Consolidated Financial Statements of

NEWPORT PARTNERS INCOME FUND

Three months and six months ended June 30, 2008 and 2007
(Unaudited)

NEWPORT PARTNERS INCOME FUND

Consolidated Balance Sheets

(In thousands of dollars)

	June 30, 2008	December 31, 2007
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 12,731	$ 20,278
Cash and short-term investments held in trust	29,456	27,404
Accounts receivable	145,247	137,726
Inventories (note 4)	40,893	35,467
Prepaid expenses	3,982	2,934
Other current assets	20,714	21,677
	253,023	245,486
Property, plant and equipment	46,214	45,800
Long-term investments	46,142	47,254
Goodwill	278,337	281,222
Intangible assets	294,563	315,384
Other assets	14,970	14,090
	$ 933,249	$ 949,236
Liabilities and Unitholders' Equity		
Current liabilities:		
Revolving credit facility	$ 42,131	$ 47,527
Accounts payable and accrued liabilities	131,191	118,264
Deferred revenue	16,535	13,819
Current portion of obligations under capital leases	5,472	5,353
	195,329	184,963
Obligations under capital leases	8,852	8,910
Long-term debt	205,384	204,862
Future tax liability	34,036	34,141
Non-controlling interest	87,169	107,466
Convertible debenture	151,071	149,530
Unitholders' equity (note 8)	251,408	259,364
	$ 933,249	$ 949,236

See accompanying notes to unaudited interim consolidated financial statements.

NEWPORT PARTNERS INCOME FUND

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

	Three months ended June 30 2008	Three months ended June 30 2007	Six months ended June 30 2008	Six months ended June 30 2007
Revenues	$ 183,630	$ 133,744	$ 345,362	$ 249,959
Cost of revenues	130,125	88,791	246,817	167,655
	53,505	44,953	98,545	82,304
Expenses				
Selling, general and administrative	29,816	24,733	58,083	46,680
Amortization of intangible assets	10,412	9,205	20,824	18,032
Depreciation	2,913	2,032	5,580	3,923
	43,141	35,970	84,487	68,635
Income before the undernoted	10,364	8,983	14,058	13,669
Income from equity investments	962	771	1,494	1,516
Other income	382	356	712	553
Interest expense	9,137	6,488	18,537	12,846
Loss on dilution of ownership interest	-	220	-	6,064
Income (loss) before income taxes	2,571	3,402	(2,273)	(3,172)
Income tax expense (recovery) - current	15	(158)	18	(312)
Income tax expense (recovery) - future	(40)	39,958	(105)	39,958
Income (loss) from continuing operations before non-controlling interest	2,596	(36,398)	(2,186)	(42,818)
Non-controlling interest relating to continuing operations	1,036	15,943	(986)	18,883
Income (loss) from continuing operations	$ 1,560	$ (20,455)	$ (1,200)	$ (23,935)
Loss from discontinued operations before non-controlling interest	-	(2,445)	-	(5,227)
Non-controlling interest relating to discontinued operations	-	1,127	-	2,401
Loss from discontinued operations		(1,318)		(2,826)
Net income (loss) and comprehensive income (loss)	$ 1,560	$ (21,773)	$ (1,200)	$ (26,761)
Income (loss) per unit (note 7)				
Basic and diluted:				
Continuing operations	$ 0.04	$ (0.51)	$ (0.03)	$ (0.60)
Discontinued operations	0.00	(0.03)	(0.00)	(0.07)
Net income (loss)	0.04	(0.54)	(0.03)	(0.67)

See accompanying notes to unaudited interim consolidated financial statements.

NEWPORT PARTNERS INCOME FUND

Consolidated Statements of Unitholders' Equity
(In thousands of dollars, except per unit amounts)
(Unaudited)

	Number of Units	Unitholders' Capital	Equity Component of Convertible Debenture	Deficit	Contributed Surplus	Total Unitholders' Equity
Balance – January 1, 2008	41,366,957	$ 376,704	$ 9,850	$ (128,582)	$ 1,392	$ 259,364
Units exchanged	1,930,829	7,044	-	-	-	7,044
Net loss for the period	-	-	-	(1,200)	-	(1,200)
Distributions	-	-	-	(13,800)	-	(13,800)
Balance – June 30, 2008	43,297,786	$ 383,748	$ 9,850	$ (143,582)	$ 1,392	$ 251,408

