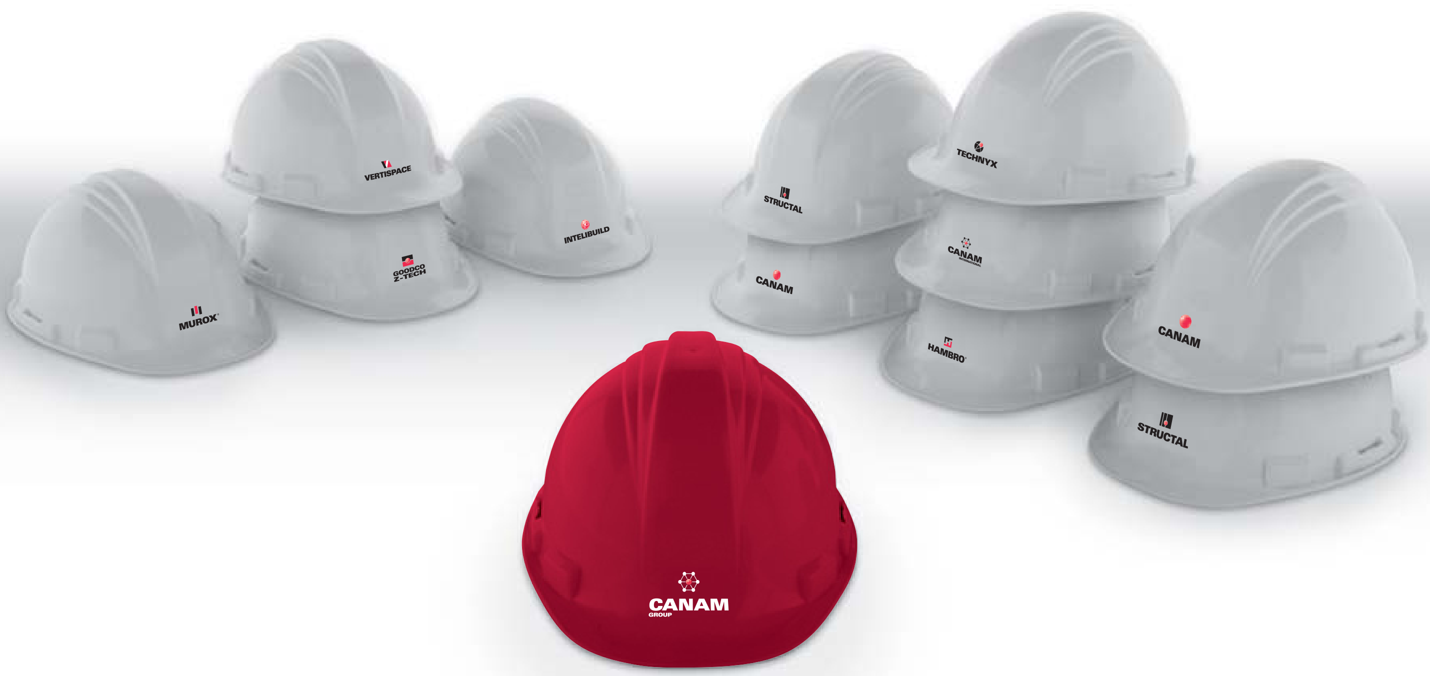
CANAM GROUP

Better Building Solutions

Quarterly Report September 25, 2010

3



www.canamgroup.ws

Message to Shareholders, Employees and Partners

Canam Group posted net earnings of $2.1M, or $0.05 per share, for the third quarter of 2010, compared with $4.4M, or $0.10 per share, for the same quarter in 2009. Consolidated sales for the quarter rose 46% to $211.9M versus $144.7M for the year-earlier quarter.

For the first nine-month period of 2010, the Company's net loss was $0.9M, or $0.02 per share, compared to $15M, or $0.33 per share, for the corresponding period in 2009. Consolidated sales for the first nine months of 2010 totaled $502.9M, up 5.6% from $476.2M last year.

The growth in third quarter sales resulted from a higher volume of structural steel construction projects and the acquisition of FabSouth earlier this year. The Company has a solid backlog of $513M despite a persisting slowdown in commercial and industrial construction, primarily in the United States, which exerts strong pressure on the Company's margins.

On October 21, Canam Group completed a $69-million public offering of convertible debentures bearing interest at 6.25% and maturing on October 31, 2015. The Company also signed letters of commitment with lenders for a new revolving credit facility and non-revolving loan totaling $118M.

As at September 25, 2010, the Company's backlog of orders stood at $513M, up from $392M as at September 26, 2009.

The board of directors approved the payment of a quarterly dividend of $0.04 per share on December 31, 2010 to shareholders of record on December 17, 2010.

Marcel Dutil, C.M.
Chairman of the Board and Chief Executive Officer

Marc Dutil
President and Chief Operating Officer

Saint-Georges, Beauce

October 26, 2010

Scope of Financial Management's Analysis

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the Company's consolidated financial statements and the accompanying notes for the quarters ended September 25, 2010, June 26, 2010, March 27, 2010 and September 26, 2009, as well as the audited consolidated financial statements for the fiscal year ended December 31, 2009. Reference should also be made to the annual MD&A of financial position and results of operations included in the Company's 2009 annual report, including the sections describing significant accounting estimates, risks and uncertainties, and financial instruments. This MD&A is based on the Company's accounting policies that are in compliance with Canadian generally accepted accounting principles (GAAP).

The preparation of consolidated financial statements requires the Company's financial management to make estimates and judgments that affect the amounts recorded as assets, liabilities, shareholders' equity, sales and expenses, as well as disclosures on contingencies. These assumptions are revised on a regular basis by the Company based on historical results and new events. Refer to the section on significant accounting estimates in the Company's 2009 annual report.

The Company's financial management invites readers to refer to the notes to the consolidated financial statements presented in this report and those presented in the 2009 annual report.

No material changes were made to internal control over financial information during the three-month period ended September 25, 2010, that could have had a significant impact or that could have been reasonably believed to have a significant impact on internal control over financial reporting.

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 realities of the manufacturing industry.

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

Significant Events

Acquisition of FabSouth LLC and FS Real Estate Holdings, LLC (collectively referred to as FabSouth) on February 23, 2010

On February 23, 2010, the Company signed a final agreement to acquire an 85% interest in FabSouth LLC and an 83.33% interest in FS Real Estate Holdings, LLC. This acquisition is being completed in two steps. In the initial phase, a 65% interest and a 63.33% interest will be acquired in FabSouth LLC and FS Real Estate Holdings, LLC, respectively for an amount of US$64.9M with a working capital value of US$30M. In the second step, the balance of the membership interest in FabSouth, i.e. 20%, will be acquired over a three-year period for a consideration ranging from US$15M and a maximum amount of US$25M, which will be calculated based on earnings before interest, tax, depreciation and amortization of fiscal years 2010, 2011 and 2012. In December 2009, the Company acquired a 15% interest in FabSouth LLC and a 16.67% interest in FS Real Estate Holdings, LLC. Consequently, once the transaction is completed, the Company will have full ownership of FabSouth LLC and FS Real Estate Holdings, LLC.

The first step of the transaction was completed on March 26, 2010. The Company paid an amount of US$59.9M, and an amount of US$5M was withheld as a provision for adjustments, of which US$2.5M was paid on September 1, 2010, and US$2.5M is payable on December 1, 2010. Until such time as the minority interest is acquired, FabSouth will pay these members their share of pre-tax earnings. In view of its obligation to purchase the balance of the membership interest in FabSouth, the Company has accounted for this interest as a subsidiary and has consolidated 100% of its financial statements.

Acquisition of the assets of CMC Steel Fabricators, Inc.

On August 16, 2010, the Company acquired substantially all of the steel deck assets of CMC Steel Fabricators, Inc. (CMC), namely two plants located in South Plainfield, New Jersey, and Peru, Illinois, as well as their production equipment, and that of a plant located in Rock Hill, South Carolina. This acquisition was settled as follows: a cash consideration of US$19.25M, plus US$5.1M for the raw materials inventories. Of the US$19.25M consideration, US$13.25M was paid at the close of the transaction while the balance of US$6M is payable, free of interest, on the third anniversary of the transaction, i.e. August 16, 2013. This transaction will allow the Company to expand its geographic reach and at the same time, increase the range of products it fabricates in the United States.

