



For Immediate Release

**THE DATA GROUP INCOME FUND ANNOUNCES FULL YEAR  
AND FOURTH QUARTER RESULTS FOR 2007**

**HIGHLIGHTS**

- Q4 Revenues of \$107.2 million, Q4 Gross Profit of \$30.8 million and Q4 Net Income of \$10.7 million
- Q4 Cash Available for Distribution of \$12.8 million or \$0.544 per unit and Cash Distributions of \$6.8 million or \$0.290 per unit (see Table 4 and “Non-GAAP Measures” below)
- Q4 Adjusted EBITDA of \$15.3 million (see Table 3 and “Non-GAAP Measures” below)
- Full Year Revenues of \$398.7 million, Full Year Gross Profit of \$107.3 million and Full Year Net Income of \$7.4 million
- Full Year Cash Available for Distribution of \$29.9 million or \$1.273 per unit and Cash Distributions of \$27.2 million or \$1.158 per unit (see Table 4 and “Non-GAAP Measures” below)
- Full Year Adjusted EBITDA of \$40.8 million (see Table 3 and “Non-GAAP Measures” below)

**Brampton, Ontario – March 6, 2008** – The DATA Group Income Fund (TSX: DGI.UN) (“the Fund”) today announced financial and operating results for the full year and the fourth quarter ended December 31, 2007.

“I am delighted with our fourth quarter results. Our payout ratio of 53.2 percent is largely due to the fact that we have generated substantially more synergies from our Relizon Canada Acquisition than planned and that the significant one-time costs required to achieve them and expensed in the first three quarters of 2007 are now behind us. I believe we have demonstrated our ability to identify, acquire and successfully integrate companies of significant size relative to our own”, said David Odell, President and Chief Executive Officer.

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

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 91% of total revenue in calendar year 2007) sells a broad range of printed products and document management services directly to end users. Sundog (which provided approximately 5% of total revenue in calendar year 2007) 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 in calendar year 2007) sells forms and labels to independent brokers and resellers.

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this press release 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, Data Business Forms Limited (“DBFL”) and/or its successor, 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 press release, the 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 press release. 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 that the Fund made in the preparation of these forward-looking statements include the ability of management to achieve over \$10.0 million per annum in pre-tax operating and other synergies and cost savings, and other benefits expected to be realized, and the timing and net present value thereof, based on the achievement of operational synergies from restructuring, integration and other initiatives relating to the combination of the respective businesses previously carried on by Data Business Forms Limited and Relizon Canada Inc. (“Relizon Canada”); the accuracy of estimated synergies in respect of expected cash flows, cost savings and profitability from the combination of the Data Business Forms Limited and Relizon Canada 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; the Data Group’s ability to grow its sales or even maintain 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; 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 those proposed changes on the trading price of the Fund’s units. Additional factors are discussed under the heading “Risks and Uncertainties” in the Fund’s management’s discussion and analysis (“MD&A”) and in the Fund’s other publicly available disclosure documents, as filed by the Fund on SEDAR ([www.sedar.com](http://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 press release 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 press release includes certain non-GAAP measures as supplementary information. When used in this press release, EBITDA means earnings before interest, taxes, depreciation and amortization, and Adjusted EBITDA means EBITDA adjusted for non-cash inventory fair value allocation charges, goodwill impairment charges, and pension plan curtailment gains. The Fund believes that, in addition to net income, EBITDA is a useful supplemental measure in evaluating the performance of the Data Group and/or the Fund. Cash available for distribution (or distributable cash) means cash provided by (used in) operating activities increased by, or reduced for, non-cash interest expense, maintenance capital expenditures, changes in non-cash working capital, special pension contributions, partnership conversion costs and cash income taxes. 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 or loss determined in accordance with GAAP as indicators of the Data Group's or the Fund's performance and investors are cautioned that cash available for distribution (or distributable cash) is not 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.

## **OVERVIEW**

On August 31, 2006, the Fund acquired from The Relizon Company (the "Relizon Canada Acquisition") all of the shares of Relizon Canada for a purchase price (the "Purchase Price") of \$141.0 million, subject to a working capital adjustment. The Purchase Price consisted of a cash payment of \$112.0 million and 2,964,328 trust units of the Fund. The Purchase Price was adjusted down by \$1.0 million based on the closing calculation of the working capital of Relizon Canada. At the time of the Relizon Canada Acquisition, Relizon Canada was a provider of outsourcing solutions in Canada, helping organizations to improve the efficiency and effectiveness of their printed and electronic communications, both internally with employees, and externally with customers, vendors and prospects.

Following the completion of the Relizon Canada Acquisition, 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, Quebec; Hemmingford, Quebec; Orangeville, Ontario; and Medicine Hat, Alberta. The plants had ceased operations as of September 30, 2007. As a result of those 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.

On September 30, 2006, the Fund reorganized its structure to carry on in a limited partnership (being the Data Group) the business previously carried on by Data Business Forms Limited (including the Relizon Canada business) (the "Reorganization"). In connection with the Reorganization, Data Business Forms Limited became the general partner of the Data Group Limited Partnership. The purpose of the Reorganization was to establish a "flow-through" organizational structure which will enable the Fund to maximize cash available for distribution and provide a more flexible legal and operating structure, including future expansion opportunities. In light of the enactment of the "SIFT" rules described below under "Outlook", this flow-through structure will effectively end by 2011.

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

The period from January 1, 2007 to December 31, 2007 includes the results of operations of the Relizon Canada business. The period from January 1, 2006 to December 31, 2006 includes the results of operations for the Relizon Canada business from August 31, 2006 to December 31, 2006.

