



CANAM
GROUP

Better Building Solutions



QUARTERLY REPORT

October 1, 2005

www.canamgroup.ws

Better building solutions... a solid business.

Message to Shareholders and Employees

We are very encouraged by the significant progress made this past year to improve the profit margins across all Canam Group's business units. The value of our construction solutions and the quality of our specialized services make a difference in the market and have an impact on the company's profitability.

Canam Group reported an improved financial performance, evidenced by net earnings of \$12.8 million, or \$0.30 a share, for the three months ended October 1, 2005, compared with net earnings of \$4.6 million, or \$0.13 a share, a year earlier.

For the first nine months of 2005, Canam Group's consolidated results show net earnings of \$23.7 million, or \$0.60 a share, contrasting with a net loss of \$13 million, or \$0.38 a share, in the corresponding period in 2004.

Consolidated sales in the last quarter rose 4.3% to \$197.7 million from \$189.5 million in 2004. Sales in the first nine-month period of 2005 totaled \$509.5 million, compared with \$463.9 million in the year-earlier period, representing an increase of 9.8%.

Deliveries in the commercial and industrial construction market increased during the latest quarter both in Canada and the United States. A recovery was seen in the highway and bridge infrastructures market, while the downturn in the heavy steel construction sector continued to impact operations.

The gross profit in the first nine-month period increased 58% to \$122.1 million from \$77.3 million. The gross profit

in the third quarter was 25% compared with 18.9% in the year-earlier quarter. The company's pro forma EBITDA after the first nine months of 2005 stood at \$63.4 million, compared with \$33.3 million for the same period last year.

As at October 1, 2005, the backlog of orders for construction products was valued at \$226 million, compared with \$173 million in 2004, representing a 31% increase year-over-year.



Marcel Dutil c.m.
Chairman of the Board and Chief Executive Officer



Marc Dutil
President and Chief Operating Officer

Ville de Saint-Georges, Beauce

November 3, 2005

Management's Discussion and Analysis

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

The following analysis should be read in conjunction with the Company's unaudited interim consolidated financial statements and the accompanying notes for the periods ended October 1, 2005, June 25, 2005, March 26, 2005, September 25, 2004 as well as with audited consolidated financial statements 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 as well as the management reports for the first two quarters of the current fiscal year. 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 accounting standards once they come into force.

The Company applies accounting principles which are in accordance with Canadian GAAP. The preparation of consolidated financial statements requires the Company's financial management to make estimates and judgments that affect the amounts 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

		October 1 2005	Dec. 31 2004	Sept. 25 2004
Earnings	CAN\$/US\$	1.2032	1.2252	1.3102
	CAN\$/euro	1.4678	1.5769	1.6006
Balance Sheets	CAN\$/US\$	1.1611	1.2036	1.2758
	CAN\$/euro	1.4003	1.6292	1.5641

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

RESULTS OF OPERATIONS

Net earnings for the third quarter of 2005 amounted to \$12.8 million compared with net earnings of \$4.6 million for the corresponding quarter in 2004, representing a 180% or \$8.2 million increase.

Net earnings for the third quarter of 2005 of \$12.8 million included a \$1.1 million loss from discontinued operations. The sale of the assets of the business segment located in Juárez, Mexico generated net earnings of \$3.3 million. However, a \$2 million expense representing the reversal of cumulative translation adjustments has been recognized in earnings for the third quarter, therefore generating net earnings of \$1.3 million. Translation adjustments had already been applied against shareholders' equity; accordingly, they had no impact on this item. Finally, the Canadian dollar's rise against the euro during the third quarter led to an exchange loss of \$0.4 million.

Consequently, net earnings from continuing operations for the third quarter of 2005 amounted to \$13.9 million compared with net earnings from continuing operations of \$6.2 million for the corresponding period last year.

The Company's net earnings for the nine-month period of 2005 amounted to \$23.7 million in comparison with a net loss of \$13 million for the same period of 2004, thus representing a \$36.7 million improvement.

Excluding the following non-recurring items incurred in 2005, namely the penalty for early payment on US notes of \$2.8 million (\$1.9 million, net of income taxes) and the expenses related to plant closings of \$0.9 million (\$0.5 million, net of income taxes), net earnings from continuing operations before these items for the nine-month period of 2005 amounted to \$25.9 million. Moreover, excluding the non-recurring items for 2004, namely the loss on disposal of investments of \$19.4 million and the expenses related to plant closings of \$0.5 million (\$0.3 million, net of income taxes), the Company's net earnings from continuing operations before these items amounted to \$1 million, thus representing a \$24.9 million improvement.

For the third quarter, net earnings per share stood at \$0.30 compared to \$0.13 for the corresponding quarter of 2004. For the first nine-month period of 2005, net earnings per share stood at \$0.60 compared with a net loss per share of \$0.38 for the corresponding period of 2004.

Consolidated sales for the third quarter of 2005 increased by 4.3% up to \$198 million compared with sales of \$190 million for the corresponding quarter of 2004. The Company's consolidated

Management's Discussion and Analysis

sales for the first nine-month period of 2005 amounted to \$509 million, or a 9.8% increase in comparison with the first nine-month of 2004 whose sales amounted to \$464 million.

The gross profit reached 25% of sales in the third quarter of 2005 compared with 18.9% for the third quarter of 2004. For the nine-month period of 2005, the gross profit stood at 24% of sales versus 16.7% for the corresponding nine-month period in 2004.

