Armtec Infrastructure Income Fund

Third Quarter Report
Period Ended September 24, 2004

Third Quarter Report
For the Period July 27, 2004 to September 24, 2004

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To Our Unitholders:

On behalf of the Board of Trustees and management, we welcome our unitholders to the Armtec Infrastructure Income Fund and thank you for investing in our team and our business. On July 27, 2004, Armtec raised $90.15 million in a successful initial public offering, and our units began trading on the Toronto Stock Exchange under the symbol ARF.UN. We are pleased to present the results of our third quarter of fiscal 2004, covering the period from commencement of the Fund's operation on July 27, 2004 to September 24, 2004. To assist in the understanding of our results as compared to the third quarter of 2003, we have included the operating results of the period prior to our public offering. We have identified these as combined results.

In our first reporting period as a public income fund, Armtec delivered a strong performance.

Fuelled by strong demand in most of our major markets, combined revenue for the three months ended September 24, 2004 was $49.7 million, 14.2% higher than the comparable period last year. For the nine-month period ended September 24, 2004 the combined revenue was $101.9 million, a 10.1% increase over the comparable period of 2003. As Canada's leading manufacturer and marketer of plastic and steel drainage pipe, Armtec benefited from increased government infrastructure spending, a rebounding forestry industry, and increased volumes as a result of increased oil and gas activity, as well as from the mining and agricultural sectors.

As a public income fund, Armtec realized net earnings for the 60-day period ended September 24, 2004 of $4.3 million, and basic and diluted earnings of $0.48 per unit. EBITDA for this reporting period was $6.5 million. EBITDA is a non-GAAP financial measure, but we believe it is useful in measuring our performance.

Furthermore, in the 60 days since becoming a public income fund, we made significant progress in executing our growth strategy. We completed our first acquisition, which is expected to be accretive to Armtec, with the purchase of the Construction Products Division of Maritime Steel and Foundries Limited. Based in Truro, this division is the largest manufacturer of corrugated metal pipe in Nova Scotia. The acquisition strengthens Armtec's presence in an important market. We also added capacity in Western Canada with a minimal outlay of capital through a manufacturing and sales agreement with Polytubes of Edmonton. In addition, we completed the sale of our machinery division on September 2, 2004, as previously mentioned in our initial public offering prospectus.

Armtec is committed to providing stable monthly cash distributions to our unitholders. The Board of Trustees declared the Fund's first pro-rated distribution of $0.113 per trust unit for the period from July 27 to August 31, 2004, and then began its regular monthly distribution of $0.10 per trust unit for the period from September 1, 2004 to September 30, 2004. Armtec does not anticipate any difficulty in maintaining the current monthly distribution of $0.10 per unit through the balance of the year.

As a result of the strong performance in the third quarter of 2004 and the expectation that these results will continue into the fourth quarter, the Fund will be declaring a special one-time distribution around year-end to ensure that the Fund does not pay income tax on a portion of the current year's earnings. The special one-time distribution, which will be in addition to the regular December distribution, will not be less than $0.15 per unit and will be payable in January, 2005 to unitholders of record on December 31, 2004.

Distributions

The Fund met all cash distribution targets for the period July 27, 2004 to October 31, 2004. The details of these distributions are as follows:

Period	Record Date	Payment Date	Distribution Per Unit	Amount
			$	$
July 27 - August 31, 2004	August 31, 2004	September 15, 2004	0.113	1,018,695
Month of September	September 30, 2004	October 15, 2004	0.10	901,500
Month of October	October 29, 2004	November 15, 2004	0.10	901,500

We are pleased that Armtec is off to such a strong start as a public income fund. Our growth strategy is well on track and we will continue to pursue accretive acquisitions. We remain committed to delivering superior returns to our unitholders, and are well positioned to increase distributable cash flow over the long term. We look forward to updating you on our progress again at the end of the next quarter.

Sincerely,

Robert Wright
Chairman of the Board of Trustees
November 2, 2004

Charles Phillips
President and Chief Executive Officer
November 2, 2004

Armtec Infrastructure Income Fund
Management's Discussion and Analysis
September 24, 2004

This management's discussion and analysis (MD&A) is a review of the financial condition and results of operations of Armtec Infrastructure Income Fund (the Fund). It should be read in conjunction with the consolidated financial statements and accompanying notes of the Fund for the initial period ended September 24, 2004. Results are reported in thousands of Canadian dollars unless otherwise stated and have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

Overview of the Fund

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated June 15, 2004, as amended and restated. The Fund commenced active operations on July 27, 2004 when it completed an initial public offering (IPO) of 9,015,000 trust units (units) at a price of $10.00 per unit and indirectly purchased all of the securities of Armtec Holdings Limited (AHL) which at the time held 100% ownership of Armtec Limited. Armtec Limited was the entity that carried on the business of Armtec. In this MD&A the term "Armtec" means the Fund together with its affiliated entities (including AHL).

Armtec is a leading manufacturer and marketer of drainage products and engineered solutions for infrastructure applications in a diverse cross-section of industries, including the public infrastructure market and private sector markets such as natural resources, residential drainage and agricultural drainage in Canada. Armtec is Canada's only national multi-material manufacturer specializing in corrugated high-density polyethylene pipe, corrugated steel pipe and related engineered products. Armtec also distributes a complete line of water control and geosynthetic products, and manufactures and distributes certain high value-added engineered products internationally.

Additional information concerning the Fund and Armtec is contained in the final prospectus of the Fund dated July 19, 2004.

The Fund units trade on the Toronto Stock Exchange under the symbol ARF.UN.

Basis of Management's Discussion and Analysis

The Fund was established on June 15, 2004 and acquired indirectly all of the securities and assets of Armtec on July 27, 2004. Accordingly, the Fund's initial period of operation ended September 24, 2004 constituted only a 60-day period. Comparative results for a 60-day period ended September 24, 2004 are not available for Armtec.

