Clearwater Seafoods Income Fund

DEDICATED TO SUSTAINABLE SEAFOOD EXCELLENCE

Innovation driving value

First Quarter Report 2005

Innovation
Driving Value

Clearwater is recognized for its consistent quality, wide diversity and reliable delivery of premium seafood, including scallops, lobster, clams, cold water shrimp, crab and groundfish

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During the first quarter of 2005, Clearwater Seafoods Limited Partnership's ("Clearwater") sales were $67 million and earnings were $1.6 million versus sales of $73 million a loss of $3 million in 2004, in line with management's expectations.

Despite the impact of the U.S. dollar and refit costs which exceeded management's expectations by $ 2 million, gross profit margins remained stable in 2005 at 24% versus 23.7% in 2004, reflecting the strength of the lobster business and strong markets, in particular for scallops. The weaker U.S. dollar, which has impacted Clearwater in the past two years, had the effect of reducing sales dollars and margins by an estimated $1 million in the first quarter of 2005 as compared to 2004, after taking into account hedging.

First quarter sales were lower than 2004 due to a planned reduction in volumes. Volumes were down 10% with approximately 40% of the reduction resulting from a decision in 2004 to decrease production of cod, a low margin product. In addition, Clearwater had five vessels on planned refit in the first quarter of 2005, which impacted the volumes harvested and sold as well as costs. Clearwater plans to catch up on volumes through the next three quarters as the last of these vessels comes off refit in the second quarter.

The distributable cash generated in the first quarter was in line with management's expectation and as a result Clearwater expects to deliver annualized distributions of 84 cents per unit to the unsubordinated unitholders in 2005. It is Clearwater's objective to have a payout ratio over time of 85% while paying distributions to all unitholders.

Late in the second quarter Clearwater will take delivery of two recently converted factory freezer scallop vessels. These two vessels will arrive later than originally expected and as a result the second quarter may be slower than management originally expected. However, the transition of these vessels will be completed in time for the third quarter at which time results are expected to be stronger. The investment in these vessels completes Clearwater's vision to convert the remainder of its scallop fleet to factory vessels. These FAS vessels will provide an incremental contribution by enabling Clearwater to produce higher quality, FAS scallops that sell for a premium in the market. In addition, the vessels will enable Clearwater to increase the efficiency of its harvesting operations by reducing the number of vessels employed, thus lowering its future costs.

The first quarter saw lower than expected results from clams, mostly as a result of higher refit costs but also due to slower than planned sales growth. However, Clearwater continues to see great opportunity in its clam resource and has been focusing on its on-shore based processes to improve efficiency and reduce costs and as well reorganizing its sales efforts in both the U.S. and Japan. In 2004 Clearwater entered into a contract with a shipyard to construct a new factory freezer clam vessel which is expected to be operating by mid 2006. Once operational, this new vessel is expected to generate significant incremental contribution by enabling Clearwater to decrease costs through harvesting in a far more efficient manner and increase volumes of product harvested and processed. In particular, due to its' state of the art energy management system, the vessel will consume significantly lower amounts of fuel on a per pound harvested basis. In addition, the vessel will use advanced on-board processing systems that will increase yields. The investment in this new clam vessel is an exciting opportunity to extend Clearwater's clam business by reducing harvesting costs, increasing yields, increasing its' catching capacity and volumes processed.

In the third quarter of 2004 Clearwater began production of an exciting new premium quality raw lobster product, which is being targeted at the high-end foodservice and retail markets. Sales of this product are on target to reach 3% of sales in 2005. In addition, in late 2004 Clearwater introduced new technology that allows it to better sort and grade its live lobster. This technology, combined with the technology used for the new raw lobster product, has allowed Clearwater to purchase and store lobster on a more selective basis and utilize the product it has more efficiently. This has increased the overall margins in the lobster business.

The business continues to perform well with increasing prices. In addition, the longer-term prospects for the business are positive with further earnings growth anticipated from investment in the scallops, clam and raw lobster species. Clearwater is also committed to reducing its costs of harvesting, processing, administration and selling. Clearwater anticipates that over the long-term this strategy will enable it to mitigate any further negative impact from a weakening U.S. dollar.

For an analysis of Clearwater and the Fund's results for the quarter, please see the discussion and analysis included with this report.

Sustainability is one of the keys to our success. As a business, this means investing in the people, technology, resource ownership and resource management practices to capitalize on the growing international demand for premium seafood. As an income trust, this means over the long-term ensuring sustainable cash flow and delivering stable distributions to our unitholders while continuing to keep the business on a sound financial footing.

Colin MacDonald
Chief Executive Officer
Clearwater Seafoods Limited Partnership
May 6, 2005

Highlights

Clearwater

($000's except per unit amounts)	**13 weeks ended April 2, 2005**	13 weeks ended April 3, 2004
Sales	**$ 67,359**	$ 72,741
Net earnings (loss)	**$ 1,645**	$ (2,978)
Basic and diluted net earnings (loss) per unit	**0.03**	(0.06)
Distributable cash [1]	**$ 6,929**	$ 11,963
Distributions paid or payable [2]	**$ 9,123**	$ 15,171
Payout ratio	**132%**	127%
Weighted Average Units outstanding		
Limited Partnership Units	**52,788,843**	52,788,843
Fully Diluted	**56,870,476**	52,788,843

Highlights

The Fund

($000's except per unit amounts)	**13 weeks ended April 2, 2005**	13 weeks ended April 3, 2004
Net earnings (loss) [3]	**$ 902**	$ (1,746)
Basic and diluted net earnings (loss) per unit	**0.03**	(0.06)
Distributable cash [1]	**$ 6,176**	$ 8,451
Distributions paid or payable	**$ 6,176**	$ 8,451
Weighted Average Units outstanding		
Trust Units	**29,407,626**	29,407,626
Special Trust Units	**23,381,217**	23,381,217

1. Please refer to the Distributable cash definition in the MD&A for detailed reconciliations of these amounts. The Fund receives distributions from Clearwater and in turn distributes them to its unitholders. As such, distributable cash for the fund is equal to the distributions received and paid.

2. Distributions in 2004 include $2.7 million of distributions paid to 9,352,487 subordinated units.

3. Clearwater's Partnership Agreement provides that as long as Clearwater Fine Foods Incorporated ("CFFI") owns more than 45% of the units of the Fund on a fully diluted basis, they have the right to appoint 4 of the 7 directors of CS ManPar. CFFI currently owns 46.38% and therefore the Fund does not currently have the right to nominate the majority of the board of directors. Therefore the Fund does not consolidate the results of Clearwater's operations but rather accounts for the investment using the equity method. Due to the limited amount of information that this would provide on the underlying operations of Clearwater, the financial highlights of Clearwater are also enclosed.

This Management's Discussion and Analysis ("MD&A") was prepared effective May 6, 2005.

The Audit Committee and the Board have reviewed and approved the contents of this MD&A as well as the related first quarter news release.

This MD&A should be read in conjunction with the annual financial statements, the unaudited interim financial statements and the annual information form, which are available on Sedar at www.sedar.com as well as Clearwater's website, www.clearwater.ca .

