CANAM GROUP

Better Building Solutions

1 QUARTERLY REPORT

MARCH 26, 2005

www.canamgroup.ws

Better building solutions... a solid business.

Message to Shareholders and Employees

Canam Group's 2005 first-quarter results were significantly higher compared with last year. Net earnings of $3 million or $0.09 a share compared with the loss of $7.4 million or $0.22 a share incurred during the same period last year. Consolidated sales rose 11 per cent to $141 million, from $127.2 million a year ago.

Gross earnings jumped 106 per cent to reach $32.2 million. The gross margin was up 22.8 per cent in 2005, compared with 12.3 per cent for the same period last year. The Group's EBITDA went from $1.7 million to $14.8 million.

We are pleased with these results, all the more so because the first quarter is traditionally the weakest quarter of the financial year, given the seasonal nature of activities in the construction industry.

Our sales strategies focused on value-added products are starting to show results, and several business units have generated higher profit margins.

We believe that the extensive refinancing of the company, which wrapped up on March 30, 2005 with the renewal of a $180,000,000 credit facility in Canada and a US$50,000,000 credit facility in the United States as well as the injection of $43,7 million in additional capital, will give Canam Group greater financial leverage to pursue its development in the design of construction products and solutions.

Canam Group has reduced its debt by nearly $150 million since January 1, 2003, and the debt to shareholders' equity ratio post-financing stands at 0.8:1, compared with 1.1:1 on December 31, 2004.

The outlook for the rest of this year is positive. The order backlog for our business units dedicated to construction products totals $161.9 million, almost reaching the year-earlier level but with anticipated higher profit margins.

We take this opportunity to announce the election of Normand Morin and the reelection of the other members to the board at the Annual General Meeting and Special Meeting of Shareholders.

The Board of Directors decided that no dividend would be paid for the current quarter.

Marcel Dutil c.m.
Chairman of the Board and C.E.O.

Marc Dutil
President and Chief Operating Officer

Ville de Saint-Georges, Beauce

April 27, 2005

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

The following analysis should be read in conjunction with the Company's consolidated financial statements and the accompanying notes for the quarters ended March 26, 2005 and March 27, 2004 and for the year ended December 31, 2004. Reference should also be made to the annual management's discussion and analysis of financial position and results of operations in the Company's 2004 annual report, including the section describing risks and uncertainties. This analysis is based on the Company's accounting policies that are in conformity with Canadian generally accounting principles (GAAP).

The Company's fiscal year-end is December 31. The interim financial results published on a quarterly basis reflect the results to the last Saturday of the reporting period, in keeping with the reality of the manufacturing industry.

The Company applies information disclosure rules and takes the necessary action to comply with new standards once they come into force.

The Company applies accounting principles which are in accordance with Canadian generally accounting principles. The preparation of consolidated financial statements requires the Company's financial management to make estimates and judgments that affect the amount recorded for assets, liabilities, shareholders'equity, sales and expenses, and disclosures of contingent assets and liabilities. These assumptions are revised on a regular basis by the Company based on historical results and reasonable assumptions.

The Company's management is responsible for maintaining appropriate control systems and procedures and information systems, thereby ensuring that its disclosed information is reliable and complete.

All amounts are expressed in Canadian dollars unless otherwise indicated. The following table indicates the exchange rates used, i.e. the period-end exchange rate for the balance sheets and the average exchange rate of the reporting quarter for the statement of earnings.

Exchange rates used

		March 26 2005	Dec. 31 2004	March 27 2004
Balance Sheets	CAN$/US$	1.2273	1.2252	1.3184
	CAN$/euros	1.6099	1.5769	1.6495
Statement of Earning	CAN$/US$	1.2153	1.2036	1.3200
	CAN$/euros	1.5745	1.6292	1.5961

Financial management invites readers to refer to the notes to the quarterly financial statements presented in this report.

DISCONTINUED OPERATIONS

The financial statements contain items related to discontinued operations, including the assets of Manac division's semitrailer sector which were sold during the second quarter of 2004, of Tanguay Industries division's forestry equipment sector which were sold during the fourth quarter of 2004, and operations that were discontinued in France in 2002. Accounting standards require the Company to present all these items in its financial statements, taking into account the transactions made.

All of the comparative figures have therefore been restated, except for the balance sheet as at December 31, 2004.

During the first quarter of 2005, the only changes concerning Manac pertain to the depreciation, using the straight-line method, of the semitrailers leased to clients and of the related liabilities, for a net impact of $70,000 on earnings. In addition, the Company sold to Manac inc. equipment with a carrying value of $1,101,000. Finally, Class D shares of Manac inc. amounting to $155,000 were redeemed during the first quarter in consideration of a reduction in the estimated liability under warranties on semitrailers.

The changes concerning Tanguay Industries relate to the latter's operations for a net positive impact of $21,000 on the earnings of the first quarter of 2005.

The balance sheet items pertaining to the discontinued operations in France did not change, except for the exchange rate fluctuations in the first quarter, for a negative impact of $262,000 on earnings. The Company's management is still negotiating with the parties concerned to cash the assets.

RESULTS OF OPERATIONS

The first quarter of 2005 goes on with the turnaround and improvement in the Company's financial position and in results announced in the last two quarters of fiscal 2004. The Company's results of operations generated net earnings of $3.0 million compared with a net loss of $7.4 million for the corresponding quarter of 2004.

The Company's consolidated sales for the first quarter of 2005 increased to $141.0 million or 11.0% over the $127.2 million for the corresponding quarter of 2004, despite a 14.5% decrease in tonnage delivered from 68,178 tons to 58,304 tons for the first comparative quarters of 2004 and 2005. This comparative increase in sales is due to the increase in selling prices, which largely offset the decrease in tonnage delivered.

