Newport Inc.

Newport Inc. Announces
First Quarter 2011 Financial Results

Toronto – May 13, 2011 – Newport Inc. (TSX:NP, NP.DB.B and NP.DB.C) today announced the results of its predecessor, Newport Partners Income Fund for the three months ended March 31, 2011.

First Quarter Results

($ millions)	2011	2010
Revenue	144.1	100.9
Gross profit	31.9	23.8
Selling, general & administrative expenses	26.8	21.8
Net income (loss) from continuing operations	29.1	(1.9)
Adjusted EBITDA	5.0	2.8

Revenue for the three-month period ended March 31, 2011 was $144.1 million, versus $100.9 million produced in 2010. Gross profit was $31.9 million for the quarter representing a gross profit margin of 22.1 percent. For the same period last year, the Fund reported gross profit of $23.8 representing a gross profit margin of 23.6 percent. Adjusted EBITDA was $5.0 million, compared to $2.8 million for the corresponding period in 2010.

INDUSTRIAL SERVICES

- Solid results at NPC not only reflect the Fund's increase in ownership in both NPC and Golosky but also strong performance of the underlying businesses.
- At NPC, on a divisional basis higher maintenance services and transportation revenues drove the improved results.
- Quantum Murray had a strong quarter, significantly improved over the prior year quarter.
- Increased activity in both demolition and remediation services. In the prior year quarter, Quantum Murray experienced lower activity levels and also right sized the business following the departure of management personnel.

FINANCIAL SERVICES

- The loss of large clients in the latter half of 2010 by Morrison Williams led to lower results compared to the prior year quarter.
- Significant increases in Brompton's AUM over the prior year quarter have led to improved results for Brompton.
- Baird MacGregor had a solid quarter and improved results are due to both new business initiatives and growth in existing business.
- Hargraft's reduced losses reflect the realization of the benefits of operational restructuring during 2010.

MARKETING

- The marketing segment had a challenging quarter.
- Gemma continues to experience business level fluctuations from a major client.
- Both Armstrong and IC Group worked hard to maintain existing business from key clients.

OTHER

- Improving Alberta economic conditions had a strong impact on Titan's results.
- Weather factors also worked in Titan's favour as higher than normal snowfall conditions created demand for its product lines.
- Gusgo's revenues were consistent with the prior year quarter.

CORPORATE

- Corporate expenses are increased from the prior year quarter. The increase primarily relates to professional advisory services related to the IFRS conversion.

The current period income statement also includes two significant accounting gains. As a result of the Fund's balance sheet refinancing, a gain on debt extinguishment of $37,451 has been recorded and reflects the difference between the fair value of the new secured and unsecured debentures and the carrying value of the refinanced debt instruments, net of costs.

As a result of IFRS accounting rules relating to business combinations, an entity which increases its interest in an investment to a control interest is required to revalue its existing investment at the date of the transaction. As a result of NPC increasing its investment in Golosky Energy Services from 80% to 100%, a gain on re-measurement of investment of $9,644 has been recorded.

SECOND QUARTER OUTLOOK

In the first quarter of 2011, the Fund successfully completed its debt refinancing. With a restructured balance sheet, the Fund's senior management team's primary focus is on improving results within the different operating segments.

Within the Industrial Services segment, the second quarter is typically a strong quarter for NPC, our oil and gas services business. The quarter is seasonally busy with significant shutdown and turnaround plant maintenance assignments. NPC is seeing an increased workload, and also expects to be busy in its fabrication and transportation divisions. Following a solid first quarter by Quantum Murray, increasing business activity and job tendering is promising in both the demolition and remediation divisions, and should benefit this quarter and beyond.

The marketing segment continues to have a more cautious outlook. Each business within this segment is focused on business development activities, but client-spending decisions are taking longer to finalize.

The fortunes of the financial services segment are tied to both market performance and client growth and retention. The best example of this is Morrison Williams which is working at rebuilding its client base. Both Baird and Hargraft are modestly positive about the second quarter and beyond. Good progress has been made at Baird, in particular, in solidifying its base of insurance clients.

