CANAM GROUP

Better Building Solutions

# Quarterly Report March 27, 2010

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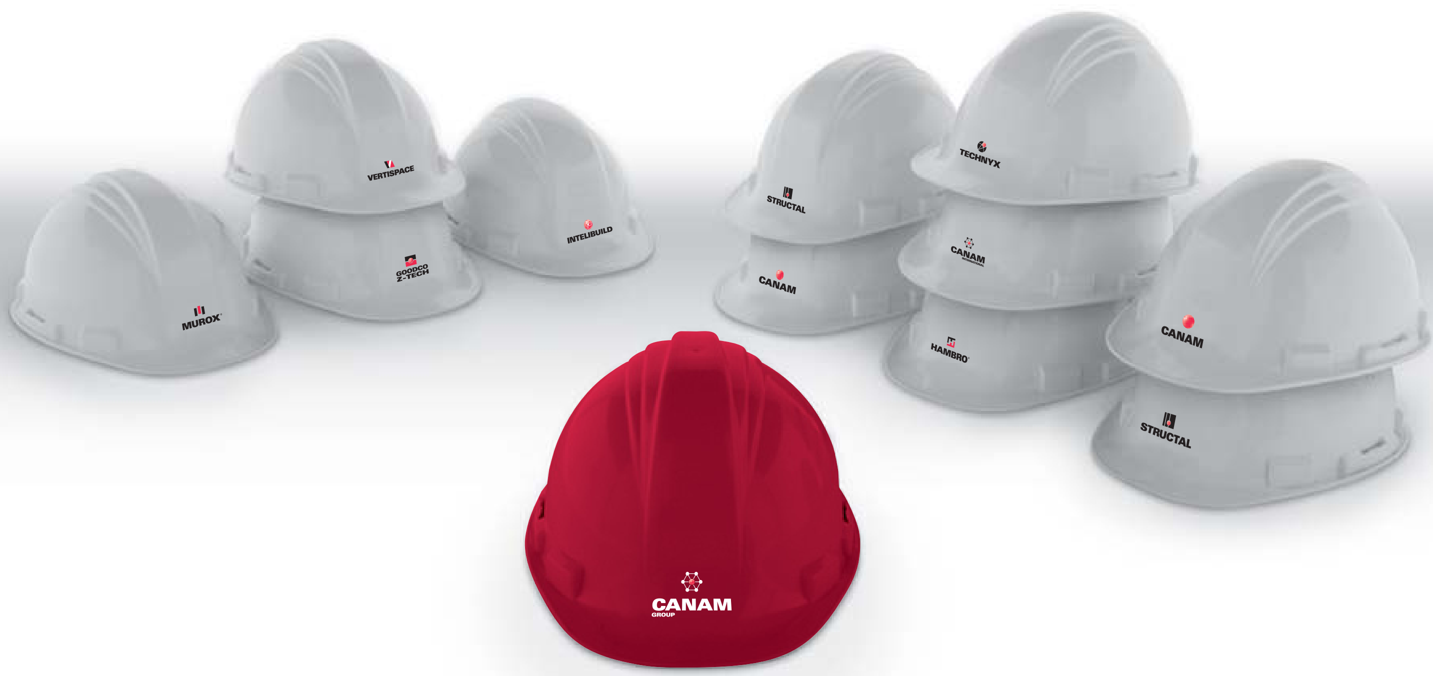


www.canamgroup.ws

# Message to Shareholders, Employees and Partners

Canam Group reported a net loss of $0.9M, or $0.02 per share, for the first quarter ended March 27, 2010, compared with net earnings of $5.4M, or $0.12 per share, for the corresponding period in 2009. Consolidated sales were $105.6M versus $180.2M for the year-earlier quarter.

These results reflect the difficult economic conditions management had foreseen for the first half of 2010.

In addition, deliveries related to the replacement of the roof for BC Place in Vancouver and for the Marlins' stadium in Miami are not scheduled to begin before the second quarter. These two orders will generate over $180M in revenue.

Canam Group's backlog of orders stood at $590M as at March 27, 2010, up 41% from $417M as at March 28, 2009. This increase is due to the addition of FabSouth's existing backlog and to an increase in new orders in certain business units.

Moreover, the acquisition of FabSouth, LLC concluded last month will help strengthen Canam Group's commercial position in the southeastern United States. As well, a major competitor's recent exit from the steel joist business in the United States is seen as a positive development for Canam Group.

The board of directors approved the payment of a quarterly dividend of $0.04 per common share on June 30, 2010 to shareholders of record on June 16, 2010.

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

Marc Dutil
President and Chief Operating Officer

Saint-Georges, Beauce

April 28, 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 March 27, 2010 and March 28, 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 March 27, 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 period-end exchange rate for the balance sheets and the average exchange rate of the reporting quarter for the statements of earnings.

