



For Immediate Release

## THE DATA GROUP INCOME FUND ANNOUNCES FULL YEAR AND FOURTH QUARTER RESULTS FOR 2010 AND ITS CORPORATE CONVERSION PLANS

### HIGHLIGHTS

#### Full Year 2010

- Full Year Revenues of \$332.3 million, Full Year Gross Profit of \$80.9 million, and Full Year Net Income of \$2.2 million, which includes a goodwill impairment charge of \$4.3 million, a one-time charge of \$2.3 million for the issuance of convertible debentures and a one-time loss on the settlement of a pension plan of \$2.2 million
- Full Year Cash Available for Distribution of \$21.5 million or \$0.914 per unit and Full Year Cash Distributions of \$27.2 million or \$1.160 per unit (see Table 4 and “Non-GAAP Measures” below)
- Full Year Payout Ratio of 126.8% (See Table 4 below)
- Full Year Adjusted EBITDA of \$30.8 million (See Table 3 and “Non-GAAP Measures” below)

#### Q4 2010

- Fourth quarter 2010 (“Q4”) Revenues of \$85.0 million, Q4 Gross Profit of \$21.2 million, and Q4 Net Income of \$0.03 million, which includes a goodwill impairment charge of \$4.3 million
- Q4 Cash Available for Distribution of \$5.9 million or \$0.252 per unit and Cash Distributions of \$6.8 million or \$0.290 per unit (see Table 4 and “Non-GAAP Measures” below)
- Q4 Payout Ratio of 115.1% (See Table 4 below)
- Q4 Adjusted EBITDA of \$7.9 million (See Table 3 and “Non-GAAP Measures” below)

**Brampton, Ontario – March 3, 2011** – The DATA Group Income Fund (TSX: DGI.UN) (“the Fund”) today announced financial and operating results for the full year and the fourth quarter ended December 31, 2010, which include the results of operations for The Data Group Limited Partnership (the “Data Group”) and the Data Group’s general partner, Data Business Forms Limited (“DBFL”).

In addition, the Fund announced the proposed reorganization of the Fund pursuant to a plan of arrangement (the “Arrangement”) under the Business Corporations Act (Ontario). The purpose of the Arrangement will be to convert the Fund from an income trust structure to a dividend paying public corporation. The Fund intends to seek the approval of its unitholders to the Arrangement at the Fund’s annual and special meeting of unitholders to be held on May 17, 2011. If the Arrangement is approved by the requisite majority of unitholders at the meeting, unitholders will receive, in exchange for each of their Units, one common share of a newly incorporated Ontario corporation (“Data Group Inc”). Pursuant to the proposed Arrangement, the Fund would be wound up into the Data Group Inc, which

would, directly or indirectly, carry on the Data Group's business. Completion of the Arrangement is expected to occur at the end of 2011 and is subject to a receipt of necessary unitholder, regulatory and third party consents and approvals.

"In spite of lower traditional print activity levels with many of our customers, we believe our business will stabilize in 2011 and we are optimistic about our opportunities for growth in 2012 and beyond. This outlook is based on our ongoing and proven success in winning new business, our plans to introduce a number of new products and services and new cost savings programs.", said Michael Suksi, President and Chief Executive Officer.

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

**Consolidated Financial Information**

<b>For the periods ended December 31, 2010 and 2009</b> <i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>Oct. 1 to Dec. 31, 2010 \$</b>	<b>Oct. 1 to Dec. 31, 2009 \$</b>	<b>Jan. 1 to Dec. 31, 2010 \$</b>	<b>Jan. 1 to Dec. 31, 2009 \$</b>
Revenues	84,958	90,698	332,251	349,827
Cost of revenues	63,717	68,347	251,391	260,971
Gross profit	21,241	22,351	80,860	88,856
Selling, general and administrative expenses	14,420	14,202	55,695	59,685
Restructuring expenses	333	719	641	1,987
(Gain) loss on settlement of pension plan	(57)	-	2,165	-
Gain on cancellation of convertible debentures	(18)	-	(18)	(2)
Impairment of goodwill	4,259	-	4,259	-
Lease exit charge	-	-	-	866
Write down of assets held for sale	-	652	-	652
Amortization of intangible assets	2,565	2,538	10,263	10,485
(Loss) income before interest and income taxes	(261)	4,240	7,855	15,183
Interest expense	1,736	1,061	6,403	5,042
Financing costs	-	-	2,266	-
(Loss) income before income taxes	(1,997)	3,179	(814)	10,141
Income tax recovery				
Current	-	(474)	(324)	(474)
Future	(2,029)	(2,583)	(2,644)	(2,428)
	(2,029)	(3,057)	(2,968)	(2,902)
Net income for the period	32	6,236	2,154	13,043
Basic and diluted income per unit	0.00	0.27	0.09	0.56
Number of units outstanding	23,490,592	23,490,592	23,490,592	23,490,592

<b>Consolidated Balance Sheet Information</b> <i>(in thousands of dollars, unaudited)</i>	<b>As at Dec. 31, 2010 \$</b>	<b>As at Dec. 31, 2009 \$</b>
Current assets	89,373	110,392
Current liabilities	37,682	43,518
Total assets	286,382	326,575
Total long-term liabilities	113,613	124,858
Unitholders' equity	135,087	158,199

