

## TRG Research Note: May 2010 Commerce Dept Sales Data June 11, 2010

### Highlights

- Reminder: We like to look at the **Commerce Department** data on a comp basis (year-over-year change). Hey, it's government data, so caveat emptor. See attached.
- Big picture, our favorite measure of "what's happening at the mall" (excludes *Motor Vehicles*, *Gasoline*, and *Building Materials*) suggests a +4.9% year-over-year sales improvement in May 2010. This compares to the +4.7% increase reported in April 2010 and a +5.4% increase reported in March 2010. It's not all doom and gloom at the mall.

That said, the numbers were disappointing on a 2-year run rate basis and point to an anomalous spike in February/March 2010 (2-year basis) that appears to have been a mirage.

The most compelling category specific storylines in May 2010 were:

- (1) The ***Building Materials, Garden & Supply*** category sales sharply decelerated. Year-over-year growth spiked an anomalous +13.9% in April 2010 only to decelerate to +3.1% in May 2010.
- (2) Every category except ***Motor Vehicles & Parts Dealers*** reported a 2-year run rate deceleration in May 2010 versus March 2010. But, even the ***Motor Vehicles & Parts Dealers*** category reported a 2-year run rate deceleration in May 2010 versus April 2010.
- (3) Big-ticket appears to be relatively stronger of late. ***Electronics & Appliance Stores*** reported an improved growth rate in May 2010 versus March/April 2010. ***Furniture and Home Furnishing Stores*** reported a stronger year-over-year result in May 2010 than April 2010.

- Monthly "big picture – what's happening at the mall" year-over-year results in calendar 2009/2010:

▪ January 2009	-1.4% (+1.7% 2-year)
▪ February 2009	-0.3% (+1.8% 2-year)
▪ March 2009	-2.1% (-0.1% 2-year)
▪ April 2009	-2.9% (+0.9% 2-year)
▪ May 2009	-3.3% (+0.2% 2-year)
▪ June 2009	-3.5% (+0.4% 2-year)
▪ July 2009	-3.9% (-0.5% 2-year)
▪ August 2009	-2.3% (+0.5% 2-year)
▪ September 2009	-0.4% (+0.7% 2-year)
▪ October 2009	+0.7% (+0.8% 2-year)
▪ November 2009	+1.6% (+0.3% 2-year)
▪ <u>December 2009</u>	<u>+3.5% (+0.5% 2-year)</u>
▪ January 2010	+2.8% (+1.3% 2-year)
▪ February 2010	+3.7% (+3.4% 2-year)
▪ March 2010	+5.4% (+3.2% 2-year)
▪ April 2010	+4.7% (+1.7% 2-year)
▪ May 2010	+4.9% (+1.4% 2-year)

**February/March 2010 generated anomalous 2-year growth rates. Was this a mirage? 2-year growth rates have retreated in April/May 2010.**

## Highlights (con't)

- Most categories reported a deceleration in May 2010 versus April 2010. Categories that posted the worst deceleration were (ex-*Gasoline Stations*):
  - *Department Stores* -2.8% May 2010 vs. -0.7% April 2010
  - *Clothing & Accessories Stores* +4.1% May 2010 vs. +7.1% April 2010
  - *Building Material & Garden* +3.1% May 2010 vs. +13.9% April 2010
  - *Motor Vehicle & Parts Dealers* +11.2% May 2010 vs. +15.2% April 2010
- Despite deflationary headwinds, *Food & Beverage Stores: Grocery Stores* returned to solidly positive territory in November 2009 through January 2010. The group had gone negative in April 2009 for the first time since December 2002.

In February – May 2010, the category reported a dramatic acceleration in year-over-year results versus January 2010.

- *Electronics & Appliance Stores* delivered its first positive year-over-year result in March 2010 since July 2008. The category may have the easiest year-over-year comparison in Q2/Q3 as it laps a massive degradation in Q2 2009 and Q3 2009 (i.e. -13.0% in Q2 2009 and -11.2% in Q3 2009).

Similar to many categories, 2-year growth has slipped since March 2010.

- *Non-Store Retailers* continues to be the ‘story’ for calendar 2010 thus far. 2-year run rates materially improved in each of December 2009, January 2010, and February 2010. The category has reported stronger year-over-year growth thus far in calendar Q2 than calendar Q1.
- Below, we show year-over-year results in Q1 2009 (Jan-Mar), Q2 2009 (Apr-Jun), Q3 2009 (Jul-Sep), Q4 2009 (Oct – Dec), and Q1 2010 (Jan – Mar).

Most categories improved in Q1 2010 relative to Q4 2009 (excluding *Health & Personal Care*).

<u>Category</u>	<u>Q1: Jan – Mar ‘09</u> <u>‘Comp Sales’ vs.</u> <u>LY</u>	<u>Q2: Apr – Jun ‘09</u> <u>‘Comp Sales’ vs.</u> <u>LY</u>	<u>Q3: Jul – Sep ‘09</u> <u>‘Comp Sales’ vs.</u> <u>LY</u>	<u>Q4: Oct – Dec ‘09</u> <u>‘Comp Sales’ vs.</u> <u>LY</u>	<u>Q1: Jan – Mar ‘10</u> <u>‘Comp Sales’ vs.</u> <u>LY</u>
Department Stores	-6.2%	-7.2%	-6.2%	-3.3%	+0.2%
Furn & Home Furn	-13.9%	-14.7%	-10.8%	-5.4%	+1.3%
Clothing Stores	-6.3%	-8.0%	-4.6%	+1.8%	+3.9%
Electronics & Appl	-5.1%	-12.9%	-11.2%	-4.1%	-1.9%
Sporting Goods, Hobby	-1.9%	-2.9%	-0.3%	+3.2%	+3.8%
Build Matl & Garden Eq	-10.1%	-12.4%	-13.6%	-8.6%	-1.8%
Food & Bev: Groc	+0.6%	-0.1%	-0.8%	+1.1%	+2.9%
Food Services & Drink	+2.3%	+0.5%	-0.6%	-0.1%	+1.2%
Health & Personal Care	+3.5%	+3.1%	+2.7%	+3.5%	+2.6%
Gasoline Stations	-33.9%	-33.8%	-29.2%	+5.7%	+27.1%
Motor Vehicles & Parts	-22.8%	-18.7%	-7.6%	+5.3%	+7.2%
Non-Store Retailers	-2.4%	-5.8%	-2.5%	+7.7%	+12.7%
Total (ex-MV, Gas, Build)	-1.3%	-3.2%	-2.2%	+1.9%	+4.0%