## Significant Event

**Acquisition of FabSouth LLC and FS Real Estate Holdings, LLC (collectively referred to as 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 ownership 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 complement those of the Structal-Heavy Steel Construction business unit. The acquisition was settled for a cash consideration of US$64.9M with a working capital value of US$30M. An amount of US$59.9M was paid on March 26, 2010 and an amount of US$5M was withheld as a provision for adjustments, of which US$2.5M is payable on September 1, 2010 and US$2.5M 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$15M to US$25M, 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$94.9M. This amount takes into account the cash consideration paid on March 26, 2010 (US$59.9M), the discounted balances of purchase price (US$18.9M), the discounted contingent consideration (US$8M), and the discounted share in future pre-tax earnings (US$8.1M) that may be paid to other members. 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. This transaction was concluded with a company controlled by the Chairman of the Board and Chief Executive Officer of the Company. The acquisition was settled for a consideration of US$11.25M, plus an amount of US$3.9M, 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$20M. On December 31, 2009, the Company also acquired an additional 1.67% interest in FS Real Estate Holdings, LLC for a consideration of US$0.1M. On February 22, 2010, FabSouth made a distribution and the Company cashed its share totaling US$2.3M.

**Exchange rates used**

| | | **March 27 2010** | December 31 2009 | March 28 2009 |
|---|---|---|---|---|
| Consolidated statements of earnings | US$/CAN$ | **1.0332** | 1.0571 | 1.2440 |
| | Euro/CAN$ | **1.4418** | 1.5609 | 1.6206 |
| | Peso[1]/CAN$ | **0.0814** | 0.0809 | 0.0864 |
| Consolidated balance sheets | US$/CAN$ | **1.0267** | 1.0510 | 1.2374 |
| | Euro/CAN$ | **1.3774** | 1.5046 | 1.6456 |
| | Peso[1]/CAN$ | **0.0821** | 0.0804 | 0.0865 |

[1] Mexican peso

The following table summarizes the financial components of the transaction:

| | | |
|---|---|---|
| **15% interest** | | |
| Cash consideration | US$ | 15,250 |
| Distribution | | (2,295) |
| Acquisition cost | US$ | 12,955 |
| **85% interest** | | |
| Cash consideration | US$ | 59,916 |
| Balance of purchase price | | 18,919 |
| Contingent consideration and distributions | | 16,089 |
| Acquisition cost | US$ | 94,924 |

This 15% ownership interest was revalued at fair value upon the acquisition of the 85% interest and a gain on revaluation of the initial investment of US$3.8M was recognized in earnings. The total carrying value of the transaction is therefore US$111.7M.

## Dividends on Common Shares

On February 23, 2010, the Board of Directors approved the payment of a quarterly dividend of $0.04 per common share to shareholders of record on March 17, 2010. The amount thus paid on March 31, 2010 was $1.8M and has been applied against retained earnings.

## Operating Results

The net loss in the first quarter of 2010 totaled $0.9M or $0.02 per basic share, based on a weighted average number of 45,051,544 common shares, as compared with net earnings of $5.4M or $0.12 per basic share during the first quarter of 2009, based on a weighted average number of 44,908,142 common shares. The net loss from continuing operations totaled $0.9M or $0.02 per basic share in the first quarter of 2010, as compared with net earnings of $6.7M or $0.15 per basic share for the same quarter in 2009.

Consolidated sales for the first quarter of 2010 totaled $105.6M, which represents a $74.6M or a 41.4% decrease as compared with sales of $180.2M for the same quarter in 2009. The decrease in sales is primarily attributable to the Canam U.S. (joists and steel deck), Structal-Heavy Steel Construction and Canam Canada (joists and steel deck) business units, which are impacted by the economic slowdown in non-residential construction.

The gross margin was 14% of sales in the first quarter of 2010 as compared with 20.7% for the corresponding quarter in 2009. The decrease in the gross margin is attributable to a decline in sales and an increased competition resulting from the economic slowdown.

Selling and administrative expenses amounted to $16.4M, or 15.5% of sales in the first quarter of 2010, compared to $17.8M, or 9.9% of sales for the corresponding quarter in 2009.

Expenses related to profit sharing and continuous improvement programs totaled $0.3M in the first quarter of 2010 as compared with $0.8M for the same quarter in 2009. This decrease is attributable to the loss before income taxes recorded in 2010 as compared with 2009.

Interest income stood at $0.7M in the first quarter of 2010 as compared with $0.5M for the corresponding quarter in 2009, and derives mainly from the note receivable from Placements CMI Inc., the balance of which totaled $19M as at March 27, 2010 ($20M as at December 31, 2009) and bears interest at an annual rate of 5.81%. On March 1, 2010, Placements CMI Inc. reimbursed $1M in capital and $0.3M in interest.

The gain on revaluation of investment of $3.9M is attributable to the revaluation of the 15% investment in FabSouth that was acquired in December 2009, given the acquisition of control in the first quarter of 2010.