Both Titan and Gusgo operate within the Other segment. Titan's second quarter business levels may not match the strong first quarter, but should reflect the continued strength of the Alberta oil and gas and construction sectors. Gusgo generally benefits from broad economic strengthening. It fared well in the first quarter, and should see similar results in the second quarter.

In the Corporate segment, there should be lower legal and advisor costs in future quarters as work associated with conversion to an Inc. is now complete, and work related to the IFRS transition will decrease over time.

About Newport Inc.

Newport Inc. is a publicly-traded company which invests in successful Canadian private businesses. Newport Inc. currently has $443 million invested in 12 businesses representing a diverse cross-section of the Canadian economy.

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Non-IFRS Measures

The terms "adjusted EBITDA", "EBITDA", (collectively the "Non-IFRS Measures") are financial measures used in this news release that are not standard measures under International Financial Reporting Standards ("IFRS"). Newport Inc.'s method of calculating Non-IFRS Measures may differ from the methods used by other issuers. Therefore, Newport Inc.'s Non-IFRS Measures, as presented may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA refers to EBITDA excluding the gain or loss on reduction of ownership interest (dilution gains or losses) , the write-down of goodwill and intangibles and accounting gains or losses on sale of investments, gain on measurement of investment, gain on debt extinguishment and fair value adjustments to stock based compensation expense. Newport Inc. has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Newport Inc. and management believes it is a useful supplemental measure from which to determine Newport Inc.'s ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and the Trustees as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Newport Inc.'s reportable segments and considers EBITDA to be a useful supplemental measure from which to determine Newport Inc's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Newport Inc. has provided a reconciliation of income to EBITDA in its MD&A.

Investors are cautioned that the Non-IFRS Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the Units. These Non-IFRS Measures should only be used in conjunction with the financial statements included in the MD&A and Newport Partners Income Fund's annual audited financial statements available on SEDAR at www.sedar.com or at www.newportpartnersincomefund.ca

NEWPORT PARTNERS INCOME FUND
Consolidated Balance Sheets
(In thousands of Canadian dollars)
(unaudited)

	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current Assets:			
Cash and cash equivalents	$ 12,783	$ 27,739	$ 41,262
Cash and short-term investments held in trust	16,541	18,767	20,142
Accounts receivable	116,887	96,687	107,143
Inventories	29,164	28,202	22,130
Prepaid expenses	3,502	3,583	2,377
Other current assets	10,079	9,683	14,059
Current assets of discontinued operations	278	223	27,547
	$ 189,234	$ 184,884	$ 234,660
Property, plant and equipment	53,924	52,724	41,932
Long-term investments	15,236	14,845	15,055
Goodwill	60,482	50,487	46,986
Intangible assets	151,218	145,750	65,015
Other assets	1,511	1,492	13,641
Deferred tax asset	-	-	2,427
Long-lived assets of discontinued operations	-	-	64,349
	$ 471,605	$ 450,182	$ 484,065
Liabilities and Unitholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	86,985	78,631	92,628
Provisions	5,238	5,401	5,667
Deferred revenue	7,216	6,757	7,254
Current portion of obligations under capital leases	4,857	4,534	4,516
Current liabilities of discontinued operations	473	326	10,275
Revolving credit facilities	-	10,089	10,089
Accrued interest on revolving credit facilities	-	1,449	449
Current portion of long-term debt	-	86,939	150,499
Convertible debentures	-	159,829	156,136
Accrued interest on convertible debentures	-	23,870	11,935
	$ 104,769	$ 377,825	$ 449,448
Obligations under capital leases	3,443	4,306	5,801
Long-term debt	104,986	-	-
Secured debentures	141,961	-	-
Unsecured debentures	11,729	-	-
Stock based payment liability	2,833	1,165	-
Long-term liabilities of discontinued operations	-	-	7,952
Deferred tax liability	29,258	23,394	-
Unitholders' equity	72,626	43,492	20,864
	$ 471,605	$ 450,182	$ 484,065

