



THE DATA GROUP INCOME FUND
QUARTER TWO - ENDED JUNE 30, 2009

Solutions beyond print

Q2

Committed to our values

THE DATA GROUP OF COMPANIES HAS EVOLVED A DEEPLY ROOTED, WIDELY RECOGNIZED WAY OF DOING BUSINESS. OUR SUCCESS OWES MUCH TO A SET OF CORPORATE VALUES, WHICH HAVE HELPED TO DEFINE OUR CULTURE.

WE ARE committed to customer service and quality.

WE DO what we say we will do.

WE CONDUCT our business ethically and legally.

WE ARE a people-oriented company committed to safety and the environment.

WE WILL develop, adapt, and use technology for our customers' benefit.

WE STRIVE for market leadership and take pride in our products and services.

WE ENCOURAGE decision-making and initiative at all levels of our Company.

LETTER TO UNITHOLDERS

As you are no doubt aware, we have all been significantly challenged by the current economic environment, which first hit Canada in the fall of 2008 and has since weakened considerably. This weakness has negatively impacted the Fund's revenue through the first six months of 2009. Specifically, revenues for the quarter ended June 30, 2009 were \$84.3 million, a decrease of 10.1% compared to the same period in 2008. Net income for the second quarter of 2009 was \$0.7 million or \$0.03 per basic unit compared to a net income of \$4.0 million or \$0.17 per basic unit for the same period in 2008. Revenues for the six months ended June 30, 2009 were \$174.7 million, a decrease of 10.3% compared to the same period in 2008. Net income for the six months ended June 30, 2009 was \$3.6 million or \$0.15 per basic unit compared to a net income of \$9.6 million or \$0.41 per basic unit for the same period in 2008.

Adjusted EBITDA for the quarter ended June 30, 2009 was \$7.4 million or 8.8% of revenues compared to EBITDA of \$10.7 million or 11.4% of revenues in the same period in 2008. Adjusted EBITDA for the six months ended June 30, 2009 was \$16.5 million or 9.5% of revenues compared to EBITDA of \$22.9 million or 11.7% of revenues in the same period in 2008. See "Non-GAAP Measures" in the accompanying report for a description of Adjusted EBITDA and of EBITDA.

In our second quarter of 2009, the Fund had total cash available for distribution of \$5.8 million or \$0.249 per unit. Our total distributions to unitholders during the quarter were \$6.8 million or \$0.290 per unit for a payout ratio of 116.5%. In the first six months of 2009, the Fund had total cash available for distribution of \$12.0 million or \$0.513 per unit. Our total distributions to unitholders during the first six months of 2009 were \$13.6 million or \$0.580 per unit for a payout ratio of 113.1%. All of our distributions in the second quarter and in the first six months of 2009 were funded from cash generated by the Data Group's operations and from existing cash resources.

As discussed above, the decline in revenues caused by the poor economic conditions has resulted in lower cash available for distribution and a payout ratio in excess of 100% for the first and second quarters of 2009. In response, the Data Group has initiated workforce reductions, changes to its pension plan and its employee group benefit plans and other measures to reduce costs. These measures are expected to lower the Data Group's operating expenses by approximately \$15.0 million annually. In addition, over the past nine months, the Data Group has secured new business which is expected to generate approximately \$15.0 million in revenues over the next 12 months. Based upon the Data Group's currently projected cash flow from operations, including expected revenues from new business wins, lower anticipated operating expenses as a result of recent cost reductions, and its current liquidity and existing cash resources, the Fund intends to maintain its monthly distributions on the units at current levels for the foreseeable future. The Fund's Board of Trustees will continue to closely monitor the Fund's monthly distribution level in light of the Fund's cash available for distribution and cash resources.

In closing, I would like to offer our thanks to you, our unitholders, for your continued support. Equally, we are most appreciative of the many mutually beneficial relationships we have with our customers. Finally, I wish to once again acknowledge with thanks the efforts of our employees who continue to demonstrate day in and day out that they are the best in the business.

August 2009

The DATA Group Income Fund



David M. Odell
President and Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2009 should be read in conjunction with the MD&A of The DATA Group Income Fund (the "Fund") for the year ended December 31, 2008 and the unaudited interim financial statements of the Fund for the three and six months ended June 30, 2009. These documents are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. External economic, industry and risk factors remain substantially unchanged from those described in the Fund's 2008 annual MD&A, unless otherwise noted.

The Fund owns directly and indirectly all of the outstanding partnership units of The Data Group Limited Partnership (the "Data Group") and all of the outstanding shares of the Data Group's general partner, Data Business Forms Limited.

All financial information in this MD&A is presented in Canadian dollars and in accordance with Canadian generally accepted accounting principles ("GAAP"), unless otherwise noted.

The date of this MD&A is August 6, 2009. Additional information relating to the Fund, including the Fund's most recently filed audited consolidated financial statements, Annual Information Form and Management Proxy Circular, is available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this report constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Fund and/or the Data Group, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. When used in this report, words such as "may", "would", "could", "will", "expect", "anticipate", "estimate", "believe", "intend", "plan", and other similar expressions are intended to identify forward-looking statements. These statements reflect the Fund's current views regarding future events and operating performance, are based on information currently available to the Fund, and speak only as of the date of this report. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance or achievements of the Fund and the Data Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The principal assumptions and risks that the Fund made or took into account in the preparation of these forward-looking statements include the impact of the weakened domestic and global economic conditions on the Data Group's businesses; the Data Group's efforts to reduce its operating costs may not become effective as quickly as the Data Group expects, thereby impacting the Data Group's profitability and cash available for distribution; should the Data Group's revenues decline further than expected, the cost reduction measures taken by the Data Group in response to the current economic environment may not be sufficient and further reductions may be necessary; the Data Group's ability to maintain and grow historical levels of its sales of printed business documents; increases in the costs of paper and other raw materials used by the Data Group; the Data Group's ability to maintain relationships with its customers; the accuracy of estimated synergies in respect of expected cash flows, cost savings and profitability from the combination of the former Data Business Forms Limited and Relizon Canada Inc. businesses; the risk that any savings, growth prospects or other synergies from the combination of those businesses will not be fully realized or will take longer to realize than expected; competition from competitors supplying similar

products and services; and the application of recent changes to the income tax treatment of certain income trusts, such as the Fund, which will subject the Fund to tax commencing in 2011 (assuming the Fund complies with the “normal growth guidelines” contained in such changes), and the effect of that announcement on the trading price of the Fund’s units. Additional factors are discussed elsewhere in this report and under the heading “Risks and Uncertainties” in the Fund’s publicly available disclosure documents, as filed by the Fund on SEDAR (www.sedar.com). 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 report as intended, planned, anticipated, believed, estimated or expected. 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 report includes certain non-GAAP measures as supplementary information. When used in this report, EBITDA means earnings before interest, taxes, depreciation and amortization, and Adjusted EBITDA means EBITDA adjusted for gains on cancellation of convertible debentures, cease use charges, write downs of assets held for sale, goodwill impairment charges and pension plan curtailment gains. The Fund believes that, in addition to net income (loss), EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of the Data Group and/or the Fund. Cash available for distribution means cash provided by (used in) operating activities increased by, or reduced for, maintenance capital expenditures, purchases of convertible debentures, changes in non-cash working capital, and other non-cash items. Specifically, the Fund views cash available for distribution as a measure generally used by Canadian income funds, investors and management as an indicator of financial performance. EBITDA, Adjusted EBITDA and cash available for distribution are not earnings or cash flow measures recognized by GAAP and do not have any standardized meanings prescribed by GAAP. Therefore, EBITDA, Adjusted EBITDA and cash available for distribution are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with GAAP as indicators of the Data Group’s or the Fund’s performance, nor is cash available for distribution an alternative to cash flows from operating, investing and financing activities determined in accordance with GAAP as measures of liquidity and cash flows. For a reconciliation of net income to Adjusted EBITDA, see Table 3 below. For a reconciliation of cash provided by operating activities to cash available for distribution, see Table 4 below.

BUSINESS OF THE DATA GROUP

The Data Group is a leading provider of total document management solutions, including printed products, and operates as three segments. DATA East and West (which provided approximately 90% of total revenue for the second quarter of 2009) sells a broad range of printed products and document management services directly to end users. Sundog (which provided approximately 6% of total revenue for the second quarter of 2009) is a commercial printer specializing in the production of high-quality annual reports, marketing materials and event tickets. Multiple Pakfold (which provided approximately 4% of total revenue for the second quarter of 2009) sells forms and labels to independent brokers and resellers.

Sources of Revenue and Revenue Recognition Policy

The Data Group derives its revenues from a variety of sources, including document management services, business forms and documents, and commercial printing. The Data Group generally negotiates sales contracts and service level agreements with its customers and generally does not use standardized contracts. The Data Group’s customer

agreements and terms typically include provisions consistent with industry practice, allowing it to pass on increases in the cost of paper and other raw materials used in the manufacture of its products.

The Data Group recognizes revenue from the sale of products upon shipment to the customer, upon the transfer of title and when risk of loss passes to the buyer, and upon completion of services provided. When the customer requests a bill and hold arrangement, revenue is recognized when the goods are shipped to the customer. Since the majority of the Data Group's products are customized, product returns are not significant. The Data Group may provide pre-production services to its customers, however, these services do not have standalone value and there is no objective and reliable evidence of fair value. Therefore, these pre-production services and the final custom made printed product are considered to be one unit of accounting. The Data Group recognizes warehousing fees as the service is provided. The Data Group occasionally provides warehousing services that are negotiated as a separate charge based on market rates, even if included in the overall selling price of its products. Warehousing services represent a separate unit of accounting because they can be sold separately, have value to the customer on a stand-alone basis, and there is objective and reliable evidence of the fair value of these services. If warehousing service fees are included in one overall selling price of the Data Group's custom print products, the consideration is allocated to each component based on relative fair value.

Costs of Revenues and Expenses

The Data Group's costs of revenues consist of raw materials, manufacturing salaries and benefits, occupancy and depreciation. The Data Group's raw material costs consist primarily of paper, carbon and ink. Manufacturing salaries and benefit costs consist of employee salaries and health benefits at the Data Group's printing and warehousing facilities. Occupancy costs consist primarily of lease payments at the Data Group's facilities, and utilities, insurance and building maintenance. The Data Group's expenses consist of selling, depreciation and amortization, and general and administration expenses. Selling expenses consist primarily of employee salaries, health benefits and commissions, and include related travel, corporate communications costs, trade shows, and marketing programs. Depreciation and amortization represent the allocation to income of the cost of property, plant and equipment, and intangible assets over their estimated useful lives. General and administration expenses consist primarily of employee salaries, health benefits, and other related expenses for executive, financial and administrative personnel, as well as facility, telecommunications, pension plan contributions and professional service fees.

Restructuring Costs

Following the completion of the Fund's acquisition of Relizon Canada Inc. ("Relizon Canada") on August 31, 2006, the Data Group undertook a series of initiatives to integrate the former Data Business Forms Limited and Relizon Canada businesses in order to achieve operational and corporate synergies and other benefits from the combination of those businesses. On March 1, 2007, the Fund announced a restructuring plan resulting in the closure of four plants, the elimination of 121 jobs and the transfer of 99 jobs to other facilities. During the second and third quarters of 2007, the Data Group closed its plants located in Dorval, Québec; Hemmingford, Québec; Orangeville, Ontario; and Medicine Hat, Alberta. These plants ceased operations as of September 30, 2007. As a result of these initiatives, the Data Group has recognized restructuring costs and provisions relating to the termination of certain employees of the acquired business, and for other costs to exit or terminate specific leases and contracts which the Data Group intends to modify or terminate. During 2008, the Data Group recorded a \$0.5 million reduction in the accrued restructuring provisions and a corresponding reduction in goodwill as a result of the settlement of an outstanding legal proceeding. At June 30, 2009, the amount of the remaining accrued restructuring and integration provisions was \$1.0 million. The Data Group incurred additional restructuring expenses during 2008 and the first six months of 2009 in the form of severances as a result of on-going productivity improvement initiatives that resulted in

an employee headcount reduction of 54. The amount of the remaining accrued restructuring provision at June 30, 2009 was approximately \$0.8 million.

GENERAL INFORMATION AND RESULTS OF OPERATIONS

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

Consolidated Financial Information

For the periods ended June 30, 2009 and 2008 <i>(in thousands of dollars, except per unit amounts, unaudited)</i>	Apr. 1 to June 30, 2009	Apr. 1 to June 30, 2008	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008
	\$	\$	\$	\$
Revenues	84,269	93,733	174,686	194,759
Cost of revenues	62,938	67,785	130,213	140,424
Gross profit	21,331	25,948	44,473	54,335
Selling, general and administrative expenses	15,693	17,330	31,621	35,584
Gain on cancellation of convertible debentures	-	-	(2)	-
Cease use charge	866	-	866	-
Amortization of intangible assets	2,649	2,744	5,298	5,488
Income before interest and income taxes	2,123	5,874	6,690	13,263
Interest expense on long-term debt	1,253	1,471	2,689	3,069
Income before income taxes	870	4,403	4,001	10,194
Future income tax expense	121	400	455	600
Net income for the period	749	4,003	3,546	9,594
Basic and diluted income per unit	0.03	0.17	0.15	0.41
Number of units outstanding	23,490,592	23,490,592	23,490,592	23,490,592

	As at June 30, 2009	As at June 30, 2008
	\$	\$
Consolidated Balance Sheet Information		
Current assets	103,446	116,392
Current liabilities	39,436	49,285
Total assets	330,536	371,130
Total long-term liabilities	129,132	127,400
Unitholders' equity	161,968	194,445

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

Consolidated Financial Information

For the periods ended June 30, 2009 and 2008 <i>(in thousands of dollars, except percentage amounts, unaudited)</i>	Apr. 1 to June 30, 2009 \$	Apr. 1 to June 30, 2008 \$	Jan. 1 to June 30, 2009 \$	Jan. 1 to June 30, 2008 \$
Revenues				
DATA East and West	77,289	85,160	159,670	176,739
Sundog	4,699	5,650	10,030	12,128
Multiple Pakfold	3,211	3,962	6,921	8,007
Intersegment	(930)	(1,039)	(1,935)	(2,115)
	84,269	93,733	174,686	194,759
Gross profit				
DATA East and West	19,905	23,939	41,133	49,987
Sundog	1,187	1,653	2,665	3,585
Multiple Pakfold	239	356	675	763
	21,331	25,948	44,473	54,335
Gross profit, as a percentage of revenues				
DATA East and West	25.8%	28.1%	25.8%	28.3%
Sundog	25.3%	29.3%	26.6%	29.6%
Multiple Pakfold	7.4%	9.0%	9.8%	9.5%
	25.3%	27.7%	25.5%	27.9%
Selling, general and administrative expenses				
	15,693	17,330	31,621	35,584
As a percentage of revenues	18.6%	18.5%	18.1%	18.3%
Adjusted EBITDA (see Table 3)				
	7,430	10,668	16,526	22,872
Adjusted EBITDA margin, as a percentage of revenues	8.8%	11.4%	9.5%	11.7%
Net income				
	749	4,003	3,546	9,594

Table 3 The following table provides a reconciliation of net income to Adjusted EBITDA for the periods noted. See “Non-GAAP Measures”.

