



For Immediate Release

THE DATA GROUP INCOME FUND ANNOUNCES THIRD QUARTER RESULTS FOR 2010 AND 2011 DISTRIBUTION POLICY

HIGHLIGHTS

Q3 2010

- Third quarter 2010 ("Q3") Revenues of \$80.7 million; Q3 Gross Profit of \$19.2 million; Q3 Net Loss of \$1.2 million, which includes a 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 in August 2010
- Q3 Cash Available for Distribution of \$4.6 million or \$0.198 per unit and Cash Distributions of \$6.8 million or \$0.290 per unit (see Table 4 and "Non-GAAP Measures" below)
- Q3 Payout Ratio of 146.8% (See Table 4 below)
- Q3 Adjusted EBITDA of \$7.2 million (See Table 3 and "Non-GAAP Measures" below)

YTD 2010

- Year to Date ("YTD") 2010 Revenues of \$247.3 million, YTD Gross Profit of \$59.6 million, YTD Net Income of \$2.1 million, which includes a one-time charge of \$2.3 million for the issuance of convertible debentures during the second quarter of 2010 and a one-time loss on the settlement of a pension plan of \$2.2 million during Q3
- YTD Cash Available for Distribution of \$15.5 million or \$0.662 per unit and Cash Distributions of \$20.4 million or \$0.870 per unit (see Table 4 and "Non-GAAP Measures" below)
- YTD Payout Ratio of 131.4% (See Table 4 below), YTD Payout Ratio (excluding one-time restructuring charges) of 128.8%
- YTD Adjusted EBITDA of \$22.9 million (See Table 3 and "Non-GAAP Measures" below)

Brampton, Ontario – November 9, 2010 – The DATA Group Income Fund (TSX: DGI.UN) ("the Fund") today announced financial and operating results for the third quarter ended September 30, 2010, which include the results of operations for The Data Group Limited Partnership (the "Data Group").

In addition, the Fund announced its distribution policy for 2011. The Board of Trustees has reviewed the Fund's distribution policy and is committed to maximizing distributions to unitholders at a level which is sustainable and consistent with maintaining the long term health of the business. After considering a variety of factors, including the negative impact of the SIFT tax on the Fund's cash available for distribution as of January 1, 2011 and the continued effects of the weakened economy, the Board of Trustees has determined to reduce distributions on the Fund's units to a monthly rate of \$0.0542 per unit (\$0.65 per unit annually) effective with the first distribution of 2011. Distributions currently taxed as regular income will be taxed as dividends in 2011. For taxable investors holding their units in the Fund outside a registered plan, the dividend tax credit may reduce the impact of a reduction in distributions on an after tax basis.

The Fund also announced that Michael Suksi has been appointed a trustee of the Fund.

“Our third quarter of 2010 results were influenced by the fact we continue to operate in a challenging economic environment. Consequently, the Data Group experienced volatile operating results during the quarter, just as we did earlier in 2010”, said Michael Suksi, President and Chief Executive Officer.

OUTLOOK

The third quarter of 2010 continued to be uncertain as the Data Group experienced volatile operating results during the quarter. While the Data Group continued to benefit from new business wins achieved in 2009, many of its traditional customers continued to experience lower activity levels. As a result, the Data Group experienced a 4.4% reduction in third quarter revenues compared to the same period in 2009. The current economic environment continues to be difficult to predict. Management will continue to manage the Data Group’s business on a “more of the same basis” and believes the Data Group is well positioned to benefit from a sustained economic recovery.

The SIFT rules will result in a reduction of cash available for distribution from the Fund commencing in 2011. 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. Tax laws permit public income trusts to “convert” into public corporations before 2013 without triggering adverse tax consequences to the income trust and its unitholders.

