



For Immediate Release

## THE DATA GROUP INCOME FUND ANNOUNCES FIRST QUARTER RESULTS FOR 2008

### HIGHLIGHTS

- Q1 Revenues of \$101.0 million, Q1 Gross Profit of \$28.4 million and Q1 Net Income of \$5.6 million
- Q1 Cash Available for Distribution of \$10.2 million or \$0.436 per unit and Cash Distributions of \$6.8 million or \$0.290 per unit (see Table 4 and “Non-GAAP Measures” below)
- Q1 Payout Ratio of 66.4% (See Table 4 below)
- Q1 EBITDA of \$12.2 million (see Table 3 and “Non-GAAP Measures” below)

**Brampton, Ontario – May 8, 2008** – The DATA Group Income Fund (TSX: DGI.UN) (“the Fund”) today announced financial and operating results for the first quarter ended March 31, 2008.

“During the quarter we continued to harvest the cost savings from our integration and restructuring activities in 2007. In addition, we have continued the process of reviewing products and services which generate low margins which has contributed to lower revenues in the quarter. Cash available for distribution during the quarter was \$10.2 million or \$0.436 per unit with a payout ratio of 66.4%”, 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 of 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 90% of total revenue for the first quarter of 2008) 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 first quarter of 2008) 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 first quarter of 2008) 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 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 press release, 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 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, non-cash interest expense, maintenance capital expenditures, changes in non-cash working capital, other non-cash items, 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 (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 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 EBITDA, see Table 3 below. For a reconciliation of cash provided by operating activities to cash available for distribution, see Table 4 below.

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

**Consolidated Financial Information**

<b>For the periods ended March 31, 2008 and 2007</b> <i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>Jan. 1 to Mar. 31, 2008</b>	<b>Jan. 1 to Mar. 31, 2007</b>
	<b>\$</b>	<b>\$</b>
Revenues	101,026	103,996
Cost of revenues	72,639	76,395
Gross profit	28,387	27,601
Selling, general and administrative expenses	18,254	18,782
Integration costs	-	1,056
Amortization of intangible assets	2,744	2,411
Income before interest and income taxes	7,389	5,352
Interest expense on long-term debt	1,598	1,542
Income before income taxes	5,791	3,810
Future income tax expense	200	-
Net income for the period	5,591	3,810
Basic income per unit	0.24	0.16
Diluted income per unit	0.24	0.16
Number of units outstanding	23,490,592	23,475,659
<b>Consolidated Balance Sheet Information</b>		
Current assets	114,477	103,616
Current liabilities	50,600	56,245
Total assets	374,770	383,783
Total long-term liabilities	127,251	118,063
Unitholders' equity	196,919	209,475

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

**Consolidated Financial Information**

<b>For the periods ended March 31, 2008 and 2007</b> <i>(in thousands of dollars, except percentage amounts, unaudited)</i>	<b>Jan. 1 to Mar. 31, 2008 \$</b>	<b>Jan. 1 to Mar. 31, 2007 \$</b>
<b>Revenues</b>		
DATA East and West	91,579	93,236
Sundog	6,478	6,911
Multiple Pakfold	4,045	5,342
Intersegment	(1,076)	(1,493)
	<b>101,026</b>	<b>103,996</b>
<b>Gross profit</b>		
DATA East and West	26,048	24,265
Sundog	1,932	2,470
Multiple Pakfold	407	866
	<b>28,387</b>	<b>27,601</b>
<b>Gross profit, as a percentage of revenues</b>		
DATA East and West	28.4%	26.0%
Sundog	29.8%	35.7%
Multiple Pakfold	10.1%	16.2%
	<b>28.1%</b>	<b>26.5%</b>
<b>Selling, general and administrative expenses</b>	<b>18,254</b>	<b>18,782</b>
<b>As a percentage of revenues</b>	<b>18.1%</b>	<b>18.1%</b>
<b>EBITDA (Table 3)</b>	<b>12,204</b>	<b>9,972</b>
<b>EBITDA margin, as a percentage of revenues</b>	<b>12.1%</b>	<b>9.6%</b>
<b>Net income</b>	<b>5,591</b>	<b>3,810</b>