Common share buyback program

On August 11, 2010, the Company renewed its normal course issuer bid, which had been previously authorized by the Toronto Stock Exchange. Common shares may be repurchased during the 12-month period beginning on August 11, 2010 and ending on August 10, 2011. At the end of the buyback program, the Company may repurchase up to 3,120,589 of its outstanding common shares, representing 10% of the publicly held common shares. The

Exchange rates used

		September 25 2010	**June 26 2010**	**March 27 2010**	December 31 2009	September 26 2009	June 27 2009	March 28 2009
Consolidated statements of earnings	US$/CAN$	**1.0405**	**1.0287**	**1.0332**	1.0571	1.1035	1.1758	1.2440
	Euro/CAN$	**1.3379**	**1.3084**	**1.4418**	1.5609	1.5708	1.5889	1.6206
	Peso(1)/CAN$	**0.0811**	**0.0818**	**0.0814**	0.0809	0.0810	0.0876	0.0864
Consolidated balance sheets	US$/CAN$	**1.0256**	**1.0359**	**1.0267**	1.0510	1.0917	1.1542	1.2374
	Euro/CAN$	**1.3836**	**1.2830**	**1.3774**	1.5046	1.6015	1.6239	1.6456
	Peso(1)/CAN$	**0.0817**	**0.0818**	**0.0821**	0.0804	0.0802	0.0873	0.0865

(1) Mexican peso

acquired common shares will be cancelled. All Company shareholders may contact the Company secretary (270, chemin Du Tremblay, Boucherville, Québec J4B 5X9) and obtain, free of charge, a copy of the notice of intention to make a normal course issuer bid submitted by the Company to the Toronto Stock Exchange.

Dividends on Common Shares

On August 4, 2010, the Board of Directors approved the payment of a quarterly dividend of $0.04 per common share to shareholders of record on September 16, 2010. The amount thus paid on September 30, 2010 was $1.8M and has been applied against retained earnings.

Operating Results

Net earnings for the third quarter of 2010 totaled $2.1M or $0.05 per basic share, based on a weighted average number of 45,155,984 common shares, as compared with net earnings of $4.4M or $0.10 per basic share during the third quarter of 2009, based on a weighted average number of 44,987,833 common shares. Net earnings from continuing operations amounted to $2.1M or $0.05 per basic share in the third quarter of 2010, as compared with $4.3M or $0.09 per basic share for the same quarter in 2009.

After the first nine months of fiscal 2010, the net loss totaled $0.9M or $0.02 per basic share, based on a weighted average number of 45,154,589 common shares, as compared with net earnings of $15M or $0.33 per basic share for the same period in 2009, based on a weighted average number of 45,000,609 common shares. The net loss from continuing operations stood at $0.9M in 2010, or $0.02 per basic share, as compared with net earnings from continuing operations of $16.1M or $0.36 per basic share in 2009.

Consolidated sales for the third quarter of 2010 totaled $211.9M, which represents a $67.2M or 46.4% increase, as compared with sales of $144.7M for the same quarter in 2009. The increase in sales is primarily attributable to Structal-Heavy Steel Construction and FabSouth's sales. Consolidated sales after the first nine months of 2010 totaled $502.9M, which represents a $26.7M or 5.6% increase as compared with sales of $476.2M for the same period in 2009. The increase is also attributable to FabSouth's sales, which is partially offset by a decrease in sales at the Canam U.S. and Canam Canada (joists and steel deck) business units that are impacted by the economic slowdown in non residential construction.

The gross margin was 13.7% in the third quarter of 2010 as compared with 19.5% for the corresponding quarter last year. After nine months in 2010, the gross margin represented 13.5% of sales as compared with 19.6% for the same period in 2009. The decrease in the gross margin is primarily attributable to a downward pressure on prices related to the increased competition resulting from the economic slowdown, and to a change in the sales mix.

Selling and administrative expenses totaled $19.7M or 9.3% of sales in the third quarter of 2010 as compared with $17M or 11.7% of sales for the corresponding quarter in 2009. The increase results from FabSouth's selling and administrative expenses. On a cumulative basis, the same expenses totaled $56.4M or 11.2% of sales in 2010, as compared with $52.4M or 11% of sales for the same period in 2009.

Expenses related to profit sharing programs totaled $0.3M in the third quarter of 2010 and $0.7M for the corresponding period in 2009. After nine months in 2010, the expense decreased to $0.8M from $1.8M in the corresponding period of 2009. This decline is attributable to the decrease in profitability in 2010 as compared with 2009.

In the third quarter of 2010, the Company recorded an exchange loss of $0.2M. In the third quarter of 2009, the Company had incurred an exchange gain of $0.7M. After the first nine months of 2010, the exchange loss stood at $0.5M as compared with an exchange gain of $1M for the same period in 2009.

In the third quarter of 2010, comprehensive income stood at $1.4M compared to a comprehensive loss of $4.2M for the same quarter of 2009. The improvement in comprehensive income in the third quarter of 2010 as compared to the same period in 2009 is mainly attributable to the $7.6M decrease in unrealized exchange losses on translating financial statements of self-sustaining foreign operations, primarily those of the U. S. subsidiaries, net of the $2.3M decrease in net earnings. After the first nine months of 2010, comprehensive loss stood at $4M as compared to a comprehensive loss of $2.6M in 2009. The decrease is explained by a $15.9M decrease in net earnings, net of the $14.6M decrease in unrealized exchange losses on translating financial statements of self-sustaining foreign operations.

Non-GAAP measures

In this MD&A, the Company's financial management uses a measure that is not in accordance with GAAP. Adjusted earnings (adjusted loss) before interest, tax, depreciation and amortization (Adjusted EBITDA) is not defined by GAAP and cannot be formally presented in consolidated financial statements. Nevertheless, management wishes to specify that Adjusted EBITDA corresponds to amounts appearing on the line in the statements of earnings above the item "Depreciation of property, plant and equipment". The definition of Adjusted EBITDA does not take into account the Company's share in earnings or in loss of companies subject to significant influence, net earnings or net loss from discontinued operations, and the gain on revaluation of investments. The reader can establish the link between Adjusted EBITDA and net earnings (net loss). The definition of Adjusted EBITDA used by the Company may differ from that used by other companies.

Even though EBITDA is a non-GAAP measure, it is used by managers, analysts, investors and other financial stakeholders to assess the Company's performance and management from a financial and operational standpoint.

.

Reconciliation of Adjusted EBITDA and net earnings (net loss)

Periods ended September 25, 2010 and September 26, 2009

(in thousands of dollars) (unaudited)	Three months 2010	2009
Net earnings	$ 2,080	$ 4,428
Net earnings from discontinued operations	– –	(173)
Net earnings from continuing operations	2,080	4,255
PLUS:		
Share in earnings of companies subject to significant influence	(57)	(47)
Income tax expense (recovery)	(18)	2,044
Financial expenses	1,542	453
Total depreciation and amortization	5,520	4,502
Adjusted EBITDA	$ 9,067	$ 11,207

(in thousands of dollars) (unaudited)	Nine months 2010	2009
Net earnings (net loss)	$ (863)	$ 15,027
Net loss (net earnings) from discontinued operations	(60)	1,051
Net earnings (net loss) from continuing operations	(923)	16,078
PLUS:		
Share in loss of companies subject to significant influence	93	850
Income tax expense (recovery)	(4,523)	8,513
Financial expenses	3,198	1,584
Total depreciation and amortization	16,992	13,235
Gain on revaluation of investments	(3,888)	– –
Adjusted EBITDA	$ 10,949	$ 40,260

Adjusted EBITDA in the third quarter of 2010 totaled $9.1M and accounted for 4.3% of sales, as compared with an Adjusted EBITDA of $11.2M or 7.7% of sales for the corresponding quarter of 2009. After nine months, Adjusted EBITDA stood at $10.9M or 2.2% of sales, as compared with $40.3M or 8.5% of sales for the same period in 2009. The decrease is mainly attributable to a downward pressure on prices resulting from the economic slowdown.

In the third quarter of 2010, total depreciation and amortization expenses totaled $5.5M, as compared with $4.5M for the corresponding quarter in 2009. After the first nine months of fiscal 2010, these expenses totaled $17M as compared with $13.2M in 2009. The increase results from the consolidation of FabSouth.

Still in the third quarter of 2010, financial expenses totaled $1.5M compared to $0.5M for the same quarter of 2009. On a cumulative basis, financial expenses amounted to $3.2M in 2010 as compared to $1.6M in 2009, representing an increase of $1.6M. This increase in financial expenses is due to the interest payable on the balance of purchase price of subsidiaries as well as to the increase in bank loans and long-term debt.

The income tax recovery rate was 0.9% for the third quarter of 2010, as compared with a taxation rate of 32.7% for the same quarter of 2009. The change in the taxation rate is mainly attributable to the pre-tax loss incurred by one of the U.S. subsidiaries for which the statutory tax rate (36.5%) is higher than in Canada, where the statutory tax rate is 29.4%.

Excluding the non-taxable gain on revaluation of investments of $3.9M, the income tax recovery rate was 48.9% for the nine-month period ended September 25, 2010, as compared with a taxation rate of 33.5% for the same period in 2009. The tax rate difference is also attributable to the above-mentioned reason.

