



**THE DATA GROUP INCOME FUND**  
QUARTER THREE - ENDED SEPTEMBER 30, 2009

Solutions beyond print

Q3

# Committed to our values

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

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WE ARE committed to customer service and quality.

WE DO what we say we will do.

WE CONDUCT our business ethically and legally.

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

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

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

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

## LETTER TO UNITHOLDERS

During the third quarter, the Fund made progress in improving its financial condition as the initiatives we implemented over the past twelve months in response to the current economic conditions resulted in improved operating results.

The Fund currently intends to maintain its monthly distributions at existing levels, based upon the Data Group's third quarter results and currently projected cash flow from operations, including expected revenues from new business wins, lower anticipated operating expenses as a result of previous and recent cost reductions, and its current liquidity and existing cash resources. The Fund's Board of Trustees will continue to closely monitor the Fund's monthly distribution levels in light of the current economic volatility and the Fund's on-going cash available for distribution and cash resources.

I will now turn to some specifics.

Adjusted EBITDA (See "Non-GAAP Measures" in the accompanying report for a description of Adjusted EBITDA) for the quarter ended September 30, 2009 was \$8.6 million or 10.2% of revenues compared to Adjusted EBITDA of \$8.2 million or 9.2% of revenues in the same period in 2008, an improvement of 5.2%. This is a significant result, considering that:

- A) We expensed \$0.8 million more in the current quarter than we did in the same quarter a year ago, towards the achievement of our goal of reducing operating expenses by approximately \$15.0 million annually.
- B) Revenues in the current quarter were \$84.4 million, a decrease of 5.3% compared to the same period in 2008. The 5.3% decrease in revenues we believe considerably outpaces Canadian and United States printing industry data which suggests overall revenue declines in the 14-15% range. This is due in good part to the implementation of some of the estimated \$15.0 million of annual new business wins we have previously discussed.

Net income for the third quarter of 2009 was \$3.3 million or \$0.14 per basic unit compared to a net income of \$1.1 million or \$0.05 per basic unit for the same period in 2008. In the third quarter of 2009, the Fund had total cash available for distribution of \$6.7 million or \$0.285 per unit. Our total distributions to unitholders during the quarter were \$6.8 million or \$0.290 per unit for a payout ratio of 101.7%, an improvement from the payout ratio of 111.2% in the same period in 2008. All of our distributions in the third quarter and in the first nine months of 2009 were funded from cash generated by the Data Group's operations and from existing cash resources. For a more detailed discussion of our operating results for the nine months ended September 30, 2009 and 2008, please refer to the Results of Operations section in the accompanying Management's Discussion and Analysis report.

The current economic environment, in our view, continues to be very fluid, volatile and difficult to predict. Despite occasional "glimmers of hope", I am not ready to suggest that recovery has arrived. Consequently, we continue to manage on a "more of the same basis". At the same time, we believe that we are well positioned to take advantage of an economic recovery.

In closing, I would like to thank you, our unitholders, for your support as well as expressing our appreciation for the continuing support of our long term and new customers. You have a very dedicated, talented and experienced management team with whom I have the privilege to work with as well as very capable and dedicated employees at every level of the organization. They continue to demonstrate they are the best in the business and are working very hard to be the best they can be in a difficult environment.

November 2009

The DATA Group Income Fund



David M. Odell  
President and Chief Executive Officer

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

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

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

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

The date of this MD&A is November 4, 2009. Additional information relating to the Fund, including the Fund's most recently filed audited consolidated financial statements, Annual Information Form and Management Proxy Circular, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### FORWARD-LOOKING STATEMENTS

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

products and services; and the application of recent changes to the income tax treatment of certain income trusts, such as the Fund, which will subject the Fund to tax commencing in 2011 (assuming the Fund complies with the “normal growth guidelines” contained in such changes), and the effect of that announcement on the trading price of the Fund’s units. Additional factors are discussed elsewhere in this report and under the heading “Risks and Uncertainties” in the Fund’s publicly available disclosure documents, as filed by the Fund on SEDAR ([www.sedar.com](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 report as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, the Fund does not intend and does not assume any obligation to update these forward-looking statements.

## NON-GAAP MEASURES

This report includes certain non-GAAP measures as supplementary information. When used in this report, EBITDA means earnings before interest, taxes, depreciation and amortization, and Adjusted EBITDA means EBITDA adjusted for gains on cancellation of convertible debentures, lease exit charges, write downs of assets held for sale, goodwill impairment charges and pension plan curtailment gains. The Fund believes that, in addition to net income (loss), EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of the Data Group and/or the Fund. Cash available for distribution means cash provided by (used in) operating activities increased by, or reduced for, maintenance capital expenditures, purchases of convertible debentures, changes in non-cash working capital, and other non-cash items. Specifically, the Fund views cash available for distribution as a measure generally used by Canadian income funds, investors and management as an indicator of financial performance. EBITDA, Adjusted EBITDA and cash available for distribution are not earnings or cash flow measures recognized by GAAP and do not have any standardized meanings prescribed by GAAP. Therefore, EBITDA, Adjusted EBITDA and cash available for distribution are unlikely to be comparable to similar measures presented by other issuers.

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

## BUSINESS OF THE DATA GROUP

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

### *Sources of Revenue and Revenue Recognition Policy*

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

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

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

#### ***Costs of Revenues and Expenses***

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

#### ***Restructuring Costs***

Following the completion of the Fund's acquisition of Relizon Canada Inc. ("Relizon Canada") on August 31, 2006, the Data Group undertook a series of initiatives to integrate the former Data Business Forms Limited and Relizon Canada businesses in order to achieve operational and corporate synergies and other benefits from the combination of those businesses. On March 1, 2007, the Fund announced a restructuring plan resulting in the closure of four plants, the elimination of 121 jobs and the transfer of 99 jobs to other facilities. During the second and third quarters of 2007, the Data Group closed its plants located in Dorval, Québec; Hemmingford, Québec; Orangeville, Ontario; and Medicine Hat, Alberta. These plants ceased operations as of September 30, 2007. As a result of these initiatives, the Data Group has recognized restructuring costs and provisions relating to the termination of certain employees of the acquired business, and for other costs to exit or terminate specific leases and contracts which the Data Group intends to modify or terminate. During 2008, the Data Group recorded a \$0.5 million reduction in the accrued restructuring provisions and a corresponding reduction in goodwill as a result of the settlement of an outstanding legal proceeding. At September 30, 2009, the amount of the remaining accrued restructuring and integration provisions was \$0.7 million. The Data Group incurred additional restructuring expenses during 2008 and the first six months of 2009 in the form of severances as a result of on-going productivity improvement initiatives that

resulted in an employee headcount reduction of 54. The amount of the remaining accrued restructuring provision at September 30, 2009 was approximately \$0.5 million.

## GENERAL INFORMATION AND RESULTS OF OPERATIONS

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

### Consolidated Financial Information

<b>For the periods ended September 30, 2009 and 2008</b> <i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>Jul. 1 to Sept. 30, 2009</b>	<b>Jul. 1 to Sept. 30, 2008</b>	<b>Jan. 1 to Sept. 30, 2009</b>	<b>Jan. 1 to Sept. 30, 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	84,443	89,205	259,129	283,964
Cost of revenues	62,411	66,220	192,624	206,644
Gross profit	22,032	22,985	66,505	77,320
Selling, general and administrative expenses	15,130	16,749	46,751	52,333
Gain on cancellation of convertible debentures	-	-	(2)	-
Lease exit charge	-	-	866	-
Write down of assets held for sale	-	927	-	927
Amortization of intangible assets	2,649	2,744	7,947	8,232
Income before interest and income taxes	4,253	2,565	10,943	15,828
Interest expense on long-term debt	1,292	1,500	3,981	4,569
Income before income taxes	2,961	1,065	6,962	11,259
Future income tax (recovery) expense	(300)	(82)	155	518
Net income for the period	3,261	1,147	6,807	10,741
Basic and diluted income per unit	0.14	0.05	0.29	0.46
Number of units outstanding	23,490,592	23,490,592	23,490,592	23,490,592

	<b>As at Sept. 30, 2009</b>	<b>As at Sept. 30, 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Consolidated Balance Sheet Information</b>		
Current assets	106,731	111,451
Current liabilities	42,631	44,675
Total assets	329,887	360,674
Total long-term liabilities	128,488	127,257
Unitholders' equity	158,768	188,742

**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 September 30, 2009 and 2008</b> <i>(in thousands of dollars, except percentage amounts, unaudited)</i>	<b>Jul. 1 to Sept. 30, 2009</b>	<b>Jul. 1 to Sept. 30, 2008</b>	<b>Jan. 1 to Sept. 30, 2009</b>	<b>Jan. 1 to Sept. 30, 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>				
DATA East and West	77,727	81,973	237,397	258,712
Sundog	4,829	5,063	14,859	17,191
Multiple Pakfold	3,488	3,931	10,409	11,938
Intersegment	(1,601)	(1,762)	(3,536)	(3,877)
	<b>84,443</b>	<b>89,205</b>	<b>259,129</b>	<b>283,964</b>
<b>Gross profit</b>				
DATA East and West	20,125	21,373	61,258	71,360
Sundog	1,450	1,167	4,115	4,752
Multiple Pakfold	457	445	1,132	1,208
	<b>22,032</b>	<b>22,985</b>	<b>66,505</b>	<b>77,320</b>
<b>Gross profit, as a percentage of revenues</b>				
DATA East and West	25.9%	26.1%	25.8%	27.6%
Sundog	30.0%	23.0%	27.7%	27.6%
Multiple Pakfold	13.1%	11.3%	10.9%	10.1%
	<b>26.1%</b>	<b>25.8%</b>	<b>25.7%</b>	<b>27.2%</b>
<b>Selling, general and administrative expenses</b>				
	15,130	16,749	46,751	52,333
As a percentage of revenues	17.9%	18.8%	18.0%	18.4%
<b>Adjusted EBITDA (see Table 3)</b>				
	8,648	8,219	25,174	31,091
Adjusted EBITDA margin, as a percentage of revenues	10.2%	9.2%	9.7%	10.9%
<b>Net income for the period</b>				
	3,261	1,147	6,807	10,741

