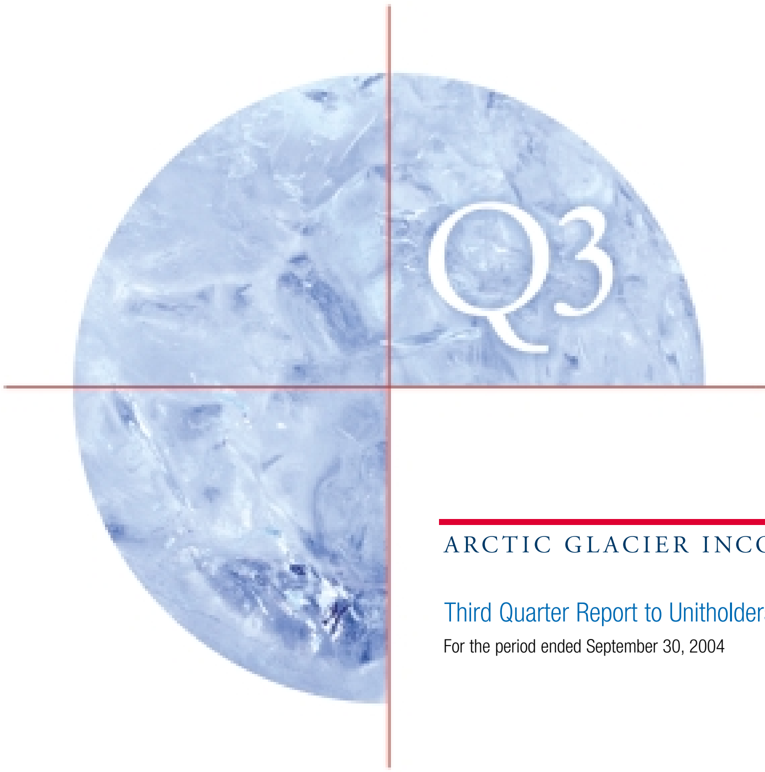

ARCTIC GLACIER INCOME FUND

Third Quarter Report to Unitholders

For the period ended September 30, 2004

Q3

Message to Unitholders

We are pleased to report operating results for the third quarter of 2004. During this period Arctic Glacier continued to implement its growth strategy in key U.S. markets. The Fund acquired an important distribution center in Newburgh, New York that had previously been leased. This facility will be expanded and converted into a production plant during the first half of 2005, which will create operating efficiencies in the New York market. A second acquisition comprised the assets of a small ice manufacturer and one of its distributors in the Minnesota market. In addition, Arctic Glacier signed a new franchise agreement with Baker's Ice Company in St. Louis, Missouri.

The Fund also put into effect financial changes that benefit unitholders. Effective September 1, 2004, the Fund and its subsidiaries changed certain aspects of their internal corporate structures to improve tax efficiency. As a result, certain components of cash flows from the U.S. to Canada are now considered to be portfolio interest for taxation purposes and are no longer subject to U.S. withholding tax.

Revenue contributions from acquisitions since September 30, 2003, primarily in the Pennsylvania and New York markets, constituted the main driver behind a $2.4 million sales increase during the third quarter to a new record of $50.6 million. For the first nine months of 2003, sales were $98.0 million, a 20% gain over the same period in 2003.

Sales would have been even higher if it were not for unseasonably cool and wet weather prevailing in most North American markets during the summer of 2004. Many key markets experienced the coolest summer in recent history, which some setting long-term records for cold or rain. As a result, when sales contributions from acquisitions made during the last year are removed, third-quarter sales in previously serviced markets this year were 9% lower than in the same quarter in 2003. The stronger Canadian dollar also affected sales by reducing the Canadian-dollar volume of transactions with U.S. customers.

Third quarter earnings reached a record $11.6 million. The increased number of units this year, due to the equity offerings completed during 2003, reduced earnings per unit to $0.50 (basic and diluted) from $0.60 for the same period last year. For the first nine months of 2004, earnings totaled $14.1 million or $0.60 per unit, compared to $12.1 million or $0.73 per unit for the same period in 2003.

Remaining proceeds of the unit offering in October 2003, which are expected to be fully deployed during the fourth quarter of 2004, have created a dilutive effect on results and have reduced distributable cash per unit for 2004.

Distributable cash for the quarter increased 11% to $19.0 million or $0.81 per unit compared to $17.0 million or $0.93 per unit for the same period in 2003. For the first nine months of 2004, distributable cash increased 15% to $21.6 million or $0.93 per unit from $18.8 million or $1.13 per unit in 2003.

During the quarter the Fund declared distributions to unitholders totaling $6.2 million or $0.27 per unit. Year-to-date distributions totaled $18.7 million or $0.80 per unit, representing $1.07 on an annualized basis. To eliminate the effect of seasonal fluctuations in distributable cash, monthly distributions have been leveled throughout the year.

The combined effect of the poor weather and the dilution caused by the undeployed equity proceeds have affected results to the extent that distributions paid to unitholders will exceed distributable cash for 2004. However, the Fund has sufficient cash resources required to maintain distributions at the current level.

Looking forward, we anticipate that a return to more normal weather patterns next year, combined with the expected 2004 fourth quarter deployment of the remaining proceeds of 2003 equity offerings, will generate sufficient cash in 2005 to meet or exceed the current annualized distribution rate of $1.07 per unit.

Earlier this month we announced the signing of a letter of intent with the Party Time Ice group of companies of Michigan. This will be the largest acquisition ever completed by Arctic Glacier. It provides us with the entry into a new market – the state of Michigan including the city of Detroit. In addition to being one of the largest metropolitan markets in the U.S., it is also contiguous with our key southern Ontario market. As with all previously announced acquisitions, this acquisition is expected to be accretive to unitholders.

For the balance of the year, Arctic Glacier will continue to actively pursue accretive opportunities in markets where a significant regional presence can be achieved or enhanced. The Fund is financially well positioned for expansion and will proceed with acquisitions that meet our criteria on quality, accretion, location and value. We will also continue to rationalize acquired operations to maximize synergies and benefit from economies of scale.

I look forward to reporting our full year results in the New Year.

Robert J. Nagy

President and
Chief Executive Officer

Management's Discussion and Analysis

of Operating Results and Financial Position for the three and nine months ended September 30, 2004

The Management's Discussion and Analysis ("MD&A") analyzes significant changes in the consolidated balance sheets, consolidated statements of operations, cumulative earnings and cash flows of Arctic Glacier Income Fund (the "Fund" or "Arctic Glacier"). It has been prepared taking into account material transactions and events up to and including November 3, 2004 and should be read in conjunction with the MD&A in the annual report of the Arctic Glacier Income Fund for the year ended December 31, 2003.

