PRESS RELEASE

SICO Doubles Third-Quarter Net Earnings

Net earnings for the first nine months reach $15.7 million or $2.31 per share ($2.27 diluted)

- Solid internal growth in the ARCHITECTURAL SECTOR across Canada;
- Increased sales in the INDUSTRIAL SECTOR in North America;
- Higher profit margins in both sectors;
- $1.0 million reduction in goodwill relating to the European Sico-Becker S.A.S. joint venture, faced with difficult market conditions.

Longueuil, October 27, 2004 — For the three-month period ended September 24, 2004, **SICO INC.** (ticker symbol SIC/TSX), Canada's leading paint and coatings company, achieved sales of $84.7 million, up 5.8% over the same quarter in 2003. The Company's net earnings increased by 106% to $6.6 million or $0.96 per share ($0.95 diluted), compared with $3.2 million or $0.47 per share ($0.46 diluted) for the third quarter of 2003. Results for 2003 included pre-tax restructuring costs of $3.6 million ($2.4 million after taxes), while results for the third quarter of 2004 include a goodwill value reduction of $1.0 million (before and after taxes) relating to the Sico-Becker S.A.S. joint venture ("Sico-Becker"). The Company reduced the goodwill value following an impairment test prompted by Sico-Becker's accumulated losses and the significant uncertainty about its future profitability. Excluding the 2003 restructuring costs and the reduction in the goodwill value recorded this year, SICO's net earnings nevertheless showed solid growth of over 35%.

"Apart from Sico-Becker, we are highly satisfied with our third-quarter performance, given that it is primarily attributable to internal growth as PARA fully contributed to results for the two comparable quarters of 2004 and 2003. Driven by brisk demand from consumers and professional painters, our **ARCHITECTURAL SECTOR** achieved a 6.2% sales increase, notably attributable to further penetration of the SICO brand across Canada and the expansion of certain of our large retail customers. As for the **INDUSTRIAL SECTOR**, the sales increase posted in the second quarter continued in the third quarter. This sector's revenues rose 3.5%, fuelled by a stronger demand and new customers in Canada and the United States. In fact, if we exclude Sico-Becker, this sector's sales in North America grew by some 12%. In addition, we are pleased to report that the benefits of the optimization program, combined with sales growth and efficient cost management, contributed to raise profit margins in both sectors," indicated **Pierre Dufresne**, President and Chief Executive Officer.

With its significant cash flows from operations — in excess of $26 million for the third quarter — SICO reduced its revolving credit by $19.0 million and its bank loan by $7.4 million. Accordingly, its total net indebtedness was brought down from $41.0 million as at December 26, 2003 (for a total net indebtedness as a percentage of invested capital of 28%) to $20.2 million (15%) as at September 24, 2004.

Year-to-date Results after Nine Months

Third-quarter results bring net earnings for the first nine months of 2004 to $15.7 million or $2.31 per share ($2.27 diluted), up 31.2% over $12.0 million or $1.83 per share ($1.80 diluted) for the same period in 2003. Excluding non-recurring items for the two comparative periods, net earnings grew by close to 16%. Sales totaled $243.8 million, compared with $225.5 million in 2003, mainly due to PARA's contribution for the full nine-month period as opposed to five months last year, and also due to internal growth.

Outlook

A few weeks away from the end of the current year, SICO is confident it will deliver a record performance in 2004, having successfully met this year's two major challenges: complete the integration of PARA and maximize the benefits of its infrastructure optimization program. In the coming months, management will address two specific concerns: Sico-Becker's performance and the cost increase of certain raw materials. "On the one hand, we have already taken measures to lower our European joint venture's operating expenses and we are currently considering various strategic options with our partner. On the other hand, although we have managed thus far to keep higher raw material costs from affecting our results, inflationary pressures will have an adverse impact on our profit margins as of the fourth quarter of 2004. Consequently, we have recently informed our customers that we will implement price increases on our products as of January 2005," stated the President. "Overall, we are confident that SICO will maintain a solid performance in 2005, driven by favorable conditions in its major markets, dynamic promotion of the SICO and PARA brands in the Canadian architectural paint market, and the ongoing improvement in the Industrial Sector's results. Also, given our low indebtedness, we are on a solid financial footing to contemplate pursuing our expansion-by-acquisition program," concluded Pierre Dufresne.

Changes to Board of Directors

We wish to inform SICO's shareholders that Mr. Peter Rebello has been appointed to the Board of Directors, replacing Mr. Paul Parent who resigned as director at the end of the last Board meeting. Mr. Rebello obtained a Master's degree in Engineering from McGill University and has over the last eight years held the position of National Accounts Manager for Canada at Louisiana Pacific, a major building materials manufacturer. Mr. Rebello brings to SICO close to 30 years of experience in the home construction and renovation sector. We welcome Mr. Rebello and thank Mr. Parent for his past contribution.

Dividend Payment

SICO's Board of Directors has declared a quarterly dividend of $0.12 per common share and a dividend of $0.02738 per Class B preferred share. These dividends will be paid on December 17, 2004 to the Company's shareholders registered as at December 3, 2004.

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Source: **SICO INC.**

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Interim Management Report – September 2004

(Discussion and Analysis of Operating Results and Financial Position)

Description of Business

In business since 1937, Sico Inc. ("SICO" or the "Company") is the largest company in Canada specializing in the development, manufacture and marketing of paint, coatings and related products.

- As leader in the Canadian architectural paint market, its major sector, SICO stands out for its innovative, high-quality products, strong brand recognition and the scope of its distribution network, which includes more than 2400 points of sale from coast to coast.
- SICO also markets metal coatings in 15 countries, mainly for the railway, aerospace and heavy transportation industries, as well as the specialized equipment industry.

A public company listed on the Toronto Stock Exchange under the ticker symbol SIC/TSX, SICO employs an average of 1000 people in Canada, the United States and Mexico.

Foreword

General

This Interim Management Report on the Company's operating results and cash flows for the three and nine-month periods ended September 24, 2004 and September 26, 2003, as well as its financial position at those dates, should be read in conjunction with the consolidated financial statements and the accompanying notes included in this interim report, and the annual report on the last year ended December 26, 2003. SICO's Annual Report and supplementary documents, including its Annual Information Form, previous interim reports and press releases, are available on SEDAR's website at www.sedar.com.