**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 December 31, 2010 and 2009</b> <i>(in thousands of dollars, except percentage amounts, unaudited)</i>	<b>Oct. 1 to Dec. 31, 2010 \$</b>	<b>Oct. 1 to Dec. 31, 2009 \$</b>	<b>Jan. 1 to Dec. 31, 2010 \$</b>	<b>Jan. 1 to Dec. 31, 2009 \$</b>
<b>Revenues</b>				
DATA East and West	78,232	83,475	304,275	320,872
Sundog	3,951	4,375	17,650	19,234
Multiple Pakfold	3,663	3,563	14,804	13,972
Intersegment	(888)	(715)	(4,478)	(4,251)
	<b>84,958</b>	<b>90,698</b>	<b>332,251</b>	<b>349,827</b>
<b>Gross profit</b>				
DATA East and West	19,720	20,793	74,198	82,051
Sundog	906	1,010	4,196	5,125
Multiple Pakfold	615	548	2,466	1,680
	<b>21,241</b>	<b>22,351</b>	<b>80,860</b>	<b>88,856</b>
<b>Gross profit, as a percentage of revenues</b>				
DATA East and West	25.2%	24.9%	24.4%	25.6%
Sundog	22.9%	23.1%	23.8%	26.6%
Multiple Pakfold	16.8%	15.4%	16.7%	12.0%
	<b>25.0%</b>	<b>24.6%</b>	<b>24.3%</b>	<b>25.4%</b>
<b>Selling, general and administrative expenses</b>				
	14,420	14,202	55,695	59,685
As a percentage of revenues	17.0%	15.7%	16.8%	17.1%
<b>Adjusted EBITDA (see Table 3)</b>				
	7,912	9,143	30,756	34,317
Adjusted EBITDA margin, as a percentage of revenues	9.3%	10.1%	9.3%	9.8%
<b>Net income for the period</b>				
	32	6,236	2,154	13,043

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

### Adjusted EBITDA Reconciliation

<b>For the periods ended December 31, 2010 and 2009</b> <i>(in thousands of dollars, unaudited)</i>	<b>Oct. 1 to Dec. 31, 2010 \$</b>	<b>Oct. 1 to Dec. 31, 2009 \$</b>	<b>Jan. 1 to Dec. 31, 2010 \$</b>	<b>Jan. 1 to Dec. 31, 2009 \$</b>
Net income for the period	32	6,236	2,154	13,043
Net interest expense on long-term debt	1,736	1,061	6,403	5,042
Financing costs	-	-	2,266	-
Depreciation of property, plant and equipment	1,424	1,713	6,232	7,133
Write down of assets held for sale	-	652	-	652
Amortization of intangible assets	2,565	2,538	10,263	10,485
(Gain) loss on settlement of pension plan	(57)	-	2,165	-
Gain on cancellation of convertible debentures	(18)	-	(18)	(2)
Impairment of goodwill	4,259	-	4,259	-
Lease exit charge	-	-	-	866
Current income tax recovery	-	(474)	(324)	(474)
Future income tax recovery	(2,029)	(2,583)	(2,644)	(2,428)
<b>Adjusted EBITDA</b>	<b>7,912</b>	<b>9,143</b>	<b>30,756</b>	<b>34,317</b>

## RESULTS OF OPERATIONS

### THE DATA GROUP INCOME FUND

#### Overview

The Data Group is a leading provider of total document management solutions, including printed products, and operates as three segments. DATA East and West (which provided approximately 91% of total revenues for the fourth quarter of 2010) sells a broad range of printed products and document management services directly to end users. Sundog (which provided approximately 5% of total revenues for the fourth quarter of 2010) sells commercial printing products, document management services and event tickets. Multiple Pakfold (which provided approximately 4% of total revenues for the fourth quarter of 2010) sells business forms and labels to independent brokers and resellers. 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 have historically generated higher revenues and profit in the fourth quarter than the other three quarters.

#### Revenues

During 2010, the Data Group continued to encounter weakness in the domestic economic environment, which negatively impacted the Fund’s revenues over that period. The decline in revenues was partially offset by revenues from new business. For the quarter ended December 31, 2010, the Fund recorded revenues of \$85.0 million, a decrease of \$5.7 million or 6.3% compared with the same period in 2009. The net decrease, before intersegment revenues, was the result of a \$5.2 million or 6.3% decrease in the DATA East and West segment and a \$0.4 million or 9.7% decrease in the Sundog segment, offset by a \$0.1 million or 2.8% increase in the Multiple Pakfold segment. For the year ended December 31, 2010, the Fund recorded revenues of \$332.3 million, a decrease of \$17.6 million or

5.0% compared with the same period in 2009. The net decrease, before intersegment revenues, was the result of a \$16.6 million or 5.2% decrease in the DATA East and West segment and a \$1.6 million or 8.2% decrease in the Sundog segment, offset by a \$0.8 million or 6.0% increase 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 December 31, 2010, cost of revenues decreased to \$63.7 million from \$68.3 million for the same period in 2009. Gross profit for the quarter ended December 31, 2010 was \$21.2 million, which represented a decrease of \$1.1 million or 5.0% from \$22.4 million for the same period in 2009. The net decrease in gross profit was primarily attributable to a gross profit decrease in the DATA East and West segment of \$1.1 million and a gross profit decrease in the Sundog segment of \$0.1 million, which, in each case, was due to lower utilization as a result of the lower revenues recorded by these segments. Gross profit as a percentage of revenues increased to 25.0% for the quarter ended December 31, 2010 compared to 24.6% for the same period in 2009. For the year ended December 31, 2010, cost of revenues decreased to \$251.4 million from \$261.0 million for the same period in 2009. Gross profit for the year ended December 31, 2010 was \$80.9 million, which represented a decrease of \$8.0 million or 9.0% from \$88.9 million in the same period of 2009. The decrease in gross profit for the year ended December 31, 2010 was attributable to a gross profit decrease of \$7.9 million in the DATA East and West segment and a gross profit decrease of \$0.9 million in the Sundog segment, offset by a gross profit increase of \$0.8 million in the Multiple Pakfold segment. Gross profit as a percentage of revenues decreased to 24.3% for the year ended December 31, 2010 from 25.4% for the same period in 2009.