Balance Sheet

Working capital decreased from $198.4M as at December 31, 2009 (for a current ratio of 3.32) to $171.5M as at September 25, 2010 (for a current ratio of 1.79).

The net debt, whose balance stood at $131M as at September 25, 2010, increased by the same amount compared with December 31, 2009, when it totaled $0.3M. The rise is mainly attributable to the increase in inventories and accounts receivable, to the payment of US$59.9M for the acquisition of FabSouth, net of US$22.9M in cash acquired from the latter, as well as to the acquisition of CMC, i.e. US$13.25M for property, plant and equipment and US$1.7M for inventories.

As at September 25, 2010, the net debt to shareholders' equity ratio was 0.33 whereas it was 0 as at December 31, 2009.

Financial information

(in thousands of dollars, except for ratios)	Periods ended Sept. 25 2010	Dec. 31 2009
Working capital	$ 171,472	$ 198,355
Current ratio	1.79	3.32
Net debt[(1)]	$ 131,023	$ 296
Adjusted EBITDA for the last four quarters	$ 19,565	$ 48,876
Shareholders' equity	$ 391,900	$ 400,597
Net debt to shareholders' equity ratio	0.33	– –

(1) Net debt comprises bank loans and the long-term debt, net of cash and cash equivalents, but excludes the balance of purchase price of subsidiaries.

The decrease in cash and cash equivalents is attributable to the payment of US$59.9M for the acquisition of FabSouth, net of US$22.9M in cash acquired from the latter, as well as to the acquisition of CMC, i.e. US$13.25M for property, plant and equipment and US$1.7M for inventories.

As at September 25, 2010, accounts receivable stood at $196.8M compared with $99.6M as at December 31, 2009. The increase is mainly attributable to FabSouth's accounts receivable and to an increase in sales due to seasonality.

Inventories increased by $50.6M to $155.1M as at September 25, 2010, compared with $104.5M as at December 31, 2009. The increase is explained by the rise in the backlog of orders and in addition, by the $44.4M increase in raw materials inventories and the $6.2M increase in custom-made finished goods inventories.

As at September 25, 2010, future income tax assets stood at $9.2M compared with $1M as at December 31, 2009. The increase is mainly attributable to the pre-tax loss incurred by the U.S. subsidiary, for which future income tax assets have been recognized.

Assets and liabilities of discontinued operations have been reclassified under continuing operations. Assets and liabilities of discontinued operations mainly result from the depreciation of semitrailers and forestry equipment leased to clients and the related deferred revenue, which derive from the activities of the

Manac and Tanguay divisions before they were disposed of in 2004 and 2006, respectively. This accounting treatment results from the application of EIC 84 and EIC 85 (Emerging Issues Committee) of the Canadian Institute of Chartered Accountants (CICA) Handbook with regard to guarantees on resale values or lease contracts. Related assets and liabilities are amortized on a straight-line basis over the term of the guarantees that expire at various dates through 2012.

The decrease in investments from $63.5M as at December 31, 2009 to $48.8M as at September 25, 2010 is mainly attributable to the elimination of the US$11.3M ($11.9M) investment upon the consolidation of FabSouth.

The increase in property, plant and equipment, the balance of which grew from $184.9M as at December 31, 2009 to $246.5M as at September 25, 2010, is mainly attributable to the acquisitions of FabSouth and CMC, and to additions to property, plant and equipment in the amount of $27.6M less depreciation totaling $14.1M.

The increase in intangible assets and goodwill results from the acquisition of FabSouth.

Accounts payable and accrued liabilities totaled $178.2M as at September 25, 2010 compared to $77.1M as at December 31, 2009. The increase is mainly attributable to FabSouth's accounts payable and to an increase in sales due to seasonality.

The balance of purchase price of subsidiaries results from the acquisition of FabSouth on February 23, 2010.

As at September 25, 2010, shareholders' equity decreased by $8.7M to $391.9M ($400.6M as at December 31, 2009). In addition to the net loss in the first nine months of 2010 totaling $0.9M, the following elements had an impact on shareholders' equity: i) the Canadian dollar's rise against the US dollar generated an unrealized exchange loss of $3.4M resulting from the translation of the self-sustaining foreign operations' financial statements, mainly those of the U.S. subsidiary; and ii) the $5.4M in dividends paid in 2010.

Cash Position

For the quarter ended September 25, 2010, cash flows provided from continuing operating activities stood at $2.3M as compared with $24.9M for the corresponding period in 2009. The decrease is mainly due to the increase in accounts receivable and inventories, net of the increase in accounts payable and accrued liabilities.

Cash flows provided from financing activities stood at $17.4M for the third quarter of 2010 compared with $2.4M in the third quarter of 2009. The difference is primarily attributable to the increase in long-term debt and bank loans in 2010.

Still in the third quarter of 2010, cash flows used in investing activities stood at $24.6M, compared with $5.6M in the third quarter of 2009. The difference is mainly attributable to the acquisition of CMC.

Cash flows

A comparison of the Company's cash flows for the periods ended September 25, 2010 and September 26, 2009 is presented below.

	Three months	
(in thousands of dollars) (unaudited)	**2010**	2009
Cash flows from continuing operating activities	**$ 2,343**	$ 24,891
Cash flows from continuing financing activities	**17,351**	2,417
Cash flows from continuing investing activities	**(24,561)**	(5,554)
Effect of changes in foreign exchange rate on cash	**138**	(128)
Net change	**(4,729)**	21,626
Net cash flows from discontinued operations	**– –**	703
Cash and cash equivalents – beginning of period	**29,110**	44,252
Cash and cash equivalents – end of period	**$ 24,381**	$ 66,581

	Nine months	
(in thousands of dollars) (unaudited)	**2010**	2009
Cash flows from continuing operating activities	**$ (29,371)**	$ 87,966
Cash flows from continuing financing activities	**65,183**	(15,559)
Cash flows from continuing investing activities	**(78,433)**	(22,025)
Effect of changes in foreign exchange rate on cash	**(589)**	(439)
Net change	**(43,210)**	49,943
Net cash flows from discontinued operations	**198**	1,019
Cash and cash equivalents – beginning of period	**67,393**	15,619
Cash and cash equivalents – end of period	**$ 24,381**	$ 66,581

Discontinued Operations

In the first nine months of 2010, the Company posted net earnings from discontinued operations of $0.1M as opposed to a net loss of $1.1M for the same period in 2009. The difference is primarily attributable to Canam Romsa de Mexico, S.A. de C.V., which incurred a net loss of $1.3M in 2009 and was sold on June 15, 2009.

Subsequent Events

Offering of convertible debentures

On October 21, 2010, the Company announced completion of a $69M offering of convertible unsecured subordinated debentures, including the $9M over-allotment option, bearing interest at 6.25% and maturing on October 31, 2015. Interest will be payable semi-annually in April and October beginning on April 30, 2011. Each debenture is convertible at the holder's option into common shares, at any time prior to the maturity date and on the business day immediately preceding the date fixed by the Company for redemption, at a conversion price of $12.00 per common share. The value of the conversion option is $5.8M. The debentures will not be redeemable by the Company prior to October 31, 2013.

On or after October 31, 2013 and prior to the maturity date, the debentures may be redeemed by the Company, in whole or in part from time to time at the Company's option, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Company's common shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date on which notice of a redemption is given is at least 125% of the conversion price. The Company has the option to reimburse the debentures by issuing common shares.

The offering was underwritten by a syndicate of underwriters led by BMO Capital Markets and National Bank Financial Inc.

New term loan in Canada

On October 19, 2010, the Company signed a letter of commitment with GE Canada Equipment Financing G.P. to secure a term loan in the amount of $28.2M at a fixed rate of 5.4%, for a six-year term maturing in November 2016. Certain buildings and all production equipment located in Canada will be pledged as collateral.

Refinancing of the credit facility in Canada

On October 19, 2010, the Company signed a letter of commitment with National Bank Financial Inc. to secure a revolving credit facility of $90M for a five-year term. Accounts receivable and inventories will be pledged as collateral. The Company must also meet certain financial commitments measured quarterly. The new revolving credit will replace the existing revolving credit expected to mature in October 2011.

Dividends on common shares

On October 26, 2010, the Board of Directors approved the payment of a quarterly dividend of $0.04 per common share that will be paid on December 31, 2010 to shareholders of record on December 17, 2010.

Accounting Policies

The accounting policies are in accordance with those used in the preparation of the audited consolidated financial statements as at December 31, 2009, with the exception of the accounting policies mentioned hereafter.