### Consolidated Financial Information

For the periods ended December 31, 2007 and 2006 <i>(in thousands of dollars except per unit amounts, unaudited)</i>	Oct. 1 to Dec. 31, 2007 \$	Oct. 1 to Dec. 31, 2006 \$	Jan. 1 to Dec. 31, 2007 \$	Jan. 1 to Dec. 31, 2006 \$
Revenues	107,235	108,846	398,653	286,650
Cost of revenues	76,430	81,530	291,315	211,633
Gross profit	30,805	27,316	107,338	75,017
Selling, general and administrative expenses	17,227	18,588	70,732	51,754
Integration costs	312	164	4,309	164
Amortization of intangible assets	3,363	2,411	10,596	7,558
Curtailment gain	(1,461)	-	(1,461)	-
Impairment of goodwill	1,900	-	1,900	-
Income before interest and income taxes	9,464	6,153	21,262	15,541
Interest expense on long-term debt	1,622	1,817	6,355	3,865
Income before income taxes	7,842	4,336	14,907	11,676
Future income tax (recovery) expense	(2,830)	-	7,482	(16,215)
Net income for the period	10,672	4,336	7,425	27,891
Basic income per unit	0.45	0.18	0.32	1.57
Diluted income per unit	0.45	0.19	0.32	1.57

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

The period from January 1, 2007 to December 31, 2007 includes the results of operations of the Relizon Canada business. The period from January 1, 2006 to December 31, 2006 includes the results of operations for the Relizon Canada business from August 31, 2006 to December 31, 2006.

### Consolidated Financial Information

For the periods ended December 31, 2007 and 2006 <i>(in thousands of dollars, except percentage amounts, unaudited)</i>	Oct. 1 to Dec. 31, 2007 \$	Oct. 1 to Dec. 31, 2006 \$	Jan. 1 to Dec. 31, 2007 \$	Jan. 1 to Dec. 31, 2006 \$
<b>Revenues</b>				
DATA East and West	98,852	98,278	361,428	241,791
Sundog	5,470	6,029	25,054	26,299
Multiple Pakfold	4,078	5,711	17,944	23,198
Intersegment	(1,165)	(1,172)	(5,773)	(4,638)
	107,235	108,846	398,653	286,650
<b>Gross Profit</b>				
DATA East and West	28,766	24,291	97,243	61,954
Sundog	1,642	1,953	8,171	9,154
Multiple Pakfold	397	1,072	1,924	3,909
	30,805	27,316	107,338	75,017
<b>Gross Profit, as a percentage of revenue</b>				
DATA East and West	29.1%	24.7%	26.9%	25.6%
Sundog	30.0%	32.4%	32.6%	34.8%
Multiple Pakfold	9.7%	18.8%	10.7%	16.9%
	28.7%	25.1%	26.9%	26.2%
<b>Selling, general and administrative expenses</b>				
As a percentage of revenue	16.1%	17.1%	17.7%	18.1%
Adjusted EBITDA	15,330	13,213	40,804	33,111
Adjusted EBITDA margin, as a percentage of revenue	14.3%	12.1%	10.2%	11.6%
Net income	10,672	4,336	7,425	27,891

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

The period from January 1, 2007 to December 31, 2007 includes the results of operations of the Relizon Canada business. The period from January 1, 2006 to December 31, 2006 includes the results of operations for the Relizon Canada business from August 31, 2006 to December 31, 2006.

### Adjusted EBITDA Reconciliation

For the periods ended December 31, 2007 and 2006 <i>(in thousands of dollars, unaudited)</i>	Oct. 1 to Dec. 31, 2007 \$	Oct. 1 to Dec. 31, 2006 \$	Jan. 1 to Dec. 31, 2007 \$	Jan. 1 to Dec. 31, 2006 \$
Net income for the period	10,672	4,336	7,425	27,891
Net interest expense on long-term debt	1,622	1,817	6,355	3,865
Depreciation of property, plant and equipment	2,064	2,228	8,507	5,094
Amortization of intangible assets	3,363	2,411	10,596	7,558
Impairment of goodwill	1,900	-	1,900	-
Curtailement gain	(1,461)	-	(1,461)	-
Non-cash inventory fair value allocation charges	-	2,421	-	4,918
(Recovery of) provision for income taxes	(2,830)	-	7,482	(16,215)
Adjusted EBITDA	15,330	13,213	40,804	33,111

# RESULTS OF OPERATIONS

## THE DATA GROUP INCOME FUND

### OVERVIEW

On August 31, 2006, the Fund completed the Relizon Canada Acquisition. At the time of the Relizon Canada Acquisition, both Relizon Canada and Data Business Forms Limited operated primarily within the same market segments. Since the date of the Relizon Canada Acquisition, the Data Group has been engaged in the integration of the former Relizon Canada and Data Business Forms Limited businesses, with a view to achieving operational and corporate synergies through the combination of those businesses. The following discussion and analysis includes the results of operations of the former Relizon Canada business for the year ended December 31, 2007 and for the period from August 31, 2006 to December 31, 2006. Those operations now form part of the Data Group's DATA East and West segment.

### REVENUES

For the quarter ended December 31, 2007, the Fund recorded revenues of \$107.2 million, a decrease of 1.5% or \$1.6 million compared with the same period in 2006. The revenue decrease, before intersegment revenues, was substantially the result of a \$1.6 million decrease in the Multiple Pakfold segment. For the year ended December 31, 2007, the Fund recorded revenues of \$398.7 million, an increase of \$112.0 million or 39.1% compared with the same period in 2006. The full year increase, before intersegment revenues, was the net result of a \$119.6 million increase in the DATA East and West segment, a \$1.2 million decrease in the Sundog segment and a \$5.3 million decrease in the Multiple Pakfold segment. The revenue from the former Relizon Canada business is now integrated into the DATA East and West segment.

### COST OF REVENUES AND GROSS PROFIT

For the quarter ended December 31, 2007, cost of revenues decreased to \$76.4 million from \$81.5 million for the same period in 2006. The decrease was a result of a \$3.9 million increase in the DATA East and West segment resulting substantially from realized cost savings from the Data Group's restructuring activities. This resulted in a gross profit in the fourth quarter of 2007 of \$30.8 million, which represented an increase of \$3.5 million or 12.8% from \$27.3 million in the fourth quarter of 2006. The increase in gross profit was attributable to a \$4.5 million increase in the DATA East and West segment from the realized cost savings from the Data Group's restructuring activities. In the fourth quarter of 2007, the Data Group also focused upon improving the operation of equipment transferred as part of the restructuring and integration, training new employees and taking steps to improve productivity and efficiencies. In the fourth quarter of 2006, a charge of \$2.4 million relating to a portion of the fair value allocated to the inventory acquired pursuant to the Relizon Canada Acquisition (the "Relizon Inventory Allocation") increased cost of revenues and was allocated to the DATA East and West segment. After adjusting for the Relizon Inventory Allocation, gross profit as a percentage of revenues increased to 28.7% from 27.3% compared to the same period in 2006 due to the lower margin in the Relizon Canada business.

