Restated Consolidated Financial Statements of

NEWPORT PARTNERS INCOME FUND

Three months and six months ended June 30, 2009 and 2008
(Unaudited)

NEWPORT PARTNERS INCOME FUND

Consolidated Balance Sheets
(In thousands of dollars)

	June 30, 2009 (As restated note 2) (Unaudited)	December 31, 2008 (As restated note 2)
Assets		
Current assets:		
Cash and cash equivalents	$ 19,456	$ 23,855
Cash and short-term investments held in trust	29,118	19,839
Accounts receivable	136,324	154,463
Inventories	33,527	33,112
Prepaid expenses	3,014	3,184
Other current assets	23,574	22,830
Future tax asset	-	1,393
	245,013	258,676
Property, plant and equipment	47,526	44,498
Long-term investments	16,859	16,494
Goodwill (note 2)	100,339	94,362
Intangible assets	175,358	189,306
Other assets	13,749	15,706
	$ 598,844	$ 619,042
Liabilities and Unitholders' Equity		
Current liabilities:		
Revolving credit facility (notes 6 and 10)	$ 32,100	$ 27,400
Current portion of long-term debt (notes 6 and 10)	210,000	210,000
Accounts payable and accrued liabilities	119,898	123,103
Deferred revenue	15,726	10,742
Current portion of obligations under capital leases	4,641	5,695
Current portion of future tax liability	1,192	-
	383,557	376,940
Obligations under capital leases	7,299	7,741
Future tax liability	20,598	26,076
Convertible debentures (note 10)	154,370	152,683
Non-controlling interest (note 2)	489	15,649
Unitholders' equity (note 2)	32,531	39,953
Going concern (note 1)		
Subsequent events (note 10)		
	$ 598,844	$ 619,042

See accompanying notes to the unaudited interim consolidated financial statements.

NEWPORT PARTNERS INCOME FUND

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

	Three months ended June 30		Six months ended June 30	
	2009 (As restated note 2)	2008	2009 (As restated note 2)	2008
Revenues	$ 132,420	$ 174,793	$ 291,232	$ 328,554
Cost of revenues	92,311	119,334	212,276	226,242
	40,109	55,459	78,956	102,312
Expenses				
Selling, general and administrative	30,300	33,294	61,587	64,617
Amortization of intangible assets	9,519	9,960	17,810	19,920
Depreciation	3,027	2,774	6,112	5,308
	42,846	46,028	85,509	89,845
(Loss) income before the undernoted	(2,737)	9,431	(6,553)	12,467
Income from equity investments	781	962	818	1,494
Other income	-	382	-	712
Write-down of goodwill (note 2)	3,245	-	3,515	-
Interest expense	10,563	9,050	20,615	18,369
(Loss) income before income taxes	(15,764)	1,725	(29,865)	(3,696)
Income tax expense - current	14	15	31	18
Income tax (recovery) - future	(3,799)	(40)	(3,799)	(105)
(Loss) income from continuing operations before non-controlling interest	(11,979)	1,750	(26,097)	(3,609)
Non-controlling interest relating to continuing operations (note 2)	1,441	(638)	6,080	1,628
(Loss) income from continuing operations	$ (10,538)	$ 1,112	$ (20,017)	$ (1,981)
Income from discontinued operations (note 5) before non-controlling interest	-	846	-	1,423
Non-controlling interest relating to discontinued operations	-	(398)	-	(642)
Income from discontinued operations	-	448	-	781
Net (loss) income and comprehensive (loss) income	$ (10,538)	$ 1,560	$ (20,017)	$ (1,200)
(Loss) income per unit (note 7)				
Basic and diluted:				
Continuing operations	$ (0.17)	$ 0.03	$ (0.36)	$ (0.05)
Discontinued operations	-	0.01	-	0.02
Net (loss) income	(0.17)	0.04	(0.36)	(0.03)

See accompanying notes to the unaudited interim consolidated financial statements.

