



For Immediate Release

THE DATA GROUP INCOME FUND ANNOUNCES  
FOURTH QUARTER RESULTS FOR FISCAL 2005

**HIGHLIGHTS**

- Q4 Revenues of \$56.0 million, Q4 Gross Profit of \$16.0 million and Net Income of \$3.6 million
- Q4 Distributable cash of \$4.7 million or \$0.317 per unit and Adjusted EBITDA of \$6.5 million
- Q4 Cash Distributions of \$4.3 million or \$0.290 per unit
- December 21, 2004 to December 31, 2005 Revenues of \$220.7 million, Gross Profit of \$56.6 million and Net Income of \$9.5 million
- Distributable cash of \$20.7 million or \$1.395 per unit, Adjusted EBITDA of \$25.7 million and Cash Distributions of \$17.4 million or \$1.172 per unit (December 21, 2004 – December 31, 2005)

**Brampton, Ontario – March 7, 2006** – The DATA Group Income Fund (TSX: DGI.UN) (“the Fund”) today announced financial and operating results for the fourth quarter ended December 31, 2005.

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 revenue) sells forms and labels to independent brokers and resellers.

“We enjoyed an excellent quarter with significant increases in revenue and strong Adjusted EBITDA. Overall in 2005, thanks to the support of our customers, the dedication of our employees and the continued focus upon our fundamental strategies by our management team, we increased distributions by 3% and delivered a very solid first year as a public entity.” said David Odell, President and Chief Executive Officer.

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### **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 21, 2004 to December 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.

Interim Consolidated Financial Information  
For the periods ended December 31, 2005 and 2004  
*(in thousands of dollars, unaudited)*

	Dec. 21 to Dec. 31, 2004 <sup>(2)</sup>	Oct. 1 to Dec. 31, 2005	Jan. 1 to Dec. 31, 2005	Dec. 21, 2004 to Dec. 31, 2005	Oct. 1 to Dec. 31, 2004 <sup>(2)</sup>	Jan. 1 to Dec. 31, 2004 <sup>(2)</sup>
	\$	\$	\$	\$	\$	\$
Revenues	5,715	55,980	215,025	220,740	53,129	209,032
Cost of revenues	5,013	40,024	159,175	164,188	38,554	150,427
Gross profit	702	15,956	55,850	56,552	14,575	58,605
Selling, general and administrative expenses	1,100	10,231	39,767	40,867	11,652	40,020
	(398)	5,725	16,083	15,685	2,923	18,585
Intercompany foreign exchange loss					485	1,222
Amortization	185	1,652	6,618	6,803	(87) <sup>(1)</sup>	(348) <sup>(1)</sup>
(Loss) income before interest and income taxes	(583)	4,073	9,465	8,882	2,525	17,711
Interest expense (income)						
Long-term debt	82	573	2,044	2,126	1,172	3,394
Other	-	-	-	-	-	(52)
	82	573	2,044	2,126	1,172	3,342
(Loss) income before income taxes	(665)	3,500	7,421	6,756	1,353	14,369
Provision for (recovery of) income taxes						
Current	-	-	-	-	(305)	3,667
Future	(200)	(116)	(2,545)	(2,745)	-	-
	(200)	(116)	(2,545)	(2,745)	(305)	3,667
Net (loss) income for the period	(465)	3,616	9,966	9,501	1,658	10,702

Notes:

<sup>(1)</sup> Amortization of deferred gains in 2004.

<sup>(2)</sup> 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

Interim Consolidated Financial Information  
For the periods from January 1 to December 31, 2005 and 2004  
*(in thousands of dollars, unaudited)*