For the year ended December 31, 2007, cost of revenues increased from \$211.6 million for the same period in 2006 to \$291.3 million in 2007. This resulted in a gross profit for the year ended December 31, 2007 of \$107.3 million, which represented an increase of \$32.3 million or 43.1% from \$75.0 million in the same period of 2006 which included the Relizon Inventory Allocation charge of \$2.4 million. After excluding the Relizon Inventory Allocation, gross profit as a percentage of revenues decreased for the year ended December 31, 2007 to 26.9% from 27.9%.

### SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AND INTEGRATION COSTS

Selling, general and administrative ("SG&A") expenses, including administrative expenses of the Fund, for the quarter ended December 31, 2007 were \$17.2 million compared to \$18.6 million in the same period of 2006. SG&A

expenses for the fourth quarter of 2007 were lower due to realized cost savings from the Data Group's restructuring activities. As a percentage of revenues, these costs decreased to 16.1% of revenues for the quarter ended December 31, 2007 compared to 17.1% of revenues for the same period in 2006. In the fourth quarter of 2007, the Data Group incurred \$0.3 million of costs related to the integration of the Data Business Forms Limited and Relizon Canada businesses, which primarily consisted of severance and moving expenses. SG&A expenses for the year ended December 31, 2007 were \$70.7 million as compared to \$51.8 million in the same period of 2006. SG&A expenses for the year ended December 31, 2007 were higher due to costs incurred in connection with the acquisition of the Relizon Canada business. As a percentage of revenues, these costs decreased to 17.7% of revenues for the year ended December 31, 2007 compared to 18.1% of revenues for the same period in 2006. During the year ended December 31, 2007, the Data Group incurred \$4.3 million of costs related to the integration of the Data Business Forms Limited and Relizon Canada businesses, which primarily consisted of severance and moving expenses incurred in connection with the restructuring announced by the Fund on March 1, 2007. Those integration costs were attributable primarily to the DATA East and West segment, by virtue of the fact that the former Relizon Canada business forms part of that segment, with the balance of the integration costs attributable to the Multiple Pakfold segment.

### **CURTAILMENT GAIN**

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. 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. An amendment to the Relizon Canada Plan 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.

The changes to the DBFL Plan during 2007 did not result in a curtailment gain or loss. The Data Group has recorded a curtailment gain of \$1.5 million, including the recognition of unamortized actuarial losses of \$0.3 million in the year ended December 31, 2007 as result of the changes made to the Relizon Canada Plan.

### **IMPAIRMENT OF GOODWILL**

During the fourth quarter of 2007, the Data Group performed its annual review for impairment of goodwill by comparing the fair value of the reporting segment to its carrying value on the Data Group's books. The Data Group determines fair value of each reporting segment by discounting expected future cash flows in accordance with recognized valuation methods. The process of determining those fair values requires the Data Group to make a number of estimates and assumptions such as projected future revenues, costs of revenues, market conditions, and discount rates. As a result of that review, the fair value of the Multiple Pakfold segment was determined to be less than its carrying value. Accordingly, the Data Group has recognized an impairment of goodwill charge of \$1.9 million related to that segment.

### **ADJUSTED EBITDA**

See Table 3 for the reconciliation of Adjusted EBITDA to net income for the periods noted. For the quarter ended December 31, 2007, Adjusted EBITDA was \$15.3 million or 14.3% of revenues. Adjusted EBITDA for the quarter ended December 31, 2007 increased \$2.1 million or 16.0% from the same period in the prior year and the Adjusted EBITDA margin for the quarter, as a percentage of revenues, increased from 12.1% of revenues in 2006 to 14.3% of

revenues in 2007. Adjusted EBITDA for the year ended December 31, 2007 was \$40.8 million or 10.2% of revenues. As compared to the same period in 2006, Adjusted EBITDA for the year ended December 31, 2007 increased \$7.7 million or 23.2% from the same period in the prior year and the Adjusted EBITDA margin for the year ended December 31, 2007, as a percentage of revenues, decreased from 11.6% of revenues in 2006 to 10.2% of revenues in 2007. The decrease as a percentage of revenues was substantially attributable to the costs incurred in the integration of the Data Business Forms Limited and Relizon Canada businesses. The Adjusted EBITDA margin would have been 14.6% in the fourth quarter of 2007 and 11.3% in the year ended December 31, 2007 without these integration costs.

### **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 Convertible Debentures was \$1.7 million for the quarter ended December 31, 2007 compared to \$1.9 million for the same period in 2006. The decrease was due to a decrease of \$0.2 million in the outstanding balance of Convertible Debentures in the fourth quarter of 2007 when compared to the same period in 2006. Net interest expense was \$6.7 million for the year ended December 31, 2007 compared to \$4.3 million for the same period in 2006. Net interest expense increased due to the additional interest expense on the \$30.0 million drawn under the Data Group's credit facilities and the issuance of the Convertible Debentures, in each case to fund the Relizon Canada Acquisition. These debt instruments were outstanding for an additional 243 days during 2007 compared to the same period in 2006.

Interest income of \$0.1 million and \$0.2 million earned during the three and twelve month periods ended December 31, 2007 respectively, were consistent with the applicable prior periods with interest income of \$0.1 million and \$0.3 million earned during the three and twelve month periods ended December 31, 2006 respectively. This interest income was substantially related to the cash and cash equivalents held by the Data Group.

