Newport Partners Income Fund Announces 2007 Third Quarter Results

NPF plans to give NPC oil services company direct access to public equity markets to fund continued growth.

Toronto – November 8, 2007 -- Newport Partners Income Fund ("NPF" or "the Fund")(TSX: NPF.UN) today announced its financial results for the three-month and nine-month periods ended September 30, 2007. The Fund also announced that NPC Integrity Energy Services Limited Partnership ("NPC"), the Alberta-based oil and gas services company in which NPF holds an 80% interest, is preparing plans to fund the next stage of the company's growth through the public equity markets. The Fund plans to retain a significant holding in the company following this transaction, which is expected to occur in 2008 subject to market conditions, regulatory and other approvals.

Third Quarter Financial Results

For the three month period ended September, 2007, NPF's portfolio of investments in 18 private businesses generated a cash yield of 15.1% on weighted invested capital of $566.7 million. This produced $13.9 million of distributable cash, or $0.20 per unit. During the period the Fund paid distributions to unit holders of $0.25 per unit.

Revenues increased to $149.8 million from $98.9 million in the same period last year. Adjusted EBITDA was $22.1 million compared to $18.6 million in the prior year period. For the nine-month period ended September 30, 2007, revenue and adjusted EBITDA amounted to $399.8 million and $60.8 million respectively – compared with $254.6 million and $49.4 million in the prior year period. These increases primarily reflect the contribution of new investments made to strengthen and diversify the portfolio.

For the three-month period, distributable cash was $13.9 million compared with $15.8 million in the prior year period. For the nine-month period, distributable cash from Continuing Operations was $40.0 million or $0.57 per unit -- $35.1 million including Discontinued Operations or $0.50 per unit. This compares with $41.6 million in the prior year period. This reduction primarily reflects higher interest costs to support the Fund's investment program and provide working capital to a larger portfolio of companies.

The return attributable to the portfolio's income was somewhat below management's expectations for the period due primarily to weaker than expected performance from the Fund's investments in Titan, Peerless, Hargraft and the marketing segment overall. This was offset somewhat by performance from the Fund's five largest cash contributors (Quantum Murray, NPC, ESR, Morrison Williams and Gemma) which met or exceeded expectations for the period. Historically, NPC has had seasonally weaker operations in the third quarter. The Fund also only had two months of new contribution from Golosky.

During the period, the Fund provided NPC with a $60 million equity loan to acquire an 80% interest in Golosky Group of Companies on July 31 and a further $2.6 million to finance the purchase of its 80% interest in Cladtech Canada Inc. Subsequent to quarter end, the Fund invested an additional $1.9 million in NPC to finance its purchase of a 77.6% interest in Accel Testing Inc. and $0.6 million in Quantum Murray for the purchase of Echelon Emergency Response and Training Inc. Following these transactions, the capital invested in the Fund's current portfolio is $590.5 million, including $162.4 million invested year to date. Management estimates that the current market value of this portfolio is in the range of $790-$850 million.

The Fund also completed its NCIB program with the re-purchase and cancellation of 1,057,072 units during the period, for a total of 1,924,572 at an average price of $6.04.

Operating Highlights

Quantum Murray continued its trend of improvement led by its decommissioning, hazardous materials and remediation services. Volumes and prices for scrap metals were a slight drag on performance. NPC's financial results were excellent given the challenging market conditions in the Alberta oil and gas industry and the seasonal weakness of the third quarter typically. The diversification of NPC's services and geographical distribution are a strong buffer against the current market turbulence. ESR performed as expected. Insurance premium results were modestly below the prior year period reflecting heightened competition in standard markets and the entrance of new foreign insurers offering lower prices to gain Canadian market share. The contribution from contingent profit commissions was in line with expectations and helped to offset this weakness. Gemma produced its sixth consecutive quarter of growth. The company's new inbound and business-to-business calling programs allowed Gemma to achieve peak utilization and record quarterly results.

The pronounced slowdown in Alberta's exploration and drilling sector was the cause of the significant deterioration in Titan's financial results, as the company distributes products and services to the oil and gas and transportation industries. Peerless is the dominant supplier of military gear for the federal government. Recent government contract opportunities are larger than historically has been the case. These require ministerial approval resulting in a longer process prior to release and a delay in revenues for Peerless. These delays dampened its third quarter and year to date results. Hargraft's results were hurt by the intense competition in the insurance market, particularly in its core transportation segment, and by an approximate $0.6 million adjustment for CPC revenue calculations refined during the quarter.