Changes in Accounting Policies

The CICA published the following sections of the CICA Handbook that apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011:

a) Section 1582, "Business Combinations", which replaces the former Section 1581 with the same title, establishes accounting standards for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations".

b) Section 1601, "Consolidated Financial Statements", which replaces the former Section 1600 with the same title, establishes standards for the preparation of consolidated financial statements.

c) Section 1602, "Non-Controlling Interests". This new section establishes standards on accounting for non-controlling interests in a subsidiary in consolidated financial statements prepared subsequent to a business combination. It is equivalent to the corresponding provisions of International Accounting Standard IAS 27, "Consolidated and Separate Financial Statements".

The Company has elected to early adopt these sections effective January 1, 2010, in order to more closely align itself with International Financial Reporting Standards (IFRS) at the changeover date. In accordance with the transitional provisions, these sections have been applied prospectively, except for disclosure requirements for non-controlling interests, which must be applied retrospectively. The adoption of these sections did not have an impact on the Company's consolidated financial statements.

Future Accounting Changes

On February 13, 2008, the Accounting Standards Board confirmed the date of changeover from Canadian GAAP to IFRS. Canadian publicly accountable enterprises must adopt IFRS for their interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company has developed a plan for the conversion of its consolidated financial statements to IFRS. An analysis of the differences between IFRS and the Company's accounting standards was conducted. The analysis considered the potential impacts, among others, on accounting policies, financial reporting and computer information systems. Accounting changes are expected, and these should have an impact on the Company's financial statements. An evaluation of such impact is currently underway. The anticipated impact on accounting policies is summarized as follows:

a) Adoption of the straight-line method for buildings, production equipment and automotive equipment;
   - Presently, in accordance with Canadian GAAP, these property, plant and equipment items are depreciated using the declining balance method;

b) Actuarial gains and losses related to defined benefit pension plans will be recognized in comprehensive income (loss) during the period in which they arise. The consolidated balance sheet will show the present value of the deficit (liabilities) or surplus (assets) of pension plans;
   - Presently, actuarial gains and losses are amortized against earnings over the estimated average remaining service period of active employees;

c) Recognition of joint ventures using the equity method;
   - Presently, the joint ventures (United Steel Structures Limited and Amcan-Jumax Inc.) are accounted for using the proportionate consolidation method.

Under IFRS 1, "First-time Adoption of International Financial Reporting Standards", an entity may elect different options. The Company has elected that the translation differences for all foreign subsidiaries be deemed to be zero at the date of transition and that they be applied against retained earnings.

In addition, modifications were made to the Company's information technology systems to support the expected changes following the application of IFRS and also, in anticipation of the parallel financial data required in 2010.

Finally, the opening balance sheet as at January 1, 2010 and the consolidated financial statements as at September 25, 2010, including the disclosure required by IFRS, are currently being prepared.

In December 2009, the CICA issued Emerging Issues Committee Abstract 175 (EIC-175), "Multiple Deliverable Revenue Arrangements", which will be applicable prospectively (with retrospective adoption permitted) to revenue arrangements with multiple deliverables entered into or materially modified in a fiscal period beginning on or after January 1, 2011. EIC-175 amends the guidance contained in EIC-142, "Revenue Arrangements with Multiple Deliverables", establishes additional requirements regarding revenue recognition related to multiple deliverables and requires supplementary disclosures. The Company considers that the adoption of EIC-175 will not have any impact on its consolidated financial statements.

Outlook

The backlog of orders stood at $513M as at September 25, 2010, including FabSouth, compared to $392M as at September 26, 2009, and $460M as at December 31, 2009.

Risks and Uncertainties

The Company is confident in its medium-and long-term prospects. However, the reader should take into account the risks and uncertainties described in the 2009 annual report. They could impact on the Company's ability to fulfill its strategic vision and growth objectives. The reader is therefore invited to take them into account.

Other Items

As at October 26, 2010, there were 45,366,366 common shares and 486,000 stock options outstanding.

The Company's common shares are identified on the Toronto Stock Exchange (TSX) under ticker symbol "CAM".

The MD&A and audited financial statements as well as additional information, including the Annual Information Form, are available on the SEDAR website (www.sedar.com) and the Company's website (www.canamgroup.ws).

Marcel Dutil, C.M.
Chairman of the Board and
Chief Executive Officer

Charles Pinel, CA
Vice President and
Chief Financial Officer

October 26, 2010

Quarterly Results

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

2010 Quarters ended	**March 27**	**June 26**	**Sept. 25**		**Total**
Sales	**$ 105,603**	**$ 185,400**	**211,883**		**$ 502,886**
Net earnings (net loss) from continuing operations	**(940)**	**(2,063)**	**2,080**		**(923)**
Net earnings (net loss)	**(922)**	**(2,021)**	**2,080**		**(863)**
Basic net earnings (net loss) per share from continuing operations	**(0.02)**	**(0.05)**	**0.05**		**(0.02)**
Basic net earnings (net loss) per share	**(0.02)**	**(0.05)**	**0.05**		**(0.02)**
Diluted net earnings (net loss) per share from continuing operations	**(0.02)**	**(0.05)**	**0.05**		**(0.02)**
Diluted net earnings (net loss) per share	**(0.02)**	**(0.05)**	**0.05**		**(0.02)**
Total assets	**679,028**	**716,438**	**774,469**		
Net debt[1]	**68,454**	**101,556**	**131,023**		
Shareholders' equity	**394,387**	**391,851**	**391,900**		
Cash dividend declared per common share	**0.04**	**0.04**	**0.04**		**0.12**

2009 Quarters ended	March 28[2]	June 27	Sept. 26	Dec. 31	Total
Sales	$ 180,204	$ 151,239	$ 144,722	$ 149,678	$ 625,843
Net earnings from continuing operations	6,696	5,127	4,255	4,956	21,034
Net earnings	5,373	5,226	4,428	5,023	20,050
Basic net earnings per share from continuing operations	0.15	0.12	0.09	0.11	0.47
Basic net earnings per share	0.12	0.12	0.10	0.11	0.45
Diluted net earnings per share from continuing operations	0.15	0.12	0.09	0.11	0.47
Diluted net earnings per share	0.12	0.12	0.10	0.11	0.44
Total assets	652,898	603,462	595,934	566,053	
Net debt[1]	56,188	29,263	8,443	296	
Shareholders' equity	415,772	408,553	403,017	400,597	
Cash dividend declared per common share	0.04	0,04	0.04	0.04	0.16

2008 Quarters ended[2]	March 29	June 28	Sept. 27	Dec. 31	Total
Sales	$ 159,591	$ 187,344	$ 218,247	$ 230,898	$ 796,080
Net earnings from continuing operations	7,161	11,642	14,802	14,413	48,018
Net earnings	7,633	12,057	15,024	13,717	48,431
Basic net earnings per share from continuing operations	0.15	0.24	0.30	0.31	0.99
Basic net earnings per share	0.16	0.25	0.31	0.29	1.00
Diluted net earnings per share from continuing operations	0.14	0.23	0.30	0.31	0.98
Diluted net earnings per share	0.15	0.24	0.30	0.29	0.99
Total assets	610,386	654,779	672,752	658,289	
Net debt[1]	51,820	75,694	79,789	69,881	
Shareholders' equity	375,002	384,555	396,369	413,614	
Cash dividend declared per common share	0.04	0.04	0.04	0.04	0.16

2007 Quarters ended[2]	March 31	June 30	Sept. 29	Dec. 31	Total
Sales	$ 150,795	$ 212,473	$ 231,420	$ 244,065	$ 838,753
Net earnings from continuing operations	7,428	17,009	16,457	15,002	55,896
Net earnings	6,354	13,282	14,143	13,674	47,453
Basic net earnings per share from continuing operations	0.15	0.35	0.34	0.31	1.14
Basic net earnings per share	0.13	0.27	0.29	0.28	0.97
Diluted net earnings per share from continuing operations	0.15	0.34	0.33	0.30	1.13
Diluted net earnings per share	0.13	0.27	0.29	0.28	0.96
Total assets	598,846	655,876	633,169	585,097	
Net debt[1]	85,459	106,121	95,682	63,661	
Shareholders' equity	345,917	350,031	353,224	366,890	
Cash dividend declared per common share	0.04	0.04	0.04	0.04	0.16

[1] Net debt comprises bank loans and the long-term debt, net of cash and cash equivalents, but excludes the balance of purchase price of subsidiaries.