Due to the seasonal nature of Arctic Glacier's business, the results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year. Arctic Glacier usually generates significant sales and profits in the second and third quarters, with lower sales and significant losses in the first and fourth quarters. Cash flows peak in the third and fourth quarters and drop off in the first and second quarters.

Highlights for the Three Months Ended September 30, 2004

- Purchased distribution center in Newburgh, New York that had previously been leased. This facility will be expanded and converted into a production plant during the first part of 2005;
- Changed corporate structure to enable more tax efficient flow of funds from U.S. operations to the Fund by reducing U.S. withholding taxes;
- Introduced and tested consumer friendly re-closeable packaging in the Alberta market;
- Acquired assets of a small ice manufacturer and one of its distributors in the Minnesota market in July 2004;
- Continued construction of a new head-office building in Winnipeg, Manitoba that will accommodate the current and planned scope of corporate operations;
- Continued to actively investigate accretive opportunities in markets where significant regional presence can be achieved or enhanced;
- Increased sales $2.4 million or 5% compared to the third quarter of 2003;
- Increased earnings $0.2 million or 2% compared to the third quarter of 2003;
- Generated earnings per unit (basic and diluted) of $0.50 compared to $0.62 for the third quarter of 2003; and,
- Maintained quarterly cash distribution rate of $0.2676 per unit, resulting in distributions totaling $6.2 million compared to $4.9 million for the third quarter of 2003.

Non-GAAP Financial Measures

EBITDA and distributable cash are not recognized measures under Canadian generally accepted accounting principles (GAAP). EBITDA is defined as earnings before interest, taxes, amortization and non-recurring expenses including acquisition integration charges that are one-time costs unique to each individual acquisition. EBITDA is a performance metric used by many investors to provide an indication of cash available for distribution from ongoing operations prior to debt service, capital expenditures and income taxes and is often used to compare companies and Income Funds on the basis of ability to generate cash from ongoing operations. Distributable cash is a performance metric used by many investors to summarize the funds available for distribution to unitholders in an Income Fund.

Investors should be cautioned that EBITDA and distributable cash should not be construed as alternatives to net income, cash from operations or other financial measures determined in accordance with GAAP as indicators of the Fund's performance. The Fund's method of calculating EBITDA and distributable cash may differ from other companies and Income Funds and, accordingly, may not be comparable to measures used by them.

Distributable Cash

The Fund generated distributable cash of $19.0 million for the third quarter of 2004, an increase of $2.0 million or 11% compared to $17.0 million for the same period of 2003. The increase is primarily driven by the contribution of acquisitions, lower cash taxes, and reduced sustaining capital expenditures, which factors were partially offset by the impact of poor weather this summer. On a per unit basis, distributable cash was $0.81 per unit compared to $0.93 per unit for the same period of 2003, primarily due to the dilutive effect of units issued in the October 2003 equity offering for which proceeds are not anticipated to be deployed until the fourth quarter of 2004.

Distributable cash for the first nine months of 2004 totaled $21.6 million, an increase of 15% compared to the same period of 2003. On a per unit basis, distributable cash for the first nine months of 2004 was $0.93 per unit compared to $1.13 for the same period of 2003.

The packaged ice business is very seasonal. The Trustees of the Fund have eliminated the impact of seasonal fluctuations on unitholders by equalizing the monthly distributions. Because of this seasonality, the calculation of distributable cash for any portion of the year is not necessarily indicative of the distributable cash to be expected for the entire year.

Operating results for the third quarter and nine months ended September 30, 2004 have been significantly affected by the unseasonably cool and wet weather conditions that affected much of North America this summer. Many of our key markets experienced the coolest summer in recent history, with some setting long-term records for cold or rain. Additionally, remaining proceeds of the unit offering in 2003 that are expected to be fully deployed during the fourth quarter of 2004 create a dilutive effect upon results. These factors have adversely affected distributable cash per unit for 2004. Currently, management expects that distributions paid to unitholders of $1.07 per unit will exceed distributable cash for 2004. However, management believes that the Fund has adequate cash resources and plans to maintain the current level of cash distributions.

A return to more normal weather patterns next year, combined with the expected 2004 fourth quarter deployment of the remaining proceeds of the 2003 equity offerings will, in management's view, generate sufficient cash in 2005 to meet or exceed the current distribution rate of $1.07 per unit on an annualized basis.

Distributable Cash

	Three Months		Nine Months	
(thousands, except per unit amounts)	**2004**	2003	**2004**	2003
Cash from operating activities	**$ 20,473**	$ 17,618	**$ 16,438**	$ 17,006
Adjustments:				
Changes in working capital items	**(658)**	1,116	**8,120**	5,313
	19,815	18,734	**24,558**	22,319
Less sustaining capital expenditures, net of dispositions	**(857)**	(1,726)	**(2,917)**	(3,511)
Distributable cash	**$ 18,958**	$ 17,008	**$ 21,641**	$ 18,808
Weighted average number of units	**23,321**	18,310	**23,302**	16,601
Distributable cash per unit	**$ 0.81**	$ 0.93	**$ 0.93**	$ 1.13
Distributions declared	**$ 6,241**	$ 4,899	**$ 18,709**	$ 13,517
Distributions declared per unit	**$ 0.27**	$ 0.27	**$ 0.80**	$ 0.80
Distributions declared per unit (annualized)	**$ 1.07**	$ 1.07	**$ 1.07**	$ 1.07

The Fund declared cash distributions totaling $6.2 million or $0.27 per unit during the third quarter ended September 30, 2004 and $18.7 million or $0.80 per unit for the first nine months of the year. This compares to $4.9 million or $0.27 per unit during the third quarter of 2003 and $13.5 million or $0.80 per unit for the first nine months of 2003. This results in an annualized distribution rate of $1.07 per unit, consistent with the annualized distribution rate for 2003.

Distributions

(thousands, except per unit amounts)

			Distributions	
Month	Record Date	Payment Date	Per Unit	Amount
January	January 30, 2004	February 13, 2004	$ 0.0892	$ 2,077
February	February 27, 2004	March 15, 2004	0.0892	2,077
March	March 31, 2004	April 15, 2004	0.0892	2,078
April	April 30, 2004	May 14, 2004	0.0892	2,078
May	May 31, 2004	June 15, 2004	0.0892	2,079
June	June 30, 2004	July 15, 2004	0.0892	2,079
July	July 30, 2004	August 13, 2004	0.0892	2,080
August	August 31, 2004	September 15, 2004	0.0892	2,080
September	September 30, 2004	October 15, 2004	0.0892	2,081
Total			**$ 0.8028**	**$ 18,709**

Management's Discussion and Analysis

of Operating Results and Financial Position for the three and nine months ended September 30, 2004

Acquisitions

Arctic Glacier completed one acquisition during the third quarter of 2004. On July 16, 2004, a subsidiary of Arctic Glacier acquired the assets of an ice manufacturer and one of its distributors operating in the Minnesota market for aggregate consideration of $2.1 million (US$1.6 million). In addition, acquisition and restructuring costs are estimated at $0.1 million.