Selling and administrative expenses for the third quarter of 2005 represent 11.1% of sales compared with 7.7% for the same quarter in 2004. For the first nine-month period of 2005, these expenses totaled 11.1% of sales compared with 9.4% in 2004. This rise mainly results from an increase in selling expenses of \$3.4 million following the 9.8% increase in sales. This rise is also attributable to the amount accounted for under the profit-sharing plan (\$3.6 million), to the non-recurring fees incurred in connection with the new financings (\$0.9 million) and to the contribution paid to the pension plan in order to fund the actuarial deficit (\$1.3 million).

The exchange rate fluctuations of the Canadian dollar versus the US dollar had a negative impact of \$381,000 on net earnings during the third quarter.

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

Financial expenses for the third quarter of 2005 decreased by \$1.7 million compared to those of the same quarter of 2004. For

the nine-month period of 2005, the decrease totaled \$3.5 million. This decline is due to the decrease in the Company's long-term debt and bank loans and to the interest rate reduction.

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 (gains) 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 third quarter of 2005 was \$26.1 million and accounted for 13.2% of sales compared with a pro forma EBITDA of \$19.4 million or 10.2% of sales for the corresponding quarter of 2004. On a cumulative basis, the pro forma EBITDA was \$63.4 million and accounted for 12.5% of sales in 2005, and was \$33.3 million and accounted for 7.2% of sales in 2004.

For the third quarter of 2005, depreciation and amortization expenses of \$4.3 million were lower than those of 2004 by

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

Periods ended October 1, 2005 and September 25, 2004 (in thousands of dollars) (unaudited)	Three months		Nine months	
	2005	2004	2005	2004
Net earnings (net loss)	\$ 12,800	\$ 4,565	\$ 23,727	\$(12,980)
Net earnings (net loss) from discontinued operations	(1,051)	(1,595)	228	5,754
Net earnings (net loss) from continuing operations	13,851	6,160	23,499	(18,734)
PLUS:				
Share in earnings of companies subject to significant influence	(286)	(102)	(515)	(122)
Income tax expense (recovery)	4,524	2,996	10,047	(10)
Expenses related to plant closings	(6)	274	916	506
Loss on disposal of investments	--	--	--	19,445
Loss (earnings) on disposal of property, plant and equipment	(5)	(63)	104	281
Penalty for early payment on notes	--	--	2,815	--
Financial expenses	3,752	5,404	13,663	17,177
Total depreciation and amortization	4,256	4,712	12,904	14,719
	12,235	13,221	39,934	51,996
Pro forma EBITDA	\$ 26,086	\$ 19,381	\$ 63,433	\$ 33,262

Management's Discussion and Analysis

\$456,000. On a cumulative basis, depreciation and amortization expenses amounted to \$12.9 million, representing a \$1.8 million decrease over 2004, thus reflecting a decrease in investments over the last two years, which were unnecessary considering the significant 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 \$2.6 million increase in cash mainly results from the net increase in the bank balance of the subsidiary, Canam Steel Corporation.

As at October 1, 2005, accounts receivable from third parties totaled \$133.4 million compared with \$131.5 million as at December 31, 2004.

The increase in accounts receivable from companies under common control is attributable to the fact that, upon closing of the U.S. financing in March 2005, the Company repaid to the Bank of America the loans contracted by Total Containment Inc. and Finloc Inc. Certain companies under common control 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. As at October 1, 2005, the balance receivable amounted to \$16.4 million. Placements CMI inc. also acts as a guarantor for an account receivable from a third party for an amount of \$5.1 million.

Inventories decreased by 4.7% or \$4.7 million; this decline is explained by an efficient management and by the decrease in the price of certain raw materials between December 31, 2004 and October 1, 2005.

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

The Mexican entity in Monterrey has been presented separately in the balance sheet as assets and liabilities held for sale. The breakdown of that item is presented in note 7 to the financial statements.

As at October 1, 2005, investments stood at \$69.2 million, that is an \$8.4 million decrease attributable to Finloc inc., a company under common control that redeemed, in June 2005, 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. The redemption price of these shares increases at an annual rate of 3.77%. In return, a note receivable from Les Édifices Canam 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.

A Board of Directors' Committee, composed of independent members, is responsible for reviewing the transactions between the Company and the companies under common control.

Property, plant and equipment held for sale and worth \$12.9 million represent the carrying value of land, buildings and equipment of the plants in Columbus, Ohio, in Lafayette, Indiana and in Monterrey, Mexico. The Company recorded an impairment loss 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 \$17.2 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 semitrailers and to the fact that some clients exercised their purchase option. For the same reasons, current assets of discontinued operations decreased by \$7.7 million, and current liabilities and long-term liabilities of discontinued operations decreased by \$12.2 million and \$10.2 million, respectively. Furthermore, the Company disposed of a building in Orangeville, Ontario and of a plot of land in St-Nicolas, Quebec.

Financial ratios

(unaudited)	Periods ended	
	October 1 2005	December 31 2004
Working capital (in thousands of dollars)	\$ 144,976	\$ 65,847
Current ratio	1.99	1.31
Debt excluding convertible debentures on pro forma EBITDA of the last four quarters	1.41	3.72
Debt excluding convertible debentures on equity including convertible debentures	0.43	0.96
Debt excluding convertible debentures on capitalization	0.30	0.49

Management's Discussion and Analysis

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. As at October 1, 2005, the balance receivable amounted to \$12.1 million.

Since December 31, 2004, the long-term debt has decreased by \$71.9 million. This decrease is due to cash flows provided from operating activities and to the issuance of new shares completed on March 30, 2005. This issuance and the new Canadian and U.S. refinancings allowed the Company to repay certain bank loans in Canada and in the United States, which totaled \$48 million and US\$14.8 million, respectively, as well as the \$90 million loan granted by the Caisse de dépôt et placement du Québec in 2002, and the balance of U.S. notes issued in 1997 and amounting to \$56.2 million (US\$46.3 million).