The gross margin reached 22.8% in the first quarter of 2005 compared with 12.3% for the corresponding quarter last year. Gross earnings increased by 105.8% from $15.6 million to $32.2 million between the two aforementioned quarters. The 2.4% decrease in the cost of sales is due to the decrease in tonnage delivered despite an increase in the average cost of raw materials, which rose from an average of $641 per ton in the first quarter of 2004 to $928 per ton for the first quarter of 2005.

Selling and administrative expenses were higher than those recorded for the same quarter of 2004, being 12.5% of sales for the first quarter of 2005 compared with 11.5% of sales for the corresponding quarter in 2004. This rise results from an increase in the sales force in most segments of the Company.

The exchange rate fluctuations of the Canadian dollar versus the US dollar had little impact on the Group's financial statements. For the first quarter of 2005, the net impact on earnings was a $0.6 million gain before income taxes, compared to a $0.5 million gain for the corresponding quarter of 2004.

In this management report, the Company's financial management uses a measure that is not in accordance with generally accepted accounting principles (GAAP). Earnings before interest, tax, depreciation and amortization ("pro forma EBITDA") is a non-GAAP measure that is not a formal part of the financial statements. However, management mentions that in the statements of earnings, pro forma EBITDA corresponds to the amounts appearing on the line above the item "Depreciation of property, plant and equipment". The definition of EBITDA does not take into account the loss on disposal of property, plant and equipment, the loss on disposal of investments and the expenses related to the closing of plants. The reader is then able to establish the link between pro forma EBITDA and net earnings. The definition of EBITDA used by the Company may differ from that used by other companies.

Even though pro forma EBITDA is a non-GAAP measure, it is used by management, analysts, investors and other financial stakeholders to assess the Company's performance and management as regards the financial and operating aspects.

Third quarters results revealed that the pro forma EBITDA was $14.8 million and accounted for 10.5 % of sales compared with a pro forma EBITDA of $1.7 million for the same quarter of 2004.

The depreciation expense of property, plant and equipment dropped by more than $0.6 million, reflecting the decrease in capital investments in recent years.

Expenses related to the closing of plants concern expenses incurred for maintaining and guarding the plants currently held for sale, that is, the plants located in Lafayette and Columbus in the United States. These fixed assets are still subject to a sale.

Reconciliation of Pro forma EBITDA and Net Earnings

	Periods ended	
(in thousands of dollars) (unaudited)	**March 26 2005**	March 27 2004
Net earnings (net loss)	**3,006**	(7,402)
Net gain (net loss) from discontinued operations	**171**	1,276
Net gain (net loss) from from continuing operations	**3,177**	(6,126)
PLUS:		
Share of earnings of companies subject to significant influence	**(152)**	(23)
Income tax expense (recovery)	**2,045**	(2,929)
Expenses related to plant closings	**4**	- -
Loss on disposal of investments	**- -**	9
Loss (gain) on disposal of property, plant and equipment	**78**	(20)
Financial expenses	**5,282**	5,739
Total depreciation and amortization	**4,365**	5,006
	11,622	7,782
Pro forma EBITDA	**14,799**	1,656

BALANCE SHEETS

Cash of $6.3 million ($6.8 million as at December 31, 2004) reflects, among other things, the Company's deposit of US$ 4.0 million with the Bank of America as a guarantee to Canam Steel Corporation's insurers for the workers' compensation policies. The Company's management posted this amount to cash since it considers that these amounts are available for compensation payments in the normal course of operations.

Accounts receivable totaled $117.2 million, being a 13.4% decrease compared to December 31, 2004. These receivables represent 83.1% of first-quarter sales, compared with 104.6% for the first quarter of 2004. This decrease in receivables is due to the fact that the first quarter is usually a quarter where sales are lower than the other quarters of the year and to the continued and rigorous application of the Company's credit policy. Furthermore, the number of corporate customers is larger in 2005 than for the corresponding period in 2004.

The value of inventories was up 6.9% since the beginning of the year due to the beginning of the production rise period. The price of raw materials increased by 5.1% compared to the first quarter of 2004; this increase is attributable to the recovery observed during the last three quarters. The Company implements sound inventory management and maintains good business relationships with its principal suppliers.

The items related to current and long-term assets and liabilities of discontinued operations have changed since December 31, 2004 on the basis of the following events:

> Current assets increased by $ 2.9 million, this increase being mainly attributable to Tanguay Industries' operations and to the sale of equipment to Manac Inc.
>
> Long-term assets of discontinued operations declined by $2.3 million and consist of the regular depreciation equivalent of the item "Semitrailers leased to clients" amounting to $1.0 million and of the sale of equipment to Manac inc. for an amount of $1.1 million.
>
> Current liabilities of these operations stood at $11.8 million, representing a decrease of $1.3 million compared to December 31, 2004. This drop is attributable to the decrease in current deferred revenues on semitrailers leased to clients, the decrease in the provision for the closing of the Orangeville plant and the decrease in the estimated liability for warranties.
>
> In addition, long-term liabilities declined by $0.5 million primarily due to the decrease in long-term deferred revenues on semitrailers leased to clients.

Property, plant and equipment held for sale and worth $10.0 million represent the carrying value of land, buildings and equipment of the plants in Columbus, Ohio and Lafayette, Indiana. These components are included in that item since their initial business operations are still served by other plants of the Company. These assets are for sale and the management considers that their carrying values represent the lower of cost and net realizable value.

On the liabilities side, bank loans of $15.1 million represent the use of the credit lines granted by the Bank of America to Canam Steel Corporation and Canam De Juarez de C.V., as well as the Company's share in the credit line granted to the joint venture Canam Asia Limited.

Accounts payable and accrued liabilities decreased by 14.4% compared to December 31, 2004. This decrease is explained by the fact that the first quarter is historically characterized by a business activity slowdown compared with the operations of the prior year last two quarters.