The acquisitions made in 2003 and during the first nine months of 2004 are key steps in building a strong market presence in the densely populated northeastern U.S. market, and in increasing market penetration and broadening the distribution base in previously serviced markets. These acquisitions are expected to be accretive to distributable cash on a per unit basis in their first full fiscal year of operations.

Corporate Reorganization

The Fund and its subsidiaries changed certain aspects of their internal corporate structure effective September 1, 2004 to improve the tax efficiency of the flow of funds from U.S. subsidiaries to the Fund for ultimate distribution to unitholders. These changes mean that certain components of cash flows from the U.S. to Canada are now considered to be portfolio interest for taxation purposes and are no longer subject to U.S. withholding tax. These changes are expected to result in an increase in distributable cash of approximately $0.3 million in 2004, and $1.0 million on an annualized basis thereafter. The Fund has incurred costs associated with these changes of $0.2 million as at September 30, 2004 that are included in other assets.

Results of Operations

Sales

Sales for the third quarter ended September 30, 2004 totaled $50.6 million, an increase of $2.4 million or 5% compared to sales of $48.2 million for the third quarter of 2003.

The increase in sales was driven by the contribution of acquisitions, primarily in the Pennsylvania and New York markets. Acquisitions have contributed $8.2 million to sales during the third quarter.

This offset a decrease in sales in previously serviced markets, which were down $4.2 million or 9% compared to the third quarter of 2003. Most market areas experienced unfavorable weather conditions during the key selling months of July and August. Temperatures were uniformly cooler than normal in eastern Canada, the Prairies, the northeastern U.S. and much of the central U.S. this summer. The only exception in our markets was British Columbia, which enjoyed warm dry weather conditions for the second summer in a row. Sales volumes rebounded in many market areas during September as a result of unseasonably warm late-summer conditions and shipments into the hurricane-affected areas in the southeastern U.S. but it was not enough to overcome the softness in July and August.

Sales were also impacted negatively by the stronger Canadian dollar during the third quarter of 2004, which decreased the Canadian dollar value of sales generated in U.S. markets by $1.6 million compared to the same period in 2003.

Sales for the nine months ended September 30, 2004 totaled $98.0 million, an increase of $16.5 million or 20% compared to the same period of 2003. Acquisitions have contributed $22.9 million during this period. Sales in previously serviced markets, as a result of poor weather this summer, are down by $4.0 million or 5% and the stronger Canadian dollar has reduced reported sales by $2.4 million this year.

EBITDA

EBITDA for the third quarter of 2004 totaled $20.2 million, a decrease of $0.2 million or 1% compared to $20.4 million for the same period in 2003. The positive EBITDA contribution of newly acquired operations was more than offset by the impact of the weather-related reduction in sales, combined with higher fuel and distribution costs, the cost of increased corporate governance and non-cash unit-based compensation costs. The stronger Canadian dollar has reduced reported EBITDA by $0.6 million compared to the same period of 2003.

EBITDA for the nine months ended September 30, 2004 totaled $26.6 million, an increase of $1.5 million or 6% compared to $25.1 million for the same period in 2003.

Amortization

Amortization expense totaled $2.9 million for the third quarter of 2004, an increase of $0.2 million or 7% compared to the same period of 2003. Amortization of property, plant and equipment increased by $0.1 million due to an increase in depreciable assets from acquisitions made during the last year. Amortization of non-competition agreements and regional trade names increased by $0.1 million compared to the same period of 2003 as a result of acquisitions. These increases were offset by the impact of the stronger Canadian dollar, which has reduced the Canadian dollar value of amortization for U.S. assets.

Amortization expense for the nine months ended September 30, 2004 totaled $8.8 million, an increase of $1.3 million or 17% compared to the same period of 2003.

Interest

Interest expense totaled $0.5 million for the third quarter of 2004, a slight decrease compared to the same period in 2003. The stronger Canadian dollar during 2004 more than offset the higher debt levels this year resulting from financing acquisitions. The weighted average cost of debt increased during the third quarter of 2004, and at September 30, 2004 was 3.3% compared to 3.2% at the same time last year.

Interest expense for the nine months ended September 30, 2004 totaled $1.2 million, a decrease of 10% compared to the same period of 2003.

Acquisition Integration Charges

Acquisition integration costs reflect the non-recurring expenses associated with integrating acquired operations into Arctic Glacier's business model, subsequent to the completion of the acquisition, along with the costs of maintaining an acquisition department. Acquisition integration costs totaled $0.1 million for the third quarter of 2004.

Acquisition integration charges for the nine months ended September 30, 2004 totaled $0.3 million.

Gain on Disposal of Property, Plant and Equipment

Gains on disposal of property, plant and equipment totaled $0.3 million for the third quarter of 2004, resulting from the disposal of land and buildings in the central U.S. During the same period of the previous year, gains on disposal of property, plant and equipment were negligible resulting from the disposition of older distribution rolling stock and equipment in the U.S.

For the nine months ended September 30, 2004, gains on disposal of property, plant and equipment totaled $0.4 million compared to losses of $0.1 million for the same period of 2003.

Gain on Foreign Exchange Options

Gain on foreign exchange options totaled $0.4 million for the third quarter of 2004 resulting from the Fund's exchange management program. This amount is comprised of $0.6 million realized gains and $0.2 million non-cash, period end fair-value reduction of the value of the asset associated with outstanding foreign currency option contracts.

Non-Recurring Expenses

No non-recurring expenses were incurred for the third quarter of 2004. During the same period of 2003, non-recurring expenses totaled $0.2 million and were primarily comprised of costs associated with investigating potential business acquisitions that the Fund chose not to pursue.

Non-recurring expenses for the nine months ended September 30, 2004 totaled $0.1 million compared to $0.3 million for the same period of 2003.

Income Taxes

Income tax expense for the third quarter of 2004 totaled $5.8 million, an increase compared to $5.5 million for the same period of 2003 as a result of increased pre-tax earnings.

Income tax expense for the nine months ended September 30, 2004 totaled $3.4 million compared to $3.7 million for the same period of 2003.

Earnings and Earnings Per Unit

Earnings for the third quarter of 2004 totaled $11.6 million, an increase of $0.2 million or 2% compared to $11.4 million for the same period in 2003. On a per unit basis, earnings were $0.50 per unit (basic and diluted), a decrease compared to $0.62 for the same period in 2003 as a result of the increased number of units outstanding.

For the nine months ended September 30, 2004, earnings totaled $14.1 million, an increase of $2.0 million or 17% compared to $12.1 million for the same period of 2003. Earnings per unit for the nine months ended September 30, 2004 totaled $0.60 per unit compared to $0.73 per unit for the same period of 2003.