	Number of Units	Unitholders' Capital	Equity Component of Convertible Debenture	Deficit	Contributed Surplus	Total Unitholders' Equity
Balance – January 1, 2007	39,283,565	$ 364,805	$ 664	$ (63,430)	$ -	$ 302,039
Cumulative impact of adopting new accounting rules	-	-	-	60	-	60
Units exchanged	2,468,025	15,794	-	-	-	15,794
Units purchased under normal course issuer bid	(867,500)	(6,526)	-	-	1,062	(5,464)
Net loss for the period	-	-	-	(26,761)	-	(26,761)
Distributions	-	-	-	(19,731)	-	(19,731)
Balance – June 30, 2007	40,884,090	$ 374,073	$ 664	$ (109,862)	$ 1,062	$ 265,937

See accompanying notes to unaudited interim consolidated financial statements.

NEWPORT PARTNERS INCOME FUND

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

	Three months ended June 30 2008	Three months ended June 30 2007	Six months ended June 30 2008	Six months ended June 30 2007
Cash provided by (used in):				
Operating activities:				
Net income (loss)	$ 1,560	$ (21,773)	$ (1,200)	$ (26,761)
Items not affecting cash:				
Loss from discontinued operations before controlling interest	-	2,445	-	5,227
Amortization of intangible assets	10,412	9,205	20,824	18,032
Depreciation	2,936	2,032	5,746	3,923
Future income tax expense (recovery)	(40)	39,958	(105)	39,958
Income from equity investments, net of cash received	656	484	965	968
Non-cash interest expense	1,055	238	2,086	818
Non-cash compensation expense	753	560	1,554	1,120
Loss on dilution of interest in operating partner	-	220	-	6,064
Non-controlling interest	1,036	(17,070)	(986)	(21,284)
Changes in non-cash working capital	3,943	3,423	1,972	(2,291)
Cash provided by (used in) discontinued operations	-	(201)	-	9,413
	22,311	19,521	30,856	35,187
Financing activities:				
Repurchase of units	-	(1,423)	-	(5,464)
Distributions to unitholders	(6,934)	(9,987)	(13,695)	(19,731)
Distributions to non-controlling interest	(4,752)	(7,750)	(9,677)	(15,771)
Increase in cash held in trust	(4,102)	(3,833)	(2,052)	(1,634)
Increase (decrease) in bank indebtedness	(5,418)	19,025	(5,396)	52,063
Increase in long-term debt	-	20,000	-	20,000
Repayment of capital lease obligations	(1,562)	(738)	(3,005)	(1,484)
Cash provided by (used in) discontinued operations	-	2,811	-	(6,920)
	(22,768)	18,105	(33,825)	21,059
Investing activities:				
Acquisition of businesses, net of cash acquired	305	(43,550)	(892)	(93,749)
Proceeds on disposal of business	-	24,000	-	24,000
Purchase of property, plant and equipment	(1,646)	(1,115)	(2,806)	(3,022)
Increase in other assets	(1,379)	(1,082)	(880)	(526)
Cash used in discontinued operations	-	(1,211)	-	(839)
	(2,720)	(22,958)	(4,578)	(74,136)
Increase (decrease) in cash and cash equivalents	(3,177)	14,668	(7,547)	(17,890)
Cash and cash equivalents, beginning of period - continuing operations	15,908	22,058	20,278	54,616
Cash and cash equivalents, beginning of period - discontinued operations	-	-	-	-
Cash and cash equivalents, end of period	12,731	36,726	12,731	36,726
Cash and cash equivalents, end of period - discontinued operations	-	2,207	-	2,207
Cash and cash equivalents, end of period – continuing operations				
Cash	12,651	34,439	12,651	34,439
Cash equivalents	80	80	80	80
Supplemental cash flow information:				
Interest paid	$ 8,221	$ 7,873	$ 16,758	$ 12,318
Cash acquired upon acquisition	-	727	61	1,351
Supplemental disclosure of non-cash financial and investing activities:				
Acquisition of property, plant and equipment through capital leases	1,929	3,045	2,494	3,902

See accompanying notes to unaudited interim consolidated financial statements.

