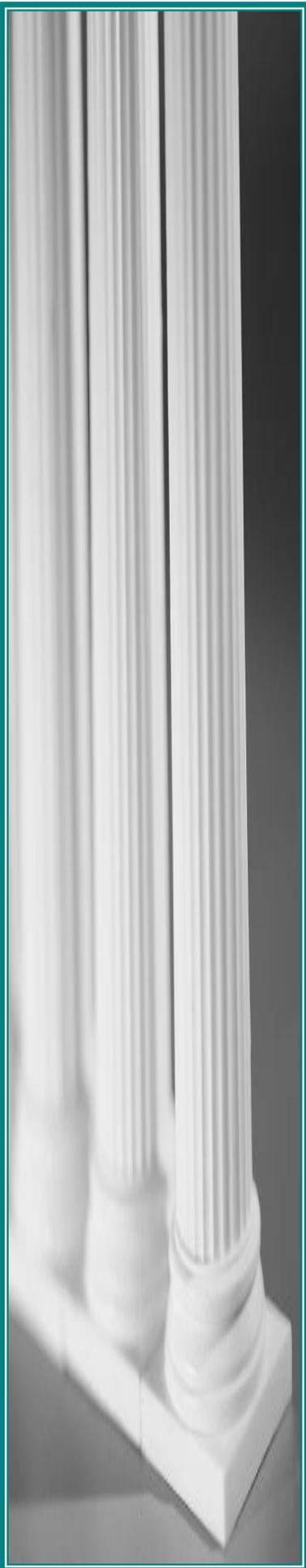


2009

Quarter Three Financial Report September 30, 2009

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Introduction

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

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 2009 third quarter financial results should be read in conjunction with the December 31, 2008 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 commercial Crown sector; and CIC's non-consolidated financial statements that reflect its role as a holding corporation for the Province.

CIC Consolidated Financial Statements

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:

Information Services Corporation of Saskatchewan (ISC)	Saskatchewan Government Insurance (SGI)
SaskEnergy Incorporated (SaskEnergy)	Saskatchewan Opportunities Corporation (SOCO)
Saskatchewan Development Fund Corporation (SDFC)	Saskatchewan Power Corporation (SaskPower)
Saskatchewan Gaming Corporation (SGC)	Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)
Saskatchewan Government Growth Fund Management Corporation (SGGF MC) ¹	Saskatchewan Transportation Company (STC)
	Saskatchewan Water Corporation (SaskWater)

- CIC's wholly-owned share capital subsidiary CIC Asset Management Inc. (CIC AMI)²;
- CIC's wholly-owned share capital subsidiary CIC Economic Holdco Ltd.;
- CIC's wholly-owned share capital subsidiary CIC Apex Equity Holdco Ltd.;
- CIC's wholly-owned share capital subsidiary First Nations and Métis Fund Inc.;
- Costs incurred by its wholly-owned non-profit subsidiary Gradworks Inc.;
- Dividends paid by CIC to the General Revenue Fund (GRF); and
- CIC's operating costs, public policy expenditures and interest earned on cash and short-term investment balances.

¹ SGGF MC was dissolved effective March 31, 2009.

² Investment Saskatchewan Inc. (IS) was de-designated as a subsidiary Crown corporation pursuant to Order-in-Council 653/2009 effective September 10, 2009. IS is continued under the authority of the Business Corporations Act as CIC Asset Management Inc. with CIC, as sole shareholder.

Consolidated earnings represent the total earnings in the Crown sector, taking into consideration the elimination of all inter-entity transactions (i.e. revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC).

CIC Non-Consolidated Financial Statements

CIC's non-consolidated financial statements are used to determine CIC's capacity to pay dividends to the Province's GRF. The non-consolidated financial statements have not been and are not intended to be prepared in accordance with GAAP. These financial statements are intended to isolate the Corporation's cash-flow and capital and operating support for certain subsidiary Crown corporations. These financial statements include:

- Dividends from subsidiary Crown corporations (SaskPower, SaskTel, SaskEnergy, SGI, SGC, SGGF MC and ISC);
- Dividends from share capital subsidiary CIC AMI;
- Dividends paid by CIC to the GRF;
- Grants to subsidiary Crown corporations; and
- CIC's interest revenue on cash and short-term investment balances and operating costs.

Consolidated Financial Statements

Management's Discussion and Analysis

Forward-Looking Information

Throughout the quarterly report, and particularly in the following discussion, are forward-looking statements. These statements can be recognized by terms such as "outlook", "expect", "anticipate", "project", "continue" or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and, as a result, forward-looking statements are not a guarantee about the future performance of CIC and its subsidiary Crown corporations.

Readers should not place undue reliance on forward-looking statements, as a number of factors could cause actual results to differ materially from estimates, predictions and assumptions. Other factors that can influence performance include, but are not limited to: weather conditions, commodity markets, general economic and political conditions, interest and exchange rates, performance and competition in the Crown sector, and the regulatory environment. Given these uncertainties, assumptions contained in forward-looking statements may or may not occur.

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 and partnerships, held through CIC's 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 nine months ended September 30, 2009. These interim financial statements have been prepared in accordance with CICA 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 December 31, 2008 audited consolidated financial statements.

Management's Discussion and Analysis (continued)

For purposes of the MD&A on CIC's consolidated results, "CIC" refers to the consolidated entity. The following table lists the subsidiaries and investments, including the respective business line, which CIC consolidates in its financial statements:

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
Saskatchewan Gaming Corporation (SGC)	Entertainment	wholly-owned subsidiary
CIC Asset Management Inc. (CIC AMI) ¹	Investments	wholly-owned subsidiary
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 MC) ²	Immigrant Investor	wholly-owned subsidiary
Saskatchewan Transportation Company (STC)	Passenger and Freight Transportation	wholly-owned subsidiary

■ Utilities
 ■ Insurance
 ■ Entertainment
 ■ Investment and Economic Growth
 ■ Transportation

¹ Investment Saskatchewan Inc. (IS) was de-designated as a subsidiary Crown corporation pursuant to Order-in-Council 653/2009 effective September 10, 2009. IS is continued under the authority of the Business Corporations Act as CIC Asset Management Inc. with CIC, as sole shareholder.

² SGGF MC was dissolved effective March 31, 2009.

Crown Corporation Earnings (Losses)		
For the nine months ended (millions of dollars) (unaudited)		
	September 30 2009	September 30 2008
SaskPower	\$ 65.4	\$ 70.0
SaskTel	126.7	104.0
SaskEnergy	42.3	9.0
SGI	37.3	30.9
CIC AMI	(28.2)	61.7
SGC	19.8	13.3
ISC	12.5	21.7
SaskWater	1.2	-
STC	0.1	-
SOCO	3.8	4.0
CIC (non-consolidated) and Other	<u>(28.1)</u>	<u>(7.0)</u>
Total	\$ 252.8	\$ 307.6

Management's Discussion and Analysis (continued)

The Corporation reports consolidated earnings of \$132.5 million for the third quarter beginning July 1, 2009 and ending September 30, 2009 (2008 consolidated loss - \$46.6 million). Excluding net losses from discontinued operations and non-recurring items of \$4.8 million (2008 consolidated earnings - \$1.5 million), consolidated earnings for the three month period were \$137.3 million (2008 consolidated loss - \$48.1 million).

Year to date consolidated earnings for the nine months ended September 30, 2009 were \$252.8 million (2008 - \$307.6 million) which was a decrease of \$54.8 million from the same period in 2008. Excluding net losses from discontinued operations and non-recurring items, consolidated earnings for the nine month period were \$268.9 million (2008 - \$298.1 million). Higher earnings at SaskTel, SaskEnergy, SGI, SaskWater and STC as well as the inclusion of nine months earnings from SGC in 2009 versus six months earnings in 2008 (subsequent to its acquisition on April 1, 2008), were more than offset by lower earnings from all other subsidiaries.

Revenue

Revenue for the nine month period was \$3,507.3 million (2008 - \$3,504.3 million), an increase of \$3.0 million compared to the same period in 2008.

Revenue from sales of products and services for the nine month period was \$3,423.5 million (2008 - \$3,343.5 million). The \$80.0 million increase mainly relates to:

- (1) SGI sales increased \$25.6 million due to higher premiums within Saskatchewan given policy growth and increased property values, as well as increased premium growth in all out of province jurisdictions;
- (2) SaskTel sales increasing \$25.8 million driven primarily by continued growth in cellular, MAX™ Entertainment, internet services and subsidiary revenues, partially offset by reduced wholesale long distance revenues;
- (3) Inclusion of an incremental \$34.1 million in SGC gaming revenues due to SGC being designated a CIC Crown corporation on April 1, 2008 (included nine months of revenue in 2009 versus six months in 2008);
- (4) A \$10.1 million decrease at ISC due to significant reductions in land registry transactions given lower Saskatchewan real estate sales compared to the same period in 2008; and
- (5) \$19.5 million in lower sales at SaskPower. Although Saskatchewan electricity sales revenues were \$29.0 million higher due to an 8.5 per cent system-wide rate increase effective June 1, 2009 and a favourable sales mix, this was more than offset by decreased overall Saskatchewan sales volumes, a \$17.0 million decrease in export revenues due to lower volumes and prices compared to the same period in 2008, and a \$31.5 million decrease in electricity trading revenues due to lower sales volumes.