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

**EBITDA Reconciliation**

<b>For the periods ended March 31, 2008 and 2007</b> <i>(in thousands of dollars, unaudited)</i>	<b>Jan. 1 to Mar. 31, 2008</b>	<b>Jan. 1 to Mar. 31, 2007</b>
	<b>\$</b>	<b>\$</b>
Net income for the period	5,591	3,810
Net interest expense on long-term debt	1,598	1,542
Depreciation of property, plant and equipment	2,071	2,209
Amortization of intangible assets	2,744	2,411
Provision for future income taxes	200	-
<b>EBITDA</b>	<b>12,204</b>	<b>9,972</b>

## **RESULTS OF OPERATIONS**

### **THE DATA GROUP INCOME FUND**

#### ***Revenues***

For the quarter ended March 31, 2008, the Fund recorded revenues of \$101.0 million, a decrease of \$3.0 million or 2.9% compared with the same period in 2007. The decrease, before intersegment revenues, was the result of a \$1.7 million decrease in the DATA East and West segment, a \$0.4 million decrease in the Sundog segment and \$1.3 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 March 31, 2008, cost of revenues decreased to \$72.6 million from \$76.4 million for the same period in 2007. Gross profit for the quarter ended March 31, 2008 was \$28.4 million, which represented an increase of \$0.8 million or 2.8% from \$27.6 million for the same period in 2007. The increase in gross profit was attributable to a \$1.8 million increase in the DATA East and West segment, resulting substantially from the realized cost savings from the Data Group's restructuring activities and the initial shipments of goods for new sales contracts secured in the fourth quarter of 2007. The gross profit as a percentage of revenues increased to 28.1% for the quarter ended March 31, 2008 compared to 26.5%, for the same period in 2007. This increase in gross profit for 2008 resulted from the new sales contracts, cost savings realized from the Data Group's restructuring, the review and elimination of products and services which generate low margins, and offset by gross profit decreases in the Sundog and Multiple Pakfold segments.

#### ***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 March 31, 2008 decreased \$0.5 million to \$18.3 million compared to \$18.8 million in the same period of 2007. As a percentage of revenues, these costs were 18.1% of revenues for the quarters ended March 31, 2008 and 2007, respectively. For the quarter ended March 31, 2007, the Data Group incurred \$1.1 million of costs related to the integration of the former 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 operations of the former Relizon Canada business now form part of that segment. The balance of those integration costs were attributable to the Multiple Pakfold segment.

#### ***EBITDA***

For the quarter ended March 31, 2008, EBITDA was \$12.2 million, or 12.1% of revenues. EBITDA for the quarter ended March 31, 2008 increased \$2.2 million or 22.4% from the same period in the prior year and the EBITDA margin for the quarter, as a percentage of revenues, increased from 9.6% of revenues in 2007 to 12.1% of revenues in 2008.

***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 \$1.6 million for the quarter ended March 31, 2008 compared to \$1.5 million for the same period in 2007.

Interest income of \$0.1 million was earned during each of the three month periods ended March 31, 2008 and 2007, respectively. This interest income was substantially related to the cash and cash equivalents held by the Data Group.

***Income Taxes***

The Fund reported income before income taxes of \$5.8 million and a future income tax expense of \$0.2 million for the quarter ended March 31, 2008. The net future income tax liability of \$6.9 million represents estimated temporary differences at March 31, 2008 that are expected to reverse starting in fiscal year 2011. 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 \$3.8 million and no tax expense for the quarter ended March 31, 2007. As a result of the change in the Fund's corporate structure, the Data Group and the Fund did not, prior to the enactment of the Specified Investment Flow-Through Entity rules, expect to pay income taxes 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 March 31, 2008 was \$5.8 million compared to net income of \$3.8 million for the quarter ended March 31, 2007. The increase in comparable profitability was due to the factors discussed above.

**DATA EAST AND WEST**

In the three months ended March 31, 2008, revenues at the Data Group's DATA East and West segment decreased \$1.7 million or 1.8% to \$91.6 million from \$93.2 million for the same period in the prior year.

