



AVENIR DIVERSIFIED INCOME TRUST

**Avenir Diversified Income Trust 2004 Canadian Income Tax Information**

Calgary, Alberta – March 22, 2005

**FOR IMMEDIATE RELEASE**

Avenir Diversified Income Trust ("Avenir Trust" TSX: AVF.UN) is pleased to announce that of the cash distributions paid to Unitholders in the 2004 taxation year, 75% was taxable and 25% was tax deferred ("return of capital").

The following table sets out the cash distributions received in 2004 by Unitholders and identifies what portion of each distribution is taxable as income and what portion is tax deferred as return of capital. The calculation has been completed on a cash basis, so the distribution declared by the Avenir Trust in December 2004 (payable in January 2005) is NOT included in the calculation of Unitholder's 2004 taxable income, but will be part of the 2005 calculation. This is a change as the December 2003 distribution was included in the 2003 calculation and therefore will not be included for 2004.

	Record Date	Payment Date	Taxable Income Per Unit (Other Income)	Tax Deferred Amount Per Unit (Return of Capital)	Total Distribution Paid Per Unit
Pre- Consolidation	January 31, 2004	February 13, 2004	0.00437	0.00146	0.00583
	February 27, 2004	March 15, 2004	0.00437	0.00146	0.00583
	March 31, 2004	April 15, 2004	0.00437	0.00146	0.00583
	April 30, 2004	May 14, 2004	0.00437	0.00146	0.00583
	May 31, 2004	June 15, 2004	0.00437	0.00146	0.00583
Post- Consolidation	June 25, 2004	July 15, 2004	0.05903	0.01967	0.07870
	June 30, 2004	July 15, 2004	0.00660	0.00220	0.00880
	July 30, 2004	August 16, 2004	0.06563	0.02187	0.08750
	August 31, 2004	September 15, 2004	0.07219	0.02406	0.09625
	September 30, 2004	October 15, 2004	0.07219	0.02406	0.09625
	October 29, 2004	November 15, 2004	0.07219	0.02406	0.09625
	November 30, 2004	December 15, 2004	0.07219	0.02406	0.09625

The following information is provided to assist Canadian Unitholders of the Avenir Trust in the preparation of their 2004 Income Tax Return and is not to be considered income tax advice to any particular individual but rather, general information.

Registered Unitholders who held trust units outside Registered Retirement Savings Plans (RRSP), Registered Retirement Income Funds (RRIF) or Deferred Profit Sharing Plans (DPSP),

will receive a T3 Supplementary Slip for 2004 ("T3") from their investment advisor or other intermediary and must report the taxable portion of such distributions as "other income" on their T1 Income Tax Return.

The 'Tax Deferred Amount' affects the adjusted cost base ("ACB") of the unit. The ACB is used in calculating capital gains or losses on the disposition of trust units. The ACB of each trust unit is reduced by the amount of distributions considered return of capital and is not reported on a T3. If a taxpayer's ACB of their trust units drops below zero, the negative amount is considered a capital gain of the taxpayer during that taxation year. Capital gains are reported on Schedule 3 of the T1 Income Tax Return.

Unitholders who hold their Trust Units in a RRSP, RRIF or DPSP do not need to report any income related to distributions on their 2004 income tax return.

Avenir Trust is an income trust designed to provide sustainable distributions and growth from a diverse portfolio of operating assets in the sectors of energy, financial services and real estate. The resulting cash flow from these assets is distributed to unit holders on a monthly basis. The trust units of Avenir Trust trade on the TSX under the symbol AVF.UN.

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*The TSX Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.*

### **Forward Looking Statements**

Certain information regarding Avenir Diversified Income Trust set forth in this document, including management's assessment of the Trust's future plans and operations contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward looking statements are subject to numerous risks and uncertainties, some of which are beyond the Trust's and management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of foreign exchange rates, imperfection of reserve estimates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. The Trust's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward looking statements and accordingly, no assurance can be given that any of the events anticipated to occur or transpire from the forward looking statements will provide what, if any benefits to the Trust.