## Commerce Department - The Big Picture - June 11, 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Total Retail &amp; Food Services</b>													
2007	364.654	365.796	369.515	367.394	372.224	368.149	370.082	370.183	373.510	375.199	379.960	377.616	4,454.282
2008	377.407	373.295	374.688	376.064	377.272	377.687	376.056	373.158	366.950	355.484	345.704	335.614	4,409.379
2009	341.617	341.390	336.207	336.671	339.088	343.108	343.490	350.727	343.050	348.321	353.863	354.098	4,131.630
2010	355.197	357.272	364.836	366.915	362.517								
2002 Comp	1.8%	2.4%	2.9%	2.9%	1.2%	2.5%	3.9%	4.0%	4.4%	-1.7%	1.6%	3.3%	2.4%
2003 Comp	4.0%	2.1%	4.2%	2.4%	4.0%	4.3%	4.3%	5.0%	6.1%	5.2%	5.9%	4.7%	4.3%
2004 Comp	4.8%	7.0%	7.0%	6.1%	7.7%	5.2%	5.2%	3.7%	6.1%	7.2%	6.2%	7.9%	6.2%
2005 Comp	6.7%	6.9%	5.0%	7.8%	5.0%	8.8%	9.0%	7.4%	5.7%	5.6%	6.0%	4.9%	6.5%
2006 Comp	8.6%	6.6%	7.2%	6.1%	6.4%	4.0%	3.5%	5.2%	4.3%	4.1%	3.6%	5.2%	5.4%
2007 Comp	1.5%	2.8%	3.4%	2.2%	4.1%	3.0%	2.7%	2.6%	4.2%	4.4%	5.4%	3.1%	3.3%
2008 Comp	3.5%	2.1%	1.4%	2.4%	2.4%	2.6%	1.6%	0.8%	-1.8%	-5.3%	-9.0%	-11.1%	-1.0%
2009 Comp	-9.5%	-8.5%	-10.3%	-10.5%	-10.1%	-9.2%	-8.7%	-6.0%	-6.5%	-2.0%	2.4%	5.5%	-6.3%
2010 Comp	4.0%	4.7%	8.5%	9.0%	6.9%								
3-Yr Stack						-3.5%	-4.3%	-2.6%	-4.1%	-2.8%	-1.3%	-2.5%	-4.0%
4-Yr Stack	-0.5%	0.9%	3.0%	3.1%	2.3%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Total Retail &amp; Food Services (Excl. Motor Vehicle &amp; Parts Dealers)</b>													
2007	252.195	253.156	256.430	254.547	258.500	256.668	258.482	257.101	258.751	259.595	266.260	264.135	3,095.820
2008	264.952	263.144	265.281	268.059	270.133	272.836	274.306	270.075	266.949	259.226	250.389	241.390	3,166.740
2009	244.887	246.448	243.232	243.670	245.096	247.908	246.960	249.711	250.901	250.836	255.212	255.445	2,980.306
2010	256.846	259.435	262.927	264.516	261.145								
2002 Comp	1.3%	1.8%	3.3%	2.9%	2.2%	2.8%	3.0%	2.4%	3.5%	3.6%	4.1%	3.8%	2.9%
2003 Comp	4.5%	3.7%	4.5%	2.5%	2.7%	4.0%	5.0%	6.2%	6.5%	5.2%	5.6%	5.9%	4.7%
2004 Comp	6.1%	6.7%	7.6%	7.9%	9.0%	7.7%	6.8%	5.7%	6.5%	7.9%	7.9%	8.1%	7.3%
2005 Comp	7.3%	8.0%	6.1%	8.2%	6.4%	7.5%	7.4%	8.9%	9.6%	9.7%	7.9%	7.1%	7.8%
2006 Comp	9.4%	8.6%	8.6%	7.8%	8.3%	7.0%	7.2%	6.1%	3.5%	2.0%	3.1%	4.9%	6.3%
2007 Comp	2.2%	2.5%	3.6%	2.2%	3.9%	3.3%	3.7%	2.5%	4.2%	4.9%	7.2%	4.7%	3.8%
2008 Comp	5.1%	3.9%	3.5%	5.3%	4.5%	6.3%	6.1%	5.0%	3.2%	-0.1%	-6.0%	-8.6%	2.3%
2009 Comp	-7.6%	-6.3%	-8.3%	-9.1%	-9.3%	-9.1%	-10.0%	-7.5%	-6.0%	-3.2%	1.9%	5.8%	-5.9%
2010 Comp	4.9%	5.3%	8.1%	8.6%	6.5%								
3-Yr Stack						0.5%	-0.1%	0.1%	1.4%	1.5%	3.2%	1.9%	0.2%
4-Yr Stack	4.6%	5.4%	6.9%	7.0%	5.7%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Total Retail &amp; Food (Excl. Motor Vehicle &amp; Parts Dealers, Gasoline Stores, and Building Material &amp; Garden Equipment)</b>													
2007	190.677	190.910	192.471	191.349	192.582	192.758	194.299	193.795	194.381	195.128	197.053	196.792	2,322.195
2008	196.672	194.965	196.513	198.752	199.640	200.567	201.125	199.448	196.650	195.151	194.575	191.007	2,365.065
2009	193.846	194.424	192.351	193.047	192.999	193.505	193.247	194.792	195.822	196.594	197.649	197.729	2,336.005
2010	199.220	201.535	202.805	202.192	202.420								
2002 Comp	2.7%	3.5%	4.2%	3.6%	3.5%	3.8%	2.9%	2.3%	3.8%	3.1%	2.8%	2.3%	3.2%
2003 Comp	2.6%	1.8%	2.3%	2.0%	2.5%	3.5%	4.7%	5.6%	5.9%	4.7%	4.9%	5.0%	3.8%
2004 Comp	5.7%	5.9%	6.3%	5.9%	6.1%	4.8%	4.4%	3.7%	4.4%	5.2%	5.1%	5.6%	5.2%
2005 Comp	5.2%	6.2%	4.9%	6.7%	5.6%	6.9%	5.9%	6.5%	6.1%	6.9%	6.5%	5.9%	6.1%
2006 Comp	6.9%	6.2%	6.8%	5.7%	6.3%	5.3%	5.6%	5.2%	5.7%	4.7%	4.5%	5.7%	5.7%
2007 Comp	4.5%	4.4%	4.9%	4.0%	4.5%	4.5%	5.3%	4.4%	4.0%	3.8%	4.9%	3.4%	4.4%
2008 Comp	3.1%	2.1%	2.1%	3.9%	3.7%	4.1%	3.5%	2.9%	1.2%	0.0%	-1.3%	-2.9%	1.8%
2009 Comp	-1.4%	-0.3%	-2.1%	-2.9%	-3.3%	-3.5%	-3.9%	-2.3%	-0.4%	0.7%	1.6%	3.5%	-1.2%
2010 Comp	2.8%	3.7%	5.4%	4.7%	4.9%								
3-Yr Stack						5.0%	4.9%	5.0%	4.8%	4.5%	5.3%	4.0%	5.0%
4-Yr Stack	9.0%	9.9%	10.3%	9.7%	9.7%								