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

### Adjusted EBITDA Reconciliation

For the periods ended September 30, 2009 and 2008 <i>(in thousands of dollars, unaudited)</i>	Jul. 1 to Sept. 30, 2009 \$	Jul. 1 to Sept. 30, 2008 \$	Jan. 1 to Sept. 30, 2009 \$	Jan. 1 to Sept. 30, 2008 \$
Net income for the period	3,261	1,147	6,807	10,741
Net interest expense on long-term debt	1,292	1,500	3,981	4,569
Depreciation of property, plant and equipment	1,746	1,983	5,420	6,104
Write down of assets held for sale	-	927	-	927
Amortization of intangible assets	2,649	2,744	7,947	8,232
Gain on cancellation of convertible debentures	-	-	(2)	-
Lease exit charge	-	-	866	-
Future income tax (recovery) expense	(300)	(82)	155	518
Adjusted EBITDA	8,648	8,219	25,174	31,091

## RESULTS OF OPERATIONS

### THE DATA GROUP INCOME FUND

#### Revenues

The most significant challenge that the Data Group faced in the first nine months of 2009 was the weakness in the domestic and global economic environment, which negatively impacted the Fund’s revenues over that period. The decline in revenues was partially offset in the third quarter by revenues from new business. For the quarter ended September 30, 2009, the Fund recorded revenues of \$84.4 million, a decrease of \$4.8 million or 5.3% compared with the same period in 2008. The decrease, before intersegment revenues, was the result of a \$4.2 million decrease in the Data East and West segment, a \$0.2 million decrease in the Sundog segment and a \$0.4 million decrease in the Multiple Pakfold segment. For the nine months ended September 30, 2009, the Fund recorded revenues of \$259.1 million, a decrease of \$24.8 million or 8.7% compared with the same period in 2008. The decrease, before intersegment revenues, was the result of a \$21.3 million decrease in the DATA East and West segment, a \$2.3 million decrease in the Sundog segment and a \$1.5 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 September 30, 2009, cost of revenues decreased to \$62.4 million from \$66.2 million for the same period in 2008. Gross profit for the quarter ended September 30, 2009 was \$22.0 million, which represented a decrease of \$1.0 million or 4.1% from \$23.0 million for the same period in 2008. The decrease in gross profit for the quarter ended September 30, 2009 was attributable to a gross profit decrease of \$1.2 million in the DATA East and West segment offset by a gross profit increase of \$0.3 million in the Sundog segment. Gross profit as a percentage of revenues increased to 26.1% for the quarter ended September 30, 2009 compared to 25.8% for the same period in 2008. For the nine months ended September 30, 2009, cost of revenues decreased to \$192.6 million from \$206.6 million for the same period in 2008. Gross profit for the nine months ended September 30, 2009 was \$66.5 million, which represented a decrease of \$10.8 million or 14.0% from \$77.3 million in the same period of 2008.

The decrease in gross profit for the nine months ended September 30, 2009 was attributable to gross profit decreases of \$10.1 million in the DATA East and West segment, \$0.6 million in the Sundog segment and \$0.1 million in the Multiple Pakfold segment. Gross profit as a percentage of revenue decreased to 25.7% for the nine months ended September 30, 2009 compared to 27.2% for the same period in 2008.

#### ***Selling, General and Administrative Expenses and Restructuring Costs***

Selling, general and administrative (“SG&A”) expenses, including administrative expenses of the Fund, for the quarter ended September 30, 2009 decreased \$1.6 million to \$15.1 million compared to \$16.7 million in the same period of 2008. SG&A expenses for the three months ended September 30, 2009 decreased as the result of the Data Group’s on-going productivity improvements and cost reduction initiatives. As a percentage of revenues, these costs were 17.9% of revenues for the quarter ended September 30, 2009 compared to 18.8% of revenues for the same period in 2008. For the quarters ended September 30, 2009 and 2008, the Data Group incurred \$0.9 million and \$0.1 million of severance costs, respectively. These costs were included in SG&A and were related to the Data Group’s on-going productivity improvement initiatives. SG&A expenses for the nine months ended September 30, 2009 decreased by \$5.5 million to \$46.8 million compared to \$52.3 million in the same period of 2008. SG&A expenses for the nine months ended September 30, 2009 decreased as a result of the Data Group’s on-going productivity improvements and cost reduction initiatives. As a percentage of revenues, these costs were 18.0% of revenues for the nine months ended September 30, 2009 compared to 18.4% of revenues for the same period in 2008. For the nine month periods ended September 30, 2009 and 2008, the Data Group incurred \$1.3 million and \$0.6 million of severance costs, respectively. These costs were included in SG&A and were related to the Data Group’s on-going productivity improvement initiatives.

#### ***Asset Sale and Other***

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

#### ***Adjusted EBITDA***

For the quarter ended September 30, 2009, Adjusted EBITDA was \$8.6 million, or 10.2% of revenues. Adjusted EBITDA for the quarter ended September 30, 2009 increased \$0.4 million or 5.2% from the same period in the prior year and the Adjusted EBITDA margin for the quarter, as a percentage of revenues, increased from 9.2% of revenues in 2008 to 10.2% of revenues in 2009. For the nine months ended September 30, 2009, Adjusted EBITDA was \$25.2 million or 9.7% of revenues. Adjusted EBITDA for the nine months ended September 30, 2009 decreased \$5.9 million or 19.0% from the same period in the prior year and the Adjusted EBITDA margin for the nine month period, as a percentage of revenues, decreased from 10.9% of revenues in 2008 to 9.7% of revenues in 2009.

#### ***Interest Expense***

Net interest expense on long-term debt relating to the Data Group’s credit facilities and the Fund’s \$34.8 million aggregate principal amount of outstanding convertible debentures was \$1.3 million for the quarter ended September 30, 2009 compared to \$1.5 million for the same period in 2008. Net interest expense on long-term debt was \$4.0 million for the nine months ended September 30, 2009 compared to \$4.6 million for the same period in 2008.

For the quarter ended September 30, 2008, interest income of \$0.1 million was earned. This interest income was substantially related to the cash and cash equivalents held by the Data Group. Interest income of \$0.3 million was earned during the nine month periods ended September 30, 2009 and 2008, respectively. This interest income was substantially related to the cash and cash equivalents and other receivables held by the Data Group.

**Income Taxes**

The Fund reported income before income taxes of \$3.0 million and a future income tax recovery of \$0.3 million for the quarter ended September 30, 2009. The future income tax expense was due to a change in estimates of future reversals of temporary differences. The Fund reported income before income taxes of \$1.1 million and a future income tax recovery of \$0.1 million for the quarter ended September 30, 2008. The future income tax expense was due to a change in estimates of future reversals of temporary differences.

The Fund reported income before income taxes of \$7.0 million and a future income tax expense of \$0.2 million for the nine months ended September 30, 2009. The future income tax expense was due to a change in estimates of future reversals of temporary differences and changes to substantively enacted income tax rates. The Fund reported income before income taxes of \$11.3 million and a future income tax expense of \$0.5 million for the nine months ended September 30, 2008. The future income tax expense was due to a change in estimates of future reversals of temporary differences.

**Net Income**

Net income for the quarter ended September 30, 2009 was \$3.3 million compared to a net income of \$1.1 million for the quarter ended September 30, 2008. Net income for the nine months ended September 30, 2009 was \$6.8 million compared to a net income of \$10.7 million for the nine months ended September 30, 2008. The increase in comparable profitability for the quarter ended September 30, 2009 was substantially due to cost savings from on-going productivity improvement and cost reduction initiatives and revenues from new business, which increased capacity utilization and contributed to a strong product mix with higher value added and margin. The decrease in comparable profitability for the nine months ended September 30, 2009 was substantially due to lower gross profit as a result of lower revenues due to generally poor economic conditions, a lease exit charge and offset by realized cost savings from on-going productivity improvement and cost reduction initiatives.

**DATA EAST AND WEST**

Revenues at the Data Group's DATA East and West segment for the quarter ended September 30, 2009 decreased \$4.2 million or 5.2% to \$77.7 million from \$81.9 million for the same period in the prior year. Revenues for the nine months ended September 30, 2009 decreased \$21.3 million or 8.2% to \$237.4 million from \$258.7 million for the same period in the prior year.

Revenues for the three and nine months ended September 30, 2009 decreased due to lower spending from customers in the financial, government and direct mail industries as a result of generally poor economic conditions in the fourth quarter of 2008 and the first nine months of 2009. During the second quarter, this segment experienced declines in Western Canada similar to those encountered by the segment in Eastern Canada at the end of 2008 and during the first nine months of 2009. In the third quarter, the segment experienced revenue gains from new business which partially offset declines in revenues from existing customers.