NEWPORT PARTNERS INCOME FUND
Consolidated Statements of Unitholders' Equity
(In thousands of dollars, except unit amounts)
(Unaudited)

Six months ended June 30, 2009	Number of Units	Unitholders' Capital	Equity Component of Convertible Debenture	Deficit	Contributed Surplus	Total Unitholders' Equity (As restated note 2)
Balance – January 1, 2009	46,540,730	$ 401,640	$ 9,850	$ (373,897)	$ 2,360	$ 39,953
Units exchanged (notes 2 and 8)	24,214,585	12,595				12,595
Net loss for the period				(20,017)		(20,017)
Balance – June 30, 2009	70,755,315	$ 414,235	$ 9,850	$ (393,914)	$ 2,360	$ 32,531

Six months ended June 30, 2008	Number of Units	Unitholders' Capital	Equity Component of Convertible Debenture	Deficit	Contributed Surplus	Total Unitholders' Equity (As restated noted 2)
Balance – January 1, 2008	41,366,957	$ 380,800	$ 9,850	$ (128,582)	$ 1,392	$ 263,460
Units exchanged (note 8)	1,930,829	9,631	-	-	-	9,631
Net loss for the period	-	-	-	(1,200)	-	(1,200)
Distributions	-	-	-	(13,800)	-	(13,800)
Balance – June 30, 2008	43,297,786	$ 390,431	$ 9,850	$ (143,582)	$ 1,392	$ 258,091

See accompanying notes to the 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		Six months ended June 30	
	2009 (As restated note 2)	2008	2009 (As restated note 2)	2008
Cash (used in) provided by:				
Operating activities:				
Net (loss) income	$ (10,538)	$ 1,560	$ (20,017)	$ (1,200)
Items not affecting cash:				
Income from discontinued operations before non-controlling interest	-	(846)	-	(1,423)
Amortization of intangible assets	9,519	9,960	17,810	19,920
Depreciation	3,046	2,797	6,154	5,474
Future income tax (recovery)	(3,799)	(40)	(3,799)	(105)
Income from equity investments, net of cash received	(433)	656	(201)	964
Non-cash interest expense	853	1,055	1,687	2,086
Non-cash compensation expense	-	753	498	1,554
Write-down of goodwill (note 2)	3,245	-	3,515	-
Non-controlling interest	(1,441)	1,036	(6,080)	(986)
Changes in non-cash working capital	17,283	6,266	15,504	4,333
Cash provided by discontinued operations	-	536	-	2,132
	17,735	23,733	15,071	32,749
Financing activities:				
Increase in cash and short-term investments held in trust	(5,803)	(4,102)	(8,331)	(2,052)
Increase (decrease) in revolving credit facility	40	(5,418)	4,700	(5,396)
Repayment of capital lease obligations	(1,428)	(1,562)	(2,851)	(3,005)
Distributions to unitholders	-	(6,934)	-	(13,695)
Distributions to non-controlling interest	-	(4,752)	-	(9,677)
Cash used in discontinued operations	-	(1,271)	-	(1,742)
	(7,191)	(24,039)	(6,482)	(35,567)
Investing activities:				
Acquisition of businesses, net of cash acquired (note 3)	-	305	(8,487)	(892)
Proceeds on disposal of business (note 3)	-	-	1,197	-
Purchase of property, plant and equipment	(3,741)	(1,411)	(5,698)	(2,368)
Increase in other assets	-	(1,379)	-	(880)
Cash used in discontinued operations	-	(386)	-	(589)
	(3,741)	(2,871)	(12,988)	(4,729)
Increase (decrease) in cash and cash equivalents	6,803	(3,177)	(4,399)	(7,547)
Cash and cash equivalents, beginning of period - continuing operations	12,653	9,165	23,855	14,457
Cash and cash equivalents, beginning of period - discontinued operations	-	6,743	-	5,821
Cash and cash equivalents, end of period	19,456	12,731	19,456	12,731
Cash and cash equivalents, end of period - discontinued operations	-	5,622	-	5,622
Cash and cash equivalents, end of period – continuing operations	19,456	7,109	19,456	7,109
Cash	19,456	7,029	19,456	7,029
Cash equivalents	-	80	-	80
Supplemental cash flow information:				
Interest paid	$ 4,925	$ 8,221	$ 9,974	$ 16,758
Cash acquired upon acquisition	-	-	113	61
Cash removed on disposal of business	-	-	77	-
Supplemental disclosure of non-cash financial and investing activities:				
Acquisition of property, plant and equipment through capital leases	604	1,929	1,355	2,494