February 2010 was faced with a relatively tough comparison. The comparisons ease in the March through August timeframe.

TRG's favorite measure of retail sales. Here we exclude motor vehicles, gas stations and building materials to more closely analyze what's happening at the mall.

Notice that 'comps' finally declined on a year-over-year basis in November 2008 and were negative for 11 months before turning positive again in October 2009.

2-year run rates materially improved in January 2010 (+1.3%), February 2010 (+3.4%) and March 2010 (+3.2%). 2-year run rates decelerated in April 2010 (+1.7%) and May 2010 (+1.4%)..

## Commerce Department Category Sales Data

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>General Merchandise Stores (Department Stores &amp; Discount Stores)</b>													
2007	47.890	47.355	48.272	47.647	47.864	48.007	48.427	48.511	48.443	48.543	48.991	49.498	579.448
2008	48.974	48.969	49.196	49.625	50.371	50.747	50.705	50.273	49.743	49.302	50.074	49.136	597.115
2009	49.530	49.525	49.196	49.100	49.341	49.008	48.947	49.428	49.618	50.111	49.864	49.945	593.613
2010	50.386	50.966	51.012	50.912	50.333								
2002 Comp	3.4%	6.8%	9.1%	6.1%	5.3%	6.5%	4.0%	3.6%	3.5%	4.3%	2.8%	1.8%	4.7%
2003 Comp	2.5%	2.9%	3.3%	2.2%	3.9%	3.8%	6.1%	7.6%	7.9%	4.9%	5.8%	6.3%	4.8%
2004 Comp	7.3%	6.4%	7.1%	6.2%	7.2%	5.0%	4.6%	3.2%	4.0%	6.0%	5.7%	6.3%	5.7%
2005 Comp	5.1%	6.3%	4.5%	7.2%	5.2%	8.2%	6.6%	6.9%	6.8%	7.5%	7.0%	5.3%	6.4%
2006 Comp	7.4%	6.2%	6.0%	6.0%	5.5%	4.0%	4.3%	4.4%	5.6%	3.3%	3.2%	5.9%	5.1%
2007 Comp	4.8%	3.5%	6.1%	3.1%	4.4%	4.5%	5.6%	5.2%	3.3%	3.9%	5.0%	4.0%	4.5%
2008 Comp	2.3%	3.4%	1.9%	4.2%	5.2%	5.7%	4.7%	3.6%	2.7%	1.6%		-0.7%	3.0%
2009 Comp	1.1%	1.1%	0.0%	-1.1%	-2.0%	-3.4%	-3.5%	-1.7%	-0.3%	1.6%	-0.4%	1.6%	-0.6%
2010 Comp	1.7%	2.9%	3.7%	3.7%	2.0%								
3-Yr Stack						6.8%	6.8%	7.2%	5.8%	7.1%	6.8%	4.9%	6.9%
4-Yr Stack	9.9%	10.9%	11.7%	9.9%	9.6%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>General Merchandise Stores: Department Stores (Sub-Category of "General Merchandise Stores")</b>													
2007	17.875	17.662	17.848	17.387	17.557	17.365	17.542	17.458	17.320	17.273	17.325	17.193	209.805
2008	16.934	16.905	16.786	16.799	16.936	17.140	16.952	16.675	16.295	16.102	16.578	15.977	200.079
2009	15.966	15.802	15.729	15.778	15.829	15.590	15.509	15.679	15.640	15.682	15.681	15.677	188.562
2010	15.723	15.936	15.952	15.660	15.383								
2002 Comp	-4.9%	-1.7%	2.1%	-0.5%	-1.5%	-1.6%	-4.3%	-4.4%	-4.3%	-2.2%	-5.9%	-5.8%	-3.0%