Adjusted EBITDA Reconciliation

For the periods ended June 30, 2009 and 2008 <i>(in thousands of dollars, unaudited)</i>	Apr. 1 to June 30, 2009 \$	Apr. 1 to June 30, 2008 \$	Jan. 1 to June 30, 2009 \$	Jan. 1 to June 30, 2008 \$
Net income for the period	749	4,003	3,546	9,594
Net interest expense on long-term debt	1,253	1,471	2,689	3,069
Depreciation of property, plant and equipment	1,792	2,050	3,674	4,121
Amortization of intangible assets	2,649	2,744	5,298	5,488
Gain on cancellation of convertible debentures	-	-	(2)	-
Cease use charge	866	-	866	-
Future income tax expense	121	400	455	600
Adjusted EBITDA	7,430	10,668	16,526	22,872

RESULTS OF OPERATIONS

THE DATA GROUP INCOME FUND

Revenues

The most significant challenge that the Data Group faced in the first six months of 2009 was the current domestic and global economic environment, which has weakened significantly since 2008 and negatively impacted the Fund's revenues over that period. For the quarter ended June 30, 2009, the Fund recorded revenues of \$84.3 million, a decrease of \$9.5 million or 10.1% compared with the same period in 2008. The decrease, before intersegment revenues, was the result of a \$7.9 million decrease in the Data East and West segment, a \$1.0 million decrease in the Sundog segment and a \$0.8 million decrease in the Multiple Pakfold segment. For the six months ended June 30, 2009, the Fund recorded revenues of \$174.7 million, a decrease of \$20.1 million or 10.3% compared with the same period in 2008. The decrease, before intersegment revenues, was the result of a \$17.1 million decrease in the DATA East and West segment, a \$2.1 million decrease in the Sundog segment and a \$1.1 million decrease in the Multiple Pakfold segment. A more detailed discussion of the results of operations of each of the Fund's reporting segments is set out below.

Cost of Revenues and Gross Profit

For the quarter ended June 30, 2009, cost of revenues decreased to \$62.9 million from \$67.8 million for the same period in 2008. Gross profit for the quarter ended June 30, 2009 was \$21.3 million, which represented a decrease of \$4.6 million or 17.8% from \$25.9 million for the same period in 2008. The decrease in gross profit for the quarter ended June 30, 2009 was attributable to gross profit decreases of \$4.0 million in the DATA East and West segment, \$0.5 million in the Sundog segment and \$0.2 million in the Multiple Pakfold segment. Gross profit as a percentage of revenues decreased to 25.3% for the quarter ended June 30, 2009 compared to 27.7% for the same period in 2008. For the six months ended June 30, 2009, cost of revenues decreased to \$130.2 million from \$140.4 million for the same period in 2008. Gross profit for the six months ended June 30, 2009 was \$44.5 million, which represented a decrease of \$9.9 million or 18.2% from \$54.3 million in the same period of 2008. The decrease in gross profit for the six months ended June 30, 2009 was attributable to gross profit decreases of \$8.9 million in the DATA East and West

segment, \$0.9 million in the Sundog segment and \$0.1 million in the Multiple Pakfold segment. Gross profit as a percentage of revenue decreased to 25.5% for the six months ended June 30, 2009 compared to 27.9% for the same period in 2008.

Selling, General and Administrative Expenses and Restructuring Costs

Selling, general and administrative ("SG&A") expenses, including administrative expenses of the Fund, for the quarter ended June 30, 2009 decreased \$1.6 million to \$15.7 million compared to \$17.3 million in the same period of 2008. SG&A expenses for the three months ended June 30, 2009 decreased as the result of the Data Group's on-going productivity improvements initiatives. As a percentage of revenues, these costs were 18.6% of revenues for the quarter ended June 30, 2009 compared to 18.5% of revenues for the same period in 2008. For each of the quarters ended June 30, 2009 and 2008, the Data Group incurred \$0.3 million of severance costs. These costs were included in SG&A and were related to the Data Group's on-going productivity improvement initiatives. SG&A expenses for the six months ended June 30, 2009 decreased by \$4.0 million to \$31.6 million compared to \$35.6 million in the same period of 2008. SG&A expenses for the six months ended June 30, 2009 decreased as a result of the Data Group's on-going productivity improvements initiatives. As a percentage of revenues, these costs were 18.1% of revenues for the six months ended June 30, 2009 compared to 18.3% of revenues for the same period in 2008. For the six month periods ended June 30, 2009 and 2008, the Data Group incurred \$0.3 million and \$0.5 million of severance costs, respectively. These costs were included in SG&A and were related to the Data Group's on-going productivity improvement initiatives.

Asset Sale and Other

During the quarter ended June 30, 2009, the Data Group completed a sublet agreement in respect of its Dorval, Québec facility for the remainder of the lease term and incurred a cease use charge of \$0.9 million, which represented the liability for remaining lease costs under the lease agreement net of sublease income. During the six months ended June 30, 2009, the Data Group completed the sale of its Hemmingford, Québec property for gross proceeds of \$0.7 million and recorded a pre-tax gain on disposal of \$0.1 million.

Adjusted EBITDA

For the quarter ended June 30, 2009, Adjusted EBITDA was \$7.4 million, or 8.8% of revenues. Adjusted EBITDA for the quarter ended June 30, 2009 decreased \$3.2 million or 30.4% from the same period in the prior year and the Adjusted EBITDA margin for the quarter, as a percentage of revenues, decreased from 11.4% of revenues in 2008 to 8.8% of revenues in 2009. For the six months ended June 30, 2009, Adjusted EBITDA was \$16.5 million or 9.5% of revenues. Adjusted EBITDA for the six months ended June 30, 2009 decreased \$6.3 million or 27.7% from the same period in the prior year and the Adjusted EBITDA margin for the six month period, as a percentage of revenues, decreased from 11.7% of revenues in 2008 to 9.5% of revenues in 2009.

Interest Expense

Net interest expense on long-term debt relating to the Data Group's credit facilities and the Fund's \$34.8 million aggregate principal amount of outstanding convertible debentures was \$1.3 million for the quarter ended June 30, 2009 compared to \$1.5 million for the same period in 2008. Net interest expense on long-term debt was \$2.7 million for the six months ended June 30, 2009 compared to \$3.1 million for the same period in 2008.

For the quarter ended June 30, 2009, interest income of \$0.2 million was earned compared to \$0.1 million earned for the same period in 2008. This interest income was substantially related to the cash and cash equivalents and other

receivables held by the Data Group. Interest income of \$0.2 million was earned during the six month periods ended June 30, 2009 and 2008, respectively. This interest income was substantially related to the cash and cash equivalents and other receivables held by the Data Group.

Income Taxes

The Fund reported income before income taxes of \$0.9 million and a future income tax expense of \$0.2 million for the quarter ended June 30, 2009. The future income tax expense was due to a change in estimates of future reversals of temporary differences. The Fund reported income before income taxes of \$4.4 million and a future income tax expense of \$0.4 million for the quarter ended June 30, 2008. The future income tax expense was due to a change in estimates of future reversals of temporary differences.

The Fund reported income before income taxes of \$4.0 million and a future income tax expense of \$0.4 million for the six months ended June 30, 2009. The future income tax expense was due to a change in estimates of future reversals of temporary differences and changes to substantively enacted income tax rates. The Fund reported income before income taxes of \$10.2 million and a future income tax expense of \$0.6 million for the six months ended June 30, 2008. The future income tax expense was due to a change in estimates of future reversals of temporary differences.

Net Income

Net income for the quarter ended June 30, 2009 was \$0.7 million compared to a net income of \$4.0 million for the quarter ended June 30, 2008. Net income for the six months ended June 30, 2009 was \$3.6 million compared to a net income of \$9.6 million for the six months ended June 30, 2008. The decrease in comparable profitability for the three and six months ended June 30, 2009 was substantially due to lower gross profit as a result of lower revenues due to generally poor economic conditions, a cease use charge and offset by realized cost savings from on-going productivity improvement initiatives.

DATA EAST AND WEST

Revenues at the Data Group's DATA East and West segment for the quarter ended June 30, 2009 decreased \$7.9 million or 9.2% to \$77.3 million from \$85.2 million for the same period in the prior year. Revenues for the six months ended June 30, 2009 decreased \$17.1 million or 9.7% to \$159.7 million from \$176.7 million for the same period in the prior year.

Revenues for the three and six months ended June 30, 2009 decreased due to lower spending from customers in the financial, government and direct mail industries as a result of generally poor economic conditions in the fourth quarter of 2008 and the first six months of 2009. During the second quarter, this segment experienced declines in Western Canada similar to those encountered by the segment in Eastern Canada at the end of 2008 and during the first six months of 2009.

For the quarter ended June 30, 2009, gross profit decreased \$4.0 million to \$19.9 million from \$23.9 million for the same period in 2008. Gross profit as a percentage of revenues for the quarter ended June 30, 2009 decreased to 25.8% from 28.1% for the same period in 2008. The decrease in gross profit as a percentage of revenues during the quarter ended June 30, 2009 was due to lower revenues as discussed above. This segment continues to be focused upon improving productivity and efficiencies in the operation of its equipment.

For the six months ending June 30, 2009, gross profit decreased \$8.9 million to \$41.1 million from \$50.0 million in the same period of 2008. Gross profit as a percentage of revenues for the six months ended June 30, 2009 decreased to 25.8% from 28.3% for the same period in 2008. The decrease in the gross profit as a percentage of revenues during the six months ended June 30, 2009, was due to lower revenues as discussed above. This segment continues to be focused upon improving productivity and efficiencies in the operation of its equipment.

SUNDOG

Revenues at the Data Group's Sundog segment for the quarter ended June 30, 2009 decreased \$1.0 million or 16.8% to \$4.7 million from \$5.7 million for the same period in the prior year. Revenues for the six months ended June 30, 2009 decreased \$2.1 million or 17.3% to \$10.0 million from \$12.1 million for the same period in the prior year. The decrease in revenues for the three and six months ended June 30, 2009 was due to poor economic conditions in Alberta, which continue to negatively affect demand for commercial printing in that market, primarily marketing materials.

For the quarter ended June 30, 2009, gross profit decreased \$0.5 million to \$1.2 million from \$1.7 million for the same period in 2008. Gross profit as a percentage of revenues for the quarter ended June 30, 2009 decreased to 25.3% from 29.3% for the same period in 2008. For the six months ended June 30, 2009, gross profit decreased \$0.9 million to \$2.7 million from \$3.6 million for the same period in 2008. Gross profit as a percentage of revenues for the six months ended June 30, 2009 decreased to 26.6% from 29.6% for the same period in 2008. The decrease in gross profit as a percentage of revenues for the three and six months ended June 30, 2009 was principally due to the revenue shortfall as noted above.

MULTIPLE PAKFOLD

Revenues at the Data Group's Multiple Pakfold segment for the quarter ended June 30, 2009 decreased \$0.8 million or 19.0% to \$3.2 million from \$4.0 million for the same period in the prior year. Revenues for the six months ended June 30, 2009 decreased \$1.1 million or 13.6% to \$6.9 million from \$8.0 million for the same period in the prior year.

The decline in revenues for the three and six months ended June 30, 2009 was attributable to the poor economic conditions, which have resulted in a decline in quoting activity, smaller order quantities and extended reorder cycles.

For the quarter ended June 30, 2009, gross profit decreased \$0.2 million to \$0.2 million from \$0.4 million for the same period in 2008. Gross profit as a percentage of revenues for the quarter ended June 30, 2009 was 7.4% compared to 9.0% for the same period in 2008. The decrease in gross profit as a percentage of revenues was due to poor economic conditions causing downward pricing pressures on this segment's products. For the six months ended June 30, 2009, gross profit decreased \$0.1 million to \$0.7 million from \$0.8 million for the same period of 2008. Gross profit as percentage of revenues for the six months ended June 30, 2009 was 9.8% compared to 9.5% for the same period in 2008. The improvement in the gross profit as a percentage of revenues for the first six months of 2009 was due to the initiatives undertaken in 2008 to improve operating efficiencies.

Table 4 The following table provides a reconciliation of cash provided by operating activities to cash available for distribution for the periods noted. See “Non-GAAP Measures”.

