CANAM GROUP

Better Building Solutions

QUARTERLY REPORT 2

JUNE 25, 2005

www.canamgroup.ws

Better building solutions... a solid business.

Message to Shareholders and Employees

Canam Group continues to report higher profitability and growth as its new focus on value added products is creating strong results. For the second quarter ended June 25, 2005, Canam Group posted a net profit of $7.9 million or $0.19 per share compared with a net loss of $10.1 million or $0.30 per share for the same period in 2004. Consolidated sales increased 15.8% to reach $183.2 million compared with $158.3 million for the second quarter of 2004.

The net profit for the second quarter of 2005 includes a non-recurring item of $1.9 million or $0.04 per share, for an early repayment penalty of US promissory notes carrying an interest rate of 8.71% and maturing in May 2007. As of March 30, 2005 the balance of the notes was US$46.3 million (CAN$56.2 million). Without this element, net profit would have been $9.8 million or $0.23 per share. The repayment of the US notes combined with refinancing and share issue in March 2005 have allowed the Company to reduce its financing costs.

We are pleased to see results that prove that the Canam Group's strategy is in tune with the needs of its clients in terms of quality, innovation and performance. The non-residential construction market is still very active and our sales strategy for specialized products is on target.

Gross margin for the quarter was 23.7% of sales compared with 17% for the second quarter of 2004. EBITDA for the second quarter was $24.2 million or 13.2% of sales compared with $11.9 million or 7.5% of sales for the same quarter in 2004.

For the first six months of 2005, net income was $10.9 million or $0.29 per share compared with a net loss of $17.5 million or $0.51 per share for the first six months of 2004. For the same period, consolidated sales reached $324.2 million compared with $285.5 million in 2004, an increase of 13.6%. For the first half of 2005, gross margin was 23.3% of sales compared with 14.9% in 2004. EBITDA for the first six months of the year was $39.0 million or 12% of sales compared with $13.6 million or 4.8% of sales for the first six month of 2004.

For the first two quarters of 2005, cash flows from continuing operating activities reached $17.6 million compared with negative cash flows of $18.8 million the previous year.

During the second quarter of 2005, the company issued 8,050,000 Class "A" subordinate voting shares raising a total gross proceeds of $46.3 million. In addition, the company has reached new financing agreements in Canada and the United States for a period of four years.

The company's outlook for the remaining part of 2005 is encouraging. The backlog of orders for all business segments related to construction products is $200 million as at June 25, 2005 compared with $161.9 million as at March 26, 2005.

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

Marc Dutil
President and Chief Operating Officer

Ville de Saint-Georges, Beauce

August 3, 2005

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

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

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

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

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

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

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

Exchange rates used

		June 25 2005	Dec. 31 2004	June 26 2004
Earnings	CAN$/US$	1.2418	1.2252	1.3567
	CAN$/euro	1.5784	1.5769	1.6341
Balance Sheets	CAN$/US$	1.2326	1.2036	1.3487
	CAN$/euro	1.4898	1.6292	1.6381

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

RESULTS OF OPERATIONS

Net earnings amounted to $7.9 million compared with a net loss of $10.1 million for the corresponding quarter in 2004. Furthermore, net earnings for the second quarter of 2005 included a non-recurring item of $1.9 million ($2.8 million before income taxes), that is a penalty for early payment on U.S. notes of US$108 million, whose balance as at March 30, 2005 was US$46.3 million ($56.2 million), bearing interest at a rate of 8.71% and maturing in May 2007. This repayment, combined with the refinancings and public offering completed in March 2005, allowed the Company to reduce the average interest rate of the long-term debt and bank loans to less than 6%. Concerning the operations for the second quarter of 2004, they generated net earnings of $97,000, excluding the $19.4 million loss registered further to the disposal of investments and the $9.2 million earnings from discontinued operations.

The Company's net earnings for the six-month period of 2005 amounted to $10.9 million compared with a net loss of $17.5 million for the corresponding period last year. Moreover, excluding the non-recurring item for 2005 and the loss on disposal of investments for 2004, the Company recorded net earnings from continuing operations of $13 million in 2005 compared with a net loss of $6 million in 2004.

For the second quarter, net earnings per share stood at $0.19 or $0.23, excluding the non-recurring item, compared with a net loss per share of $0.30 for the corresponding quarter of 2004. For the first six-month period, net earnings per share stood at $0.29 or $0.34, excluding the non-recurring item, compared with a net loss per share of $0.51 for the corresponding six-month period in 2004.

Consolidated sales for the second quarter of 2005 increased by 15.8% up to $183 million compared with sales of $158 million for the corresponding quarter of 2004. The Company's consolidated sales for the first six-month period of 2005 amounted to $324 million, or a 13.6% increase in comparison with the first six-month of 2004 whose sales amounted to $285 million.

The gross profit reached 23.7% of sales in the second quarter of 2005 compared with 17% for the second quarter of 2004. For the six-month period of 2005, the gross profit stood at 23.3% of sales versus 14.9% for the corresponding six-month period in 2004. This rise has reflected an increased demand for the Company's products.

Selling and administrative expenses for the second quarter of 2005 represent 9.9% of sales compared with 10% for the same quarter in 2004. For the six-month period of 2005, these expenses totaled 11% of sales compared with 10.7% in 2004. This rise mainly results from an increase in selling expenses and from non-recurring fees incurred in connection with the new financings.

The exchange rate fluctuations of the Canadian dollar versus the US dollar had a positive impact of $300,000 on net earnings during the second quarter.

The continuous improvement program represents profit sharing with the employees based on a formula that considers performance as regards productivity, quality, and health and safety. The rise registered in comparison with 2004 is explained by the Company's return to profitability.

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

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

The pro forma EBITDA for the second quarter of 2005 was $24.2 million and accounted for 13.2 % of sales compared with a pro forma EBITDA of $11.9 million or 7.5% of sales for the corresponding quarter of 2004. On a cumulative basis, pro forma EBITDA was $39 million and accounted for 12% of sales in 2005, and was $13.6 million and accounted for 4.8% of sales in 2004.