Therefore, to provide meaningful information to the reader, the following MD&A will refer to the combined operating results of the Fund for the three-month period ended September 24, 2004, which comprises the results of the active operations of the Fund for the 60 days from July 27 through September 24, 2004, and Armtec Limited's results of operations from July 1, 2004 through July 26, 2004 (the combined third quarter operating results). The combined third quarter operating results will be compared to Armtec Limited's results of operations for the three-month period ended September 26, 2003.

In addition, the MD&A will refer to the combined year-to-date operating results of the Fund for the nine-month period ended September 24, 2004, which comprises the results of the active operations of the Fund for the 60 days from July 27 through September 24, 2004, and Armtec Limited's results of operations from January 1, 2004 through July 26, 2004 (the combined year-to-date operating results). The combined year-to-date operating results will be compared to Armtec Limited's results of operations for the nine-month period ended September 26, 2003.

Readers are cautioned that the combined operating results presented are not the results of the Fund for the three-month period ended September 24, 2004 and for the nine-month period ended September 24, 2004 and have been presented only to provide the reader with additional information to enhance comparability of operating results to Armtec Limited's three-month period ended September 26, 2003 and the nine-month period ended September 26, 2003.

Combined Third Quarter Operating Results

Combined Operating Results for the Three Months ended September 24, 2004 and September 26, 2003

The table below reconciles the operating results reported by the Fund to the combined operating results for the three-month period ended September 24, 2004 that includes the operations of Armtec Limited for the period from July 1 to July 26, 2004.

	The Fund July 27-Sept 24, 2004	Armtec Limited (Pre Acquisition) July 1-July 26, 2004	Combined operating results Three-month period ended Sept 24, 2004	Armtec Limited (Pre Acquisition) Three-month period ended Sept 26, 2003
	(1)	(2)	(3)	(2)
Revenue	$35,872	$13,805	$49,677	$43,498
Cost of sales, excluding depreciation	24,365	9,449	33,814	30,626
Gross Margin	11,507	4,356	15,863	12,872
As a % of Revenue	32.1%	31.6%	31.9%	29.6%
Selling, distribution, general and administrative expenses	5,002	2,152	7,154	6,022
Restructuring and severance and other one-time costs	–	3,338	3,338	72
Depreciation and amortization	2,412	385	2,797	1,137
Interest expense	378	214	592	892
Net earnings (loss) before provision for (recovery of) income taxes	3,715	(1,733)	1,982	4,749
Provision for (recovery of) income taxes	(595)	(573)	(1,168)	1,859
Net earnings (loss) for the period	4,310	(1,160)	3,150	2,890
Other Data:				
EBITDA(4)	6,505	(1,134)	5,371	6,778
As a % of Revenue	18.1%	(8.2%)	10.8%	15.6%
Adjusted EBITDA(4)	6,505	2,204	8,709	6,850
As a% of Revenue	18.1%	16.0%	17.5%	15.7%

(1) These amounts are derived from the attached interim unaudited consolidated financial statements.

(2) These amounts are derived from the unaudited historical financial statements of Armtec Limited.

(3) These amounts are a proforma consolidation of the interim financial results of the Fund and the unaudited historical financial statements of Armtec Limited.

(4) See note on "Non-GAAP Measures". Adjusted EBITDA is EBITDA adjusted to remove the impact of the restructuring, severance and one-time costs for comparative purposes.

Combined Third Quarter Revenue

Combined revenue of $49.7 million for the three months ended September 24, 2004 increased by $6.2 million or 14.2% from $43.5 million for the three months ended September 26, 2003. The $6.2 million revenue increase occurred across most of Armtec's major product lines. Combined pipe revenues in the Fund's high-density polyethylene (HDPE) and corrugated steel pipe (CSP) products increased $4.6 million or 15.0% above the results achieved in the third quarter of 2003, reflecting increased demand in resource markets, especially from forestry sector clients. Revenue from the sale of Armtec's engineered products was up $1.8 million or 41.4% over 2003 comparative quarter results, principally due to volume increases in central Canada, Alberta and British Columbia. Revenue was down slightly in Armtec's gate and foundation membrane product lines compared to the third quarter of 2003. Reduced gate revenues reflect customer timing requirements and not a reduction in market demand. Foundation membrane revenues were negatively affected by increased competition and a lack of residential housing sites for development in Armtec's primary markets.

Combined Third Quarter Gross Margin

Gross margin excluding depreciation for the three-month combined period ended September 24, 2004 was $15.9 million, an improvement of $3.0 million or 23.2% over the $12.9 million of gross margin for the three months ended September 26, 2003. The margin improvement was principally attributed to the Armtec's CSP pipe and engineered product lines, with improvements in both volumes and product mix compared to the same period in 2003. The Fund was able to negotiate favourable raw material contracts with suppliers, which contributed approximately $0.7 million in the quarter.

Combined Third Quarter Expenses

Selling, distribution, general and administrative expenses for the three months ended September 24, 2004 were $7.2 million or $1.2 million higher than the $6.0 million incurred during the equivalent period in 2003. The increase in combined 2004 third quarter expense was primarily a result of increased employment and delivery expenses. Employment costs rose $0.5 million in the combined September 24, 2004 period over the levels experienced in the third quarter of 2003 due principally to increased performance incentive expense costs. Delivery costs increased by $0.4 million in the combined period, which were primarily due to additional shipping volumes in the combined period over those experienced in the third quarter of 2003.

Restructuring, severance and other one-time costs for the combined 2004 third quarter period were $3.3 million compared to the $0.1 million incurred in the three months ended September 26, 2003. Immediately prior to the Fund's completion of the IPO, Armtec Limited incurred a number of one-time costs associated with the IPO. The aggregate amount of these one-time costs was $3.3 million and included transaction bonuses, the payout of existing stock options, writedowns of Armtec Limited's machinery division and deferred financing costs of retired bank financing, and the expensing of costs to close a previously existing interest rate swap.

Depreciation and amortization of $2.8 million for the combined three months ended September 24, 2004 increased by $1.7 million from the $1.1 million incurred during the three months ended September 26, 2003. The increase was primarily due to an increase in amortization expense of Armtec's intangible assets based upon their assigned values. In the period following the IPO, the Fund fully amortized the $1.6 million of value attributed to Armtec's order backlog as such backlog is usually cleared within 60 days.