For the quarter ended September 30, 2009, gross profit decreased \$1.2 million to \$20.1 million from \$21.4 million for the same period in 2008. Gross profit as a percentage of revenues for the quarter ended September 30, 2009 decreased to 25.9% from 26.1% for the same period in 2008. The decrease in gross profit as a percentage of revenues during the quarter ended September 30, 2009 was due to lower revenues. However, the improvement in gross profit as a percentage from the first two quarters of 2009 was due to an increase in capacity utilization and lower costs as a result on-going productivity improvement initiatives. As noted above, the new business revenues generated during the quarter contributed to a strong product mix with higher value added and margin.

For the nine months ending September 30, 2009, gross profit decreased \$10.1 million to \$61.3 million from \$71.4 million in the same period of 2008. Gross profit as a percentage of revenues for the nine months ended September 30, 2009 decreased to 25.8% from 27.6% for the same period in 2008. The decrease in the gross profit as a percentage of revenues during the nine months ended September 30, 2009, was due to lower revenues offset by an increase in capacity utilization and lower costs as a result on-going productivity improvement initiatives as discussed above.

**SUNDOG**

Revenues at the Data Group's Sundog segment for the quarter ended September 30, 2009 decreased \$0.2 million or 4.6% to \$4.8 million from \$5.0 million for the same period in the prior year. Revenues for the nine months ended September 30, 2009 decreased \$2.3 million or 13.6% to \$14.9 million from \$17.2 million for the same period in the prior year. The decrease in revenues for the three and nine months ended September 30, 2009 was due to poor economic conditions in Alberta, which continue to negatively affect demand for commercial printing in that market, primarily marketing materials.

For the quarter ended September 30, 2009, gross profit increased \$0.3 million to \$1.5 million from \$1.2 million for the same period in 2008. Gross profit as a percentage of revenues for the quarter ended September 30, 2009 increased to 30.0% from 23.0% for the same period in 2008. For the nine months ended September 30, 2009, gross profit decreased \$0.6 million to \$4.1 million from \$4.7 million for the same period in 2008. Gross profit as a percentage of revenues for the nine months ended September 30, 2009 increased to 27.7% from 27.6% for the same period in 2008. The increase in gross profit as a percentage of revenues for the three and nine months ended September 30, 2009 was principally due to an increase in higher value added and lower costs as a result on-going productivity improvement initiatives.

**MULTIPLE PAKFOLD**

Revenues at the Data Group's Multiple Pakfold segment for the quarter ended September 30, 2009 decreased \$0.4 million or 11.3% to \$3.5 million from \$3.9 million for the same period in the prior year. Revenues for the nine months ended September 30, 2009 decreased \$1.5 million or 12.8% to \$10.4 million from \$11.9 million for the same period in the prior year.

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

For the quarters ended September 30, 2009 and 2008, gross profit was \$0.5 million and \$0.4 million, respectively. Gross profit as a percentage of revenues for the quarter ended September 30, 2009 was 13.1% compared to 11.3% for the same period in 2008. For the nine months ended September 30, 2009, gross profit decreased \$0.1 million to \$1.1 million from \$1.2 million for the same period of 2008. Gross profit as a percentage of revenues for the nine months ended September 30, 2009 was 10.9% compared to 10.1% for the same period in 2008. The improvement in the gross profit as a percentage of revenues for the three and nine months ended September 30, 2009 was due to the cost reduction initiatives undertaken in 2008 and 2009 to improve operating efficiencies.

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

### Cash Available for Distribution Reconciliation

For the periods ended September 30, 2009 and 2008 <i>(in thousands of dollars, except percentages and per unit amounts, unaudited)</i>	Jul. 1 to Sept. 30, 2009 \$	Jul. 1 to Sept. 30, 2008 \$	Jan. 1 to Sept. 30, 2009 \$	Jan. 1 to Sept. 30, 2008 \$
Cash provided by operating activities	6,390	6,341	20,264	29,332
<i>Capital adjustments</i>				
Maintenance capital expenditures <sup>(1)</sup>	(547)	(692)	(1,853)	(2,159)
Purchase of convertible debentures	-	-	(6)	-
<i>Other adjustments including discretionary items:</i>				
Changes in non-cash working capital <sup>(2)</sup>	708	363	(47)	(2,949)
Other <sup>(3)</sup>	139	107	363	320
Cash available for distribution	6,690	6,119	18,721	24,544
Distributions to unitholders <sup>(4)</sup>	6,805	6,805	20,415	20,415
Excess (shortfall) of cash available for distribution over actual distributions	(115)	(686)	(1,694)	4,129
Per unit <sup>(5)</sup>				
Cash available for distribution per unit <sup>(5)</sup>	0.285	0.260	0.798	1.045
Distributions to unitholders per unit <sup>(5)</sup>	0.290	0.290	0.870	0.870
Excess (shortfall) of cash available for distribution per unit over actual distributions per unit	(0.005)	(0.030)	(0.072)	0.175
Payout ratio <sup>(6)</sup>	101.7%	111.2%	109.0%	83.2%

**Notes:**

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

## CASH AVAILABLE FOR DISTRIBUTION

See Table 4 above for a reconciliation of cash provided by operating activities to cash available for distribution for the three and nine month periods ended September 30, 2009 and 2008, respectively and the amounts discussed below. For the quarter ended September 30, 2009, the Fund generated \$6.7 million or \$0.285 per unit of cash available for distribution compared to \$6.1 million or \$0.260 per unit for the same period in 2008. Cash available for distribution for the quarter ended September 30, 2009 was calculated by deducting from cash provided by operating activities of \$6.4 million, maintenance capital expenditures of \$0.5 million and adding back changes in non-cash working capital of \$0.7 million and other non-cash items of \$0.1 million. Cash available for distribution for the quarter ended September 30, 2008 was calculated by deducting from cash provided by operating activities of \$6.3 million, maintenance capital expenditures of \$0.7 million and adding back changes in non-cash working capital of \$0.4 million and other non-cash items of \$0.1 million.

For the nine months ended September 30, 2009, the Fund generated \$18.7 million or \$0.798 per unit of cash available for distribution compared to \$24.5 million or \$1.045 per unit for the same period in 2008. Cash available for distribution for the nine months ended September 30, 2009 was calculated by deducting from cash provided by operating activities of \$20.3 million, maintenance capital expenditures of \$1.9 million and changes in non-cash working capital of \$0.1 million, and adding back other non-cash items of \$0.4 million. Cash available for distribution for the nine months ended September 30, 2008 was calculated by deducting from cash provided by operating activities of \$29.3 million, maintenance capital expenditures of \$2.1 million and changes in non-cash working capital of \$3.0 million, and adding back other non-cash items of \$0.3 million.

For the quarter ended September 30, 2009, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Actual distributions exceeded cash available for distribution by \$0.1 million or \$0.005 per unit for the quarter ended September 30, 2009. During the quarter ended September 30, 2009, the Data Group made cash payments of \$0.6 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs and accrued restructuring provisions related to severance costs incurred as part of the Data Group's on-going productivity improvement initiatives charged to restructuring expense in 2008. These cash payments were funded by cash generated from operations. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution.

For the quarter ended September 30, 2008, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Cash available for distribution exceeded actual distributions by \$0.7 million or \$0.030 per unit for the quarter ended September 30, 2008. During the quarter ended September 30, 2008, the Data Group made cash payments of \$0.4 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs. These cash payments were funded by cash generated from operations and the net proceeds from asset dispositions. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution.

For the nine months ended September 30, 2009, the Fund declared distributions of \$20.4 million or \$0.870 per unit. Actual distributions exceeded cash available for distribution by \$1.7 million or \$0.072 per unit for the nine months ended September 30, 2009. During the nine months ended September 30, 2009, the Data Group made cash payments of \$2.5 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon

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

For the nine months ended September 30, 2008, the Fund declared distributions of \$20.4 million or \$0.870 per unit. Cash available for distribution exceeded actual distributions by \$4.1 million or \$0.175 per unit for the nine months ended September 30, 2008. During the nine months ended September 30, 2008, the Data Group made cash payments of \$2.2 million for the restructuring costs accrued as part of the purchase price accounting for the Relizon Canada acquisition and for the related integration costs, consisting primarily of severance payments and moving costs. These cash payments were funded by cash generated from operations and the net proceeds from asset dispositions. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution.

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

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

<b>For the periods ended September 30, 2009 and 2008</b> <i>(in thousands of dollars, unaudited)</i>	<b>Jul. 1 to Sept. 30, 2009</b>	<b>Jul. 1 to Sept. 30, 2008</b>	<b>Jan. 1 to Sept. 30, 2009</b>	<b>Jan. 1 to Sept. 30, 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash provided by operating activities	6,390	6,341	20,264	29,332
Net income for the period	3,261	1,147	6,807	10,741
Actual cash distributions paid or declared relating to the period	6,805	6,805	20,415	20,415
(Shortfall) excess of cash provided by operating activities over cash distributions paid or declared	(415)	(464)	(151)	8,917
Shortfall of net income over cash distributions paid or declared	(3,544)	(5,658)	(13,608)	(9,674)

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

See Table 5 above for a calculation of the difference between cash provided by operating activities and cash available for distribution for the three and nine month periods ended September 30, 2009 and 2008, respectively. Cash provided by operating activities includes changes in working capital, including liabilities assumed on the acquisition of the Relizon Canada business, and accrued restructuring and integration provisions recorded as part of the purchase price accounting for the Relizon Canada acquisition and accrued restructuring provisions related to severance costs incurred as part of the Data Group's on-going productivity improvement initiatives and charged to

restructuring expense in 2008. The payments against these accrued restructuring and integration provisions will reduce cash from operating activities but are not considered in the Fund's calculation of cash available for distribution.

