

April 27, 2005



**ANNUAL MEETING OF SHAREHOLDERS  
APRIL 27, 2005**

**VICE-CHAIRMAN'S REPORT**

**OPENING SLIDE**

Thank you Madame Chair...and good afternoon to all of you.

What a difference a year makes!

I would like to join the Chair in welcoming all of you and in thanking you for joining us today. We appreciate your ongoing interest in our Company...and your support over the past year. We pride ourselves in being a relationship-oriented Company...and that community of friends is represented here today in the form of employees, customers, suppliers, financial institutions, insurance and audit service providers and others. Welcome.

I would also like to express my thanks to our Board of Directors for their guidance over the past year...and I congratulate them on their reappointment. I look forward to working with you all in the coming year.

It will be my pleasure to report today on the performance of your Company for 2004...and on its prospects going forward. I have also asked Wayne Bassett, a Vice President of the Company, and fellow Board member, to report on the unique metals marketplace in which the Company operated in 2004...and to comment on our outlook for material pricing and supply in the year ahead.

John Amodeo, our Vice President and CFO of Samuel Manu-Tech, will then share with you the details of our positive first quarter results...Following which, my managers and myself look forward to addressing any questions that you might have regarding the Company.

You may recall that at last year’s annual meeting...as per Ancient Chinese Proverb...I discussed how we were finding ourselves operating in, and reacting to, the ‘interesting times’ in which we were living. As predicted, the market continued to present unique conditions...and opportunities

throughout 2004 and I am proud to say that your Company emerged as one of the winners against that new paradigm! In an environment of unprecedented steel price increases and continued shortages in steel and stainless steel your management guided the Company to record sales and earnings.

On behalf of the Board...and the shareholders, I wish to thank our Divisional Presidents, their management teams...and their employees for their dedication to the business...their quick and effective response to challenging and rapidly changing conditions...and their continued commitment to successful long-term relationships with our customers and suppliers.

By now, you are all likely familiar with our 2004 financial results. For those of you who did not receive the Annual Report in the mail...or were not able to pick one up on your way in, copies will be available outside in the reception area at the end of the meeting.

## **2004 FINANCIAL RESULTS**

When last we met, the Company was showing signs of recovering its sales and earnings momentum and our First Quarter results showed significant improvement over the same period in 2003. Fortunately, this trend continued. 2004 was a tremendous year for our Company as we announced three record quarterly results on our way to posting the best sales and earnings performance in our 20 year history.

As discussed in the Annual Report...our success in 2004 was due to a combination of a number of factors...both internal and external to the Company.

We entered the year with much stronger fundamentals. We had sold or closed certain underperforming locations and assets...improved our operating efficiencies...added capacity to serve strengthening market segments...established new targeted sales initiatives...and had diligently strengthened our balance sheet.

Meanwhile, broad steel shortages... escalating prices for coal, iron ore, molybdenum and nickel...as well as unprecedented Chinese demand...and the consolidation of certain U.S. producing mills... led to unique market conditions and a precipitous escalation in raw material steel costs.

Our committed partnerships with suppliers and customers alike were never more valuable as we were able to successfully anticipate and to convert these market conditions to our advantage.

A healthy North American manufacturing economy and stronger served markets...consolidation within our packaging competitor base...and our ability to pass through increased steel and plastic costs ...allowed us to emerge as one of the more successful companies in this turbulent year.

Allow me take you through a brief summary of our financial results and key metrics.

### **EARNINGS SLIDE**

Net Sales for the year were just shy of \$840 million...an increase of 24% over the prior year.

All segments recorded higher sales on the strength of heightened market demand... coupled with steel price escalations and surcharges.

***Click***

Operating Profit...or Earnings before interest and taxes and restructuring costs... increased by 279% in 2004 to \$97 million, or 11.6% of sales...up from 3.8% of sales in the prior year.

***Click***

Net earnings for the year were \$57 million, up more than 300% over 2003.

***Click***

As a result, Earnings for the year were \$1.81 per share compared to \$0.44 per share in the prior year.

As disclosed, the year’s results included a restructuring charge of \$3.9 million after taxes, which negatively impacted earnings for the year by \$0.12 per share. This related to the closure of our Brockhouse roll forming facility...and...as you will see shortly...was subsequently more than offset by a gain on the sale of the related land and building...which appears in our 1<sup>st</sup> quarter 2005 numbers.