### **INCOME TAXES**

On June 22, 2007, Bill C-52, which contained the SIFT rules (described below under the heading "Outlook") became law. As a result, under GAAP, the Fund commenced accounting for tax changes in its reporting for the quarter ended June 30, 2007. A net long-term future income tax liability of \$6.7 million has been recognized at the quarter ended December 31, 2007 with a recovery of \$2.8 million in the Fund's income for the quarter ended December 31, 2007 and a \$7.5 million charge to the Fund's income for the year ended December 31, 2007. The future income tax expenses and recoveries were as a result of tax changes, changes in estimates of future reversals of temporary differences, the impact of the deferred gain on the sale and leaseback of the Brockville, Ontario printing facility and changes to substantially enacted income tax rates. The future income tax liability represents estimated temporary differences at December 31, 2007 that are expected to reverse starting in fiscal year 2011. Future income tax liabilities and assets will be assessed each quarter and any changes will be recognized on the Fund's consolidated statement of operations and comprehensive income. For the year ended December 31, 2006, the Fund reported a recovery of future income taxes of \$16.2 million as a result of the reorganization of the legal structure of the Fund described above. Prior to the enactment of SIFT rules, the Data Group and the Fund did not expect to pay income taxes as a result of the change in its structure and, accordingly, did not recognize future income tax assets and liabilities on temporary differences or recognize unused tax losses or credits relating to the Data Group.

### **NET INCOME**

Net income for the quarter ended December 31, 2007 was \$10.7 million compared to net income of \$4.3 million for the quarter ended December 31, 2006. Net income for the year ended December 31, 2007 was \$7.4 million compared to net income of \$27.9 million for the year ended December 31, 2006. The decrease in comparable

profitability was due to the provision for future income taxes in 2007 and the recovery of income taxes in 2006 in addition to the factors discussed above.

#### **DATA EAST AND WEST**

This segment includes the operations of the former Relizon Canada business for the year ended December 31, 2007 and for the period from August 31, 2006 to December 31, 2006. In the three months ended December 31, 2007 revenues at the Data Group's DATA East and West segment increased \$0.6 million or 0.6% to \$98.9 million from \$98.3 million for the same period in 2006. Revenues for the year ended December 31, 2007 increased \$119.6 million or 49.5% to \$361.4 million from \$241.8 million for the same period in the prior year.

Revenues in the quarter were relatively flat as compared to the same period in 2006. The factors affecting revenues were increased sales of variable imaging, laser cut sheets and fulfillment warehousing services offset by a decline in traditional business forms. In addition, the Data Group continued the process of reviewing products and services which generate low margins with the intent of increasing prices to levels which generate acceptable margins or discontinuing them.

Gross profit in the quarter ended December 31, 2007 increased \$4.5 million to \$28.8 million from \$24.3 million in the same period of 2006. After adjusting for the Relizon Inventory Allocation of \$2.4 million, the gross profit for the quarter ended December 31, 2006 would have been \$26.7 million. The gross profit as a percentage of revenues increased to 29.1% from 24.7% for the same period in 2006. After adjusting for the Relizon Inventory Allocation, the gross profit as a percentage of revenues in 2006 would have been 27.2%. The increase in gross profit as a percentage of revenues during the three months was due to the Relizon Inventory Allocation in 2006 and integration and restructuring savings as well as productivity improvements in our Western Canada facilities.

For the year ended December 31, 2007, gross profit increased \$35.2 million to \$97.2 million from \$62.0 million in the same period of 2006. After adjusting for the Relizon Inventory Allocation of \$4.9 million, the gross profit for the year ended December 31, 2006 would have been \$66.9 million. The gross profit as a percentage of revenues decreased to 26.9% from 25.6% for the same period in 2006. After adjusting for the Relizon Inventory Allocation, the gross profit as a percentage of revenues in 2006 would have been 27.7%. The decline in gross profit as a percentage of revenues for the year after adjusting for the Relizon Inventory Allocation in 2006 was due to two principal factors. Primarily, margins within the acquired Relizon Canada business were lower than those realized in the former Data Business Forms Limited business. Consequently, the Data Group has begun a review of low margin business within this segment as discussed above. Secondly, necessary recruiting and relocation within the Alberta marketplace resulted in increased overtime, training costs and reduced productivity. In the fourth quarter of 2007, the Data Group focused upon improving the operation of equipment transferred as part of the restructuring and integration, training new employees and taking steps to improve productivity and efficiencies.

As part of the Fund's restructuring plan announced on March 1, 2007, the Data Group closed plants within the DATA East and West segment located in Dorval, Quebec; Hemmingford, Quebec; Orangeville, Ontario; and Medicine Hat, Alberta. In addition, certain assets were realigned within continuing plant operations to consolidate and focus on improving efficiencies. The closure of these plants and the movement of equipment into and between continuing plant operations was completed at the beginning of the third quarter of 2007 and production resumed with no material adverse effects to customer relationships. These plant closures, together with related workforce reductions, reduced excess production capacity and improved operating efficiencies and profitability within the DATA East and West segment.

## **SUNDOG**

Revenues at the Data Group's Sundog segment decreased \$0.5 million from \$6.0 million in the fourth quarter of 2006 to \$5.5 million. The revenues decrease was due to a weaker local market and some increased competition in the Alberta market. Revenues for the year ended December 31, 2007 decreased \$1.2 million or 4.7% to \$25.1 million from \$26.3 million for the same period in 2006. The decrease in revenues for the year ended December 31, 2007 was due to softer market and competitive conditions previously outlined.

For the quarter ended December 31, 2007, gross profit decreased 15.9% to \$1.6 million from \$2.0 million in the same period of 2006. Gross profit as a percentage of revenues decreased to 30.0% from 32.4% for the same period in 2006. The gross profit decline in the quarter was due to the market conditions outlined above which resulted in higher labour costs as a percentage of revenues. A strengthening of sales management, the addition of new sales representatives and tighter cost controls are expected to help mitigate the impact of current market conditions, including gross profit declines on United States based ticket and speciality clients as a result of the strengthening Canadian dollar. For the year ended December 31, 2007, gross profit decreased \$1.0 million to \$8.1 million from \$9.1 million in the same period of 2006. The gross profit as a percentage of revenues was 32.6% compared to 34.8% for the same period in 2006.

## **MULTIPLE PAKFOLD**

Revenues at the Data Group's Multiple Pakfold segment decreased \$1.6 million to \$4.1 million in the fourth quarter of 2007 from \$5.7 million in the same period of 2006. Revenues for the year ended December 31, 2007 decreased \$5.3 million or 22.8% to \$17.9 million from \$23.2 million for the same period in the prior year.