Newport Partners Income Fund ("the Fund") is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated May 13, 2005 (the "Declaration of Trust").

The Fund has been created to hold, through the Fund's investment in Newport Partners Commercial Trust (the "Commercial Trust"), interests in Newport Private Yield LP ("NPY"), and its general partner, NPY GP Trust. NPY is a limited partnership formed to invest in securities of private businesses, either in limited partnerships or in corporations (collectively the "Operating Partnerships") and distribute the available cash flows to the limited partners. As at June 30, 2008, the Fund indirectly holds all of the A1 LP units of NPY, representing approximately 60% (June 30, 2007 – 56%) of the outstanding LP units.

1. Basis of presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed to include only the notes related to elements which have significantly changed in the interim period. As a result, these interim consolidated financial statements should be read in conjunction with the Fund's audited consolidated financial statements and notes thereto for the year ended December 31, 2007.

These unaudited interim consolidated financial statements are prepared following accounting policies consistent with the Fund's audited consolidated financial statements and notes thereto for the year ended December 31, 2007, except for changes discussed in note 2.

2. Changes in accounting policies and future accounting standards

The Fund adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Sections 1535, "Capital Disclosures", Section 3862, "Financial Instruments Disclosure", Section 3863, "Financial Instruments Presentation, and Section 3031, "Inventories" on January 1, 2008. The comparative interim consolidated financial statements have not been restated, as permitted by the standards.

(a) Capital Disclosures

Section 1535, "Capital Disclosures", establishes guidelines for the disclosure of information regarding a business' capital and how it is managed. The standard requires enhanced disclosures with respect to (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; and (iii) whether the entity has complied with any capital requirements, and if it has not complied, the consequences of such non-compliance. Disclosure is included in note 11.

(b) Financial Instruments

Section 3862, "Financial Instruments Disclosure", and Section 3863, "Financial Instruments Presentation", replace Section 3861, "Financial Instruments – Disclosure and Presentation". Section 3862 requires increased disclosures regarding the risks associated with financial instruments such as credit risk, liquidity risk and market risks and the techniques used to identify, monitor and manage these risks. Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. Disclosure is included in note 3 and note 10.

(c) Inventories

The new Section 3031, "Inventories", was issued in June 2007 and replaced existing Section 3030 of the same title. It provides guidance with respect to the determination of cost and requires inventories to be measured at the lower of cost and net realizable value. The cost of inventories include the costs to purchase and other costs incurred in bringing the inventories to their present location. Costs such as storage costs and administrative overheads that do not contribute to bringing the inventories to their present location and condition are specifically excluded from the cost of inventories and expensed in the period incurred. Reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of the inventories is now required. The cost of the inventories should be based on a first-in, first-out or a weighted average cost formula. Techniques used for the measurement of cost of inventories, such as the retail method, may be used for convenience if the results approximate cost. The new standard also requires additional disclosures including the accounting policies used in measuring inventories, the carrying amount of the inventories, amounts recognized as an expense during the period, write-downs and the amount of any reversal of any write-downs recognized as a reduction in expenses.

The standard is effective for fiscal years beginning on or after January 1, 2008. The difference in the measurement of opening inventory may be applied to the opening of inventory for the period, with an adjustment to opening retained earnings with no prior periods restated, or retrospectively with a restatement to prior periods in accordance with Section 1506, "Accounting Changes". There was no difference to be accounted for by the Fund.

(d) Future accounting standards

(i) In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets effective for interim and annual periods relating to fiscal years beginning on or after October 1, 2008. Section 3064, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Fund's interim and annual financial statements commencing January 1, 2009. The Fund is assessing the impact of the new standard on its financial statements.

(In thousands of dollars, except per unit amounts)

(ii) 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. The Fund is currently evaluating the impact of adopting IFRS.