	Oct. 1 to Dec. 31, 2005 \$	Jan. 1 to Dec. 31, 2005 \$	Oct. 1 to Dec. 31, 2004 <sup>(2)</sup> \$	Jan. 1 to Dec. 31, 2004 <sup>(2)</sup> \$
<u>Revenues</u>				
DATA East and West	45,090	168,272	40,697	162,079
Multiple•Pakfold	5,787	25,139	6,905	26,728
Sundog	5,868	25,484	6,453	24,618
Intersegment	(765)	(3,870)	(926)	(4,393)
	<u>55,980</u>	<u>215,025</u>	<u>53,129</u>	<u>209,032</u>
<u>Gross profit</u>				
DATA East and West	13,261	43,389	11,425	46,116
Multiple•Pakfold	919	3,937	1,164	4,640
Sundog	1,776	8,524	1,986	7,849
	<u>15,956</u>	<u>55,850</u>	<u>14,575</u>	<u>58,605</u>
<u>Gross profit, as a percentage of revenue</u>				
DATA East and West	29.4%	25.8%	28.1%	28.5%
Multiple•Pakfold	15.9%	15.7%	16.9%	17.4%
Sundog	30.3%	33.4%	30.8%	31.9%
	<u>28.5%</u>	<u>26.0%</u>	<u>27.4%</u>	<u>28.0%</u>
<u>Selling, general and administrative expenses</u>				
	<u>10,231</u>	<u>39,767</u>	<u>11,652</u>	<u>40,020</u>
As a percentage of revenue	<u>18.3%</u>	<u>18.5%</u>	<u>22.6%</u>	<u>19.1%</u>
Adjusted EBITDA before intercompany foreign exchange loss and closing transaction related costs <sup>(1)</sup>	<u>6,469</u>	<u>25,018</u>	<u>6,821</u>	<u>25,546</u>
Adjusted EBITDA	<u>6,469</u>	<u>25,018</u>	<u>4,279</u>	<u>22,267</u>
Adjusted EBITDA margin, as a percentage of revenue	<u>11.6%</u>	<u>11.6%</u>	<u>8.1%</u>	<u>10.7%</u>
Net income	<u>3,696</u>	<u>9,966</u>	<u>1,658</u>	<u>10,702</u>

Notes:

<sup>(1)</sup> For comparative purposes, both foreign exchange losses on advances to the former parent incurred in the year ended December 31, 2004 of \$1,222 and costs and expenses incurred in connection with the initial public offering of \$2,057, have been added back to Adjusted EBITDA.

<sup>(2)</sup> Certain costs have been reclassified as cost of sales, consistent with the current period presentation.

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## Results of Operations

### *The DATA Group Income Fund*

The Fund recorded revenues of \$56.0 million for the quarter ended December 31, 2005, an increase of 5.4% compared with the same period in 2004. For the calendar year ended December 31, 2005 the Fund recorded revenues of \$215.0 million, an increase of 2.9% or \$6.0 million compared with the same period in 2004. The increase in the current quarter is due to increased revenue, before elimination of intersegment sales, in DATA East and West of \$4.4 million, offsetting \$1.1 million and \$0.6 million decreases in Multiple•Pakfold and Sundog, respectively. The increase, year to date, is due to an increase, before elimination of intersegment sales, in DATA East and West of \$6.0 million, an increase in Sundog of \$0.9 million and a decrease at Multiple•Pakfold of \$1.6 million. A more detailed discussion of the results of operations of each of the Fund's reporting segments is set out below.

Cost of revenues for the quarter ended December 31, 2005 increased 3.6% from \$38.6 million in 2004 to \$40.0 million in 2005. This, combined with the above noted increase in revenue, resulted in a gross profit of \$16.0 million in the fourth quarter, an increase of 9.5% or \$1.4 million compared with the same period in 2004. For the calendar year ended December 31, 2005, cost of revenues increased from \$150.4 million in 2004 to \$159.2 million in 2005. This resulted in a gross profit of \$55.9 million which decreased \$2.7 million or 4.6% from \$58.6 million in 2004. This decline resulted from a charge of \$5.8 million relating to the inventory fair value allocation in the current period, offset by a \$0.9 million charge in the December 21 to 31 period of 2004. At the date of acquisition, \$6.7 million of the purchase price was allocated to inventory in order to increase the value to estimated fair market value, less cost of selling. This inventory was substantially sold during the first quarter of 2005 and, accordingly, the quarter and full year included an additional cost of sales charge relating to the inventory sold. As a percentage of revenue, the gross profit declined in the calendar year ended December 31, 2005 to 26.0% from 28.0% in 2004. Before the fair value inventory allocation charge, gross profit margins were 28.7% in calendar year ended December 31, 2005 compared to 28.5% in 2004.

