

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

Management's Discussion & Analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements for the three months ended March 31, 2009 and the audited consolidated financial statements for the year ended December 31, 2008. This MD&A relates to events up to May 8, 2009.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

The units of Amalgamated involve a high degree of risk, including, but not necessarily limited to, the following risks which are described in the Annual Information Form for the year ended December 31, 2008 available at www.SEDAR.com. Before making an investment decision, each prospective investor should review these risks in detail:

- *Reliance on revenue from Mutual Fund Limited Partnerships and Notes, Marketable Securities, Financial Services Lending, and Real Estate Limited Partnerships;*
- *Possible loss of limited liability;*
- *Fluctuating distributions;*
- *Ability of the Partnership to obtain additional financing;*
- *Use of brokerage margin by the Partnership;*
- *Potential dilution from future financings;*
- *Ability of the Partnership to continue to find attractive investment opportunities;*
- *Income tax, other government, and regulatory related risks; and*
- *Control by the General Partner.*

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

CORE BUSINESS AND STRATEGY

Amalgamated Income Limited Partnership ("Amalgamated" or the "Partnership") is a publicly traded limited partnership (AI.UN on the TSX) whose business is to capitalize on market inefficiencies in the following types of securities: mutual fund limited partnerships ("MFLP"), financial service lending, real estate limited partnerships ("RELP"), and marketable securities in order to provide its limited partners with a diversified income stream.

- MFLPs were issued between 1990 and 1997 and Amalgamated was originally formed to consolidate these. MFLPs are declining royalty streams of income based on the assets under management of various mutual funds. Amalgamated is the only consolidator in this industry. MFLPs include both public and private entities and Amalgamated purchases them through the public market, mini-tenders, or through formal takeover bids;
- Financial Services Lending includes mortgages and loans to companies that cannot obtain traditional bank lending but that in management's opinion have sufficient assets or cash flow to secure against. Amalgamated's focus is on shorter term bridge loans to maximize returns and minimize risk;
- RELPs were generally issued in the 1980s to finance real estate assets. Amalgamated began purchasing RELPs in late 2005 as there are profit opportunities due to the lack of liquidity in these unlisted limited partnerships. Amalgamated purchases RELP through mini-tenders and formal takeover bids and attempts to force the value maximization of the underlying asset; and
- Marketable securities focused on by the Partnership include debentures, trust units, and common shares that can be purchased at a discount to management's determination of fair value. Amalgamated purchases marketable securities mainly through the public markets such as stock exchanges but also uses mini-tenders to accumulate its positions of illiquid securities.

Amalgamated is similar to an investment fund in the composition and valuation of its asset base, but Amalgamated is fundamentally different as it may take an active role in its investments in attempting to enhance value by seeking to control or influence management when appropriate.

For additional information on Amalgamated, including recent press releases, the Annual Information Form (AIF), annual consolidated financial statements, and interim consolidated financial statements please go to the Partnership's profile on SEDAR at www.sedar.com or the Partnership's website at www.aiun.ca.

Limited Partners are reminded that income tax allocations as defined by the partnership agreement, **limited partners are not allocated income for tax purposes on the amount of distributions actually received during the year. Allocations for tax purposes are made based on whether or not they are limited partners at December 31.** Any distribution received will represent a decrease in the adjusted cost base of any partnership units held and a potential capital gain (or loss) if the unit is sold prior to December 31. For tax purposes, a limited partner at December 31 will receive an allocation of the Partnership's income, dividends, and capital losses or gains if held outside a tax deferred plan such as an RRSP, LIRA, RRIF, or RESP.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