3. Financial instruments

(a) The Fund has classified its financial instruments as follows:

	June 30, 2008	December 31, 2007
Financial assets		
Held for trading, measured at fair value:		
Cash and cash equivalents	$ 12,731	$ 20,278
Cash and cash equivalents held in trust	26,257	9,588
Short-term investments held in trust	3,199	17,816
	42,187	47,682
Loans and receivables, measured at amortized cost:		
Accounts receivable	145,247	137,726
Advances to Operating Partners	26,875	28,328
	172,122	166,054
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	131,191	118,264
Revolving credit facility	42,131	47,527
Capital lease obligations	14,324	14,263
Long-term debt	205,384	204,862
Convertible debentures	151,071	149,530
	$ 544,101	$ 534,446

The Fund had neither available for sale, nor held to maturity financial instruments during the period ended June 30, 2008 or during the year ended December 31, 2007.

The Fund's insurance operations maintain trust bank accounts for premiums collected but not yet remitted to insurance companies.

(In thousands of dollars, except per unit amounts)

(b) Short-term investments

The Fund's short-term investments held in trust are comprised of the follows:

	June 30, 2008	December 31, 2007
Marketable securities	3,199	-
Bonds	-	9,588
	$ 3,199	$ 9,588

(c) Net interest expense

The Fund has recorded net interest expense in relation to the following financial instruments:

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Interest expense on senior debt	$ 5,920	$ 5,271	$ 12,242	$ 9,940
Interest expense on convertible debt	3,752	1,679	7,508	3,504
Interest expense on capital leases	231	123	460	274
Interest expense - other	387	178	944	187
Net interest income earned on advances to Operating Partners	(914)	(420)	(1,983)	(612)
Interest income earned on cash	(213)	(215)	(565)	(319)
Interest income earned on short-term investments held in trust	(26)	(128)	(69)	(128)
	$ 9,137	$ 6,488	$ 18,537	$ 12,846

(d) Accounts receivable

The Fund's accounts receivable is comprised of the following:

	June 30, 2008	December 31, 2007
Trade receivables	$ 120,962	$ 131,563
Allowance for doubtful accounts	(1,780)	(1,461)
Other	26,065	7,624
	$ 145,247	$ 137,726

(In thousands of dollars, except per unit amounts)

4. Inventories

Inventory is comprised as follows:

	June 30, 2008	December 31, 2007
Raw materials	$ 5,118	$ 4,647
Work in progress	21,168	16,236
Finished goods	2,702	2,363
Goods held for resale	10,937	11,105
Parts and supplies	968	1,116
	$ 40,893	$ 35,467

Work in progress also includes contracts accounted for using the percentage of completion method.

Goods held for re-sale reflects inventory held at Titan, an independent distributor of wear parts and ground engaging tool products.

An inventory write-down of $13 was recorded for the three months ended June 30, 2008 and $18 for the six months ended June 30, 2008.

5. Business combinations

On January 1, 2008 the operations of On-Site were wound up into Ezee, and On-Site is continuing to operate as part of Ezee.

On January 1, 2008 Titan Supply LP ("Titan") paid $1,235 to acquire and cancel 4.3% of its units. As a consequence, the Fund's ownership percentage of Titan increased to 91.9%, and goodwill relating to this investment has increased by $785.

On April 4, 2008, the Fund completed an Acquisition Agreement with Duntroon Energy Ltd. ("Duntroon") pursuant to which the Fund exchanged all of its 45% equity interest in Brompton Funds LP ("Brompton") to Duntroon for a 41.7% equity interest in Duntroon. Immediately following the transaction Duntroon changed it name to Brompton Corp. The transaction will allow Brompton to carry on its business as an incorporated entity and as a reporting issuer which may provide it with more options to capitalize its business and complete strategic acquisitions more efficiently. As there was no monetary asset involved, the transaction has been accounted for as a non-monetary transaction. Therefore, the shares in Brompton Corp will be recorded at the carrying value of the asset given up (i.e. units of Brompton).

(In thousands of dollars, except per unit amounts)

6. Discontinued operations

On April 30, 2007, the Fund sold 100% of the assets of its investment in RGC, other than RGC's 45% equity investment in RLogistics which has not been sold. The equity from this investment is included in the Other segment.

The following table shows the revenue and net results from discontinued operations for the three and six months ended June 30, 2007.

	Three months ended June 30, 2007	Six months ended June 30, 2007
Revenues	$ 10,452	$ 42,994
Net loss	(2,445)	(5,227)

7. Net income (loss) per unit

The potential issuance of units upon the conversion of the convertible debenture has not been taken into account in the computation of fully diluted income (loss) per unit as they are anti-dilutive.