**BALANCE SHEET**

We also continued to strengthen our balance sheet in 2004, which has proven to be a critical competitive advantage...and has differentiated us from the majority of our competitors.

We were able to make significant investments in non-cash working capital in the year...to meet the demands of greatly increased sales...while still improving our asset turnover statistics...which in turn, allowed us to minimize the use of our short term borrowing facilities.

Inventories increased considerably during the year reflecting both the increase in units sold...and the escalation of per unit steel costs.

***Click***

The increase in total assets reflects our additional investment in inventories and accounts receivable...partially offset by a relatively conservative approach to new capital expenditures...which focused on value-added manufacturing opportunities and new capacity initiatives.

In addition...despite significant investigation and negotiation...we made no acquisitions in 2004.

***Click***

As a result, our long-term debt continued to come down...a reduction of close to \$40 million...as our Net Debt to Capitalization improved to 17%.

***Click***

Finally, our Shareholders’ Equity increased by 18% to \$266 million...and our Return on Average Shareholders Equity improved to 23%...from 6% in the prior year.

**CASH FLOW**

Cash flow from operating activities reflected a significant contribution from earnings, offset by our investment in working capital.

***Click***

Cash flow from investing activities was below that of the previous year due to decreased spending on capital assets and business acquisitions.

***Click***

Finally, cash used for financing activities reflected our continued repayment of debt in 2004.

All in all...not a bad year!

**OUR BUSINESS**

At Samuel Manu-Tech, we are organized into three operating segments...Packaging, Metal Processing and Distribution.

### **PACKAGING SLIDE**

Our largest segment by sales is our packaging operation...consisting of Samuel Strapping Systems in Canada... Samuel Strapping Systems, ISP, Longview and the Samuel/Sekisui Joint Venture in the United States...and our newest additions to the group, HTI and AmCa....located in Rock Hill South Carolina and Concord, Ontario. We welcome John Della Rossa and his team of highly trained engineers to our Packaging family.

These acquisitions, completed early this year, add an enhanced technology and packaging systems manufacturing capability to our mix...and allow us to be in a much better competitive position to grow our integrated strapping systems business throughout North America.

While various of our competitors are limited to an offering of certain commodities or tools, Samuel Strapping is regarded as a complete solution

provider in the North American packaging industry. This is a distinction that has been rewarded with loyal customers...and improved margins.

On this slide you can see examples of some of our specialized strapping products that we manufacture...jumbo steel coils and super jumbo polyester coils...as well as one of our R&D advancements, a complete stretchwrap system tailored for the brick and block industry.

Part of our success comes from our value-added selling approach as we work with our customers as partners...to design and install engineered systems...supply the ongoing consumables...and to service our customers’ equipment.

### **PACKAGING SEGMENT OPERATING PROFITS**

Our Packaging Segment delivered record results in 2004.

Operating profit amounted to \$38 million, an increase of 167% over 2003.

Both Canada and the U.S. posted improved levels of profitability on the strength of increased sales, favorable production efficiencies and enhanced capacities...which helped to offset substantial raw material price

increases...and the negative impact of an appreciating Canadian dollar. As in various of our other divisions, the stronger Canadian dollar translated into lower margins on exports, a negative effect on the repatriation of our U.S. earnings...and created a more fertile environment for increased U.S. competition into Canada.

Our packaging manufacturing operations have meanwhile benefited from the restructuring and capital improvement projects completed over the last couple of years...most notably...jumbo steel rewinding equipment in our Scarborough facility... the addition of super jumbo high strength polyester coils in our Fort Mill location, and ...improved efficiencies at our polypropylene facility in Cartersville.

In 2004, our Fort Mill facility ran at close to full capacity. Due to the high on-going demand for our high strength polyester product we have committed to a 4<sup>th</sup> high volume production line which is expected to be in full production later this year.

### **PACKAGING HIGHLIGHTS**

Our industry specific sales approach continues to generate results. We are structured to focus on a number of end-use markets...forestry, brick and block, corrugated, newspapers and graphics, cotton, can and bottle, general packaging, and the metals industry, to name a few.

The breadth of our customer base continues to be an advantage as our results are not tied to the success of one particular industry or region.

On the left of this slide, you can see one of our automated systems used in the forestry industry. Our new jumbo and super jumbo polyester coils benefit the customer by reducing down time for strap changeovers and by allowing their automated strapping equipment to run non-stop over the course of several shifts. The coils, between 17,000 and 23,000 feet in length, have been particularly successful in the forestry industry where production efficiency is crucial to profitability.

