



First Quarter Financial Report
March 31, 2005



Crown Investments Corporation
of Saskatchewan

www.cicorp.sk.ca





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Introduction

Crown Investments Corporation of Saskatchewan (CIC) is the provincial government's holding company for its commercial Crown corporations. CIC has invested equity in its subsidiary Crown corporations and collects dividends from these corporations. CIC also holds the Province's investment in NewGrade.

The purpose of the following discussion is to provide users of CIC's financial statements, with an overview of the Corporation's financial performance and the various measures CIC uses to evaluate its financial health. This narrative on CIC's 2005 first quarter financial results should be read in conjunction with the audited consolidated and non-consolidated financial statements.

To facilitate greater transparency and accountability, CIC prepares two different sets of financial statements: CIC's consolidated financial statements that report on the Crown sector; and CIC's non-consolidated financial statements that reflect its role as a holding corporation for the Province.

CIC Consolidated Financial Statements

What are the financial results for the CIC Crown sector as a whole?

	March 31, 2005	March 31, 2004
ASSETS		
Cash	\$ 89,712	\$ 18,823
Accounts receivable	482,481	482,248
Prepaid expenses	602,426	582,248
Investments	17,247	1,047
Other assets	388,792	281,885
Long-term investments, items of property, plant and equipment	771,126	788,847
LIABILITIES AND PROVINCE'S EQUITY	8,082,171	8,110,886
LIABILITIES		
Accounts payable and accrued liabilities	\$ 18,217	\$ 22,368
Accounts receivable	502,416	482,248
Prepaid expenses	74,831	112,482
Deferred income tax	19,487	19,487
Other liabilities	288,959	278,281
Long-term debt	8,242,686	8,077,124
LIABILITIES AND PROVINCE'S EQUITY	8,082,171	8,110,886
LIABILITIES AND PROVINCE'S EQUITY		
Province of Saskatchewan Equity	\$ 1,981,152	\$ 1,981,152
Reserves	1,999	2,627
Other equity	3,180,819	2,827,107
LIABILITIES AND PROVINCE'S EQUITY	8,082,171	8,110,886

These statements show CIC's results consolidated with the results of its subsidiary Crown corporations. The financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and include:

- Financial results of subsidiary Crown corporations (SaskPower, SaskTel, SaskEnergy, SGI, ISC, Investment Saskatchewan Inc., STC, SaskWater, SOCO, SGGF MC, and SDFC);
- CIC's share of NewGrade financial results;
- Dividends paid by CIC to the GRF; and
- CIC's operating costs, public policy expenditures and interest income on cash balances.

CIC Non-Consolidated Financial Statements

How is CIC performing as a holding company?

How do Crown dividends compare to CIC's dividend to the General Revenue Fund?

	March 31, 2005	March 31, 2004
ASSETS		
Cash	\$ 89,712	\$ 248,137
Accounts receivable	844	286
Prepaid expenses	18,892	20,846
Investments	17,247	1,047
Other assets	388,792	281,885
Long-term investments, items of property, plant and equipment	1,000,282	1,000,282
LIABILITIES AND PROVINCE'S EQUITY	1,981,152	1,981,152
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,254	\$ 3,081
Accounts receivable	1,978,898	1,978,071
LIABILITIES AND PROVINCE'S EQUITY	1,981,152	1,981,152
LIABILITIES AND PROVINCE'S EQUITY		
Province of Saskatchewan Equity	\$ 1,981,152	\$ 1,981,152
Reserves	1,999	2,627
Other equity	3,180,819	2,827,107
LIABILITIES AND PROVINCE'S EQUITY	1,981,152	1,981,152

CIC's non-consolidated financial statements are used by CIC to determine dividend capacity to the Province's General Revenue Fund (GRF). The Non-Consolidated statements have not been and are not intended to be prepared in accordance with GAAP. These statements are intended to isolate the corporation's cash-flow, capital support for certain subsidiary Crown corporations, and public policy expenditures. These financial statements include:

- Dividends of subsidiary Crown corporations (SaskPower, SaskTel, SaskEnergy, SGI and Investment Saskatchewan Inc.);
- Dividends received from NewGrade;
- Dividends paid by CIC to the GRF;
- Grants by CIC to subsidiaries; and
- CIC's operating costs and interest income on cash balances.

Consolidated Financial Statements

Management's Discussion and Analysis

Major Lines of Business

CIC is involved in a broad array of industries through various forms of investment. A number of investments are held as wholly-owned subsidiaries, while others are joint ventures, partnerships and loans, held either directly by CIC or through its wholly-owned subsidiaries.

