Consolidated Financial Statements of

NEWPORT PARTNERS INCOME FUND

Three and Six Months Ended June 30, 2010 and 2009
(Unaudited)

NEWPORT PARTNERS INCOME FUND

Consolidated Balance Sheets
(In thousands of dollars)

	June 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 16,522	$ 43,649
Cash and short-term investments held in trust	22,595	20,142
Accounts receivable	115,833	118,467
Inventories	35,093	34,034
Prepaid expenses	3,595	2,908
Other current assets	16,799	14,246
Future tax asset	256	-
Current assets of discontinued operations (note 4)	957	1,175
	$ 211,650	$ 234,621
Property, plant and equipment	41,182	43,949
Long-term investments	15,308	16,047
Goodwill	69,954	68,914
Intangible assets	91,291	101,979
Other assets	14,194	13,683
Long-term assets of discontinued operations (note 4)	-	610
	$ 443,579	$ 479,803
Liabilities and Unitholders' Equity		
Current liabilities:		
Revolving credit facilities (note 6)	$ 10,089	$ 10,089
Current portion of long-term debt (note 6)	132,274	150,499
Convertible debentures (note 6)	157,983	156,136
Accounts payable and accrued liabilities (note 6)	111,837	113,302
Deferred revenue	8,750	10,652
Current portion of obligations under capital leases	4,511	4,588
Current portion of future tax liability	-	105
Current liabilities of discontinued operations (note 4)	306	1,566
	$ 425,750	$ 446,937
Obligations under capital leases	4,276	5,915
Future tax liability	5,516	5,932
Unitholders' equity (note 8)	8,037	21,019
	$ 443,579	$ 479,803

Going concern (note 1)
Subsequent events (note 12)
See accompanying notes to unaudited interim financial statements.

NEWPORT PARTNERS INCOME FUND

Consolidated Statements of Loss and Comprehensive Loss
(In thousands of dollars, except per unit amounts)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Revenues	$ 147,810	$ 124,649	$ 269,546	$ 278,984
Cost of revenues	110,459	93,091	201,777	213,599
Gross profit	37,351	31,558	67,769	65,385
Expenses				
Selling, general and administrative	23,820	25,617	48,416	52,036
Amortization of intangible assets	6,230	8,209	12,646	15,475
Depreciation	2,912	2,985	5,871	6,036
	32,962	36,811	66,933	73,547
Income (loss) before the undernoted	4,389	(5,253)	836	(8,162)
Income from equity investments	903	494	1,373	512
Interest expense	6,796	10,551	16,481	20,583
Write down of goodwill and intangibles (note 5)	1,779	3,245	1,779	3,515
Loss before income taxes	(3,283)	(18,555)	(16,051)	(31,748)
Income tax expense - current	61	14	64	31
Income tax expense (recovery) - future	1,512	(3,760)	(1,752)	(3,760)
Loss from continuing operations before non-controlling interest	(4,856)	(14,809)	(14,363)	(28,019)
Non-controlling interest relating to continuing operations	-	1,781	-	6,528
	(4,856)	(13,028)	(14,363)	(21,491)
Income from discontinued operations before non-controlling interest (note 4)	302	2,830	301	1,922
Non-controlling interest relating to discontinued operations	-	(340)	-	(448)
Income from discontinued operations	302	2,490	301	1,474
Net loss and comprehensive loss	$ (4,554)	$ (10,538)	$ (14,062)	$ (20,017)
(Loss) income per unit (note 7)				
Basic and diluted:				
Continuing operations	$ (0.07)	$ (0.21)	$ (0.20)	$ (0.39)
Discontinued operations	0.01	0.04	-	0.03
Net loss	$ (0.06)	$ (0.17)	$ (0.20)	$ (0.36)

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)

Six months ended June 30, 2010	Number of units	Unitholders' Capital	Equity Component of Convertible Debenture	Deficit	Contributed Surplus	Total Unitholders' Equity
Balance - January 1, 2010	71,631,431	$ 414,884	$ 9,850	$ (406,075)	$ 2,360	$ 21,019
Net loss for the period	-	-	-	(14,062)	-	(14,062)
Stock-based compensation (note 9)	-	-	-	-	1,080	1,080
Balance - June 30, 2010	71,631,431	$ 414,884	$ 9,850	$ (420,137)	$ 3,440	$ 8,037