On August 8, 2005, Placements CMI inc., a company controlled by Marcel Dutil, Chairman of the Board and Chief Executive Officer of the Company, purchased 1,850,000 Class "C" shares of the Company for a consideration of \$1,670,550. This subscription, which is made in accordance with the anti-dilution rights granted to Marcel Dutil under the Company's Articles of incorporation, brings to 7,000,000 the total number of Class "C" shares held by the companies controlled by Marcel Dutil.

SHAREHOLDERS' EQUITY

On March 30, 2005, the Company issued 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.

The \$1.9 million increase in cumulative translation adjustments is explained by two factors. The exchange rate fluctuations had the effect of increasing negatively the cumulative translation adjustments by \$4 million and are mainly due to Canam Steel Corporation. As regards the disposal of the plant in Juárez, it led to the reversal of negative cumulative translation adjustments of \$2 million.

CASH POSITION

During the three-month period ended October 1, 2005, cash flows from continuing operating activities amounted to a positive \$32.6 million while they were a negative \$2 million for the corresponding period in 2004. For the first nine-month period of the current fiscal year, cash flows provided from continuing operating activities amounted to a positive \$50.2 million compared with a negative \$20.4 million for the preceding fiscal year.

For the three-month period ended October 1, 2005, cash flows used by financing activities stood at \$31.6 million compared with a positive \$3.8 million for the third quarter of 2004.

Cash flows used by investing activities amounted to \$1.3 million for the third quarter of 2005, of which \$2 million for the acquisition of property, plant and equipment, compared with \$0.4 million for the corresponding period last year.

DISCONTINUED OPERATIONS

On August 15, 2005, the Company sold the assets of its business segment located in Juárez, Mexico for an amount of US\$6.4 million (\$7.7 million), plus US\$2.4 million (\$2.8 million) for inventories. Consequently, the Company made net earnings of \$3.3 million. An amount of US\$1.5 million (\$1.7 million) has been escrowed in anticipation of possible claims during the next two years. A \$2 million expense, representing the reversal of cumulative translation adjustments, has been recognized in earnings. This expense had already been applied against shareholders' equity; accordingly, it has no impact on this item. Further to this sale, the criteria of CICA Handbook Section 3475 have been met. The Company is then required to record this Mexican entity as a discontinued operation. All comparative figures have been restated accordingly.

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, and operations that were discontinued in France in 2002. They also contain items related to the Tanguay Industries division's forestry equipment sector. Furthermore, since the third quarter of 2005, discontinued operations also include the Mexican operations in Juárez. Accounting standards require to present separately in the financial statements the assets, liabilities and earnings of discontinued operations. The breakdown of that item is presented in note 8 to the financial statements.

During the third quarter of 2005, the following changes concerning Manac occurred. The Company sold certain assets, namely a building in Orangeville, Ontario, a plot of land in St-Nicolas, Quebec as well as various pieces of equipment. The proceeds from the disposal of these assets amounted to \$7.8 million and the net loss was \$50,000. Finally, Class "D" shares of Manac inc. totaling \$230,000 were redeemed by the latter during the third 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 \$430,000 on earnings for the third quarter of 2005 and of \$1,030,000 on a cumulative basis.

Management's Discussion and Analysis

Tanguay division's operations led to a net loss of \$43,000 during the first nine-month period of 2005. Moreover, the Company recorded a net loss on disposal of operations of \$1.5 million.

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 October 1, 2005.

During the period, the Company was discharged from guarantees relating to bank loans for an amount of \$4.8 million toward a company subject to significant influence.

Besides the aforementioned item, there were no significant changes in contractual commitments during the period ended October 1, 2005 and that were not in the normal course of business, except for the \$9.5 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.

FORWARD EXCHANGE CONTRACTS

The Company entered into foreign exchange forward contracts to cover future sales denominated in US currency. As at October 1, 2005, the total amount of these contracts, which mature by May 2006, was US\$6.6 million at a conversion rate of 1.26. The Company also entered into foreign exchange forward contracts to cover future purchases denominated in US currency. As at October 1, 2005, the total amount of these contracts, which mature on October 3, 2005, was US\$9.9 million at an average conversion rate of 1.17.

SIGNIFICANT ACCOUNTING ESTIMATES

Significant accounting estimates consist of the same items as at December 31, 2004, March 26, 2005 and June 25, 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.

Further to the review of these new standards, the Company concluded that they will have no significant impact on its financial statements.

OUTLOOK

As at October 1, 2005, the Company's backlog of orders for continuing operations was \$226 million compared to \$180 million as at June 25, 2005, to \$138 million as at December 31, 2004 and to \$173 million as at September 25, 2004.

Management's Discussion and Analysis

RISK AND UNCERTAINTIES

The Company is confident with respect to its medium and long-term outlooks. However, the reader should take into account 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 conform to the application of Bill 198, the Company has created an internal disclosure committee which, together with members of the audit committee, seeks outside guidance in order to properly prepare for compliance with the new standards.

TRANSACTIONS

On October 1, 2005, the Company concluded the sale of a 55% interest in Steel Plus Network to the members of this buying group. In return, the Company received a 45% interest in Steel Plus Network, LLC having a total carrying value of US\$2.4 million (\$2.8 million) and a balance of sales price to be determined in the first quarter of 2008. This transaction had no impact on the Company's results but resulted in the recording of an investment in a company subject to significant influence amounting to \$1.5 million and of a deferred gain of \$1.5 million. The deferred gain could be recognized in earnings upon maturity of a suspensive clause in 2006.

On June 29, 2005, the Company's interest in the company subject to significant influence, Amcan Threaded Products Inc. ("Amcan") has increased from 40% to 50%. This transaction did not result in any disbursements. As from the third quarter of 2005, the Company accounts for Amcan's operations using the proportionate consolidation method.