SIGNIFICANT EVENTS

1. Changes to Partnership Agreement to Include a Wind-up Date

At a meeting of limited partners on October 17, 2008, the limited partnership agreement of Amalgamated (the "Partnership Agreement") was amended which included adding a termination date of the Partnership of no later than December 15, 2009 unless extended by a Special Resolution (as defined in the Partnership Agreement) of the limited partners or unless extended under certain circumstances by the general partner. A complete discussion of the changes made to the Partnership Agreement can be found at the Partnership's profile at www.sedar.com. Subsequent to this change, management began an orderly sale of the Partnership's assets in order to be able to distribute the cash or provide in-kind distributions of the remaining assets prior to December 15, 2009. Management has estimated that the net realizable value of the Partnership is \$3.52 per unit as at March 31, 2009 based on what the underlying investments could be sold for. This net realizable value also incorporates estimated wind-up costs of approximately \$900,000 to \$1,200,000. The final net realizable value will depend on various factors including the performance of the Partnership's investments and the final wind-up date; outcome of the contingent liability as discussed under *Note 7 Contingencies* in the unaudited consolidated financial statements for the three months ended March 31, 2009; and the level of distributions between March 31, 2009 and the final distribution date. Management estimates that any income earned between March 31, 2009 and the final distribution date will be sufficient to cover general and administrative expenses but would not be sufficient to fund distributions at the current level without eroding capital.

2. Update to Estimated Net Realizable Liquidation Value

In the period from April 1, 2009 to May 11, 2009; the Partnership has declared distributions of \$0.06 per unit and management estimates that the net realizable liquidation value of the Partnership was approximately \$3.41 to \$3.51 per unit as at May 8, 2009 subject to the same qualifications as discussed above. The net realizable liquidation value had decreased from \$3.52 per unit at March 31, 2009 to approximately \$3.46 per unit as at May 8, 2009, a decrease of approximately \$ 0.06 per unit (\$0.06 per unit decrease was a result of distributions paid or declared for April 2009 and \$0.00 was a reduction in asset value). The asset mix of the Partnership as at May 8, 2009 was 67% in working capital and marketable securities (63% as at March 31, 2009), 2% in MFLP and Notes (2% as at March 31, 2009), 25% in Financial Services (29% as at March 31, 2009), and 6% in RELP (6% as at March 31, 2009).

3. Paddington Takeover Bid

On April 14, 2009, Amalgamated launched a formal takeover bid through a wholly owned subsidiary for all of the outstanding units of Paddington Properties Partnership not currently owned by Amalgamated. The formal takeover bid is expected to close on May 25, 2009. Amalgamated's objective is to accumulate a control ownership position in this Partnership and then evaluate its options at that time.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