Six months ended June 30, 2009	Number of units	Unitholders' Capital	Equity Component of Convertible Debenture	Deficit	Contributed Surplus	Total Unitholders' Equity
Balance - January 1, 2009	46,540,730	$ 401,640	$ 9,850	$ (373,897)	$ 2,360	$ 39,953
Units of NPY exchanged (note 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

See accompanying notes to unaudited interim consolidated financial statements

NEWPORT PARTNERS INCOME FUND

Consolidated Statements of Cash Flows
(In thousands of dollars)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Cash provided by (used in):				
Operating activities:				
Net loss for the period	$ (4,554)	$ (10,538)	$ (14,062)	$ (20,017)
Items not affecting cash:				
Income from discontinued operations before non-controlling interest (note 4)	(302)	(2,830)	(301)	(1,922)
Amortization of intangible assets	6,230	8,209	12,646	15,475
Depreciation	2,931	3,004	5,909	6,078
Future income tax expense (recovery)	1,512	(3,760)	(1,752)	(3,760)
Income from equity investments, net of cash received	1,049	(146)	579	25
Non-cash interest expense	935	853	1,848	1,687
Stock based compensation expense (note 9)	154	-	1,080	-
Write-down of goodwill and intangibles (note 5)	1,779	3,245	1,779	3,515
Non-controlling interest	-	(1,441)	-	(6,080)
Changes in non-cash working capital	(9,953)	14,184	(5,284)	13,124
Distributions from discontinued operations (note 4)	-	4,084	-	4,704
Cash provided by (used in) discontinued operations (note 4)	(349)	2,872	(226)	2,242
	(568)	17,736	2,216	15,071
Investing activities:				
Acquisition of businesses, net cash acquired (note 3)	-	-	(4,321)	(8,487)
Proceeds on disposal of business (note 4)	-	-	-	1,197
Purchase of property, plant and equipment	(446)	(3,697)	(1,609)	(5,690)
Increase in other assets	(405)	-	(510)	-
Cash used in discontinued operations (note 4)	-	(45)	-	(8)
	(851)	(3,742)	(6,440)	(12,988)
Financing activities:				
Repayment of long-term debt	(184)	-	(18,225)	-
Increase in revolving credit facilities	-	40	-	4,700
Increase in cash held in trust	(1,990)	(3,205)	(2,453)	(6,677)
Repayment of capital lease obligations	(1,241)	(1,428)	(2,451)	(2,851)
Cash used in discontinued operations (note 4)	-	(2,598)	-	(1,654)
	(3,415)	(7,191)	(23,129)	(6,482)
Increase (decrease) in cash and cash equivalents	(4,834)	6,803	(27,353)	(4,399)
Cash and cash equivalents, beginning of period - continuing operations	21,007	11,881	43,649	23,434
Cash and cash equivalents, beginning of period - discontinued operations	356	772	233	421
Cash and cash equivalents, end of period	$ 16,529	$ 19,456	$ 16,529	$ 19,456
Cash and cash equivalents, end of period - discontinued operations	7	1,001	7	1,001
Cash and cash equivalents, end of period - continuing operations	16,522	$ 18,455	16,522	$ 18,455
Supplemental cash flow information:				
Interest paid	2,760	4,925	7,774	9,974
Cash acquired upon acquistion	-	-	-	113
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	402	604	645	1,355

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 ("Commercial Trust"), interests in Newport Private Yield LP ("NPY"), and its general partner, NPY GP Trust. NPY is a limited partnership formed to indirectly invest in securities of private businesses, either in limited partnerships or in corporations (collectively the "Operating Partnerships"). As at June 30, 2010, the Fund indirectly holds all of the A1 LP units of NPY, representing 100% of the outstanding LP units (2009 – 99%).

1. Significant accounting policies

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with respect to the presentation of interim 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, 2009.

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.

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") (refer to note 6). Under the terms of the Forbearance Agreement as amended, the Lenders have agreed not to enforce their default related rights and remedies under the Senior Credit Agreement for an original period of up to 365 days that was recently extended to 455 days (the "Forbearance Period"). The Forbearance Agreement contemplates the full repayment of amounts outstanding under the Senior Credit Agreement by the end of the Forbearance Period. As described in note 6, the Lenders have agreed to three amendments of the repayment terms under the Forbearance Agreement. If the Fund is unable to generate sufficient cash to repay the remaining amounts outstanding under the Forbearance Agreement on October 19, 2010, the Fund would be dependent on the continuing financial support of the Lenders to further amend the repayment terms.