Distributions paid by the Fund on its outstanding units during the quarter ended September 30, 2009 were funded entirely from cash generated by the Data Group's operations and from existing cash resources. The shortfall of cash provided by operating activities over cash distributions paid or declared for the quarter ended September 30, 2009 was principally due to the revenue declines experienced by the Data Group during that period, which were partially offset by revenues from new business generated in the third quarter of 2009 and realized cost savings from cost reduction initiatives implemented during the third quarter of 2009.

Distributions paid by the Fund on its outstanding units during the quarter ended September 30, 2008 were funded entirely from cash generated by the Data Group's operations and existing cash resources. The excess of cash provided by operating activities over cash distributions paid or declared for the quarter ended September 30, 2008 was principally due to slower than expected revenues from the Data Group's Sundog and Multiple Pakfold segments and lower gross profit in each of the Data Group's operating segments.

Distributions paid by the Fund on its outstanding units during the nine months ended September 30, 2009 were funded entirely from cash generated by the Data Group's operations, the net proceeds from asset dispositions and existing cash resources. The shortfall of cash provided by operating activities over cash distributions paid or declared for the nine months ended September 30, 2009 was principally due to revenue declines experienced during the first nine months of 2009, which were partially offset by revenues from new business generated in the third quarter of 2009 discussed above and realized cost savings from the Data Group's restructuring and integration activities in 2007 and 2008 and cost reduction initiatives implemented during the third quarter of 2009.

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

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

**SHORTFALL OF NET INCOME OVER CASH DISTRIBUTIONS PAID OR DECLARED**

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

For the quarter ended September 30, 2009, the Fund's cash distributions paid on its outstanding units exceeded net income by \$3.5 million. Net income for the quarter ended September 30, 2009 included \$2.6 million in non-cash amortization of intangible assets, \$1.7 million in non-cash amortization of depreciation of property, plant and equipment, and a non-cash future income tax recovery of \$0.3 million.

For the quarter ended September 30, 2008, the Fund's cash distributions paid on to its outstanding units exceeded net income by \$5.7 million. Net income for the quarter ended September 30, 2008 included \$2.7 million in non-cash amortization of intangible assets, \$2.0 million in non-cash depreciation of property, plant and equipment, a \$0.9 million non-cash write down of assets held for sale and a non-cash future income tax expense of \$0.1 million.

For the nine months ended September 30, 2009, the Fund's cash distributions paid or declared to its unitholders exceeded net income by \$13.6 million. Net income for the nine months ended September 30, 2009 included \$7.9 million in non-cash amortization of intangible assets, \$5.4 million in non-cash amortization of depreciation of property, plant and equipment, a lease exit charge of \$0.9 million, and a non-cash future income tax expense of \$0.2 million.

For the nine months ended September 30, 2008, the Fund's cash distributions paid or declared to its unitholders exceeded net income by \$9.7 million. Net income for the nine months ended September 30, 2008 included \$8.2 million in non-cash amortization of intangible assets, \$6.1 million in non-cash amortization of depreciation of property, plant and equipment, a \$0.9 million non-cash write down of assets held for sale and a non-cash future income tax expense of \$0.5 million.

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

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

### **Eight Quarter Consolidated Statement of Cash Available for Distribution – Summary**

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

	2009			2008			2007	
	Q3	Q2	Q1	Q4 <sup>(1)</sup>	Q3 <sup>(1)</sup>	Q2 <sup>(1)</sup>	Q1	Q4 <sup>(2)</sup>
	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted EBITDA <sup>(3)</sup>	8,648	7,430	9,096	8,053	8,219	10,668	12,204	15,330
Cash available for distribution <sup>(4)</sup>	6,690	5,839	6,192	5,722	6,119	8,181	10,244	12,788
Distributions to unitholders	6,805	6,805	6,805	6,805	6,805	6,805	6,805	6,805
(Shortfall) excess of cash available for distribution over actual distributions	(115)	(966)	(613)	(1,083)	(686)	1,376	3,439	5,983
Per unit								
Cash available for distribution per unit <sup>(4)</sup>	0.285	0.249	0.264	0.244	0.260	0.349	0.436	0.545
Distributions per unit	0.290	0.290	0.290	0.290	0.290	0.290	0.290	0.290
(Shortfall) excess of cash available for distribution per unit over actual distributions per unit	(0.005)	(0.041)	(0.026)	(0.046)	(0.030)	0.059	0.146	0.255

**Notes:**

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

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Liquidity**

The Data Group maintains an amended credit facility with two Canadian chartered banks in the maximum amount of up to \$90.0 million. As at September 30, 2009, the Data Group had outstanding borrowings of \$70.0 million against this credit facility and was in compliance with its amended credit facility covenants. Subsequent to the quarter ended September 30, 2009, the Data Group completed an agreement to extend the maturity date of its existing credit facilities to August 31, 2011.

The Data Group is exposed to financial market risk resulting from changes in interest rates, and recent developments in the financial markets have increased the Data Group's exposure to the possible liquidity and credit risks of its counterparties. The Data Group previously entered into interest rate swap contracts with the lenders under its credit facilities in order to protect itself against the risk of fluctuations in interest rates and to maintain an appropriate mix between floating and fixed rate borrowings. Interest rate swap contracts involve the exchange of fixed and floating interest payment obligations based on a predetermined notional amount for a specified period of time. As a result of

these contracts, the borrowing rate on \$30.0 million of the Data Group's outstanding indebtedness was effectively fixed at an interest rate of 4.16% plus stamping fees until August 28, 2009. The borrowing rate on an additional \$20.0 million of the Data Group's outstanding indebtedness was effectively fixed at an interest rate of 4.22% plus stamping fees until August 28, 2009. The remaining \$20.0 million of the Data Group's outstanding indebtedness was subject to floating interest rates. As a result of these interest rate swaps maturing, \$70.0 million of the Data Group's indebtedness outstanding at September 30, 2009 is subject to floating interest rates. The Data Group's credit facility expires on August 31, 2011 and market conditions could affect certain terms of the replacement facility along with the terms of other debt instruments that the Data Group enters into from time to time.

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

At September 30, 2009, the Data Group had cash and cash equivalents of \$10.7 million compared to \$11.5 million at December 31, 2008. The cash equivalents consist mainly of short-term investments, such as money market deposits. None of the cash equivalents are in asset-backed commercial paper products. The Data Group has deposited the cash equivalents with reputable Canadian financial institutions, from which the Data Group believes the risk of loss to be remote. In addition, under the terms of the Data Group's amended credit facility, the Data Group had access to \$20.0 million of available credit less letters of credit granted of \$3.1 million at September 30, 2009.

At September 30, 2009, the Data Group's accrued restructuring and integration provisions totalled \$1.2 million and a significant portion of the remaining severance cost is expected to be paid during the remainder of 2009. These costs are expected to be funded with cash from operating activities and existing cash resources.

The Fund previously recorded the estimated amount payable by the Data Group of \$4.4 million representing tax, interest and penalties to settle the anticipated assessments by the Canada Revenue Agency ("CRA") and certain provincial tax authorities that, in each case, adjust the pricing of transactions between Relizon Canada and its former parent company prior to the Fund's acquisition of Relizon Canada from The Relizon Company ("Relizon US") in 2006 for the periods 2001 to 2006. During the second quarter of 2009, the Data Group paid \$3.5 million to the CRA in respect of this matter. During the quarter ended September 30, 2009, the Data Group received refunds totalling \$0.8 million from CRA in respect of this matter. The Data Group will make payments to certain provincial tax authorities in relation to this matter when it receives and verifies the related provincial assessments in connection with this matter.

During the second quarter of 2009, the Fund settled its outstanding legal proceedings against Relizon US seeking recovery of these tax assessments and the related expenses incurred by the Fund in connection with those proceedings. Under the terms of the settlement reached between the parties, Relizon US and its affiliate, Workflow Management, Inc., have agreed to pay to the Fund a total of \$3.5 million, of which to date \$2.3 million has been received and the Fund expects to collect the remainder of the instalments before the end of 2009. This recovery from Workflow Management, Inc. was established in fiscal 2008 and is included in other current assets (net of payments received).

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

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

#### ***Cash Flow from Operations***

Changes in non-cash working capital decreased cash by \$0.7 million during the quarter ended September 30, 2009. The accounts receivable balance increased by \$4.8 million as a result of increased revenues from new business and the timing of payments by customers of the DATA East and West segment. Inventory levels increased by \$0.7 million as a result of the timing of shipments of products to customers of the DATA East and West segment. Prepaid expenses and other assets decreased by \$1.3 million as a result of collection of the recovery from Workflow Management, Inc. The accounts payable and accrued liabilities increased by \$1.9 million as a result of the timing of payments to suppliers for purchases during the third quarter of 2009. Income taxes payable increased by \$0.8 million as a result of receipts from the CRA related to tax recoveries. Accrued restructuring and integration provisions decreased by \$0.6 million due to payments made to former employees in the form of severances. Deferred revenues increased by \$1.4 million due to the timing of shipments at the end of the third quarter.

