Newport Partners
Income Fund

First Quarter
Report 2009 - Revised

Focus

Newport Partners
Income Fund

PORTFOLIO SUMMARY - BY OPERATING PARTNERSHIP ($000s)

Three months ended March 31, 2009

OPERATING PARTNER	DATE OF INITIAL INVESTMENT	OWNERSHIP INTEREST	INVESTED CAPITAL	Q1 2009 EBITDA	Q1 2009 DISTRIBUTABLE CASH	LTM CASH YIELD FROM THE PORTFOLIO[1]
FINANCIAL SERVICES						
Brompton	Aug. 2005	45%	$ 27,200	($ 28)	-	6.2%
ESR	Aug. 2005	100%	64,500	40	491	13.5%
Morrison Williams	Aug. 2005	80%	42,000	1,118	1,118	13.8%
NP LP	Aug. 2005	100%	20,700	360	350	13.0%
Hargraft	Apr. 2006	94%	18,300	81	93	4.7%
BMI	Apr. 2007	78%	18,200	187	230	12.1%
MARKETING						
S & E	Oct. 2004	80%	5,700	131	123	4.7%
Gemma	Mar. 2005	80%	28,000	1,207	1,164	18.4%
Capital C	Aug. 2005	67%	23,700	1,126	918	21.6%
IC Group	Jul. 2006	80%	8,500	885	891	27.4%
Armstrong	Oct. 2006	80%	20,000	473	445	8.6%
INDUSTRIAL SERVICES						
NPC/Golosky	Oct. 2004	80%	113,100	2,995	1,246	10.5%
Quantum Murray	Mar. 2006	64%	77,900	(776)	(1,434)	2.5%
OTHER						
Rlogistics	May 2006	36%	10,000	300	300	14.7%
Peerless	Jun. 2006	90%	36,000	1,351	1,280	13.5%
Titan	Sep. 2006	92%	25,200	447	182	6.1%
Gusgo	Oct. 2006	80%	12,500	330	370	16.2%
TOTALS			**$ 551,500**	**$ 10,227**	**$ 7,767**	**10.9%**

(1) LTM distributable cash as a percentage of invested capital. For those Operating Partnerships and tuck-in investments that 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 the actual amount generated 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 32.

DEAR UNITHOLDERS:

Between our last report to you dated March 30th and today, there has been no evidence of substantial change in the general economic environment within which the investments in the Fund's portfolio are operating. On the other hand, there are some observers that see this recession as having reached its bottom. Even if this proves to be correct, there is no certainty as to when we can expect sustainable growth to regain a foothold in the North American economy. At the moment, the outlook for 2009 remains mixed at best, and while the equity markets and prices have rebounded off their lows in early March, credit markets remain stubbornly anchored in neutral and capital remains scarce.

As a diversified portfolio of investments in 17 private companies operating in four industry segments, the Fund is structured to moderate the impact of the current economic slowdown. But diversification can only do so much to offset the broad declines that we have seen over the past six months. Of the four industry segments where the Fund is invested the marketing segment has performed well this quarter. Although the Fund's total top line revenue improved by over three percent to $158.8 million this quarter, from a year ago, the revenue mix has generally shifted to lower margin businesses. Also pricing pressure has reduced the gross profit margins in three out of four operating segments. As a result, gross profit for the quarter declined by more than 17% percent to $38.8 million compared to $46.9 million in the prior year period.

While progress has been made to reduce overhead costs, EBITDA still declined to $7.6 million this quarter from $17.0 million for the same period last year. While maintenance capital expenditures declined over the period from $2.5 million to $2.0 million, cash interest costs increased to $9.2 million from $8.3 million, reflecting the inclusion of default interest in the current quarter. The Fund ended the period with distributable cash of $(2.8) million or $(0.04) per unit versus $10.0 million or $0.14 per unit for the same period last year.

As we had stated recently in our review of the 2008 financial results, there are two problem areas where we are focusing our attention to improve the performance of the Fund – deleveraging the capital structure and reducing our operating costs. At that time we also made it clear that we did not expect to deliver instant solutions to these challenges.

In terms of our capital structure, the debt levels remain a heavy burden that consumes cash flow generated by the portfolio. The leverage employed by the Fund continues to undermine our ability to improve financial performance. We remain in breach of the senior debt covenants that are incorporated in our current lending agreements. We continue to discuss the resolution of this matter with the lending syndicate, but at the moment there has not been any substantial progress to report since our year-end communication to unitholders. Our negotiations continue to be active and cooperative.

With respect to reducing operating costs, we are examining the cost structures of the largest businesses in the portfolio, and identifying and implementing cost savings programs. In implementing these measures, care must be taken to ensure that operating capacity is not weakened to the point that these businesses are unable to service the needs of existing customers or to respond to the opportunities that will emerge as the economy recovers. In each case we are seeking to find the right balance that will optimize near term profitability with long term growth.

As we continue to work to overcome all of these obstacles, we are mindful that the patience that you have shown has its limits. On behalf of the board of trustees and directors and the management team, we are grateful for your support and promise that we will keep you informed of the progress we are making.

Sincerely,

Dean T. MacDonald

President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 6, 2009

This amended and restated Management's Discussion and Analysis ("MD&A"), dated October 21, 2009 relates to the results of operations of Newport Partners Income Fund ("the Fund") and should be read in conjunction with the Fund's amended and restated consolidated financial statements for the period ended March 31, 2009 and notes thereto. Details of the restatement are provided in note 2 to the March 31, 2009 restated consolidated financial statements. The amended and restated consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Statements are subject to the risks and uncertainties identified in the Forward-Looking Information portion of this document.

AMENDMENT AND RESTATEMENT MADE OCTOBER 21, 2009

During the preparation of the June 30, 2009 interim consolidated financial statements, the Fund determined that values used to record the exchange of exchangeable units into trust units 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 have been restated to reflect the re-calculation of these values, which resulted in an increase in goodwill of $270 at March 31, 2009. The Fund has written off this additional $270 of goodwill associated with its investment in NPY in the first quarter of 2009 and has also allocated $4,639 of the net loss to the non-controlling interest.

Prior to our IPO on August 8, 2005, we made our investments in private businesses through NPY, a limited partnership established on February 27, 2004. The Fund holds a 68% indirect interest in NPY and certain financial information of NPY has been included where appropriate.

The financial statements have been prepared in accordance with GAAP. This MD&A makes reference to certain Non-GAAP Measures and contains Forward-Looking Information. Non-GAAP Measures do not have any standard meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. See Non-GAAP Measures and Forward-Looking Information.

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located at page 31, and references to "we", "us", "our" or similar terms, refer to Newport Partners Income Fund (NPF or the Fund), unless the context otherwise requires.

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Forward-Looking Information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. 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. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of the Fund or the Operating Partnerships 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. Without limitation, information regarding the future operating results and economic performance of the Fund and the Operating Partnerships, and statements about net asset value constitute forward-looking information and the estimate is updated quarterly. 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. 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, continued availability of credit facilities, availability of future financing, factors relating to the weather and availability of labour. 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 MD&A, and the Fund 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. The Fund is providing the forward-looking financial information set out in this MD&A for the purpose of providing investors with some context for the second quarter "2009 Outlook" presented, as well as Management's estimate of the net asset value of the Fund. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-GAAP Measures

The terms "adjusted EBITDA", "cash yield from the portfolio", "corporate costs to weighted invested capital" , ''distributable cash or adjusted distribution base'', ''EBITDA'', ''invested capital'', "LTM EBITDA", "net debt/LTM EBITDA", "standardized distributable cash", "total annualized return" and "total senior leverage ratio" (collectively the ''Non-GAAP Measures'') are financial measures used in this MD&A 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.

Adjusted EBITDA refers to EBITDA excluding the gain or loss on reduction of ownership interest (dilution gains or losses) and the write-down of goodwill and intangibles. 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.

Cash yield from the portfolio refers to the Fund's cash on cash return from an Operating Partnership based on free cash flow paid to the Fund as a percentage of weighted 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.

Corporate costs to weighted invested capital are the total expenses of the corporate segment for the period expressed as a percentage of the weighted invested capital by the Fund in each of the operating partnerships. 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.

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 MD&A 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. The Fund suspended distributions paid to its unitholders in October 2008 and intends to retain cash to repay debt. Management believes it is therefore a useful financial measure as an indication of the Fund's ability to generate cash and use such cash to repay debt and fund operations. Distributable cash generated by Operating Partnership is also used by management in the calculation of yield which it uses to monitor the performance of the Fund's Operating Partnerships.

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 and 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.

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.

LTM EBITDA refers to EBITDA after giving effect to the contribution of all new investments made in the year and still in the portfolio as at the end of the year, as if each investment had been owned by the Fund for the full twelve month period since April 1, 2008. LTM EBITDA is a measure that management believes may be useful to investors as it facilitates the analysis of the Fund's financial performance over a full business cycle.

Net debt/LTM EBITDA refers to total senior debt plus capital lease obligations less the Fund's consolidated cash balance divided by LTM EBITDA plus priority income. Management uses this measure to monitor its future debt capacity. Investors may find this information useful in analyzing the capital structure of the Fund and its future debt capacity.

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.

Total annualized return represents the total compound annualized return of the portfolio using time weighted cash yields from the portfolio plus the estimated capital appreciation of the portfolio. Total annualized return is used by management and investors to gauge the overall performance of the Fund's portfolio of private investments.

Total senior leverage ratio refers to total senior debt plus capital lease obligations plus letters of credit outstanding less NPY's cash balance divided by LTM EBITDA. Management uses this measure to monitor its compliance with the covenants of its credit facility and to determine future debt capacity. Investors may find this information useful in analyzing the capital structure of the Fund and its future debt capacity.

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.newportpartnersincomefund.ca.

VISION AND CORE BUSINESS

Investing in private businesses has the potential to deliver superior returns. However, the considerable challenges of finding and financing private investments prevent many investors from participating. These businesses are generally hard to access as standalone investments, have few external shareholders, require large minimum investment amounts and are generally illiquid. It is also time-consuming and costly to conduct proper due diligence.

Newport Partners Income Fund ("NPF" or the "Fund") was set up to provide investors with a simple 'turnkey' way to participate in the profits and growth of successful Canadian private businesses through a professionally managed, well-diversified and publicly-traded, portfolio.

Our investment philosophy is simple: We invest in successful businesses, run by proven entrepreneurs, at reasonable prices. We have two objectives for the investments we make: to generate income for the Fund through the distribution of their profits and to grow in value over the long term.

STRATEGY

The Fund's business and **investment strategy** is based on:

- Investing in well established businesses with leading or niche positions in their respective industries, histories of profitability, growth plans and talented management teams that we know and trust.
- Investing a significant equity interest (typically 50–80%) and allowing management to retain an interest in the business. This helps to align management's interests with ours.
- Providing capital, strategic financial advice and operational support to facilitate the growth and performance of the businesses.
- Investing for income. The Fund seeks to invest in businesses that can distribute most of their surplus cash to the Fund and can grow organically without significant capital.
- Investing for growth. As the underlying businesses grow organically, they increase in value. Some companies in the portfolio are able to accelerate this growth through acquisition – using capital from the Fund, they become consolidators in their industries to become more dominant in their markets and boost the value of our investment in them.

KEY PERFORMANCE DRIVERS

The performance of the Fund depends on the successful implementation of the following actions by management:

Investing Activities:

- Identifying high quality investment opportunities.
- Adhering to the Fund's investment criteria.
- Following a disciplined due diligence process.
- Providing a partnership environment that encourages and supports operating management to achieve its business plans.
- Actively monitoring and managing portfolio performance and reporting to unitholders.

Funding Activities:

- Securing access to capital that allows the Fund to finance operations and make new investments in the portfolio.