Investment earnings for the nine month period were \$55.5 million (2008 - \$141.0 million), \$85.5 million lower than the same period in 2008. The Corporation experienced a \$16.2 million decrease in investment earnings due to a combination of significantly lower available interest rates, lower realized gains on bonds, and realized losses on common shares all tied to the global economic downturn. Equity earnings decreased by \$69.4 million primarily caused by the sale of Saskferco Products Inc. (Saskferco) in October, 2008.

Management's Discussion and Analysis (continued)

Expenses

Expenses for the nine month period were \$3,238.4 million (2008 - \$3,206.2 million). The \$32.2 million increase in expenses is primarily due to:

- (1) A \$7.1 million increase in SaskPower expenses due primarily to: \$68.6 million in incremental realized losses on natural gas management activities; and \$71.8 million in increased operating, maintenance and administration expenses due primarily to higher defined benefit pension plan expenses as a result of significant losses on plan assets in 2008 caused by the global economic downturn, as well as increases in contractor costs and salaries and wages as a result of increased maintenance expenses, general economic increases and additional staff. These increases were partially offset by: \$84.3 million in reduced fuel and purchased power costs due to reduced generation needed to support electricity sales volumes; \$17.6 million in incremental unrealized gains on natural gas management activities; \$28.4 million in lower electricity trading costs as a result of reduced sales volumes; and \$5.3 million in reduced interest expenses caused by increased capitalized interest;
- (2) Inclusion of an incremental \$27.7 million in SGC expenses due to SGC being designated a CIC Crown corporation on April 1, 2008 (included nine months of expenses in 2009 versus six months in 2008);
- (3) An increase of \$9.5 million in SGI expenses with lower insurance claim costs more than offset by higher commissions and premium taxes related to policy growth, and higher administrative expenses related to salary and benefits;
- (4) An increase of \$6.1 million at SaskTel in support of revenue growth in cellular, *MAX™* Entertainment, and internet services;
- (5) A \$30.7 million decrease in expenses at SaskEnergy resulting primarily from: the favourable impact of \$56.1 million in incremental unrealized fair market value gains on natural gas management activities partially offset by an increase in the average cost of commodity gas sold and higher gas volumes in support of commodity gas sales due to the weather being 8.0 per cent colder compared to the same period in 2008; a \$2.9 million write-down of natural gas in storage to its net realizable value; and an \$8.0 million increase in operating and maintenance expenses due primarily to higher labour costs and other general expenses; and
- (6) A \$9.1 million decrease in hog-operation expenses primarily related to improved efficiencies and lower input costs due to decreased sales volumes.

Capital Spending

In the first nine months of 2009, CIC spent \$1,011.3 million (2008 - \$942.4 million) on investment and capital acquisitions which was an increase of \$68.9 million from the same period in 2008. Incremental capital spending of \$223.8 million was partially offset by \$154.9 million in reduced investment purchases. SaskPower increased capital spending by \$177.7 million primarily related to several electrical generation projects including an incremental \$51.0 million on the Ermine simple cycle gas turbine project, and \$96.0 million on gas turbines at the Queen Elizabeth Power Station. SaskTel increased capital spending by \$48.3 million compared to the same period in 2008 due primarily to the Saskatchewan Infrastructure Improvement Program, which is intended to provide broadband services to 100.0 per cent of rural Saskatchewan, cellular expansion to 98.0 per cent of the Saskatchewan population and backbone infrastructure upgrades to increase the speed of basic internet services. The Corporation reduced investment purchases by \$154.9 million including a \$148.0 million decrease at SGI due to the downturn in financial markets which resulted in less turnover of the SGI investment portfolio compared to the same period in 2008, and \$13.0 million lower investment purchases by CIC AMI due mainly to a \$12.0 million investment in Wave Energy made in 2008.

Management's Discussion and Analysis (continued)

Capital Spending (continued)

Debt (long-term debt, long-term debt due within one year and notes payable) at September 30, 2009 was \$4,204.4 million (December 31, 2008 - \$4,035.7 million), an increase of \$168.7 million, primarily related to a \$155.8 million increase in notes payable mainly to support increased capital expenditure programs at SaskPower.

Liquidity

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 Crowns. The GRF has sufficient access to capital markets for anticipated borrowing requirements.

Province of Saskatchewan Credit Ratings on Long-Term Debt as at September 30, 2009

Moody's Investor Service	Aa1
Standard & Poor's	AA+
Dominion Bond Rating Service	AA (low)

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars)	For the nine months ended	
	September 30 2009	September 30 2008
Cash from operations	\$ 655.3	\$ 549.2
Cash used in investing activities	(719.4)	(240.7)
Dividends paid	(150.0)	(415.0)
Debt proceeds received	55.0	288.6
Debt repaid	(41.9)	(428.6)
Other financing activities	<u>135.8</u>	<u>235.0</u>
Change in cash	<u>\$ (65.2)</u>	<u>\$ (11.5)</u>

Operating, Investing and Financing Activities

Cash from operations for the nine months ended September 30, 2009 was \$655.3 million (2008 - \$549.2 million). The \$106.1 million increase was due mainly to:

- (1) A \$138.4 million favourable change in non-cash working capital balances mainly resulting from decreased receivables at SaskEnergy, and increased payables at SaskPower due to higher capital expenditure activity;
- (2) A \$19.9 million inflow from items not affecting cash from operations; and
- (3) \$54.8 million in lower net earnings compared to the same period in 2008.

Cash used in investing activities for the nine months ended September 30, 2009 was \$719.4 million (2008 - \$240.7 million). The \$478.7 million increase from 2008 was primarily due to:

- (1) \$470.6 million less proceeds from the sale and collection of investments mainly due to a \$300.4 million reduction in proceeds realized by CIC (non-consolidated) given the conversion of \$306.5 million in short-term investments with maturities greater than 90 days to cash and cash equivalents during 2008, and a \$156.8 million reduction in SGI investment proceeds related to lower investment turnover in 2009 given the downturn in financial markets;

Management's Discussion and Analysis (continued)

Operating, Investing and Financing Activities (continued)

- (2) A \$223.8 increase in purchases of property, plant and equipment mainly related to a \$177.7 million increase in capital spending at SaskPower related to several electrical generation projects, and \$48.3 million at SaskTel due to the Saskatchewan Infrastructure Improvement Program;
- (3) The Corporation reducing investment purchases by \$154.9 million including a \$148.0 million decrease in SGI purchases due to the downturn in financial markets which resulted in less turnover of the SGI investment portfolio in 2009 compared to the same period in 2008, and \$13.0 million in lower investment purchases by CIC AMI due mainly to a \$12.0 million investment in Wave Energy made in 2008; and
- (4) An incremental \$103.9 million year over year cash inflow related to the change in other asset balances. In 2009, the Corporation realized a cash inflow of \$21.4 million due to a decrease in other asset balances. However, in 2008, the Corporation experienced a cash outflow of \$82.5 million from an increase in other assets due mainly to the purchase of \$65.7 million in telecommunications spectrum by SaskTel.

Cash used in financing activities for the nine months ended September 30, 2009 was \$1.0 million (2008 - \$320.0 million). The \$319.0 million decrease relates to lower dividends to the GRF of \$265.0 million, lower debt repayments of \$386.7 million, and a \$6.3 million decrease in other liabilities and restricted cash and cash equivalents, partially offset by a \$40.2 million decrease in notes payable, \$233.6 million in lower debt proceeds, and a \$65.3 million drop in net sinking fund instalments.

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.

Outlook

The Corporation's outlook related to net earnings is highly dependent upon the performance and management of the subsidiary Crown corporations. Based on the year-to-date performance of the subsidiary Crown corporations and the projected Crown corporation performance for the remainder of the year, the Corporation anticipates solid earnings in 2009. However, 2009 results will be significantly less than 2008 due to the one-time impact of the sale of Saskferco on 2008 earnings. Earnings expectations are also subject to many variables including: weather conditions, commodity markets, general economic and political conditions, interest and exchange rates, performance and competition in the Crown sector, and the regulatory environment. In 2009, the Corporation anticipates continued increased capital expenditures for electrical operations at SaskPower, on-going competitive pressures within the telecommunications and property and casualty insurance industries, and continued volatility in financial markets which may further impact natural gas management activities and the valuation of pensions and investments.