Selling, general and administrative ("SG&A") expenses, including administrative expenses of the Fund, for the quarter ended December 31, 2005 were \$10.2 million as compared to \$11.7 million for the same period in 2004. The \$1.5 million decrease in expenses resulted primarily from \$2.0 million of costs incurred in 2004 in connection with the Fund's initial public offering ("IPO") which was completed on December 21, 2004, offset by \$0.6 million of increased public company and long-term incentive plan cost in 2005. SG&A expenses were 18.3% of revenue for the quarter ended December 31, 2005 compared to 22.6% in 2004. For the calendar year ended December 31, 2005, SG&A expenses were \$39.8 million as compared to \$40.0 million in 2004. The \$0.2 million decrease is substantially the net impact of the \$2.0 million of costs incurred in 2004 in connection with the IPO, and public company costs of \$1.2 million and expenses related to the long-term incentive plan of \$0.4 for the calendar year ended December 31, 2005.

Net income for the quarter ended December 31, 2005 was \$3.6 million compared with net income of \$1.7 million for the same period in 2004. For the calendar year ended December 31,

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2005, net income was \$10.0 million compared to net income of \$10.7 million for the same period in 2004. The reduction in comparable profitability on a year to date basis is attributable to increased public company costs, amortization of purchase accounting intangible assets and the purchase accounting fair value inventory charge offset by costs and expense incurred in connection with the IPO in 2004 and tax expense in the Company.

For the quarter ended December 31, 2005, Adjusted EBITDA was \$6.5 million, or 11.7% of revenue. As compared to the same period in 2004, Adjusted EBITDA, before the impact of foreign exchange losses on advances to the former parent, was lower by \$0.3 million. For the calendar year ended December 31, 2005, Adjusted EBITDA was \$25.0 million, or 11.6% of revenue. As compared to the same period in 2004, Adjusted EBITDA, before the impact of foreign exchange losses on advances to the former parent, was lower by \$0.5 million and the Adjusted EBITDA margin, before the impact of foreign exchange losses on advances to the former parent, as a percentage of revenue, decreased from 12.2% of revenue to 11.6% of revenue. The Adjusted EBITDA compares favorably after adjustment for public company costs of \$1.2 million in the calendar year ended December 31, 2005.

When the Fund purchased the Company in connection with the Fund's IPO, \$56.6 million of the purchase price was allocated to intangible assets, which represents the value of customer relationships, trademarks and trade names and the value of technology and software acquired. Intangible assets are amortized over the expected periods of benefit, generally from seven to nine years, which resulted in a charge of \$1.7 million for the quarter ended December 31, 2005 and \$6.6 million for calendar year ended December 31, 2005. In accordance with GAAP, goodwill represents the excess of the purchase price over the fair value of tangible and intangible assets acquired, and is not amortized. The Fund completed its goodwill impairment test for 2005 and no impairment provision was required.

Interest expense on long-term debt relating to the revolving bank facility was \$0.6 million for the quarter ended December 31, 2005 and \$2.0 million for the calendar year ended December 31, 2005. Non-cash interest expense totaling \$0.1 million for the quarter ended December 31, 2005 and \$0.3 million for the calendar year ended December 31, 2005 is comprised of the amortization of deferred finance fees included in interest on long-term debt.

Interest income of \$0.06 million was earned during the quarter ended December 31, 2005 and \$0.2 million in the calendar year ended December 31, 2005. This interest relates to the cash and cash equivalents held by the Fund.

The Fund reported pre-tax income of \$3.6 million and a recovery of future income taxes of \$0.1 million for the quarter ended December 31, 2005. For the calendar year ended December 31, 2005 the Fund reported pre-tax income of \$7.4 million and a recovery of future income taxes of \$2.5 million. The recovery of future income taxes arises primarily from accounting charges in excess of deductions claimed for tax purposes including the amortization of intangibles (\$1.7 million for the quarter ended December 31, 2005 and \$6.6 million for the calendar year ended December 31, 2005) and purchase adjustments relating to inventory, which are included in the cost of goods sold (\$6.6 million for the year to date period ended December 31, 2005).