[2] Restated.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

Periods ended September 25, 2010 and September 26, 2009

(in thousands of dollars, except per share amounts) (unaudited)	Three months 2010	Three months 2009	Nine months 2010	Nine months 2009
Sales	**$ 211,883**	$ 144,722	**$ 502,886**	$ 476,165
Cost of sales	**182,934**	116,476	**434,904**	382,917
Gross profit	**28,949**	28,246	**67,982**	93,248
Selling and administrative expenses	**19,675**	17,000	**56,383**	52,361
Profit sharing programs	**266**	654	**774**	1,818
Exchange loss (gain)	**214**	(716)	**464**	(998)
Gain on disposal of investments	**(439)**	– –	**(448)**	(209)
Loss (gain) on disposal of property, plant and equipment	**166**	101	**(140)**	16
	9,067	11,207	**10,949**	40,260
Depreciation of property, plant and equipment	**4,889**	4,186	**14,145**	12,197
Amortization of intangible assets	**631**	316	**2,847**	1,038
Financial expenses (note 10)	**1,542**	453	**3,198**	1,584
Gain on revaluation of investments (note 3)	**– –**	– –	**(3,888)**	– –
Earnings (loss) before income tax expense and undermentioned items	**2,005**	6,252	**(5,353)**	25,441
Income tax expense (recovery)				
Current	**1,786**	2,102	**2,220**	8,418
Future	**(1,804)**	(58)	**(6,743)**	95
	(18)	2,044	**(4,523)**	8,513
Earnings (loss) before undermentioned items	**2,023**	4,208	**(830)**	16,928
Share in earnings (loss) of companies subject to significant influence	**57**	47	**(93)**	(850)
Net earnings (net loss) from continuing operations	**2,080**	4,255	**(923)**	16,078
Net earnings (net loss) from discontinued operations (note 6)	**– –**	173	**60**	(1,051)
Net earnings (net loss)	**$ 2,080**	$ 4,428	**$ (863)**	$ 15,027
Net earnings (net loss) per share (note 8)				
Basic:				
From continuing operations	**$ 0.05**	$ 0.09	**$ (0.02)**	$ 0.36
From discontinued operations	**– –**	0.01	**– –**	(0.03)
Total	**$ 0.05**	$ 0.10	**$ (0.02)**	$ 0.33
Diluted:				
From continuing operations	**$ 0.05**	$ 0.09	**$ (0.02)**	$ 0.35
From discontinued operations	**– –**	0.01	**– –**	(0.02)
Total	**$ 0.05**	$ 0.10	**$ (0.02)**	$ 0.33
Weighted average number of common shares (in thousands of shares) (note 8)				
Basic	**45,156**	44,988	**45,155**	45,001
Diluted	**45,388**	45,377	**45,404**	45,388
Number of common shares outstanding			**45,366**	45,368

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income (Loss)

Periods ended September 25, 2010 and September 26, 2009

(in thousands of dollars) (unaudited)	Three months 2010	Three months 2009	Nine months 2010	Nine months 2009
Net earnings (net loss)	**$ 2,080**	$ 4,428	**$ (863)**	$ 15,027
Other comprehensive income (loss):				
Change in unrealized gains and losses on translating financial statements of self-sustaining foreign operations	**$ (979)**	$ (8,602)	**$ (3,417)**	$ (18,031)
Unrealized gains on available-for-sale financial assets arising during the period	**$ 834**	$ 26	**$ 758**	$ 555
Reclassification in earnings	**(421)**	– –	**(421)**	– –
Income tax expense	**(72)**	(5)	**(58)**	(104)
Change in unrealized gains and losses on available-for-sale financial assets	**$ 341**	$ 21	**$ 279**	$ 451
Other comprehensive income (loss)	**$ (638)**	$ (8,581)	**$ (3,138)**	$ (17,580)
Comprehensive income (loss)	**$ 1,442**	$ (4,153)	**$ (4,001)**	$ (2,553)

Interim Consolidated Statements of Retained Earnings

Periods ended September 25, 2010 and September 26, 2009

(in thousands of dollars) (unaudited)	Three months 2010	Three months 2009	Nine months 2010	Nine months 2009
Opening balance	**$ 237,399**	$ 238,208	**$ 244,029**	$ 232,208
Net earnings (net loss)	**2,080**	4,428	**(863)**	15,027
Dividends	**(1,739)**	(1,816)	**(5,368)**	(5,447)
Excess of acquisition cost over carrying value of acquired common shares (note 7)	**– –**	– –	**(58)**	(968)
Closing balance	**$ 237,740**	$ 240,820	**$ 237,740**	$ 240,820

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Balance Sheets

(in thousands of dollars)	**As at September 25 2010 (unaudited)**	As at December 31 2009
Assets		
Current assets		
Cash and cash equivalents	**$ 24,381**	$ 67,393
Accounts receivable (note 4)	**196,825**	99,594
Inventories	**155,099**	104,540
Income taxes recoverable	**210**	6,701
Future income tax assets	**9,188**	1,008
Prepaid expenses and other assets	**3,984**	3,484
Current assets of discontinued operations (note 6)	**– –**	1,230
Total current assets	**389,687**	283,950
Investments	**48,833**	63,503
Property, plant and equipment	**246,468**	184,851
Property, plant and equipment held for sale	**1,511**	1,549
Intangible assets (note 3)	**12,593**	1,127
Goodwill (note 3)	**52,284**	150
Future income tax assets	**219**	363
Long-term receivables and other assets (note 5)	**22,874**	21,942
Long-term assets of discontinued operations (note 6)	**– –**	8,618
	$ 774,469	$ 566,053
Liabilities		
Current liabilities		
Bank loans	**$ 23,703**	$ – –
Accounts payable and accrued liabilities	**178,220**	77,112
Income taxes payable	**68**	635
Future income tax liabilities	**170**	876
Current portion of long-term debt	**5,984**	5,477
Current portion of balance of purchase price of subsidiaries (note 3)	**10,070**	– –
Current liabilities of discontinued operations (note 6)	**– –**	1,495
Total current liabilities	**218,215**	85,595
Long-term debt	**125,717**	62,212
Balance of purchase price of subsidiaries (note 3)	**22,196**	– –
Deferred credits	**5,119**	4,749
Future income tax liabilities	**11,322**	11,296
Long-term liabilities of discontinued operations (note 6)	**– –**	1,604
	382,569	165,456
Shareholders' equity		
Share capital (note 7)	**179,102**	178,024
Retained earnings	**237,740**	244,029
Contributed surplus (note 7)	**4,514**	4,862
Accumulated other comprehensive loss (note 9)	**(29,456)**	(26,318)
	391,900	400,597
	$ 774,469	$ 566,053

Contingencies and commitments (note 12)
Subsequent event (note 14)

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

Periods ended September 25, 2010 and September 26, 2009

(in thousands of dollars) (unaudited)	Three months 2010	Three months 2009	Nine months 2010	Nine months 2009
Cash flows from the following activities:				
Operating activities				
Net earnings (net loss) from continuing operations	**$ 2,080**	$ 4,255	**$ (923)**	$ 16,078
Items not affecting cash and cash equivalents				
Amortization of compensation costs related to the profit sharing program – stock ownership component	**347**	433	**1,038**	1,349
Unrealized loss (gain) on foreign currency forward contracts	**– –**	211	**– –**	(1,322)
Gain on revaluation of investments	**– –**	– –	**(3,888)**	– –
Gain on disposal of investments	**(439)**	– –	**(448)**	(209)
Loss (gain) on disposal of property, plant and equipment	**166**	101	**(140)**	16
Depreciation of property, plant and equipment	**4,889**	4,186	**14,145**	12,197
Amortization of intangible assets	**631**	316	**2,847**	1,038
Amortization of deferred financing expenses	**62**	52	**179**	160
Pension expense	**106**	82	**180**	(24)
Future income tax expense	**(1,804)**	(58)	**(6,743)**	95
Share in loss (earnings) of companies subject to significant influence	**(57)**	(47)	**93**	850
	5,981	9,531	**6,340**	30,228
Net change in non-cash operating working capital items				
Decrease (increase) in accounts receivable	**(36,224)**	4,082	**(50,045)**	28,670
Decrease (increase) in inventories	**(6,708)**	13,663	**(34,645)**	46,817
Decrease (increase) in income taxes recoverable	**5,312**	(359)	**5,060**	1,566
Decrease (increase) in prepaid expenses and other assets	**214**	(124)	**623**	3,407
Increase (decrease) in accounts payable and accrued liabilities	**33,511**	(4,491)	**42,930**	(25,245)
Increase in interest payable	**558**	204	**1,144**	185
Increase (decrease) in income taxes payable	**(301)**	2,385	**(778)**	2,338
	(3,638)	15,360	**(35,711)**	57,738
Cash flows from continuing operating activities	**2,343**	24,891	**(29,371)**	87,966
Financing activities				
Shares purchased by a trust in employees' name on the secondary market	**– –**	– –	**(364)**	(1,871)
Repurchase of shares (note 7)	**– –**	– –	**(127)**	(2,122)
Proceeds from issuance of shares	**– –**	– –	**125**	47
Dividends	**(1,764)**	– –	**(3,578)**	(3,631)
Increase in long-term debt and bank loans	**20,724**	3,297	**74,751**	11,977
Repayment of long-term debt and bank loans	**(1,020)**	(880)	**(4,369)**	(19,724)
Deferred credits	**(589)**	– –	**(1,255)**	(235)
Cash flows from continuing financing activities	**17,351**	2,417	**65,183**	(15,559)
Investing activities				
Proceeds from sale of property, plant and equipment	**73**	– –	**580**	392
Additions to property, plant and equipment	**(10,560)**	(4,663)	**(27,600)**	(17,062)
Additions to intangible assets	**(144)**	(86)	**(329)**	(416)
Acquisition of investments	**– –**	– –	**(120)**	(4,593)
Proceeds from disposal of investments	**1,500**	– –	**1,503**	1,144
Distribution from a company subject to significant influence	**– –**	– –	**– –**	300
Decrease in long-term receivables	**2,868**	826	**4,583**	2,500
Increase in long-term receivables	**(67)**	(1,631)	**(135)**	(4,290)
Repayment of balance of purchase price of subsidiaries	**(2,630)**	– –	**(2,630)**	– –
Business acquisitions, net of cash acquired (note 3)	**(15,601)**	– –	**(54,285)**	– –
Cash flows from continuing investing activities	**(24,561)**	(5,554)	**(78,433)**	(22,025)
Effect of changes in foreign exchange rate on cash and cash equivalents	**138**	(128)	**(589)**	(439)
Net change in cash and cash equivalents from continuing operations	**(4,729)**	21,626	**(43,210)**	49,943
Cash flows from discontinued operations				
Operating activities	**– –**	610	**184**	641
Investing activities	**– –**	93	**14**	378
	– –	703	**198**	1,019
Cash and cash equivalents, beginning of period	**29,110**	44,252	**67,393**	15,619
Cash and cash equivalents, end of period	**$ 24,381**	$ 66,581	**$ 24,381**	$ 66,581
Supplementary information				
Interest paid	**$ 1,127**	$ 669	**$ 3,212**	$ 2,717
Income taxes paid (recovered), net	**$ (3,966)**	$ (1,341)	**$ (3,261)**	$ 3,699