Future Accounting Changes - International Financial Reporting Standards (IFRS)

In February, 2008, the CICA Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Public Sector Accounting Board (PSAB) in September 2009, approved an amendment to the introduction to the Public Sector Accounting Handbook confirming the direction which requires Government Business Enterprises (GBEs) to adopt IFRS and Other Government Organizations (OGOs) to adopt either IFRS or the Public Sector Accounting Handbook, whichever is considered the most appropriate basis of accounting.

Management's Discussion and Analysis (continued)

Future Accounting Changes - International Financial Reporting Standards (IFRS) (continued)

Five of CIC's subsidiary Crown corporations are GBEs and six are OGOs. CIC believes that IFRS is the most appropriate basis of accounting for all of its subsidiaries and therefore the Corporation and its subsidiaries are proceeding with the adoption of IFRS.

The Corporation, in tandem with its subsidiaries, has commenced an IFRS conversion project including initiating the development of high level IFRS implementation plans for each subsidiary that include stakeholder identification, milestones and deadlines, planned scope and approach, risks and mitigations, project governance and accountability responsibilities, and resource requirements. An external advisor has been engaged to assist with the development of plans and to perform a detailed review of major differences between current Canadian GAAP and IFRS. Board members have been briefed on IFRS, in general, and CIC and subsidiary project plans have been reviewed by the related Boards of Directors.

Management and staff from the Corporation have participated in detailed IFRS training seminars. Project teams have completed an initial assessment of those international financial reporting standards with the highest potential for impacts on either individual Crowns or for the Crown sector as a whole. Based on the analysis to date, the most significant areas of difference are related to accounting for property, plant and equipment, asset retirement obligations, joint ventures, employee future benefits and financial statement disclosures. Working groups have been formed to review identified standards in detail and discuss specific issues as a basis for ensuring common understanding and, where possible, consistency in approaches to issue resolution. Selection of cross sector and/or subsidiary specific accounting policies has begun. CIC and its subsidiaries believe that conversion projects are progressing according to project plans. At this time, the impact of IFRS on the Corporation's processes, systems, internal controls over financial reporting and disclosures, future financial position and results of operations is not reasonably determinable. Draft impacts on processes, systems and controls as well as draft IFRS financial statement presentation formats are anticipated in the second half of 2009. As part of the IFRS implementation, the Corporation's plans to make changes to certain processes and systems before 2010 to ensure transactions are recorded in accordance with IFRS for comparative reporting purposes on the required implementation date.

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Financial Position
(unaudited)
(thousands of dollars)

	September 30	December 31
	<u>2009</u>	<u>2008</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 818,732	\$ 878,051
Short-term investments	716,465	740,011
Restricted cash and cash equivalents (Note 3)	93,555	85,848
Accounts receivable	470,289	563,564
Derivative financial assets (Note 4)	59,616	47,396
Inventories (Note 5)	431,076	385,566
Prepaid expenses	132,048	129,161
Assets from discontinued operations	<u>5,713</u>	<u>14,403</u>
	2,727,494	2,844,000
Restricted cash and cash equivalents (Note 3)	197,897	231,732
Investments	1,129,544	1,008,683
Property, plant, and equipment (Note 1(c))	6,412,133	6,108,724
Other assets (Note 1(c) and 7(d))	411,555	387,631
Long-term assets of discontinued operations	<u>7,084</u>	<u>8,878</u>
	<u>\$ 10,885,707</u>	<u>\$ 10,589,648</u>
LIABILITIES AND PROVINCE'S EQUITY		
Current		
Bank indebtedness	\$ 38,279	\$ 32,643
Accounts payable and accrued liabilities	575,891	543,614
Derivative financial liabilities (Note 4)	89,015	100,971
Notes payable	378,312	222,480
Dividend payable to General Revenue Fund	-	150,000
Deferred revenue	268,612	274,378
Liabilities from discontinued operations	5,329	9,006
Long-term debt due within one year (Note 4)	<u>243,609</u>	<u>100,731</u>
	1,599,047	1,433,823
Long-term debt (Note 4)	3,582,533	3,712,513
Other liabilities (Note 3(a))	<u>797,202</u>	<u>823,225</u>
	<u>5,978,782</u>	<u>5,969,561</u>
Province of Saskatchewan's Equity		
Equity advances	1,051,152	1,051,152
Contributed surplus	199	722
Retained earnings	3,836,504	3,583,683
Accumulated other comprehensive income (loss)	<u>19,070</u>	<u>(15,470)</u>
	<u>4,906,925</u>	<u>4,620,087</u>
	<u>\$ 10,885,707</u>	<u>\$ 10,589,648</u>
Contingencies (Note 7)		

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Operations and Retained Earnings
(unaudited)
For The Period
(thousands of dollars)

	2009 July 1 to September 30	2009 January 1 to September 30	2008 July 1 to September 30	2008 January 1 to September 30
REVENUE				
Sales of products and services	\$ 1,040,492	\$ 3,423,517	\$ 1,210,185	\$ 3,343,542
Investment	22,245	55,451	42,030	140,957
Other	<u>14,025</u>	<u>28,373</u>	<u>6,435</u>	<u>19,826</u>
	<u>1,076,762</u>	<u>3,507,341</u>	<u>1,258,650</u>	<u>3,504,325</u>
EXPENSES				
Operating costs other than those listed below	732,540	2,589,781	1,088,861	2,562,642
Interest	56,083	178,558	59,825	184,127
Depreciation and amortization	120,410	364,630	127,268	367,804
Saskatchewan taxes and fees	<u>30,456</u>	<u>105,472</u>	<u>30,839</u>	<u>91,655</u>
	<u>939,489</u>	<u>3,238,441</u>	<u>1,306,793</u>	<u>3,206,228</u>
Earnings (loss) before non-recurring items	137,273	268,900	(48,143)	298,097
Non-recurring items (Note 9)	<u>(4,084)</u>	<u>(14,374)</u>	<u>1,737</u>	<u>10,780</u>
EARNINGS (LOSS) FROM CONTINUING OPERATIONS	133,189	254,526	(46,406)	308,877
Loss from discontinued operations	<u>(707)</u>	<u>(1,705)</u>	<u>(241)</u>	<u>(1,244)</u>
NET EARNINGS (LOSS)	132,482	252,821	(46,647)	307,633
RETAINED EARNINGS, BEGINNING OF PERIOD	3,704,022	3,583,683	3,110,922	2,973,441
ADJUSTMENT DUE TO CHANGE IN ACCOUNTING POLICY	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,799)</u>
	3,836,504	3,836,504	3,064,275	3,279,275
DIVIDEND TO GENERAL REVENUE FUND	<u>-</u>	<u>-</u>	<u>-</u>	<u>(215,000)</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 3,836,504</u>	<u>\$ 3,836,504</u>	<u>\$ 3,064,275</u>	<u>\$ 3,064,275</u>

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Comprehensive Income (Loss)
(unaudited)
For The Period
(thousands of dollars)

	2009 July 1 to September 30	2009 January 1 to September 30	2008 July 1 to September 30	2008 January 1 to September 30
NET EARNINGS (LOSS)	\$ 132,482	\$ 252,821	\$ (46,647)	\$ 307,633
Foreign currency translation adjustment	(2,744)	(1,196)	191	475
Unrealized gain (loss) on cash flow hedges	413	691	(5,220)	(4,733)
Unrealized gain (loss) on available-for-sale financial assets	17,715	31,265	(24,618)	(28,294)
Reclassification for realized (gains) losses on sale of investments included in operations	<u>(920)</u>	<u>3,780</u>	<u>(113)</u>	<u>(6,192)</u>
Other comprehensive income (loss)	<u>14,464</u>	<u>34,540</u>	<u>(29,760)</u>	<u>(38,744)</u>
COMPREHENSIVE NET INCOME (LOSS)	\$ 146,946	\$ 287,361	\$ (76,407)	\$ 268,889

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Accumulated Other Comprehensive Income (Loss)
(unaudited)
For The Period
(thousands of dollars)

	2009 July 1 to September 30	2009 January 1 to September 30	2008 July 1 to September 30	2008 January 1 to September 30
Balance, beginning of period	\$ 4,606	\$ (15,470)	\$ 17,439	\$ 26,423
Other comprehensive income (loss)	<u>14,464</u>	<u>34,540</u>	<u>(29,760)</u>	<u>(38,744)</u>
BALANCE, END OF PERIOD	\$ 19,070	\$ 19,070	\$ (12,321)	\$ (12,321)