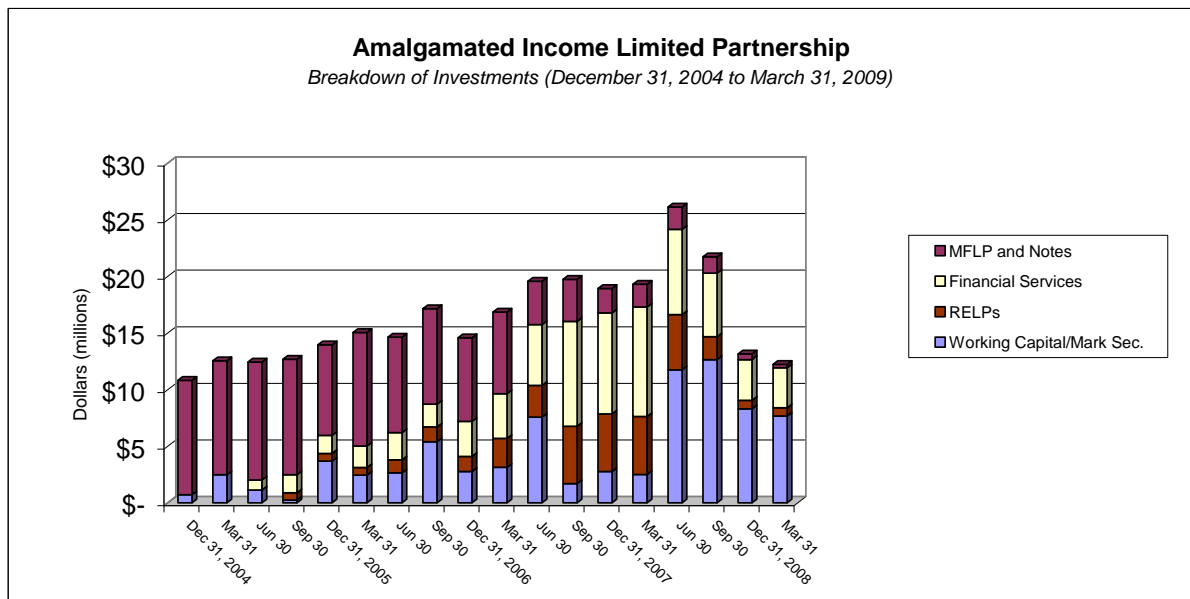
May 11, 2009

4. Changes in Asset Mix and Capital Structure

As at March 31, 2009, Amalgamated's equity consisted of 63% working capital and marketable securities (63% at December 31, 2008), 29% Financial Services (27% at December 31, 2008), 6% RELPs (6% at December 31, 2008), and the remaining 2% in MFLP and Notes (4% at December 31, 2008).

Amalgamated's capital structure as at March 31, 2009 consisted of equity of \$12,223,964 (\$12,772,460 as at December 31, 2008), and debentures of \$nil (\$370,000 at December 31, 2008).

The following chart provides a summary of Amalgamated's changing asset mix since December 31, 2004 when the decision was made by management to diversify Amalgamated's investments. During the three months ended March 31, 2009, investments decreased from approximately \$12.8M as at December 31 2008 to \$12.2M as at March 31, 2009 primarily as a result of the repayment of the debentures and distributions paid to limited partners.



**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

SELECTED FINANCIAL INFORMATION

<i>Quarter</i>	Mar 31 2009	Dec 31 2008	Sept 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007
Revenue	\$ 289,630	\$ 659,264	\$ 457,269	\$ 536,994	\$ 724,027	\$ 1,264,797	\$ 738,205	\$ 481,430
Net income (loss)	12,246	(3,270,831)	(2,509,296)	1,072,635	218,749	(159,217)	989,379	421,938
Net income (loss) per unit basic	0.00	(1.02)	(0.80)	0.36	0.07	(0.05)	0.34	0.15
Total assets	12,705,398	13,576,082	22,265,453	26,766,806	19,808,974	19,648,427	20,419,308	20,485,714
Total liabilities	481,434	803,622	5,576,708	7,731,224	1,582,091	1,045,521	713,656	915,073
Limited partners' capital	12,223,964	12,772,460	16,688,745	19,035,582	18,226,883	18,602,906	19,705,652	19,570,641
Limited partners' capital, per unit	3.85	4.02	5.20	6.25	6.10	6.20	6.65	6.70
Distributions paid	576,411	575,460	563,922	540,519	538,677	1,167,513	1,149,893	1,512,105
Distributions paid per unit basic	0.18	0.18	0.18	0.18	0.18	0.39	0.39	0.52
Units outstanding - closing	3,171,362	3,178,062	3,209,162	3,046,781	2,988,083	2,998,697	2,963,810	2,919,957

The preceding table shows selected key financial information about Amalgamated and is intended to help investors understand the Partnership's financial performance over the past two years. This information is derived from Amalgamated's unaudited quarterly consolidated financial statements. Amalgamated's consolidated financial statements are stated in Canadian dollars and are prepared in accordance with Canadian GAAP (generally accepted accounting principles). The information set forth above should be read in conjunction with Amalgamated's consolidated financial statements and related notes which are available at www.sedar.com.

HIGHLIGHTS

- Net income for the three months ended March 31, 2009 was **\$12,246 (\$0.00 per unit)**;
- Total assets decreased to **\$12,705,398** as at March 31, 2009 from **\$13,576,082** as at December 31, 2008 due mainly to the repayment of \$370,000 of debentures and distributions paid of \$576,411; and
- Limited partners' capital decreased from **\$4.02** per unit as at December 31, 2008 to **\$3.85** per unit as at March 31, 2009 however, limited partners also received **\$0.18** per unit of distributions during this time.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

RESULTS OF OPERATIONS

Overall Performance

Amalgamated recorded net income of \$12,246 (\$0.00 per unit) for the three months ended March 31, 2009 versus net income of \$218,749 (\$0.07 per unit) for the three months ended March 31, 2008. The net income was lower in the three months ended March 31, 2009 due to the Partnership having less capital deployed as management is proceeding towards an orderly liquidation of the Partnership's assets in order to be able to distribute the cash or provide in-kind distributions.