Management's Discussion & Analysis (MD&A) highlights the primary factors that have an impact on the consolidated financial results and operations of CIC. It should be read in conjunction with CIC's unaudited interim consolidated financial statements and supporting notes for the three months ended March 31, 2005. These interim financial statements have been prepared in accordance with the Canadian Institute of Chartered Accountants Handbook Section 1751.

The unaudited interim consolidated financial statements do not contain all the disclosures included in CIC's annual audited consolidated financial statements. Accordingly, these unaudited interim financial statements should be read in conjunction with CIC's most recent annual financial statements released on April 28, 2005.

For purposes of the MD&A on CIC's consolidated results, "CIC" refers to the consolidated entity.

CIC has the following lines of business:

Investment	Major Business Line	Form of investment
Saskatchewan Power Corporation (SaskPower)	Electricity	wholly-owned subsidiary
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Telecommunications	wholly-owned subsidiary
SaskEnergy Incorporated (SaskEnergy)	Natural Gas	wholly-owned subsidiary
Saskatchewan Water Corporation (SaskWater)	Water and Wastewater	wholly-owned subsidiary
Information Services Corporation of Saskatchewan (ISC)	Land and Property Registration Services	wholly-owned subsidiary
Saskatchewan Government Insurance (SGI)	Property and Casualty	wholly-owned subsidiary
Investment Saskatchewan Inc.	Several	wholly-owned subsidiary
NewGrade Energy Inc. (NewGrade)	Heavy Oil	50.0 per cent equity interest
Saskatchewan Opportunities Corporation (SOCO)	Infrastructure	wholly-owned subsidiary
Saskatchewan Development Fund Corporation (SDFC)	Mutual Fund	wholly-owned subsidiary
Saskatchewan Government Growth Fund Management Corporation (SGGF)	Immigrant Investor	wholly-owned subsidiary
Saskatchewan Transportation Company (STC)	Passenger and Freight Transportation	wholly-owned subsidiary

■ Utilities
 ■ Insurance
 ■ Commodity Based Investments
 ■ Economic Growth
 ■ Transportation

Management's Discussion and Analysis (continued)

Results of Operations

Earnings for the first quarter beginning January 1, 2005 and ending March 31, 2005 were \$178.1 million (2004 - \$123.7 million). Excluding income tax expense of \$15.0 million (2004 - \$5.0 million), earnings from ongoing operations were \$193.1 million (2004 - \$128.7 million).

Revenue

Revenues for the first three months of 2005 were \$1,146.4 million (2004 - \$1,101.9 million), an increase of \$44.5 million. The increase was due to a \$54.0 million increase in operating revenue, offset by a decrease in other investment and other revenue of \$9.5 million.

Operating revenues for the first three months of 2005 were \$1,122.4 million (2004 - \$1,068.4 million). The \$54.0 million increase was mainly due to increased utility sales, increased sales prices for commodity based investments, and increased insurance premiums. Utility sales for the first three months of 2005 were \$862.7 million (2004 - \$840.7 million), an increase of \$22.0 million, primarily from SaskTel (\$20.5 million). SaskTel revenue growth is derived from a favourable CRTC decision, which finalized the terms and conditions, under which the Corporation is to provide digital network services to other telecommunication companies. Revenues of \$12.1 million were booked due to this decision. Other increases at SaskTel were due to growth in wireless and entertainment services. SGI's operating revenue increased by \$4.7 million, due to growth in Saskatchewan premiums for auto extension and commercial lines. Commodity based revenue increased by \$38.8 million due mainly to increased crude oil prices driving up revenue at NewGrade Energy Inc.

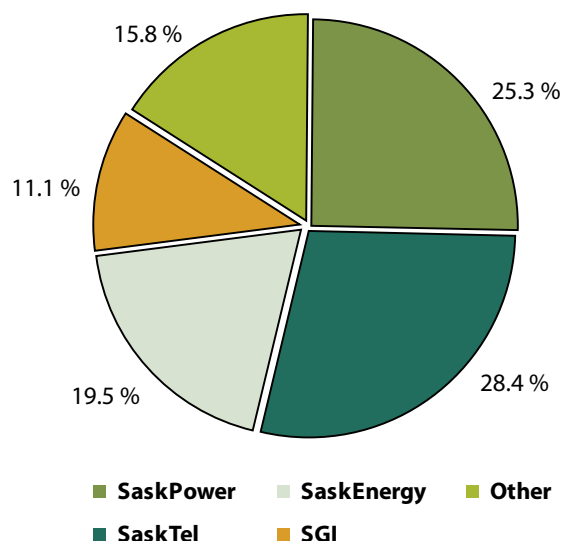
Investment earnings for the first three months of 2005 were \$22.1 million (2004 - \$31.5 million). The \$9.4 million decrease mainly reflects lower investment earnings at SaskTel, which recorded a gain on sale of Austar United Communications Limited shares (\$4.4 million) in the first quarter of 2004, and lower equity earnings for Investment Saskatchewan's equity investments of \$2.7 million.

