



For Immediate Release

THE DATA GROUP INCOME FUND ANNOUNCES
FIRST QUARTER RESULTS FOR 2006

HIGHLIGHTS

- Q1 Revenues of \$56.2 million, Q1 Gross Profit of \$16.6 million and Net Income of \$4.0 million
- Q1 Distributable cash of \$5.8 million or \$0.388 per unit and Adjusted EBITDA of \$6.9 million
- Q1 Cash Distributions of \$4.3 million or \$0.290 per unit

Brampton, Ontario – May 9, 2006 – The DATA Group Income Fund (TSX: DGI.UN) (“the Fund”) today announced financial and operating results for the first quarter ended March 31, 2006.

The Fund owns all of the shares of Data Business Forms Limited (the “DATA Group” or the “Company”). The DATA Group is a leading provider of total document management solutions, including printed products, and operates as three divisions. DATA East and West (which provides approximately 76% of total revenue) sells a broad range of printed products and document management services directly to end users. Sundog (which provides approximately 12% of total revenue) is a commercial printer specializing in the production of high-quality annual reports, marketing materials and event tickets. Multiple Pakfold (which provides approximately 12% of total revenue) sells forms and labels to independent brokers and resellers.

“Our team produced an excellent quarter with significant increases in revenue, gross profit and Adjusted EBITDA versus same quarter year ago. These results reflect the implementation of new business wins and our continuing focus on our key initiatives and values,” said David Odell, President and Chief Executive Officer.

Forward-Looking Statements

Certain statements in this document are “forward-looking statements”, which reflect management’s current beliefs and expectations regarding the Fund and The DATA Group’s future growth, results of operations, performance, and business prospects and opportunities. Forward-looking statements involve risks and uncertainties related to factors that could cause actual results to differ materially from anticipated results, including those factors discussed in the Fund’s periodic filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this document. Unless required by applicable securities law, the Fund does not intend and does not assume any obligation to update these forward-looking statements.

Non-GAAP Measures

This release includes certain non-Canadian generally accepted accounting principles (“GAAP”) measures as supplementary information. When used in this release, “EBITDA” means earnings before interest, taxes, depreciation and amortization, and “Adjusted EBITDA” means EBITDA adjusted for non-cash inventory fair value allocation charges. Management believes that EBITDA, Adjusted EBITDA and cash available for distribution (or distributable cash) are useful measures in evaluating the performance of the Company and/or the Fund. Specifically, management views cash available for distribution as an operating performance measure, as it is a measure generally used by Canadian income funds as an indicator of financial performance. EBITDA, Adjusted EBITDA and cash available for distribution are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Therefore, EBITDA, Adjusted EBITDA and cash available for distribution may not be comparable to similarly titled measures presented by other issuers.

Investors are cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to net income or loss determined in accordance with GAAP, as indicators of the Company’s or the Fund’s performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows. For a reconciliation of net income to Adjusted EBITDA, see Table 3 below, and for a reconciliation of cash flow from operations to cash available for distribution, see Table 4 below. If the calculation of cash available for distribution for the period from December 31, 2004 to March 31, 2005 had included pension contributions, the Fund’s cash available for distribution for that period would have decreased by approximately \$5.0 million or \$0.336 per unit.

Table 1 The following table sets out selected historical financial information for the periods noted.

Consolidated Financial Information
For the periods ended March 31, 2006 and 2005
(in thousands of dollars, unaudited)

	Jan. 1 to Mar. 31, 2006 \$	Jan. 1 to Mar. 31, 2005 \$(¹)	Dec. 21, 2004 to Mar. 31, 2005 \$(¹)
Revenues	56,164	54,172	59,888
Cost of revenues	39,582	44,628	49,641
Gross profit	<u>16,582</u>	<u>9,544</u>	<u>10,247</u>
Selling, general and administrative expenses	10,492	9,750	10,870
Amortization	<u>1,652</u>	<u>1,652</u>	<u>1,847</u>
Income (loss) before interest and income taxes	<u>4,438</u>	<u>(4,858)</u>	<u>(2,470)</u>
Interest expense on long-term debt	<u>543</u>	<u>476</u>	<u>558</u>
Income (loss) before income taxes	3,895	(2,363)	(3,028)
Recovery future income taxes	<u>(108)</u>	<u>(2,034)</u>	<u>(2,234)</u>
Net income (loss) for the period	<u>4,003</u>	<u>(329)</u>	<u>(794)</u>

Note:

⁽¹⁾ Certain costs have been reclassified as cost of sales, consistent with the current period presentation.