See accompanying notes to the 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 through Newport Partners Holdings LP ("NPH"), 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, 2009, the Fund indirectly holds substantially all of the A1 LP units of NPY, representing approximately 99% (June 30, 2008 – 60%) of the outstanding LP units (note 7).

1. Basis of presentation

(a) Basis of presentation – going concern

These unaudited interim consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Fund will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. For the six month period June 30, 2009 there was significant doubt about the appropriateness of the use of the going concern assumption because the Fund had not received, waivers from its lenders relating to covenant breaches on its term debt and revolving credit facility ("Senior Credit Facility") as at June 30, 2009 and December 31, 2008 (see note 5 – Credit facilities and long-term debt).

On July 21, 2009 the Fund announced that a Forbearance Agreement (the "Forbearance Agreement") had been entered into with a syndicate of lenders (the "Lenders") (see note 9 – Subsequent events). Under the terms of the Forbearance Agreement, the Lenders have agreed not to enforce their default related rights and remedies under the Senior Credit Facility for a period of up to 365 days (the "Forbearance Period"). The agreement contemplates the full repayment of amounts outstanding under the Senior Credit Facility by the end of the Forbearance Period.

On June 30, 2009 the Fund was contractually prohibited from paying interest due on its unsecured subordinated convertible debentures ("Debentures") due to the above-noted covenant breach. (See Subsequent Events Note 9). As of July 15, 2009 the failure to make the interest payment constitutes an event of default under the terms of the trust indenture of the Debentures. The Fund has begun discussions with holders of the Debentures with a view to seeking amendments or restructuring this debt.

Because of the nature and extent of the terms included in the Forbearance Agreement relating to the repayment of amounts outstanding under the Senior Credit Facility, along with the potential risk of failure in obtaining approval of amendments to the Debentures, there are material uncertainties resulting in significant doubt about the appropriateness of the use of the going concern assumption.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with respect to interim presentation of financial information. 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 and therefore they do not include all information and footnotes required in the preparation of annual financial statements. 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, 2008.

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, 2008, except for changes discussed in note 2.

2. Restatement of consolidated financial statements

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 $3,245 for the quarter ended and $3,515 for the six months ended June 30, 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 $3,245 and $3,515 for the quarter and six months ended respectively, has been written-off.

The following table outlines the impact of the adjustment by financial statement line item in the Fund's consolidated balance sheet, statement of loss and comprehensive loss and statement of cash flow as at and for the quarter and six months ended June 30, 2009. Only those line items impacted by the restatement have been disclosed.

(In thousands of dollars, except unit amounts)