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

Consolidated Financial Information

For the periods ended September 30, 2010 and 2009 <i>(in thousands of dollars, except per unit amounts, unaudited)</i>	July 1 to Sept. 30, 2010 \$	July 1 to Sept. 30, 2009 \$	Jan. 1 to Sept. 30, 2010 \$	Jan. 1 to Sept. 30, 2009 \$
Revenues	80,734	84,443	247,293	259,129
Cost of revenues	61,504	62,411	187,674	192,624
Gross profit	19,230	22,032	59,619	66,505
Selling, general and administrative expenses	13,593	15,130	41,583	46,751
Loss on settlement of pension plan	2,222	-	2,222	-
Lease exit charge	-	-	-	866
Gain on cancellation of convertible debentures	-	-	-	(2)
Amortization of intangible assets	2,566	2,649	7,698	7,947
Income before interest and income taxes	849	4,253	8,116	10,943
Interest expense and financing costs	1,723	1,292	6,933	3,981
(Loss) income before income taxes	(874)	2,961	1,183	6,962
Income tax expense (recovery)				
Current	-	-	(324)	-
Future	300	(300)	(615)	155
	300	(300)	(939)	155
Net (loss) income for the period	(1,174)	3,261	2,122	6,807
Basic and diluted (loss) income per unit	(0.05)	0.14	0.09	0.29
Number of units outstanding	23,490,592	23,490,592	23,490,592	23,490,592

Consolidated Balance Sheet Information <i>(in thousands of dollars, unaudited)</i>	As at Sept. 30, 2010 \$	As at Sept. 30, 2009 \$
Current assets	98,399	106,731
Current liabilities	40,861	42,631
Total assets	303,328	329,887
Total long-term liabilities	120,422	128,488
Unitholders' equity	142,045	158,768

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

Consolidated Financial Information

For the periods ended September 30, 2010 and 2009 <i>(in thousands of dollars, except percentage amounts, unaudited)</i>	July 1 to Sept. 30, 2010 \$	July 1 to Sept. 30, 2009 \$	Jan. 1 to Sept. 30, 2010 \$	Jan. 1 to Sept. 30, 2009 \$
Revenues				
DATA East and West	74,185	77,727	226,043	237,397
Sundog	4,528	4,829	13,699	14,859
Multiple Pakfold	3,657	3,488	11,141	10,409
Intersegment	(1,636)	(1,601)	(3,590)	(3,536)
	80,734	84,443	247,293	259,129
Gross profit				
DATA East and West	17,729	20,125	54,478	61,258
Sundog	965	1,450	3,290	4,115
Multiple Pakfold	536	457	1,851	1,132
	19,230	22,032	59,619	66,505
Gross profit, as a percentage of revenues				
DATA East and West	23.9%	25.9%	24.1%	25.8%
Sundog	21.3%	30.0%	24.0%	27.7%
Multiple Pakfold	14.7%	13.1%	16.6%	10.9%
	23.8%	26.1%	24.1%	25.7%
Selling, general and administrative expenses				
	13,593	15,130	41,583	46,751
As a percentage of revenues	16.8%	17.9%	16.8%	18.0%
Adjusted EBITDA (see Table 3)				
	7,198	8,648	22,851	25,174
Adjusted EBITDA margin, as a percentage of revenues	8.9%	10.2%	9.2%	9.7%
Net (loss) income for the period				
	(1,174)	3,261	2,122	6,807

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

For the periods ended September 30, 2010 and 2009 <i>(in thousands of dollars, unaudited)</i>	July 1 to Sept. 30, 2010	July 1 to Sept. 30, 2009	Jan. 1 to Sept. 30, 2010	Jan. 1 to Sept. 30, 2009
	\$	\$	\$	\$
Net (loss) income for the period	(1,174)	3,261	2,122	6,807
Net interest expense on long-term debt	1,723	1,292	4,667	3,981
Financing costs	-	-	2,266	-
Depreciation of property, plant and equipment	1,561	1,746	4,815	5,420
Amortization of intangible assets	2,566	2,649	7,698	7,947
Loss on settlement of pension plan	2,222	-	2,222	-
Lease exit charge	-	-	-	866
Gain on cancellation of convertible debentures	-	-	-	(2)
Current income tax recovery	-	-	(324)	-
Future income tax expense (recovery)	300	(300)	(615)	155
Adjusted EBITDA	7,198	8,648	22,851	25,174

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 third 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 third quarter of 2010) sells commercial printing products, document management services and event tickets. Multiple Pakfold (which provided approximately 4% of total revenues for the third quarter of 2010) sells business forms and labels to independent brokers and resellers.