In the first quarter of 2010, comprehensive loss stood at $4.3M compared to comprehensive income of $7.4M for the first quarter of 2009. The decrease is mainly explained by an unrealized loss of $3.4M resulting from the translation of financial statements of self-sustaining foreign operations compared to an unrealized gain of $1.9M for the same quarter in 2009 and by the $6.3M decrease in net earnings in the first quarter of 2010 versus to the corresponding quarter in 2009.

**Non-GAAP measures**

In this MD&A, the Company's financial management uses a measure that is not in accordance with GAAP. Adjusted earnings (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 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. 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 March 27, 2010 and March 28, 2009

| | Three months | |
|---|---|---|
| (in thousands of dollars) (unaudited) | **2010** | 2009 (restated) |
| Net earnings (net loss) | **$ (922)** | $ 5,373 |
| Net loss (net earnings) from discontinued operations | **(18)** | 1,323 |
| Net earnings (net loss) from continuing operations | **(940)** | 6,696 |
| PLUS: | | |
| Share in loss of companies subject to significant influence | **273** | 958 |
| Income tax expense (recovery) | **(2,957)** | 5,134 |
| Financial expenses | **1,259** | 1,141 |
| Total depreciation and amortization | **5,037** | 4,397 |
| Gain on revaluation of investments | **(3,888)** | – – |
| Adjusted EBITDA | **$ (1,216)** | $ 18,326 |

The Company's Adjusted EBITDA in the first quarter of 2010 amounted to ($1.2M) or (1.2%) of sales, as compared with an Adjusted EBITDA of $18.3M or 10.2% of sales for the same quarter of 2009.

In the first quarter of 2010, depreciation and amortization expenses amounted to $5M compared to $4.4M for the corresponding quarter in 2009.

Still in the first quarter of 2010, financial expenses totaled $1.3M compared to $1.1M for the same period in 2009.

The Company's $0.3M share in the loss incurred by companies subject to significant influence in the first quarter of 2010 compared to $1M share for the same quarter of 2009 is mainly attributable to the net loss of $0.7M in 2009 resulting from the share in JD2, Inc. in which the Company had a 25% interest. This interest was sold on October 30, 2009.

Excluding the non-taxable gain on revaluation of investments of $3.9M, the effective taxation rate was 39.4% for the quarter ended March 27, 2010, as compared with an effective taxation rate of 40.2% for the same quarter of 2009.

## Balance Sheet

Working capital decreased from $198.4 M as at December 31, 2009 (current ratio of 3.32) to $174M as at March 27, 2010 (current ratio of 2.22).

The net debt, whose balance stood at $68.5M as at March 27, 2010, increased by $68.2M compared with December 31, 2009, when it totaled $0.3M. The increase is mainly attributable to the payment of US$59.9M on March 26, 2010 for the acquisition of 65% of FabSouth. Shareholders' equity stood at $394.4M as at March 27, 2010, compared with $400.6M as at December 31, 2009.

The net debt to Adjusted EBITDA ratio for the last four quarters was 1.92 as at March 27, 2010 compared to 0.01 as at December 31, 2009.

As at March 27, 2010, the net debt to shareholders' equity ratio was 0.17, whereas it was 0 as at December 31, 2009.

**Financial information**

| (in thousands of dollars, except for ratios) | Periods ended<br>**March 27 2010** | <br>Dec. 31 2009 (restated) |
|---|---|---|
| Working capital | **$ 174,016** | $ 198,355 |
| Current ratio | **2.22** | 3.32 |
| Net debt[(1)] | **$ 68,454** | $ 296 |
| Adjusted EBITDA for the last four quarters | **$ 35,692** | $ 51,346 |
| Shareholders' equity | **$ 394,387** | $ 400,597 |
| Net debt to Adjusted EBITDA ratio for the last four quarters | **1.92** | 0.01 |
| Net debt to shareholders' equity ratio | **0.17** | - - |
| Cash flows from continuing operating activities | **$ (8,186)** | $ 28,654 |
| Cash flows from continuing operating activities less additions to property, plant and equipment and intangible assets | **$ (15,695)** | $ 20,803 |

(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 at March 27, 2010, accounts receivable stood at $137.5M compared with $99.6M as at December 31, 2009. The $37.9M increase is attributable to the consolidation of FabSouth.

Inventories increased by $17.7M to $122.2M as at March 27, 2010, compared with $104.5M as at December 31, 2009. The increase is explained by the consolidation of FabSouth in the amount of $6.7M and by the $3.3M and $7.6M increase in raw materials and finished goods inventories, respectively.

The increase in prepaid expenses and other assets, the balance of which stood at $5.1M as at March 27, 2010 compared with $3.5M as at December 31, 2009, is attributable to the consolidation of FabSouth.