Six months ended June 30, 2009	Previously reported	Impact of prior period restatement	Impact of current period recalculation	Current period write-off of goodwill	As restated
Consolidated balance sheet at June 30, 2009					
Goodwill	$ 100,339	$	$ 3,515	$ (3,515)	$ 100,339
Non-controlling interest		15,649	(15,160)		489
Unitholders' equity	33,020	(15,649)	18,675	(3,515)	32,531
Consolidated statements of loss and comprehensive loss					
Write-down of goodwill				(3,515)	(3,515)
Loss before income taxes	(26,350)			(3,515)	(29,865)
Loss from continuing operations before non-controlling interest	(22,582)			(3,515)	(26,097)
Non-controlling interest relating to continuing operations			6,080		6,080
Loss from continuing operations	(22,582)		6,080	(3,515)	(20,017)
Net loss and comprehensive loss	(22,582)		6,080	(3,515)	(20,017)
Loss per unit					
Continuing operations	(0.41)				(0.17)
Net loss	(0.41)				(0.17)
Consolidated statements of unitholders' equity					
Balance January 1, 2009	55,602	(15,649)			39,953
Units of NPY exchanged			12,595		12,595
Net loss for the period	(22,582)		6,080	(3,515)	(20,017)
Balance June 30, 2009	33,020	(15,649)	18,675	(3,515)	32,531
Consolidated statements of cash flows					
Net loss	(22,582)		6,080	(3,515)	(20,017)
Write-down of goodwill and intangibles				3,515	3,515
Non-controlling interest			(6,080)		(6,080)

Three months ended June 30, 2009	Previously reported	Impact of prior period restatement	Impact of current period recalculation	Current period write-off of goodwill	As restated
Consolidated balance sheet at June 30, 2009					
Goodwill	$ 100,339	$	$ 3,245	$ (3,245)	$ 100,339
Non-controlling interest		9,870	(7,940)	(1,441)	489
Unitholders' equity	33,020	(9,870)	11,185	(1,804)	32,531
Consolidated statements of loss and comprehensive loss					
Write-down of goodwill and intangibles				(3,245)	(3,245)
Loss before income taxes	(12,519)			(3,245)	(15,764)
Loss from continuing operations before non-controlling interest	(8,734)			(3,245)	(11,979)
Non-controlling interest relating to continuing operations			1,441		1,441
Loss from continuing operations	(8,734)		1,441	(3,245)	(10,538)
Net loss and comprehensive loss	(8,734)		1,441	(3,245)	(10,538)
Loss per unit					
Continuing operations	(0.14)				(0.17)
Net loss	(0.14)				(0.17)
Consolidated statements of unitholders' equity					
Balance January 1, 2009	55,602	(15,649)			39,953
Units of NPY exchanged		1,410	11,185		12,595
Net loss for the period	(22,582)	4,369	1,441	(3,245)	(20,017)
Balance June 30, 2009	33,020	(9,870)	12,626	(3,245)	32,531
Consolidated statements of cash flows					
Net loss	(8,734)			(1,804)	(10,538)
Write-down of goodwill				3,245	3,245
Non-controlling interest				(1,441)	(1,441)

3. Changes in accounting policies and future accounting standards

The Fund adopted the Canadian Institute of Chartered Accountants (CICA) Handbook 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, which was adopted by the Fund effective January 1, 2009, did not have any material impact on the interim consolidated financial statements.

(b) Credit Risk and the Fair Value of Financial Assets and Financial Liabilites

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.

(c) Future accounting standards

(i) International Financial Reporting Standards (IFRS)

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.

(ii) Business combinations

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces the existing standard. 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.

(iii) Non-controlling interests

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.

(iv) 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.

4. Business combinations

On January 30, 2009, the minority limited partner of Elliott Special Risks LP (“ESR”) delivered to 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 the amount. 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. This transaction has been accounted for using the purchase method. The preliminary estimated fair values of the assets acquired and liabilities assumed for this investment were as follows:

(In thousands of dollars, except unit amounts)

Assets acquired:	
Current assets	$ 3,584
Property, plant and equipment	112
Long-term investments	109
Goodwill	4,610
Intangible assets	4,852
	13,267
Liabilities assumed:	
Current liability	3,755
Future tax liability	912
	4,667
Net assets acquired:	
Consideration	
Cash	8,500
Transaction costs	100
	$ 8,600

Adjustments to the preliminary allocations may occur as a result of obtaining more information regarding asset valuations.