The working capital has increased by $10.0 million since December 31, 2004, while total debt has remained practically unchanged.

SHAREHOLDERS'EQUITY

Shareholders'equity rose by $4.2 million in the first quarter due to the $3.0 million in net earnings recorded over this period. The exchange rate fluctuations had the effect of increasing positively the cumulative translation adjustments by $1.2 million, thus increasing shareholders'equity by the same amount.

CASH POSITION

The Company's improved cash position is also reflected in the cash flows. During the last three months, positive cash flows from operating activities amounted to $5.1 million, while cash flows from operations were a negative $7.6 million for the same period in 2004.

Cash flows from financing activities were negative and amounted to $1.2 million during the first quarter.

Cash flows from investing activities were negative and stood at $2.0 million. Investments in property, plant and equipment and intangible assets were kept to a minimum and amounted to $0.9 million for the first quarter of 2005.

CONTRACTUAL COMMITMENTS

There were no significant changes in contractual commitments during the first quarter of 2005 and that were not in the normal course of business, except for the $4.0 million decrease in commitments under capital leases toward a company under common control. This decrease is explained by the fact that the Company no longer acts as a guarantor for this type of agreement since the sale of the Manac division in the second quarter of 2004, and that the balance of guarantees incurred before this sale decreases gradually from quarter to quarter.

SIGNIFICANT ACCOUNTING ESTIMATES

Significant accounting estimates consist of the same items as at December 31, 2004, namely property, plant and equipment held for sale and components of discontinued operations, and these estimates have not been changed during the first quarter of 2005.

ACCOUNTING POLICIES

The accounting policies are in accordance with those used in the preparation of the audited financial statements as at December 31, 2004, except for the following.

Consolidation of Variable Interest Entities

On January 1, 2005, the Company adopted Accounting Guideline 15 ("AcG-15") relating to the consolidation of variable interest entities. This Accounting Guideline deals with the application of consolidation principles to entities that are subject to control on a basis other than exercise of voting rights. The Company has investments in three variable interest entities for which it is not the main beneficiary. Consequently, this accounting guideline had no impact on the Company's financial statements.

New Accounting Policies

In January 2005, the CICA issued four new accounting standards in relation with financial instruments: Section 3855 "Financial Instruments - Recognition and Measurement", Section 3865 "Hedges", Section 1530 "Comprehensive Income" and Section 3251 "Equity".

Section 3855 expands on Section 3860 "Financial Instruments - Disclosure and Presentation", by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline AcG-13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Section 1530 "Comprehensive Income" introduces a new requirement to temporarily present certain gains and losses outside net income. Consequently, Section 3250 "Surplus" has been revised as Section 3251 "Equity".

Sections 3855, 3865 and 1530 apply to fiscal years beginning on or after October 1, 2006.

The impact of these standards has not been determined by the Company's financial management.

OUTLOOK

At the end of the first quarter of 2005, the backlog of orders was $161,872,000, compared with $163,684,000 as at March 27, 2004.

RISK AND UNCERTAINTIES

The Company is confident with respect to its medium and long-term outlooks. However, it is also mindful of the risks and uncertainties described in the 2004 annual report. These could affect the Company's ability to achieve its strategic vision and growth objectives. The reader should take these risks and uncertainties into account.

The Company's management maintains good business relationships with its creditors. Management believes that the Company is capable of ensuring the harmonious financing and refinancing of its credit facilities.

INTEGRITY OF FINANCIAL REPORTING

The Company's management assumes responsibility for maintaining appropriate information systems and control systems and procedures, thereby ensuring that disclosures provided by the Company are reliable and complete. In anticipation of any new standards, the Company has created an internal disclosure committee which, together with members of the audit committee, will seek outside guidance in order to properly prepare for compliance with the new standards.

ASSETS IN THE UNITED STATES AND CANADA HELD FOR SALE

No changes occurred during the first quarter regarding the assets in the United States and Canada held for sale. The Company remains confident that the carrying value of these assets will be realised during 2005.

ASSETS IN MEXICO AND TANGUAY INDUSTRIES

Transactions announced in fiscal 2004 and described in the annual report as at December 31, 2004 in the section entitled "Management's Discussion and Analysis" should be completed during 2005.

SUBSEQUENT EVENTS - FINANCING

On March 30, 2005, the Company not only concluded all the financing proposals that had been agreed upon but also finalized the issuance of new Class "A" shares. Therefore, the Company's capitalization has been completely reorganized.

Issuance of New Shares

The Company successfully completed the issuance of 7,000,000 new Class "A" subordinate voting shares at a price of $5.75 per share. On March 30, 2005, the Company thus raised a sum of $38,036,000, net of issue expenses of $2,214,000, which will be accounted for in its shareholders'equity. The syndicate of underwriters led by BMO Nesbitt Burns was holding an option for the purchase of an additional 1,050,000 Class "A" subordinate shares; they exercised this option as at April 12, 2005 for an amount of $5,705,000, net of issue expenses of $332,000.

Issuance of New Loans

In Canada, a new four-year term credit has been established. The overall credit of $180,000,000 includes a revolving and a non-revolving portions of $90,000,000 each, guaranteed by a hypothec on movable and immovable property of the Company located in Canada. This credit contains usual clauses with certain compliance requirements that are measured on a quarterly basis. Certain restrictions are imposed to the Company, notably as regards the declaration of dividends, new property, plant and equipment and new investments.

This new credit has been granted by the Caisse de dépôt et placement, Financière Banque Nationale, the Bank of Montreal, CIT Financial Ltd. and Caisse Centrale Desjardins.