The marketing segment experienced a weaker quarter. The strong Canadian dollar was a drag on performance at Armstrong and IC Group – both of which derive a significant portion of their revenues in U.S. dollars. Capital C has succeeded in selling its new integrated service offering to large, blue-chip clients, thereby expanding the scope of work, revenue potential and resiliency of its accounts. However, the very nature of this business strategy demands more time spent on strategic and insight work prior to project implementation and billing. This results in longer lead times for new and larger assignments. As a result, financial results were temporarily reduced.

Corporate costs including head office salaries, professional fees and administration costs were $1.2 million -- or approximately 1.20% of the Fund's net assets on an annualized basis. For the prior year period, these expenses were $1.2 million.

Compared to the prior year period, the Fund also has an expanded and more diversified capital structure composed largely of equity and long-term debt or equity-linked debt. As at September 30, 2007, $190.0 million was drawn under the Fund's term loan and $46.0 million was drawn under its revolving credit facility. An important element of the Fund's debt management strategy is that there is no debt at the operating partnership level (with the exception of minority owned Brompton). All of the debt is at the Fund level. At September 30, 2007 debt represented 26% of the total capital structure with 74% being equity or equity-linked debt. Net debt to LTM EBITDA was approximately 2.37 times.

Funding Growth

The rising needs for growth capital at NPC and its significant concentration in the portfolio has led management along with its operating partners at NPC, to determine that the company should access the public markets directly in 2008. "NPC's growth over the past three years has exceeded our most optimistic expectations at the time of our investment. And frankly, it exceeds our Fund's capacity to finance more of the same," said Mr. Peter Wallace, NPF President & CEO. "By accessing the public markets directly, NPC should benefit from a lower cost of capital and we would retain a significant holding in the new public company. This way, unit holders can continue to share in NPC's growth while we reduce concentration risk in the portfolio and unlock some of the value embedded in this investment." Management is in the early planning stages of this project and will communicate with unit holders once further details are known. The completion of this transaction will be subject to market conditions and regulatory approval.

Outlook

For the fourth quarter, management anticipates the larger cash contributors to the Fund will continue to meet or exceed expectations, while some of its smaller holdings have revised their outlooks downward in light of current challenges. Management's current expectation is that distributable cash reported from continuing operations will be in the range of $0.77 to $0.79 per unit for the fiscal year.

"The overall performance of our portfolio is driven by two things – income from the investments in the portfolio and growth in the value of these investments. Since inception in 2004, we have achieved a total compound annualized return of 30% (16% from income and 14% from capital appreciation). However, the current income contribution remains below the level of distributions to our unit holders. I am disappointed that we haven't made more progress this year in closing this gap," stated Mr. Peter Wallace. "At the same time, it is important to note that our largest cash contributors and the investments that they have made this year are performing well as we begin our planning for 2008."

For the twelve month period ended September 30, 2007, the Fund's share of the LTM EBITDA produced by its holdings was $109.1 million. Management uses this figure as a starting point for the development of budgets for 2008, which are currently underway with operating management, and factors in expected variances, up or down, based on the outlook from the management teams from each holding.

Results – Third Quarter Performance

DISTRIBUTIONS/UNIT ($000s except per unit amounts)

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	2007	2006
NPY (representing non-controlling interest) Units outstanding	29,476	32,859	30,679	33,629
NPF Units outstanding	40,911	37,674	40,047	32,137
Total weighted average Units outstanding[1]	70,387	70,533	70,726	65,766
Total distributions paid and payable	$ 17,623	$ 17,555	$ 53,125	$ 48,764
Distributions per unit	$ 0.25	$ 0.25	$ 0.75	$0.74
Cash provided by (used in) operations	$ (2,011)	$ 8,508	$ 33,176	$ 37,757
Deduct: capital expenditures	(1,494)	(246)	(4,516)	(1,802)
Deduct: capital lease payments	(801)	(847)	(2,285)	(2,282)
Standardized distributable cash	$ (4,306)	7,415	26,375	33,673
Standardized distributable cash per unit	$ (0.06)	$ 0.11	$ 0.37	$ 0.51
Total distributions paid and payable	17,623	17,555	53,125	48,764
Cash used to repurchase units	6,160	-	11,624	-
Aggregate cash distributions for the period	$ 23,783	$ 17,555	$ 64,749	$ 48,764
Standardized distributable cash payout ratio[2]	(5.52x)	2.37x	2.45x	1.45x
Standardized distributable cash	(4,306)	7,415	26,375	33,673
Changes in working capital – continuing operations	17,325	5,885	19,616	11,717
Cash (provided by) used in discontinued operations	41	2,159	(9,372)	(4,868)
Add: growth capital expenditures	675	-	1,502	1,085
Add (deduct): priority income per partnership agreement[3]	194	308	1,856	20
Distributable cash from continued operations	$ 13,929	$ 15,767	$ 39,977	$ 41,627
Distributable cash from (used by) discontinued operations	-	279	(4,864)	(3,454)
Distributable cash (or Adjusted Distribution Base)	$ 13,929	$ 16,046	$ 35,113	$ 38,173
Distributable cash from continuing operations per unit	0.20	0.23	0.57	0.63
Distributable cash used by discontinued operations per unit	-	-	(0.07)	(0.05)
Distributable cash (or Adjusted Distribution Base) per unit	$ 0.20	$ 0.23	$ 0.50	$ 0.58
Distributable cash (or Adjusted Distribution Base) payout ratio[2]	1.71x	1.09x	1.84x	1.28x
Net (loss) income for the period before non-controlling interest	(116)	5,324	(48,161)	10,474
Shortfall of distributions paid to standardized distributable cash	21,929	10,140	26,750	15,091
Shortfall of distributions paid to distributable cash (or Adjusted Distribution Base)	3,694	1,509	18,012	10,591
Shortfall of distributions paid to net income (loss) before non-controlling interest[4]	17,739	12,231	101,286	38,290