The decrease in revenues for the quarter ended March 31, 2008 was due to the Data Group's determination, following a strategic review that commenced in 2007, to eliminate from its customer offering of certain low margin products and services previously manufactured and provided by the Data Group and declines in traditional business forms. The segment continued to experience increases in sales of variable imaging and fulfillment warehousing services.

For the year quarter ended March 31, 2008, gross profit increased \$1.8 million to \$26.1 million from \$24.3 million for the same period of 2007. The gross profit as a percentage of revenues for the quarter ended March 31, 2008 increased to 28.4% from 26.0% for the same period in 2007.

The increase in the gross profit as a percentage of revenues during the quarter ended March 31, 2008, was due to the integration and restructuring initiatives completed in 2007, which resulted in lower labour and overhead costs. In addition, the increase in the gross profit as a percentage of revenues during the quarter was due to the elimination from the segment's customer offering of certain low margin products and services previously manufactured and provided by the Data Group. This segment continues to be focused upon improving productivity and efficiencies in the operation of the equipment transferred between locations in connection with that restructuring.

## **SUNDOG**

Revenues at the Data Group's Sundog segment for the quarter ended March 31, 2008 decreased 6.3% to \$6.5 million from \$6.9 million in 2007. The decrease in revenues was due to a continued weaker local market demand for commercial print in Alberta and increased competition in that market. In addition, revenues generated from the production of annual reports were down due to the discontinuation of a large annual report and a reduction in report size.

For the quarter ended March 31, 2008, gross profit decreased \$0.5 million or 21.8% to \$1.9 million from \$2.5 million for the same period in 2007. The overall decrease in gross profit was due to the revenue shortfall noted above. During the fourth quarter of 2007, the Data Group strengthened Sundog's sales management, added new sales representatives and tightened cost controls, all of which are expected to help mitigate the impact of current market conditions on Sundog's results of operations.

## **MULTIPLE PAKFOLD**

Revenues at the Data Group's Multiple Pakfold segment for the quarter ended March 31, 2008 declined 24.3% to \$4.0 million from \$5.3 million in 2007.

The decline in revenues for the quarter ended March 31, 2008 was attributable to the loss of business in the Ontario and Quebec market as a result of the integration and restructuring activities in 2007, which disrupted Multiple Pakfold's operations and adversely affected the segment's ability to meet customer delivery requirements. The Data Group believes that it has resolved those operational difficulties and that revenues should improve as Multiple Pakfold demonstrates to its customers that it is able to meet their delivery requirements. The Data Group continues to believe that management changes made in the fourth quarter of 2007 and in the first quarter of 2008 will lead to improved results of operations at Multiple Pakfold in 2008.

For the quarter ended March 31, 2008, gross profit decreased \$0.5 million to \$0.4 million in 2008 from \$0.9 million for the same period in 2007. The gross profit as a percentage of revenues for the quarter ended March 31, 2008 was 10.1% compared to 16.2% for the same period in 2007. The decline was due to the revenue losses noted above.

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

### Cash Available for Distribution Reconciliation

For the periods ended March 31, 2008 and 2007 <i>(in thousands of dollars, except percentages and per unit amounts, unaudited)</i>	Jan. 1 to Mar. 31, 2008 \$	Jan. 1 to Mar. 31, 2007 \$
Cash provided by operating activities	11,697	3,539
<i>Capital adjustments</i>		
Maintenance capital expenditures <sup>(1)</sup>	(746)	(1,134)
<i>Other adjustments including discretionary items:</i>		
Changes in non-cash working capital and other <sup>(2)</sup>	(707)	4,956
Cash available for distribution	10,244	7,361
Distributions to unitholders <sup>(3)</sup>	6,805	6,801
Excess of cash available for distribution over actual distributions	3,469	560
Per unit <sup>(4)</sup>		
Cash available for distribution per unit <sup>(4)</sup>	0.436	0.314
Distributions to unitholders per unit <sup>(4)</sup>	0.290	0.290
Excess of cash available for distribution per unit over actual distributions per unit	0.146	0.024
Payout ratio <sup>(5)</sup>	66.4%	92.4%

**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> 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 and the impact of cash payments related to the restructuring liabilities assumed in the acquisition of Relizon Canada.

