

Bulletin

November 2007 Retail Sales • Released January 22, 2008

EARLY HOLIDAY BUYING BOOSTS NOVEMBER SALES

The holiday season started with a bang as November's sales rose 6.7%. All Stores Less Automotive climbed 6.5%.

Despite falling prices, Computer, Software, Home Electronics, and Appliance Stores surpassed expectations as sales grew 12.3% in November, bolstering year-to-date growth to 9.0%.

In contrast, Furniture and Home Furnishings Stores rose a robust 6.4% but fell behind the 8.6% growth experienced year-to-date. Likely stemming from uncertainty in the housing sector, this reticence among consumers to invest in their homes was highlighted most notably among Building and Outdoor Home Supplies Stores whose sales struggled to rise a modest 1.6% in November. Given the double digit growth seen in previous years, these home-related retailers continued to grapple with the slowing of their sector.

Many other merchants made the most of buoyed consumer spending as November heralded the arrival of the holidays. Sporting Goods, Hobby, Music, and Book Stores enjoyed a 7.0% jump in sales.

As the festive season ushered in the celebration of good friends and gastronomy, Food and Beverage Stores saw sales climb 6.4% as waist sizes grew nationwide.

Clothing and Accessories Stores welcomed winter's cool climate as they enjoyed an 8.6% rise in sales. Early rumblings regarding the season's results have shown that not all clothiers captured an equal share of such growth. Reitman's recently revealed a drop in same-store sales while Le Chateau has boasted strong comparable growth.

Even as such specialty stores struggle with shifting consumer tastes, department stores continue to hold the most precarious position in Canada's retail landscape. Rumours of poor holiday sales have dogged The Bay and Sears while growth among warehouse clubs and superstores fuelled the 6.1% increase in General Merchandise Stores sales.

Wal-Mart Canada entered the holiday season determined to seduce shoppers who traded-down due to looming economic uncertainty. With aggressive price promotions, and 24-hour stores nationwide, this low price leader prompted consumers to be increasingly price sensitive in their gift giving.

Concerns about cross-border shopping and an ailing economy left many retailers reaching out to consumers through widespread discounts. If the Canadian example follows the U.S.'s lead, such sales promotions may have prompted shoppers to buy early, thus leaving December with lacklustre results. Look toward next month's bulletin for a complete review of the 2007 holiday season.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN
February 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: November	2007	2006	2007/2006
All Stores	34,867.4	32,665.2	6.7%
Automotive	11,204.9	10,455.4	7.2%
All Stores Less Automotive	23,662.5	22,209.8	6.5%
Food and Beverage Stores	7,652.9	7,190.6	6.4%
Pharmacies and Personal Care Stores	2,431.0	2,275.1	6.9%
All Stores Less Automotive, Food, Pharmacies	13,578.6	12,744.2	6.5%
General Merchandise Stores	4,605.1	4,339.7	6.1%
Furniture, Home Furnishings and Electronics Stores	2,732.2	2,505.7	9.0%
Furniture and Home Furnishings Stores	1,469.8	1,381.2	6.4%
Computer, Software, Home Electronics, and Appliance Stores	1,262.4	1,124.5	12.3%
Clothing and Accessories Stores	2,254.2	2,076.5	8.6%
Clothing Stores	1,748.5	1,598.2	9.4%
Shoes, Clothing Accessories, and Jewellery Stores	505.6	478.3	5.7%
Sporting Goods, Hobby, Music, and Book Stores	951.2	889.2	7.0%
Building and Outdoor Home Supplies Stores	2,117.4	2,083.8	1.6%
Miscellaneous Store Retailers	918.5	849.3	8.1%