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. As part of the transaction, goodwill and intangible assets written-off amounted to $240 and $994 respectively.

5. 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 and six months ended June 30, 2008.

	Three months ended June 30, 2008	Six months ended June 30, 2008
Revenues	$ 8,837	$ 16,808
Net income after non-controlling interest	448	781

6. Credit facilities and long-term debt

On December 7, 2006, the Fund entered into a Senior Credit Facility with the Lenders to provide up to $320,000 in funding. The Senior Credit Facility is collateralized by general security agreements covering assets of all of the operating partnerships of the Fund, other than Brompton and RLogistics.

As at June 30, 2009 and December 31, 2008 the Fund was not in compliance with certain covenants under its Senior Credit Facility. On July 21, 2009 the Fund announced that a Forbearance Agreement had been entered into with the Lenders (see Subsequent Events Note 9). Under the terms of the Forbearance Agreement, the Lenders have agreed not to enforce their default related rights and remedies under the Senior Credit Facility for a period of up to 365 days and will not advance further funds. As at June 30, 2009, as a result of the uncertainties described in note 1(a), the Fund has continued to classify term debt of $210,000 as a current liability. The balance due on the revolving credit facility at June 30, 2009 was $32,100 which is also classified as a current liability.

7. 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 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, 2009, 22,004,694 and 24,214,585 A2 LP units were exchanged (2008 – 1,121,631 and 1,930,829).

Amounts to be distributed in respect of the units will be made at the sole discretion of the trustees. On October 8, 2008, the Fund announced that it was suspending payment of distributions subsequent to the distribution payment of October 15, 2008.

For the three and six months ended June 30, 2009 total distributions paid and payable were $nil and $nil (2008 - $6,995 and $13,800 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 and insurance brokerage services. 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 policies of the segments are the same as those described in the summary of significant accounting policies in note 1 of the consolidated financial statements for the year ended December 31, 2008. The Fund utilizes earnings 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 unit amounts)

Three months ended June 30, 2009	Financial Services	Marketing	Industrial Services NPC/ Golosky	Industrial Services Quantum Murray	Other	Corporate (As restated note 2)	Total (As restated note 2)
Revenue	$ 13,626	$ 22,807	$ 54,693	$ 25,439	$ 15,855	$ -	$ 132,420
Cost of revenue	4,449	11,064	45,749	19,931	11,118	-	92,311
	9,177	11,743	8,944	5,508	4,737	-	40,109
Expenses							
Selling, general and administrative	3,507	8,250	6,824	5,506	2,667	3,546	30,300
Amortization of intangible assets	3,189	1,786	1,323	782	2,439	-	9,519
Depreciation	118	336	1,540	833	169	31	3,027
	6,814	10,372	9,687	7,121	5,275	3,577	42,846
Income (loss) before the undernoted	2,363	1,371	(743)	(1,613)	(538)	(3,577)	(2,737)
Income (loss) from equity investment	510	(29)	-	-	300	-	781
Interest (income) expense	(21)	43	2,126	51	222	8,142	10,563
Write-down of goodwill (iii)	-	-	-	-	-	3,245	3,245
Income tax expense - current	6	-	-	-	-	8	14
Income tax expense (recovery) – future	670	(29)	(1,053)	(1,296)	(62)	(2,029)	(3,799)
(Loss) income from continuing operations	$ 2,218	$ 1,328	$ (1,816)	$ (368)	$ (398)	$ (12,943)	$ (11,979)
Add back:							
Interest (income) expense	(21)	43	2,126	51	222	8,142	10,563
Depreciation and amortization (i)	3,307	2,122	2,863	1,615	2,627	31	12,565
Amortization of Brompton intangible asset (ii)	287	-	-	-	-	-	287
Income tax expense – current	6	-	-	-	-	8	14
Income tax expense (recovery) – future	670	(29)	(1,053)	(1,296)	(62)	(2,029)	(3,799)
EBITDA	$ 6,467	$ 3,464	$ 2,120	$ 2	$ 2,389	$ (6,791)	$ 7,651
Goodwill acquired	-	2,400	-	-	-	-	2,400
Expenditures for property, plant and equipment	64	178	3,099	365	35	-	3,741
Total assets	201,436	81,490	131,636	70,137	80,785	33,360	598,844
Total goodwill	58,368	18,012	10,813	7,858	5,288	-	100,339

(i) Depreciation of $19 relating to production equipment has been included in Cost of Revenues in the 2009 period.