Cash Available for Distribution Reconciliation

For the periods ended June 30, 2009 and 2008 <i>(in thousands of dollars, except percentages and per unit amounts, unaudited)</i>	Apr. 1 to June 30, 2009 \$	Apr. 1 to June 30, 2008 \$	Jan. 1 to June 30, 2009 \$	Jan. 1 to June 30, 2008 \$
Cash provided by operating activities	3,952	11,294	13,874	22,991
<i>Capital adjustments</i>				
Maintenance capital expenditures ⁽¹⁾	(167)	(721)	(1,306)	(1,467)
Purchase of convertible debentures	-	-	(6)	-
<i>Other adjustments including discretionary items:</i>				
Changes in non-cash working capital ⁽²⁾	1,937	(2,499)	(755)	(3,312)
Other ⁽³⁾	117	107	224	213
Cash available for distribution	5,839	8,181	12,031	18,425
Distributions to unitholders ⁽⁴⁾	6,805	6,805	13,610	13,610
Excess (shortfall) of cash available for distribution over actual distributions	(966)	1,376	(1,579)	4,815
<i>Per unit ⁽⁵⁾</i>				
Cash available for distribution per unit ⁽⁵⁾	0.249	0.349	0.513	0.785
Distributions to unitholders per unit ⁽⁵⁾	0.290	0.290	0.580	0.580
Excess (shortfall) of cash available for distribution per unit over actual distributions per unit	(0.041)	0.059	(0.067)	0.205
Payout ratio ⁽⁶⁾	116.5%	83.2%	113.1%	73.9%

Notes:

- (1) *Maintenance capital expenditures are additions, replacements or improvements to property, plant and equipment to maintain the Data Group’s business operations. These expenditures involve the replacement of printing and digital equipment, computers and software, and leasehold improvements.*
- (2) *Cash provided by operating activities has been adjusted for changes in non-cash working capital and other items so as to remove the impact of timing differences in cash receipts and cash disbursements, which generally reverse themselves but can vary significantly across quarters.*
- (3) *Includes other amounts that do not reflect the ongoing operations of the Data Group’s business.*
- (4) *Distributions are in respect of the distributions declared.*
- (5) *Per unit calculations are based upon the number of units outstanding at the end of each month consistent with the number of units upon which distributions are declared or paid and not the weighted average number of units outstanding. As at June 30, 2009 and 2008, 23,490,592 units were outstanding.*
- (6) *The payout ratio represents the distributions paid or declared to unitholders as a percentage of the cash available for distribution, in each case for the relevant period.*

CASH AVAILABLE FOR DISTRIBUTION

See Table 4 above for a reconciliation of cash provided by operating activities to cash available for distribution for the three and six month periods ended June 30, 2009 and 2008, respectively and the amounts discussed below. For the quarter ended June 30, 2009, the Fund generated \$5.8 million or \$0.249 per unit of cash available for distribution compared to \$8.2 million or \$0.349 per unit for the same period in 2008. Cash available for distribution for the quarter ended June 30, 2009 was calculated by deducting from cash provided by operating activities of \$4.0 million, maintenance capital expenditures of \$0.2 million and adding back changes in non-cash working capital of \$1.9 million and other non-cash items of \$0.1 million. Cash available for distribution for the quarter ended June 30, 2008 was calculated by deducting from cash provided by operating activities of \$11.3 million, maintenance capital expenditures of \$0.7 million and changes in non-cash working capital of \$2.5 million, and adding back other non-cash items of \$0.1 million.

For the six months ended June 30, 2009, the Fund generated \$12.0 million or \$0.513 per unit of cash available for distribution compared to \$18.4 million or \$0.785 per unit for the same period in 2008. Cash available for distribution for the six months ended June 30, 2009 was calculated by deducting from cash provided by operating activities of \$13.9 million, maintenance capital expenditures of \$1.3 million and changes in non-cash working capital of \$0.8 million, and adding back other non-cash items of \$0.2 million. Cash available for distribution for the six months ended June 30, 2008 was calculated by deducting from cash provided by operating activities of \$23.0 million, maintenance capital expenditures of \$1.5 million and changes in non-cash working capital of \$3.3 million, and adding back other non-cash items of \$0.2 million.

For the quarter ended June 30, 2009, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Actual distributions exceeded cash available for distribution by \$1.0 million or \$0.041 per unit for the quarter ended June 30, 2009. During the quarter ended June 30, 2009, the Data Group made cash payments of \$0.7 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs and accrued restructuring provisions related to severance costs incurred as part of the Data Group's on-going productivity improvement initiatives charged to restructuring expense in 2008. These cash payments were funded by cash generated from operations. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution.

For the quarter ended June 30, 2008, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Cash available for distribution exceeded actual distributions by \$1.4 million or \$0.059 per unit for the quarter ended June 30, 2008. During the quarter ended June 30, 2008, the Data Group made cash payments of \$0.6 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs. These cash payments were funded by cash generated from operations and the net proceeds from asset dispositions. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution.

For the six months ended June 30, 2009, the Fund declared distributions of \$13.6 million or \$0.580 per unit. Actual distributions exceeded cash available for distribution by \$1.6 million or \$0.067 per unit for the six months ended June 30, 2009. During the six months ended June 30, 2009, the Data Group made cash payments of \$1.9 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs and accrued restructuring

provisions related to severance costs incurred as part of the Data Group's on-going productivity improvement initiatives charged to restructuring expense in 2008. These cash payments were funded by cash generated from operations, the net proceeds from asset dispositions and existing cash resources. The restructuring and integration costs paid during the period have been deducted in determining cash available for distribution.

For the six months ended June 30, 2008, the Fund declared distributions of \$13.6 million or \$0.580 per unit. Cash available for distribution exceeded actual distributions by \$4.8 million or \$0.205 per unit for the six months ended June 30, 2008. During the six months ended June 30, 2008, the Data Group made cash payments of \$1.7 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs. These cash payments were funded by cash generated from operations and the net proceeds from asset dispositions. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution.

Table 5 The following table sets out selected historical financial information for the periods noted.

(Shortfall) Excess of Cash Flows and Shortfall of Net Income over Distributions Paid or Declared

For the periods ended June 30, 2009 and 2008 <i>(in thousands of dollars, unaudited)</i>	Apr. 1 to June 30, 2009	Apr. 1 to June 30, 2008	Jan. 1 to June 30, 2009	Jan. 1 to June 30, 2008
	\$	\$	\$	\$
Cash provided by operating activities	3,952	11,294	13,874	22,991
Net income for the period	749	4,003	3,546	9,594
Actual cash distributions paid or declared relating to the period	6,805	6,805	13,610	13,610
(Shortfall) excess of cash provided by operating activities over cash distributions paid or declared	(2,853)	4,489	264	9,381
Shortfall of net income over cash distributions paid or declared	(6,056)	(2,802)	(10,064)	(4,016)

(SHORTFALL) EXCESS OF CASH PROVIDED BY OPERATING ACTIVITIES OVER CASH DISTRIBUTIONS PAID OR DECLARED

See Table 5 above for a calculation of the difference between cash provided by operating activities and cash available for distribution for the three and six month periods ended June 30, 2009 and 2008, respectively. Cash provided by operating activities includes changes in working capital, including liabilities assumed on the acquisition of the Relizon Canada business, and accrued restructuring and integration provisions recorded as part of the purchase price accounting for the Relizon Canada acquisition and accrued restructuring provisions related to severance costs incurred as part of the Data Group's on-going productivity improvement initiatives and charged to restructuring expense in 2008. The payments against these accrued restructuring and integration provisions will reduce cash from operating activities but are not considered in the Fund's calculation of cash available for distribution.

Distributions paid by the Fund on its outstanding units during the quarter ended June 30, 2009 were funded entirely from cash generated by the Data Group's operations and from existing cash resources. The shortfall of cash

provided by operating activities over cash distributions paid or declared for the quarter ended June 30, 2009 was principally due to the revenue declines experienced in the second quarter discussed above.

Distributions paid by the Fund on its outstanding units during the quarter ended June 30, 2008 were funded entirely from cash generated by the Data Group's operations and existing cash resources. The excess of cash provided by operating activities over cash distributions paid or declared for the quarter ended June 30, 2008 was principally due to the realized cost savings from the Data Group's restructuring and integration activities in 2007 and the increase in gross profit as the result of initial shipments of goods for new sales contracts secured in the fourth quarter of 2007.

Distributions paid by the Fund on its outstanding units during the six months ended June 30, 2009 were funded entirely from cash generated by the Data Group's operations. The excess of cash provided by operating activities over cash distributions paid or declared for the six months ended June 30, 2009 was principally due to the realized cost savings from the Data Group's restructuring and integration activities in 2007 and 2008 offset by the revenue declines experienced during the first six months of 2009 as discussed above.

Distributions paid by the Fund on its outstanding units during the six months ended June 30, 2008 were funded entirely from cash generated by the Data Group's operations, the net proceeds from asset dispositions and existing cash resources. The excess of cash provided by operating activities over cash distributions paid or declared for the six months ended June 30, 2008 was principally due to the realized cost savings from the Data Group's restructuring and integration activities in 2007 and the increase in gross profit as the result of initial shipments of goods for new sales contracts secured in the fourth quarter of 2007.

The Fund expects that, as a result of changes in working capital or declines in revenues from on-going operations, it may be necessary from time to time to use the existing cash resources of the Data Group to fund, at current levels, a portion of the distributions paid on the Fund's outstanding units. The Fund does not anticipate that the use of existing cash resources in this manner will adversely affect the Data Group's ability to fund its operations, capital expenditures or service its debt obligations.

SHORTFALL OF NET INCOME OVER CASH DISTRIBUTIONS PAID OR DECLARED

In calculating cash available for distribution and determining distributions, the Fund excludes non-cash expenses that are charged to earnings and deducts capital expenditures which are capitalized in its consolidated financial statements. The non-cash expenses for the three and six months ended June 30, 2009 and 2008, respectively, which were not included in determining cash distributions, consisted of depreciation of property, plant and equipment, amortization of intangible assets, cease use charges and future income tax expenses or recoveries.

For the quarter ended June 30, 2009, the Fund's cash distributions paid on its outstanding units exceeded net income by \$6.1million. Net income for the quarter ended June 30, 2009 included \$2.6 million in non-cash amortization of intangible assets, \$1.8 million in non-cash amortization of depreciation of property, plant and equipment, a cease use charge of \$0.9 million, and non-cash future income tax expense of \$0.2 million.

For the quarter ended June 30, 2008, the Fund's cash distributions paid on to its outstanding units exceeded net income by \$2.8 million. Net income for the quarter ended June 30, 2008 included \$2.7 million in non-cash

amortization of intangible assets, and \$2.1 million in non-cash depreciation of property, plant and equipment and non-cash future income tax expense of \$0.4 million.

For the six months ended June 30, 2009, the Fund's cash distributions paid or declared to its unitholders exceeded net income by \$10.1 million. Net income for the six months ended June 30, 2009 included \$5.3 million in non-cash amortization of intangible assets, \$3.7 million in non-cash amortization of depreciation of property, plant and equipment, a cease use charge of \$0.9 million, and non-cash future income tax expense of \$0.4 million.

For the six months ended June 30, 2008, the Fund's cash distributions paid or declared to its unitholders exceeded net income by \$4.0 million. Net income for the six months ended June 30, 2008 included \$5.5 million in non-cash amortization of intangible assets, \$4.1 million in non-cash amortization of depreciation of property, plant and equipment, and non-cash future income tax expense of \$0.6 million.

The Fund's Board of Trustees does not consider non-cash items when setting the Fund's monthly level of distributions to its unitholders. See "Distributions" below.

Table 6 The following table sets out selected historical financial information for the periods noted.

Eight Quarter Consolidated Statement of Cash Available for Distribution – Summary

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

	2009		2008				2007	
	Q2	Q1	Q4 ⁽¹⁾	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1	Q4 ⁽²⁾	Q3 ⁽²⁾
	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted EBITDA ⁽³⁾	7,430	9,096	8,053	8,219	10,668	12,204	15,330	8,106
Cash available for distribution ⁽⁴⁾	5,839	6,192	5,722	6,119	8,181	10,244	12,788	5,386
Distributions to unitholders	6,805	6,805	6,805	6,805	6,805	6,805	6,805	6,804
(Shortfall) excess of cash available for distribution over actual distributions	(966)	(613)	(1,083)	(686)	1,376	3,439	5,983	(1,418)
Per unit								
Cash available for distribution per unit ⁽⁴⁾	0.249	0.264	0.244	0.260	0.349	0.436	0.545	0.230
Distributions per unit	0.290	0.290	0.290	0.290	0.290	0.290	0.290	0.290
(Shortfall) excess of cash available for distribution per unit over actual distributions per unit	(0.041)	(0.026)	(0.046)	(0.030)	0.059	0.146	0.255	(0.060)

Notes:

- (1) Includes restructuring expenses of \$0.3 million, \$0.3 million and \$2.0 million in the second, third and fourth quarters of 2008 related to the Data Group's 2008 restructuring and on-going productivity improvement initiatives to reduce its cost of operations.
- (2) Includes integration expenses related to the combination of the former Data Business Forms Limited and Relizon Canada businesses of \$0.6 million and \$0.3 million for the third and fourth quarters of 2007, respectively, and integration related capital expenditures of \$1.0 million for the third quarter of 2007.
- (3) For a reconciliation of net income to Adjusted EBITDA, see Table 3 above.
- (4) For a reconciliation of cash provided by operating activities to cash available for distribution, see Table 4 above.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Data Group maintains an amended credit facility with two Canadian chartered banks in the maximum amount of up to \$90.0 million expiring on August 31, 2010. As at June 30, 2009, the Data Group had outstanding borrowings of \$70.0 million against this credit facility and was in compliance with its amended credit facility covenants. The Data Group is exposed to financial market risk resulting from changes in interest rates, and recent developments in the financial markets have increased the Data Group's exposure to the possible liquidity and credit risks of its counterparties. The Data Group has entered into interest rate swap contracts with the lenders under its credit facilities in order to protect itself against the risk of fluctuations in interest rates and to maintain an appropriate mix between floating and fixed rate borrowings. Interest rate swap contracts involve the exchange of fixed and floating interest payment obligations based on a predetermined notional amount for a specified period of time. As a result of these contracts, the borrowing rate on \$30.0 million of the Data Group's outstanding indebtedness is effectively fixed at an interest rate of 4.16% plus stamping fees until August 28, 2009. The borrowing rate on an additional \$20.0 million of the Data Group's outstanding indebtedness is effectively fixed at an interest rate of 4.22% plus stamping fees until August 28, 2009. The remaining \$20.0 million of the Data Group's outstanding indebtedness is subject to floating interest rates. The Data Group's credit facility expires on August 31, 2010 and market conditions could affect certain terms of the replacement facility along with the terms of other debt instruments that the Data Group enters into from time to time.

At June 30, 2009, the Fund had outstanding \$34.8 million aggregate principal amount of convertible debentures. On February 12, 2009, the Fund announced a Normal Course Issuer Bid to purchase up to \$2.8 million aggregate principal amount of its convertible debentures for cancellation, which commenced on February 18, 2009 and terminates on February 17, 2010. See "Normal Course Issuer Bid" and "Outstanding Unit Data" below.