In this management report, "SICO" or the "Company", as the case may be, designates Sico Inc. and its subsidiaries and divisions, or Sico Inc. or one of its subsidiaries or divisions.

The information contained in this management report takes into account major events that occurred prior to October 26, 2004, on which date the financial statements and management report were approved by the Company's Board of Directors.

Unless otherwise indicated, the financial information presented below, including tabular amounts, is expressed in Canadian dollars and prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

The information contained in this report also includes some figures that are not performance measures consistent with GAAP. For instance, SICO uses earnings before financial expenses (income), taxes, depreciation and amortization ("EBITDA") because this measure enables management to assess the operational performance of the Company's various sectors. This measure is a widely accepted financial indicator of a company's ability to reimburse and incur debt. It should not be considered by an investor as an alternative to operating income or net earnings, an indicator of operating performance or cash flows, nor as a measure of liquidity. As EBITDA is not a measurement established in accordance with Canadian generally accepted accounting principles, it may not be comparable to the EBITDA of other companies. In SICO's statement of earnings, EBITDA corresponds to "*Operating income before the following items"*.

Forward-looking Statements and Use of Estimates

Some sections of this interim report contain forward-looking statements that involve a number of risks and uncertainties. Actual results could therefore differ materially from those indicated or underlying these forward-looking statements.

The preparation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates, notably in regard to the allowance for doubtful accounts, inventories, accounts payable and accrued liabilities, intangible assets, goodwill, future tax assets and liabilities as well as actuarial assumptions. These assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of sales and expenses during the reporting period. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates.

Changes in Accounting Policies

Since the beginning of the current year, SICO has adopted the new recommendations issued by the Canadian Institute of Chartered Accountants ("CICA") related to the impairment of long-lived assets and asset retirement obligations. The adoption of these recommendations, which are described in Note 2 to the consolidated financial statements contained in this interim report, had no impact on the consolidated financial statements. Moreover, as also described in Note 2, the Company has adopted the new CICA recommendation related to stock-based compensation and other stock-based payments. Results for the previous year have been restated to account for allocations assigned after January 1, 2002.

Major Acquisition of 2003

On May 5, 2003, during the second quarter of the previous year, SICO acquired PARA Inc. ("PARA"), an Ontario-based architectural paint manufacturer serving more than 400 retailers across Canada. This acquisition largely accounts for the variations in SICO's results in the first half of 2004 compared with the same period in 2003. However, PARA's contribution is fully reflected in the two comparative three-month periods ended September 24, 2004 and September 26, 2003.

Selected Quarterly Financial Information

Periods ended September 24, 2004 and September 26, 2003
(in thousands of $, except per share amounts) (unaudited)

	Three-month Periods		Nine-month Periods	
	2004	2003	**2004**	2003
	$	**$**	**$**	**$**
Sales				
• Architectural Sector	**74,613**	70,290	**212,573**	193,949
• Industrial Sector	**10,113**	9,773	**31,198**	31,562
Total	**84,726**	80,063	**243,771**	225,511
EBITDA				
• Architectural Sector	**16,506**	12,901	**43,452**	35,644
• Industrial Sector	**448**	(1,956)	**1,898**	(544)
• Head Office	**(4,125)**	(3,839)	**(15,558)**	(13,406)
Total	**12,829**	7,106	**29,792**	21,694
Net Earnings	**6,551**	3,185	**15,701**	11,964
• Per common share, basic	**0.96**	0.47	**2.31**	1.83
• Per common share, diluted	**0.95**	0.46	**2.27**	1.80
Weighted average number of outstanding common shares	**6,801,055**	6,729,211	**6,802,317**	6,521,716

Balance Sheet Data

	September 24, 2004	December 26, 2003
	$	$
Total assets	**187,205**	188,823
Shareholders' equity	**118,847**	105,461
Total indebtedness*	**21,737**	42,437

* Including the bank loan, long-term debt and its current portion, and Class B preferred shares.

Consolidated and Segmented Operating Results

Three-month Period Ended September 24, 2004

SICO achieved sales of $84.7 million during the third quarter of 2004, up from $80.1 million for the same quarter last year. This $4.7 million or 5.8% increase is mainly attributable to internal growth in the Company's two sectors.

- The **ARCHITECTURAL SECTOR**'s sales grew by $4.3 million or 6.2% to $74.6 million, accounting for 88.1% of SICO's consolidated sales. This sector, which benefited from a favorable business environment marked by a boom in home renovation and construction activity and the expansion of some of its retail customers, posted especially strong growth in sales of SICO and MULCO branded products across Canada.

- The **INDUSTRIAL SECTOR** recorded a $0.3 million or 3.5% growth in its sales, which amounted to $10.1 million. This sector continues to benefit from improved market conditions in North America and new customers in Canada and the United States. However, sales of the Sico-Becker S.A.S. joint venture ("Sico-Becker") are declining due the current weakness of the railway construction industry in Europe and the end of certain contracts. Excluding Sico-Becker's revenues, the Industrial Sector would have achieved an 11.5% sales growth.

SICO's EBITDA amounted to $12.8 million, up 80.5% over $7.1 million for the corresponding quarter of 2003. It should be noted that 2003 results included non-recurring restructuring costs of $3.6 million. Excluding such costs, the Company operating profitability nevertheless showed a solid increase of 20.3%. Both of SICO's sectors improved their profitability in the third-quarter.

- The **ARCHITECTURAL SECTOR**'s EBITDA rose 27.9% to $16.5 million, up from $12.9 million last year (including restructuring costs of $1.3 million). Its profit margin as a percentage of sales thus improved from 20.3% in 2003 (excluding restructuring costs) to 22.1% this year, owing to a series of factors including the benefits of the operational optimization program implemented in the second half of 2003 and the greater proportion of national brand products in the sales mix. Moreover, the impact of the higher cost of metal cans, oil derivatives and titanium oxide was partially offset by the relative strength of the Canadian dollar in relation to the U.S. dollar, the procurement synergies arising from the PARA acquisition, and efficient management of raw materials. As well, the Company reversed the valuation allowance of $0.8 million relating to two pension plans, as set forth in Note 10 of the notes to interim financial statements.

- The **INDUSTRIAL SECTOR** generated EBITDA of $0.4 million as opposed to a loss of $2.0 million last year, which included restructuring costs of an equivalent amount. This sector's contribution to SICO's profitability significantly improved due to increased sales in North America and the streamlining and optimization measures implemented in the second half of 2003.