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

Selling, general and administrative ("SG&A") expenses, including administrative expenses of the Fund, for the quarter ended December 31, 2010 increased \$0.2 million to \$14.4 million compared to \$14.2 million in the same period of 2009. SG&A expenses for the three months ended December 31, 2010 were higher due to costs associated with the agreement to extend the maturity date of the Data Group's existing credit facilities and were offset by cost savings realized from the Data Group's on-going productivity improvement and cost reduction initiatives. As a percentage of revenues, these costs were 17.0% and 15.7% of revenues for the quarters ended December 31, 2010 and 2009, respectively. For the three months ended December 31, 2010, the Data Group incurred \$0.3 million of severance costs charged to restructuring expense as a result of those on-going productivity improvements initiatives. For the three months ended December 31, 2009, the Data Group incurred \$0.7 million of severance costs charged to restructuring expense as a result of its on-going productivity improvement initiatives. For the the year ended December 31, 2010 decreased by \$4.0 million or 6.7% to \$55.7 million compared to \$59.7 million in the same period of 2009. The decrease in SG&A expenses for the year ended December 31, 2010 was the result of the Data Group's on-going productivity improvement initiatives and cost reduction initiatives. As a percentage of revenues, these costs were 16.8% and 17.1% of revenues for the years ended December 31, 2010 and 2009, respectively. For the year ended December 31, 2010, the Data Group incurred \$0.6 million of severance costs charged to restructuring expense related to those productivity improvement and cost reduction initiatives. For the year ended December 31, 2009, the Data Group incurred \$2.0 million of severance costs charged to restructuring expense related to those on-going productivity improvement initiatives.

### ***Pension Plan Wind-up, Asset Sales and Other***

During the year ended December 31, 2010, the Data Group recorded a loss on the settlement of a pension plan of \$2.2 million related to the wind-up of the Relizon Canada Pension Plan and completed the sale of its Orangeville, Ontario property for gross proceeds of \$2.2 million. During the year ended December 31, 2009, the Data Group sublet its Dorval, Québec facility for the remainder of the lease term expiring in 2021 and incurred a lease exit charge of \$0.9 million, representing the liability (at present value) for remaining lease costs under the lease agreement net of sublease income. Also in 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.

### ***Impairment Of Goodwill***

During the fourth quarter of 2010, the Data Group performed its annual review for impairment of goodwill by comparing the fair value of each of its reporting segments to the segment's carrying value on the Data Group's books. The Data Group determines the fair value of each reporting segment by discounting expected future cash flows in accordance with recognized valuation methods. The process of determining those fair values requires the Data Group to make a number of estimates and assumptions such as projected future revenues, costs of revenues, market conditions well into the future, and discount rates. As a result of that review, the Data Group concluded that due to a highly competitive printing market in Alberta and to the continued uncertain economic conditions in that province, the fair value of its Sundog segment was less than its carrying value. Accordingly, the Fund recognized an impairment of goodwill charge of \$4.3 million related to the Sundog segment.

During the fourth quarter of 2009, the Data Group performed its annual review for impairment of goodwill and concluded that, no goodwill impairment charges associated with any of its reporting segments were necessary.

### ***Adjusted EBITDA***

For the quarter ended December 31, 2010, Adjusted EBITDA was \$7.9 million, or 9.3% of revenues. Adjusted EBITDA for the quarter ended December 31, 2010 decreased \$1.2 million or 13.5% from the same period in the prior year and the Adjusted EBITDA margin for the quarter, as a percentage of revenues, decreased from 10.1% of revenues in 2009 to 9.3% of revenues in 2010. The decrease was attributable to lower revenues and capacity utilization and was offset by realized costs savings from the on-going productivity improvement and cost reduction initiatives in each of the Data Group's operating segments described above. For the year ended December 31, 2010, Adjusted EBITDA was \$30.8 million or 9.3% of revenues. Adjusted EBITDA for the year ended December 31, 2010 decreased \$3.6 million or 10.4% from the same period in the prior year and the Adjusted EBITDA margin for the twelve month period, as a percentage of revenues, decreased from 9.8% of revenues in 2009 to 9.3% of revenues in 2010. In each case, the decrease was attributable to the declines in the revenues and profitability in the Data Group's DATA East and West and Sundog operating segments.

### ***Interest expense and financing costs***

Net interest expense on long-term debt relating to the Data Group's credit facilities, the Fund's \$34.8 million aggregate principal amount of 6.75% Extendible Convertible Unsecured Subordinated Debentures (the "6.75% Convertible Debentures") subsequently redeemed and the Fund's \$45.0 million aggregate principal amount of 6.00% Convertible Unsecured Subordinated Debentures (the "6.00% Convertible Debentures") was \$1.7 million for the quarter ended December 31, 2010 compared to \$1.1 million for the same period in 2009. The increase in net interest expense was due to the issuance of the 6.00% Convertible Debentures on April 27, 2010 and higher interest rates

charged on the Data Group's outstanding borrowings under its credit facilities during the fourth quarter of 2010 compared to the same period in 2009.

Net interest expense on long-term debt relating to the Data Group's credit facilities, the Fund's \$34.8 million aggregate principal amount of 6.75 % Convertible Debentures and the Fund's \$45.0 million aggregate principal amount of 6.00% Convertible Debentures increased to \$6.4 million for the year ended December 31, 2010 from \$5.0 million for the same period in 2009. The increase was due to the issuance of the 6.00% Convertible Debentures on April 27, 2010 and an increase in interest rates charged on the Data Group's outstanding borrowings under its credit facilities during 2010. On December 31, 2010, the Fund redeemed all of the outstanding 6.75% Convertible Debentures for a total redemption price of \$34.8 million, which was partially funded by additional borrowings of \$30.0 million by the Data Group under its credit facilities.

During the year ended December 31, 2010, the Fund incurred \$2.3 million of financing costs related to the issuance of the 6.00% Convertible Debentures and paid down \$45.0 million of long-term debt outstanding under the Data Group's credit facilities.