At June 30, 2009, the Data Group had cash and cash equivalents of \$11.7 million compared to \$11.5 million at December 31, 2008. The cash equivalents consist mainly of short-term investments, such as money market deposits. None of the cash equivalents are in asset-backed commercial paper products. The Data Group has deposited the cash equivalents with reputable Canadian financial institutions, from which the Data Group believes the risk of loss to be remote. In addition, under the terms of the Data Group's amended credit facility, the Data Group had access to \$20.0 million of available credit less letters of credit granted of \$3.1 million at June 30, 2009.

At June 30, 2009, the Data Group's accrued restructuring and integration provisions totalled \$1.8 million and a significant portion of the remaining severance cost is expected to be paid during the remainder of 2009. These costs are expected to be funded with cash from operating activities and existing cash resources.

The Fund has recorded the estimated amount payable by the Data Group of \$4.4 million representing tax, interest and penalties to settle the anticipated assessments by the Canada Revenue Agency ("CRA") and certain provincial tax authorities that, in each case, adjust the pricing of transactions between Relizon Canada and its former parent company prior to the Fund's acquisition of Relizon Canada from The Relizon Company ("Relizon US") in 2006 for the periods 2001 to 2006. During the second quarter of 2009, the Data Group paid \$3.5 million to the CRA in respect of this matter. Also during the second quarter of 2009, the Fund settled its outstanding legal proceedings against Relizon US. Under the terms of the settlement reached between the parties, Relizon US and its affiliate, Workflow Management, Inc., have agreed to pay to the Fund a total of \$3.5 million, of which \$1.2 million was paid in June 2009.

and the balance of which is payable in equal monthly instalments during the period from July to December of 2009. This recovery from Workflow Management, Inc. is included in other current assets.

In assessing the Data Group's liquidity requirements, the Data Group takes into account its level of cash and cash equivalents, together with currently projected cash to be provided by operating activities, cash available from its unused line of credit, cash from investing activities such as sales of redundant assets, and access to the capital markets, as well as its ongoing cash needs for its existing operations, remaining expenditures associated with the 2007 and the 2008 restructurings and productivity improvement initiatives, and cash required to finance currently planned expenditures. Cash flows from operations were, during the first six months of 2009, and could, in the future, be negatively impacted by decreased demand for the Data Group's products and services as a result of the current adverse economic conditions, or other factors such as increased costs associated with manufacturing and distribution of products or the provision of services. The Data Group's ability to conduct its operations could be negatively impacted in the future should these or other adverse conditions affect its primary sources of liquidity.

The Fund believes that the currently projected cash flow from the operations of the Data Group, existing cash resources and borrowings under available credit facilities, if necessary, will be sufficient to fund the Data Group's currently projected operating requirements, additional costs associated with the restructuring and integration of the former Data Business Forms Limited and Relizon Canada businesses, payments associated with accrued restructuring provisions as the result of on-going productivity improvement initiatives, payment of income tax liabilities, contributions to the Data Group's pension plans, maintenance capital expenditures and distributions to the Fund's unitholders in 2009.

Cash Flow from Operations

Changes in non-cash working capital decreased cash by \$1.9 million during the quarter ended June 30, 2009. The accounts receivable balance decreased by \$4.2 million as a result of the timing of payments by customers of the DATA East and West segment. Inventory levels decreased by \$3.0 million as a result of the timing of shipments of products to customers of the DATA East and West segment. The accounts payable and accrued liabilities decreased by \$6.2 million as a result of the timing of payments to suppliers for purchases during the second quarter of 2009. Income taxes payable decreased by \$2.6 million as a result of a payment to the CRA for estimated amounts payable by the Data Group and net of receipts from the CRA related to tax recoveries. Accrued restructuring and integration provisions decreased by \$0.7 million due to payments made to former employees in the form of severances.

Changes in non-cash working capital increased cash by \$0.7 million for the six months ended June 30, 2009. Accounts receivable decreased by \$10.4 million as a result of collections from the fourth quarter activity of 2008 and the first quarter activity of 2009. Accounts payable and accrued liabilities decreased by \$4.2 million as a result of the timing of payments to suppliers from the first and second quarter 2009 activity. Income taxes payable decreased by \$2.6 million as a result of a payment to the CRA for estimated amounts payable by the Data Group and net of receipts from the CRA related to tax recoveries. Accrued restructuring and integration provisions decreased by \$1.8 million, which was due to payments made to former employees in the form of severances. Deferred revenues decreased by \$1.2 million due to the timing of shipments at the end of the second quarter.

Pension Funding Obligations

The Data Group maintains defined benefit and defined contribution pension plans for certain of its employees, which were previously maintained by Data Business Forms Limited (the “DBFL Plan”) and Relizon Canada (the “Relizon Canada Plan”), respectively. The Data Group also contributes to the Graphics and Communications International Union pension plan for certain employees at its Granby, Québec plant. Certain former senior executives of Relizon Canada participated in a Supplementary Executive Retirement Plan (“SERP”), which provides for pension benefits payable as a single life annuity with a five year guarantee.

Effective January 1, 2008, the Data Group amended the DBFL Plan such that no further service credits will accrue under the defined benefit provision of the DBFL Plan after December 31, 2007, although pensionable earnings on and after January 1, 2008 will be factored into the determination of a participant’s final average earnings. The Data Group issued a notice to wind-up the Relizon Canada Plan effective December 31, 2008, such that no benefits will accrue under the Relizon Canada Plan after December 31, 2008. A Relizon Canada Plan amendment to this effect has been adopted by the Data Group. It is expected that the wind-up of the Relizon Canada Plan will take several years to complete, including receipt of requisite approvals from applicable pension regulatory authorities.

Notwithstanding these amendments to the DBFL Plan and the Relizon Canada Plan, the Data Group is required under applicable pension legislation to make monthly, annual and/or one-time cash contributions to the DBFL Plan and/or Relizon Canada Plan to fund current or future funding deficiencies which may emerge. Applicable pension legislation requires that the funded status of the defined benefit provisions of the Data Group’s ongoing pension plans be determined periodically on both a going concern basis (i.e., essentially assuming indefinite plan continuation) and a solvency basis (i.e., essentially assuming immediate plan termination). For the Relizon Canada Plan, which is in the process of winding up, its financial position is valued on a solvency basis only. The funded status of the Data Group’s pension plans are impacted by actuarial assumptions, the plan’s investment performance, changes in economic conditions and debt and equity markets, changes in long-term interest rates, estimates of the price of annuities, and other elements of pension plan experience such as demographic changes and administrative expenses, among others. Where an actuarial valuation reveals a solvency deficit, current pension regulations require it to be funded by equal payments over a maximum period of five years from the date of valuation.

During the year ended December 31, 2008, the Data Group engaged actuaries to complete an updated actuarial valuation of the DBFL Plan, which determined that, as at January 1, 2008, the solvency deficit had increased in the DBFL Plan. As a result of this updated actuarial valuation and the funding strategy adopted, the Data Group has increased its annual cash contribution towards the DBFL Plan’s solvency deficiency from \$0.8 million to \$1.5 million effective January 1, 2008. Annual actuarial valuations are required on the DBFL Plan until the solvency deficiency is reduced to a level under which applicable pension regulations allow the valuations to be completed every three years.

Based upon the Data Group’s preliminary estimates, the solvency deficit in the DBFL Plan is expected to increase when the next funding valuation is prepared as of January 1, 2009 as the result of the impact of changes in Canadian economic conditions and the downturn in debt and equity markets in 2008. Based upon those preliminary estimates, the Fund would be required to increase its annual cash contributions to the DBFL Plan from \$1.5 million to \$3.5 million effective from January 1, 2009, provided there is no change in actuarial valuation methodology. Any increase in 2009 contributions to the DBFL Plan would be paid in the second half of 2009. Recently released pension regulations provide temporary solvency funding relief for 2009 to the Data Group and permit the deferral of

certain contributions to this plan if certain conditions are met. The temporary solvency funding relief permits the Data Group to reduce its 2009 contribution to the DBFL Plan to its 2008 funding level. The final funding obligation for 2009 will be determined based on the actuarial valuation as at January 1, 2009, which will be completed within the first nine months of 2009, and the determination of the Data Group's 2009 funding strategy.

During the year ended December 31, 2008, the Data Group also engaged actuaries to prepare the wind-up actuarial report for the Relizon Canada Plan as at December 31, 2008. As noted above, the wind-up of the Relizon Canada Plan may take several years to complete and the Fund will be required to continue to fund this deficit until the approvals from applicable pension regulatory authorities are received. As mentioned above, various factors may impact the amount and timing of any future required contributions, including actuarial assumptions, changes in long-term interest rates, the plan's investment performance, the estimated price of the annuities to be purchased to settle a portion of the wind-up liabilities of the Relizon Canada Plan, and other elements of pension plan experience such as demographic changes and administrative expenses. Based upon the wind-up report as at December 31, 2008, the Relizon Canada Plan has a wind-up deficiency of \$2.9 million. The Data Group's annual funding obligation under the Relizon Canada Plan is \$0.6 million from 2009 to 2013, assuming that the solvency deficit is fully funded and the benefits are settled by the end of 2013. The Data Group will make its 2009 contribution to the Relizon Canada Plan in the second half of 2009. For as long as the Relizon Canada Plan has a windup deficiency, annual actuarial valuations will be required until the plan is settled.

Under an immunization strategy adopted in 2007, the investment policy for the Relizon Canada Plan is to invest the plan's assets in bonds to match the duration of the bond portfolio to the duration of the wind-up obligations. The immunization strategy was undertaken to reduce the volatility of the plan's funded position and the associated contribution requirements. The matching of the plan assets to windup benefit obligation does not eliminate such volatility as market influences have different impacts on bond and windup benefit obligation values.

The SERP is unfunded and its pension benefits will be paid out of the general revenues of the Data Group. The Data Group's annual funding obligations under the SERP are \$0.5 million for 2009 and \$0.6 million thereafter.

Working Capital – Accounts Receivable

The Data Group has accounts receivable from clients engaged in various industries, none of which are concentrated in any specific geographic area. These clients include financial institutions, insurance companies, oil and gas companies, retailers, and governmental agencies. The specific industries in which these clients operate may be affected by the current economic conditions impacting the domestic and global economies, which could adversely impact the Data Group's accounts receivable. Management of the Data Group does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated by the Data Group's large client base. As at June 30, 2009, \$1.6 million or 4.1% (June 30, 2008 - \$3.6 million or 7.5%) of the Data Group's accounts receivable were more than 90 days old, which is an improvement from historical aging profiles.

Investing Activities

Capital expenditures for the quarter ended June 30, 2009 of \$0.2 million related primarily to maintenance capital expenditures and were financed by cash flow from operations. Capital expenditures for the six months ended June 30, 2009 of \$1.3 million related primarily to maintenance capital expenditures and were financed by cash flow from operations and net proceeds from asset dispositions. During the quarter ended June 30, 2009, the Data Group sold and leased back printing equipment having a value of \$0.6 million. During the six months ended June 30, 2009, the Data Group sold its former Hemmingford, Québec facility for gross proceeds of \$0.7 million.

Financing Activities

For the quarter ended June 30, 2009, the Fund paid or declared aggregate cash distributions of \$6.8 million to its unitholders. For the six months ended June 30, 2009, the Fund paid cash distributions of \$13.6 million to its unitholders.

NORMAL COURSE ISSUER BID

Pursuant to a Notice of Intention to Make a Normal Court Issuer Bid (the "Notice") dated February 12, 2009, the Fund commenced a normal course issuer bid ("NCIB") to purchase up to a maximum of \$2,833,200 aggregate principal amount of its outstanding convertible debentures, representing 10% of the public float of convertible debentures outstanding as of February 3, 2009. As of June 30, 2009, the Fund had \$34,824,000 aggregate principal amount of convertible debentures outstanding. Purchases under the NCIB were permitted to commence on the TSX on February 18, 2009 and will terminate on the earlier of February 7, 2010, the date the Fund completes its purchases pursuant to the Notice filed with the Toronto Stock Exchange (the "TSX") and the date of notice by the Fund of termination of the bid. Convertible debentures purchased under the NCIB will be cancelled. Purchase and payment for the convertible debentures will be made by the Fund in accordance with the rules and policies of the TSX and the price that the Fund will pay for any convertible debentures acquired by it will be at the market price of the convertible debentures at the time of acquisition. As at the date hereof, \$8,000 aggregate principal amount of convertible debentures have been purchased under the NCIB. Purchases made by the Fund pursuant to the NCIB occur when management believes that the market price of the convertible debentures at certain times may be attractive and that the purchase of convertible debentures would be an appropriate use of corporate funds in light of potential benefits to remaining unitholders.

Unitholders can obtain a copy of the Notice filed with the regulators by the Fund, without charge, by contacting the Fund c/o Data Business Forms Limited, 9195 Torbram Road, Brampton, ON, L6S 6H2 or by calling 905-791-3151.

OUTSTANDING UNIT DATA

At June 30, 2009, there were 23,490,592 units outstanding and \$34.8 million aggregate principal amount of convertible debentures outstanding. At December 31, 2008, there were 23,490,592 units outstanding and \$34.8 million aggregate principal amount of convertible debentures outstanding. The convertible debentures mature on December 31, 2011, bear interest at 6.75% per annum and are convertible into units of the Fund at the option of the holder at any time prior to December 31, 2011 (or, if called for redemption prior to that date, on the business day immediately preceding the date specified by the Fund for redemption of the convertible debentures) at a conversion price of \$11.25 per unit, being a conversion rate of approximately 88.889 units per \$1,000 principal amount of convertible debentures, subject to adjustment in certain events.

DISTRIBUTIONS

The Fund has adopted a policy that the Fund will distribute all of its cash available for distribution to the maximum extent possible to its unitholders by monthly cash distributions of its net monthly cash receipts, less estimated amounts required for the payment of expense obligations, taxes and cash redemptions of units. The Fund's distributions are subject to the discretion of its Board of Trustees. See "Outlook" below.