8. Unitholders' equity

Holders of A2 LP units of NPY have the right to exchange their units into trust units. During the three and six months ended June 30, 2008, 1,121,631 and 1,930,829 A2 LP units were exchanged (2007 – 1,454,581 and 2,468,025). As 1,740,959 of these units of NPY were outstanding prior to the IPO (2007 – 722,446) the conversion of these units was calculated as a step acquisition using the original carrying value of these units.

The Fund intends to make distributions to its unitholders, based upon net cash receipts of the Fund. The Fund's intention is for unitholders of record on the last business day of each month to receive distributions on the 15th day of the following month. The actual amount distributed in respect of the units will be made at the sole discretion of the trustees.

For the three and six months ended June 30, 2008 total distributions paid and payable were $6,995 and $13,800 respectively (2007 - $9,889 and $19,731 respectively).

9. Segmented information

The Fund has six reportable operating segments, each of which has separate operational management and management reporting information. All of the Fund's operations, assets and employees are located in Canada. The financial services segment incorporates investment management, institutional money management, wealth management, specialty insurance underwriting, insurance brokerage services and the servicing of ATMs. The marketing segment represents the investment in non-traditional marketing operations that acquires rights in media, publications and television, and an investment in an integrated direct marketing company with its primary focus on inbound and outbound teleservices, an investment in a fully integrated marketing services agency and investments in two promotional solutions marketing firms. The industrial services segment includes two reportable segments and represents the investments in fully integrated providers of mid-stream production services to the energy industry and in a provider of demolition contract service and site remediation services. The other segment incorporates a manufacturer of protective outerwear, a distributor and manufacturer of heavy equipment, a container transportation business and a reverse logistics provider. The corporate segment represents head office administrative and financing costs incurred by the Partnership. The accounting polices of the segments are the same as those described in the summary of significant accounting polices in note one. The Fund utilizes earning before interest, taxes, depreciation and amortization ("EBITDA") as a performance measure for its operating partners and segment results, and accordingly a reconciliation from net income to EBITDA is included herein.

(In thousands of dollars, except per unit amounts)

Three months ended June 30, 2008	Financial Services	Marketing	Industrial Services		Other	Corporate	Total
			Golosky (ii)	Murray			
Revenue	$ 22,641	$ 21,979	$ 81,067	$ 38,888	$ 19,055	$ -	$ 183,630
Cost of revenue	11,702	9,631	68,556	26,471	13,765	-	130,125
	10,939	12,348	12,511	12,417	5,290	-	53,505
Expenses							
Selling, general and administrative	3,749	8,870	5,224	6,865	3,451	1,657	29,816
Amortization of intangible assets	3,748	1,595	1,582	1,780	1,707	-	10,412
Depreciation	243	369	1,458	701	128	14	2,913
	7,740	10,834	8,264	9,346	5,286	1,671	43,141
Income (loss) before the undernoted	3,199	1,514	4,247	3,071	4	(1,671)	10,364
Income from equity investment	493	19	-	-	450	-	962
Other income	382	-	-	-	-	-	382
Interest (income) expense	(18)	65	2,262	106	373	6,349	9,137
Income tax expense (recovery) - current	(2)	-	6	-	-	11	15
Income tax recovery - future	-	-	(40)	-	-	-	(40)
Income (loss) from continuing operations	$ 4,094	$ 1,468	$ 2,019	$ 2,965	$ 81	$ (8,031)	$ 2,596
Add back:							
Interest (income) expenses	(18)	65	2,262	106	373	6,349	9,137
Depreciation and amortization	3,991	1,964	3,040	2,481	1,858	14	13,348
Amortization of Brompton intangible asset (i)	484	-	-	-	-	-	484
Income tax expense (recovery) – current	(2)	-	6	-	-	11	15
Income tax recovery - future	-	-	(40)	-	-	-	(40)
EBITDA	$ 8,549	$ 3,497	$ 7,287	$ 5,552	$ 2,312	$ (1,657)	$ 25,540
Goodwill acquired	-	-	-	-	-	-	-
Expenditures for property, plant and equipment	305	249	(44)	1,049	84	3	1,646
Total assets	375,084	115,605	175,213	101,663	102,316	63,368	933,249
Total goodwill	179,049	38,933	28,423	17,336	14,596	-	278,337

(i) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.