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The Fund's expected income tax expense would be \$1.2 million and \$2.3 million based on statutory income tax rates of 34%, while the actual income tax recovery is \$0.1 million and \$2.7 million for the quarter and year to date periods ended December 31, 2005, respectively. Since the Fund is a mutual fund trust for Canadian income tax purposes, the income that is allocated to the unitholders is not taxable in the Fund. As a result, interest paid by the Company to the Fund is not taxable in the Fund. During the quarter and year to date periods ended December 31, 2005, the Company paid the Fund interest in the amount of \$4.1 million and \$16.4 million, which increases the total tax recoverable by \$1.4 million and \$5.6 million, respectively.

### ***DATA East and West***

Revenues at the Company's DATA East and West division for the quarter ended December 31, 2005 increased 10.8% to \$45.1 million from \$40.7 million in 2004. For the calendar year ended December 31, 2005, revenue also increased to \$168.3 million from \$162.1 million in the prior year.

The revenue increase in the quarter was due to large orders for lottery slips and increased document management services ("DMS") revenue. Consistent with previous quarters the business continues to experience its growth in DMS revenue, variable imaging, labels and lottery slips. For the quarter ended and the calendar year ended December 31, 2005 the business has experienced a \$5.4 million and \$11.2 million increase respectively in revenue attributable to new lottery and variable imaging business, offsetting a \$1.0 million and \$5.0 million decrease on a quarter to date and year to date basis respectively of the low value-added stock tab business.

Cost of revenues increased in the quarter from \$29.3 million in 2004 to \$31.8 million for the quarter ended December 31, 2005. The increase in cost of revenues of 8.5% was in line with the increase in revenues on a product mix basis, given the high paper content and lower expected margins on the lottery slip business. For the quarter ending December 31, 2005 gross profit increased to \$13.3 million from \$11.4 million or 16.0% over the prior year. After adjusting for the inventory fair value allocation charge (\$0.9 million in the December period of 2004) gross profit in the quarter, as a percentage of revenue, declined from 30.3% to 29.4%. The decline was expected due to the increase in lottery slip business as discussed above. For the calendar year ended December 31, 2005, after adjusting for the inventory fair value allocation charge (\$5.8 million in the first quarter of 2005 and \$0.9 million in the December period of 2004), cost of revenues increased 3.5% from \$115.1 million in 2004 to \$119.1 million in 2005. As a result, gross profit, as a percentage of revenue, experienced a minor increase to 29.2% in the calendar year ended December 31, 2005, from 29.0% in 2004. Although the division has been successful in replacing historically low value-added stock tab with new business, 2005 did not see a substantial gross profit improvement as many of these new agreements are in an early stage, before production, inventory management and administrative efficiencies are gained.

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### ***Sundog***

Revenues at the Company's Sundog division for the quarter ended December 31, 2005 decreased 9.1% to \$5.9 million from \$6.5 million in 2004. For the calendar year ended December 31, 2005, revenue increased 3.5% to \$25.5 million from \$24.6 million in 2004.

The decrease in fourth quarter revenue is due to a significant project produced in the third quarter of 2004 that did not ship until the fourth quarter of 2004. Otherwise, excluding revenue from that 2004 project, Sundog's revenue for the fourth quarter of 2005 was in line with the fourth quarter of 2004. For the calendar year ended December 31, 2005, the revenue increase was attributable to the strong demand in the Alberta marketplace for commercial printing and various projects for a major Alberta-based homebuilder.

For the quarter ending December 31, 2005, cost of revenues decreased \$0.4 million or 8.9% from \$4.5 million in 2004 to \$4.1 million in 2005. The decrease is in line with the revenue decrease outlined above. For the calendar year ended December 31, 2005, cost of revenues increased \$0.2 million or 1.2% from \$16.8 million in 2004 to \$17.0 million in 2005. Accordingly, for the quarter ending December 31, 2005 gross profit decreased \$0.2 million or 11% from \$2.0 million in 2004 to \$1.8 million in 2005, and increased for the calendar year ended December 31, 2005 by \$0.7 million or 8.6% from \$7.8 million in 2004 to \$8.5 million in 2005. The decrease in fourth quarter gross profit is consistent with the revenue decrease outlined above. The overall increase in gross profit, as a percentage of revenue, for the calendar year ended December 31, 2005 was attributable to the production efficiencies gained as a result of the increase in revenue outlined above.