While a decline in revenues was expected as a result of closing the Data Group's Dorval facility, as part of its restructuring plan announced on March 1, 2007, the decline in revenues for the quarter and the year ended December 31, 2007 was greater than expected. The set up of the equipment transferred from the Dorval facility and related recruiting and training of staff at the Multiple Pakfold's Mississauga, Ontario facility took significantly longer than planned. These factors caused interruptions in the Multiple Pakfold segment's ability to meet customer delivery requirements and caused a loss of business in the Quebec and Ontario markets. As a result, management changes were made in the fourth quarter of 2007 and additional changes were made in the first quarter of 2008.

For the quarter ended December 31, 2007, gross profit decreased by \$0.7 million to \$0.4 million from the same period in 2006. The gross profit as a percentage of revenues was 9.7% compared to 18.8% for the same period in 2006. For the year ended December 31, 2007, gross profit decreased \$2.0 million to \$1.9 million from \$3.9 million in the same period of 2006. The gross profit as a percentage of revenues was 10.7% compared to 16.9% for the same period in 2006. In each case, the decline was due to the revenue losses noted above.

**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”.

The period from January 1, 2007 to December 31, 2007 includes the results of operations of the Relizon Canada business. The period from January 1, 2006 to December 31, 2006 includes the results of operations for the Relizon Canada business from August 31, 2006 to December 31, 2006.

### Cash Available for Distribution Reconciliation

For the periods ended December 31, 2007 and 2006 <i>(in thousands of dollars, except per unit amounts, unaudited)</i>	Oct. 1 to Dec. 31, 2007 \$	Oct. 1 to Dec. 31, 2006 \$	Jan. 1 to Dec. 31, 2007 \$	Jan. 1 to Dec. 31, 2006 \$
Cash provided by operating activities	12,440	11,147	26,430	20,484
<i>Capital adjustments</i>				
Maintenance capital expenditures <sup>(1)</sup>	(1,112)	(1,912)	(5,268)	(3,585)
<i>Other adjustments including discretionary items:</i>				
Trust reorganization costs <sup>(2)</sup>	-	-	-	651
Changes in non-cash working capital and other <sup>(3)</sup>	1,460	(4,355)	8,739	(2,002)
Non-cash inventory fair value allocation charges	-	2,420	-	4,918
Pension contribution in excess of expense <sup>(4)</sup>	-	1,000	-	4,000
Cash available for distribution	12,788	8,300	29,901	24,466
Distributions to Unitholders <sup>(5)</sup>	6,805	6,801	27,211	21,380
Excess of cash available for distribution over actual distributions	5,983	1,499	2,690	3,086
<i>Per unit <sup>(7)</sup></i>				
Cash available for distribution per unit <sup>(6)</sup>	0.544	0.354	1.273	1.326
Distributions to Unitholders per unit <sup>(6) (7)</sup>	0.290	0.290	1.158	1.159
Excess of cash available for distribution per unit over actual distributions per unit	0.255	0.064	0.115	0.167
Payout ratio	53.2%	81.9%	91.0%	87.4%

**Notes:**

<sup>(1)</sup> 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.

<sup>(2)</sup> Costs directly incurred to reorganize the organizational structure of the Fund into a “flow-through” entity have been added back as they represent a non-recurring cost with expected future benefit to the Fund’s Unitholders.

<sup>(3)</sup> Cash provided by operating activities has been adjusted for changes in non-cash working capital 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. In 2007, a significant portion of the change in non-cash working capital is due to the impact of cash payments related to the integration costs expensed and restructuring liabilities assumed as part of the Relizon Canada Acquisition.

<sup>(4)</sup> Represents special contributions to the defined benefit pension plans of the Data Group (as successor to Relizon Canada Inc. and Data Business Forms Limited) of \$4.0 million in 2006. If the calculation of cash available for distribution for the period from January 1, 2006 to December 31, 2006 had included special pension contributions of \$4.0 million to the defined benefit pension plan of the former Relizon Canada Inc. funded from the net proceeds raised to fund the Relizon Canada Acquisition, the Fund’s cash available for distribution for that period would have decreased by \$4.0 million or \$0.170 per unit.

<sup>(5)</sup> Distributions are in respect of the distributions declared.

<sup>(6)</sup> 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 and paid and not the weighted average number of units outstanding. As at December 31, 2007, 23,490,592 units were outstanding and 23,475,659 units were outstanding at December 31, 2006.

<sup>(7)</sup> The Fund declared \$0.8 million of distributions on the 8.6 million units issued on August 31, 2006, upon the exchange of subscription receipts for units of the Fund, for the month of August while no corresponding Adjusted EBITDA was earned by the Fund from the operations of the Relizon Canada business other than the one business day of August 31, 2006.

## CASH AVAILABLE FOR DISTRIBUTION

For the quarter ended December 31, 2007, the Fund generated \$12.8 million or \$0.544 per unit of cash available for distribution compared to \$8.3 million or \$0.354 per unit for the same period in 2006. Cash available for distribution for the three months ended December 31, 2007 was calculated by adding back the changes in non-cash working capital and other non-cash items of \$1.5 million and deducting maintenance capital expenditures of \$1.1 million from cash provided by operating activities of \$12.4 million. Cash available for distribution for the three months ended December 31, 2006 was calculated by deducting the changes in non-cash working capital and other non-cash items of \$4.3 million, deducting maintenance capital expenditures of \$1.9 million, adding back a special contribution of \$1.0 million to the Relizon Canada defined benefit pension plan and adding back the Relizon Inventory Allocation of \$2.4 million from cash provided by operating activities of \$11.1 million. For the year ended December 31, 2007, the Fund generated \$29.9 million or \$1.273 per unit of cash available for distribution compared to \$24.5 million or \$1.326 per unit for the same period in 2006. Cash available for distribution for the year ended December 31, 2007 was calculated by adding back the changes in non-cash working capital and other non-cash items of \$8.7 million and deducting maintenance capital expenditures of \$5.3 million from cash provided by operating activities of \$26.4 million. Cash available for distribution for the year ended December 31, 2006 was calculated by adding back the changes in non-cash working capital of \$2.0 million, deducting maintenance capital expenditures of \$3.6 million, adding back a special contribution of \$4.0 million to the Relizon Canada defined benefit pension plan, adding back the Relizon Inventory Allocation of \$4.9 million and adding back the \$0.7 million of costs incurred to reorganize the structure of the Fund from cash provided by operating activities of \$20.5 million. See Table 4 above for a breakdown of these figures for the periods from January 1, 2007 to December 31, 2007, from January 1, 2006 to December 31, 2006, respectively.