The Fund was contractually prohibited from paying interest due on June 30, 2009 on its unsecured subordinated convertible debentures (the "Debentures") due to the above-noted covenant breach (refer to note 6). As of July 15, 2009 the failure to make the interest payment constituted an event of default under the terms of the trust indenture of the Debentures. The Fund is in discussions with holders of the Debentures with a view to restructure 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 Agreement, and the requirements to resolve the event of default of the Debentures, to raise additional indebtedness and re-establish the profitability, equity and cash flows of the Fund, there are material uncertainties resulting in significant doubt about the appropriateness of the use of the going concern assumption.

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

(In thousands of dollars)

2. Change in accounting policies and future accounting standards

The Fund had no changes in accounting policies from the previously audited consolidated financial statements for the year ended December 31, 2009.

3. Business combinations

On August 4, 2009, the minority limited partner of Gemma Communications LP ("Gemma") delivered to Newport Partners Holdings LP ("NPH") an offer letter pursuant to the shotgun buy-sell provision of the limited partnership agreement governing Gemma. NPH elected to accept the minority limited partner's offer to sell its 20% interest in Gemma. The buy-sell transaction closed on January 4, 2010, at which time, the Fund paid $4,285 and its interest in Gemma increased to 100%. This transaction had been accounted for using the purchase method.

The preliminary estimated fair values of the assets acquired and liabilities assumed for this interest were as follows:

	Gemma
Assets acquired:	
Current assets (includes cash of $4)	830
Property, plant and equipment	293
Goodwill	1,040
Intangible assets	3,737
	5,900
Liabilities assumed:	
Current liabilities	544
Long-term liabilities	56
Future tax liability	975
	1,575
Net assets acquired:	
Consideration	
Cash	4,285
Transaction costs	40
	4,325

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

4. Discontinued operations

On January 30, 2009, the minority limited partner of Elliot 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 transaction closed on March 31, 2009, at which time, the Fund paid $8,500 and its interest in ESR increased to 100%. This transaction has been accounted for using the purchase method. On October 1, 2009, the Fund sold its 100% interest in ESR.

On June 23, 2010, the Fund sold substantially all of the assets of its investment in Sports and Entertainment LP ("S&E"), with net cash proceeds of $271 plus a promissory note for $250.

(In thousands of dollars)

The following table shows the revenue and net income from discontinued operations of ESR and S&E for the three and six months ended June 30, 2010 and 2009.

June 30, 2010	Three months	Six months
	S&E	S&E
Revenues	238	575
Net income before non-controlling interest	302	301

June 30, 2009	Three months			Six months		
	S & E	ESR	Total	S & E	ESR	Total
Revenues	982	6,343	7,325	2,158	9,299	11,457
Net income before non-controlling interest	170	2,660	2,830	204	1,718	1,922

5. Write-down of goodwill and intangible assets

The Fund reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event, or series of events, which in the view of management would trigger an earlier review. With the pending sale of NPC's 80% investment in Skystone International LP on July 2, 2010, NPC performed an impairment test on the intangible assets related to this investment. With the availability of current fair market information, it was determined that the intangible assets were impaired. A write down of $1,779 was recorded on June 30, 2010.

6. Credit facilities and long-term debt

On December 7, 2006, the Fund entered into a Senior Credit Agreement with the Lenders to provide up to $320,000 in funding. The Senior Credit Agreement is collateralized by general security agreements covering assets of all of the operating partnerships of the Fund, other than Brompton Corp. (“Brompton”) and Rlogistics LP (“RGC”). Repayment was required on the maturity date in 2012. Amounts owing under the Senior Credit Agreement bear interest at Banker’s Acceptance (“BA”) rate plus 5.95%.

As at December 31, 2008, the Fund was not in compliance with certain covenants under its Senior Credit Agreement.

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 agreed not to enforce their default related rights and remedies under the Senior Credit Agreement for a period of 365 days.

Commencing January 31, 2010, the Fund is subject to a monthly minimum EBITDA covenant, and to a maximum capital expenditures covenant. As at June 30, 2010 the Fund was in compliance with these covenants.