- The expenses associated with the Head Office's general administration (other than depreciation and amortization) rose from $3.8 million to $4.1 million, owing notably to an increase in salaries, employee benefits, pension costs and professional fees. These increases were partially offset by savings in administrative expenses formerly associated with PARA.

Depreciation and amortization expenses remained basically unchanged, at $1.5 million. SICO incurred financial expenses of $0.1 million, compared with $0.6 million in the same quarter of the previous year, mainly as a result of lower average indebtedness than last year, and a reduced loss on the conversion of foreign currencies. In addition, as set forth in Note 4 of the notes to interim financial statements, the goodwill value of the Sico-Becker joint venture in France was reduced by $1.0 million following an impairment test prompted by this entity's accumulated losses and the significant uncertainty about its future profitability.

Accordingly, SICO posted earnings before income taxes of $10.2 million compared to $5.0 million in 2003, an increase of 106.2% (31.8 % excluding both periods' non-recurring items). The effective tax rate remained relatively stable at 36.0% versus 35.8% in 2003.

SICO therefore closed the period with quarterly net earnings of $6.6 million, up 105.7% over $3.2 million in the corresponding quarter of 2003. Earnings per common share amounted to $0.96 ($0.95 diluted) on a weighted average of 6.8 million shares in 2004, versus $0.47 ($0.46 diluted) on 6.7 million shares in 2003.

Nine-month Period Ended September 24, 2004

For the first nine months of 2004, SICO recorded year-to-date sales of $243.8 million, compared with $225.5 million in the same period last year, an increase of $18.3 million or 8.1%.

- The **ARCHITECTURAL SECTOR**'s sales grew by $18.6 million or 9.6% to $212.6 million, accounting for 87.2% of consolidated sales. This increase is mostly attributable to the addition of PARA for the full nine-month period as opposed to five months in 2003, combined with the internal growth in sales of national brand architectural paint and specialty products. However, the Company sustained a decline in sales of private-label paints at a major retail customer.

- The **INDUSTRIAL SECTOR**'s sales amounted to $31.2 million, compared with $31.6 million in 2003. This decrease is largely due to Sico-Becker, without which the Industrial Sector would have posted sales growth of 4.5 %. It should also be noted that the decline in the U.S. dollar in relation to the Canadian dollar had a negative impact of $0.9 million on the sector's sales since the beginning of the year, compared with the same period in 2003.

SICO's consolidated EBITDA totaled $29.8 million, up 37.3% over $21.7 million in 2003 (including restructuring costs of $3.6 million).

- The **ARCHITECTURAL SECTOR**'s EBITDA grew by 21.9% (17.5 % without restructuring costs) to $43.5 million, due to PARA's addition and the other aforementioned factors, including the benefits of the operational infrastructure optimization program and the growth in sales of national brand products. These factors helped improve this sector's gross margin.

- Despite a slight decline in sales, the **INDUSTRIAL SECTOR** also improved its gross margin and recorded an increase in EBITDA, which amounted to $1.9 million compared with a loss of $0.5 million in 2003 including restructuring costs, and EBITDA of $1.5 million excluding such costs. This improvement can be attributed mainly to the various streamlining and optimization measures adopted last year, notably the transfer of all manufacturing operations in Longueuil, Quebec, which enabled this sector to enhance its productivity and lower its costs.

- Excluding depreciation and amortization, Head Office expenses increased from $13.4 million in 2003 to $15.6 million in 2004. This increase, a portion of which is non-recurrent, can be explained by increased salaries, employee benefits, pension costs and professional fees as well as certain expenses related to the integration of PARA. It was partially offset by savings in administrative expenses formerly incurred by PARA.

For the full nine-month period, depreciation and amortization expenses grew by $0.4 million to total $4.5 million, mainly due to the amortization of deferred charges related to the development of new color systems. It should be noted that despite the full recognition of depreciation and amortization of the assets acquired from PARA, depreciation of fixed assets decreased slightly owing to the infrastructure optimization program. SICO recorded financial expenses of $0.1 million as opposed to financial income of $0.9 million the previous year, which had given rise to a $1.3 million exchange gain on the conversion of debt and cash denominated in foreign currency. This year, however, the Company benefited from a decline in interest expenses due to lower average indebtedness than last year. The effective tax rate remained stable at 34.9%.

Also, after accounting for the reduction in Sico-Becker's goodwill value and income taxes, SICO posted year-to-date net earnings of $15.7 million, up 31.2% over $12.0 million last year. For information purposes, earnings would have increased by approximately 16% without the aforementioned non-recurring items. Earnings per common share amounted to $2.31 ($2.27 diluted) on a weighted average of 6.8 million shares in 2004, compared with $1.83 ($1.80 diluted) on 6.5 million shares in 2003. The increased number of shares primarily reflects the issue of one million common shares under a public offering completed on February 21, 2003.

Financial Information for the Last Eight Quarters (Unaudited)

(in thousands of $, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year ended December 31, 2004				
Sales	63,563	95,482	84,726	
Net earnings	1,175	7,975	6,551	
Earnings per common share				
• basic	0.17	1.17	0.96	
• diluted	0.17	1.16	0.95	
Year ended December 26, 2003(1)				
Sales	59,386	86,062	80,063	58,133
Net earnings (loss)	2,004	6,775	3,185	(923)
Earnings per common share				
• basic	0.33	1.01	0.47	(0.14)
• diluted	0.32	0.99	0.46	(0.13)
Year ended December 27, 2002(1)				
Sales				48,719
Net earnings				20
Earnings per common share				
• basic				0.00
• diluted				0.00

(1) Figures for 2003 and 2002 have been restated, as set forth in Note 2 of the notes to consolidated financial statements contained in this interim report.

Seasonality

The sale of outdoor architectural paint products, which account for approximately 20% of the annual paint sales of the Company's Architectural Sector, is seasonal in nature as it is affected by weather conditions. Accordingly, the Company's sales and net earnings are generally lower in the first and fourth quarters than in the second and third.