(See accompanying notes)

Crown Investments Corporation of Saskatchewan

Consolidated Statement of Cash Flows

(unaudited)

For The Period

(thousands of dollars)

	2009 July 1 to <u>September 30</u>	2009 January 1 to <u>September 30</u>	2008 July 1 to <u>September 30</u>	2008 January 1 to <u>September 30</u>
OPERATING ACTIVITIES				
Net earnings (loss)	\$ 132,482	\$ 252,821	\$ (46,647)	\$ 307,633
Items not affecting cash from operations	<u>60,788</u>	<u>352,610</u>	<u>212,215</u>	<u>332,723</u>
	193,270	605,431	165,568	640,356
Net change in non-cash working capital balances related to operations	<u>38,724</u>	<u>48,608</u>	<u>(62,999)</u>	<u>(89,762)</u>
Cash provided by operating activities from continuing operations	231,994	654,039	102,569	550,594
Cash provided by (used in) operating activities from discontinued operations	<u>866</u>	<u>1,288</u>	<u>(948)</u>	<u>(1,368)</u>
Cash provided by operating activities	<u>232,860</u>	<u>655,327</u>	<u>101,621</u>	<u>549,226</u>
INVESTING ACTIVITIES				
Purchase of investments	(65,351)	(348,426)	(118,449)	(503,272)
Proceeds from sale and collection of investments	121,895	312,606	111,576	783,170
Purchase of property, plant, and equipment	(281,414)	(662,897)	(160,290)	(439,079)
Proceeds from sale of property, plant, and equipment	361	2,871	399	999
Increase in other assets	<u>(14,405)</u>	<u>(23,590)</u>	<u>(66,764)</u>	<u>(82,539)</u>
Cash used in investing activities	<u>(238,914)</u>	<u>(719,436)</u>	<u>(233,528)</u>	<u>(240,721)</u>
FINANCING ACTIVITIES				
Increase in notes payable	149,421	155,789	129,286	196,005
(Decrease) increase in other liabilities	(6,997)	(15,900)	241,102	245,588
Decrease (increase) in restricted cash and cash equivalents	9,701	28,257	(239,558)	(239,558)
Debt proceeds from General Revenue Fund	4,500	54,500	23,684	281,911
Debt repayments to General Revenue Fund	(21,654)	(32,218)	(20,095)	(421,693)
Debt proceeds from other lenders	-	500	-	6,716
Debt repayments to other lenders	(2,668)	(9,691)	(2,914)	(6,963)
Sinking fund instalments	(15,077)	(32,284)	(14,390)	(29,556)
Sinking fund redemptions	-	-	-	62,548
Dividend paid to General Revenue Fund	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>(415,000)</u>
Cash provided by (used in) financing activities	<u>117,226</u>	<u>(1,047)</u>	<u>117,115</u>	<u>(320,002)</u>
NET CHANGE IN CASH DURING PERIOD	111,172	(65,156)	(14,792)	(11,497)
CASH POSITION, BEGINNING OF PERIOD	<u>670,214</u>	<u>846,542</u>	<u>822,451</u>	<u>819,156</u>
CASH POSITION, END OF PERIOD	<u>\$ 781,386</u>	<u>\$ 781,386</u>	<u>\$ 807,659</u>	<u>\$ 807,659</u>
Cash position consists of:				
Cash from continuing operations	\$ 818,732	\$ 818,732	\$ 841,288	\$ 841,288
Bank indebtedness from continuing operations	<u>(38,279)</u>	<u>(38,279)</u>	<u>(33,629)</u>	<u>(33,629)</u>
	780,453	780,453	807,659	807,659
Cash from discontinued operations	<u>933</u>	<u>933</u>	<u>-</u>	<u>-</u>
	<u>\$ 781,386</u>	<u>\$ 781,386</u>	<u>\$ 807,659</u>	<u>\$ 807,659</u>

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
(unaudited)
September 30, 2009

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 the December 31, 2008 audited consolidated financial statements.

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) 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 interim consolidated financial statements should not be taken as indicative of the performance to be expected for the full year due to the seasonal nature of corporate operations.

The accounting policies used in the preparation of these interim financial statements conform to those used in the December 31, 2008, audited consolidated financial statements except as noted in 1c).

a) Consolidation principles and basis of presentation

Certain Saskatchewan provincial Crown corporations are designated as subsidiary Crown corporations of 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.

In addition to the Crown corporations listed below, CIC also consolidates the accounts of Gradworks Inc., a wholly-owned non-profit subsidiary, and its wholly-owned share capital subsidiaries: CIC Asset Management Inc¹; First Nations and Métis Fund Inc.; CIC Economic Holdco Ltd.; and CIC Apex Equity Holdco Ltd.

Effective April 1, 2008, the Saskatchewan Gaming Corporation (SGC) was designated a CIC Crown corporation and has been consolidated as part of CIC's operations since that date.

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.

¹ Investment Saskatchewan Inc. (IS) was de-designated as a subsidiary Crown corporation pursuant to Order-in-Council 653/2009 effective September 10, 2009. IS is continued under the authority of the Business Corporations Act as CIC Asset Management Inc. with CIC, as sole shareholder.

Crown Investments Corporation of Saskatchewan

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2009

1. Summary of Significant Accounting Policies (continued)

a) Consolidation principles and basis of presentation (continued)

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 (ISC)	Saskatchewan Government Insurance (SGI)
SaskEnergy Incorporated (SaskEnergy)	Saskatchewan Opportunities Corporation (SOCO)
Saskatchewan Development Fund Corporation (SDFC)	Saskatchewan Power Corporation (SaskPower)
Saskatchewan Gaming Corporation (SGC)	Saskatchewan Telecommunications Holding Corporation (SaskTel)
Saskatchewan Government Growth Fund Management Corporation (SGGF MC) ¹	Saskatchewan Telecommunications
	Saskatchewan Transportation Company (STC)
	Saskatchewan Water Corporation (SaskWater)

¹ SGGF MC was dissolved effective March 31, 2009.

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

b) Joint ventures

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

Apex Investment Limited Partnership -----	60%
Centennial Foods Partnership -----	33%
Cory Cogeneration Funding Corporation -----	50%
Cory Cogeneration Joint Venture -----	50%
Foragen Technologies Limited Partnership -----	33%
Heritage Gas Limited -----	50%
Kisbey Gas Gathering and Processing Facility-----	50%
Saskatchewan Entrepreneurial Fund Joint Venture ----	45%

c) Change in accounting policy

Effective January 1, 2009, the Corporation adopted the accounting recommendations for goodwill and intangible assets (Canadian Institute of Chartered Accountants (CICA) Handbook Section 3064) in accordance with the transition provisions of the section. This section provides further information on the recognition of internally generated intangible assets and requires intangible assets to be recognized as assets only if the definition of an intangible asset and the recognition criteria are met.

Crown Investments Corporation of Saskatchewan

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2009

1. Summary of Significant Accounting Policies (continued)

c) Change in accounting policy (continued)

The new recommendations have been implemented retroactively resulting in the following adjustments to December 31, 2008 balances (thousands of dollars):

Property, plant and equipment	\$ (73,326)
Other assets	\$ 73,326

Effective for year-ends beginning on or after January 1, 2009, the CICA has amended certain sections of the CICA Handbook to remove the rate regulation exemption for recognition of certain assets and liabilities arising from rate regulation as well as other recognition and measurement guidance. The Corporation has implemented these changes with no impact on the financial statements.

d) Revenue recognition

Gas marketing

Revenue from natural gas marketing is recorded in the consolidated statement of operations and retained earnings upon completion of the delivery of natural gas to the customer. The Corporation acts as a principal in these natural gas marketing transactions, taking title to the natural gas purchased for resale, and assuming the risks and rewards of ownership. Changes in the fair value of outstanding marketing sales contracts are recorded as gains or losses in the period of change.

Natural gas delivery and commodity

Delivery and commodity revenue is recognized when natural gas is delivered to customers. The estimate of natural gas delivered, but not billed, is included in revenue.

Natural gas transportation and storage

Natural gas transportation and storage revenue is recognized when transportation, transportation related services, and storage are provided to customers and the ultimate collection is reasonably assured. An estimate of transportation, storage and related services rendered, but not billed, is included in revenue.

Electricity

Electricity revenue is recognized upon delivery to the customer and includes an estimate of electrical deliveries not yet billed at period end. Physical electricity trading revenues are reported on a gross basis upon completion of delivery of electricity to customers.

Telecommunications

Telecommunication revenues are recognized in the period the services are provided when there is clear proof that an arrangement exists, amounts are determinable, and the ability to collect is reasonably assured. Revenues from local telecommunications, data, internet, entertainment and security services are recognized based on access to the Corporation's network and facilities at the rate plans in effect during the period the service is provided.