For the second quarter of 2005, depreciation and amortization expenses were lower than those of 2004 by $782,000 and by $1.4 million on a cumulative basis, thus reflecting a decrease in investments over the last two years, which were unnecessary considering the investments made in prior years.

BALANCE SHEETS

The improvement of financial ratios is mainly due to the Company's results, the efficient management of assets as well as the issuance of new shares and refinancings.

The decrease in cash results from the repayment of a US$4 million deposit to Bank of America, which was used as a security pledged to Canam Steel Corporation's insurer for the workers' compensation policies.

Reconciliation of Pro forma EBITDA and Net Earnings (Net Loss)

Periods ended June 25, 2005 and June 26, 2004	Three months		Six months	
(in thousands of dollars) (unaudited)	**2005**	2004	**2005**	2004
Net earnings (net loss)	**7,921**	(10,143)	**10,927**	(17,545)
Net earnings (net loss) from discontinued operations	**(34)**	9,196	**(205)**	7,920
Net earnings (net loss) from continuing operations	**7,955**	(19,339)	**11,132**	(25,465)
PLUS:				
Share in loss (earnings) of companies subject to significant influence	**(77)**	3	**(229)**	(20)
Income tax expense (recovery)	**3,484**	(58)	**5,529**	(2,987)
Expenses related to plant closings	**918**	232	**922**	232
Loss on disposal of investments	**- -**	19,436	**- -**	19,445
Loss on disposal of property, plant and equipment	**31**	364	**109**	344
Penalty for early payment on notes	**2,815**	- -	**2,815**	- -
Financial expenses	**4,623**	6,060	**9,905**	11,799
Total depreciation and amortization	**4,431**	5,213	**8,796**	10,219
	16,225	31,250	**27,847**	39,032
Pro forma EBITDA	**24,180**	11,911	**38,979**	13,567

As at June 25, 2005, accounts receivable from third parties totaled $137.9 million compared with $131.7 million as at December 31, 2004. The 4.9% rise is mainly due to the increase in sales in June 2005.

The increase in accounts receivable from companies under common control is attributable to the fact that the Company was required, upon closing of the U.S. financing in March 2005, to repay to Bank of America the loans contracted by Total Containment, Inc. and Finloc US, Inc. Certain companies under common control had acted as guarantors for these loans. In return, the Company recorded an amount receivable of $16.1 million from Placements CMI inc., bearing interest at the same rate than that prevailing for the Company's loans.

Inventories decreased by 11.6% or $12.4 million; this decrease is explained by the fact that the Mexican entities' inventories, in the amount of $10.6 million, are now presented as assets held for sale and by the decrease in the price of certain raw materials between December 31, 2004 and June 25, 2005.

The decrease in prepaid expenses and other assets results from the receipt of a note receivable totaling $5.4 million.

The Company expects to conclude, before the end of 2005, an agreement for the sale of most of its assets of its joist manufacturing plant located in Juárez, Mexico. The Mexican entities in Juárez and Monterrey have been presented separately in the balance sheet as assets and liabilities held for sale. Current assets include cash of $1.6 million, accounts receivable of $6 million and inventories of $10.6 million. Property, plant and equipment amount to $8.4 million. Current liabilities of $12.2 million include accounts payable and accrued liabilities.

As at June 25, 2005, investments stood at $68.8 million, that is an $8.6 million decrease attributable to Finloc inc., a company under common control that redeemed 10,079,305 preferred shares for a price of $10,079,305, thus decreasing the Company's investment in preferred shares from $60,079,694 to $50,000,389. In return, a note receivable from Les Édifices Canam Manac inc. in the amount of $11,920,500 and held by Finloc inc. was disposed in favour of the Company. A hypothec on all immovables of Les Édifices Canam Manac inc. has been pledged as security for this note. The Company's head office located in Saint-Georges is one of these immovables. The Company and Finloc inc. have agreed upon a fair market value of $19.5 million for these immovables. It is worth mentioning that the immovables of Les Édifices Canam Manac inc. have been subjected to two independent appraisals to determine this fair market value. Finloc inc. granted the Company an option for the purchase of all issued and outstanding shares held by Finloc inc. in Les Édifices Canam Manac inc. Upon the exercise of the option, the Company will assume the balance of hypothecs on those immovables, which balance, combined with the $11,920,500 note, shall not exceed $19.5 million.

Furthermore, Finloc Inc. has changed the characteristics of Class "C", "G" and "H" shares of its capital stock held by the Company. As a result, the said classes of shares no longer bear any dividends; it has been rather expected that the redemption price of these shares would increase at an annual rate of 3.77%. Accordingly, the value of the investment increased by $1,090,000 for the first six-month period.

A Board of Directors' Committee, composed of independent members, has the mandate to follow the relationships between the Company and the companies under common control.

Property, plant and equipment held for sale and worth $17.6 million represent the carrying value of land, buildings and equipment of the plants in Columbus, Ohio and Lafayette, Indiana, as well as those in Juárez and Monterrey, Mexico. The Company recorded a provision of $918,000 in the second quarter of 2005 to reduce these fixed assets to their net realizable value.

Long-term assets of discontinued operations decreased by $7.4 million. This is mainly due to the transfer by the Company to a company under common control of a part of its rights and obligations in connection with repurchase agreements related to

Financial ratios

(unaudited)	Periods ended June 25 2005	Periods ended December 31 2004
Working capital (in thousands of dollars)	**$ 134,500**	$ 65,800
Current ratio	**1.87**	1.31
Debt excluding convertible debentures on pro forma EBITDA of the last four quarters	**2.01**	3.84
Debt excluding convertible debentures on capitalization	**0.37**	0.50

semitrailers and to the fact that some clients exercised their purchase option. For the same reason, current liabilities of discontinued operations and long-term liabilities of discontinued operations decreased by $3.8 million and $8.8 million, respectively.

The increase in other assets is attributable to the recognition of the note receivable from Les Édifices Canam Manac inc. in the amount of $11.9 million, as mentioned previously.