For the quarter ended December 31, 2007, the Fund declared distributions of \$6.8 million or \$0.290 per unit. The calculation of cash available for distribution exceeded actual distributions by \$6.0 million or \$0.255 per unit for the quarter ended December 31, 2007. For the same period in 2006, the calculation of cash available for distribution exceeded actual distributions by \$1.5 million or \$0.064 per unit. For the year ended December 31, 2007, the Fund declared distributions of \$27.2 million or \$1.158 per unit. Cash available for distribution exceeded actual distributions by \$2.7 million or \$0.115 per unit for the year ended December 31, 2007. Cash available for distributions for the year ended December 31, 2007 increased despite the payment of severance costs, moving expenses and capital expenditures associated with the integration of the former Data Business Forms Limited and Relizon Canada businesses.

During the three months ended December 31, 2007, the Data Group incurred integration costs of \$0.3 million related to the integration of the former Data Business Forms Limited and Relizon Canada businesses. The integration costs consisted primarily of severance payments to former employees of the Data Group and moving expenses in connection with the restructuring announced on March 1, 2007, which were funded from cash flows from operations and existing cash resources. The Fund believes that those integration costs and restructuring-related capital expenditures incurred during 2007 are non-recurring as they are restricted to the restructuring and the integration of the former Data Business Forms Limited and Relizon Canada businesses. During the year ended December 31, 2007, the Data Group incurred integration costs of \$4.3 million and maintenance capital expenditures of \$2.0 million, in each case related to the restructuring and integration of the former Data Business Forms Limited and Relizon Canada businesses. The integration costs consisted primarily of severance payments to former employees of the Data Group and moving expenses in connection with the restructuring announced on March 1, 2007, which were funded from cash flows from operations and existing cash resources. The Fund believes that those integration costs and restructuring-related capital expenditures incurred during 2007 are non-recurring as they are restricted to the restructuring and the integration of the former Data Business Forms Limited and Relizon Canada businesses. During the year ended December 31, 2007, the Data Group made cash payments of

\$9.2 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada Acquisition and for the integration costs, consisting of primarily severance payments and moving costs. These cash payments have been funded by cash generated from operations and proceeds from asset dispositions. The restructuring and integration costs have been deducted in determining cash available for distribution.

Given the non-recurring nature of these integration costs and restructuring related capital expenditures, the Fund believes that presenting the cash available for distribution excluding these items will assist the reader in understanding the sustainable level of cash available for distribution. If the \$3.7 million cash payments related to the integration costs of \$4.3 million and the capital expenditures of \$2.0 million related to the integration and incurred for the year ended December 31, 2007 were excluded, cash available for distribution would have exceeded actual distributions by \$8.4 million or \$0.358 per unit.

For the year ended December 31, 2006, the Fund declared distributions of \$21.4 million or \$1.159 per unit. The Fund declared in respect of the month of August, 2006, \$0.8 million of distributions on the 8.6 million units of the Fund issued on August 31, 2006 upon the exchange of Subscription Receipts, while no corresponding EBITDA was earned by the Fund from the operations of Relizon Canada during that month, other than the one business day of August 31, 2006. The calculation of cash available for distribution exceeded actual distributions by \$3.1 million or \$0.159 per unit. See Table 4 above for a breakdown of these figures for the periods from January 1, 2007 to December 31, 2007, from January 1, 2006 to December 31, 2006, respectively.

## **INVESTING ACTIVITIES**

The Data Group takes a disciplined approach to monitoring its investments, whereby material capital expenditures are subjected to rigorous analysis and ongoing measurement and comparison against budgets to ensure a return on the investment. The Data Group's maintenance capital expenditures consist of replacement of existing capital assets to sustain cash flows, and typically include furniture, fixtures, computer equipment, printing equipment, and leasehold improvements. The Data Group's growth capital expenditures consist of purchases of capital assets to generate new cash flows, and typically include the purchase of new furniture, fixtures, computer equipment and printing equipment to support new business and organic business growth. In addition to maintenance and growth capital expenditures, the Data Group incurs recurring repair and maintenance expense that are expensed as they are incurred and not included in capital expenditures.

Capital expenditures for the quarter ended December 31, 2007 of \$1.1 million related primarily to maintenance capital expenditures. Capital expenditures for the year ended December 31, 2007 of \$5.3 million related primarily to maintenance capital expenditures, and included \$2.0 million of maintenance capital expenditures for leasehold improvements required for the installation and upgrading of equipment transferred in connection with the closure of four plants. These capital expenditures were incurred in connection with the integration of the Relizon Canada business and are not expected to recur. The Fund expects the Data Group's level of maintenance capital expenditures to be approximately \$4.8 million in 2008.

During the quarter ended December 31, 2007, the Data Group completed the sale of its Brockville, Ontario printing facility to Capital Wapiti Inc. ("Capital Wapiti") for a purchase price of approximately \$4.5 million. Concurrently with the closing of the sale of the facility, the Data Group and Capital Wapiti entered into a lease pursuant to which Capital Wapiti has leased back to the Data Group the Brockville, Ontario facility. The term of the lease is 10 years and the Data Group has the option to renew the lease for an additional term of five years upon not less than 12 months' prior notice to Capital Wapiti. The net rent payable by the Data Group under the lease is \$0.4 million per year for the first five years, \$0.4 million per year during the following five-year period, and \$0.5 million per year during the five-year renewal period, if applicable.

## FINANCING ACTIVITIES

For the quarter ended December 31, 2007, the Fund paid cash distributions of \$6.8 million to its Unitholders. During the quarter ended December 31, 2007, the Fund repaid the bank overdraft of \$4.0 million. For the year ended December 31, 2007, the Fund paid cash distributions of \$27.2 million to its Unitholders.

## OUTLOOK

The Fund believes that it will continue to meet its objectives, continuing to meet its monthly per unit distributions to Unitholders of \$0.09656 for the foreseeable future. The Fund's Board of Trustees will continue to monitor the Fund's cash available for distributions and its payout ratio.