Interest expense of $0.6 million for the combined three months ended September 24, 2004 decreased by $0.3 million, or 33.6%, from the $0.9 million incurred during the three months ended September 26, 2003. This decrease was attributable to a decrease in average debt over the two periods of approximately $10 million as well as a decline in the operation's average interest rates of approximately 1% when compared to the interest rate incurred during the third quarter of 2003.

Combined Third Quarter Taxes

For the 60-day period ended September 24, 2004, the Fund reported pre-tax income of $3.7 million and recognized a future income tax recovery of $0.6 million. On a pre-tax income of $3.7 million the overall expected income tax expense was $1.3 million. As the Fund is a mutual fund trust for Canadian income tax purposes, income allocated to unitholders effectively reduced the Fund's current income tax to nil. The future income tax recovery of $0.6 million was related to a reduction in future tax liabilities as a result of the amortization of intangible assets. During the period July 1, 2004 to July 26, 2004 Armtec Limited reported a tax recovery of $0.6 million.

Combined Third Quarter Net Earnings and EBITDA (See Non-GAAP Measures)

Net earnings for the combined three-month period ended September 24, 2004 were $3.2 million compared to the $2.9 million earned during the three months ended September 26, 2003.

EBITDA for the combined third quarter period in 2004 was $5.4 million, compared to $6.8 million in the equivalent period of 2003.

EBITDA adjusted for the effects of the $3.3 million of one-time costs noted above was $8.7 million, or $1.9 million improved over the $6.9 million of the Adjusted EBITDA earned in the third quarter of 2003.

Combined Operating Results for the Nine Months ended September 24, 2004 and September 26, 2003

The table below reconciles the operating results reported by the Fund to the combined operating results for the nine-month period ended September 24, 2004 that includes the operations of Armtec Limited for the period from January 1 to July 26, 2004.

	The Fund July 27-Sept 24, 2004	Armtec Limited (Pre Acquisition) Jan 1-July 26, 2004	Combined operating results Nine-month period ended Sept 24, 2004	Armtec Limited (Pre Acquisition) Nine-month period ended Sept 26, 2003
	(1)	(2)	(3)	(2)
Revenue	$35,872	$66,004	$101,876	$92,554
Cost of sales, excluding depreciation	24,365	46,101	70,466	66,157
Gross Margin	11,507	19,903	31,410	26,397
As a % of Revenue	32.1%	30.2%	30.8%	28.5%
Selling, distribution, general and administrative expenses	5,002	12,968	17,970	16,351
Restructuring, severance and other one-time costs	–	3,398	3,398	245
Depreciation and amortization	2,412	3,201	5,613	3,446
Interest expense	378	1,358	1,736	2,342
Net earnings (loss) before provision for (recovery of) income taxes	3,715	(1,022)	2,693	4,013
Provision for (recovery of) income taxes	(595)	(94)	(689)	1,583
Net earnings (loss) for the period	4,310	(928)	3,382	2,430
Other Data:				
EBITDA(4)	6,505	3,537	10,042	9,801
As a % of Revenue	18.1%	5.4%	9.9%	10.6%
Adjusted EBITDA(4)	6,505	6,935	13,440	10,046
As a % of Revenue	18.1%	10.5%	13.2%	
10.9%				

(1) These amounts are derived from the attached interim unaudited consolidated financial statements.

(2) These amounts are derived from the unaudited historical financial statements of Armtec Limited.

(3) These amounts are a proforma consolidation of the interim financial results of the Fund and the unaudited historical financial statements of Armtec Limited.

(4) See note on "Non-GAAP Measures". Adjusted EBITDA is EBITDA adjusted to remove the impact of the restructuring, severance and one-time costs for comparative purposes.

Combined Year-to-date Revenue

Combined revenue of $101.9 million for the nine months ended September 24, 2004 increased by $9.3 million or 10.1% from $92.6 million for the nine months ended September 26, 2003. The increased revenue is principally attributed to improved sales in Armtec's CSP, HDPE and engineered product lines. Armtec's engineered products on a year-to-date basis were up 40.8% compared to the same period last year, owing to demand improvement in Armtec's central Canada and western Canada markets. Year-to-date revenues for CSP and HDPE pipe products were up compared to the equivalent nine months of 2003, reflecting improvements in the level of infrastructure spending, a rebounding forestry sector and increases in agricultural market demand.

Combined Year-to-date Gross Margin

Gross margin excluding depreciation for the combined nine-month period ended September 24, 2004 was $31.4 million, an improvement of $5.0 million or 19.0% over the $26.4 million of gross margin for the nine months ended September 26, 2003. The margin dollar improvement can primarily be attributed to revenue increases in Armtec's CSP, HDPE and engineered product lines along with improvements in manufacturing productivity compared to the same period in 2003. Armtec's favourable raw material contracts with suppliers have contributed approximately $1.1 million to the year-to-date gross margin.

Combined Year-to-date Expenses

Selling, distribution, general and administrative expenses for the nine months ended September 24, 2004 were $18.0 million or $1.6 million higher than the $16.4 million incurred during the equivalent period in 2003. The increase in combined 2004 year-to-date expense was principally due to increases in delivery and selling expenses.

Restructuring, severance and other one-time costs for the combined year-to-date expenses were $3.4 million compared to the $0.2 million incurred in the nine months ended September 26, 2003. Immediately prior to the Fund's completion of the IPO, Armtec Limited incurred a number of one-time costs associated with the IPO. The aggregate amount of these one-time costs was $3.3 million and included transaction bonuses, the payout of existing stock options, writedowns of Armtec Limited's machinery division and deferred financing costs of retired bank financing, and the expensing of costs to close a previously existing interest rate swap. The costs in 2003 were principally related to relocation and severance costs arising from a reorganization of management and sales personnel.