Table 2 The following table sets out selected historical financial information by business segment for the periods noted.

Consolidated Financial Information
For the periods from January 1 to March 31, 2006 and 2005
(in thousands of dollars, except percentage amounts, unaudited)

	Jan. 1 to Mar. 31, 2006	Jan. 1 to Mar. 31 2005⁽¹⁾
	\$	\$
<u>Revenues</u>		
DATA East and West	43,655	41,093
Sundog	7,460	7,513
Multiple Pakfold	6,202	6,430
Intersegment	(1,153)	(864)
	<u>56,164</u>	<u>54,172</u>
<u>Gross Profit</u>		
DATA East and West	12,737	6,178
Sundog	2,709	2,434
Multiple Pakfold	1,136	932
	<u>16,582</u>	<u>9,544</u>
<u>Gross Profit, as a percentage of revenue</u>		
DATA East and West	29.2%	15.0%
Sundog	36.3%	32.4%
Multiple Pakfold	18.3%	14.5%
	<u>29.5%</u>	<u>17.6%</u>
<u>Selling, general and administrative expenses</u>		
As a percentage of revenue	18.7%	18.0%
Adjusted EBITDA	6,863	6,435
Adjusted EBITDA margin, as a percentage of revenue	12.2%	11.9%
Net income	<u>4,003</u>	<u>(329)</u>

Note:

⁽¹⁾ Certain costs have been reclassified as cost of sales, consistent with the current period presentation.

Results of Operations

The DATA Group Income Fund

For the quarter ended March 31, 2006, the Fund recorded revenues of \$56.2 million, an increase of 3.7% or \$2.0 million compared with the same period in 2005. The overall increase before intersegment revenues, was due to an increase in DATA East and West revenues of \$2.6 million offset by a decrease in Multiple Pakfold revenues of \$0.2 million. A more detailed discussion of the results of operations of each of the Fund's reporting segments is set out below.

For the quarter ended March 31, 2006, cost of revenues decreased from \$44.6 million for the same period in 2005 to \$39.6 million in 2006. This resulted in a gross profit in the first quarter of 2006 of \$16.6 million, which increased \$7.0 million or 73.7% from \$9.5 million in the first quarter of 2005. The increase in gross profit resulted from a charge of \$5.8 million in 2005 relating to a purchase accounting inventory fair value allocation, and a \$1.2 million increase in gross profit across all segments. At the date of acquisition of the Company by the Fund, \$6.7 million of the purchase price was allocated to inventory in order to increase the value to estimated fair market value, less the cost of selling. This inventory was substantially sold during the first quarter of 2005 and, accordingly, the Fund recorded an additional cost of sales charge of \$5.8 million relating to the inventory sold. As a percentage of revenue, before the 2005 purchase accounting inventory fair value allocation, gross profit increased in the quarter ended March 31, 2006 to 29.5% from 28.3% for the same period in 2005 as gross profit increased in all segments.

Selling, general and administrative ("SG&A") expenses, including administrative expenses of the Fund, for the quarter ended March 31, 2006, were \$10.5 million as compared to \$9.7 million in 2005. The \$0.8 million increase was substantially due to an increase in sales expense and management incentive compensation, due to the strong performance of the company in the current quarter.

Net income for the quarter ended March 31, 2006 was \$4.0 million compared to a net loss of \$0.3 million for the quarter ended March 31, 2005. The increase in comparable profitability was due to the factors discussed above.

For the quarter ended March 31, 2006, Adjusted EBITDA was \$6.9 million, or 12.2% of revenue. As compared to the same period in 2005, Adjusted EBITDA increased by \$0.4 million and the Adjusted EBITDA margin, as a percentage of revenue, increased slightly from 11.9% of revenue to 12.2% of revenue.

