

Bulletin

January 2008 Retail Sales • Released March 25, 2008

2008 STARTS STRONG WHILE CONSUMER CONFIDENCE CAUTIONS AGAINST WHAT LIES AHEAD

January retail sales jumped 8.9% as the automotive sector drove growth. A buoyant economy, combined with a one-percent reduction in the GST, likely contributed to consumers' continued spending after the holidays. While the overarching impact of January's sales tax cut remains unproven, big ticket items had the most to gain from this boost in purchasing power. Many shoppers may have postponed purchases, such as vehicles and plasma televisions, in order to tap into both 2008's lower tax rate and inventory clearances. Computer, Software, Home Electronics, and Appliance Stores rose 8.4% in January.

Furniture and Home Furnishings Stores displayed surprising strength built on the housing market's resilience as they grew 5.8%. Also beating expectations, Building and Outdoor Home Supplies Stores raked in rising revenue as heavy snowfall spurred on sales of shovels and snow blowers. Even amidst such robust results, the home and building sector saw intensifying competition as Lowe's continued to laud their service centric strategy through extensive advertising efforts. Clothing Stores kept consumers' closets full as continuing price

promotions drove deal seekers into the malls and prompted a 4.5% increase in sales. Shoes, Clothing Accessories, and Jewellery Stores suffered a modest decline of -1.6%.

Strong employment figures left consumers with cash in their wallets, and they were welcomed by General Merchandise Stores whose sales rose 8.2%. Food and Beverage stores also benefited from sustained spending as their figures followed suit, rising 7.8%. Pharmacies and Personal Care Stores managed to stand up against strong sales throughout 2007 as January's numbers grew 4.0%.

Ontario and Québec demonstrated unanticipated strength as they ushered in 2008 with 9.8% and 8.5% growth, respectively. While the Prairies continued to prove their prowess, the rest of Canada managed to match the momentum of Alberta's retail growth.

Even as shoppers spilled into stores, consumer confidence slipped to a two-year low in January. Settling at 95.3, this figure may be the harbinger of a harsher retail climate to come. Despite Canada's resilience amidst the U.S.'s ailing economy, there is growing concern that precarious natural resource prices and the loonie's strength may prompt a slow down north of the 49th parallel.

At a time of such uncertainty, astute industry onlookers will most certainly be turning towards next month's sales figures for further insight into what lies ahead.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN
April 23, 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: January	2008	2007	2008/2007
All Stores	30,230.4	27,767.3	8.9%
Automotive	10,391.7	9,123.6	13.9%
All Stores Less Automotive	19,838.8	18,643.7	6.4%
Food and Beverage Stores	7,109.7	6,594.1	7.8%
Pharmacies and Personal Care Stores	2,350.1	2,260.4	4.0%
All Stores Less Automotive, Food, Pharmacies	10,379.0	9,789.2	6.0%
General Merchandise Stores	3,404.4	3,145.7	8.2%
Furniture, Home Furnishings and Electronics Stores	2,283.3	2,134.6	7.0%
Furniture and Home Furnishings Stores	1,213.3	1,147.2	5.8%
Computer, Software, Home Electronics, and Appliance Stores	1,070.0	987.5	8.4%
Clothing and Accessories Stores	1,492.2	1,447.1	3.1%
Clothing Stores	1,169.6	1,119.2	4.5%
Shoes, Clothing Accessories, and Jewellery Stores	322.6	327.9	-1.6%
Sporting Goods, Hobby, Music, and Book Stores	802.8	771.0	4.1%
Building and Outdoor Home Supplies Stores	1,617.4	1,544.3	4.7%
Miscellaneous Store Retailers	778.9	746.5	4.3%

