

**Prior Year Restatements**  
**Quarter 1, Fiscal 2005**

During fiscal 2005, the adoption of accounting policy EIC 144 – Accounting by a Customer for Certain Consideration Received from a Vendor, Generally Accepted Accounting Principles - Canadian Institute of Chartered Accountants (“CICA”) – Section 1100 and the clarification, in February 2005, of appropriate lease accounting policies of the U.S. Securities and Exchange Commission (“SEC”) has caused the Company to restate its financial statements retroactively (see Note 3 in the Company’s Annual Report).

The following tables illustrate the impact of the restatements due to changes in accounting policies, for the 13 weeks ended May 2, 2004, on consolidated earnings, retained earnings and balance sheet accounts:

	<b>For the thirteen weeks ended May 2, 2004</b>				
	<b>As reported</b>	<b>EIC 144</b>	<b>Leased Premises</b>	<b>Rent Expense</b>	<b>As restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost of sales	157,757	638	-	-	158,395
Store operating	44,795	-	(266)	544	45,073
Amortization	8,411	-	261	-	8,672
Earnings before income taxes	2,539	(638)	5	(544)	1,362
Income tax expense	927	(232)	2	(198)	499
Net earnings	<u>1,612</u>	<u>(406)</u>	<u>3</u>	<u>(346)</u>	<u>863</u>
Retained earnings, beginning of period	<u>106,330</u>	<u>(5,047)</u>	<u>245</u>	<u>-</u>	<u>101,528</u>
Retained earnings end of period	<u>107,942</u>				<u>102,391</u>
Earnings/Diluted earnings per share	0.05				0.03

	<b>As at May 2, 2004</b>				
	<b>As reported</b>	<b>EIC 144</b>	<b>Leased Premises</b>	<b>Rent Expense</b>	<b>As restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Inventory	297,544	(9,045)	-	-	288,499
Capital assets	160,213	-	6,977	-	167,190
Deferred lease inducements	51,955	-	6,597	-	58,552
Deferred rent liability	-	-	-	544	544
Future income tax liability (asset)	1,458	(3,592)	132	(198)	(2,200)
Retained earnings	107,942	(5,453)	248	(346)	102,391