Some of the Fund's key financial performance indicators and results against those indicators as at March 31, 2009 are set out below:

KEY PERFORMANCE INDICATORS	MARCH 31, 2009	MARCH 31, 2008
Distributable Cash per unit from continuing operations	($.04)	$0.14
Distributable cash per unit	($.04)	$0.16
Corporate costs to weighted invested capital	1.7%	1.1%
	MARCH 31, 2009	DECEMBER 31, 2008
LTM Cash yield from the portfolio	10.9%	13.0%

CAPABILITY TO DELIVER RESULTS

LIQUIDITY AND CAPITAL RESOURCES

FINANCING

The Fund has a $285 million Senior Credit Agreement with an affiliate of Fortress. The credit facility consists of $210.0 million of term debt and a $75.0 million revolving facility. The interest rate on the five year term facility is equal to the 3-month BA rate plus 4.50% to 5.95% depending on the total senior leverage ratio. The revolving facility carries interest at the BA rate plus 2.75%. The credit facility contains customary positive and negative covenants.

As previously reported, as at December 31, 2008 the Fund was not in compliance with the following covenants under the facility:

Covenant	Actual Result	Required in the Senior Credit Agreement
Total Leverage Ratio	3.20X	<=2.25X(i)
Fixed Charges Coverage Ratio	1.69X	>2.00
Minimum EBITDA	$77.7 million	$84.5 million

(i) The total leverage ratio of 2.75 has been adjusted downwards to 2.25 because the Fund's distributable cash ratio, as calculated under the senior credit agreement, is greater than 1:1, but less than 1.10:1.

On April 1, 2009 and April 29, 2009, the Fund received from the lenders letters confirming the events of default, advising that no future advances would be available to the Fund from any of the commitments under the facility, other than at the sole discretion of the lenders, and that no other debt could be incurred by the Fund. In addition, the lenders provided notice to the Fund that it would be charged default interest at 3% per annum for the period from January 31, 2009. For the period to March 31, 2009 the Fund has accrued default interest expense in the amount of $1,175 relating to the period January 31, 2009 to March 31, 2009.

As a result of the non-compliance, the Fund has reclassified the term debt of $210.0 million as a current liability. This reclassification is required under GAAP, and consequently results in the inclusion of a Going Concern note in the Fund's financial statements, reflecting the fact that the Fund is in negotiation with its lenders, the outcome of which has not yet been determined. Until the outcome is known, the Fund will continue to use its cash resources, and cash received from the underlying investments to meet the short term operating needs of the business.

The Fund's priority remains to reduce its level of debt and restructure its balance sheet. Recently, the Fund's reduction of debt has been well below our targeted level of repayment due to the decline in EBITDA experienced in 2008 and the first quarter of 2009, and the impact on cash flows available for repayment.

The Fund and the lenders are in active and cooperative negotiations and the lenders have not indicated their intent to demand payment of the term debt prior to its maturity date. The Fund is pursuing options including portfolio sales, stand alone credit facilities at selected operating partnerships and operational changes to improve cash management performance at the operating partnerships to generate cash that could be used to reduce the debt levels. All options will require the consent of the lenders in order to execute.

OPERATING CASH FLOW AND WORKING CAPITAL

Cash used by operations was $2.7 million for the three months ended March 31, 2009, compared to cash provided of $9.0 million for the three months ended March 31, 2008. As a result of the reclassification of $210.0 million of term debt required by GAAP due to covenant breaches, the Fund had working capital of approximately ($129.4) million at March 31, 2009, compared to $55.8 million at March 31, 2008. Standardized distributable cash for the three months ended March 31, 2009 was ($6.0) million compared to $6.6 million for the three months ended March 31, 2008. Distributable cash or adjusted distribution base for the three months ended March 31, 2009 was ($2.8) million compared to $11.2 million for the three months ended March 31, 2008. Given the uncertainty in the financial markets, and as a defensive measure to conserve cash, the Fund announced on October 8, 2008 that it was suspending its distributions following the payment of distributions on October 15, 2008.

Cash retained by the Fund as a result of the suspension of distributions will be used to reduce debt and to fund the working capital requirements of the portfolio businesses. During the latter part of 2008, and continuing into 2009, the working capital needs increased at some of the portfolio businesses, in particular at NPC/Golosky where there was an increase in the collection days of accounts receivable balances. The challenging economy is affecting many of our businesses, and cash flows are being impacted, causing increased working capital financing requirements.

Financing will be provided from cash from operations, retained cash as a result of distribution suspensions, renegotiated credit facilities and, potentially, from portfolio sales and redeployment of proceeds.

CAPITAL EXPENDITURES

The portfolio incurred total capital expenditures (capital lease payments and maintenance capital expenditures) of $2.0 million in the three months ended March 31, 2009 compared with $2.5 million in the prior year period. Total capital expenditures as a percentage of EBITDA were approximately 25.3% compared to 14.7% in the 2008 period. The industrial services segment accounted for 82.0% of the Fund's total capital expenditures for the three months ended March 31, 2009. Overall, we do not expect significant changes to the level of capital expenditures from current levels and these expenses are expected to be funded by cash from operations.

CAPITAL STRUCTURE

The Fund's capital structure is composed of permanent equity and long-term debt or equity-linked debt. We believe this is the most appropriate method of financing our long- term assets provided that leverage levels are within an appropriate range to allow for flexibility.

NON-CAPITAL RESOURCES

ENTREPRENEUR NETWORK

The Fund has trusted relationships and an extensive network of contacts in the Canadian private business sector. This network is derived from the personal and professional contacts of the principals, and the management teams of the Operating Partners. This network has enabled the Fund to build a large and diversified portfolio of 17 businesses. Since inception, the Fund has invested $676.5 million and has disposed of two investments.

INVESTMENT PHILOSOPHY AND CULTURE

The Fund's entrepreneurial culture and investment philosophy are attractive to entrepreneurs who have built successful private businesses – many of whom would otherwise not be inclined to accept a financial partner into their business. Our investment proposition for the entrepreneur is based on providing working and growth capital; strategic support; operational autonomy; and liquidity and diversity of personal wealth. In many cases, these factors are more important to the entrepreneur than the actual price he/she receives for the business.

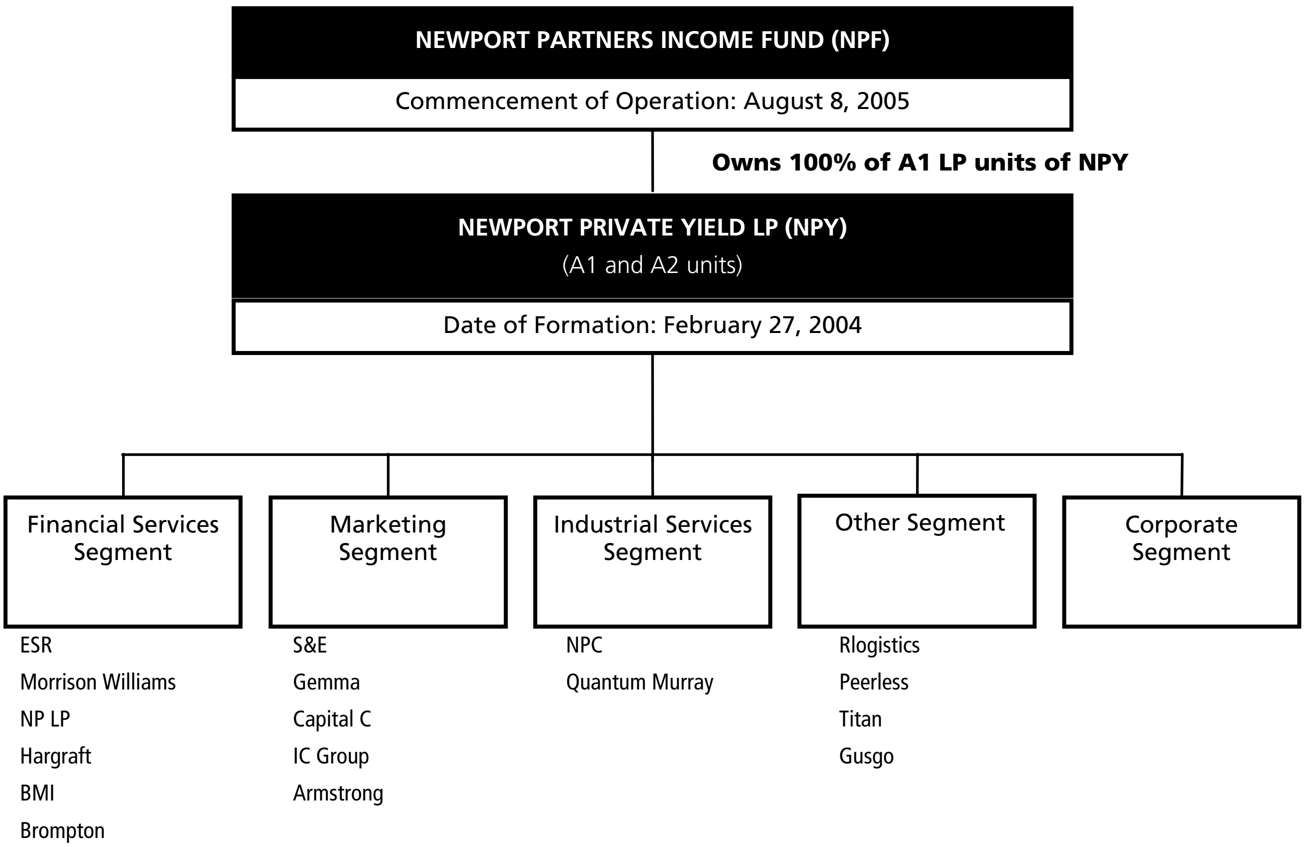
SYSTEMS AND PROCESSES

We believe our current management capacity and back office infrastructure are adequate to support the Fund's investment management, governance and reporting responsibilities and that we have the capacity to monitor our existing portfolio and the scalability to expand as new investments are added and to respond to regulatory and accounting changes.

OTHER FACTORS IMPORTANT TO UNDERSTANDING OUR RESULTS

SIMPLIFIED STRUCTURE – NPF AND NPY

NPF is an unincorporated, open-ended, limited purpose trust, which was created to hold an indirect interest in NPY. NPY is a limited partnership formed to invest in securities of private businesses. Management at the Operating Partnerships, principals and employees of Newport Partners, Trustees of the Fund, and founding investors of NPY own approximately 53.3% of the 71,631,431 Units outstanding.



In accordance with CICA guidelines, NPF groups Operating Partnerships that have generally similar business characteristics into business segments.

On January 20, 2009, the Fund received approval from the TSX for a Normal Course Issuer Bid to purchase for cancellation through the facilities of the TSX, up to 2,327,194 units through to January 22, 2010, representing 5% of its then-issued and outstanding units.

UNITS OUTSTANDING

TRUST UNITS	EXCHANGEABLE LIMITED PARTNERSHIP UNITS (NPY LP UNITS)	TOTAL
48,750,621	22,880,810	71,631,431

Pursuant to the Exchange Agreement between CT and NPY, 2,209,891 NPY LP units were exchanged for Trust units of the Fund during the three months ended March 31, 2009.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

NPF prepares its financial statements in accordance with GAAP. The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of the consolidated financial statements. Significant accounting policies and methods used in the preparation of the financial statements are described in note 1 in the 2008 audited annual consolidated financial statements, as well as in "Accounting Policies –Accounting Standards Implemented by the Fund in 2009" discussed below. NPF and the Operating Partnerships evaluate their estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Included in the consolidated financial statements are estimates used in determining allowance for doubtful accounts, inventory valuation, the useful lives of property, plant and equipment and intangible assets, revenue recognition and other matters. Actual results could differ materially from those estimates and assumptions.