The net change in non-cash working capital amounts was not significant and there was no significant change in cash for the nine months ended September 30, 2009. Accounts receivable decreased by \$5.6 million as a result of increased revenues from new business and the timing of payments by customers in the Data East and West segment. Inventory levels increased by \$1.2 million as a result of the timing of shipments of products to customers of the DATA East and West segment. Prepaid expenses and other assets decreased by \$1.9 million as a result of collection of the recovery from Workflow Management, Inc. Accounts payable and accrued liabilities decreased by \$2.3 million as a result of the timing of payments to suppliers from the first nine months of 2009 activity. Income taxes payable decreased by \$1.9 million as a result of a payment to the CRA for estimated amounts payable by the Data Group and net of receipts from the CRA related to tax recoveries. Accrued restructuring and integration provisions decreased by \$2.4 million, which was due to payments made to former employees in the form of severances.

***Pension Funding Obligations***

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

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

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

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

The updated actuarial valuation of the DBFL Plan as at January 1, 2009 has been completed. The solvency deficit in the DBFL Plan increased as the result of the impact of changes in Canadian economic conditions and the downturn in debt and equity markets in 2008, changes in actuarial assumptions and elements of pension plan experience. Recently released pension regulations provide temporary solvency funding relief for 2009 to the Data Group and permit the deferral of certain contributions to this plan if certain conditions are met. The temporary solvency funding relief permits the Data Group to reduce its 2009 contribution to the DBFL Plan to its 2008 funding level. The Fund would have been required to increase its annual cash contributions to the DBFL Plan from \$1.5 million to \$3.5 million

effective from January 1, 2009, provided there was no change in actuarial valuation methodology and the temporary solvency funding relief was not applied. Based on the funding strategy adopted for 2009, the Data Group's annual cash contribution towards the DBFL Plan's solvency deficiency for 2009 is \$1.5 million.

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

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

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

#### ***Working Capital – Accounts Receivable***

The Data Group has accounts receivable from clients engaged in various industries, none of which are concentrated in any specific geographic area. These clients include financial institutions, insurance companies, oil and gas companies, retailers, and governmental agencies. The specific industries in which these clients operate may be affected by the current economic conditions impacting the domestic and global economies, which could adversely impact the Data Group's accounts receivable. Management of the Data Group does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated by the Data Group's large client base. As at September 30, 2009, \$1.5 million or 3.6% (September 30, 2008 - \$3.9 million or 8.6%) of the Data Group's accounts receivable were more than 90 days old, which is an improvement from historical aging profiles.

#### ***Investing Activities***

Capital expenditures for the quarter ended September 30, 2009 of \$0.5 million related primarily to maintenance capital expenditures and were financed by cash flow from operations. Capital expenditures for the nine months ended September 30, 2009 of \$1.9 million related primarily to maintenance capital expenditures and were financed by cash flow from operations and net proceeds from asset dispositions. During the nine months ended September 30, 2009, the Data Group sold and leased back printing equipment having a value of \$0.6 million. During

the nine months ended September 30, 2009, the Data Group sold its former Hemmingford, Québec facility for gross proceeds of \$0.7 million.

### ***Financing Activities***

For the quarter ended September 30, 2009, the Fund paid or declared aggregate cash distributions of \$6.8 million to its unitholders. For the nine months ended September 30, 2009, the Fund paid cash distributions of \$20.4 million to its unitholders.

### **NORMAL COURSE ISSUER BID**

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

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

### **OUTSTANDING UNIT DATA**

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

### **DISTRIBUTIONS**

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

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

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

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

<b>Record Date</b>	<b>Payment Date</b>	<b>Per Unit</b>	<b>Amount</b>
January 30, 2009	February 13, 2009	\$0.09656	\$2.268 million
February 27, 2009	March 13, 2009	\$0.09656	\$2.268 million
March 31, 2009	April 15, 2009	\$0.09656	\$2.269 million
April 30, 2009	May 15, 2009	\$0.09656	\$2.268 million
May 29, 2009	June 15, 2009	\$0.09656	\$2.268 million
June 30, 2009	July 15, 2009	\$0.09656	\$2.269 million
July 31, 2009	August 14, 2009	\$0.09656	\$2.268 million
August 31, 2009	September 15, 2009	\$0.09656	\$2.268 million
September 30, 2009	October 15, 2009	\$0.09656	\$2.269 million

## CONTRACTUAL OBLIGATIONS

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

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

### Eight Quarter Results of Operations - Summary

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

	<b>2009</b>			<b>2008</b>				<b>2007</b>
	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	84,443	84,269	90,417	96,508	89,205	93,733	101,026	107,235
Net income (loss)	3,261	749	2,797	(10,046)	1,147	4,003	5,591	10,672
Basic income (loss) per unit	0.14	0.03	0.12	(0.43)	0.05	0.17	0.24	0.45
Diluted income (loss) per unit	0.14	0.03	0.12	(0.43)	0.05	0.17	0.24	0.45

The variations in the Fund's quarterly results of operations over the eight quarters ended September 30, 2009 can be attributed to three principal factors: goodwill impairment charges, restructuring expenses related to on-going

productivity improvement initiatives, the expenses incurred in integrating the former Data Business Forms Limited and Relizon Canada businesses. In addition, the results of operations for the fourth quarter of 2008 and the first three quarters of 2009 compared to the corresponding periods in the fourth quarter of 2007 and the first three quarters of 2008 have been negatively affected by general poor economic conditions. The Data Group's net income for second quarter of 2009 includes a non-recurring lease exit charge of \$0.9 million. The Data Group's net income for the third quarter of 2009 improved as a result of costs savings from on-going productivity improvements and cost reduction initiatives and revenues from new business, which increased capacity utilization and contributed a strong product mix with higher value added and margin.

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

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

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

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

## **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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

With the supervision and participation of the Data Group's senior management team, the Chief Executive Officer and the Chief Financial Officer of the Data Group have evaluated the design of the internal controls over financial reporting (as defined in Multilateral Instrument 52-109) of the Fund and the Data Group as of September 30, 2009. In

making this evaluation, the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework was used to design the internal controls over financial reporting. Based on that evaluation, those officers have concluded that, as of September 30, 2009, such internal controls over financial reporting were sufficiently effective to provide reasonable assurance regarding the reliability of the Fund's financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

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

## OUTLOOK

During the quarter, the Fund has made progress as a result of the initiatives executed in this and previous quarters. Consequently, the Fund currently intends to maintain its monthly distributions at existing levels, based upon the Data Group's third quarter results and currently projected cash flow from operations, including expected revenues from new business wins, lower anticipated operating expenses as a result of previous and recent cost reductions, and its current liquidity and existing cash resources. The Fund's Board of Trustees will continue to closely monitor the Fund's monthly distribution levels in light of the current economic volatility and the Fund's on-going cash available for distribution and cash resources. The current economic environment continues to be very fluid, volatile and difficult to predict. Management will continue to manage on a "more of the same basis". Management believes the Fund is well positioned to benefit from an economic recovery.

The Data Group will continue to review its operations and undertake restructuring initiatives to maintain a competitive cost structure. These initiatives may result in the further consolidation of facilities, and the Data Group may incur additional severance costs, accelerated further depreciation expense, impairment charges related to property, plant and equipment, goodwill, and costs attributable to the termination of contracts for leases, supplier arrangements and other contractual obligations.

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

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

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

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

The Data Group will continue its strategic focus on being the leading document management service provider in Canada, concentrating on providing high value-added products and services. The Data Group will also selectively pursue acquisition opportunities within its existing business segments.

## **NEW ACCOUNTING POLICIES**

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

## **ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

### **INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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

#### **SCOPING AND DIAGNOSTIC PHASE**

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

#### **IMPACT ANALYSIS AND DESIGN PHASE**

In this phase, each area identified from the scoping and diagnostic phase will be addressed. This phase will determine changes required to existing accounting policies, information systems and business processes, together

with an analysis of accounting policy alternatives allowed under IFRS and development of draft IFRS financial statement content. The Fund is also assessing the impact of the conversion on business activities including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls.