### ***Income Taxes***

The Fund reported a loss before income taxes of \$2.0 million and a future income recovery of \$2.0 million for the quarter ended December 31, 2010. The future income tax recovery was mainly due a change in estimate of the timing of future reversals of temporary differences and new temporary differences that arose during the quarter. The Fund reported income before income taxes of \$3.2 million, a current income tax recovery of \$0.5 million and a future income recovery of \$2.6 million for the quarter ended December 31, 2009. The current tax recovery represents an adjustment to the estimated amount payable by the Data Group to settle the anticipated reassessments by the Canada Revenue Agency ("CRA") and certain provincial tax authorities that, in each case, adjust the pricing of transactions between Relizon Canada Inc ("Relizon Canada") and its former parent company during the period from 2001 to 2006 and prior to the Fund's acquisition of Relizon Canada in 2006, net of amounts which the Fund has recovered pursuant to its rights of indemnification under a share purchase agreement. The future income tax recovery was mainly due a change in estimate of the timing of future reversals of temporary differences, changes in legislation and changes to substantially enacted income tax rates.

The Fund reported a loss before income taxes of \$0.8 million, a current income tax recovery of \$0.3 million and a future income tax recovery of \$2.6 million for the year ended December 31, 2010. The current tax recovery represents the final adjustment related to the amount payable by the Data Group to settle reassessments by the CRA and certain provincial tax authorities in respect of those transactions between Relizon Canada and its former parent company. The future income tax recovery was mainly due to a change in estimate of the timing of future reversals of temporary differences and new temporary differences that arose during the year.

The Fund reported income before income taxes of \$10.1 million, a current income tax recovery of \$0.5 million and a future income tax recovery of \$2.4 million for the year ended December 31, 2009. The current tax recovery represents an adjustment to the estimated amount payable by the Data Group to settle the anticipated reassessments by the CRA and certain provincial tax authorities in respect of those transactions between Relizon Canada and its former parent company, net of amounts which the Fund recovered pursuant to its rights of indemnification under the share purchase agreement relating to that acquisition. The future income tax recovery was

mainly due to a change in estimate of the timing of future reversals of temporary differences, changes in legislation and changes to substantially enacted income tax rates.

### ***Net (Loss) Income***

Net income for the quarter ended December 31, 2010 was \$0.03 million compared to a net income of \$6.2 million for the quarter ended December 31, 2009. The decrease in comparable profitability was substantially due to lower gross profit in 2010 as a result of the lower revenues due to continued weakness in the domestic economic environment, costs associated with the agreement to extend the maturity date of the Data Group's existing credit facilities and a goodwill impairment charge in 2010. The decrease in profitability was partially offset by realized cost savings from on-going productivity improvement and cost reduction initiatives realized in 2010 and a smaller restructuring charge during 2010.

For the year ended December 31, 2010, net income was \$2.2 million compared to \$13.0 million for the same period of 2009. The decrease in comparable profitability was substantially due to the one-time loss on the settlement of a pension plan of \$2.2 million related to the wind-up of the Relizon Canada Pension Plan, \$2.3 million in convertible debenture issuance costs, a goodwill impairment charge of \$4.3 million related to the Sundog segment, and lower gross profit in 2010 as a result of lower revenues due to generally uncertain economic conditions as discussed above. The decrease in profitability was offset by cost savings realized from on-going productivity improvement and cost reduction initiatives and a lease exit charge incurred during 2009 that did not re-occur in 2010.

### **DATA EAST AND WEST**

Revenues at the Data Group's DATA East and West segment for the quarter ended December 31, 2010 decreased \$5.2 million or 6.3% to \$78.2 million from \$83.4 million for the same period in the prior year. Revenues for the year ended December 31, 2010 decreased \$16.6 million or 5.2% to \$304.3 million from \$320.9 million for the same period in the prior year.

Revenues for the three months and twelve months ended December 31, 2010 decreased due to lower spending from customers in the government and direct mail industries as a result of continuing generally uncertain economic conditions in Canada. In addition, revenues from lotteries during the first nine months of 2010 were lower than the same period in 2009. The segment experienced revenue gains from new business, which partially offset declines in revenues from existing customers.

For the quarter ended December 31, 2010, gross profit decreased \$1.1 million to \$19.7 million from \$20.7 million for the same period in 2009. Gross profit as a percentage of revenues for the quarter ended December 31, 2010 increased to 25.2% from 24.9% for the same period in 2009. The increase in gross profit as a percentage of revenues during the quarter ended December 31, 2010 was due to realized savings from on-going productivity improvements and cost reduction initiatives.

For the year ended December 31, 2010, gross profit decreased \$7.9 million or 9.6% to \$74.2 million from \$82.1 million in the same period in 2009. Gross profit as a percentage of revenues for the year ended December 31, 2010 decreased to 24.4% from 25.6% for the same period in 2009. The decrease in gross profit was due to lower revenues and capacity utilization and was partially offset by realized savings from on-going productivity improvements and cost reduction initiatives. During the year ended December 31, 2010, the segment continued its

on-going productivity improvement initiatives, which gave rise to the additional severance costs and restructuring charges noted under "Selling, general and administrative expenses and Restructuring expenses" above.

## **SUNDOG**

Revenues at the Data Group's Sundog segment for the quarter ended December 31, 2010 decreased \$0.4 million or 9.7% to \$4.0 million from \$4.4 million for the same period in the prior year. Revenues for the year ended December 31, 2010 decreased \$1.6 million or 8.2% to \$17.7 million from \$19.2 million for the same period in the prior year.

The decrease in revenues for the three and twelve months ended December 31, 2010 was due to a highly competitive printing market in Alberta and to uncertain economic conditions in that province, which continue to negatively affect demand for commercial printing in that market, primarily marketing materials. The first quarter of 2010 revenues were also impacted by lower annual report volumes.