[1] Represents weighted average number of units outstanding during the period adjusted for C LP Units which are currently subordinated and therefore received no distributions. The subordination period for these units expired on October 1, 2007.

[2] Cumulative aggregate cash distributions since inception are $155,602. Cumulative standardized distributable cash and adjusted distribution base from inception are $65,627 and $112,355 respectively, providing cumulative payout ratios of 2.37x and 1.38x respectively.

[3] To the extent that in any reporting period, calculated on a cumulative basis, NPF's proportionate share of distributable cash is more or less than its priority amount , an adjustment to distributable cash is made to reflect the actual cash distributions payable to NPF by the operating partner.

[4] Net income is after deducting amortization and future income taxes.

BALANCE SHEET ($000s)

	AS AT SEPTEMBER 30, 2007	AS AT DECEMBER 31, 2006
Total assets	$ 962,339	$ 894,349
Revolving credit facility	46,016	5,000
Long-term debt[5]	185,130	170,000
Convertible debt[5]	148,874	83,970
Unitholders' equity - NPF & NPY	$ 375,175	$ 478,235

[5] Subsequent to December 31, 2006 changes to accounting rules require that deferred financing charges are netted against long term debt and convertible debt. As at September 30, 2007 the gross long term debt outstanding was $190,000 and the convertible debt was $164,466.

SUMMARY FINANCIAL TABLE – (SEGMENTED) ($000s except per unit amounts)

Three months ended September 30, 2007

	FINANCIAL SERVICES	MARKETING	INDUSTRIAL SERVICES	OTHER	CORPORATE[1]	TOTAL
Revenue	$ 20,559	$ 20,803	$ 86,313	$ 22,121	-	$149,796
Gross margin	9,547	10,825	18,741	5,666	-	44,779
Income (loss) from continuing operations before non-controlling interest[2]	3,198	1,137	4,648	156	(9,255)	(116)
EBITDA	7,752	3,202	9,696	2,692	(2,036)	21,306
Loss on dilution of ownership interest	-	-	-	-	808	808
Adjusted EBITDA[3]	7,752	3,202	9,696	2,692	(1,228)	22,114
Interest (income) expense [2]	59	75	558	639	7,219	8,550
Non-cash interest expense	-	-	-	-	(987)	(987)
Income tax expense (recovery) - current	(11)	-	(17)	-	-	(28)
Maintenance capital expenditures and reserves	387	111	649	92	-	1,239
Capital lease payments	-	57	724	20	-	801
Compensation expense funded by operating partner[4]	563	633	-	-	-	1,196
Priority income per partnership agreement[5]	-	67	(35)	162	-	194
Distributable cash from continuing operations	$ 7,880	$ 3,659	$ 7,747	$ 2,103	$ (7,460)	$ 13,929
Cash used by discontinued operations						$ 0.00
Distributable cash						$ 13,929
Distributable cash per unit from continuing operations						**$0.20**
Cash used per unit by discontinued operations						$ 0.00
Distributable cash per unit						$0.20

SUMMARY FINANCIAL TABLE – (SEGMENTED) ($000s except per unit amounts)