Management's Discussion and Analysis

of Operating Results and Financial Position for the three and nine months ended September 30, 2004

Summary of Quarterly Results

For the eight most recent quarters

(thousands, except per unit amounts)

	2004 Q3	2004 Q2	2004 Q1	2003 Q4	2003 Q3	2003 Q2	2003 Q1	2002 Q4
Sales	**$ 50,640**	**$ 36,088**	**$ 11,222**	$ 15,740	$ 48,219	$ 25,615	$ 7,596	$ 11,416
EBITDA	**20,197**	**10,553**	**(4,123)**	(647)	20,413	8,317	(3,621)	(471)
Earnings (loss)	**11,566**	**5,574**	**(3,054)**	(1,288)	11,351	4,059	(3,358)	(2,183)
Earnings (loss) per unit:								
Basic and diluted	**0.50**	**0.24**	**(0.13)**	(0.06)	0.62	0.26	(0.21)	(0.14)

Quarterly Results

The majority of Arctic Glacier's operations are in Canada and the north central and northeastern United States. As a result, the business is affected by seasonal weather patterns. Demand for packaged ice is very light during the first four months of the year, which are characterized by negative EBITDA and significant losses. Demand picks up in spring but is very dependent upon temperature and precipitation. As a result, May and June enjoy positive EBITDA and modest earnings. The third quarter of the year includes the peak summer sales period and is the financial driver for the business. Demand tapers off after the summer season ends and, as a result, the last quarter of the year is characterized by slightly negative EBITDA and losses.

For the first three quarters of 2004, sales, EBITDA, earnings (loss) and earnings (loss) per unit were impacted by acquisitions made in 2003 and 2004 and by the stronger Canadian dollar compared to the same period of 2003.

Liquidity and Capital Resources

Cash from Operating Activities

Funds from operations, before changes in non-cash working capital items, totaled $19.8 million for the third quarter of 2004, an increase of $1.1 million or 6% compared to the same period of the previous year. The increase is directly attributable to the growth in the scope of operations that has occurred as a result of the acquisitions made in 2003 and the first nine months of 2004, partially offset by the impact of the poor weather conditions this summer. For the nine months ended September 30, 2004, funds from operations, before changes in non-cash working capital items, totaled $24.6 million, an increase of $2.2 million or 10% compared to the same period of 2003.

Changes in non-cash working capital items generated $0.7 million of cash for the third quarter of 2004, compared to a net use of cash of $1.1 million for the same period of 2003. The change is due to the growth in the scope of operations this year, combined with a reduction in accounts receivable and payable balances as a result of the impact of the poor weather conditions this summer. For the nine months ended September 30, 2004, changes in non-cash working capital items resulted in a net use of cash of $8.2 million compared to $5.3 million for the same period of 2003 as a result of the increased scope of operations.

Investing Activities

(thousands)	Three Months 2004	Three Months 2003	Nine Months 2004	Nine Months 2003
Sustaining capital expenditures, net of dispositions	**$ 857**	$ 1,726	**$ 2,917**	$ 3,511
Growth capital expenditures	**2,846**	741	**7,474**	1,924
Acquisitions	**2,538**	27,939	**12,252**	34,631
Additions to other assets	**35**	608	**274**	651
Additions to intangibles and goodwill	**93**	–	**144**	3
Cash used in investing activities	**$ 6,369**	$ 31,014	**$ 23,061**	$ 40,720

Cash used in Investing Activities

Cash used in investing activities totaled $6.4 million for the third quarter of 2004 compared to $31.0 million for the same period of 2003. Sustaining capital expenditures, which represents the replacement of property, plant and equipment to sustain current business operations, totaled $0.9 million, a decrease of 50% compared to the same period of 2003. This decrease results from canceling or deferring certain non-essential expenditures that were planned for 2004 as a result of the impact of poor weather conditions on profitability and distributable cash in most markets. For the nine months ended September 30, 2004, sustaining capital expenditures totaled $2.9 million, a decrease of 17% compared to the same period of 2003. Sustaining capital expenditures are expected to average approximately 3% of sales this year, compared to the target level of 4% of annual sales as a result of the steps described above.

Growth capital expenditures, representing capital required to meet the demands of acquired operations or organic growth totaled $2.8 million during the third quarter of 2004, an increase of $2.1 million compared to the same period of 2003. This increase was due to the refurbishment and upgrading of facilities in Calgary and Edmonton, Alberta, the purchase of the production facility in Newburgh, New York that was previously rented, and the construction of a larger head office building in Winnipeg to accommodate the expanded scope of operations. Growth capital expenditures for the nine months ended September 30, 2004 totaled $7.5 million compared to $1.9 million for the same period of 2003.

Cash used for acquisitions during the third quarter of 2004 totaled $2.5 million, comprised of $2.2 million for the tuck-in acquisition in the Minnesota market in July and $0.3 million as a result of an increase in the estimate of acquisition and restructuring costs for the Reynolds acquisition. This compares to $27.9 million during the third quarter of 2003 related to the Saxony and Diamond acquisitions. For the nine months ended September 30, 2004, the Fund has used $12.3 million of cash related to acquisitions made this year, compared to $34.6 million for the same period of 2003.

Additions to other assets totaled $0.1 million during the third quarter of 2004, primarily the result of costs associated with the corporate restructuring. Additions to goodwill totaled $0.1 million during the third quarter of 2004 as a result of a number of smaller local acquisitions of merchandisers and customer lists.

Cash from (used in) Financing Activities

Cash used in financing activities totaled $2.1 million for the third quarter of 2004 compared to cash generated of $23.7 million for the same period of 2003.

During the third quarter of 2004, a total of $3.9 million was drawn on the credit facility, comprised of $2.2 million for the tuck-in acquisition in Minnesota, $1.1 million to acquire the distribution center in Newburgh, New York that was previously rented, and $0.6 million to pay obligations related to the Brandywine acquisition. The Fund generated $0.2 million of proceeds from units issued under the Distribution Reinvestment Plan. The Fund used $6.2 million of cash to pay distributions to unitholders during the third quarter of 2004 and $0.1 million to retire loans and notes payable.

During the third quarter of 2003, cash totaling $23.7 million was generated from financing activities, primarily the result of drawing capital of $28.7 million against the credit facility to fund the Saxony and Diamond acquisitions. The Fund also used $4.9 million of cash to pay distributions.

The Fund had total debt outstanding at September 30, 2004 of $56.0 million, comprised of senior debt of $55.2 million, other loans payable of $0.7 million and obligations under capital leases of $0.1 million. This compares to $62.6 million outstanding at the same time last year. The Fund's net debt [1] to trailing 12 month EBITDA ratio at September 30, 2004 was 1.7:1 compared to 2.0:1 in 2003. This was well within the Fund's stated intention to maintain a net debt to EBITDA ratio of less than 2.25:1, excluding any bridge financing of future acquisitions.