EXPLANATION OF FIRST QUARTER RESULTS

Consolidated Operating Results for the thirteen weeks ended April 2, 2005 and April 3, 2004.

The results of operations of the Fund are entirely related to Clearwater's performance and therefore the commentary below is on the operations of Clearwater. The statement of earnings disclosed below reflects the unaudited interim earnings of Clearwater for the 13-week periods ended April 2, 2005 and April 3, 2004.

	2005	2004
Sales	**$ 67,359**	$ 72,741
Costs of goods sold	**51,211**	55,486
Gross profit	**16,148**	17,255
	24.0%	23.7%
Administration and Selling	**8,661**	9,533
Other income	**(408)**	(981)
Foreign exchange expense (income)	**(1,499)**	3,375
Bank interest and charges	**162**	146
Interest on long-term debt	**2,942**	2,095
Depreciation and amortization	**3,891**	4,081
Reduction in foreign currency translation account	**198**	-
	13,947	18,249
Earnings (loss) before income taxes and minority interest	**2,201**	(994)
Income taxes	**15**	1,585
Earnings (loss) before minority interest	**2,186**	(2,579)
Minority interest	**541**	399
Net earnings (loss)	**$ 1,645**	$ (2,978)

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Net Earnings

Net earnings increased by $4.6 million in 2005 largely due to foreign exchange. In addition, net earnings were increased by lower income taxes and lower administration and selling expenses. These positive factors were offset by higher interest costs and lower gross profit due primarily to planned lower sales and higher refit costs.

	2005	2004	Change
Net earnings (loss)	**$ 1,645**	$ (2,978)	$ 4,623
Explanation of changes in earnings:			
Change in non-cash foreign exchange			8,621
Lower income taxes			1,570
Lower administration and selling expense			872
Decrease in cash foreign exchange income			(3,747)
Lower gross profit			(1,107)
Higher interest costs			(863)
All other			(723)
			$ 4,623

Sales and Gross Profit Margins

Prices in the currency transacted and when converted to Canadian dollars were generally higher in 2005 than were achieved in 2004. Overall gross profit margins were steady at 24% as compared to 23.7% in 2004. The weakening of the U.S. dollar relative to the Canadian dollar had the impact of reducing sales and margins by approximately $1 million or 19% of the $5.4 million decline in sales in the quarter. The balance of the decline is a result of a planned reduction in volumes to accommodate planned refits.

As can be seen in the table below we received about 4 cents less for each U.S. dollar in the first quarter of 2005, which resulted in receiving approximately $1 million less when converted to Canadian dollars.

	2005		2004	
Currency	**% sales**	**Rate**	% sales	Rate
US Dollars	**49.2%**	**1.324**	55.9%	1.364
Japanese Yen	**7.3%**	**0.012**	8.3%	0.013
Euros	**17.9%**	**1.601**	13.5%	1.789
UK Pounds	**5.6%**	**2.315**	5.0%	2.432
Canadian Dollar and other	**20.0%**		17.3%	
	100%		100%	

The company maintains an active hedging program to provide a higher degree of certainty to future Canadian dollar cash flows. For the remainder of 2005 we have economic hedges in place of approximately US $67 million at an average rate of 1.31. In 2006 we have US $76 million at an average rate of 1.26 which represents about 55% of estimated annual US$ receipts.

Net sales to customers for the quarter by product category were as follows:

	2005	2004
Scallops	$ 19,556	$ 24,002
Lobster	13,471	14,298
Clams	10,870	12,537
Cold Water Shrimp	10,487	7,108
Groundfish and Other	8,800	11,395
Crab	1,286	2,071
Hedging Program	2,889	1,330
	$ 67,359	$ 72,741

Scallop sales were down due primarily to expected 22% lower volumes, offset partially by higher prices. Volumes were lower due to a lower Canadian total allowable catch (“TAC”) and also due to a plan to fish less in the quarter. As previously disclosed, we expected volumes to be lower in anticipation of taking delivery of two new FAS scallop vessels in the second quarter. We expect to catch all our quota for 2005 and therefore expect to see a catch-up in volumes and an improvement in costs when we receive these vessels and they begin fishing. Argentine volumes were lower in the first quarter of 2005 due to a planned refit which took a few weeks longer than expected and as a result increased harvesting and refit costs. Refits on the two Argentine vessels are now complete and the vessels have resumed fishing. Prices of scallops have increased, continuing a trend we have seen since the second half of 2004.

Lobster sales were down due to 20% lower live lobster volumes, however our margins improved significantly. This resulted from the selective purchase of higher quality lobster and due to sales of our new raw frozen lobster product. In 2004 we introduced new technology that allows us to better sort and grade our live lobster. This technology, combined with the technology we use for the new raw lobster product, has allowed us to purchase on a more selective basis and utilize the product we have more efficiently which has increased the margins on our lobster business.

Clam sales were down as two of our three clam vessels were on scheduled refits in the quarter. This resulted in lower production volumes which, when combined with lower prices, led to a decrease in sales dollars. Harvesting costs increased in 2005 due to higher than expected refit costs. These items aside, we were disappointed in the results of the clam business in the quarter. Growth in sales of our canned clams were short of our expectations and prices were not as high as we had hoped. We are focused on increasing prices, reducing our costs and growing our volumes but expect results to come slowly in 2005.

Coldwater shrimp sales and margins were up due to higher prices of frozen-at-sea shrimp and higher volumes of cooked and peeled shrimp, offset partially by lower prices of cooked and peeled shrimp. In addition, in December 2004, as a result of increasing our investment, we began to fully consolidate a business that we previously only 50% proportionally consolidated. Had we consolidated the results in 2004, shrimp sales would have been $1.2 million higher in the first quarter of 2004.

Groundfish and other sales are down due primarily to lower cod volumes. In 2004 Clearwater decreased production of individually quick frozen (“IQF”) cod, a low margin product, due to increasing competition from Chinese processors.

In summary, in the first quarter we had higher contributions from our lobster operations and higher hedging income, partially offset by lower contribution from our clam and scallop operations. Higher prices on scallops and higher margins on lobster offset most of the shortfall created by 10% lower volumes overall and higher refit costs.

Refit Costs

Refit costs are incurred on factory freezer vessels, of which Clearwater currently has nine, with two new scallop vessels due to arrive in the second quarter. Refits are scheduled at regular intervals to meet the requirements of Transport Canada, Det Norske Veritas (one of the World's major marine classification bodies) and the Argentine Marine Authorities. Refit costs are accrued and expensed over the time between refits and cost between $1 and $4 million, depending on the size and complexity of the vessel. Clearwater historically has spent and expensed on average about $13 million a year on the maintenance of its fleet and processing plants, with about 85% of those costs spent on the fleet. The condition and operating capability of our vessels is paramount for Clearwater to successfully operate and this annual investment reflects Clearwater's commitment to ensuring that the assets are kept in top condition enabling it to harvest and process its allowable catch.