Concerning the sale of the Tanguay Industries Division, the transaction announced in 2004 and described in the December 31, 2004 Annual Report under the section entitled "Management's Discussion and Analysis" has not been completed.

MISCELLANEOUS

As at October 1, 2005, there were 42,330,245 Class "A" subordinate shares and 1,513,855 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

November 3, 2005

Quarterly Results

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

2005 Quarters ended⁽¹⁾	March 26⁽²⁾	June 25⁽²⁾	Oct. 1	Total	
Sales	\$ 135,290	\$ 176,473	\$ 197,703	\$ 509,466	
Net earnings from continuing operations	3,183	6,466	13,851	23,499	
Net earnings	3,006	7,921	12,800	23,727	
Basic net earnings per share from continuing operations	0.09	0.15	0.32	0.59	
Basic net earnings per share	0.09	0.19	0.30	0.60	
Diluted net earnings per share from continuing operations	0.09	0.15	0.31	0.57	
Diluted net earnings per share	0.09	0.19	0.29	0.58	
Total assets	589,246	598,617	580,631		
Long-term debt and bank loans	216,922	165,012	130,965		
Shareholders' equity	199,360	252,695	260,922		
2004 Quarters ended⁽¹⁾⁽²⁾	March 27	June 26	Sept. 25	Dec. 31	Total
Sales	\$ 123,058	\$ 151,349	\$ 189,538	\$ 194,926	\$ 658,871
Net earnings (net loss) from continuing operations	(5,914)	(18,980)	6,160	8,728	(10,006)
Net earnings (net loss)	(7,402)	(10,143)	4,565	7,079	(5,901)
Basic net earnings (net loss) per share from continuing operations	(0.17)	(0.56)	0.18	0.25	(0.29)
Basic net earnings (net loss) per share	(0.22)	(0.29)	0.13	0.21	(0.17)
Diluted net earnings per share from continuing operations	(0.17)	(0.56)	0.18	0.24	(0.29)
Diluted net earnings per share	(0.22)	(0.29)	0.13	0.20	(0.17)
Total assets	707,421	631,183	643,719	602,990	
Long-term debt and bank loans	284,438	248,533	247,392	216,959	
Shareholders' equity	197,396	189,220	190,915	195,126	
2003 Quarters ended⁽²⁾	March 29	June 21	Sept. 27	Dec. 31	Total
Sales	\$ 118,603	\$ 122,210	\$ 160,108	\$ 169,554	\$ 570,475
Net loss from continuing operations	(6,799)	(3,496)	(6,188)	(17,466)	(33,949)
Net loss	(7,661)	(4,852)	(7,755)	(20,147)	(40,415)
Basic and diluted net loss per share from continuing operations	(0.20)	(0.10)	(0.18)	(0.51)	(0.99)
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	319,826	283,512	286,517	275,995	
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⁽²⁾	March 30	June 22	Sept. 28	Dec. 31	Total
Sales	\$ 159,922	\$ 165,569	\$ 185,374	\$ 144,162	\$ 655,027
Net earnings (net loss) from continuing operations	2,372	1,421	(1,897)	(153)	1,743
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	(0.06)	--	0.05
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	274,347	282,145	308,786	335,092	
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.

⁽²⁾ Restated

Consolidated Statements of Earnings

Periods ended October 1, 2005 and September 25, 2004 (in thousands of dollars, except per share amounts) (unaudited)	Three months		Nine months	
	2005	2004 (restated)	2005	2004 (restated)
Sales	\$ 197,703	\$ 189,538	\$ 509,466	\$ 463,945
Cost of sales	148,183	153,633	387,360	386,683
Gross profit	49,520	35,905	122,106	77,262
Selling and administrative expenses	21,975	14,664	56,426	43,778
Exchange loss (gain)	381	2,010	(405)	811
Continuous improvement program	1,584	350	4,248	911
Dividend income from a company under common control	--	(500)	--	(1,500)
Increase in the fair value of an investment	(506)	--	(1,596)	--
	26,086	19,381	63,433	33,262
Depreciation of property, plant and equipment	4,088	4,531	12,379	14,114
Amortization of intangible assets	168	181	525	605
Financial expenses (note 6)	3,752	5,404	13,663	17,177
Penalty for early payment on notes	--	--	2,815	--
Loss (earnings) on disposal of property, plant and equipment	(5)	(63)	104	281
Loss on disposal of investments	--	--	--	19,445
Expenses related to plant closings	(6)	274	916	506
Earnings (loss) before income tax expense (recovery) and undermentioned items	18,089	9,054	33,031	(18,866)
Income tax expense (recovery)				
Current	2,229	2,564	3,904	2,248
Future	2,295	432	6,143	(2,258)
	4,524	2,996	10,047	(10)
Earnings (loss) before undermentioned items	13,565	6,058	22,984	(18,856)
Share in earnings of companies subject to significant influence	286	102	515	122
Net earnings (net loss) from continuing operations	13,851	6,160	23,499	(18,734)
Net earnings (net loss) from discontinued operations (note 8)	(1,051)	(1,595)	228	5,754
Net earnings (net loss)	\$ 12,800	\$ 4,565	\$ 23,727	\$ (12,980)
Net earnings (net loss) per share				
Basic:				
From continuing operations	\$ 0.32	\$ 0.18	\$ 0.59	\$ (0.55)
From discontinued operations	(0.02)	(0.05)	0.01	0.17
Total	\$ 0.30	\$ 0.13	\$ 0.60	\$ (0.38)
Diluted:				
From continuing operations	\$ 0.31	\$ 0.18	\$ 0.57	\$ (0.55)
From discontinued operations	(0.02)	(0.05)	0.01	0.17
Total	\$ 0.29	\$ 0.13	\$ 0.58	\$ (0.38)
Weighted average number of shares				
Basic	42,312	34,151	39,619	34,141
Diluted	46,860	38,523	44,125	38,508
Number of Class "A" subordinate shares outstanding			42,330	34,164
Number of Class "C" shares outstanding			7,000	5,150

