New Look Eyewear Inc.
(formerly Benvest New Look Income Fund)

Quarterly Report

First quarter ended
March 27,

2010

lunetterie NEWLOOK eyewear

Celebrating 25 years of vision in 2010

Message to Shareholders

lunetterie NEWLOOK eyewear

First quarter ended March 27, 2010

To our shareholders,

New Look Eyewear Inc. is the resulting corporation following the completion of the conversion of Benvest New Look Income Fund to a corporate structure effective March 2nd, 2010. The acquisition of Sonomax Hearing Healthcare and the conversion of the Fund into a corporation in the first quarter of 2010 was a major step forward for New Look, its management and shareholders. It removes the uncertainty resulting from the Federal government's announced change in laws re: income trusts in 2007 in a very positive fashion which we believe is already reflected in higher trading values for New look's common shares since early March.

Revenues achieved $17.3 million in the first quarter of 2010, an increase of 3.4% over the corresponding quarter of last year. While EBITDA (1) reached $2.5 million, the same as last year, net earnings were impacted by the one-time conversion costs of $0.8 million. Consequently, net earnings reached $0.7 million or $0.07 per share.

Another store was opened in March in Valleyfield, bringing the total number of stores to 64. The company has plans to open two additional stores over the next 12 months. Details of the operating and financial performance of New Look are set out in the financial statements and the Management Discussion and Analysis herein.

On May 11th, 2010, the Board of Directors approved the payment of a stub dividend of $0.05 On New Look's common shares to be paid on May 31st, 2010 to shareholders of record as of May 21st, 2010. It is expected that regular quarterly dividends will be paid starting August 2010, following the release of our results for the second quarter ending June 26th, 2010.

We continue to focus on our strategy of increasing our market share through generating more customer traffic in our stores, opening new stores, updating existing ones and making opportunistic acquisitions. Concurrently, we are actively adding to our team of independent optometrists, opticians and other professional staff. We also dedicate resources on projects aiming at improving operating efficiency and embracing the latest lens technology. We firmly believe that value added customer service forms a major part of our success.

W. John Bennett
Chairman
New Look Eyewear Inc.

Martial Gagné, CMA
President
New Look Eyewear Inc.

(1) EBITDA refers to consolidated earnings before interest income and expenses, income taxes, and amortization. It excludes any gain or loss on foreign currency translation (except if related to cost of goods sold), net gains or losses related to former portfolio investments, equity-based compensation, and the cost of conversion to a corporation. EBITDA is not a recognized measure under Canadian generally accepted accounting principles (GAAP) and may not be comparable to similar measures used by other entities. The Corporation believes that EBITDA is a useful financial metric as it assists in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA should not be construed as an alternative to net earnings or cash flows as determined under GAAP.

New Look Eyewear Inc.
(formerly Benvest New Look Income Fund)

Management's Discussion and Analysis

First quarter ended
March 27,

2010

lunetterie NEWLOOK eyewear

Celebrating 25 years of vision in 2010

In thousands of dollars, except per share and unit amounts

HIGHLIGHTS

On March 2, 2010, Benvest New Look Income Fund (the "Fund") was converted to a corporation named New Look Eyewear Inc. ("New Look"). For accounting purposes, New Look is the successor of the Fund. Highlights for the first quarter of 2010 compared to the first quarter of 2009 are as follows:

	2010	2009
Revenues from eye care	$17,312	$16,743
Growth rate	*3.4%*	
Comparable stores growth rate	*0.7%*	
EBITDA (a)	$2,524	$2,502
Growth rate	*0.9%*	
% of revenues	*14.6%*	
Cost of conversion to a corporation	$757	
Net earnings	$678	$1,305
Variance (b)	*(48.0%)*	
Net earnings per unit		
Basic and diluted (b)	$0.07	$0.13
Cash flows from operating activities	$2,963	$3,538
Capital expenditures(c)	$2,790	$1,965
Issuance of units	$123	$103
Increase (decrease) in interest-bearing debt(d) net of cash	($746)	$714
Cash distribution per unit (e)	$0.112	$0.163
Distributions, dividends and related taxes(e)	$1,076	$1,472
At end of period		
Total assets (f)	$49,060	$39,709
Interest-bearing debt, net of cash (g)	$11,462	$8,590
Number of stores	64	62

(a) Refer to the section EBITDA below for a definition and comments on EBITDA.

(b) The reduction in net earnings and net earnings per share compared to last year is attributable to the conversion costs to a corporation.

(c) Capital expenditures made in 2010 related mainly to the addition of a store and the Sonomax conversion transaction. The above amounts include expenditures financed through debt assumptions and balances of purchase price. Refer to the section *Liquidity* for a reconciliation of capital expenditures affecting the cash flows and total capital expenditures.

(d) Increase or decrease in net debt refers to the variation of long-term debt, including balances of purchase price of assets, short-term bank indebtedness, net of the variation in cash.

(e) The amounts of distributions and dividends shown in the table above refer to amounts declared in the period. The distribution has been paid monthly from the inception of the Fund in May 2005 to its conversion to a corporation in March 2010. The policy of New Look is to declare quarterly dividends beginning with May 2010.

(f) The increase in total assets over the last 12 months reflects, among others, the addition of two stores, the renovations of stores, and the Sonomax conversion transaction.

(g) The amount of long-term debt includes the portion repayable within one year.

BACKGROUND

Management's discussion and analysis ("MD&A") relates to the financial condition, results of operations and cash flows of New Look and its predecessor, the Fund, together with those of the former subsidiary, also named New Look Eyewear Inc., and a variable interest entity ("VIE"). The non-controlling interest referred to in the financial statements represent the share of the VIE in earnings and assets.

In this MD&A, unless the context requires more precision, a reference to New Look includes a reference to the former subsidiary of the Fund and to the new entity resulting from the conversion of the Fund to a corporation.

Conversion of the Fund to a corporation

The Fund was an unincorporated, open-ended limited trust established under the laws of the Province of Ontario by a declaration of trust dated March 15, 2005. The purpose of the Fund was to hold securities of the former New Look, a corporation involved in the eye care services industry in Canada. The Fund's units were traded on the Toronto Stock Exchange under the symbol BCI.UN.

New Look results from the conversion of the Fund to a corporation on March 2, 2010 pursuant to an arrangement governed by the *Canada Business Corporations Act*. The arrangement involved the Fund, its former subsidiary and Sonomax Hearing Healthcare Inc. ("Sonomax"). The arrangement was approved by the unitholders of the Fund and the holders of exchangeable shares of former New Look at a special meeting held on February 26, 2010 and it was subsequently sanctioned by the Québec Superior Court. In consequence of the arrangement, the new entity New Look carries on the eye care business previously operated by the Fund's subsidiary and distribution activities related to hearing protection devices.

Rationale and benefits of the conversion

In 2007, the Federal government introduced legislation regarding "specified investment flow-through trusts", such as the Fund, imposing new taxes on their distributions and other restrictions. These provisions are scheduled to take effect in 2011. At the same time, the income tax rules allow for the conversion of a trust to a corporation to be effected on a tax-deferred basis if completed prior to 2013. The Fund reviewed various options and came to the conclusion that converting back to a corporate structure prior to 2011 was the best alternative following these new rules.

In addition, for the past several years, New Look has been examining various opportunities for expanding its products and services through its retail network of optical stores and has been monitoring industry trends in Canada and internationally in this regard. As a result of these considerations, management initiated discussions with Sonomax, a company based in Montreal, who wanted to sell a portion of its distribution business in order to continue to execute its previously announced strategy of becoming a product development and licensing company. On January 21, 2010, an arrangement agreement was signed with Sonomax to achieve the objective of converting back into a corporate structure while at the same time expanding New Look's products and services.