### ***Multiple•Pakfold***

Revenue at the Company's Multiple•Pakfold division for the quarter ended December 31, 2005 decreased by 16.2% to \$5.8 million from \$6.9 million. For the calendar year ended December 31, 2005, revenue decreased 5.9% to \$25.1 million from \$26.7 million in 2004.

The decrease in revenue in the quarter and year to date was substantially due to the loss of a significant order from a third party produced in 2004.

Cost of revenues for the quarter ended December 31, 2005 decreased by 14.0% to \$4.9 million from \$5.7 million in 2004. As a result, gross profit in the quarter decreased by 21.0%. For the calendar year ended December 31, 2005, cost of revenues decreased from \$22.1 million to \$21.2 million which has resulted in year to date gross profit decline of 15.2% or \$0.7 million. The reduction in gross profit on a quarter to date and year to date basis is attributable to a reduction in production efficiencies as a result of the revenue loss noted above.

New management installed earlier in the year has started to make significant strides in reducing costs and improving operating efficiencies. These initiatives are expected to lead to improved margins at this division in 2006.

Management has achieved significant improvements in one of two plants. Their challenge now is to achieve the same improvements in the other plant while replacing the aforementioned revenue loss in that location.

**Table 3**

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

<b>Period ended</b>	<b>Oct. 1 to Dec. 31, 2005 \$</b>	<b>Dec. 21, 2004 to Dec. 31, 2005 \$</b>
Net Income	3,616	9,501
Add:		
Recovery of income taxes	(116)	(2,745)
Interest expense	573	2,126
Depreciation	744	3,299
Amortization	1,652	6,803
Non-cash inventory fair value allocation charges	-	6,668
Adjusted EBITDA	6,469	25,652
Add:		
Loss on disposal of fixed assets	1	245
Less:		
Cash interest expense <sup>(1)</sup>	497	1,812
Maintenance capital expenditures <sup>(2)</sup>	1,178	2,372
Pension contributions in excess of expense <sup>(3)</sup>	89	989
Cash income taxes (recovery) <sup>(4)</sup>	-	-
Cash available for distribution	4,706	20,724
Distributions to unitholders <sup>(5)</sup>	4,305	17,421
Excess of cash for distribution over actual distributions	401	3,303
Per Unit (14,861,333 Units)		
Cash available for distribution per Unit <sup>(6)</sup>	0.317	1.395
Distributions to unitholders per Unit <sup>(6)</sup>	0.290	1.172
Excess of cash available for distribution per Unit over actual distributions per Unit	0.027	0.223
Payout ratio	91.5%	84.0%

## Notes:

- <sup>(1)</sup> Cash interest expense is interest expense calculated in accordance with GAAP, less amortization of deferred finance fees.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Excludes a special contribution of \$5.0 million to the Company's defined benefit pension plan, which was funded from the proceeds invested by the Fund in the Company in connection with the Fund's initial public offering.
- <sup>(4)</sup> Cash income taxes are current income taxes calculated in accordance with GAAP.
- <sup>(5)</sup> Distributions are in respect of the distributions declared, not what was paid.
- <sup>(6)</sup> 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.

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**Table 4**

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

	<b>Oct. 1 to Dec. 31, 2005 \$</b>	<b>Dec. 21, 2004 to Dec. 31, 2005 \$</b>
Cash flow from operations <sup>(1)</sup>	5,884	11,428
Pension contributions <sup>(2)</sup>	-	5,000
Maintenance capital expenditures	(1,178)	(2,372)
Inventory fair value allocation charge	-	6,668
Cash available for distribution	<u>4,706</u>	<u>20,724</u>

Notes:

<sup>(1)</sup> *Prior to changes in non-cash items relating to operating activities.*

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

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## **Distributions**

For the quarter ending December 31, 2005 and the period from December 21, 2004 to December 31, 2005, the Fund generated \$4.7 million and \$20.7 million, respectively, or \$0.317 and \$1.395 per Unit, respectively, of cash available for distribution. Cash available for distribution for the quarter ending December 31, 2005 and the period from December 21, 2004 to December 31, 2005 was calculated by adding the loss on disposal of fixed assets of \$0.2 million in the year to date period, deducting cash interest of \$0.5 million and \$1.8 million, respectively, maintenance capital expenditures of \$1.2 million and \$2.4 million, respectively, and cash pension contribution of \$0.1 million and \$1.0 million, respectively, from Adjusted EBITDA of \$6.5 million and \$25.7 million, respectively. See Table 3 for a breakdown of these figures for the period from December 21, 2004 to December 31, 2005.