The reduction in assets and liabilities of discontinued operations mainly results from the depreciation of semitrailers and forestry equipment leased to clients and the related deferred revenue, which results from the activities of the Manac and Tanguay divisions before they were disposed of in 2004 and 2006, respectively. The 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 $48.7M as at March 27, 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 $214.4M as at March 27, 2010, is mainly attributable to the consolidation of FabSouth and to additions to property, plant and equipment in the amount of $7.4M less depreciation totaling $4.4M.

As at March 27, 2010, accounts payable and accrued liabilities totaled $121M compared to $77.1M as at December 31, 2009. The $43.9M increase is attributable to the consolidation of FabSouth.

In the first quarter of 2010, shareholders' equity decreased by $6.2M to $394.4M ($400.6M as at December 31, 2009). In addition to the net loss of $0.9M recorded in the first quarter of 2010, 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 financial statements of self-sustaining foreign operations, mainly those of the U.S. subsidiary; and ii) the $1.8M dividend declared to shareholders of record on March 17, 2010.

## Cash Position

For the three-month period ended March 27, 2010, cash flows used in continuing operating activities stood at $8.2M, as compared with cash flows provided from continuing operating activities of $28.8M for the same quarter in 2009. The decrease is primarily attributable to the increase in inventories, the decrease in net earnings as well as the decrease in accounts payable and accrued liabilities.

Cash flows provided from financing activities stood at $26.8M for the first quarter of 2010, compared with $1.8M for the corresponding period in 2009. The difference is primarily attributable to the increase in long-term debt and bank loans in the amount of $28.9M during the first quarter of 2010 compared to $8.7M during the same period in 2009.

Still in the first quarter of 2010, cash flows used in investing activities stood at $45.5M, compared with $8.2M in the first quarter of 2009. The variation is mainly attributable to the acquisition of FabSouth, net of cash acquired from the latter, in the amount of $38.7M.

**Cash flows**

A comparison of the Company's cash flows for the periods ended March 27, 2010 and March 28, 2009 is presented below.

| (in thousands of dollars) (unaudited) | Three months 2010 | 2009 (restated) |
|---|---|---|
| Cash flows from continuing operating activities | **$ (8,186)** | $ 28,654 |
| Cash flows from continuing financing activities | **26,753** | 1,789 |
| Cash flows from continuing investing activities | **(45,543)** | (8,240) |
| Effect of changes in foreign exchange rate on cash | **(1,321)** | (186) |
| Net change | **(28,297)** | 22,017 |
| Net cash flows from discontinued operations | **60** | (230) |
| Cash and cash equivalents - beginning of period | **67,393** | 15,619 |
| Cash and cash equivalents - end of period | **$ 39,156** | $ 37,406 |

## Subsequent Event

**Dividends on common shares**

On April 28, 2010, the Board of Directors approved the payment of a quarterly dividend of $0.04 per common share that will be paid on June 30, 2010 to shareholders of record on June 16, 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 Finance 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 March 27, 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 $590M as at March 27, 2010, including FabSouth, compared to $417M as at March 28, 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 April 28, 2010, there were 45,367,498 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 web site (www.sedar.com) and the Company's web site (www.canamgroup.ws).

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

Charles Pinel, CA
Vice President and
Chief Financial Officer

April 28, 2010

# Quarterly Results

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

| **2010 Quarter ended** | **March 27** | | | | **Total** |
|---|---|---|---|---|---|
| Sales | **$ 105,603** | | | | **$ 105,603** |
| Net loss from continuing operations | **(940)** | | | | **(940)** |
| Net loss | **(922)** | | | | **(922)** |
| Basic net loss per share | | | | | |
| from continuing operations | **(0.02)** | | | | **(0.02)** |
| Basic net loss per share | **(0.02)** | | | | **(0.02)** |
| Diluted net loss per share | | | | | |
| from continuing operations | **(0.02)** | | | | **(0.02)** |
| Diluted net loss per share | **(0.02)** | | | | **(0.02)** |
| Total assets | **679,028** | | | | |
| Net debt(1) | **68,454** | | | | |
| Shareholders' equity | **394,387** | | | | |
| Cash dividend declared per common share | **0.04** | | | | **0.04** |

| 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 | 0.10 | 0.11 | 0.48 |
| 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 | 0.10 | 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) | 56,271 | 29,323 | 8,492 | 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 March 27, 2010 and March 28, 2009