#### **IMPLEMENTATION AND REVIEW PHASE**

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

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

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

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

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

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

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

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

## RISKS AND UNCERTAINTIES

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

### ***Current Uncertainty in Domestic and Global Economic Conditions***

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

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

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

**CONSOLIDATED BALANCE SHEETS**

(in thousands of dollars, unaudited)

	September 30, 2009	December 31, 2008
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	10,718	11,492
Accounts receivable	41,462	47,106
Inventories (note 4)	48,734	47,583
Prepaid expenses and other current assets	5,817	7,684
	106,731	113,865
Property, plant and equipment	35,107	39,909
Goodwill	141,206	141,206
Intangible assets	46,843	54,790
	329,887	349,770
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	28,875	32,224
Accrued restructuring and integration provisions (note 6)	1,200	3,627
Income taxes payable	2,157	4,022
Deferred revenue	8,130	7,861
Distributions payable	2,269	2,269
	42,631	50,003
Revolving bank facility	70,000	70,000
Convertible debentures	34,445	34,327
Future income taxes (note 7)	8,601	8,446
Deferred gain	1,579	1,724
Unfavourable lease obligation	1,054	1,142
Deferred lease inducement	888	980
Lease exit accrual (note 13)	828	-
Pension obligations (note 5)	8,889	9,680
Post-employment and post-retirement benefits	2,204	2,150
	171,119	178,452
<b>Unitholders' Equity</b>		
Units (note 10)	215,336	215,336
Conversion options	897	898
Accumulated other comprehensive loss	-	(1,059)
Deficit	(57,465)	(43,857)
	158,768	171,318
	329,887	349,770

**APPROVED BY THE BOARD OF TRUSTEES**



Trustee



Trustee

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

**CONSOLIDATED STATEMENTS OF INCOME AND  
COMPREHENSIVE INCOME**
*(in thousands of dollars, except per unit amounts, unaudited)*

	<b>For the three months ended September 30, 2009</b>	<b>For the three months ended September 30, 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	84,443	89,205
<b>Cost of revenues</b> (including depreciation of \$1,689 and \$1,892, respectively)	62,411	66,220
<b>Gross profit</b>	22,032	22,985
<b>Expenses</b>		
Selling, commissions and expenses	8,138	8,955
General and administration expenses (including depreciation of \$57 and \$91, respectively)	6,992	7,794
Write down of assets held for sale	-	927
Amortization of intangible assets	2,649	2,744
	17,779	20,420
<b>Income before interest and income taxes</b>	4,253	2,565
<b>Interest expense on long-term debt</b> (net of interest income of \$15 and \$121, respectively)	1,292	1,500
<b>Income before income taxes</b>	2,961	1,065
<b>Future income tax recovery</b> (note 7)	(300)	(82)
<b>Net income for the period</b>	3,261	1,147
<b>(Gain) loss on cash flow hedges</b>	(344)	45
<b>Comprehensive income for the period</b>	3,605	1,102
<b>Basic income per unit</b>	0.14	0.05
<b>Diluted income per unit</b> (note 11)	0.14	0.05
<b>Units outstanding</b>	23,490,592	23,490,592

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

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>For the nine months ended September 30, 2009</b>	<b>For the nine months ended September 30, 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	259,129	283,964
<b>Cost of revenues</b> (including depreciation of \$5,221 and \$5,763, respectively)	192,624	206,644
<b>Gross profit</b>	66,505	77,320
<b>Expenses</b>		
Selling, commissions and expenses	25,347	28,619
General and administration expenses (including depreciation of \$199 and \$341, respectively)	21,404	23,714
Lease exit charge (note 13)	866	-
Gain on cancellation of convertible debentures	(2)	-
Write down of assets held for sale	-	927
Amortization of intangible assets	7,947	8,232
	55,562	61,492
<b>Income before interest and income taxes</b>	10,943	15,828
<b>Interest expense on long-term debt</b> (net of interest income of \$262 and \$331, respectively)	3,981	4,569
<b>Income before income taxes</b>	6,962	11,259
<b>Future income tax expense</b> (note 7)	155	518
<b>Net income for the period</b>	6,807	10,741
<b>(Gain) loss on cash flow hedges</b>	(1,059)	420
<b>Comprehensive income for the period</b>	7,866	10,321
<b>Basic income per unit</b>	0.29	0.46
<b>Diluted income per unit</b> (note 11)	0.29	0.46
<b>Units outstanding</b>	23,490,592	23,490,592

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

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

	Units	Conversion options	Accumulated other comprehensive income (loss)	Deficit	Total Unitholders' Equity
	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2007</b>	215,336	898	(66)	(23,507)	192,661
Accounting policy change (note 4)	-	-	-	6,175	6,175
<b>Balance as at January 1, 2008</b>	215,336	898	(66)	(17,332)	198,836
Distributions declared	-	-	-	(20,415)	(20,415)
Loss on cash flow hedges	-	-	(420)	-	(420)
Net income for the period	-	-	-	10,741	10,741
<b>Balance as at September 30, 2008</b>	215,336	898	(486)	(27,006)	188,742
<b>Balance as at December 31, 2008</b>	215,336	898	(1,059)	(43,857)	171,318
Distributions declared	-	-	-	(20,415)	(20,415)
Cancellation of convertible debentures	-	(1)	-	-	(1)
Gain on cash flow hedges	-	-	1,059	-	1,059
Net income for the period	-	-	-	6,807	6,807
<b>Balance as at September 30, 2009</b>	215,336	897	-	(57,465)	158,768

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

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

	<b>For the three months ended September 30, 2009</b>	<b>For the three months ended September 30, 2008</b>
	<b>\$</b>	<b>\$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	3,261	1,147
Items not involving cash		
Depreciation of property, plant and equipment	1,746	1,983
Amortization of intangible assets	2,649	2,744
Pension expense	237	494
Contributions made to pension plans	(502)	(498)
Write down of assets held for sale	-	927
Loss on disposal of property, plant and equipment	86	46
Accretion of convertible debentures	42	42
Amortization of deferred gain	(48)	(50)
Unfavourable lease obligation	(30)	(27)
Amortization of lease inducement	(31)	(30)
Accretion of lease exit accrual	(30)	-
Post-employment and post-retirement benefits	18	8
Future income tax recovery	(300)	(82)
	7,098	6,704
Changes in non-cash items relating to operating activities (note 9)	(708)	(363)
	6,390	6,341
<b>Investing activities</b>		
Purchase of property, plant and equipment	(547)	(692)
Proceeds on disposal of property, plant and equipment	-	7
	(547)	(685)
<b>Financing activities</b>		
Distributions to unitholders (note 12)	(6,805)	(6,805)
	(6,805)	(6,805)
<b>Decrease in cash and cash equivalents during the period</b>	<b>(962)</b>	<b>(1,149)</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>11,680</b>	<b>14,864</b>
<b>Cash and cash equivalents – end of period</b>	<b>10,718</b>	<b>13,715</b>
<b>Supplemental cash flow information</b>		
Interest paid	870	940
Income taxes (received) paid	(772)	-

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

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

	<b>For the nine months ended September 30, 2009 \$</b>	<b>For the nine months ended September 30, 2008 \$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	6,807	10,741
Items not involving cash		
Depreciation of property, plant and equipment	5,420	6,104
Amortization of intangible assets	7,947	8,232
Pension expense	697	1,481
Contributions made to pension plans	(1,488)	(1,479)
Write down of assets held for sale	-	927
(Gain) loss on disposal of property, plant and equipment	(1)	31
Gain on cancellation of convertible debentures	(2)	-
Lease exit charge (note 13)	866	-
Accretion of convertible debentures	125	126
Amortization of deferred gain	(145)	(147)
Unfavourable lease obligation	(88)	(81)
Amortization of lease inducement	(92)	(92)
Accretion of lease exit accrual	(38)	-
Post-employment and post-retirement benefits	54	22
Future income tax expense	155	518
	20,217	26,383
Changes in non-cash items relating to operating activities (note 9)	47	2,949
	20,264	29,332
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,853)	(2,159)
Proceeds on disposal of property, plant and equipment	1,236	1,642
	(617)	(517)
<b>Financing activities</b>		
Repurchase of convertible debentures	(6)	-
Distributions to unitholders (note 12)	(20,415)	(20,415)
	(20,421)	(20,415)
<b>(Decrease) increase in cash and cash equivalents during the period</b>	(774)	8,400
<b>Cash and cash equivalents – beginning of period</b>	11,492	5,315
<b>Cash and cash equivalents – end of period</b>	10,718	13,715
<b>Supplemental cash flow information</b>		
Interest paid	3,411	3,791
Income taxes (received) paid	2,698	-

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

Notes to Consolidated Financial Statements  
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## 1. THE FUND

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

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

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

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

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

## 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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### 3. NEW ACCOUNTING POLICIES

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

#### ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

### 4. INVENTORIES

	<b>September 30,</b>	<b>December 31,</b>
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Paper, carbon and ink	6,954	6,928
Work-in-progress	5,245	3,187
Forms, computer paper and labels	36,535	37,468
	48,734	47,583

Prior to January 1, 2008, Canadian GAAP allowed fixed overhead costs associated with the Data Group’s production activities to be expensed during the period. Following the adoption of the new inventory section of the CICA Handbook on January 1, 2008, the Data Group now includes fixed overhead costs in the cost of its inventories. As result of adopting the new standard, the Data Group increased the value of its inventories on January 1, 2008 by \$6,175 with a corresponding decrease in the opening deficit. The cost of inventories recognized as an expense within cost of revenues for the three months ended September 30, 2009 was \$59,392 (2008 – \$63,257) and for the nine months ended September 30, 2009 was \$181,968 (2008 - \$195,013).

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## 5. PENSION OBLIGATIONS AND EXPENSES

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

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

During the year ended December 31, 2008, the Data Group engaged actuaries to complete an updated actuarial valuation of the DBFL Plan, which determined that as at January 1, 2008 the solvency deficit increased in the DBFL Plan. As a result of this updated actuarial valuation and the funding strategy adopted, the Data Group has increased its annual cash contribution towards the DBFL Plan’s solvency deficiency from \$752 to \$1,491 effective January 1, 2008. Annual actuarial valuations are required on the DBFL Plan until the solvency deficiency is reduced to a level under which applicable pension regulations allow the valuations to be completed every three years. Based on these valuations, the annual cash contributions to this plan will be determined annually and will depend on the plan’s investment performance and changes in long-term interest rates, estimates of the price of annuities, and other elements of pension plan experience such as demographic changes and administration expenses, among others. Under applicable pension regulations, the plan’s solvency deficiency can be funded over a maximum period of five years from the date of the valuation. The updated actuarial valuation of the DBFL Plan as at January 1, 2009 has been completed. Based on the funding strategy adopted for 2009, the Data Group’s annual cash contribution towards the DBFL Plan’s solvency deficiency for 2009 is \$1,487.

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

The annual pension expense for the Data Group’s defined contribution pension plan, (the “DC Plan”) is based on the amounts earned by eligible employees. During the quarter ended September 30, 2009, the Data Group has reduced its contributions to the DC Plan in an effort to reduce its costs. Members of the DBFL Plan were eligible to participate in the DC Plan beginning January 1, 2008 and members of the Relizon Canada Plan were eligible to participate in the DC Plan beginning January 1, 2009.

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

	For the three months ended September 30, 2009 \$	For the three months ended September 30, 2008 \$	For the nine months ended September 30, 2009 \$	For the nine months ended September 30, 2008 \$
Defined benefit plans	237	494	697	1,481
Defined contribution plan	480	667	2,517	2,164

## 6. ACCRUED RESTRUCTURING AND INTEGRATION PROVISIONS

### a. Restructuring Provision - 2008

During the year ended December 31, 2008, the Data Group undertook restructuring and on-going productivity improvement initiatives to reduce its cost of operations. These initiatives resulted in a \$2,621 charge to restructuring expense in fiscal 2008 and a \$62 charge during the quarter ended June 30, 2009. For the three and nine months ended September 30, 2009, cash payments of \$324 and \$1,308, respectively, were made to former employees for severance and a significant amount of the remaining severance accrual of \$485 at September 30, 2009 will be paid during the remainder of 2009.

### b. Restructuring and Integration Provisions - 2007

In connection with the acquisition of Relizon Canada on August 31, 2006, the Fund adopted a plan to integrate and restructure the acquired business. The Data Group completed the restructuring activities under this plan during 2007 and expects a significant portion of the remaining severance accrual of \$715 at September 30, 2009 to be paid during the remainder of 2009. The liabilities relating to these costs were included in the allocation of the purchase price of Relizon Canada. For the three and nine months ended September 30, 2009, cash payments of \$247 and \$1,181, respectively, were made to former employees for severance and a retiring allowance related to this restructuring.

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

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

	<b>For the three months ended September 30, 2009 \$</b>	<b>For the three months ended September 30, 2008 \$</b>	<b>For the nine months ended September 30, 2009 \$</b>	<b>For the nine months ended September 30, 2008 \$</b>
Balance - Beginning of period	1,771	3,535	3,627	5,245
Restructuring costs charged to expense	-	-	62	-
Adjustment to reduce goodwill	-	(500)	-	(500)
Cash payments	(571)	(443)	(2,489)	(2,153)
Balance - End of period	1,200	2,592	1,200	2,592

## 7. FUTURE INCOME TAXES

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

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

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

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

	<b>September 30,</b>	<b>December 31,</b>
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Future income tax assets:</b>		
Pension obligations, post-employment and post-retirement benefits	3,062	3,335
Deferred finance fees	95	181
Unfavourable lease obligation	282	293
Lease exit accrual	186	-
Lease escalation	148	134
Benefit of income tax loss and other carry-forwards	816	623
Deferred gain on sale leaseback	184	188
Other	319	350
<b>Total future tax assets</b>	<b>5,092</b>	<b>5,104</b>
<b>Future income tax liabilities:</b>		
Property, plant and equipment greater than tax values	3,450	2,821
Intangible assets greater than tax values	9,436	9,639
Other	807	1,090
<b>Total future tax liabilities</b>	<b>13,693</b>	<b>13,550</b>
<b>Net future income tax liabilities</b>	<b>8,601</b>	<b>8,446</b>

In the ordinary course of business, the Data Group and its subsidiaries and predecessors have entered into transactions where the ultimate tax determination may be uncertain. These uncertainties require management to make estimates of the ultimate tax liabilities and, accordingly, the provision for income taxes. Since there are inherent uncertainties, additional tax liabilities may result if tax matters are ultimately resolved or settled at amounts different from those estimates.

The Fund previously recorded the estimated amount payable by the Data Group of \$4,400 representing tax, interest and penalties to settle the anticipated assessments by the Canada Revenue Agency ("CRA") and certain provincial tax authorities that, in each case, adjust the pricing of transactions between Relizon Canada and its former parent company prior to the Fund's acquisition of Relizon Canada from The Relizon Company ("Relizon US") in 2006 for the periods 2001 to 2006. During the second quarter of 2009, the Data Group paid \$3,470 to the CRA in respect of this matter. During the quarter ended September 30, 2009, the Data Group received refunds totalling \$772 from CRA in respect of this matter. The Data Group will make payments to certain provincial tax authorities in relation to this matter when it receives and verifies the related provincial assessments in connection with this matter.

During the second quarter of 2009, the Fund settled its outstanding legal proceedings against Relizon US seeking recovery of these tax assessments and the related expenses incurred by the Fund in connection with these proceedings. Under the terms of the settlement reached between the parties, Relizon US and its affiliate, Workflow

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Management, Inc., have agreed to pay to the Fund a total of \$3,500, of which to date \$2,333 has been received and the Fund expects to collect the remainder of the instalments before the end of 2009. This recovery from Workflow Management, Inc. was established in fiscal 2008 and is included in other current assets (net of payments received).

## 8. FINANCIAL INSTRUMENTS

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

### **Presentation**

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

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

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

The Fund's interest rate swaps are derivative financial instruments and, accordingly, are recorded at fair value. During the quarter ended September 30, 2009, the Fund's interest rate swaps matured. The interest rate swaps are included in other current assets and accounts payable and accrued liabilities as appropriate. The interest rate swaps are designated as cash flow hedges and, therefore, are accounted for in accordance with CICA Handbook Section 3865, Hedges. Under hedge accounting, interest expense is recognized as if the cash flow hedge and the hedged item were a single instrument. Realized and unrealized gains or losses which are associated with the derivative instruments and, which have been terminated or cease to be effective prior to maturity, are deferred in other comprehensive income and recognized in income in the period in which the underlying hedge transaction is recognized.

### **Fair value**

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

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

The fair value of the derivative financial instruments generally reflects the estimates of the amounts the Data Group would receive by way of settlement of favourable contracts or that it would pay to terminate unfavourable contracts at the balance sheet date. The fair value of the interest rate swaps are calculated using the quotes obtained from major

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financial institutions. Interest rate swaps designated as cash flow hedges are unfavourable and have a fair value and carrying value based on market values obtained from financial institutions.

Changes in the fair value of the interest rate swap are recognized in accumulated other comprehensive income to the extent that the hedge is effective. The ineffective portion, if any, is expensed in the consolidated statement of income. During the quarter ended September 30, 2009, the Data Group's interest rate swaps matured and as a result it no longer has any balance within other comprehensive income or accumulated other comprehensive income. The Data Group recorded realized gains on the maturity of the interest rate swaps of \$344 and \$1,059 in other comprehensive income for the three and nine months ended September 30, 2009, respectively. The Data Group recorded unrealized losses on the revaluation of the interest rate swaps of \$45 and \$420 in other comprehensive income for the three and nine months ended September 30, 2008, respectively.

**Categories of financial assets and liabilities**

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

	<b>September 30, 2009</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
	<b>\$</b>	<b>\$</b>
Held for trading <sup>(1)</sup>	10,718	10,718
Loans and receivables <sup>(2)</sup>	42,649	42,649
Other financial liabilities <sup>(3)</sup>	136,789	135,427

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

*Notes:*

- (1) *Includes only cash and cash equivalents. All held for trading assets were designated as such upon initial recognition.*
- (2) *Includes accounts receivable and other receivables within other current assets.*
- (3) *Includes accounts payable and accrued liabilities (excluding financial liabilities related to interest rate swaps at December 31, 2008), accrued restructuring and integration provisions, distributions payable, revolving bank facility and convertible debentures.*
- (4) *Includes interest rate swaps which are effective hedges.*

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**Risks arising from financial instruments**

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

**Credit risk**

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

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

The Data Group has accounts receivable from clients engaged in various industries none of which are concentrated in any specific geographic area. These clients include financial institutions, insurance companies, oil and gas companies, retailers, and governmental agencies. The specific industries in which these clients operate may be affected by the current economic conditions impacting domestic and global economies which could adversely impact the Data Group's accounts receivable. Management of the Data Group does not believe that any single industry or geographic region represents significant credit risk. Credit risk concentration with respect to trade receivables is mitigated by the Data Group's large client base. As at September 30, 2009, \$1,541 or 3.6% (September 30, 2008 - \$3,870 or 8.6%) of the Data Group's accounts receivable were more than 90 days old, which is an improvement from historical aging profiles. The movements in the Data Group's allowance for doubtful accounts for the three and nine month periods of 2009 and 2008, respectively, are as follows:

	<b>For the three months ended September 30, 2009</b>	<b>For the three months ended September 30, 2008</b>	<b>For the nine months ended September 30, 2009</b>	<b>For the nine months ended September 30, 2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance - Beginning of period	894	1,142	1,034	1,220
Provisions and revisions	(43)	(181)	(183)	(259)
Balance - End of period	851	961	851	961

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

**Liquidity risk**

Liquidity risk is the risk that the Data Group and Fund may encounter difficulties in meeting obligations associated with financial liabilities as they become due. As at September 30, 2009, the Data Group was holding cash and cash equivalents of \$10,718 and had access to \$20,000 of available credit less letters of credit granted of \$3,125 under its credit facilities.