The Data Group has adopted a policy that the Data Group will distribute all of its available cash, subject to applicable law, by way of monthly distributions on its partnership interests (all of which are held directly or indirectly by the Fund), after satisfaction of its debt service obligations and other expense obligations (including pension and income tax liabilities and expenses associated with restructurings and productivity improvement initiatives), retaining amounts for capital expenditures, reasonable and appropriate working capital, and satisfaction of its obligations under the Data Group's long-term incentive plan.

The Fund may make special cash and/or special non-cash distributions at the end of the year to ensure that the Fund will not be liable for income tax under Part I of the Income Tax Act (Canada).

The following is a summary of the declared distributions, record dates and payment dates in respect of the Fund's units in 2009:

Record Date	Payment Date	Per Unit	Amount
January 30, 2009	February 13, 2009	\$0.09656	\$2.268 million
February 27, 2009	March 13, 2009	\$0.09656	\$2.268 million
March 31, 2009	April 15, 2009	\$0.09656	\$2.269 million
April 30, 2009	May 15, 2009	\$0.09656	\$2.268 million
May 29, 2009	June 15, 2009	\$0.09656	\$2.268 million
June 30, 2009	July 15, 2009	\$0.09656	\$2.269 million

CONTRACTUAL OBLIGATIONS

During the quarter ended June 30, 2009, the Data Group entered into a lease obligation for printing equipment that will increase its lease commitments by \$0.3 million per year for the next three years. During the quarter ended June 30, 2009, the Data Group completed a sublet agreement in respect of its Dorval, Québec facility for the remainder of the lease term. A cease use charge of \$0.9 million, which represented the liability for remaining lease costs under the lease agreement net of sublease income, was recorded during the second quarter of 2009.

Table 7 The following table sets out selected historical financial information for the periods noted.

Eight Quarter Results of Operations - Summary

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

	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	84,269	90,417	96,508	89,205	93,733	101,026	107,235	90,221
Net income (loss)	749	2,797	(10,046)	1,147	4,003	5,591	10,672	1,438
Basic income (loss) per unit	0.03	0.12	(0.43)	0.05	0.17	0.24	0.45	0.06
Diluted income (loss) per unit	0.03	0.12	(0.43)	0.05	0.17	0.24	0.45	0.06

The variations in the Fund's quarterly results of operations over the eight quarters ended June 30, 2009 can be attributed to three principal factors: goodwill impairment charges, restructuring expenses related to on-going productivity improvement initiatives, the expenses incurred in integrating the former Data Business Forms Limited and Relizon Canada businesses. In addition, the results of operations for the fourth quarter of 2008 and the first and second quarters of 2009 compared to the corresponding periods in the fourth quarter of 2007 and the first and second quarters of 2008 have been negatively affected by general poor economic conditions. The Data Group's net income for second quarter of 2009 includes a non-recurring cease use charge of \$0.9 million.

During 2008, the Data Group incurred additional restructuring costs of \$2.6 million as part of its on-going productivity improvement initiatives to reduce its cost of operations. Included in the Data Group's quarterly net income for 2008 are restructuring expenses of \$0.3 million, \$0.3 million and \$2.0 million incurred during the second, third and fourth quarters of 2008, respectively.

During the fourth quarter of 2008, the Data Group performed its annual review for impairment of goodwill, which resulted in the Fund recognizing impairment of goodwill charges of \$5.9 million and \$3.6 million related to the Sundog and Multiple Pakfold segments, respectively.

During the fourth quarter of 2007, the Data Group performed its annual review for impairment of goodwill which resulted in the Fund recognizing an impairment of goodwill charge of \$1.9 million related to the Multiple Pakfold segment.

Prior to August 31, 2006, the Fund's revenues consisted of the former Data Business Forms Limited operations, which operated in locations across Canada (other than the Maritimes). Beginning August 31, 2006, the Fund's revenues included revenues generated by the operations of the combined businesses consisting of the former Data Business Forms Limited and Relizon Canada. Commencing in the fourth quarter of 2006, the Fund began incurring integration expenses related to the acquisition of the Relizon Canada business. Integration related expenses of \$0.2 million were incurred in the fourth quarter of 2006 and \$1.1 million, \$2.4 million, \$0.6 million and \$0.3 million were incurred in the first, second, third and fourth quarters of 2007, respectively.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

With the supervision and participation of the Data Group's senior management team, the Chief Executive Officer and the Chief Financial Officer of the Data Group have evaluated the effectiveness of disclosure controls and procedures (as defined in Multilateral Instrument 52-109) of the Fund and the Data Group as of June 30, 2009. Based on that evaluation, those officers have concluded that, as of June 30, 2009, such disclosure controls and procedures were sufficiently effective to provide reasonable assurance that (i) material information relating to the Fund and the Data Group was made known to management, and (ii) information required to be disclosed by the Fund in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

With the supervision and participation of the Data Group's senior management team, the Chief Executive Officer and the Chief Financial Officer of the Data Group have evaluated the design of the internal controls over financial reporting (as defined in Multilateral Instrument 52-109) of the Fund and the Data Group as of June 30, 2009. In making this evaluation, the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework was used to design the internal controls over financial reporting. Based on that evaluation, those officers have concluded that, as of June 30, 2009, such internal controls over financial reporting were sufficiently effective to provide reasonable assurance regarding the reliability of the Fund's financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

There were no changes in the internal controls over financial reporting of the Fund and the Data Group during the most recent interim reporting period that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting of the Fund and the Data Group.

OUTLOOK

Many of the Data Group's customers have been impacted by the current economic environment and, as a result, have reduced spending. Those factors have negatively affected the Fund's revenues through the first six months of 2009. This decline in revenues has resulted in lower cash available for distribution and a payout ratio in excess of 100% for the first and second quarters of 2009. In response, the Data Group has initiated workforce reductions, changes to its pension plan and its employee group benefit plans and other measures to reduce costs. These measures are expected to lower the Data Group's operating expenses by approximately \$15.0 million annually. In addition, over the past nine months, the Data Group has secured new business which is expected to generate approximately \$15.0 million in revenues over the next 12 months. Based upon the Data Group's currently projected cash flow from operations, including expected revenues from new business wins, lower anticipated operating expenses as a result of recent cost reductions, and its current liquidity and existing cash resources, the Fund intends to maintain its monthly distributions on the units at current levels for the foreseeable future. The Fund's Board of Trustees will continue to closely monitor the Fund's monthly distribution level in light of the Fund's cash available for distribution and cash resources.

The Data Group will continue to review its operations and undertake restructuring initiatives to maintain a competitive cost structure. These initiatives may result in the further consolidation of facilities, and the Data Group may incur additional severance costs, accelerated further depreciation expense, impairment charges related to property, plant

and equipment, goodwill, and costs attributable to the termination of contracts for leases, supplier arrangements and other contractual obligations.

The Fund expects that the SIFT rules will, all other things being equal, likely result in a reduction of cash available for distribution from the Fund commencing in 2011. With respect to the limitations on equity unit issuances under the guidelines that accompanied those tax changes, the Fund believes that it should be able to fund its currently identified growth plan without exceeding its “normal growth”. However, with the current uncertainty in the capital markets resulting from the tax changes, there can be no assurance that sufficient capital to fund further acquisitions or expansion projects will be available on terms acceptable to the Fund, or at all.

The Fund’s Board of Trustees has determined that there are no current economic benefits associated with an early conversion from a SIFT trust to a taxable entity not subject to the SIFT rules. There is meaningful value in the interim period and the Fund therefore has no current intention to make significant changes to its structure during this period without compelling reasons to do otherwise. The Minister of Finance has released legislation to permit the conversion from a SIFT trust to a taxable entity not subject to the SIFT rules without any adverse material consequences for the SIFT trust and its investors. The Fund, with input from external legal and financial advisors, will continue to closely monitor developments in this area and expects to make further decisions over time with a view to maximizing value for the Fund’s unitholders, including what the Fund’s Board of Trustees determines will be the optimal structure post-2010.

Sales of some of the Data Group’s products are subject to seasonal fluctuations in demand. Certain elements of the gift card and direct mail businesses and the buying pattern of certain major customers of the Data Group generate higher revenues and profit in the fourth quarter than the other three quarters.

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

The Data Group 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 Data Group will also selectively pursue acquisition opportunities within its existing business segments.

NEW ACCOUNTING POLICIES

Effective January 1, 2009, the Fund adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3064, Goodwill and Other Intangible Assets. The adoption of this new standard resulted in no changes in accounting for goodwill and intangible assets. The CICA Handbook Section 3064, Goodwill and Intangible Assets, which replaces CICA Handbook Section 3062, Goodwill and Other Intangible Assets, and CICA Handbook Section 3450, Research and Development Costs, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of International Financial Reporting Standard IAS 38, Intangible Assets. The new standard also provides guidance for the recognition of internally developed intangible assets, including assets developed from research and development activities, ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are the new accounting standards the Fund plans to adopt when they become effective. Management is evaluating the standards and their impact on the Fund's consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board will be required effective January 1, 2011 for publicly accountable profit-oriented enterprises. The Fund has established a changeover plan to convert to these new standards according to the timetable set within these new rules. An implementation team has been created that is led by the Chief Financial Officer, and will include representatives from various areas of the Data Group's organization as necessary to plan for and achieve a smooth transition to IFRS. The implementation project consists of three primary phases, which in certain cases will be in process concurrently as IFRS is applied to specific areas from start to finish:

SCOPING AND DIAGNOSTIC PHASE

This phase involves performing a detailed diagnostic comparing Canadian GAAP to IFRS and identifying key areas that may be impacted by the transition to IFRS.

IMPACT ANALYSIS AND DESIGN PHASE

In this phase, each area identified from the scoping and diagnostic phase will be addressed. This phase will determine changes required to existing accounting policies, information systems and business processes, together with an analysis of accounting policy alternatives allowed under IFRS and development of draft IFRS financial statement content. The Fund is also assessing the impact of the conversion on business activities including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls.

IMPLEMENTATION AND REVIEW PHASE

This phase will include execution of changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policy changes and training programs across the Fund's finance and other staff, as necessary. The ultimate objective is being able to provide IFRS compliant financial information.

The Fund completed the scoping and diagnostic phase in the fourth quarter of 2008, and is now in the impact analysis and design phase. The Fund's analysis of IFRS in comparison to Canadian GAAP has identified a number of differences that are likely to impact the Fund and the Data Group. They include but are not limited to:

IFRS 1 – provides entities with a number of optional and mandatory exemptions upon initial adoption of the standards. The exemption choices are being analyzed and the Fund and the Data Group will implement those determined to be most appropriate.

Property, plant and equipment – International Accounting Standards ("IAS") 16 requires an entity to break an asset down to its significant parts upon initial measurement and depreciate assets based on the useful life of the significant individual components as opposed to the assets as a whole. This could have an impact on the way significant parts of printing presses are tracked and depreciated.

Income taxes – There are currently several differences between Canadian GAAP and IFRS with respect to income taxes but this could change as the result of proposed amendments to IAS 12. The Fund will monitor these proposed changes to assess the impact on the consolidated financial statements once the amendments to income taxes have been finalized.

Recognition of leases – unlike Canadian GAAP, IAS 17 does not provide prescriptive measurements on lease contracts. As a result all lease contracts will need to be reviewed to determine if they are operating or capital leases based on whether or not management feels substantially all the risks and rewards incidental to ownership have been transferred.

Accounting for defined benefit pension plans and other future employee benefits – IAS 19 actuarial gains and losses are permitted to be recognized directly through equity rather than through the income statement. The average remaining service period under IAS 19 includes all participants whether active or inactive where under Canadian GAAP this only includes the active employees.

In addition to the sections noted above, there are generally more extensive presentation and disclosure requirements under IFRS compared to Canadian GAAP. These will be noted during the impact analysis and design phase and will result in additional data collection where required.

RISKS AND UNCERTAINTIES

An investment in the units of the Fund involves risks. In addition to the information set out below and the other information contained in this report, investors should carefully consider the risks described in the Fund's MD&A for the year ended December 31, 2008 before investing in the Fund's units. The risks described in the Fund's MD&A for the year ended December 31, 2008 and this report are not the only ones facing the Fund and/or the Data Group. Additional risks not currently known to the Fund and/or the Data Group, or that the Fund and/or the Data Group currently believe are immaterial may also impair the business, results of operations, financial condition and liquidity of the Data Group, and the ability of the Fund to make distributions on its units.

Current Uncertainty in Domestic and Global Economic Conditions

The Data Group's operating results are sensitive to economic conditions, which can have a significant impact on the Data Group. During the fourth quarter of 2008 and the first six months of 2009, the Data Group experienced lower demand for its products and services as the Canadian economy weakened and the Fund's revenues and cash available for distribution were lower compared to the same periods in 2007 and 2008, respectively. Current and future conditions in the domestic and global economies remain uncertain. As a result, it continues to be difficult to estimate the level of growth or contraction for the economy as a whole. It is even more difficult to estimate growth or contraction in various parts, sectors and regions of the economy, including the many different markets in which the Data Group participates. Because all components of the Data Group's budgeting and forecasting are dependent upon estimates of growth or contraction in the markets it serves and demand for its products and services, the prevailing economic uncertainties render estimates of future income and expenditures very difficult to make. Adverse changes have occurred as a result of poor economic conditions, including wavering consumer confidence, unemployment, declines in stock markets, contraction of credit availability, declines in real estate values in certain markets, and other factors affecting economic conditions generally. In addition to having negatively impacted the Data Group's revenues, these changes have increased the potential exposure to losses from bad debts, increased the cost and decreased the availability of financing, and may increase costs associated with manufacturing and

distributing products or delivering services to the Data Group's customers and negatively affect the Data Group's ability to meet financial ratios and financial condition tests under its existing bank facility.

For each of the first and second quarters of 2009, the Fund's distributions on its units exceeded its cash available for distribution and the Fund's payout ratio exceeded 100%. The resulting shortfall was funded from the Fund's existing cash resources. A prolonged weak economic environment may lead to continued lower demand for the Data Group's products and services, resulting in lower selling prices, and further reductions in revenues and cash available for distribution, and a reduction in the Data Group's existing cash resources. In addition, continued poor economic conditions may also cause the Data Group to operate at levels which are below its optional production capacity, which would result in higher production costs and lower levels of profitability.