Interest expense on long-term debt relating to the Company's revolving bank facility was \$0.543 million for the quarter ended March 31, 2006 compared to \$0.476 million for the same period in 2005. Interest expense increased due to the general rise in interest rates during 2005 and the first quarter of 2006, and the Company's decision to fix the interest rate on \$30.0 million of its long-term debt in the fourth quarter of 2005.

Interest income of \$0.1 million was earned during the quarter ended March 31, 2006, compared to \$0.036 million for the same period in 2005. This interest income was substantially related to the cash and cash equivalents held by the Fund.

DATA East and West

For the quarter ended March 31, 2006, revenue at the Company's DATA East and West segment increased \$2.6 million or 6.2% to \$43.7 million from \$41.1 million for the same period in the prior year.

The revenue increase in the quarter was due to the continued focus on higher value-added document management services contracts and agreements, combined with increases in lottery slips, labels and variable imaging.

After adjusting for the purchase accounting inventory fair value allocation (\$5.8 million in the first quarter of 2005), cost of revenues increased 6.1% from \$29.1 million for the same period in 2005 to \$30.9 million in the first quarter of 2006. As a result, gross profit increased 6.7% to \$12.7 million in the first quarter of 2006 from \$11.9 million for the same period in 2005. The gross profit percentage improved to 29.2% in the first quarter of 2006 from 29.1% for the same period in 2005. This increase in gross profit is a result of the revenue increase outlined above.

Sundog

Revenues at the Company's Sundog division for the quarter ended March 31, 2006 remained consistent with the same period in the prior year at \$7.5 million. A major rebranding for a customer produced in the first quarter of 2005 did not repeat in 2006. However, this was offset by increased demand for annual report production and commercial printing orders.

For the quarter ended March 31, 2006, cost of revenues decreased \$0.3 million or 6.5% from \$5.1 million in the first quarter of 2005 to \$4.8 million for the same period in 2006. Accordingly, gross profit increased by \$0.3 million or 11.3% for the quarter ended March 31, 2006 from \$2.4 million for the same period in 2005 to \$2.7 million in 2006. The overall increase in gross profit was attributable to lower material costs as a result of the above noted changed product mix and lower direct labour costs. As a result, gross profit as a percentage of revenue increased to 36.3% in the quarter ended March 31, 2006 from 32.4% in the comparable period of 2005.

Multiple Pakfold

Revenue at the Company's Multiple Pakfold division for the quarter ended March 31, 2006 declined 3.5% to \$6.2 million from \$6.4 million for the same period in 2005.

The decrease in revenue in the quarter was due to the loss of a significant order from a third party as previously noted in the third quarter and annual Management Discussion & Analysis for 2005. However, the loss has been partially offset in the current quarter of 2006 by new business sold at higher margins than the lost business.

For the quarter ended March 31, 2006, cost of revenues decreased 7.9% from \$5.5 million to \$5.1 million and gross profit increased by 21.9% from \$0.9 million for the quarter ended March 31, 2005 to \$1.1 million for the same period in 2006. The gross profit margin was 18.3% for the quarter ended March 31, 2006 compared to 14.5% for the same period in 2005. The improvement in gross profit was due to the new business having a higher contribution than the lost order. We believe it is also the result of the changes made in 2005 to reduce costs and improve operating efficiencies.

Table 3

Cash Available for Distribution and Adjusted EBITDA
For the periods ended March 31, 2006 and 2005
(in thousands of dollars, except per unit amounts, unaudited)