Depreciation and amortization of $5.6 million for the combined nine months ended September 24, 2004 increased by $2.2 million from the $3.4 million incurred during the nine months ended September 26, 2003. The increase was primarily due to a $1.6 million increase in amortization expense of Armtec's intangible assets as noted above. In addition, in 2004 the Fund recorded a $0.4 million writedown related to certain non-utilized equipment. The remainder of the additional expense arose due to the amortization of a deferred interest rate swap loss in 2004. In conjunction with the IPO this interest rate swap was retired.

Interest expense of $1.7 million for the combined nine months ended September 24, 2004 decreased by $0.6 million, from the $2.3 million incurred during the nine months ended September 26, 2003.

Combined Year-to-date Taxes

For the 60-day period ended September 24, 2004, the Fund reported pre-tax income of $3.7 million and recognized a future income tax recovery of $0.6 million. On a pre-tax income of $3.7 million the overall expected income tax expense was $1.3 million. As the Fund is a mutual fund trust for Canadian income tax purposes, income allocated to unitholders effectively reduced the Fund's current income tax to nil. The future income tax recovery of $0.6 million was related to a reduction in future tax liabilities as a result of the amortization of intangible assets. During the period January 1, 2004 to July 26, 2004 Armtec Limited reported a tax recovery of $0.1 million.

Combined Year-to-date Net Earnings and EBITDA (See Non-GAAP Measures)

Net earnings for the combined nine-month period ended September 24, 2004 were $3.4 million compared to the $2.4 million earned during the nine months ended September 26, 2003.

EBITDA for the combined third quarter period in 2004 was $10.0 million compared to $9.8 million in the equivalent period of 2003.

EBITDA adjusted for the effects of the restructuring, severance and other one-time costs was $13.4 million or 33.8% higher than the $10.0 million earned in the nine months ended September 24, 2003.

Distributable Cash

Interim Statement of Distributable Cash (See Non-GAAP Measures)

(expressed in thousands of Canadian Dollars except per unit amounts)
(Unaudited)

	For the Period July 27-Sept 24, 2004
Net earnings for the period	$4,310
Depreciation and amortization	2,412
	6,722
Future income taxes (recovery)	(595)
Purchase of capital assets	(33)
Distributable cash	$6,094
Distributions declared	$1,920
Net Income per unit	$0.4781
Distributable cash per unit	$0.6760
Distributions declared per unit	$0.2130

Distributable cash for the period was $6.1 million, from which the Fund declared two distributions totalling $1.9 million. Capital expenditures for the period were lower than expected due to timing, however the Fund continues to expect annual capital expenditures of approximately $1.5 million.

Armtec's business is subject to seasonality, with sales ramping up through the second quarter and generally reaching peak levels in the third quarter. Consequently, the results of the July 27 to September 24, 2004 period should not be considered representative of a 12-month period of distributable cash.

Outstanding Unit Data

An unlimited number of units may be issued pursuant to the Fund's Declaration of Trust. Each unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund and in the net assets of the Fund in the event of termination or winding-up of the Fund. Each unit entitles the unitholder thereof to one vote at all meetings of unitholders. As at the date hereof, 9,015,000 units are outstanding.

Summary of Quarterly Results

Three Months Ended (Unaudited)

	Sept 24, 2004	June 25, 2004	Mar 26, 2004	Dec 31, 2003	Sept 26, 2003	June 27, 2003	Mar 28, 2003	Dec 31, 2002	Sept 27, 2002
Revenue	$49,677	$38,581	$13,618	$29,645	$43,498	$35,905	$13,151	$29,326	$47,209
Net Income/(loss)	1,982	2,529	(2,297)	423	2,890	1,518	(1,977)	(1,173)	3,508

The September 24, 2004 amounts are a proforma consolidation of the interim financial results of the Fund and the unaudited historical Armtec Limited results of the period June 30, 2004 to July 26, 2004. All prior period results are the unaudited historical Armtec Limited results and not results of the public income fund.

Cash Flow and Liquidity

Cash Flow from Operations

For the 60-day period ended September 24, 2004, $6.3 million of cash flow was generated before changes in non-cash working capital. The non-cash component of working capital increased by $5.0 million primarily due to an increase in customer account receivables related to the higher revenue and a seasonal decrease in accounts payable.

Investing Activities

Upon completion of the IPO on July 27, 2004, the Fund used $78.4 million to indirectly acquire Armtec Holdings Limited.

Capital expenditures for the 60-day period ended September 24, 2004 totalled less than $0.1 million, all of which were related to maintenance capital expenditures.

In September, 2004, Armtec acquired certain assets and liabilities of the Construction Products Division of Maritime Steel and Foundries Limited for $2.3 million, including transaction costs, subject to working capital adjustments. On closing, $1.8 million of the purchase price was paid to the vendor.

Financing Activities

On July 27, 2004, the Fund completed the IPO and issued 9,015,000 units receiving net proceeds of $82.4 million after deducting underwriter fees and other unit issuance costs.

Upon completion of the offering the Fund entered into a new credit agreement that provides for a $25.0 million term facility and a $25.0 million revolving credit facility.

During the period, the Fund used $41.4 million of cash to retire the previously existing bank loan and made net borrowings under the Fund's new credit agreement in the amount of $39.7 million. The Fund's purchase of the Construction Products Division of Maritime Steel and Foundries Limited was financed through a $2.0 million additional borrowing under the new credit agreement.

Distributions paid to unitholders amounted to $1.0 million during the period. The Fund intends to continue making equal monthly cash distributions of its net cash receipts. On September 21, 2004, a September 2004 distribution was announced of $0.10 per unit with a total distribution obligation of $0.9 million. The record date of the distribution was September 30, 2004 with an ex-dividend trading date of September 28, 2004. This distribution was paid on October 15, 2004.

Armtec has fixed the interest rate on a portion of the term loan ($11.5 million) through a swap agreement, resulting in an effective interest rate, before bank issuance costs, of 3.8%. The swap's maturity date was set to coincide with the maturity of the term of the loan.

Off-Balance Sheet Arrangements

The Fund's off-balance sheet arrangements consist of operating leases and royalty licences. Operating leases are for facilities and vehicles with market terms and do not have associated escalating rent or make-good provisions that materially impact the financial statements. The Fund's royalty licences require royalty payments at certain predetermined levels based on the profitability of certain products. Royalty obligations are accrued when the associated profit is recognized.