The following table provides greater detail on the status of our vessel refit schedule:

Fishery	Number of Vessels	Last Refits	Next Refits
Canadian scallops	2	2004	2006, 2007
Argentine scallops	2	2005	2008, 2009
Coldwater shrimp	2	2003, 2005	2006, 2008
Clams	3	2004, 2005 (2)	2005, 2008

Of the six refits scheduled in 2005, three have been completed (the two Argentine vessels and one of the clam vessels) and two were completed in the second quarter (one shrimp vessel and one clam vessel).

Administration and selling costs were lower in the current quarter primarily due to the fact that in 2004 Clearwater incurred consulting fees related to the development of sales support and manufacturing information systems.

Foreign exchange was $1.5 million of income in 2005 versus a loss of $3.4 million in 2004, an improvement of $4.9 million. In 2005 foreign exchange includes approximately $1.6 million of unrealized exchange losses on both long-term debt and foreign exchange options versus $10.2 million of unrealized losses in 2004. From a cash perpective, the business generated $3.1 million of cash from foreign exchange management in 2005 versus $6.8 million in 2004.

	2005	2004
Unrealized exchange losses	**$ 1,589**	$ 10,210
Realized exchange gains	**(3,088)**	(6,835)
	$ (1,499)	$ 3,375

Bank interest and interest on long-term debt increased by $863,000 due to higher average outstanding debt balances in 2005. Interest costs will increase going forward as progress payments are made on the scallop and clam vessels under construction although until such time as construction is complete, interest costs for the new clam vessel are being capitalized.

Income taxes were $15,000 in the quarter as compared to $1.6 million in 2004. In 2004 taxes included a one-time net tax expense of approximately $840,000 related to the planned reorganization of a subsidiary which will have the effect of reducing the taxes paid by that subsidiary. We estimate that in 2005 annual cash taxes will approximate $2 million to $3 million.

DISTRIBUTABLE CASH AND CASH DISTRIBUTIONS

It is important to note when assessing quarterly results for 2005 that the business is seasonal in nature and as a result distributable cash levels are typically lower in the first half of the year and payout ratios exceed 100% for that period. This was more pronounced in the first quarter of 2005 as our planned vessel maintenance has deferred fishing and earnings which will catch up in the remainder of the year.

In the first quarter of 2005 Clearwater generated $6.9 million of distributable cash (2004 - $12 million) and declared distributions of $9.1 million (2004 - $15.1 million) for a payout ratio of 132% of distributable cash (2004 – 127%). Please refer to the distributable cash reconciliation included in this document for detailed reconciliations of these amounts. Distributable cash levels were lower in 2005 due largely to the fact that 2004 included an additional $3.8 million of cash foreign exchange income and maintenance capital expenditures (mostly relating to the refit of a clam vessel) were $525,000 higher in 2005. Excluding these items, cash flows generated were quite stable.

Distributions paid in 2005 were lower as in January 2005 Clearwater reduced distributions to its Class A and unsubordinated Class B Units to an annualized rate of 84 cents per unit and suspended distributions on its subordinated Class B Units. Clearwater Seafoods Income Fund (the "Fund") made an identical reduction in its' distributions.

The distributions paid in the first quarter equate to an annualized distribution of 84 cents per unit for unsubordinated unitholders with no amounts paid to subordinated unitholders. It is important to note that unpaid amounts on subordinated units do not carry forward for payment in future years.

The distributable cash generated in the first quarter was in line with management's expectation and as a result Clearwater expects to deliver annualized distributions of 84 cents per unit to the unsubordinated unitholders in 2005. It is Clearwater's objective to have a payout ratio over time of 85% while paying distributions to all unitholders.

LIQUIDITY AND CAPITAL RESOURCES

As at April 2, 2005 the Fund owns 55.71% (April 3, 2004 - 55.71%) of the outstanding partnership units of Clearwater. However, as Clearwater Fine Foods Incorporated ("CFFI") has maintained the right to nominate the majority of the board of directors of Clearwater at the time of the initial investment by the Fund, the assets and liabilities at acquisition have been recorded using the book values as recorded by CFFI.

As at April 2, 2005 the Fund and Clearwater had similar capital structures as illustrated in the table below:

	Fund	Clearwater
Units		
Publicly listed Trust Units	29,407,626	
Class A Partnership Units		29,407,626
Units held solely by Clearwater Fine Foods Incorporated		
Special Trust Units	23,381,217	
Class B Partnership Units		23,381,217
	52,788,843	52,788,843
Convertible debentures/Class C Partnership Units		
Convertible debentures	$ 49,193,000	
Class C Partnership Units		$ 49,193,000

The **Special Trust Units** issued by the Fund were issued solely to provide voting rights to Clearwater Class B Partnership units held by Clearwater Fine Foods Incorporated. The right of 9,352,487 Class B Partnership units to receive distributions is subordinated to the rights of the Class A units until December 31, 2005.

In June 2004, 4,081,633 **Class C units** were issued by Clearwater (indirectly) to the Fund concurrently with the issue by the Fund of $50 million of Convertible Debentures. The Class C units are non-voting and redeemable and retractable at a price of $12.25 per unit. These units exist under an agreement whereby they will be converted, redeemed or retracted in a manner that corresponds to any conversion, redemption or repurchase of the Convertible Debentures of the Fund and in a manner that ensures that the distributions on the Class C units will be able to (indirectly) fund the ongoing interest payments on the Convertible Debentures. The Class C units are classified in accordance with their component parts: the value ascribed to the holder's option to convert to units, $882,000, has been classified as equity and the remaining portion of the units has been classified as debt.

The $50 million of **Convertible Debentures** issued by the Fund are unsecured and subordinated, bear interest at 7% and are due on December 31, 2010. They are convertible at any time up to maturity at the option of the holder into trust units of the Fund at a conversion price of $12.25 per trust unit. The Debentures pay interest semi-annually in arrears on June 30 and December 31, commencing December 31, 2004. The Debentures are not redeemable before December 31, 2007. Subject to regulatory approval, the Fund may satisfy its obligation to repay the principal amount of the Debentures on redemption or at maturity, in whole or in part, by delivering that number of trust units equal to the amount due divided by 95% of the market price of the trust units at that time, plus accrued interest in cash.

In addition to the Convertible Debentures/Class C Partnership units, Clearwater has two additional primary debt facilities, approximately Canadian $81 million in **five and ten year notes** in Canadian and U.S. dollars from a group of institutional lenders and a $120 million **revolving term debt facility** from a syndicate of banks. The revolving term credit facility was renegotiated in 2004 and is now due in May 2006. In May 2005, at the request of Clearwater, the syndicate may extend the credit until May 2007. The facility has a balance outstanding of $31 million at April 2, 2005.

Clearwater's debt facilities contain various covenants. Clearwater is in compliance with all debt covenants.