Cash Flow Analysis

Three-month Period Ended September 24, 2004

During the third quarter, operating activities provided cash flows of $8.8 million before the net change in non-cash working capital, compared with $7.5 million in the same quarter of 2003. The net change in non-cash items provided cash flows of $17.4 million in 2004, versus $21.5 million in 2003. The net change in non-cash working capital generally produces substantial cash flows in this period of the year, mainly due to the normal seasonal cycle of the Canadian architectural paint industry, more specifically the collection of accounts receivable contracted during the peak season corresponding to the second quarter and the reduction in inventories in anticipation of the seasonal slowdown generally experienced by the industry in the fourth quarter. Consequently, operating activities provided total cash flows of $26.2 million during the third quarter of 2004, compared with $29.0 million the previous year.

The other major cash inflow for the period was the proceeds of $2.1 million from the July 2004 disposal of one of the four properties put up for sale under the Company's optimization program. Management is carrying on its negotiations to sell the two remaining properties.

Cash inflows of the period were used for the following purposes:

- a $19.0 million reduction in the revolving credit used by the Company;
- a $7.4 million reduction in its bank loan;
- the purchase of $1.0 million in various fixed assets;
- a $0.4 million increase in deferred charges, mostly for the development of a new color system; and
- the payment of a quarterly dividend of $0.12 on common shares, for a total of $0.8 million.

Nine-month Period Ended September 24, 2004

Since the beginning of 2004, operating activities have provided cash flows of $22.8 million before the net change in non-cash working capital, up by $4.5 million over $18.3 million in 2003. The net change in non-cash items yielded cash flows of $4.5 million whereas they had used cash flows of $15.6 million in 2003, partly due to the repayment of accounts payable and accrued liabilities associated with the PARA acquisition and a reduction in inventories. Operating activities therefore provided total cash flows of $27.3 million this year, compared with $2.6 million last year.

Besides these substantial cash flows from operations, other cash inflows for the first nine months of 2004 included the aforementioned proceeds from the disposal of a property, the recovery of $0.7 million in long-term receivables, and the issue of 81,445 common shares for a consideration of $0.9 million on the exercise of stock options held by Company's executives and directors. These combined funds were primarily used for the following purposes:

- the acquisition of new fixed assets totaling $3.9 million, including the purchase of manufacturing, tinting, and warehousing equipment, the development of Bétonel stores and the development of the Company's information technologies;

- a $3.1 million increase in deferred charges, notably for the development of new color systems;

- reductions of $19.0 million and $1.6 million respectively in SICO's revolving credit and bank loan;

- the purchase, under its normal course issuer bid, of 34,000 common shares for a net cash consideration of $0.8 million; and

- the payment of dividends totaling $2.5 million or $0.36 per share to common shareholders.

The various cash inflows and outflows described above brought cash and cash equivalents from $1.4 million as at December 26, 2003 to $1.6 million as at September 24, 2004.

Financial Position as at September 24, 2004

At the close of the third quarter, total assets amounted to $187.2 million, compared with $188.8 million at the end of last year, on December 26, 2003. On September 24, 2004, SICO had working capital of $53.3 million for a current ratio of 2.3:1, compared with $55.4 million and a 2.5:1 ratio as at December 26, 2003. Besides the growth in the Company's business, changes in working capital items, notably the increase in accounts receivable and accounts payable, can primarily be explained by the seasonal cycle of the Canadian architectural paint industry. However, improved turnover resulting mostly from the asset optimization plan announced in 2003 has enabled SICO to reduce its inventories by $5.7 million or 12.6% since the beginning of the year,.

Long-term assets have not changed significantly since the end of last year, except for a slight increase in deferred charges and a slight decline in the value of fixed assets, long-term receivables, intangible assets, future income taxes and reduction in the value of goodwill. Whereas shareholders' equity rose 12.7% to $118.8 million as at September 24, 2004, long-term debt (including its current portion) has been lowered by $19.1 million or 53.2% since the beginning of the year, from $35.9 million to $16.8 million. Adding the Class B preferred shares and bank loan, net of available cash, total net indebtedness was brought down from $41.0 million as at December 26, 2003 (for a total net indebtedness as a percentage of invested capital of 28%) to $20.2 million (15%) as at September 24, 2004.

Requirements and Sources of Funds

Considering the fact that the fourth quarter generally experiences a decline in Canadian demand for architectural paint, and despite the pressures exerted on its profit margins by higher costs for certain raw materials, SICO foresees an improvement in its results compared with the fourth quarter of 2003, which had given rise to restructuring costs of $1.1 million.

For subsequent quarters, given the favorable business environment in the Canadian architectural paint industry and growing demand in the North American industrial coatings market, SICO expects to maintain a solid financial performance with regards to sales, net earnings and operating cash flows. Management is assessing various strategic options to improve the financial performance of the European Sico-Becker joint venture. In addition, SICO believes the impact of the higher costs of some raw materials will be partly offset by the increase in its selling prices as of January 2005.

In regard to the Company's funding requirements, capital expenditures of approximately $7.0 million are planned for the current year and are not likely to be exceeded. SICO also intends to maintain its dividend policy and, as is its practice every year, will assess the opportunity to repurchase common shares under its normal course issuer bid. Cash flows from operating activities should be sufficient to cover these various funding requirements.

Lending agreements include commitments as to the financial ratios the Company must maintain to avoid having to grant specific guarantees. These financial ratios were met as at September 24, 2004. Furthermore, at that date, SICO had an authorized borrowing capacity totaling $91.0 million, of which a maximum of $90.0 million could be used considering the financial ratios to be met. The actual use of its borrowing capacity amounted to $16.1 million as at September 24, 2004.

Capital Stock

As at September 24, 2004, SICO's capital stock consisted of 6,802,079 issued and outstanding common shares, versus 6,754,634 shares as at December 26, 2003. Since the beginning of the current year, the Company has issued 81,445 common shares on the exercise of stock options by executives and directors. It has also repurchased 34,000 common shares for cancellation purposes under its normal course issuer bid.

Supplementary information about the stock option plan for senior officers and directors, as well as the stock purchase plan for employees, executives and directors, is presented in Note 5 of the notes to consolidated financial statements contained in this interim report.

Contractual Obligations

Long-term operating leases for premises and equipment, as well as other commitments outstanding as at September 24, 2004, comprise the following annual minimum payments and contain the usual clauses pertaining to taxes, insurance and other expenses. The following table shows the payments required for the balance of 2004 and subsequent years:

	$
2004 (3 months)	**1,633,000**
2005	**6,111,000**
2006	**5,435,000**
2007	**4,969,000**
2008	**1,859,000**
2009 (9 months)	**1,168,000**

Financial Instruments

Fair Value

The estimated fair values of cash and cash equivalents, accounts receivable, long-term receivables, the bank loan, and accounts payable and accrued liabilities approximate their respective carrying values. The estimated fair value of long-term debt is not significantly different from its book value.