The assessment of goodwill and intangible assets for impairment requires the use of judgments, assumptions and estimates. Due to the material nature of these factors, they are discussed here in greater detail.

GOODWILL AND INTANGIBLE ASSETS

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. When the Fund enters into a business combination, the purchase method of accounting is used. Goodwill is assigned as of the date of the business combination to reporting units that are expected to benefit from the business combination. Goodwill is not amortized and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The book value of goodwill was $98.2 at March 31, 2009.

Intangible assets acquired individually or as part of a group of other assets are recognized and measured at cost. Intangible assets acquired in a transaction, including those acquired in business combinations, are recorded at their fair value. Intangible assets with determinable useful lives, such as customer relationships and contracts, and management contracts, are amortized over their useful lives and are tested for impairment when there is an indicator of impairment. Intangible assets having an indefinite life, such as brands, are not amortized but instead are tested for impairment on an annual or more frequent basis by comparing their fair value with book value. The net book value of intangible assets was $184.9 million at March 31, 2009.

GOODWILL AND INTANGIBLE WRITE-DOWNS

During the third and fourth quarters of 2008, the Fund reviewed the carrying value of all of its investments. The original investment carrying value is based upon the consideration paid by the Fund for each investment. The consideration paid is typically based on a multiple of earnings of the business being acquired. Further, this consideration is allocated to the tangible and intangible assets of the business acquired based on estimates of fair value at the time of acquisition, with any excess being allocated to goodwill. The Fund determined that the fair value of certain investments was lower than the carrying value. As a result, the Fund recorded a goodwill impairment charge of $87.4 million. In assessing whether there was an impairment, the Fund estimated the fair value of its investments based on current or expected earnings multiples consistent with publicly available multiples of comparable businesses as well as compared the aggregate fair value of its investments with the Fund's market capitalization at December 31, 2008. The Fund made certain assumptions for the estimated earnings of the businesses and earnings multiples. These assumptions may differ or change quickly depending on economic conditions or other events. Therefore, it is possible that future changes in assumptions may negatively impact future valuations of its investments and goodwill which would result in further impairment of goodwill.

At the time of the initial public offering of the Fund, net proceeds raised were indirectly invested into NPY giving the Fund an initial indirect ownership of 35% of NPY. The Fund's ownership interest has increased to 65% as at December 31, 2008 through both an additional indirect investment in June 2006, following a public issue of units of the Fund, and also through the exchange by unit holders of units of NPY into units of the Fund. The investments made in NPY, and unit exchanges, resulted in goodwill of $85.9 million at the Fund, as the consideration paid for units of NPY at the time of the indirect investments exceeded the fair value of the underlying net assets acquired through those investments. The Fund has determined that the goodwill created on these initial transactions is impaired and therefore have been written off. An additional $.27 million was written off during the period ended March 31, 2009.

During the review of its carrying value of its investments, the Fund also performed an impairment test of its intangible assets, whereby the carrying amount of intangible assets was compared to the discounted future cash flows expected from their use. Impairment tests involve a significant degree of judgement, as expectations concerning future cash flows and the selection of an appropriate discount rate are subject to considerable risks and uncertainties. The Fund concluded that an impairment had occurred and, consequently, the Fund reduced the carrying value of intangible assets by $56.3 million with respect to customer relationships and $18.9 million with respect to brands.

LONG-TERM INVESTMENTS

Investments over which the Fund is able to exercise significant influence are accounted for under the equity method. Under the equity method, the original cost of investment is adjusted for the Fund's share of post-acquisition earnings or losses, less distributions in the case of investments in partnerships and dividends in the case of investments in companies. Investments are written down when there is evidence that a decline in value that is other than temporary has occurred. The Fund reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of management would trigger an earlier review. As a result of revenue attrition and a weaker demand for its product suite, it was determined that the Fund's investment in Brompton was impaired, and accordingly a write-down of $29 million was recorded in 2008. The net book value of long-term investments was $16.1 million as at March 31, 2009.

FUTURE INCOME TAXES

The Government of Canada's enactment of Bill C-52 in June 2007 implemented provisions that will make public income trusts (formed before October 31, 2006) subject to the payment of an income tax on their earnings commencing in 2011 (or earlier if certain equity capitalization thresholds are exceeded or if the Fund converts to corporate form). The impact to the Fund of the enactment of Bill C-52 was that, commencing in the second quarter of 2007, the Fund must from that time forward comply with the CICA's recommendations regarding the accounting for future taxes arising from differences between the tax basis of an asset or liability and its carrying amount on the balance sheet under GAAP. What this means for the Fund is that it must estimate the expected value of its assets and liabilities as of January 1, 2011 and compare this to the estimated tax value for these assets and liabilities and record the difference as non-cash future tax amounts using the applicable estimated tax rate of 29.5% and 28% for 2011 and 2012, respectively, and subsequent years. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables for the Operating Partnerships. There are, however, differences[1], for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of the Fund's accounting for its investments in the underlying Operating Partnerships. As one example, under GAAP, the Fund records intangible assets related to acquisitions and these assets, typically, have a lesser value for tax purposes depending on the manner in which the acquisition was structured. In this case, a future tax liability would be recorded for the difference. If the Fund was to divest of one or more of its Operating Partnerships for an amount that is greater than the tax carrying value this would give rise to a gain because the proceeds would be greater than the tax value of the assets. The current tax liability, if any, would be paid out of the proceeds of the divestiture with no impact on the Fund's operating cash flow and the future tax liability previously recorded with respect to the divested Operating Partnership would be reduced accordingly.

As a result of the Fund suspending distributions in late 2008, it is expected that in subsequent periods, the Fund will be subject to income tax on its undistributed taxable income. Consequently, the exemption under EIC 107 for income trusts that the Fund previously relied on, no longer applies. Prior to the decision to suspend distributions, no future taxes were recorded on those differences expected to reverse between 2008 and 2010. Accordingly, the reduction in the future tax liability related to the write-down of intangible assets during 2008 was offset by the recording of future tax liability related to differences that are expected to reverse between 2008-2010 and for which there were no future tax liability recorded as at the end of 2007.

The recording of a future tax expense/recovery has no impact on cash generated by operating activities or on distributable cash.

The Fund has evaluated its alternatives as to the best structure for its unitholders, and has determined that the most appropriate action is conversion to a corporate structure, as this will allow us to address the limits placed on our growth by the federal government with the expansion cap included in Bill C-52.

[1] These differences are referred to as either deductible temporary differences or taxable temporary differences and may result in tax-deductible amounts or taxable amounts in future periods and GAAP requires that these differences be recorded.

ACCOUNTING POLICIES

The Fund's accounting policies are disclosed in the notes of the 2008 audited annual consolidated financial statements and in the following disclosure of the impact of new accounting standards implemented by the Fund in the first quarter of 2009.

ACCOUNTING STANDARDS IMPLEMENTED BY THE FUND IN 2009

CHANGES IN ACCOUNTING POLICIES

The Fund adopted the Canadian Institute of Chartered Accountants (CICA), Section 3064 "Goodwill and Intangible Assets", and EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities".

(a) Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The new section is effective for years beginning on or after October 1, 2008. The adoption of this standard did not have material impact on the interim consolidated financial statements.

(b) Credit Risk and Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which clarifies that the credit risk should be taken into account in determining the fair value of derivative instruments. EIC 173 is to be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after the date of issuance of EIC 173. The adoption by the Fund of EIC 173 effective January 1, 2009, did not have a material impact on the interim consolidated financial statements.

FUTURE ACCOUNTING STANDARDS

In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011.

International Financial Reporting Standards

In 2008, the Canadian Accounting Standards Board (AcSB) confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS"), for interim and annual reporting purposes, beginning on or after January 1, 2011. The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Fund for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010.

The Fund began planning the transition from current Canadian GAAP to IFRS, in 2008, by establishing a project plan and a project team. The project team is led by a senior finance member that will provide overall project governance, management and support. Members also will include representatives from various areas of the Fund, as necessary as well representatives from the operating partnerships. The Fund is also reviewing the use of external advisors that would be engaged to assist in the IFRS conversion project.

A quarterly report is made to the Audit Committee of the Fund and we anticipate that in 2009 the Audit Committee will play a more active and increasing role in the project.

The project plan consists of three phases: the initial assessment, detailed assessment and design, and implementation.

The Fund is in the process of completing the initial assessment phase, which will include the development of a detailed timeline, the completion of a high-level review of the major differences between current Canadian GAAP and IFRS, and an initial evaluation of IFRS 1 transition exemptions. IFRS 1 provides guidance for first time adopters of IFRS. The initial assessment phase will also include education and training sessions for project team members and discussions with the Fund's external auditors and advisors. The Fund expects to complete the initial assessment phase in the first half of 2009.

The detailed assessment and design phase involves completing a comprehensive analysis of the impact of the IFRS differences identified in the initial assessment phase.

During the implementation phase, the Fund will implement the identified changes to business processes, financial systems, accounting policies, disclosure controls and internal controls over financial reporting.

The Fund continues to assess the financial reporting impacts of converting to IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable.

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. The Fund is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In January 2009, the CICA issued Handbook Section 1602, Non-controlling interests, which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. The Fund is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. The Fund is currently evaluating the impact of adopting this standard on its consolidated financial statements.

STANDARDIZED DISTRIBUTABLE CASH

The CICA issued the Interpretive Release "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities" in July 2007. In the guidance, sustainability concepts are discussed and standardized distributable cash is defined as cash flow from operating activities less adjustments for productive capacity maintenance, long- term unfunded contractual obligations and the effect of any foreseeable financing matters, related to debt covenants, which could impair our ability to pay distributions or maintain productive capacity.

Productive capacity maintenance is the amount of capital funds required in a period for an enterprise to maintain its ability to generate future cash flow from operating activities at a constant level. The Fund is a diversified portfolio of investments in private Canadian businesses with, in general, fairly small capital requirements. In the three months ended March 31, 2009, our total maintenance capital expenditures and capital lease payments as a percentage of EBITDA is approximately 26.0%. A discussion of productive capacity maintenance is not particularly relevant for investments in the Financial Services, Marketing and Other Segments as these businesses have relatively small amounts of capital requirements as the businesses are driven primarily by human capital. Our investments in the Industrial Services Segment have the largest capital requirements within the portfolio. As part of the budgeting process, the Operating Partnerships are able to anticipate capital needs based on existing backlog and contracts. The capital requirements are funded from cash flows from the businesses and where possible equipment required to maintain productive capacity is leased.

During our annual budgeting process, our capital programs are identified for the coming year and are factored into our estimate of cash flow for the year. Adjustments to the level of capital expenditures to maintain or increase our productive capacity may be required based on forecast levels of cash flow, capacity efficiency and debt levels. These are reviewed on a regular basis by the Fund. Due to uncertainty in the financial markets, the Fund suspended payment of distributions made on its units subsequent to the distribution payment made on October 15, 2008.

Our calculation of standardized distributable cash has no adjustment for long- term unfunded contractual obligations as we do not believe any exist. Management makes adjustments to standardized distributable cash as defined by the CICA to arrive at distributable cash or adjusted distribution base. We believe that adjustments for changes in working capital, growth capital expenditures and priority income are appropriate in order to properly reflect overall performance. Capital expenditures are made by the Fund to maintain operating activity at constant levels as well as to accommodate expected future growth. Growth capital expenditures are adjusted for as the anticipated revenues have not yet been reflected in cash from operations. Priority income adjustments are cash payments that the Fund is entitled to but are not reflected in cash from operations.

As discussed above, the Fund suspended distributions in October 2008 and our intent is not to resume the distributions until economic conditions improve and our debt levels are reduced. In addition, we are in negotiations with our lenders on covenant breaches and such negotiations may result in a further limit on distributions.