Period ended	Jan. 1, 2006 to Mar. 31, 2006 \$	Dec. 21, 2004 to Mar. 31, 2005 \$
Net Income (loss)	4,003	(794)
Add:		
Recovery of income taxes	(108)	(2,234)
Interest expense	543	558
Depreciation	773	1,016
Amortization	1,652	1,847
Non-cash inventory fair value allocation charges	-	6,668
Adjusted EBITDA	6,863	7,061
Less:		
Cash interest expense ⁽¹⁾	467	473
Maintenance capital expenditures ⁽²⁾	426	271
Pension contributions in excess of expense ⁽³⁾	210	319
Cash income taxes ⁽⁴⁾	-	-
Cash available for distribution	5,760	5,998
Distributions to Unitholders ⁽⁵⁾	4,305	4,674
Excess of cash available for distribution over actual distributions	1,455	1,324
Per unit (14,861,333 units)		
Cash available for distribution per unit ⁽⁶⁾	0.388	0.404
Distributions to Unitholders per unit ⁽⁶⁾	0.290	0.315
Excess of cash available for distribution per unit over actual distributions per unit	0.098	0.089
Payout ratio	74.7%	78.0%

Notes:

- ⁽¹⁾ Cash interest expense is interest expense calculated in accordance with GAAP, less amortization of deferred finance fees.
- ⁽²⁾ Maintenance capital expenditures are additions, replacements or improvements to property and equipment to maintain the Company's business operations. These expenditures involve the replacement of printing and digital equipment, computers and software and leasehold improvements.
- ⁽³⁾ Excludes a special contribution of \$5.0 million to the Company's defined benefit pension plan in 2004, which was funded from the proceeds invested by the Fund in the Company in connection with the Fund's initial public offering.
- ⁽⁴⁾ Cash income taxes are current income taxes calculated in accordance with GAAP.
- ⁽⁵⁾ Distributions are in respect of the distributions declared.
- ⁽⁶⁾ Per unit calculations are based on the total number of units outstanding as of the first distribution and not the weighted average number of units.

Table 4

Reconciliation of Cash Flow from Operations to Cash Available for Distribution
For the periods ended March 31, 2006 and 2005
(in thousands of dollars, unaudited)

	Jan. 1 to Mar. 31, 2006 \$	Dec. 21, 2004 to Mar. 31, 2005 \$
Cash flow from operations ⁽¹⁾	6,182	(5,400)
Pension contributions ⁽²⁾	-	5,000
Maintenance capital expenditures	(426)	(271)
Other	4	1
Inventory fair value allocation charge	-	6,668
Cash available for distribution	<u>5,760</u>	<u>5,998</u>

Notes:

⁽¹⁾ Prior to changes in non-cash items relating to operating activities.

⁽²⁾ Represents a special contribution of \$5.0 million to the Company's defined benefit pension plan in 2004, which was funded from the proceeds invested by the Fund in the Company in connection with the Fund's initial public offering.

Outlook

Management believes that the Fund will continue to meet its objectives, continuing to meet its monthly per unit distributions to Unitholders of \$0.09656.

The Company will continue to fund necessary maintenance capital expenditures by utilizing cash flow from operations.

The Company has determined that in 2006 it may be subject to a current tax liability as a result of incurring lower than forecasted interest costs on third party debt and lower capital cost allowance due to reduced capital expenditures. As at March 31, 2006 the Company has a loss carry-forward balance for income tax purposes of \$0.096 million, which management expects will be used in future quarters. Management estimates that, based upon the Fund's existing corporate structure, current tax liabilities could result in a reduction of cash available for distribution in 2006, the amount of which will depend upon the Company's future operating results. Management believes that any potential tax liabilities will not impact distributions on the Fund's trust units in 2006 based upon a distribution of \$0.09656 per unit per month. However, in the interest of maximizing cash available for distribution to Unitholders, management has begun exploring alternative options to reduce the tax exposure of the Company, including a review of the Fund's current organizational structure.

The Company will continue its strategic focus on being the leading document management service provider in Canada, concentrating on providing high value-added products and services. The Company will also pursue acquisition opportunities.

About The DATA Group Income Fund

The DATA Group Income Fund owns a 100% interest in Data Business Forms Limited ("The DATA Group"). The DATA Group is a leading provider of document management solutions including printed products. Founded in 1959, the Company operates 25 facilities in 11 cities across Canada and has a leading market share in the total document management services segment.

Additional information relating to The DATA Group Income Fund is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and www.datagroupincomefund.com.