| (in thousands of dollars, except per share amounts) (unaudited) | Three months 2010 | Three months 2009 (restated) |
|---|---|---|
| Sales | **$ 105,603** | $ 180,204 |
| Cost of sales | **90,855** | 142,969 |
| Gross profit | **14,748** | 37,235 |
| Selling and administrative expenses | **16,377** | 17,779 |
| Profit sharing programs | **308** | 845 |
| Exchange loss | **44** | 818 |
| Interest income and other investment income | **(749)** | (525) |
| Gain on disposal of property, plant and equipment | **(16)** | (8) |
| | **(1,216)** | 18,326 |
| Depreciation of property, plant and equipment | **4,376** | 4,029 |
| Amortization of intangible assets | **661** | 368 |
| Financial expenses | **1,259** | 1,141 |
| Gain on revaluation of investments | **(3,888)** | – – |
| Earnings (loss) before income tax expense and undermentioned items | **(3,624)** | 12,788 |
| Income tax expense (recovery) | | |
| Current | **(852)** | 5,144 |
| Future | **(2,105)** | (10) |
| | **(2,957)** | 5,134 |
| Earnings (loss) before undermentioned items | **(667)** | 7,654 |
| Share in loss of companies subject to significant influence | **(273)** | (958) |
| Net earnings (net loss) from continuing operations | **(940)** | 6,696 |
| Net earnings (net loss) from discontinued operations (note 6) | **18** | (1,323) |
| Net earnings (net loss) | **$ (922)** | $ 5,373 |
| Net earnings (net loss) per share (note 8) | | |
| Basic: | | |
| From continuing operations | **$ (0.02)** | $ 0.15 |
| From discontinued operations | **– –** | (0.03) |
| Total | **$ (0.02)** | $ 0.12 |
| Diluted: | | |
| From continuing operations | **$ (0.02)** | $ 0.15 |
| From discontinued operations | **– –** | (0.03) |
| Total | **$ (0.02)** | $ 0.12 |
| Weighted average number of common shares (in thousands of shares) (note 8) | | |
| Basic | **45,052** | 44,908 |
| Diluted | **45,399** | 45,414 |
| Number of common shares outstanding | **45,355** | 45,368 |

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

# Interim Consolidated Statements of Comprehensive Income (Loss)

**Periods ended March 27, 2010 and March 28, 2009**

| | Three months 2010 | Three months 2009 |
|---|---|---|
| **Net earnings (net loss)** | **$ (922)** | $ 5,373 |
| Other comprehensive income (loss): | | |
| Change in unrealized gains and losses on translating financial statements of self-sustaining foreign operations | **$ (3,402)** | $ 1,946 |
| Unrealized gains on available-for-sale financial assets arising during the period | **$ 51** | $ 157 |
| Income tax expense | **(8)** | (41) |
| Change in unrealized gains and losses on available-for-sale financial assets | **$ 43** | $ 116 |
| **Other comprehensive income (loss)** | **$ (3,359)** | $ 2,062 |
| **Comprehensive income (loss)** | **$ (4,281)** | $ 7,435 |

# Interim Consolidated Statements of Retained Earnings

**Periods ended March 27, 2010 and March 28, 2009**

| | Three months 2010 | Three months 2009 |
|---|---|---|
| Opening balance | **$ 244,029** | $ 232,208 |
| Net earnings (net loss) | **(922)** | 5,373 |
| Dividends | **(1,814)** | (1,815) |
| Excess of acquisition cost over carrying value of acquired common shares (note 7) | **(53)** | (968) |
| Closing balance | **$ 241,240** | $ 234,798 |

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

# INTERIM CONSOLIDATED BALANCE SHEETS

| (in thousands of dollars) | **As at March 27 2010 (unaudited)** | As at December 31 2009 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | **$ 39,156** | $ 67,393 |
| Accounts receivable (note 4) | **137,536** | 99,594 |
| Inventories | **122,218** | 104,540 |
| Income taxes recoverable | **7,578** | 6,701 |
| Future income tax assets | **4,539** | 1,008 |
| Prepaid expenses and other assets | **5,074** | 3,484 |
| Current assets of discontinued operations (note 6) | **1,110** | 1,230 |
| Total current assets | **317,211** | 283,950 |
| Investments | **48,681** | 63,503 |
| Property, plant and equipment | **214,383** | 184,851 |
| Property, plant and equipment held for sale | **1,513** | 1,549 |
| Intangible assets (note 3) | **14,680** | 1,127 |
| Goodwill (note 3) | **52,752** | 150 |
| Future income tax assets | **356** | 363 |
| Long-term receivables and other assets (note 5) | **21,063** | 21,942 |
| Long-term assets of discontinued operations (note 6) | **8,389** | 8,618 |
| | **$ 679,028** | $ 566,053 |
| **Liabilities** | | |
| Current liabilities | | |
| Bank loans | **$ 901** | $ – – |
| Accounts payable and accrued liabilities | **120,987** | 77,112 |
| Income taxes payable | **156** | 635 |
| Future income tax liabilities | **262** | 876 |
| Current portion of long-term debt | **5,901** | 5,477 |
| Current portion of balance of purchase price of subsidiaries (note 3) | **13,595** | – – |
| Current liabilities of discontinued operations (note 6) | **1,393** | 1,495 |
| Total current liabilities | **143,195** | 85,595 |
| Long-term debt | **100,808** | 62,212 |
| Balance of purchase price of subsidiaries (note 3) | **22,220** | – – |
| Deferred credits | **4,059** | 4,749 |
| Future income tax liabilities | **12,956** | 11,296 |
| Long-term liabilities of discontinued operations (note 6) | **1,403** | 1,604 |
| | **284,641** | 165,456 |
| **Shareholders' equity** | | |
| Share capital (note 7) | **179,002** | 178,024 |
| Retained earnings | **241,240** | 244,029 |
| Contributed surplus (note 7) | **3,822** | 4,862 |
| Accumulated other comprehensive loss (note 9) | **(29,677)** | (26,318) |
| | **394,387** | 400,597 |
| | **$ 679,028** | $ 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 March 27, 2010 and March 28, 2009