The Fund has term debt under its credit facility of which $170 million is due on December 8, 2011 and $40 million is due May 31, 2012. In addition, our convertible debt matures in 2010 and 2012. We believe that long- term debt should always form a part of our capital structure assuming an appropriate cost of capital.

The following table incorporates the recommendations of the CICA and provides reconciliation to distributable cash used throughout the MD&A.

FIRST QUARTER PERFORMANCE

The following table provides a reconciliation of the Fund's cash provided by operations to its distributable cash and provides a summary of the Fund's distributable cash per unit for the periods indicated.

Distributions/Unit ($000s except per unit amounts)

	THREE MONTHS ENDED MARCH 31	
	2009 (restated[4])	2008
NPF Units outstanding	$47,821	$41,757
NPY (representing non-controlling interest) Units outstanding	23,810	30,112
Total weighted average Units outstanding	71,631	71,869
Total distributions paid and payable	$ -	$ 11,686
Distributions per unit	$ -	$ 0.16
Cash provided by operations	($2,664)	$ 9,014
Deduct: capital expenditures	(1,957)	(957)
Deduct: capital lease payments	(1,423)	(1,441)
Standardized distributable cash	($6,044)	$ 6,616
Standardized distributable cash per unit	($0.08)	$ 0.09
Total distributions paid and payable	$ -	$ 11,686
Cash used to repurchase units	-	-
Aggregate cash distributions for the period	$ -	$ 11,686
Standardized distributable cash payout ratio[1]	n/a	1.77
Standardized distributable cash	($6,044)	$ 6,616
Cash used in discontinued operations	-	(1,596)
Changes in working capital – continuing operations	1,779	1,935
Add: growth capital expenditures	1,385	105
Add: priority income per partnership agreement[2]	94	2,932
Distributable cash from continuing operations	($2,786)	9,992
Distributable cash from discontinued operations	-	1,162
Distributable cash (or Adjusted Distribution Base)	($2,786)	$ 11,154
Distributable cash from continuing operations per unit	($0.04)	$ 0.14
Distributable cash from discontinued operations per unit	-	0.02
Distributable cash (or Adjusted Distribution Base) per unit	($0.04)	$ 0.16
Distributable cash (or Adjusted Distribution Base) payout ratio[1]	n/a	1.05x
Net loss for the period before non-controlling interest[3]	($14,118)	($5,359)
Shortfall (excess) of distributions paid to standardized distributable cash	6,044	(5,070)
Shortfall (excess) of distributions paid to distributable cash	2,786	(532)
Shortfall (excess) of distributions paid to net loss before non-controlling interest[3]	$14,118	$17,045

1 Cumulative aggregate cash distributions since inception are $206,827. Cumulative standardized distributable cash and adjusted distribution base from inception are $113,177 and $162,788, respectively, providing cumulative payout ratios of 1.83x and 1.27x, respectively.

2 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.

3 Net loss is after deducting amortization and future income taxes.

4 The consolidated financial statements have been restated to reflect the re-calculation of exchangeable unit values, which resulted in an increase in goodwill of $270 during the quarter. See Note 2 in the consolidated financial statement for further discussion on the restatement.

Balance Sheet ($000s)

	AS AT MARCH 31, 2009 (restated[4])	AS AT DECEMBER 31, 2008 (restated[4])
Total assets	$ 616,656	$ 619,042
Revolving credit facility	32,060	27,400
Current portion of long-term debt	210,000	210,000
Convertible debt	153,517	152,683
Unitholder's equity – NPF & NPY	41,754	55,602

Summary Financial Table – (segmented) ($000s EXCEPT PER UNIT AMOUNTS)
Three months ended March 31, 2009

	FINANCIAL SERVICES	MARKETING	INDUSTRIAL SERVICES[5]	OTHER	CORPORATE[1] (restated[7])	TOTAL (restated[7])
Revenues	$9,784	$23,178	$107,173	$18,677	-	$158,812
Gross profit	5,239	12,427	15,701	5,480	-	38,847
Income (loss) from continuing operations before non-controlling interest	(1,545)	1,691	(4,539)	480	(10,205)	(14,118)
EBITDA	1,758	3,822	2,219	2,428	(2,591)	7,636
Write-down of goodwill	-	-	-	-	270	270
Adjusted EBITDA[6]	1,758	3,822	2,219	2,428	(2,321)	7,906
Interest income (expense[2])	24	(35)	(736)	(250)	(9,055)	(10,052)
Non-cash interest expense	-	-	-	-	834	834
Income tax expense current	(6)	-	-	-	(11)	(17)
Maintenance capital expenditures and reserves (Brompton)	(11)	(211)	(350)	(54)	-	(626)
Capital lease payments	(1)	(35)	(1,321)	(66)	-	(1,423)
Compensation expense funded by operating partner[3]	498	-	-	-	-	498
Priority income per partnership agreement[4]	20	-	-	74	-	94
Distributable cash from continuing operations	$2,282	$3,541	($188)	$2,132	($10,553)	($2,786)
Distributable cash per unit						($0.04)

Summary Financial Table – (segmented) ($000s EXCEPT PER UNIT AMOUNTS)
Three months ended March 31, 2008

	FINANCIAL SERVICES	MARKETING	INDUSTRIAL SERVICES[5]	OTHER	CORPORATE[1]	TOTAL
Revenues	$12,687	$21,581	$97,194	$22,299	-	$153,761
Gross profit	8,080	12,000	20,552	6,221	-	46,853
Income (loss) from continuing operations before non-controlling interest	1,763	1,175	(762)	691	(8,226)	(5,359)
EBITDA	5,543	3,233	6,902	3,018	(1,677)	17,019
Interest income (expense)	120	(100)	(415)	(461)	(8,463)	(9,319)
Non-cash interest expense	-	-	-	-	1,031	1,031
Income tax (expense) recovery	(6)	-	-	3	-	(3)
Maintenance capital expenditures and reserves	(236)	(176)	(596)	(20)	-	(1,028)
Capital lease payments	(34)	(29)	(1,352)	(26)	-	(1,441)
Compensation expense funded by operating partner[3]	505	296	-	-	-	801
Priority income per partnership agreement[4]	49	103	2,670	110	-	2,932
Distributable cash from continuing operations	$5,941	$3,327	$7,209	$2,624	($9,109)	$9,992
Cash provided by discontinued operations						1,162
Distributable cash						11,154
Distributable cash per unit from continuing operations						**$0.14**
Cash provided per unit by discontinued operations						$0.02
Distributable cash per unit						$0.16

1 The results of the Corporate segment include corporate costs and corporate interest expense.
2 NPF advanced approximately $60,000 to NPC/Golosky 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/Golosky, interest expense of NPC/Golosky, and the Industrial Services segment in this Summary Financial table has been reduced by $1,486 and such amount has been added to the interest expense of the Corporate segment.
3 NPF's agreements with ESR 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. Management of Gemma has the option to receive its distributions as bonuses. Where this option is chosen, an adjustment is required to calculate the distributable cash to the Fund.
4 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.
5 The Industrial Services segment includes the results of NPC/Golosky and Quantum Murray.
6 Adjusted EBITDA excludes the write-down of goodwill.
7 See Note 4 on First Quarter Performance on page 13.

Summary Results – ($000s)

	THREE MONTHS ENDED MARCH 31	
	2009 (Restated[1])	**2008**
Revenues	$158,812	$153,761
Cost of revenues	(119,965)	(106,908)
Gross profit	38,847	46,853
Selling, general and administrative expenses	(31,287)	(31,323)
Amortization expense	(8,291)	(9.960)
Depreciation expense	(3,085)	(2,534)
Income from equity investments	37	532
Other income	-	330
Interest expense	(10,052)	(9,319)
Write-down of goodwill	(270)	-
Income tax (expense) recovery-current	(17)	(3)
Income tax recovery-future	-	65
Loss on dilution of interest in operating partnership	-	-
Loss from continuing operations	(14,118)	(5,359)
Loss for the period	(14,118)	(5,359)
Add:		
Amortization expense	8,291	9,960
Depreciation expense	3,107	2,677
Amortization of Brompton intangible asset	287	484
Interest expense	10,052	9,319
Income tax expense (recovery)-current	17	3
Income tax recovery-future	-	(65)
EBITDA	$7,636	$17,019
Weighted invested capital	$546,591	$591,518

1 The consolidated financial statements have been restated to reflect the re-calculation of exchangeable unit values, which resulted in an increase in goodwill of $270 during the quarter. This additional amount of goodwill has been written off in the period. See Note 2 in the consolidated financial statement for further discussion on the restatement.

FIRST QUARTER RESULTS

The Fund's portfolio businesses are reported in four operating segments: Financial Services, Marketing, Industrial Services and Other. Revenues for the three months ended March 31, 2009 were $158,812 compared to $153,761 in the prior year period, an increase of 3.3%.

Gross profit for the three months ended March 31, 2009 was $38,847 compared to $46,853 in the prior year period, a decrease of 17.1%.

For the three months ended March 31, 2009, these four operating segments produced $10,227 of EBITDA for the Fund compared to $18,696 in the prior year period. These results are before corporate costs which are included in the Corporate segment (see below).

The five largest contributors to EBITDA in the portfolio for the three months ended March 31, 2009 were NPC/Golosky, Morrison Williams, Peerless, Capital C and Gemma.

While NPC/Golosky's maintenance and oil sands operations reported increased revenues over the same period a year ago, the growth is related to three divisions which provide specialized wear technology services which extend the useful life of pipeline used in the oil sands. Activity at NPC/Golosky's construction divisions remains slow, and maintenance services in both the conventional and oil sands industries have been impacted by reducing margins because of increased competition, and by clients delaying and postponing maintenance services.

Morrison Williams' financial results reflect investment management fees from lower levels of assets under administration. With overhead costs largely fixed, these reduced AUM levels have a significant impact on the bottom line.

Capital C's revenues were in line with the prior year period. Capital C provides a fully integrated marketing services offering primarily to large packaged goods clients. However, the latter part of the quarter saw some erosion in client spending which impacted margins. Capital C is carefully assessing its own resources to react to this change in client behaviour. There has been some evidence of winning additional business as clients consolidate more of their marketing spend with Capital C.

Gemma has had a solid quarter. Despite the loss of financial services clients in the final quarter of 2008, Gemma has been able to largely replace this lost revenue with increased volumes from one of its largest clients, and also from new clients.

Despite the economic climate, the Fund's specialty marketing businesses have fared well with a solid quarter from IC Group, Armstrong and S&E. The businesses in the Fund's financial services segment have fared less well and have faced some difficult challenges. Like Morrison Williams, both NP LP and Brompton have been impacted by reduced AUM following the significant financial market sell off. All of the insurance businesses – ESR, Hargraft and BMI continued to be hurt by softer insurance markets and continuing intense competition.

Both Quantum Murray and Titan had very poor quarters. While Quantum Murray's environmental and scrap metal divisions performed well, this progress was overshadowed by the results from the demolition division. Industrial demolition projects have almost entirely dried up, resulting in a larger group of suppliers bidding on smaller commercial projects. The resultant much lower revenue levels, coupled with additional cost overruns on the completion of a large project in western Canada, have had a significant financial impact on the Fund. Titan has experienced reduced revenue levels across the board. The harsh economic climate in Alberta is particularly impacting drilling, construction and transportation customers of Titan.

See "First Quarter 2009 Performance Summary – by Operating Partnership" for details of Fund EBITDA and distributable cash by individual Operating Partnerships.

The Fund's Corporate segment includes administrative costs to operate the Fund. Corporate costs were $2,321 for the three months ended March 31, 2009 compared with $1,677 in the prior year period. Approximately 50% of the increase over the prior year reflects the inclusion of severance costs, with the balance comprising increased salary costs, reflecting additional resources that are focused on the operations of our investments, and higher legal costs. Total EBITDA after corporate costs was $7,636 for the three months ended March 31, 2009 compared with $17,019 in the prior year period.