NEWPORT PARTNERS INCOME FUND

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per unit amounts)
(unaudited)

		Three months ended March 31, 2011		Three months ended March 31, 2010
Revenues	$	144,115	$	100,880
Cost of revenues		(112,215)		(77,033)
Gross profit		31,900		23,847
Expenses				
Selling, general and administrative		(26,824)		(21,824)
Amortization of intangible assets		(8,799)		(4,189)
Depreciation		(3,111)		(2,693)
	$	(38,734)	$	(28,706)
Loss before the undernoted		(6,834)		(4,859)
Income from equity investments		762		470
Interest expense, net		(7,126)		(9,606)
Gain on re-measurement of investment		9,644		9,051
Gain on debt extinguishment		37,451		-
Fair value adjustment to stock based compensation expense		(883)		305
Transaction costs		(1,177)		(40)
Income (loss) before income taxes	$	31,837	$	(4,679)
Income tax expense - current		(3)		-
Income tax (expense) recovery - deferred		(2,700)		2,738
Net income (loss) from continuing operations	$	29,134	$	(1,941)
Income from discontinued operations (net of income tax)		-		2,054
Net income and comprehensive income	$	29,134	$	113
Income (loss) per unit				
Basic:				
Continuing operations	$	0.41	$	(0.03)
Net income	$	0.41	$	0.00
Diluted:				
Continuing operations	$	0.41	$	(0.03)
Net income	$	0.41	$	0.00

NEWPORT PARTNERS INCOME FUND
Consolidated Statements of Unitholders' Equity
(In thousands of Canadian dollars, except per unit amounts)
(unaudited)

	Three months ended March 31, 2011	Three months ended March 31, 2010
Cash provided by (used in):		
Operating activities:		
Net income for the period	$ 29,134	$ 113
Items not affecting cash:		
Income from discontinued operations	-	(2,054)
Amortization of intangible assets	8,799	4,189
Depreciation	3,124	2,707
Deferred income tax expense (recovery)	2,700	(2,738)
Income from equity investments, net of cash received	(762)	(470)
Non-cash interest expense	664	912
Gain on re-measurement of investment	(9,644)	(9,051)
Gain on extinguishment of debt	(37,451)	-
Stock based compensation expense	1,668	621
Changes in non-cash working capital	(19,000)	6,154
Distributions from discontinued operations	-	2,931
Cash provided by discontinued operations	-	2,973
	$ (20,768)	$ 6,287
Investing activities:		
Acquisition of businesses, net cash acquired	(14,547)	(4,281)
Purchase of property, plant and equipment	(58)	(1,283)
Net proceed on disposal of property, plant and equipment	202	366
Purchase of software	(477)	-
Cash used in discontinued operations	-	(351)
	$ (14,880)	$ (5,549)
Financing activities:		
Increase (repayment) of long-term debt	19,766	(18,041)
Increase (decrease) in cash held in trust	2,226	(463)
Repayment of capital lease obligations	(1,300)	(1,196)
Cash used in discontinued operations	-	(3,557)
	$ 20,692	$ (23,257)
Decrease in cash and cash equivalents	(14,956)	(22,519)
Cash and cash equivalents, beginning of period - continuing operations	27,739	41,262
Cash and cash equivalents, beginning of period - discontinued operations	-	2,620
Cash and cash equivalents, end of period	$ 12,783	$ 21,363
Cash and cash equivalents, end of period - continuing operations	$ 12,783	$ 19,680
Cash and cash equivalents, end of period - discontinued operations	-	1,683
Supplemental cash flow information:		
Interest paid	77	5,232
Cash acquired upon acquisition	20	4
Supplemental disclosure of non-cash financing and investing activities:		
Acquisition of property, plant and equipment through capital leases	379	243
Debt and accrued interest repaid through issuance of debentures	152,951	-