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 with the balance payable at the end of the Forbearance Period. Default interest accrued at June 30, 2010 and December 31, 2009 was $2,969, and covered the period January 31, 2009 to July 21, 2009.

A Forbearance fee is to be paid to the Lenders, in part from asset sales with the balance payable at the end of the Forbearance Period (refer to note 1). The fee is 75 basis points of the principal amount outstanding under the Senior Credit Agreement. A fee of $1,575 has been accrued at June 30, 2010 (December 31, 2009 - $1,850).

In conjunction with the signing of the Forbearance Agreement, NPH, a subsidiary of the Fund, has arranged for a $20,000 subordinated financing facility from an affiliate in order to provide sufficient working capital. The facility bears interest at 10% per annum and repayments of principal and interest can be made after repayment to the Lender's has been completed. As at June 30 2010, the Fund has drawn $10,089 on this facility. Interest expense accrued on this facility at June 30, 2010 was $945 (December 31, 2009 - $449).

On October 1, 2009, $70,100 was paid to the Lenders and was applied as follows: $32,110 to the revolving credit facility, $30,023 to the term facility, $6,888 to collateralize existing and new letters of credit with the balance of $1,079 to pay default interest and fees. The collateral balance for the letters of credit is included in cash and cash equivalents in trust.

On November 25, 2009, the Fund announced an amendment to the Forbearance Agreement had been entered into with the Lenders (the "First Amendment"). Under the terms of the First Amendment, the requirement to repay $55,000 by January 7, 2010 by way of proceeds from asset sales was amended. The Lenders agreed to allow for repayments by using cash on hand and proceeds from asset sales. On November 25, 2009, $30,000 was repaid and the next repayment was originally scheduled for February 28, 2010 in the amount of $35,000, with the balance to be repaid by July 21, 2010. In addition, the Lenders consented to NPH acquiring all of the issued and outstanding equity interests of Gemma that it did not currently own.

On February 19, 2010, the Fund announced that a second amendment to the Forbearance Agreement was entered into with the Lenders (the "Second Amendment"). Under the terms of the Second Amendment, the requirement to repay $35,000 by February 28, 2010 was amended to a requirement to pay $18,500. On February 18, 2010 the Fund paid $20,000 from cash on hand which included a $1,500 rescheduling fee that was included in interest expense.

On July 12, 2010 the Fund announced that an amendment to the Forbearance Agreement was entered into (the "Third Amendment") with the Lenders. Under the terms of the Third Amendment, the expiry date was extended by 90 days. The Fund repaid $3,661 on July 2, 2010 using the proceeds from the sale of Skystone International LP. The Fund agreed to repay $1,300 on July 21, 2010 and $15,000 by August 31, 2010 and the balance of $113,878 and associated fees and interest by October 19, 2010. On execution of this amendment, the interest rate payable on the obligations has increased by 3% per annum.

Since July 21, 2009 the Fund has paid a total of $126,524 to its Lenders. Of this amount $81,122 was applied against the term loan and $32,097 was applied against the revolving credit facilities. The balance of the funds repaid represents $6,417 in fees and $6,888 to cash collateralize letters of credit outstanding.

By reason of the continuing events of default under the Senior Credit Agreement, the Fund was prohibited under its collateral covenant agreement with the Lenders from making the June 30, 2009 interest payment of $5,968 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 trustees 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 are classified as a current liability. The Forbearance Agreement does not permit the Fund to make principal or interest payments on the Debentures during the Forbearance Period and as a result the interest payments due June 30 and December 31, 2009 and June 30, 2010 were not made. Accounts payable and accrued liabilities as at June 30, 2010 include $17,904 of accrued interest on the Debentures (December 31, 2009 - $11,936).

(In thousands of dollars)

7. Loss per unit

The units issuable on the conversion of the Debentures and stock options are the only potential dilutive units. The computation of fully diluted loss per unit is anti-dilutive and is not shown.

8. Unitholders' equity

Pursuant to the Exchange Agreement between the Commercial Trust and NPY all A2 LP units were exchanged for A1 LP units by December 31, 2009.

During the three and six months ended June 30, 2009, 22,004,694 and 24,214,585 A2 LP units were exchanged. As these units of NPY were outstanding prior to the IPO, the conversion of these units was calculated as a step acquisition using the original carrying value of these units.

9. Stock-based compensation

On November 30, 2009 the unitholders of the Fund approved an Incentive Option Plan (the "Plan"). Pursuant to the Plan, 7,100,590 units of the Fund were listed and reserved for issuance upon the exercise of the stock options granted. On January 13, 2010, 7,000,000 options were granted to employees and directors at an exercise price of $0.403 per unit with options vesting in 2010 through to 2013. All option grants have a term of five years from the date of grant and generally vest over three years. As at June 30, 2010 3,225,000 units were exercisable. No options were forfeited, exercised or expired during the three and six months ended June 30, 2010.

The fair value of stock options granted is recognized on a straight-line basis over the applicable stock option vesting period as stock based compensation expense in the consolidated statements of loss and contributed surplus in the consolidated balance sheets. Upon the exercise of stock options, consideration received and the accumulated contributed surplus is credited to unitholders' capital.

The Fund estimates stock-based compensation expense at the grant date based on the fair value of the options as calculated by the Black-Scholes fair value option-pricing model. This fair value model requires various judgmental assumptions including volatility and expected life of the options. The resulting fair value is charged to compensation expense over the vesting period of the options. The following assumptions were used in arriving at the fair value of options granted during the three and six months ended June 30, 2010:

	Three and six months ended June 30, 2010
Risk free interest rate	1.63%
Expected volatility	141%
Expected weighted average life of options	2.42 years
Expected dividend yield	0%

The Fund recorded stock-based compensation expense for the three and six months ended June 30, 2010 of $154 and $1,080 for options granted on January 13, 2010.

10. 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 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 tele-services, an investment in a fully integrated marketing services agency and investments in a promotional solutions marketing firm. 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 services 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 includes head office administrative and financing costs incurred by the Fund.

The accounting policies of segments are the same as those described in the summary of significant accounting policies in note 1 of the audited consolidated financial statements for the year ended December 31, 2009. 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 loss from continuing operations to EBITDA is included herein.

(In thousands of dollars)

Three months ended June 30, 2010	Financial Services	Marketing	Industrial Services NPC	Industrial Services Quantum Murray	Other	Corporate	Total
Revenue	$ 6,730	$ 22,149	$ 76,820	$ 24,365	$ 17,746	$ -	$147,810
Cost of revenue	1,920	15,231	62,732	18,386	12,190	-	110,459
	4,810	6,918	14,088	5,979	5,556	-	37,351
Expenses							
Selling, general and administrative	3,184	4,359	5,686	5,111	2,683	2,797	23,820
Amortization of intangible assets	1,512	1,690	799	782	1,447	-	6,230
Depreciation	52	376	1,338	985	138	23	2,912
	$ 4,748	$ 6,425	$ 7,823	$ 6,878	$ 4,268	$ 2,820	$ 32,962
Income (loss) before the undernoted	62	493	6,265	(899)	1,288	(2,820)	4,389
Income from equity investment	568	35	-	-	300	-	903
Interest (income) expense	(31)	49	1,884	30	201	4,663	6,796
Income tax expense - current	17	-	14	-	-	30	61
Write down of intangibles	-	-	1,779	-	-	-	1,779
Income tax (recovery) expense - future	(418)	1,184	(502)	366	(381)	1,263	1,512
Income (loss) from continuing operations	$ 1,062	$ (705)	$ 3,090	$ (1,295)	$ 1,768	$ (8,776)	$ (4,856)
Add back:							
Interest (income) expense	(31)	49	1,884	30	201	4,663	6,796
Depreciation and amortization (i)	1,564	2,066	2,137	1,767	1,604	23	9,161
Amortization of Brompton intangible assets (ii)	287	-	-	-	-	-	287
Income tax expense - current	17	-	14	-	-	30	61
Income tax recovery - future	(418)	1,184	(502)	366	(381)	1,263	1,512
EBITDA	$ 2,481	$ 2,594	$ 6,623	$ 868	$ 3,192	$ (2,797)	$ 12,961
Goodwill acquired	-	1,040	-	-	-	-	1,040
Expenditures for property, plant and equipment	16	139	4	265	20	-	444
Total assets	97,310	75,070	97,092	65,258	61,206	47,643	443,579
Total goodwill	27,494	19,308	10,681	7,183	5,288	-	69,954

(i) Depreciation of $19 relating to production equipment has been included in cost of revenue.
(ii) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.

(In thousands of dollars)

Three months ended June 30, 2009	Financial Services	Marketing	Industrial Services		Other	Corporate	Total
			NPC	Quantum Murray			
Revenue	$ 7,283	$ 21,379	$ 54,693	$ 25,439	$ 15,855	$ -	$ 124,649
Cost of revenue	2,528	13,765	45,749	19,931	11,118	-	93,091
	4,755	7,614	8,944	5,508	4,737	-	31,558
Expenses							
Selling, general and administrative	2,684	4,390	6,824	5,506	2,667	3,546	25,617
Amortization of intangible assets	1,963	1,702	1,323	782	2,439	-	8,209
Depreciation	80	332	1,540	833	169	31	2,985
	$ 4,727	$ 6,424	$ 9,687	$ 7,121	$ 5,275	$ 3,577	$ 36,811
Income (loss) before the undernoted	28	1,190	(743)	(1,613)	(538)	(3,577)	(5,253)
Income from equity investment	223	(29)	-	-	300	-	494
Write down of goodwill	-	-	-	-	-	3,245	3,245
Interest (income) expense	(26)	36	2,126	51	222	8,142	10,551
Income tax expense - current	6	-	-	-	-	8	14
Income tax expense (recovery) - future	713	(33)	(1,053)	(1,296)	(62)	(2,029)	(3,760)
Income (loss) from continuing operations	$ (442)	$ 1,158	$ (1,816)	$ (368)	$ (398)	$ (12,943)	$ (14,809)
Add back:							
Interest (income) expense	(26)	36	2,126	51	222	8,142	10,551
Depreciation and amortization (i)	2,043	2,034	2,863	1,615	2,627	31	11,213
Amortization of Brompton intangible assets (ii)	287	-	-	-	-	-	287
Income tax expense - current	6	-	-	-	-	8	14
Income tax expense (recovery) - future	713	(33)	(1,053)	(1,296)	(62)	(2,029)	(3,760)
EBITDA	$ 2,581	$ 3,195	$ 2,120	$ 2	$ 2,389	$ (6,791)	$ 3,496
Goodwill acquired (iii)	-	2,400	-	-	-	-	2,400
Expenditures for property, plant and equipment	20	178	3,099	365	35	-	3,697
As at December 31, 2009:							
Total assets	96,684	69,750	91,371	85,634	66,140	70,224	479,803
Total goodwill	27,493	18,269	10,681	7,183	5,288	-	68,914

(i) Depreciation of $19 relating to production equipment has been included in cost of revenue.
(ii) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.
(iii) Discontinued operations previously part of the financial services segment are included in the corporate segment (refer to note 4).

(In thousands of dollars)

Six months ended June 30, 2010	Financial Services	Marketing	Industrial Services		Other	Corporate	Total
			NPC	Quantum Murray			
Revenue	$ 13,618	$ 43,742	$ 129,224	$ 45,390	$ 37,572	$ -	$ 269,546
Cost of revenue	4,079	29,543	106,393	35,486	26,276	-	201,777
	9,539	14,199	22,831	9,904	11,296	-	67,769
Expenses							
Selling, general and administrative	6,397	8,905	11,387	10,391	5,357	5,979	48,416
Amortization of intangible assets	3,023	3,578	1,588	1,564	2,893	-	12,646
Depreciation	104	764	2,701	1,971	284	47	5,871
	$ 9,524	$ 13,247	$ 15,676	$ 13,926	$ 8,534	$ 6,026	$ 66,933
Income (loss) before the undernoted	15	952	7,155	(4,022)	2,762	(6,026)	836
Income from equity investment	887	36	-	-	450	-	1,373
Interest (income) expense	(62)	93	3,793	105	415	12,137	16,481
Write-down of intangibles	-	-	1,779	-	-	-	1,779
Income tax expense - current	20	-	14	-	-	30	64
Income tax (recovery) expense - future	(449)	(1,026)	(1,105)	2,020	(762)	(430)	(1,752)
Income (loss) from continuing operations	$ 1,393	$ 1,921	$ 2,674	$ (6,147)	$ 3,559	$ (17,763)	$ (14,363)
Add back:							
Interest (income) expense	(62)	93	3,793	105	415	12,137	16,481
Depreciation and amortization (i)	3,127	4,342	4,289	3,535	3,215	47	18,555
Amortization of Brompton intangible assets (ii)	575	-	-	-	-	-	575
Income tax expense - current	20	-	14	-	-	30	64
Income tax (recovery) expense - future	(449)	(1,026)	(1,105)	2,020	(762)	(430)	(1,752)
EBITDA	$ 4,604	$ 5,330	$ 9,665	$ (487)	$ 6,427	$ (5,979)	$ 19,560
Goodwill acquired	-	1,040	-	-	-	-	1,040
Expenditures for property, plant and equipment	62	414	353	729	51	-	1,609
Total assets	97,310	75,070	97,092	65,258	61,206	47,643	443,579
Total goodwill	27,494	19,308	10,681	7,183	5,288	-	69,954

(i) Deprecation of $38 relating to production equipment has been included in cost of revenue.
(ii) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.

(In thousands of dollars)

Six months ended June 30, 2009	Financial Services	Marketing	Industrial Services NPC	Industrial Services Quantum Murray	Other	Corporate	Total
Revenue	$ 14,110	$ 43,036	$ 132,470	$ 54,836	$ 34,532	$ -	$ 278,984
Cost of revenue	4,861	27,272	112,710	44,441	24,315	-	213,599
	9,249	15,764	19,760	10,395	10,217	-	65,385
Expenses							
Selling, general and administrative	5,446	8,871	14,645	11,166	6,041	5,867	52,036
Amortization of intangible assets	3,945	3,382	2,646	1,564	3,938	-	15,475
Depreciation	162	659	3,175	1,629	346	65	6,036
	9,553	12,912	20,466	14,359	10,325	5,932	73,547
Income (loss) before the undernoted	(304)	2,852	(706)	(3,964)	(108)	(5,932)	(8,162)
Income from equity investment	(79)	(9)	-	-	600	-	512
Write down of goodwill	-	-	-	-	-	3,515	3,515
Interest (income) expense	(61)	62	4,297	103	472	15,710	20,583
Income tax expense - current	12	-	-	-	-	19	31
Income tax expense (recovery) - future	713	(33)	(1,053)	(1,296)	(62)	(2,029)	(3,760)
Income (loss) from continuing operations	$ (1,047)	$ 2,814	$ (3,950)	$ (2,771)	$ 82	$ (23,147)	$ (28,019)
Add back:							
Interest (income) expense	(61)	62	4,297	103	472	15,710	20,583
Depreciation and amortization (i)	4,107	4,041	5,821	3,193	4,326	65	21,553
Amortization of Brompton intangible assets (ii)	575	-	-	-	-	-	575
Income tax expense - current	12	-	-	-	-	19	31
Income tax expense (recovery) - future	713	(33)	(1,053)	(1,296)	(62)	(2,029)	(3,760)
EBITDA	$ 4,299	$ 6,884	$ 5,115	$ (771)	$ 4,818	$ (9,382)	$ 10,963
Goodwill acquired (iii)		2,400	-	-	-	4,610	7,010
Expenditures for property, plant and equipment	97	436	4,446	621	90	-	5,690
As at December 31, 2009:							
Total assets	96,684	69,750	91,371	85,634	66,140	70,224	479,803
Total goodwill	27,493	18,269	10,681	7,183	5,288	-	68,914

(i) Depreciation of $42 relating to production equipment has been included in cost of revenue.
(ii) The amortization of the intangible asset related to the investment in Brompton is included in income from equity investment.
(iii) Discontinued operations previously part of the financial services segment are included in the corporate segment (refer to note 4).

11. Comparative figures

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation in the June 30, 2010 unaudited interim consolidated financial statements.

12. Subsequent events

On July 2, 2010 NPC sold its 80% ownership interest in Skystone International LP. Net proceeds of $3,661 from the sale were immediately repaid to NPH, as a reduction of advances, and NPH arranged for immediate repayment to the Fund's Lender, in accordance with the Amended Forbearance Agreement. The transaction resulted in a small accounting loss.

On July 12, 2010 the Fund announced that an amendment to the Forbearance Agreement was entered into (the "Third Amendment") with the Lenders. Under the terms of the Third Amendment, the expiry date was extended by 90 days. The Fund agreed to repay $1,300 on July 21, 2010 and $15,000 by August 31, 2010 and the balance of $113,878 and associated fees and interest by October 19, 2010. On execution of this amendment, the interest rate payable on the obligations has increased by 3% per annum.