Revenues

During the first nine months of 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 September 30, 2010, the Fund recorded revenues of \$80.7 million, a decrease of \$3.7 million or 4.4% compared with the same period in 2009. The decrease, before intersegment revenues, was the result of a \$3.5 million decrease in the DATA East and West segment and a \$0.3 million decrease in the Sundog segment, offset by a \$0.1 million increase in the Multiple Pakfold segment. For the nine months ended September 30, 2010, the Fund recorded revenues of \$247.3 million, a decrease of \$11.8 million or 4.6% compared with the same period in 2009. The decrease, before intersegment revenues, was the result of a \$11.4 million decrease in the DATA East and West segment and a \$1.2 million decrease in the Sundog segment, offset by a \$0.7 million 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 September 30, 2010, cost of revenues decreased to \$61.5 million from \$62.4 million for the same period in 2009. Gross profit for the quarter ended September 30, 2010 was \$19.2 million, which represented a decrease of \$2.8 million or 12.7% from \$22.0 million for the same period in 2009. The decrease in gross profit for the quarter ended September 30, 2010 was attributable to a gross profit decrease of \$2.4 million in the DATA East and West segment and a gross profit decrease of \$0.5 million in the Sundog segment, offset by a gross profit increase of \$0.1 million in the Multiple Pakfold segment. Gross profit as a percentage of revenues decreased to 23.8% for the quarter ended September 30, 2010 compared to 26.1% for the same period in 2009. For the nine months ended September 30, 2010, cost of revenues decreased to \$187.7 million from \$192.6 million for the same period in 2009. Gross profit for the nine months ended September 30, 2010 was \$59.6 million, which represented a decrease of \$6.9 million or 10.4% from \$66.5 million for the same period in 2009. The decrease in gross profit for the nine months ended September 30, 2010 was attributable to a gross profit decrease of \$6.8 million in the DATA East and West segment and a gross profit decrease of \$0.8 million in the Sundog segment, offset by a gross profit increase of \$0.7 million in the Multiple Pakfold segment. Gross profit as a percentage of revenues decreased to 24.1% for the nine months ended September 30, 2010 compared to 25.7% 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 September 30, 2010 decreased \$1.5 million to \$13.6 million compared to \$15.1 million in the same period of 2009. As a percentage of revenues, these costs were 16.8% of revenues for the quarter ended September 30, 2010 compared to 17.9% of revenues for the same period in 2009. For the quarter ended September 30, 2009, the Data Group incurred \$0.9 million of severance expenses. SG&A expenses for the nine months ended September 30, 2010 decreased \$5.2 million to \$41.6 million compared to \$46.8 million for the same period of 2009. As a percentage of revenues, these costs were 16.8% of revenues for the nine months ended September 30, 2010 compared to 18.0% of revenues for the same period in 2009. For the nine months ended September 30, 2010 and 2009, the Data Group incurred \$0.3 million and \$1.3 million of severance expenses, respectively. The decrease in SG&A expenses for the three months and nine months ended September 30, 2010 was the result of the Data Group's on-going productivity improvements and cost reduction initiatives. Severance expenses incurred by the Data Group during those periods and the three months ended September 30, 2009 were included in SG&A and were related to those initiatives.

Pension Plan Wind-up, Asset Sales and Other

During the three months ended September 30, 2010, the Data Group recorded a loss on settlement of pension plan of \$2.2 million related to the wind-up of the Relizon Canada Pension Plan. During the nine months ended September 30, 2010, the Data Group completed the sale of its Orangeville, Ontario property for gross proceeds of \$2.2 million. During the nine months ended September 30, 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. 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, 2010, Adjusted EBITDA was \$7.2 million, or 8.9% of revenues. Adjusted EBITDA for the quarter ended September 30, 2010 decreased \$1.4 million or 16.8% from the same period in the prior year and the Adjusted EBITDA margin for the quarter, as a percentage of revenues, decreased from 10.2% of revenues in 2009 to 8.9% of revenues in 2010. For the nine months ended September 30, 2010, Adjusted EBITDA was \$22.9 million, or 9.2% of revenues. Adjusted EBITDA for the nine months ended September 30, 2010 decreased \$2.3 million or 9.2% 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 9.7% of revenues in 2009 to 9.2% of revenues in 2010.