(ii) Formerly NPC.

(In thousands of dollars, except per unit amounts)

Three months ended June 30, 2007	Financial Services	Marketing	Industrial Services		Other	Corporate	Total
			NPC	Murray			
Revenue	$ 24,469	$ 21,996	$ 39,230	$25,730	$ 22,319	$ -	$ 133,744
Cost of revenue	11,552	10,089	32,773	17,692	16,685	-	88,791
	12,917	11,907	6,457	8,038	5,634	-	44,953
Expenses							
Selling, general and administrative	3,668	8,327	3,231	4,267	3,424	1,816	24,733
Amortization of intangible assets	3,541	1,644	785	1,513	1,722	-	9,205
Depreciation	201	380	931	348	172	-	2,032
	7,410	10,351	4,947	6,128	5,318	1,816	35,970
Income (loss) before the undernoted	5,507	1,556	1,510	1,910	316	(1,816)	8,983
Income from equity investment	494	-	-	-	277	-	771
Other income	356	-	-	-	-	-	356
Interest (income) expense	(133)	78	494	(11)	610	5,450	6,488
Loss on dilution of ownership		-	-	-	-	220	220
Income tax expense (recovery) - current	6	-	(164)	-	-	-	(158)
Income tax expense (recovery) - future	20,737	9,222	2,314	(252)	7,908	29	39,958
Income (loss) from continuing operations	$ (14,253)	$ (7,744)	$ (1,134)	$ 2,173	$ (7,925)	$ (7,515)	$ (36,398)
Add back:							
Interest (income) expense	(133)	78	494	(11)	610	5,450	6,488
Depreciation and amortization	3,742	2,024	1,716	1,861	1,894	-	11,237
Amortization of Brompton intangible Asset (i)	484	-	-	-	-	-	484
Income tax expense (recovery) - current	6	-	(164)	-	-	-	(158)
Income tax expense (recovery) - future	20,737	9,222	2,314	(252)	7,908	29	39,958
EBITDA	$ 10,583	$ 3,580	$ 3,226	$ 3,771	$ 2,487	$ (2,036)	$ 21,611
Goodwill acquired	1,921	-	324	598	-	-	2,843
Expenditures for property, plant and equipment	129	567	28	330	61	-	1,115
As at December 31, 2007:							
Total assets (ii)	380,392	112,668	165,609	104,589	102,019	83,959	949,236
Total goodwill	180,157	35,351	30,334	19,926	15,454	-	281,222

(i) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.

(ii) Discontinued operations previously part of the distribution segment are included in the corporate segment.

(In thousands of dollars, except per unit amounts)

Six months ended June 30, 2008	Financial Services	Marketing	Industrial Services		Other	Corporate	Total
			Golosky (ii)	Murray			
Revenue	$ 43,310	$ 43,561	$ 147,698	$ 69,453	$ 41,340	$ -	$ 345,362
Cost of revenue	22,773	19,212	125,804	49,198	29,830	-	246,817
	20,537	24,349	21,894	20,255	11,510	-	98,545
Expenses							
Selling, general and administrative	7,592	17,655	9,569	12,958	6,975	3,334	58,083
Amortization of intangible assets	7,500	3,186	3,162	3,561	3,415	-	20,824
Depreciation	508	733	2,739	1,322	265	13	5,580
	15,600	21,574	15,470	17,841	10,655	3,347	84,487
Income (loss) before the undernoted	4,937	2,775	6,424	2,414	855	(3,347)	14,058
Income from equity investment	710	36	-	-	748	-	1,494
Other income	712	-	-	-	-	-	712
Interest (income) expense	(60)	168	4,536	160	834	12,899	18,537
Income tax expense (recovery) - current	4	-	6	-	(3)	11	18
Income tax recovery – future	(19)	-	(86)	-	-	-	(105)
Income (loss) from continuing operations	$ 6,434	$ 2,643	$ 1,968	$ 2,254	$ 772	$ (16,257)	$ (2,186)
Add back:							
Interest (income) expense	(60)	168	4,536	160	834	12,899	18,537
Depreciation and amortization	8,008	3,919	6,020	4,883	3,727	13	26,570
Amortization of Brompton intangible Asset (i)	968	-	-	-	-	-	968
Income tax expense (recovery) - current	4	-	6	-	(3)	11	18
Income tax recovery – future	(19)	-	(86)	-	-	-	(105)
EBITDA	$ 15,335	$ 6,730	$ 12,444	$ 7,297	$ 5,330	$ (3,334)	$ 43,802
Goodwill acquired	-	-	-	-	785	-	785
Expenditures for property, plant and equipment	559	532	152	1,454	104	5	2,806
Total assets	375,084	115,605	175,213	101,663	102,316	63,368	933,249
Total goodwill	179,049	38,933	28,423	17,336	14,596	-	278,337