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

(iii) The consolidated financial statements have been restated to reflect the recalculation of exchangeable unit values, which resulted in an increase in goodwill of $3,245 for the three months ended June 30, 2009. In the fourth quarter of 2008, the Fund had written-off all the goodwill associated with its investment in NPY. The additional amount of $3,245 in the corporate segment has been written-off for the three months ended June 30, 2009. See note 2 in the consolidated financial statements for further discussion on the restatement.

(In thousands of dollars, except unit amounts)

Three months ended June 30, 2008	Financial Services	Marketing	Industrial Services NPC/ Golosky	Industrial Services Quantum Murray	Other	Corporate	Total
Revenue	$ 13,804	$ 21,979	$ 81,067	$ 38,888	$ 19,055	$ -	$ 174,793
Cost of revenue	4,604	9,631	64,863	26,471	13,765	-	119,334
	9,200	12,348	16,204	12,417	5,290	-	55,459
Expenses							
Selling, general and administrative	3,534	8,870	8,917	6,865	3,451	1,657	33,294
Amortization of intangible assets	3,296	1,595	1,582	1,780	1,707	-	9,960
Depreciation	104	369	1,458	701	128	14	2,774
	6,934	10,834	11,957	9,346	5,286	1,671	46,028
Income (loss) before the undernoted	2,266	1,514	4,247	3,071	4	(1,671)	9,431
Income from equity investment	493	19	-	-	450	-	962
Other income	382	-	-	-	-	-	382
Interest (income) expense	(105)	65	2,262	106	373	6,349	9,050
Income tax expense (recovery) - current	(2)	-	6	-	-	11	15
Income tax recovery - future	-	-	(40)	-	-	-	(40)
Income (loss) from continuing operations	$ 3,248	$ 1,468	$ 2,019	$ 2,965	$ 81	$ (8,031)	$ 1,750
Add back:							
Interest (income) expenses	(105)	65	2,262	106	373	6,349	9,050
Depreciation and amortization (i)	3,400	1,964	3,040	2,481	1,858	14	12,757
Amortization of Brompton intangible asset (ii)	484	-	-	-	-	-	484
Income tax expense (recovery) – current	(2)	-	6	-	-	11	15
Income tax recovery - future	-	-	(40)	-	-	-	(40)
EBITDA	$ 7,025	$ 3,497	$ 7,287	$ 5,552	$ 2,312	$ (1,657)	$ 24,016
Goodwill acquired	-	-	-	-	-	-	-
Expenditures for property, plant and equipment	70	249	(44)	1,049	84	3	1,411
As at December 31, 2008							
Total assets	190,582	78,917	147,211	78,349	84,334	39,649	619,042
Total goodwill	54,743	16,335	10,813	7,183	5,288	-	94,362

(i) Depreciation of $23 relating to production equipment was included in Cost of Revenues in the 2008 period.