Cash flow from operations, together with cash balances on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating requirements, capital expenditures and anticipated distributions.

(1) Net debt is defined as total long-term debt and obligations under capital leases reduced by cash.

Contractual Obligations

There have been no material changes to the Fund's contractual obligations during the third quarter of 2004 that are outside of the ordinary course of business.

Financial Instruments

Foreign Exchange

The Fund and its subsidiaries generate significant cash flows in U.S. dollars and are therefore subject to fluctuations in the value of the Canadian dollar relative to the U.S. dollar in the normal course of business. In order to reduce this risk, the Fund has an exchange management program that uses derivative financial instruments, which are not held or issued for speculative purposes.

During the second quarter of 2004, the Fund and its subsidiaries entered into a series of foreign exchange option contracts providing a floor exchange rate of $1.3660 Canadian dollars per U.S. dollar on U.S. $14.0 million. At the time, this represented approximately 85% of the Fund's estimated 2004 net distributable cash generated in the United States. These contracts have settlement dates of less than one year, and contain knock-in provisions that call for the balance of any options to be exercised at $1.3660 if the spot exchange rate exceeds $1.4910 at any point prior to maturity.

During the third quarter of 2004 the Fund realized a gain of $0.6 million on the exercise of foreign exchange options contracts. The mark-to-market value of the contracts outstanding at September 30, 2004 results in an unrealized loss of $0.2 million, which has been included in earnings. At September 30, 2004, the notional amount of foreign exchange option contracts outstanding was U.S. $2.6 million.

Accounting Policies and Estimates

The critical accounting policies and estimates and discussion of new accounting policies are substantially unchanged from those identified in the MD&A for the year ended December 31, 2003 except as noted below.

New Accounting Policies Adopted in 2004

The Fund uses foreign exchange options to mitigate its exposure to fluctuations in foreign exchange rates. Effective January 1, 2004, the Fund adopted the new Canadian accounting guideline for hedging relationships. This guideline addresses the identification, designation, documentation and effectiveness of hedging relationships for purposes of applying hedge accounting. Under the new guideline, any hedging transactions that do not qualify for hedge accounting must be marked-to-market at each period end with any resulting gains or losses recorded in earnings.

The Fund's foreign exchange options were marked to market at September 30, 2004. Consequently, the Fund has reduced prepaid expenses by $0.2 million on the consolidated balance sheet and has recorded an unrealized loss of $0.2 million for the third quarter of 2004.

Related Party Transactions

The Fund and its subsidiaries have not entered into any significant transactions with related parties during the three and nine months ended September 30, 2004 and do not have any amounts that are due from or due to related parties.

Business Risks

The factors affecting the business remain substantially unchanged from those identified in the MD&A for the year ended December 31, 2003.

Outlook

The majority of Arctic Glacier's operations are in Canada and the north-central and northeastern United States. As a result, the business is affected by seasonal weather patterns. The third quarter of the year includes the peak summer sales period, which is the financial driver for the business. Demand tapers off after the summer season and as a result, the last quarter of the year is typically characterized by lower sales, marginal EBITDA and losses.

In the fourth quarter of 2004, Arctic Glacier expects sales to increase due to contributions from its recent acquisitions. However, management expects some of these contributions to be offset by the negative effect on sales of the stronger Canadian dollar.

The unseasonably cool and wet weather conditions across most of Arctic Glacier's market areas, combined with the dilutive effect of units issued in the October 2003 equity offering for which proceeds are not anticipated to be deployed until the fourth quarter of 2004 have adversely affected distributable cash per unit for 2004. Currently, management expects that distributions paid to unitholders of $1.07 per unit will exceed distributable cash for 2004. However, management believes that the Fund has adequate cash resources and plans to maintain the current level of cash distributions.

Arctic Glacier anticipates that a return to more normal weather patterns next year, combined with the expected 2004 fourth quarter deployment of the remaining proceeds of the October 2003 equity offering, will generate sufficient cash in 2005 to meet or exceed the current annualized distribution rate of $1.07 per unit.

Forward-Looking Statements

This quarterly report contains forward-looking statements, which reflect management's expectations regarding the future growth, results of operations, performance and business prospects and opportunities of the Fund and its subsidiaries. Forward-looking statements typically contain words such as "anticipates", "believes", "continue", "could", "expects", "indicates", "plans" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with the impact of adverse or favorable weather conditions, seasonality on labor and distribution, competition, compliance with government regulations, currency risk, dependence on key personnel, product liability, environmental risk, risks associated with acquisitions, expansion into the United States, effects of price changes in raw materials, restrictions on potential growth and debt refinancing. Although the forward-looking statements contained in this report are based upon what management believes to be reasonable assumptions, the Fund cannot assure readers that actual results will be consistent with these forward-looking statements.

These forward-looking statements are made as at the date of this report, and the Fund assumes no obligation to update or revise them, either publicly or otherwise, to reflect new events, information or circumstances.

Interim Consolidated Balance Sheets

As at September 30, 2004 and 2003 (unaudited) and December 31, 2003 (audited)

(thousands)	September 30, 2004	September 30, 2003	December 31, 2003
Assets			
Current assets			
Cash	**$ 11,900**	$ 13,055	$ 11,032
Accounts receivable	**13,860**	16,030	6,417
Inventories	**3,726**	3,097	3,515
Prepaid expenses	**2,539**	1,862	2,213
	32,025	34,044	23,177
Property, plant and equipment	**94,046**	82,447	89,061
Other assets	**4,152**	3,822	3,703
Intangibles	**1,376**	1,373	1,375
Goodwill	**101,972**	92,437	97,341
	$ 233,571	$ 214,123	$ 214,657
Liabilities and Unitholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	**$ 7,648**	$ 9,603	$ 8,366
Distributions payable to unitholders	**2,081**	1,633	2,076
Current obligations under capital leases	**51**	89	427
Principal due within one year on long-term debt	**190**	67	203
	9,970	11,392	11,072
Obligations under capital leases	**–**	486	38
Long-term debt	**55,721**	61,915	31,377
Future income taxes	**7,568**	8,740	5,701
Unitholders' equity			
Capital contributions (Note 5)	**201,508**	153,603	200,905
Contributed surplus	**285**	–	–
Cumulative earnings	**22,112**	9,314	8,026
Cumulative distributions (Note 6)	**(51,214)**	(26,278)	(32,505)
Cumulative translation adjustment	**(12,379)**	(5,049)	(9,957)
	160,312	131,590	166,469
	$ 233,571	$ 214,123	$ 214,657

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Operations

Three and nine months ended September 30, 2004 and 2003 (unaudited)