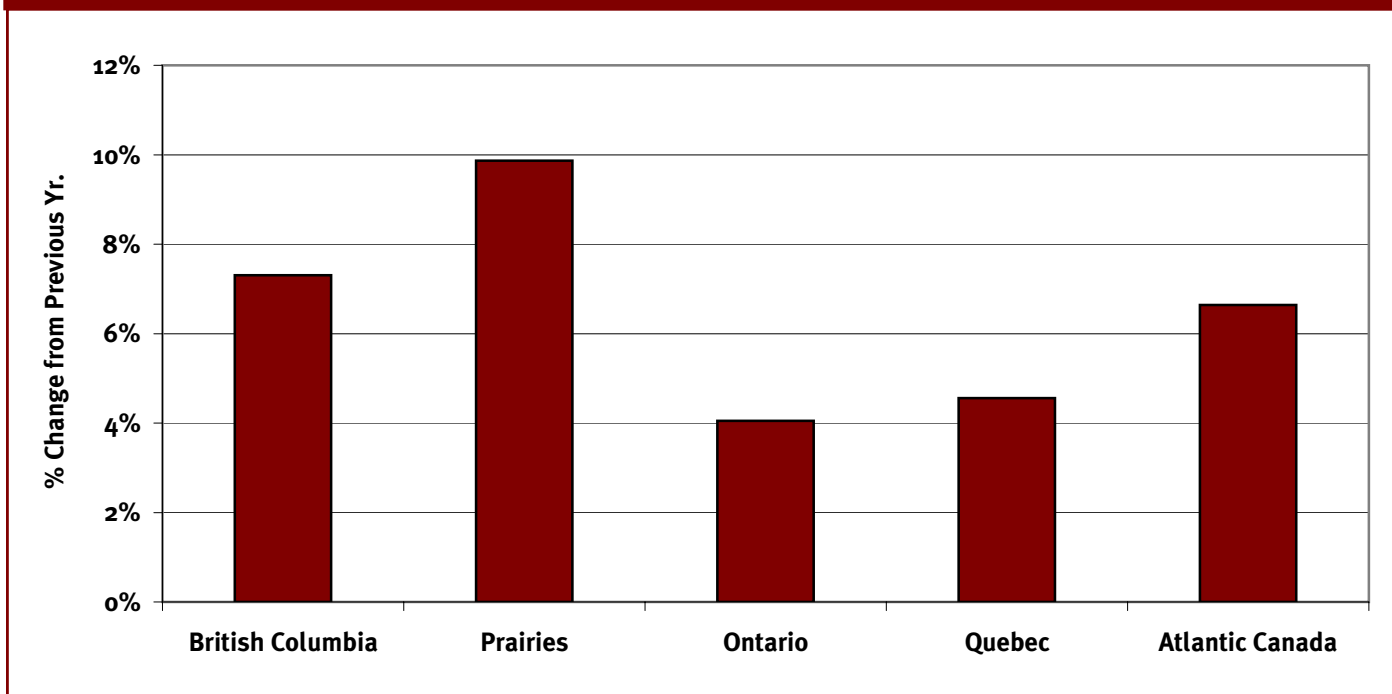
Year-to-date Sales	2007	2006	2007/2006
All Stores	372,121.8	351,020.2	6.0%
Automotive	131,431.8	123,778.0	6.2%
All Stores Less Automotive	240,690.0	227,242.2	5.9%
Food and Beverage Stores	82,621.7	79,185.3	4.3%
Pharmacies and Personal Care Stores	25,564.5	23,397.5	9.3%
All Stores Less Automotive, Food, Pharmacies	132,503.8	124,659.4	6.3%
General Merchandise Stores	42,320.4	40,537.5	4.4%
Furniture, Home Furnishings and Electronics Stores	26,168.3	24,056.1	8.8%
Furniture and Home Furnishings Stores	14,529.0	13,373.5	8.6%
Computer, Software, Home Electronics, and Appliance Stores	11,639.4	10,682.6	9.0%
Clothing and Accessories Stores	20,523.4	19,304.6	6.3%
Clothing Stores	15,817.8	14,810.7	6.8%
Shoes, Clothing Accessories, and Jewellery Stores	4,705.6	4,493.8	4.7%
Sporting Goods, Hobby, Music, and Book Stores	9,049.7	8,497.6	6.5%
Building and Outdoor Home Supplies Stores	24,777.5	23,023.2	7.6%
Miscellaneous Store Retailers	9,664.5	9,240.4	4.6%