Three months ended September 30, 2006

	FINANCIAL SERVICES	MARKETING	INDUSTRIAL SERVICES	OTHER	CORPORATE[1]	TOTAL
Revenue	$ 18,279	$ 18,603	$ 46,770	$ 15,278	-	$ 98,930
Gross margin	10,374	9,074	10,115	3,122	-	32,685
Income (loss) from continuing operations before non-controlling interest	5,517	1,657	1,935	678	(3,363)	6,424
EBITDA	9,657	3,560	4,515	2,045	(1,197)	18,580
Loss on dilution of ownership interest	-	-	-	-	-	-
Adjusted EBITDA[3]	9,657	3,560	4,515	2,045	(1,197)	18,580
Interest (income) expense	(50)	125	386	342	1,752	2,555
Income tax expense (recovery) – current	10	1	66	-	-	77
Maintenance capital expenditures and reserves	84	-	53	65	-	202
Capital lease payments	4	33	806	4	-	847
Compensation expense funded by operating partner[4]	560	-	-	-	-	560
Priority income per partnership agreement[5]	-	308	-	-	-	308
Distributable cash from continuing operations	$ 10,169	$ 3,709	$ 3,204	$1,634	$ (2,949)	$ 15,767
Cash provided by discontinued operations						$ 279
Distributable cash						$ 16,046
Distributable cash per unit from continuing operations						**$0.23**
Cash used per unit by discontinued operations						$ 0.00
Distributable cash per unit						$0.23

1 The results of the Corporate segment include corporate costs and corporate interest expense.

2 NPF advanced approximately $60,000 to NPC to allow it to complete its investment in Golosky on July 31, 2007. This long term facility can be converted into equity, if certain future performance criteria are met, and in anticipation of the triggering targets being met, and also in order to remove the financing component from the operating results of NPC, interest expense of NPC, and the Industrial Services segment in this Summary Financial table has been reduced by $960 and such amount has been added to the interest expense of the Corporate segment.

3 Adjusted EBITDA excludes the non-cash gains or loss on changes to ownership interest.

4 NPF's agreements with ESR and Gemma contemplate that certain employee bonuses are paid for by the 20% limited partners. GAAP requires that the bonuses be expensed and therefore reduces EBITDA. Since there is no cash outlay by NPF the expense is added back in arriving at distributable cash.

5 To the extent that in any reporting period, calculated on a cumulative basis, NPF's proportionate share of distributable cash is more or less than its priority amount, an adjustment to distributable cash is made to reflect the actual cash distributions payable to NPF by the operating partner.

SUMMARY FINANCIAL TABLE – (SEGMENTED) ($000s except per unit amounts)

Nine months ended September 30, 2007

	FINANCIAL SERVICES	MARKETING	INDUSTRIAL SERVICES	OTHER	CORPORATE[1]	TOTAL
Revenue	$ 63,465	$ 64,453	$ 202,239	$ 69,598	-	$399,755
Gross margin	30,073	34,400	44,462	18,148	-	127,083
Income (loss) from continuing operations before non-controlling interest[2]	(8,676)	(4,924)	7,183	(6,858)	(29,659)	(42,934)
EBITDA	24,844	10,690	21,394	8,575	(11,600)	53,903
Loss on dilution of ownership interest	-	-	-	-	6,872	6,872
Adjusted EBITDA[3]	24,844	10,690	21,394	8,575	(4,728)	60,775
Interest (income) expense [2]	(153)	214	1,462	1,844	18,029	21,396
Non-cash interest expense	-	-	-	-	(1,805)	(1,805)
Income tax expense (recovery) - current	-	-	(340)	-	-	(340)
Maintenance capital expenditures and reserves	523	882	1,763	266	-	3,434
Capital lease payments	-	147	2,082	56	-	2,285
Compensation expense funded by operating partner[4]	1,683	633	-	-	-	2,316
Priority income per partnership agreement[5]	-	507	972	377	-	1,856
Distributable cash from continuing operations	$ 26,157	$ 10,587	$ 17,399	$ 6,786	$ (20,952)	$ 39,977
Cash used by discontinued operations						$ (4,864)
Distributable cash						$ 35,113
Distributable cash per unit from continuing operations						**$0.57**
Cash used per unit by discontinued operations						($0.07)
Distributable cash per unit						$0.50

SUMMARY FINANCIAL TABLE – (SEGMENTED) ($000s except per unit amounts)