Interest expense and financing costs

Net interest expense on long-term debt outstanding under the Data Group's credit facilities, the Fund's outstanding \$34.8 million aggregate principal amount of 6.75% Extendible Convertible Unsecured Subordinated Debentures (the "6.75% Convertible Debentures") and the Fund's outstanding \$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 September 30, 2010 compared to \$1.3 million for the same period in 2009. Net interest expense on long-term debt was \$6.9 million for the nine months ended September 30, 2010 compared to \$4.0 million for the same period in 2009. The increase in net interest expense during the three and nine months ended September 30, 2010 was primarily related to the interest paid on the 6.00% Convertible Debentures, which were issued on April 27, 2010. During the nine months ended September 30, 2010, the Fund incurred \$2.3 million of financing costs related to the issuance of the 6.00% convertible debentures and repaid \$45.0 million of long-term debt outstanding under the Data Group's credit facilities. The Fund will redeem all of the outstanding 6.75% Convertible Debentures on December 31, 2010.

Income Taxes

The Fund reported a loss before income taxes of \$0.9 million and a future income tax expense of \$0.3 million for the quarter ended September 30, 2010. The future income tax recovery was due to a change in estimates of future reversals of temporary differences. 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 \$1.2 million, a current income tax recovery of \$0.3 million and a future income tax recovery of \$0.6 million for the nine months ended September 30, 2010. The current income tax recovery represents the final adjustment related to the amount payable by the Data Group to settle reassessments by the Canada Revenue Agency and certain provincial tax authorities that, in each case, adjust the pricing of transactions between Relizon Canada and its former parent company prior to its acquisition by the Fund. The future income tax recovery was due to a change in estimates of future reversals of temporary differences and new temporary differences that arose during the period. 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.

Net (Loss) Income

Net loss for the quarter ended September 30, 2010 was \$1.2 million compared to a net income of \$3.3 million for the quarter ended September 30, 2009. The decrease in comparable profitability for the quarter ended September 30, 2010 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, which was expensed in the quarter, lower gross profit in 2010 as a result of lower revenues due to generally uncertain economic conditions and a future income tax expense in the third quarter of 2010 compared to a future income tax recovery in the same period of 2009. 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 as discussed above.

Net income for the nine months ended September 30, 2010 was \$2.1 million compared to a net income of \$6.8 million for the nine months ended September 30, 2009. The decrease in comparable profitability for the nine months ended September 30, 2010 was substantially due the 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, lower gross profit as a result of lower revenues due to generally uncertain economic conditions, offset by a future income tax recovery in 2010 compared to a future income tax expense in the same period in 2009, cost savings realized from on-going productivity improvement and cost reduction initiatives and a lease exit charge incurred during 2009 that did not reoccur in 2010.

DATA EAST AND WEST

Revenues at the Data Group's DATA East and West segment for the quarter ended September 30, 2010 decreased \$3.5 million or 4.6% to \$74.2 million from \$77.7 million for the same period in the prior year. Revenues for the nine months ended September 30, 2010 decreased \$11.4 million or 4.8% to \$226.0 million from \$237.4 million for the same period in the prior year.

Revenues for the three and nine months ended September 30, 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. During the three months ended September 30, 2010, the segment experienced strong sales in September after weaker sales in July and August. In addition, revenues from lotteries during the first half of 2010 were lower than the same period in 2009 and continued to be lower on a comparative basis during the third quarter of 2010. During the first nine months of 2010, the segment experienced revenue gains from new business, which partially offset declines in revenues from existing customers.

For the quarter ended September 30, 2010, gross profit decreased \$2.4 million to \$17.7 million from \$20.1 million for the same period in 2009. Gross profit as a percentage of revenues for the quarter ended September 30, 2010 decreased to 23.9% from 25.9% for the same period in 2009. The decrease in gross profit as a percentage of revenues during the quarter ended September 30, 2010 was due to lower revenues as discussed above and lower capacity utilization as a result of lower revenues.