Expenses

Expenses for the first three months of 2005 were \$953.3 million (2004 - \$973.2 million), a decrease of \$19.9 million. The decrease was due primarily to decreased operating costs of \$5.7 million, interest costs of \$8.5 million, and decreased depreciation costs of \$4.2 million. Operating costs decreased mainly due to lower fuel and purchased power costs at SaskPower (\$21.2 million). Savings at SaskPower were offset by higher input costs at NewGrade due to the increased cost of input heavy oil feedstock. Interest costs for the first three months of 2005 were \$63.8 million (2004 - \$72.3 million). The decrease in interest costs reflects, in part, the transfer of SOCO's debt to the GRF, as part of the transfer of SOCO's research park assets to the GRF, and the reduction of interest costs at SaskPower as interest costs on new borrowings are being capitalized on projects under construction. Amortization costs of \$101.8 million are \$4.2 million lower than the same period in 2004 (\$106.0 million). The decrease reflects lower depreciation cost at NewGrade as the plant becomes fully depreciated.

In the first three months of 2005, CIC spent \$269.3 million (2004 - \$268.7 million) on investment and capital acquisitions. The \$0.6 million increase reflects a \$14.7 million increase in capital spending, due mainly to SaskPower's wind power project at Rushlake Creek, offset by a \$14.1 million decrease in investing activity, due mainly to slower turnover of SGI's investment portfolio.

Earnings Contribution by Corporation



Management's Discussion and Analysis (continued)

Results of Operations (continued)

Debt

Debt at March 31, 2005 was \$3,457.3 million (December 31, 2004 - \$3,361.1 million), an increase of \$96.2 million. The increase in debt was largely attributable to SaskPower (\$142.6 million), SaskWater (\$1.6 million) and NewGrade (\$0.6 million) offset by debt reduction at SaskEnergy (\$40.7 million), SaskTel (\$2.2 million), ISC (\$4.0 million), Investment Saskatchewan (\$1.6 million), and Saskatchewan Development Fund Corporation (\$0.1 million).

Bundle Rebate

In the fall of 2003, the government indicated that Saskatchewan families will receive the package of basic utilities including home electricity, home natural gas, basic telephone rates and auto insurance at a total annual cost that is as low or lower than the same package in any other province in Canada. CIC, as the parent company, is monitoring the costs of providing the lowest cost for this bundle of services. Although it cannot be determined if CIC will need to provide a rebate in 2005, the Corporation has budgeted \$50.0 million in 2005 to ensure the commitment is maintained.

Crown Corporation Earnings (unaudited)	(millions of dollars)
SaskPower	\$ 45.0
SaskTel	50.6
SaskEnergy	34.7
SGI	19.7
Investment Saskatchewan	8.3
ISC	(0.1)
SaskWater	(0.6)
STC	(0.6)
SOCO	1.6
CIC (non-consolidated) and Adjustments	19.4
Other	0.1
Total	\$ 178.1

Liquidity and Capital Resources

Cash Flow Highlights

(millions of dollars)

	March 31 2005	March 31 2004
Cash from operations	\$ 334.2	\$ 209.9
Cash used in investing activities	(91.8)	(59.2)
Dividends paid	(263.0)	(200.0)
Debt proceeds received	150.0	205.4
Debt repaid	(55.6)	(120.2)
Other financing activities	0.1	1.5
Increase in cash	\$ 73.9	\$ 37.4



Management’s Discussion and Analysis (continued)

Liquidity and Capital Resources (continued)

CIC and its subsidiary Crowns finance their capital requirements through internally generated cash flow and borrowing. The GRF borrows in capital markets on behalf of the Crowns. The GRF has sufficient access to capital markets for anticipated borrowing requirements.

Province of Saskatchewan Credit Ratings	
Moody’s Investor Service	Aa3
Standard & Poor’s	AA-
Dominion Bond Rating Service	A

Operating, Investing and Financing Activities

Cash from operations for the first quarter of 2005 was \$334.2 million (2004 - \$209.9 million). The \$124.3 million increase was primarily due to higher income from operations and higher non-cash expenses (depreciation, future income tax expense, and losses from foreign exchange).