Also pictured on this slide is an automated polypropylene strapping system used in the corrugated carton industry...a multi-head steel strapping line used to bundle metal studs...and one of our many hand strapping tools manually applying polypropylene strapping.

A final note...on Sunday, I returned from the International INTERPACK Packaging trade show. Held every 3 years in Düsseldorf Germany, it is the largest trade show of its kind in the world...a million square feet of active exhibition space...and everyone who is anyone in the packaging industry is present and accounted for. I observed that our Samuel Strapping Division clearly has the benefit of excellent supplier relationships with the leaders in the industry...state-of-the-art R&D and design...strong international export prospects...and a widely held reputation for being fair, professional and progressive. Our reputation for integrity is our calling card to the world. I wish to extend my congratulations to John Morton and his team...not only for their excellent results this year, but also for the way that they represent the values of our Company.

### **METAL PROCESSING**

Our second key segment is the Metal Processing group...which includes the production of stainless steel specialty tubing and engineered parts through our Associated Tube Industries division...

Roll Formed building and construction products and custom engineered sections through our CMRM and Roll Form Specialty divisions...

ASME steel pressure vessels through our Steel Fab division...

And steel pickling and technology services through our Nelson Steel, Samuel Steel Pickling and WorldClass Processing divisions.

### **METAL PROCESSING SEGMENT OPERATING PROFITS**

The Metal Processing segment achieved outstanding results in 2004...increasing sales by 32% and improving operating earnings by 188% to just over \$62 million.

### **METAL PROCESSING SEGMENT HIGHLIGHTS – SLIDE 1**

Despite facing numerous challenging issues... a slower than expected recovery in certain U.S. sectors,...further increases in the value of the Canadian dollar...reduced capital expenditures within many of our served industries...and volatile, escalating raw material pricing...our metal

processing businesses responded effectively...by capitalizing on investments in new technologies and production processes...investing great time and energy in their customer’s needs...and maintaining a relentless focus on evolving their processes and products through investments in Research and Development.

On this slide, you will see certain of our stainless tube applications...including the specialized ‘B-tube’ used in fuel rail applications and tube used in beer brewing applications. Both of these products are produced at our ATI location.

A substantial portion of ATI’s product mix is destined for the U.S. As such, the weakening U.S. dollar had a negative impact on our product margins in 2004. Meanwhile, transaction pricing for stainless steel, our key raw material, almost doubled during the year. In response, we maintained our focus on developing new and innovative stainless steel products in partnership with our customers and suppliers. With approximately 60% of our products sold into demanding automotive applications...and other customer segments including sophisticated energy products... our equipment, quality systems and R&D efforts must be...and are, first class.

We added additional production capacity to our tube manufacturing facilities in 2004...and in 2005 we will continue to invest in productivity, quality and capacity improvements...including the installation of new laser tube welding technology.

ATI posted solid results in the first quarter. Unfortunately, we have subsequently witnessed some softness in our served automotive markets and a significant portion of our anticipated sales to the energy sector are now not expected to occur until 2006. As such, we do not forecast the same sales and profit contribution in 2005 that we enjoyed last year.

Our Roll Form Group’s performance continued to strengthen in 2004 as volumes and profitability rebounded nicely. Some of the most dramatic gains were in the area of custom forming...particularly rail cars.

Our rail car markets have rebounded and are expected to remain strong for the foreseeable future. Industry projections suggest the strongest backlog in years...with continued growth on the horizon. Our investment in R&D and in partnering with our railcar customers in the lean years will now pay

dividends as production volumes have increased. Our products are now more highly specified for inclusion across a wide range of railcars...and innovative products such as our new aluminum vehicle carrier sections will keep us at the forefront. You can see these sections pictured on the right of this slide. We expect this sector to perform well for us in 2005...and beyond.

Partially in response to this surge in demand...as well as to increase our capacity to produce other large custom components, we have invested in a new super-wide mill with quick change capabilities. This Mill extends our range of offered products and enhances our ability to offer ever longer, wider, thicker, higher yield sections. Installed at our Cambridge, Ontario location, it is indicative of our intention to continue to carve out unique market niches for ourselves.

While residential construction has become quite volatile, commercial and industrial construction has been improving...and our Roll Formed Group has capitalized on that strength. In addition, in 2005, we will introduce a new standing seam roof product to the market and we expect positive results to follow. Our building products business has also benefited from our expansion this year into the Alberta marketplace, with a new facility in

Edmonton. This location will allow us to service our customers in the western markets in a more timely, focused manner.