(i) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.

(ii) Formerly NPC.

(In thousands of dollars, except per unit amounts)

Six months ended June 30, 2007	Financial Services	Marketing	Industrial Services NPC	Industrial Services Murray	Other	Corporate	Total
Revenue	$ 42,907	$ 43,650	$ 71,270	$ 44,656	$ 47,476	$ -	$ 249,959
Cost of revenue	22,380	20,075	59,142	31,063	34,995	-	167,655
	20,527	23,575	12,128	13,593	12,481	-	82,304
Expenses							
Selling, general and administrative	5,994	16,087	6,093	7,930	7,076	3,500	46,680
Amortization of intangible assets	7,066	3,293	1,346	2,886	3,441	-	18,032
Depreciation	392	896	1,669	623	343	-	3,923
	13,452	20,276	9,108	11,439	10,860	3,500	68,635
Income (loss) before the undernoted	7,075	3,299	3,020	2,154	1,621	(3,500)	13,669
Income from equity investment	1,038	-	-	-	478	-	1,516
Other income	553		-	-	-	-	553
Interest (income) expense	(212)	139	938	(34)	1,205	10,810	12,846
Loss on dilution of ownership	-	-	-	-	-	6,064	6,064
Income tax expense (recovery) - current	12	-	(324)	-	-	-	(312)
Income tax expense (recovery) – future	20,737	9,222	2,314	(252)	7,908	29	39,958
Income (loss) from continuing operations	$ (11,871)	$ (6,062)	$ 92	$ 2,440	$ (7,014)	$ (20,403)	$ (42,818)
Add back:							
Interest (income) expense	(212)	139	938	(34)	1,205	10,810	12,846
Depreciation and amortization	7,458	4,189	3,015	3,509	3,784	-	21,955
Amortization of Brompton intangible Asset (i)	968	-	-	-	-	-	968
Income tax expense (recovery) - current	12	-	(324)	-	-	-	(312)
Income tax expense (recovery) – future	20,737	9,222	2,314	(252)	7,908	29	39,958
EBITDA	$ 17,092	$ 7,488	$ 6,035	$ 5,663	$ 5,883	$ (9,564)	$ 32,597
Goodwill acquired	4,177	-	1,127	7,821	-	-	13,125
Expenditures for property, plant and equipment	171	1,563	527	587	174	-	3,022
As at December 31, 2007:							
Total assets (ii)	380,392	112,668	165,609	104,589	102,019	83,959	949,236
Total goodwill	180,157	35,351	30,334	19,926	15,454	-	281,222

(i) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.

(ii) Discontinued operations previously part of the distribution segment are included in the corporate segment.

(In thousands of dollars, except per unit amounts)

10. Financial risk management

(a) Overview

The Fund has exposure to credit risk, liquidity risk and market risk. The Fund's board of trustees has overall responsibility for the establishment and oversight of the Fund's risk management framework.

(b) Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Fund's accounts receivables. The carrying amount of financial assets represents the maximum credit exposure.

The Fund has adopted a credit policy under which each new customer is analyzed individually for creditworthiness before the Fund's standard payment terms and conditions are offered. The Fund's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. When available, the Fund reviews credit bureau ratings, bank accounts and financial information for each new customer. The majority of the Fund's customers are located in Canada and represent various industries. For the three months ended June 30, 2008, 1 customer represents 12% of consolidated revenue. For the six months ended June 30, 2008, 1 customer represents 12% of consolidated revenue.