<sup>(3)</sup> Distributions are in respect of the distributions declared.

<sup>(4)</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 March 31, 2008, 23,490,592 units were outstanding and 23,475,659 units were outstanding as at March 31, 2007.

<sup>(5)</sup> The payout ratio represents the percentage of distributions declared to unitholders divided by the cash available for distribution.

### CASH AVAILABLE FOR DISTRIBUTION

For the quarter ended March 31, 2008, the Fund generated \$10.2 million or \$0.436 per unit of cash available for distribution compared to \$7.4 million or \$0.314 per unit for the same period in 2007. Cash available for distribution for the quarter ended March 31, 2008 was calculated by deducting the changes in non-cash working capital and other non-cash items of \$0.7 million and deducting maintenance capital expenditures of \$0.7 million from cash provided by operating activities of \$11.7 million. Cash available for distribution for the quarter ended March 31, 2007 was calculated by adding back the changes in non-cash working capital and other non-cash items of \$5.0 million and deducting maintenance capital expenditures of \$1.1 million from cash provided by operating activities of \$3.5 million. See Table 4 above for a breakdown of these figures for the periods from January 1, 2008 to March 31, 2008 and from January 1, 2007 to March 31, 2007, respectively.

For the quarter ended March 31, 2008, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Cash available for distribution exceeded actual distributions by \$3.5 million or \$0.146 per unit for the quarter ended

March 31, 2008. During the quarter ended March 31, 2008, the Data Group made cash payments of \$1.1 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 of primarily severance payments and moving costs. 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. Cash available for distribution for the quarter ended March 31, 2008 increased despite the payment of these restructuring and integration costs during the quarter.

For the quarter ended March 31, 2007, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Cash available for distribution exceeded actual distributions by \$0.6 million or \$0.024 per unit for the quarter ended March 31, 2007. See Table 4 above for a breakdown of these figures for the periods from January 1, 2008 to March 31, 2008 and from January 1, 2007 to March 31, 2007, respectively.

## **INVESTING ACTIVITIES**

Capital expenditures for the quarter ended March 31, 2008 of \$0.7 million related primarily to maintenance capital expenditures which were financed by cash flow from operations.

## **FINANCING ACTIVITIES**

For the quarter ended March 31, 2008, the Fund paid or declared aggregate cash distributions of \$6.8 million to its unitholders.

## **OUTLOOK**

Management believes that the Fund will continue to meet its objectives, continuing to meet its monthly per unit distributions to unitholders of \$0.09656 for the foreseeable future. The Fund's Board of Trustees will continue to monitor the Fund's cash available for distribution 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 substantially all of the restructuring charges related to the integration of the former Data Business Forms Limited and Relizon Canada businesses have been accrued in the twelve months ended December 31, 2007.

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 previously announced federal income tax changes applicable to income trusts 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, with input from external legal and financial advisors, is closely monitoring those tax changes and carefully assessing their impact on the business and financial outlook of the Fund and the

Data Group and its broader effect on the income trust sector as a whole, all with a view to adopting a strategy that will maximize value to the Fund's 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).

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## CONSOLIDATED BALANCE SHEETS

(in thousands of dollars, unaudited)

	March 31, 2008	December 31, 2007
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	9,463	5,315
Accounts receivable	49,464	57,417
Inventories	50,815	42,266
Prepaid expenses and other current assets	4,306	3,649
Income taxes recoverable	429	837
	114,477	109,484
Property, plant and equipment	46,065	47,528
Goodwill	151,206	151,206
Intangible assets	63,022	65,766
	374,770	373,984
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	37,545	40,014
Accrued restructuring and integration provisions	4,134	5,245
Deferred revenue	6,652	6,886
Distributions payable	2,269	2,269
	50,600	54,414
Revolving bank facility	70,000	70,000
Convertible debentures	34,201	34,159
Future income taxes	6,855	6,655
Deferred gain	1,872	1,920
Unfavourable lease obligation	1,224	1,251
Deferred lease inducement	1,072	1,103
Pension obligation	9,868	9,668
Post-employment and post-retirement benefits	2,159	2,153
	177,851	181,323
<b>Unitholders' Equity</b>		
Units	215,336	215,336
Conversion option	898	898
Accumulated other comprehensive loss	(769)	(66)
Deficit	(18,546)	(23,507)
	196,919	192,661
	374,770	373,984