2003 Comp	-5.9%	-6.0%	-6.3%	-6.8%	-1.6%	-3.7%	-0.9%	-0.3%	0.8%	-3.4%	-1.3%	-0.6%	-3.2%
2004 Comp	0.1%	1.1%	2.4%	0.5%	0.2%	-1.1%	-1.3%	-1.7%	-1.3%	0.6%	0.9%	1.9%	0.2%
2005 Comp	0.6%	1.1%	-1.9%	1.5%	-0.8%	2.5%	-0.6%	-0.9%	-2.4%	-0.3%	0.4%	-2.1%	-0.2%
2006 Comp	0.8%	-0.4%	0.3%	-0.6%	0.0%	-1.7%	-1.4%	-1.0%	2.1%	-1.7%	-2.5%	-0.2%	-0.5%
2007 Comp	-1.1%	-1.8%	0.0%	-3.0%	-1.2%	-2.7%	-0.1%	-0.7%	-3.3%	-2.2%	-1.4%	-3.0%	-1.7%
2008 Comp	-5.3%	-4.3%	-6.0%	-3.4%	-1.5%	-1.3%	-3.4%	-4.5%	-5.9%	-6.8%	-4.3%	-7.1%	-4.6%
2009 Comp	-5.7%	-6.5%	-6.3%	-6.1%	-6.5%	-9.0%	-8.5%	-6.0%	-4.0%	-2.6%	-5.4%	-1.9%	-5.8%
2010 Comp	-1.5%	0.8%	1.4%	-0.7%	-1.8%								
3-Yr Stack						-13.0%	-12.0%	-11.1%	-13.2%	-11.6%	-11.2%	-12.0%	-12.1%
4-Yr Stack	-13.6%	-11.8%	-10.8%	-13.2%	-14.1%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Furniture &amp; Home Furnishing Stores</b>													
2007	9.553	9.381	9.446	9.397	9.314	9.200	9.268	9.279	9.161	9.177	9.180	9.042	111.398
2008	8.943	8.714	8.796	8.746	8.760	8.588	8.543	8.348	8.015	8.026	7.897	7.733	101.109
2009	7.674	7.642	7.450	7.447	7.405	7.398	7.399	7.363	7.464	7.370	7.445	7.558	89.615
2010	7.511	7.688	7.873	7.719	7.800								
2002 Comp	1.0%	4.2%	4.7%	4.3%	1.1%	2.7%	0.7%	2.8%	5.5%	3.3%	3.5%	1.1%	3.2%
2003 Comp	0.0%	-5.3%	-0.7%	0.0%	1.4%	3.4%	4.7%	3.8%	5.0%	5.8%	4.7%	4.6%	2.3%
2004 Comp	6.0%	11.3%	9.2%	8.2%	1.9%	5.9%	9.5%	6.6%	4.7%	6.7%	4.8%	7.2%	7.0%
2005 Comp	6.1%	6.7%	3.1%	5.3%	6.6%	6.1%	2.0%	5.5%	8.0%	5.8%	6.5%	4.3%	5.5%
2006 Comp	8.2%	5.9%	6.6%	4.4%	1.4%	4.4%	3.6%	2.7%	2.7%	0.8%	0.1%	0.3%	3.6%
2007 Comp	0.0%	-0.9%	0.0%	-0.1%	-0.2%	-3.3%	-1.3%	-1.4%	-4.0%	-2.4%	-1.6%	-3.2%	-1.5%
2008 Comp	-6.4%	-7.1%	-6.9%	-6.9%	-5.9%	-6.7%	-7.8%	-10.0%	-12.5%	-12.5%	-14.0%	-14.5%	-9.2%
2009 Comp	-14.2%	-12.3%	-15.3%	-14.9%	-15.5%	-13.9%	-13.4%	-11.8%	-6.9%	-8.2%	-5.7%	-2.3%	-11.4%
2010 Comp	-2.1%	0.6%	5.7%	3.7%	1.3%								
3-Yr Stack						-23.8%	-22.5%	-23.3%	-23.4%	-23.1%	-21.3%	-19.9%	-22.1%
4-Yr Stack	-22.7%	-19.7%	-16.5%	-18.2%	-16.3%								

\*Amounts above in billions. Data adjusted for seasonal variations, holiday and trading day differences, but not for price changes.

**Furniture & Home Furnishing Stores:** After reporting 32 straight months of year-over-year declines through Jan 2010, four straight months of year-over-year improvement.

**Department & Discount Stores:** Had a tough December 2009 on a 2-year run rate basis, but rebounded nicely in Q1 2010. Much easier year-over-year comparisons in Q2/Q3 2010. Yet, the 2-year run rate has been disappointing thus far in Q2 2010.