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
(unaudited)
September 30, 2009

1. Summary of Significant Accounting Policies (continued)

d) Revenue recognition (continued)

Telecommunications (continued)

Certain service connection charges and activation fees, along with corresponding direct costs, are deferred and recognized over the average expected term of the customer relationship. Revenues from long distance and wireless airtime are recognized based on the usage or rate plans in the period service is provided. Revenues from equipment sales are recognized when the equipment is delivered to and accepted by the customer. Revenues for longer term contracts are recognized based on a percentage of completion. Payments received in advance are recorded as deferred revenue until the product or service is delivered.

Customer solutions may involve the delivery of multiple services and products that occur at different points and over different periods of time. The multiple services are separated into their respective accounting units and consideration is allocated among the accounting units. The relevant revenue recognition policies are applied to each accounting unit.

Revenues are earned through the sale of print and electronic telephone directory advertising, on-line advertising and advertising in agricultural publications. Advertising revenues are generally recognized, in accordance with the contractual terms with advertisers, on a monthly basis over the life of the print directory or electronic directory advertising commencing with the delivery or display date, respectively. Amounts billed in advance for directory advertising are deferred and recognized over the corresponding life of the directory.

Property registration

Land and personal property registry revenues are recognized when services are rendered.

Property and casualty insurance

Premiums written are recorded as revenue over the terms of the related policies which are no longer than twelve months. Unearned premiums represent the portion of the policy premiums relating to the unexpired term of each policy.

Gaming

Gaming revenue (table and slot revenues) represents the net win from gaming activities, which is the difference between the amounts wagered and the payouts by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots.

Investment revenue

Interest earned on investments is recognized as revenue on an accrual basis except where uncertainty exists as to ultimate collection. In cases where collectability of interest is not reasonably assured, interest revenue is recorded when it is received and accrued interest receivable is offset by deferred interest revenue.

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
(unaudited)
September 30, 2009

1. Summary of Significant Accounting Policies (continued)

d) Revenue recognition (continued)

Other

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.

e) Measurement uncertainty

The preparation of financial statements in conformity with GAAP 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.

Significant items subject to estimates and assumptions include the carrying amounts of property, plant and equipment and underlying estimations of useful lives of depreciable assets, capitalization of interest, disposal of long-lived assets, asset retirement obligations, and labour and overhead; provision for unpaid claims; the carrying amounts of accounts receivable, inventory, investments, natural gas in storage, goodwill, and customer accounts; the accounting for variable interest entities, discontinued operations, fair value of financial instruments, and environmental remediation liabilities; and the carrying amounts of employee future benefits including underlying actuarial assumptions.

The financial statements are based on management's best estimates using information available. Volatility in financial markets has complicated the estimation process due to the current economic decline and significant fluctuations in foreign exchange rates and commodity prices. Accordingly, the inherent uncertainty involved in making estimates and assumptions may impact the actual results reported in future periods by a material amount.

f) Future accounting policy change

International Financial Reporting Standards (IFRS)

In February, 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises, including the Corporation, will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Corporation has commenced an IFRS conversion project including initiating an IFRS implementation plan. An external advisor has been engaged to assist with a detailed review of major differences between current Canadian GAAP and IFRS. The Corporation believes that its conversion project is progressing according to the project plan. At this time, the impact on the Corporation's future financial position and results of operations is not reasonably determinable.

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
(unaudited)
September 30, 2009

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 and subsidiaries are not Provincial Crown corporations and are subject to Federal and Provincial income taxes.

3. Restricted Cash and Cash Equivalents and Other Liabilities

The Corporation held the following cash and cash equivalents restricted for use (thousands of dollars):

	September 30, 2009		December 31, 2008	
	Current	Non-Current	Current	Non-Current
Carbon capture and storage demonstration projects (a)	\$ 43,216	\$ 177,897	\$ 28,500	\$ 209,395
Meadow Lake Pulp Limited Partnership (b)	21,879	20,000	18,210	22,337
Saskferco Products Inc. (Saskferco)(c)	28,144	-	36,710	-
Centennial Foods Partnership (d)	316	-	2,428	-
	<u>\$93,555</u>	<u>\$ 197,897</u>	<u>\$ 85,848</u>	<u>\$231,732</u>

a) Amounts reflect unspent funding transferred to the Corporation in 2008 from the Province of Saskatchewan's General Revenue Fund (GRF) restricted for carbon capture and storage demonstration projects. The Corporation has recorded a corresponding amount as deferred revenue which is included in other liabilities. As qualifying expenditures are made, the Corporation recognizes an equivalent amount of this funding in consolidated earnings and reduces restricted cash and cash equivalents and deferred revenue by the same amount;

b) Cash held by the receiver of Meadow Lake Pulp Limited Partnership which is subject to the order of the Court of Queen's Bench of Saskatchewan;

c) Cash held in escrow related to the sale of Saskferco in 2008; and

d) Cash held in escrow related to the sale of Centennial Foods Partnership in 2007.

Crown Investments Corporation of Saskatchewan

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2009

4. Financial Instruments and Risk Management

The Corporation is primarily exposed to fluctuations in commodity prices including power generation and natural gas sales and fluctuations in the value of certain investments. The Corporation utilizes a number of financial instruments to manage these exposures. The Corporation mitigates the risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board.

Fair values are approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics, such as risk, principal and remaining maturities. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk. Therefore, due to the use of judgement and future-oriented information, aggregate fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

At September 30, 2009, the Corporation held \$3,826.1 million (December 31, 2008 - \$3,813.2 million) in long-term debt and long-term debt due within one year with a fair value of \$4,612.3 million (December 31, 2008 - \$4,506.0 million).

The Corporation held the following derivative financial instruments which are classified as held-for-trading and carried at fair market value (thousands of dollars):

	September 30, 2009		December 31, 2008	
	Asset	(Liability)	Asset	(Liability)
Physical natural gas contracts	\$ 21,316	\$ (12,590)	\$ 24,095	\$ (12,604)
Natural gas price swaps	37,772	(70,228)	18,929	(71,305)
Natural gas price options	-	(4,422)	3,903	(15,936)
Physical electricity forwards	528	(428)	388	(248)
Electricity contracts for differences	-	(961)	81	(321)
Interest rate swaps	-	(319)	-	(557)
Foreign exchange forward contracts	-	(67)	-	-
	\$59,616	\$ (89,015)	\$ 47,396	\$ (100,971)

Depending on market conditions, unrealized losses or gains related to the change in fair value of derivative financial assets and derivative financial liabilities can negatively or positively impact net earnings. For the nine months ended September 30, 2009, derivative fair value adjustments resulted in a net unrealized gain of \$26.1 million (September 30, 2008 - \$29.2 million unrealized loss).

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
(unaudited)
September 30, 2009

4. Financial Instruments and Risk Management (continued)

a) Commodity price risk management

Power generation

The Corporation is exposed to natural gas price risk through gas purchased for its natural gas-fired power plants and through certain power purchase agreements that have a cost component based on the market price of natural gas. As at September 30, 2009, the Corporation had entered into physical and financial natural gas contracts to hedge approximately 46.0 per cent of its forecasted natural gas purchases for 2009, 53.0 per cent for 2010, 45.0 per cent for 2011, and 27.0 per cent for 2012.

Based on the Corporation's September 30, 2009 closing positions on its natural gas hedges, a \$1 dollar per Gigajoule (GJ) increase in the price of natural gas would have resulted in a \$31.0 million improvement in the unrealized market value gains recognized in net earnings in the period. This sensitivity analysis does not represent the underlying exposure to changes in the price of natural gas on the remaining forecasted natural gas purchases which are unhedged as of September 30, 2009.

Natural gas sales

The Corporation may manage the risk associated with the purchase and sale price of natural gas. The purchase or sale price of natural gas may be fixed within the contract, or referenced to a floating index price. When the price is referenced to a floating index price, natural gas derivative instruments may be used to fix the settlement amount. The types of natural gas derivative instruments the Corporation uses for price risk management include natural gas price swaps, options, swaptions and futures contracts.

Based on the Corporations' September 30, 2009 closing positions, an increase of \$1 per GJ in natural gas prices would increase net earnings, through an increase in the fair value of natural gas contracts, by \$15.0 million, while a decrease of \$1 per GJ would decrease net earnings, through a decrease in the fair value of natural gas contracts, by \$15.0 million.

Crown Investments Corporation of Saskatchewan

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2009

4. Financial Instruments and Risk Management (continued)

b) Market risk

Market risk represents the potential for loss from changes in value of financial instruments. Value can be affected by changes in equity prices. Market risk primarily impacts the value of investments.