The main items which are deducted from EBITDA to arrive at Distributable Cash are interest expense and capital expenditures. During the current quarter, cash interest costs were $9,218, compared with $8,288 in the prior year period. During the quarter, the operating segments had maintenance capital expenditures and capital lease payments of $2,049, as compared to $2,469 in the prior year period. The majority of these expenditures were incurred in the industrial services segments.

Distributable cash from continuing operations for the three months ended March 31, 2009 was a loss of $(2,786) resulting in $(0.04) of distributable cash per unit, compared with $9,992 and $0.14 per unit in the prior year period.

FIRST QUARTER PERFORMANCE SUMMARY – BY OPERATING PARTNERSHIPS

OPERATING PARTNERSHIP	EBITDA ($000S)	DISTRIBUTABLE CASH ($000S)	LTM YIELD (%)	COMMENTARY
Financial Services				
Brompton	($28)	-	6.2%	During the first quarter, net AUM decreased by approximately $107 million primarily as a result of market price depreciation of the value of assets held by the Brompton funds. The current market uncertainty continues to make launching new closed-end investment funds challenging although Brompton will continue to search for and structure new investment products, which can be brought to market.
ESR	$40	$491	13.5%	ESR is a managing general agent and provider of specialized commercial insurance services to its clients. The insurance industry continues to operate in a soft market and ESR's results have been impacted by lower commission income. The first quarter of the year also typically sees the lowest quarterly contribution of contingent profit commissions. These amounts are based on underwriting results and the recognition of these earnings increases during the year as the magnitude of the profit commissions becomes more certain. The insurance market in ESR's target markets is anticipated to remain soft for the balance of the year.
Morrison Williams	$1,118	$1,118	13.8%	Morrison Williams provides investment management services to institutional clients. Morrison Williams's results are entirely dependent on the generation of management fee income on its assets under management. The Canadian equity markets continued to contract in the first quarter of 2009 albeit at a much slower pace than fourth quarter. Assets under management declined 5% from the 2008 year end. With limited new business opportunities in the immediate future, results will depend on the performance of the markets. Recently there has been evidence of a return of confidence in the markets, however volatility remains too high to predict whether this will last.
NP LP	$360	$350	13.0%	NPLP provides investment management, corporate advisory and insurance services to its clients. NPLP's results for the first quarter reflect lower investment management fees from its assets under management which declined a modest 1.4% from the 2008 year end. In addition the first quarter was slower for corporate advisory and insurance service revenues. Assets under management are impacted by market forces. Recently there has been evidence of a return of confidence in the markets, however volatility remains too high to predict whether this will last.
Hargraft	$81	$93	4.7%	Hargraft is an insurance broker specializing in the transportation and construction sectors. A combination of the continuing soft insurance market and reduced renewal revenue on two major accounts has resulted in a disappointing start to the year for Hargraft. On a positive note, Hargraft is beginning to see signs of a hardening market in its niche markets. It has been anticipated for some time that investment income losses incurred by insurers would necessitate increases in insurance premiums and, consequently, commission income for insurance brokers. The quantum and timing of these increases is not clear but there is unlikely to be an impact on Hargaft before the final quarter of this year.
BMI	$187	$230	12.1%	BMI is an insurance broker providing services primarily to the transportation sector. The economic climate is impacting BMI as its customers reduce volumes and look also to reduce premiums. Consequently, BMI has experienced a slower than anticipated start to the year primarily due to reduced volume of business with a significant client who has chosen to restructure its program with another provider, and lower commission income on renewal business. BMI is diligently looking at new revenue-generating opportunities, and is also carefully managing its costs and discretionary spending. The outlook for 2009 is guarded. Continuing business contractions and closures could erode BMI's client base to some extent. However there is some early evidence that premiums may increase as insurers attempt to replace declining investment income.
	$1,758	**$2,282**		
Marketing				
S&E	$131	$123	4.7%	S&E is a provider of sports-related marketing and advertising services. Results for the first quarter were strong despite the economic climate. Higher than expected revenues from two major clients helped to offset decreased business by other clients. The outlook for year is relatively positive as larger clients continue to spend above initial expectations. As well, business development activities have resulted in several new prospects in the pipeline which should benefit the second half of the year.

OPERATING PARTNERSHIP	EBITDA ($000S)	DISTRIBUTABLE CASH ($000S)	LTM YIELD (%)	COMMENTARY
Gemma	$1,207	$1,164	18.4%	The first quarter was strong for Gemma despite reduced volumes from key financial services clients in the latter part of 2008. Organic growth in revenue from existing clients has largely offset the decline in business from the financial services clientele. It is anticipated that the second quarter will be marginally softer than the first quarter as secured business is below expectations, however the rest of the year looks promising for new client development based on the current sales pipeline.
Capital C	$1,126	$918	21.6%	Capital C is a provider of fully integrated marketing services. Results for the first quarter were mixed with good progress with some clients being offset by pullbacks from others. Some of Capital C's clients are deferring marketing commitments and looking for ways to make their market expenditures go further. This can be a challenge, but also an opportunity which can result in business wins for Capital C as it continues to partner with clients looking to consolidate their marketing providers. Management has implemented cost cutting initiatives to offset some of the decline in revenue, and is carefully looking at staffing levels. The outlook is guarded as management continues to focus on client retention, development of new business and strict labour cost control.
IC Group	$885	$891	27.4%	IC Group is a provider of online promotional and loyalty programs, and a provider of select insurance products. IC Group's results were strong for the first quarter of the year. Revenues were mostly attributable to two large online loyalty programs which were launched in 2008 as well as increased business from other core accounts. The outlook for the remainder of the year is optimistic. IC Group is expecting these larger projects to continue and is also looking to expand and diversify the customer base to offset the risk of reliance on a few major clients. The insurance division's results were soft however it is expected to rebound in the latter half of the year with a renewed dedication of sales and marketing resources. IC Group's short term outlook is that the second quarter should have similar results to the first quarter.
Armstrong	$473	$445	8.6%	Armstrong provides in-store promotional marketing services. Good results were achieved in the first quarter of the year especially considering the economic climate in both the US and Canada where marketing expenses are often one of the first lines of cost control. The stronger US dollar, increased commitments from a major account and a higher demand for digital services all contributed to improved revenue levels. Higher margin business and careful cost management have also contributed to a strong quarterly result. The outlook for the rest of year is generally optimistic. While there are pullbacks from some clients, Armstrong is actively developing new business and expects the trend of increased business from key clients to continue.
	$3,822	**$3,541**		
Industrial Services				
NPC/Golosky	$2,995	$1,246	10.5%	NPC/Golosky provides oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and to the oilsands. NPC/Golosky faced a difficult first quarter. Most of the business units experienced significant pull backs through a combination of work deferral and increased competition. The quarter was dominated by continued softness in both oil and gas pricing which translates into minimal construction activities for the group, as clients refuse to invest in new projects at these price levels. In addition, the oil sands industry has also experienced a slowdown as a number of projects, some in progress, were shut down. Apart from a strong quarter in the wear technology services' units, there were challenges throughout the business. Conventional and oil sands maintenance services are subject to very competitive pricing, and business units focused on construction activity have been particularly hard hit. Historically, construction services have generated higher gross margins than maintenance services. These market conditions require careful cost management to ensure margins are maximized, especially if contracts are fixed pricing in nature. Overhead costs are also being carefully monitored, with headcount and salary reductions being implemented. The outlook is somewhat mixed at this point. On the conventional side, the typical shutdown season will take place in the second quarter, although not at previous levels as some shutdown projects have been deferred. It is anticipated that the significant slowdown in construction activities will continue until either gas storage numbers reduce or gas prices rise. In the oil sands side of the business, construction levels will remain low until there is some consistency in the floor price for crude.

OPERATING PARTNERSHIP	EBITDA ($000S)	DISTRIBUTABLE CASH ($000S)	LTM YIELD (%)	COMMENTARY
Quantum Murray	($776)	($1,434)	2.5%	Quantum Murray is a national provider of demolition, remediation and scrap metal services. Quantum Murray's results for the first quarter were mixed. Stronger performances than expected in the Environmental and Metals divisions were offset by poorer results in the Demolition division. Overall revenues were higher than expected as the Environmental division is benefitting from several large and profitable soil remediation contracts, and the Metals Division is processing higher third party scrap metal volumes. The Demolition division, however, is suffering from a significant decline in industrial activity. As a result, demolition contract and scrap revenues are well below budget. Smaller commercial property demolition projects are also generating lower margins. Further, in the first quarter, the demolition division's results have been impacted by continuing losses on a major B.C. project where the completion time has been extended. It is anticipated that the balance of the year for the demolition division will struggle to generate previously seen revenue levels due to the slowdown or postponement of larger projects. The current outlook for both the Environmental and Metals divisions is more positive.
	$2,219	**($188)**		
Other				
Rlogistics	$300	$300	14.7%	
Peerless	$1,351	$1,280	13.5%	Peerless is a supplier of garments to the Canadian military. Results for the quarter were quite strong and benefited from a mix of higher margin contracts, as well as production efficiencies. By the end of the quarter, Peerless was ramping up production on two major contracts which have recently been won. These two contracts are the business drivers for this year, and the reason for a positive outlook for the rest of the year.
Titan	$447	$182	6.1%	Titan is a distributor of drilling products to the oil and gas industry, and of ground engaging tools to the transportation and construction industries. The first quarter results were disappointing as revenues were down in all product lines. The client base continues to be severely impacted by the economic slow down. Gross margin compression continues however management has implemented significant cost cutting measures, with focus on staffing reductions. It is expected that the rest of the year will be challenging across all product lines although there is some optimism in the construction line of business as the Alberta government looks to provide funding for infrastructure projects.
Gusgo	$330	$370	16.2%	Gusgo is a provider of container transportation and storage services. Gusgo's results were satisfactory in the first quarter considering the economic downturn. The transportation industry is affected by the economic slowdown as weak retail sales directly impact the trucking business. Gusgo is optimistic that a stronger US dollar will generate business which will offset an expected revenue reduction due to economic recession.
	$2,428	**$2,132**		

First Quarter 2009 Business Transactions

On January 30, 2009, the minority limited partner of ESR delivered to Newport Partners Holdings LP ("NPH") an offer letter pursuant to the Shotgun Buy-Sell provision of the limited partnership agreement governing ESR. On February 27, 2009 NPH elected to accept the minority limited partner's offer to sell its 20% interest in ESR. The buy-sell transaction closed on March 31, 2009, at which time, the Fund paid $8,500 and its interest in ESR increased to 100%. Of this amount, $1,710 was held in escrow pending finalization of working capital amounts and other items. On April 30, 2009, $950 was released from escrow.

On February 10, 2009, Hargraft Schofield LP sold the shares of its wholly owned subsidiary, Hargraft Schofield Benefits Inc. for proceeds of $1,274 to the Fund, and recorded a nominal gain on the transaction.

SUPPLEMENTARY INFORMATION

NPF'S PRIORITY INCOME BY OPERATING PARTNERSHIP

OPERATING PARTNERSHIP	PER ANNUM	EXPIRY
BMI	$3,400	Q2 2009
Gusgo	2,400	Q4 2010

The priority income arrangement with Armstrong expired on December 31, 2008 and Quantum Murray's expired on January 31, 2009. The Fund has relied on these amounts over the past two years and the expiry of these agreements may have a material impact on reported distributable cash going forward should the businesses underperform. The priority income arrangement with Gemma expired on March 31, 2007. ESR, Morrison Williams, Brompton, NP LP, Capital C and NPC/Golosky's priority income arrangements expired on September 30, 2007.