For the nine months ending September 30, 2010, gross profit decreased \$6.8 million to \$54.5 million from \$61.3 million in the same period of 2009. Gross profit as a percentage of revenues for the nine months ended September 30, 2010 decreased to 24.1% from 25.8% for the same period in 2009. The decrease in gross profit as a percentage of revenues during the nine months ended September 30, 2010, was due to lower revenues and capacity

utilization and was partially offset by realized savings from on-going productivity improvements and cost reduction initiatives.

SUNDOG

Revenues at the Data Group's Sundog segment for the quarter ended September 30, 2010 decreased \$0.3 million or 6.2% to \$4.5 million from \$4.8 million for the same period in the prior year. Revenues for the nine months ended September 30, 2010 decreased \$1.2 million or 7.8% to \$13.7 million from \$14.9 million for the same period in the prior year.

The decrease in revenues for the three and nine months ended September 30, 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 September 30, 2010, gross profit decreased \$0.5 million to \$1.0 million from \$1.5 million for the same period in 2009. Gross profit as a percentage of revenues for the quarter ended September 30, 2010 decreased to 21.3% from 30.0% for the same period in 2009. The decrease in gross profit as a percentage of revenues for the three months ended September 30, 2010 was principally due to lower revenues as noted above.

For the nine months ended September 30, 2010, gross profit decreased \$0.8 million to \$3.3 million from \$4.1 million for the same period in 2009. Gross profit as a percentage of revenues for the nine months ended September 30, 2010 decreased to 24.0% from 27.7% for the same period in 2009. The decrease in gross profit as a percentage of revenues for the nine months ended September 30, 2010 was principally due to the revenue shortfall discussed above and was partially offset by savings realized from cost reduction initiatives.

MULTIPLE PAKFOLD

Revenues at the Data Group's Multiple Pakfold segment for the quarter ended September 30, 2010 increased \$0.2 million or 4.8% to \$3.7 million from \$3.5 million for the same period in the prior year. Revenues for the nine months ended September 30, 2010 increased \$0.7 million or 7.0% to \$11.1 million from \$10.4 million for the same period in the prior year.

The increase in revenues for the three and nine months ended September 30, 2010 was attributable to an increase in market share due the bankruptcy of competitors. Economic conditions continue to adversely impact the segment, which affects quoting activity, order quantities and reorder cycles.

For the quarter ended September 30, 2010, gross profit remained largely unchanged from the same period in the prior year at \$0.5 million. Gross profit as a percentage of revenues for the quarter ended September 30, 2010 increased to 14.7% from 13.1% for the same period in 2009. For the nine months ended September 30, 2010, gross profit increased \$0.8 million to \$1.9 million from \$1.1 million for the same period of 2009. Gross profit as a percentage of revenues for the nine months ended September 30, 2010 was 16.6% compared to 10.9% for the same period in 2009. The improvement in gross profit as a percentage of revenues for the three and nine months ended September 30, 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.

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 September 30, 2010 and 2009 <i>(in thousands of dollars, except percentages and per unit amounts, unaudited)</i>	July 1 to Sept. 30, 2010 \$	July 1 to Sept. 30, 2009 \$	Jan. 1 to Sept. 30, 2010 \$	Jan. 1 to Sept. 30, 2009 \$
Cash provided by (used in) operating activities	6,614	6,390	25,099	20,264
<i>Capital adjustments</i>				
Maintenance capital expenditures ⁽¹⁾	(617)	(547)	(1,352)	(1,853)
Purchase of convertible debentures	-	-	-	(6)
<i>Other adjustments including discretionary items:</i>				
Changes in non-cash working capital ⁽²⁾	(2,313)	708	(10,391)	(47)
Pension plan wind-up contributions ⁽³⁾	805	-	2,065	-
Other ⁽⁴⁾	148	139	120	363
Cash available for distribution	4,637	6,690	15,541	18,721
Distributions to unitholders ⁽⁵⁾	6,805	6,805	20,415	20,415
Shortfall of cash available for distribution over actual distributions	(2,168)	(115)	(4,874)	(1,694)
<i>Per unit ⁽⁶⁾</i>				
Cash available for distribution per unit ⁽⁶⁾	0.198	0.285	0.662	0.798
Distributions to unitholders per unit ⁽⁶⁾	0.290	0.290	0.870	0.870
Shortfall of cash available for distribution per unit over actual distributions per unit	(0.092)	(0.005)	(0.208)	(0.072)
Payout ratio ⁽⁷⁾	146.8%	101.7%	131.4%	109.0%