The Corporation is exposed to changes in equity prices in Canadian, U.S. and EAFE (Europe, Australia and Far East) markets. The fair value of these equities at September 30, 2009 was \$137.2 million (December 31, 2008 - \$117.4 million).

A 10.0 per cent increase or decrease in these equity market benchmarks would have the following effects on the Corporation's comprehensive income and other comprehensive income at September 30, 2009:

- S&P / TSX Composite Index - \$8.1 million
- S&P 500 Index - \$3.0 million
- MSCI EAFE Index - \$2.7 million

The Corporation has on deposit with the GRF, under the administration of the Ministry of Finance, \$352.9 million (December 31, 2008 - \$323.8 million) in sinking funds required for certain long-term debt issues. The GRF has invested these funds primarily in Provincial and Federal government bonds with varying maturities to coincide with related debt maturities and are managed based on this maturity profile and market conditions. As such, the related credit risk associated with these investments is considered low. The Corporation does not believe that the impact of fluctuations in market prices related to these investments will be material and, therefore, has not provided a sensitivity analysis of the impact on net earnings or other comprehensive income.

5. Inventories

For the nine months ended September 30, 2009, \$566.0 million (2008 - \$650.8 million) of natural gas in storage held for resale and \$288.0 million (2008 - \$311.1 million) of raw materials inventory were consumed and the Corporation incurred a \$2.9 million (2008 - \$Nil) write-down of natural gas in storage held for resale to its net realizable value. There was no reversal of any prior period write-down during the nine months ended September 30, 2009.

6. Discontinued Operations

During the fourth quarter of 2008, the Corporation approved a plan whereby the operations of its wholly-owned subsidiary, DirectWest Canada Inc. (DWC) would be divested. Effective February 20, 2009, the Corporation disposed of the net assets of the Alberta operations of DWC for consideration of \$4.7 million resulting in a loss on sale of \$0.1 million. The loss on sale combined with the operating loss from discontinued operations of \$1.4 million (2008 - \$1.2 million) are included in loss from discontinued operations on the consolidated statement of operations and retained earnings.

Crown Investments Corporation of Saskatchewan

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2009

7. Contingencies

- a) On August 9, 2004, a proceeding under **The Class Actions Act** (Saskatchewan) was brought against several Canadian wireless and cellular service providers, including the Corporation. The proceeding involves allegations by wireless customers of breach of contract, misrepresentation, negligence, collusion, unjust enrichment and breach of statutory obligations concerning system administration fees. The Plaintiffs seek unquantified damages from the defendant wireless communications service providers. Similar proceedings have been filed by, or on behalf of, Plaintiffs' counsel in other provincial jurisdictions. On September 17, 2007, the Saskatchewan court certified the Plaintiff's proceeding as a class action with respect to an allegation of unjust enrichment only. The Corporation, together with all other defendants in the proceedings, as well as the Plaintiff, have filed motions with the Saskatchewan Court of Appeal seeking leave to appeal the decision of the court certifying the action as a class action. The Corporation's leave to appeal application is presently before the Court of Appeal and was to be heard in October 2009. On July 24, 2009, a second proceeding under **The Class Actions Act** (Saskatchewan) was issued against several Canadian wireless and cellular providers, including the Corporation. The Corporation believes this second claim involves substantially the same allegations as the 2004 claim that was to have been before the Saskatchewan Court of Appeal in October. On August 13, 2009 the Corporation was advised of a motion by the Plaintiffs in the 2004 claim seeking an order to dismiss or have the 2004 claim stayed by the Court of Appeal while the Plaintiffs in the 2009 claim pursue certification of the new claim as a class proceeding. The Court of Queen's Bench has now set hearing dates to determine whether the original class action lawsuit should be discontinued and whether the new claim should be struck, which would then allow the leave application to the Court of Appeal to proceed. Depending upon the outcome of that proceeding in November 2009, the hearing of the certification of the second lawsuit is now tentatively scheduled for April 2010. The Corporation continues to believe that it has strong defences to the allegations and that legal errors were made by the court in the certification proceeding of the 2004 claim and that it has strong defences to the allegations contained in the most recent 2009 claim.
- b) On March 20, 2007, R.L.T.V. Investments Inc. brought a lawsuit against the Corporation, and several current and former officers and employees of the Corporation. The lawsuit includes allegations that the Corporation wrongfully obtained its Multipoint Communications Systems license in Saskatchewan and is legally responsible for the failure of Image Wireless Communications Inc. as a consequence of the alleged breach of contract, intentional interference with trade or business, deceit, misrepresentation and breach of the **Competition Act**. The Plaintiff claims damages in excess of \$87.0 million. The Corporation believes that it has strong defences to the allegations and a motion to strike all claims against the defendants was heard on September 25, 2007. The court struck the lawsuit in its entirety and the Plaintiff's appeal of the decision to the Saskatchewan Court of Appeal was heard on November 20, 2008. The Saskatchewan Court of Appeal released its unanimous decision on July 23, 2009 and agreed with the Court of Queen's Bench that the lawsuit should be dismissed in its entirety. The Plaintiffs' are now seeking leave of the Supreme Court of Canada to appeal that decision.

Crown Investments Corporation of Saskatchewan

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2009

7. Contingencies (continued)

- c) On June 26th, 2008, a proceeding under **The Class Actions Act** (Saskatchewan) was brought against several Canadian wireline, wireless and cellular service providers, including the Corporation. The proceeding involves allegations by wireline and wireless customers of breach of contract, misrepresentation, negligence, collusion, unjust enrichment and breach of statutory obligations concerning fees and charges paid for 9-1-1 service. The Plaintiffs seek unquantified damages from the defendant communications service providers. Thus far the claim has simply been issued by the Plaintiffs. The Corporation is not aware whether all the named defendant carriers have been served with the claim yet. The Corporation believes that it has strong defences to the allegations that are made by the Plaintiffs in the claim and will be strongly defending and opposing the claims that have been made.
- d) A legal action was commenced in 1996 by an individual, in a representative capacity, on behalf of members of the Power Corporation Superannuation Plan (PCSP; the defined benefit pension plan). The claim alleges the Corporation has inappropriately ceased making contributions to the PCSP; incorrectly offered employees early retirement with unreduced pensions; and did not provide sufficient information to allow employees to make an informed decision regarding the choice to either stay within the PCSP or move into the Public Employees Pension Plan.

Since 1996, various legal proceedings have taken place to properly define the claim. A pre-trial conference took place on dates in the second and fourth quarters of 2008 and the matter was set down for trial commencing September 14, 2009.

On a without prejudice basis, the parties have agreed to a conditional settlement of the legal action. If all of the conditions to the settlement are satisfied, the Corporation will pay into the PCSP, as employer funding contributions, a sum equal to the amount of the actuarial deficit of the PCSP as of December 31, 2008 (by way of three equal annual instalments), plus the Plaintiff's legal expenses. As of that date, the actuarial deficit was \$81.25 million.

The Corporation has recorded an accrual of \$29.0 million as an increase to other assets for the plaintiff's legal fees and the first instalment of the employer contribution.

- e) Including the above, the Corporation has various legal matters pending which, in the opinion of management, will not have a material effect on the Corporation's consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to the Corporation's financial position or results of operations could result.

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
(unaudited)
September 30, 2009

8. Defined Benefit Plans

Pension expense (earnings) for defined benefit plans is as follows (thousands of dollars):

	2009	2008
	January 1	January 1
	to	to
	September 30	September 30
Current service cost	\$ 5,407	\$ 7,079
Interest costs	82,681	76,366
Expected return on plan assets	(84,712)	(89,700)
Amortization of net transitional asset	(3,058)	(8,905)
Amortization of past service costs	10,648	12,540
Amortization of actuarial loss	10,917	1,054
Other	<u>(1)</u>	<u>9,446</u>
Defined benefit plan expense	<u>\$ 21,882</u>	<u>\$ 7,880</u>

9. Non-recurring Items

Due to continued low commodity prices, the stronger Canadian dollar and high feed prices, the Corporation recognized an impairment of long-lived assets of its hog operations. The net effect of this impairment is \$13.9 million and is included as part of non-recurring items on the consolidated statement of operations and retained earnings. The fair value for calculating impairments was determined by reference to available market prices and future operating estimates.

10. Subsequent Events

a) On November 2, 2009 the Corporation entered into an agreement to sell its 50.1 per cent share of Heritage Gas Limited in the Province of Nova Scotia to AltaGas Utility Group Inc. of Calgary, Alberta. The purchase price is \$73.3 million in cash and the transaction is expected to close in the fourth quarter of 2009.

b) Big Sky Farms Inc. has sought protection under the Companies' Creditors Arrangement Act. On November 10, 2009, the order granting protection was granted by the Saskatchewan Court of Queen's Bench and Big Sky Farms Inc. is now working on developing a plan of arrangement.

