

**Prior Year Restatements
Quarter 3, Fiscal 2005**

During fiscal 2005, the adoption of 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 October 31, 2004, on consolidated earnings, retained earnings and balance sheet accounts:

For the thirteen weeks ended October 31, 2004

	As reported	Leased Premises	Rent Expense	As restated
	\$	\$	\$	\$
Cost of sales	183,152	-	-	183,152
Store operating	47,108	(283)	555	47,380
Amortization	8,731	275	-	9,006
Earnings before income taxes	10,063	8	(555)	9,516
Income tax expense	3,673	3	(203)	3,473
Net earnings	<u>6,390</u>	<u>5</u>	<u>(352)</u>	<u>6,043</u>
Retained earnings, beginning of period	<u>104,800</u>	254	(704)	<u>104,350</u>
Retained earnings end of period	<u>111,190</u>			<u>110,393</u>
Earnings/Diluted earnings per share	0.20			0.18

As at October 31, 2004

	As reported	Leased Premises	Rent Expense	As restated
	\$	\$	\$	\$
Inventory	323,382	-	-	323,382
Capital assets	165,722	7,233	-	172,955
Deferred lease inducements	52,609	6,835	-	59,444
Deferred rent liability	-	-	1,663	1,663
Future income tax liability (asset)	(155)	(265)	(203)	(623)
Retained earnings	111,190	259	(1,056)	110,393