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

Retail Trade, Canada, All Stores, by Region

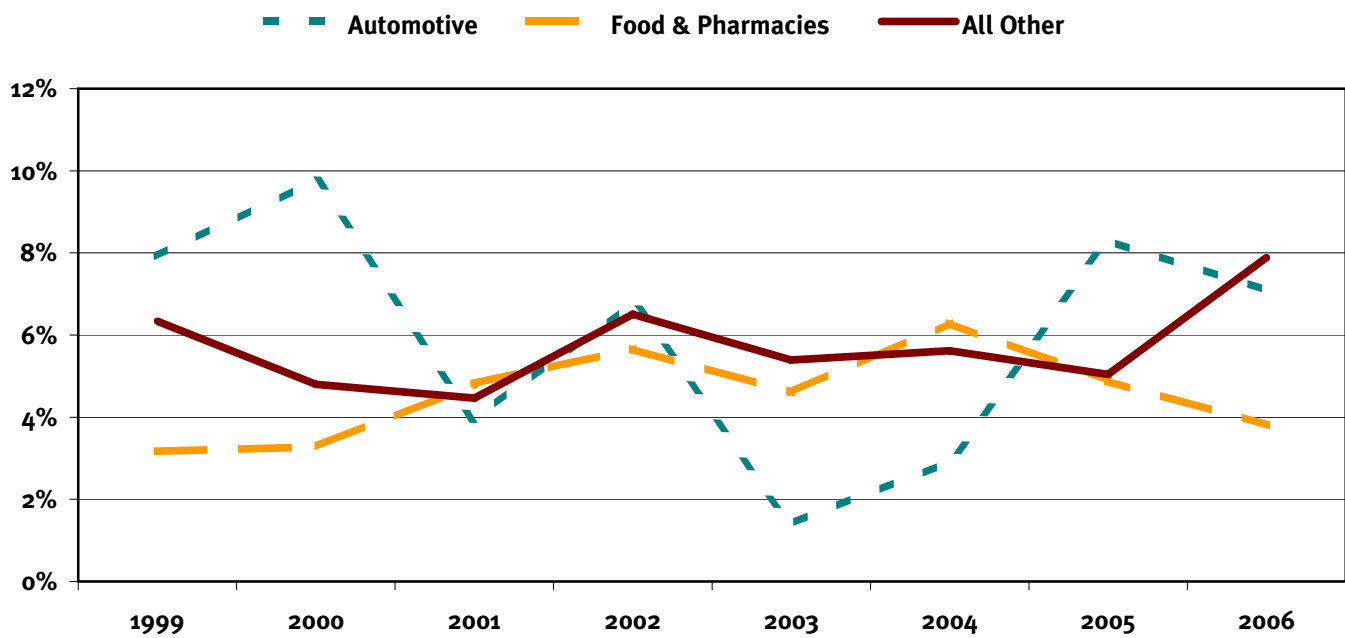
	Year-to-date 2007	Same Period 2006	Change 2007/2006
British Columbia	50,805.3	47,345.0	7.3%
Prairies	79,685.0	72,528.4	9.9%
Ontario	131,607.5	126,488.9	4.0%
Quebec	82,310.3	78,723.2	4.6%
Atlantic Canada	26,392.8	24,749.0	6.6%