Derivative Financial Instruments

As at September 24, 2004, the Company did not hold and had not issued any financial instruments for trading or hedging purposes. Nevertheless, from time to time, the Company purchases forward exchange contracts to hedge against the risk associated with purchases of goods made in U.S. dollars.

Risks and Uncertainties

There have been no major changes in the risks and uncertainties to which the Company is exposed as set forth in the Management's Discussion and Analysis contained in its Annual Report for the year ended December 26, 2003.

Additional Information

Additional information relating to the Company, including its latest Annual Report and Annual Information Form, is available on SEDAR's website at www.sedar.com.

Jean Ouellet, CA
Vice President, Finance and Treasurer
October 26, 2004

CONSOLIDATED STATEMENTS OF EARNINGS
Periods ended September 24, 2004 and September 26, 2003
(in thousands of dollars except per-share data) (unaudited)

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$	**$**	$
		(restated)		(restated)
Sales	**84,726**	80,063	**243,771**	225,511
Cost of sales and operating expenses (Note 8)	**71,897**	69,396	**213,979**	200,256
Restructuring expenses	**--**	3,561	**--**	3,561
Operating earnings before:	**12,829**	7,106	**29,792**	21,694
Depreciation and amortization (Note 6)	**1,504**	1,496	**4,536**	4,161
Financial expenses (income) (Note 7)	**92**	648	**126**	(857)
Impairment loss on the goodwill of the joint venture Sico-Becker S.A.S. (Note 4)	**1,000**	--	**1,000**	--
	2,596	2,144	**5,662**	3,304
Earnings before income taxes	**10,233**	4,962	**24,130**	18,390
Income taxes	**3,682**	1,777	**8,429**	6,426
Net earnings	**6,551**	3,185	**15,701**	11,964
Weighted average number of outstanding common shares	**6,801,055**	6,729,211	**6,802,317**	6,521,716
Basic earnings per share (Note 5)	**0.96**	0.47	**2.31**	1.83
Diluted earnings per share (Note 5)	**0.95**	0.46	**2.27**	1.80

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
For the nine-month period ended September 24, 2004 and September 26, 2003
(in thousands of dollars) (unaudited)

	2004	2003
	$	$
		(restated)
Balance at beginning, previously reported	**62,243**	55,277
Restatement for stock-based compensation cost (Note 2)	**(120)**	--
Balance at beginning, restated	**62,123**	55,277
Net earnings	**15,701**	11,964
Common share issue costs, net of income taxes	**--**	(1,002)
Premium on common shares redemption (Note 5)	**(547)**	--
Dividends on common shares	**(2,455)**	(2,220)
Balance at end	**74,822**	**64,019**

CONSOLIDATED BALANCE SHEETS
As at September 24, 2004 and December 26, 2003
(in thousands of dollars)

	September 24, 2004	December 26, 2003
	$	$
	(unaudited)	(restated)
ASSETS		
Current assets		
Cash and cash equivalents	**1,552**	1,404
Accounts receivable	**45,429**	36,152
Income taxes	**--**	527
Inventories	**39,808**	45,542
Prepaid expenses	**6,823**	7,929
	93,612	91,554
Long-term receivables	**549**	1,281
Fixed assets	**32,700**	33,815
Deferred charges	**7,203**	5,874
Intangible assets	**15,594**	15,875
Goodwill	**35,991**	37,128
Future income taxes	**1,556**	3,296
	187,205	188,823
LIABILITIES		
Current liabilities		
Bank loan	**1,149**	2,769
Accounts payable and accrued liabilities	**31,418**	28,590
Income taxes	**3,613**	--
Current portion of long-term debt (Note 13)	**4,163**	4,750
	40,343	36,109
Long-term debt (Note 13)	**12,625**	31,118
Future income taxes	**8,799**	9,854
Accrued benefit liability	**2,347**	2,009
Deferred credits	**444**	472
Preferred Class B shares (Note 5)	**3,800**	3,800
	68,358	83,362
SHAREHOLDERS' EQUITY		
Capital stock (Note 5)	**43,260**	42,577
Contributed surplus	**254**	120
Retained earnings	**74,822**	62,123
Foreign currency translation adjustment	**511**	641
	118,847	105,461
	187,205	188,823

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended September 24, 2004 and September 26, 2003
(in thousands of dollars) (unaudited)

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$ (restated)	**$**	$ (restated)
OPERATING ACTIVITIES				
Net earnings	**6,551**	3,185	**15,701**	11,964
Adjustments for:				
Depreciation and amortization	**1,640**	1,582	**4,915**	4,419
Future income taxes	**21**	(587)	**688**	(468)
Exchange loss (gain)	**21**	140	**13**	(1,676)
Loss (gain) on disposal of fixed assets	**10**	--	**(9)**	11
Loss on assets revaluation	**--**	2,963	**--**	2,963
Excess of pension plans expense over amounts paid	**(455)**	181	**338**	979
Impairment loss on the goodwill of the joint venture Sico-Becker S.A.S.	**1,000**	--	**1,000**	--
Stock-based compensation cost	**48**	40	**134**	80
Other	**9**	(22)	**9**	--
Net change in non-cash working capital items (Note 9)	**17,377**	21,487	**4,524**	(15,641)
Cash flow from operating activities	**26,222**	28,969	**27,313**	2,631
INVESTING ACTIVITIES				
Acquisitions of fixed assets	**(1,008)**	(875)	**(3,936)**	(2,340)
Business acquisition net of cash acquired	**--**	(4,294)	**--**	(18,223)
Disposal of Hancock Paint Inc. assets	**--**	--	**--**	2,721
Deferred charges	**(394)**	(376)	**(3,075)**	(1,817)
Proceeds from disposal of fixed assets	**2,122**	--	**2,143**	464
Long-term receivables	**147**	(313)	**710**	(311)
Cash flow from (applied to) investing activities	**867**	(5,858)	**(4,158)**	(19,506)
FINANCING ACTIVITIES				
Bank loan	**(7,449)**	(13,000)	**(1,599)**	(9,356)
Increase in long-term debt	**--**	--	**--**	17,000
Reduction in long-term debt	**(19,000)**	(680)	**(19,000)**	(8,861)
Issue of common shares (Note 5)	**15**	313	**899**	20,731
Common share issue costs	**--**	--	**--**	(1,463)
Redemption of common shares (Note 5)	**--**	--	**(763)**	--
Dividends on common shares	**(817)**	(740)	**(2,455)**	(2,220)
Cash flow (applied to) from financing activities	**(27,251)**	(14,107)	**(22,918)**	15,831
Exchange (loss) gain on foreign currency denominated cash and cash equivalents	**(112)**	37	**(89)**	349
(Decrease) increase in cash and cash equivalents	**(274)**	9,041	**148**	(695)
Cash and cash equivalents at beginning	**1,826**	(596)	**1,404**	9,140
Cash and cash equivalents at end	**1,552**	8,445	**1,552**	8,445
Supplementary information				
Interest paid	**250**	448	**1,069**	1,414
Dividends paid on preferred shares	**37**	47	**116**	137
Income taxes paid	**37**	1,515	**3,767**	5,836