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For further information, contact:

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The DATA Group Income Fund Consolidated Balance Sheets

(in thousands of dollars)

	March 31, 2006	December 31, 2005
	\$	\$
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	7,926	8,903
Accounts receivable	26,936	26,363
Inventories	22,895	20,890
Prepaid expenses	2,404	2,470
Income taxes recoverable	-	66
	<hr/>	<hr/>
	60,161	58,692
Property and equipment	14,599	14,946
Goodwill	87,973	87,973
Intangible assets	48,145	49,797
Deferred finance fees	525	601
	<hr/>	<hr/>
	211,403	212,009
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	20,222	20,208
Distribution payable	1,435	1,435
	<hr/>	<hr/>
	21,657	21,643
Revolving bank facility	40,000	40,000
Future income taxes	15,924	16,032
Pension obligation	4,525	4,735
	<hr/>	<hr/>
	82,106	82,410
Unitholders' Equity		
Units	137,519	137,519
Accumulated income	13,504	9,501
Cumulative distributions	(21,726)	(17,421)
	<hr/>	<hr/>
	129,297	129,599
	<hr/>	<hr/>
	211,403	212,009
	<hr/>	<hr/>

The DATA Group Income Fund
Consolidated Statements of Income (Loss) and Accumulated Income (Loss)

(in thousands of dollars, except per unit amounts, unaudited)

	For the three months ended March 31, 2006	For the period from December 21, 2004 to March 31, 2005
	\$	\$
Revenue	56,164	59,888
Cost of revenues (including depreciation of \$703 and \$931, respectively)	39,582	49,641
Gross profit	16,582	10,247
Expenses		
Selling, commissions and expenses	6,266	6,499
General and administration (including depreciation of \$70 and \$85, respectively)	4,226	4,371
Amortization of intangible assets	1,652	1,847
	12,144	12,717
Income (loss) before interest and income taxes	4,438	(2,470)
Interest expense on long-term debt (net of interest income of \$107 and \$36, respectively)	543	558
Income (loss) before income taxes	3,895	(3,028)
Recovery of future income taxes	(108)	(2,234)
Net Income (loss) for the period	4,003	(794)
Accumulated income – beginning of period	9,501	-
Accumulated income (loss) – end of period	13,504	(794)
Basic income per unit	0.27	(0.05)
Weighted average number of units	14,861,333	14,474,938

The DATA Group Income Fund Consolidated Statement of Cash Flows

(in thousands of dollars, unaudited)

	For the three months ended March 31, 2006 \$	For the period from December 21, 2004 to March 31, 2005 \$
Cash provided by (used in)		
Operating activities		
Net income for the period	4,003	(794)
Items not involving cash		
Depreciation of property and equipment	773	1,016
Amortization of intangible assets	1,652	1,847
Pension expense	344	359
Contributions made to pension plans	(554)	(5,678)
Amortization of deferred financing fees	76	85
Gain on disposal of property and equipment	(4)	(1)
Future income taxes	(108)	(2,234)
	<u>6,182</u>	<u>(5,400)</u>
Changes in non-cash items relating to operating activities	<u>(2,058)</u>	<u>8,106</u>
	<u>4,124</u>	<u>2,706</u>
Investing activities		
Purchase of property and equipment	(426)	(271)
Proceeds on disposal of property and equipment	4	3
Acquisition of business - net of cash acquired of \$323	(374)	(114,807)
	<u>(796)</u>	<u>(115,075)</u>
Financing activities		
Repayment of acquired Data Business Forms' long-term debt	-	(53,913)
Proceeds from long-term debt	-	40,000
Payment of bank financing fees	-	(915)
Distributions to Unitholders	(4,305)	(3,281)
Issuance of units - net of expenses	-	137,519
	<u>(4,305)</u>	<u>119,410</u>
(Decrease) increase in cash and cash equivalents during the period	<u>(977)</u>	<u>7,041</u>
Cash and cash equivalents - beginning of period	<u>8,903</u>	<u>-</u>
Cash and cash equivalents - end of period	<u>7,926</u>	<u>7,041</u>
Supplemental cash flow information		
Interest paid	627	566
Non-cash investing and financing activities		
Acquisition of certain assets and settlement for non-cash consideration	-	14,388