TUCKAMORE CAPITAL MANAGEMENT INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 30, 2012

The following is management's discussion and analysis ("MD&A") of the consolidated results of operations, balance sheets and cash flows of Tuckamore Capital Management Inc. ("Tuckamore") for the years ended December 31, 2011 and 2010. This MD&A should be read in conjunction with Tuckamore's audited consolidated financial statements for the years ended December 31, 2011 and 2010.

All amounts in this MD&A are in Canadian dollars and expressed in '000's of dollars unless otherwise noted. The accompanying audited annual consolidated financial statements of Tuckamore have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of Tuckamore on the recommendation of its Audit Committee. This MD&A is dated March 30, 2012 and is current to that date unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A makes reference to certain measures that are not defined in IFRS and contains forward-looking information. These measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

Capitalized terms are defined terms, their meaning is explained in the "Definitions" section located on page 42, and references to "we", "us", "our" or similar terms, refer to Tuckamore, unless the context otherwise requires.

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Forward-looking information

This MD&A contains certain forward-looking information. Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting Tuckamore and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of Tuckamore and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this MD&A, and Tuckamore does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Tuckamore is providing the forward-looking financial information set out in this MD&A for the purpose of providing investors with some context for the "2012 Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'' and "adjusted EBITDA", (collectively the ''Non- GAAP measures'') are financial measures used in this MD&A that are not standard measures under International Financial Reporting Standards (''IFRS''). Tuckamore's method of calculating Non-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense. EBITDA is used by management and the Directors as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Tuckamore's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Tuckamore has provided a reconciliation of net income to EBITDA in its MD&A.

Adjusted EBITDA refers to EBITDA excluding the gain or loss on reduction or sale of ownership interest (dilution gains or losses), the write-down of goodwill and intangible assets, restructuring costs, gain on re-measurement of investments, gain on debt extinguishment, fair value adjustments on stock based compensation expense and the impairment of long-term investments. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors.

Investors are cautioned that the Non-standard Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-standard Measures should only be used in conjunction with the financial statements included in the MD&A and Tuckamore's (formerly Newport Inc.) annual audited consolidated financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca

INDUSTRY SEGMENTS

Tuckamore has three industry segments. All of Tuckamore's operations, assets and employees are located in Canada. In addition to the segments listed below, the corporate segment reflects head office administrative and financing costs incurred by Tuckamore. Tuckamore utilizes EBITDA as a performance measure for its operating partners and segment results.

Operating Partner by Industry Segment	Business Description	Ownership Interest
Marketing		
Armstrong	Provider of in-store promotional marketing services.	80%
Gemma	Integrated direct marketing company.	100%
IC Group	Provider of on-line promotional and loyalty programs and select insurance products.	80%
Industrial Services		
ClearStream (formerly "NPC")	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the oilsands.	100%
Quantum Murray	National provider of demolition, remediation and scrap metal services.	100%
Other		
Gusgo	Transportation and storage services provider	80%
Rlogistics	Re-seller of close-out, discount and refurbished consumer electronics and household goods in Ontario.	36%
Titan	Distributor of rigging and wear products to the oil and gas, transportation, pipeline, construction, mining and forestry industries.	92%

ADOPTION OF IFRS

The 2011 annual report represents the first year end in which Tuckamore has reported its financial results under IFRS. The change from Canadian GAAP to IFRS has an impact on the annual consolidated financial statements of Tuckamore as follows:

(i) January 1, 2010 Opening Balance Sheet (IFRS transition date)

(ii) December 31, 2010 Balance Sheet

(iii) Income statement for the year ended December 31, 2010

The accounting items that impact the statements, and the statements impacted are as follows:

(a) Property, plant and equipment	(i)(ii) and (iii)
(b) Impairment	(ii) and (iii)
(c) Business combinations	(ii) and (iii)
(d) Stock based compensation	(ii) and (iii)
(e) Deferred taxes	(i)(ii) and (iii)
(f) Debt classification	(ii)

Property, Plant and Equipment ("PPE")

Under IFRS, there is more detailed itemization of PPE into its components which can cause a different assessment of useful lives resulting in different depreciation rates. The impact on Tuckamore is that, previously, lower depreciation expense would have been recorded under IFRS compared to Canadian GAAP resulting in an increase of asset values on each IFRS balance sheet. Consequently, there are lower depreciation expense amounts recorded in the IFRS income statement for the year ended December 31, 2010.

Impairment

Generally, the methods for determining whether assets are impaired are similar between Canadian GAAP and IFRS. As a result, there was no impact to the opening balance sheet. Because of different accounting under IFRS for business combinations (see below), there was an adjustment to the 2010 income statement December 31, 2010 balance sheet to reflect an impairment of goodwill in Gemma.

Business Combinations

There is no restatement of business combinations occurring prior to the IFRS transition date as Tuckamore elected not to retrospectively apply IFRS 3, Business Combinations. In subsequent periods, Tuckamore will be most impacted by the requirement, on a transaction that increases ownership in an existing investment to a control position, to remeasure the existing ownership interest to fair value. In January 2010 and December 2010 Tuckamore increased its ownership interests in Gemma and ClearStream to 100% from 80% thereby moving Tuckamore to a control position from its previous joint control position. For Gemma and ClearStream acquisitions remeasurement gains of $9,862 and $73,895 were recorded. Identifiable assets and liabilities of both the acquired and existing ownership interest are recorded at fair value with the increase in existing ownership to fair value recorded as a remeasurement gain in the income statement. Where applicable, the increases in asset values will

cause increases in deferred tax liability balances. In addition, transaction costs related to business combinations are expensed under IFRS rather than being considered part the purchase cost under Canadian GAAP.

Stock Based Compensation

The fair value of stock options is calculated at the date of grant and is recorded as stock-based compensation expense and as contributed surplus within unitholders' equity over the vesting period. Under IFRS, prior to the conversion from an income trust to a corporation, the previous Fund units were considered puttable instruments and therefore the options are considered to be cash settled awards which require the options to be recorded as a liability. The liability amount was re-measured to fair value at each balance sheet date with the change in fair value recorded in income. On the conversion to a corporation on April 1, 2011, the accounting treatment became similar to that under Canadian GAAP, which resulted in a reclassification of the liability to contributed surplus.

Deferred Taxes

Under Canadian GAAP the difference between the carrying value and tax basis of Tuckamore's convertible debentures are categorized as a permanent difference. IFRS requires such differences to be treated as a taxable temporary difference and accordingly a deferred tax liability has been recorded. An additional deferred tax liability was recorded on the taxable temporary differences arising from the componentization of certain property, plant and equipment.

Debt Classification

Tuckamore completed a refinancing of its senior credit facility and unsecured convertible debentures on March 23, 2011. Because this refinancing was completed prior to the finalization of Tuckamore's 2010 audited consolidated financial statements, the amended senior credit facility, convertible debentures, the subordinated revolving credit facility, accrued interest on the debentures and the subordinated revolving credit facility could be categorized on the December 31, 2010 consolidated balance sheet as long-term liabilities under Canadian GAAP. Under IFRS the refinancing subsequent to the balance sheet date is not considered, and consequently the same debt liabilities are reflected as current liabilities on the comparative December 31, 2010 consolidated balance sheet.

2011 RESULTS

SUMMARY RESULTS FROM CONTINUING OPERATIONS ($000s)

	For Year Ended December 31		
	2011	2010	2009
	IFRS	IFRS	GAAP [1]
Revenues	$ 638,401	$ 454,145	$ 488,100
Cost of revenues	(497,216)	(355,937)	(381,533)
Gross profit	141,185	98,208	106,567
Selling, general and administrative expenses	(98,346)	(78,244)	(83,552)
Amortization expense	(15,450)	(12,030)	(16,019)
Depreciation expense	(12,379)	(10,465)	(12,410)
Income from equity investments	217	1,067	1,085
Interest expense	(33,070)	(37,173)	(40,235)
Gain on re-measurement of investment	6,016	83,757	-
Loss on Sale of Investment	-	(442)	-
Gain on debt extinguishment	37,451	-	-
Fair value adjustment on stock based compensation expense	(883)	220	-
Transaction costs	(2,638)	(321)	-
Write-down of long-term investments	(6,081)	-	-
Write-down of goodwill and intangible assets	-	(8,218)	(30,138)
Income tax expense - current	(23)	(400)	(18)
Income tax (expense) recovery - deferred	(2,856)	6,762	6,071
Income (loss) from continuing operations	$ 13,143	$ 42,721	$ (68,649)
Add:			
Amortization	15,450	12,030	16,019
Depreciation	12,379	10,465	12,410
Interest expense	33,070	37,173	40,235
Income tax expense - current	23	400	18
Income tax (recovery) expense - deferred	2,856	(6,762)	(6,071)
EBITDA	$ 76,921	$ 96,027	$ (6,038)
Gain on re-measurement of investment	(6,016)	(83,757)	-
Gain on debt extinguishment	(37,451)	-	-
Loss on Sale of Investment	-	442	-
Fair value adjustment on stock based compensation expense	883	(220)	-
Write-down of long-term investments	6,081	-	-
Write-down of goodwill and intangible assets	-	8,218	30,138
Adjusted EBITDA	$ 40,418	$ 20,710	$ 24,100

[1] Adjusted for discontinued operations

	December 31, 2011	December 31, 2010	January 1, 2010
	IFRS	IFRS	IFRS
Total assets	$ 452,852	$ 432,638	$ 481,160
Senior credit facility - current	10,000	86,939	150,499
Senior credit facility - long term	85,705	-	-
Secured debentures	146,314	-	-
Unsecured debentures	14,215	-	-
Revolving credit facilities	-	10,089	10,089
Convertible debentures	-	159,829	156,136
Unitholders' equity	-	43,515	20,864
Shareholders' equity	75,937	-	-

2011 RESULTS COMMENTARY

Tuckamore's continuing operations are reported in its three industry segments: Marketing, Industrial Services and Other. Revenues for the year ended December 31, 2011 were $638,401 compared to $454,145 in 2010 and $488,100 in 2009, an increase of 40.6% from 2010 and 30.8% increase from 2009. The increase was largely driven by the Industrial Services segment where both ClearStream and Quantum Murray have benefitted from increased business volumes throughout the year, as well as Tuckamore's increased ownership in ClearStream and Quantum Murray.

Gross profit for the year ended December 31, 2011 was $141,185**,** compared to $98,208 in 2010 and $106,567 in 2009. Gross margins were 22.1% compared to 21.6% in 2010 and 21.8% in 2009.

For the year ended December 31, 2011, these three operating segments produced $54,019 of adjusted EBITDA for Tuckamore compared to $33,251 in 2010 and $36,995 in 2009. Refer to the chart on the following page for adjusted EBITDA by operating partner.

Corporate costs for the year were $13,601 compared to $12,541 in the prior year. The increase reflects the costs related to the conversion to a corporation and professional fees incurred for the transition to IFRS.

Non-cash items that impacted the results were depreciation and amortization, deferred income taxes, gains on remeasurement of investment and gain on debt extinguishment. Depreciation and amortization was $27,829 for the year ended December 31, 2011, compared to $22,495 for the prior year and $28,429 in 2009. The largest component of the increase in this expense is the amortization of intangible assets, which were recorded at fair value through step acquisitions. Gain on re-measurement of investment relates to step acquisition accounting under IFRS for transactions where control of an investment is obtained. In 2010 a gain on re-measurement of $9,862 and $73,895 was recorded as a result of the 20% acquisition of each of Gemma and ClearStream, respectively. In 2011, a remeasurement gain of $6,016 was recorded for the Quantum Murray acquisition.

The refinancing of Tuckamore's convertible debentures and interest owing thereon and the subordinated revolving credit facility resulted in the issue of new secured and unsecured debentures. The new debentures were recorded at their respective fair values, in the first quarter of 2011, which were determined based on the weighted average trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and related interest and the subordinated revolving credit facility, less all transaction costs, has been recorded in the income statement as a gain on extinguishment of debt of $37,451.

For the year ended December 31, 2011, interest costs were $33,070, compared with $37,173 in the prior year. Non-cash interest expense was $8,076 for the year ended compared to $3,693 in the previous year. The increase in non-cash interest is due to the accretion expense related to the new secured and unsecured debentures, which have been recorded at their fair values, and accrete up to their face value using the effective interest method over the term of the debentures. During the year ended December 31, 2011, the operating segments had capital expenditures and capital lease payments of $7,834 compared to $8,625 in 2010. The majority of these expenditures were incurred in the Industrial Services segment.

Net income for the year ended December 31, 2011 from continuing operations was $13,143 compared to $42,721 for the year ended December 31, 2010.

Adjusted EBITDA $000s	2011	2010	2009	2011 vs. 2010	2011 vs. 2009
Marketing					
Armstrong	$ 1,170	$ 1,137	$ 1,175	$ 33	$ (5)
Gemma	3,213	3,023	3,786	190	(573)
IC Group	923	592	2,685	331	(1,762)
	$ 5,306	$ 4,752	$ 7,646	$ 554	$ (2,340)
Industrial Services					
ClearStream	29,716	20,703	19,478	9,013	10,238
Quantum Murray	13,781	2,481	5,565	11,300	8,216
	$ 43,497	$ 23,184	$ 25,043	$ 20,313	$ 18,454
Other					
Gusgo	2,027	2,093	1,877	(66)	150
Titan	2,937	2,191	1,324	746	1,613
Rlogistics	252	1,031	1,105	(779)	(853)
	$ 5,216	$ 5,315	$ 4,306	$ (99)	$ 910
Adjusted EBITDA from portfolio operations	$ 54,019	$ 33,251	$ 36,995	$ 20,768	$ 17,024

MARKETING

The marketing segment had improved overall results compared to the prior year however the results were down from 2009. Gemma had a solid year with new inbound volumes from financial services clients and stable inbound and outbound telesales revenues from other key clients. Revenue has not yet returned to the 2009 levels due the decline in one significant client's outbound telesales volumes. In 2011 Gemma did make progress in diversifying its client base.

Armstrong had consistent results and market share for the last three years despite competitive pressure in the industry and the shift in marketing spending to data driven, emerging media and digital solutions. This shift is causing oversupply in the traditional agency capacity therefore resulting in lower prices and increased margin pressure.

Results were improved at IC Group compared to the prior year however volumes have not returned to the levels seen in 2009 due to the loss of a significant client in late 2009. Increased and diversified business with a key client drove most of the increase in revenues for the year. Gross margins were also improved as operational efficiencies were achieved in the current year.

INDUSTRIAL SERVICES

The industrial services segment had a strong year with both investments significantly exceeding both prior years' results.

At ClearStream, EBITDA growth was driven by the increased activity at most divisions and the acquisitions of the remaining 20% ownership of ClearStream and ClearStream's acquisition of the 20% remaining ownership in Golosky Energy Services. Both the Conventional Industrial Services and Oilsands maintenance services divisions benefitted from strong demand and improved results compared to 2010 and 2009. The Fabrication division also had increased revenues from project work however, the Wear division had lower volumes compared to 2010 and 2009 due to lower maintenance orders. Transportation division had the largest growth compared to the prior year with increased revenues from strong demand and additional trucks and trailers in deployment.

Quantum Murray had significantly improved earnings in the year with all three divisions reporting increased results compared to both prior year periods. The acquisition of the remaining 35.7% ownership of Quantum Murray added

to strong fourth quarter results. With the strengthening economy, more large industrial projects became available in 2011 which impacted both the Remediation and Demolition divisions. The Demolition division benefitted from several large projects in Ontario and the Remediation division benefitted from large projects in British Columbia and Saskatchewan. Increased scrap prices and volumes resulted in improved results in the Metals division.

OTHER

Both Titan and Gusgo had solid results for the year. Titan had significantly improved results compared to both prior years. Increased activity in the conventional drilling market and oil sands development resulted in strong demand for many of Titan's products.

Gusgo had comparable results to the prior year and slightly improved results compared to 2009. A new significant client increased volumes resulting in higher revenue in the year however gross margins were slightly lower due to the change in revenue mix. The improvement over 2009 reflects the increased revenues from an existing client.

ACQUISITIONS

On September 30, 2011 Tuckamore paid $15,722 to increase its investment in Quantum Murray by 35.7% to bring total ownership to 100%.

On February 10, 2011, ClearStream paid $13,813 to increase its investment in Golosky Energy Services ("GES") by purchasing the remaining 20% it did not own. ClearStream now owns 100% of GES.

Effective January 1, 2011, Tuckamore paid $755 to increase its investment in Morrison Williams by 6.66% to bring total ownership to 86.66%. [see Divestitures]

On December 20, 2010, Tuckamore paid $14,488 to increase its investment in ClearStream by 20% to bring total ownership to 100%.

On January 4, 2010, Tuckamore paid $4,285 to increase its investment in Gemma by 20% to bring total ownership to 100%.

DIVESTITURES

On July 27, 2011 Tuckamore sold its 86.66% interest in Morrison Williams Investment Management LP for gross proceeds of $10,107 realizing an accounting gain of approximately $1,505.

On July 28, 2011 Tuckamore sold its 77.5% interest in Baird Macgregor Insurance Brokers LP and its 100% interest in Hargraft Schofield for gross proceeds of $11,250. This results in an accounting gain of approximately $2,450.

On September 9, 2011 Tuckamore had completed the sale of Brompton for net proceeds of $17,373 realizing an accounting gain of $9,055.

The net proceeds from each disposition were used to repay senior indebtedness.

As a result of the three transactions above, the results of Morrison Williams, Baird MacGregor, Hargraft and Brompton are reflected as discontinued operations resulting in the elimination of separate reporting of the financial services segment.

SEGMENT OPERATING RESULTS

MARKETING

The Marketing segment includes 100% of the results of Gemma and Tuckamore's proportionate share of the results of Armstrong and IC Group. The results of S&E (sold on June 23, 2010) and Capital C (sold on December 1, 2010) are included in Discontinued Operations and are not reflected in the tables below.

Armstrong	-	Fully integrated marketing agency providing in-store promotional marketing, digital and social media marketing solutions
Gemma	-	Outsourced contact centre operator providing outbound revenue generation and inbound customer care services
IC Group	-	Provider of on-line promotional and loyalty programs and a provider of select insurance products

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31	
	2011	2010
Revenues	$ 53,720	$ 52,190
Cost of revenues	(35,361)	(35,314)
Gross profit	18,359	16,876
Selling, general and administrative expenses	(13,018)	(12,120)
Amortization expense	(3,715)	(4,525)
Depreciation expense	(832)	(898)
Income from equity investments	(35)	36
Interest expense	(141)	(128)
Transaction costs	-	(40)
Gain on re-measurement of investment	-	9,862
Write-down of goodwill	-	(6,439)
Income tax recovery - deferred	1,680	1,379
Income for the year	$ 2,298	$ 4,003
Add:		
Amortization	3,715	4,525
Depreciation	832	898
Interest expense	141	128
Income tax recovery - deferred	(1,680)	(1,379)
EBITDA	$ 5,306	$ 8,175
Gain on re-measurement of investment	-	(9,862)
Write-down of goodwill	-	6,439
Adjusted EBITDA	$ 5,306	$ 4,752

(I) REVENUES

Revenues for the Marketing segment were $53,720 during the year ended December 31, 2011, which represents a 2.9% increase over $52,190 reported for the prior year. The increase during the year was mostly due to increased revenue at Gemma from increased inbound volumes from new clients. IC Group's revenues improved compared to the prior year primarily due to additional services provided to a key client. Armstrong had lower revenues due to

a shift in revenue mix; however improved gross margins resulted in comparable results year over year. Armstrong now primarily has fees for service and has significantly reduced its flow through purchased goods revenue.

(II) GROSS PROFIT

Gross profit for the Marketing segment was $18,359, and gross margin percentage was 34.2% for the year ended December 31, 2011 compared to 2010; gross profit of $16,876 and gross margin of 32.3%. The improved margin was primarily due to Armstrong's revenue shift to fee based revenue with lower margin flow through revenue than in prior years. Gemma and IC Group's margins were relatively stable year over year.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the year ended December 31, 2011 were $13,018 compared to $12,120 in 2010. These expenses as a percentage of revenues were 24.2% in 2011 compared to 23.2% in 2010. The increase was primarily due to restructuring costs and increased rent expense at Gemma.

(IV) GAIN ON RE-MEASUREMENT OF INVESTMENT

Under IFRS, transactions which result in an increase in ownership to one of control require the existing ownership interest to be re-measured to fair value. The increase in ownership of Gemma from 80% to 100% in January 2010 resulted in a gain on remeasurement relating to the 80% existing ownership interest in the amount of $9,862 in the first quarter of 2010.

(V) WRITE-DOWN OF GOODWILL

During the impairment analysis under IFRS for December 31, 2010, it was determined that Gemma's customer relationships intangible asset was impaired due to the significant reduction in business with major client. As a result $6,439 write-down of intangibles was recorded.

INDUSTRIAL SERVICES

The Industrial Services segment includes 100% of the results of ClearStream (2010 – 80%) and 100% of the results of Quantum Murray from October 1, 2011. Quantum Murray (2010 and January to September 31, 2011– 64.3%). In addition ClearStream increased its ownership in Golosky to 100% from 80% on February 10, 2011.

ClearStream	-	Provider of oil & gas maintenance, construction and wear technology services to both the conventional oil and gas industry and to the oil sands
Quantum Murray	-	National provider of demolition, remediation and scrap metal services

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenues	$ 536,189	$ 359,833
Cost of revenues	(428,771)	$ (292,179)
Gross profit	107,418	67,654
Selling, general and administrative expenses	(63,675)	(44,189)
Amortization expense	(10,404)	(6,013)
Depreciation expense	(11,104)	(9,124)
Interest expense	(11,762)	(7,889)
Loss on sale of investment	-	(442)
Gain on re-measurement of investment	6,016	73,895
Transaction costs	(246)	(281)
Write-down of intangible assets	-	(1,779)
Income tax expense - current	(9)	(49)
Income tax (expense) recovery - deferred	4,541	(4,982)
Income for the year	$ 20,775	$ 66,801
Add:		
Amortization expense	10,404	6,013
Depreciation expense	11,104	9,124
Interest expense	11,762	7,889
Income tax expense - current	9	49
Income tax expense (recovery) - deferred	(4,541)	4,982
EBITDA	$ 49,513	$ 94,858
Gain on re-measurement of investment	(6,016)	(73,895)
Loss on sale of investment	-	442
Write-down of intangible assets	-	1,779
Adjusted EBITDA	$ 43,497	$ 23,184

INDUSTRIAL SERVICES

	Year Ended December 31,			
	ClearStream		Quantum Murray	
	2011	2010	2011	2010
Revenues	$ 370,160	$ 258,949	$ 166,029	$ 100,884
Cost of revenues	(300,995)	(214,579)	(127,776)	(77,600)
Gross profit	69,165	44,370	38,253	23,284
Selling, general and administrative expenses	(39,203)	(23,386)	(24,472)	(20,803)
Amortization expense	(6,565)	(2,886)	(3,839)	(3,127)
Depreciation expense	(8,326)	(5,479)	(2,778)	(3,645)
Interest expense	(11,292)	(7,591)	(470)	(298)
Loss on sale of investment	-	(442)	-	-
Gain on re-measurement of investment	-	73,895	6,016	-
Transaction costs	(246)	(281)	-	-
Write-down of intangible assets	-	(1,779)	-	-
Income tax expense - current	(9)	(49)	-	-
Income tax (expense) recovery - deferred	6,017	(3,330)	(1,476)	(1,652)
Income (loss) for the year	$ 9,541	$ 73,042	$ 11,234	$ (6,241)
Add:				
Amortization expense	6,565	2,886	3,839	3,127
Depreciation expense	8,326	5,479	2,778	3,645
Interest expense	11,292	7,591	470	298
Income tax expense - current	9	49	-	-
Income tax expense (recovery) - deferred	(6,017)	3,330	1,476	1,652
EBITDA	$ 29,716	$ 92,377	$ 19,797	$ 2,481
Gain on re-measurement of investment	-	(73,895)	(6,016)	-
Loss on sale of investment	-	442	-	-
Write-down of intangible assets	-	1,779	-	-
Adjusted EBITDA	$ 29,716	$ 20,703	$ 13,781	$ 2,481

(I) REVENUES

Revenues from the Industrial Services segment was $536,189 for the year ended December 31, 2011 compared with $359,833 in the prior year, which reflects an increase of 49%. The improvement was partially driven by Tuckamore's acquisitions in late 2010 and 2011. Tuckamore increased its ownership of ClearStream from 80% to 100% in December 2010, ClearStream purchased the remaining 20% interest in Golosky in February 2011 and Tuckamore acquired the remaining 35.7% of Quantum Murray in September 2011.

Revenues were further improved at ClearStream within the Maintenance Services divisions and Fabrication divisions, the latter due to increased project related activities. Quantum Murray had a strong year with each of its three divisions, Environmental, Demolition and Metals exceeding prior year activity levels. In particular the hazmat business within the Environmental division was very active with two large projects and the Demolition division benefited from several large industrial demolition projects.

From the date of acquisition, the purchase of the additional 35.7% of Quantum Murray has contributed to $21,705 of revenue. The purchase of the additional 20% interest in Golosky has contributed an additional $40,641 of revenue since acquisition.

(II) GROSS PROFIT

Gross profit was $107,418 for the year ended December 31, 2011 compared with $67,654 in 2010. Gross profit margin was 20% compared to 18.8% in 2010.

At Quantum Murray, gross margins were significantly improved over the prior year primarily due to increased revenue from higher business volumes and rollover of project losses incurred in early 2010. Gross margin percentages were improved due to higher margin hazmat projects at Quantum Murray and higher margin fabrication work at ClearStream.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $63,675 for the year ended December 31, 2011 compared to $44,189 in 2010. ClearStream and Quantum Murray's increase in selling, general and administrative expenses primarily reflects the increase in ownership. Selling, general and administrative expenses as a percentage of revenues were 11.9% for the year ended December 31, 2011 compared to 12.3% in 2010.

(IV) GAIN ON REMEASUREMENT

Tuckamore acquired the remaining 35.7% interest in Quantum Murray to bring Tuckamore's ownership to 100% on September 30, 2011. As a result of this acquisition of control, Tuckamore's existing investment has been revalued resulting in a gain of $6,016. The valuation estimates and gain calculations are preliminary at this time.

In 2010 a remeasurement gain of $73,895 was recorded as a result of the acquisition of the remaining 20% of ClearStream and therefore an acquisition of control.

(V) WRITE-DOWN OF INTANGIBLE ASSETS

During 2010, a write-down of intangible assets in the amount of $1,779 was recorded relating to the sale of ClearStream's investment in Skystone.

(VI) SEASONALITY

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

Quantum Murray's remediation activity can be reduced in the winter months, depending on assignment location and weather. The first quarter is typically the slowest quarter with activity levels picking up in the second and third quarters before tailing off again in November and December. In addition, due to the timing of large contracts, quarterly results can fluctuate.

OTHER

The Other segment includes Tuckamore's proportionate share of the results of Gusgo and Titan. This segment also includes income from Tuckamore's equity investment in Rlogistics. The results of Peerless (sold on August 19, 2010) are included in Discontinued Operations and are not reflected in the tables below.

Gusgo	-	Provider of container transportation and storage services
Rlogistics	-	Reseller of close-out, discount and refurbished consumer electronic and household goods
Titan	-	Manufacturer and distributor of rigging products, rigging services and ground engaging tools

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31,	
	2011	2010
Revenues	$ 48,492	$ 42,122
Cost of revenues	(33,084)	(28,444)
Gross profit	15,408	13,678
Selling, general and administrative expenses	(10,444)	(9,394)
Amortization expense	(1,097)	(1,316)
Depreciation expense	(442)	(532)
Income from equity investments	252	1,031
Interest expense	(697)	(612)
Write-down of long-term investments	(6,081)	-
Income tax recovery - deferred	91	271
Income for the year	$ (3,010)	$ 3,126
Add:		
Amortization expense	1,097	1,316
Depreciation expense	442	532
Interest expense	697	612
Income tax recovery - deferred	(91)	(271)
EBITDA	$ (865)	$ 5,315
Write-down of long-term investments	6,081	-
Adjusted EBITDA	$ 5,216	$ 5,315

(I) REVENUES

Revenues for the other segment were $48,492 for the year ended December 31, 2011, compared to $42,122 in the prior year, which reflects an increase of 15.1%. Both Titan and Gusgo had increased revenues. Titan in particular had a strong year as it is benefitting from increased activity in conventional oil & gas exploration and oil sands development. Gusgo's revenues are also improved reflecting business from a new significant client.

(II) GROSS PROFIT

Gross profit was $15,408 for the year ended December 31, 2011, compared with $13,678 for 2010. Gross profit margin was 31.8% for the year ended December 31, 2011 and is comparable to 32.5% for the prior year. The decline in gross profit margins was primarily at Gusgo where a shift in revenue mix resulted in slightly lower margin, however remained constant throughout the year. Titan's gross margin percentage was comparable to the prior year despite significant competitive pressures particularly in rigging products.

(III) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $10,444 for the year ended December 31, 2011, compared with $9,394 for 2010. These expenses as a percentage of revenues were 21.5%, compared to 22.3% in the prior year. The increase was primarily at Titan where increased staff levels were required to service the improved business volumes.

(IV) INCOME FROM EQUITY INVESTMENTS

Income from equity investments related to Tuckamore's ownership share of Rlogistics was $252 for the year ended December 31, 2011, compared to $1,031 in the prior year.

(V) IMPAIRMENT

The Company reviews its long-term investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of the management would trigger an earlier review. At December 31, 2011 management determined that the carrying value of its investment in Rlogistics was impaired due to a decline in earnings. In addition, cash to be distributed by Rlogistics and recorded as receivable by the Company, is required to be retained by Rlogistics to support the working capital needs of the business. As a result, the Company has recorded a write off of $6,081 representing the carrying value of its equity investment in this business and distributions receivable, net of a reduction in a tax liability.

CORPORATE

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

SUMMARY FINANCIAL TABLE ($000S)

	Year Ended December 31,	
	2011	2010
Selling, general and administrative expenses	$ (11,209)	$ (12,541)
Amortization expense	(234)	(176)
Depreciation expense	(1)	89
Interest expense	(20,470)	(28,544)
Gain on debt extinguishment	37,451	-
Fair value adjustment to stock based compensation expense	(883)	220
Transaction costs	(2,392)	-
Income tax expense - current	(14)	(351)
Income tax (expense) recovery - deferred	(9,168)	10,094
Loss for the year	$ (6,920)	$ (31,209)
Add:		
Amortization expense	234	176
Depreciation expense	1	(89)
Interest expense	20,470	28,544
Income tax expense - current	14	351
Income tax expense (recovery) - deferred	9,168	(10,094)
EBITDA	$ 22,967	$ (12,321)
Gain on debt extinguishment	(37,451)	-
Fair value adjustment to stock based compensation expense	883	(220)
Adjusted EBITDA	$ (13,601)	$ (12,541)

(I) SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $11,209 for the year ended December 31, 2011, compared to $12,541 for 2010. The break-down of selling, general and administrative expenses is as follows:

	Year Ended December 31,	
	2011	2010
Salaries and benefits	$ 5,758	$ 5,857
Stock-based compensation expense	2,509	1,386
Audit, accounting and tax	2,040	1,740
Other costs, net	902	3,558
Selling, general and administrative expenses	$ 11,209	$ 12,541

Decrease in salaries and benefits relates to a decrease in headcount at head office. The increase in audit, accounting and tax reflect the costs related to the first-time adoption of IFRS.

(II) INTEREST EXPENSE

Interest expense was $20,470 for the year ended December 31, 2011 compared to $28,544 for the prior year. Interest expense relates to the senior credit facility, the revolving line of credit and the convertible debentures and subsequent to March 23, 2011 the Secured and Unsecured Debentures. The decrease in interest expense reflects

the interest savings due to lower senior indebtedness balances from asset sales in 2011 and 2010 and the inclusion of significant default & forbearance fees recorded in 2010.

(III) GAIN ON DEBT EXTINGUISHMENT

The refinancing of Tuckamore's convertible debentures, subordinated revolving credit facility and interest owing thereon has resulted in the issue of new secured and unsecured debentures. The new debentures have been recorded at their estimated fair value at the date of issue, which has been calculated using the weighted average of trading prices over a given period. The difference between the fair value of the new debentures and the carrying value of the convertible debentures and subordinated revolving credit facility and related interest, less all transaction costs, has been recorded in the income statement as a gain on debt extinguishment of $37,451.

(IV) TRANSACTION COSTS

During the year there was $2,392 (2010 - $0) incurred in transaction costs relating to acquisition costs, including the additional ownership interest in Quantum Murray, and conversion to a corporation.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The following table summarizes the major consolidated cash flow components:

December 31		2011		2010
Cash provided by (used in) operating activities	$	(2,342)	$	21,138
Cash provided by investing activities		2,104		40,978
Cash provided by (used in) financing activities		613		(78,257)
Consolidated cash (continuing and discontinued operations)		28,625		27,741

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

The following table provides a break-down of cash provided by (used in) operating, changes in non-cash balances and cash and distributions provided from discontinued operations.

December 31		2011		2010
Cash provided by (used in) operations	$	17,666	$	(12,513)
Changes in non-cash balances				
Accounts receivable		(30,107)		21,078
Inventories		2,117		(4,454)
Prepaid expenses		206		(877)
Other current assets		(119)		16,883
Accounts payable, accrued liabilities and provisions		4,687		(21,212)
Deferred revenue		745		(498)
Increase (decrease) in cash due to changes in non-cash balances		(22,471)		10,920
Cash and distributions provided by discontinued operations		2,463		22,731
Cash provided by (used in) operating activities	$	(2,342)	$	21,138

The change in non-cash balances is substantially due to increased accounts receivable balances at both ClearStream and Quantum Murray reflecting increased business volumes in the current period.

CASH PROVIDED BY INVESTING ACTIVITIES

Cash provided by investing activities totaled $2,104 compared to $40,978 in the prior year period. See table below for further details.

December 31		2011		2010
Acquisition of businesses, net of cash acquired				
Golosky Energy Services, Quantum Murray and Morrison Williams	$	(31,865)	$	-
ClearStream and Gemma		-		(19,587)
		(31,865)		(19,587)
Purchase of property, plant and equipment		(2,808)		(4,038)
Proceeds on disposition of property plant and equipment		968		885
Proceeds on disposition of businesses		38,730		65,581
Purchase of intangibles		(2,852)		(634)
Increase in other assets		-		751
Cash used in discontinued operations		(69)		(1,980)
Cash provided by investing activities	$	2,104	$	40,978

CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES

Cash provided by financing activities was $613 for the year ended December 31, 2011 and cash used in financing activities was $78,257 in the prior year.

December 31	2011	2010
Repayment of long-term debt	$ 46,989	$ 15,000
Increase in long-term debt	(36,973)	(78,560)
Increase (decrease) in cash held in trust	(3,108)	667
Repayment of capital lease obligations	(5,026)	(4,587)
Cash used in discontinued operations	(1,269)	(10,777)
Cash provided by (used in) financing activities	$ 613	$ (78,257)

The increase in long-term debt for the year ended December 31, 2011 was due to the acquisitions of GES and Quantum Murray and funding of working capital requirements, net of $36,973 of repayments from asset sales proceeds.

FINANCING

SUPPORT AGREEMENTS AND ASSIGNMENT OF SENIOR DEBT

On November 30, 2010 Tuckamore announced it had entered into support agreements ("Support Agreements") for comprehensive senior debt and debenture refinancing. These Support Agreements between Marret Asset Management ("Marret"), K2 Associates Investment Management Inc. ("K2") and Tuckamore secured the support of Marret and K2 for (i) the assignment to Marret and amendment of NFC's senior secured credit facility and (ii) an exchange transaction pursuant to which the terms of the indentures for Tuckamore's Debentures would be amended to provide for the mandatory exchange of the Debentures for newly created second lien notes and subordinated unsecured notes of Tuckamore.

On December 20, 2010, Tuckamore announced the successful assignment of senior debt financing to Marret, on behalf of various funds under management ("Marret Lenders").

SECOND AMENDED & RESTATED SENIOR CREDIT AGREEMENT

On March 23, 2011 Tuckamore, through Newport Finance Corp. and Marret Lenders, finalized a second amended and restated senior credit agreement ("ARCA"). The ARCA removed all forbearance conditions. The key terms of the ARCA are: interest rate is 9.5% per annum but may be adjusted downward based on leverage ratios, mandatory repayment of 100% of the net proceeds on sale of investments, subject to the ability to utilize up to $15,000 for specified acquisition purposes in certain circumstances, repayments based on 75% of excess cash flows beginning in the final quarter of 2011, maturity date of December 20, 2013, annual covenants for 2011 and 2012 requiring a minimum EBITDA, senior debt ratio and fixed charge ratios, and similar quarterly covenants through 2013. In addition, the agreement provides for an additional $10,000 advance available for working capital purposes and $5,234 advance for acquisitions. The $10,000 line for working capital purposes was drawn during the second quarter of 2011. Subsequent to the quarter end, Tuckamore agreed with its senior lender that the repayment of the $10,000 would be extended until March 2, 2012. Tuckamore also agreed to repay an additional $25,000 by January 2, 2013.

Net proceeds from sales of Baird McGregor, Hargraft and Morrison Williams completed in July 2011 totaled $20,573. Of this amount, $5,573 was used to repay senior debt and $15,000 was placed in an escrow deposit account. In August 2011 $2,000 of this amount was drawn for working capital purposes.

On September 28, 2011 net proceeds of $16,400 relating to the sale of Brompton were used to repay senior debt.

On September 30, 2011 Tuckamore completed the acquisition of the 35.7% of Quantum Murray that it did not already own. The acquisition and related transaction costs were funded with $13,000 held in escrow, and additional borrowings of $4,223 from the first delayed draw facility.

On September 30, 2011 $1,000 of the $2,000 drawn for working capital purposes was repaid to the senior lender and on October 31, 2011 Tuckamore repaid the remaining $1,000.

As at December 31, 2011 senior debt was $96,955 before deferred financing charges of $1,250.

On January 24, 2012 the sale of Waydex Services LP, a subsidiary of ClearStream, closed for net proceeds of $2,400 which was used to repay senior indebtedness.

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility from Marret. In connection with the Assignment, BMO received an assignment of all of the rights and obligations of the Marret Lenders under the Senior Credit Facility. Tuckamore also entered into a third amended and restated credit agreement, providing improved borrowing terms to the Tuckamore group of companies (the "Amended Senior Credit Facility") and appointing BMO as agent.

Advances outstanding under the term loan facilities provided under Senior Credit Facility, totaling $94,555 will continue to be outstanding under the Amended Senior Credit Facility and a portion of such facilities will continue as a revolving facility. The Amended Senior Credit Facility provides, amongst other things, standard financial covenants for a facility of this size and type. It has a term of three years and an initial interest rate of prime plus 1.5%, which rate can reduce when certain leverage ratios are achieved. Repayments of the Amended Senior Credit Facility prior to maturity will be from proceeds of assets sales, and from excess cash flow from operations. The requirement to repay $25,000 by January 2, 2013 was removed under the Amended Senior Credit Facility.

DEBENTURES

On February 28, 2011, Tuckamore issued a management information circular which provided details of the proposed exchange of the Debentures (the "Exchange"). Under the proposed amendment, the existing Debentures were to be mandatorily exchanged for second lien notes (the "Secured Debentures") and the unpaid accrued interest on the Debentures would be exchanged for unsecured subordinated notes (the "Unsecured Debentures"). At the exchange meeting held on March 18, 2011 the debenture holders voted in favour of the Exchange and, the Secured Debentures and the Unsecured Debentures (the "New Debentures") were issued on March 23, 2011 pursuant to a new indenture agreement.

The aggregate principal amount of the Secured Debentures is $176,228 which satisfies the principal amounts of the Debentures, the subordinated revolving credit facility and related accrued interest on March 23, 2011. The maturity date of the Secured Debentures is March 23, 2016 (the "Secured Debenture Maturity Date"). The interest rate is 8% per annum, payable semi-annually in arrears on June 30 and December 31 in each year until the Secured Debenture Maturity Date. An interest payment of $3,824 was made on June 30, 2011. Tuckamore has the option to repurchase any or all Secured Debentures outstanding at any time. Tuckamore has the right to redeem in cash any or all Secured Debentures outstanding at any time in its sole discretion without bonus or penalty, provided all accrued interest is paid at redemption. Tuckamore is also obligated to redeem a portion of

the Secured Debentures prior to the Secured Debenture Maturity Date in certain circumstances based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flow as defined. Tuckamore is unable to estimate amounts repayable in 2011 in connection with this mandatory redemption provision. The Secured Debentures have a security interest in substantially all of Tuckamore's assets which is subordinated to similar security interests granted in connection with the ARCA or certain debt incurred in the future by Tuckamore's subsidiaries. The Secured Debentures were listed on the TSX on the date of closing of March 23, 2011.

The aggregate principal amount of the Unsecured Debentures is equal to the accrued and unpaid interest on the Debentures at March 23, 2011 of $26,552. The maturity date is March 23, 2014 (the "Unsecured Debenture Maturity Date"). Interest accrues on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, payable in cash at the Unsecured Debenture Maturity Date. Tuckamore will repay the principal amount of the Unsecured Debentures on the Unsecured Debentures Maturity Date either in cash or by delivering common shares of Tuckamore Capital Management Inc. at a conversion price of $0.2254 per common share. The total number of common shares to be issued on the repayment of the Unsecured Debentures is capped at 10% of the outstanding common shares of Tuckamore Capital Management Inc. on the repayment date. The Unsecured Debentures were listed on the TSX on the closing date of March 23, 2011.

For accounting purposes, the exchange transactions are accounted for as extinguishments of the Debentures, the subordinated revolving credit facility, the accrued interest payable under both the Debentures and the Subordinated Revolving Credit Facility. All costs incurred in connection with the issuance of the New Debentures were expensed as a reduction of the gain on extinguishment of $37,451. The Secured Debentures and Unsecured Debentures have been recorded at their fair value and will be accreted up to their principal amount over the period to the respective Maturity Dates using the effective interest method.

SOURCES OF FUNDING

Tuckamore will continue to look to reduce its debt leverage. The new financing arrangements are designed to ensure that debt balances are reduced as quickly as possible. Consequently, proceeds of all asset sales are required to retire debt, as well as 75% of available cash flow beginning in the final quarter of 2011.

The Operating Partnerships will primarily continue to be self-funding, and as required Tuckamore will continue to provide working capital advances, largely to its industrial services investments. Increased working capital needs at ClearStream in 2011 have been supported by additional borrowings of $10,000 drawn in the second quarter of 2011 from the senior lender.

WORKING CAPITAL

	December 31, 2011	December 31, 2010	January 1, 2010
Current assets	$ 233,617	$ 183,954	$ 234,621
Current liabilities	115,972	376,075	446,832
Total working capital	$ 117,645	$ (192,121)	$ (212,211)

Working capital was significantly improved at December 31, 2011 due to the re-classification of revolving credit facilities, term debt and convertible debentures as long-term liabilities.

CAPITAL EXPENDITURES

The Industrial Services segment contains the only capital intensive entities within Tuckamore. The remaining entities are service based and therefore have much lower capital expenditure requirements. The following table shows capital expenditures and capital lease payments by segment.

Year ended December 31, 2011		Marketing		ClearStream		Quantum		Other		Corporate		Total
Capital expenditures	$	434	$	1,557	$	732	$	59	$	26	$	2,808
Capital lease repayments		177		2,897		1,699		253		-	$	5,026
Total capital expenditures	$	611	$	4,454	$	2,431	$	312	$	26	$	7,834

Year Ended December 31, 2010		Marketing		ClearStream		Quantum		Other		Corporate		Total
Capital expenditures	$	381	$	1,681	$	1,832	$	123	$	21	$	4,038
Capital lease repayments		180		2,337		1,811		259		-	$	4,587
Total capital expenditures	$	561	$	4,018	$	3,643	$	382	$	21	$	8,625

FOURTH QUARTER 2011 RESULTS

	Quarter Ended December 31	
	2011	2010
Revenues	$ 184,662	$ 114,905
Cost of revenues	(143,602)	(88,471)
Gross profit	41,060	26,434
Selling, general and administrative expenses	(28,045)	(21,303)
Amortization expense	(2,775)	(2,677)
Depreciation expense	(938)	(2,440)
Income (loss) from equity investments	(155)	300
Interest expense	(9,229)	(11,465)
Gain on re-measurement of investment	-	73,895
Fair value adjustment on stock based compensation expense	-	(613)
Transaction costs	(340)	(281)
Write-down of long-term investment	(6,081)	-
Write-down of goodwill	321	(6,439)
Income tax expense - current	(9)	(195)
Income tax (expense) recovery - deferred	(98)	5,578
(Loss) Income from continuing operations	$ (6,289)	$ 60,794
Add:		
Amortization expense	2,775	2,677
Depreciation expense	938	2,440
Interest expense	9,229	11,465
Income tax expense - current	9	195
Income tax expene (recovery) - deferred	98	(5,578)
EBITDA	$ 6,760	$ 71,993
Gain on re-measurement of investment	-	(73,895)
Fair value adjustment on stock based compensation expense	-	613
Write-down of long-term investment	6,081	
Write-down of goodwill	(321)	6,439
Adjusted EBITDA	$ 12,520	$ 5,150

FOURTH QUARTER RESULTS COMMENTARY

Tuckamore’s continuing operations from its portfolio investments are reported in its three industry segments: Marketing, Industrial Services and Other. Revenues for the three months ended December 31, 2011 were $184,662 compared to $114,905 in 2010, an increase of 60.7%. The increase was primarily driven by the industrial services segment.

The acquisitions of additional ownership percentages in ClearStream, Golosky and Quantum Murray significantly contributed to the increase as well as increased business activity in these investments.

Gross profit for the three months ended December 31, 2011 was $41,060 compared to $26,434 in 2010, an increase of 55.3%. Gross margins were 22.2% for the three months ended December 31, 2011 compared to 23% in the 2010 period.

For the three months ended December 31, 2011, these three industry segments produced $14,124 of adjusted EBITDA for Tuckamore compared to $8,779 in 2010. Refer to the chart below for adjusted EBITDA by operating partner. During the final quarter, interest costs were $9,229, compared with $11,465 in 2010. During the three months ended December 31, 2011, the capital expenditures and capital lease payments were $2,223, as compared to $2,954 in the same period in 2010. The majority of these expenditures were incurred in the Industrial Services segments.

Non-cash items that impacted the results were depreciation and amortization, and deferred income taxes. Depreciation and amortization was $4,127 for the three months ended December 31, 2011, compared to $5,117 for 2010. The largest component of this expense is the amortization of intangible assets, which were recorded at fair value due to step acquisitions.

Net loss for the three months ended December 31, 2011 from continuing operations was $(6,289) compared to net income of $60,264 in 2010.

Adjusted EBITDA $000s	**Q4 2011**	**Q4 2010**	**Q4 2009**	**2011 vs. 2010**	**2011 vs. 2009**
Marketing					
Armstrong	$ 276	$ 161	$ 162	$ 115	$ 114
Gemma	981	702	805	279	176
IC Group	145	108	552	37	(407)
	$ 1,402	$ 971	$ 1,519	$ 431	$ (117)
Industrial Services					
ClearStream	7,495	4,054	6,668	3,441	827
Quantum Murray	3,927	1,823	2,762	2,104	1,165
	$ 11,422	$ 5,877	$ 9,430	$ 5,545	$ 1,992
Other					
Gusgo	603	687	343	(84)	260
Titan	815	944	410	(129)	405
Rlogistics	(118)	300	205	(418)	(323)
	1,300	1,931	958	(631)	342
Adjusted EBITDA from portfolio operations	$ 14,124	$ 8,779	$ 11,907	$ 5,345	$ 2,217

INDUSTRIAL SERVICES

ClearStream had a strong fourth quarter reflecting increased activity in the conventional oil and gas and oilsands industry. In addition the acquisition of the remaining ownership interest of ClearStream in December 2010 and its subsidiary Golosky Energy Services in February 2011 have positively impacted the 2011 fourth quarter results. The Conventional Industrial Services and Oilsands divisions had significant improvements over the prior year period due to stronger demand for maintenance services. The Transportation division also benefitted from increased activity and higher utilization of trucks and trailers. The Fabrication and Wear divisions had lower revenues in the current quarter due to the delay of projects and reduced maintenance orders compared to the prior year quarter.

At Quantum Murray, the increase in ownership to 100% as well as continued work on large industrial projects resulted in a substantially improved quarter compared to the prior years. In particular the hazmat business within the Environmental division had a strong EBITDA contribution from two large projects. The Demolition division benefitted from several large ongoing projects. The Metals division had an improved quarter as scrap prices remained strong.

MARKETING

The marketing segment had a solid quarter with all three investments reporting improved results compared to the prior year. Gemma had increased revenues primarily due to increased volumes from its financial services clients. Armstrong had improved profits as a result of increased fee based business combined with operational

improvements. At IC Group increased business from a key client increased revenue and margins were improved with better project management.

OTHER

The other segment had a mixed quarter. Gusgo had increased revenues primarily due to the addition of a new significant client however higher facility rental costs offset the increased business. Titan had a solid quarter with increased revenue primarily from wear products. The shift in lower margin products as well as increased employment costs offset the increased in business volumes.

Tuckamore's corporate segment includes administrative costs to operate Tuckamore, and the interest costs on borrowings to fund investments and working capital of its businesses. Corporate office costs were $1,604 for the three months ended December 31, 2011 compared with $3,629 in 2010. Corporate costs reduced total Adjusted EBITDA to $12,520 for the three months ended December 31, 2011 compared with $5,150 in 2010.

Critical Accounting Policies and Estimates

Tuckamore prepares its consolidated financial statements in accordance with IFRS. The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of the consolidated financial statements. Significant accounting policies and methods used in the preparation of the consolidated financial statements are described in note 1 in the December 31, 2011 consolidated financial statements. Tuckamore and the Operating Partnerships evaluate their estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Included in the consolidated financial statements are estimates used in determining allowance for doubtful accounts, inventory valuation, the useful lives of property, plant and equipment and intangible assets, revenue recognition and other matters. Actual results could differ from those estimates and assumptions.

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

Goodwill and Intangible Assets

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. When Tuckamore enters into a business combination, the acquisition method of accounting is used. Goodwill is assigned as of the date of the business combination to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination. Goodwill is not amortized and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The book value of goodwill was $77,093 at December 31, 2011 (December 31, 2010 - $83,985).

Intangible assets acquired individually or as part of a group of other assets are recognized and measured at cost. Intangible assets acquired in a transaction, including those acquired in business combinations, are recorded at their fair value. Intangible assets with determinable useful lives, such as customer relationships and contracts, are amortized over their useful lives and are tested for impairment when there is an indicator of impairment. Intangible assets having an indefinite life, such as brands, are not amortized but instead are tested for impairment on an annual or more frequent basis. The net book value of intangible assets was $78,928 at December 31, 2011 (December 31, 2010 - $94,806).

Long-term Investments

Investments over which Tuckamore is able to exercise significant influence are accounted for using the equity method. Under the equity method, the original cost of the investment is adjusted for Tuckamore's share of post-acquisition earnings or losses, less distributions in the case of investments in partnerships and dividends in the case of investments in companies. Investments are written down when there is evidence that a decline in value has occurred. Tuckamore reviews all of its investments for possible impairment on an annual basis, or more frequently if there is an event which in the view of management would trigger an earlier review. During this review it was determined that the investment in Rlogistics had declined in value due to earnings attrition in the year which is expected to continue. As a result Tuckamore recorded a write-off of $6,081, representing the carrying value of its equity investment in this business and distributions receivable, net of a reduction in a tax liability.

Income Taxes and Conversion to a Corporation

Since the initial public offering in 2005, Tuckamore had operated under a trust structure.

A meeting of unitholders was held on March 25, 2011 at which meeting a vote in favour of the conversion to a corporation was passed. Effective April 1, 2011 Tuckamore began operating as a corporation under the name Newport Inc. which was subsequently changed to Tuckamore Capital Management Inc.

Deferred Taxes

Tuckamore has computed deferred income taxes based on temporary differences that are expected to reverse after December 31, 2011. In general, there are no material differences in the values for operating assets and liabilities such as accounts receivable, inventory and trade payables for the Operating Partnerships. There are, however, differences[1], for example between the carrying values of definite life intangibles (e.g. customer contracts) and indefinite life intangibles (e.g. brands) that arise as part of Tuckamore's accounting for its investments in the underlying Operating Partnerships. As one example, under IFRS, Tuckamore records intangible assets related to acquisitions and these assets typically have a lesser value for tax purposes depending on the manner in which the acquisition was structured. In this case, a deferred tax liability would be recorded for the difference. If Tuckamore was to divest one or more of its Operating Partnerships for an amount that is greater than the tax carrying value this would give rise to a taxable income because the proceeds would be greater than the tax value of the assets.

At December 31, 2011 Tuckamore has calculated a deferred tax liability related to differences that are expected to reverse in the future using the applicable estimated tax rate of approximately 27.7%.

The recognition of a deferred tax expense or recovery has no impact on cash generated by operating activities or on distributable cash.

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

ADDITIONAL INFORMATION

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations were not yet effective as at January 1, 2011 and have not been applied in preparing the consolidated financial statements. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. All other new standards are effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The following is a brief summary of the new standards:

(i) IFRS 9, Financial Instruments ("IFRS 9")

In November 2009, the IASB issued IFRS 9, which represented the first phase of its replacement of IAS 39. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard will be effective for Tuckamore's interim and annual consolidated financial statements commencing January 1, 2015. Tuckamore is assessing the impact of this new standard on its consolidated financial statements.

(ii) IFRS 10, Consolidation ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 supersedes all of the guidance in SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

(iii) IFRS 11, Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(iv) IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

(v) IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements.

(vi) Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, *Separate Financial Statements* (IAS 27), and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

SUMMARY OF QUARTERLY RESULTS – ($000S EXCEPT UNIT AMOUNTS)

	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1
Revenue	$ 184,662	$ 162,446	$ 150,272	$ 141,021	$ 114,905	$ 118,431	$ 123,513	$ 97,296
Net Income (loss) from continuing operations	(6,289)	2,569	(3,763)	20,626	60,794	(9,369)	(7,783)	(921)
Net income (loss)	(8,589)	15,837	(74)	20,691	38,651	(13,018)	(4,196)	1,214
Income (loss) per share unit from continuing operations	(0.10)	0.04	(0.05)	0.29	0.85	(0.13)	(0.11)	(0.01)
Income (loss) per share unit	(0.12)	0.22	(0.00)	0.29	0.54	(0.18)	(0.06)	0.02

The quarterly results have been restated to remove operations from revenue and net income (loss) from continuing operations.

CONTINGENCIES

Tuckamore and its Operating Partnerships are subject to claims and litigation proceedings arising in the normal course of operations. These contingencies are provided for when they are likely to occur and can be reasonably estimated. Management believes that the ultimate resolution of these matters will not have a material effect on Tuckamore's consolidated financial statements.

A statement of claim has been filed by a former employee of Tuckamore alleging breach of contract, wrongful dismissal, defamation, and intentional interference with economic relations. The claim is for an amount of $6,500. The claim is being defended and management is of the opinion that the claim is without merit.

A statement of claim has been filed by a seller of a minority position in a subsidiary of Tuckamore in connection with the calculation of income as related to a promissory note forming part of the transaction. The claim is being defended and management feels the claim is without merit.

TRANSACTIONS WITH RELATED PARTIES

OWNERSHIP

As of December 31, 2011 directors, officers and employees, and operating partners related to Tuckamore beneficially hold an aggregate of 19,258,936 units or 22.4% on a fully diluted basis.

TRANSACTIONS

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

Included in Other Assets are advances of $1,520 (December 31, 2010 – $2,848) made to the Operating Partnerships.

Selling, general and administrative expenses include $1,451 of rent expense paid to related parties of Quantum Murray and Gusgo for the year ended December 31, 2011 (2010-$3,379). These transactions occurred in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

Tuckamore shares space and services with a business which employs two of the directors of Tuckamore, and paid $167 during the year ended December 31, 2011 (2010-$146).

Loans made to current and former employees of Tuckamore were outstanding in the amount of $1,572 (December 31, 2010 – $1,869). In accordance with the terms and conditions of the loans, the loans are interest bearing and used to fund the purchase of shares of Tuckamore or to refinance such purchases and are secured by a pledge of the shares.

SUBSEQUENT EVENTS

a) In November 2011, the majority limited partner of Waydex Services LP delivered to ClearStream an offer letter pursuant to the shotgun buy-sell provision of the limited partnership agreement governing Waydex. In December, 2011 ClearStream elected to sell its 40% interest in Waydex to the majority partner. The buy-sell transaction closed on January 24, 2012 for gross proceeds of $2,500 resulting in a nominal accounting loss. Net proceeds were used to repay senior indebtedness in the amount of $2,400.

b) On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility from Marret. In connection with the Assignment, BMO received an assignment of all of the rights and obligations of the Marret Lenders under the Senior Credit Facility. Tuckamore also entered into a third amended and restated credit agreement, providing improved borrowing terms to the Tuckamore group of companies (the "Amended Senior Credit Facility") and appointing BMO as agent.

Advances outstanding under the term loan facilities provided under Senior Credit Facility, totaling $94,555 will continue to be outstanding under the Amended Senior Credit Facility and a portion of such facilities will continue as a revolving facility. The Amended Senior Credit Facility provides, amongst other things, standard financial covenants for a facility of this size and type. It has a term of three years and an initial interest rate of prime plus 1.5%, which rate can reduce when certain leverage ratios are achieved. Repayments of the Amended Senior Credit Facility prior to maturity will be from proceeds of assets sales, and from excess cash flow from operations. The requirement to repay $25,000 to Marret by January 2, 2013 was removed under the Amended Senior Credit Facility.

This transaction will be considered an extinguishment of debt therefore deferred financing costs at December 31, 2011 will be expensed in 2012 as well as any additional transaction costs related to the refinancing of senior credit facility.

2012 OUTLOOK

During the first quarter, Tuckamore successfully completed its debt refinancing for both the senior debt facility and the convertible debentures. The disposition of four investments reduced debt and the strategic acquisitions of the remaining minority interests of the Quantum Murray and Golosky Energy Services has positioned Tuckamore for a year of stability and potential growth if the economy continues to improve.

At ClearStream, the projected global capital investment in the oilsands and the conventional oil and gas sectors should translate into additional project and maintenance work. The Wear and Fabrication divisions have signed new projects and more bidding opportunities for large multi-year projects have become available. The Oilsands and the Maintenance division expect a busy year as more service sites become available.

At Quantum Murray, 2012 is expected to be a solid year with mixed results on a divisional basis. The Remediation division is expecting good business volumes from government work tendered in British Columbia. In the Demolition division there will be a continuation of a few large projects that started in 2011 however increased competition may result in revenue levels not reaching 2011 levels. The Metals division is expecting a comparable year to 2011 with increased scrap volumes but potentially offset by lower scrap metal pricing.

In the marketing segment, the outlook is mixed with overall comparable results expected for 2012. At Gemma, the focus will be to diversify the client base and opportunities from new clients are encouraging. IC Group is anticipating a slightly improved year with a focus on stimulating its specialized insurance business and continued growth with existing clients as they move more lines of business to IC Group. Armstrong is anticipating a comparable year to 2011 with a focus on retaining a stable client base and maintaining margins in a competitive market.

Both Titan and Gusgo are anticipating slightly improved results in 2012. Gusgo is expecting to maintain its solid and stable client base with some volume increases from existing clients. At Titan there is optimism that revenues will increase with higher business volumes to construction and oil and gas contractors as these markets remain strong.

Corporate costs will be significantly reduced in 2012. A number of one-time costs, such as transactions from acquisition activity, costs related to the conversion to a corporation and IFRS transition costs will not recur in 2012. The refinancing of the senior credit facility will substantially decrease interest costs.

RISK FACTORS

An investment in shares of Tuckamore involves a number of risks. In addition to the other information contained in this MD&A and Tuckamore's other publicly filed disclosure documents, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this MD&A. Any of the matters highlighted in these risk factors could have a material adverse effect on Tuckamore's results of operations, business prospects or financial condition.

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

Please refer to the AIF dated March 30, 2012 for a discussion of Risk Factors particular to the Operating Partnerships and Tuckamore.

FAILURE TO REALIZE ANTICIPATED BENEFITS OF INVESTMENTS MADE

Tuckamore and a number of its Operating Partnerships may partner with additional entrepreneurs in the future. The ability to identify new partnership opportunities and to acquire an ownership interest in new partnerships at attractive prices is not guaranteed. Achieving the benefits of future acquisitions will depend in part on successfully consolidating functions and integrating operations, procedures and personnel of all of the partnerships in a timely and efficient manner. The integration of these future acquisitions will require the dedication of management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business and customer and employee relationships that may adversely affect Tuckamore or an Operating Partnership's ability to achieve the anticipated benefits of future acquisitions.

CONDITION OF CAPITAL MARKETS

While Tuckamore has successfully restructured its balance sheet, the majority of cash flow, and all asset sale proceeds, will be used to pay down debt. Tuckamore may in this process look to source a cheaper service of funding; there can be no assurance that this financing will be available when required or available on terms that are favourable to Tuckamore. This has the potential to slow down the repayment of debt.

DEPENDENCE ON KEY PERSONNEL

The success of Tuckamore and of each of its Operating Partnerships depends on their respective senior management teams and other key employees, including their ability to retain and attract skilled management and employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects of Tuckamore and its Operating Partnerships. In addition, growth plans may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Tuckamore and its Operating Partnerships may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that Tuckamore will be able to effectively manage its future business plan, and any failure to do so could have a material adverse effect on Tuckamore's business, financial condition, results of operations and future prospects.

General Economic Factors

Tuckamore's business and the business of each of our Operating Partnerships is subject to changes in general economic conditions including but not limited to, recessionary or inflationary trends, equity market levels, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence.

Limited Customer Bases

Some of the Operating Partnerships derive a significant portion of their revenues from a limited customer base. If one or more of the significant customers of an Operating Partnership were to cease doing business with the Operating Partnership, or significantly reduced or delayed its purchase of services, the financial condition and results of operations of such Operating Partnership could be materially adversely affected.

Environmental Legislation

Environmental matters are subject to regulation under a variety of federal, provincial, territorial, state and municipal laws relating to health and safety and the environment. Management believes that the Operating Partnerships are in material compliance with applicable environmental legislation, however regulation is subject to change and, accordingly, it is impossible to predict the cost of compliance with new laws or the effects that such changes would have on the Operating Partnerships or their future operations.

Management believes that the risk of non-compliance with environmental regulation is greatest for the Operating Partnerships in the Industrial and Other Segments.

Dependence on the Operating Partnerships

Tuckamore is entirely dependent on the operations and assets of the Operating Partnerships. The ability of Tuckamore to make interest payments or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness (including the Credit Facility). Tuckamore will not be making payments of dividends for the foreseeable future.

Leverage and Restrictive Covenants

The degree to which Tuckamore is leveraged could have important consequences to shareholders, including the following: (i) the ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) a material portion of Tuckamore's cash flow from operations may need to be dedicated to payment of the principal of and interest on indebtedness, thereby reducing funds available for future operations and to pay distributions; (iii) Tuckamore may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. Tuckamore's ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flows, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The ARCA contains restrictive covenants customary for credit facilities of this nature, including covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability to incur additional indebtedness, to pay dividends or make certain other payments, and to make additional acquisitions. In addition, the ARCA contains a number of financial covenants that require

Tuckamore to meet certain financial ratios and financial tests. A failure to comply with the obligations in the ARCA could result in an event of default that, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the ARCA were to be accelerated, there can be no assurance that the assets of Tuckamore would be sufficient to repay in full that indebtedness.

POTENTIAL SALES OF ADDITIONAL SHARES

Tuckamore may issue additional shares or securities exchangeable for or convertible into shares in the future. Such additional shares may be issued without the approval of shareholders. The shareholders will have no pre-emptive rights in connection with such additional issues. Additional issuance of shares will result in the dilution of the interests of shareholders.

INCOME TAX MATTERS

Although Tuckamore, NPH, the Operating Partnerships and their subsidiaries are of the view that all expenses to be claimed by them in the determination of their respective incomes under the Tax Act is reasonable and deductible in accordance with the applicable provisions of the Tax Act, and that the allocation of partnership income for purposes of the Tax Act to the holders of LP Units and the Commercial Trust is reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that CRA will agree with the expenses claimed or such allocation of partnership income. If CRA successfully challenges the deductibility of such expenses or the allocation of such income, NPH's allocation of taxable income to Tuckamore, and taxable income of the Operating Partnerships and their subsidiaries, may change.

Elections have been made under the Tax Act such that the transactions under which NPH acquires its interest in the Operating Partnerships may be effected on a tax-deferred basis. The adjusted cost base of any property transferred to an Operating Partnership pursuant to such agreements may be less than its fair market value, such that a gain may be realized on the future sale of the property.

The acquisitions of Operating Partnerships involved various structuring events to complete the transactions in a tax effective manner. These transactions involved interpretations of the Tax Act which could, if interpreted differently, result in additional tax liabilities.

SHOT-GUN BUY-SELL RIGHTS

Certain of the limited partnership agreements of the Operating Partnerships contain shot-gun buy-sell provisions. The purpose of the shot-gun buy-sell provisions is to provide the parties with a recognized mechanism for solving any fundamental disputes which may develop. If one of the limited partners of the applicable Operating Partnership, other than NPH, initiates a shot-gun buy-sell, the general partner of NPH will have to decide whether to buy at the offered price, in which case monies may have to be raised, or to sell at the offered price, in which case NPH will receive the proceeds of sale, and will use such proceeds to pay down debt. There is no assurance that NPH will decide to buy at the offered price or that NPH will have sufficient funds to buy at the offered price. Any decision of NPH not to buy at the offered price or its inability to buy at the offered price may have a negative impact on Tuckamore. Any purchase or sale by NPH pursuant to such shot-gun buy-sell provisions will require consent of the lenders under the Credit Facility. No assurance can be given that such consent will be obtained on acceptable terms or at all should NPH decide that it wishes to sell under such shot-gun buy-sell provisions.

Unpredictability and Volatility of Share Price

A publicly traded holding company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the shares will trade cannot be predicted. The market price of the shares could be subject to significant fluctuations in response to variations in quarterly operating results, and other factors. The annual yield on the shares as compared to the annual yield on other financial instruments may also influence the price of the shares in the public trading markets. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the shares.

Restrictions on potential growth

The use of operating cash flow to reduce debt will make additional capital and operating expenditures somewhat dependent on increased cash flow. Lack of those funds could limit the future growth of the Operating Partnerships and their cash flow.

Prior Ranking Indebtedness

The Debentures will be subordinate to all senior indebtedness. The payment of the principal premium (if any) and interest on the Debentures will be subordinated to senior indebtedness of Tuckamore.

Market Value Fluctuation

Prevailing interest rates will affect the market value of the Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Dilutive Effects on Holders of Shares

Tuckamore may issue shares as repayment of the Unsecured Convertible Debentures. Accordingly, holders of shares may suffer dilution.

Labour

The success of Tuckamore depends on the ability of the Operating Partnerships to maintain their respective productivity and profitability. The productivity and profitability of the Operating Partnerships may be limited by their ability to employ, train and retain the skilled personnel necessary to meet their respective requirements. None of the Operating Partnerships can be certain that they will be able to maintain the adequate skilled labour force necessary to operate efficiently and to support their growth strategies. As well, none of the Operating Partnerships can be certain that their labour expenses will not increase as a result of shortage in the supply of these skilled personnel. Labour shortages or increased labour costs could impair the ability of an Operating Partnership to maintain or grow its respective Operating Partnership.

Regulation

Tuckamore and its Operating Partnerships are subject to a variety of federal, provincial and local laws, regulations, and guidelines and may become subject to additional laws, regulations and guidelines in the future, particularly as

a result of acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on Tuckamore and its Operating Partnerships' business, financial condition, results of operations and cash flows. Although such expenditures historically have not been material, such laws and regulations are subject to change. Accordingly, it is impossible for Tuckamore or the Operating Partnerships to predict the cost or impact of such laws and regulations on their respective future operations.

COMPETITION

The businesses in which the Operating Partnerships operate are highly competitive. The Operating Partnerships often compete with companies that are much larger and have greater resources than the Operating Partnerships. There can be no assurance that Tuckamore and the Operating Partnerships will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

POTENTIAL UNKNOWN LIABILITIES

In connection with the prior formation of Operating Partnerships completed by NPH, there may be unknown liabilities assumed by NPH through its interests in the Operating Partnerships for which NPH may not be indemnified by the prior owner. The discovery of any material liabilities could have a material adverse effect on the business, financial condition, results of operations and future prospects of Tuckamore.

POTENTIAL FUTURE DEVELOPMENTS

Management of Tuckamore, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of Tuckamore's securities. Tuckamore's policy is not to publicly disclose the pursuit of a potential strategic opportunity or transaction unless and until a definitive binding agreement is reached. There can be no assurance that investors who buy or sell securities of Tuckamore are doing so at a time when Tuckamore is not pursuing a particular strategic opportunity or transaction, that when announced, would have a significant effect on the price of Tuckamore's securities.

DISCLOSURE CONTROLS & PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

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

Tuckamore's management, including its CEO and CFO, have evaluated the effectiveness of Tuckamore's disclosure controls and procedures as at December 31, 2011 and have concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by Tuckamore in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended. The CEO and CFO have certified the appropriateness of the financial disclosures in Tuckamore's filings for the year ended December 31, 2011 with securities regulators, including this MD&A and the accompanying audited consolidated financial statements and that they are responsible for the design of the disclosure controls and procedures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Tuckamore has conducted an analysis of the impact of IFRS on its internal controls over financial reporting to determine whether Tuckamore has appropriate controls over the transition process and the preparation of IFRS compliant financial statements. Given the Canadian GAAP/IFRS differences identified, the implementation of IFRS has not had a material impact over Tuckamore's internal controls over financial reporting. Minor modifications have been made to the control environment to ensure that all Canadian GAAP/IFRS adjustments are reflected and appropriate disclosures have been made.

There have been no changes in internal controls over financial reporting during the year ended December 31, 2011 that have materially affected or are reasonably likely to materially affect internal controls over financial reporting.

Due to the inherent limitations common to all control systems, management acknowledges that disclosure controls and procedures and internal control over financial reporting may not prevent or detect all misstatements. Accordingly, management's evaluation of our disclosure controls and procedures and internal control over financial reporting provide reasonable, not absolute, assurance that misstatements resulting from fraud or error will be detected.

ADDITIONAL INFORMATION

Additional information relating to Tuckamore including Tuckamore's AIF is on SEDAR at www.sedar.com or on our website www.tuckamore.ca

DEFINITIONS

"AIF" – means Annual Information Form;

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

"Brompton" – means Brompton Corp., a corporation incorporated under the laws of Ontario;

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

"CEO" – means Chief Executive Officer;

"CICA" – means Canadian Institute of Chartered Accountants;

"ClearStream" – means ClearStream Energy Services (formerly known as "NPC Integrity Energy Services Limited Partnership"), a limited partnership formed under the laws of Alberta;

"Convertible Debentures" – means collectively the two series of unsecured, subordinated, convertible debentures of Tuckamore, due December 31, 2010 and December 31, 2012, respectively;

"Debentures" – means collectively the Secured and Unsecured Debentures of Tuckamore, due March 23, 2016 and March 23, 2014

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

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

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

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

"IFRS" – means International Financial Reporting Standards;

"Lenders" – means the various persons from time to time acting as lenders under the Senior Credit Agreement;

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

"Marret" – means Marret Asset Management

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

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

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

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

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

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

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

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

"TSX" – means Toronto Stock Exchange

"Tuckamore" – means Tuckamore Capital Management Inc.