Nine months ended September 30, 2006

	FINANCIAL SERVICES	MARKETING	INDUSTRIAL SERVICES	OTHER	CORPORATE[1]	TOTAL
Revenue	$ 50,428	$ 47,181	$ 140,108	$ 16,902	-	$254,619
Gross margin	28,013	21,586	28,888	3,467	-	81,954
Income (loss) from continuing operations before non-controlling interest	14,108	3,623	7,570	1,126	(9,090)	17,337
EBITDA	26,266	8,913	15,083	2,493	(3,372)	49,383
Loss on dilution of ownership interest	-	-	-	-	-	-
Adjusted EBITDA[3]	26,266	8,913	15,083	2,493	(3,372)	49,383
Interest (income) expense	(152)	169	1,203	342	4,686	6,248
Income tax expense (recovery) - current	85	(24)	-	-	-	61
Maintenance capital expenditures and reserves	282	64	454	65	-	865
Capital lease payments	4	111	2,163	4	-	2,282
Compensation expense funded by operating partner[4]	1,680	-	-	-	-	1,680
Priority income per partnership agreement[5]	(720)	740	-	-	-	20
Distributable cash from continuing operations	$ 27,007	$ 9,333	$ 11,263	$ 2,082	$ (8,058)	$ 41,627
Cash used by discontinued operations						$ (3,454)
Distributable cash						$ 38,173
Distributable cash per unit from continuing operations						**$0.63**
Cash used per unit by discontinued operations						($0.05)
Distributable cash per unit						$0.58

[1] The results of the Corporate segment include corporate costs and corporate interest expense.

[2] NPF advanced approximately $60,000 to NPC to allow it to complete its investment in Golosky on July 31, 2007. This long term facility can be converted into equity, if certain future performance criteria are met, and in anticipation of the triggering targets being met, and also in order to remove the financing component from the operating results of NPC, interest expense of NPC, and the Industrial Services segment in this Summary Financial table has been reduced by $960 and such amount has been added to the interest expense of the Corporate segment.

[3] Adjusted EBITDA excludes the non-cash gains or loss on changes to ownership interest.

[4] NPF's agreements with ESR and Gemma contemplate that certain employee bonuses are paid for by the 20% limited partners. GAAP requires that the bonuses be expensed and therefore reduces EBITDA. Since there is no cash outlay by NPF the expense is added back in arriving at distributable cash.

[5] To the extent that in any reporting period, calculated on a cumulative basis, NPF's proportionate share of distributable cash is more or less than its priority amount, an adjustment to distributable cash is made to reflect the actual cash distributions payable to NPF by the operating partner.

PORTFOLIO SUMMARY – BY OPERATING PARTNERSHIP ($000s)

Three months ended September 30, 2007

OPERATING PARTNER	DATE OF INITIAL INVESTMENT	OWNERSHIP INTEREST	INVESTED CAPITAL	Q3 2007 EBITDA	Q3 2007 DISTRIBUTABLE CASH	LTM DISTRIBUTABLE CASH YIELD[1]
FINANCIAL SERVICES						
EZEE	Mar. 2004	100%	$ 45,200	$ 1,749	$ 1,522	10.5%
Brompton	Aug. 2005	45%	27,200	1,319	899	14.1%
ESR	Aug. 2005	80%	56,000	1,487	2,176	18.7%
Morrison Williams	Aug. 2005	80%	42,000	2,114	2,114	20.0%
NP LP	Aug. 2005	100%	20,700	1,038	1,029	23.1%
Hargraft	Apr. 2006	80%	17,800	-379	-355	12.7%
BMI	Apr. 2007	78%	18,200	424	495	15.3%
MARKETING						
S & E	Oct. 2004	80%	5,700	-38	-62	9.8%
Gemma	Mar. 2005	80%	28,000	1,309	1,852	19.4%
Capital C	Aug. 2005	67%	23,700	1,054	908	15.6%
IC Group	July 2006	80%	11,300	572	564	24.9%
Armstrong	Oct. 2006	80%	20,000	305	397	12.8%
INDUSTRIAL SERVICES						
NPC	Oct. 2004	80%	111,200	4,803	3,220	15.4%
Quantum Murray	Mar. 2006	64%	77,300	4,893	4,527	21.5%
OTHER						
RLogistics	May 2006	36%	10,000	327	327	13.1%
Peerless	June 2006	90%	36,000	1,208	899	13.3%
Titan	Sep. 2006	88%	25,200	509	66	8.2%
Gusgo	Oct. 2006	80%	12,500	648	811	19.2%
Totals			$ 588,000	$ 23,342	$ 21,389	16.4%

[1] LTM distributable cash as a percentage of invested capital. For those Operating Partnerships and tuck-in investments which have not been part of the portfolio for the full twelve month period, invested capital is weighted for the time period the investment was owned and the distributable cash used is from the date of investment.

These are non-GAAP measures, which do not have any standard meaning and therefore are unlikely to be comparable to similar measures presented by other issuers – see Non-GAAP Measures and Forward Looking Information. Definitions are provided on page 4.