Cash flow generated by Clearwater along with its banking facilities is used to fund current operations, seasonal working capital demands as well as capital expenditures, other commitments and distributions to Unitholders. Due to the seasonality in Clearwater's business, sales and gross profit are typically higher in the second half of the calendar year than the first half of the year. Inventories reach a seasonal peak in the summer due to better weather for harvesting, resulting in seasonal demands on working capital. These primarily relate to the segments of the business that purchase product from independent fishermen. These purchases cannot be controlled as efficiently as raw materials harvested by Clearwater's own fleet of vessels. However, Clearwater has sufficient capital resources to meet all of its obligations and purchase the product required to meet its operating plans.

In July 2004 Clearwater entered into a contract to construct a **new factory freezer clam vessel**. The total estimated cost of the vessel, including owner supplied materials and related costs, is expected to be approximately $45 million, of which $18 million has been spent to date. Clearwater expects to be operating the vessel by mid 2006. Once operational, this new vessel is expected to generate significant incremental contribution by enabling Clearwater to decrease costs by harvesting in a far more efficient manner and increase the volume of product harvested and processed.

In 2004 Clearwater acquired two additional vessels, which are being converted to **factory freezer scallop vessels**. The total estimated cost to acquire and convert the vessels, including owner supplied materials and related costs, is expected to be approximately $19 million, of which $12.4 million has been spent to date. One of the two new FAS scallop vessels that we are building is being done with a partner who will own 40% of the vessel. As a result of greater costs incurred in the conversion, these vessels will cost $2 million more than the $17 million originally budgeted and Clearwater expects them to enter the fishery late in the second quarter of 2005. These vessels provide incremental contributions by enabling Clearwater to produce a higher quality frozen-at-sea scallop that sells for a premium in the market. In addition, the vessels will enable Clearwater to increase the efficiency of its harvesting operations by reducing the number of vessels employed, thus lowering its future costs.

Capital expenditures were $15 million for the quarter (2004 - $2.6 million). Of this amount, $14.1 million (2004 - $2.1 million) was considered ROI (return on investment) capital and $911,000 (2004 - $386,000) was maintenance capital. The ROI capital investments in 2005 included the investment in the new clam vessel, payments on the two new FAS scallop vessels and improvements to an existing clam vessel. The maintenance capital includes amounts spent on an existing clam vessel.

In total Clearwater plans to spend approximately $40 million on capital projects in 2005 with approximately $35 million to be spent on vessels (including the two FAS scallop vessels and the new clam boat), $2 million to be spent on new product and productivity improvements in the plants and approximately $3 million on maintenance capital expenditures. The increase from the $30.7 million disclosed in the fourth quarter is due primarily to the timing of payments on the new clam vessel - $6.1 million and additional amounts for the new scallop vessels - $1.6 million. Maintenance capital expenditures have decreased from budget as certain of the expenditures on an existing clam vessel will improve the on-board processing.

As a result of these capital expenditures we expect debt levels to increase over the next year and a half. We recognize that this will result in higher leverage in the short-term and are targeting to reduce leverage over time.

OUTLOOK

Our two new FAS scallop vessels will arrive later than originally expected and as a result will not have a material impact on the second quarter's results. As a result, we believe the second quarter may be slower than management originally expected. However, the transition of these vessels will be completed in time for the third quarter at which time results are expected to be stronger.

The distributable cash generated in the first quarter was in line with management's expectation and as a result Clearwater expects to deliver annualized distributions of 84 cents per unit to the unsubordinated unitholders in 2005. It is Clearwater's objective to have a payout ratio over time of 85% while paying distributions to all unitholders.

Overall, the business continues to perform well and the market for our products has been strong, with the exception of clams. Our new raw lobster product is on track to achieve our target of 3% of 2005 sales. In addition, we will complete our refit program in the second quarter and will have all our fleet operating in the third quarter. The longer-term prospects for the business are positive with further growth anticipated from our investment in our clam and raw lobster species and the prospect of further efficiencies in our scallop fleet. Clearwater is also committed to reducing our harvesting and processing costs, in particular in our scallop, clam and lobster businesses, as well as our administration and selling costs. Clearwater anticipates that over the long-term this strategy will enable it to mitigate any further negative impact from a weakening U.S. dollar.

SUMMARY OF QUARTERLY RESULTS

The following financial data provides historical data for the nine most recently completed quarters.

(In $000's except per unit amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 2005				
Sales	**$ 67,359**	–	–	–
Net earnings	**1,645**	–	–	–
Basic earnings per unit	**0.03**	–	–	–
Fiscal 2004				
Sales	$ 72,741	$ 85,038	$ 88,835	$ 98,845
Net earnings (loss)	(2,978)	8,760	15,138	16,553
Basic earnings (loss) per unit	(0.06)	0.17	0.29	0.31
Fiscal 2003				
Sales	$ 75,079	$ 76,579	$ 96,514	$ 101,565
Net earnings (loss)	9,881	16,913	11,569	23,754
Basic earnings (loss) per unit	0.21	0.33	0.22	0.45

Clearwater's business is seasonal in nature with sales typically higher in the second half of the calendar year than the first half of the year, a trend clearly illustrated in the results above.

Net earnings also reflect some growth in 2003 and 2004 but have been impacted by changes in foreign exchange rates, primarily the U.S. dollar. The impact of the foreign exchange rates is more clearly seen in the 2004 quarterly results.

For a more detailed analysis of each quarter results please refer to our quarterly reports and our annual report for 2004, which contains an analysis of the fourth quarter of 2004.

DEFINITIONS AND RECONCILIATIONS

Distributable Cash

Distributable cash is not a recognized measure under Canadian Generally Accepted Accounting Principles (GAAP) and therefore is unlikely to be comparable to similar measures presented by other companies. Management believes that distributable cash is a useful supplemental measure as it provides an indication of cash available for distribution. Distributable cash should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of performance, as a measure of liquidity or as a measure of cash flows.

(In $000's except per unit amounts)	**13 weeks ended April 2, 2005**	13 weeks ended April 3, 2004
Cash flow from operating activities	**$ 19,896**	$ 19,919
Add (deduct):		
Change in non-cash working capital [A]	**(11,248)**	(13,144)
Minority share EBITDA, int., taxes [B]	**(410)**	(443)
Proportionate maint. capital [C]	**(911)**	(386)
Taxes on reorganization [D]	**-**	(6,002)
Gain/loss on disposal property, plant & equipment/licences [E]	**(398)**	15
Distributable cash	**$ 6,929**	$ 11,963
Distributions [F]	**$ 9,123**	$ 15,171
Payout ratio	**132%**	127%

A. Change in non-cash working capital is excluded as changes in working capital are financed using Clearwater's debt facilities.

B. Minority share in EBITDA, interest and taxes represents cash flows attributable to the minority interest in certain non-wholly owned subsidiaries. It is the minority partner's interest in the earnings before interest, taxes, depreciation and amortization of the subsidiaries less their proportionate share of the interest and taxes.

C. Proportionate maintenance capital represents capital expenditures that are related to sustaining existing assets rather than expansion or productivity improvement.

D. During the first quarter of 2004 Clearwater invested $6 million in cash taxes in order to effect a reorganization of a subsidiary, which will have the impact of reducing cash taxes on that subsidiary in future years.