Cash used in investing activities for the first quarter of 2005 was \$91.8 million (2004 - \$59.2 million). The \$32.6 million increase reflects an increase in capital spending from the first quarter in 2004 due mainly to SaskPower’s Rushlake Creek wind power project.

Cash used in financing activities for the first quarter of 2005 was \$168.5 million (2004 - \$113.2 million). The \$55.3 million increase generally reflects the increase in dividends paid to the GRF.

Debt Management

CIC and its subsidiary Crowns prudently manage their debt to maintain and enhance their financial flexibility. The CIC Board has approved debt targets for CIC and its commercial subsidiaries that take into account their individual circumstances and industry benchmarks.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)
(thousands of dollars)

	March 31 2005	December 31 2004
ASSETS		
Current		
Cash	\$ 89,733	\$ 18,923
Short-term investments	492,423	695,928
Accounts receivable	607,670	565,294
Inventories	172,241	180,067
Prepaid expenses	106,707	101,505
	1,468,774	1,561,717
Long-term investments (Note 3)	771,128	758,947
Property, plant and equipment	5,397,645	5,424,622
Other assets	407,724	394,379
	\$ 8,045,271	\$ 8,139,665
LIABILITIES AND PROVINCE'S EQUITY		
Current		
Bank indebtedness	\$ 19,277	\$ 22,368
Accounts payable and accrued liabilities	550,415	648,294
Notes payable	73,333	115,400
Dividend payable to General Revenue Fund	-	263,000
Deferred revenue	174,487	178,591
Long-term debt due within one year	259,905	228,296
	1,077,417	1,455,949
Long-term debt	3,124,038	3,017,374
Deferred revenue and other liabilities	401,189	401,263
	4,602,644	4,874,586
Province of Saskatchewan's Equity		
Equity advances	1,181,152	1,181,152
Contributed surplus	1,856	2,427
Retained earnings	2,259,619	2,081,500
	3,442,627	3,265,079
	\$ 8,045,271	\$ 8,139,665

(See accompanying notes)



CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS

(Unaudited)

For The Period Ended March 31

(thousands of dollars)

	March 31 2005	March 31 2004
REVENUE		
Sales of products and services	\$ 1,122,357	\$ 1,068,390
Investment	22,092	31,478
Other	1,957	2,048
	1,146,406	1,101,916
EXPENSES		
Operating costs other than those listed below	761,097	766,753
Interest	63,771	72,309
Depreciation of property, plant and equipment	102,232	106,384
Saskatchewan taxes and resource payments	26,210	27,793
	953,310	973,239
Earnings before the following	193,096	128,677
Future income tax expense	14,977	4,941
Non-recurring items	-	-
NET EARNINGS	178,119	123,736
RETAINED EARNINGS, BEGINNING OF PERIOD	2,081,500	2,041,401
DIVIDEND TO GENERAL REVENUE FUND	-	-
RETAINED EARNINGS, END OF PERIOD	\$ 2,259,619	\$ 2,165,137

(See accompanying notes)



CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

For The Period Ended March 31

(thousands of dollars)

	March 31 2005	March 31 2004
OPERATING ACTIVITIES		
Net earnings	\$ 178,119	\$ 123,736
Items not affecting cash from operations	104,914	13,445
	283,033	137,181
Net change in non-cash working capital balances related to operations	51,184	72,675
Cash provided by operating activities	334,217	209,856
INVESTING ACTIVITIES		
Purchase of investments	(190,401)	(204,449)
Proceeds from sales and collections of investments	190,764	133,467
Purchase of property, plant and equipment	(78,945)	(64,269)
Proceeds from sale of property, plant and equipment	121	1,484
(Increase) decrease in other assets	(13,345)	74,521
Cash used in investing activities	(91,806)	(59,246)
FINANCING ACTIVITIES		
Increase (decrease) in notes payable	(42,067)	(93,349)
Decrease in deferred revenue and other liabilities	50	1,614
Long-term debt proceeds from General Revenue Fund	150,000	205,442
Long-term debt proceeds from other lenders	-	-
Long-term debt repayments to General Revenue Fund	(10,723)	(20,594)
Long-term debt repayments to other lenders	(2,770)	(6,275)
Dividend paid to General Revenue Fund	(263,000)	(200,000)
Cash used in financing activities	(168,510)	(113,162)
NET INCREASE IN CASH DURING PERIOD	73,901	37,448
CASH POSITION, BEGINNING OF PERIOD	(3,445)	5,679
CASH POSITION, END OF PERIOD	\$ 70,456	\$ 43,127
Cash position consists of:		
Cash	\$ 89,733	\$ 67,599
Bank indebtedness	(19,277)	(24,472)
	\$ 70,456	\$ 43,127

(See accompanying notes)



Notes to Consolidated Financial Statements

(Unaudited)

March 31, 2005

1. Summary of Significant Accounting Policies

The interim consolidated financial statements of Crown Investments Corporation of Saskatchewan (CIC) do not contain all of the disclosures included in CIC's annual consolidated financial statements. Accordingly, these interim financial statements should be read in conjunction with CIC's most recent annual statement released on April 28, 2005.