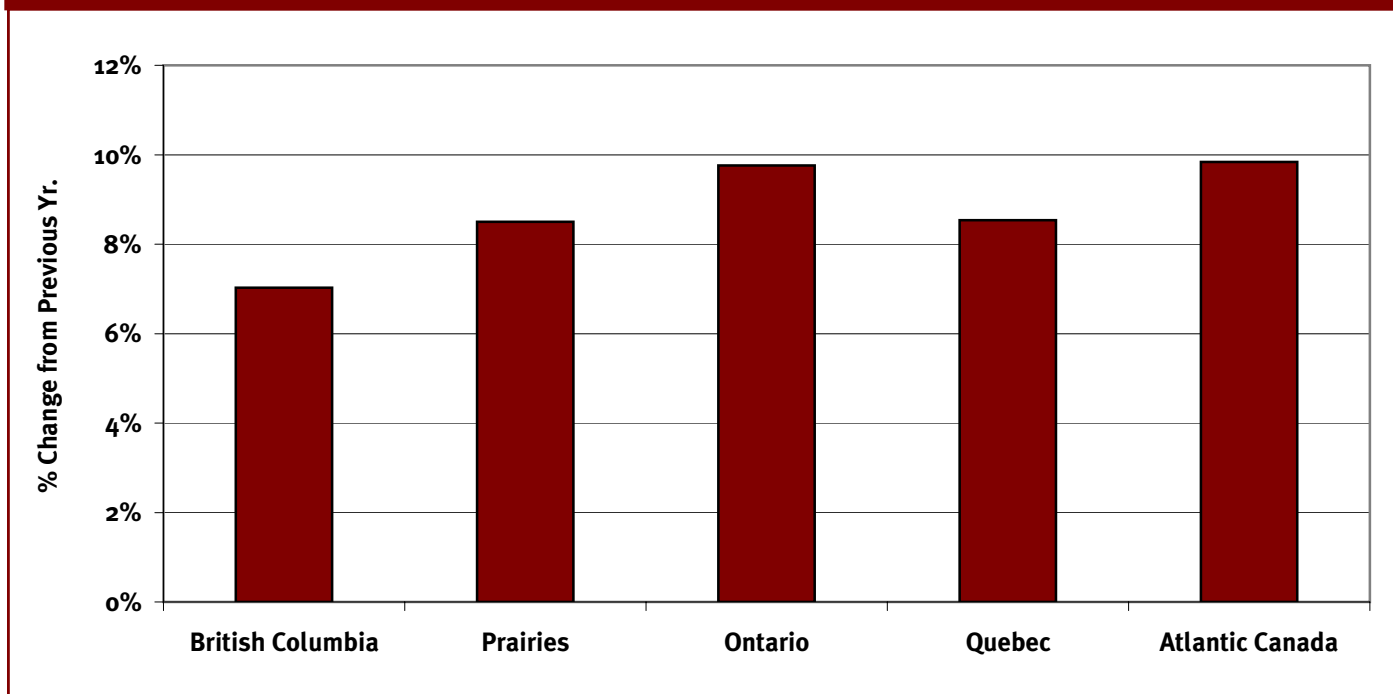
Year-to-date Sales	2008	2007	2008/2007
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ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