In the United States, the new agreement with GMAC Commercial Finance LLC is valid for a term of four years. It includes a revolving credit of US$40,000,000 based on the accounts receivable and inventories of the subsidiary, Canam Steel Corporation, and a term credit of US$10,000,000 guaranteed by a hypothec on certain property, plant and equipment located in the United States. This credit contains usual clauses with certain compliance requirements that are measured on a quarterly basis. Certain restrictions are also imposed to the Company's U.S. subsidiary.

These new credits allowed the Company to repay its bank credit facilities in Canada and in the United States, which totaled $48.0 million and $14.8 million, respectively, as well as the $90,0 million credit granted by the Caisse de dépôt et placement in 2002, and the notes issued in 1997 for an amount of US$46.3 million.

In addition, the Company repaid the balance of loan guarantees of the companies under common control to the Bank of America, which totaled US$10,050,000. The Company obtained a guarantee from another company under common control for the assumption of these loans.

A Board of Directors' committee, composed of independent members, is responsible for monitoring the Company's investments in the companies under common control. The Company is confident that these investments will be realized at the values recorded on the balance sheet.

Pro forma Balance Sheet

These subsequent events will have the following impact on the Company's balance sheet once they have been applied.

> The bank loan will comprise the amount used from the bank revolving credit in the United States.
>
> The current portion of long-term debt will include regular repayments of the non-revolving portions of bank credits in Canada and in the United States, being $12 million and US$1.44 million, respectively.
>
> The long-term debt will include the amount used from the revolving credits in Canada and non-revolving credits in Canada and in the United States, expiring beyond a twelve-month period.

Financial ratios

The issuance of new shares and the Company's overall refinancing improve significantly the Company's following financial ratios, based on the amounts appearing on the balance sheet as at March 26, 2005:

Debts (excluding convertible debentures)/Pro forma EBITDA (last four quarters)

Before issue and refinancings:	3.11
After issue and refinancings:	2.66

Debts (excluding convertible debentures)/capitalization

Before issue and refinancings:	49%
After issue and refinancings:	41%

MISCELLANEOUS

As at March 26, 2005, there were 34,163,820 Class "A" subordinate shares and 1,740,280 stock options outstanding.

The convertible debentures issued in 2003 for an amount of $27 million are convertible at the holder's option into Class "A" subordinate shares at any time prior to maturity, at a conversion price of $6.25 per share for a maximum of 4,320,000 shares. The Company holds an option to redeem debentures and pay the interest by issuing Class "A" subordinate shares.

The Company's Class "A" subordinate shares are identified under stock symbol CAM.SV.A.

The financial analysis along with additional information, including the Annual Information Form, are available on the SEDAR Web site (www.sedar.com) as well on the Company's Web site (www.groupecanam.ws). The improvement of the Company's financial results combined with its balance sheet recapitalization represent the solutions to better construct the Company's future.

Marcel Dutil
Chairman of the Board and Chief Executive Officer

Daniel Paillé
Vice-President and Chief Financial Officer

April 27, 2005

Quarterly Results

(in thousands of dollars, except per share amounts)(unaudited)

2005 Quarter ended[1]	**March 26**				**Total**
Sales	**$141,008**				**$141,008**
Net earnings from continuing operations	**3,177**				**3,177**
Net earnings	**3,006**				**3,006**
Basic and diluted net earnings per share from continuing operations	**0.09**				**0.09**
Basic and diluted net earnings per share	**0.09**				**0.09**
Total assets	**589,246**				
Long-term debt and bank loans	**217,547**				

2004 Quarters ended[1]	March 27	June 26	Sept. 25	Dec. 31	Total
Sales	$127,202	$158,277	$196,561	$201,542	$683,582
Net earnings (net loss) from continuing operations	(6,126)	(19,339)	5,481	9,519	(10,465)
Net earnings (net loss)	(7,402)	(10,143)	4,565	7,079	(5,901)
Basic and diluted net earnings (net loss) per share from continuing operations	(0.18)	(0.57)	0.16	0.28	(0.31)
Basic and diluted net earnings (net loss) per share	(0.22)	(0.29)	0.13	0.21	(0.17)
Total assets	707,421	631,183	643,719	602,990	
Long-term debt and bank loans	285,114	249,227	248,061	217,586	

2003 Quarters ended	March 29	June 21	Sept. 27	Dec. 31	Total
Sales	$121,930	$126,560	$164,759	$173,852	$587,101
Net loss from continuing operations	(7,681)	(3,983)	(7,223)	(18,501)	(37,338)
Net loss	(7,661)	(4,852)	(7,755)	(20,147)	(40,415)
Basic and diluted net loss per share from continuing opeations	(0.22)	(0.12)	(0.21)	(0.55)	(1.10)
Basic and diluted net loss per share	(0.22)	(0.15)	(0.22)	(0.59)	(1.18)
Total assets	770,488	772,048	744,153	687,518	
Long-term debt and bank loans	320,575	284,209	287,202	276,654	
Cash dividend declared:					
Per Class "A" subordinate share	0.02	- -	- -	- -	0.02
Per Class "C" share	0.005	- -	- -	- -	0.005

2002 Quarters ended	March 30	June 22	Sept. 28	Dec. 31	Total
Sales	$164,730	$169,911	$188,877	$148,467	$671,985
Net earnings (net loss) from continuing operations	2,394	1,228	(2,299)	(811)	512
Net loss	(1,595)	(10,617)	(2,263)	(100)	(14,575)
Basic and diluted net earnings (net loss) per share from continuing operations	0.07	0.04	(0.07)	(0.03)	0.01
Basic and diluted net loss per share	(0.05)	(0.31)	(0.07)	- -	(0.43)
Total assets	733,831	747,392	774,838	798,177	
Long-term debt and bank loans	274,733	282,502	312,269	335,800	
Cash dividend declared:					
Per Class "A" subordinate share	0.04	0.04	0.04	0.04	0.16
Per Class "C" share	0.005	0.005	0.005	0.005	0.02

[1] No cash dividend declared in 2004 and for the first quarter of 2005.