## Commerce Department Category Sales Data

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Clothing &amp; Clothing Accessory Stores</b>													
2007	18.494	18.274	18.813	18.310	18.618	18.468	18.609	18.431	18.405	18.453	18.646	18.545	222.066
2008	18.617	18.313	18.649	18.761	18.704	18.797	18.761	18.599	17.574	17.303	17.289	16.814	218.181
2009	17.335	17.721	17.006	17.136	17.407	17.231	17.322	17.594	17.491	17.538	17.483	17.319	208.583
2010	17.620	17.977	18.471	18.350	18.120								
2002 Comp	0.6%	1.3%	4.7%	1.5%	1.9%	4.0%	1.5%	1.2%	5.1%	4.7%	3.5%	4.4%	2.8%
2003 Comp	2.3%	-1.6%	-0.1%	0.2%	2.9%	3.5%	6.5%	5.1%	8.7%	2.8%	5.8%	4.8%	3.4%
2004 Comp	6.4%	10.8%	10.6%	7.8%	7.0%	4.5%	3.2%	3.7%	3.7%	6.5%	4.6%	4.6%	6.1%
2005 Comp	4.2%	6.6%	2.3%	7.9%	5.6%	8.3%	5.7%	7.3%	4.4%	7.1%	7.1%	6.8%	6.1%
2006 Comp	7.8%	4.4%	6.8%	5.3%	5.6%	5.1%	7.5%	5.2%	11.0%	5.6%	3.6%	7.0%	6.2%
2007 Comp	6.1%	4.8%	7.7%	3.4%	6.3%	4.3%	4.8%	4.3%	1.1%	1.6%	4.9%	0.3%	4.1%
2008 Comp	0.7%	0.2%	-0.9%	2.5%	0.5%	1.8%	0.8%	0.9%	-4.5%	-6.2%	-7.3%	-9.3%	-1.7%
2009 Comp	-6.9%	-3.2%	-8.8%	-8.7%	-6.9%	-8.3%	-7.7%	-5.4%	-0.5%	1.4%	1.1%	3.0%	-4.4%
2010 Comp	1.6%	1.4%	8.6%	7.1%	4.1%								
3-Yr Stack						-2.3%	-2.0%	-0.2%	-3.9%	-3.3%	-1.3%	-6.1%	-2.1%
4-Yr Stack	1.6%	3.2%	6.7%	4.3%	3.9%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Electronics &amp; Appliance Stores</b>													
2007	9.253	9.111	9.062	9.061	9.126	9.006	9.125	9.244	9.288	9.364	9.600	9.395	110.635
2008	9.287	9.097	9.163	9.305	9.500	9.393	9.438	9.199	9.007	8.867	8.865	8.401	109.522
2009	8.954	8.902	8.296	8.251	8.142	8.175	8.086	8.186	8.289	8.340	8.494	8.221	100.336
2010	8.421	8.679	8.558	8.505	8.553								
2002 Comp	3.7%	5.9%	6.5%	7.8%	8.8%	7.7%	5.1%	4.0%	6.6%	5.0%	-0.6%	-1.3%	4.8%
2003 Comp	-1.0%	-3.5%	-3.1%	-1.6%	0.7%	1.3%	4.7%	7.6%	6.6%	7.1%	9.1%	9.1%	3.1%
2004 Comp	9.8%	12.1%	12.8%	12.6%	10.2%	10.6%	8.5%	6.4%	7.6%	6.6%	6.0%	5.0%	8.9%
2005 Comp	7.6%	9.9%	8.9%	7.8%	6.6%	6.9%	6.9%	7.7%	7.9%	9.3%	7.5%	6.0%	7.7%
2006 Comp	12.2%	5.4%	6.4%	6.3%	6.3%	5.3%	5.7%	5.3%	4.7%	2.6%	5.7%	10.3%	6.3%
2007 Comp	1.4%	3.7%	2.0%	2.0%	3.1%	1.2%	2.2%	3.1%	2.8%	4.4%	5.4%	-0.2%	2.6%
2008 Comp	0.4%	-0.2%	1.1%	2.7%	4.1%	4.3%	3.4%	-0.5%	-3.0%	-5.3%	-7.7%	-10.6%	-1.0%
2009 Comp	-3.6%	-2.1%	-9.5%	-11.3%	-14.3%	-13.0%	-14.3%	-11.0%	-8.0%	-5.9%	-4.2%	-2.1%	-8.4%
2010 Comp	-6.0%	-2.5%	3.2%	3.1%	5.0%								
3-Yr Stack						-7.4%	-8.7%	-8.4%	-8.2%	-6.8%	-6.4%	-12.9%	-6.8%
4-Yr Stack	-7.7%	-1.1%	-3.2%	-3.5%	-2.1%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Sporting Goods, Hobby, Book &amp; Music Stores</b>													
2007	6.892	6.863	7.089	6.981	7.171	7.134	7.270	7.101	7.122	7.215	7.264	7.137	85.239
2008	7.135	7.002	7.023	7.049	7.204	7.169	7.129	7.114	6.872	6.801	6.883	6.763	84.144
2009	6.979	6.957	6.826	7.032	6.834	6.944	6.914	7.058	7.070	6.993	6.983	7.120	83.710
2010	7.116	7.166	7.272	7.180	7.212								
2002 Comp	5.8%	-1.5%	-1.4%	0.4%	0.1%	0.0%	-1.5%	-2.5%	2.1%	0.0%	-0.3%	-2.9%	-0.2%
2003 Comp	-2.0%	-2.6%	-2.2%	-1.5%	-2.6%	2.7%	1.0%	4.9%	0.8%	-0.9%	-1.1%	2.2%	-0.1%
2004 Comp	3.4%	7.0%	5.5%	2.6%	3.5%	0.6%	4.1%	1.1%	3.2%	3.0%	2.1%	2.1%	3.2%
2005 Comp	0.8%	1.7%	2.1%	4.6%	4.2%	2.2%	0.6%	0.6%	-1.5%	4.0%	1.0%	4.2%	2.0%
2006 Comp	7.6%	4.3%	5.2%	3.8%	3.1%	4.0%	2.6%	1.6%	6.8%	1.8%	1.5%	0.1%	3.5%
2007 Comp	-4.4%	-3.0%	0.2%	-1.0%	3.0%	2.8%	6.1%	4.2%	0.7%	3.1%	5.8%	2.7%	1.7%
2008 Comp	3.5%	2.0%	-0.9%	1.0%	0.5%	0.3%	-1.9%	0.2%	-3.5%	-5.7%	-5.2%	-5.2%	-1.3%
2009 Comp	-2.2%	-0.6%	-2.8%	-0.2%	-5.1%	-3.1%	-3.0%	-0.8%	2.9%	2.8%	1.5%	5.3%	-0.5%
2010 Comp	2.0%	3.0%	6.5%	2.1%	5.5%								
3-Yr Stack						0.2%	1.1%	3.6%	0.1%	0.2%	2.1%	2.7%	-0.1%
4-Yr Stack	-1.1%	1.4%	3.0%	1.9%	3.9%								

\*Amounts above in billions. Data adjusted for seasonal variations, holiday and trading day differences, but not for price changes.