| (in thousands of dollars) (unaudited) | Three months 2010 | Three months 2009 (restated) |
|---|---|---|
| Cash flows from the following activities: | | |
| **Operating activities** | | |
| Net earnings (net loss) from continuing operations | **$ (940)** | $ 6,696 |
| Items not affecting cash and cash equivalents | | |
| Amortization of compensation costs related to the profit sharing program – stock ownership component | **346** | 485 |
| Unrealized gain on foreign currency forward contracts | **– –** | (1,053) |
| Gain on revaluation of investments | **(3,888)** | – – |
| Gain on disposal of property, plant and equipment, | **(16)** | (8) |
| Depreciation of property, plant and equipment | **4,376** | 4,029 |
| Amortization of intangible assets | **661** | 368 |
| Amortization of deferred financing expenses | **55** | 55 |
| Pension expense | **5** | (71) |
| Future income tax expense | **(2,105)** | (10) |
| Share in loss of companies subject to significant influence | **273** | (958) |
| | **(1,233)** | 11,449 |
| **Net change in non-cash operating working capital items** | | |
| Decrease in accounts receivable | **10,792** | 13,747 |
| Decrease (increase) in inventories | **(7,091)** | 13,021 |
| Decrease (increase) in income taxes recoverable | **(1,033)** | 2,185 |
| Decrease (increase) in prepaid expenses and other assets | **(468)** | 2,978 |
| Decrease in accounts payable and accrued liabilities | **(8,876)** | (15,043) |
| Increase in interest payable | **199** | 204 |
| Increase (decrease) in income taxes payable | **(476)** | 113 |
| | **(6,953)** | 17,205 |
| Cash flows from continuing operating activities | **(8,186)** | 28,654 |
| **Financing activities** | | |
| Shares purchased by a trust in employees' name on the secondary market | **(364)** | (1,871) |
| Repurchase of shares | **(118)** | (2,122) |
| Proceeds from issuance of shares | **21** | 47 |
| Dividends | **– –** | (1,815) |
| Increase in long-term debt and bank loans | **28,871** | 8,680 |
| Repayment of long-term debt and bank loans | **(982)** | (885) |
| Deferred credits | **(675)** | (245) |
| Cash flows from continuing financing activities | **26,753** | 1,789 |
| **Investing activities** | | |
| Proceeds from sale of property, plant and equipment | **7** | 71 |
| Additions to property, plant and equipment | **(7,423)** | (7,566) |
| Additions to intangible assets | **(86)** | (285) |
| Acquisition of investments | **(120)** | (1,305) |
| Proceeds from disposal of investments | **– –** | 501 |
| Distribution from a company subject to significant influence | **– –** | 300 |
| Decrease in long-term receivables | **763** | 777 |
| Increase in long-term receivables | **– –** | (733) |
| Business acquisitions, net of cash acquired (note 3) | **(38,684)** | – – |
| Cash flows from continuing investing activities | **(45,543)** | (8,240) |
| Effect of changes in foreign exchange rate on cash and cash equivalents | **(1,321)** | (186) |
| Net change in cash and cash equivalents from continuing operations | **(28,297)** | 22,017 |
| Cash flows from discontinued operations | | |
| Operating activities | **45** | (377) |
| Investing activities | **15** | 147 |
| | **60** | (230) |
| Cash and cash equivalents, beginning of period | **67,393** | 15,619 |
| Cash and cash equivalents, end of period | **$ 39,156** | $ 37,406 |
| Supplementary information | | |
| Interest paid | **$ 760** | $ 1,129 |
| Income taxes paid, net | **$ 1,064** | $ 3,546 |

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 an industrial company operating 18 plants specialized in the design and fabrication of construction products and solutions. The Company employs close to 3,000 people in Canada, the United States, Romania and India, 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 periods ended March 27, 2010 and March 28, 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 March 27, 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 is payable 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. This transaction was concluded with a company controlled by the Chairman of the Board and Chief Executive Officer of the Company. 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 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 |
| Investment | 42 | 40 |
| Property, plant and equipment | 26,448 | 25,148 |
| Intangible assets | 14,398 | 13,690 |
| Goodwill | 53,662 | 51,023 |
| Long-term receivables and other assets | 66 | 62 |
| Total assets | $ 176,400 | $ 167,729 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | $ 49,056 | $ 46,645 |
| Current portion of long-term debt | 326 | 310 |
| Long-term debt | 9,568 | 9,098 |
| Total liabilities | 58,950 | 56,053 |
| Fair value of net assets acquired on the acquisition date | $ 117,450 | $ 111,676 |