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses. Actual amounts could differ from these estimates.

The accounting policies used in the preparation of these interim financial statements conform with those used in the most recent annual statements.

a) Consolidation principles and basis of presentation

Certain Saskatchewan provincial Crown corporations are designated as subsidiary Crown corporations of Crown Investments Corporation of Saskatchewan (CIC) under The Crown Corporations Act, 1993 (the Act). In addition, certain Saskatchewan provincial Crown corporations created under the Act are CIC Crown corporations. The Act assigns specific financial and other responsibilities regarding these corporations to CIC.

Separate unaudited interim financial statements for CIC have been prepared on a non-consolidated basis to show the financial position and results of operations of the corporate entity. In addition, separate unaudited interim financial statements for each of the undernoted Crown corporations are prepared and released publicly.

The following Crown corporations have been designated or created as subsidiary Crown corporations of CIC and have been consolidated in these interim financial statements:

Information Services Corporation of Saskatchewan	Saskatchewan Opportunities Corporation
Investment Saskatchewan Inc.	Saskatchewan Power Corporation
SaskEnergy Incorporated	Saskatchewan Telecommunications
Saskatchewan Development Fund Corporation	Saskatchewan Telecommunications
Saskatchewan Government Growth Fund	Holding Corporation
Management Corporation	Saskatchewan Transportation Company
Saskatchewan Government Insurance	Saskatchewan Water Corporation

Throughout these interim financial statements the phrase "the Corporation" is used to collectively describe the activities of the consolidated entity.



Notes to Consolidated Financial Statements

(Unaudited)

March 31, 2005

1. Summary of Significant Accounting Policies (continued)

b) Joint ventures

The Corporation's share of jointly controlled enterprises included in these interim financial statements are as follows:

Canadian Power Consultants	14%
Centennial Foods Partnership	35%
Cory Cogeneration Funding Corporation	50%
Cory Cogeneration Joint Venture	50%
Foragen Technologies Limited Partnership	33%
Heritage Gas Limited	50%
Hypor B.V.	50%
Hypor LP	50%
Meadow Lake Pulp Limited Partnership	50%
NewGrade Energy Inc.	50%

c) Revenue recognition

Revenue from utility and other services is recognized when the services are delivered to customers. The estimate of services rendered but not billed is included in accounts receivable. Revenue from long distance, wireless airtime and directory services are recognized based on usage or rate plans over the period the services are provided. Revenues from insurance premiums written are taken into income over the terms of the related policies. Revenue from sales of reconstituted and synthetic crude are recorded on the basis of regular meter readings. Revenue from sales of other products is recognized when goods are shipped and title has passed to the customer or based on the right to revenue pursuant to contracts with customers, tenants and clients.

Interest earned on long-term investments is recognized on the accrual basis except where uncertainty exists as to ultimate collection. In cases where collectibility of interest is not reasonably assured, interest income is recorded when it is received, and accrued interest receivable is offset by deferred interest income.

d) Competitive gas sales

Where the Corporation purchases natural gas in the open market at a fixed purchase price and simultaneously enters into agreements to sell this natural gas at a fixed selling price, the gain or loss is recorded at the time the transaction is settled.

In addition, the Corporation may enter into contracts that require either the physical delivery (sale) or receipt (purchase) of natural gas in a future period. Contracts may be structured so that the settlement price is determined in the future at the time of delivery or receipt. Changes in the value of the contract due to a change in market prices up to the date of settlement, are recorded as gains or losses in the period of change.



