



Newport Partners Income Fund to Restate 2008 Annual and Q1 2009 and Q2 2009 Financial Statements

Toronto – October 19, 2009 – Newport Partners Income Fund (the “Fund”) (TSX:NPF.UN) today announced that it intends to restate its audited consolidated financial statements and Management Discussion & Analysis (“MD&A”) for the year ended December 31, 2008, and its unaudited consolidated financial statements and MD&A for the three months ended March 31, 2009 and for the three and six months ended June 30, 2009.

As previously reported in the Fund’s MD&A dated August 11, 2009, the Fund’s new independent auditors, Ernst & Young LLP, had been engaged to perform a review of the June 30, 2009 unaudited consolidated financial statements. In this first review, in transitioning from the Fund’s predecessor auditors, the new independent auditors advised the Fund that they had satisfactorily completed their review, except for procedures regarding the accounting for exchangeable units and the resultant allocation of amounts between unitholders’ equity and non-controlling interest on the opening balance sheet of the Fund as at January 1, 2009. Management of the Fund has been working with its current and predecessor independent auditors to finalise this matter.

The Fund has determined that values used to record the exchange of exchangeable units of Newport Private Yield LP (“NPY”) into trust units of the Fund had been incorrectly calculated in prior and current periods. As units are exchanged, increasing the Fund’s ownership in NPY, value is transferred from non-controlling interest to unitholders’ equity on the Fund’s balance sheet. Further, for exchangeable units which existed prior to the Fund’s IPO, the exchange of these units is calculated as a step acquisition, resulting in the recording of goodwill on the exchange. The consolidated financial statements for the year ended December 31, 2008, for the three months ended March 31, 2009 and for the three and six months ended June 30, 2009, will be restated to reflect the re-calculation of these values.

The effects of the restatement of the audited consolidated financial statements for the year ended December 31, 2008 are that unitholders’ equity has decreased, and non-controlling interest has increased by \$15.6 million. In addition, the Fund has taken further writedowns of goodwill and intangibles of \$32.1 million, and increased the loss attributable to the non-controlling interest by \$2.5 million, which have increased the Fund’s net loss for the year by \$29.6 million to \$224.4 million.

The effects of the restatement of the unaudited consolidated financial statements for the three months ended March 31, 2009 and for the three and six months ended June 30, 2009 are that unitholders’ equity has decreased, and non-controlling interest has increased by \$9.9 million as at March 31, 2009 and by \$0.5 million as at June 30, 2009. As a result of the writedown of an

additional amount of goodwill, and an allocation of the period's net loss to the non-controlling interest, the Fund's net loss for the three months ended March 31, 2009 has decreased by \$4.4 million to \$9.5 million, and for the three months ended June 30, 2009 has increased by \$1.8 million to \$10.5 million.

The Fund notes that these changes are of a non-cash nature and do not impact its cash position, operating activities or key financial metrics.

The filing of restated consolidated financial statements, revised MD&A and all other required documents is expected to take place by October 23, 2009, subject to finalization by the auditors and approvals by the board of trustees, and when completed, will be available on SEDAR at www.sedar.com.

The Fund's previously filed audited consolidated financial statements for the year ended December 31, 2008 and the auditors' report thereon, and the unaudited consolidated financial statements for the three months ended March 31, 2009 and for the three and six months ended June 30, 2009, should no longer be relied upon. Financial information for the year ended December 31, 2008, for the three months ended March 31, 2009 and for the three and six months ended June 30, 2009 which is contained in, or incorporated by reference in, any disclosure document previously filed by the Fund, is superseded by the information contained in the restated financial statements and revised MD&A described herein.

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. The Fund 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. The Fund currently has \$496 million invested in 16 companies representing a diverse cross-section of the Canadian economy.

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