Critical Accounting Estimates

The Fund's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, is based upon the Fund's consolidated financial statements, which have been prepared in accordance with Canadian GAAP. The preparation of these consolidated financial statements requires the Fund to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and judgments, particularly those related to the determination of the estimated recoverable amount of inventory, goodwill and intangible assets, and post-employment benefit liabilities. The Fund bases its estimates on historical experience and on various other assumptions, which are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Those critical accounting policies which Armtec believes affect its most significant judgments and estimates used in preparation of the Fund's consolidated financial statements, together with a description of new accounting standards adopted by Armtec, were set out in the Fund's IPO prospectus and/or in the notes to the Fund's consolidated financial statements.

Financial Instruments

The Fund entered into an interest rate swap agreement on September 3, 2004 of $11.5 million on its long-term facility, resulting in an effective interest rate before bank issuance costs of 3.8%. The Fund entered into the swap to mitigate its exposure to variable interest rates but is exposed to fluctuations in the market value of the swap itself. There was a nominal decline in the mark-to-market value of the swap during the period of July 27, 2004 to September 24, 2004.

Risks and Uncertainties

Risk Factors

Armtec's results of operations, business prospects, financial condition, cash distributions to unitholders and the trading price of the Fund's units are subject to a number of risks. These risk factors include the reduction in the demand for Armtec's products; relationship with suppliers; lack of long-term agreements; expiration of rights under licence and distribution arrangements; raw material price volatility; product liability; intellectual property; reliance on key personnel; collective bargaining agreements; interest rates; uninsured and underinsured losses; environmental, health and safety requirements; operating hazards; risk of future legal proceedings; and absence of operating history as a public company. In addition to the above-noted factors, careful consideration should be given to the following factors.

Industry Cyclicality

The demand for pipe and related infrastructure products is cyclical and is driven by the public infrastructure, natural resources, residential drainage and agricultural drainage markets. The diverse factors driving infrastructure investment activity in these end markets result in stability of overall demand for suppliers such as Armtec. To the extent that these investments decline or experience a downturn, this is likely to have a negative impact on the infrastructure industry.

Competition

The Canadian market for high-density polyethylene (HDPE) pipe and corrugated steel pipe (CSP) is fragmented. Armtec's competitors are comprised primarily of regionally based, private companies, all of which are smaller and less diversified than Armtec. Armtec believes that it is the market leader in the corrugated HDPE pipe, CSP and related engineered products markets in Canada.

Management believes that the success of Armtec's business depends on its ability to continue to anticipate and respond to changing customer demands and market conditions by offering a constantly evolving array of engineered solutions with an emphasis on quality and value-added services. With its leading market position, brand recognition, breadth of product lines, established supplier and customer relationships and experienced management, management believes that Armtec can continue to compete successfully in Canada.

Environmental

Armtec is subject to a wide range of federal, provincial and municipal environmental laws and regulations that govern the discharge of materials into the environment and the investigation and clean-up of environmental contamination. Armtec believes that the conduct of its operations is currently in material compliance with existing environmental laws and regulations. In conjunction with independent engineering firms, Armtec has examined its manufacturing facilities to identify potential clean-up obligations and other environmental issues. To date, the costs incurred in complying with environmental laws and regulations, including the cost of clean-up and remediation, have not had an adverse effect on Armtec's financial condition. Management believes that Armtec has appropriately provided for expected environmental obligations that it may incur. However, estimating environmental liabilities at any site is complex and is dependent on the nature and extent of the information that is available about the site, the complexity and nature of any contamination, and other matters. Armtec cannot predict with certainty the amount of future costs that may be incurred to satisfy its environmental obligations. Changes in laws and regulations are ongoing and may make environmental compliance, such as emission control and clean-up obligations, increasingly expensive.

Outlook

The Fund anticipates continued strong results in the fourth quarter of 2004. Armtec's infrastructure, resource and agricultural markets remain strong, creating positive demand for the Fund's pipe and engineered products. Going into the fourth quarter of 2004 the Armtec's sales order backlog was $4.5 million above the same period in 2003.

As a result of the strong performance in the third quarter of 2004 and the expectation that these results will continue into the fourth quarter, the Fund will be declaring a special one-time distribution around year-end to ensure that the Fund does not pay income tax on a portion of the current year's earnings. The special one-time distribution, which will be in addition to the regular December distribution, will not be less than $0.15 per unit and will be payable in January, 2005 to unitholders of record on December 31, 2004.

Non-GAAP Measures

References to "EBITDA" are to earnings before interest, taxes (other than capital taxes), depreciation and amortization. Management believes that in addition to net income or loss, EBITDA is a useful supplemental measure of cash available for distribution prior to debt service, changes in working capital, capital expenditures and taxes. However, EBITDA is not a recognized measure under Canadian GAAP. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss determined in accordance with GAAP as an indicator of the Fund's performance or as an alternative to cash flows from operating, investing and financing activities as a measure of the Fund's liquidity and cash flows. The Fund's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, the Fund's EBITDA may not be comparable to similarly titled measures used by other issuers.

"Adjusted EBITDA" is EBITDA after removing the effects of non-recurring items and non-cash items. Non-recurring items are transactions or events which management believes are unusual and are not expected to re-occur within the foreseeable future, and include non-recurring restructuring expenses and non-recurring management transaction bonuses and options. All such adjustments are based on historical information or contractual commitments. Adjusted EBITDA is not a recognized measure under Canadian GAAP and the qualifications outlined above with respect to EBITDA apply equally to Adjusted EBITDA.

Distributable cash is not a defined term under Canadian GAAP but is determined by the Fund as net income for the period adjusted to remove non-cash items, including amortization and future income taxes, and reduced by capital expenditures (other than business acquisitions). Management believes that distributable cash is a useful measure of performance as it provides investors with an indication of the amount of cash available for distribution to unitholders. Investors are cautioned, however, that distributable cash should not be construed as an alternate to using net earnings as a measure of profitability or the statement of cash flows. Furthermore, the Fund's method of calculating distributable cash may not be comparable to other similarly named calculations.