**Clothing & Clothing Accessory Stores** - Dramatic improvement in March 2010 and April 2010 versus February 2010.

**Electronics & Appliance Stores** - 19 straight months of year-over-year declines through February 2010. While positive year-over-year results in March/April/May 2010, sales on a 2-year run rate basis worsened in each of the three months.

## Commerce Department Category Sales Data

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Building Material &amp; Garden Equipment Supplies Dealers</b>													
2007	27.300	27.118	27.856	26.634	27.394	26.698	26.818	26.749	26.546	26.278	26.660	25.926	321.977
2008	25.790	25.798	25.505	25.882	26.042	26.134	26.270	25.789	25.587	25.455	23.914	23.366	305.532
2009	23.271	23.078	22.922	22.752	22.794	22.853	22.523	22.310	22.242	21.967	22.204	22.274	271.190
2010	21.978	22.132	23.917	25.921	23.512								
2002 Comp	4.1%	3.5%	3.5%	3.9%	3.4%	4.2%	4.3%	4.2%	6.3%	3.4%	5.5%	2.3%	4.0%
2003 Comp	4.7%	-2.6%	5.7%	0.8%	3.0%	6.3%	7.7%	7.7%	8.0%	10.0%	9.0%	11.5%	6.0%
2004 Comp	6.4%	13.7%	17.0%	16.6%	14.6%	11.9%	10.1%	10.1%	11.2%	8.9%	9.2%	13.1%	11.8%
2005 Comp	14.9%	13.4%	4.5%	8.9%	8.3%	8.7%	8.1%	7.9%	8.4%	11.4%	10.6%	6.5%	9.2%
2006 Comp	13.3%	14.3%	13.5%	7.8%	4.8%	2.5%	2.8%	2.7%	-1.0%	-2.1%	-3.2%	-0.7%	4.4%
2007 Comp	-7.4%	-8.1%	-6.4%	-7.9%	-1.7%	-2.9%	-2.0%	-2.4%	-1.5%	-3.2%	-0.6%	-5.1%	-4.2%
2008 Comp	-5.5%	-4.9%	-8.4%	-2.8%	-4.9%	-2.1%	-2.0%	-3.6%	-3.6%	-3.1%	-10.3%	-9.9%	-5.1%
2009 Comp	-9.8%	-10.5%	-10.1%	-12.1%	-12.5%	-12.6%	-14.3%	-13.5%	-13.1%	-13.7%	-7.2%	-4.7%	-11.2%
2010 Comp	-5.6%	-4.1%	4.3%	13.9%	3.1%								
3-Yr Stack						-17.6%	-18.3%	-19.5%	-18.1%	-20.0%	-18.0%	-19.6%	-20.5%
4-Yr Stack	-28.3%	-27.6%	-20.6%	-8.9%	-15.9%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Food &amp; Beverage Stores: Grocery Stores</b>													
2007	40.366	40.664	40.433	40.570	40.708	40.789	41.161	40.884	41.171	41.594	41.868	42.080	492.288
2008	42.257	42.139	42.396	42.741	42.577	42.939	43.090	43.382	43.140	43.084	43.076	42.128	512.952
2009	42.830	42.256	42.496	42.621	42.743	42.811	42.650	42.788	43.146	43.071	43.504	43.149	514.065
2010	43.443	43.995	43.801	43.607	43.838								
2002 Comp	3.6%	2.1%	2.6%	0.2%	0.3%	0.1%	0.2%	-0.8%	-1.3%	-1.0%	0.1%	-1.2%	0.4%
2003 Comp	1.3%	1.2%	0.7%	2.6%	0.7%	2.2%	2.7%	3.0%	3.0%	2.1%	1.2%	1.7%	1.9%
2004 Comp	1.9%	0.8%	2.2%	2.0%	3.7%	2.4%	1.5%	2.0%	3.2%	3.5%	4.1%	4.7%	2.7%
2005 Comp	3.5%	4.3%	3.6%	4.2%	4.1%	4.1%	4.2%	4.6%	4.0%	4.1%	3.4%	3.4%	4.0%
2006 Comp	2.2%	3.6%	2.9%	3.0%	3.5%	3.5%	3.6%	3.6%	2.0%	4.3%	3.5%	4.2%	3.3%
2007 Comp	4.9%	4.6%	4.1%	4.1%	3.7%	3.7%	4.5%	2.9%	4.8%	3.3%	4.8%	4.4%	4.2%
2008 Comp	4.7%	3.6%	4.9%	5.4%	4.6%	5.3%	4.7%	6.1%	4.8%	3.6%	2.9%	0.1%	4.2%
2009 Comp	1.4%	0.3%	0.2%	-0.3%	0.4%	-0.3%	-1.0%	-1.4%	0.0%	0.0%	1.0%	2.4%	0.2%
2010 Comp	1.4%	4.1%	3.1%	2.3%	2.6%								
3-Yr Stack						8.7%	8.1%	7.7%	9.6%	6.9%	8.7%	7.0%	8.6%
4-Yr Stack	12.4%	12.6%	12.3%	11.5%	11.3%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Food Services &amp; Drinking Places</b>													
2007	36.496	36.302	36.835	36.748	36.930	37.140	37.426	37.316	37.568	37.844	37.665	38.431	446.701
2008	37.825	37.464	37.592	37.960	38.177	38.250	38.349	38.311	38.511	38.358	38.395	38.292	457.514
2009	38.254	38.639	38.303	38.374	38.377	38.257	38.191	38.151	38.162	38.119	38.462	38.346	459.935
2010	39.217	39.218	39.401	39.486	39.510								
2002 Comp	3.8%	5.0%	4.2%	5.7%	4.3%	4.8%	4.2%	2.8%	5.9%	4.2%	4.6%	3.0%	4.4%
2003 Comp	2.8%	2.1%	4.7%	3.2%	6.0%	5.9%	6.5%	8.1%	6.3%	8.8%	8.5%	6.5%	5.8%
2004 Comp	8.3%	8.9%	7.8%	7.6%	5.6%	5.4%	5.8%	4.0%	6.5%	5.2%	4.6%	7.6%	6.4%
2005 Comp	5.5%	6.7%	4.7%	7.6%	6.9%	7.2%	6.0%	7.0%	6.0%	6.4%	7.4%	5.8%	6.4%
2006 Comp	9.5%	6.4%	8.5%	5.8%	6.4%	5.0%	5.3%	6.5%	6.9%	6.4%	5.6%	9.1%	6.8%
2007 Comp	3.9%	4.7%	5.2%	5.3%	5.5%	6.7%	7.3%	5.1%	5.1%	5.4%	4.6%	3.5%	5.2%
2008 Comp	3.7%	3.2%	2.1%	3.3%	3.4%	3.0%	2.5%	2.7%	2.5%	1.4%	1.9%	-0.4%	2.4%
2009 Comp	1.8%	3.1%	1.9%	1.1%	0.5%	0.0%	-0.4%	-0.4%	-0.9%	-0.6%	0.2%	0.1%	0.5%
2010 Comp	-0.9%	1.5%	2.9%	2.9%	3.0%								
3-Yr Stack						9.7%	9.3%	7.4%	6.7%	6.1%	6.7%	3.3%	8.1%
4-Yr Stack	8.6%	12.5%	12.0%	12.5%	12.4%								