The Fund establishes an allowance for doubtful accounts that represent its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and an overall loss component established based on historical trends and other information.

Accounts receivable are non-interest bearing and are generally due within periods up to 90 days. At June 30, 2008, the allowance for doubtful accounts was $1,780. The changes in the allowance during the period were as follows:

	June 30, 2008
Allowance at beginning of period	$ 1,461
Impairment of receivables	393
Receivables written-off as uncollectible	(74)
Allowance at end of period	$ 1,780

(In thousands of dollars, except per unit amounts)

At June 30, 2008, the trade receivables over 90 days that are past due but not impaired was:

	>90 Days	>120 Days
Gross trade accounts receivable	$ 11,369	$ 4,370
Allowance at end of period	-	(1,780)
	$ 11,369	$ 2,590

(c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

As at June 30, 2008, the Fund had financial assets held for trading of $42,187, loans and receivables of $172,122 and financial liabilities of $544,101. As at December 31, 2007, the Fund had financial assets held for trading of $47,682, loans and receivables of $166,054 and financial liabilities of $534,446. The revolving credit facility and long-term debt have maturity dates in 2011, and the convertible debentures have maturity dates in 2010 and 2012. The capital lease obligations expire primarily in the years 2008 to 2012.

The Fund's strategy is that long-term debt should always form part of its capital structure, assuming an appropriate cost of capital. As existing debt approaches maturity, the Fund will either replace it with new debt, convert into equity or refinance, depending on the state of the capital markets at the time.

The Fund manages its liquidity risk by continuously monitoring forecast and actual gross profit and cash flows from operations.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its financial instruments. The Fund markets its products primarily in Canada and substantially all of the Fund's financial assets and liabilities originate in Canadian dollars. The Fund is exposed to currency risk for purchases that are denominated in U.S. dollars. The Fund believes this risk is minimal and has not entered into any currency hedging transactions.

(In thousands of dollars, except per unit amounts)

The Fund is exposed to currency risk on certain sales and purchases. At June 30, 2008 and December 31, 2007, the Fund's financial statements included the Canadian equivalent of the following U.S. dollar denominated balances:

	June 30, 2008	December 31, 2007
Accounts receivable	$ 4,298	$ 5,447
Accounts payable and accrued liabilities	(2,187)	(2,466)
	$ 2,111	$ 2,981

A 10% strengthening (weakening) of the Canadian dollar against the U.S. dollar would have decreased (increased) earnings from operations based on June 30, 2008 balance by $211.

For the long-term debt facility, the Fund's interest is a floating rate based on the BA rate of the outstanding principal balance of the loan. If the interest payments continue to be based on the floating rate, a 1% increase (decrease) in the interest rate would have resulted in $525 decrease (increase) in the earnings from operations of the Fund for this period. This analysis assumes that all other variables remain constant.

(e) Fair value of financial instruments

The fair values of the financial assets and financial liabilities are determined as follows:

(i) For cash, restricted cash, accounts receivable, accounts payable and accrued liabilities carrying amounts approximate fair value due to their short-term maturity:

(ii) Short-term investments are measured at fair value using quoted market prices; and

(iii) The fair value of notes payable approximate their carrying value as their effective interest rates approximate current market rates.

11. Capital Management

The Fund's objective is to maintain access to diverse and cost-effective sources of capital with which to finance its operations and its investment program. The Fund maintains a balanced and flexible capital structure composed of permanent equity, equity-linked debt and a senior credit facility. The Fund provides working capital advances to the Operating Partnerships as well as funding for tuck-in acquisitions (i.e. strategic acquisitions made by Operating Partnerships directly).

The Fund manages its capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Fund will balance its overall capital structure through new unit issues, unit repurchases, issuance of debt, repayment of debt or by undertaking other activities as deemed appropriate in the specific circumstances.

For 2008 the Fund has set three priorities relating to capital management: reduce debt under the credit facility, buy back its units and provide funding for strategic, value-creating acquisitions by its existing operating partnerships. These activities enhance the Fund.

The Fund's credit facility includes customary positive and negative covenants that can be categorized as externally imposed capital requirements. As at June 30, 2008, the Fund was in compliance with all its obligations under the credit facility.

12. Comparative figures

The 2007 comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2008 unaudited interim consolidated financial statements.