Forward-Looking Statements

This MD&A may contain "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements contain such words as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of November 2, 2004. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors". Although the forward-looking statements contained in this report are based upon what management of Armtec believes are reasonable assumptions, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this quarterly report and the Fund assumes no obligation to update or revise them to reflect new events or circumstances.

November 2, 2004

Additional Information

Additional information relating to the Fund, including all public filings, is available on SEDAR (www.sedar.com).

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Interim Consolidated Financial Statements
Armtec Infrastructure Income Fund
Unaudited

September 24, 2004

These interim financial statements have not been subjected to a review by Armtec Infrastructure Income Fund's external auditor.

Armtec Infrastructure Income Fund

Interim Consolidated Balance Sheet

(expressed in thousands of Canadian dollars)

As at September 24, 2004	(Unaudited)
	$
Assets	
Current assets	
Cash and cash equivalents	17
Accounts receivable	31,828
Inventories *(note 5)*	21,065
Prepaid expenses and other assets	836
Future income tax assets *(note 10)*	174
	53,920
Property, plant and equipment *(note 6)*	34,368
Goodwill	35,755
Intangible and other assets *(note 7)*	40,396
	164,439
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	16,752
Income taxes payable	232
	16,984
Long-term debt *(note 8)*	39,666
Post-employment obligations *(note 9)*	6,247
Future income tax liabilities *(note 10)*	15,882
	78,779
Unitholders' equity	
Capital contributions	82,369
Net earnings for the period	4,310
Cumulative distributions	(1,019)
	85,660
	164,439
Basis of presentation *(note 2)*	
Contingencies and commitments *(note 12)*	
Subsequent events *(note 17)*	

The accompanying notes are an integral part of these consolidated financial statements.

Armtec Infrastructure Income Fund

Interim Consolidated Statement of Earnings

(expressed in thousands of Canadian dollars except per unit or unit data)

For the period from July 27, 2004 to September 24, 2004	(Unaudited)
	$
Revenue	35,872
Cost of sales (excluding depreciation)	24,365
Selling, distribution, general, administrative and other expenses	5,002
Earnings before the undernoted items	6,505
Interest expense	378
Depreciation and amortization	2,412
	2,790
Earnings before taxes	3,715
Provision for (recovery of) income taxes	
Current	–
Future	(595)
	(595)
Net earnings for the period	4,310
Basic and diluted earnings per unit	$0.48
Basic and diluted weighted average number of units outstanding	9,015,000

The accompanying notes are an integral part of these consolidated financial statements.

Armtec Infrastructure Income Fund

Interim Consolidated Statement of Unitholders' Equity

(expressed in thousands of Canadian dollars)

For the period from July 27, 2004 to September 24, 2004 (Unaudited)

	Unitholders' Capital	Accumulated earnings	Accumulated Distributions	Total
	$	$	$	$
Issuance of units				
on initial public offering *(note 3)*	90,150	–	–	90,150
Issuance costs *(note 3)*	(2,477)	–	–	(2,477)
Underwriter fee	(5,304)	–	–	(5,304)
Net earnings for the period	–	4,310	–	4,310
Distributions	–	–	(1,019)	(1,019)
Balance, End of Period	82,369	4,310	(1,019)	85,660

The accompanying notes are an integral part of these consolidated financial statements.

Armtec Infrastructure Income Fund

Interim Consolidated Statement of Cash Flows

(expressed in thousands of Canadian dollars)

For the period from July 27, 2004 to September 24, 2004	(Unaudited)
	$
Cash provided by (used in)	
Operating activities	
Net earnings for the period	4,310
Items not affecting cash	
Amortization of capital assets	600
Amortization of other assets	1,812
Future income taxes	(595)
Other	134
	6,261
Net increase in non cash working capital *(note 11)*	(4,955)
Cash provided by operating activities	1,306
Investing activities	
Acquisition of Armtec Holdings, net of cash acquired *(note 3)*	(78,424)
Purchase of property, plant and equipment	(33)
Acquisition of business *(note 16)*	(1,800)
Cash used in investing activities	(80,257)
Financing activities	
Initial public offering of fund units, net of expenses *(note 3)*	82,369
Repayment of acquired Armtec debt	(41,423)
Increase in bank debt	39,666
Payment of bank financing fees	(625)
Distribution to unit holders	(1,019)
Cash provided by financing activities	78,968
Net increase in cash and cash equivalents	17
Cash and cash equivalents – beginning of period	–
Cash and cash equivalents – end of period	17
Supplemental cash flow information	
Interest paid	405
Income taxes paid	–

The accompanying notes are an integral part of these consolidated financial statements.

Armtec Infrastructure Income Fund
Notes to Interim Consolidated Financial Statements

For the period from July 27, 2004 to September 24, 2004 (Unaudited)

(expressed in thousands of Canadian dollars except per unit or unit data)

1) Organization and Nature of Business

Armtec Infrastructure Income Fund (the Fund) is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated June 15, 2004, as amended and restated. The Fund commenced active operations on July 27, 2004 when it completed an initial public offering (IPO) of 9,015,000 trust units (units) at a price of $10.00 per unit and indirectly purchased all of the securities of Armtec Holdings Limited (AHL) which at the time held 100% ownership of Armtec Limited. Armtec Limited was the entity that carried on the business of Armtec. In this document the term “Armtec” means the Fund together with its affiliated entities (including AHL).

Armtec is a leading manufacturer and marketer of drainage products and engineered solutions for infrastructure applications in a diverse cross-section of industries, including the public infrastructure market and private sector markets such as natural resources, residential drainage and agricultural drainage in Canada. Armtec is Canada’s only national multi-material manufacturer specializing in corrugated high-density polyethylene pipe, corrugated steel pipe and related engineered products. Armtec also distributes a complete line of water control and geosynthetic products, and manufactures and distributes certain high value-added engineered products internationally.