E. Gains and losses on property, plant and equipment are added back (deducted) as during the course of operating the business Clearwater will typically realize gains and losses from the turnover of assets, which occurs frequently due to Clearwater's focus on innovation.

F. 2005 distributions consist of monthly payments of 7 cents per unit (or 84 cents annualized) on 43,436,356 unsubordinated units. 2004 distributions consisted of monthly payments of 9.58 cents per unit (or $1.15 annualized) on 52,788,843 units.

Clearwater's business is seasonal in nature with the result being that lower amounts of distributable cash are generated in the first half of the year as compared to the latter half. As a result, Clearwater will typically use excess cash generated in the latter half of the year to fund a portion of the distributions paid in the earlier portion of the year. Clearwater funds a portion of the distributions paid in the first half of the year using an advance on its existing debt facilities and recovers those advances in the latter portion of the year.

Gross Profit

Gross profit consists of sales less harvesting, production and distribution costs.

COMMENTARY REGARDING FORWARD-LOOKING STATEMENTS

This Report may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties, and other factors outside management's control that could cause actual results to differ materially from those expressed in the forward-looking statements. The Fund does not assume responsibility for the accuracy and completeness of the forward-looking statements and does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Clearwater Seafoods Income Fund
Consolidated Balance Sheet

(In thousands of dollars)
(unaudited)

	April 2, 2005	December 31, 2004
ASSETS		
Current Assets		
Distribution and interest receivable from Clearwater Seafoods Limited Partnership	**$ 2,940**	$ 2,820
Investment in Clearwater Seafoods Limited Partnership (note 2)	**333,423**	338,672
	$ 336,363	$ 341,492
LIABILITIES AND UNITHOLDERS' EQUITY		
Current Liabilities		
Distribution and interest payable	**$ 2,934**	$ 2,817
Convertible Debentures (note 3)	**49,193**	49,165
Unitholders' Equity		
Trust units (note 4)	**299,336**	299,336
Cumulative earnings	**67,779**	66,877
Cumulative distributions	**(82,879)**	(76,703)
	284,236	289,510
	$ 336,363	$ 341,492

See accompanying notes to consolidated financial statements

Clearwater Seafoods Income Fund
Consolidated Statements of Earnings and Cumulative Earnings

(In thousands of dollars)
(unaudited)

	13 weeks ended April 2, 2005	13 weeks ended April 3, 2004
Equity in earnings (loss) of Clearwater Seafoods Limited Partnership	$ 927	$ (1,746)
Interest, net	(25)	-
Net earnings (loss)	902	(1,746)
Cumulative earnings at beginning of period	66,877	48,202
Cumulative earnings at end of period	$ 67,779	$ 46,456
Basic and diluted net earnings (loss) per trust unit	$ 0.03	$ (0.06)

See accompanying notes to consolidated financial statements

Clearwater Seafoods Income Fund
Consolidated Statements of Cash Flows

(In thousands of dollars)
(unaudited)

	13 weeks ended April 2, 2005	13 weeks ended April 3, 2004
Cash flows from operating activities		
Net earnings (loss)	$ 902	$ (1,746)
Items not involving cash		
Equity in earnings of Clearwater Seafoods Limited Partnership, net of cash distributions received of $ 6,176 (2004 – $ 8,451)	5,249	10,197
Other	25	-
	6,176	8,451
Cash flows used in financing activities		
Distributions to unitholders	(6,176)	(8,451)
Increase (decrease) in cash	-	-
Cash - beginning of period	-	-
Cash - end of period	$ -	$ -

See accompanying notes to consolidated financial statements

(Tabular amounts expressed in thousands of dollars)
(unaudited)

1. BASIS OF PRESENTATION

Clearwater Seafoods Income Fund (the "Fund") is a limited purpose, open-ended trust established under the laws of the Province of Ontario. The Fund was created to acquire and indirectly hold the securities of Clearwater Seafoods Limited Partnership ("Clearwater").

The unaudited interim period consolidated financial statements have been prepared by the Fund in accordance with Canadian Generally Accepted Accounting Principles. The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements. These unaudited interim period consolidated financial statements do not contain all the disclosures required in annual audited financial statements by Canadian Generally Accepted Accounting Principles, and accordingly should be read together with the audited annual consolidated financial statements and the accompanying notes included in the Fund's 2004 Annual Report.

These consolidated financial statements consolidate the accounts of the Fund and its subsidiary, Clearwater Seafoods Holdings Trust ("CSHT"). CSHT owns 55.71% (December 31, 2004 – 55.71%) of the units of Clearwater. However, as the Fund does not have the right to nominate the majority of the board of directors, it does not consolidate the results of Clearwater's operations but rather accounts for the investment using the equity method. Under this method, the cost of the investment is increased by the Fund's proportionate share of Clearwater's earnings and reduced by any distributions paid to the Fund by Clearwater and amortization of the purchase price discrepancy. Due to the limited amount of information that this provides on the underlying operations of Clearwater the financial statements of Clearwater are also enclosed.

2. INVESTMENT IN CLEARWATER SEAFOODS LIMITED PARTNERSHIP

The investment in Clearwater Seafoods Limited Partnership consists of the following:

	April 2, 2005	December 31, 2004
Investment in Class A Partnership units, at cost	**$ 298,454**	$ 298,454
Investment in Class C Partnership units	**50,000**	50,000
Add: Cumulative equity earnings	**67,848**	66,921
Less: Cumulative distributions received	**(82,879)**	(76,703)
	$ 333,423	$ 338,672

In June 2004, 4,081,633 Class C units were issued by Clearwater to the Fund concurrently with the issue by the Fund of an equivalent dollar amount of Convertible Debentures. The Class C units are redeemable and retractable at a price of $12.25 per unit. These units exist under an agreement whereby they will be converted, redeemed or retracted in a manner that corresponds to any conversion, redemption or repurchase of the Convertible Debentures of the Fund and in a manner that ensures that the distributions on the Class C units will be able to fund the ongoing interest payments on the Convertible Debentures.

Included in equity in earnings is income of $ 11,000 (2004 – expense of $87,000) for amortization and other adjustments relating to purchase price discrepancies recognized by the Fund in accounting for its investment in Clearwater using the equity method.

3. CONVERTIBLE DEBENTURES

On June 15, 2004 the Fund completed an offering for $50 million of 7% convertible unsecured subordinated debentures, which are due December 31, 2010.

The convertible debentures are convertible at any time up to maturity at the option of the holder into trust units of the Fund at a conversion price of $12.25 per trust unit. The Debentures pay interest semi-annually in arrears on June 30 and December 31, commencing December 31, 2004. The Debentures are not redeemable before December 31, 2007. On and after December 31, 2007, but before December 31, 2008, the Debentures may be redeemed at the option of the Fund provided that the market price of the trust units is not less than 125% of the conversion price. On and after December 31, 2008, the Debentures may be redeemed at the option of the Fund at a price equal to their principal amount plus accrued interest. Subject to regulatory approval, the Fund may satisfy its obligation to repay the principal amount of the Debentures on redemption or at maturity, in whole or in part, by delivering that number of trust units equal to the amount due divided by 95% of the market price of the trust units at that time, plus accrued interest in cash.