The investment breakdown as at March 31, 2009 was made up of 2% MFLPs and Notes (4% as at December 31, 2008), 29% Financial Services (27% as at December 31, 2008), 6% RELPs (6% as at December 31, 2008), 31% in marketable securities (41% as at December 31, 2008), and remaining 32% in cash and working capital (22% as at December 31, 2008). The Partnership was disposing of its investments during the three months ended March 31, 2009 and investing in short term Financial Services investments and Marketable Securities to generate a reasonable return on assets while moving towards liquidation by December 15, 2009.

Amalgamated Income Limited Partnership <i>Net Equity Breakdown</i>	March 31, 2009		December 31, 2008	
MFLP and Notes	\$ 300,713	2%	\$ 489,617	4%
Financial Services	3,514,922	29%	3,597,906	27%
RELP	744,528	6%	744,528	6%
Marketable Securities	3,779,175	31%	5,325,861	41%
Cash and Working Capital	3,884,626	32%	2,984,548	22%
	\$ 12,223,964	100%	\$ 13,142,460	100%

The preceding table shows selected key financial information about Amalgamated and is derived from Amalgamated's unaudited quarterly consolidated and audited annual consolidated financial statements. The information set forth above should be read in conjunction with Amalgamated's consolidated financial statements and related notes which are available at www.sedar.com.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

Overall Performance (continued)

The following chart provides additional information regarding the effective return for each investment category for the three months ended March 31, 2009 and year ended December 31, 2008. These returns may or may not be indicative of future returns.

Amalgamated Income Limited Partnership				
<i>Annualized Return On Assets Per Investment Category</i>				
For the Three Months Ended March 31, 2009 and Year Ended December 31, 2008				
	Three Months Ended March 31, 2009		Year Ended December 31, 2008	
	Net Income	Annual Return on Assets	Net Income	Annual Return on Assets
MFLP and Notes	(22,785)	-30%	(800,576)	-15%
Financial Services	133,628	15%	(359,204)	-6%
RELP	9,322	5%	730,413	20%
Marketable Securities	150,349	8%	(3,036,950)	-84%
Total	270,514	9%	(3,466,317)	-19%
Expenses	258,268	8%	1,022,426	5%
Net Income (Loss)	12,246	0%	(4,488,743)	-24%

(1) Including other additions/deductions related to category

The preceding table shows selected key financial information about Amalgamated and is derived from Amalgamated's unaudited quarterly consolidated and audited annual consolidated financial statements. The information set forth above should be read in conjunction with Amalgamated's consolidated financial statements and related notes which are available at www.sedar.com.

HIGHLIGHTS

- MFLP and Notes had a minor loss due to ongoing volatility and mutual fund redemptions in the public markets for the three months ended March 31, 2009; and
- Remaining categories resulted in a combined return on assets of approximately 9% which was reduced to only a minor amount of net income of \$12,246 by \$258,268 of expenses. The low income recorded by the Partnership for the three months ended March 31, 2009 was a result of the volatility experienced in the public market during this period and the Partnership's assets not being fully deployed as it moves towards liquidation.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

Summary of Results for the Three Months Ended March 31, 2009

Revenue:

Amalgamated's total revenue was \$289,630 (\$0.09 per unit) for the three months ended March 31, 2009 which compares to \$724,027 (\$0.24 per unit) for the three months ended March 31, 2008. Revenue for the three months ended March 31, 2009 consisted of \$33,908 from MFLP and Notes (\$78,941 for the three months ended March 31, 2008), \$133,628 from Financial Services (\$508,311 for the three months ended March 31, 2008), \$nil from RELP (\$102,585 for the three months ended March 31, 2008), and \$122,094 from Marketable Securities (\$34,190 for the three months ended March 31, 2008). Total revenue was lower in the three months ended March 31, 2009 as compared to the three months ended March 31, 2008 due to increased investment in Marketable Securities and cash which did not distribute revenue as high as MFLP and Notes or Financial Services.

Expenses:

Overall operating expenses for the three months ended March 31, 2009 increased to \$237,734 (\$0.07 per unit) from \$182,494 (\$0.06 per unit) for the three months ended March 31, 2008. The increase was due mainly to the non-cash expense that the Partnership incurred for issuing options during the three months ended March 31, 2009.