During the second quarter, the Company entered into new financing agreements. The first one with a Canadian banking syndicate composed of Caisse de dépôt et de placement du Québec, National Bank of Canada, Bank of Montreal, CIT Financial Ltd. and Caisse Centrale Desjardins. The four-year term financing amounts to $180 million and includes a revolving and a non-revolving portions of $90 million each. This new credit replaces the existing credits No. 1 and No. 2 as well as the non-revolving credit and is guaranteed by a hypothec on movable and immovable property of the Company located in Canada. It contains usual clauses with certain compliance requirements that are measured on a quarterly basis. Certain usual clauses are imposed to the Company, notably as regards the declaration of dividends, new property, plant and equipment and new investments. Excluding the current portion of long-term debt amounting to $12 million, the entire credit has been presented as a long-term liability since all the Company's assets have been pledged as security for that credit.

In the United States, the four-year term financing agreement was entered into between the subsidiary Canam Steel Corporation and GMAC Commercial Finance LLC. It includes a revolving credit of US$40 million, which varies based on the accounts receivable and inventories, and a term credit of US$10 million guaranteed by certain property, plant and equipment located in the United States. The Company has to meet certain usual clauses.

These new financings as well as the issuance of shares allowed the Company to repay its bank credit facilities in Canada and in the United States, which totaled $48 million and US$14.8 million, respectively, as well as the $90 million credit granted by the Caisse de dépôt et de placement du Québec in 2002, and the U.S. notes issued in 1997 for a total amount of $56.2 million (US$46.3 million).

SHAREHOLDERS' EQUITY

The increase in shareholders' equity since December 31, 2004 is attributable to the issuance, in the second quarter, of 8,050,000 Class "A" subordinate voting shares at a price of $5.75 per share for a total consideration of $43.4 million, net of issue expenses of $2.9 million. The proceeds from this issuance has been used to repay U.S. notes totaling US$108 million, whose balance was US$46.3 million ($56.2 million), bearing interest at a rate of 8.71% and maturing in May 2007. Furthermore, the exchange rate fluctuations had the effect of increasing positively the cumulative translation adjustments by $2.9 million.

CASH POSITION

During the three-month period ended June 25, 2005, cash flows from continuing operating activities amounted to a positive $12.6 million while they were a negative $11.1 million for the corresponding period in 2004. For the first six-month period of the current fiscal year, cash flows provided from continuing operating activities amounted to a positive $17.6 million compared with a negative $18.8 million for the preceding fiscal year.

For the three-month period ended June 25, 2005, cash flows used by financing activities stood at $11.4 million compared with $38.1 million for the second quarter of 2004.

Cash flows used by investing activities amounted to $3.7 million for the second quarter of 2005, of which $1.6 million for the acquisition of property, plant and equipment, compared with $2.5 million for the corresponding period last year.

DISCONTINUED OPERATIONS

The financial statements contain items related to discontinued operations, including the assets of Manac division's semitrailer sector which were sold during the second quarter of 2004, as well as operations that were discontinued in France in 2002. They also contain items related to the Tanguay Industries division's forestry equipment sector. Accounting standards require to present separately in the financial statements the assets, liabilities and earnings of discontinued operations.

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

During the second quarter of 2005, the following changes concerning Manac occurred. The Company disposed in favour of a company under common control of a part of its rights and obligations in connection with repurchase agreements related to semitrailers. This transfer allowed the Company to decrease the assets by $6.8 million and the liabilities by $7.5 million therefore generating a net profit of $298,000. This transaction was concluded at fair market value. In addition, some clients exercised their purchase option, thus allowing the Company to make a net profit of $102,000. Finally, Class "D" shares of Manac inc. totaling $182,000 were redeemed by the latter during the second quarter in consideration of a reduction in the estimated liability under warranties on semitrailers.

The balance sheet items pertaining to the discontinued operations in France did not change. However, the Canadian dollar's rise against the euro has resulted in a negative impact of $600,000 on earnings.

Tanguay division's operations did not have any impact on the earnings of the two first quarters of 2005.

CONTRACTUAL COMMITMENTS

During the second quarter, the Company repaid amounts totaling $12,397,000 (US$10,050,000) on behalf of a company under common control, and this, under a guarantee provided by the Company. These amounts have been included in accounts receivable from companies under common control as at June 25, 2005.

Besides the aforementioned item, there were no significant changes in contractual commitments during the period ended June 25, 2005 and that were not in the normal course of business, except for the $4.3 million decrease in commitments under capital leases toward a company under common control. This decrease is explained by the fact that the Company no longer acts as a guarantor for these agreements since the sale of the Manac division in the second quarter of 2004, and that the balance of guarantees incurred before this sale is gradually eliminated.

During the period, the Company was discharged from guarantees relating to bank loans and letters of credit totaling $5.3 million.

FORWARD EXCHANGE CONTRACTS

The Company entered into forward exchange contracts to cover future sales denominated in US currency. As at June 25, 2005, the total amount of these contracts was US$9,900,000 at a rate of 1.26.

SIGNIFICANT ACCOUNTING ESTIMATES

Significant accounting estimates consist of the same items as at December 31, 2004 and as at March 26, 2005, namely property, plant and equipment held for sale and components of discontinued operations.

ACCOUNTING POLICIES

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

Consolidation of Variable Interest Entities

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

New Accounting Policies

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

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

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

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

Sections 3855, 3865 and 1530 will apply to the Company for the fiscal year beginning January 1, 2007.

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

OUTLOOK

As at June 25, 2005, the Company's backlog of orders was $200.0 milllion, compared with $161.9 million as at March 26, 2005.

RISK AND UNCERTAINTIES

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

INTEGRITY OF FINANCIAL REPORTING

The Company's management assumes responsibility for maintaining appropriate information systems and control systems and procedures, thereby ensuring that disclosures provided by the Company are reliable and complete. In order to comply with the application of Bill 198, the Company has created an internal disclosure committee which, together with members of the audit committee, will seek outside guidance in order to properly prepare for compliance with the new standards.

ASSETS HELD FOR SALE

The Company has entered into an agreement, subject to the fulfilment of certain conditions, for the sale of the building located in Orangeville, Ontario.