The convertible debentures are classified in accordance with their component parts: the value ascribed to the holder's option to convert to units has been classified as equity and the remaining portion of the convertible debenture has been classified as debt.

4. TRUST UNITS AND SPECIAL TRUST UNITS

The Declaration of Trust provides that an unlimited number of units and an unlimited number of Special Trust Units may be issued. The Special Trust Units have been issued solely to provide voting rights to Clearwater Class B units ("CSLP Exchangeable Units"). Special Trust Units were issued in conjunction with the CSLP Exchangeable Units and cannot be transferred separately from them.

CSLP Exchangeable Units that are no longer subject to subordination may at any time thereafter at the option of the holder be exchanged on a one-for-one basis for units of the Fund. As at April 2, 2005 there are 9,352,487 CSLP Exchangeable Units that will remain subordinated until December 31, 2005.

CSLP Exchangeable Units that are subject to subordination as described above are not during such period of subordination exchangeable into units of the Fund and their entitlement to distributions from Clearwater in respect of any month during such period is subordinated until CSLP Ordinary Units and CSLP Exchangeable Units that at the time are not subject to subordination have received distributions of at least $0.0958 per unit in respect of such month.

	Units	Special Trust Units	$ (in 000's)
Balance, December 31, 2003	29,407,626	23,381,217	$ 298,454
Equity component convertible debentures (see note 3)			882
December 31, 2004, no change to April 2, 2005			$ 299,336

As at April 2, 2005 there were in total 52,788,843 units outstanding (December 31, 2004 – 52,788,843).

Clearwater Seafoods Limited Partnership
Consolidated Balance Sheet

(In thousands of dollars)
(unaudited)

	April 2, 2005	December 31, 2004
ASSETS		
Current Assets		
Cash	$ 162	$ –
Accounts receivable	46,101	61,344
Inventories	38,999	45,661
Prepaids and other	5,384	4,744
	90,646	111,749
Other long-term assets	11,518	13,497
Property, plant and equipment	151,001	139,305
Licences	105,052	105,083
Goodwill	10,378	10,378
	$ 368,595	$ 380,012
LIABILITIES AND UNITHOLDERS' EQUITY		
Current Liabilities		
Checks issued in excess of funds on deposit	$ –	$ 572
Accounts payable and accrued liabilities	33,181	37,607
Distributions payable	3,041	5,817
Income taxes payable	1,502	3,234
Current portion of long-term debt (note 3)	1,332	1,206
	39,056	48,436
Long-term debt (note 3)	173,625	167,992
Future income taxes	7,612	7,693
Due to joint venture partner	1,995	1,995
Minority interest	1,545	1,874
Unitholders' Equity		
Partnership units (note 4)	173,133	173,133
Cumulative earnings	131,658	130,013
Cumulative distributions	(144,377)	(135,254)
Cumulative foreign currency translation account (note 5)	(15,652)	(15,870)
	144,762	152,022
	$ 368,595	$ 380,012

See accompanying notes to consolidated financial statements

Clearwater Seafoods Limited Partnership
Consolidated Statements of Earnings and Cumulative Earnings

(In thousands of dollars)
(unaudited)

	13 weeks ended April 2, 2005	13 weeks ended April 3, 2004
Sales	$ 67,359	$ 72,741
Cost of goods sold	51,211	55,486
Gross profit	16,148	17,255
Administration and selling	8,661	9,533
Other income	(408)	(981)
Foreign exchange expense (income)	(1,499)	3,375
Bank interest and charges	162	146
Interest on long-term debt	2,942	2,095
Depreciation and amortization	3,891	4,081
Reduction in foreign currency translation account (note 6)	198	–
	13,947	18,249
Earnings (loss) before the undernoted	2,201	(994)
Income taxes	15	1,585
Earnings (loss) before minority interest	2,186	(2,579)
Minority interest	541	399
Net earnings (loss)	$ 1,645	$ (2,978)
Cumulative earnings at beginning of period	130,013	92,540
Cumulative earnings at end of period	$ 131,658	$ 89,562
Basic and diluted net earnings (loss) per unit	$ 0.03	$ (0.06)

See accompanying notes to consolidated financial statements

Clearwater Seafoods Limited Partnership
Consolidated Statements of Cash Flows

(In thousands of dollars)
(unaudited)

	13 weeks ended April 2, 2005	13 weeks ended April 3, 2004
Cash flows from operating activities		
Net earnings (loss)	$ 1,645	$ (2,978)
Items not involving cash		
Depreciation and amortization	3,891	4,081
Foreign exchange on long-term debt	510	(169)
Future income taxes recovery	386	(4,922)
Reduction in foreign currency translation account	198	–
Minority interest	541	399
Unrealized foreign exchange on currency option contracts	1,079	10,379
Gain on disposal of property, plant, equipment, licences and other	398	(15)
	8,648	6,775
Change in non-cash operating working capital	11,248	13,144
	19,896	19,919
Cash flows from (used in) financing activities		
Proceeds from long-term debt	5,171	17,857
Reduction of long-term debt	(125)	(17,825)
Distributions to minority partners	(869)	(874)
Distributions to unitholders	(9,123)	(15,171)
Other	(125)	(349)
	(5,071)	(16,362)
Cash flows from (used in) investing activities		
Decrease in other long-term assets and other	598	602
Purchase of property, plant, equipment and licences	(14,973)	(2,578)
Proceeds on the disposal of property, plant, equipment, licences and other	284	15
	(14,091)	(1,961)
Increase (decrease) in cash	734	1,596
Cash - beginning of period	(572)	564
Cash - end of period	$ 162	$ 2,160
Supplementary cash flow information		
Interest paid	$ 1,531	$ 838
Income taxes paid	1,828	1,297
Change in non-cash working capital consists of changes in the following accounts:		
Accounts receivable	15,242	13,583
Inventories	6,662	1,223
Foreign exchange on currency contracts	(1,079)	(10,379)
Prepaids and other	(640)	3,739
Accounts payable and accrued liabilities	(7,204)	(64)
Income taxes payable	(1,733)	5,042
	$ 11,248	$ 13,144

There were no material non-cash transactions during the quarters. See accompanying notes to consolidated financial statements

(Tabular amounts expressed in thousands of dollars)
(unaudited)

1. BASIS OF PRESENTATION

Clearwater Seafoods Limited Partnership ("Clearwater") is a limited partnership that acquired the seafood business of Clearwater Fine Foods Incorporated ("CFFI") on July 30, 2002.

The unaudited interim period consolidated financial statements have been prepared by Clearwater in accordance with Canadian Generally Accepted Accounting Principles. The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements. These unaudited interim period consolidated financial statements do not contain all the disclosures required in annual audited financial statements by Canadian Generally Accepted Accounting Principles, and accordingly should be read together with the audited annual consolidated financial statements and the accompanying notes included in Clearwater Seafoods Income Fund's (the "Fund") 2004 Annual Report.