1. BASIS OF PRESENTATION

The consolidated financial statements for the three-month period and the nine-month period ended September 24, 2004 and September 26, 2003, included in this report are unaudited and reflect normal and recurring adjustments, which are, in the opinion of the Company, considered necessary for a fair presentation. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. However, they do not include all disclosures required under Canadian generally accepted accounting principles for annual financial statements, and should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest Annual Report. The results of operations for the interim periods should not be considered indicative of full year results due to the seasonality of the business. These financial statements follow the same accounting policies as in the most recent annual financial statements, with the exception of the accounting changes described in Note 2.

2. ACCOUNTING CHANGES

Impairment of long-lived assets
The CICA issued Handbook Section 3063, *Impairment of long-lived assets*, which is effective for fiscal years beginning on April 1, 2003. This Section provides guidance on the recognition, measurement and disclosure of the impairment of long-lived assets. It replaces the write-down provisions in Section 3061, *Property, plant and equipment*. The provisions of the new Section require an impairment loss for a long-lived asset to be held and used to be recognized when its carrying amount exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. Impairment loss is measured as the amount by which the carrying amount exceeds the fair value. The adoption of this new Section did not have any impact on the consolidated net earnings of the Company.

Asset retirement obligations
The CICA issued Handbook Section 3110, *Asset retirement obligations*. The new standard focuses on the recognition and measurement of liabilities for obligations associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The standard is effective for fiscal years beginning on or after January 1, 2004. The adoption of this new Section did not have any impact on the consolidated financial statements.

Stock-based compensation and other stock-based payments
The CICA re-issued Handbook Section 3870, *Stock-based compensation and other stock-based payments*. The revised standard requires the adoption of the fair value based method for all stock-based awards effective for fiscal years beginning on or after January 1, 2004. The Company has adopted this new standard for the current fiscal year and has restated the December 26, 2003 results to account for the impact of the awards granted after January 1, 2002.

The restatement relates to the calculation of the stock-based compensation cost which is based on the Black and Scholes option pricing model using the assumptions described in Note 5c). The impact of this restatement is to recognize a cost for stock-based compensation of $40,000 per quarter starting during the second quarter of the year ended December 26, 2003. The counterpart of this cost is accounted for in contributed surplus.

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

3. CONTINUITY OF THE PROVISION FOR RESTRUCTURING EXPENSES

As at December 26, 2003, the provision for restructuring expenses amounted to $937,000, representing workforce reduction and other restructuring expenses. Out of this amount, the Company has paid an amount of $781,000 during the nine-month period ended September 24, 2004 and has decreased the provision of $71,000. The following table sets forth the changes in the provision for restructuring expenses:

	Workforce reduction	Other restructuring expenses	Total
	$	$	$
Balance as at December 26, 2003	659	278	937
Amounts paid for the three-month period ended March 26, 2004	(358)	(177)	(535)
Balance as at March 26, 2004	301	101	402
Amounts paid for the three-month period ended June 25, 2004	(111)	(44)	(155)
Revaluation of the provision	(24)	(47)	(71)
Balance as at June 25, 2004	166	10	176
Amounts paid for the three-month period ended September 24, 2004	(87)	(4)	(91)
Balance as at September 24, 2004	**79**	**6**	**85**

4. IMPAIRMENT LOSS ON THE GOODWILL OF THE JOINT VENTURE SICO-BECKER S.A.S.

During the three-month period ended September 24, 2004, the Company has decreased by $1 million the value of the goodwill of its French joint venture Sico-Becker S.A.S. following an impairment test due to accumulated losses and significant uncertainty on its future profitability.

5. CAPITAL STOCK

a) Issued

	As at September 24, 2004	As at December 26, 2003
	$	$
6,802,079 common shares (6,754,634 as at December 26, 2003)	**43,260**	42,577
1,381,819 Class B preferred shares, classified as liabilities	**3,800**	3,800

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

5. CAPITAL STOCK (continued)

b) Summary of common share transactions

	Number	Amount
		$
Shares issued, December 27, 2002	5,725,379	21,622
Issued for cash from the public offering	1,000,000	20,400
Exercise of stock options	29,989	331
Stock purchase plan for employees, executives and directors	12,266	306
Redemption of shares	(13,000)	(82)
Shares issued, December 26, 2003	6,754,634	42,577
Exercise of stock options	81,445	899
Redemption of shares [1]	(34,000)	(216)
Shares issued, September 24, 2004	**6,802,079**	**43,260**

[1] During the nine-month period ended September 24, 2004, the Company repurchased and cancelled 34,000 common shares for a net cash consideration of $763,000, including redemption fees. The excess of $547,000 over paid-up capital of the shares was recorded as a decrease in retained earnings.

c) Stock option plan

Under the stock option plan for senior management of the Company, the Board of Directors may, at its discretion, grant options to purchase common shares of the Company to certain officers and designated executives. The exercise price is established by the Board of Directors but may not be lower than the closing price of a regular lot of the Company's common shares on the Toronto Stock Exchange on the last trading day preceding the grant date. Options vest over a four-year period from the date of grant at a rate of 20% per year and must be exercised within a ten-year period, except in the event of retirement, termination of employment or death. As at September 24, 2004, 449,842 common shares (531,287 common shares as at December 26, 2003) were reserved for issuance under this plan.