Our third major product segment, Heavy Construction...enjoyed a solid year in 2004. Unfortunately, the escalation of steel sheet pricing over the year, combined with the strengthening of the Canadian dollar, has undermined our cold-formed sheet piling’s competitive position in the market...particularly in the U.S. While a decline of steel pricing should help, we do not anticipate significant growth from this sector of our business in 2005.

Of further note, during 2004, we completed the orderly closure of our Brampton facility which we had previously announced. This has allowed us to focus on products and markets with greater earnings potential. As I mentioned earlier, having incurred the ‘pain’ of the restructuring charge in our 2004 results, we recently disposed of the land and building at a substantial gain relative to book value. You will note this gain in our 1<sup>st</sup> Quarter results for 2005 shortly.

Finally, we have long analyzed the opportunities for expansion of our Roll Form operations into the U.S. Our study continues...while site and building

identification has been initiated. A U.S. expansion would further bolster our position in the heavy construction market in the U.S...would reduce our exposure to cross border exchange and access issues...and would allow us to connect with established ‘Buy American’ initiatives. We hope to have something further to report on this project in the near future.

### **METAL PROCESSING SEGMENT HIGHLIGHTS – SLIDE 2**

Our Steel Fab operation made solid gains in 2004...and sales and earnings were strong.

A manufacturer of ASME certified pressure vessels, this unit was negatively impacted by the tightening of raw material supply as we struggled at times to keep our customers supplied with product. Raw material was scarce and many times the division was forced to re-engineer existing designs due to material shortage issues. Throughout the period of shortage though, Steel Fab worked closely with its customers and suppliers and ultimately maintained both their volumes...and their goodwill.

During the year we also brought a second location on stream. This has served to increase our capacity in the larger industrial air receiver tank market...and has allowed for a reorientation of other existing equipment to allow for higher productivity and quality improvement.

Pictured here are new high definition plasma cutting, robotic cutting and welding machines, all of which have substantially increased speed and accuracy in our Steel Fab production processes.

In 2005, Steel Fab is continuing to work closely with existing and emerging customers and is being rewarded with increased sales and profitability. The first quarter generated record sales and profitability for the division.

### **METAL PROCESSING SEGMENT HIGHLIGHTS – SLIDE 3**

Our Nelson Steel operation is considered a supplier of choice...and a technical pioneer in the development of push-pull pickle line technology. With over 3.5 million tons of pickling capacity, we are also one of the largest toll processing operations in North America.

Our pickling operations were the only aspect of our business relatively insulated from the direct affect of the rise in metals prices in 2004. Given our position as a toll processor, however, the movement in market prices had rather an ‘indirect’ effect...as our fortunes became tied to those of our customers in this unique marketplace. While the southern Ontario and Cleveland regions remained relatively strong, our Pennsylvania location suffered from week market conditions and the aftermath of industry consolidations.

An area of uncertainty for our Canadian steel pickling volumes has undoubtedly been the difficult circumstances of our largest customer, Stelco, who entered into CCAA protection in early 2004. In the face of adversity, we continued to work closely with our valued customer...who conversely...also represents one of the single largest suppliers to our group of companies. Our relationship with Stelco is a long-standing and much valued one...and is one which will survive whatever the future holds in store.

We continue to monitor the situation there...maintaining constant communication...and diligent monitoring of our transactions...and ensuring that any negative impact on SMT will be minimized.

Overall we anticipate a relatively strong performance from our Canadian operations in 2005 with the possibility that volumes may tail off later in the year. Our Cleveland unit has started the year out strongly...though with the start up of additional competitor’s capacity, at mid-year, we anticipate a softening of our results. As for Pittsburgh, we anticipate a struggle to achieve the performance that we experienced in 2004.

Our technology group had a solid year in 2004 with a number of projects completed and quite an active quotation environment. We expect similar activity in 2005 and look forward to the benefits that will flow from the recent establishment of new marketing and technology partnership. Late in 2004, our technology group established a new partnership with JNE Automation Ltd. for the design, build and installation of pickle lines. JNE has a solid reputation for engineering and installation excellence in the North American Steel Mill community as well as extensive contacts in the booming Chinese marketplace. We believe that this new partnership will

provide our customers with access to both practical design and advanced technology...and will open up new markets for us.