Notes to Consolidated Financial Statements

(Unaudited)

March 31, 2005

1. Summary of Significant Accounting Policies (continued)

e) Electrical trading sales

Electricity trading revenues are reported on a gross basis unless the Corporation is acting in the capacity of an agent or broker, in which case revenues are recorded net of purchases. The Corporation acts as a principal in electricity trading transactions taking title to the electricity purchased for resale and assuming the risks and rewards of ownership. Therefore, electricity trading revenues are recorded on a gross basis.

f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

2. Status of Crown Investments Corporation of Saskatchewan

Crown Investments Corporation of Saskatchewan was established by Order in Council 535/47 dated April 2, 1947, and is continued under the provisions of The Crown Corporations Act, 1993. The Corporation is an agent of Her Majesty in Right of the Province of Saskatchewan, and as a Provincial Crown corporation is not subject to Federal and Provincial income taxes. Certain jointly controlled enterprises are not Provincial Crown corporations and are subject to Federal and Provincial income taxes.

3. Subsequent Events

- a) On April 27, 2005, the Corporation acquired from Ontario Municipal Employees Retirement Board (OMERS) and Sun Life Assurance Company (SUNLIFE) \$52.0 million of outstanding debentures of Meadow Lake Pulp Limited Partnership for \$52.0 million. Payment of these debentures were originally guaranteed by the Corporation. As a result of the transaction, the Corporation has \$52.0 million in loans receivable from MLPLP and \$52.0 million in long-term debt payable to OMERS and SUNLIFE. Both the loans and the debt carry interest rates of 6.64 percent with accumulated interest and principal payments of \$2.0 million due quarterly.
- b) On April 1, 2005, the Corporation purchased an 85 percent interest in the assets of an unrelated company for cash consideration of \$1.6 million. The assets have been transferred into a partnership which is registered under the Partnership Act, Alberta. The Partnership, operating as The Phone Book Company, publishes directories in the Red Deer and Grande Prairie markets.
- c) On May 6, 2005, the Corporation, through the General Revenue Fund, borrowed \$150.0 million of Canadian debentures. The debt was issued with an interest rate of 5.00 percent and a maturity date of March 5, 2037.

4. Comparative Figures

Certain of the 2004 comparative figures have been reclassified to conform with the current year's presentation.



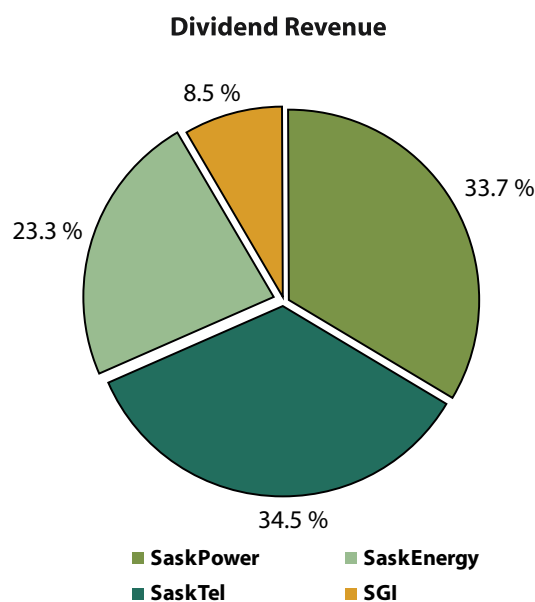
Non-Consolidated Financial Statements

Management's Discussion and Analysis

CIC is the provincial government's holding company for its commercial Crowns and the Province's investment in NewGrade Energy Inc. CIC's non-consolidated financial statements are used by CIC to determine dividend paying capacity to the General Revenue Fund (GRF). These non-consolidated financial statements isolate the corporation's cash-flow, capital support for certain subsidiary corporations and public policy expenditures. Inclusion of these financial statements in CIC's Quarter Report supports public transparency and accountability of its operations.

This narrative on CIC's non-consolidated March 31, 2005 first quarter results should be read in conjunction with the March 31, 2005 unaudited non-consolidated financial statements.

The unaudited interim non-consolidated financial statements do not contain all the disclosures included in CIC's annual audited non-consolidated financial statements. Accordingly, these unaudited interim financial statements should be read in conjunction with CIC's most recent annual non-consolidated financial statements released on April 28, 2005.



For the purposes of this narrative on CIC's non-consolidated financial results, "CIC" refers to the holding company.

CIC Non-Consolidated First Quarter Earnings (unaudited)		(\$ Millions)
Dividend Revenue From Crown Corporations		\$ 61.4
Add: interest and other revenue		1.5
Less: general, administrative, and other expenses		(2.1)
amortization		-
grants to subsidiaries		(1.2)
Total Non-Consolidated Earnings		\$ 59.6

Earnings

Earnings for the first quarter of 2005 were \$59.6 million (2004 - \$45.1 million). First quarter earnings increased \$14.5 million from the same period in 2004. The \$14.5 million increase is primarily due to an increase in dividend revenue from CIC's subsidiary Crown corporations of \$13.6 million, an increase in interest revenue of \$0.5 million and a decrease in operating expenses of \$0.4 million.