About Newport Partners Income Fund

Newport Partners Income Fund is a publicly-traded diversified fund that invests in well-established, successful Canadian private companies. We target above-average rates of return by putting our money to work behind talented entrepreneurs who have a record of success in their business and a growth opportunity for the future. Our unit holders share in the income generated by these businesses as well as their value appreciation. The Fund currently has approximately $600 million of investments in 18 companies representing a diverse cross-section of the Canadian economy.

About Newport Partners

Newport Partners creates wealth and opportunity with successful entrepreneurs. We provide capital and corporate financial advice to help our clients realize their goals for their business. And we provide money management and financial advice to enhance their personal wealth. Newport Partners was established by a group of entrepreneurs and senior financial executives. From start-up in 2001, we have invested more than $750 million in private businesses and currently have $1.8 billion of public and private assets under management. Newport Partners carries on its business through Newport Partners LP and its subsidiaries, and through TSX-listed Newport Partners Income Fund (NPF.UN). www.newportpartners.ca.

Investor Conference Call

Management will hold a conference call at 10:30 am (Eastern Standard Time) on November 8, 2007 to discuss the third quarter financial results. The call may be accessed by dialling 416-641-6135 within the Toronto area or 1-866-225-6564 (toll free). This conference call will be recorded and available for replay until November 22, 2007. To listen to the replay, please dial 416-695-5800 or 1-800-408-3053 and enter pass code 3238663.

Forward-Looking Information

This news release contains certain forward-looking information. This information relates to future events or future performance and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Fund and the Operating Partnerships. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of the Fund and the Operating Partnerships. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, information regarding the future operating results and economic performance of the Fund and the Operating Partnerships is forward-looking information. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, taxation of income trusts, dependence on key personnel, limited customer bases, interest rates, regulatory change, labour, continued availability of credit facilities, and availability of future financing. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors", which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting the Fund and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes, interest rates, that there will be no material changes in its credit arrangements. Although the forward-looking information is based on what management of the Fund and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this news release, and NPF does not assume any obligation to update or revise them to reflect new events or circumstances. Undue reliance should not be placed on forward looking information.

Non-GAAP Measures

The terms ''EBITDA'', "Adjusted EBITDA", "LTM EBITDA", ''distributable cash'', ''invested capital'', ''distributable cash yield'', "net debt", "corporate costs to net asset ratio" , "EV/EBITDA", "net tangible assets", "standardized distributable cash" and " adjusted distributable base" (collectively the ''Non-GAAP Measures'') are financial measures used in this news release that are not standard measures under Canadian generally accepted accounting principles (''GAAP''). NPF's method of calculating Non-GAAP Measures may differ from the methods used by other issuers. Therefore, NPF's Non-GAAP Measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with GAAP, 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 the Fund's reportable segments. As the Fund intends to distribute a substantial portion of its available cash on an on-going basis (after deducting certain amounts from EBITDA as described in the news release including interest expense, income taxes, capital expenditures and debt service), management believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine the Fund's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. The Fund has provided a reconciliation of income to EBITDA in its MD&A.

Adjusted EBITDA refers to EBITDA excluding the gains or loss on reduction of ownership interest (dilution gains or losses). The Fund has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by the Fund and management believes it is a useful supplemental measure from which to determine the Fund'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.

LTM EBITDA refers to EBITDA for the last twelve months and is used by the Fund as the basis of its past financial performance over a full business cycle (i.e. twelve month period). LTM EBITDA is used by the Fund and management believes it is a useful supplemental measure because it eliminates the impact of seasonality on earnings that may impact the results of the Fund's Operating Partnerships if the period being reported on is not a full twelve months. LTM EBITDA is a measure that management believes facilitates the analysis of its financial performance over a full business cycle which may be useful to investors.

Distributable cash or **Adjusted distribution base** is not a standard measure under GAAP and is generally used by Canadian income funds as an indicator of financial performance. The Fund's method of calculating distributable cash may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to distributable cash as reported by such entities. The Fund has provided a reconciliation of cash provided by operations to distributable cash in this news release and is calculated as standardized distributable cash adjusted for changes in working capital, growth capital expenditure and priority income amounts. References to distributable cash are to cash available for distribution to Unitholders in accordance with the distribution policies of the Fund. As the Fund intends to make monthly cash distributions and management believes it is therefore a useful financial measure as an indication of the Fund's ability to make such distributions and is used by management and the Trustees for this purpose. Distributable cash is also used by management in the calculation of overall yield which it uses to monitor the performance of the Fund's Operating Partnerships. One of the factors that may be considered relevant by prospective investors is the cash distributions by the Fund relative to distributable cash and the price of the Units. Management believes that distributable cash is a useful supplemental measure that may assist prospective investors in assessing an investment in the Fund.