The accompanying notes are an integral part of these interim consolidated financial statements.

(in thousands of dollars, except per share amounts)

1. Company Description

Canam Group Inc. (the Company) is a leader in the design and fabrication of construction products and solutions and a leading provider of design-build and building information modeling services. The Company operates more than 25 manufacturing plants and engineering offices in Canada, the United States, Romania, India and China, and has partnerships with companies in Saudi Arabia, the United Arab Emirates and China.

2. Summary of Significant Accounting Policies

The unaudited interim consolidated financial statements of the Company, for the three-month and nine-month periods ended September 25, 2010 and September 26, 2009, have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and should be read in conjunction with the 2009 audited annual consolidated financial statements.

The accounting policies are the same as those used for the 2009 audited annual consolidated financial statements, with the exception of the accounting changes listed below.

Changes in accounting policies

The CICA published the following sections of the CICA Handbook that apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011:

a) Section 1582, "Business Combinations", which replaces the former Section 1581 with the same title, establishes accounting standards for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations".

b) Section 1601, "Consolidated Financial Statements", which replaces the former Section 1600 with the same title, establishes standards for the preparation of consolidated financial statements.

c) Section 1602, "Non-Controlling Interests". This new section establishes standards on accounting for non-controlling interests in a subsidiary in consolidated financial statements prepared subsequent to a business combination. It is equivalent to the corresponding provisions of International Accounting Standard IAS 27, "Consolidated and Separate Financial Statements".

The Company has elected to early adopt these sections, effective January 1, 2010, in order to more closely align itself with International Financial Reporting Standards (IFRS) at the changeover date. In accordance with the transitional provisions, these sections have been applied prospectively, except for the disclosure requirements for non-controlling interests, which must be applied retrospectively. The adoption of these sections did not have an impact on the Company's consolidated financial statements.

Future accounting changes

On February 13, 2008, the Accounting Standards Board confirmed the date of changeover from Canadian GAAP to IFRS. Canadian publicly accountable enterprises must adopt IFRS for their interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company has developed a plan for the conversion of its consolidated financial statements to IFRS. An analysis of the differences between IFRS and the Company's accounting standards was conducted. The analysis considered the potential impacts, among others, on accounting policies, financial reporting and computer information systems. Accounting changes are expected, and these should have an impact on the Company's financial statements. An evaluation of such impact is currently underway. The anticipated impact on accounting policies is summarized as follows:

a) Adoption of the straight-line method for buildings, production equipment and automotive equipment;
   - Presently, in accordance with Canadian GAAP, these property, plant and equipment items are depreciated using the declining balance method;

b) Actuarial gains and losses related to defined benefit pension plans will be recognized in comprehensive income (loss) during the period in which they arise. The consolidated balance sheet will show the present value of the deficit (liabilities) or surplus (assets) of pension plans;
   - Presently, actuarial gains and losses are amortized against earnings over the estimated average remaining service period of active employees;

c) Recognition of the joint ventures using the equity method;
   - Presently, the joint ventures (United Steel Structures Limited and Amcan-Jumax Inc.) are accounted for using the proportionate consolidation method.

Under IFRS 1, "First-time Adoption of International Financial Reporting Standards", an entity may elect that the translation differences for all foreign operations be deemed to be zero at the date of transition and that they be applied against retained earnings. The Company plans to use this election.

In addition, modifications were made to the Company's information technology systems to support the expected changes following the application of IFRS and also, in anticipation of the parallel financial data required in 2010.

Finally, the opening balance sheet as at January 1, 2010 and the consolidated financial statements as at September 25, 2010, including the disclosure required by IFRS, are currently being prepared.

In December 2009, the CICA issued Emerging Issues Committee Abstract 175 (EIC-175), "Multiple Deliverable Revenue Arrangements", which will be applicable prospectively (with retrospective adoption permitted) to revenue arrangements with multiple deliverables entered into or materially modified in a fiscal period beginning on or after January 1, 2011. EIC-175 amends the guidance contained in EIC-142, "Revenue Arrangements with Multiple Deliverables", establishes additional requirements regarding revenue recognition related to multiple deliverables and requires supplementary disclosures. The Company considers that the adoption of EIC-175 will not have any impact on its consolidated financial statements.

3. Business Acquisitions

FabSouth LLC and FS Real Estate Holdings, LLC (collectively FabSouth)

On February 23, 2010, the Company signed a final agreement to acquire a 65% interest in FabSouth LLC and a 63.33% interest in FS Real Estate Holdings, LLC. Following this transaction, the Company's interest in FabSouth increased to 80%. FabSouth, a leading fabricator and erector of structural steel products in the United States, operates six plants in Florida, North Carolina and Georgia. FabSouth's activities will complement those of the Structal-Heavy Steel Construction business unit. The acquisition was settled for a cash consideration of US$64,916 with a working capital value of US$30,000. An amount of US$59,916 was paid on March 26, 2010 and an amount of US$5,000 was withheld as a provision for adjustments, of which US$2,500 was paid on September 1, 2010 and US$2,500 is payable on December 1, 2010.

In addition, the Company has agreed to purchase the balance of the membership interest in FabSouth, i.e. 20%, over a three-year period for a consideration ranging from US$15,000 to US$25,000, based on the earnings before interest, tax, depreciation and amortization of fiscal years 2010, 2011 and 2012. During this period, FabSouth must pay the other members their share of pre-tax earnings. The acquisition cost of this 85% interest in FabSouth LLC and 83.33% interest in FS Real Estate Holdings, LLC is US$94,925. This amount takes into account the cash consideration paid on March 26, 2010 (US$59,916), the discounted balances of purchase price (US$18,919), the discounted contingent consideration (US$8,023), and the discounted share in future pre-tax earnings that may be paid to the other members (US$8,066). In view of its obligation to purchase the balance of the membership interest in FabSouth, the Company has accounted for this interest as a subsidiary and has consolidated 100% of its financial statements.

It is worth mentioning that on December 21, 2009, the Company acquired a 15% interest in FabSouth LLC and in FS Real Estate Holdings, LLC. The acquisition was settled for a consideration of US$11,250, plus an amount of US$3,916, equivalent to 15% of the difference between the working capital value that was determined based on FabSouth's audited financial statements as at December 31, 2009 and US$20,000. On December 31, 2009, the Company also acquired an additional 1.67% interest in FS Real Estate Holdings, LLC for a consideration of US$83. On February 22, 2010, FabSouth made a distribution and the Company cashed its share totaling US$2,295.