## 4. Accounts Receivable

| | **As at March 27 2010 (unaudited)** | As at December 31 2009 |
|---|---|---|
| Trade | **$ 125,687** | $ 83,432 |
| Companies subject to significant influence | **3,223** | 4,230 |
| Other related companies[1] | **4,681** | 6,810 |
| Advances and other | **3,945** | 5,122 |
| | **$ 137,536** | $ 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 $3,500 ($4,000 as at December 31, 2009) of the note receivable from Placements CMI Inc. totaling $19,000 ($20,000 as at December 31, 2009) (note 5).

## 5. Long-Term Receivables and Other Assets

| | **As at March 27 2010 (unaudited)** | As at December 31 2009 |
|---|---|---|
| Long-term receivables[1] | **$ 4,642** | $ 4,961 |
| Placements CMI Inc. – Note receivable[2] | **15,500** | 16,000 |
| Deferred financing expenses | **373** | 428 |
| Accrued benefit assets | **548** | 553 |
| | **$ 21,063** | $ 21,942 |

(1) As at March 27, 2010, the balance of long-term receivables includes $2,317 ($2,468 as at December 31, 2009) in receivables from companies subject to significant influence.

(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 for a consideration of 30 Mexican pesos, thus realizing a net loss of $0.1M.

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 results of the discontinued operations for the periods ended March 27, 2010 and March 28, 2009 are as follows:

| (unaudited) | Three months **2010** | | |
|---|---|---|---|
| | **Semi-trailers** | **Forestry equipment** | **Total** |
| Sales | **$ 201** | **$ 39** | **$ 240** |
| Net earnings (net loss) from discontinued operations | **$ 60** | **$ (42)** | **$ 18** |

| (unaudited) | Three months 2009 (restated) | | | |
|---|---|---|---|---|
| | Semi-trailers | Forestry equipment | Mexico (Romsa) | Total |
| Sales | $ 433 | $ 54 | $ 4,469 | $ 4,956 |
| Net earnings (net loss) from discontinued operations | $ 73 | $ (22) | $ (1,374) | $ (1,323) |

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

| | As at March 27 2010 (unaudited) | | | As at December 31 2009 | | |
|---|---|---|---|---|---|---|
| | **Semi-trailers** | **Forestry equipment** | **Total** | Semi-trailers | Forestry equipment | Total |
| **Assets** | | | | | | |
| Current assets | | | | | | |
| Accounts receivable | **$ 150** | **$ 256** | **$ 406** | $ 75 | $ 470 | $ 545 |
| Income taxes recoverable | **– –** | **237** | **237** | – – | 218 | 218 |
| Future income tax assets | **42** | **425** | **467** | 42 | 425 | 467 |
| Total current assets of discontinued operations | **192** | **918** | **1,110** | 117 | 1,113 | 1,230 |
| Semitrailers and forestry equipment leased to clients(1) | **1,954** | **153** | **2,107** | 2,142 | 174 | 2,316 |
| Property, plant and equipment | **– –** | **1,291** | **1,291** | – – | 1,308 | 1,308 |
| Long-term receivables | **4,926**(2) | **– –** | **4,926** | 4,929(2) | – – | 4,929 |
| Future income tax assets | **10** | **55** | **65** | 9 | 56 | 65 |
| Total long-term assets of discontinued operations | **6,890** | **1,499** | **8,389** | 7,080 | 1,538 | 8,618 |
| Total assets of discontinued operations | **$ 7,082** | **$ 2,417** | **$ 9,499** | $ 7,197 | $ 2,651 | $ 9,848 |
| **Liabilities** | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable and accrued liabilities | **$ – –** | **$ 351** | **$ 351** | $ – – | $ 456 | $ 456 |
| Deferred revenue(3) | **805** | **57** | **862** | 805 | 82 | 887 |
| Income taxes payable | **180** | **– –** | **180** | 152 | – – | 152 |
| Total current liabilities of discontinued operations | **985** | **408** | **1,393** | 957 | 538 | 1,495 |
| Obligations relating to residual values | **– –** | **106** | **106** | – – | 106 | 106 |
| Deferred revenue(3) | **1,278** | **– –** | **1,278** | 1,479 | – – | 1,479 |
| Other liabilities | **19** | **– –** | **19** | 19 | – – | 19 |
| Total long-term liabilities of discontinued operations | **1,297** | **106** | **1,403** | 1,498 | 106 | 1,604 |
| Total liabilities of discontinued operations | **$ 2,282** | **$ 514** | **$ 2,796** | $ 2,455 | $ 644 | $ 3,099 |

(1) The amounts of $1,954 ($2,142 as at December 31, 2009) for semitrailers and $153 ($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.