\*Amounts above in billions. Data adjusted for seasonal variations, holiday and trading day differences, but not for price changes.

**Food Services & Drinking Places** - Fairly impressive year-over-year rebound in December 2009 and January 2010. Dramatic upsurge in February 2010 through May 2010.

**Building Material & Equipment Supplies Dealers** - Prior to March 2010, 42 months with year-over-year declines. Dramatic improvement March through May 2010, but why the material drop-off in May versus April?

## Commerce Department Category Sales Data

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Health &amp; Personal Care Stores</b>													
2007	19.487	19.455	19.599	19.666	19.747	19.770	19.992	20.072	20.012	20.020	19.949	20.054	237.823
2008	20.243	20.317	20.288	20.398	20.502	20.592	20.681	20.683	20.685	20.717	20.755	20.764	246.625
2009	20.821	20.983	21.181	21.132	21.072	21.216	21.121	21.173	21.458	21.427	21.513	21.459	254.556
2010	21.427	21.509	21.657	21.772	21.837								
2002 Comp	8.4%	8.6%	7.8%	9.8%	7.8%	8.2%	8.0%	7.9%	10.1%	7.2%	7.3%	6.6%	8.1%
2003 Comp	6.2%	5.2%	6.8%	4.7%	5.8%	6.6%	8.0%	8.1%	6.9%	7.5%	7.8%	8.9%	6.9%
2004 Comp	5.6%	4.0%	5.6%	5.0%	4.4%	4.3%	2.1%	2.0%	2.1%	1.9%	2.0%	1.6%	3.4%
2005 Comp	5.1%	7.2%	4.1%	5.5%	6.1%	5.0%	6.2%	5.4%	6.4%	6.0%	6.2%	6.5%	5.8%
2006 Comp	5.5%	4.8%	6.3%	4.9%	6.0%	6.8%	6.0%	7.2%	6.2%	7.9%	8.2%	7.7%	6.5%
2007 Comp	7.8%	7.1%	6.7%	7.7%	6.5%	6.1%	7.2%	6.5%	6.0%	4.4%	3.0%	3.2%	6.0%
2008 Comp	3.9%	4.4%	3.5%	3.7%	3.8%	4.2%	3.4%	3.0%	3.4%	3.5%	4.0%	3.5%	3.7%
2009 Comp	2.9%	3.3%	4.4%	3.6%	2.8%	3.0%	2.1%	2.4%	3.7%	3.4%	3.7%	3.3%	3.2%
2010 Comp	2.9%	2.5%	2.2%	3.0%	3.6%								
3-Yr Stack						13.3%	12.8%	11.9%	13.1%	11.3%	10.7%	10.1%	12.9%
4-Yr Stack	17.4%	17.3%	16.9%	18.0%	16.8%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Gasoline Stations</b>													
2007	34.218	35.128	36.103	36.564	38.524	37.212	37.365	36.557	37.824	38.189	42.547	41.417	451.648
2008	42.490	42.381	43.263	43.425	44.451	46.135	46.911	44.838	44.712	38.620	31.900	27.017	496.143
2009	27.770	28.946	27.959	27.871	29.303	31.550	31.190	32.609	32.837	32.275	35.359	35.442	373.111
2010	35.648	35.768	36.205	36.403	35.213								
2002 Comp	-10.7%	-10.6%	-3.4%	-2.5%	-7.9%	-5.2%	2.7%	1.3%	-1.2%	7.5%	12.9%	18.0%	-0.3%
2003 Comp	19.3%	24.9%	20.4%	7.9%	4.5%	5.0%	4.3%	8.6%	9.6%	4.5%	7.3%	6.6%	10.0%
2004 Comp	8.4%	6.2%	7.5%	13.4%	24.2%	25.0%	20.4%	15.6%	16.1%	26.3%	26.0%	20.5%	17.3%
2005 Comp	14.0%	14.8%	15.7%	17.0%	9.0%	10.3%	16.0%	24.9%	32.4%	24.2%	13.9%	14.9%	17.2%
2006 Comp	21.2%	17.9%	14.7%	20.1%	23.5%	21.0%	19.7%	13.7%	-3.5%	-8.4%	0.7%	5.4%	11.5%
2007 Comp	-1.4%	1.9%	5.5%	1.2%	5.2%	2.4%	0.2%	-3.0%	9.9%	18.0%	25.8%	19.5%	6.8%
2008 Comp	24.2%	20.6%	19.8%	18.8%	15.4%	24.0%	25.5%	22.7%	18.2%	1.1%	-25.0%	-34.8%	9.9%
2009 Comp	-34.6%	-31.7%	-35.4%	-35.8%	-34.1%	-31.6%	-33.5%	-27.3%	-26.6%	-16.4%	10.8%	31.2%	-24.8%
2010 Comp	28.4%	23.6%	29.5%	30.6%	20.2%								
3-Yr Stack						-5.3%	-7.8%	-7.6%	1.6%	2.7%	11.6%	15.9%	-8.1%
4-Yr Stack	16.5%	14.4%	19.4%	14.7%	6.6%								