### **DISTRIBUTION SLIDE**

Our third segment is our metals distribution business. In Canada we provide wire rope and chain, slings, tool steel, stainless steel long products, hardware products and perforated metal through our Unalloy-IWRC division while in the U.S. our Energy Steel Products division primarily serves as a mill support center on Stainless Steel Bars.

Our distribution segment was our ‘turn-around star’ in 2004...making considerable progress despite increases in steel pricing, a depreciating U.S. dollar and an uncertain economic outlook in the United States.

### **DISTRIBUTION SEGMENT OPERATING PROFITS**

Following some significant restructuring over the last couple of years... including the closure of three locations and the establishment of a highly effective call center in Atlanta, this segment returned to significant profitability in 2004.

In Canada, while buoyant metal prices added significantly to profits, material shortages, escalating prices and extended lead times somewhat mitigated the impact of increasing sales. Our U.S. operations, meanwhile, surged forward to new levels of profitability on the backs of a reduced cost structure, margin gains on inventory sold at a time of price escalation, new IT sales initiatives...and the relentless expansion of our participation with major national and regional multi-location Distribution customers.

In Canada we have enjoyed a strong start to the new year despite the fact that our western branches, in BC and Alberta are still struggling to meet the benchmarks that we have established for them. Meanwhile, one of our new initiatives, the installation of new inspection and testing services in the west for wire rope...should be of benefit to these emerging regions. Tool steel has been a particularly strong product for us of late reflecting a strong marketplace and our diligent expansion of products offered. The U.S. operations have sprinted to a particularly strong start to the year and are performing well against all benchmarks. Though we have added some ancillary products recently, stainless bar continues to be our key product in the U.S. and diligent attention to inventory levels and pricing levels will be vital for our ongoing success.

In summary, 2004 was a tremendous year for our Distribution group...and the first quarter has built on that momentum. Both President Dave Neil in Canada and Mark Winkler in the U.S...along with their teams...are to be congratulated on a tremendous turn around.

### **AT THE CORPORATE OFFICE**

Corporately, we endeavor to keep our head office small, effective and responsive to our operating segments. We strive to foster and to maintain a decentralized, entrepreneurial culture...close to our customers and our suppliers.

We maintain a Corporate finance staff representing the areas of control, treasury and internal audit and of late we have been investing heavily to ensure compliance with the Disclosure Controls Certification Project mandated by the Ontario Securities Commission.

Other capabilities at our Corporate office include centralized Pension Benefit leadership, Information technology hardware, Programming and support and Corporate-wide training co-ordination.

We also retain overall responsibility for the vision and strategic planning process of the Company and for the co-ordination of Acquisition activity. With approximately \$100M of unused financing available to us and an excellent credit profile behind us, we stand ready to be opportunistic on acquisitions.

### **CORPORATE PROIRITIES – SLIDE 1 - CUSTOMERS**

As I have explained in the past, we follow a rigorous strategic planning process at Samuel Manu-Tech which includes “future oriented” 5 year strategic plans...followed by detailed annual plans.

Our focus is to encourage and to build upon our core competencies ...optimize plant productivities...capitalize on our strong balance sheet...and, ultimately, to deliver a greater return to our shareholders.

In general...much of what we do can be summarized in 5 areas...and they form the 5 Pillars of our Strategic Planning; Customers, Suppliers, Manufacturing, Productivity, Human Capital...and Growth. The first three of these resonated throughout my earlier comments.

Our commitments of respect, professionalism, fairness and communications to our customers and suppliers has always served us well...but perhaps never more so than in the unique conditions of 2004. Despite massive pricing escalations and tight supply conditions we managed to support our customers and to preserve our positive industry reputation. Additionally, we have invested heavily in R&D initiatives...to support our customers...and to maintain our position as a provider of sophisticated value added products and services.

### **CORPORATE PRIORITIES – SLIDE 2 - SUPPLIERS**

Likewise, our size, buying clout and long standing supplier relationships provided us with access to scarce metal...and to vital market intelligence in 2004.

**CORPORATE PRIORITIES – SLIDE 3 - MANUFACTURING**

As for manufacturing and productivity, I have already mentioned numerous investments in additional capacity and productivity enhancements...most notably in our strapping and roll form operations. At the same time, we have continued to rationalize less efficient production facilities such as our Brockhouse roll forming operation in 2004, 3 warehouses within our U.S. distribution group in 2003 and 2004...and our Winchester Polypropylene Strapping operation. Meanwhile, while our Sekisui-Juishi polypropylene JV is not yet performing up to expectations as we would like, it has made great strides forward in just under a year. A full Kaizen blitz is currently underway...with the intention to improve productivity and quality...reduce manpower and other costs...and ultimately, to continue to enhance profitability.