The following table presents information concerning all stock options granted by the Company:

	For the nine-month period ended September 24, 2004		Year ended December 26, 2003	
	Number of options	**Weighted average exercise price per share**	Number of options	Weighted average exercise price per share
		$		$
Outstanding at beginning	**349,082**	**15.15**	247,896	11.03
Granted	**34,000**	**21.75**	131,175	21.99
Exercised	**(81,445)**	**11.04**	(29,989)	11.01
Outstanding at end	**301,637**	**17.00**	349,082	15.15

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

5. CAPITAL STOCK (continued)

c) Stock option plan (continued)

The outstanding stock options granted to certain members of senior management of the Company at September 24, 2004, are as follows:

Options issued	Options exercisable	Weighted average exercise price per share	Weighted average remaining contractual life (years)
		$	
18,601	18,601	8.88	0.8
25,900	25,900	6.55	1.8
48,000	48,000	10.50	2.6
20,042	20,042	13.25	2.8
10,812	10,812	16.00	4.5
13,512	13,512	17.50	4.8
130,770	52,065	21.99	8.7
34,000	6,800	21.75	9.7
301,637	195,732	17.00	6.0

The stock-based compensation cost charged to earnings only reflects the impact of the awards granted to employees after January 1, 2002. The stock-based compensation cost has been calculated using the Black and Scholes option pricing model using the following assumptions:

Options granted in 2003:	
Weighted-average fair value of options at the date of the grant	**$6.14**
Risk-free interest rate	**3.85%**
Dividend yield	**2.01%**
Expected volatility	**32%**
Expected life	**5 years**

Options granted in 2004:	
Weighted-average fair value of options at the date of the grant	**$4.84**
Risk-free interest rate	**3.77%**
Dividend yield	**2.20%**
Expected volatility	**25%**
Expected life	**5 years**

The stock-based compensation cost charged to earnings for the awards granted to employees is as follows :

Three-month periods		**Nine-month periods**	
2004	2003	**2004**	2003
$	$	**$**	$
48	40	**134**	80

The counterpart has been accounted for in the contributed surplus.

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

5. CAPITAL STOCK (continued)

d) Stock purchase plan for employees, executives and directors

This stock purchase plan was set up to allow employees, executives and directors of the Company to purchase shares of the Company's capital stock. The subscription price of the common shares is equal to the average market closing price during the last five days of trading prior to the issue date of the common shares offered. Under the plan, the maximum number of shares offered annually is 25,000 shares, and the remaining number of shares available for issuance under the stock purchase plan as at September 24, 2004 and December 26, 2003 is 96,374 shares.

e) Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

	Three-month period ended September 24, 2004	Three-month period ended September 26, 2003
	$	$
Numerator:		
Net earnings	**6,551**	3,185
Denominator:		
Denominator for basic earnings per share – weighted average number of shares	**6,801,055**	6,729,211
Dilutive effect of stock options	**88,835**	122,274
Denominator for diluted earnings per share – weighted average number of shares and assumed conversions	**6,889,890**	6,851,485
Basic earnings per share	**0.96**	0.47
Diluted earnings per share	**0.95**	0.46

	Nine-month period ended September 24, 2004	Nine-month period ended September 26, 2003
	$	$
Numerator:		
Net earnings	**15,701**	11,964
Denominator:		
Denominator for basic earnings per share – weighted average number of shares	**6,802,317**	6,521,716
Dilutive effect of stock options	**99,655**	123,185
Denominator for diluted earnings per share – weighted average number of shares and assumed conversions	**6,901,972**	6,644,901
Basic earnings per share	**2.31**	1.83
Diluted earnings per share	**2.27**	1.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Periods ended September 24, 2004 and September 26, 2003
(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

6. DEPRECIATION AND AMORTIZATION

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$	**$**	$
Fixed assets	**979**	1,082	**2,916**	3,120
Deferred charges [1]	**577**	510	**1,746**	1,328
Customer relationships	**93**	--	**281**	--
Deferred credits	**(9)**	(10)	**(28)**	(29)
	1,640	1,582	**4,915**	4,419

[1] During the three-month period and nine-month period ended September 24, 2004, amounts of $136,000 ($86,000 as at September 26, 2003) and $379,000 ($258,000 as at September 26, 2003) respectively, representing amortization related to deferred charges were applied as a reduction of sales.

7. FINANCIAL EXPENSES (INCOME)

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$	**$**	$
Interest	**332**	652	**1,156**	1,489
Dividends on preferred Class B shares	**37**	47	**116**	137
Cash discounts	**(344)**	(327)	**(1,177)**	(1,160)
Foreign currency translation loss (gain)	**67**	276	**31**	(1,323)
	92	648	**126**	(857)

8. RESEARCH EXPENSES

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$	**$**	$
Research expenses	**954**	1,045	**2,896**	3,099
Tax credits	**(88)**	(89)	**(264)**	(266)
	866	956	**2,632**	2,833

Research expenses are shown under “Cost of sales and operating expenses”. Some of these expenses qualify for tax credits, which are applied against these expenses.

9. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$	**$**	$
Accounts receivable	**7,603**	12,676	**(9,294)**	(7,724)
Inventories	**9,833**	11,156	**5,707**	(742)
Prepaid expenses	**503**	774	**1,106**	923
Accounts payable and accrued liabilities	**(4,266)**	(4,093)	**2,869**	(9,269)
Income taxes	**3,704**	974	**4,136**	1,171
	17,377	21,487	**4,524**	(15,641)

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

10. EMPLOYEE FUTURE BENEFITS

The Company maintains primarily defined benefit pension plans for most of its employees. The other plans relate to other retirement benefits, primarily life insurance, offered by the Company to its employees.