Consolidated Statements of Retained Earnings

Periods ended October 1, 2005 and September 25, 2004 (in thousands of dollars) (unaudited)	Three months		Nine months	
	2005	2004 (restated)	2005	2004 (restated)
Opening balance (as reported)	\$ 98,973	\$ 79,313	\$ 90,957	\$ 96,628
Restated for a change in accounting policy	--	--	--	230
Balance, as restated	98,973	79,313	90,957	96,858
Net earnings (net loss)	12,800	4,565	23,727	(12,980)
Share issue expenses	(15)	--	(2,926)	--
Closing balance	\$ 111,758	\$ 83,878	\$ 111,758	\$ 83,878

Consolidated Balance Sheets

(in thousands of dollars) (unaudited)	As at October 1 2005	As at December 31 2004 (restated)
Assets		
Current assets		
Cash	\$ 8,377	\$ 5,748
Accounts receivable - third parties	133,429	131,492
Accounts receivable - companies under common control	16,822	2,240
Accounts receivable - companies subject to significant influence	1,480	1,416
Unrealized assets on foreign currency forward contracts	504	--
Inventories	95,354	100,074
Income taxes recoverable	647	--
Future income tax assets	6,255	3,485
Prepaid expenses and other assets	2,966	11,776
Current assets held for sale (note 7)	14,169	--
Current assets of discontinued operations (note 8)	12,103	19,802
Total current assets	292,106	276,033
Investments	69,155	77,511
Property, plant and equipment	158,654	172,674
Property, plant and equipment held for sale (note 7)	12,856	9,873
Long-term assets of discontinued operations (note 8)	26,735	43,891
Future income tax assets	1,986	10,598
Intangible assets	1,227	1,433
Other assets (note 2)	17,912	10,977
	\$ 580,631	\$ 602,990
Liabilities		
Current liabilities		
Bank loans	\$ 1,080	\$ 15,144
Accounts payable and accrued liabilities	114,348	107,755
Income taxes payable	--	828
Future income tax liabilities	59	--
Current liabilities held for sale (note 7)	11,191	--
Current liabilities of discontinued operations (note 8)	6,215	18,441
Portion of long-term debt due within one year	14,237	68,018
Total current liabilities	147,130	210,186
Long-term debt	115,648	133,797
Convertible debentures (note 3)	25,392	24,925
Deferred credits	6,777	5,924
Future income tax liabilities	11,770	11,543
Long-term liabilities of discontinued operations (note 8)	9,216	19,384
Class "C" shares (note 4)	3,776	2,105
	319,709	407,864
Shareholders' Equity		
Share capital (note 4)	161,782	114,956
Debenture conversion options (note 3)	3,112	3,112
Retained earnings	111,758	90,957
Contributed surplus	1,619	1,503
Cumulative translation adjustments (note 5)	(17,349)	(15,402)
	260,922	195,126
	\$ 580,631	\$ 602,990
Contingencies and commitments (note 10)		
Transactions (note 11)		

Consolidated Statements of Cash Flows

Periods ended October 1, 2005 and September 25, 2004 (in thousands of dollars) (unaudited)	Three months		Nine months	
	2005	2004 (restated)	2005	2004 (restated)
Cash flows from the following activities:				
Operating activities				
Net earnings (net loss) from continuing operations	\$ 13,851	\$ 6,160	\$ 23,499	\$ (18,734)
Items not affecting cash				
Depreciation of property, plant and equipment	4,088	4,531	12,379	14,114
Amortization of intangible assets	168	181	525	605
Amortization of financial expenses	191	129	1,139	846
Amortization of convertible debenture issue expenses	56	56	167	167
Future income tax expense (recovery)	2,295	432	6,143	(2,258)
Loss (earnings) on disposal of property, plant and equipment	(5)	(63)	104	281
Unrealized loss (unrealized earnings) on foreign currency forward contracts	(243)	122	(504)	24
Loss on disposal of investments	--	--	--	19,445
Impairment of property, plant and equipment held for sale	--	--	918	--
Deficiency in pension contributions over pension expense	190	205	760	675
Compensation cost related to stock options	39	61	116	181
Increase in the fair value of the convertible debentures	156	156	467	467
Increase in the fair value of an investment	(506)	--	(1,596)	--
Share in earnings of companies subject to significant influence	(286)	(102)	(515)	(122)
	19,994	11,868	43,602	15,691
Net change in non-cash operating working capital items				
Increase in accounts receivable	(253)	(29,351)	(17,381)	(43,121)
Increase in inventories	(3,101)	(8,322)	(808)	(28,715)
Decrease (increase) in income taxes recoverable	(648)	3,651	(648)	4,160
Decrease (increase) in prepaid expenses and other assets	740	(248)	7,722	617
Increase in accounts payable and accrued liabilities	16,543	19,017	19,585	30,355
Increase (decrease) in interest payable	642	439	(734)	555
Increase (decrease) in income taxes payable	(1,355)	970	(1,113)	98
	12,568	(13,844)	6,623	(36,051)
Cash flows from continuing operating activities	32,562	(1,976)	50,225	(20,360)
Financing activities				
Proceeds from issuance of shares	1,894	117	48,497	117
Share issue expenses	(15)	--	(2,926)	--
Increase in long-term debt and bank loans	2,134	4,350	190,617	10,695
Repayment of long-term debt and bank loans	(35,660)	(362)	(277,518)	(38,117)
Issue expenses related to long-term debt	(9)	(2)	(2,326)	(434)
Other	46	(328)	99	(677)
Cash flows from continuing financing activities	(31,610)	3,775	(43,557)	(28,416)
Investing activities				
Proceeds from disposal of property, plant and equipment	737	603	847	3,148
Additions to property, plant and equipment	(1,982)	(753)	(4,246)	(3,878)
Additions to intangible assets	(110)	(43)	(287)	(335)
Proceeds from disposal of investments	--	--	10,079	3,749
Distribution from a limited liability partnership	--	--	32	62
Change in long-term receivables	(270)	6	(12,080)	(361)
Assets held for sale	485	--	(689)	--
Other assets	(161)	(231)	(196)	(231)
Cash flows from continuing investing activities	(1,301)	(418)	(6,540)	2,154
Effect of changes in foreign exchange rate on cash flows	(332)	(66)	(180)	(31)
Net change in cash from continuing operations	(681)	1,315	(52)	(46,653)
Net cash flows from discontinued operations (note 8)	8,089	(1,354)	2,681	53,226
Cash, beginning of period	969	8,245	5,748	1,633
Cash, end of period	\$ 8,377	\$ 8,206	\$ 8,377	\$ 8,206
Supplementary information				
Interest paid	\$ 2,649	\$ 4,548	\$ 12,808	\$ 14,865
Income taxes paid	\$ 3,757	\$ 612	\$ 4,884	\$ 990