11. Comparative Figures

Certain of the 2008 comparative figures have been reclassified to conform to the current period's presentation.

Non-Consolidated Financial Statements

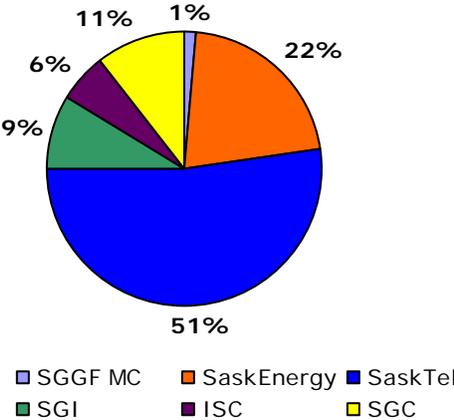
Management’s Discussion and Analysis

CIC is the provincial government’s holding company for its commercial Crowns. CIC has invested equity in its subsidiary Crown corporations and collects dividends from these corporations based on their profitability. This narrative on CIC’s non-consolidated September 30, 2009 third quarter results should be read in conjunction with the September 30, 2009 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 non-consolidated financial statements should be read in conjunction with CIC’s December 31, 2008 audited non-consolidated financial statements.

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

Dividend Revenue



CIC Non-Consolidated Third Quarter Earnings (millions of dollars) (unaudited)	For the nine months ended September 30, 2009
Dividend revenue from Crown corporations	\$ 138.4
Add: Interest and other revenue	10.9
Grant funding from GRF	16.8
Less: General, administrative, and other expenses	(13.3)
Grants to subsidiary corporations	(84.1)
Total non-consolidated earnings	<u>\$ 68.7</u>

Earnings

Earnings for the first nine months of 2009 were \$68.7 million (2008 - \$154.5 million). The first nine months earnings decreased \$85.8 million from the same period in 2008. The decrease is primarily due to decreases in dividend revenue of \$34.5 million and interest and other revenue of \$7.1 million combined with increases in grants to subsidiary corporations of \$61.3 million. Increased grant expenses and decreased dividend and interest and other revenue were offset by an increase in grant funding from the GRF of \$16.8 million and a small decrease in operating, administration and other expenses of \$0.3 million.

Dividend Revenue

Dividend revenue for the nine months ended September 30, 2009 was \$138.4 million (2008 - \$172.9 million). The \$34.5 million decrease was due to decreased dividends from SaskPower (\$38.6 million), ISC (\$8.2 million), SGI (\$7.0 million), and SaskEnergy (\$6.8 million), partially offset by increased dividends from SaskTel (\$19.9 million), SGC (\$4.5 million), and SGGF MC (\$1.7 million).

Management's Discussion and Analysis (continued)

Dividend Revenue (continued)

For the first nine months of each year, dividends from subsidiary Crown corporations are based on 75.0 per cent of their forecasted dividend for the year. The forecasted 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 remainder of the year, dividend payments will be adjusted based on actual earnings at year end. For the current year, CIC has assumed payout rates of 65.0 per cent of earnings at SGI, 80.0 per cent of earnings at SaskTel, SaskEnergy, and SGC and 90.0 per cent of earnings at ISC. CIC Asset Management Inc.'s (formerly Investment Saskatchewan Inc.) dividend is determined on a cash availability formula, which is determined at year end. In 2009, dividends from SaskPower have been eliminated in order to support SaskPower's significant capital program over the next ten years. The payout rates reflect the needs of these subsidiary corporations to retain capital to move to or to maintain their respective industry benchmarked financial structure and to upgrade infrastructure.

General, Administrative and Other Expenses

General, administrative and other expenses were \$13.3 million for the nine months ended September 30, 2009 (2008 - \$13.6 million). The decrease of \$0.3 million was due mainly to a decrease in consulting and travel costs, offset by increased costs for salaries and benefits.

Grants to Subsidiary Corporations

During the first nine months of 2009, CIC provided \$84.1 million (2008 - \$22.7 million) in grants to subsidiary corporations. STC received \$6.7 million (2008 - \$11.9 million) in grants. The 2008 grant to STC included \$3.1 million for the construction of the Regina terminal and head office that was completed in the fourth quarter of 2008. SaskEnergy received \$12.1 million (2008 - \$5.8 million) to fund the EnerGuide for Houses Matching Grant Program. SaskPower received \$16.8 million (2008 - \$Nil) for carbon capture and demonstration projects. CIC provided this grant out of restricted funding from the GRF. SaskTel received \$47.1 million (2008 - \$3.9 million) of which \$45.0 million was to fund the Saskatchewan Infrastructure Improvement Program and \$2.1 million to fund FleetNet, a provincial emergency communications network. Gradworks Inc., a non-profit subsidiary of CIC, received \$1.4 million (2008 - \$1.0 million) to fund its internship program.

CIC's 2009 budget includes public policy and grant funding expenditures as follows: \$9.6 million in operating and capital grants to STC; \$16.0 million of funding to SaskEnergy for the EnerGuide for Houses Matching Grant Program; \$2.8 million funding to SaskTel to maintain FleetNet; \$45.0 million to SaskTel for the Saskatchewan Infrastructure Improvement Program; and \$2.6 million of operating grants to Gradworks.

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	For the nine months ended	
	September 30 2009	September 30 2008
Cash from operations	\$ 83.0	\$ 149.9
Cash (used in) provided by investing activities	(3.8)	271.1
Cash used in financing activities	<u>(151.7)</u>	<u>(415.0)</u>
Change in cash	<u>\$ (72.5)</u>	<u>\$ 6.0</u>

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 nine months ended September 30, 2009 was \$83.0 million (2008 - \$149.9 million). The \$66.9 million decrease was due mainly to lower dividends and interest revenue collected in the first nine months of 2009 compared to the same period in 2008, combined with a \$45.0 million grant provided to SaskTel for the Saskatchewan Infrastructure Improvement Program.

Cash used in investing activities for the nine months ended September 30, 2009 was \$3.8 million (2008 - cash provided \$271.1 million). Difference from period to period is due to reclassifications of cash between cash and cash equivalents and short-term investments. These items are classified differently between accounting periods depending on whether maturities of these investments are due within 90 days from quarter end.

Cash used in financing activities was \$151.7 million (2008 - \$415.0 million). Financing activities in 2009 consisted mainly of dividends paid to the GRF of \$150.0 million (2008 - \$415.0 million). The net change in restricted cash and cash equivalents and deferred funding was an outflow of \$1.7 million (2008 - \$Nil) in cash.

Debt Management

CIC as a legal entity has no debt. Currently, CIC does not expect to borrow in 2009.

Outlook and Key Factors Affecting Performance

The key factor affecting CIC's earnings is the level of dividends from commercial subsidiary Crown corporations.

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 2009 to be significantly lower than dividends declared in 2008. In 2008, Investment Saskatchewan was able to pay a dividend of \$543.0 million because it sold its investment in Saskferco Products Inc. This level of dividend will not be repeated in 2009.

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.

Crown Investments Corporation of Saskatchewan
Non-Consolidated Statement of Financial Position
(unaudited)
(thousands of dollars)

	September 30	December 31
	<u>2009</u>	<u>2008</u>
ASSETS		
Current		
Cash and cash equivalents	\$ 550,811	\$ 623,323
Short-term investments	674,069	671,726
Interest and accounts receivable	2,699	3,648
Dividends receivable	48,583	57,543
Restricted cash and cash equivalents (Note 3)	<u>45,749</u>	<u>29,333</u>
	1,321,911	1,385,573
Restricted cash and cash equivalents (Note 3)	177,897	209,395
Equity advances to Crown corporations	1,092,736	1,093,187
Investments in share capital corporations	45,796	44,154
Equipment	<u>549</u>	<u>375</u>
	<u>\$ 2,638,889</u>	<u>\$ 2,732,684</u>
LIABILITIES AND PROVINCE'S EQUITY		
Interest and accounts payable	\$ 7,487	\$ 3,213
Dividend payable to General Revenue Fund	-	150,000
Deferred funding (Note 3)	<u>221,113</u>	<u>237,895</u>
	<u>228,600</u>	<u>391,108</u>
Province of Saskatchewan's Equity		
Equity advances	1,051,152	1,051,152
Retained earnings	<u>1,359,137</u>	<u>1,290,424</u>
	<u>2,410,289</u>	<u>2,341,576</u>
	<u>\$ 2,638,889</u>	<u>\$ 2,732,684</u>