Over the past nine months, the Data Group has initiated a number of cost reduction measures. These efforts by the Data Group to reduce its operating costs may not become effective as quickly as the Data Group expects, thereby impacting the Data Group's profitability. Should the Data Group's revenues decline further than expected, the cost reduction measures taken by the Data Group in response to the current economic environment may not be sufficient and further reductions may be necessary.

CONSOLIDATED BALANCE SHEETS*(in thousands of dollars, unaudited)*

	June 30, 2009	December 31, 2008
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	11,680	11,492
Accounts receivable	36,666	47,106
Inventories (note 4)	48,029	47,583
Prepaid expenses and other current assets	7,071	7,684
	<u>103,446</u>	<u>113,865</u>
Property, plant and equipment	36,392	39,909
Goodwill	141,206	141,206
Intangible assets	49,492	54,790
	<u>330,536</u>	<u>349,770</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	27,321	32,224
Accrued restructuring and integration provisions (note 6)	1,771	3,627
Income taxes payable	1,385	4,022
Deferred revenue	6,690	7,861
Distributions payable	2,269	2,269
	<u>39,436</u>	<u>50,003</u>
Revolving bank facility	70,000	70,000
Convertible debentures	34,403	34,327
Future income taxes (note 7)	8,901	8,446
Deferred gain	1,627	1,724
Unfavourable lease obligation	1,084	1,142
Deferred lease inducement	919	980
Cease use accrual (note 13)	858	-
Pension obligations (note 5)	9,154	9,680
Post-employment and post-retirement benefits	2,186	2,150
	<u>168,568</u>	<u>178,452</u>
Unitholders' Equity		
Units (note 10)	215,336	215,336
Conversion options	897	898
Accumulated other comprehensive loss	(344)	(1,059)
Deficit	(53,921)	(43,857)
	<u>161,968</u>	<u>171,318</u>
	<u>330,536</u>	<u>349,770</u>

APPROVED BY THE BOARD OF TRUSTEES


Trustee



Trustee

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

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	For the three months ended June 30, 2009	For the three months ended June 30, 2008
	\$	\$
Revenues	84,269	93,733
Cost of revenues (including depreciation of \$1,726 and \$1,932, respectively)	62,938	67,785
Gross profit	21,331	25,948
Expenses		
Selling, commissions and expenses	8,408	9,477
General and administration expenses (including depreciation of \$66 and \$118, respectively)	7,285	7,853
Cease use charge (note 13)	866	-
Amortization of intangible assets	2,649	2,744
	19,208	20,074
Income before interest and income taxes	2,123	5,874
Interest expense on long-term debt (net of interest income of \$207 and \$102, respectively)	1,253	1,471
Income before income taxes	870	4,403
Future income tax expense (note 7)	121	400
Net income for the period	749	4,003
Gain on cash flow hedges	(434)	(328)
Comprehensive income for the period	1,183	4,331
Basic income per unit	0.03	0.17
Diluted income per unit (note 11)	0.03	0.17
Units outstanding	23,490,592	23,490,592

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

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	For the six months ended June 30, 2009 \$	For the six months ended June 30, 2008 \$
Revenues	174,686	194,759
Cost of revenues (including depreciation of \$3,532 and \$3,871, respectively)	130,213	140,424
Gross profit	44,473	54,335
Expenses		
Selling, commissions and expenses	17,209	19,664
General and administration expenses (including depreciation of \$142 and \$250, respectively)	14,412	15,920
Cease use charge (note 13)	866	-
Gain on cancellation of convertible debentures	(2)	-
Amortization of intangible assets	5,298	5,488
	37,783	41,072
Income before interest and income taxes	6,690	13,263
Interest expense on long-term debt (net of interest income of \$247 and \$210, respectively)	2,689	3,069
Income before income taxes	4,001	10,194
Future income tax expense (note 7)	455	600
Net income for the period	3,546	9,594
(Gain) loss on cash flow hedges	(715)	375
Comprehensive income for the period	4,261	9,219
Basic income per unit	0.15	0.41
Diluted income per unit (note 11)	0.15	0.41
Units outstanding	23,490,592	23,490,592

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

CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY*(in thousands of dollars, unaudited)*

	Units \$	Conversion options \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total Unitholders' Equity \$
Balance as at December 31, 2007	215,336	898	(66)	(23,507)	192,661
Accounting policy change (note 4)	-	-	-	6,175	6,175
Balance as at January 1, 2008	215,336	898	(66)	(17,332)	198,836
Distributions declared	-	-	-	(13,610)	(13,610)
Loss on cash flow hedges	-	-	(375)	-	(375)
Net income for the period	-	-	-	9,594	9,594
Balance as at June 30, 2008	215,336	898	(441)	(21,348)	194,445
Balance as at December 31, 2008	215,336	898	(1,059)	(43,857)	171,318
Distributions declared	-	-	-	(13,610)	(13,610)
Cancellation of convertible debentures	-	(1)	-	-	(1)
Gain on cash flow hedges	-	-	715	-	715
Net income for the period	-	-	-	3,546	3,546
Balance as at June 30, 2009	215,336	897	(344)	(53,921)	161,968

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

CONSOLIDATED STATEMENTS OF CASH FLOWS*(in thousands of dollars, unaudited)*

	For the three months ended June 30, 2009 \$	For the three months ended June 30, 2008 \$
Cash provided by (used in)		
Operating activities		
Net income for the period	749	4,003
Items not involving cash		
Depreciation of property, plant and equipment	1,792	2,050
Amortization of intangible assets	2,649	2,744
Pension expense	230	484
Contributions made to pension plans	(484)	(678)
Loss (gain) on disposal of property, plant and equipment	18	(151)
Cease use charge (note 13)	866	-
Accretion of convertible debentures	42	42
Amortization of deferred gain	(49)	(49)
Unfavourable lease obligation	(29)	(27)
Amortization of lease inducement	(31)	(31)
Accretion of cease use accrual	(8)	-
Post-employment and post-retirement benefits	23	8
Future income tax expense	121	400
	<u>5,889</u>	<u>8,795</u>
Changes in non-cash items relating to operating activities (note 9)	(1,937)	2,499
	<u>3,952</u>	<u>11,294</u>
Investing activities		
Purchase of property, plant and equipment	(167)	(721)
Proceeds on disposal of property, plant and equipment	588	1,633
	<u>421</u>	<u>912</u>
Financing activities		
Distributions to unitholders (note 12)	(6,805)	(6,805)
	<u>(6,805)</u>	<u>(6,805)</u>
(Decrease) increase in cash and cash equivalents during the period	<u>(2,432)</u>	<u>5,401</u>
Cash and cash equivalents – beginning of period	14,112	9,463
Cash and cash equivalents – end of period	<u>11,680</u>	<u>14,864</u>
Supplemental cash flow information		
Interest paid	1,865	2,033
Income taxes paid	3,470	-

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

CONSOLIDATED STATEMENTS OF CASH FLOWS*(in thousands of dollars, unaudited)*

	For the six months ended June 30, 2009 \$	For the six months ended June 30, 2008 \$
Cash provided by (used in)		
Operating activities		
Net income for the period	3,546	9,594
Items not involving cash		
Depreciation of property, plant and equipment	3,674	4,121
Amortization of intangible assets	5,298	5,488
Pension expense	460	987
Contributions made to pension plans	(986)	(981)
Gain on disposal of property, plant and equipment	(87)	(15)
Gain on cancellation of convertible debentures	(2)	-
Cease use charge (note 13)	866	-
Accretion of convertible debentures	83	84
Amortization of deferred gain	(97)	(97)
Unfavourable lease obligation	(58)	(54)
Amortization of lease inducement	(61)	(62)
Accretion of cease use accrual	(8)	-
Post-employment and post-retirement benefits	36	14
Future income tax expense	455	600
	13,119	19,679
Changes in non-cash items relating to operating activities (note 9)	755	3,312
	13,874	22,991
Investing activities		
Purchase of property, plant and equipment	(1,306)	(1,467)
Proceeds on disposal of property, plant and equipment	1,236	1,635
	(70)	168
Financing activities		
Repurchase of convertible debentures	(6)	-
Distributions to unitholders (note 12)	(13,610)	(13,610)
	(13,616)	(13,610)
Increase in cash and cash equivalents during the period	188	9,549
Cash and cash equivalents – beginning of period	11,492	5,315
Cash and cash equivalents – end of period	11,680	14,864
Supplemental cash flow information		
Interest paid	2,541	2,851
Income taxes paid	3,470	-

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

Notes to Consolidated Financial Statements
The Periods Ended June 30, 2009 & 2008
(in thousands of dollars, except number of units and per unit amounts, unaudited)

1. THE FUND

The DATA Group Income Fund (the “Fund”) is a trust established under the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated September 30, 2006. The Fund commenced operations on December 21, 2004 and was initially created to invest in common shares and unsecured subordinated notes of Data Business Forms Limited (“Data Business Forms”). On August 31, 2006, the Fund acquired the business of Relizon Canada Inc. (“Relizon Canada”).

Effective September 30, 2006, the Fund reorganized its structure pursuant to a plan of arrangement to carry on in a limited partnership the business previously carried on by Data Business Forms as a corporation. The reorganization created a “flow-through” structure under Canadian income tax laws whereby the Fund directly and indirectly owns all of the partnership interests of The Data Group Limited Partnership (the “partnership” or the “Data Group”). The reorganization did not result in a change to the number, type or ownership of the outstanding units of the Fund and had no impact on the daily operations of the Fund. As part of the reorganization, certain consequential amendments were made to the Fund’s Declaration of Trust.

The Data Group offers a wide variety of print and electronic products and related services, which include traditional business forms, labels, direct mail products, security documents, commercial print, and facility and print management. The Data Group operates in the following business segments:

- a. DATA East and West - sells a broad range of printed products and document management services and warehousing directly to customers in the Canadian market. This segment also includes the former business of Relizon Canada;
- b. Sundog – sells commercial printing products, document management services and event tickets; and
- c. Multiple Pakfold - sells forms and labels to independent brokers/resellers in the Canadian market.

Management of the Data Group believes that the acquisition of Relizon Canada introduced a marginal amount of seasonality into the business. Certain elements of the gift card and direct mail businesses as well as the buying patterns of certain major customers of the Data Group generate higher revenues and profit in the fourth quarter than the other three quarters.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fund prepares its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”). The disclosures contained in these unaudited interim consolidated financial statements do not include all requirements of generally accepted accounting principles for annual financial statements and should be read in conjunction with the Fund’s 2008 audited consolidated financial statements and notes thereto. The accounting policies used in preparing these interim consolidated financial statements are consistent with those followed in the Fund’s 2008 audited consolidated financial statements except as described in note 3 – New Accounting Policies.

Notes to Consolidated Financial Statements
The Periods Ended June 30, 2009 & 2008
(in thousands of dollars, except per unit amounts, unaudited)

3. NEW ACCOUNTING POLICIES

Effective January 1, 2009, the Fund adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3064, Goodwill and Other Intangibles Assets. The adoption of this new standard resulted in no change in accounting for goodwill and intangible assets. The CICA Handbook Section 3064, Goodwill and Intangible Assets, which replaces CICA Handbook Section 3062, Goodwill and Other Intangible Assets, and CICA Handbook Section 3450, Research and Development Costs, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of International Financial Reporting Standard IAS 38, Intangible Assets. The new standard also provides guidance for the recognition of internally developed intangible assets, including assets developed from research and development activities, ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are the new accounting standards the Fund plans to adopt when they become effective. Management is evaluating the standards and their impact on the Fund’s consolidated financial statements.

International Financial Reporting Standards - In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board will be required effective January 1, 2011 for publicly accountable profit-oriented enterprises. The Fund has established a changeover plan to convert to these new standards according to the timetable set within these new rules. An implementation team has been created that is led by the Chief Financial Officer of the Data Group, and will include representatives from various areas of the Data Group’s organization as necessary to plan for and achieve a smooth transition to IFRS. The implementation project consists of three primary phases: scoping and diagnostic, impact analysis, and design and implementation and review.

4. INVENTORIES

	June 30,	December 31,
	2009	2008
	\$	\$
Paper, carbon and ink	6,722	6,928
Work-in-progress	4,305	3,187
Forms, computer paper and labels	37,002	37,468
	48,029	47,583

Prior to January 1, 2008, Canadian GAAP allowed fixed overhead costs associated with the Data Group’s production activities to be expensed during the period. Following the adoption of the new inventory section of the CICA Handbook on January 1, 2008, the Data Group now includes fixed overhead costs in the cost of its inventories. As result of adopting the new standard, the Data Group increased the value of its inventories on January 1, 2008 by \$6,175 with a corresponding decrease in the opening deficit. The cost of inventories recognized as an expense in cost of revenues for the three months ended June 30, 2009 was \$59,272 (2008 – \$63,459) and for the six months ended June 30, 2009 was \$122,576 (2008 - \$131,756).

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5. PENSION OBLIGATIONS AND EXPENSES

The Data Group maintains defined benefit and defined contribution pension plans for certain of its employees, which were previously maintained by Data Business Forms Limited (the "DBFL Plan") and Relizon Canada (the "Relizon Canada Plan"), respectively. Pension benefits are primarily based on years of service, compensation and accrued contributions with interest. The Data Group's funding policy is to fund the annual amount required to meet or exceed the minimum statutory requirements. Certain former senior executives of Relizon Canada participated in a Supplementary Executive Retirement Plan ("SERP"), which provides for pension benefits payable as a single life annuity with a five year guarantee. The SERP is unfunded and its pension benefits will be paid out of the general revenues of the Data Group.

Effective January 1, 2008, the Data Group amended the DBFL Plan such that no further service credits will accrue under the defined benefit provision of the DBFL Plan after December 31, 2007, although pensionable earnings on and after January 1, 2008 will be factored into the determination of a participant's final average earnings. The Data Group issued a notice to wind-up the Relizon Canada Plan effective December 31, 2008, such that no benefits will accrue under the Relizon Canada Plan after December 31, 2008. A Relizon Canada Plan amendment to this effect has been adopted by the Data Group. It is expected that the wind-up of the Relizon Canada Plan will take several years to complete, including receipt of requisite approvals from applicable pension regulatory authorities.