For the quarter ended December 31, 2010, gross profit decreased \$0.1 million to \$0.9 million from \$1.0 million for the same period in 2009. Gross profit as a percentage of revenues for the quarter ended December 31, 2010 decreased to 22.9% from 23.1% for the same period in 2009. The decrease in gross profit as a percentage of revenues for the three months ended December 31, 2010 was principally due to lower revenues as noted above. For the year ended December 31, 2010, gross profit decreased \$0.9 million or 18.1% to \$4.2 million from \$5.1 million in the same period of 2009. Gross profit as a percentage of revenues for the year ended December 31, 2010 decreased to 23.8% from 26.6% for the same period in 2009. The overall decrease in gross profit was due to the segment's lower revenues and was partially offset by cost savings realized from cost reduction initiatives undertaken in 2010 and prior periods.

## **MULTIPLE PAKFOLD**

Revenues at the Data Group's Multiple Pakfold segment for the quarter ended December 31, 2010 increased \$0.1 million or 2.8% to \$3.7 million from \$3.6 million for the same period in the prior year. Revenues for the year ended December 31, 2010 increased \$0.8 million or 6.0% to \$14.8 million from \$14.0 million for the same period in the prior year.

The increase in revenues for the three and twelve months ended December 31, 2010 was attributable to an increase in market share due the bankruptcy of certain of Multiple Pakfold's competitors. Economic conditions continue to adversely impact the segment, which affects quoting activity, order quantities and re-order cycles.

For the quarter ended December 31, 2010, gross profit increased \$0.1 million to \$0.6 million from \$0.5 million for the same period in 2009. Gross profit as a percentage of revenues for the quarter ended December 31, 2010 increased to 16.8% from 15.4% for the same period in 2009. For the year ended December 31, 2010, gross profit increased \$0.8 million or 46.8% to \$2.5 million from \$1.7 million in the same period in 2009. Gross profit as percentage of revenues for the year ended December 31, 2010 increased to 16.7% from 12.0% for the same period in 2009. The improvement in the gross profit as a percentage of revenues for the quarter and year ended December 31, 2010 was due to the increase in revenues and savings realized from cost reduction initiatives undertaken in prior periods by the segment to improve operating efficiencies, respectively.

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

### Cash Available for Distribution Reconciliation

For the periods ended December 31, 2010 and 2009 <i>(in thousands of dollars, except percentages and per unit amounts, unaudited)</i>	Oct. 1 to Dec. 31, 2010 \$	Oct. 1 to Dec. 31, 2009 \$	Jan. 1 to Dec. 31, 2010 \$	Jan. 1 to Dec. 31, 2009 \$
Cash provided by (used in) operating activities	5,160	7,975	30,270	28,239
<i>Capital adjustments</i>				
Maintenance capital expenditures <sup>(1)</sup>	(433)	(157)	(1,786)	(2,010)
Purchase of convertible debentures	-	-	-	(6)
<i>Other adjustments including discretionary items:</i>				
Changes in non-cash working capital <sup>(2)</sup>	1,034	(329)	(9,357)	(376)
Pension plan wind-up contributions <sup>(3)</sup>	-	-	2,065	-
Other <sup>(4)</sup>	151	(331)	271	32
Cash available for distribution	5,912	7,158	21,463	25,879
Distributions to unitholders <sup>(5)</sup>	6,805	6,805	27,220	27,220
Excess (shortfall) of cash available for distribution over actual distributions	(893)	353	(5,757)	(1,341)
<i>Per unit <sup>(6)</sup></i>				
Cash available for distribution per unit <sup>(6)</sup>	0.252	0.305	0.914	1.103
Distributions to unitholders per unit <sup>(6)</sup>	0.290	0.290	1.160	1.160
Excess (shortfall) of cash available for distribution per unit over actual distributions per unit	(0.038)	0.015	(0.246)	(0.057)
Payout ratio <sup>(7)</sup>	115.1%	95.1%	126.8%	105.2%

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 (used in) 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) *Excludes pension plan wind-up contributions to the Data Group’s Relizon Canada defined benefit pension plan. During the year ended December 31, 2010, the Data Group made its 2010 annual contribution of \$0.6 million and an additional wind-up contribution prepayment of \$0.6 million to that pension plan. In addition, during the year ended December 31, 2010, the final outstanding wind-up deficiency of \$0.8 million was funded by the Data Group in advance of the benefit settlement, as required under applicable pension regulations. The wind-up of the Relizon Canada defined benefit plan was substantially completed in 2010.*
- (4) *Includes income tax related expenses and other amounts that do not reflect the ongoing operations of the Data Group’s business.*
- (5) *Distributions are in respect of the distributions declared.*
- (6) *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 December 31, 2010 and 2009, 23,490,592 units were outstanding.*
- (7) *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 (used in) operating activities to cash available for distribution for the three and twelve month periods ended December 31, 2010 and 2009, respectively, and the amounts discussed below. For the quarter ended December 31, 2010, the Fund generated \$5.9 million or \$0.252 per unit of cash available for distribution compared to \$7.2 million or \$0.305 per unit for the same period in 2009. Cash available for distribution for the quarter ended December 31, 2010 was calculated by deducting from cash provided by (used in) operating activities of \$5.2 million, maintenance capital expenditures of \$0.4 million and adding back changes in non-cash working capital of \$1.0 million and other non-cash items of \$0.1 million, respectively. Cash available for distribution for the quarter ended December 31, 2009 was calculated by deducting from cash provided by (used in) operating activities of \$8.0 million, maintenance capital expenditures of \$0.2 million, changes in non-cash working capital of \$0.3 million and other non-cash items of \$0.3 million, respectively.