Key benefits for the Fund implementing the conversion include:

- Greater access to equity capital markets and widening of potential investor interest in New Look shares in light of the decreasing importance of the public business income trust market;

- Sonomax hearing healthcare assets and products are a complement to the current eyewear products and services sold through the New Look retail store network;
- The arrangement provided for an effective and efficient method to convert from an income trust to a corporation under existing legislation without adverse tax consequences to the Fund, the unitholders or the New Look exchangeable shareholders;
- The conversion has lead to a simplified and more efficient capital structure, as a result of the elimination of the exchangeable shares of New Look; and
- New Look has acquired future income tax assets.

Details of the conversion

The arrangement and subsequent operations resulted in the following:

- Each Fund unit and each exchangeable share of former New Look have been replaced by common shares of the new entity New Look on a one-for-one basis;
- The former trustees and management of the Fund (and former New Look) have become the directors and management of the new entity New Look;
- The new entity New Look hold the assets and business of former New Look and continues its operations; it also holds a license to distribute hearing protection devices with related inventory and furniture;
- The investment in Sonomax has represented $1,740, of which $1,566 was paid cash, the balance of $174 being in the form of preferred shares redeemable over the next two years;
- The common shares of the new entity New Look are listed on the Toronto Stock Exchange under the symbol BCI. Following the conversion, there has been no dilution in the number of shares from the number of units and exchangeable shares outstanding immediately prior to the conversion and no change in the respective interest of unitholders of the Fund and shareholders of former New Look;
- Options to purchase Fund units have been replaced by options to purchase shares of the new entity New Look under the same conditions as those existing under the Fund option plan;
- For accounting purposes, the new entity New Look is considered the continuity of the Fund, the carrying value of the Fund's assets and liabilities has become the carrying value of the new entity New Look.

In conjunction with the reorganization, the Fund's policy to make monthly distributions has been replaced by New Look's policy to make quarterly dividends. The initial quarterly rate is expected to be $0.15 ($0.60 per annum) subject to New Look's ongoing operating results, optical market conditions in which it is operating and other factors normally associated with the declaration of dividends by a corporation. These dividends will be eligible for dividend tax credits for individuals residing in Canada. In 2009, only approximately 36% of the Fund's distributions qualified for dividend tax treatment. A "stub" dividend covering the period from March 3, 2010 to March 27, 2010, in the amount of $0.05, will be paid on May 31, 2010 to shareholders of record on May 21, 2010.

Details of the arrangement are set out in the Information Circular dated January 29, 2010 filed by the Fund through the SEDAR system at www.sedar.com. The circular is also available on New Look's website at www.newlook.ca.

General information

This MD&A provides prospective data, comments and analysis wherever appropriate to assist readers in viewing the business from a corporate management's point of view.

All financial information reflected herein is expressed in Canadian dollars (unless otherwise indicated) and determined on the basis of Canadian generally accepted accounting principles ("GAAP"). You should read the following discussion and analysis together with the interim consolidated financial statements for the period ended March 27, 2010 and with the December 31, 2009 year-end audited consolidated financial statements of the Fund.

Additional information relating to the Fund and New Look can be found on the website www.newlook.ca. Fund's and New Look's continuous disclosure materials, including the annual and quarterly MD&A, annual and quarterly financial statements, the December 31, 2009 year-end audited consolidated financial statements of the Fund, annual information forms, proxy solicitation and information circulars and various press releases issued by the Fund and New Look are also available directly through the SEDAR system at www.sedar.com.

OUR BUSINESS

New Look is a leading provider of eye care products and services in Eastern Canada. As of March 27, 2010, its network consisted of 64 eye care stores: 57 are located in major cities in the Province of Québec and seven serve the Ottawa, Ontario region. New Look operates a complete eyewear transformation laboratory which is located in Ville St-Laurent, Québec.

New Look sells its products and services through its corporate-owned retail stores.

APPROVAL OF THE FINANCIAL STATEMENTS

New Look's interim consolidated financial statements for the period ended March 27, 2010 have been approved by the Board of Directors upon recommendation of the Audit Committee.

ACCOUNTING POLICIES

The interim consolidated financial statements of New Look for the period ended March 27, 2010 are consistent with the policies and methods of application outlined in the audited consolidated financial statements of the Fund for the year ended December 31, 2009 with the exceptions described below.

Business combinations and presentation of consolidated financial statements

New Look has early adopted, beginning with the 2010 fiscal year, the new standard related to business combinations which will be compulsory in 2011 with the adoption of the international financial reporting standards ("IFRS") and which will anyway apply retrospectively to 2010. Management has determined that the main impact of this new standard is the expensing of acquisition costs in the periods they are incurred instead of being capitalized as part of the cost of the acquisition.

In conjunction with the early adoption of this new standard, New Look also had to early adopt the new presentation of consolidated financial statements. For this reason, the non-controlling interest on the balance sheet has been reclassified from the liabilities to the equity and the statement of earnings now shows an attribution of net earnings between the shareholders and non-controlling interest rather than deducting the non-controlling interest to arrive to net earnings.

New accounting periods

The new entity New Look has adopted the accounting periods already in use by former New Look, i.e. the last Saturday of March, June, September and December. Hence the 2010 fiscal year will end December 25, 2010, each quarter having 91 days. Although the Fund used calendar-based periods, the comparative figures in the statement of earnings and the related notes actually reflect the activities of former New Look, which were reported on the basis of its accounting periods.

FUTURE ACCOUNTING STANDARDS AND POLICIES

Changeover plan to International Financial Reporting Standards

In October 2009, the Accounting Standards Board issued a third omnibus exposure draft entitled "Adopting IFRSs in Canada III" which confirms January 1, 2011 as the adoption date of IFRSs in Canada.

The Fund has established a plan in order to present its financial statements under IFRSs starting in 2011. Since the comparative figures will also have to be presented under IFRSs, the transition date to IFRSs will in fact be in the case of New Look December 26, 2009. The changeover plan, commenced in 2007, includes the following:

- Designation of a person specifically trained on IFRS who reports to the chief financial officer;
- Identification of key areas that may be impacted by the transition to IFRS;
- Impact analysis, i.e. specification of changes required to existing accounting policies, information systems and internal controls;
- Implementation of changes to accounting policies, information systems and internal controls, where necessary;
- Regular reporting to the Audit Committee;
- Preparation in 2010 of simulated IFRS financial statements in order to identify detailed requirements of the new standards.

Areas identified as requiring attention include the following:

- *Non-controlling interests.* The new IFRS requirements regarding non-controlling interest have in fact been early adopted in 2010. See *Accounting Policies* above.
- *Revaluation of property and equipment*. IFRSs permit the revaluation of such assets to fair value. At this time, management does not intend to adopt a policy of revaluating its assets at fair value, as these assets are mainly composed of leasehold improvements and equipment whose value declines with use and time.
- *Amortization of components of fixed assets*. IFRSs require amortizing fixed assets based on the useful life of its main components. Management sees no difficulty in applying this principle.
- *Impairment test for goodwill and intangible assets of indefinite life.* For the purpose of the impairment test for goodwill and intangible assets of indefinite life under Canadian GAAP, management considers all stores as a single reporting unit as all stores have similar economic characteristics. IFRSs require impairment tests of goodwill and intangible assets of indefinite life for each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the related business combination. Although the two approaches may produce different results, management does not expect at this time any impairment loss on goodwill and intangible assets of indefinite life.
- *Borrowing costs.* Borrowing costs are currently recorded as an expense in the period in which they accrue. Under IFRSs, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall form part of the cost of that asset; they cannot be expensed. A qualifying asset is an asset that necessarily takes a "substantial period of time" to get ready for its intended use or sale. Any of the following assets may be a qualifying asset: inventories, manufacturing plants, intangible assets, investment properties. As the time of construction of a new store is generally six weeks and the time of producing lenses is less than a week, management has taken the position that these periods are not substantial periods of time. Accordingly, management will not capitalize related borrowing costs.
- *Segmented information.* The current management's position under Canadian GAAP to consider all the activities of New Look as one reportable segment is maintained for the purpose of IFRSs.
- *Opening balance sheet as of January 1, 2010.* At this time, management expects no changes to the figures on the opening balance sheet as of January 1, 2010 that will have to be presented under IFRS as comparative data in the financial statements for 2011.
- *Format of the balance sheet.* The statement of financial position (balance sheet) under IFRS usually presents non-current assets before the current assets, non-current liabilities before the current liabilities, and equity before the liabilities. An entity may choose a different presentation. At this time, management intends to continue presenting the assets, the liabilities and the equity in the order currently in use in North America.
- *Statement of cash flows.* Interest expenses are currently presented as a reduction of cash flows from operating activities and distributions and dividends are presented as financing activities. IFRSs allow such transactions to be presented either as operating or financing activities, but they must belong to only one group of activities. Management intends to present interest, distributions and dividends paid as financing cash flows.
- *New statement of changes in equity.* IFRSs require the presentation of a statement of changes in equity. In fact, this new statement will only replace the statement of deficit and the notes regarding the variation of the carrying values of units, exchangeable shares and contributed surplus.
- *Statement of comprehensive income.* IFRSs require presenting an analysis of expenses recognized in profit or loss using a classification based on either their nature or their function, whichever provides information that is reliable and more relevant. At this time, management is inclined to use what IFRSs call the "function of expense" or "cost of sales" method, i.e. a classification according to the function of expenses as part of cost of sales or, for example, the costs of administrative activities. IFRSs also require an entity classifying expenses by function to disclose additional information on the nature of expenses, including amortization and employee benefits expense. Management foresees no difficulty in complying with these requirements.

In thousands of dollars, except per share and unit amounts

- *Leases.* Most leases to which New Look is a party (as lessee) are operating leases under Canadian GAAP. New Look is also a lessee under some capital leases (which are recorded as assets and liabilities) which will expire in 2010. Under IFRSs, leases will be classified as either operating leases or finance leases. At this time, management has concluded that the typical leases for the stores, the laboratory and administrative premises will continue to be treated as operating leases, whose presentation will be very similar to the current presentation.
- *Provisions as liabilities.* IFRS is viewed as having a lower threshold than Canadian GAAP to recognize a provision as a liability. Management continues to investigate the impact, if any, of this lower threshold.
- *Share-based payments.* This topic includes compensation in the form of options granted to employees as New Look does. In accounting for the fair value of such options vesting at different dates, IFRSs require to deal with each "instalment" as a separate transaction and value it independently. Under Canadian GAAP, an entity can elect to pool such options and determine the fair value using the average life of the options. Management believes that such a change will not have a significant impact on the statement of earnings and the balance sheet.
- *Earnings per unit.* Management has concluded that the calculation of earnings per unit, basic and diluted, will be the same under IFRSs as under the Canadian GAAP
- *Exemptions from full retrospective application of IFRSs.* For practical reasons, management intends to elect the following optional exemptions from full retrospective application:
    - o Business combinations completed prior to January 1, 2010 will not be revaluated;
    - o Share-based payments (i.e. options granted in the case of the Fund) vested prior to January 1, 2010 will not be revaluated.

Overall at this time, management does not expect any significant changes to the calculation of net earnings. Cash flows from operations will generally show a higher amount due to the reclassification of interest expense to the financing activities.

RESULTS OF OPERATIONS

Revenues from eye care

Revenues from eye care operations for the first quarter of 2010 increased by 3.4% to $17.3 million, compared to the first quarter of 2009. Of that increase, 0.7% was due to the increase in comparable store revenues, the difference being attributable to the addition of two stores in the beginning of 2009. Comparable stores are those opened before 2009.

Comparable store revenues increased thanks to a higher average selling price compared to the first quarter of 2009.

Cost of sales

The cost of sales can be summarized as follows:

	2010 $	2009 $
Amounts included in cost of materials, direct labour, selling and administration expenses	7,734	7,353
% of revenues	*44.7%*	*43.9%*
Amounts included in amortization	218	334
	7,952	7,687

The main items of inventory used and reflected in the cost of sales are frames, lenses and production supplies. Gains and losses on foreign exchange related to goods sold are included in the cost of sales. The cost of sales also comprises operating expenses related to the laboratory and the distribution centre as well as the cost of professional services required for the purpose of producing lenses and adjusting the eyewear to the needs of customers. Amortization related to the assets used for these purposes is also allocated to cost of sales.

The ratio of cost of materials, direct labour and operating expenses to revenues increased in the first quarter of 2010 compared to last year. The increase was mostly attributable to higher costs of professional services required in the process of producing lenses and adjusting eyewear to the needs of customers.

The amortization component of cost of sales was approximately the same in both quarters.

Other operating expenses

Other operating expenses include occupancy costs, selling and general expenses of stores, as well as marketing and administration expenses. These expenses increased by $166 compared to last year but they nevertheless decreased by 0.4 percentage point when measured by reference to revenues. The dollar amount increase is mainly attributable to salaries.

EBITDA

New Look defines EBITDA as earnings before financial expenses, net of interest revenues, income taxes, and amortization. It also excludes any gain or loss on foreign currency translation (except if related to cost of sales), gains and losses related to former portfolio investments, equity-based compensation, and the cost of conversion to a corporation.

EBITDA is not a recognized measure under Canadian generally accepted accounting principles ("GAAP") and may not be comparable to similar measures used by other entities. New Look believes that EBITDA is a useful financial metric as it assists in determining the ability to generate cash from operations.

In thousands of dollars, except per share and unit amounts

Investors should be cautioned that EBITDA should not be construed as an alternative to net earnings or cash flows as determined under GAAP. The reconciling items between net earnings and EBITDA are as follows:

	2010 $	2009 $
Net earnings	685	1,312
Amortization	821	730
Financial expenses, net of interest revenues	77	133
Equity-based compensation	7	28
Loss (gain) on foreign exchange	7	(27)
Cost of conversion to a corporation	757	
Income taxes	170	326
EBITDA	2,524	2,502
Growth in $	*22*	
Growth in %	*0.9%*	
% of revenues	*14.6%*	*14.9%*

The ratio of EBITDA to revenues decreased by 0.3 percentage points compared to last year due to higher costs such as the cost of professional services used for the purpose of producing lenses, fixed operating expenses of certain stores not having reached maturity, and general increase in salaries.

Amortization

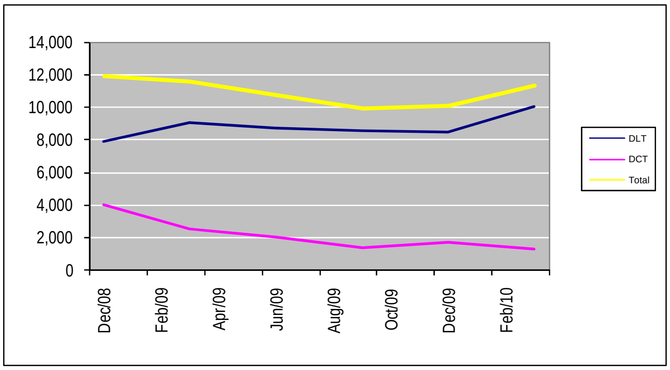
Amortization expenses increased from $730 to $821. This reflects the continuous addition of stores and renovations to existing stores as well as addition of equipment in the laboratory and in stores. The increase in the amortization expenses is also attributable to intangible assets, such as customer relationships and non-competition agreements, acquired through a business acquisition in 2009. These assets have been considered as having a definite duration and consequently have been amortized.

Financial expenses, net of interest revenues

The following table provides the main elements of financial expenses along with interest revenues for the first quarters of 2010 and 2009:

	2010 $	2009 $
Interest on long-term debt	65	100
Interest on bank indebtedness and other interest	(4)	25
Financing fees	17	11
Interest revenues	(1)	(3)
	77	133

The following graph shows the balances of long-term debt ("LTD") and short-term bank indebtedness ("STD"), and the total of both since December 2008:



The total interest charge decreased in the first quarter of 2010 compared to last year for two reasons. First, the average total debt decreased from $11.8 million to $10.7 million and second, the interest rate was lower. As 87% of the debt bore interest at a floating rate, New Look benefited from the decrease in the prime rate and in the cost of bankers' acceptances that New Look has used since April 2009. As an illustration, New Look could finance its "Evergreen" debt at an effective cost of 2.26% per annum in the first quarter of 2010 while the prime rate averaged 2.6% in the first quarter of 2009.

Financing fees relate mainly to standby fees and accrued fees for the revision of the credit facilities. Interest revenues were not significant since cash generated by the operations was invested in capital expenditures, distributed, or used to repay debt.

Gain and loss on foreign currency translation

Gains and losses on foreign currency translation are due to the fluctuation of the US dollar and euro vis-à-vis the Canadian dollar on assets and liabilities denominated in these currencies and on foreign exchange contracts. The main elements of these assets and liabilities as of March 27, 2010 were as follows:

Cash	USD	203
Accounts payable	USD	550
Forward exchange contracts (liabilities)	CAD	50

Gains and losses related to costs of goods sold are reflected in the cost of sales; the net loss amounted to $16 for the first quarter of 2010. Other gains or losses are shown separately on the statement of earnings; the net loss of $7 was immaterial for this quarter.

In the beginning of 2009, management established a policy aimed at covering approximately 50% of the purchases in US dollars forecast for the next 12 months through the use of foreign exchange contracts. As of March 27, 2010, foreign exchange contracts to purchase US $1,425 at an average rate of 1.10 were outstanding, while the spot rate was 1.03. As hedge accounting is not utilized, changes in fair value of exchange contracts are recognized in earnings.

Costs of conversion to a corporation

The costs of conversion of the Fund to a corporation relates mainly to legal fees for the preparation of the lengthy and complex documentation concerning the plan of arrangement and the various reorganization steps. They also include fees from the Toronto Stock Exchange, accounting fees, printing costs, and liability insurance covering former acts related to the Fund. They are currently estimated at $757.

In thousands of dollars, except per share and unit amounts

Income taxes

The Fund was a mutual fund trust as defined under the *Income Tax Act* (Canada) and as a result, was not subject to taxation on its income to the extent that it was distributed to unitholders. Since all of its income has been distributed, the Fund has had no taxable income since its inception in 2005 up to its conversion to a corporation on March 2, 2010.

The income tax expense relates essentially to former New Look or the new entity New Look. The main change since March 2, 2010 is that former New Look could deduct the interest paid to the Fund in the calculation of its income for tax purposes. This deduction is no longer available to the new entity.

On a consolidated basis, the average tax expense for the first quarter of 2010 represented 20% of earnings before income taxes, the same as for 2009. It is expected that this percentage will decrease during the rest of the year as a greater amount of amortization of the deferred credit will be recorded to reflect the use of the carried-forward losses.

Net earnings

Net earnings before income taxes for the first quarter of 2010 would have been approximately the same as for the first quarter of 2009, were it not for the costs of conversion to a corporation. Due to these non-recurrent expenses, net earnings per share (basic and diluted) were down to $0.07 per share compared to $0.13 per unit in the first quarter of 2009. It must be reminded that the conversion to a corporation has not caused any dilution of capital, since previous Fund units and exchangeable shares of former New Look have been exchanged for common shares of the new entity on a one-for-one basis.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes unaudited quarterly consolidated results for the 12-month period ended March 27, 2010, compared with the corresponding quarters of the previous 12-month period ended March 31, 2009.

	June		September		December		March		12 months	
	2009	2008	2009	2008	2009	2008	2010	2009	2010	2009
Revenues from eye care	18,144	16,884	16,446	16,211	17,625	14,468	17,312	16,743	69,527	64,306
As a % of annual revenues from eye care	*26%*	*26%*	*24%*	*25%*	*25%*	*23%*	*25%*	*26%*	*100%*	*100%*
EBITDA	3,337	2,995	2,188	2,896	2,939	1,738	2,524	2,502	10,988	10,131
As a % of revenues from eye care	*18.4%*	*17.7%*	*13.3%*	*17.9%*	*16.7%*	*12.0%*	*14.6%*	*14.9%*	*15.8%*	*14.9%*
Gain (loss) on foreign exchange	(136)		(115)	3	12	26	(7)	27	(246)	56
Net earnings	1,732	1,594	824	1,429	1,556	936	678	1,305	4,790	5,264
Net earnings per share or unit[(a)]										
Basic	0.17	0.16	0.08	0.15	0.16	0.10	0.07	0.13	0.48	0.54
Diluted	0.17	0.15	0.08	0.14	0.16	0.09	0.07	0.13	0.48	0.51
Distribution per unit [(b)]	0.163	0.156	0.163	0.161	0.163	0.163	0.112	0.163	0.601	0.643

(a) Net earnings per unit or share for 12 months may not correspond to the total of quarterly net earnings per unit or share, as a distinct calculation is made for each quarter or 12-month period.

(b) The distributions declared in the first quarter of 2010 cover the period from January 1 to March 2, 2010, i.e. the date of conversion to a corporation. A dividend of $0.05 per share covering the period beginning from March 3 to March 21, 2010 was declared on May 13, 2010.

This table shows that revenues increased each quarter compared with the corresponding quarter of the previous 12-month period. Total EBITDA increased by $857 and net earnings decreased by $467, partly due to the non-recurring costs of $757 for the conversion of the Fund to a corporation recorded in the first quarter of 2010.

In thousands of dollars, except per share and unit amounts

LIQUIDITY

The following table shows the main elements of the statement of cash flows for the first quarter of 2010 compared with the first quarter of 2009:

	2010	2009
	$	$
Operating activities	1,677	2,358
Change in non-cash working capital items	1,286	1,180
Cash flows from operations	2,963	3,538
Investing		
Property, equipment and intangibles	(1,050)	(1,007)
Business transactions	(1,566)	(200)
Payment of balances of purchase price	(232)	
Financing		
Variation in bank indebtedness	(380)	(1,494)
Borrowings	1,700	1,000
Repayment of long-term debt	(89)	(552)
Lease inducements	45	90
Issuance of units	123	103
Distributions and dividends paid	(1,556)	(1,432)
Current taxes related to dividends paid	(185)	(246)
Increase in cash	(227)	(200)
Cash at beginning of period	839	478
Cash at end of period	612	278

Cash flows from operations

Cash generated from operating activities before changes in non-cash working capital items decreased in the first quarter of 2010 by $681 compared to last year. This essentially reflects the non-recurrent additional costs caused by the conversion of the Fund to a corporation. However cash of $1.3 million was generated in the first quarter of 2010 by the variation of the following working capital items:

	$
Increase in accounts receivable	(36)
Decrease in income taxes and tax credits receivable	146
Increase in inventory	(206)
Increase of prepaid expenses	(136)
Increase in accounts payable and accrued liabilities	1,493
Decrease in income taxes payable	25
Increase in cash	1,286

Increase in inventory during the quarter was caused by the opening of a new store and normal seasonal variation. The increase in accounts payable and accrued liabilities comprises an increase in customers' deposits related to orders in progress and additional payables attributable to the conversion of the Fund to a corporation.

Investing activities

Investing activities in the first quarter of 2010 related mainly to the reorganization with Sonomax, the addition of a store in Valleyfield, the addition of back-up equipment in the laboratory, and the continuous renewal of part of IT equipment.

The reorganization with Sonomax not only resulted in the Fund being converted to a corporation but it also involved the acquisition of a licence to distribute hearing protection devices along with inventory, furniture, and future income tax assets. The investment of $1,740 was paid in cash except for $174, which took the form of preferred shares redeemable over the next two years subject to an escrow agreement to assure the respect of certain guarantee.

The following table reconciles the investments in long-term assets and their financing:

	2010	2009
	$	$
Purchase of property and equipment	1,030	1,007
Sonomax transaction, net of deferred credit	1,740	
Assets acquired through business acquisitions, net of cash		1,281
Purchase of intangibles	20	
	2,790	2,288
Debt assumptions		448
Balances of purchase price	174	633
Paid, as per cash flow statement	2,848	1,207
Less payments attributable to previous year's investment	(232)	
Total capital expenditures	2,790	2,288

Financing activities

In the first quarter of 2010, New Look borrowed $1.7 million under the "Evergreen" credit facilities and repaid $380 on the short-term bank indebtedness. Previous use of the short-term bank indebtedness was essentially caused by capital expenditures and the borrowing in 2010 was essentially related with the reorganization with Sonomax.

Regular repayments on the long-term debt were made as scheduled.

Most new leases provide for the payment of inducements by the landlords to New Look. These inducements represented a source of cash of $45 in the first quarter of 2010.

Issuance of units to directors and executives who exercised options under the option plan represented cash receipts of $123 in the first quarter of 2010.

Increase in long-term debt also included amounts not received in cash, i.e. the balance payable in the amount of $174 related to the reorganization with Sonomax. Although this balance is in the form of preferred shares, it is treated as a debt for accounting purposes, since it is expected that the amount will be redeemed over the next two years

The amounts paid as distributions and dividends in the first quarter of 2010 covered the amounts declared for the month of December 2009 and the period from January 1, 2010 to March 2, 2010. The amounts declared were based on an annual distribution of $0.65 per unit, the same basis which was used for the distributions and dividends paid in the first quarter of 2009. The total amount paid in 2010 is higher than the total amount paid in 2009 due to the increase in the number of units following the exercise of options.

In thousands of dollars, except per share and unit amounts

Tax related to dividends on exchangeable shares

Dividends on exchangeable shares were subject to a special 50% tax under Part VI.1 of the Income Tax Act (Canada). This tax is sometimes described as an "advance corporation tax" as it causes to a large extent a reduction of the corporate income tax, whether current or future. For the first quarter of 2010, the current portion of the tax not offset by a corresponding reduction in current income tax expense was estimated at $185. This amount increases future income tax assets as it is expected it will reduce future income tax, except for an amount of $16 which will not be recovered and consequently is recorded as an addition to the deficit. Part VI.1 tax will not apply to dividends on common shares.

Credit facilities

Under the credit facilities existing as of March 27, 2010, New Look has an authorized operating line of credit of $4 million to finance day-to-day operations and an "Evergreen" credit totalling $12 million to finance long-term assets, of which the first tranche of $10 million has a revolving period that ended December 31, 2009. The credit facilities are being renegotiated with the bank following the filing of the 2009 audited financial statements of the Fund.

As of March 27, 2010, all advances under the Evergreen credit were financed through bankers' acceptances with an effective interest rate, including the stamping fees, of 2.26%.

Management intends to use fixed rate of interest on a portion of the revolving credit line in order to mitigate the risk related to floating interest rates.

As of March 27, 2010, the credit facilities used and available were as follows:

	$
Credit used	
Amounts drawn on the operating line of credit	1,280
Amounts drawn on the revolving line of credit to finance long-term assets	8,995
Credit available	2,161
Total credit facilities	12,436

Distributable cash

The Fund used to calculate and present its distributable cash based on recommendations contained in a guidance of the Canadian Institute of Chartered Accountants named *Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities.* Management considers that in light of the conversion of the Fund to a corporation, it is no longer appropriate to report such distributable cash. Management will determine the capacity of New Look to pay dividends by an analysis of past and forecast cash flows, bank line of credit covenant ratios, earnings per share and other ratios such as debt / total capitalization ratio.

Capacity to meet obligations

Cash flows from operations and the credit facilities are expected to be sufficient to meet operating requirements, maintenance capital expenditures, expansion capital expenditures, reimbursement of long-term debts, as well as anticipated dividends.

The balance sheet as of December 31, 2009 shows that the working capital, excluding cash, bank indebtedness and the instalments on long-term debt, is a positive amount. There is a small shortage at the end of March 2010, due to the recording of non-recurrent expenses related to the conversion of the Fund to a corporation.

	March 2010	Dec 2009
	$	$
Receivables	949	913
Income taxes and tax credits receivable		146
Inventory	7,652	7,416
Prepaid expenses	495	359
	9,096	8,834
Accounts payable and accrued liabilities	9,063	7,570
Distributions and dividends payable		496
Income taxes payable	117	92
	9,180	8,158
Net amount	(84)	676
Ratio	1.0	1.1

Considering that most sales are fully paid on delivery of eyewear, management believes that the ratios above are satisfactory.

New Look constantly maintains and updates both its store and production facilities. Out of the 64 stores at March 27, 2010, 61 were renovated or constructed over the last six years.

FINANCIAL RISK MANAGEMENT

Details of financial risk management objectives and policies are described under Note 27 to the consolidated financial statements for 2009.

Exchange risk related to assets and liabilities denominated in foreign currencies is commented above in the section *Gain and loss on foreign currency translation.* Regarding purchases of goods in foreign currencies, New Look is subject to the fluctuations of the US dollar and euro vis-à-vis the Canadian dollar. New Look may not always be in a position to adjust the sales price reflecting a variation in costs. In the beginning of 2009, management has established a policy covering approximately 50% of the purchases in US dollars forecast for the next 12 months through the use of foreign exchange contracts. Although the result has not been profitable up to March 27, 2010, the spot rate having been lower than the contractual rate, management maintains its policy on foreign exchange.

Most part of the long-term debt bears a variable interest rate which has been profitable to New Look. The credit facilities allow New Look to use interest rate swap instruments when management will see it appropriate. New Look also has an agreement with its bank allowing the company to borrow through bankers' acceptances. The long-term debt to the bank is currently financed through bankers' acceptances at an effective rate of 2.26%, which is favourable to New Look.

Credit risk is not really an issue since the general policy is to require a down payment on accepting orders and payment of the balance of the sale price on delivery of goods.

The liquidity risk management is covered above in the section *Liquidity*.

DISTRIBUTIONS AND DIVIDENDS

On March 19, 2010, the Fund made a final distribution to unitholders of record on February 28, 2010 on a pro rata basis for the number of days in the period from February 1 to March 2, 2010 calculated on a yearly basis of $0.65 per unit. A corresponding dividend was also paid on the exchangeable shares of New Look.

Following its conversion to a corporation, New Look will now make quarterly dividend payments. The first dividend will be paid on May 31, 2010 to shareholders of record on May 21, 2010 for the stub period from March 3 to March 27, 2010.

Individuals residing in Canada benefit from dividend tax credits on the whole amount of the dividend received while the dividend content of the former distribution approximated 36%. Expressed otherwise, the net receipt of a dividend of $0.60 will often exceed the net receipt of a distribution of $0.65 for individuals holding their shares outside their registered retirement savings plan or tax free savings account.

The dividends declared on exchangeable shares in 2009 totalled $0.51 per unit. Former holders of exchangeable shares will of course benefit from the announced rate of $0.60 per unit.

OUTSTANDING SHARES AND OPTIONS

As of March 27, 2010, New Look had 10,023,732 Class A common shares outstanding. These are the only shares giving rise to dividends and to vote at any shareholders' meeting. These shares have been issued in exchange of the Fund units and the exchangeable shares of former New Look on a one-for-one basis.

As of March 27, 2010, New Look also had 174,000 Class A preferred shares issued and outstanding. These shares have been issued pursuant to the arrangement completed on March 2, 2010. They are redeemable at $1 each over the next 24 months. Their holders have no right to dividend and no right to vote. For accounting purposes, the preferred shares are treated as a liability.

On March 2, 2010, each Fund option has been exchanged for an option to purchase shares of New Look. As of March 27, 2010 there were 568,467 options outstanding for an average exercise price of $6.60. The exercise price is equal to the market value on grant date. All outstanding options will expire five years after the grant date. The maximum number of units issuable upon the exercise of options at any given time is 10% of shares outstanding. During the first quarter of 2010, 35,000 options to purchase units were exercised for an average price of $3.51.

Normal course issuer bid

The normal course issuer bid implemented in April 2009 expired April 30, 2010. This plan allowed the Fund and, after the conversion, New Look to repurchase its units or shares. For the time being, management does not see fit to renew this plan, as there has been no repurchase of units or shares over the last four months.

CONTROLS AND PROCEDURES

Management is responsible for the design of internal control over financial reporting within New Look in order to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with Canadian GAAP. Management has evaluated that there were no change in its internal controls over financial reporting during the quarter ended March 27, 2010 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

OUTLOOK

We continuously endeavour to adapt new technologies in our laboratory in order to improve quality and productivity, and offer value-added products and services. New commitments have been made to add new equipment in the laboratory over the next five years.

New Look continues to focus on its development. In March 2010, the company opened a new store in Valleyfield. It currently has commitments to add three other stores, including one by business acquisition. The relocation of the store in St-Georges, Québec, is also scheduled. Therefore, most of the New Look stores will have been added or renovated over the last six years. Keeping our stores modern and attractive is part of our value chain. Our continued expansion plans include the development, by way of acquisitions, of the store network into smaller Québec markets where the offer of optical services and products can be enhanced. Such plans also include increasing our market share in existing stores in both the Québec and Ottawa markets as well as introducing hearing protection devices in some stores.

Overall capital expenditures and increase in inventory budgeted for 2010 exceed $7.6 million.

The amalgamation with Sonomax in March 2010 not only gives New Look the opportunity to add new products and services in certain stores, it also allows New Look to contemplate a quarterly dividend based on an annual amount of $0.60 per share.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This report contains "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. Although management believes the expectations reflected in those statements are reasonable, there can be no assurance that such expectations will prove to be correct.

May 11th, 2010

New Look Eyewear Inc.
(formerly Benvest New Look Income Fund)

Consolidated Financial Statements

First quarter ended
March 27,

2010

lunetterie
NEWLOOK
eyewear

Celebrating 25 years of vision in 2010

Consolidated Earnings, Comprehensive Income and Deficit

Lunetterie NEWLOOK eyewear

In thousands of dollars, except per share and unit amounts
Unaudited

Consolidated Earnings and Comprehensive Income

	13 weeks ended March 27, 2010	Three months ended March 31, 2009
	$	$
Revenues from eye care	17,312	16,743
Cost of materials, direct labour, operating, selling and administration expenses	14,788	14,241
Earnings before the undernoted items	2,524	2,502
Amortization	821	730
Financial expenses, net of interest revenues (Note 4)	77	133
Equity-based compensation expense	7	28
	905	891
Earnings before the following items	1,619	1,611
Net gain (net loss) on foreign currency translation (Note 5)	(7)	27
Cost of conversion to a corporation	(757)	
Earnings before income taxes and non-controlling interest	855	1,638
Income taxes (Note 11)	170	326
Net earnings and comprehensive income	685	1,312
Net earnings and comprehensive income attributed to:		
Non-controlling interest	7	7
Shareholders / Unitholders	678	1,305
	685	1,312
See Notes 4 and 5 for other information on consolidated earnings		
Net earnings per share or unit (Note 15)		
Basic and diluted	0.07	0.13

Consolidated Deficit

	2010	2009
	$	$
Balance, beginning of period	(6,335)	(5,580)
Net earnings	678	1,305
Distributions to unitholders	(689)	(959)
Dividends and related taxes (Note 12)	(387)	(513)
Balance, end of period	(6,733)	(5,747)

The accompanying notes are an integral part of the consolidated financial statements

Consolidated Cash Flows

In thousands of dollars
Unaudited

	13 weeks ended March 27, 2010	Three months ended March 31, 2009
	$	$
OPERATING ACTIVITIES		
Net earnings	685	1,312
Items not affecting cash:		
Amortization	821	730
Amortization of deferred lease inducements and variation of deferred rent	(17)	10
Equity-based compensation expense	7	28
Accretion of non-interest bearing balance of purchase price	12	14
Future income tax expense (Note 15)	379	291
Amortization of deferred credit	(210)	
Gain on foreign currency translation related to long-term monetary assets and liabilities		(27)
Change in non-cash working capital items (Note 6)	1,286	1,180
Cash flows related to operating activities	2,963	3,538
INVESTING ACTIVITIES		
Purchase of property and equipment	(997)	(1,007)
Business transactions (Note 7)	(1,566)	(200)
Payment of balances of purchase price	(232)	
Acquisition of other intangible assets	(53)	
Cash flows related to investing activities	(2,848)	(1,207)
FINANCING ACTIVITIES		
Variation in bank indebtedness	(380)	(1,494)
Long-term borrowings	1,700	1,000
Repayment of long-term debt	(89)	(552)
Lease inducements	45	90
Issuance of units pursuant to exercise of options	123	103
Distributions and dividends paid	(1,556)	(1,432)
Current taxes related to dividends paid	(185)	(246)
Cash flows related to financing activities	(342)	(2,531)
Net decrease in cash	(227)	(200)
Cash, beginning of period	839	478
Cash, end of period	612	278

The accompanying notes are an integral part of the consolidated financial statements

Consolidated Balance Sheets

In thousands of dollars
Unaudited

	March 27, 2010 $	December 31, 2009 $
ASSETS		
Current assets		
Cash	612	839
Receivables	949	913
Income taxes and tax credits receivable		146
Inventory	7,652	7,416
Prepaid expenses	495	359
Total current assets	9,708	9,673
Advances	80	80
Property and equipment (Note 8)	17,612	17,336
Tradename	2,500	2,500
Goodwill	5,958	5,958
Future income taxes	9,296	
Other intangible assets (Note 9)	3,132	2,150
	48,286	37,697
LIABILITIES		
Current liabilities		
Bank indebtedness	1,280	1,660
Accounts payable and accrued liabilities	9,063	7,570
Distributions and dividends payable		496
Tax payable on dividends	117	92
Instalments on long-term debt (Note 10)	1,527	1,162
Total current liabilities	11,987	10,980
Long-term debt (Note 10)	8,521	7,321
Deferred lease inducements and deferred rent	2,683	2,655
Future income taxes		179
Deferred credit	8,794	
	31,985	21,135
EQUITY		
Class A common shares (note 13)	21,786	
Fund units (Note 13)		13,655
Exchangeable shares (Note 13)		7,989
Contributed surplus (Note 14)	1,211	1,223
Deficit	(6,733)	(6,335)
	16,264	16,532
Non-controlling interest	37	30
	16,301	16,562
	48,286	37,697

The accompanying notes are an integral part of the consolidated financial statements

In thousands of dollars, except per share and unit amounts

1. GOVERNING STATUTES AND ACTIVITIES

New Look Eyewear Inc. ("New Look"), incorporated under the *Canada Business Corporations Act,* is involved in the eye care services industry in Canada.

New Look resulted from the conversion on March 2, 2010 of Benvest New Look Income Fund (the "Fund"), a publicly listed income trust, into a corporation. The conversion was realized pursuant to a plan of arrangement governed by the *Canada Business Corporations Act* involving the former subsidiary of the Fund, also named New Look Eyewear Inc.("former New Look"), and Sonomax Hearing Healthcare Inc. ("Sonomax"). New Look has continued the activities formerly carried on by the Fund and its subsidiary and activities related to the distribution business of Sonomax. Subsequent to the arrangement, the holders of Fund units and the holders of exchangeable shares of its former subsidiary became shareholders of New Look. The Fund units (BCI.UN) formerly listed on the Toronto Stock Exchange ("TSX") have been replaced on the TSX by shares of New Look (BCI).

2. BASIS OF PRESENTATION

New Look is considered the continuation of the Fund and, accordingly, these consolidated financial statements are prepared using the continuity of interests method. Under this method, the assets, liabilities and equity of the Fund transferred to New Look on the conclusion of the plan of arrangement are recognized at their net carrying amount.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. They do not include all the information and notes required for annual financial statements and should therefore be read in conjunction with the audited consolidated financial statements of the Fund for the year ended December 31, 2009.

These interim consolidated financial statements are also prepared in accordance with accounting policies described in the Fund's audited consolidated financial statements for the year ended December 31, 2009, except to the extent that the new accounting policies described in Note 3 apply.

3. ADOPTION OF NEW ACCOUNTING POLICIES

Year-end and interim accounting periods

The year-end of the Fund was December 31 and its interim accounting periods ended March 31, June 30 and September 30. The year-end of New Look is the last Saturday of December and its interim accounting periods end the last Saturday of March, June and September.

As former New Look had already adopted the last Saturday of March, June and September as the end of its interim periods, the comparative figures in the interim statement of earnings reflect the same number of days in 2010 as in 2009.

Business combinations

Section 1582, *Business Combinations* replaces Section 1581 of the same title. This Section establishes new standards for the accounting for a business combination. This Section constitutes the generally accepted principles ("GAAP") equivalent to the corresponding International Financial Reporting Standards ("IFRS"). This Section shall be applied prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Entities adopting this Section also adopts Section 1601 and Section 1602 described below. Earlier application is permitted and accordingly, New Look has early adopted this new Section for business combinations occurring after December 31, 2009. New Look's management has determined that the main impact of this new Section will be the expensing of acquisition costs in the periods they are incurred instead of being capitalized as part of the cost of the acquisition.

Consolidated financial statements

Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-Controlling Interests* together replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the consolidated financial statements subsequent to a business combination. These Sections constitute the GAAP equivalent to the corresponding IFRS. These Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. New Look has early adopted these new Sections as of January 1, 2010. The impact of these new Sections resulted in the reclassification of the non-controlling interest on the balance sheet from the liabilities to the equity and the attribution of net earnings between the unitholders and non-controlling interests rather than deducting the non-controlling interest to arrive to net earnings.

4. FINANCIAL EXPENSES, NET OF INTEREST REVENUES

	2010	2009
	$	$
Interest on long-term debt	65	100
Interest on bank indebtedness and other interest (recovery)	(4)	25
	61	125
Financing fees	17	11
Interest revenues	(1)	(3)
	77	133

5. UNDERLYING COMPONENTS IN CONSOLIDATED EARNINGS

Cost of sales

	2010	2009
	$	$
Amounts included in cost of materials, direct labour, operating, selling and administrative expenses	7,734	7,353
Amounts included in amortization	218	227
	7,952	7,580

In thousands of dollars, except per share and unit amounts

Other components

	2010	2009
	$	$
Write-down of inventories included in cost of sales disclosed above	30	26
Gain (loss) on foreign currency translation included in cost of sales disclosed above	(15)	1
Other gain (loss) on foreign currency translation, including :	(7)	27
Gain (loss) from changes in fair value of forward exchange contracts	(16)	9
Amortization of property and equipment	731	705
Amortization of other intangible assets	90	25
Interest income from temporary investments		3
Interest income from holder of the non-controlling interest	1	
Accretion of non-interest bearing balance of purchase price, included in interest on long-term debt	12	14

6. UNDERLYING COMPONENTS IN CONSOLIDATED CASH FLOWS

The changes in non-cash working capital items related to operating activities are detailed as follows:

	2010	2009
	$	$
Receivables	(36)	13
Income taxes and tax credits receivable	146	222
Inventory	(206)	(119)
Prepaid expenses	(136)	(156)
Accounts payable and accrued liabilities	1,493	1,115
Income taxes payable	25	105
	1,286	1,180

Other changes in non-cash working capital items relate to the business transactions as described in Note 7, and lease inducements receivable which are related to financing activities.

7. BUSINESS TRANSACTIONS

In connection with the conversion of the Fund into a corporation under the plan of arrangement described in Note 1, a total consideration of $1,740 composed of $1,566 in cash and $174 of redeemable preferred shares was paid for the transaction with Sonomax that resulted in the acquisition of the following net assets on March 2, 2010:

	$
Inventory	30
Equipment	10
Distribution licence	1,019
Future income tax asset	9,685
Total assets acquired	10,744
Deferred credit	9,004
Net assets acquired	1,740
Cash paid	1,566
Balance payable through the issuance of preferred shares	174
	1,740

The distribution licence refers to distribution rights with respect to hearing protection devices. The licence will be amortized over a 24-month period beginning in April 2010.

The future income tax asset relates to the equivalent of approximately $30 million in tax losses, including research and development tax credits. The deferred credit relating to this income tax asset will be amortized to future income taxes and calculated proportionally to the utilization of the future income tax asset.

The balance payable is in the form of preferred shares redeemable as follows: 1/3 in September 2010, 1/3 in March 2011 and 1/3 in March 2012. The redemption is subject to certain terms and conditions under an escrow agreement.

The allocation of the acquisition cost to the net assets acquired is preliminary and is subject to change

8. PROPERTY AND EQUIPMENT

	March 27, 2010		
	Cost	Accumulated amortization	Net
	$	$	$
Computer equipment	1,043	523	520
Optical equipment	1,852	138	1,714
Other equipment and tools	22,774	16,054	6,720
Signs	1,413	740	673
Leasehold improvements	13,294	5,876	7,418
Assets under capital leases			
Other equipment and tools	766	627	139
Leasehold improvements	233	187	46
Deposit to acquire equipment	382		382
	41,757	24,145	17,612

In thousands of dollars, except per share and unit amounts

	December 31, 2009		
	Cost	Accumulated amortization	Net
	$	$	$
Computer equipment	901	471	430
Optical equipment	1,699	107	1,592
Other equipment and tools	21,994	15,782	6,212
Signs	1,387	713	674
Leasehold improvements	13,218	5,530	7,688
Assets under capital leases			
Other equipment and tools	766	623	143
Leasehold improvements	233	188	45
Deposit to acquire equipment	552		552
	40,750	23,414	17,336

9. OTHER INTANGIBLE ASSETS

	March 27, 2010		
	Cost	Accumulated amortization	Net
	$	$	$
Leases	537	110	427
Application software	881	235	646
Customer relationships	660	147	513
Non-competition agreement	633	106	527
Distribution licence	1,019		1,019
	3,730	598	3,132

	December 31, 2009		
	Cost	Accumulated amortization	Net
	$	$	$
Leases	537	97	440
Application software	836	207	629
Customer relationships	652	120	532
Non-competition agreement	633	84	549
	2,658	508	2,150

10. LONG-TERM DEBT

	March 27, 2010	Dec 31, 2009
	$	$
Advances under the "Evergreen" operating credit [a]	8,995	7,295
Balance of purchase price, initial nominal amount of $780, without interest, average annual payment of $195 from 2010 to 2013, fair value estimated using a discount rate of 9%	469	690
9% note payable, secured by leasehold improvements having a carrying value of $238, payable in monthly instalments of $7, capital and interest, maturing in May 2012	159	175
6.15% note payable in monthly instalments of $15, capital and interest, maturing in September 2010	73	117
8.88% note payable, secured by leasehold improvements and equipment having a carrying value of $136, payable in monthly instalments of $2, capital and interest, maturing in May 2014	81	85
Obligations under capital leases, average rate of 10.6%, payable in monthly instalments, maturing on various dates until 2010		17
9% note payable in monthly instalments of $1, capital and interest, maturing in January 2013	45	48
6.6% note payable in monthly instalments of $1, capital and interest, maturing in 2013	35	37
9% note payable in monthly instalments of $1, capital and interest, maturing in July 2011	12	14
Balance of purchase price through the issuance of 174,000 Class A preferred shares[b]	174	
Other	5	5
	10,048	8,483
Instalments due within one year	1,527	1,162
	8,521	7,321

a) The credit facilities existing as of March 27, 2010 provides that the advances under the Evergreen operating credit are repayable as follows :

- An amount of $3,959 repayable beginning in April 2010 in 48 monthly instalments of $82 in capital;
- An amount of $3,336 repayable beginning in January 2011 in 48 equal monthly instalments of $69 in capital;
- An amount of $1,700 borrowed in March 2010 is part of a portion of the credit whose revolving period is scheduled to end December 31, 2011; any balance of this portion of the credit is scheduled to be repaid beginning in January 2012 in 48 equal monthly instalments.

In thousands of dollars, except per share and unit amounts

- The variable interest rate applicable to the Evergreen credit is prime rate plus a premium varying from 0.25% to 1%, depending on the ratio of interest bearing debt to EBITDA (earnings before interest, income taxes and amortization).
- New Look may use its Evergreen credit through bankers' acceptances for stamping fees varying from 1.25% to 2% per annum, depending on the ratio of interest bearing debt to EBITDA.

As of March 27, 2010, all advances under the Evergreen credit were financed through bankers' acceptances and the effective interest rate, including the stamping fees, represented 2.26% per annum.

The credit facilities are being renegotiated with the bank following the filing of the 2009 audited financial statements of the Fund.

b) The Class A preferred shares, in the number of 174,000, with a redemption price of $1 each, are redeemable as follows: 1/3 in September 2010, 1/3 in March 2011 and 1/3 in March 2012. The redemption is subject to certain terms and conditions under an escrow agreement.

11. INCOME TAXES

	2010	2009
	$	$
Current taxes	1	35
Future income taxes	379	291
Amortization of deferred credit	(210)	
	170	326

The future income taxes amount reflects the use of carried forward tax losses.

12. DIVIDENDS AND RELATED TAXES

	2010	2009
	$	$
Dividends declared on exchangeable shares	371	492
Current tax	185	246
Future tax	(169)	(225)
Net tax related to dividends	16	21
	387	513

The current tax corresponds to the tax payable on the dividends on exchangeable shares and not offset by a corresponding reduction in current income tax expense. The negative amounts of future tax correspond to additions to future income tax assets.

13. FUND UNITS, EXCHANGEABLE SHARES AND CLASS A COMMON SHARES

Authorized capital as of December 31, 2009

Fund units

Unlimited number of units, each representing an equal beneficial interest in any distribution and in the net assets in the event of termination and entitling the holder to one vote.

Exchangeable shares

An unlimited number of exchangeable shares of former New Look, each exchangeable into one Fund unit, giving right to a dividend equal to the distribution declared on each Fund unit less an amount reflecting any tax required to be paid by former New Look in respect of such dividend. The dividend was stated at two-thirds of the corresponding distribution, unless the distribution was sourced from dividends of former New Look, in which case the Board of Directors of former New Look had discretion to reduce the discount on any dividend payable on the exchangeable shares.

Special voting units issued by the Fund gave the right to holders of exchangeable shares to be represented at meetings of unitholders.

Authorized share capital as of March 27, 2010

Class A common shares

Unlimited number, voting and participating.

First preferred shares

Unlimited number, issuable in series, whose designation, rights, privileges, restrictions and conditions attaching to each series shall be established at issue time.

Class A preferred shares

Unlimited number, non-voting and non-participating. These shares are treated as a debt for accounting purposes. Refer to Note 12.

In thousands of dollars, except per share and unit amounts

Issued units, exchangeable shares and Class A common shares

The consolidated number and carrying value of the Fund units and exchangeable shares of former New Look, and Class A common shares of New Look are reconciled as follows:

	Units		Exchangeable shares		Class A Common shares	
	Number	$	Number	$	Number	$
Balance at December 31, 2009	6,118,328	13,655	3,870,404	7,989		
Issued pursuant to exercise of options						
Paid in cash, average price of $3.51 per unit	35,000	123				
Transfer from contributed surplus[a]		19				
	6,153,328	13,797	3,870,404	7,989		
Exchange for Class A common shares [b]	(6,153,328)	(13,797)	(3,870,404)	(7,989)	10,023,732	21,786
Balance at March 27, 2010	-	-	-	-	10,023,732	21,786

a) The transfer from contributed surplus corresponds to the equity-based compensation expense previously recorded and recognized in contributed surplus.

b) Fund units and exchangeable shares were exchanged for Class A common shares on a one-for-one basis.

14. CONTRIBUTED SURPLUS

	2010	2009
	$	$
Balance, beginning of period	1,223	1,236
Equity-based compensation expense	7	28
Transfer to Fund units	(19)	(15)
Balance, end of period	1,211	1,249

The amounts corresponding to the equity-based compensation expense are credited to contributed surplus over the vesting period of options granted and balances in contributed surplus are transferred to the carrying value of Fund units or share capital when the related options are exercised.

15. NET EARNINGS PER SHARE OR UNIT

	2010	2009
	$	$
Net earnings	678	1,305
Weighted average number of units and exchangeable shares or common shares	10,019,139	9,758,547
Dilutive effect of unit / stock options	37,319	94,159
	10,056,458	9,852,706
Basic net earnings per share or unit	0.07	0.13
Diluted net earnings per share or unit	0.07	0.13

16. NON-CONTROLLING INTEREST

	2010	2009
	$	$
Balance, beginning of period	30	23
Net earnings attributed to minority interest	7	7
Balance, end of period	37	30

17. OPTION PLAN

Options to purchase Fund units have been replaced by options to purchase shares of New Look under the same conditions as those existing under the previous Fund option plan.

Changes in the number of options outstanding were as follows:

	Number	Weighted average price
Number of options		
Outstanding at beginning of period	603,467	6.42
Exercised	35,000	3.51
Outstanding at end of period	568,467	6.60

18. FORWARD EXCHANGE CONTRACTS

New Look uses forward exchange contracts to protect future foreign currency purchases against changes in exchange rates. New Look does not use hedge accounting; accordingly, forward exchange contracts are recognized at their fair value on the balance sheet and changes in fair value are recognized in earnings.

Forward exchange contracts outstanding as of March 27, 2010 related to purchases of US dollars. They are summarized as follows:

Maturity	USD	Average contract rate
Less than 4 months	676	1.127
From 4 to 12 months	749	1.070

As at March 27, 2010, the estimated fair value of the above exchange contracts was a liability of $50.

On March 2, 2010, Benvest New Look Income Fund (formerly TSX:BCI.UN) was converted into a corporation named New Look Eyewear Inc. (TSX:BCI) . As of April 30, 2010, New Look had 10,023,732 common shares issued and outstanding. New Look is a leader in the eye care industry in Eastern Canada operating a network of corporate stores and a laboratory using state-of-the-art technologies.

Quarterly Report

First quarter ended March 27, 2010

Board of Directors

W. John Bennett
Chairman
New Look Eyewear Inc.

C. Emmett Pearson
Director
New Look Eyewear Inc.

Richard Cherney
Secretary
New Look Eyewear Inc.
Managing Partner
Davies Ward Phillips & Vineberg

William Cleman
Management Consultant
Cleman Consulting Inc.

Paul S. Echenberg
President and Chief Executive Officer
Schroders and Associates Canada Inc.

William R. Ferguson
President
Eric T. Webster Foundation

Executive Officers

Martial Gagné
President
New Look Eyewear Inc.

Jean-Luc Deschamps
Senior Vice President and Chief Financial Officer
New Look Eyewear Inc.

Terry Yanofsky
Senior Vice President
Sales and Operations
New Look Eyewear Inc.

Claire Boulanger
Vice President
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Mario Pageau
Vice President
Optical Products and Services
New Look Eyewear Inc.

France Reimnitz
Vice President
Marketing and Merchandising
New Look Eyewear Inc.

Caroline Rouleau
Vice President
Professional Services and Human Resources
New Look Eyewear Inc.

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Celebrating 25 years of vision in 2010