TANGUAY INDUSTRIES

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

MISCELLANEOUS

As at June 25, 2005, there were 42,281,420 Class "A" subordinate shares and 1,579,680 stock options outstanding.

The convertible debentures issued in 2003 for an amount of $27 million are convertible at the holder's option into Class "A" subordinate shares at any time prior to maturity, at a conversion price of $6.25 per share for a maximum of 4,320,000 shares. As of May 1, 2006, the Company may redeem the debentures at a redemption price equivalent to the principal amount of the debentures plus accrued interest, provided that the weighted average quoted price of Class "A" subordinate shares exceed $7.81 per share during at least 20 trading days during 30 consecutive days.

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

The financial analysis along with additional information, including the Annual Information Form, are available on the SEDAR Web site (www.sedar.com) as well on the Company's Web site (www.canamgroup.ws).

Marcel Dutil
Chairman of the Board and Chief Executive Officer

Charles Pinel
Vice-President and Chief Financial Officer

August 3, 2005

Quarterly Results

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

2005 Quarters ended[1]	**March 26**	**June 25**			**Total**
Sales	**$ 141,008**	**$ 183,239**			**$ 324,247**
Net earnings from continuing operations	**3,177**	**7,955**			**11,132**
Net earnings	**3,006**	**7,921**			**10,927**
Basic and diluted net earnings per share from continuing operations	**0.09**	**0.19**			**0.29**
Basic and diluted net earnings per share	**0.09**	**0.19**			**0.29**
Total assets	**589,246**	**598,617**			
Long-term debt and bank loans	**217,547**	**165,012**			
Shareholders' equity	**199,360**	**252,695**			

2004 Quarters ended[1]	March 27	June 26	Sept. 25	Dec. 31	Total
Sales	$ 127,202	$ 158,277	$ 196,561	$ 201,542	$ 683,582
Net earnings (net loss) from continuing operations	(6,126)	(19,339)	5,481	9,519	(10,465)
Net earnings (net loss)	(7,402)	(10,143)	4,565	7,079	(5,901)
Basic and diluted net earnings (net loss) per share from continuing operations	(0.18)	(0.57)	0.16	0.28	(0.31)
Basic and diluted net earnings (net loss) per share	(0.22)	(0.30)	0.13	0.21	(0.17)
Total assets	707,421	631,183	643,719	602,990	
Long-term debt and bank loans	285,114	249,227	248,061	217,586	
Shareholders's equity	197,396	189,220	190,915	195,126	

2003 Quarters ended	March 29	June 21	Sept. 27	Dec. 31	Total
Sales	$ 121,930	$ 126,560	$ 164,759	$ 173,852	$ 587,101
Net loss from continuing operations	(7,681)	(3,983)	(7,223)	(18,501)	(37,338)
Net loss	(7,661)	(4,852)	(7,755)	(20,147)	(40,415)
Basic and diluted net loss per share from continuing opeations	(0.22)	(0.12)	(0.21)	(0.55)	(1.10)
Basic and diluted net loss per share	(0.22)	(0.15)	(0.22)	(0.59)	(1.18)
Total assets	770,488	772,048	744,153	687,518	
Long-term debt and bank loans	320,575	284,209	287,202	276,654	
Shareholders' equity	241,433	234,710	226,161	203,339	
Cash dividend declared:					
Per Class "A" subordinate share	0.02	- -	- -	- -	0.02
Per Class "C" share	0.005	- -	- -	- -	0.005

2002 Quarters ended	March 30	June 22	Sept. 28	Dec. 31	Total
Sales	$ 164,730	$ 169,911	$ 188,877	$ 148,467	$ 671,985
Net earnings (net loss) from continuing operations	2,394	1,228	(2,299)	(811)	512
Net loss	(1,595)	(10,617)	(2,263)	(100)	(14,575)
Basic and diluted net earnings (net loss) per share from continuing operations	0.07	0.04	(0.07)	(0.03)	0.01
Basic and diluted net loss per share	(0.05)	(0.31)	(0.07)	- -	(0.43)
Total assets	733,831	747,392	774,838	798,177	
Long-term debt and bank loans	274,733	282,502	312,269	335,900	
Shareholders' equity	275,608	259,010	257,220	255,672	
Cash dividend declared:					
Per Class "A" subordinate share	0.04	0.04	0.04	0.04	0.16
Per Class "C" share	0.005	0.005	0.005	0.005	0.02

[1] No cash dividend declared in the said quarters of 2004 and 2005.

Consolidated Statements of Earnings

Periods ended June 25, 2005 and June 26, 2004 (in thousands of dollars, except per share amounts) (unaudited)	Three months 2005	Three months 2004 (restated)	Six months 2005	Six months 2004 (restated)
Sales	$ 183,239	$ 158,277	$ 324,247	$ 285,479
Cost of sales	139,889	131,336	248,742	242,912
Gross profit	43,350	26,941	75,505	42,567
Selling and administrative expenses	18,191	15,903	35,792	30,575
Exchange gain	(454)	(668)	(1,032)	(1,136)
Continuous improvement program	2,023	295	2,856	561
Dividend income from a company under common control	- -	(500)	- -	(1,000)
Increase in the fair value of an investment	(590)	- -	(1,090)	- -
	24,180	11,911	38,979	13,567
Depreciation of property, plant and equipment	4,242	4,954	8,439	9,795
Amortization of intangible assets	189	259	357	424
Financial expenses (note 5)	4,623	6,060	9,905	11,799
Penalty for early payment on notes	2,815	- -	2,815	- -
Loss on disposal of property, plant and equipment	31	364	109	344
Loss on disposal of investments	- -	19,436	- -	19,445
Expenses related to plant closings	918	232	922	232
Earnings (loss) before income tax expense (recovery) and undermentioned items	11,362	(19,394)	16,432	(28,472)
Income tax expense (recovery)				
Current	1,848	845	1,681	(297)
Future	1,636	(903)	3,848	(2,690)
	3,484	(58)	5,529	(2,987)
Earnings (loss) before undermentioned items	7,878	(19,336)	10,903	(25,485)
Share in earnings (loss) of companies subject to significant influence	77	(3)	229	20
Net earnings (net loss) from continuing operations	7,955	(19,339)	11,132	(25,465)
Net earnings (net loss) from discontinued operations (note 7)	(34)	9,196	(205)	7,920
Net earnings (net loss)	$ 7,921	$ (10,143)	$ 10,927	$ (17,545)
Net earnings (net loss) per share				
Basic and diluted:				
From continuing operations	$ 0.19	$ (0.57)	$ 0.29	$ (0.75)
From discontinued operations	- -	0.27	- -	0.24
Total	$ 0.19	$ (0.30)	$ 0.29	$ (0.51)
Weighted average number of shares				
Basic	41,816	34,136	38,121	34,136
Diluted	42,060	34,182	38,329	34,178
Number of Class "A" subordinate shares outstanding			42,281	34,136
Number of Class "C" shares outstanding			5,150	5,150