	Three Months		Nine Months	
(thousands, except per unit amounts)	**2004**	2003	**2004**	2003
Sales	**$ 50,640**	$ 48,219	**$ 97,950**	$ 81,430
Cost of sales, selling, general and administration expenses	**30,443**	27,806	**71,323**	56,321
Earnings before the undernoted	**20,197**	20,413	**26,627**	25,109
Amortization	**2,939**	2,744	**8,839**	7,569
Interest	**455**	510	**1,171**	1,306
Acquisition integration charges	**83**	117	**315**	117
Loss (gain) on disposal of property, plant and equipment	**(258)**	(3)	**(363)**	56
Gain on foreign exchange options (Note 3)	**(380)**	–	**(901)**	–
Non-recurring expenses	**–**	179	**109**	276
Earnings before income taxes	**17,358**	16,866	**17,457**	15,785
Income taxes				
Current	**450**	873	**1,389**	1,091
Future	**5,342**	4,642	**1,982**	2,642
	5,792	5,515	**3,371**	3,733
Earnings for the period	**$ 11,566**	$ 11,351	**$ 14,086**	$ 12,052
Earnings per unit – basic and diluted (Note 7)	**$ 0.50**	$ 0.62	**$ 0.60**	$ 0.73

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Cumulative Earnings

Three and nine months ended September 30, 2004 and 2003 (unaudited)

	Three Months		Nine Months	
(thousands)	**2004**	2003	**2004**	2003
Cumulative earnings (deficit), beginning of period	**$ 10,546**	$ (2,037)	**$ 8,026**	$ (2,738)
Earnings for the period	**11,566**	11,351	**14,086**	12,052
Cumulative earnings, end of period	**$ 22,112**	$ 9,314	**$ 22,112**	$ 9,314

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

Three and nine months ended September 30, 2004 and 2003 (unaudited)

	Three Months		Nine Months	
(thousands)	**2004**	2003	**2004**	2003
Cash from (used in):				
Operating activities				
Earnings for the period	**$ 11,566**	$ 11,351	**$ 14,086**	$ 12,052
Adjustments for:				
Amortization	**2,939**	2,744	**8,839**	7,569
Gain (loss) on disposal of property, plant and equipment	**(258)**	(3)	**(363)**	56
Unit-based compensation expense	**48**	–	**283**	–
Unrealized loss (gain) on foreign exchange options	**178**	–	**(269)**	–
Future income taxes	**5,342**	4,642	**1,982**	2,642
Funds from operations	**19,815**	18,734	**24,558**	22,319
Changes in working capital items (Note 8)	**658**	(1,116)	**(8,120)**	(5,313)
	20,473	17,618	**16,438**	17,006
Investing activities				
Additions to property, plant and equipment	**(4,041)**	(2,479)	**(11,188)**	(5,477)
Proceeds from disposal of property, plant and equipment	**338**	12	**797**	42
Additions to other assets	**(35)**	(608)	**(274)**	(651)
Additions to intangibles	**–**	–	**–**	(3)
Additions to goodwill	**(93)**	–	**(144)**	–
Acquisition of business operations, net of bank indebtedness assumed of $nil (2003 - $569) (Note 4)	**(2,538)**	(27,939)	**(12,252)**	(34,631)
	(6,369)	(31,014)	**(23,061)**	(40,720)
Financing activities				
Proceeds from long-term debt	**3,940**	28,740	**26,606**	29,847
Principal repayments on long-term debt	**(51)**	(35)	**(159)**	(13,638)
Principal payments under capital lease obligations	**(18)**	(77)	**(414)**	(228)
Units issued	**223**	(6)	**603**	23,652
Cash distributions paid	**(6,239)**	(4,899)	**(18,704)**	(13,255)
	(2,145)	23,723	**7,932**	26,378
Foreign exchange loss on cash held in foreign currency	**(534)**	(624)	**(441)**	(1,528)
Increase in cash	**11,425**	9,703	**868**	1,136
Cash, beginning of period	**475**	3,352	**11,032**	11,919
Cash, end of period	**$ 11,900**	$ 13,055	**$ 11,900**	$ 13,055
Supplementary cash flow information				
Interest paid	**$ 550**	$ 510	**$ 1,279**	$ 1,535
Income taxes paid	**450**	228	**1,389**	497

The portion of the purchase price of subsidiaries and operating assets satisfied by the issuance of deferred consideration in the amount of $nil (2003 - $975) has been excluded from investing and financing activities on the Statements of Cash Flows.

See accompanying notes to interim consolidated financial statements.

Notes to Interim Consolidated Financial Statements

Three and nine months ended September 30, 2004 and 2003 (unaudited)
(amounts in thousands, except per unit amounts)

1. ORGANIZATION

Arctic Glacier Income Fund (the "Fund") is an unincorporated, open-ended limited purpose mutual fund trust established under the laws of the Province of Alberta on January 22, 2002. The Fund was created to invest in the packaged ice manufacturing and distribution business in Canada and the United States, initially through the acquisition of The Arctic Group Inc. by the Fund's wholly-owned subsidiary, Arctic Glacier Inc., which was completed on March 22, 2002. Arctic Glacier Inc. subsequently amalgamated with The Arctic Group Inc., with the amalgamated corporation retaining the name Arctic Glacier Inc. (the "Company").

The Company operates in the packaged ice industry in Canada and the United States and is active in acquiring ice manufacturing and distribution companies. In addition, the Company licenses its trade names and proprietary technology to independently owned companies in Canada and the United States under franchise and license agreements.

2. BASIS OF PRESENTATION

These unaudited consolidated financial statements of the Fund have been prepared in accordance with Canadian accounting principles generally accepted for interim financial statements and contain the financial position, results of operations and cash flows of the Fund and its subsidiaries.

The Fund is considered to be a continuation of The Arctic Group Inc. following the continuity of interest method of accounting, and as a result these interim consolidated financial statements reflect a continuation of The Arctic Group Inc.

The interim consolidated financial statements and related notes do not include all of the information required for complete financial statements, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2003. When necessary, the financial statements include amounts based on informed estimates and best judgments of management.

Due to the seasonal nature of the operations of the Company, the results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year. The Company usually generates significant sales and profits in the second and third quarters, with lower sales and significant losses in the first and fourth quarters. Cash flows peak in the third and fourth quarters and drop off in the first and second quarters.

3. CHANGE IN ACCOUNTING POLICY

The Fund uses foreign exchange options to mitigate its exposure to fluctuations in foreign exchange rates. Effective January 1, 2004, the Fund adopted the new Canadian accounting guideline for hedging relationships. This guideline addresses the identification, designation, documentation and effectiveness of hedging relationships for purposes of applying hedge accounting. Under the new guideline, any hedging transactions that do not qualify for hedge accounting must be marked to market at each period end with any resulting gains or losses recorded in earnings.

The Fund's foreign exchange options were marked to market at September 30, 2004. Consequently, the Fund has recorded an asset of $269 on the interim consolidated balance sheet included in prepaid expenses and a realized gain of $558 and an unrealized loss of $178 for the third quarter of 2004.