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 nine months ended September 30, 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 quarter ended September 30, 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. It is currently expected that the wind-up will be substantially completed within 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 September 30, 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 nine month periods ended September 30, 2010 and 2009, respectively, and the amounts discussed below. For the quarter ended September 30, 2010, the Fund generated \$4.6 million or \$0.198 per unit of cash available for distribution compared to \$6.7 million or \$0.285 per unit for the same period in 2009. Cash available for distribution for the quarter ended September 30, 2010 was calculated by deducting from cash provided by (used in) operating activities of \$6.6 million, maintenance capital expenditures of \$0.6 million and changes in non-cash working capital of \$2.3 million, respectively, and adding back other non-cash items of \$0.1 million and pension plan wind-up contributions of \$0.8 million respectively. Cash available for distribution for the quarter ended September 30, 2009 was calculated by deducting from cash provided by (used in) 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, respectively.

For the nine months ended September 30, 2010, the Fund generated \$15.5 million or \$0.662 per unit of cash available for distribution compared to \$18.7 million or \$0.798 per unit for the same period in 2009. Cash available for distribution for the nine months ended September 30, 2010 was calculated by deducting from cash provided by operating activities of \$25.1 million, maintenance capital expenditures of \$1.4 million and changes in non-cash working capital of \$10.4 million, respectively, and adding back other non-cash items of \$0.1 million and pension plan wind-up contributions of \$2.1 million, respectively. 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, respectively, and adding back other non-cash items of \$0.4 million.

For the quarter ended September 30, 2010, the Fund declared distributions of \$6.8 million or \$0.290 per unit. Actual distributions exceeded cash available for distribution by \$2.2 million or \$0.092 per unit for the quarter ended September 30, 2010. During the quarter ended September 30, 2010, the Data Group made cash payments of \$0.3 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 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 improvements initiatives charged to restructuring expense. These cash payments were funded entirely 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 as these payments are included in cash provided by (used in) operating activities.

For the nine months ended September 30, 2010, the Fund declared distributions of \$20.4 million or \$0.870 per unit. Actual distributions exceeded cash available for distribution by \$4.9 million or \$0.208 per unit for the nine months ended September 30, 2010. During the nine months ended September 30, 2010, 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 and accrued restructuring provisions related to severance costs incurred as part of the Data Group's on-going productivity improvements initiatives charged to restructuring expense. These cash payments were funded by cash generated from operations, the net proceeds from the sale of the Data Group's former facility in Orangeville Ontario 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 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 quarter 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 September 30, 2010 of \$0.6 million related primarily to maintenance capital expenditures and were financed by cash flow from operations and existing cash resources. Capital expenditures for the nine months ended September 30, 2010 of \$1.4 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, 2010, the Data Group sold its former Orangeville, Ontario facility for gross proceeds of \$2.2 million.

FINANCING ACTIVITIES

For the quarter ended September 30, 2010, the Fund paid or declared aggregate cash distributions of \$6.8 million to its unitholders. For the nine months ended September 30, 2010, the Fund paid or declared aggregate cash distributions of \$20.4 million to its unitholders. As described above, during the nine months ended September 30, 2010, the Fund issued \$45.0 million aggregate principal amount of 6.00% Convertible Debentures. During the nine months ended September 30, 2010, the net proceeds from the sale of the 6.00% Convertible Debentures of approximately \$42.7 million and a portion of cash on hand totalling \$45.0 million were used to repay a portion of the Data Group's outstanding borrowings under its credit facility.