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Non-Consolidated Statement of Operations and Comprehensive Income
(unaudited)
For The Period
(thousands of dollars)

	2009 July 1 to September 30	2009 January 1 to September 30	2008 July 1 to September 30	2008 January 1 to September 30
REVENUE				
Dividend (Note 4)	\$ 48,583	\$ 138,405	\$ 60,379	\$ 172,860
Interest and other	1,781	10,873	4,508	17,971
Grant funding from GRF	<u>7,829</u>	<u>16,782</u>	-	<u>7</u>
	<u>58,193</u>	<u>166,060</u>	<u>64,887</u>	<u>190,838</u>
EXPENSES				
General, administrative and other	3,503	13,190	4,487	13,537
Depreciation	<u>47</u>	<u>115</u>	<u>39</u>	<u>109</u>
	<u>3,550</u>	<u>13,305</u>	<u>4,526</u>	<u>13,646</u>
Earnings before the following	54,643	152,755	60,361	177,192
Grants to subsidiary corporations (Note 5)	<u>15,372</u>	<u>84,042</u>	<u>5,979</u>	<u>22,730</u>
NET EARNINGS	39,271	68,713	54,382	154,462
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
COMPREHENSIVE INCOME	\$ 39,271	\$ 68,713	\$ 54,382	\$ 154,462

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Non-Consolidated Statement of Retained Earnings
 (unaudited)
For The Period
 (thousands of dollars)

	2009 July 1 to <u>September 30</u>	2009 January 1 to <u>September 30</u>	2008 July 1 to <u>September 30</u>	2008 January 1 to <u>September 30</u>
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 1,319,866	\$ 1,290,424	\$ 791,252	\$ 906,172
NET EARNINGS	39,271	68,713	54,382	154,462
DIVIDEND TO GENERAL REVENUE FUND	<u> -</u>	<u> -</u>	<u> -</u>	<u> (215,000)</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 1,359,137</u>	<u>\$ 1,359,137</u>	<u>\$ 845,634</u>	<u>\$ 845,634</u>

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Non-Consolidated Statement of Cash Flows
(unaudited)
For the Period
(thousands of dollars)

	2009 July 1 to September 30	2009 January 1 to September 30	2008 July 1 to September 30	2008 January 1 to September 30
OPERATING ACTIVITIES				
Net earnings	\$ 39,271	\$ 68,713	\$ 54,382	\$ 154,462
Add non-cash items:				
Depreciation	<u>47</u>	<u>115</u>	<u>39</u>	<u>109</u>
	39,318	68,828	54,421	154,571
Net change in non-cash working capital balances related to operations	<u>(10,535)</u>	<u>14,183</u>	<u>(17,174)</u>	<u>(4,699)</u>
Cash provided by operating activities	<u>28,783</u>	<u>83,011</u>	<u>37,247</u>	<u>149,872</u>
INVESTING ACTIVITIES				
Decrease (increase) in short-term investments	82,816	(2,343)	-	306,460
Purchase of investments	(350)	(7,739)	(1,293)	(35,309)
Proceeds from the sale of investments	2,370	6,097	-	-
Repayment of equity advances from SGGF MC	-	1	-	-
Repayment of equity advances from SDFC	-	450	-	-
Purchase of equipment	<u>(68)</u>	<u>(289)</u>	<u>(36)</u>	<u>(89)</u>
Cash provided by (used in) investing activities	<u>84,768</u>	<u>(3,823)</u>	<u>(1,329)</u>	<u>271,062</u>
FINANCING ACTIVITIES				
Decrease (increase) in restricted cash and cash equivalents	7,934	15,082	(239,558)	(239,558)
(Decrease) increase in deferred funding	(7,828)	(16,782)	239,558	239,558
Dividend paid	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>(415,000)</u>
Cash provided by (used in) financing activities	<u>106</u>	<u>(151,700)</u>	<u>-</u>	<u>(415,000)</u>
NET CHANGE IN CASH DURING PERIOD	113,657	(72,512)	35,918	5,934
CASH POSITION, BEGINNING OF PERIOD	<u>437,154</u>	<u>623,323</u>	<u>528,046</u>	<u>558,030</u>
CASH POSITION, END OF PERIOD	<u>\$ 550.811</u>	<u>\$ 550.811</u>	<u>\$ 563,964</u>	<u>\$ 563,964</u>

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Notes to Non-Consolidated Financial Statements
(unaudited)
September 30, 2009

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 the December 31, 2008, audited non-consolidated financial statements. The accounting policies used in the preparation of these interim financial statements conform to those used in the December 31, 2008, audited non-consolidated financial 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 (ISC)	Saskatchewan Government Insurance (SGI)
SaskEnergy Incorporated (SaskEnergy)	Saskatchewan Opportunities Corporation (SOCO)
Saskatchewan Development Fund Corporation (SDFC)	Saskatchewan Power Corporation (SaskPower)
Saskatchewan Gaming Corporation (SGC)	Saskatchewan Telecommunications Holding Corporation (SaskTel)
Saskatchewan Government Growth Fund Management Corporation (SGGF MC) ¹	Saskatchewan Telecommunications
	Saskatchewan Transportation Company (STC)
	Saskatchewan Water Corporation (SaskWater)

¹ SGGF MC was dissolved effective March 31, 2009.

In addition to the above Crown corporations CIC is the sole member of Gradworks Inc., a non-profit corporation, and the sole shareholder of CIC Asset Management Inc. (formerly Investment Saskatchewan Inc.)², First Nations and Métis Fund Inc., CIC Economic Holdco Ltd., and CIC Apex Equity Holdco Ltd., which are wholly-owned share capital subsidiaries.

² Investment Saskatchewan Inc. was de-designated as a subsidiary Crown corporation pursuant to Order-in-Council 653/2009 effective September 10, 2009 and is continued under the authority of the Business Corporations Act as CIC Asset Management Inc. with CIC as sole shareholder.

Crown Investments Corporation of Saskatchewan
Notes to Non-Consolidated Financial Statements
(unaudited)
September 30, 2009

3. Restricted Cash and Cash Equivalents and Deferred Funding

Restricted cash and cash equivalents and deferred funding are comprised of unspent funding transferred to CIC from the Province of Saskatchewan's General Revenue Fund (GRF) restricted for carbon capture and storage demonstration projects undertaken by SaskPower. As qualifying expenditures are made, CIC recognizes an equivalent amount of funding in earnings and reduces restricted cash and cash equivalents and deferred funding by the same amount. From January 1, 2009 to September 30, 2009, \$16.8 million has been funded to SaskPower under this program as follows (thousands of dollars):

	September 30 2009	December 31 2008
Deferred grant funding, beginning balance	\$ 237,895	\$ -
Deferred grant funding received from GRF	-	240,000
Grant funding earned and grant to SaskPower	<u>(16,782)</u>	<u>(2,105)</u>
	<u>\$ 221,113</u>	<u>\$ 237,895</u>

Comprised of:

Current restricted cash and cash equivalents	45,749	29,333
Long-term restricted cash and cash equivalents	177,897	209,395
Payable to SaskPower (a)	<u>(2,533)</u>	<u>(833)</u>
Deferred funding, ending balance	<u>\$ 221,113</u>	<u>\$ 237,895</u>

(a) Amounts payable to SaskPower are included in interest and accounts payable.

4. Dividend Revenue

Dividend revenue consists of the following:

For the nine months ended (thousands of dollars)	September 30 2009	September 30 2008
Saskatchewan Telecommunications Holding Corporation	\$ 72,181	\$ 52,284
SaskEnergy Incorporated	30,000	36,768
Saskatchewan Gaming Corporation	14,490	10,023
Saskatchewan Government Insurance Information Services Corporation	11,840	18,821
Saskatchewan Government Growth Fund Management	8,151	16,397
Saskatchewan Power Corporation	1,743	-
	<u>-</u>	<u>38,567</u>
	<u>\$ 138,405</u>	<u>\$ 172,860</u>

Crown Investments Corporation of Saskatchewan
Notes to Non-Consolidated Financial Statements
 (unaudited)
September 30, 2009

5. Grants to Subsidiary Corporations

Grants to subsidiary corporations consists of the following:

For the nine months ended (thousands of dollars)	September 30 2009	September 30 2008
Saskatchewan Telecommunications Holding Corporation	\$ 47,066	\$ 3,938
Saskatchewan Power Corporation	16,782	-
Saskatchewan Energy Incorporated	12,064	5,817
Saskatchewan Transportation Company	6,700	11,850
Gradworks Inc.	1,430	1,000
Saskatchewan Water Corporation	-	125
	<u>\$ 84,042</u>	<u>\$ 22,730</u>

6. Comparative Figures

Certain of the 2008 comparative figures have been reclassified to conform to the current period's presentation.