Invested capital refers to the cost to acquire an equity interest in an Operating Partnership and excludes transaction costs and any working capital provided to such Operating Partnership. Management uses this measure to monitor the performance of its investment strategy and as an input to the calculation of its targeted overall yield for an Operating Partnership. Management believes that invested capital is a useful supplemental measure that provides investors with useful information about the capital that the Fund deploys for each Operating Partnership which can subsequently be used to determine the performance of each Operating Partnership.

Distributable cash yield refers to the Fund's cash on cash return from an Operating Partnership based on distributable cash paid to the Fund as a percentage of the invested capital. Management believes that overall yield is a useful supplemental measure for investors to assess the quality of the investments in the Fund's portfolio and management's ability to invest in successful businesses at reasonable prices. Management uses this measure to monitor the performance of its investment strategy.

Net debt refers to total senior debt less cash-on-hand at the Fund. Management uses this measure to monitor its future debt capacity and to calculate leverage levels under its credit facility to ensure compliance with covenants. Investors may find this information useful in analyzing the capital structure of the Fund and its future debt capacity.

Corporate costs to net asset ratio are the total expenses of the corporate segment for the period expressed as a percentage of the net assets of the Fund, excluding future income taxes. Management uses this metric to monitor the expenses of the Fund consisting of, among other items, professional fees, compliance costs and management compensation. Investors may find this supplemental information useful to analyze the Fund's expenses relative to other mutual fund trusts.

Net tangible assets is calculated as the total assets of a company minus any intangible assets such as goodwill, brand, customer relationships, intellectual property, employment management contracts, less all liabilities and the par value of convertible debentures.

Standardized distributable cash is defined as the GAAP measure of cash from operating activities after adjusting for capacity expenditures, restrictions on distributions arising from compliance with financial covenants restrictive at the time of reporting, and minority interests. This is a measure that the CICA believes is of use to investors as a benchmark to compare investments.

Investors are cautioned that the Non-GAAP Measures are not alternatives to measures under GAAP 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-GAAP Measures should only be used in conjunction with the financial statements included in the MD&A and the Fund's annual audited financial statements available on SEDAR at www.sedar.com or at www.newportpartners.ca.

NEWPORT PARTNERS INCOME FUND

Consolidated Balance Sheets
(In thousands of dollars)

	September 30, 2007	December 31, 2006
	(unaudited)	(unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 10,335	$ 54,616
Cash held in trust	31,765	7,027
Accounts receivable	139,783	101,266
Inventories	32,802	33,253
Prepaid expenses	3,602	2,555
Other current assets	24,075	13,790
Current assets of discontinued operations	2,817	68,969
	245,179	281,476
Property, plant and equipment	39,362	23,706
Long-term investments	46,689	47,001
Goodwill	291,044	253,344
Intangible assets	326,404	265,390
Other assets	13,661	9,029
Long-lived assets of discontinued operations	-	14,403
	$ 962,339	$ 894,349
Liabilities and Unitholders' Equity		
Current liabilities:		
Revolving credit facility	$ 46,016	$ 5,000
Accounts payable and accrued liabilities	130,974	84,737
Deferred revenue	11,761	7,465
Current portion of obligations under capital leases	4,490	4,122
Current liabilities of discontinued operations	2,293	54,372
	195,534	155,696
Obligations under capital leases	5,459	3,943
Long-term debt	185,130	170,000
Future tax liability	52,167	2,505
Non-controlling interest	127,099	176,196
Convertible debenture	148,874	83,970
Unitholders' equity	248,076	302,039
	$ 962,339	$ 894,349

NEWPORT PARTNERS INCOME FUND
Consolidated Statements of Operations
(In thousands of dollars, except per unit amounts)
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Revenues	$ 149,796	$ 98,930	$ 399,755	$ 254,619
Cost of revenues	105,017	66,245	272,672	172,665
	44,779	32,685	127,083	81,954
Expenses				
Selling, general and administrative	24,850	15,864	71,530	37,322
Amortization of deferred financing charges	-	414	-	1,032
Amortization of intangible assets	9,995	7,299	28,027	18,853
Depreciation	2,421	1,327	6,344	4,301
	37,266	24,904	105,901	61,508
Income before the undernoted	7,513	7,781	21,182	20,446
Income from equity investments	1,472	892	2,988	2,470
Other income	229	383	782	730
Interest expense	8,550	2,555	21,396	6,248
Loss on dilution of ownership interest	808	-	6,872	-
Income (loss) before income taxes	(144)	6,501	(3,316)	17,398
Income tax expense (recovery) - current	(28)	77	(340)	61
Income tax expense (recovery) - future	-	-	39,958	-
Income (loss) from continuing operations before non-controlling interest	(116)	6,424	(42,934)	17,337
Non-controlling interest relating to continuing operations	59	(3,380)	1,553	(10,467)
Income (loss) from continuing operations	(57)	3,044	(41,381)	6,870
Loss from discontinued operations before non-controlling interest	-	(1,100)	(5,227)	(6,863)
Non-controlling interest relating to discontinued operations	-	358	2,220	3,594
Loss from discontinued operations	-	(742)	(3,007)	(3,269)
Net Income (loss) for the period	$ (57)	$ 2,302	$ (44,388)	$ 3,601
Income (loss) per unit				
Basic and diluted:				
Continuing operations	0.00	0.08	(1.03)	0.21
Discontinued operations	0.00	(0.02)	(0.08)	(0.10)
Net Income (loss)	0.00	0.06	(1.11)	0.11