The following table summarizes the financial components of the transaction:

	CAN$	US$
15% interest		
Cash consideration	$ 16,038	$ 15,250
Distribution	(2,414)	(2,295)
Acquisition cost	$ 13,624	$ 12,955
85% interest		
Cash consideration	$ 63,015	$ 59,916
Balance of purchase price	19,897	18,919
Contingent consideration and distributions	16,921	16,089
Acquisition cost	$ 99,833	$ 94,924

This 15% ownership interest was revalued at fair value upon the acquisition of the 85% interest, and a gain on revaluation of investments of US$3,797 was recognized in earnings. The total carrying value of the transaction is therefore US$111,676.

The amount recognized under the item "Contingent consideration and distributions" is the discounted maximum amount provided for in the purchase agreement based on FabSouth's projections.

The purchase price allocation is preliminary and has been prepared based on management's best estimates and was modified by taking into account the relevant information available up to now. The final allocation may largely differ from the current estimate.

Fair value of net assets acquired on the acquisition date	CAN$	US$
Assets		
Cash and cash equivalents	$ 24,074	$ 22,891
Accounts receivable	48,857	46,456
Inventories	7,721	7,342
Prepaid expenses and other assets	1,132	1,077
Investments	42	40
Property, plant and equipment	27,660	26,299
Intangible assets	14,262	13,560
Goodwill	53,243	50,626
Long-term receivables and other assets	66	62
Total assets	$ 177,057	$ 168,353
Liabilities		
Accounts payable and accrued liabilities	$ 49,126	$ 46,711
Deferred credits	587	558
Current portion of long-term debt	326	310
Long-term debt	9,568	9,098
Total liabilities	59,607	56,677
Fair value of net assets acquired on the acquisition date	$ 117,450	$ 111,676

Acquisition of the assets of CMC Steel Fabricators, Inc.

On August 16, 2010, the Company acquired substantially all of the steel deck assets of CMC Steel Fabricators, Inc. (CMC), namely two plants located in South Plainfield, New Jersey, and Peru, Illinois, as well as their production equipment, and that of a plant located in Rock Hill, South Carolina. This acquisition was settled as follows: a cash consideration of US$19.25M, plus US$5.1M for the raw materials inventories. Of the US$19.25M consideration, US$13.25M was paid at the close of the transaction while the balance of US$6M is payable, free of interest, on the third anniversary of the transaction, i.e. August 16, 2013. This transaction will allow the Company to expand its geographic reach and at the same time, increase the range of products it fabricates in the United States The transaction has been accounted for using the purchase method and the results of operations have been included in the consolidated financial statements as of the acquisition date.

The purchase price allocation is preliminary and has been prepared based on management's best estimates taking into account the relevant information available up to now. The final allocation may largely differ from the current estimate.

Fair value of net assets acquired on the acquisition date	CAN$	US$
Property, plant and equipment	$ 19,468	18,662
Raw material inventories	5,337	5,116
	$ 24,805	$ 23,778
Consideration paid		
Cash consideration:		
Property, plant and equipment	$ 13,822	$ 13,250
Raw material inventories	1,779	1,705
Balance of purchase price	9,204	8,823
	$ 24,805	$ 23,778

4. Accounts Receivable

	As at September 25 2010 (unaudited)	As at December 31 2009
Trade	**$ 185,120**	$ 83,432
Companies subject to significant influence	**3,277**	4,230
Other related companies[(1)]	**4,261**	6,810
Advances and other	**4,167**	5,122
	$ 196,825	$ 99,594

(1) Corresponds mainly to accounts receivable from Placements CMI Inc. and one of its subsidiaries. Placements CMI Inc. is a company indirectly controlled by the Chairman of the Board and Chief Executive Officer of the Company, which holds 16,17% (16.13% as at December 31, 2009) of the Company's common shares. The balance includes the current portion of $2,500 ($4,000 as at December 31, 2009) of the note receivable from Placements CMI Inc. totaling $17,000 ($20,000 as at December 31, 2009) (note 5).

5. Long-Term Receivables and Other Assets

	As at September 25 2010 (unaudited)	As at December 31 2009
Long-term receivables[(1)]	**$ 7,702**	$ 4,961
Placements CMI Inc. - Note receivable[(2)]	**14,500**	16,000
Deferred financing expenses	**299**	428
Accrued benefit assets	**373**	553
	$ 22,874	$ 21,942

(1) As at September 25, 2010, the balance of long-term receivables includes $0 ($2,468 as at December 31, 2009) in receivables from companies subject to significant influence and the long-term debenture from Manac Inc. in the amount of $4,980 ($4,929 as at December 31, 2009), which was included in discontinued operations as at December 31, 2009.

(2) The note receivable results from the sale, on December 22, 2008, of preferred shares the Company held in Finloc Inc., a company controlled by Gestion Marcel Dutil Inc.

6. Discontinued Operations

On June 15, 2009, the Company sold its 35% interest in the share capital of Romsa to Pysei Estructuras, S.A. de C.V. for a consideration of 30 Mexican pesos, thus realizing a net loss of $136.

On September 1, 2006, the Company ceased the activities of manufacturing forestry equipment (Tanguay Industries).

The net assets of the Manac division, which specializes in the fabrication of semitrailers, were sold on April 25, 2004.

The Company's discontinued operations have been reclassified into its continuing operations as of July 1, 2010.

The results of the discontinued operations for the periods ended September 25, 2010 and September 26, 2009 are as follows:

	Three months						
(unaudited)	**2010**			2009			
	Semi-trailers	**Forestry equipment**	**Total**	Semi-trailers	Forestry equipment	Mexico (Romsa)	Total
Sales	$ - -	$ - -	$ - -	$ 201	$ 271	$ - -	$ 472
Net earnings (net loss) from discontinued operations	$ - -	$ - -	$ - -	$ 192	$ (19)	$ - -	$ 173

	Nine months						
(unaudited)	**2010**			2009			
	Semi-trailers	**Forestry equipment**	**Total**	Semi-trailers	Forestry equipment	Mexico (Romsa)	Total
Sales	**$ 403**	**$ 107**	**$ 510**	$ 913	$ 376	$ 9,821	$ 11,110
Net earnings (net loss) from discontinued operations	**$ 121**	**$ (61)**	**$ 60**	$ 328	$ (62)	$ (1,317)	$ (1,051)

The assets and liabilities of the discontinued operations presented on the balance sheet are as follows:

	As at December 31 2009		
	Semi-trailers	Forestry equipment	Total
Assets			
Current assets			
Accounts receivable	$ 75	$ 470	$ 545
Income taxes recoverable	- -	218	218
Future income tax assets	42	425	467
Total current assets of discontinued operations	117	1,113	1,230
Semitrailers and forestry equipment leased to clients(1)	2,142	174	2,316
Property, plant and equipment	- -	1,308	1,308
Long-term receivables	4,929(2)	- -	4,929
Future income tax assets	9	56	65
Total long-term assets of discontinued operations	7,080	1,538	8,618
Total assets of discontinued operations	$ 7,197	$ 2,651	$ 9,848
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ - -	$ 456	$ 456
Deferred revenue(3)	805	82	887
Income taxes payable	152	- -	152
Total current liabilities of discontinued operations	957	538	1,495
Obligations relating to residual values	- -	106	106
Deferred revenue(3)	1,479	- -	1,479
Other liabilities	19	- -	19
Total long-term liabilities of discontinued operations	1,498	106	1,604
Total liabilities of discontinued operations	$ 2,455	$ 644	$ 3,099

(1) The amounts of $2,142 as at December 31, 2009 for semitrailers and $174 as at December 31, 2009 for forestry equipment leased to clients result 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 2012.

(2) Long-term debenture from Manac Inc., bearing interest at an annual rate of 6% and redeemable in February 2013.

(3) These liabilities are related to semitrailers and forestry equipment leased to clients.

7. Share Capital

Authorized

- Unlimited number of common shares, without par value, participating, entitling the holder to one vote per share.
- 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 Board of Directors.

Issued and fully paid

Common shares	Number	Amount
Net balance outstanding as at December 31, 2009	44,645,810	$ 178,024
Shares issued on exercise of options	15,400	129
Shares purchased by a trust in employees' name on the secondary market	(45,030)	(364)
Shares acquired by employees(1)	137,325	1,382
Repurchase of shares(2)	(17,113)	(69)
Net balance outstanding as at September 25, 2010	**44,736,392**	**$ 179,102**
Balance outstanding as at September 25, 2010	45,366,366	$ 183,324
Shares purchased by a trust in employees' name on the secondary market	(629,974)	(4,222)
Net balance outstanding as at September 25, 2010	**44,736,392**	**$ 179,102**

Statement of changes in contributed surplus

Periods ended September 25, 2010 and September 26, 2009

	Nine months	
(unaudited)	**2010**	2009
Opening balance	**$ 4,862**	$ 4,403
Options exercised	**(4)**	(13)
Amortization of compensation costs related to the profit sharing program - stock ownership component	**1,038**	1,349
Shares acquired by employees(1)	**(1,382)**	(1,308)
Closing balance	**$ 4,514**	$ 4,431

(1) These shares were delivered to employees. A reduction in contributed surplus and an increase in share capital were recorded.

