



## **Newport Partners Income Fund Sells Investment in EZEE ATM, Amends Credit Facility**

**Toronto – October 1, 2008** – Newport Partners Income Fund (“NPF” or the “Fund”) (TSX:NPF.UN) today announced that on September 30, 2008 it concluded an agreement to sell the Fund’s 100 percent holding in EZEE ATM LP (EZEE) to a private equity group for net proceeds of \$36.5 million. Proceeds from the all cash transaction have been used by the Fund to reduce debt.

EZEE is Canada’s second largest full-service independent provider of Automated Teller Machines (ATMs). With a national network of fully bilingual ATMs, the company currently serves more than 3,800 businesses and processes more than 19 million ATM transactions each year.

NPF made its initial investment in March 2004. During the period of the Fund’s investment in the company, EZEE has returned a total of \$14.7 million in distributable cash to the Fund.

“While there have been recent improvements in the operating results of this business, the nominal total return on the investment in EZEE has fallen short of our target range. We’ve determined that our invested capital can be more effectively deployed by the Fund in reducing debt. Our primary goal for 2008 was to reduce the Fund’s net debt to EBITDA, and this transaction gives us an opportunity to make progress on that objective,” noted Peter Wallace, NPF’s President and CEO.

While reducing its debt outstanding under the Fund’s Credit Facility with the proceeds from the EZEE transaction, the Fund also took the opportunity to increase its leverage limit from 2.75x to 3.0x under its Credit Facility. This increase, effective for September 30, 2008, provides the Fund greater capacity to fund working capital needs of its businesses, and ongoing balance sheet flexibility as it continues with its plan to further reduce debt. As a result of this increase, the interest rates on the term and revolver operating facilities have increased by 100 basis points and 25 basis points respectively.

### **About Newport Partners Income Fund**

Newport Partners Income Fund is an unincorporated, open-ended trust created to hold, through its investment in Newport Partners Commercial Trust, interests in Newport Private Yield LP, a limited partnership established under the laws of the Province of Ontario. NPF began trading on the TSX on August 8, 2005 under the symbol NPF.UN.

Newport Partners Income Fund is a publicly-traded diversified fund that invests in successful Canadian private businesses run by proven entrepreneurs at reasonable prices. 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 \$545 million invested in 17 companies representing a diverse cross-section of the Canadian economy.

### **Non-GAAP Measures**

The terms "distributable cash", and "EBITDA" (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.

**Distributable cash** 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.

**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.

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](http://www.sedar.com) or at [www.newportpartners.ca](http://www.newportpartners.ca).

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