For the year ended December 31, 2010, the Fund generated \$21.5 million or \$0.914 per unit of cash available for distribution compared to \$25.9 million or \$1.103 per unit in the prior year. Cash available for distribution for the year ended December 31, 2010 was calculated by deducting from cash provided by (used in) operating activities of \$30.3 million, maintenance capital expenditures of \$1.8 million, changes in non-cash working capital of \$9.4 million and adding back pension plan wind-up contributions of \$2.1 million and other non-cash items of \$0.3 million, respectively. Cash available for distribution for the year ended December 31, 2009 was calculated by deducting from cash provided by (used in) operating activities of \$28.2 million, maintenance capital expenditures of \$2.0 million, changes in non-cash working capital of \$0.4 million and adding back other non-cash items of \$0.1 million, respectively.

For the quarter ended December 31, 2010, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Actual distributions exceeded cash available for distribution by \$0.9 million or \$0.038 per unit for the quarter ended December 31, 2010. During the quarter ended December 31, 2010, the Data Group made cash payments of \$0.2 million for the accrued restructuring provisions related to severance costs incurred as part of the Data Group's on-going productivity improvement initiatives charged to restructuring expense. These cash payments were funded by cash generated from operations and existing cash resources. The restructuring costs paid during the quarter have been deducted in determining cash available for distribution as these payments are included in cash provided by (used in) operating activities.

For the quarter ended December 31, 2009, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Actual distributions exceeded cash available for distribution by \$0.4 million or \$0.015 per unit for the quarter ended December 31, 2009. During the quarter ended December 31, 2009, the Data Group made cash payments of \$0.9 million related to the restructuring activities incurred in relation to its on-going productivity improvement initiatives to reduce its cost of operations which were undertaken in 2009 and 2008, respectively. In addition, in 2009, the Data Group made cash payments of \$0.3 million for the restructuring expense 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 entirely by cash generated from operations and existing cash resources. The restructuring and integration costs paid during the quarter have been deducted in determining cash available for distribution as these payments are included in cash provided by (used in) operating activities.

For the year ended December 31, 2010, the Fund declared distributions of \$27.2 million or \$1.160 per unit. Actual distributions exceeded cash available for distribution by \$5.8 million or \$0.246 per unit for the year ended December 31, 2010. During the year ended December 31, 2010, the Data Group made cash payments of \$1.7 million related to the various severance costs which were charged to restructuring expense incurred in relation to its on-going productivity improvement and cost reduction initiatives, undertaken in 2010 and prior periods. These cash payments were funded by cash generated from operations, existing cash resources and the net proceeds from asset dispositions. The restructuring expenses paid during the year have been deducted in determining cash available for distribution as these payments are included in cash provided by (used in) operating activities.

For the year ended December 31, 2009, the Fund declared distributions of \$27.2 million or \$1.160 per unit. Actual distributions exceeded cash available for distribution by \$1.3 million or \$0.057 per unit for the year ended December 31, 2009. During the year ended December 31, 2009, the Data Group made cash payments of \$2.6 million related to \$2.0 million and \$2.6 million of severance costs which were charged to restructuring expense incurred in relation to its on-going productivity improvement and cost reduction initiatives undertaken in 2009 and 2008, respectively. In addition, in 2009, the Data Group made cash payments of \$1.4 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, existing cash resources and the net proceeds from asset dispositions. The restructuring expense and integration costs paid during the year have been deducted in determining cash available for distribution as these payments are included in cash provided by (used in) operating activities.

## **INVESTING ACTIVITIES**

Capital expenditures for the quarter ended December 31, 2010 of \$0.4 million related primarily to maintenance capital expenditures and were financed by cash flow from operations and existing cash resources. Capital expenditures for the year ended December 31, 2010 of \$1.8 million related primarily to maintenance capital expenditures. During the year ended December 31, 2010, the Data Group sold its former Orangeville, Ontario facility for gross proceeds of \$2.2 million.

## **FINANCING ACTIVITIES**

For the quarter ended December 31, 2010, the Fund paid or declared aggregate cash distributions of \$6.8 million to its unitholders. For the year ended December 31, 2010, the Fund paid or declared aggregate cash distributions of \$27.2 million to its unitholders. During the year ended December 31, 2010, the Fund issued \$45.0 million aggregate principal amount of 6.00% Convertible Debentures. The net proceeds from the sale of the 6.00% Convertible Debentures of approximately \$42.7 million and a portion of cash on hand were used to pay down \$45.0 million of the Data Group's outstanding borrowings under its credit facility. On December 31, 2010, the Fund redeemed all of the outstanding 6.75% Convertible Debentures for a total redemption price of \$34.8 million. The redemption of the 6.75% Convertible Debentures was funded with available borrowings under the Data Group's existing credit facilities of \$30.0 million and existing cash resources. At December 31, 2010, the Data Group did not maintain the quarterly minimum ratio of EBITDA to fixed charges (the "Fixed Charge Ratio") but was in compliance with its other covenants under its amended and restated credit agreement (the "Amended Credit Agreement") with two Canadian chartered banks. The Data Group obtained a waiver from its lenders with respect to the non-compliance with the Fixed Charge Ratio as at December 31, 2010. In addition, the Data Group has amended the terms of the Amended Credit Agreement such that, in respect of the first nine months of 2011, the Fixed Charge Ratio will be calculated on a cumulative quarterly basis commencing with the quarter ended March 31, 2011 and not on the basis of the Data Group's four most recently completed fiscal quarters. This amendment will enable the Data Group to calculate the Fixed Charge Ratio on a basis which takes into account the reduction in the Fund's monthly cash distributions on its units which took effect in January 2011 and the redemption of the 6.75% Convertible Debentures on December 31, 2010. Following September 30, 2011, the Fixed Charge Ratio will be calculated on the basis of the Data Group's four most recently completed fiscal quarters.

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

The Fund owns directly and indirectly all of the outstanding partnership units of The Data Group and all of the outstanding shares of the Data Group's general partner, Data Business Forms Limited. The DATA Group is a leading provider of document management solutions including printed products. Founded in 1959, the Data Group operates numerous facilities in 11 regions across Canada and has a leading market share in the total document management services segment.