Consolidated Statements of Retained Earnings

Periods ended June 25, 2005 and June 26, 2004 (in thousands of dollars) (unaudited)	Three months 2005	Three months 2004 (restated)	Six months 2005	Six months 2004 (restated)
Opening balance (as reported)	$ 93,963	$ 89,456	$ 90,957	$ 96,628
Restated for a change in accounting policy	- -	- -	- -	230
Balance, as restated	93,963	89,456	90,957	96,858
Net earnings (net loss)	7,921	(10,143)	10,927	(17,545)
Share issue expenses	(2,911)	- -	(2,911)	- -
Closing balance	$ 98,973	$ 79,313	$ 98,973	$ 79,313

Consolidated Balance Sheets

(in thousands of dollars)	**As at June 25 2005 (unaudited)**	As at December 31 2004 (audited)
Assets		
Current assets		
Cash	**$ 969**	$ 6,837
Accounts receivable - third parties	**137,882**	131,744
Accounts receivable - companies under common control	**16,576**	2,236
Accounts receivable - companies subject to significant influence	**1,442**	1,420
Unrealized assets on foreign exchange contracts	**261**	- -
Inventories	**93,735**	106,088
Future income tax assets	**3,737**	3,485
Prepaid expenses and other assets	**3,870**	11,776
Current assets held for sale (note 6)	**18,207**	- -
Current assets of discontinued operations (note 7)	**12,500**	12,447
Total current assets	**289,179**	276,033
Investments	**68,797**	77,511
Property, plant and equipment	**164,521**	176,547
Property, plant and equipment held for sale (note 6)	**17,589**	9,873
Long-term assets of discontinued operations (note 7)	**32,576**	40,018
Future income tax assets	**6,922**	10,598
Intangible assets	**1,307**	1,433
Other assets (note 2)	**17,726**	10,977
	$ 598,617	$ 602,990
Liabilities		
Current liabilities		
Bank loans	**$ 15,421**	$ 15,771
Accounts payable and accrued liabilities	**102,219**	112,512
Income taxes payable	**939**	828
Future income tax liabilities	**62**	- -
Current liabilities held for sale (note 6)	**12,195**	- -
Current liabilities of discontinued operations (note 7)	**10,097**	13,057
Current portion of long-term debt	**13,775**	68,018
Total current liabilities	**154,708**	210,186
Long-term debt	**135,816**	133,797
Convertible debentures (note 3)	**25,236**	24,925
Deferred credits	**6,571**	5,924
Future income taxe liabilities	**11,744**	11,543
Long-term liabilities of discontinued operations (note 7)	**9,742**	19,384
Class "C" shares (note 4)	**2,105**	2,105
	345,922	407,864
Shareholders' Equity		
Share capital (note 4)	**161,559**	114,956
Debenture conversion options (note 3)	**3,112**	3,112
Retained earnings	**98,973**	90,957
Contributed surplus	**1,580**	1,503
Cumulative translation adjustments	**(12,529)**	(15,402)
	252,695	195,126
	$ 598,617	$ 602,990

Contingencies and commitments (note 9)

Significant events (note 10)

Consolidated Statements of Cash Flows

Periods ended June 25, 2005 and June 26, 2004 (in thousands of dollars) (unaudited)	Three months 2005	Three months 2004 (restated)	Six months 2005	Six months 2004 (restated)
Cash flows from the following activities:				
Operating activities				
Net earnings (net loss) from continuing operations	**$ 7,955**	$ (19,339)	**$ 11,132**	$ (25,465)
Items not affecting cash				
Depreciation of property, plant and equipment	**4,242**	4,954	**8,439**	9,795
Amortization of intangible assets	**189**	259	**357**	424
Amortization of financial expenses	**754**	306	**948**	717
Amortization of convertible debenture issue expenses	**55**	55	**111**	111
Future income tax expense (recovery)	**1,636**	(903)	**3,848**	(2,690)
Loss on disposal of property, plant and equipment	**31**	364	**109**	344
Loss on disposal of investments	**- -**	19,436	**- -**	19,445
Impairment of property, plant and equipment held for sale	**918**	- -	**918**	- -
Deficiency in pension contributions over pension expense	**285**	250	**570**	470
Compensation cost related to stock options	**38**	60	**77**	120
Increase in the fair value of the convertible debentures	**155**	155	**311**	311
Increase in the fair value of an investment	**(590)**	- -	**(1,090)**	- -
Share in loss (earnings) of companies subject to significant influence	**(77)**	3	**(229)**	(20)
	15,591	5,600	**25,501**	3,562
Net change in non-cash operating working capital items				
Increase in accounts receivable	**(36,815)**	(12,401)	**(17,412)**	(13,605)
Decrease (increase) in inventories	**10,283**	(11,569)	**3,221**	(20,968)
Decrease in income taxes recoverable	**- -**	3,935	**- -**	509
Decrease in prepaid expenses and other assets	**6,627**	1,414	**6,982**	865
Increase in accounts payable and accrued liabilities	**17,445**	2,718	**387**	11,180
Increase (decrease) in interest payable	**(1,687)**	(4)	**(1,376)**	651
Increase (decrease) in income taxes payable	**1,113**	(829)	**328**	(947)
	(3,034)	(16,736)	**(7,870)**	(22,315)
Cash flows from continuing operating activities	**12,557**	(11,136)	**17,631**	(18,753)
Financing activities				
Proceeds from issuance of shares	**46,603**	- -	**46,603**	- -
Share issue expenses	**(2,911)**	- -	**(2,911)**	- -
Increase in long-term debt and bank loans	**188,239**	35	**188,483**	6,363
Repayment of long-term debt and bank loans	**(241,142)**	(37,504)	**(242,467)**	(37,755)
Issue expenses related to long-term debt	**(2,089)**	(375)	**(2,317)**	(432)
Other	**(81)**	(227)	**77**	(349)
Cash flows from continuing financing activities	**(11,381)**	(38,071)	**(12,532)**	(32,173)
Investing activities				
Proceeds from disposal of property, plant and equipment	**103**	1,279	**110**	2,545
Additions to property, plant and equipment	**(1,558)**	(2,420)	**(2,333)**	(3,141)
Additions to intangible assets	**(53)**	(182)	**(177)**	(292)
Proceeds from disposal of investments	**10,079**	3,749	**10,079**	3,749
Distribution from a limited liability partnership	**32**	62	**32**	62
Change in long-term receivables	**(10,624)**	6	**(11,810)**	(367)
Assets held for sale	**(1,609)**	- -	**(1,609)**	- -
Other assets	**(92)**	(14)	**(61)**	- -
Cash flows from continuing investing activities	**(3,722)**	(2,480)	**(5,769)**	2,556
Effect of changes in foreign exchange rate on cash	**169**	(13)	**220**	24
Net change in cash from continuing operations	**(2,377)**	(46,740)	**(450)**	(48,346)
Net cash flows from discontinued operations (note 7)	**(2,945)**	53,151	**(5,418)**	54,885
Cash, beginning of period	**6,291**	1,915	**6,837**	1,787
Cash, end of period	**$ 969**	$ 8,326	**$ 969**	$ 8,326
Supplementary information				
Interest paid	**$ 6,695**	$ 5,470	**$ 11,511**	$ 9,904
Income taxes paid	**$ 426**	$ 201	**$ 1,127**	$ 378