As CFFI maintained the right to nominate the majority of the board of directors both before and after the acquisition of its seafoods business by Clearwater Seafoods Limited Partnership the acquisition was accounted for using the book values of the assets and liabilities as recorded by CFFI.

2. SEASONALITY

Due to the seasonal nature of the business, gross profit is typically higher in the second half of the calendar year than the first half of the year.

3. LONG-TERM DEBT

	April 2, 2005	December 31, 2004
Notes payable (a)		
Canadian	**$ 63,000**	$ 63,000
United States dollars	**18,221**	18,030
Class C Partnership Units (b)	**49,193**	49,165
Term credit facility (c)		
United States dollars	**6,073**	7,212
Canadian	**14,814**	10,588
Pounds Sterling	**5,707**	4,601
Euros	**3,921**	2,437
Marine mortgage, due in 2017 (d)		
Canadian	**3,050**	3,050
Danish Kroner	**2,174**	2,257
Yen	**1,901**	1,979
Term loan, due in 2091 (e)	**3,500**	3,500
Other loans	**3,403**	3,379
	174,957	169,198
Less current portion	**1,332**	1,206
	$ 173,625	$ 167,992

(a) Notes payable, Senior secured notes issued in three series:

$43,000,000 Canadian Series A Notes bearing interest at 6.4% payable semi-annually, maturing December 8, 2008.

$15,000,000 U.S. dollar Series B notes bearing interest at 5.65% payable semi-annually, maturing December 8, 2008.

$20,000,000 Canadian Series C Notes bearing interest at 7.23% payable semi-annually, maturing December 8, 2013.

The notes are secured by mortgages and charges on all of the present and future property and assets of Clearwater and certain of its wholly owned subsidiaries, the interests of the Fund in Clearwater Seafoods Holdings Trust and all the issued shares of CS ManPar Inc., the general partner of Clearwater. The security arrangement is guaranteed by an inter-creditor agreement with the banking syndicate members participating in the term credit facility disclosed in section c of this note.

(b) In June 2004 4,081,633 Class C units were issued concurrently with the issue by the Fund of $50 million of Convertible Debentures and are held by the Fund through CSHT. The Class C units are redeemable and retractable at a price of $12.25 per unit and are due December 31, 2010. These units exist under an agreement whereby they will be converted, redeemed or retracted in a manner that corresponds to any conversion, redemption or repurchase of the Convertible Debentures of the Fund and in a manner that ensures that the distributions on the Class C units will be able to fund the ongoing interest payments on the Convertible Debentures. The Class C units are classified in accordance with their component parts: the value ascribed to the holders option to convert to units has been classified as equity and the remaining portion of the units has been classified as debt. Interest on the debt is calculated by applying an interest rate of approximately 7.3% to the outstanding debt component. The difference between actual cash payments, which will approximate 7.02%, and interest expense is added to the debt component of the units.

(c) Term credit facility, maturing in May 2006. In May 2005 the banking syndicate at the request of Clearwater may extend the credit for an additional two years until May 2007. The balance outstanding as at April 2, 2005 was CDN $ 14,814,000 (December 31, 2004 CDN $10,588,000), Pounds Sterling 2,500,000 (December 31, 2004 –2,000,000), United States dollars $5,000,000 (December 31, 2004 –$6,000,000) and Euros 2,500,000 (December 31, 2004 - 1,500,000). The facility bears interest at rates ranging from prime plus 0.5 – 1.25% and Libor plus 1.5 - 2.25% and has no scheduled repayments. The facility is secured by mortgages and charges on all of the present and future property and assets of Clearwater and of certain of its wholly-owned subsidiaries, the interests of the Fund in CSHT, the interests of CSHT in Clearwater and all the issued shares of CS ManPar Inc., and is subject to the maintenance of certain financial covenants. As part of the master netting arrangement, bank account balances associated with the facility are netted with the term credit facility balance.

(d) Marine mortgage payable in the principal amount of CDN $6,100,143 (December 31, 2004 - $6,100,000), DKK 20,653,868 (December 31, 2004– DKK 20,653,000) and YEN 337,360,884 (December 31, 2004 –337,361,000) bearing interest at UNIBOR plus 1% payable semi-annually, 50% of which represents Clearwater's proportionate share. Principal payments are required annually with CDN $517,000, DKK 1,391,000 and YEN 19,845,000 due in 2005-2007, CDN $776,000, DKK 2,087,000 and YEN 29,767,000 due in 2008-2012, CDN $669,000 due in 2013, DKK 2,087,000 and YEN 29,767,000 due in 2013-2014, DKK

1,871,000 due in 2015, YEN 29,767,000 due in 2015-2016 and YEN 10,061,000 due in 2017, 50% of which represents Clearwater's proportionate share. The loan matures in 2017 and is secured by a first mortgage over the related vessel and covenants concerning certain fishing licences.

(e) Term loan, payable in 2091. In connection with this loan Clearwater makes a royalty payment of $275,000 per annum in lieu of interest.

Clearwater's debt facilities contain various covenants. Clearwater is in compliance with all debt covenants at April 2, 2005.

Principal repayments required in each of the next five years are approximately as follows:

2005	$ 1,332
2006	31,670
2007	1,108
2008	62,914
2009	1,133

4. PARTNERSHIP UNITS

Clearwater is authorized to issue an unlimited number of Class A limited partnership units, an unlimited number of Class B general partnership units, issuable in series, an unlimited number of Class C limited partnership units and an unlimited number of Class Y general partnership units, issuable in series. Each unit (other than the Class Y units) entitles the holder thereof to one vote, except in certain situations as described pursuant to the Limited Partnership Agreement governing Clearwater. Each issued Class B unit is accompanied by a Special Trust Unit issued by the Fund entitling the holder to receive notice of, to attend and to vote at meetings of unitholders of the Fund.

The right of 40% of the holders of Class B units, or 9,352,487 units, to receive distributions from Clearwater is subordinated to the rights of holders of Class A units until December 31, 2005. Class B units that are subject to such subordination are entitled to receive distributions from Clearwater only quarterly, rather than monthly, and only after distributions of at least $0.0958 per unit in respect of each month during such quarter have first been paid to the holders of Class A units and Class B units that at the time are not subject to such subordination. Class B units that are no longer subject to subordination may at any time thereafter at the option of the holder thereof be exchanged for units of the Fund whereupon CSHT will be issued Class A units and the Class B units that were so exchanged will be cancelled.

Distributions on the Class C Partnership units take priority over the class A and B units and are included in interest expense.

In June 2004, 4,081,633 Class C units in the amount of $50 million were issued concurrently with the issue by the Fund of $50 million of Convertible Debentures and are held by the Fund through CSHT. The Class C units are non-voting, redeemable and retractable at a price of $12.25 per unit. These units exist under an agreement whereby they will be converted, redeemed or retracted in a manner that corresponds to any conversion, redemption or repurchase of the Convertible Debentures of the Fund and in a manner that ensures that the distributions on the Class C units will be able to fund the ongoing interest payments on the Convertible Debentures. Class C Partnership units are classified in accordance with their component parts: the value ascribed to the holder's option to convert to units has been classified as equity and the remaining portion of the units has been classified as debt.