The Fund currently believes that the Data Group's restructuring, integration and other initiatives relating to the combination of the former Data Business Forms Limited and Relizon Canada businesses will achieve pre-tax operating and other synergies and cost savings of over \$10.0 million per annum. The Fund believes that substantially all of the restructuring charges related to the integration of the Data Business Forms Limited and Relizon Canada businesses were incurred in the twelve months ended December 31, 2007.

In addition to the restructuring plan announced on March 1, 2007, the Data Group has completed other initiatives to reduce management, sales and administration expenses. These restructuring and related liabilities are based on contractual obligations and management's best estimates and have been recognized as assumed liabilities in the purchase price allocation as they were contemplated at the time of the Relizon Canada Acquisition, and were therefore included in the underlying net identifiable assets acquired. 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.

On June 22, 2007, Bill C-52 received Royal Assent. As a result, publicly traded Canadian resident trusts (a "SIFT"), including the Fund, will be subject to tax on the "non-portfolio earnings" distributed to its Unitholders at a rate similar to the combined federal and provincial corporate rates. "Non-portfolio earnings" of a SIFT are generally income of the SIFT attributable to a business carried on by the SIFT in Canada or income from, or capital gains from the disposition of "non-portfolio properties". "Non-portfolio properties" of a SIFT include securities of a "subject entity" if the SIFT holds securities of the subject entity that have a fair market value greater than 10% of the subject entity's equity value, or if the SIFT holds securities of the subject entity that, together with securities held by the SIFT and entities affiliated with the subject entity, have a total fair market value greater than 50% of the equity value of the SIFT. A subject entity is a corporation resident in Canada, a trust resident in Canada, a Canadian resident partnership, or a non-resident person or partnership if the principal source of income is from one or more sources in Canada. If a SIFT has "non-portfolio earnings" that are considered to have become payable to its beneficiaries in the year, this amount will be deemed to be a taxable dividend paid by a taxable Canadian corporation to the beneficiaries, which will be eligible for the enhanced tax credit if paid to an individual resident in Canada. Generally, there will be a four-year transition period for a SIFT, such as the Fund, the units of which were publicly listed on October 31, 2006, and such SIFT will not be subject to the tax imposed under these rules until 2011, provided the Fund does not exceed its "normal growth", as determined by reference to the "normal growth" guidelines issued by the Department of Finance on December 15, 2006, as amended from time to time (the "Guidelines").

The Fund expects that the tax changes 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, 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, with input from external legal and financial advisors, is closely monitoring the SIFT rules and carefully assessing their impact on the business and financial outlook of the Fund and the Data Group and its broader affect on the income trust sector as a whole, all with a view to adopting a strategy that will maximize value to Unitholders going forward.

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. It is anticipated that maintenance capital expenditures in 2008 will be approximately \$4.8 million.

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 pursue acquisition opportunities within its existing business segments.

### **About The DATA Group Income Fund**

The DATA Group Income Fund owns a 100% interest in The DATA Group Limited Partnership (“The DATA Group”). The DATA Group is a leading provider of document management solutions including printed products. Founded in 1959, the Data Group operates numerous facilities in 11 regions across Canada and has a leading market share in the total document management services segment.

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

-- 30 --

### **For further information, contact:**

Mr. David Odell  
President and CEO  
The Data Group Limited Partnership  
Tel: (905) 791-3151

Mr. Paul O’Shea  
Chief Financial Officer  
The Data Group Limited Partnership  
Tel: (905) 791-3151

## CONSOLIDATED BALANCE SHEETS

(in thousands of dollars, unaudited)

	December 31, 2007	December 31, 2006
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	5,315	4,767
Accounts receivable	57,417	55,010
Inventories	42,266	46,331
Prepaid expenses and other current assets	3,649	3,788
Income taxes recoverable	837	2,056
	<hr/>	<hr/>
	109,484	111,952
Property, plant and equipment	47,528	53,497
Goodwill	151,206	152,570
Intangible assets	65,766	76,362
Future income taxes	-	183
Deferred finance fees	-	2,601
	<hr/>	<hr/>
	373,984	397,165
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	40,014	44,895
Accrued restructuring and integration provisions	5,245	10,473
Deferred revenue	6,886	7,585
Distribution payable	2,269	2,267
	<hr/>	<hr/>
	54,414	65,220
Revolving bank facility	70,000	70,000
Convertible debentures	34,159	34,155
Future income taxes	6,655	-
Deferred gain	1,920	-
Unfavourable lease obligation	1,251	1,355
Deferred lease inducement	1,103	459
Pension obligation	9,668	10,619
Post-employment benefits	2,153	700
	<hr/>	<hr/>
	181,323	182,508
<b>Unitholders' Equity</b>		
Units	215,336	215,164
Conversion option	898	902
Accumulated other comprehensive loss	(66)	-
Deficit	(23,507)	(1,409)
	<hr/>	<hr/>
	192,661	214,657
	<hr/>	<hr/>
	373,984	397,165
	<hr/>	<hr/>

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>For the three months ended December 31, 2007</b>	<b>For the three months ended December 31, 2006</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	107,235	108,846
<b>Cost of revenues</b> (including depreciation of \$1,877 and \$2,051, respectively)	76,430	81,530
<b>Gross profit</b>	30,805	27,316
<b>Expenses</b>		
Selling, commissions and expenses	10,143	11,020
General and administration (including depreciation of \$187 and \$177, respectively)	7,084	7,567
Integration costs	312	164
Amortization of intangible assets	3,363	2,411
Curtailment gain	(1,461)	-
Impairment of goodwill	1,900	-
	21,341	21,162
<b>Income before interest and income taxes</b>	9,464	6,154
<b>Interest expense on long-term debt</b> (net of interest income of \$108 and \$83, respectively)	1,622	1,817
<b>Income before income taxes</b>	7,842	4,337
<b>Future income tax recovery</b>	(2,830)	-
<b>Net income for the period</b>	10,672	4,337
<b>Loss on cash flow hedges</b>	397	
<b>Comprehensive income for the period</b>	10,275	
<b>Basic income per unit</b>	0.45	0.19
<b>Diluted income per unit</b>	0.45	0.18
<b>Weighted average units outstanding</b>	23,490,592	23,475,659