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 and 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 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 risk that 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 risk that, 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 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 will subject the Fund to tax commencing in 2011, and the effect of those changes on the level of distributions on the Fund's units and the trading price of the units. 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). 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 September 30, 2010 means EBITDA adjusted for a loss on the settlement of a pension plan. Adjusted EBITDA for the nine months ended September 30, 2010 means EBITDA adjusted for financing costs and a loss on the settlement of a pension plan. Adjusted EBITDA for the three months ended September 30, 2009 means EBITDA adjusted for lease exit charges. Adjusted EBITDA for the nine months ended September 30, 2009 means EBITDA adjusted for gains on cancellation of convertible debentures and lease exit charges. 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 and nine months ended September 30, 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 three months ended September 30, 2010 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. Cash available for distribution for the nine months ended September 30, 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)

	September 30, 2010 \$	December 31, 2009 \$
Assets		
Current assets		
Cash and cash equivalents	14,876	11,736
Accounts receivable	37,957	44,930
Inventories	40,983	47,449
Prepaid expenses and other current assets	4,583	4,192
Assets held for sale	-	2,085
	98,399	110,392
Property, plant and equipment	27,116	30,672
Goodwill	141,206	141,206
Intangible assets	36,607	44,305
	303,328	326,575
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	30,358	29,663
Accrued restructuring provisions	431	1,556
Income taxes payable	109	1,059
Deferred revenue	7,694	8,971
Distributions payable	2,269	2,269
	40,861	43,518
Revolving bank facility	25,000	70,000
Convertible debentures	77,601	34,488
Future income taxes	5,403	6,018
Deferred gain	1,383	1,530
Unfavourable lease obligation	932	1,025
Deferred lease inducement	766	858
Lease exit accrual	681	793
Pension obligations	6,483	8,003
Post-employment and post-retirement benefits	2,173	2,143
	161,283	168,376
Unitholders' Equity		
Units	215,336	215,336
Conversion options	3,036	897
Deficit	(76,327)	(58,034)
	142,045	158,199
	303,328	326,575

**CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)**

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	For the three months ended September 30, 2010 \$	For the three months ended September 30, 2009 \$
Revenues	80,734	84,443
Cost of revenues (including depreciation of \$1,496 and \$1,689, respectively)	61,504	62,411
Gross profit	19,230	22,032
Expenses		
Selling, commissions and expenses	7,833	8,138
General and administration expenses (including depreciation of \$65 and \$57, respectively)	5,760	6,992
Loss on settlement of pension plan	2,222	-
Amortization of intangible assets	2,566	2,649
	18,381	17,779
Income before interest and income taxes	849	4,253
Interest expense (net of interest income of \$33 and \$15, respectively)	1,723	1,292
(Loss) income before income taxes	(874)	2,961
Future income tax expense (recovery)	300	(300)
Net (loss) income for the period	(1,174)	3,261
Gain on cash flow hedges	-	344
Comprehensive (loss) income for the period	(1,174)	3,605
Basic (loss) income per unit	(0.05)	0.14
Diluted (loss) income per unit	(0.05)	0.14
Units outstanding	23,490,592	23,490,592

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(in thousands of dollars, except per unit amounts, unaudited)</i>	For the nine months ended September 30, 2010 \$	For the nine months ended September 30, 2009 \$
Revenues	247,293	259,129
Cost of revenues (including depreciation of \$4,599 and \$5,221, respectively)	187,674	192,624
Gross profit	59,619	66,505
Expenses		
Selling, commissions and expenses	24,124	25,347
General and administration expenses (including depreciation of \$216 and \$199, respectively)	17,459	21,404
Loss on settlement of pension plan	2,222	-
Lease exit charge	-	866
Gain on cancellation of convertible debentures	-	(2)
Amortization of intangible assets	7,698	7,947
	51,503	55,562
Income before interest and income taxes	8,116	10,943
Interest expense and financing costs (net of interest income of \$59 and \$262, respectively)	6,933	3,981
Income before income taxes	1,183	6,962
Income tax expense (recovery)		
Current	(324)	-
Future	(615)	155
	(939)	155
Net income for the period	2,122	6,807
Gain on cash flow hedges	-	1,059
Comprehensive income for the period	2,122	7,866
Basic income per unit	0.09	0.29
Diluted income per unit	0.09	0.29
Units outstanding	23,490,592	23,490,592

CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

(in thousands of dollars, unaudited)

	Units	Conversion options	Accumulated other comprehensive income (loss)	Deficit	Total Unitholders' Equity
	\$	\$	\$	\$	\$
Balance as at December 31, 2008	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
Balance as at September 30, 2009	215,336	897	-	(57,465)	158,768
Balance as at December 31, 2009	215,336	897	-	(58,034)	158,199
Distributions declared	-	-	-	(20,415)	(20,415)
Issuance of convertible debentures	-	2,139	-	-	2,139
Net income for the period	-	-	-	2,122	2,122
Balance as at September 30, 2010	215,336	3,036	-	(76,327)	142,045

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands of dollars, unaudited)</i>	For the three months ended September 30, 2010 \$	For the three months ended September 30, 2009 \$
Cash provided by (used in)		
Operating activities		
Net (loss) income for the period	(1,174)	3,261
Adjustments to net (loss) income		
Depreciation of property, plant and equipment	1,561	1,746
Amortization of intangible assets	2,566	2,649
Pension expense	295	237
Contributions made to pension plans	(1,452)	(502)
Loss on disposal of property, plant and equipment	-	86
Loss on settlement of pension plan	2,222	-
Accretion of convertible debentures	117	42
Amortization of deferred gain	(49)	(48)
Unfavourable lease obligation	(31)	(30)
Amortization of lease inducement	(30)	(31)
Accretion of lease exit accrual	(38)	(30)
Post-employment and post-retirement benefits	14	18
Future income tax expense (recovery)	300	(300)
	4,301	7,098
Changes in non-cash items relating to operating activities	2,313	(708)
	6,614	6,390
Investing activities		
Purchase of property, plant and equipment	(617)	(547)
	(617)	(547)
Financing activities		
Distributions to unitholders	(6,805)	(6,805)
	(6,805)	(6,805)
Decrease in cash and cash equivalents during the period	(808)	(962)
Cash and cash equivalents – beginning of period	15,684	11,680
Cash and cash equivalents – end of period	14,876	10,718
Supplemental cash flow information		
Interest paid	271	870
Income taxes paid	-	(772)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars, unaudited)

	For the nine months ended September 30, 2010 \$	For the nine months ended September 30, 2009 \$
Cash provided by (used in)		
Operating activities		
Net income for the period	2,122	6,807
Adjustments to net income		
Depreciation of property, plant and equipment	4,815	5,420
Amortization of intangible assets	7,698	7,947
Pension expense	1,029	697
Contributions made to pension plans	(4,771)	(1,488)
Loss (gain) on disposal of property, plant and equipment	104	(1)
Financing costs	2,266	-
Loss on settlement of pension plan	2,222	-
Gain on cancellation of convertible debentures	-	(2)
Lease exit charge	-	866
Accretion of convertible debentures	252	125
Amortization of deferred gain	(147)	(145)
Unfavourable lease obligation	(93)	(88)
Amortization of lease inducement	(92)	(92)
Accretion of lease exit accrual	(112)	(38)
Post-employment and post-retirement benefits	30	54
Future income tax (recovery) expense	(615)	155
	14,708	20,217
Changes in non-cash items relating to operating activities	10,391	47
	25,099	20,264
Investing activities		
Purchase of property, plant and equipment	(1,352)	(1,853)
Proceeds on disposal of property, plant and equipment	2,074	1,236
	722	(617)
Financing activities		
Issuance (repurchase) of convertible debentures, net	42,734	(6)
Repayment of revolving bank facility	(45,000)	-
Distributions to unitholders	(20,415)	(20,415)
	(22,681)	(20,421)
Increase (decrease) in cash and cash equivalents during the period	3,140	(774)
Cash and cash equivalents – beginning of period	11,736	11,492
Cash and cash equivalents – end of period	14,876	10,718
Supplemental cash flow information		
Interest paid	2,280	3,411
Income taxes paid	596	2,698