Consolidated Statements of Earnings

Periods ended March 26, 2005 and March 27, 2004 (in thousands of dollars, except per share amounts) (unaudited)	Three months 2005	 2004 (restated)
Sales	$ 141,008	$ 127,202
Cost of sales	108,853	111,576
Gross profit	32,155	15,626
Selling and administrative expenses	17,601	14,672
Exchange gain	(578)	(468)
Continuous improvement program	833	266
Dividend income from a common control company	(500)	(500)
	14,799	1,656
Depreciation of property, plant and equipment	4,197	4,841
Amortization of intangible assets	168	165
Financial expenses (note 5)	5,282	5,739
Loss (gain) on disposal of property, plant and equipment	78	(20)
Loss on disposal of investments	- -	9
Expenses related to the closing of plants	4	- -
Earnings (loss) before income tax expense (recovery) and undermentioned items	5,070	(9,078)
Income tax expense (recovery)		
Current	(167)	(1,142)
Future	2,212	(1,787)
	2,045	(2,929)
Earnings (loss) before undermentioned items	3,025	(6,149)
Share in significantly-infuenced companies' earnings	152	23
Net earnings (net loss) from continuing operations	3,177	(6,126)
Net loss from discontinued operations (note 6)	(171)	(1,276)
Net earnings (net loss)	$ 3,006	$ (7,402)
Net earnings (net loss) per share		
Basic and diluted:		
From continuing operations	$ 0.09	$ (0.18)
From discontinued operation	- -	(0.04)
Total	$ 0.09	$ (0.22)
Weighted average number of shares		
Basic	34,164	34,136
Diluted	34,326	34,176
Number of Class "A" subordinate shares outstanding	34,164	34,136
Number of Class "C" shares	5,150	5,150

Consolidated Statements of Retained Earnings

Periods ended March 26, 2005 and March 27, 2004 (in thousands of dollars) (unaudited)	Three months 2005	 2004 (restated)
Opening balance (as reported)	$ 90,957	$ 96,628
Restated for a change in accounting policies	- -	230
Balance, as restated	90,957	96,858
Net earnings (net loss)	3,006	(7,402)
Closing balance	$ 93,963	$ 89,456

Consolidated Balance Sheets

(in thousands of dollars)	As at March 26 2005 (unaudited)	As at December 31 2004 (audited)
Assets		
Current assets		
Cash	$ 6,291	$ 6,837
Accounts receivable	117,224	135,400
Inventories	113,453	106,088
Future income tax assets	3,702	3,485
Prepaid expenses and other assets	11,451	11,776
Current assets of discontinued operations (note 6)	15,333	12,447
Total current assets	267,454	276,033
Investments	77,694	77,511
Property, plant and equipment	174,526	176,547
Property, plant and equipment held for sale	9,969	9,873
Long-term assets of discontinued operations (note 6)	37,680	40,018
Future income tax assets	8,386	10,598
Intangible assets	1,408	1,433
Other assets (note 2)	12,129	10,977
	$ 589,246	$ 602,990
Liabilities		
Current liabilities		
Bank loans	$ 15,053	$ 15,771
Accounts payable and accrued liabilities	96,337	112,512
Income taxes payable	89	828
Future income tax liabilities	62	- -
Current liabilities of discontinued operations (note 6)	11,813	13,057
Portion of long-term debt due within one year	68,271	68,018
Total current liabilities	191,625	210,186
Long-term debt	134,223	133,797
Convertible debentures (note 3)	25,081	24,925
Deferred credits	6,354	5,924
Future income taxe liabilities	11,624	11,543
Long-term liabilities of discontinued operations (note 6)	18,874	19,384
Class “C” shares (note 4)	2,105	2,105
	389,886	407,864
Shareholders’ Equity		
Share capital (note 4)	114,956	114,956
Debenture conversion options (note 3)	3,112	3,112
Retained earnings	93,963	90,957
Contributed surplus	1,542	1,503
Cumulative translation adjustments	(14,213)	(15,402)
	199,360	195,126
	$ 589,246	$ 602,990

Contingencies and commitments (note 8)
Subsequent events (note 9)

Consolidated Statements of Cash Flows

Periods ended March 26, 2005 and March 27, 2004 (in thousands of dollars) (unaudited)	Three months 2005	Three months 2004 (restated)
Cash flows from the following activities:		
Operating		
Net earnings (net loss) from continuing operations	$ 3,177	$ (6,126)
Items not affecting cash		
Depreciation of property, plant and equipment	4,197	4,841
Amortization of intangible assets	168	165
Amortization of financial expenses	194	411
Amortization of convertible debenture issue expenses	56	56
Future income tax recovery	2,212	(1,787)
Loss (gain) on disposal of property, plant and equipment	78	(20)
Loss on disposal of investments	- -	9
Deficiency in pension contributions over pension expense	285	220
Compensation cost related to stock options	39	60
Increase in the fair value of the convertible debentures	156	156
Share in significantly-influenced companies' earnings	(152)	(23)
	10,410	(2,038)
Net change in non-cash operating working capital items		
Decrease (increase) in accounts receivable	18,903	(1,204)
Increase in inventories	(7,062)	(9,399)
Increase in income taxes recoverable	- -	(3,426)
Decrease (increase) in prepaid expenses and other assets	355	(549)
Increase (decrease) in accounts payable and accrued liabilities	(17,058)	8,462
Increase in interest payable	311	655
Decrease in income taxes payable	(785)	(118)
	(5,336)	(5,579)
Cash flows from continuing operating activities	5,074	(7,617)
Financing		
Increase in long-term debt and bank loans	244	6,328
Repayment of long-term debt and bank loans	(1,325)	(251)
Issue expenses related to long-term debt	(228)	(57)
Other	158	(122)
Cash flows from continuing financing activities	(1,151)	5,898
Investing		
Proceeds from disposal of property, plant and equipment	7	1,266
Additions to property, plant and equipment	(775)	(721)
Additions to intangible assets	(124)	(110)
Change in long-term receivables	(1,186)	(373)
Other assets	31	14
Cash flows from continuing investing activities	(2,047)	76
Effect of foreign exchange rate changes on cash	51	37
Net change in cash from continuing operations	1,927	(1,606)
Net cash flows from discontinued operations (note 6)	(2,473)	1,734
Cash, beginning of period	6,837	1,787
Cash, end of period	$ 6,291	$ 1,915
Supplementary information		
Interest paid	$ 4,816	$ 4,434
Income taxes paid	$ 701	$ 177