The net expense recognized during the three-month period and the nine-month period ended September 24, 2004 and September 26, 2003 is as follows:

	Pension plans		**Other plans**	
	Three-month periods		**Three-month periods**	
	2004	2003	**2004**	2003
	$	$	**$**	$
Net benefit plan expense				
Current service cost	**509**	483	**12**	11
Interest cost	**1,164**	950	**19**	20
Expected return on plan assets	**(1,094)**	(961)	--	--
Amortization of transitional (asset) obligation	**(70)**	(71)	**9**	13
Amortization of actuarial loss	**78**	46	**6**	8
Amortization of past service cost	**102**	--	**--**	--
Adjustment of the valuation allowance on accrued benefit asset	**(843)**	13	**--**	--
	(154)	460	**46**	52

	Pension plans		**Other plans**	
	Nine-month periods		**Nine-month periods**	
	2004	2003	**2004**	2003
	$	$	**$**	$
Net benefit plan expense				
Current service cost	**1,635**	1,449	**36**	34
Interest cost	**3,126**	2,850	**50**	58
Expected return on plan assets	**(2,988)**	(2,883)	**--**	--
Amortization of transitional (asset) obligation	**(210)**	(211)	**29**	38
Amortization of actuarial loss	**104**	138	**20**	25
Amortization of past service cost	**102**	--	**--**	--
Adjustment of the valuation allowance on accrued benefit asset (1)	**(765)**	37	**--**	--
	1,004	1,380	**135**	155

(1) The valuation allowance on accrued benefit asset of $765,000 was reversed given the performance of two of the pension plans and the results of their actuarial valuation, which were completed during the last quarter. The accrued benefit liability was consequently reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Periods ended September 24, 2004 and September 26, 2003
(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

11. SEGMENTED INFORMATION

The Company has two business units organized by products. The Company assesses the performance of the business units based on the following items: sales, operating earnings before depreciation and amortization, financial expenses (income) and income taxes and operating earnings before financial expenses (income) and income taxes. Each business unit, except for the Head Office segment, includes activities related to manufacturing, sales and distribution of paints and coatings. Management of cash and cash equivalents, as well as other activities related to the corporate strategies with regard to manufacturing and market development are part of the Head Office segment. The allocation of the expenses of this segment would not assist in the evaluation of the contribution of the other segments.

	Architectural	Industrial	Head Office	Total
	$	$	$	$
As at and for the three-month period ended September 24, 2004				
Sales	**74,613**	**10,113**	**--**	**84,726**
Operating earnings before depreciation and amortization, financial expenses (income), impairment loss on goodwill and income taxes	**16,506**	**448**	**(4,125)**	**12,829**
Depreciation and amortization	**1,085**	**160**	**259**	**1,504**
Operating earnings before financial expenses (income), impairment loss on goodwill and income taxes	**15,421**	**288**	**(4,384)**	**11,325**
Impairment loss on goodwill	**--**	**1,000**	**--**	**1,000**
Total assets	**144,509**	**33,577**	**9,119**	**187,205**
Acquisitions of fixed assets	**556**	**227**	**225**	**1,008**
As at and for the three-month period ended September 26, 2003				
Sales	70,290	9,773	--	80,063
Restructuring expenses	1,341	2,006	214	3,561
Operating earnings before depreciation and amortization, financial expenses (income) and income taxes	12,901	(1,956)	(3,839) (2)	7,106 (2)
Depreciation and amortization	1,067	218	211	1,496
Operating earnings before financial expenses (income) and income taxes	11,834	(2,174)	(4,050) (2)	5,610 (2)
Total assets	154,127	41,131	18,251	213,509
Acquisitions of fixed assets	543	100	232	875

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

11. SEGMENTED INFORMATION (continued)

	Architectural	Industrial	Head Office	Total
	$	$	$	$
As at and for the nine-month period ended September 24, 2004				
Sales	**212,573**	**31,198**	**--**	**243,771**
Operating earnings before depreciation and amortization, financial expenses (income), impairment loss on goodwill and income taxes	**43,452**	**1,898**	**(15,558)**	**29,792**
Depreciation and amortization	**3,269**	**480**	**787**	**4,536**
Operating earnings before financial expenses (income), impairment loss on goodwill and income taxes	**40,183**	**1,418**	**(16,345)**	**25,256**
Impairment loss on goodwill	**--**	**1,000**	**--**	**1,000**
Total assets	**144,509**	**33,577**	**9,119**	**187,205**
Acquisitions of fixed assets	**2,488**	**629**	**819**	**3,936**
As at and for the nine-month period ended September 26, 2003				
Sales	193,949	31,562	--	225,511
Restructuring expenses	1,341	2,006	214	3,561
Operating earnings before depreciation and amortization, financial expenses (income) and income taxes	35,644	(544)	(13,406) (2)	21,694 (2)
Depreciation and amortization	2,896	644	621	4,161
Operating earnings before financial expenses (income) and income taxes	32,748	(1,188)	(14,027) (2)	17,533 (2)
Total assets	154,127	41,131	18,251	213,509
Acquisitions of fixed assets	1,099	372	869	2,340

Geographical Information

	Three-month periods		Nine-month periods	
	2004	2003	**2004**	2003
	$	$	**$**	$
Sales				
Canada	**81,372**	76,337	**233,400**	212,830
Other countries	**3,354**	3,726	**10,371**	12,681
	84,726	80,063	**243,771**	225,511

(tabular amounts are in thousands of dollars, except per-share data) (unaudited)

11. SEGMENTED INFORMATION (continued)

Geographical Information (continued)

	As at September 24, 2004			As at September 26, 2003		
	Total assets	**Fixed assets**	**Goodwill**	Total assets	Fixed assets	Goodwill
	$	**$**	**$**	$	$	$
Canada	**173,324**	**31,832**	**27,749**	195,161	35,032	27,099
United States	**8,329**	**676**	**5,943**	10,292	599	5,943
France	**4,511**	**61**	**2,271**	6,287	23	3,255
Other countries	**1,041**	**131**	**28**	1,769	151	28
	187,205	**32,700**	**35,991**	213,509	35,805	36,325

(2) Restated as described in Note 2.

12. WEATHER AND SEASONALITY

Exterior paint products are subject to specific application requirements related to weather conditions. The sales volume of such products, which account for approximately 20% of the paint sales of the Company's architectural sector, is dependent upon weather conditions and may be materially adversely affected by unfavorable weather conditions persisting for several days or weeks.

Furthermore, the sale of exterior products is seasonal in nature. Sales of such products in the second and third quarters are historically significantly higher than sales in the first and fourth quarters and, consequently, net earnings are significantly higher in those quarters. Variable costs may be managed according to the seasonal pattern. However, a significant portion of the Company's costs may not be adjusted for seasonality.

13. LONG-TERM DEBT

Following a revision of the interpretation of the clauses of repayment of the long-term debt, the current portion of long-term debt as at September 26, 2003 and December 26, 2003 was modified respectively from $9,500,000 to $8,653,000 and from $11,875,000 to $4,750,000 and the long-term debt was increased respectively from $41,432,000 to $42,279,000 and from $23,993,000 to $31,118,000.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the presentation adopted in 2004.