2) Basis of Presentation

The Fund prepares its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles. The disclosure contained in these unaudited interim consolidated financial statements does not include all requirements of Canadian Generally Accepted Accounting Principles for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the prospectus of the Fund dated July 19, 2004 (the prospectus) and the consolidated financial statements of Armtec Holdings Limited included in the prospectus.

Accounting measurements at interim dates inherently involve greater reliance on estimates than at year-end. In the opinion of management, the accompanying unaudited interim consolidated financial statements include all adjustments of a normal recurring nature to present fairly the consolidated financial position of the Fund as at September 24, 2004.

These unaudited interim consolidated financial statements reflect the results of operations for the period ended September 24, 2004. As the Fund commenced active operations on July 27, 2004, no comparative information is provided.

(expressed in thousands of Canadian dollars except per unit or unit data)

3) Issuance of Fund Units and Acquisition

On July 27, 2004 the Fund completed its IPO of 9,015,000 units at the price of $10.00 per unit for aggregate proceeds of $90,150. The costs of issuance were $7,781 resulting in net proceeds of $82,369.

In conjunction with the IPO, the Fund acquired indirectly all of the securities of AHL, which held 100% ownership of Armtec Limited.

The acquisition has been accounted for by the purchase method with the results of Armtec's operations included in the Fund's earnings from the date of acquisition. The interim consolidated statement of earnings includes the results of Armtec's operations for the 60-day period from July 27, 2004 to September 24, 2004. An asset evaluation is underway for goodwill and intangible assets but is not yet complete and therefore the allocation of the purchase price may change. These interim consolidated financial statements reflect the assets and liabilities of Armtec at assigned fair values as follows:

Net Assets Acquired	$
Accounts receivable	26,218
Inventory	22,082
Prepaid and other expenses	627
Property, plant and equipment	34,922
Future income taxes recoverable	174
Goodwill	35,755
Intangible assets	
Trademarks and tradenames	18,500
Licences	21,088
Other – Order backlog	1,600
Accounts payable and accrued liabilities	(18,376)
Income taxes payable	(100)
Post-employment obligation	(6,165)
Long-term debt	(41,423)
Future income tax liabilities	(16,478)
	78,424
Consideration – Cash	78,424

4) Summary of Significant Accounting Policies

Basis of consolidation

The consolidated financial statements include the accounts of the Fund and it's wholly owned subsidiaries. All intercompany transactions have been eliminated.

Use of estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(expressed in thousands of Canadian dollars except per unit or unit data)

Inventories

Inventories are stated at the lower of cost or replacement cost for raw materials and lower of cost or net realizable value for work-in-process and finished goods. Cost is determined based on standards which are determined on an average cost basis.

Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated amortization. An impairment loss is recognized when the carrying amount is no longer recoverable and exceeds fair value. Amortization is provided using the straight-line method over the estimated useful lives of approximately 31 years for buildings, 12 years for machinery and equipment, and 3 to 15 years for all other items. Leasehold improvements are amortized over the shorter of the useful life of the asset or the term of the lease.

Goodwill

Goodwill is the excess of the purchase price of business acquisitions over the fair value of net assets acquired.

Annually, the Fund reviews the carrying value of goodwill by estimating the fair value based on the expected future discounted cash flows of the related businesses. When the carrying amount of goodwill exceeds the estimated fair value, an impairment loss is recognized in net earnings.

Intangible and other assets

Intangible assets are assets acquired that lack physical substance and that meet the specified criteria for recognition apart from goodwill. Intangible assets consist of trademarks, tradenames, licences and patents. Patents are recorded at cost and amortized over their estimated useful lives of up to 17 years on a straight-line basis. Licences are amortized on a straight-line basis over their estimated lives of 20 years. Customer lists are amortized on a straight-line basis over their estimated useful lives of up to 10 years. The trademarks and tradenames are not amortized as they are considered by management to have indefinite lives.

Management reviews the carrying value of its intangible assets annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The trademarks and tradenames will be written down if the carrying amount of the assets exceeds their fair value. Intangible assets with finite lives will be written down to fair value if the carrying amount exceeds the net recoverable amount.

Financing costs are capitalized and amortized over the term of the related debt on a straight-line basis.

Employee future benefits

Certain employees are entitled to post-employment benefits such as medical, dental and life insurance benefits. The Fund's obligation under such plans is determined annually by independent actuaries using management's assumptions and the attribution method.

Income taxes

The Fund is a mutual fund trust for income tax purposes and therefore is not subject to tax on income distributed to unitholders. Taxes payable on income of the Fund's distribution to unitholders is the responsibility of individual unitholders.

The Fund's subsidiaries apply the liability method of accounting for income taxes. Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Future income taxes are measured using the substantively enacted rates and laws that will be in effect when the differences are likely to reverse. If on the basis of available evidence it is more likely than not that all or a portion of a future tax asset will not be realized, a future tax asset is reduced by a valuation allowance.

(expressed in thousands of Canadian dollars except per unit or unit data)

Revenue recognition

Revenue is recognized upon shipment and when all significant obligations have been satisfied and collection is reasonably assured.

Translation of foreign currencies

Income and expenses in foreign currencies are translated to Canadian dollars at rates approximating the average rates of exchange during the period. Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate. Exchange gains and losses arising from these transactions are included in net earnings for the period.

Fair value of financial instruments

The Fund's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, interest rate swap and long-term debt.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates their fair values due to the immediate or short-term maturity of these financial instruments. The fair value of the Fund's long-term debt approximates its carrying value as it bears interest at a floating rate. The fair value of the interest rate swap is estimated based on the amount that would need to be paid or would be received to terminate the agreements as of the balance sheet date.

Armtec is exposed to credit risk with respect to its accounts receivable, however, this is minimized by Armtec's large customer base, which covers a diverse range of business sectors primarily in Canada. The Fund follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary. The Fund maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.

Hedging relationships

The Fund has elected to apply mark-to-market accounting to its $11.5 million interest rate swap in accordance with the provision of CICA accounting guideline 13, "Hedging Relationships". The contract has been revalued to market value resulting in an unrealized loss of $50 recorded in accrued liabilities.