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

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

	<b>For the year ended December 31, 2007</b>	<b>For the year ended December 31, 2006</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	398,653	286,650
<b>Cost of revenues</b> (including depreciation of \$7,812 and \$4,640, respectively)	291,315	211,633
<b>Gross profit</b>	107,338	75,017
<b>Expenses</b>		
Selling, commissions and expenses	41,465	30,525
General and administration (including depreciation of \$695 and \$455, respectively)	29,267	21,229
Integration costs	4,309	164
Amortization of intangible assets	10,596	7,558
Curtailment gain	(1,461)	-
Impairment of goodwill	1,900	-
	86,076	59,476
<b>Income before interest and income taxes</b>	21,262	15,541
<b>Interest expense on long-term debt</b> (net of interest income of \$328 and \$415, respectively)	6,355	3,865
<b>Income before income taxes</b>	14,907	11,676
<b>Future income tax expense (recovery)</b>	7,482	(16,215)
<b>Net income for the year</b>	7,425	27,891
<b>Loss on cash flow hedges</b>	124	
<b>Comprehensive income for the year</b>	7,301	
<b>Basic income per unit</b>	0.32	1.57
<b>Diluted income per unit</b>	0.32	1.54
<b>Weighted average units outstanding</b>	23,482,264	17,772,218

## CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

(in thousands of dollars,  
unaudited)

	Units	Conversion option	Accumulated other comprehensive income (loss)	Deficit	Total Unitholders' Equity
	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2005</b>	137,519	-	-	(7,920)	129,599
Distributions declared	-	-	-	(21,380)	(21,380)
Issued in connection with acquisition	27,243	-	-	-	27,243
Issued for cash upon conversion of subscription receipts	50,402	902	-	-	51,304
Net income for the year	-	-	-	27,891	27,891
<b>Balance as at December 31, 2006</b>	215,164	902	-	(1,409)	214,657
<b>Balance as at December 31, 2006</b>	215,164	902	-	(1,409)	214,657
Accounting policy change	-	-	58	(2,312)	(2,254)
<b>Balance as at January 1, 2007</b>	215,164	902	58	(3,721)	212,403
Distributions declared	-	-	-	(27,211)	(27,211)
Loss on cash flow hedges	-	-	(124)	-	(124)
Conversion of convertible debentures	172	(4)	-	-	168
Net income for the year	-	-	-	7,425	7,425
<b>Balance as at December 31, 2007</b>	215,336	898	(66)	(23,507)	192,661

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of dollars, unaudited)

	For the three months ended December 31, 2007 \$	For the three months ended December 31, 2006 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	10,672	4,337
Items not involving cash		
Depreciation of property, plant and equipment	2,064	2,228
Amortization of intangible assets	3,363	2,411
Pension expense	829	578
Contributions made to pension plans	(697)	(3,039)
Curtailment gain	(1,461)	-
Amortization of deferred financing fees	-	191
Gain on disposal of property, plant and equipment	(204)	(4)
Impairment of goodwill	1,900	-
Amortization of deferred gain	(33)	-
Accretion of convertible debentures	44	43
Unfavourable lease obligations	(27)	(55)
Amortization of lease inducement	(30)	-
Post-employment benefits	230	(31)
Future income taxes	(2,830)	-
	13,820	6,659
Changes in non-cash items relating to operating activities	(1,380)	4,488
	12,440	11,147
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,112)	(1,912)
Proceeds on disposal of property, plant and equipment	4,809	30
Acquisition of Relizon Canada Inc. – net of cash acquired of \$1,888	-	(631)
	3,697	(2,513)
<b>Financing activities</b>		
Cash payments for expenses of issuing trust units	-	(588)
Bank overdraft	(4,017)	-
Financing costs	-	(385)
Distributions to Unitholders	(6,805)	(6,801)
	(10,822)	(7,774)
<b>Increase in cash and cash equivalents during the period</b>	5,315	860
<b>Cash and cash equivalents - beginning of period</b>	-	3,907
<b>Cash and cash equivalents - end of period</b>	5,315	4,767
<b>Supplemental cash flow information</b>		
Interest paid	2,298	1,004

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of dollars, unaudited)

	<b>For the year ended December 31, 2007</b>	<b>For the year ended December 31, 2006</b>
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the year	7,425	27,891
Items not involving cash		
Depreciation of property, plant and equipment	8,507	5,095
Amortization of intangible assets	10,596	7,558
Pension expense	3,336	1,663
Contributions made to pension plans	(2,826)	(8,046)
Curtailment gain	(1,461)	-
Amortization of deferred financing fees	-	452
Gain on disposal of property, plant and equipment	(148)	(3)
Impairment of goodwill	1,900	-
Amortization of deferred gain	(33)	-
Accretion of convertible debentures	172	57
Unfavourable lease obligations	(104)	(55)
Amortization of lease inducement	(122)	-
Post-employment benefits	186	(36)
Future income taxes	7,482	(16,215)
	34,910	18,361
Changes in non-cash items relating to operating activities	(8,480)	2,123
	26,430	20,484
<b>Investing activities</b>		
Purchase of property, plant and equipment	(5,268)	(3,585)
Proceeds on disposal of property, plant and equipment	5,597	34
Acquisition of business - net of cash acquired of \$323	-	(374)
Acquisition of Relizon Canada Inc. – net of cash acquired of \$1,888	1,000	(113,097)
	1,329	(117,022)
<b>Financing activities</b>		
Proceeds from issuance of trust units - net of expenses	-	50,402
Proceeds from issuance of convertible debentures	-	33,600
Proceeds from revolving bank facility	-	30,000
Financing costs	-	(1,052)
Distributions to Unitholders	(27,211)	(20,548)
	(27,211)	92,402
<b>Increase (decrease) in cash and cash equivalents during the year</b>	548	(4,136)
<b>Cash and cash equivalents - beginning of year</b>	4,767	8,903
<b>Cash and cash equivalents - end of year</b>	5,315	4,767
<b>Supplemental cash flow information</b>		
Interest paid	7,432	3,052
Non cash lease inducement	766	-
<b>Non-cash investing and financing activities</b>		
Units issued in consideration with business acquisition	-	27,243