(in thousands of dollars, except per share amounts)

1. SIGNIFICANT ACCOUNTING POLICIES

The interim unaudited consolidated financial statements of the Company, as at June 25, 2005, have been prepared in accordance with Canadian generally accepted accounting principles and must be examined considering the most recent annual financial statements.

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

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

2. OTHER ASSETS

	As at June 25 2005 (unaudited)	As at December 31 2004 (audited)
Long-term receivables[1]	**$ 14,010**	$ 8,582
Issue expenses related to long-term debt	**2,868**	1,499
Issue expenses related to convertible debentures	**630**	740
Others	**$ 218**	$ 156
	$ 17,726	$ 10,977

[1] The balance of long-term receivables includes, as at June 25, 2005, receivables of $11,921 from a company under common control.

3. CONVERTIBLE DEBENTURES

On April 23, 2003, the Company announced the closing of an offering of convertible unsecured subordinate debentures having an aggregate principal amount of $27,000, bearing interest at a rate of 9.25% per year and maturing on May 1, 2008. Interest is paid semi-annually in May and November of each year. Each debenture is convertible into Class "A" subordinate shares, at the option of the holder at any time prior to maturity at a conversion price of $6.25 per share. As of May 1, 2006, the Company may redeem the debentures at a redemption price equivalent to the principal amount of the debentures plus accrued interest, provided that the weighted average quoted price of Class "A" subordinate shares exceed $7,81 per share during at least 20 trading days during 30 consecutive days.

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

4. SHARE CAPITAL

Authorized

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

(in thousands of dollars, except per share amounts)

Issued and fully paid

Class "A" subordinate shares	Number	Amount
Outstanding as at December 31, 2004	34,163,820	$ 114,956
Class "A" subordinate shares issued pursuant to options	67,600	315
Class "A" subordinate shares issued to the public	8,050,000	46,288
Outstanding as at June 25, 2005	**42,281,420**	**161,559**
Class "C" shares		
Outstanding as at December 31, 2004 and as at June 25, 2005	**5,150,000**	**$ 2,105**

In 1985, the Company introduced a stock option plan for key employees (the "Plan"). Under the terms of the Plan, the Company may grant options for a maximum of 3,500,000 Class "A" subordinate shares to its employees. The options granted may be exercised over a period not to exceed 10 years from the date they are granted. Each option can be exercised at a cash price equal to the market price of the shares at the time the options are granted. The rights vest at a rate of 20% per year for the options granted before November 6, 2002. After this date, rights vest at a rate of 20% per year, beginning two years following the grant date of the options. No options were granted in fiscal 2004 and during the six-month period ended June 25, 2005 as the Company changed its variable pay program and thus terminated the stock option plan.

On March 30, 2005, the Company issued 8,050,000 new Class A subordinate voting shares at a price of $5.75 per share. The gross proceeds from this issuance, representing an amount of $46,288, has been used for the partial repayment of U.S. notes totaling US$46,286 ($56,201) as at March 26, 2005. Share issue expenses of $2,911 have been applied against retained earnings.

5. FINANCIAL EXPENSES

	Three months		Six months	
Periods ended June 25, 2005 and June 26, 2004	**2005**	2004	**2005**	2004
(unaudited)		(restated)		(restated)
Interest on bank loans	**$ 507**	$ 517	**$ 1,092**	$ 573
Interest on long-term debt	**2,513**	4,572	**6,222**	8,977
Interest on convertible debentures	**639**	626	**1,221**	1,221
Amortization of financing expenses relating to long-term debt	**754**	195	**948**	606
Amortization of issue expenses relating to convertible debentures	**55**	55	**111**	111
Increase in the fair value of convertible debentures	**155**	155	**311**	311
	$ 4,623	$ 6,060	**$ 9,905**	$ 11,799

(in thousands of dollars, except per share amounts)

6. ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale included in the balance sheet are detailed as follows:

	As at June 25 2005 (unaudited)			As at December 31 2004 (audited)
	United States	Mexico	Total	United States
Assets				
Current assets				
Cash	$ - -	$ 1,609	$ 1,609	$ - -
Accounts receivable	- -	6,027	6,027	- -
Inventories	- -	10,571	10,571	- -
Total current assets held for sale	$ - -	$ 18,207	$ 18,207	$ - -
Property, plant and equipment held for sale	9,193	8,396	17,589	9,873
Total assets held for sale	$ 9,193	$ 26,603	$ 35,796	$ 9,873
Liabilities				
Current liabilities				
Bank loans	$ - -	$ 18	$ 18	$ - -
Accounts payable and accrued liabilities	- -	12,177	12,177	$ - -
Total liabilities held for sale	$ - -	$ 12,195	$ 12,195	$ - -

Further to the signing of letters of intent for the sale of the assets of the subsidiary located in Juárez and the sale of 81% of the shares of the subsidiary Canam Romsa in Monterrey, the assets and liabilities of both Mexican entities have been presented as assets and liabilities held for sale.