Other Additions (Deductions):

The significant other deductions for the three months ended March 31, 2009 included a reversal of amortization of MFLP and Notes of \$423,563 (\$0.13 per unit) which was offset by a realized loss on sale of MFLP and Notes of \$480,256 (\$0.15 per unit). In addition, the Partnership realized losses on sale of Marketable Securities of \$879,793 (\$0.28 per unit) which was offset by a decrease in unrealized losses on Marketable Securities of \$851,538 (\$0.27 per unit).

In total, other additions (deductions) accounted for a deduction of \$39,650 (\$0.01 per unit) for the three months ended March 31, 2009 compared to a deduction of \$322,784 (\$0.38 per unit) in the three months ended March 31, 2008. The decrease in the deduction was a result of fewer write-downs being taken in the three months ended March 31, 2009 versus the three months ended March 31, 2008.

Net Income:

Amalgamated recorded net income of \$12,246 (\$0.00 per unit) for the three months ended March 31, 2009 versus net income of \$218,749 (\$0.07 per unit) for the three months ended March 31, 2008. The net income was lower in the three months ended March 31, 2009 due to the Partnership having less capital employed as management is working on an orderly liquidation of the Partnership's assets in order to be able to distribute the cash or provide in-kind distributions of the remaining assets prior to December 15, 2009.

AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009

May 11, 2009

DISTRIBUTIONS AND TAXABLE INCOME

Distributions totalling \$576,411 were declared and paid for the three months ended March 31, 2009 or \$0.18 per unit (\$538,677 for the three months ended March 31, 2008 or \$0.18 per unit). The total distributions increased slightly due to additional units being outstanding in the three months ended March 31, 2009 versus the three months ended March 31, 2008.

Monthly cash distributions declared per unit issued and outstanding for the period were as follows:

Period covered	Date of Distribution	\$ Per Unit
January 1, 2009 to January 31, 2009	February 13, 2009	0.06
February 1, 2009 to February 28, 2009	March 13, 2009	0.06
March 1, 2009 to March 31, 2009	April 9, 2009	0.06

Limited Partners are reminded that income tax allocations as defined by the partnership agreement, **limited partners are not allocated income for tax purposes on the amount of distributions actually received during the year. Allocations for tax purposes are made based on whether or not they are limited partners as at December 31.** Any distribution received will represent a decrease in the adjusted cost base of any partnership units held and a potential capital gain (or loss) if the unit is sold prior to December 31. For tax purposes, a limited partner at December 31 will receive an allocation of the Partnership's income, dividends, and capital losses or gains if held outside a tax deferred plan such as an RRSP, TFSA, LIRA, RRIF, or RESP.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

CAPITAL STRUCTURE

The Partnership maintains a capital structure composed solely of permanent capital (partnership capital). Management believes that a mixture of partnership capital and lower cost debt is appropriate to fund the Partnership's operations in order for limited partners to receive an acceptable return on their units. It is anticipated that the Partnership's capital structure will allow it to respond to attractive private or public investment opportunities.

Management monitors the Partnership's capital structure and makes adjustments as necessary to respond to changes in economic conditions and the risks of the underlying investments. The capital structure of Amalgamated is evaluated by management based on a debt-to-capital ratio. This ratio is calculated based on total debt less cash divided by total partnership capital.

For 2009, the Partnership's objective with regards to capital management is to repurchase its units which management believes will enhance the value of the Partnership and to repay outstanding debentures as the Partnership moves towards wind-up by December 15, 2009.