(2) Under the stock ownership component of its profit sharing program, the Company repurchased 17,113 common shares at an average price of $7.46 for a total amount of $127. An amount of $69 has been applied against share capital and an amount of $58 has been applied against retained earnings.

During the third quarter of 2009, the Company filed a notice of intention with the Toronto Stock Exchange to make a normal course issuer bid. Common shares may be repurchased during the 12-month period from August 11, 2009 to

August 10, 2010. At the end of the Buyback Program, the Company could repurchase up to 3,632,509 outstanding common shares, which represents approximately 10% of publicly-held common shares. The acquired common shares will be cancelled.

On August 11, 2010, the Company renewed its normal course issuer bid, which had been previously authorized by the Toronto Stock Exchange. Common shares may be repurchased during the 12-month period beginning on August 11, 2010 and ending on August 10, 2011. At the end of the buyback program, the Company may repurchase up to 3,120,589 of its outstanding common shares, representing 10% of the publicly-held common shares. The acquired common shares will be cancelled.

8. Net Earnings (Net Loss) per Share

Periods ended September 25, 2010 and September 26, 2009

	Three months	
(unaudited)	**2010**	2009
Numerator		
Net earnings from continuing operations	**$ 2,080**	$ 4,255
Denominator		
Basic weighted average number of shares	**45,156**	44,988
Effect of dilutive securities		
Stock options	**22**	9
Shares purchased by a trust in employees' name on the secondary market	**210**	380
Diluted weighted average number of shares	**45,388**	45,377
Net earnings per share from continuing operations		
Basic	**$ 0.05**	$ 0.09
Diluted	**$ 0.05**	$ 0.09

For the three-month period ended September 25, 2010, 299,300 (324,800 as at September 26, 2009) stock options were not included in the calculation of the potential dilutive effect of common shares because the exercise price was greater than the average market price of the common shares during the period.

	Nine months	
(unaudited)	**2010**	2009
Numerator		
Net earnings (net loss) from continuing operations	**$ (923)**	$ 16,078
Denominator		
Basic weighted average number of shares	**45,155**	45,001
Effect of dilutive securities		
Stock options	**39**	7
Shares purchased by a trust in employees' name on the secondary market	**210**	380
Diluted weighted average number of shares	**45,404**	45,388
Net earnings (net loss) per share from continuing operations		
Basic	**$ (0.02)**	$ 0.36
Diluted	**$ (0.02)**	$ 0.35

For the nine-month period ended September 25, 2010, 53,000 (505,900 as at September 26, 2009) stock options were not included in the calculation of the potential dilutive effect of common shares because the exercise price was greater than the average market price of the common shares during the period.

9. Accumulated Other Comprehensive Loss

Periods ended September 25, 2010 and September 26, 2009

	Nine months	
(unaudited)	**2010**	2009
Unrealized foreign currency translation losses	**$ (30,184)**	$ (20,840)
Unrealized gains on available-for-sale financial assets	**728**	582
Closing balance	**$ (29,456)**	$ (20,258)

Retained earnings and accumulated other comprehensive loss totaled $208,284 as at September 25, 2010 and $220,562 as at September 26, 2009.

10. Financial Expenses

Periods ended September 25, 2010 and September 26, 2009

	Three months	
(unaudited)	**2010**	2009
Interest on bank loans	**$ 321**	$ 113
Interest on long-term debt	**1,179**	908
Interest on balance of purchase price of subsidiaries	**419**	– –
Amortization of deferred financing expenses	**62**	52
Interest income and other investment income	**(439)**	(620)
	$ 1,542	$ 453

	Nine months	
(unaudited)	**2010**	2009
Interest on bank loans	**$ 996**	$ 372
Interest on long-term debt	**2,993**	2,822
Interest on balance of purchase price of subsidiaries	**954**	– –
Amortization of deferred financing expenses	**179**	160
Interest income and other investment income	**(1,924)**	(1,770)
	$ 3,198	$ 1,584

11. Employee Future Benefits

Periods ended September 25, 2010 and September 26, 2009

	Three months	
(unaudited)	**2010**	2009
Total costs related to defined contribution pension plans	**$ 582**	$ 552
Total costs related to defined benefit pension plans	**589**	576
	$ 1,171	$ 1,128

	Nine months	
(unaudited)	**2010**	2009
Total costs related to defined contribution pension plans	**$ 1,628**	$ 1,603
Total costs related to defined benefit pension plans	**1,765**	1,728
	$ 3,393	$ 3,331

12. Contingencies and Commitments

- The Company is a defendant in a number of lawsuits, claims and imminent litigations. In the opinion of management, the resolution of these lawsuits, claims and litigations will not have a significant adverse effect on the financial position of the Company.
- The Company contracted letters of credit for an amount of up to $3,774 as at September 25, 2010 ($1,892 as at December 31, 2009).
- In the normal course of business, the Company has guaranteed commitments for semitrailers and forestry equipment leased to clients for an amount of up to $375 as at September 25, 2010 ($481 as at December 31, 2009).
- The Company acts as a guarantor for a long-term debt of $3,482 ($4,229 as at December 31, 2009) contracted by a related company.

13. Financial Instruments

Hierarchy of fair value measurements

The Company classifies its financial assets and liabilities measured at fair value into three levels according to the observability of the inputs used in their measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that the Company can access on the measurement date.

Level 2: This level includes measurements based on directly or indirectly observable inputs other than quoted prices included in Level 1. Financial instruments in this category are measured using valuation models or other standard valuation techniques that rely on observable market inputs.

Level 3: The measurements used in this level rest on inputs that are unobservable, unavailable, or whose observable inputs do not justify the largest part of the fair value of instruments.

The following table presents information on the Company's assets and liabilities measured at fair value and indicates the fair value hierarchy of the valuation techniques used to determine this fair value.

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 24,381	$ – –	$ – –	$ 24,381
Investments	1,091	– –	– –	1,091
Long-term receivables	– –	4,980[1]	– –	4,980

[1] Debenture receivable from Manac included in long-term receivables and other assets.

14. Subsequent Events

Offering of convertible debentures

On October 21, 2010, the Company announced the completion of a $69,000 offering of convertible unsecured subordinated debentures, including the $9,000 over-allotment option, bearing interest at 6.25% and maturing on October 31, 2015. Interest will be payable semi-annually in April and October beginning on April 30, 2011. Each debenture is convertible at the holder's option into common shares, at any time prior to the maturity date and on the business day immediately preceding the date fixed by the Company for redemption, at a conversion price of $12.00 per common share. The value of the conversion option is $5,764. The debentures will not be redeemable by the Company prior to October 31, 2013.

On or after October 31, 2013 and prior to the maturity date, the debentures may be redeemed by the Company, in whole or in part from time to time at the Company's option, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Company's common shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date on which notice of a redemption is given is at least 125% of the conversion price. The Company has the option to reimburse the debentures by issuing common shares.

The offering was underwritten by a syndicate of underwriters led by BMO Capital Markets and National Bank Financial Inc.

New term loan in Canada

On October 19, 2010, the Company signed a letter of commitment with GE Canada Equipment Financing G.P. to secure a term loan in the amount of $28,200 at a fixed rate of 5.4%, for a six-year term maturing in November 2016. Certain buildings and all production equipment located in Canada will be pledged as collateral.

Refinancing of the credit facility in Canada

On October 19, 2010, the Company signed a letter of commitment with National Bank Financial Inc. to secure a revolving credit facility of $90,000 for a five-year term. Accounts receivable and inventories will be pledged as collateral. The Company must also meet certain financial commitments measured quarterly. The new revolving credit will replace the existing revolving credit expected to mature in October 2011.

Dividends on common shares

On October 26, 2010, the Board of Directors approved the payment of a quarterly dividend of $0.04 per common share that will be paid on December 31, 2010 to shareholders of record on December 17, 2010.

15. Comparative Figures

Certain 2009 figures have been restated or reclassified in order to conform to the presentation adopted for the three-month and nine-month periods ended September 25, 2010.

CANAM GROUP

Better Building Solutions

Head Office

11535, 1re Avenue, bureau 500
Saint-Georges (Québec) G5Y 7H5
T. 418-228-8031
1-877-499-6049
F. 418-228-1750

Administrative Center

270, chemin Du Tremblay
Boucherville (Québec) J4B 5X9
T. 450-641-4000
1-866-506-4000
F. 450-641-4001

www.canamgroup.ws

SHAREHOLDER INFORMATION

Stock Exchange Listing

Common shares
TSX
Trading symbol: CAM

CUSIP Number

Common shares: 13710C 10 7
ISIN CA 13710C1077

Earnings Release Date

4th quarter: February 16, 2011