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

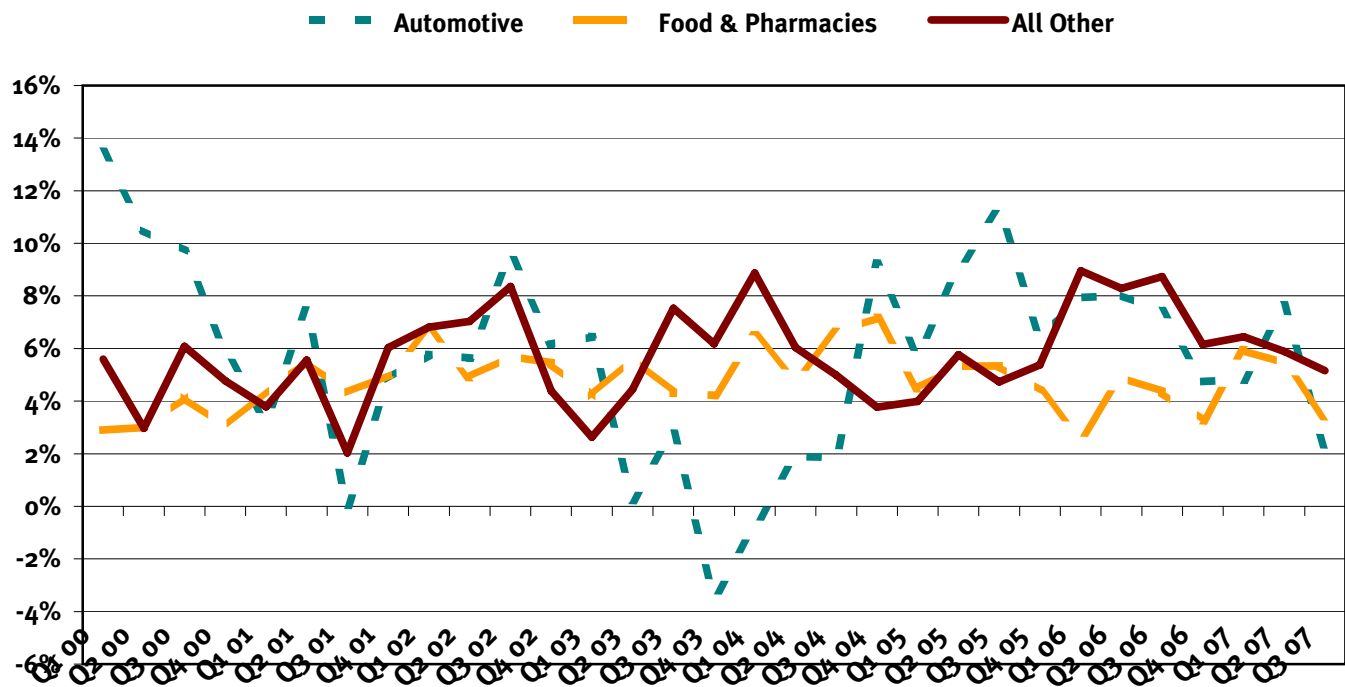


For more detailed information on retail sales, please contact J.C. Williams Group

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2006)



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



Consumer Price Index

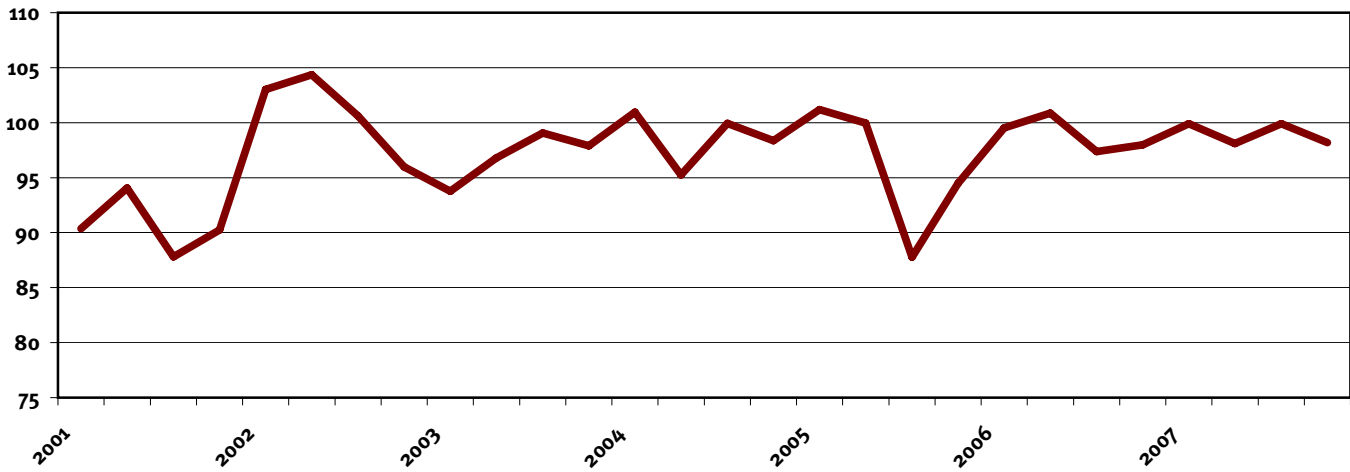
November 2007

vs.

November 2006

2.5%

Canadian Consumer Confidence Index 2001–2007



Source: Conference Board of Canada, 2002 = 100

Canadian Consumer Expenditures Index 1999–2007

