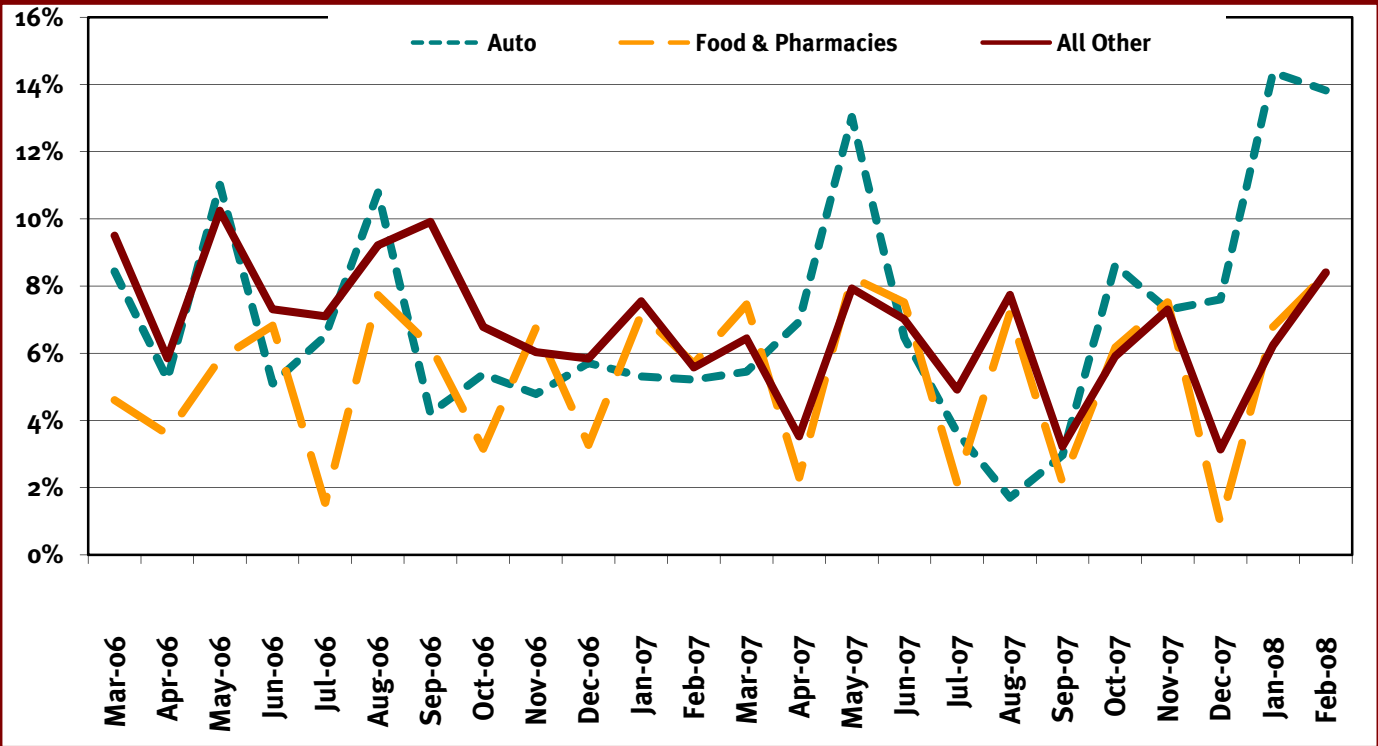


For more detailed information on retail sales, please contact J.C. Williams Group

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

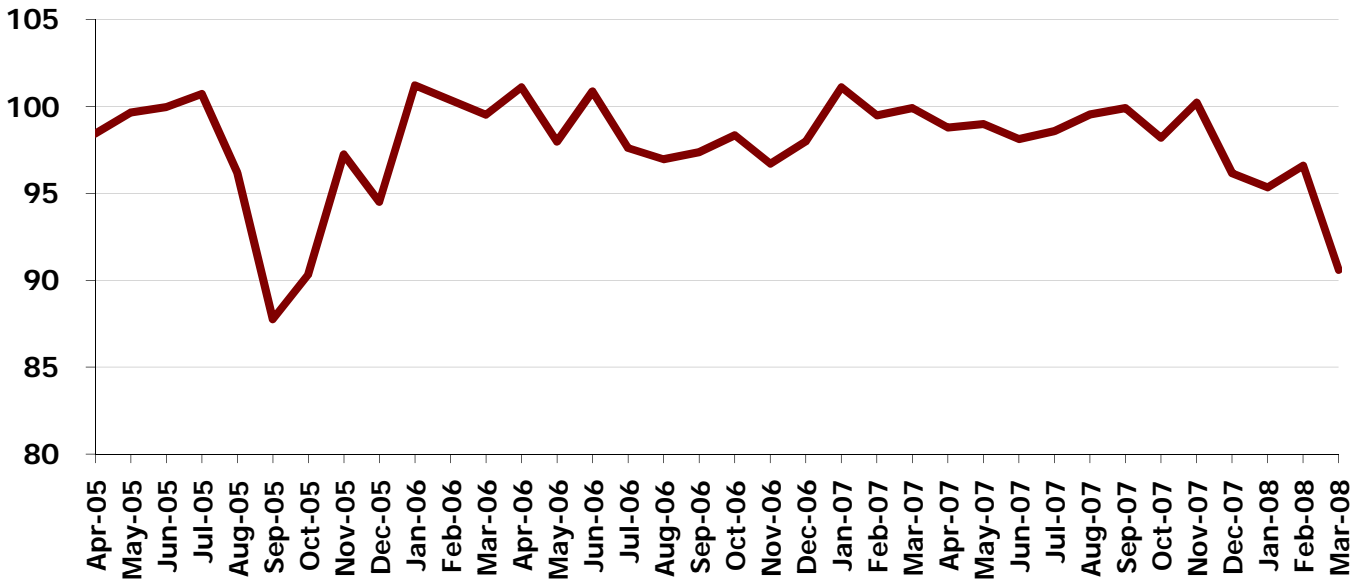
March 2008

vs.

March 2007

1.4%

Canadian Consumer Confidence Index (1985 = 100)



Canadian Consumer Expenditures Index (Q1 2003 = 100)