7. DISCONTINUED OPERATIONS

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

The net assets of the Manac division, which specializes in the fabrication of semitrailers, were sold on April 25, 2004. The transaction amount was $66,511, of which $58,542 was paid in cash (an amount of $220 is included in accounts receivables as at December 31, 2004, and as at June 25, 2005), with the balance to be paid in non-voting and non-participating Class “C” ($5,000) and Class “D” ($2,969) preferred shares. As a result of the attributes of Class “C” shares, which are redeemable at the option of the holder without a redemption schedule, these shares have not been assigned a carrying value, in accordance with the recommendations of the CICA Handbook.

On April 7, 2004, as a result of the decision to concentrate the Company’s operations in the construction sector, the Company announced the sale of the Tanguay Industries division. Since the fourth quarter of fiscal 2004, management considered that all of the criteria mentioned in Section 3475 of the CICA Handbook for accounting for the division as a discontinued operation were met. The transaction amount of $6,323 will be paid in common shares and preferred shares redeemable in 100 monthly instalments beginning the 366th day following the transaction closing date. Due to the attributes of the preferred shares, a decrease in value of $1,157 has been recognized during the fourth quarter of 2004.

For the periods ended June 25, 2005 and June 26, 2004, the results of the discontinued operations are as follows:

	Three months							
	2005				2004			
(unaudited)	Semi-trailers	Forestry Equipment	France	Total	Semi-trailers	Forestry Equipment	France	Total
Sales	$ 1,084	$ 348	$ - -	$ 1,432	$ 20,438	$ 5,742	$ - -	$ 26,180
Operating net earnings (net loss)	$ 325	$ (21)	$ - -	$ 304	$ 838	$ (179)	$ - -	$ 659
Net gain (net loss) on disposal of operations	- -	- -	(338)	(338)	8,356	- -	181	8,537
Net earnings (net loss) from discontinued operations	$ 325	$ (21)	$ (338)	$ (34)	$ 9,194	$ (179)	$ 181	$ 9,196

(in thousands of dollars, except per share amounts)

	Six months							
	2005				2004			
(unaudited)	**Semi-trailers**	**Forestry Equipment**	**France**	**Total**	Semi-trailers	Forestry Equipment	France	Total
Sales	**$ 2,174**	**$ 1,258**	**$ - -**	**$ 3,432**	$ 68,979	$ 9,710	$ - -	$ 78,689
Operating net earnings (net loss)	**$ 395**	**$ - -**	**$ - -**	**$ 395**	$ 113	$ (554)	$ - -	$ (441)
Net gain (net loss) on disposal of operation	**- -**	**- -**	**(600)**	**(600)**	8,356	- -	5	8,361
Net earnings (net loss) from discontinued operations	**$ 395**	**$ - -**	**$ (600)**	**$ (205)**	$ 8,469	$ (554)	$ 5	$ 7,920

Assets and liabilities of discontinued operations included in the balance sheet are as follows:

	As at June 25 2005 (unaudited)				As at December 31 2004 (audited)			
(unaudited)	**Semi-trailers**	**Forestry Equipment**	**France**	**Total**	Semi-trailers	Forestry Equipment	France	Total
Assets								
Current assets								
Accounts receivables	**$ 1,321**	**$ 8,453**	**$ - -**	**$ 9,774**	$ 220	$ 3,838	$ 4,943	$ 9,001
Inventories	**- -**	**1,699**	**- -**	**1,699**	- -	2,417	- -	2,417
Income taxes recoverable	**- -**	**468**	**- -**	**468**	- -	470	- -	470
Future income tax assets	**494**	**65**	**- -**	**559**	494	65	- -	559
Total current assets of discontinued operations	**1,815**	**10,685**	**- -**	**12,500**	714	6,790	4,943	12,447
Semitrailers and forestry equipment leased to clients(1) (2)	**11,230**	**242**	**- -**	**11,472**	21,587	288	- -	21,875
Property, plant and equipment held for sale(3)	**5,398**	**- -**	**- -**	**5,398**	6,499	- -	- -	6,499
Investments(4)	**1,208**	**5,166**		**6,374**	1,545	5,166	- -	6,711
Future income tax assets	**2,208**	**495**	**- -**	**2,703**	2,208	495	- -	2,703
Other assets	**- -**	**- -**	**6,629**	**6,629**	- -	- -	2,230	2,230
Total long-tern assets of discontinued operations	**20,044**	**5,903**	**6,629**	**32,576**	31,839	5,949	2,230	40,018
Total assets of discontinued operations	**$ 21,859**	**$ 16,588**	**$ 6,629**	**$ 45,076**	$ 32,553	$ 12,739	$ 7,173	$ 52,465
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	**$ 893**	**$ 172**	**$ - -**	**$ 1,065**	1,468	$ 1,193	$ - -	$ 2,661
Deferred revenue	**4,249**	**102**	**- -**	**4,351**	4,338	102	- -	4,440
Obligations relating to residual values	**- -**	**- -**	**- -**	**- -**	1,478	- -	- -	1,478
Income taxes payable	**4,681**	**- -**	**- -**	**4,681**	4,478	- -	- -	4,478
Total current liabilities of discontinued operations	**9,823**	**274**	**- -**	**10,097**	11,762	1,295	- -	13,057
Long-term liabilities								
Obligations relating to residual values	**- -**	**77**	**- -**	**77**	3,685	77	- -	3,762
Deferred revenue	**7,726**	**77**	**- -**	**7,803**	13,844	127	- -	13,971
Future income tax liabilities	**1,302**	**- -**	**- -**	**1,302**	1,302	- -	- -	1,302
Other liabilities	**560**	**- -**	**- -**	**560**	349	- -	- -	349
Total long-term liabilities of discontinued operations	**9,588**	**154**	**- -**	**9,742**	19,180	204	- -	19,384
Total liabilities of discontinued operations	**$ 19,411**	**$ 428**	**$ - -**	**$ 19,839**	$ 30,942	$ 1,499	$ - -	$ 32,441