Amalgamated Income Limited Partnership		
<i>Capital Structure</i>		
	March 31 2009	December 31 2008
Line of credit and brokerage margin	\$ -	\$ -
Debentures	-	370,000
Total debt	-	370,000
Less: Cash	(4,186,500)	(2,936,357)
Net debt	(4,186,500)	(2,566,357)
Partnership capital	12,223,964	12,772,460
Debt-to-capital ratio (%)	N/A	N/A

Amalgamated closed the three months ended March 31, 2009 with a net surplus of (\$4,186,500) (\$1.32 per unit) compared to net surplus of (\$2,566,357) (\$0.86 per unit) as at December 31, 2008. The increase in working capital was primarily due to the sale of various investments during the three months ended March 31, 2009. Management of Amalgamated believes the Partnership has sufficient working capital surplus to pay expenses as they come due. The Partnership will continue to convert its investments to cash at what management determines to be reasonable prices to make distributions to limited partners.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

- **EQUITY**

Amalgamated's units outstanding decreased to 3,171,362 units as at March 31, 2009 from 3,178,062 units as at December 31, 2008. During the three months ended March 31, 2009, Amalgamated repurchased 27,700 units under a normal course issuer bid for consideration of \$65,730 (average of \$2.37 per unit) and issued 21,000 units upon exercise of options for proceeds of \$45,570 (average of \$2.17 per unit) for a net decrease of 6,700 units. Subsequent to March 31, 2009, Amalgamated repurchased 2,000 units under the normal course issuer bid resulting in Amalgamated having a total of 3,169,362 units outstanding as at May 8, 2009. In addition, Amalgamated issued an additional 39,000 incentive units during the three months ended March 31, 2009 and 21,000 were exercised increased the total incentive units outstanding from 277,300 to 295,300. As at May 8, 2009, Amalgamated also had 295,300 options outstanding.

- **DEBT**

Amalgamated maintains investment accounts at several brokerage firms who follow the recommended margin requirements of the Investment Dealers Association. As at March 31, 2009, Amalgamated had no brokerage margin outstanding.

Management anticipates ongoing operations and investments will be funded by the sale of investments, funds from operations, and the availability of the Partnership's current credit facilities (debentures and brokerage margin).

FINANCIAL INSTRUMENTS:

Amalgamated's financial instruments consist of investments, cash and cash equivalents, distributions receivable, distributions payable, and accounts payable and accrued liabilities. Unless otherwise noted, at present it is the General Partner's opinion that the Partnership is not exposed to significant interest rate, credit, or currency risks arising from these financial instruments.

Specifically, the Partnership's financial instruments that are exposed to credit risk are the investments in loans. Amalgamated has invested in bridge loans, real estate loans, and other financial instruments to borrowers, mainly in Alberta and British Columbia, in a number of industries in order to maximize returns within an acceptable level of risk. Amalgamated mitigates credit risk by obtaining sufficient security to back the loans and diversifying its investments to limit its exposure to one entity.

As at March 31, 2009, the Partnership had a bridge loan outstanding with a face value of \$1,062,000 (fair value of \$160,000) and a commercial loan outstanding with a face value of \$600,000 (fair value of \$160,000). The borrowers in both cases have defaulted on these loans and the Partnership is currently in the process of realizing on the security pledged which consists of real property, and personal and corporate guarantees. The Partnership had written the fair value of these loans down to what management expects to recover from the security pledged.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Partnership prepares its consolidated financial statements in accordance with Canadian GAAP. The preparation of the consolidated financial statements in conformity with GAAP 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 year of the consolidated financial statements. Significant accounting policies and methods used in the preparation of the consolidated financial statements are described in note 2 of the audited annual consolidated financial statements for the year ended December 31, 2008 as well as in the Accounting Policies – Accounting Standards Implemented by the Partnership in 2009 discussed below. The Partnership evaluates its 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 the fair value of investments, revenue recognition and other matters. Actual results could differ materially from those estimates and assumptions.

The assessment of the fair value of investments and the impact of a certain contingency requires the use of judgments, assumptions and estimates. Due to the material nature of these factors, they are discussed below in greater detail.

- INVESTMENTS

The Partnership uses significant estimates in the preparation of its consolidated financial statements in arriving at the fair value of its investments. The following represents the methodology used to determine the fair value for the majority of its investments. Valuation assumptions used by the Partnership are evaluated regularly by management and the Board of Directors of the General Partner.

All marketable securities listed on a recognized public stock exchange are recorded at their closing sale price. Marketable securities not traded on that date are valued at the last traded price. The quoted market value has been taken as a reasonable estimate of fair value. Those securities having no quoted market values are recorded at fair value based on an assessment of the most recent price at which an arm's length transaction has occurred or an assessment of the fair value of the security. These values may differ from values that would have been used had a ready market existed for these securities.

The fair values for both public and private securities can be impacted by trading volumes and restrictions, and the Partnership's assessment of value may not be indicative of what the Partnership could realize on the immediate sale as it may take an extended period of time to liquidate positions without causing a significant negative impact on the market price. The difference between the fair value and the purchase price or previous period value of the investments is treated as an unrealized gain or loss in value. The change from period to period is reflected in operations as a gain (loss) in value of securities.

The estimates used in arriving at the fair value of investments that are not publicly traded include an analysis of the most recent price at which an arm's length transaction has occurred or an assessment of the fair value of the underlying business. The methodology used in arriving at the estimates of fair value include research into historical prices and private company valuation principles consistent with those used by the Institute of Chartered Business Valuators. Changes in the estimates underlying the other investments will have a direct impact on the value of the investments account on the balance sheet and the unrealized gain (loss) on other investments on the income statement. Any changes to these estimates are reflected as gain (loss) in value of investments in the other additions (deductions) of the consolidated statements of (loss) income.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

• **CONTINGENCIES**

The Partnership has been named as a defendant in a lawsuit brought against it by a former president of the General Partner. The Partnership recognizes liabilities when a loss is probable and capable of being reasonably estimated. As management of Amalgamated does not consider any liability related to this lawsuit to be probable or capable of being reasonably estimated, no liability has been accrued. Significant changes in assumptions as to the likelihood and estimate of the amount of the contingency could result in recognition of a liability. In addition, the management of Amalgamated has filed a counterclaim against the former president for damages related to his alleged failure to perform his required duties as president in the amount of approximately \$2 million.

In addition, the Partnership has two loans in default which have been written down to management's expectation of the value of the security pledged. See further discussion under *Financial Instruments*.

Finally, the Partnership has estimated that it will cost approximately \$900,000 to \$1,200,000 to wind-up the Partnership. This amount includes legal fees, the General Partner fee pursuant to its contract with the Partnership, and other amounts required to facilitate winding up the Partnership. This amount has not been accrued in the unaudited consolidated financial statements for the three months ended March 31, 2009.

ACCOUNTING POLICIES – ACCOUNTING STANDARDS IMPLEMENTED BY THE PARTNERSHIP IN 2009

There were no new accounting policies adopted by the Partnership for the three months ended March 31, 2009.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

In February 2008, the Accounting Standards Board (“AcSB”) confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an Omnibus Exposure Draft that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011.

The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Partnership for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010. The AcSB proposes that CICA Handbook Section – *Accounting Changes*, paragraph 1506.30, which would require an entity to disclose information relating to a new primary source of GAAP that has been issued but is not yet effective and that the entity has not applied, not be applied with respect to Exposure Draft.

The Partnership is continuing to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable. If the Partnership exists at this time, the Partnership anticipates a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required as well as systems changes that may be necessary to gather and process the information.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