(in thousands of dollars, except per share amounts)

1. SIGNIFICANT ACCOUNTING POLICIES AND CHANGE IN CORPORATE NAME

The interim unaudited consolidated financial statements of the Company, as at March 26, 2005, have been prepared in accordance with Canadian generally accepted accounting principles and must be examined considering the most recent annual financial statements.

These principles are according to those used in the audited 2004 annual financial statements except for the following:

On January 1, 2005, the Company adopted Accounting Guideline 15 ("AcG-15") relating to the consolidation of variable interest entities. This Accounting Guideline deals with the application of consolidation principles to entities that are subject to control on a basis other than exercise of voting rights. The Company has investments in three variable interest entities for which it is not the main beneficiary. Consequently, this accounting guideline had no impact on the Company's financial statements.

Change In Corporate Name

As of January 1, 2005, the Company changed its name to Canam Group Inc. (formerly The Canam Manac Group Inc.).

2. OTHER ASSETS

	As at March 26 2005 (unaudited)	As at December 31 2004 (audited)
Long-term receivables[(1)]	**$ 9,772**	$ 8,582
Issue expenses related to long-term debt	**1,533**	1,499
Issue expenses related to convertible debentures	**684**	740
Others	**$ 140**	$ 156
	$ 12,129	$ 10,977

(1) The balance of long-term receivables includes receivables from third parties totaling $8,762 (US$7,212) as at March 26, 2005 ($7,443 as at December 31, 2004 [US$6,182]). These receivables are guaranteed by a company under common control.

3. CONVERTIBLE DEBENTURES

On April 23, 2003, the Company announced the closing of an offering of convertible unsecured subordinate debentures having an aggregate principal amount of $27,000, bearing interest at a rate of 9.25% per year and maturing on May 1, 2008. Interest is paid semi-annually in May and November of each year. Each debenture is convertible into Class "A" subordinate shares, at the option of the holder at any time prior to maturity at a conversion price of $6.25 per share. The Company can also redeem the debentures as of May 1, 2006, subject to the fulfillment of certain conditions. The Company has the option to reimburse the debentures and pay the interest by issuing Class "A" subordinate shares.

The conversion option at the holder's option has been measured with the Black-Scholes option pricing model based on the following data: expected volatility of 28%; risk-free interest rate of 4.44%; expected duration of 5 years; and no yearly dividends. The fair value of the conversion option is $3,112.

4. SHARE CAPITAL

Authorized

- Unlimited number of Class "A" subordinate shares, without par value participating, entitling the holder to one vote per share.
- Unlimited number of Class "C" shares, without par value, entitling their holders to five votes per share, redeemable at the option of the holder at a redemption price equal to the average paid-up capital per Class "C" share, bearing an annual, preferential, fixed, non-cumulative dividend of $0.02666 per share and conferring an anti-dilution right by providing a subscription right, as the case may be, to the issuance of an additional number of Class "C" shares should Class "A" subordinate shares be issued.
- Unlimited number of Class "D", "E" and "F" shares, without par value, issuable in one or more series and whose attributes are to be determined by the directors.

Issued and paid

Class "A" subordinate shares	Number	Amount
Outstanding as at December 31, 2003	34,135,820	$ 114,839
Issued Class "A" subordinate shares on options exercised	28,000	117
Outstanding as at December 31, 2004 and as at March 26, 2005	**34,163,820**	**$ 114,956**
Class "C" shares		
Outstanding as at December 31, 2004 and as at March 26, 2005	**5,150,000**	**$ 2,105**

In 1985, the Company introduced a stock option plan for key employees (the "Plan"). Under the terms of the Plan, the Company may grant options for a maximum of 3,500,000 Class "A" subordinate shares to its employees. The options granted may be exercised over a period not to exceed 10 years from the date they are granted. Each option can be exercised at a cash price equal to the market price of the shares at the time the options are granted. The rights vest at a rate of 20% per year for the options granted before November 6, 2002. After this date, rights vest at a rate of 20% per year, beginning two years following the grant date of the options. No options were granted in fiscal 2004 and during the three-month period ended March 26, 2005 as the Company changed its variable pay program and thus terminated the stock option plan.

5. FINANCIAL EXPENSES

Periods ended March 26, 2005 and March 27, 2004 (unaudited)	Three months 2005	2004
Interest on bank loans	**$ 585**	$ 56
Interest on long-term debt	**3,709**	4,465
Interest on convertible debentures	**582**	595
Amortization of financing expenses relating to long-term debt	**194**	411
Amortization of financing expenses relating to convertible debentures	**56**	56
Increase in the fair value of convertible debentures	**156**	156
	$ 5,282	$ 5,739

6. DISCONTINUED OPERATIONS

On April 15, 2002, the Board of Directors of the Company approved a plan to sell the operations of Canam S.A. which operates the structural steel plant in Niort, France. The first plant located in Jarny, France, ceased operations on April 19, 2002.