The Company has guaranteed commitments for semitrailer and forestry equipment lease contracts for an amount of $474 ($481 as at December 31, 2009), which have been included under Contingencies and Commitments (note 12).

(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 |
| Issuance of shares pursuant to options | 2,900 | 25 |
| 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) | (15,981) | (65) |
| Net balance outstanding as at March 27, 2010 | **44,725,024** | **$ 179,002** |
| Outstanding as at March 27, 2010 | 45,354,998 | $ 183,224 |
| Shares purchased by a trust in employees' name on the secondary market | (629,974) | (4,222) |
| Net balance outstanding as at March 27, 2010 | **44,725,024** | **$ 179,002** |

**Statement of changes in contributed surplus**

Periods ended March 27, 2010 and March 28, 2009

| | Three 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 | **346** | 485 |
| Shares acquired by employees(1) | **(1,382)** | (1,308) |
| Closing balance | **$ 3,822** | $ 3,567 |

(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 15,981 common shares at an average price of $7.41 for a total amount of $118. An amount of $65 has been applied against share capital and an amount of $53 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.

## 8. Net Earnings per Share

Periods ended March 27, 2010 and March 28, 2009

| | Three months | |
|---|---|---|
| (unaudited) | **2010** | 2009 (restated) |
| **Numerator** | | |
| Net earnings (net loss) from continuing operations | **$ (940)** | $ 6,696 |
| **Denominator** | | |
| Basic weighted average number of shares | **45,052** | 44,908 |
| **Effect of dilutive securities** | | |
| Stock options | **33** | 7 |
| Shares purchased by a trust in employees' name on the secondary market | **314** | 499 |
| Diluted weighted average number of shares | **45,399** | 45,414 |
| **Net earnings (net loss) per share from continuing operations** | | |
| Basic | **$ (0.02)** | $ 0.15 |
| Diluted | **$ (0.02)** | $ 0.15 |

For the three-month period ended March 27, 2010, 65,500 (516,100 as at March 28, 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 March 27, 2010 and March 28, 2009

| | Three months | |
|---|---|---|
| (unaudited) | **2010** | 2009 |
| Unrealized foreign currency translation losses | **$ (30,169)** | $ (864) |
| Unrealized gains on available-for-sale financial assets | **492** | 247 |
| Closing balance | **$ (29,677)** | $ (617) |

Retained earnings and accumulated other comprehensive loss totaled $211,563 as at March 27, 2010 and $234,181 as at March 28, 2009.

## 10. Financial Expenses

Periods ended March 27, 2010 and March 28, 2009

| (unaudited) | **2010** | 2009 (restated) |
|---|---|---|
| Interest on bank loans | **$ 111** | $ 141 |
| Interest on long-term debt | **962** | 945 |
| Interest on balance of purchase price of subsidiaries | **131** | – – |
| Amortization of deferred financing expenses | **55** | 55 |
| | **$ 1,259** | $ 1,141 |

## 11. Employee Future Benefits

Periods ended March 27, 2010 and March 28, 2009

| | Three months | |
|---|---|---|
| (unaudited) | **2010** | 2009 |
| Total costs related to defined contribution pension plans | **$ 494** | $ 535 |
| Total costs related to defined benefit pension plans | **534** | 576 |
| | **$ 1,028** | $ 1,111 |

## 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 $3,778 as at March 27, 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 $474 as at March 27, 2010 ($481 as at December 31, 2009).
- The Company acts as a guarantor for a long-term debt of $3,980 ($4,229 as at December 31, 2009) contracted by a company subject to significant influence.

## 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 | $ 39,156 | $ – – | $ – – | $ 39,156 |
| Investments | 1,057 | – – | – – | 1,057 |
| Long-term receivables | – – | 4,926(1) | – – | 4,926 |

(1) Debenture receivable from Manac included in discontinued operations.

## 14. Subsequent Event

### Dividends on common shares

On April 28, 2010, the Board of Directors approved the payment of a quarterly dividend of $0.04 per common share that will be paid on June 30, 2010 to shareholders of record on June 16, 2010.

## 15. Comparative Figures

Certain 2009 figures have been restated or reclassified in order to conform to the presentation adopted for the three-month period ended March 27, 2010.

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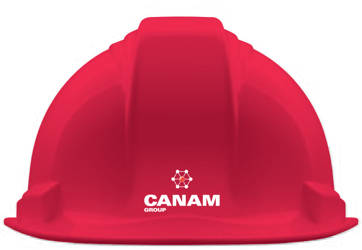


## SHAREHOLDER INFORMATION

**Stock Exchange Listing**

Common shares
TSX
Trading symbol: CAM

**CUSIP Number**

Common shares: 13710C 10 7
ISIN CA 13710C1077

**Earnings Release Date**

2nd quarter: August 5, 2010

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