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

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

	<b>For the three months ended March 31, 2008</b>	<b>For the three months ended March 31, 2007</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	101,026	103,996
<b>Cost of revenues</b> (including depreciation of \$1,939 and \$2,042, respectively)	72,639	76,395
<b>Gross profit</b>	28,387	27,601
<b>Expenses</b>		
Selling, commissions and expenses	10,187	11,069
General and administration expenses (including depreciation of \$132 and \$167, respectively)	8,067	7,713
Integration costs	-	1,056
Amortization of intangible assets	2,744	2,411
	20,998	22,249
<b>Income before interest and income taxes</b>	7,389	5,352
<b>Interest expense on long-term debt</b> (net of interest income of \$108 and \$77, respectively)	1,598	1,542
<b>Income before income taxes</b>	5,791	3,810
<b>Provision for future income taxes</b>	200	-
<b>Net income for the period</b>	5,591	3,810
<b>Loss (gain) on cash flow hedges</b>	703	(63)
<b>Comprehensive income for the period</b>	4,888	3,873
<b>Basic income per unit</b>	0.24	0.16
<b>Diluted income per unit</b>	0.24	0.16
<b>Units outstanding</b>	23,490,592	23,475,659

## 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, 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	-	-	-	(6,801)	(6,801)
Gain on cash flow hedges	-	-	63	-	63
Net income for the period	-	-	-	3,810	3,810
<b>Balance as at March 31, 2007</b>	215,164	902	121	(6,712)	209,475
<b>Balance as at December 31, 2007</b>	215,336	898	(66)	(23,507)	192,661
Accounting policy change	-	-	-	6,175	6,175
<b>Balance as at January 1, 2008</b>	215,336	898	(66)	(17,332)	198,836
Distributions declared	-	-	-	(6,805)	(6,805)
Loss on cash flow hedges	-	-	(703)	-	(703)
Net income for the period	-	-	-	5,591	5,591
<b>Balance as at March 31, 2008</b>	215,336	898	(769)	(18,546)	196,919

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars, unaudited)

	For the three months ended March 31, 2008	For the three months ended March 31, 2007
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	5,591	3,810
Items not involving cash		
Depreciation of property, plant and equipment	2,071	2,209
Amortization of intangible assets	2,744	2,411
Pension expense	503	746
Contributions made to pension plans	(303)	(738)
Loss on disposal of property, plant and equipment	136	14
Accretion of convertible debentures	42	43
Amortization of deferred gain	(48)	-
Unfavourable lease obligations	(27)	(17)
Amortization of lease inducement	(31)	(31)
Post-employment and post-retirement benefits	6	6
Future income taxes	200	-
	10,884	8,453
Changes in non-cash items relating to operating activities	813	(4,914)
	11,697	3,539
<b>Investing activities</b>		
Purchase of property, plant and equipment	(746)	(1,134)
Proceeds on disposal of property, plant and equipment	2	-
Acquisition of business	-	(1,000)
	(744)	(134)
<b>Financing activities</b>		
Distributions to unitholders	(6,805)	(6,801)
	(6,805)	(6,801)
<b>Increase (decrease) in cash and cash equivalents</b>		
<b>during the period</b>	4,148	(3,396)
<b>Cash and cash equivalents - beginning of period</b>	5,315	4,767
<b>Cash and cash equivalents - end of period</b>	9,463	1,371
<b>Supplemental cash flow information</b>		
Interest paid	818	1,887
Non-cash lease inducement	-	766