The net assets of the Manac division, which specializes in the fabrication of semitrailers, were sold on April 25, 2004. The transaction amount was $66,511, of which $58,542 should be paid in cash (an amount of $220 is receivable as at March 26, 2005), with the balance to be paid in non-voting and non-participating Class "C" ($5,000) and Class "D" ($2,969) preferred shares. As a result of the attributes of Class "C" shares, which are redeemable at the option of the holder without a redemption schedule, these shares have not been assigned a carrying value, in accordance with the recommendations of the CICA Handbook. Upon redemption of these shares, an equivalent carrying value will be assigned to these, and a gain will be recognized.

On April 7, 2004, as a result of the decision to concentrate the Company's operations in the construction sector, the Company announced the sale of the Tanguay Industries division. During the fourth quarter of fiscal 2004, management considered that all of the criteria mentioned in Section 3475 of the CICA Handbook for accounting for the division as a discontinued operation were met. The transaction amount of $6,323 will be paid in common shares and preferred shares redeemable in 100 monthly instalments beginning the 366th day following the transaction closing date. Due to the attributes of the preferred shares, a decrease in value of $1,157 has been recognized, in accordance with the recommendations of the CICA Handbook. Upon the monthly redemption of these shares, a proportionate gain will be recognized. In accordance with the recommendations of Section 3475 of the CICA Handbook with respect to discontinued operations, the sales, the cost of sales and expenses, the assets and liabilities, as well as the cash flows related to discontinued operations are presented separately. Due to the attributes of the preferred shares, a decrease in value of $1,157 has been recognized during the fourth quarter of 2004. Upon the monthly redemption of these shares, a proportionate gain will be recognized.

The results of the discontinued operations are as follows:

Period ended March 26, 2005 and March 27,2004 (unaudited)	**2005** Semi-trailers	**Forestry Equipment**	**France**	**Total**	2004 Semi-trailers	Forestry Equipment	France	Total
Sales	**$ 1,090**	**$ 910**	**$ - -**	**$ 2,000**	$ 48,541	$ 3,968	$ - -	$ 52,509
Net earnings (net loss) from discontinued operations	**$ 70**	**$ 21**	**$ (262)**	**$ (171)**	$ (725)	$ (375)	$ (176)	$ (1,276)

Assets and liabilities of discontinued operations are as follows:

	As at March 26 2005 (unaudited)				As at December 31 2004 (audited)			
	Semi-trailers	Forestry Equipment	France	Total	Semi-trailers	Forestry Equipment	France	Total
Assets								
Current assets								
Accounts receivables	$ 1,321	$ 6,307	$ 4,777	$ 12,405	$ 220	$ 3,838	$ 4,943	$ 9,001
Inventories	- -	1,910	- -	1,910	- -	2,417	- -	2,417
Income tax recoverable	- -	459	- -	459	- -	470	- -	470
Future tax assets	494	65	- -	559	494	65	- -	559
Total curent assets of discontinued operations	1,815	8,741	4,777	15,333	714	6,790	4,943	12,447
Semitrailers and forestry equipment leased to customers(1) (2)	20,604	264	- -	20,868	21,587	288	- -	21,875
Property, plant and equipment held for sale(3)	5,398	- -	- -	5,398	6,499	- -	- -	6,499
Investments(4)	1,390	5,166		6,556	1,545	5,166	- -	6,711
Future tax assets	2,208	495	- -	2,703	2,208	495	- -	2,703
Other assets	- -	- -	2,155	2,155	- -	- -	2,230	2,230
Total long-tern assets of discontinued operations	29,600	5,925	2,155	37,680	31,839	5,949	2,230	40,018
Total assets of discontinued operations	$ 31,415	$ 14,666	$ 6,932	$ 53,013	$ 32,553	$ 12,739	$ 7,173	$ 52,465
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	$ 889	$ 825	$ - -	$ 1,714	1,468	$ 1,193	$ - -	$ 2,661
Deferred revenue	4,005	102	- -	4,107	4,338	102	- -	4,440
Obligation relating to residual values	1,478	- -	- -	1,478	1,478	- -	- -	1,478
Income tax payable	4,514	- -	- -	4,514	4,478	- -	- -	4,478
Total curent liabilities of discontinued operations	10,886	927	- -	11,813	11,762	1,295	- -	13,057
Long-term liabilities								
Obligation relating to residual values	3,685	77	- -	3,762	3,685	77	- -	3,762
Deferred revenue	13,092	103	- -	13,195	13,844	127	- -	13,971
Future tax liabilities	1,302	- -	- -	1,302	1,302	- -	- -	1,302
Other liabilities	615	- -	- -	615	349	- -	- -	349
Total long-term liabilities of discontinued operations	18,694	180	- -	18,874	19,180	204	- -	19,384
Total liabilities of discontinued operations	$ 29,580	$ 1,107	$ - -	$ 30,687	30,942	$ 1,499	$ - -	$ 32,441

(1) The amount of $20,868 ($21,875 as at December 31, 2004) for semitrailers and forestry equipment leased to clients results from the application of EIC-84 and EIC-85 relating to guarantees provided to financial institutions regarding resale values or lease contracts. These assets and the related liabilities are amortized on a straight-line basis over the duration of the guarantees that expire at various dates through 2008.

(2) The liabilities related to semitrailers and forestry equipment leased to clients as at March 26, 2005 as follows:

Current portion of deferred revenue and obligation relating to current residual values	$ 5,585
Long-term portion of obligation relating to current residual values	3,762
Long-term portion of deferred revenue	13,195
Total	22,542

(3) The property, plant and equipment held for sale of $5,398 as at March 26, 2005 ($6,499 as at December 31, 2004) consists of the Manac division's assets located in Ontario. Management believes these assets will be sold during fiscal 2005 based on the resale market for these items.