**CORPORATE PRIORITIES – SLIDE 4 – HUMAN CAPITAL**

Within our “Human Capital” framework, we have continued our commitment to train our people, through divisional and corporate programs...

Well trained people reinforce better productivity, safety and quality systems, which in turn, leads to more efficient plants with less down time.

At the same time, we firmly believe in incentivised compensation. Sharing a piece of the Company’s financial success with the employees that made it possible...thorough annual discretionary Profit Share payments.

### **CORPORATE PRIORITIES – SLIDE 5 - SUMMARY**

Appreciated and fairly rewarded employees further reinforce the goals we have set within the other customer, supplier and manufacturing priorities...and allow for the ultimate goal, positive, sustainable Financial results. To a degree, this approach will then contribute to our 5<sup>th</sup> Strategic Priority, Growth.

Samuel Manu-Tech has every intention to grow both its top and bottom line on a consistent basis and has implemented various initiatives to move forward. Our strong balance sheet allows us to fund key capital investments

as well as to aggressively pursue acquisition targets that are aligned with our strategies and that will contribute to our sustainable growth. Our divisions and our corporate office are structured to identify synergistic targets and to effectively pursue them. Ed O’Connor, in our Corporate Office, is mandated with the advocacy of our Acquisition Program. We have invested significant time over the past year to cultivate a community of contacts in both the financial and Mergers and Acquisitions communities. While no major acquisitions were completed in 2004, we have a management team...and a board fully focused on that objective.

### **IN SUMMARY**

Our Company experienced a particularly challenging business environment from 2001 to 2003. We have worked hard in the interim to strengthen our balance sheet, to expand our product base and marketing reach, to add capacity and to enhance our quality and productivity and to streamline our operations...making the hard decisions to close operations where the required benchmarks were not being met. We therefore entered 2004 with a much more dynamic, responsive organization...unfettered by some the weak links that had previously distracted management and dragged down

earnings.

As a result, the challenging environment that emerged in 2004 became an environment of opportunity for Samuel Manutech...and we surged forward to new record levels of Sales and Profitability.

I am therefore pleased to report that the first Quarter has continued to build on that momentum...and in a moment, I will call on John Amodeo to share that good news story with you. Before I do however, I would now like to call on Mr Wayne Bassett, President and CEO of Samuel, Son & Co., Limited, to reprise his role as our in-house analyst of the metals marketplace as it exists today...and to discuss what it means for our Company for the balance of the year...

Thank-you.

Wayne?

**WAYNE BASSETT**

**JOHN AMODEO**

Thank you, John.

**ANNIVERSARY SLIDE**

As some of you may be aware...this year marks the 150<sup>th</sup> anniversary of the founding of our majority shareholder, Samuel Son & Co., Limited. Since 1855 it has been a privately held, proudly Canadian family run business... and today, the 5<sup>th</sup> generation of the family is actively involved, on many levels.

Though somewhat overshadowed by that history, Samuel Manu-Tech also has a birthday to celebrate this year. While all of the Company’s founding divisions date back to before our listing on the then, TSX...I am proud of the fact that, this year, our Company celebrates our 20<sup>th</sup> year as a publicly-listed Company.

Since 1985 we have grown as a Company, diversified our operations, broadened our served geographic and industry segments and successfully partnered with customers and suppliers alike. We’ve also paid a pretty

consistent dividend stream to the Shareholders who have supported us over that time.

I am pleased that...2 decades later...we have recorded the strongest year in our history. Sales and Earnings were both records...our Balance Sheet has never been stronger...our Divisions are positioned for success...our dividend stream now sits at \$0.09 a share...and our stock has effectively doubled over the past year.

Frankly, 2004 will be a tough year for us to match...at least immediately. A strong Canadian dollar, uncertainty on the supplier side...lackluster GDP growth... and the likely significant devaluation of Steel prices and inventories will all conspire to make the second half of the year quite a challenge for us.

On the bright side...we have a culture of ethics, hard work, entrepreneurship and innovation...and we’ve shown ourselves to be quite resilient in the face of ‘challenges’.

Ladies and Gentlemen...it’s now time for your questions. On behalf of my management team, I thank you for your attendance here today...and for your ongoing support.

Thank you.

Madame Chair...

**Q&A**