4. BUSINESS ACQUISITIONS

In March 2004, a subsidiary of the Fund acquired certain assets and operations of A. T. Reynolds & Sons, Inc., which operated an ice manufacturing and distribution business in New York, for aggregate consideration of $8,804 (U.S. $6,627). In addition, the Fund has incurred acquisition and restructuring costs of $1,228 related to professional fees and other costs associated with the purchase of these assets and operations.

In July 2004, a subsidiary of the Fund acquired the assets and operations of an ice manufacturer and one of its distributors in the Minnesota market for aggregate consideration of $2,093 (U.S. $1,574). In addition, the Fund has incurred acquisition costs of $127 related to professional fees and other costs associated with the purchase of these assets and operations.

In March 2003, a subsidiary of the Fund acquired certain assets and operations of Ice Castles, Inc., which operated an ice manufacturing and distribution business in western Nebraska, for aggregate cash consideration of $1,094 (U.S. $741). In addition, the Fund has incurred acquisition and restructuring costs of $141 related to professional fees, employee severance and reorganization costs associated with the purchase of these assets and operations.

In June 2003, a subsidiary of the Fund acquired certain assets and operations of the ice division of Rosenberger Companies, Ltd. (operating as Rosenberger Ice), which operated an ice manufacturing and distribution business in eastern Pennsylvania, western New Jersey, northern Delaware and northeastern Maryland, for aggregate consideration of $4,858 (U.S. $3,593). In addition, the Fund has incurred acquisition costs of $696 related to professional fees and other costs associated with the purchase of these assets and operations.

Notes to Interim Consolidated Financial Statements

Three and nine months ended September 30, 2004 and 2003 (unaudited)
(amounts in thousands, except per unit amounts)

In July 2003, a subsidiary of the Fund acquired 100% of the common stock of Springdale Ice Company of Mamaroneck, New York, which operated under the name Saxony Ice, and its affiliated company Diamond Ice Cube Company Inc. of Bronx, New York, for aggregate consideration of $27,269 (U.S. $20,135), including $975 (U.S. $720) of deferred consideration that will be paid over a five year period. These companies operate an ice manufacturing and distribution business in the New York City metropolitan area. In addition, the Fund has incurred acquisition costs of $979 related to professional fees and other costs associated with the acquisition of these companies.

These transactions have been accounted for by the purchase method and the results of operations are included in the Fund's accounts from the dates of acquisition. Details of the acquisitions for the nine months ended September 30 are as follows:

	Reynolds	Other	**2004**	2003
Net assets acquired, at fair value:				
Current assets	$ 252	$ 108	**$ 360**	$ 2,842
Property, plant and equipment	2,029	1,321	**3,350**	13,204
Other assets	1,461	119	**1,580**	1,328
Goodwill	6,338	677	**7,015**	21,771
	10,080	2,225	**12,305**	39,145
Less current liabilities	48	5	**53**	2,399
Less future income taxes	–	–	**–**	1,709
	$ 10,032	$ 2,220	**$ 12,252**	$ 35,037
Purchase consideration:				
Cash	$ 8,804	$ 2,093	**$ 10,897**	$ 32,246
Deferred consideration	–	–	**–**	975
Acquisition and restructuring costs	1,228	127	**1,355**	1,816
	$ 10,032	$ 2,220	**$ 12,252**	$ 35,037

5. CAPITAL CONTRIBUTIONS

(a) Issued

Fund units are included in unitholders' capital contributions on the interim consolidated balance sheet as follows:

	Number of Units	Amount
Balance at December 31, 2002	15,659.9	$ 129,951
Units issued for cash consideration on June 25, 2003, at $9.50 per unit, net of issue costs of $1,594	2,650.0	23,581
Units issued for cash consideration on October 8, 2003, at $10.10 per unit, net of issue costs of $2,765	4,950.0	47,230
Units issued for cash consideration under Distribution Reinvestment and Optional Cash Purchase Plan	15.2	143
Balance at December 31, 2003	23,275.1	200,905
Units issued for cash consideration under Distribution Reinvestment and Optional Cash Purchase Plan	55.5	603
Balance at September 30, 2004	23,330.6	$ 201,508

(amounts in thousands, except per unit amounts)

(b) Options

Changes in the number of options, with their weighted average exercise prices, are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Unit options outstanding at December 31, 2003	0.0	$ –
Granted	840.0	11.50
Unit options outstanding at June 30, 2004 and September 30, 2004	840.0	$ 11.50
Options exercisable, end of period	420.0	$ 11.50

In April 2004, the Trustees of the Fund granted 840 unit options under the Unit Option Plan to certain executives, trustees and employees. The options vest 50% at the grant date and 50% after one year.

The compensation expense related to the unit options issued under the Unit Option Plan during the three months and nine months ended September 30, 2004 totaled $48 (2003 - nil) and $283 (2003 - nil) respectively. The fair value of the unit options was determined at the date of the grant using the Black-Scholes option price model using weighted average assumptions of a five year expected option life, a 3.70% risk free interest rate, at an 18% volatility factor and 9.3% expected distributions. The fair value of the options was calculated at $399 or $0.47 per option and is being expensed over the vesting period of the options.

6. CUMULATIVE DISTRIBUTIONS

Cumulative distributions for the three and nine months ended September 30 are as follows:

	Three Months		Nine Months	
	2004	2003	**2004**	2003
Balance, beginning of period	**$ 44,973**	$ 21,379	**$ 32,505**	$ 12,761
Distributions	**6,241**	4,899	**18,709**	13,517
Balance, end of period	**$ 51,214**	$ 26,278	**$ 51,214**	$ 26,278

Distributions are made monthly to unitholders of record on the last business day of each month.
Distributions for the three and nine months ended September 30, 2004 were as follows:

			Distributions	
Month	Record Date	Payment Date	Per Unit	Amount
January 2004	January 30, 2004	February 13, 2004	$ 0.0892	$ 2,077
February 2004	February 27, 2004	March 15, 2004	0.0892	2,077
March 2004	March 31, 2004	April 15, 2004	0.0892	2,078
April 2004	April 30, 2004	May 14, 2004	0.0892	2,078
May 2004	May 31, 2004	June 15, 2004	0.0892	2,079
June 2004	June 30, 2004	July 15, 2004	0.0892	2,079
			0.5352	12,468
July 2004	July 30, 2004	August 13, 2004	0.0892	2,080
August 2004	August 31, 2004	September 15, 2004	0.0892	2,080
September 2004	September 30, 2004	October 15, 2004	0.0892	2,081
			0.2676	6,241
Total			**$ 0.8028**	**$ 18,709**

Notes to Interim Consolidated Financial Statements

Three and nine months ended September 30, 2004 and 2003 (unaudited)
(amounts in thousands, except per unit amounts)