(4) The investment of $1,390 represents the residual value of the Class "D" shares the Company holds in Manac Inc. The contra for this investment consists of the provision for warranties and financing guarantees that will be disbursed by Manac Inc. The initial total amount was $2,969 and it is expected that these provisions will be substantially reversed against these shares before the end of 2005.

Net cash flows from discontinued operations are as follows:

Periods ended March 26, 2005 and March 27, 2004 (unaudited)	**2005**	2004
Cash flows from discontinued operation:		
Operating activities	**$ (2,473)**	$ 3,106
Financing activities	**- -**	(817)
Investing activities	**- -**	(555)
Net change in cash from discontinued operations	**$ (2,473)**	$ 1,734

7. SEGMENT INFORMATION

Historically, the steel components sector generally has lower performance in the first six months of the year. The following statements do not include the discontinued operations.

Periods ended March 26, 2005 and March 27, 2004 (unaudited)		Three months		
		Construction products	**Head office**	**Total**
Sales	**2005**	**$ 140,740**	**$ 268**	**$ 141,008**
	2004 (restated)	$ 127,036	$ 166	$ 127,202
Segmented net earnings (net loss)	**2005**	**$ 5,231**	**$ (2,054)**	**$ 3,177**
	2004 (restated)	$ (3,361)	$ (2,765)	$ (6,126)

	Three months	
(unaudited)	**2005**	2004
Financial charges	**$ (3,156)**	$ (3,927)
Income taxes recovery	**1,502**	1,847
Other expenses	**(400)**	(685)
Net loss head office	**$ (2,054)**	$ (2,765)

Sales(1) (unaudited)	**2005**	2004
Canada	**$ 61,741**	$ 66,520
United States	**71,435**	56,824
Mexico	**6,135**	3,730
Europe and Asia	**1,697**	128
	$ 141,008	$ 127,202

(1) Sales are attributed to different countries according to their origin.

Assets	**As at March 26 2005 (unaudited)**	As at December 31 2004 (audited)
Reportable segments	**$ 439,734**	$ 461,486
Not attributed to segments	**96,499**	89,039
Attributed to discontinued operations	**53,013**	52,465
	$ 589,246	$ 602,990

8. CONTINGENCIES AND COMMITMENTS

- The Company is a defendant in a number of lawsuits, claims and imminent litigation. In the opinion of management, the resolution of these lawsuits and claims will not have a significant adverse effect on the financial position of the Company.

- The Company has guaranteed bank loans and letters of credit for an amount of up to $66,151 ($66,579 as at December 31, 2004).

The guaranteed loans are as follows:

	As at March 26 2005 (unaudited)	As at December 31 2004 (audited)
Companies under common control	**$ 14,752**	$ 15,110
Companies subject to significant influence and joint venture	**5,478**	5,646
Portfolio investment	**4,017**	4,017
Third parties	**41,904**	41,806
	$ 66,151	$ 66,579

- In the course of its normal business, the Company has guaranteed commitments for semitrailers and forestry equipment leased to clients for an amount of up to $21,362 ($25,496 as at December 31, 2004).

The guaranteed loans are as follows:

	As at March 26 2005 (unaudited)	As at December 31 2004 (audited)
Companies under common control	**$ 18,673**	$ 22,666
Third parties	**2,689**	2,830
	$ 21,362	$ 25,496

9. SUBSEQUENT EVENTS

New U.S. financing

On March 30, 2005 the Company has accepted a credit commitment from GMAC Commercial Finance LLC relating to the originating of an overall financing for the operations of its U.S. subsidiary. For an initial term of 4 years, this credit of US$50,000 includes a revolving loan of US$40,000 based on the subsidiary's accounts receivable and inventories and a non-revolving loan of US$10,000 guaranteed by a hypothec of certain property, plant and equipment of this subsidiary and by accounts receivable, inventories and intangible assets.

This U.S. credit allowed the Company to repay, on closing, its subsidiary's debt to the Bank of America which totaled US$12,199 ($14,825) as at March 26, 2005.

The Company also repaid, on closing, the balance of loan guarantees of the companies under common control to the Bank of America. As at March 26, 2005, these balances amounted to US$10,050 ($12,214).

New Canadian financing

On March 30, 2005, the Company agreed on a new financing proposal with Financière Banque Nationale as an agent. For a term of four years, the overall credit of $180,000 will include a revolving and a non-revolving portions of $90,000 each. This new credit replaces the existing revolving credits No. 1 and No. 2 and the non-revolving credit. The credit is guaranteed by a hypothec on movable and immovable property of the Company located in Canada.

New issuance of shares

On March 30, 2005, the Company issued 7,000,000 new Class A subordinate voting shares at a price of $5.75 per share. The proceeds from this issuance, representing an amount of $38,036, net of issue expenses of $2,214, has been used for the partial repayment of notes totaling US$46,286 ($55,709) as at March 26, 2005. The syndicate of underwriters led by BMO Nesbitt Burns was holding an option for the purchase of an additional 1,050,000 Class A subordinate shares; they exercised this option as at April 12, 2005 for an amount of $5,705, net of issue expenses of $332.

Better building solutions... a solid business.

SHAREHOLDERS INFORMATION

STOCK EXCHANGE LISTING

Class "A" surbordinate shares
TSX
Trading symbol: CAM.SV.A

Non-secured subordinate convertible
debentures at a rate of 9.25% expiring in 2008
TSX
Trading symbol: CAM.DB

CUSIP NUMBERS

Class "A" subordinate shares:	13710C 10 7 ISIN CA 13710C1077
Convertible debentures:	CA13710CAB3

EARNINGS RELEASE DATE

2nd quarter: August 3, 2005

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