Retail Trade, Canada, All Stores, by Region

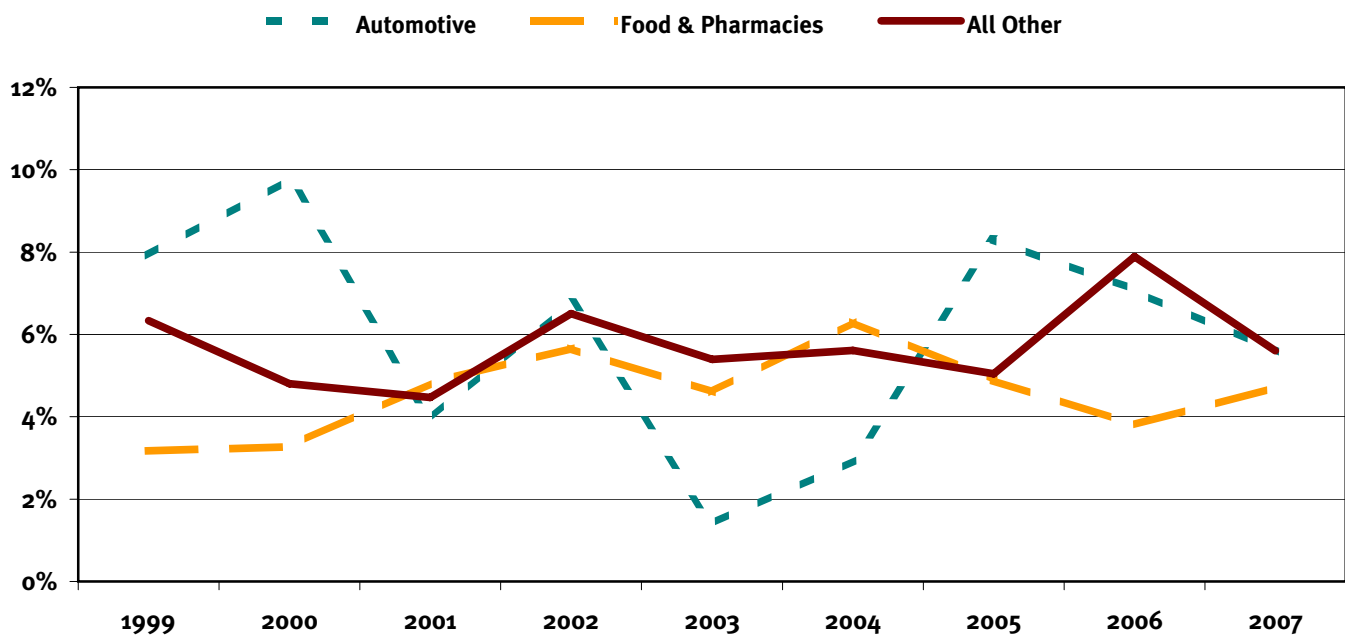
	Year-to-date 2008	Same Period 2007	Change 2008/2007
British Columbia	4,149.7	3,877.1	7.0%
Prairies	6,436.8	5,932.4	8.5%
Ontario	10,894.5	9,925.8	9.8%
Quebec	6,526.2	6,013.0	8.5%
Atlantic Canada	2,113.0	1,923.8	9.8%