(in thousands of dollars, except per share amounts)

(1) The amount of $11,472 ($21,875 as at December 31, 2004) for semitrailers and forestry equipment leased to clients results from the application of EIC-84 and EIC-85 relating to guarantees provided to financial institutions regarding resale values or lease contracts. These assets and the related liabilities are amortized on a straight-line basis over the duration of the guarantees that expire at various dates through 2008.

During the second quarter of 2005, the Company transferred to a company under common control a part of its rights and obligations in connection with repurchase agreements related to semitrailers. In addition, some clients exercised their purchase option. These two elements allowed the Company to make a net profit of $400. The Company has guaranteed a part of obligations relating to residual values for an amount of $1,576, which has been included in contingencies and committments (note 9).

(2) The liabilities related to semitrailers and forestry equipment leased to clients are as follows:

	As at June 25 2005 (unaudited)	As at December 31 2004 (audited)
Current portion of deferred revenue and obligations relating to current residual values	**$ 4,351**	$ 5,918
Long-term portion of obligations relating to current residual values	**77**	3,762
Long-term portion of deferred revenue	**7,803**	13,971
Total	**$ 12,231**	$ 23,651

(3) The property, plant and equipment held for sale of $5,398 as at June 25, 2005 ($6,499 as at December 31, 2004) consists of the Manac division's assets located in Ontario. The Company has entered into an agreement, subject to the fulfilment of certain conditions, for the sale of a building.

(4) The investment of $1,208 ($1,545 as at December 31, 2004) represents the value of the Class "D" shares the Company holds in Manac Inc. The contra for this investment consists of the provision for warranties and financing guarantees that will be disbursed by Manac Inc. The initial total amount was $2,969.

Net cash flows from discontinued operations are as follows:

Periods ended June 25, 2005 and June 26, 2004 (unaudited)	Three months **2005**	Three months 2004 (restated)	Six months **2005**	Six months 2004 (restated)
Cash flows from discontinued operations:				
Operating activities	**$ (2,945)**	$ 5,329	**$ (5,418)**	$ 8,435
Financing activities	**- -**	(887)	**- -**	(1,704)
Investing activities	**- -**	48,709	**- -**	48,154
Net change in cash from discontinued operations	**$ (2,945)**	$ 53,151	**$ (5,418)**	$ 54,885

8. SEGMENT INFORMATION

The Company is organized under one single business segment, being the construction products segment, which includes many complementary products and services.

Periods ended June 25, 2005 and June 26, 2004 (unaudited)	Three months **2005**	Three months 2004 (restated)	Six months **2005**	Six months 2004 (restated)
Sales (1)				
Canada	**$ 93,451**	$ 64,733	**$ 155,192**	$ 131,253
United States	**80,394**	83,931	**151,829**	140,755
Mexico	**7,719**	7,272	**13,854**	11,002
Europe and Asia	**1,675**	2,341	**3,372**	2,469
	$ 183,239	$ 158,277	**$ 324,247**	$ 285,479

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

Assets	**As at June 25 2005 (unaudited)**	As at December 31 2004 (audited)
Construction products sector	**$ 553,541**	$ 550,525
Attributed to discontinued operations	**45,076**	52,465
	$ 598,617	$ 602,990

9. CONTINGENCIES AND COMMITMENTS

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

- The Company has guaranteed bank loans and letters of credit for an amount of up to $49,464 as at June 25, 2005 ($66,579 as at December 31, 2004).

The guaranteed loans are as follows:

	As at June 25 2005 (unaudited)	As at December 31 2004 (audited)
Companies under common control	**$ 14,226**	$ 15,110
Companies subject to significant influence and joint ventures	**5,016**	5,646
Portfolio investment	**4,017**	4,017
Third parties[1]	**26,205**	41,806
	$ 49,464	$ 66,579

[1] During the second quarter, the Company repaid amounts totaling $12,397 (US$10,050) on behalf of a company under common control, and this, under a guarantee provided by the Company. These amounts have been included in accounts receivable from companies under common control as at June 25, 2005.

- The Company had guaranteed commitments for semitrailers and forestry equipment leased to clients for an amount of up to $20,954 as at June 25, 2005 ($25,496 as at December 31, 2004).

The guaranteed loans are as follows:

	As at June 25 2005 (unaudited)	As at December 31 2004 (audited)
Companies under common control	**$ 18,376**	$ 22,666
Third parties	**2,578**	2,830
	$ 20,954	$ 25,496

- The Company entered into forward exchange contracts to cover future sales denominated in US dollars. Pursuant to these forward exchange contracts, the Company is required to sell US dollars at a predetermined rate.

As at June 25, 2005 (in thousands of dollars)	**Type**	**Average rage**	**Contract amounts (US dollars)**
From 0 to 11 months	Sale	1.26	$ 9,900

The fair value of forward exchange contracts is detailed as follows:	**As at June 25 2005**	As at December 31 2004
Unrealized assets on forward exchange contracts	**$ 261**	$ - -

10. SIGNIFICANT EVENTS

New Canadian financing

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

New U.S. financing

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

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

Better building solutions... a solid business.

SHAREHOLDERS INFORMATION

STOCK EXCHANGE LISTING

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

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

CUSIP NUMBERS

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

EARNINGS RELEASE DATE

3rd quarter: November 3, 2005

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Better Building Solutions

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