During the year ended December 31, 2008, the Data Group engaged actuaries to complete an updated actuarial valuation of the DBFL Plan, which determined that as at January 1, 2008 the solvency deficit increased in the DBFL Plan. As a result of this updated actuarial valuation and the funding strategy adopted, the Data Group has increased its annual cash contribution towards the DBFL Plan's solvency deficiency from \$752 to \$1,491 effective January 1, 2008. Annual actuarial valuations are required on the DBFL Plan until the solvency deficiency is reduced to a level under which applicable pension regulations allow the valuations to be completed every three years. Based on these valuations, the annual cash contributions to this plan will be determined annually and will depend on the plan's investment performance and changes in long-term interest rates, estimates of the price of annuities, and other elements of pension plan experience such as demographic changes and administration expenses, among others. Under applicable pension regulations, the plan's solvency deficiency can be funded over a maximum period of five years from the date of the valuation. The updated actuarial valuation of the DBFL Plan as at January 1, 2009 is expected to be completed within the first nine months of 2009.

During the year ended December 31, 2008, the Data Group also engaged actuaries to prepare the wind-up actuarial report for the Relizon Canada Plan as at December 31, 2008. Based upon the wind-up report as at December 31, 2008, the Relizon Canada Plan has a wind-up deficiency of \$2,931. The Data Group's annual funding obligation under the Relizon Canada Plan is \$630 from 2009 to 2013, assuming that the solvency deficit is fully funded and the benefits are settled by the end of 2013. The Data Group will make its 2009 contribution to the Relizon Canada Plan in the second half of 2009.

The annual pension expense for the Data Group's defined contribution pension plan, (the "DC Plan") is based on the amounts earned by eligible employees. Members of the DBFL Plan were eligible to participate in the DC Plan beginning January 1, 2008 and members of the Relizon Canada Plan were eligible to participate in the DC Plan beginning January 1, 2009.

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The Fund's pension expense related to the defined benefit and defined contribution plans are as follows:

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	For the six months ended June 30, 2009	For the six months ended June 30, 2008
	\$	\$	\$	\$
Defined benefit plans	230	484	460	987
Defined contribution plan	1,004	675	2,037	1,497

6. ACCRUED RESTRUCTURING AND INTEGRATION PROVISIONS

a. Restructuring Provision - 2008

During the year ended December 31, 2008, the Data Group undertook restructuring and on-going productivity improvement initiatives to reduce its cost of operations. These initiatives resulted in a \$2,621 charge to restructuring expense in fiscal 2008 and \$62 for the three months ended June 30, 2009. For the three and six months ended June 30, 2009, cash payments of \$372 and \$984, respectively, were made to former employees for severance and a significant amount of the remaining severance accrual of \$809 at June 30, 2009 will be paid during the remainder of 2009.

b. Restructuring and Integration Provisions - 2007

In connection with the acquisition of Relizon Canada on August 31, 2006, the Fund adopted a plan to integrate and restructure the acquired business. The Data Group completed the restructuring activities under this plan during 2007 and expects a significant portion of the remaining severance accrual of \$962 at June 30, 2009 to be paid during the remainder of 2009. The liabilities relating to these costs were included in the allocation of the purchase price of Relizon Canada. For the three and six months ended June 30, 2009, cash payments of \$364 and \$934, respectively, were made to former employees for severance and a retiring allowance related to this restructuring.

During 2008, the Fund, the Data Group, Data Business Forms Limited, Workflow Management, Inc., The Relizon Company and a former executive of Relizon Canada settled an outstanding legal proceeding commenced in January 2008 by that former executive. Under the terms of the settlement, the Data Group will pay to the former executive as a retiring allowance equal to approximately \$1,300 payable in biweekly instalments ending in May 2010. In addition, the Data Group's aggregate annual payment to the former executive under the SERP has been fixed at \$163 for the life of the executive, subject to certain adjustments in the event of the executive's death. As a result of this settlement, the Data Group recorded a \$500 reduction to the accrued restructuring provisions and a corresponding reduction in goodwill in the prior year.

The following is a summary of the amounts accrued and paid relating to restructuring and integration costs:

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	For the six months ended June 30, 2009	For the six months ended June 30, 2008
	\$	\$	\$	\$
Balance - Beginning of period	2,445	4,134	3,627	5,245
Restructuring costs charged to expense	62	-	62	-
Cash payments	(736)	(599)	(1,918)	(1,710)
Balance - End of period	1,771	3,535	1,771	3,535

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7. FUTURE INCOME TAXES

Income earned by the Fund that is distributed annually to unitholders is not currently subject to taxation in the Fund, but is taxed at the individual unitholder level.

Under the provisions of the Specified Investment Flow-Through Entity ("SIFT") rules, the Fund, as a publicly traded income trust, is considered a SIFT and will become subject to tax commencing January 1, 2011 provided the Fund does not exceed the guidelines for normal growth in the intervening period. Prior to 2011, the Fund is expected to continue to qualify for special income tax treatment that permits a tax deduction by the Fund for distributions paid to its unitholders. For accounting purposes, the Fund has recognized future income tax assets and liabilities with respect to the temporary differences between the carrying amount and the tax bases of its assets and liabilities and those of its subsidiaries, which are expected to reverse in or after 2011 at the substantively enacted tax rates expected to apply for such periods. The provision for future income taxes requires estimates to be made of the amount of temporary differences that will reverse after December 31, 2010. This requires management to make assumptions as to future events, including the amount of discretionary tax deductions that will be claimed. As a result, changes in assumptions and estimates may have a material affect on the provision for future income taxes.

For periods prior to January 1, 2011, the Fund has not recognized any current income taxes or future income tax assets or liabilities on temporary differences expected to reverse prior to 2011 as the Fund has adopted a policy that the Fund will annually distribute to its unitholders all or virtually all of its taxable income that would otherwise be taxable in the Fund and the Fund intends to continue to meet the requirements of the Income Tax Act (Canada) applicable to the Fund. The legislation imposes the same federal/provincial combined income tax rate applicable to corporations for 2011 and subsequent years. The future income tax provision for the three and six months ended June 30, 2009 was due to a change in estimates of future reversals of temporary differences after December 31, 2010 and changes to substantively enacted income tax rates.

Significant components of the Fund's future tax liabilities and assets with respect to its investments in its partnership and corporate subsidiaries as of June 30, 2009 and December 31, 2008 are as follows:

	June 30, 2009	December 31, 2008
	\$	\$
Future income tax assets:		
Pension obligations, post-employment and post-retirement benefits	3,130	3,335
Deferred finance fees	124	181
Unfavourable lease obligation	282	293
Cease use accrual	169	-
Lease escalation	142	134
Benefit of income tax loss and other carry-forwards	606	623
Deferred gain on sale leaseback	184	188
Other	303	350
Total future tax assets	4,940	5,104

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	June 30, 2009 \$	December 31, 2008 \$
Future income tax liabilities:		
Property, plant and equipment greater than tax values	3,071	2,821
Intangible assets greater than tax values	9,436	9,639
Other	1,334	1,090
Total future tax liabilities	13,841	13,550
Net future income tax liabilities	8,901	8,446

In the ordinary course of business, the Data Group and its subsidiaries and predecessors have entered into transactions where the ultimate tax determination may be uncertain. These uncertainties require management to make estimates of the ultimate tax liabilities and, accordingly, the provision for income taxes. Since there are inherent uncertainties, additional tax liabilities may result if tax matters are ultimately resolved or settled at amounts different from those estimates. The Fund has recorded the estimated amount payable by the Data Group of \$4,400 representing tax, interest and penalties to settle the anticipated assessments by the Canada Revenue Agency (“CRA”) and certain provincial tax authorities that, in each case, adjust the pricing of transactions between Relizon Canada and its former parent company prior to the Fund’s acquisition of Relizon Canada from The Relizon Company (“Relizon US”) in 2006 for the periods 2001 to 2006. During the second quarter of 2009, the Data Group paid \$3,470 to the CRA in respect of this matter. Also during the second quarter of 2009, the Fund settled its outstanding legal proceedings against Relizon US. Under the terms of the settlement reached between the parties, Relizon US and its affiliate, Workflow Management, Inc., have agreed to pay to the Fund a total of \$3,500, of which \$1,167 was paid in June 2009 and the balance of which is payable in equal monthly instalments during the period from July to December of 2009. This recovery from Workflow Management, Inc. is included in other current assets.

8. FINANCIAL INSTRUMENTS

The Fund’s financial instruments consist of cash and cash equivalents, accounts receivable, other receivables within other current assets, accounts payable and accrued liabilities, restructuring and integration provisions, distributions payable, revolving bank facility, convertible debentures, and interest rate swaps, as indicated in the Fund’s balance sheet as at June 30, 2009 and at December 31, 2008.

Presentation

The Fund’s financial assets and liabilities are initially recognized at fair value. Subsequent measurement is dependent upon the classification of the financial instrument as designated by the Fund as prescribed in CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement.

The Fund has classified its cash and cash equivalents as held for trading financial assets; accounts receivable, other receivables within other current assets as loans and receivables; accounts payable and accrued liabilities, accrued restructuring and integration provisions, distributions payable, revolving bank facility and convertible debentures as other financial liabilities and interest rate swaps as derivatives.

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The revolving bank facility and convertible debentures are accounted for at amortized cost using the effective interest rate method.

The Fund's interest rate swaps are derivative financial instruments and, accordingly, are recorded at fair value. The interest rate swaps are included in other current assets and accounts payable and accrued liabilities as appropriate. The interest rate swaps are designated as cash flow hedges and, therefore, are accounted for in accordance with CICA Handbook Section 3865, Hedges. Under hedge accounting, interest expense is recognized as if the cash flow hedge and the hedged item were a single instrument. Realized and unrealized gains or losses which are associated with the derivative instruments and, which have been terminated or cease to be effective prior to maturity, are deferred in other comprehensive income and recognized in income in the period in which the underlying hedge transaction is recognized.

Fair value

The fair value of accounts receivable, other receivables within other current assets, accounts payable and accrued liabilities, restructuring and integration provisions, and distributions payable approximates their carrying value because of the short-term maturity of these instruments.

The fair value of the credit facilities is equivalent to their carrying value since their interest rates are comparable to market rates. The fair value of the Fund's convertible debentures is based on quoted market prices.

The fair value of the derivative financial instruments generally reflects the estimates of the amounts the Data Group would receive by way of settlement of favourable contracts or that it would pay to terminate unfavourable contracts at the balance sheet date. The fair value of the interest rate swaps are calculated using the quotes obtained from major financial institutions. Interest rate swaps designated as cash flow hedges are unfavourable and have a fair value and carrying value of \$344 based on market values obtained from financial institutions.

Changes in the fair value of the interest rate swap are recognized in accumulated other comprehensive income to the extent that the hedge is effective. The ineffective portion, if any, is expensed in the consolidated statement of income. The Data Group recorded an unrealized gain on the revaluation of the interest rates swaps of \$434 and \$328 in other comprehensive income for the three months ended June 30, 2009 and 2008, respectively. The Data Group recorded an unrealized gain on the revaluation of the interest rates swaps of \$715 and an unrealized loss on the revaluation of the interest rate swaps of \$375 in other comprehensive income for the six months ended June 30, 2009 and 2008, respectively. A related liability of \$344 is included in accounts payable and accrued liabilities at June 30, 2009. The amount that is expected to be reclassified and reduce interest expense over the next 12 months is \$344.

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Categories of financial assets and liabilities

The carrying values and the fair values of the Fund's financial instruments are classified into the following categories as at June 30, 2009 and as at December 31, 2008:

	June 30, 2009	
	Carrying Value	Fair Value
	\$	\$
Held for trading ⁽¹⁾	11,680	11,680
Loans and receivables ⁽²⁾	39,034	39,034
Other financial liabilities ⁽³⁾	135,420	132,359
Derivatives designated as effective hedge ⁽⁴⁾	344	344

	December 31, 2008	
	Carrying Value	Fair Value
	\$	\$
Held for trading ⁽¹⁾	11,492	11,492
Loans and receivables ⁽²⁾	50,356	50,356
Other financial liabilities ⁽³⁾	141,388	130,747
Derivatives designated as effective hedge ⁽⁴⁾	1,059	1,059

Notes:

- (1) *Includes only cash and cash equivalents. All held for trading assets were designated as such upon initial recognition.*
(2) *Includes accounts receivable and other receivables within other current assets.*
(3) *Includes accounts payable and accrued liabilities (excluding financial liabilities related to interest rate swaps), accrued restructuring and integration provisions, distributions payable, revolving bank facility and convertible debentures.*
(4) *Includes interest rate swaps which are effective hedges.*

Risks arising from financial instruments

The Fund is exposed to various risks as it relates to financial instruments. These risks and the processes for managing the risk are set out below. There have not been any significant changes in the nature of the risk or the process of managing the risk from the year ended December 31, 2008.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Fund to credit risk consist of cash equivalents, accounts receivable, other receivables within other current assets and derivative financial instruments. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

The cash equivalents consist mainly of short-term investments, such as money market deposits. None of the cash equivalents are in asset-backed commercial paper products. The Data Group has deposited the cash equivalents with reputable Canadian financial institutions, from which management believes the risk of loss to be remote.

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The Data Group has accounts receivable from clients engaged in various industries none of which are concentrated in any specific geographic area. These clients include financial institutions, insurance companies, oil and gas companies, retailers, and governmental agencies. The specific industries in which these clients operate may be affected by the current economic conditions impacting domestic and global economies which could adversely impact the Data Group's accounts receivable. Management of the Data Group does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated by the Data Group's large client base. As at June 30, 2009, \$1,554 or 4.1% (June 30, 2008 - \$3,617 or 7.5%) of the Data Group's accounts receivable were more than 90 days old, which is an improvement from historical aging profiles. The movements in the Data Group's allowance for doubtful accounts for the three and six month periods of 2009 and 2008, respectively, are as follows:

	For the three months ended June 30, 2009	For the three months ended June 30, 2008	For the six months ended June 30, 2009	For the six months ended June 30, 2008
	\$	\$	\$	\$
Balance - Beginning of period	982	1,196	1,034	1,220
Provisions and revisions	(88)	(54)	(140)	(78)
Balance - End of period	894	1,142	894	1,142

The credit risk associated with derivative financial instruments arises from the possibility that the counterparties may default on their obligations. In order to minimize this risk, the Data Group enters into derivative transactions only with highly rated Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Data Group and Fund may encounter difficulties in meeting obligations associated with financial liabilities as they become due. As at June 30, 2009, the Data Group was holding cash and cash equivalents of \$11,680 and had access to \$20,000 of available credit less letters of credit granted of \$3,125 under its credit facilities.