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

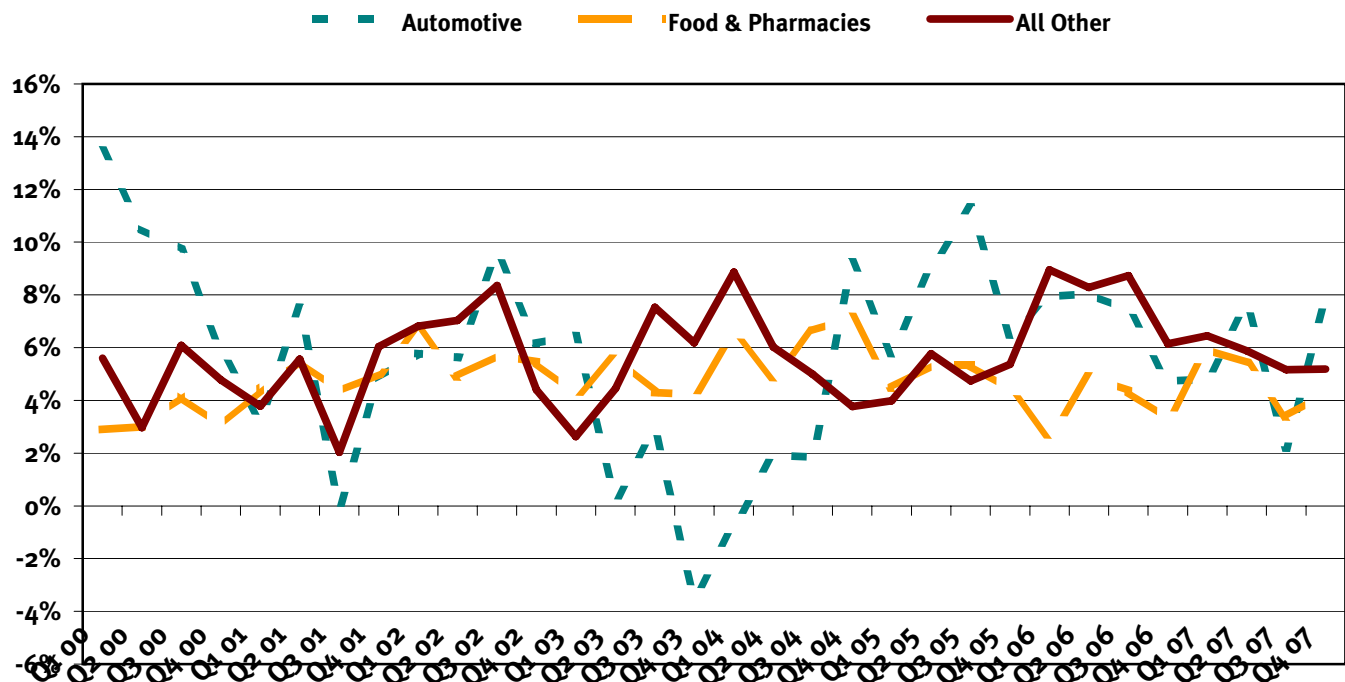


For more detailed information on retail sales, please contact J.C. Williams Group

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2007)



Canadian Retail Sales by Major Product Category, From the Same Quarter a Year Earlier



Consumer Price Index

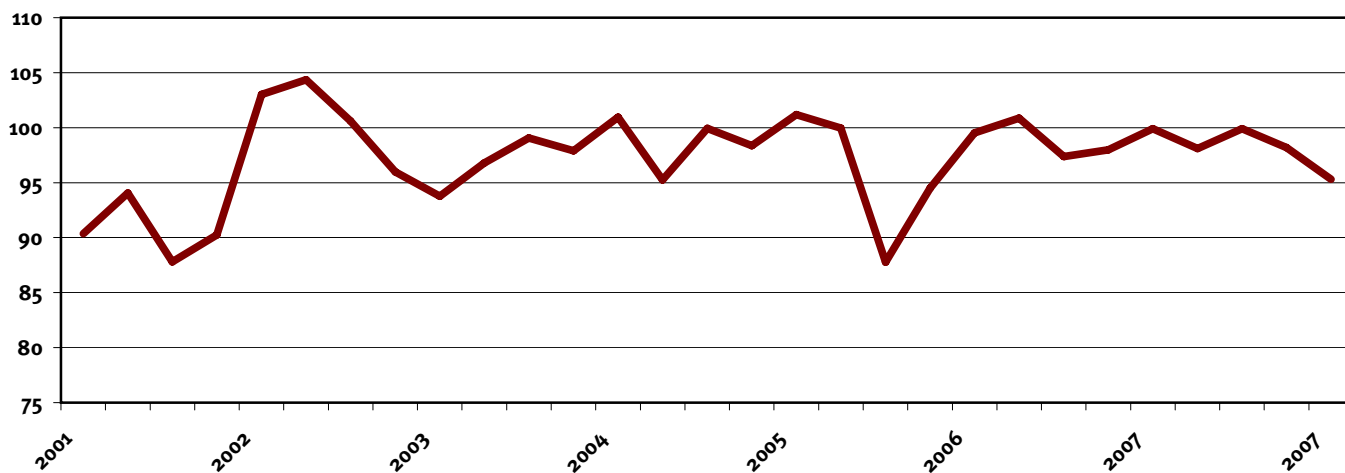
January 2008

vs.

January 2007

2.2%

Canadian Consumer Confidence Index 2001–2007



Canadian Consumer Expenditures Index 1999–2007