Dividend Revenue

Dividend revenue for the three months ended March 31, 2005 was \$61.4 million (2004 - \$47.8 million). The \$13.6 million increase was due to higher dividends from SaskTel (\$12.0 million), SaskPower (\$2.6 million), and SGI (\$1.3 million), partially offset by lower dividends from SaskEnergy (\$2.3 million).

Management's Discussion and Analysis (continued)

Dividend Revenue (continued)

Dividends from subsidiary Crown corporations, for the first quarter of each year, are based on 25 percent of their budgeted dividend for the year. The budgeted dividend is calculated under CIC's dividend policy which applies a percentage payout of net earnings based on the overall financial health of the subsidiary Crown and its need for capital investment. For the remaining three quarters, dividend payments will be adjusted based on actual earnings and projections to year end. For the current year CIC has assumed payouts of 90 percent of earnings at SaskTel as the corporation reached its industry benchmarked capital structure. SaskEnergy, SaskPower and SGI dividend payouts are forecasted for 65 percent of net earnings reflecting their need to retain capital to move to their industry benchmarked financial structure and to upgrade infrastructure.

Administrative Expenses

Expenses were \$1.9 million for the three months ended March 31, 2005 (2004 - \$2.3 million). The decrease of \$0.4 million was due mainly to lower consulting costs and lower costs for salaries and benefits.

During the first three months of 2005, CIC provided \$1.2 million in grants to STC (2004 - \$1.5 million) and \$0.2 million in grants to Gradworks Inc. (Gradworks), a non-profit subsidiary of CIC. Formally launched in February 2005, Gradworks provides recent post-secondary graduates with internships in CIC subsidiary Crown corporations. These internships are intended to give young people work experience to qualify them for careers in the province.

During 2005, CIC has budgeted \$4.1 million in operating grants and \$1.7 million in capital grants to STC, and \$2.0 million in operating grants for Gradworks. CIC has also budgeted for \$50.0 million in public policy expenditures related to the utility bundle rebate program.

Liquidity and Capital Resources

Cash Flow Highlights

(millions of dollars)

	March 31 2005)	March 31 2004)
Cash from operations	\$ 116.8	\$ 130.6
Dividends paid	(263.0)	(200.0)
Decrease in cash	\$ (146.2)	\$ (69.4)



Management's Discussion and Analysis (continued)

Liquidity and Capital Resources (continued)

Liquidity

CIC finances its capital requirements through internally generated cash flow and through borrowing from the GRF. The GRF borrows on CIC's behalf in capital markets.

Operating, Investing and Financing Activities

Cash from operations for the three months ended March 31, 2005 was \$116.8 million (2004 - \$130.6 million). The \$13.8 million decrease was due mainly to lower dividends collected in the first quarter of 2005 compared to 2004.

Cash used in investing activities for the three months ended March 31, 2005 was \$ Nil (2004 - \$ Nil). Other than a small purchase of equipment, CIC had no investing activities.

Cash used in financing activities was \$263.0 million (2004 - \$200.0 million). Financing activities in 2005 consisted of dividends paid to the GRF.

Debt Management

CIC has no debt. As a separate legal entity CIC does not expect to borrow in 2005.

Outlook and Key Factors Affecting Performance

The key factor affecting CIC's earnings are the level of dividends from commercial subsidiary Crown corporations and its joint venture NewGrade.

Factors affecting the level of dividends from subsidiary Crowns include the level of profits and the application of CIC's subsidiary dividend policy. The CIC Board determines dividends from a commercial subsidiary after allocating cash for reinvestment within the Crown to sustain operations, to grow and to diversify, and for debt reduction if necessary. CIC expects aggregate dividends declared by its commercial subsidiaries in 2005 to be lower than in 2004.

In the fall of 2003, the government indicated that Saskatchewan families will receive the package of basic utilities including home electricity, home natural gas, basic telephone rates and auto insurance at a total annual cost that is as low as or lower than the same package in any other province in Canada. For 2005, CIC has budgeted \$50.0 million to ensure the lowest bundle program is met.

CIC regularly assesses the appropriateness of the carrying value for its investments, and writes down an investment if it judges there to be a permanent impairment in carrying value. CIC regularly reviews its investments with private sector partners to determine the appropriateness of retention or sale.



NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)
(thousands of dollars)

	March 31 2005	December 31 2004
ASSETS		
Current		
Cash and short-term investments	\$ 99,120	\$ 245,337
Interest and accounts receivable	414	286
Dividends receivable	61,441	120,261
	160,975	365,884
Equity advances to Crown corporations	1,050,382	1,050,382
Investments in share capital corporations	377,469	377,469
Equipment	514	538
	\$ 1,589,340	\$ 1,794,273
LIABILITIES AND PROVINCE'S EQUITY		
Interest and accounts payable	\$ 1,754	\$ 3,301
Dividend payable to General Revenue Fund	-	263,000
	1,754	266,301
Province of Saskatchewan's Equity		
Equity advances	1,181,152	1,181,152
Retained earnings	406,434	346,820
	1,587,586	1,527,972
	\$ 1,589,340	\$ 1,794,273

(See accompanying notes)



NON-CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS

(Unaudited)

For The Period Ended March 31

(thousands of dollars)

	March 31 2005	March 31 2004
REVENUE		
Dividend (Note 3)	\$ 61,441	\$ 47,847
Interest	1,509	1,030
Other	12	24
	62,962	48,901
EXPENSES		
General, administrative and other	1,864	2,221
Interest	2	-
Depreciation	59	56
	1,925	2,277
Earnings before the following	61,037	46,624
Grant to Gradworks Inc.	(223)	-
Grant to Saskatchewan Transportation Company	(1,200)	(1,500)
NET EARNINGS	59,614	45,124
RETAINED EARNINGS, BEGINNING OF PERIOD	346,820	339,845
DIVIDEND TO GENERAL REVENUE FUND	406,434	384,969
	-	-
RETAINED EARNINGS, END OF PERIOD	\$ 406,434	\$ 384,969

(See accompanying notes)



NON-CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

For The Period Ended March 31

(thousands of dollars)

	March 31 2005	March 31 2004
OPERATING ACTIVITIES		
Net earnings	\$ 59,614	\$ 45,124
Add (deduct) non-cash items:		
Depreciation	59	56
	59,673	45,180
Net change in non-cash working capital balances related to operations	57,146	85,401
Cash provided by operating activities	116,819	130,581
INVESTING ACTIVITIES		
Purchase of equipment	(36)	(19)
Cash used in investing activities	(36)	(19)
FINANCING ACTIVITIES		
Dividend paid	(263,000)	(200,000)
Cash used in financing activities	(263,000)	(200,000)
NET CHANGE IN CASH DURING PERIOD	(146,217)	(69,438)
CASH POSITION, BEGINNING OF PERIOD	245,337	160,019
CASH POSITION, END OF PERIOD	\$ 99,120	\$ 90,581

(See accompanying notes)



Notes To Non-Consolidated Financial Statements

(Unaudited)

March 31, 2005

1. Summary of Significant Accounting Policies

The interim non-consolidated financial statements of Crown Investments Corporation of Saskatchewan (CIC) do not contain all of the disclosures included in CIC's annual non-consolidated financial statements. Accordingly, these interim financial statements should be read in conjunction with CIC's most recent annual statement released on April 28, 2005.

The accounting policies used in the preparation of these interim financial statements conform with those used in the most recent annual statements.

2. Status of Crown Investments Corporation of Saskatchewan

The Government Finance Office was established by Order in Council 535/47 dated April 2, 1947, and was continued under the provision of The Crown Corporations Act, 1993 (the Act), as Crown Investments Corporation of Saskatchewan. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a Provincial Crown corporation is not subject to Federal and Provincial income taxes.

The Act assigns specific financial and other responsibilities to CIC regarding Crown corporations designated or created as subsidiary Crown corporations of CIC under the Act. The following corporations have been designated or created by Order in Council:

Information Services Corporation of Saskatchewan
Investment Saskatchewan Inc.
SaskEnergy Incorporated
Saskatchewan Development Fund Corporation
Saskatchewan Government Growth Fund Management Corporation
Saskatchewan Government Insurance
Saskatchewan Opportunities Corporation
Saskatchewan Power Corporation
Saskatchewan Telecommunications Holding Corporation
Saskatchewan Telecommunications
Saskatchewan Transportation Company
Saskatchewan Water Corporation

3. Dividend Revenue

Dividend revenue consists of the following (thousands of dollars):

	2005	2004
Saskatchewan Power Corporation	\$ 20,733	\$ 18,116
Saskatchewan Telecommunications Holding Corporation	21,205	9,221
SaskEnergy Incorporated	14,300	16,600
Saskatchewan Government Insurance	5,203	3,910
	\$ 61,441	\$ 47,847