SEGMENT OPERATING RESULTS

FINANCIAL SERVICES

The Financial Services segment includes our proportionate share of ESR, NP LP, Morrison Williams, Brompton, Hargraft and BMI.

ESR	-	Independent insurance underwriters and specialty managing general agents
Morrison Williams	-	Institutional money manager
NP LP	-	Provider of capital, money management and financial advice for successful entrepreneurs
Hargraft	-	Insurance broker specializing in liability products for commercial and high net worth clients
BMI	-	Full-service insurance broker specializing in the transportation and logistics industries
Brompton	-	Asset manager of public and private investment funds

Summary Financial Table ($000s)

	THREE MONTHS ENDED MARCH 31	
	2009	**2008**
Revenues	$9,784	$12,687
Cost of revenues	(4,545)	(4,607)
Gross profit	5,239	8,080
Selling, general and administrative expenses	(3,485)	(3,568)
Amortization expense	(2,923)	(3,298)
Depreciation expense	(111)	(132)
Income from equity investments	(283)	217
Other income	-	330
Interest income	24	120
Income tax expense-current	(6)	(6)
Income tax recovery-future	-	20
(Loss) income from continuing operations	(1,545)	1,763
(Loss) income for the period	(1,545)	1,763
Add:		
Amortization expense	2,923	3,298
Depreciation expense	111	132
Amortization of Brompton intangible asset	287	484
Interest income	(24)	(120)
Income tax expense-current	6	6
Income tax recovery-future	-	(20)
EBITDA	$1,758	$5,543

Supplementary Financial Information – AUM ($000,000s)

	MARCH 31, 2009	DECEMBER 31, 2008	MARCH 31, 2008
NP LP	$844	$856	$1,058
Morrison Williams	2,827	2,975	4,115
Brompton	939	1,046	2,209
Total	$4,610	$4,877	$7,382

(I) REVENUES

Revenue from the Financial Services segment was $9,784, which represents a 23% decrease from the $12,687 reported for the same prior year period.

Continuing soft insurance markets have affected commission revenues at our three insurance investments, and the financial markets' sell off in the second half of 2008 has negatively impacted AUM, and therefore, revenues at both Morrison Williams and NP LP.

Each of our insurance investments has experienced reduced commission income compared to the previous period. Heightened competition in standard markets and the need for clients to cut expenditures have resulted in significant downward price pressure. Revenues have decreased as clients consolidate or close operations, seek significant savings on contract renewals, and in some cases, self insure. The first quarter of the year always see lower contingent profit commissions than in subsequent quarters. These profit commissions, primarily earned at ESR, are dependent on loss claims experienced at the insurers, and increasing amounts are recorded in later quarters when there is increased certainty over the amounts likely to be received.

Investment management fees at Morrison Williams and NP LP were reduced from the same period last year. At Morrison Williams and NP LP, AUM is 5% and 1.4% lower respectively than at year end. NP LP also had a slow quarter in its corporate advisory and insurance businesses.

(II) GROSS PROFIT

Gross profit was $5,239, which translated into a 54% gross profit margin. This compares to gross profit of $8,080 for the prior year period, reflecting a gross profit margin of 64%. The margin decrease in the current period reflects lower investment management fees and lower corporate advisory fees than in the prior year period.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $3,485 compared with $3,568 in the prior year period. Selling, general and administrative expenses as a percentage of revenues were 36%, compared to 28% in 2008.

(IV) DEPRECIATION AND AMORTIZATION

Depreciation and amortization was $3,034 compared to $3,430 for the prior year period. The largest component of this expense is the amortization of intangible assets which are recorded as investments are made in Operating Partnerships.

(V) EBITDA

EBITDA was $1,758 for the period. For the prior year period EBITDA was $5,543. EBITDA also includes the income from our equity investment in Brompton. Income from Brompton was also reduced in the current quarter reflecting the reduction in its AUM.

(VI) INCOME TAX

Please see a discussion on income taxes in the section on Future Income Taxes.

(VII) INCOME

Net (loss) for the period was ($1,545) compared to net income of $1,763 in the corresponding 2008 period.

(VIII) SEASONALITY

ESR, Hargraft and BMI have methodologies for estimating the amount of contingent profit commissions to be recorded throughout the year. The result of this is to lessen the impact of seasonality on the businesses.

The asset management businesses and insurance businesses are not subject to material seasonality factors.

(IX) OUTLOOK

Conditions in the commercial insurance market remain challenging as increased competition continues to put downward pressure on premium pricing in all three of the insurance businesses in the Fund. The economic climate is also driving clients to reduce expenditures as much as possible. While there has been much written that investment losses incurred by insurers in 2008 would trigger focus on improving underwriting profits through higher premium pricing, this is not yet evident, and is unlikely to improve 2009 results significantly.

Based on a challenging market environment, Morrison Williams believes it will be difficult to see significant improvement in AUM. NP LP believes that these uncertain times provide an opportunity to grow its client base as investors look to improve their returns.

Corporate finance advisory engagements are continuing but the timing and size of fees are not possible to estimate.

Brompton believes that, during this period of market uncertainty, launching new closed-end investment funds will be challenging. However, Brompton is continuing to look for ways to expand its product suite, and to pursue selective acquisition opportunities and related strategic initiatives to grow net assets under management.

MARKETING

The Marketing segment includes our proportionate share of the results of S&E, Gemma, Capital C, IC Group and Armstrong.

S&E	-	Alternative advertising agency
Gemma	-	Outsourced contact centre operator for large corporations
Capital C	-	Marketing services agency providing solutions to multi-national clients
IC Group	-	Provider of interactive promotional solutions
Armstrong	-	North American promotional marketing company

Summary Financial Table ($000s)

	THREE MONTHS ENDED MARCH 31	
	2009	**2008**
Revenues	$23,178	$21,581
Cost of revenues	(10,751)	(9,581)
Gross profit	12,427	12,000
Selling, general and administrative expenses	(8,625)	(8,783)
Amortization expense	(1,764)	(1,594)
Depreciation expense	(332)	(364)
Income from equity investments	20	16
Interest expense	(35)	(100)
Income from continuing operations	1,691	1,175
Income for the period	1,691	1,175
Add:		
Amortization expense	1,764	1,594
Depreciation expense	332	364
Interest expense	35	100
EBITDA	$3,822	$3,233

MARKETING

(I) REVENUES

Revenues for the marketing segment were $23,178, compared to $21,581 in the prior year. All five businesses had a strong quarter despite a challenging economic climate.

The majority of the increase relates to an excellent performance in the quarter by IC Group. The increased revenues were mostly attributable to two large on-line loyalty programs launched in 2008.

Capital C's revenue for the quarter was comparable to prior year. Business development has been difficult as clients are reducing or deferring marketing spending. However Capital C is focusing on client retention and partnering with clients to consolidate marketing services.

Gemma's results were below prior year due to marketing budget reductions by many of the large financial services clients. However organic growth from other clients has helped to offset this loss of business and resulted in a satisfactory quarter.

Armstrong had a successful quarter considering the economy with revenues comparable to prior year. A stronger US dollar, increased commitments from a major account and higher demand for digital services has helped to maintain a strong revenue base.

S&E had a strong quarter with higher revenues year over year. This was mostly a result of increased business from two large clients which offset decreased business from other clients.

(II) GROSS PROFIT

Gross profit for the marketing segment was $12,427 and gross margin was 54%. In the prior year period, gross profit was $12,000 and gross margin was 56%.

IC Group had very strong gross profit margins compared to prior year as a result of a larger component of higher margin revenues.

Gross margins at Gemma, Armstrong and S&E were largely in line with prior year.

Capital C's gross profit margin was below prior year as clients reduce marketing spending and applied pricing pressure.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $8,625 compared to $8,783 in the prior year period. These expenses as a percentage of revenues were 37% compared to 41%. This percentage decrease was mostly due to IC Group's increased revenues and cost cutting initiatives at Armstrong.

(IV) DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense was $2,096 for the quarter, compared with $1,958 in the prior year period. The largest component of this expense is the amortization of intangible assets, which are recorded as investments in Operating Partnerships are made. Typically, the level of capital expenditures in this service segment is low.

(V) EBITDA

EBITDA from the Marketing segment was $3,822 compared with $3,233 of EBITDA produced in the prior year period.

(VI) INCOME

Net income for the quarter was $1,691, compared to $1,175 in the prior year period.

(VII) SEASONALITY

Seasonality is not typically a material factor for the Marketing segment.

(VIII) OUTLOOK

The outlook for the overall marketing segment is cautious optimism.

IC Group is expecting continued strong results as the large on-line loyalty programs provide a comfortable revenue stream. As well, management is looking for ways to expand and diversify the customer base to offset the risk of reliance on a few major clients. IC Group's insurance business had a slow start to the year, however it is expected to rebound as sales and marketing resources are dedicated to this side of the business.

Gemma's outlook is positive as new client development is well underway to offset the loss of business from the financial services industry which is not expected to return this year.

Armstrong's management is optimistic that strong results will continue throughout the year as business development activity bears fruit. As well, increased business from large accounts is expected. The strong US dollar will continue to benefit Armstrong as well as IC Group.

Capital C's management is cautiously optimistic based on committed work and new business development. Management continues to focus on cost cutting initiatives to offset the potential decline in revenue.

S&E's outlook for the year continues to be strong. It is expected that larger clients will continue to increase expenditures and new business development looks promising for the second half of the year.

INDUSTRIAL SERVICES

The Industrial Services segment includes our proportionate share of the results of NPC/Golosky and Quantum Murray.

NPC/Golosky	-	Oil & gas maintenance and facility infrastructure services
Quantum Murray	-	Demolition, abatement and remediation services

Summary Financial Table ($000s)

	THREE MONTHS ENDED MARCH 31	
	2009	**2008**
Revenues	$107,173	$97,194
Cost of revenues	(91,472)	(76,642)
Gross profit	15,701	20,552
Selling, general and administrative expenses	(13,482)	(13,769)
Amortization expense	(2,105)	(3,361)
Depreciation expense[1]	(2,431)	(1,900)
Interest expense	(2,222)	(2,329)
Income tax recovery-current	-	-
Income tax recovery-future	-	45
Loss from continuing operations	(4,539)	(762)
Loss for the period	(4,539)	(762)
Add:		
Amortization expense	2,105	3,361
Depreciation expense[1]	2,431	2,019
Interest expense	2,222	2,329
Income tax recovery-current	-	-
Income tax recovery-future	-	(45)
EBITDA	$2,219	$6,902

	THREE MONTHS ENDED MARCH 31			
	2009		**2008**	
	NPC/GOLOSKY	**QUANTUM MURRAY**	**NPC/GOLOSKY**	**QUANTUM MURRAY**
Revenues	$77,776	$29,397	$66,630	$30,564
Cost of revenues	(66,961)	(24,511)	(53,915)	(22,727)
Gross profit	10,815	4,886	12,715	7,837
Selling, general and administrative	(7,820)	(5,662)	(7,677)	(6,092)
Amortization expense	(1,323)	(782)	(1,581)	(1,780)
Depreciation expense[1]	(1,635)	(796)	(1,280)	(620)
Interest expense (income)	(2,170)	(52)	(2,273)	(56)
Income tax recovery-current	-	-	-	-
Income tax recovery-future	-	-	45	-
Loss from continuing operations	(2,133)	(2,406)	(51)	(711)
Loss for the period	(2,133)	(2,406)	(51)	(711)
Add:				
Amortization expense	1,323	782	1,581	1,780
Depreciation expense[1]	1,635	796	1,399	620
Interest expense (income)	2,170	52	2,273	56
Income tax recovery-current			-	-
Income tax recovery-future			(45)	-
EBITDA	$2,995	($776)	$5,157	$1,745

1 Depreciation of $119 relating to production equipment has been included in cost of revenues in the 2008 period.

(I) REVENUES

Revenues from the Industrial Services segment were $107,173 compared with $97,194 in the prior year period. This reflects a 10% increase over the previous year. The revenue growth relates to the NPC/Golosky business.