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

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(In thousands of dollars, except unit amounts)

Six months ended June 30, 2009	Financial Services	Marketing	Industrial Services NPC/ Golosky	Industrial Services Quantum Murray	Other	Corporate (As restated note 2)	Total (As restated note 2)
Revenue	$ 23,409	$ 45,985	$ 132,470	$ 54,836	$34,532	$ -	$ 291,232
Cost of revenue	8,994	21,816	112,710	44,441	24,315	-	212,276
	14,415	24,169	19,760	10,395	10,217	-	78,956
Expenses							
Selling, general and administrative	6,993	16,875	14,645	11,166	6,041	5,867	61,587
Amortization of intangible assets	6,112	3,550	2,646	1,564	3,938	-	17,810
Depreciation	229	668	3,175	1,629	346	65	6,112
	13,334	21,093	20,466	14,359	10,325	5,932	85,509
Income (loss) before the undernoted	1,081	3,076	(706)	(3,964)	(108)	(5,932)	(6,553)
Income (loss) from equity investment	227	(9)	-	-	600	-	818
Interest (income) expense	(45)	78	4,297	103	472	15,710	20,615
Write-down of goodwill (iii)	-	-	-	-	-	3,515	3,515
Income tax expense - current	12	-	-	-	-	19	31
Income tax expense (recovery) – future	670	(29)	(1,053)	(1,296)	(62)	(2,029)	(3,799)
Income (loss) from continuing operations	$ 671	$ 3,018	$ (3,950)	$ (2,771)	$ 82	$ (23,147)	$ (26,097)
Add back:							
Interest (income) expense	(45)	78	4,297	103	472	15,710	20,615
Depreciation and amortization (i)	6,341	4,218	5,821	3,193	4,326	65	23,964
Amortization of Brompton intangible Asset (ii)	575	-	-	-	-	-	575
Income tax expense - current	12	-	-	-	-	19	31
Income tax expense (recovery) – future	670	(29)	(1,053)	(1,296)	(62)	(2,029)	(3,799)
EBITDA	$ 8,224	$ 7,285	$ 5,115	$ (771)	$ 4,818	$ (9,382)	$ 15,289
Goodwill acquired	4,610	2,400	-	-	-	-	7,010
Expenditures for property, plant and equipment	104	437	4,446	621	90	-	5,698
Total assets	201,436	81,490	131,636	70,137	80,785	33,360	598,844
Total goodwill	58,368	18,012	10,813	7,858	5,288	-	100,339

(i) Depreciation of $42 relating to production equipment has been included in Cost of Revenues in the 2009 period.

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

(iii) The consolidated financial statements have been restated to reflect the recalculation of exchangeable unit values, which resulted in an increase in goodwill of $3,515 for the six months ended June 30, 2009. In the fourth quarter of 2008, the Fund has written off all the goodwill associated with its investment in NPY. The additional amount of $3,515 in the corporate segment has been written off for the six months ended June 30, 2009. See note 2 in the consolidated financial statements for further discussion on the restatement.

(In thousands of dollars, except unit amounts)

Six months ended June 30, 2008	Financial Services	Marketing	Industrial Services NPC/ Golosky	Industrial Services Quantum Murray	Other	Corporate	Total
Revenue	$ 26,502	$ 43,561	$ 147,698	$ 69,453	$ 41,340	$ -	$ 328,554
Cost of revenue	9,224	19,212	118,778	49,198	29,830	-	226,242
	17,278	24,349	28,920	20,255	11,510	-	102,312
Expenses							
Selling, general and administrative	7,100	17,655	16,595	12,958	6,975	3,334	64,617
Amortization of intangible assets	6,596	3,186	3,162	3,561	3,415	-	19,920
Depreciation	236	733	2,739	1,322	265	13	5,308
	13,932	21,574	22,496	17,841	10,655	3,347	89,845
Income (loss) before the undernoted	3,346	2,775	6,424	2,414	855	(3,347)	12,467
Income from equity investment	710	36	-	-	748	-	1,494
Other income	712	-	-	-	-	-	712
Interest (income) expense	(228)	168	4,536	160	834	12,899	18,369
Income tax expense (recovery) - current	4	-	6	-	(3)	11	18
Income tax recovery – future	(19)	-	(86)	-	-	-	(105)
Income (loss) from continuing operations	$ 5,011	$ 2,643	$ 1,968	$ 2,254	$ 772	$ (16,257)	$ (3,609)
Add back:							
Interest (income) expense	(228)	168	4,536	160	834	12,899	18,369
Depreciation and amortization (i)	6,832	3,919	6,020	4,883	3,727	13	25,394
Amortization of Brompton intangible Asset (ii)	968	-	-	-	-	-	968
Income tax expense (recovery) - current	4	-	6	-	(3)	11	18
Income tax recovery – future	(19)	-	(86)	-	-	-	(105)
EBITDA	$ 12,568	$ 6,730	$ 12,444	$ 7,297	$ 5,330	$ (3,334)	$ 41,035
Goodwill acquired	-	-	-	-	785	-	785
Expenditures for property, plant and equipment	121	532	152	1,454	104	5	2,368
As at December 31, 2008							
Total assets	190,582	78,917	147,211	78,349	84,334	39,649	619,042
Total goodwill	54,743	16,335	10,813	7,183	5,288	-	94,362