7. EARNINGS PER UNIT

The computation for basic and diluted earnings per unit is as follows:

	Three Months		Nine Months	
	2004	2003	**2004**	2003
Earnings and diluted earnings available to unitholders	**$ 11,566**	$ 11,351	**$ 14,086**	$ 12,052
Basic weighted average number of units	**23,320.8**	18,309.8	**23,302.3**	16,601.4
Dilutive effect of options	**26.3**	–	**14.3**	–
Diluted weighted average number of units	**23,347.1**	18,309.8	**23,316.6**	16,601.4
Earnings per unit:				
Basic	**$ 0.50**	$ 0.62	**$ 0.60**	$ 0.73
Diluted	**$ 0.50**	$ 0.62	**$ 0.60**	$ 0.73

8. CHANGES IN WORKING CAPITAL ITEMS

The changes in working capital items are as follows:

	Three Months		Nine Months	
	2004	2003	**2004**	2003
Accounts receivable	**$ 1,092**	$ (1,320)	**$ (7,357)**	$ (7,157)
Inventories	**2,306**	1,698	**(63)**	(86)
Prepaid expenses	**1,058**	314	**70**	(616)
Accounts payable and accrued liabilities	**(3,798)**	(1,808)	**(770)**	2,546
	$ 658	$ (1,116)	**$ (8,120)**	$ (5,313)

9. SEGMENTED INFORMATION

The Fund has determined that it operates in one business segment, the manufacturing and distribution of packaged ice and other products. The Fund and its subsidiaries operate in Canada and the United States.

The following presents key information by geographic segment:

Three Months Ended Sept 30	2004			2003		
	Canada	**U.S.**	**Total**	Canada	U.S.	Total
Sales	**$ 17,638**	**$ 33,002**	**$ 50,640**	$ 18,954	$ 29,265	$ 48,219
Cost of sales, selling, general and administration expenses	**10,487**	**19,956**	**30,443**	11,558	16,248	27,806
	$ 7,151	**$ 13,046**	**$ 20,197**	$ 7,396	$ 13,017	$ 20,413
Earnings for the period	**$ 6,797**	**$ 4,769**	**$ 11,566**	$ 6,508	$ 4,843	$ 11,351

Nine Months Ended Sept 30	2004			2003		
	Canada	**U.S.**	**Total**	Canada	U.S.	Total
Sales	**$ 31,130**	**$ 66,820**	**$ 97,950**	$ 32,194	$ 49,236	$ 81,430
Cost of sales, selling, general and administration expenses	**24,141**	**47,182**	**71,323**	23,941	32,380	56,321
	$ 6,989	**$ 19,638**	**$ 26,627**	$ 8,253	$ 16,856	$ 25,109
Earnings for the period	**$ 12,543**	**$ 1,543**	**$ 14,086**	$ 9,083	$ 2,969	$ 12,052
Total assets	**$ 76,239**	**$ 157,332**	**$ 233,571**	$ 66,045	$ 148,078	$ 214,123

Quarterly Financial Information

(In thousands of dollars, except per unit data)

	2004			2003				2002	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Operating Results									
Sales	**50,640**	36,088	11,222	15,740	48,219	25,615	7,596	11,416	44,598
EBITDA	**20,197**	10,553	(4,123)	(647)	20,413	8,317	(3,621)	(471)	19,573
Earnings (loss)	**11,566**	5,574	(3,054)	(1,288)	11,351	4,059	(3,358)	(2,183)	11,041
Basic earnings (loss) per unit	**0.50**	0.24	(0.13)	(0.06)	0.62	0.26	(0.21)	(0.14)	0.70
Diluted earnings (loss) per unit	**0.50**	0.24	(0.13)	(0.06)	0.62	0.26	(0.21)	(0.14)	0.70
Cash Flow									
Funds from (used in) operations	**19,815**	9,507	(4,764)	(1,357)	18,734	7,817	(4,232)	786	15,865
Distributions to unitholders	**6,241**	6,236	6,232	6,227	4,899	4,427	4,191	4,111	4,110
Distributions to unitholders per unit	**0.27**	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.26
Financial Position									
Net cash (1)	**11,900**	475	4,132	11,032	13,055	3,352	2,622	11,919	12,730
Current assets	**32,025**	25,126	17,117	23,177	34,044	22,946	12,260	22,223	32,494
Working capital	**22,055**	11,345	6,209	12,105	22,652	11,577	5,144	15,122	19,220
Total assets	**233,571**	231,258	219,619	214,657	214,123	172,482	165,522	182,938	195,727
Long-term debt (2)	**55,962**	55,016	49,275	32,045	62,557	34,070	51,573	54,322	53,078
Net debt (3)	**44,062**	54,541	45,143	21,013	49,502	30,718	48,951	42,403	40,348
Unitholders' equity	**160,312**	160,302	158,693	166,469	131,590	124,920	106,157	117,618	125,489
Unit Data (4)									
Trading price range, per unit:									
High	**$ 12.42**	$ 12.29	$ 12.20	$ 10.68	$ 10.65	$ 9.98	$ 9.59	$ 9.07	$ 9.15
Low	**$ 11.26**	$ 10.50	$ 10.40	$ 9.55	$ 9.50	$ 9.33	$ 8.50	$ 8.51	$ 8.00
Close	**$ 11.95**	$ 11.74	$ 12.15	$ 10.50	$ 9.95	$ 9.59	$ 9.50	$ 8.70	$ 8.80
Trading volumes (000's)	**1,703**	1,430	2,087	2,894	1,606	1,875	960	1,270	1,337
Cumulative trading volume (000's)	**5,220**	3,517	2,087	7,335	4,441	2,835	960	8,669	7,399
Units outstanding (000's):									
End of period	**23,331**	23,311	23,292	23,275	18,310	18,310	15,660	15,660	15,660
Weighted average (basic)	**23,321**	23,302	23,284	22,837	18,310	15,805	15,660	15,660	15,658

(1) Cash and cash equivalents, net of bank indebtedness.

(2) Includes obligations under capital leases.

(3) Long-term debt and bank indebtedness, net of cash and cash equivalents.

(4) Historical figures adjusted to reflect exchange of six common shares for one fund unit on March 22, 2002.

Corporate Information

OFFICERS

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Keith W. McMahon, CA
Executive Vice President & Chief Financial Officer

Hugh A. Adams
Corporate Secretary

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Keith W. McMahon, CA
Executive Vice President & Chief Financial Officer

Frank G. Larson
Senior Vice President, Operations

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Vice President, Canadian Operating Division

Keith F. Burrows
Vice President, Acquisitions and Integration

Keith E. Corbin
Vice President, Sales & Marketing

Richard A. Thibault
Vice President, Production

Neil R. Winther
Vice President, Human Resources & Administration

Douglas A. Bailey, CA
Corporate Controller

Gary D. Cooley
Director, Corporate Development

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