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Motor Vehicle &amp; Parts Dealers</b>													
2007	75.963	76.338	76.250	76.099	76.794	74.341	74.174	75.766	77.191	77.760	76.035	75.050	911.761
2008	74.600	72.687	71.815	70.045	68.962	66.601	63.401	64.772	61.490	57.900	56.920	55.932	785.125
2009	58.176	56.303	54.672	54.627	55.615	56.943	58.339	62.865	53.987	59.366	60.189	60.307	691.389
2010	60.134	58.619	62.508	62.913	61.862								
2002 Comp	2.5%	3.0%	1.3%	1.9%	-2.7%	0.8%	6.0%	9.0%	6.5%	-16.2%	-6.3%	2.0%	0.3%
2003 Comp	3.2%	-2.5%	3.0%	1.8%	7.1%	4.5%	1.5%	0.8%	4.6%	3.6%	5.7%	0.6%	2.8%
2004 Comp	-0.3%	6.8%	5.1%	0.7%	4.7%	-2.1%	0.5%	-2.3%	4.9%	5.8%	2.1%	7.4%	2.7%
2005 Comp	5.4%	3.7%	1.6%	6.6%	0.4%	13.6%	15.1%	2.9%	-5.7%	-7.0%	-0.3%	-2.1%	2.7%
2006 Comp	5.6%	0.6%	2.2%	1.2%	0.5%	-5.3%	-7.5%	1.6%	5.7%	10.2%	4.3%	4.2%	1.8%
2007 Comp	-1.9%	2.7%	1.6%	0.7%	4.2%	0.2%	-2.5%	1.6%	3.7%	2.6%	-0.3%	-2.5%	0.8%
2008 Comp	-1.8%	-4.8%	-5.8%	-8.0%	-10.2%	-10.4%	-14.5%	-14.5%	-20.3%	-25.5%	-25.1%	-25.5%	-13.9%
2009 Comp	-22.0%	-22.5%	-23.9%	-22.0%	-19.4%	-14.5%	-8.0%	-2.9%	-12.2%	2.5%	5.7%	7.8%	-11.9%
2010 Comp	3.4%	4.1%	14.3%	15.2%	11.2%								
3-Yr Stack						-24.7%	-25.0%	-15.9%	-28.8%	-20.4%	-19.7%	-20.2%	-25.0%
4-Yr Stack	-22.4%	-20.5%	-13.7%	-14.1%	-14.1%								

\*Amounts above in billions. Data adjusted for seasonal variations, holiday and trading day differences, but not for price changes.

23 straight months of year-over-year declines for **Motor Vehicles & Parts Dealers**. Finally returns to positive territory in October 2009. Will the category be able to continue to deliver higher YOY growth beginning in October 2010? August 2010 looks like a particularly daunting 3-year comparison.

## Commerce Department Category Sales Data

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
<b>Non-Store Retailers</b>													
2007	24.384	25.519	25.104	25.374	25.315	25.433	25.792	25.622	25.964	26.171	26.921	26.400	307.999
2008	26.226	25.982	26.500	27.513	27.402	27.537	27.693	27.136	26.957	26.385	25.423	25.322	320.076
2009	25.555	25.838	25.392	25.751	25.601	26.291	26.417	26.625	26.734	27.174	27.649	28.261	317.288
2010	28.752	28.755	29.061	29.008	29.584								
2002 Comp	-2.4%	-0.9%	0.2%	2.8%	6.7%	5.2%	7.4%	4.2%	8.3%	6.4%	10.4%	10.8%	4.9%
2003 Comp	8.3%	11.8%	8.9%	5.7%	5.0%	7.1%	6.2%	9.0%	11.7%	11.1%	9.1%	8.1%	8.5%
2004 Comp	11.1%	9.7%	7.8%	10.6%	9.9%	10.4%	10.8%	10.8%	10.9%	10.6%	10.3%	12.2%	10.4%
2005 Comp	12.1%	8.7%	13.2%	13.9%	12.1%	13.7%	11.6%	13.9%	11.8%	13.6%	13.9%	14.1%	12.7%
2006 Comp	10.8%	14.4%	16.5%	11.9%	15.9%	11.5%	12.8%	10.7%	10.0%	8.1%	8.3%	6.1%	11.3%
2007 Comp	7.7%	10.7%	5.4%	8.3%	6.3%	7.6%	8.5%	6.1%	8.5%	8.5%	10.5%	9.1%	8.1%
2008 Comp	7.6%	1.8%	5.6%	8.4%	8.2%	8.3%	7.4%	5.9%	3.8%	0.8%	-5.6%	-4.1%	3.9%
2009 Comp	-2.6%	-0.6%	-4.2%	-6.4%	-6.6%	-4.5%	-4.6%	-1.9%	-0.8%	3.0%	8.8%	11.6%	-0.9%
2010 Comp	12.5%	11.3%	14.4%	12.6%	15.6%								
3-Yr Stack						11.4%	11.3%	10.1%	11.5%	12.3%	13.7%	16.6%	11.1%
4-Yr Stack	25.2%	23.2%	21.2%	23.0%	23.6%								

\*Amounts above in billions. Data adjusted for seasonal variations, holiday and trading day differences, but not for price changes.

**Non-Store Retailers 2-year run rate has materially improved in December 2009, January 2010, and February 2010. The 2-year run rate took a step back in March/April 2010 before re-accelerating again in May 2010.**