For quarter ending December 31, 2005 and the period from December 21, 2004 to December 31, 2005, the Fund declared distributions of \$4.3 million and \$17.4 million, respectively, or \$0.290 and \$1.172 per Unit, respectively. The calculation of cash available for distribution for the quarter ending December 31, 2005 and the period from December 21, 2004 to December 31, 2005 exceeded actual distributions by \$0.4 million and \$3.3 million, respectively, or \$0.027 and \$0.223 per Unit, respectively.

Distributions paid by the Fund during the period from December 21, 2004 to December 31, 2005 were funded entirely from cash generated by the Company's operations. The portion of such distributions that will be taxable in 2005 is approximately 87% and the portion that will be non-taxable in 2005 is approximately 13%. Cash available for distribution (see Table 3) during the period exceeded estimated distributable cash, as set forth in the Fund's prospectus dated December 14, 2004, by \$4.005 million or \$0.27 per Unit.

## **Pension Plan**

The Company has a defined benefit pension plan for the benefit of certain employees and a defined contribution plan for other employees. During the year to date period ended December 31, 2005, the Company contributed \$7.3 million to the defined benefit plan. Management expects that payments under the defined benefit pension plan will be approximately \$2.3 million in calendar 2006 and payments for the defined contribution plan should continue in 2006 at approximately the same level as in 2005.

In 2005, the discount rate applied to the accrued pension benefit obligation was reduced to 5.0 percent from 6.0 percent reflecting long-term interest rates at December 31, 2005. This change resulted in an actuarial loss of \$4.7 million that will be amortized over the average remaining service life of plan employees or 15 years.

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## **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 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](http://www.sedar.com) and [www.datagroupincomefund.com](http://www.datagroupincomefund.com).

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**The DATA Group Income Fund**  
**Interim Consolidated Balance Sheet**  
(Unaudited)

(In thousands of dollars)

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,903	5,125
Accounts receivable	26,363	25,065
Inventories	20,890	27,966
Prepaid expenses	2,470	1,528
Income taxes recoverable	66	666
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	58,692	60,350
<b>Property and equipment</b>	14,946	16,036
<b>Goodwill</b>	87,973	88,194
<b>Intangible assets</b>	49,797	56,405
<b>Deferred finance fees</b>	601	906
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	212,009	221,891
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	20,208	20,908
Distribution payable	1,435	-
Future income taxes	-	1,931
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	21,643	22,839
<b>Revolving bank facility</b>	40,000	40,000
<b>Convertible note</b>	-	13,970
<b>Future income taxes</b>	16,032	16,305
<b>Pension obligation</b>	4,735	5,693
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	82,410	98,807
<b>Unitholders' Equity</b>		
<b>Units</b>	137,519	123,549
<b>Accumulated income (loss)</b>	9,501	(465)
<b>Cumulative distributions</b>	(17,421)	-
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	129,599	123,084
	<hr/>	<hr/>
	212,009	221,891
	<hr/>	<hr/>

**The DATA Group Income Fund**  
**Interim Consolidated Statement of Income**  
(Unaudited)

(in thousands of dollars, except per unit amounts)