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

	Less than a year	1 to 3 years	Total
	\$	\$	\$
Accounts payable and accrued liabilities	28,875	-	28,875
Accrued restructuring and integration provisions	1,200	-	1,200
Distributions payable	2,269	-	2,269
Long-term debt <sup>(1)</sup>	-	70,000	70,000
Convertible debentures <sup>(2)</sup>	-	34,824	34,824
<b>Total</b>	<b>32,344</b>	<b>104,824</b>	<b>137,168</b>

*Notes:*

(1) *Bank revolving credit facility, expiring on August 31, 2010 (see note 17).*

(2) *6.75% convertible debentures, maturing on December 31, 2011, convertible at 88.889 units per \$1,000 of debenture.*

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

**Market risk**

**Interest rate risk**

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

The Data Group previously entered into interest rate swap contracts with the lenders under its credit facilities in order to protect itself against the risk of fluctuations in interest rates and to maintain an appropriate mix between floating and fixed rate borrowings. Interest rate swap contracts involve the exchange of fixed and floating interest payment obligations based on a predetermined notional amount for a specified period of time. As a result of these contracts, the borrowing rate on \$30,000 of the Data Group's outstanding indebtedness was effectively fixed at an interest rate of 4.16% plus stamping fees until August 28, 2009. The borrowing rate on an additional \$20,000 of the Data Group's outstanding indebtedness was effectively fixed at an interest rate of 4.22% plus stamping fees until August 28, 2009. The remaining \$20,000 of the Data Group's outstanding indebtedness was subject to floating interest rates. As a result of these interest rate swaps maturing, \$70,000 of the Data Group's indebtedness outstanding at September 30, 2009 is now subject to floating interest rates (currently at an interest rate of 1.99%), a 1% increase/decrease in interest rates would have resulted in an increase/decrease in net income and comprehensive income by \$92 for the three month period ended September 30, 2009, respectively (\$192 for the nine month period ended September 30, 2009).

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**Foreign exchange risk**

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

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

	For the three months ended September 30, 2009	For the three months ended September 30, 2008
	\$	\$
Accounts receivable	(4,796)	2,981
Inventories	(705)	811
Prepaid expenses and other current assets	1,254	(233)
Income taxes payable / recoverable	772	233
Accounts payable and accrued liabilities	1,898	(2,564)
Accrued restructuring and integration provisions	(571)	(443)
Deferred revenue	1,440	(1,148)
	(708)	(363)

	For the nine months ended September 30, 2009	For the nine months ended September 30, 2008
	\$	\$
Accounts receivable	5,644	13,338
Inventories <sup>(1)</sup>	(1,151)	(357)
Prepaid expenses and other current assets	1,867	(833)
Income taxes payable / recoverable	(1,865)	460
Accounts payable and accrued liabilities	(2,290)	(8,557)
Accrued restructuring and integration provisions	(2,427)	(2,153)
Deferred revenue	269	1,051
	47	2,949

Note:

(1) *The nine months ended September 30, 2008 excludes the impact of the adoption of CICA Handbook Section 3031, Inventories. See note 4.*

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

**10. UNITS**

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

The following summarizes the changes in units during the period:

	<b>September 30, 2009</b>	
	<b>Number of</b>	<b>Amount</b>
	<b>units</b>	<b>\$</b>
Balance – Beginning and end of period	23,490,592	215,336

**11. DILUTED INCOME PER UNIT**

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

**12. DISTRIBUTIONS**

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

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

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

<b>Period</b>	<b>Record date</b>	<b>Payment date</b>	<b>Per unit</b>	<b>Amount</b>
			<b>\$</b>	<b>\$</b>
January 2009	January 30, 2009	February 13, 2009	0.09656	2,268
February 2009	February 27, 2009	March 13, 2009	0.09656	2,268
March 2009	March 31, 2009	April 15, 2009	0.09656	2,269
April 2009	April 30, 2009	May 15, 2009	0.09656	2,268
May 2009	May 29, 2009	June 15, 2009	0.09656	2,268
June 2009	June 30, 2009	July 15, 2009	0.09656	2,269
July 2009	July 31, 2009	August 14, 2009	0.09656	2,268
August 2009	August 31, 2009	September 15, 2009	0.09656	2,268
September 2009	September 30, 2009	October 15, 2009	0.09656	2,269
				20,415

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

**13. LEASE EXIT ACCRUAL**

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

**14. CAPITAL STRUCTURE**

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

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

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

The Fund's revolving bank facility is subject to a number of covenants and restrictions including the requirement to meet certain financial ratios and financial condition tests at a subsidiary level. One such ratio is the Total Debt / EBITDA Ratio as defined in the Amended Credit Agreement. EBITDA is a non-GAAP measure and is calculated as Earnings before Interest, Taxes, Depreciation and Amortization. The maximum ratio allowed for a 12-month trailing period is 2.50. As at September 30, 2009, this ratio was calculated at 1.88. Management also uses this ratio as a key indicator in managing the Fund's capital.

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

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

**Normal Course Issuer Bid**

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

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

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

**15. CONTINGENCIES**

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

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

**16. SEGMENTED INFORMATION**

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

	<b>For the three months ended September 30, 2009</b>					
	<b>DATA East and West</b>	<b>Sundog</b>	<b>Multiple Pakfold</b>		<b>Intersegment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	77,727	4,829	3,488	(1,601)		84,443
Gross profit	20,125	1,450	457	-		22,032
Income (loss) before under noted items	7,611	559	(30)	-		8,140
Unallocated corporate and Fund expenses						3,887
Income before interest and income taxes						4,253
Interest expense on long-term debt – net						1,292
Future income tax recovery						(300)
Net income for the period						3,261

	<b>For the three months ended September 30, 2008</b>					
	<b>DATA East and West</b>	<b>Sundog</b>	<b>Multiple Pakfold</b>		<b>Intersegment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	81,973	5,063	3,931	(1,762)		89,205
Gross profit	21,373	1,167	445	-		22,985
Income (loss) before under noted items	8,342	182	(115)	-		8,409
Write down of assets held for sale						927
Unallocated corporate and Fund expenses						4,917
Income before interest and income taxes						2,565
Interest expense on long-term debt – net						1,500
Future income tax recovery						(82)
Net income for the period						1,147

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

**For the nine months ended September 30, 2009**

	<b>DATA East</b>		<b>Multiple</b>		<b>Total</b>
	<b>and West</b>	<b>Sundog</b>	<b>Pakfold</b>	<b>Intersegment</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Revenues	237,397	14,859	10,409	(3,536)	259,129
Gross profit	61,258	4,115	1,132	-	66,505
Income (loss) before under noted items	23,077	1,501	(414)	-	24,164
Lease exit charge					866
Unallocated corporate and Fund expenses					12,355
Income before interest and income taxes					10,943
Interest expense on long-term debt – net					3,981
Future income tax expense					155
Net income for the period					6,807

**For the nine months ended September 30, 2008**

	<b>DATA East</b>		<b>Multiple</b>		<b>Total</b>
	<b>and West</b>	<b>Sundog</b>	<b>Pakfold</b>	<b>Intersegment</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Revenues	258,712	17,191	11,938	(3,877)	283,964
Gross profit	71,360	4,752	1,208	-	77,320
Income (loss) before under noted items	30,205	1,527	(355)	-	31,377
Write down of assets held for sale					927
Unallocated corporate and Fund expenses					14,622
Income before interest and income taxes					15,828
Interest expense on long-term debt – net					4,569
Future income tax expense					518
Net income for the period					10,741

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

#### 17. SUBSEQUENT EVENT

Subsequent to the quarter ended September 30, 2009, the Data Group completed an agreement to extend the maturity date of its existing credit facilities to August 31, 2011.

# Corporate information

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## Directors, Trustees and Officers

Derek Ridout <sup>2,3</sup>

*Chairman, Director and Trustee*

Ronald A. Fotheringham <sup>1,2,3</sup>

*Director and Trustee*

John H. Greenhough <sup>1</sup>

*Director and Trustee*

Thomas R. Spencer <sup>1,2,3</sup>

*Director and Trustee*

David M. Odell

*Director, Trustee and Officer*

*President and Chief Executive Officer*

Paul O'Shea

*Officer*

*Chief Financial Officer and Corporate Secretary*

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

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

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

## Executive Team

David M. Odell

*President and Chief Executive Officer*

Paul O'Shea

*Chief Financial Officer*

Elaine Deramo

*Vice-President, Human Resources*

Steve Galarneau

*President, DATA West*

Michael Suksi

*President, DATA East*

Rick Barron

*Vice-President, Sales and Marketing, DATA West*

Diane Schwind

*Vice-President, Operations, DATA East*

Ross Van Patter

*Vice-President and General Manager, Calgary Operations*

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## Corporate Information

### AUDITORS

PricewaterhouseCoopers LLP

### TRANSFER AGENT

Computershare Investor Services Inc.

### CORPORATE COUNSEL

McCarthy Tétrault LLP

### CORPORATE OFFICE

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### WEBSITE

[www.datagroupincomefund.com](http://www.datagroupincomefund.com)

### TORONTO STOCK EXCHANGE SYMBOLS

DGI.UN, DGI.DB



[www.datagroupincomefund.com](http://www.datagroupincomefund.com)



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