	Class A Units	Class B Units	$ (in 000's)
Balance, December 31, 2003	29,407,626	23,381,217	$ 172,251
Equity component of class C units (see note 3 (b))			882
December 31, 2004, no change in April 2, 2005			$ 173,133

As at April 2, 2005 there were in total 52,788,843 units outstanding (December 31, 2004 - 52,788,843).

5. CUMULATIVE FOREIGN CURRENCY TRANSLATION ACCOUNT

The reduction in the foreign currency translation account is a non-cash adjustment, which relates to the reduction of Clearwater's net investment in its' 80% owned subsidiary in Argentina. The cumulative translation account largely arose because of the significant devaluation of the peso in Argentina versus the Canadian dollar in 2001. It is Clearwater's desire to continue to manage its exposure to Argentina pesos by repatriating its capital as quickly as possible while not impairing local operations. Dividends declared have resulted in a reduction in Clearwater's net investment in that subsidiary and accordingly, a proportionate share of the cumulative translation account has been recognized in earnings. Clearwater anticipates that continued repayments of its advances to and the payment of dividends from the subsidiary in Argentina may result in additional reduction of the cumulative translation account in the future. The cumulative translation account is included in the Unitholders Equity section of the balance sheet and the remaining balance at April 2, 2005 is $15.7 million (December 31, 2004 - $15.9 million).

6. SEGMENTED INFORMATION

(a) General information

Clearwater operates primarily within one industry, that being the harvesting, procurement, processing, and sale of seafood with no separately reportable business segments. The products are sold primarily to customers in the United States, Asia, Europe, and Canada.

(b) Net sales to customers by product category

	13 weeks ended April 2, 2005	13 weeks ended April 3, 2004
Scallops	**$ 19,556**	$ 24,002
Lobster	**13,471**	14,298
Clam	**10,870**	12,537
Groundfish and other	**8,800**	11,395
Coldwater Shrimp	**10,487**	7,108
Crab	**1,286**	2,071
Hedging Program	**2,889**	1,330
	$ 67,359	$ 72,741

(c) Geographic Information

	13 weeks ended April 2, 2005	13 weeks ended April 3, 2004
Sales		
United States	**$ 19,362**	$ 24,406
Europe		
France	**10,077**	10,256
Denmark	**4,888**	3,680
UK	**4,469**	3,628
Other	**4,475**	3,333
Asia		
Japan	**5,692**	7,782
Other	**5,423**	8,073
Canada	**9,680**	9,896
Other, including hedging program	**3,293**	1,687
	$ 67,359	$ 72,741

	April 2, 2005	December 31, 2004
Property, plant, equipment, licences and goodwill		
Canada	**$ 246,993**	$ 235,141
Argentina	**18,396**	18,456
Other	**1,042**	1,169
	$ 266,431	$ 254,766

7. RELATED PARTY TRANSACTIONS

Clearwater had the following transactions and balances with CFFI during the first quarter of 2005 and 2004.

	April 2, 2005	December 31, 2004
Transactions		
Charge by CFFI for use of a corporate airplane	**$ 12**	$ 47
Charged to CFFI for rent and other services	**21**	65
Balances		
Receivable from (payable to) CFFI	**63**	(10)
Distribution payable to CFFI	**982**	4,032

In addition Clearwater was charged approximately $41,700 for vehicle leases in 2005 (2004 - $68,000) and approximately $19,200 for other services (2004 - $8,000) by companies controlled by a relative of an officer of Clearwater.

These transactions are in the normal course of operations and have been recorded at the exchange amount.

In addition, CFFI provides certain treasury functions at no charge to Clearwater.

Further information can be found in the disclosure documents filed by Clearwater Seafoods Income Fund with the securities regulatory authorities available at www.sedar.com or at its website (www.clearwater.ca).

For further information, please contact: Robert Wight, Chief Financial Officer, Clearwater at (902) 457-2369, or Tyrone Cotie, Director of Corporate Finance and Investor Relations, Clearwater, at (902) 457-8181.

Quarterly and Unit Information

The financial information disclosed below was derived from the unaudited interim earnings statements of Clearwater for periods from January 1, 2003 to December 31, 2004.

Clearwater Seafoods Limited Partnership

($000's except per unit amounts)	**2005**	2004				2003			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales	**67,359**	98,845	88,835	85,038	72,741	101,565	96,514	76,579	75,079
Net earnings (loss)	**1,645**	16,553	15,138	8,760	(2,978)	23,754	11,569	16,913	9,881
Distributable cash	**6,929**	18,018	12,457	11,728	11,963	22,028	19,447	12,008	8,027
Distributions	**9,123**	14,139	12,482	12,483	15,171	15,171	15,009	14,545	13,778
Per unit data									
Basic and diluted net earnings (loss)	**0.03**	0.31	0.29	0.17	(0.06)	0.45	0.22	0.33	0.21

Trading information, Clearwater Seafoods Income Fund, symbol CLR.UN, IPO July 30, 2002

	2005	2004				2003			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Trading price range of units (board lots)									
High	**9.40**	10.13	11.97	12.48	12.95	12.41	13.15	12.55	11.28
Low	**7.92**	8.10	9.35	10.31	11.80	10.10	11.07	10.94	10.19
Close	**8.20**	8.78	9.65	11.41	12.40	12.00	11.78	12.35	11.15
Trading volumes (000's)									
Total	**7,142**	6,493	2,352	5,428	4,704	5,303	8,607	3,925	3,445
Average daily	**113**	105	37	87	71	83	137	60	54
Outstanding units at end of quarter									
Units	**29,407,626**	29,407,626	29,407,626	29,407,626	29,407,626	29,407,626	29,407,626	28,558,664	28,558,664
Special	**23,381,217**	23,381,217	23,381,217	23,381,217	23,381,217	23,381,217	23,381,217	23,381,217	23,381,217
Total	**52,788,843**	52,788,843	52,788,843	52,788,843	52,788,843	52,788,843	52,788,843	51,939,881	47,939,881

Corporate Information

Trustees of Clearwater Seafoods Income Fund

Directors of CS ManPar Inc., Managing Partner of Clearwater Seafoods Limited Partnership

Officers of CS ManPar Inc.

John C. Risley
Chairman

Colin E. MacDonald
Chief Executive Officer

Eric R. Roe
Chief Operating Officer

J. Michael Magnus
Vice-President, Marketing and Sales

Michael D. Pittman
Vice-President, Fleet

Robert D. Wight
Vice-President, Finance and Chief Financial Officer

Investor Relations

Tyrone D. Cotie, C.A.
Director of Corporate Finance and Investor Relations
(902) 457–8181
tcotie@clearwater.ca

Auditors

KPMG LLP
Halifax, Nova Scotia

Units Listed

Toronto Stock Exchange
Unit symbol: **CLR.UN**

Convertible Debenture symbol: **CLR.DB**

Transfer Agent

Computershare Investor Services Inc.