(i) Depreciation of $166 relating to production equipment was included in Cost of Revenues in the 2008 period.

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

10. Subsequent events

(i) On July 21, 2009 the Fund announced that a Forbearance Agreement had been entered into with the Lenders. Under the terms of the Forbearance Agreement, the Lenders have agreed not to enforce their default related rights and remedies under the Senior Credit Facility for a period of up to 365 days.

The Forbearance Agreement includes the following key covenants:

- The Fund has agreed to repay the Lenders in full by the end of the Forbearance Period, by realizing minimum net proceeds on disposals of assets and from the proceeds of re-financings of the investee businesses of the Fund by certain agreed-upon dates. The minimum debt repayments targets and agreed upon dates are $70 million by November 10, 2009; $55 million by January 10, 2010 with the balance to be repaid by July 21, 2010.

- The Fund will arrange for a special purpose affiliated entity to provide working capital to Newport Partners Holdings LP under a $20 million subordinated financing facility bearing interest at 10% per annum.

- From January 31, 2010 the Fund will be subject to a monthly minimum EBITDA test, and to a maximum capital expenditures test.

Assuming that the Fund is in compliance with the Forbearance Agreement, the Lenders have also agreed that no default interest will accrue or be payable during the Forbearance Period and have agreed to waive certain prepayment fees which would otherwise continue to apply. Default interest up until the beginning of the Forbearance Period will be paid in part from the proceeds of asset sales by November 10, 2009 with the balance payable at the end of the Forbearance Period.

A forbearance fee will be payable to the Lenders, in part from the proceeds of asset sales by November 10, 2009 with the balance payable at the end of the Forbearance Period. The fee is initially 75 basis points of the principal amount outstanding under the Senior Credit Facility, but may be reduced to 25 basis points upon certain repayment targets being achieved.

By reason of the continuing events of default under the Senior Credit Facility, the Fund was prohibited under its collateral covenant agreement with the Lenders from making the June 30, 2009 interest payment of $6 million on the Debentures. As of July 15, 2009, the failure to make the interest payment constitutes an event of default under the terms of the trust indenture. Under the terms of the trust indenture, the debenture trustee could provide notice to the Fund to declare all principal and interest to become due and payable as a result of this default. Accordingly, after July 15, 2009 the Debentures would be considered a current liability. The Forbearance Agreement does not permit the Fund to make principal or interest payments during the Forbearance Period Agreement.

The Fund has begun discussions with holders of the Debentures with a view to seeking approval for amendments or restructuring of this debt.

(ii) In the third quarter of 2009, the Fund expects to finalize and settle with the vendors of IC Group, the final payment of a three year earn-out provision, pursuant to the original purchase and sale agreement dated July 2006. As at June 30, 2009, the Fund has accrued its best estimate of $2,400 and recorded the same amount as an increase to goodwill.

11. Comparative figures

The 2008 comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2009 unaudited interim consolidated financial statements.