NPC/Golosky's revenue growth in the current period reflects increases in three divisions which provide specialized wear technology services designed to extend the useful life of pipeline used in the oil sands. To offset this growth, NPC/Golosky has seen very low activity in its construction divisions. Because of depressed commodity prices, new construction is non-existent, and even work on projects underway is being postponed. The core maintenance services provided by NPC/Golosky's conventional and oil sands divisions have also been impacted by price competition and postponement or deferral of major maintenance projects.

Quantum Murray's revenues in the current period were in total slightly reduced from the same period last year. Revenues in the environmental division were well above prior year period revenues. This was primarily due to work this quarter on new assignments in Alberta and a significant new project in Ontario. Unfortunately good progress in the environmental division, and also in the scrap metals division, has been overshadowed by difficulties in the demolition division. Given the economic climate, major industrial demolition projects have reduced to almost zero. As a result smaller, commercial projects are being chased by a larger group of providers, causing significant downward price pressure.

(II) GROSS PROFIT

Gross profit was $15,701 compared with $20,552 in the prior year period. Gross profit margins were 15% compared to 21.1% in the prior year period. Gross margins were reduced at both NPC/Golosky and Quantum Murray, but more significantly at the latter. NPC/Golosky has experienced margin compression in its maintenance work as competition for a reducing amount of work increases.

At Quantum Murray gross margins on large industrial projects have historically been strong. These projects have almost dried up, and gross margins on smaller commercial projects are coming under pressure due to greater competition. This first quarter's gross margins were also negatively impacted by cost overruns on the completion of a large demolition project in B.C. Gross margins in the environmental division were in line with the prior period.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $13,482 compared to $13,769 in the prior year period. These expenses as a percentage of revenues were 12.6%, compared to 14.2% in the prior year period. Expenses at Quantum Murray are reduced from a year ago, primarily at the demolition division where headcount has been reduced, and a careful review of costs is ongoing. Expenses at NPC/Golosky are being carefully monitored and several cost reductions have been implemented.

(IV) DEPRECIATION AND AMORTIZATION

Depreciation and amortization was $4,536 for the period compared with $5,380 in the prior year period. The largest component of this expense is the amortization of intangible assets, which are recorded as a result of investments made in Operating Partnerships. Capital expenditures were $350 compared to $596 in the prior year period.

(V) EBITDA

The Industrial Services segment produced $2,219 of EBITDA, compared with $6,902 of EBITDA earned in the prior year period.

(VI) INCOME TAX

Please see a discussion on income taxes in the section on Future Income Taxes.

(VII) INCOME

Net loss for the period was ($4,539) compared to net loss of ($762) in the prior year period.

(VIII) SEASONALITY

NPC/Golosky's revenues and profits are impacted by seasonality and weather conditions. For example, severe winter conditions and excessively rainy periods can delay equipment moves and thereby adversely affect revenues. Spring break-up typically occurs in March and April leaving many roads temporarily incapable of supporting heavy equipment travel thereby negatively impacting NPC/Golosky's business.

Quantum Murray's remediation activity can be reduced in the winter months, depending on assignment location and weather. In addition, due to the timing of large contracts, quarterly results can fluctuate.

(IX) OUTLOOK

NPC/Golosky has a diversified operational base that provides recurring revenues from ongoing base maintenance work performed at lower margins combined with annual facility turnarounds and higher-margin construction facility projects. NPC/Golosky's outlook is that there will continue to be strong demand for its specialty wear technology services. Revenues from construction services will be minimal while commodity prices remain depressed, and there will continue to be gross margin compression in its core maintenance operations. In the short term, revenues from annual facility turnaround maintenance projects will be reduced as clients look to defer or postpone these expenditures.

Quantum Murray's outlook for its environmental and scrap metal divisions is relatively optimistic. A significant remediation project secured in the first quarter will contribute throughout the balance of the year. On the other hand, the demolition division will have a very challenging year. Its revenues are down, large industrial projects have been shelved and it is facing increasing competition and pricing pressure on a reduced quantity of smaller commercial projects. The demolition division will need to manage and reduce its costs until a more positive economic outlook encourages clients to re-commence industrial demolition projects.

OTHER

The Other segment includes our proportionate share of the results of Rlogistics, Peerless, Titan and Gusgo.

Peerless	-	Manufacturer of protective harsh weather outerwear for military personnel
Titan	-	Manufacturer and distributor of rigging and ground engaging tool products
Gusgo	-	Provider of intermodal freight services
Rlogistics	-	Wholesaler and liquidator of electronic products

Summary Financial Table ($000s)

	THREE MONTHS ENDED MARCH 31	
	2009	**2008**
Revenues	$18,677	$22,299
Cost of revenues	(13,197)	(16,078)
Gross profit	5,480	6,221
Selling, general and administrative expenses	(3,374)	(3,526)
Amortization expense	(1,499)	(1,707)
Depreciation expense[1]	(177)	(138)
Income from equity investments	300	299
Interest expense	(250)	(461)
Income tax recovery-current	-	3
Income from continuing operations	480	691
Income for the period	480	691
Add:		
Amortization expense	1,499	1,707
Depreciation expense[1]	199	162
Interest expense	250	461
Income tax recovery-current	-	(3)
EBITDA	$2,428	$3,018

1 Depreciation of $22 in 2009 and $24 in 2008 relating to production equipment has been included in cost of revenues.

(I) REVENUES

Revenues from this segment were $18,677 for the quarter compared with $22,299 in the prior year period.

Peerless' revenues were lower than in the prior year period. The majority of the variance was caused by delays in the timing of government projects. A significant project that was awarded in January 2009 was expected to be in full production by the first quarter, however, material procurement and production set-up delayed the fulfillment of the contract. Shipment is expected by the end of second quarter at which time expected revenues will be achieved.

Titan's revenues were disappointing compared to the prior year period as revenues were down in all product lines. The slowdown in the exploration and drilling sector in Alberta continues to hamper Titan's operations and, in particular, resulted in reduced sales of its products to the oil and gas and transportation industries.

As expected, Gusgo's revenues for the quarter were below the prior year. The weak economy is directly impacting the transportation industry as a whole. The import and export business is suffering which limits Gusgo's ability to generate incremental revenue.

(II) GROSS PROFIT

Gross profit was $5,480 for the quarter compared with $6,221 for the same quarter last year. Gross profit margins were 29%, compared to 28% in the prior year period. Despite the reduced revenues in each of the businesses, gross profit margins were for the most part maintained.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $3,374 for the quarter compared with $3,526 in the prior year period. These expenses as a percentage of revenues were 18%, compared to 16% in the prior year period. Cost control initiatives were introduced at both Titan and Gusgo during 2009 and are reflected in the slight decline in selling, general and administrative expenses. The full impact of labour reductions will be realized in the next quarter.

(IV) DEPRECIATION AND AMORTIZATION

Depreciation and amortization was $1,698 for the quarter compared to $1,869 in the prior year period. The largest component of this expense is the amortization of intangible assets, which are recorded as a result of investments made in Operating Partnerships.

(V) EBITDA

EBITDA for this segment was $2,428 compared with $3,018 in the prior year period and the variance is directly related to the reduced revenues in the quarter compared to last year. EBITDA includes the income from our equity investment in Rlogistics of $300 for the quarter compared to $299 in the prior year period.

(VI) INCOME

Income for the quarter was $480 compared to $691 in the prior year period. The variance relates to the lower revenues as discussed above.

(VII) SEASONALITY

Peerless' business is not subject to material seasonal variance. However, due to the timing of large government contracts, annual revenues and EBITDA can sometimes fluctuate significantly.

Titan's business is positively impacted by severe cold and harsh weather conditions that create increased demand for replacement parts on heavy equipment and snow-removal related products. The first and fourth quarters are the strongest.

Seasonality is not typically a material factor for Gusgo.

(VIII) OUTLOOK

The outlook for Peerless is positive. With the award of two large government contracts in late 2008 and early 2009, a strong revenue stream is expected for the next two years. The ramp up to full production of these large contracts is expected by the end of the second quarter.

Titan's management foresees a continued impact on its operations because of the economic slowdown. Reduced energy prices also impact the activity levels of oil and gas and transportation industries which will in turn impact Titans sales. Titan has postponed capital expenditures, and will continue to implement cost cutting measures.

Gusgo management continues to focus on expanding its opportunities in Canada and the US. It is expecting the next quarter to largely pattern the first. Gusgo is optimistic that in 2009 a stronger US dollar will generate new business.

Rlogistics' outlook continues to be guarded as the weak economy affects its customers discretionary spending budgets.

CORPORATE

The Corporate segment includes head office administrative and legal costs, as well as interest costs.

Summary Financial Table ($000s)

	THREE MONTHS ENDED MARCH 31	
	2009 (Restated[1])	2008
Selling, general and administrative expenses	($2,321)	($1,677)
Interest expense	(7,569)	(6,549)
Loss on dilution of interest in operating partnership	-	-
Depreciation expense	(34)	-
Write-down of goodwill[1]	(270)	-
Income tax expense	(11)	-
Loss for the period	(10,205)	(8,226)
Loss for the period	(10,205)	(8,226)
Add:		
Depreciation expense	34	-
Interest expense	7,569	6,549
Income tax expense	11	-
EBITDA	($2,591)	($1,677)

1 The Corporate segment has been restated to reflect the re-calculation of exchangeable unit values, which resulted in an increase in goodwill of $270 at March 31, 2009. In the fourth quarter of 2008, the Fund had written off all of the goodwill associated with its investment in NPY, and the additional amount of goodwill of $270 has been written off in the first quarter of the year. See Note 2 in the consolidated financial statement for further discussion on the restatement.

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $2,321 for the quarter, compared to $1,677 in the prior year. Approximately 50% of the increase over the prior year reflects the inclusion of severance costs, with the balance comprising increased salary costs, reflecting additional resources that are focused on the operations of our investments, and higher legal costs. The Fund monitors its expenses as a percentage of weighted invested capital. In the quarter the ratio was 1.7% compared to 1.1% for the same quarter in 2008.

(II) INTEREST EXPENSE

Interest expense of $7,569 for the quarter relates to the credit facility and the convertible debentures. This compares to $6,549 in the prior year period. The increase in interest expense over the prior year period reflects the inclusion of default interest for the period January 31st to March 31st, 2009.

(III) LOSS

The loss for the quarter was ($10,205) compared to $8,226 in the prior year period. The variance relates to default interest recorded for the period January 31, 2009 to March 31, 2009.

(IV) OUTLOOK

Selling, general and administrative expenses in the next quarter and for the balance of 2009 are expected to be consistent with the first quarter as higher operational and restructuring costs are incurred. The Fund's level of interest expense will be dependent upon the outcome of its efforts to restructure its balance sheet.

DISCONTINUED OPERATIONS

On September 30, 2008, the Fund sold 100% of the assets of its investment in EZEE.

The following table shows the revenue and net income from discontinued operations for the three months ended March 31, 2008.