	<b>For the three months ended December 31, 2005</b>	<b>For the period from December 21, 2004 to December 31, 2005</b>
	\$	\$
<b>Revenue</b>	55,980	220,740
<b>Cost of revenues</b> (including depreciation of \$682 and \$3,032 respectively)	<u>40,024</u>	<u>164,188</u>
<b>Gross profit</b>	<u>15,956</u>	<u>56,552</u>
<b>Expenses</b>		
Selling, commissions and expenses	5,768	23,734
General and administration (including depreciation of \$62 and \$267, respectively)	4,463	17,133
Amortization of intangible assets	<u>1,652</u>	<u>6,803</u>
	<u>11,883</u>	<u>47,670</u>
<b>Income before interest and income taxes</b>	4,073	8,882
<b>Interest expense</b>		
Long-term debt (net of interest income of \$61 and \$195, respectively)	<u>573</u>	<u>2,126</u>
<b>Income before income taxes</b>	3,500	6,756
<b>Recovery of future income taxes</b>	<u>(116)</u>	<u>(2,745)</u>
<b>Net Income for the period</b>	<u>3,616</u>	<u>9,501</u>
<b>Basic income per unit</b>	<u>0.24</u>	<u>0.64</u>
<b>Weighted average number of units</b>	<u>14,861,333</u>	<u>14,754,331</u>

**The DATA Group Income Fund**  
Interim Consolidated Statement of Unitholders' Equity  
(Unaudited)

(in thousands of dollars)

	<b>Unitholders' capital</b>	<b>Accumulated (loss) income</b>	<b>Cumulative distributions</b>	<b>Total</b>
	\$	\$	\$	\$
Issuance of units - net of issuance costs	123,549	-	-	123,549
Loss for the period from December 21, 2004 to December 31, 2004	-	(465)	-	(465)
<b>Balance as at December 31, 2004</b>	123,549	(465)	-	123,084
Issuance of units	13,970	-	-	13,970
Distributions declared	-	-	(4,674)	(4,674)
Loss for the three-month period ended March 31, 2005	-	(329)	-	(329)
<b>Balance as at March 31, 2005</b>	137,519	(794)	(4,674)	132,051
Distributions declared	-	-	(4,179)	(4,179)
Net income for the three-month period ended June 30, 2005	-	3,475	-	3,475
<b>Balance as at June 30, 2005</b>	137,519	2,681	(8,853)	131,347
Distributions declared	-	-	(4,263)	(4,263)
Net income for the three-month period ended September 30, 2005	-	3,204	-	3,204
<b>Balance as at September 30, 2005</b>	137,519	5,885	(13,116)	130,288
Distributions declared	-	-	(4,305)	(4,305)
Net income for the three-month period ended December 31, 2005	-	3,616	-	3,616
<b>Balance as at December 31, 2005</b>	137,519	9,501	(17,421)	129,599

**The DATA Group Income Fund**  
Interim Consolidated Statement of Cash Flows  
(Unaudited)

(in thousands of dollars)

<b>Cash provided by (used in)</b>	<b>For the three months ended December 31, 2005 \$</b>	<b>For the period from December 21, 2004 to December 31, 2005 \$</b>
<b>Operating activities</b>		
Net income for the period	3,616	9,501
Items not involving cash		
Depreciation of property and equipment	744	3,299
Amortization of intangible assets	1,652	6,803
Pension expense	311	1,289
Contributions made to pension plans	(400)	(7,278)
Amortization of deferred financing fees	76	314
Loss on disposal of property and equipment	1	245
Future income taxes	(116)	(2,745)
	<u>5,884</u>	<u>11,428</u>
Changes in non-cash items relating to operating activities	<u>1,064</u>	<u>7,948</u>
	<u>6,948</u>	<u>19,376</u>
<b>Investing activities</b>		
Purchase of property and equipment	(1,178)	(2,372)
Proceeds on disposal of property and equipment	-	1
Acquisition of business - net of cash acquired of \$323	-	(114,807)
	<u>(1,178)</u>	<u>(117,178)</u>
<b>Financing activities</b>		
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)	(15,986)
Issuance of units - net of expenses	-	137,519
	<u>(4,305)</u>	<u>106,705</u>
<b>Increase in cash and cash equivalents during the period</b>	<u>1,465</u>	<u>8,903</u>
<b>Cash and cash equivalents - Beginning of period</b>	<u>7,438</u>	<u>-</u>
<b>Cash and cash equivalents - End of period</b>	<u>8,903</u>	<u>8,903</u>
<b>Supplemental cash flow information</b>		
Interest paid	1,102	2,496
<b>Non-cash investing and financing activities</b>		
Acquisition of certain assets and settlement for non-cash consideration	-	14,388