NEWPORT PARTNERS INCOME FUND

Consolidated Statements of Cash Flows
(In thousands of dollars, except unit amounts)
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Cash provided by (used in):				
Operating activities:				
Income (loss) for the period	$ (57)	$ 2,302	$ (44,388)	$ 3,601
Items not affecting cash:				
Loss from discontinued operations before non-controlling interest	-	1,100	5,227	6,863
Amortization of deferred financing charges	-	414	-	1,032
Amortization of intangible assets	9,995	7,299	28,027	18,853
Depreciation	2,421	1,327	6,344	4,301
Future income tax expense	-	-	39,958	-
Income from equity investments, net of cash received	65	527	1,033	1,403
Non-cash interest expense	986	-	1,804	-
Non-cash compensation expense	1,196	560	2,316	1,680
Loss on dilution of interest in operating partner	808	-	6,872	-
Non-controlling interest	(59)	3,022	(3,773)	6,873
Changes in non-cash working capital	(17,325)	(5,884)	(19,616)	(11,717)
Cash provided by (used in) discontinued operations	(41)	(2,159)	9,372	4,868
	(2,011)	8,508	33,176	37,757
Financing activities:				
Repurchase of units	(6,160)	-	(11,624)	-
Issuance of convertible debt net of costs	76,025	-	76,025	-
Issuance of units	-	-	-	71,275
Distributions to unitholders	(10,195)	(9,385)	(29,926)	(22,846)
Distributions to non-controlling interest	(7,428)	(8,247)	(23,199)	(25,606)
Increase in cash held in trust	(4,297)	(171)	(5,931)	(491)
Increase (decrease) in bank indebtedness	(11,047)	4,006	41,016	3,996
Increase (decrease) in long-term debt	-	(10,889)	20,000	(14)
Increase in acquisition financing facilities	-	26,000	-	62,000
Repayment of capital lease obligations	(801)	(830)	(2,285)	(2,284)
Cash provided by (used in) discontinued operations	-	2,355	(6,920)	(4,062)
	36,097	2,839	57,156	81,968
Investing activities:				
Acquisition of businesses, net of cash acquired	(44,190)	(33,465)	(137,939)	(117,644)
Proceeds on disposal of business	-	-	24,000	-
Purchase of long-term investments	(40)	-	(40)	(6,914)
Purchase of property, plant and equipment	(1,494)	(246)	(4,516)	(1,802)
Purchase of intangibles	(79)	-	(79)	-
Increase in other assets	(12,508)	(1,170)	(13,034)	(1,377)
Cash used in discontinued operations	-	(196)	(839)	(806)
	(58,311)	(35,077)	(132,447)	(128,543)
Decrease in cash and cash equivalents	(24,225)	(23,730)	(42,115)	(8,818)
Cash and cash equivalents, beginning of period - continuing operations	34,519	35,756	54,616	20,844
Cash and cash equivalents, beginning of period - discontinued operations	2,207	-	-	-
Cash and cash equivalents, end of period	12,501	12,026	12,501	12,026
Cash and cash equivalents, end of period - discontinued operations	2,166	-	2,166	-
Cash and cash equivalents, end of period – continuing operations	$ 10,335	$ 12,026	$ 10,335	$ 12,026
Supplemental cash flow information:				
Interest paid	$ 5,850	$ 686	$ 18,168	$ 4,379
Cash acquired upon acquisition	228	552	1,417	6,706
Supplemental disclosure of non-cash financial and investing activities:				
Acquisition of property, plant and equipment through capital leases	223	952	4,125	3,204

NPF's 2007 Third Quarter Financial Statements and Management's Discussion and Analysis are available on the investor relations section of www.newportpartners.ca and on SEDAR at www.sedar.com

- 30 -

Contact: Kelly Willis 416-867-8590
Or IRinfo@newportpartners.ca

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES