INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

For the periods ended September 30, 2010 and September 30, 2009

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

Armtec Infrastructure Income Fund

INTERIM CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)

	September 30, 2010 (unaudited)	September 30, 2009 (unaudited)	December 31, 2009
Assets			
Current assets			
Cash	$ 43	$ 486	$ 13,492
Accounts receivable	160,673	151,302	104,830
Inventories	45,931	46,437	37,239
Prepaid expenses and other assets	6,298	4,109	2,798
Future income tax assets	1,092	306	1,314
Assets held for sale (Note 5)	8,334	-	-
	222,371	**202,640**	**159,673**
Property, plant and equipment	183,561	189,849	188,269
Intangible assets	136,558	145,822	143,722
Goodwill	154,632	146,324	160,094
	$ 697,122	**$ 684,635**	**$ 651,758**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ 70,099	$ 79,686	$ 69,108
Distributions payable	3,663	3,639	4,650
Deferred contract revenue	4,275	5,516	6,187
Current portion of long-term debt	2,992	2,764	2,312
Future income tax liabilities	242	1,890	969
Liabilities held for sale (Note 5)	670	-	-
	81,941	**93,495**	**83,226**
Deferred contract revenue	-	1,077	-
Long-term debt	305,914	241,185	225,730
Accrued benefit liability	14,810	12,292	16,234
Future income tax liabilities	45,183	55,883	49,789
	447,848	**403,932**	**374,979**
Unitholders' equity	**249,274**	**280,703**	**276,779**
	$ 697,122	**$ 684,635**	**$ 651,758**

Signed on behalf of the Trustees:

/s/ Robert J. Wright
Robert J. Wright
Chairman

/s/ Brian W. Jamieson
Brian W. Jamieson
Trustee

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

Armtec Infrastructure Income Fund

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands of Canadian dollars except unit and per unit amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
		(Restated – Note 5)		(Restated – Note 5)
Revenue	**$ 143,587**	**$ 162,003**	**$ 343,598**	**$ 338,613**
Cost of sales	104,309	104,542	251,800	225,823
Amortization of property, plant and equipment	3,945	3,589	11,265	9,196
Gross margin	**35,333**	**53,872**	**80,533**	**103,594**
Distribution and warehousing	6,326	6,900	15,432	14,907
Selling, general and administrative	11,514	13,468	38,560	37,636
Reorganization expenses	712	579	3,127	1,856
Amortization of intangible assets	3,228	3,190	9,676	8,360
Earnings from operations	**13,553**	**29,735**	**13,738**	**40,835**
Interest	5,341	3,812	12,308	8,578
Interest related to debt transaction costs	443	472	1,358	1,001
Recognition of swap related loss (Note 6)	2,745	-	2,745	-
Write-down of debt transaction costs (Note 6)	1,983	-	1,983	-
Interest and financing expenses	10,512	4,284	18,394	9,579
Earnings (loss) before taxes	**3,041**	**25,451**	**(4,656)**	**31,256**
Recovery of future income taxes	4,131	766	4,392	2,458
Earnings (loss) from continuing operations	**7,172**	**26,217**	**(264)**	**33,714**
Earnings from discontinued operations (Note 5)	623	642	1,305	1,639
Earnings for the period	**$ 7,795**	**$ 26,859**	**$ 1,041**	**$ 35,353**
Basic and diluted earnings (loss) per unit – continuing operations	$ 0.35	$ 1.30	$ (0.01)	$ 1.72
Basic and diluted earnings per unit	$ 0.38	$ 1.33	$ 0.05	$ 1.80

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

Armtec Infrastructure Income Fund

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands of Canadian dollars)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Earnings for the period	**$ 7,795**	**$ 26,859**	**$ 1,041**	**$ 35,353**
Other comprehensive income, net of taxes:				
Change in unrealized earnings of derivative financial instruments designated as cash flow hedges (net of income taxes of $nil)	2,787	188	2,417	1,471
Other	10	1	1	(11)
	2,797	189	2,418	1,460
Comprehensive earnings for the period	**$ 10,592**	**$ 27,048**	**$ 3,459**	**$ 36,813**

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

Armtec Infrastructure Income Fund

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' EQUITY
(in thousands of Canadian dollars)
(unaudited)

	Unitholders' Capital	Accumulated Other Comprehensive Loss	Cumulative Earnings	Cumulative Distributions	Total
Balance – December 31, 2008	**$ 228,395**	**$ (3,786)**	**$ 90,413**	**$ (91,564)**	**$ 223,458**
Units issuance	55,075	-	-	-	55,075
Warrant issuance	1,305	-	-	-	1,305
Issuance costs	(3,166)	-	-	-	(3,166)
Cancellation of exchangeable partnership units	(582)	-	-	-	(582)
Earnings for the period	-	-	35,353	-	35,353
Other comprehensive income for the period	-	1,460	-	-	1,460
Distributions for the period	-	-	-	(32,200)	(32,200)
Balance – September 30, 2009	**$ 281,027**	**$ (2,326)**	**$ 125,766**	**$ (123,764)**	**$ 280,703**
Balance – December 31, 2009	**$ 281,027**	**$ (2,458)**	**$ 133,901**	**$ (135,691)**	**$ 276,779**
Equity component of debentures, net of costs (Note 7)	1,952	-	-	-	1,952
Earnings for the period	-	-	1,041	-	1,041
Other comprehensive income for the period	-	2,418	-	-	2,418
Distributions for the period	-	-	-	(32,916)	(32,916)
Balance – September 30, 2010	**$ 282,979**	**$ (40)**	**$ 134,942**	**$ (168,607)**	**$ 249,274**

Total cumulative earnings, cumulative distributions and accumulated other comprehensive loss as at September 30, 2010 was $(33,705) and as at September 30, 2009 was $(324).

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

Armtec Infrastructure Income Fund

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Cash provided by (used in):				
Operating activities				
Earnings for the period	**$ 7,795**	**$ 26,859**	**$ 1,041**	**$ 35,353**
Items not affecting cash:				
Amortization of property, plant and equipment	4,003	3,677	11,449	9,452
Amortization of intangible assets	3,281	3,243	9,837	8,521
Interest related to debt transaction costs	443	472	1,358	1,001
Write-down of debt transaction costs (Note 6)	1,983	-	1,983	-
Recognition of swap related loss (Note 6)	2,745	-	2,745	-
Recovery of future income taxes	(4,144)	(779)	(4,432)	(2,498)
Other	(100)	(55)	(45)	(119)
	16,006	**33,417**	**23,936**	**51,710**
Net increase in non-cash working capital (Note 10)	(31,996)	(7,809)	(53,541)	(10,931)
Cash (used in) provided by operating activities	**(15,990)**	**25,608**	**(29,605)**	**40,779**
Investing activities				
Purchase of property, plant and equipment	(4,222)	(2,009)	(9,268)	(10,822)
Purchase of intangible assets	(547)	(692)	(1,731)	(854)
Purchase of intangible assets related to debt transaction costs	(3,050)	-	(3,050)	-
Proceeds from sale of property, plant and equipment	4	158	24	549
Business acquisitions	(14,742)	(4,593)	(14,866)	(103,054)
Cash used in investing activities	**(22,557)**	**(7,136)**	**(28,891)**	**(114,181)**
Financing activities				
Net proceeds from issuance of Senior Notes	147,000	-	147,000	-
Net proceeds from issuance of Debentures	-	-	38,400	-
Net (repayments) borrowings of other long-term debt	(103,949)	(8,527)	(105,147)	46,181
Distributions to unitholders	(10,987)	(10,917)	(33,903)	(32,503)
Funding of accrued benefit liability	(1,303)	-	(1,303)	-
Net proceeds from offering of units	-	-	-	51,327
Cash provided by (used in) financing activities	**30,761**	**(19,444)**	**45,047**	**65,005**
Net decrease in cash	**(7,786)**	**(972)**	**(13,449)**	**(8,397)**
Cash – Beginning of period	**7,829**	**1,458**	**13,492**	**8,883**
Cash – End of period	**$ 43**	**$ 486**	**$ 43**	**$ 486**
Supplemental cash flow information:				
Interest paid	$ 4,444	$ 3,488	$ 10,885	$ 7,667
Non-cash transactions:				
Acquisition – Issuance of warrants	$ -	$ -	$ -	$ 1,305

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

Armtec Infrastructure Income Fund

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of Canadian dollars except unit and per unit amounts)
(unaudited)

Note 1. Organization and Nature of Business

Armtec Infrastructure Income 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 on July 27, 2004. In these unaudited interim consolidated financial statements, the term "the Fund" or "Armtec" means Armtec Infrastructure Income Fund, together with Armtec's portion of its joint venture, Fixon-Armtec Ltd., and its subsidiaries: Armtec Operating Trust, Armtec Exchangeable Partnership, Armtec AEP GP Limited, Armtec Holdings Limited, Armtec Limited Partnership Corp., Armtec Limited Partnership, Durisol Consulting Services Inc., and Armtec US Limited, Inc.

During the second quarter, Armtec announced its intention to convert the Fund into a corporate form effective on or about January 1, 2011. The conversion was approved by more than 66 $^{2/3}$% of votes cast by unitholders at Armtec's annual and special meeting on June 24, 2010.

The Armtec group is a leading manufacturer and marketer of a comprehensive range of infrastructure products and engineered construction solutions for customers in a diverse cross-section of industries that are located in every region of Canada, as well as in selected markets globally. These markets include Canada's national and regional public infrastructure markets and private sector markets in residential construction, commercial building, agricultural drainage and natural resources. Armtec operates through its network of regional offices and production facilities across the country. Armtec produces a broad range of engineered solutions, including products for drainage, bridge applications, soil retention, rehabilitation and water management systems including corrugated high-density polyethylene, corrugated steel and concrete pipe; an array of architectural and structural precast and pre-stressed concrete products from steps, paving stones, slabs and wall panels to highly engineered structural components designed and installed for projects such as bridges, sports venues and parking garages; and, a full suite of noise barriers, acoustic enclosure and wall systems along with associated retaining wall and traffic barrier systems.

Note 2. Basis of Presentation

The Fund prepares its unaudited interim consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The unaudited interim consolidated financial statements reflect the results of operations of Armtec, its wholly owned subsidiaries and the Fund's portion of its joint venture for the three and nine months ended September 30, 2010 and September 30, 2009. All significant intercompany transactions and balances have been eliminated upon consolidation. 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 consolidated financial statements do not contain all the disclosures required in annual audited consolidated financial statements required by Canadian GAAP, and accordingly should be read together with Armtec's 2009 audited annual consolidated financial statements and accompanying notes included therein.

Note 3. Seasonal Nature of the Business

Armtec's results for the three and nine months ended September 30, 2010 and September 30, 2009 are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in revenue levels. Since many of Armtec's products require outdoor installation, the Fund historically experiences higher levels of revenue during the summer months in the second and third quarters, while the first and fourth quarters experience lower revenue during the late fall and winter months. Occupancy related expenses, general and administrative costs, depreciation and amortization and interest expenses remain relatively level throughout the year.

Note 4. Inventories

The amount of inventory recognized as an expense through cost of sales during the nine months ended September 30, 2010 was $177,570 (2009 – $208,948).

Note 5. Assets Held for Sale and Discontinued Operations

The assets and liabilities related to the cement packaging operation (the "Packaging Business"), which is not a core part of the Armtec business, have been presented as held for sale following the approval of the Fund's trustees on September 30, 2010. The transaction closed on November 1, 2010. Accordingly, on November 1, 2010 the Fund recorded an approximate gain on disposal of $6,523 (net of tax of $Nil). The results of operation of the Packaging Business have been segregated and presented separately as discontinued operations in the current interim consolidated financial statements including a restatement of the prior period's interim consolidated financial statements. The results of the Packaging Business were as follows:

	Three Months Ended		**Nine Months Ended**	
For the period ending	**September 30, 2010**	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Revenue	$ 2,473	$ 3,158	$ 6,545	$ 8,247
Earnings before taxes from discontinued operations	610	629	1,265	1,599
Recovery of future income taxes	13	13	40	40
Earnings for the period from discontinued operations	**$ 623**	**$ 642**	**$ 1,305**	**$ 1,639**

Assets and liabilities of the Packaging Business held for sale are presented as at September 30, 2010 in current assets and liabilities as follows:

As at	**September 30, 2010**
Inventories	$ 721
Property, plant and equipment	2,427
Intangible assets	2,108
Goodwill	3,078
Assets held for sale	8,334
Liabilities held for sale – future income tax liabilities	670
Net assets	**$ 7,664**

Note 6. Long-Term Debt

As at	September 30, 2010	September 30, 2009	December 31, 2009
Revolving Credit Facility (a)	$ 117,916	$ 15,814	$ -
Term Credit Facility (a)	-	183,000	183,000
Bridge Credit Facility (a)	-	40,000	40,000
Senior Notes (b)	150,000	-	-
Debentures (c)	37,940	-	-
Capital leases payable	1,670	1,620	1,482
Other notes	4,094	4,999	4,346
	311,620	**245,433**	**228,828**
Interest rate swaps	2,745	2,289	2,417
Debt transaction costs	(5,459)	(3,773)	(3,203)
Current portion of long-term debt	(2,992)	(2,764)	(2,312)
	$ 305,914	**$ 241,185**	**$ 225,730**

(a) Credit Facilities

In September 2010, the Fund repaid its $183,000 Term Credit Facility and $40,000 Bridge Credit Facility with a combination of proceeds from the issuance of senior unsecured notes and proceeds from a new agreement with the existing syndicate of lenders for a new Revolving Credit Facility. The maturity date for the new $250,000 Revolving Credit Facility is September 2015. The Fund's Revolving Credit Facility financial covenant ratios are primarily linked to trailing operating earnings before interest, taxes, depreciation and amortization adjusted for certain inclusions, such as the pro-forma earnings related to acquisitions, and exclusions ("Adjusted Earnings"). Included in the new Revolving Credit Facility are maximum covenant ratios of debt to Adjusted Earnings on a rolling four quarter basis of 4.5:1 at September 30, 2010, 4.25:1 at December 31, 2010, and 4:1 thereafter as well as a minimum covenant ratio of 3:1 of Adjusted Earnings over interest expensed.

The Revolving Credit Facility bears interest at rates that depend on certain financial ratios of the Fund and vary in accordance with borrowing rates in Canada. The Revolving Credit Facility is secured by a first charge on the assets of the Fund and its subsidiaries, except for specified permitted encumbrances. The provisions under the Revolving Credit Facility provide for restrictions on the operations and activities of the Fund.

For accounting purposes, the previous Credit Facility is treated as being settled. As a result, debt transaction costs of $1,983 related to the previous Credit Facility were written off to interest and financing expenses in the Fund's statement of earnings during the third quarter of 2010.

Also for accounting purposes, the interest rate swaps no longer qualify for hedge treatment as of September 22, 2010 and as a result the Fund recognized $2,745 of losses, previously recorded in other comprehensive income, in interest and financing expenses for the period.

(b) Senior unsecured notes ("Senior Notes")

In September 2010, the Fund issued 8.875% senior unsecured notes for gross proceeds of $150,000. Net proceeds were used for the repayment of debt and general corporate purposes. Interest is payable on the Senior Notes semi-annually in arrears on March 22 and September 22 with the first payment due March 22, 2011.

The Senior Notes mature on September 22, 2017 and, at the issuer's option, are redeemable at an amount equal to accrued and unpaid interest, and a redemption premium that diminishes to face value on September 21, 2016. Under the terms of the Senior Notes, the financial covenants are primarily linked to the trailing four quarter operating earnings before interest, taxes, depreciation and amortization, adjusted for certain inclusions, such as the pro-forma earnings related to acquisitions, and certain exclusions ("Senior Adjusted Earnings"). The Fund must have a ratio of not less than 2.5:1 of Senior Adjusted Earnings over interest expensed before incurring additional debt facilities.

(c) Convertible unsecured subordinated debentures ("Debentures")

On June 30, 2010, Armtec issued 40,000 6.5% convertible unsecured subordinated debentures for gross proceeds of $40,000. Net proceeds were used for the repayment of debt and general corporate purposes. Interest is payable on the Debentures semi-annually in arrears on June 30 and December 31 with the first payment due December 31, 2010.

The Debentures mature on June 30, 2017 and, at the holder's option, are convertible into units of the Fund at any time prior to the earlier of the maturity date and the date of redemption specified by the Fund at a conversion price of $26.90 per unit using a conversion rate of 37.1747 units per debenture. Except under certain conditions, the Debentures may not be redeemed by the Fund before July 1, 2013. On or after July 1, 2013 and prior to July 1, 2015, Armtec may, at its option and upon meeting a minimum volume weighted average trading price of its units, redeem the Debentures, in whole or in part at 125% of the conversion price. On or after July 1, 2015 and prior to the maturity date, Armtec may, at its option, redeem the Debentures, in whole or in part at the conversion price.

The value of the liability and equity components was determined upon initial recognition of the Debentures on June 30, 2010. The liability component of the Debentures has been determined based on the net present value of future payments at the time of the issuance using a rate of interest prevailing at the date of issue for instruments of similar term and risk. The difference between the face value and the liability component of the Debentures was allocated to equity.

Interest expense on the debentures will be comprised of the interest calculated on the face value of the Debentures and notional interest representing the accretion of the liability component of the Debentures. This accretion on the liability component of the Debentures will be charged at an effective interest rate such that at maturity the debt component is equal to the face value of the then outstanding Debentures.

The Debentures are recognized on the balance sheet of the Fund as follows:

	Amount
Face value of Debentures issued on June 30, 2010	$ 40,000
Equity component	(2,060)
	37,940
Transaction costs related to the liability component	(1,848)
Liability component upon initial recognition on June 30, 2010	36,092
Accretive notional interest related to the liability component	127
Liability component – September 30, 2010	**$ 36,219**

Note 7. Unitholders' Capital

Units issued and outstanding	Number of exchangeable partnership units	Number of units	Total number of units as issued	Number of warrants	Amount
Balance – December 31, 2008	**1,576,933**	**15,561,800**	**17,138,733**	**-**	**$ 228,395**
Unit issuance	-	3,102,941	3,102,941	-	55,075
Warrant issuance	-	-	-	235,294	1,305
Issuance costs	-	-	-	-	(3,166)
Exchange of exchangeable partnership units for units	(1,081,229)	1,081,229	-	-	-
Cancellation of exchangeable partnership units	(27,000)	-	(27,000)	-	(582)
Balance – September 30, 2009	**468,704**	**19,745,970**	**20,214,674**	**235,294**	**$ 281,027**
Balance – December 31, 2009	**443,921**	**19,770,753**	**20,214,674**	**235,294**	**$ 281,027**
Equity component of debentures, net of costs	-	-	-	-	1,952
Exchange of exchangeable partnership units for units	(235,066)	235,066	-	-	-
Exercise of warrants for units	-	133,110	133,110	(235,294)	-
Balance – September 30, 2010	**208,855**	**20,138,929**	**20,347,784**	**-**	**$ 282,979**

During the second quarter of 2010, Armtec issued Debentures with a net equity component of $1,952 (Note 6). During the first quarter of 2010, 235,294 warrants were exercised for 133,110 units of Armtec at a unit price of $24.27. Armtec issued the warrants during the second quarter of 2009 in connection with Armtec's acquisition of certain assets and liabilities of Groupe Tremca Inc.

Note 8. Distributions

During the year, the Fund makes regular monthly distributions to unitholders of record as of the last business day of each month. Distributions to unitholders were calculated and recorded when declared. Distributions declared for the nine months ended September 30, 2010 were as follows:

Period	Record date	Payment date	Per unit	Amount (Whole Dollars)
January 2010	January 29, 2010	February 12, 2010	$ 0.18	$ 3,638,893
February 2010	February 26, 2010	March 15, 2010	0.18	3,638,893
March 2010	March 31, 2010	April 15, 2010	0.18	3,662,601
April 2010	April 30, 2010	May 14, 2010	0.18	3,662,601
May 2010	May 31, 2010	June 15, 2010	0.18	3,662,601
June 2010	June 30, 2010	July 15, 2010	0.18	3,662,601
July 2010	July 30, 2010	August 13, 2010	0.18	3,662,601
August 2010	August 31, 2010	September 15, 2010	0.18	3,662,601
September 2010	September 30, 2010	October 15, 2010	0.18	3,662,601
			$ 1.62	**$ 32,915,993**

For the nine months ended September 30, 2009, total distributions of $32,200 were declared.