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

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All financial information in this press release is presented in Canadian dollars and in accordance with Canadian generally accepted accounting principles ("GAAP"), unless specified otherwise.

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this press release constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of the Fund and/or the Data Group, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. When used in this press release, words such as "may", "would", "could", "will", "expect", "anticipate", "estimate", "believe", "intend", "plan", and other similar expressions are intended to identify forward-looking statements. These statements reflect the Fund's current views regarding future events and operating performance, are based on information currently available to the Fund, and speak only as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance or achievements of the Fund and the Data Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The principal factors, assumptions and risks that the Fund made or took into account in the preparation of these forward-looking statements include the impact of economic conditions on the Data Group's businesses; the risk that the Data Group may not be successful in growing its business or in managing its organic growth; the Data Group's ability to grow its sales or even maintain historical levels of its sales of product and services including 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; 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, as of January 1, 2011, subject the Fund to tax. Additional factors are discussed elsewhere in this press release and under the heading "Risks and Uncertainties" in the Fund's management's

discussion and analysis and in the Fund's other publicly available disclosure documents, as filed by the Fund on SEDAR ([www.sedar.com](http://www.sedar.com)). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, the Fund does not intend and does not assume any obligation to update these forward-looking statements.

## **NON-GAAP MEASURES**

This press release includes certain non-GAAP measures as supplementary information. When used in this press release, EBITDA means earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA for the three months ended December 31, 2010 means EBITDA adjusted for a gain on the settlement of a pension plan, gains on the cancellation of convertible debentures and a goodwill impairment charge. Adjusted EBITDA for the year ended December 31, 2010 means EBITDA adjusted for financings costs, a goodwill impairment charge, a loss on the settlement of a pension plan and gains on the cancellation of convertible debentures. Adjusted EBITDA for the three months ended December 31, 2009 means EBITDA adjusted for write downs of assets held for sale. Adjusted EBITDA for the year ended December 31, 2009 means EBITDA adjusted for write downs of assets held for sale, gains on the cancellation of convertible debentures and a lease exit charge. 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 for the three months ended December 31, 2010 and 2009 means cash provided by (used in) operating activities increased by, or reduced for, maintenance capital expenditures, changes in non-cash working capital, and other non-cash items, respectively. Cash available for distribution for the year ended December 31, 2010 means cash provided by (used in) operating activities increased by, or reduced for, maintenance capital expenditures, pension plan wind-up contributions, changes in non-cash working capital, and other non-cash items. Cash available for distribution for the year ended December 31, 2009 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 Canadian generally accepted accounting principles ("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 an indicator 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 (loss) income to Adjusted EBITDA, see Table 3 above. For a reconciliation of cash provided by (used in) operating activities to cash available for distribution, see Table 4 above.

## CONSOLIDATED BALANCE SHEETS

(in thousands of dollars, unaudited)

	December 31, 2010 \$	December 31, 2009 \$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	7,995	11,736
Accounts receivable	36,451	44,930
Inventories	40,108	47,449
Prepaid expenses and other current assets	4,819	4,192
Assets held for sale	-	2,085
	89,373	110,392
Property, plant and equipment	26,020	30,672
Goodwill	136,947	141,206
Intangible assets	34,042	44,305
	286,382	326,575
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	28,689	29,663
Accrued restructuring provisions	437	1,556
Income taxes payable	109	1,059
Deferred revenue	6,178	8,971
Distributions payable	2,269	2,269
	37,682	43,518
Revolving bank facility	55,000	70,000
Convertible debentures	43,063	34,488
Future income taxes	3,374	6,018
Deferred gain	1,334	1,530
Unfavourable lease obligation	900	1,025
Deferred lease inducement	735	858
Lease exit accrual	642	793
Pension obligations	6,445	8,003
Post-employment and post-retirement benefits	2,120	2,143
	151,295	168,376
<b>Unitholders' Equity</b>		
Units	215,336	215,336
Conversion options	2,139	897
Contributed surplus	712	-
Deficit	(83,100)	(58,034)
	135,087	158,199
	286,382	326,575

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>For the three months ended December 31, 2010</b>	<b>For the three months ended December 31, 2009</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	84,958	90,698
<b>Cost of revenues</b> (including depreciation of \$1,363 and \$1,651, respectively)	63,717	68,347
<b>Gross profit</b>	21,241	22,351
<b>Expenses</b>		
Selling, commissions and expenses	8,198	8,306
General and administration expenses (including depreciation of \$61 and \$62, respectively)	6,222	5,896
Restructuring expenses	333	719
Gain on settlement of pension plan	(57)	-
Gain on cancellation of convertible debentures	(18)	-
Impairment of goodwill	4,259	-
Write down of assets held for sale	-	652
Amortization of intangible assets	2,565	2,538
	21,502	18,111
<b>(Loss) income before interest and income taxes</b>	(261)	4,240
<b>Interest expense</b> (net of interest income of \$41 and \$55, respectively)	1,736	1,061
<b>(Loss) income before income taxes</b>	(1,997)	3,179
<b>Income tax recovery</b>		
Current	-	(474)
Future	(2,029)	(2,583)
	(2,029)	(3,057)
<b>Net income for the period</b>	32	6,236
<b>Comprehensive income for the period</b>	32	6,236
<b>Basic income per unit</b>	0.00	0.27
<b>Diluted income per unit</b>	0.00	0.27
<b>Units outstanding</b>	23,490,592	23,490,592