	Three months ended March 31, 2008
Revenues	$7,971
Net income	577

EIGHT QUARTER SUMMARY – ($000S EXCEPT PER UNIT AMOUNTS)

	2009 Q1 (Restated[1])	2008 Q4 (Restated[1])	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2
Revenues	158,812	174,568	166,644	174,793	153,761	156,314	141,104	125,295
Gross profit	38,847	46,572	44,405	55,459	46,853	51,912	44,097	42,876
Income (loss) from continuing operations	(14,118)	(247,724)	(40,128)	1,750	(5,359)	3,514	(1,069)	(37,376)
Net income (loss)	(9,479)	194,959	(28,250)	1,560	(2,760)	892	(57)	(21,773)
Adjusted EBITDA from continuing operations	7,906	16,187	15,512	24,015	17,019	22,158	20,509	20,347
Income (loss) per unit from continuing operations	(0.19)	(4.51)	(0.56)	0.03	(0.07)	0.04	(0.02)	(0.53)
Income (loss) per unit	(0.19)	(4.51)	(0.64)	0.04	(0.07)	0.03	0.00	(0.54)

EIGHT QUARTER (RESTATED) SUMMARY – ($000S EXCEPT PER UNIT AMOUNTS)

	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2
Previously Reported								
Goodwill	98,231	94,362	243,336	278,337	280,561	256,669	291,044	269,335
NCI	-	-	60,706	87,169	96,525	107,466	109,529	122,898
Unitholders' Equity	41,754	55,602	219,460	251,408	252,663	259,364	265,646	265,937
Total Assets/Liabilities & Unitholders' Equity	616,656	619,042	817,698	933,249	934,585	949,236	962,339	891,367
As Restated								
Goodwill	98,231	94,362	265,942	274,462*	273,556*	271,593*	279,933*	258,655*
Non-controlling Interest	9,870	15,649	76,629	101,298	108,923	118,295	118,717	134,287
Unitholders' Equity	31,884	39,953	226,143	258,091	257,899	263,460	269,752	268,274
Total Assets/Liabilities & Unitholders' Equity	616,656	619,042	840,304	954,061	952,219	964,160	975,633	905,092

* Also includes an adjustment to goodwill related to EZEE, which has been reclassified as discontinued operations.

1 The consolidated financial statements have been restated to reflect the re-calculation of exchangeable unit values, which resulted in an increase in goodwill of $270 at March 31, 2009. In the fourth quarter of 2008, the Fund had written off all of the goodwill associated with its investment in NPY, and the additional amount of goodwill of $270 has been written off. See Note 2 in the consolidated financial statements for further discussion of the restatement.

ADDITIONAL INFORMATION

Transactions with Related Parties

OWNERSHIP

As of March 31, 2009, directors, officers and employees and entities related to the Fund beneficially hold an aggregate of 19,914,077 NPY and NPF units or 28% on a fully diluted basis.

TRANSACTIONS

NPY provides funding to the Operating Partnerships to fund working capital requirements. Advances bear interest at the rate of prime plus one percent, are unsecured and are due on demand.

Included in Other Assets are advances of $30,281 (2008 – $28,930) made to the Operating Partnerships.

Employee loans made to employees of the Fund and its subsidiary NPLP were outstanding in the amount of $4,100 (2008 – $2,299). The amount in 2008 includes $221 loaned to an employee of Ezee. This amount was repaid in 2008. In accordance with the terms and condition of the loans, the loans are interest bearing and were used to purchase units of the Fund and are secured by units.

Cost of sales includes $607 (2008 - $163) of trade expenses paid to related parties of Quantum Murray, primarily for environmental disposal services.

Off Balance Sheet items

The Fund had $6,194 of letters of credit outstanding at March 31, 2009. The letters of credit are predominantly to secure cash management services provided by Royal Bank of Canada and as security for programs in the Marketing and Industrial Services segment.

Subsequent Events

On April 1, 2009 and April 29, 2009, the Fund received from the lenders letters confirming the events of default, advising that no future advances would be available to the Fund from any of the commitments under the facility, other than at the sole discretion of the lenders, and that no other debt could be incurred by the Fund. In addition, the lenders provided notice to the Fund that it would be charged default interest for the period from January 31, 2009. For the period to March 31, 2009 the Fund has accrued default interest expense in the amount of $1,175 relating to the period January 31, 2009 to March 31, 2009.

Second Quarter Outlook

The Fund's management efforts have been focused on renegotiating with its senior lender, restructuring its balance sheet and providing assistance to the operating partners. The outcome of these negotiation efforts will determine the Fund's future balance sheet. As we look at operations, the marketing segment appears to be faring well while there are challenges in all other segments. The balance of the year will be difficult for the insurance investments operating in a soft insurance market, and the investment managers operating with much lower asset levels. The economic slowdown has, in particular, hurt our demolition business, which needs a stronger economy to drive larger projects. Low commodity prices and the slow economy are impacting our Alberta businesses where revenues and margins are reduced at both NPC/Golosky and Titan.

RISK FACTORS

Our financial results are impacted by the performance of each of our Operating Partnerships and various external factors influencing their operating environments. While stronger performance by one of the Operating Partnerships may compensate for weaker performance by another of the Operating Partnerships, any negative effects on the financial condition or results of operations of an Operating Partnership has a negative effect on the financial condition or results of operations of the Fund.

Please refer to the AIF dated March 30, 2009 and our short form prospectus dated July 3, 2007 for a discussion of Risk Factors particular to the Operating Partnerships.

Disclosure Controls & Procedures and Internal controls over Financial Reporting

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the CSA requires CEOs and CFOs to certify that they are responsible for establishing and maintaining the disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant interim filings have been disclosed by the issuer.

National Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining the internal controls over financial reporting for the issuer, that those internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP, and that the issuer has disclosed any changes in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

NPF's management, including its CEO and CFO, have evaluated the effectiveness of the Fund's disclosure controls and procedures as at March 31, 2009 and have concluded that those disclosure controls and procedures were not effective to ensure that information required to be disclosed by the Fund in its corporate filings is recorded, processed, summarized and reported within the required time period for the interim period then ended as a result of the weakness in internal controls over financial reporting. A material weakness in the effectiveness of internal control over financial reporting relating to the review procedures over the accounting for exchangeable securities issued by subsidiaries of income trusts resulted in incorrect values being used to record the exchanges as at March 31, 2009. The Fund has restated the consolidated financial statements for the three months ended March 31, 2009 as well as the years ended December 31, 2008 and 2007 and each of the quarters in fiscal 2008 and 2007. Management determined that incorrect values were used due to an internal control weakness which has been identified subsequent to quarter end, and has enhanced the review process in order to eliminate the weakness. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

ADDITIONAL INFORMATION

Additional information relating to the Fund, including the AIF, is on SEDAR at www.sedar.com or on our website www.income.newportpartners.ca.

DEFINITIONS

"A2 LP Units" – means the Class A LP Units of NPY designated as Series 2;

"AIF" – means Annual Information Form;

"Armstrong" – means Armstrong Partnership LP, a limited partnership formed under the laws of Ontario;

"AUM" – means Assets Under Management;

"Bill C-52" or "trust taxation" – means Bill C-52 Budget Implementation Act, 2007;

"BMI" – means Baird MacGregor Insurance Brokers LP, a limited partnership formed under the laws of Ontario;

"Brompton" – means Brompton Funds LP, a limited partnership formed under the laws of Manitoba;

"C LP Units" – means the Class C limited partnership units of NPY;

"Capital C" – means Capital C Communications LP, a limited partnership formed under the laws of Ontario;

"CEO" – means Chief Executive Officer;

"CFO" – means Chief Financial Officer;

"CICA" – means Canadian Institute of Chartered Accountants;

"Convertible Debentures" or "Debentures" – means collectively the Series 2005 Debentures and the Series 2007 Debentures;

"CSA" – means Canadian Securities Administrators;

"CT" – means Commercial Trust;

"CT Notes" – means the Notes designated as Series 1 and issued to the Fund in accordance with the Note Indenture;

"CT Units" – means the units of the Commercial Trust, each of which represents an equal undivided interest in the Commercial Trust and any distributions from the Commercial Trust, and includes a fraction of such a unit of the Commercial Trust;

"DDTL" – means Delayed-Draw Term Loan;

"Duntroon" – means Duntroon Energy Ltd., an Ontario corporation;

"ESR" – means Elliott Special Risks LP, a limited partnership formed under the laws of Ontario;

"EV/EBITDA" – means the enterprise value divided by EBITDA. Enterprise value is equal to market capitalization plus debt and convertible debentures, less cash and cash equivalents;

"Exchange Agreement" – means the agreement dated August 8, 2005 between CT and NPY which provides for the exchange of limited partnership units of NPY into units of the Fund;

"Fortress" – means Fortress Credit Corp.;

"GAAP" – means, at any time, Canadian generally accepted accounting principles, including those set out in the Handbook of the CICA, applied on a consistent basis;

"Gemma" – means Gemma Communications LP, a limited partnership formed under the laws of Ontario;

"Golosky" – means Golosky Holdings LP and Clearwater Holdings LP collectively, limited partnerships formed under the laws of Alberta;

"Gusgo" – means Gusgo Transport LP, a limited partnership formed under the laws of Ontario;

"Hargraft" – means Hargraft Schofield LP, a limited partnership formed under the laws of Ontario;

"IC Group" – means IC Group LP, a limited partnership formed under the laws of Ontario;

"IPO" – means Initial Public Offering;

"LTM" – means Last Twelve Months;

"MD&A" – means Management's Discussion and Analysis;

"Morrison Williams" – means Morrison Williams Investment Management LP, a limited partnership formed under the laws of Ontario;

"NAV" – means Net Asset Value and is derived by amalgamating management's best estimate of the fair market value of each of the Operating Partnerships in the Fund and making adjustments for the senior debt, the market value of convertible debentures and the cash and cash equivalents of the Fund. The fair market value of each of the Operating Partnerships is derived using discounted public company comparable EV/EBITDA multiples and applying these multiples to the LTM EBITDA of each Operating Partnership;

"NCIB" – means Normal Course Issuer Bid;

"Net Tangible Assets" – means 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;

"Newport Partners" or "NP LP" – means Newport Partners LP, a limited partnership formed under the laws of Ontario;

"Nortech" – means Nor-Tech Systems LP, a limited partnership formed under the laws of Alberta;

"NPC/Golosky" – means NPC Integrity Energy Services Limited Partnership, a limited partnership formed under the laws of Alberta;

"NPF" or the "Fund" – means Newport Partners Income Fund;

"NPH" – means Newport Partners Holdings LP, a limited partnership formed under the laws of Ontario;

"NPY" – means Newport Private Yield LP, a limited partnership formed under the laws of Ontario;

"NPY LP Units" – means units of NPY (or LP units);

"Operating Partnerships" – means businesses in which the Fund holds an ownership interest;

"Peerless" – means Peerless Garments LP, a limited partnership formed under the laws of Ontario;

"Priority Income" – means the annual distribution to which NPF is entitled before its Operating Partners share in the income of the business;

"Quantum Murray" – means Quantum Murray LP (formerly Murray Demolition LP) a limited partnership formed under the laws of Ontario;

"Rlogistics" – means Rlogistics LP, a limited partnership formed under the laws of Ontario;

"S&E" – means Sports and Entertainment Limited Partnership, a limited partnership formed under the laws of Ontario;

"Senior Credit Agreement" – means the Secured Credit Agreement entered into on December 7, 2006, with an affiliate of Fortress, as amended;

"Since inception" – means the date February 27, 2004 when NPY was formed as a limited partnership under the laws of Ontario;

"STR" – means 9111-5808 Quebec Inc. (o/a les Guichet STR);

"Technoda" – means Systems Electroinique Technoda Inc., which sold 100% of its ATM assets to Ezee on April 30, 2007;

"Thomson" – means the business formerly carried out by Gary W. Thomson Enterprises Ltd. and Hamilton Recycling Inc., purchased in an asset transfer and now carried out by Thomson Metals and Disposal LP and Thomson Waste Transfer LP, each a limited partnership formed under the laws of Ontario;

"Titan" – means Titan Supply LP, a limited partnership formed under the laws of Alberta;

"TRM" – means TRM Corp.;

"TSX" – means Toronto Stock Exchange; and

"Units" – means trust units of the Fund.