Notes to Consolidated Financial Statements

(in thousands of dollars, except per share amounts)

1. SIGNIFICANT ACCOUNTING POLICIES

The interim unaudited consolidated financial statements of the Company, as at October 1, 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 October 1 2005 (unaudited)	As at December 31 2004 (restated)
Long-term receivables ⁽¹⁾	\$ 14,459	\$ 8,582
Issue expenses related to long-term debt	2,653	1,499
Issue expenses related to convertible debentures	574	740
Others	\$ 226	\$ 156
	\$ 17,912	\$ 10,977

⁽¹⁾ The balance of long-term receivables includes, as at October 1, 2005, receivables of \$12,119 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.

Notes to Consolidated Financial Statements
(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	116,425	538
Class "A" subordinate shares issued to the public	8,050,000	46,288
Outstanding as at October 1, 2005	42,330,245	161,782
Class "C" shares		
Outstanding as at December 31, 2004	5,150,000	\$ 2,105
Issuance of Class "C" shares	1,850,000	1,671
Outstanding as at October 1, 2005	7,000,000	\$ 3,776

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 nine-month period ended October 1, 2005.

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 \$2,926 have been applied against retained earnings.

On August 8, 2005, the Company issued 1,850,000 new Class "C" shares at a price of \$0.903 per share.

5. CUMULATIVE TRANSLATION ADJUSTMENTS

(unaudited)	As at October 1 2005	As at December 31 2004 (restated)
Opening balance	\$ (15,402)	\$ (12,732)
Translation adjustments	(3,359)	(5,597)
Exchange gain (loss)	(598)	2,927
Disinvestment in a foreign subsidiary	2,010	- -
Closing balance	\$ (17,349)	\$ (15,402)

6. FINANCIAL EXPENSES

Periods ended October 1, 2005 and September 25, 2004 (unaudited)	Three months		Nine months	
	2005	2004 (restated)	2005	2004 (restated)
Interest on bank loans	\$ 391	\$ 409	\$ 1,488	\$ 976
Interest on long-term debt	2,287	3,983	8,510	12,829
Interest on convertible debentures	671	671	1,892	1,892
Amortization of financing expenses relating to long-term debt	191	129	1,139	846
Amortization of issue expenses relating to convertible debentures	56	56	167	167
Increase in the fair value of convertible debentures	156	156	467	467
	\$ 3,752	\$ 5,404	\$ 13,663	\$ 17,177

Notes to Consolidated Financial Statements
(in thousands of dollars, except per share amounts)

7. ASSETS AND LIABILITIES HELD FOR SALE

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

	As at October 1 2005 (unaudited)			As at December 31 2004 (restated)
	United States	Mexico (Monterrey)	Total	United States
Assets				
Current assets				
Cash	\$ --	\$ 689	\$ 689	\$ --
Accounts receivable	--	6,648	6,648	--
Inventories	--	6,832	6,832	--
Total current assets held for sale	\$ --	\$ 14,169	\$ 14,169	\$ --
Property, plant and equipment held for sale	8,660	4,196	12,856	9,873
Total assets held for sale	\$ 8,660	\$ 18,365	\$ 27,025	\$ 9,873
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ --	\$ 11,191	\$ 11,191	\$ --
Total liabilities held for sale	\$ --	\$ 11,191	\$ 11,191	\$ --

Further to the signing of a letter of intent for the sale of 81% of the shares of the subsidiary Canam Romsa in Monterrey, the assets and liabilities of this Mexican entity has been presented as assets and liabilities held for sale.

Notes to Consolidated Financial Statements
(in thousands of dollars, except per share amounts)

8. 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 October 1, 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.

On August 15, 2005, the Company sold the assets of its business segment located in Juárez, Mexico, as well as the plot of land and the building used by this subsidiary but owned by Grupo Canam Manac de C.V., a Company's subsidiary. The sales price for property, plant and equipment and raw materials inventories amounted to \$10,486 (US\$8,760). Of this sum, an amount of \$8,690 (US\$7,260) was cashed at the closing of the transaction, and an amount of \$1,796 (US\$1,500) has been escrowed in anticipation of possible claims during the next two years.

For the periods ended October 1, 2005 and September 25, 2004, the results of the discontinued operations are as follows:

(unaudited)	2005					2004				
	Semi-trailers	Forestry Equipment	France	Mexico (Juárez)	Total	Semi-trailers	Forestry Equipment	Mexico (Juárez)	France	Total
Sales	\$ 796	\$ 853	\$ --	\$ 4,014	\$ 5,663	\$ 1,458	\$ 4,614	\$ 29	\$ 7,023	\$ 13,124
Operating net earnings (net loss)	\$ (256)	\$ (43)	\$ --	\$ (126)	\$ (425)	\$ 30	\$ (595)	\$ --	\$ (679)	\$ (1,244)
Net gain (net loss) on disposal of operations ⁽¹⁾⁽²⁾	--	(1,451)	(430)	1,255	(626)	--	--	(351)	--	(351)
Net earnings (net loss) from discontinued operations	\$ (256)	\$ (1,494)	\$ (430)	\$ 1,129	\$ (1,051)	\$ 30	\$ (595)	\$ (351)	\$ (679)	\$ (1,595)

(unaudited)	2005					2004				
	Semi-trailers	Forestry Equipment	France	Mexico (Juárez)	Total	Semi-trailers	Forestry Equipment	France	Mexico (Juárez)	Total
Sales	\$ 2,970	\$ 2,111	\$ --	\$ 16,498	\$ 21,579	\$ 70,437	\$ 14,324	\$ 29	\$ 18,095	\$ 102,885
Operating net earnings (net loss)	\$ 139	\$ (43)	\$ --	\$ 1,358	\$ 1,454	\$ 143	\$ (1,149)	\$ --	\$ (1,250)	\$ (2,256)
Net gain (net loss) on disposal of operation ⁽¹⁾⁽²⁾	--	(1,451)	(1,030)	1,255	(1,226)	8,356	--	(346)	--	8,010
Net earnings (net loss) from discontinued operations	\$ 139	\$ (1,494)	\$ (1,030)	\$ 2,613	\$ 228	\$ 8,499	\$ (1,149)	\$ (346)	\$ (1,250)	\$ 5,754

(1) The net gain on the sale of the business segment in Juárez, Mexico in the amount of \$1,255 includes the reversal of negative cumulative translation adjustments amounting to \$2,010, which had been included in shareholders' equity. The net gain before this reversal stood at \$3,265.

(2) The net loss on the disposal of operations in the forestry equipment sector results from the impairment of accounts receivable.

Notes to Consolidated Financial Statements
(in thousands of dollars, except per share amounts)

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

	As at October 1 2005 (unaudited)					As at December 31 2004 (audited)				
	Semi-trailers	Forestry Equipment	France	Mexico (Juárez)	Total	Semi-trailers	Forestry Equipment	France	Mexico (Juárez)	Total
Assets										
Current assets										
Cash	\$ --	\$ --	\$ --	\$ 138	\$ 138	\$ --	\$ --	\$ --	\$ 1,089	\$ 1,089
Accounts receivables	1,483	7,668	--	920	10,071	220	3,838	4,943	252	9,253
Inventories	--	955	--	252	1,207	--	2,417	--	6,014	8,431
Income taxes recoverable	128	--	--	--	128	--	470	--	--	470
Future income tax assets	494	65	--	--	559	494	65	--	--	559
Total current assets of discontinued operations	2,105	8,688	--	1,310	12,103	714	6,790	4,943	7,355	19,802
Semitrailers and forestry equipment leased to clients ^{(1) (2)}	10,570	216	--	--	10,786	21,587	288	--	--	21,875
Property, plant and equipment held for sale ⁽³⁾	--	--	--	--	--	6,499	--	--	--	6,499
Property, plant and equipment Investments ⁽⁴⁾	979	5,166	--	--	6,145	1,545	5,166	--	3,873	6,711
Future income tax assets	2,208	495	--	--	2,703	2,208	495	--	--	2,703
Other assets	--	--	6,230	871	7,101	--	--	2,230	--	2,230
Total long-term assets of discontinued operations	13,757	5,877	6,230	871	26,735	31,839	5,949	2,230	3,873	43,891
Total assets of discontinued operations	\$15,862	\$14,565	\$ 6,230	\$ 2,181	\$38,838	\$32,553	\$12,739	\$ 7,173	\$11,228	\$63,693
Liabilities										
Current liabilities										
Bank loans	\$ --	\$ --	\$ --	\$ 138	\$ 138	\$ --	\$ --	\$ --	\$ 627	\$ 627
Accounts payable and accrued liabilities	521	124	--	1,410	2,055	1,468	1,193	--	4,757	7,418
Deferred revenue	3,920	102	--	--	4,022	4,338	102	--	--	4,440
Obligations relating to residual values	--	--	--	--	--	1,478	--	--	--	1,478
Income taxes payable	--	--	--	--	--	4,478	--	--	--	4,478
Total current liabilities of discontinued operations	4,441	226	--	1,548	6,215	11,762	1,295	--	5,384	18,441
Long-term liabilities										
Obligations relating to residual values	--	77	--	--	77	3,685	77	--	--	3,762
Deferred revenue	7,293	51	--	--	7,344	13,844	127	--	--	13,971
Future income tax liabilities	1,303	--	--	--	1,303	1,302	--	--	--	1,302
Other liabilities	492	--	--	--	492	349	--	--	--	349
Total long-term liabilities of discontinued operations	9,088	128	--	--	9,216	19,180	204	--	--	19,384
Total liabilities of discontinued operations	\$13,529	\$ 354	\$ --	\$ 1,548	\$15,431	\$30,942	\$ 1,499	\$ --	\$ 5,384	\$37,825

⁽¹⁾ The amount of \$10,786 (\$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 commitments (note 10).

Notes to Consolidated Financial Statements

(in thousands of dollars, except per share amounts)

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

(unaudited)	As at October 1 2005	As at December 31 2004 (restated)
Current portion of deferred revenue and obligations relating to current residual values	\$ 4,022	\$ 5,918
Long-term portion of obligations relating to current residual values	77	3,762
Long-term portion of deferred revenue	7,344	13,971
Total	\$ 11,443	\$ 23,651

(3) Property, plant and equipment held for sale, which were composed of the Manac Division's assets, were sold during the third quarter. The Company incurred a net loss of \$50 on these disposals.

(4) The investment of \$979 (\$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 October 1, 2005 and September 25, 2004 (unaudited)	Three months		Nine months	
	2005	2004 (restated)	2005	2004 (restated)
Cash flows from discontinued operations:				
Operating activities	\$ (3,720)	\$ 812	\$ (8,416)	\$ 7,978
Financing activities	648	(926)	-	(2,595)
Investing activities	11,161	(1,240)	11,097	47,843
Net cash flows from discontinued operations	\$ 8,089	\$ (1,354)	\$ 2,681	\$ 53,226

9. 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 October 1, 2005 and September 25, 2004 (unaudited)	Three months		Nine months	
	2005	2004 (restated)	2005	2004 (restated)
Sales				
Canada	\$ 102,082	\$ 85,903	\$ 257,274	\$ 217,156
United States	85,066	95,476	224,779	226,390
Mexico	10,186	7,703	23,672	17,474
Europe and Asia	369	456	3,741	2,925
	\$ 197,703	\$ 189,538	\$ 509,466	\$ 463,945

(unaudited)	As at October 1 2005	As at December 31 2004 (restated)
Assets		
Construction products sector	\$ 541,793	\$ 539,297
Attributed to discontinued operations	40,289	63,693
	\$ 582,082	\$ 602,990

Notes to Consolidated Financial Statements
(in thousands of dollars, except per share amounts)

10. CONTINGENCIES AND COMMITMENTS

- The Company is a defendant in a number of lawsuits and claims. 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 \$39,853 as at October 1, 2005 (\$66,579 as at December 31, 2004).

The guaranteed loans are as follows:

(unaudited)	As at October 1 2005	As at December 31 2004 (restated)
Companies under common control	\$ 13,830	\$ 15,110
Companies subject to significant influence and joint ventures	813	5,646
Portfolio investment	4,017	4,017
Third parties ⁽¹⁾	21,193	41,806
	\$ 39,853	\$ 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 October 1, 2005.

- The Company had guaranteed commitments for semitrailers and forestry equipment leased to clients for an amount of up to \$15,521 as at October 1, 2005 (\$25,496 as at December 31, 2004).

The guaranteed loans are as follows:

(unaudited)	As at October 1 2005	As at December 31 2004 (restated)
Companies under common control	\$ 13,119	\$ 22,666
Third parties	2,402	2,830
	\$ 15,521	\$ 25,496

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

The fair value of forward exchange contracts is detailed as follows:

(unaudited)	As at October 1 2005	As at December 31 2004
Unrealized assets on foreign currency forward contracts	\$ 504	\$ - -

As at October 1, 2005 (in thousands of dollars)	Type	Average rate	Contract amounts (US dollars)
In the next eight months	Sale	1.26	\$ 6,600
During the next month	Purchase	1.17	\$ 9,900

11. TRANSACTIONS

Steel Plus Network

On October 1, 2005, the Company concluded the sale of Steel Plus Network' assets to Steel Plus Network, LLC, a company composed of the members of this buying group. In return, the Company received a 45% interest in Steel Plus Network, LLC having a total carrying value of US\$2,400 (CAN\$2,787) and a balance of sales price to be determined in the first quarter of 2008. This transaction had no immediate impact on the Company's results but resulted in the recording of an investment in a company subject to significant influence amounting to \$1,548 and of a deferred gain of \$1,548. The deferred gain could be recognized in earnings upon maturity of a suspensive clause in 2006. The balance of sales price could result in an additional gain upon the pricing of the said balance in the first quarter of 2008.

Business acquisition

On June 29, 2005, the Company's interest in the company subject to significant influence, Amcan Threaded Products Inc. ("Amcan"), a business specializing in the distribution of threaded products, has increased from 40% to 50%. This transaction did not result in any disbursements. As from the third quarter of 2005, the Company accounts for Amcan's operations using the proportionate consolidation method. The fair value of the net assets acquired using this method is detailed as follows:

Net assets	
Accounts receivable	\$ 1,082
Inventories	2,334
Prepaid expenses and other assets	17
Plant, property and equipment	994
Bank loans	(687)
Accounts payable and accrued liabilities	(740)
Current portion of long-term debt	(77)
Long-term debt	(1,047)
Long-term future income tax liabilities	(81)
Fair value of net assets acquired	<hr/> \$ 1,795
Consideration	
Interest already held	\$ 1,795

Better building solutions... a solid business.



SHAREHOLDERS INFORMATION

STOCK EXCHANGE LISTING

Class "A" subordinated 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

4th quarter: March 3, 2006

Head Office

11535, 1^{re} Avenue, bureau 500
Ville de Saint-Georges
(Québec) G5Y 7H5

T. (418) 228-8031

1-877-499-6049

F. (418) 228-1750

Administrative Center

270, chemin Du Tremblay
Boucherville
(Québec) J4B 5X9

T. (450) 641-4000

1-866-506-4000

F. (450) 641-4001

www.canamgroup.ws