The contractual maturities of the Fund's significant financial liabilities as at June 30, 2009, are as follows:

	Less than a year	1 to 3 years	Total
	\$	\$	\$
Accounts payable and accrued liabilities ⁽¹⁾	26,977	-	26,977
Accrued restructuring and integration provisions	1,399	372	1,771
Interest rate swaps ⁽²⁾	344	-	344
Distributions payable	2,269	-	2,269
Long-term debt ⁽³⁾	-	70,000	70,000
Convertible debentures ⁽⁴⁾	-	34,824	34,824
Total	30,989	105,196	136,185

Notes:

- (1) Excludes the financial liability related to the interest rate swaps of \$344.
- (2) Based on the fixed interest payments, partially offset by floating interest received.
- (3) Bank revolving credit facility, expiring on August 31, 2010.
- (4) 6.75% convertible debentures, maturing on December 31, 2011, convertible at 88.889 units per \$1,000 of debenture.

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The Fund believes that the currently projected cash flow from the operations of the Data Group, existing cash resources and borrowings under available credit facilities, if necessary, will be sufficient to fund the Data Group's currently projected operating requirements, additional costs associated with the restructuring and integration of the former Data Business Forms Limited and Relizon Canada businesses, payments associated with accrued restructuring provisions as the result of on-going productivity improvement initiatives, payment of income tax liabilities, contributions to the Data Group's pension plans, maintenance capital expenditures and distributions to the Fund's unitholders in 2009.

Market risk

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities. Non derivative interest bearing assets are primarily short term liquid assets. The Fund's interest rate risk arises from long-term debt issuances at fixed and floating interest rates.

The Data Group has entered into interest rate swap contracts with the lenders under its credit facilities in order to protect itself against the risk of fluctuations in interest rates and to maintain an appropriate mix between floating and fixed rate borrowings. Interest rate swap contracts involve the exchange of fixed and floating interest payment obligations based on a predetermined notional amount for a specified period of time. As a result of these contracts, the borrowing rate on \$30,000 of the Data Group's outstanding indebtedness is effectively fixed at an interest rate of 4.16% plus stamping fees until August 28, 2009. The borrowing rate on an additional \$20,000 of the Data Group's outstanding indebtedness is effectively fixed at an interest rate of 4.22% plus stamping fees until August 28, 2009. On the remaining \$20,000 of the Data Group's outstanding indebtedness subject to floating interest rates currently at an interest rate of 1.89%, a 1% increase/decrease in interest rates would have resulted in an increase/decrease in net income and comprehensive income by \$50 for the three month period ended June 30, 2009, respectively (\$100 for the six month period ended June 30, 2009).

Foreign exchange risk

Foreign currency risk is the risk that future cash flows arising from amounts receivable and/or payable in a foreign currency will fluctuate because of changes in foreign exchange rates. In the normal course of business, the Data Group does not have significant foreign exchange transactions and, accordingly, the amounts and foreign exchange risk are not expected to have a material adverse impact on the operations of the Data Group.

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9. CHANGES IN NON-CASH ITEMS RELATING TO OPERATING ACTIVITIES

	For the three months ended June 30, 2009	For the three months ended June 30, 2008
	\$	\$
Accounts receivable	4,207	2,404
Inventories	2,976	1,206
Prepaid expenses and other current assets	476	57
Income taxes payable / recoverable	(2,637)	(181)
Accounts payable and accrued liabilities	(6,225)	(2,821)
Accrued restructuring and integration provisions	(674)	(599)
Deferred revenue	(60)	2,433
	(1,937)	2,499

	For the six months ended June 30, 2009	For the six months ended June 30, 2008
	\$	\$
Accounts receivable	10,440	10,357
Inventories ⁽¹⁾	(446)	(1,168)
Prepaid expenses and other current assets	613	(600)
Income taxes payable / recoverable	(2,637)	227
Accounts payable and accrued liabilities	(4,188)	(5,993)
Accrued restructuring and integration provisions	(1,856)	(1,710)
Deferred revenue	(1,171)	2,199
	755	3,312

Note:

1. *The six months ended June 30, 2008 excludes the impact of the adoption of CICA Handbook Section 3031, Inventories. See note 4.*

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10. UNITS

An unlimited number of units may be issued pursuant to the Fund's Declaration of Trust. Units are redeemable by the holder at a price equal to the lesser of 90% of the market price of a unit during the ten consecutive trading day period ending on the trading day immediately prior to the date on which the units were surrendered for redemption and an amount based on the closing price on the redemption date, subject to certain restrictions. Each holder of units of the Fund participates pro rata in any distributions from the Fund. Income tax obligations related to the distributions by the Fund are obligations of the unitholders. Each unit is entitled to one vote at any meeting of unitholders.

The following summarizes the changes in units during the period:

	June 30, 2009	
	Number of	Amount
	units	\$
Balance – Beginning and end of period	23,490,592	215,336

11. DILUTED INCOME PER UNIT

Convertible debentures in the amount of \$34,824 were excluded from the computation of diluted earnings per unit as their effect would have been antidilutive. If converted at the beginning of the period, the weighted average number of units outstanding used in computing diluted earnings per unit would have been 3,095,471 units higher.

12. DISTRIBUTIONS

The Fund has adopted a policy that the Fund will distribute all of its cash available for distribution to the maximum extent possible to unitholders by monthly cash distributions of its net monthly cash receipts, less estimated amounts required for the payment of expense obligations, taxes and cash redemptions of units. The Fund's distributions are subject to the discretion of the Board of Trustees.

The Fund's Board of Trustees will continue to closely monitor the Fund's monthly distribution level in light of the Fund's cash available for distribution and cash resources.

The Fund makes regular monthly distributions to unitholders of record as of the last business day of each month. Distributions to unitholders are calculated and recorded when declared. Distributions by the Fund for the six months ended June 30, 2009 are as follows:

Period	Record date	Payment date	Per unit	Amount
			\$	\$
January 2009	January 30, 2009	February 13, 2009	0.09656	2,268
February 2009	February 27, 2009	March 13, 2009	0.09656	2,268
March 2009	March 31, 2009	April 15, 2009	0.09656	2,269
April 2009	April 30, 2009	May 15, 2009	0.09656	2,268
May 2009	May 29, 2009	June 15, 2009	0.09656	2,268
June 2009	June 30, 2009	July 15, 2009	0.09656	2,269
				13,610

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13. CEASE USE ACCRUAL

During the quarter ended June 30, 2009, the Data Group completed a sublet agreement in respect of its Dorval, Québec facility for the remainder of the lease term. A cease use charge of \$866, which represented the liability for remaining lease costs under the lease agreement net of sublease income, was recorded in the second quarter of 2009.

14. CAPITAL STRUCTURE

The Fund's objectives when managing its capital structure, which have not changed from the prior period, are

- To provide a return to unitholders.
- To seek to ensure sufficient liquidity to safe guard the Fund's ability to continue as a going concern.
- To maintain a strong capital base so as to maintain unitholders', creditors' and market confidence.

The Fund's capital structure consists of cash and cash equivalents, various types of long-term debt and unitholder's equity. The Fund's primary uses of capital are to finance increases to working capital, payments towards other long-term obligations, capital expenditures and acquisitions.

The Fund's revolving bank facility is subject to a number of covenants and restrictions including the requirement to meet certain financial ratios and financial condition tests at a subsidiary level. One such ratio is the Total Debt / EBITDA Ratio as defined in the Amended Credit Agreement. EBITDA is a non-GAAP measure and is calculated as Earnings before Interest, Taxes, Depreciation and Amortization. The maximum ratio allowed for a 12-month trailing period is 2.50. As at June 30, 2009, this ratio was calculated at 1.94. Management also uses this ratio as a key indicator in managing the Fund's capital.

With respect to its equity, the current level of capital is considered adequate in the context of current operations and the present strategic plan of the Fund. The equity component of capital increases primarily based upon the income of the business less the distribution paid. The Fund expects that major acquisition would be financed in part with additional equity. The Fund expects to review its level of equity in the context of the change in taxation impacting the Fund commencing in 2011.

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Normal Course Issuer Bid

Pursuant to a Notice of Intention to Make a Normal Court Issuer Bid (the "Notice") dated February 12, 2009, the Fund commenced a normal course issuer bid ("NCIB") to purchase up to a maximum of \$2,833 aggregate principal amount of its outstanding convertible debentures, representing 10% of the public float of convertible debentures outstanding as of February 3, 2009.

As of June 30, 2009, the Fund had \$34,824 aggregate principal amount of convertible debentures outstanding. Purchases under the NCIB were permitted to commence on the TSX on February 18, 2009 and will terminate on the earlier of February 7, 2010, the date the Fund completes its purchases pursuant to the Notice filed with the Toronto Stock Exchange (the "TSX") and the date of notice by the Fund of termination of the bid. Convertible debentures purchased under the NCIB will be cancelled. Purchase and payment for the convertible debentures will be made by the Fund in accordance with the rules and policies of the TSX and the price that the Fund will pay for any convertible debentures acquired by it will be at the market price of the convertible debentures at the time of acquisition.

As at the date hereof, \$8 aggregate principal amount of convertible debentures have been purchased under the NCIB. Purchases made by the Fund pursuant to the NCIB occur when management believes that the market price of the convertible debentures at certain times may be attractive and that the purchase of convertible debentures would be an appropriate use of corporate funds in light of potential benefits to remaining unitholders.

15. CONTINGENCIES

The Fund's subsidiaries are subject to various claims, potential claims and lawsuits. While the outcome of these matters is not determinable, the management of the Data Group does not believe that the ultimate resolution of such matters will have a material adverse impact on the Fund's financial position.

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16. SEGMENTED INFORMATION

The Data Group has three reportable segments organized on the basis of geography, channels and specialties as follows: DATA East and West; Sundog; and Multiple Pakfold. These segments follow the same accounting policies as described in the summary of significant accounting policies, and all intersegment revenues are recorded at the exchange amount. Management evaluates the performance of each segment based on income before interest and income taxes. Corporate expenses, certain non-recurring expenses, interest expense and income taxes are not taken into account in the evaluation of the performance of the business segments. All significant external sales are to customers located in Canada.

	For the three months ended June 30, 2009				
	DATA East	Sundog	Multiple		Total
	and West		Pakfold	Intersegment	
	\$	\$	\$	\$	\$
Revenues	77,289	4,699	3,211	(930)	84,269
Gross profit	19,905	1,187	239	-	21,331
Income (loss) before under noted items	7,198	354	(303)	-	7,249
Cease use charge					866
Unallocated corporate and Fund expenses					4,260
Income before interest and income taxes					2,123
Interest expense on long-term debt – net					1,253
Future income tax expense					121
Net income for the period					749

	For the three months ended June 30, 2008				
	DATA East	Sundog	Multiple		Total
	and West		Pakfold	Intersegment	
	\$	\$	\$	\$	\$
Revenues	85,160	5,650	3,962	(1,039)	93,733
Gross profit	23,939	1,653	356	-	25,948
Income (loss) before under noted items	10,258	532	(144)	-	10,646
Unallocated corporate and Fund expenses					4,772
Income before interest and income taxes					5,874
Interest expense on long-term debt – net					1,471
Future income tax expense					400
Net income for the period					4,003

Notes to Consolidated Financial Statements
The Periods Ended June 30, 2009 & 2008
(in thousands of dollars, except per unit amounts, unaudited)

	For the six months ended June 30, 2009				
	DATA East and West	Sundog	Multiple		Total
	\$		Pakfold	Intersegment	
Revenues	159,670	10,030	6,921	(1,935)	174,686
Gross profit	41,133	2,665	675	-	44,473
Income (loss) before under noted items	15,466	942	(384)	-	16,024
Cease use charge					866
Unallocated corporate and Fund expenses					8,468
Income before interest and income taxes					6,690
Interest expense on long-term debt – net					2,689
Future income tax expense					455
Net income for the period					3,546

	For the six months ended June 30, 2008				
	DATA East and West	Sundog	Multiple		Total
	\$		Pakfold	Intersegment	
Revenues	176,739	12,128	8,007	(2,115)	194,759
Gross profit	49,987	3,585	763	-	54,335
Income (loss) before under noted items	21,863	1,345	(240)	-	22,968
Unallocated corporate and Fund expenses					9,705
Income before interest and income taxes					13,263
Interest expense on long-term debt – net					3,069
Future income tax expense					600
Net income for the period					9,594

Warehousing revenues are approximately 7% of total consolidated revenues for the three and six months ended June 30, 2009 and 2008, respectively.

Corporate information

Directors, Trustees and Officers

Derek Ridout ^{2,3}

Chairman, Director and Trustee

Ronald A. Fotheringham ^{1,2,3}

Director and Trustee

John H. Greenhough ¹

Director and Trustee

Thomas R. Spencer ^{1,2,3}

Director and Trustee

David M. Odell

Director, Trustee and Officer

President and Chief Executive Officer

Paul O'Shea

Officer

Chief Financial Officer and Corporate Secretary

1 Member, Audit Committee (Chairperson is Thomas R. Spencer)

2 Member, Compensation Committee (Chairperson is Ronald A. Fotheringham)

3 Member, Corporate Governance Committee (Chairperson is Derek Ridout)

Executive Team

David M. Odell

President and Chief Executive Officer

Paul O'Shea

Chief Financial Officer

Elaine Deramo

Vice-President, Human Resources

Steve Galarneau

President, DATA West

Michael Suksi

President, DATA East

Rick Barron

Vice-President, Sales and Marketing, DATA West

Diane Schwind

Vice-President, Operations, DATA East

Ross Van Patter

Vice-President and General Manager, Calgary Operations

Corporate Information

AUDITORS

PricewaterhouseCoopers LLP

TRANSFER AGENT

Computershare Investor Services Inc.

CORPORATE COUNSEL

McCarthy Tétrault LLP

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WEBSITE

www.datagroupincomefund.com

TORONTO STOCK EXCHANGE SYMBOLS

DGI.UN, DGI.DB



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