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	<b>For the year ended December 31, 2010</b>	<b>For the year ended December 31, 2009</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	332,251	349,827
<b>Cost of revenues</b> (including depreciation of \$5,955 and \$6,872, respectively)	251,391	260,971
<b>Gross profit</b>	80,860	88,856
<b>Expenses</b>		
Selling, commissions and expenses	32,322	33,653
General and administration expenses (including depreciation of \$277 and \$261, respectively)	23,373	26,032
Restructuring expenses	641	1,987
Loss on settlement of pension plan	2,165	-
Gain on cancellation of convertible debentures	(18)	(2)
Impairment of goodwill	4,259	-
Lease exit charge	-	866
Write down of assets held for sale	-	652
Amortization of intangible assets	10,263	10,485
	73,005	73,673
<b>Income before interest and income taxes</b>	7,855	15,183
<b>Interest expense and financing costs</b> (net of interest income of \$100 and \$317, respectively)	8,669	5,042
<b>(Loss) income before income taxes</b>	(814)	10,141
<b>Income tax recovery</b>		
Current	(324)	(474)
Future	(2,644)	(2,428)
	(2,968)	(2,902)
<b>Net income for the period</b>	2,154	13,043
<b>Gain on cash flow hedges</b>	-	(1,059)
<b>Comprehensive income for the period</b>	2,154	14,102
<b>Basic income per unit</b>	0.09	0.56
<b>Diluted income per unit</b>	0.09	0.56
<b>Units outstanding</b>	23,490,592	23,490,592

## CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

*(in thousands of dollars, unaudited)*

	Units	Conversion	Contributed	Accumulated other comprehensive	Deficit	Total Unitholders'
	\$	options	surplus	income (loss)	\$	Equity
	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2008</b>	215,336	898	-	(1,059)	(43,857)	171,318
Distributions declared	-	-	-	-	(27,220)	(27,220)
Cancellation of convertible debentures	-	(1)	-	-	-	(1)
Gain on cash flow hedges	-	-	-	1,059	-	1,059
Net income for the year	-	-	-	-	13,043	13,043
<b>Balance as at December 31, 2009</b>	215,336	897	-	-	(58,034)	158,199
<b>Balance as at December 31, 2009</b>	215,336	897	-	-	(58,034)	158,199
Distributions declared	-	-	-	-	(27,220)	(27,220)
Issuance of convertible debentures	-	2,139	-	-	-	2,139
Redemption of convertible debentures	-	(897)	712	-	-	(185)
Net income for the year	-	-	-	-	2,154	2,154
<b>Balance as at December 31, 2010</b>	215,336	2,139	712	-	(83,100)	135,087

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars, unaudited)

	For the three months ended December 31, 2010	For the three months ended December 31, 2009
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	32	6,236
Adjustments to net (loss) income		
Depreciation of property, plant and equipment	1,424	1,713
Amortization of intangible assets	2,565	2,538
Pension expense and gain on settlement of pension plan	111	252
Contributions made to pension plans	(149)	(1,138)
Write down of assets held for sale	-	652
Loss on disposal of property, plant and equipment	84	137
Gain on cancellation of convertible debentures	(18)	-
Impairment of goodwill	4,259	-
Accretion of convertible debentures	119	43
Amortization of deferred gain	(49)	(49)
Unfavourable lease obligation	(32)	(29)
Amortization of lease inducement	(31)	(30)
Accretion of lease exit accrual	(39)	(35)
Post-employment and post-retirement benefits	(53)	(61)
Future income tax recovery	(2,029)	(2,583)
	6,194	7,646
Changes in non-cash items relating to operating activities	(1,034)	329
	5,160	7,975
<b>Investing activities</b>		
Purchase of property, plant and equipment	(433)	(157)
Proceeds on disposal of property, plant and equipment	21	5
	(412)	(152)
<b>Financing activities</b>		
Repurchase of convertible debentures	(34,824)	-
Proceeds from revolving bank facility	30,000	-
Distributions to unitholders	(6,805)	(6,805)
	(11,629)	(6,805)
<b>(Decrease) increase in cash and cash equivalents</b>		
<b>during the period</b>	(6,881)	1,018
<b>Cash and cash equivalents – beginning of period</b>	14,876	10,718
<b>Cash and cash equivalents – end of period</b>	7,995	11,736
<b>Supplemental cash flow information</b>		
Interest paid	3,752	1,665
Income taxes paid	-	509

## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands of dollars, unaudited)</i>	<b>For the year ended December 31, 2010</b>	<b>For the year ended December 31, 2009</b>
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the period	2,154	13,043
Adjustments to net income		
Depreciation of property, plant and equipment	6,232	7,133
Amortization of intangible assets	10,263	10,485
Pension expense and loss on settlement of pension plan	3,362	949
Contributions made to pension plans	(4,920)	(2,626)
Write down of assets held for sale	-	652
Loss on disposal of property, plant and equipment	206	136
Gain on cancellation of convertible debentures	(18)	(2)
Financing costs	2,266	-
Impairment of goodwill	4,259	-
Lease exit charge	-	866
Accretion of convertible debentures	371	168
Amortization of deferred gain	(196)	(194)
Unfavourable lease obligation	(125)	(117)
Amortization of lease inducement	(123)	(122)
Accretion of lease exit accrual	(151)	(73)
Post-employment and post-retirement benefits	(23)	(7)
Future income tax recovery	(2,644)	(2,428)
	20,913	27,863
Changes in non-cash items relating to operating activities	9,357	376
	30,270	28,239
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,786)	(2,010)
Proceeds on disposal of property, plant and equipment	2,085	1,241
	299	(769)
<b>Financing activities</b>		
Issuance of convertible debentures, net	42,734	-
Repurchase of convertible debentures	(34,824)	(6)
Repayment of revolving bank facility, net	(15,000)	-
Distributions to unitholders	(27,220)	(27,220)
	(34,310)	(27,226)
<b>(Decrease) increase in cash and cash equivalents during the period</b>	<b>(3,741)</b>	<b>244</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>11,736</b>	<b>11,492</b>
<b>Cash and cash equivalents – end of period</b>	<b>7,995</b>	<b>11,736</b>
<b>Supplemental cash flow information</b>		
Interest paid	6,032	5,076
Income taxes paid	596	3,207