Note 9. Earnings per Unit

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Earnings for the period from continuing operations – basic	$ 7,172	$ 26,217	$ (264)	$ 33,714
Earnings for the period – basic	7,795	26,859	1,041	35,353
Weighted average number of units outstanding – basic	20,347,784	20,214,674	20,304,389	19,618,442
Dilutive effect of warrants issued	-	21,276	22,911	17,903
Dilutive effect of Debentures issued	-	-	-	-
Weighted average number of units outstanding – diluted	20,347,784	20,235,950	20,327,300	19,636,345
Earnings per unit from continuing operations				
Basic	$ 0.35	$ 1.30	$ (0.01)	$ 1.72
Diluted	$ 0.35	$ 1.30	$ (0.01)	$ 1.72
Earnings per unit				
Basic	$ 0.38	$ 1.33	$ 0.05	$ 1.80
Diluted	$ 0.38	$ 1.33	$ 0.05	$ 1.80

Earnings per unit amounts were calculated using the weighted daily average number of units outstanding during the period. For the purposes of basic weighted average number of units outstanding, the exchangeable partnership units issued were treated as if the units were converted to equivalent units of Armtec at the time of issuance. For the purposes of diluted weighted average number of units outstanding, the Debentures issued were treated as if the units were converted to equivalent units of Armtec at the time of issuance. The dilutive effects of outstanding warrants were reflected in diluted earnings per unit by application of the treasury stock method.

The impact of the Debentures, if converted to equivalent units of Armtec, was anti-dilutive for the three and nine months ended September 30, 2010.

Note 10. Changes in Non-Cash Working Capital

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Cash provided by (used in):				
Accounts receivable	$ (28,994)	$ (11,698)	$ (53,343)	$ (23,842)
Inventories	4,193	6,700	(9,413)	4,265
Prepaid expenses and other assets	(3,221)	(454)	(3,500)	(1,552)
Accounts payable and accrued liabilities	(5,537)	5,863	14,627	14,208
Deferred contract revenue – short-term	1,563	(7,053)	(1,912)	(1,587)
Deferred contract revenue – long-term	-	(1,167)	-	(2,423)
	$ (31,996)	**$ (7,809)**	**$ (53,541)**	**$ (10,931)**

Note 11. Business Acquisitions

Under the terms of certain agreements, a reduction of $2,384 was recognized in goodwill during the second quarter of 2010 and was primarily related to the 2009 purchase of Pre-Con.

During the third quarter of 2010, $15,000 plus interest, was paid to the vendors of Durisol as the earnings of the acquired business exceeded a set predetermined threshold. The additional consideration was recognized as goodwill during 2009.

Note 12. Segmented Information

Effective January 1, 2010, Armtec realigned its internal structure. The operations and management of the Fund have been realigned and report to the Chief Executive Officer on a geographic regional basis.

In assessing the segments under the new structure, it was determined that the regions serve a common customer type, primarily in the infrastructure construction market. Each region offers similar services and products which follow consistent production methods. The distribution methods for the various products offered by Armtec are similar across regions. As a result, the regions have been aggregated and reported as one operating segment.

a) Geographic sales

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
		(Restated – Note 5)		(Restated – Note 5)
Canada	$ 133,889	$ 151,910	$ 317,743	$ 310,530
International	9,698	10,093	25,855	28,083
Revenues to external customers	**$ 143,587**	**$ 162,003**	**$ 343,598**	**$ 338,613**

b) Reorganization costs

The reorganization costs consist primarily of severance costs.

	Three Months Ended		Nine Months Ended	
	September 30, 2010	**September 30, 2009**	**September 30, 2010**	**September 30, 2009**
Reorganization accrual – beginning of period	$ 2,114	$ 443	$ 3,631	$ -
Reorganization costs expensed	712	579	3,127	1,856
Reorganization costs paid	(1,199)	(718)	(5,131)	(1,552)
Reorganization accrual – end of period	$ 1,627	$ 304	$ 1,627	$ 304

Note 13. Comparative Figures

Certain comparative figures have been reclassified in accordance with the current period's presentation.

Note 14. Subsequent Events

Distributions

On October 15, 2010, a distribution of $0.18 per unit was declared in respect of October 2010. The record date of the distribution was October 29, 2010, with a payment date of November 15, 2010.