5) Inventories

	September 24, 2004
	$
Raw materials	6,418
Finished goods	14,647
	21,065

(expressed in thousands of Canadian dollars except per unit or unit data)

6) Property, Plant and Equipment

	September 24, 2004		
	Cost	Accumulated amortization	Net
	$	$	$
Land	3,121	–	3,121
Buildings	8,011	75	7,936
Machinery and equipment	22,824	496	22,328
Leasehold improvements	160	8	152
Furniture and fixtures	371	21	350
Construction-in-progress	481	–	481
	34,966	600	34,368

7) Intangible and Other Assets

	September 24, 2004		
	Cost	Accumulated amortization	Net
	$	$	$
Trademarks and trade names	18,500	–	18,500
Licences	21,088	178	20,910
Order backlog	1,600	1,600	–
Deferred financing costs	625	34	591
Customer lists	395	–	395
	42,208	1,812	40,396

8) Long-Term Indebtedness

	September 24, 2004
	$
Non-revolving term facility	25,000
Revolving credit facility	14,666
	39,666

On July 27, 2004, the Fund entered into a three-year syndicated credit agreement that provided the Fund with access to a $25 million term facility and a revolving credit facility of up to $25 million. The facilities each bear interest at rates that depend on certain financial ratios of the Fund and vary in accordance with borrowing rates in Canada and the United States. The credit facilities are secured by a first charge on the assets of the Fund and its subsidiaries, except for specified permitted encumbrances. The provisions under these facilities provide for restrictions on the operations and activities of the Fund. Generally, the most significant restrictions relate to permitted investments, distributions, as well as the incurrence and maintenance of certain financial ratios primarily linked to the operating earnings before interest, taxes, depreciation and amortization. The entire credit

(expressed in thousands of Canadian dollars except per unit or unit data)

facility is repayable in full on July 27, 2007 and while the revolving facility may fluctuate over the period any repayments on the term facility cannot be re-borrowed.

In September 2004, the Fund entered into a $11.5 million interest rate swap effectively converting the floating rate on a portion of the Fund's $25 million term loan to an fixed interest rate obligation.

9) Post Employment Obligations

The Fund provides post-employment benefits to qualifying retirees. The present value of the accrued post-employment obligation as at September 24, 2004 amounted to approximately $6,247. A discount rate on accrued post-employment obligations of 6.25% was assumed to determine the periodic post-employment expense and the net present value of the accrued post-employment obligations.

Assumed healthcare cost trend rates used to measure the expected cost of benefits covered by the plan for medical costs are 9.5% for 2004, declining 0.5% per year to 5.0% for 2013 and thereafter, and 5.0% per year for dental costs.

10) Income Taxes

The significant components of the future tax assets and liabilities are as follows:

	September 24, 2004
	$
Future tax assets - current	
Accruals, reserves and other	174
Future tax liabilities – long-term	
Intangibles	13,157
Property, plant and equipment	4,879
Post-retirement obligation	(2,154)
	15,882
Net Future Income Tax Liabilities	15,708

The recovery of income taxes differs from the provision computed at statutory rates as follows:

	September 24, 2004
	$
Expected income tax as a combined rate of 34.49%	1,281
Trust income not taxable	(1,311)
Recovery due to amortization of intangibles	(595)
Other	30
Recovery of Income Taxes	(595)

(expressed in thousands of Canadian dollars except per unit or unit data)

11) Changes in Non-Cash Working Capital

	September 24, 2004
	$
Cash provided by (used in)	
Accounts receivable	(4,781)
Inventories	1,939
Prepaid expenses and other assets	(210)
Accounts payable and accrued liabilities	(2,035)
Income taxes payable	132
	(4,955)

12) Contingencies and Commitments

a) The annual commitments under operating leases as of September 24, 2004 are as follows:

	$
2004	900
2005	807
2006	698
2007	566
2008	381
Thereafter	440
	3,792

b) Royalties

The Fund has entered into licensing agreements whereby it has the right to use certain trademarks on its products in the normal course of business.

13) Contingent Liabilities

In the normal course of its business activities, the Fund is subject to a number of claims and legal actions that may be made by customers, suppliers and others in respect of which either an adequate provision has been made or for which no material liability is expected.

14) Seasonal Nature of the Business

The Fund's results for the period from July 27, 2004 to September 24, 2004 are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in revenue levels. The Fund historically experiences higher level of revenue during the second and third quarters, while the first and fourth quarters experience lower revenue. Occupancy related expenses, general and administration, depreciation and amortization and interest expense remain relatively steady throughout the year.

15) Segmented Information

The Fund's regional business units across Canada exhibit similar economic characteristics as they deliver similar products, used in similar applications by customers, using similar delivery and sales processes. Accordingly, the regional businesses are aggregated for reporting purposes into one segment.

(expressed in thousands of Canadian dollars except per unit or unit data)

16) Business Acquisition

On September 15, 2004, the Fund acquired certain assets and assumed certain liabilities comprising the Construction Products Division of Maritime Steel and Foundries Limited. The gross purchase price was $2,257 including transaction costs. The acquisition has been accounted for using the purchase method and the results of operations have been consolidated with those of the Fund from the date of acquisition.

Asset evaluation is underway but is not yet complete and therefore the allocation of the purchase price may change. The estimated details of this transaction are as follows:

	$
Net Assets Acquired	
Accounts receivable	431
Inventories	1,327
Prepaid expenses and other assets	4
Property and equipment	100
Intangibles – Customer lists	395
	2,257
Consideration	
Consideration – Cash	1,800
Transaction costs	151
Holdback payable	306
Total Consideration	2,257

17) Subsequent Events

On September 21, 2004 a $0.10 per unit (equalling total amount of $901) distribution in respect of September 2004 was announced. The record date of the distribution was September 30, 2004 with an ex-dividend trading date of September 28, 2004. This distribution was paid on October 15, 2004.

On October 20, 2004 a $0.10 per unit (equalling total amount of $901) distribution in respect of October 2004 was announced. The record date of the distribution was October 29, 2004 with an ex-dividend trading date of October 27, 2004. This distribution is to be paid on November 15, 2004.

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Toronto Stock Exchange Symbol

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