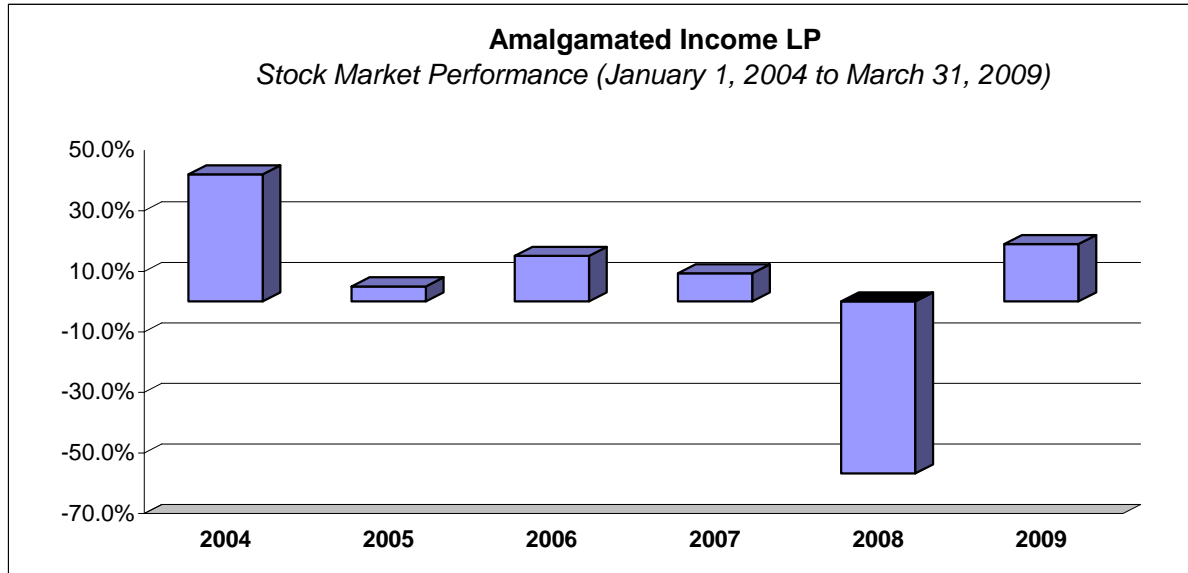
May 11, 2009

RELATED PARTY TRANSACTIONS

For a detailed description please see note 4 to the unaudited consolidated financial statements for the three months ended March 31, 2009.

PAST PERFORMANCE

The following bar chart shows Amalgamated's annual performance for each of the years shown and illustrates how Amalgamated's performance has changed from period to period. The bar chart shows in percentage terms how much an investment made on January 1 of each year would have changed by the end of each period. All distributions received during the period were added to the closing price to arrive at a total return.

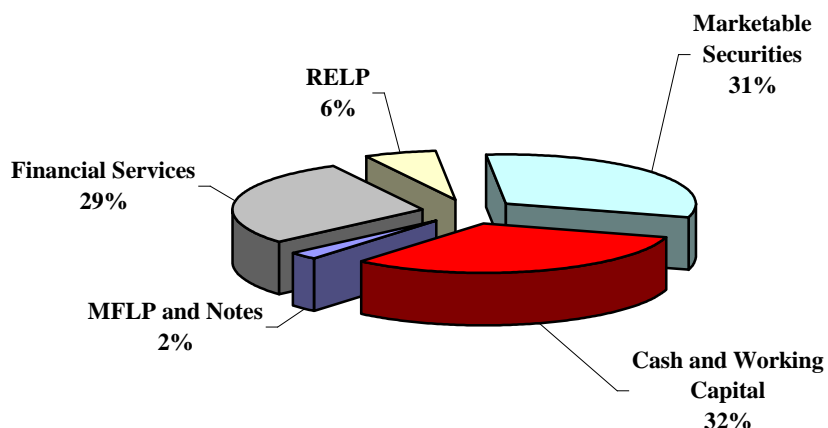


AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009

May 11, 2009

SUMMARY OF ASSETS

INVESTMENT BREAKDOWN AT MARCH 31, 2009



TOP INVESTMENT HOLDINGS

Holding	Category	Percentage	Fair Value
Claude Resources Ltd.	Marketable Securities (deb)	14.2%	1,182,000
Asset Based Financing (no expiry date)	Financial Services	12.9%	1,074,176
Royal Host - A	Marketable Securities (deb)	8.9%	746,325
Commercial Loan (expires May 2009)	Financial Services	7.1%	588,000
Commercial Loan (expires May 2009)	Financial Services	7.0%	582,663
Paddington Properties LP	RELP	5.8%	486,048
Cdn Income Mgt Trust	Marketable Securities (deb)	4.7%	394,950
Residential Mortgage (expires Jun 2009)	Financial Services	4.7%	393,617
Bridge Loan (expires Jun 2009)	Financial Services	4.4%	366,616
Fronterra Copper	Marketable Securities (deb)	2.5%	210,250
Commercial Loan (expires Aug 2009)	Financial Services	2.3%	189,850
Drive Products Income Fund	Marketable Securities	2.1%	175,940
Acuity Funds Ltd.	MFLP	2.1%	172,755
Bridge Loan (in default) (Note 9)	Financial Services	1.9%	160,000
Commercial Loan (in default) (Note 9)	Financial Services	1.9%	160,000
Banff Rocky Mountain Resort LP	RELP	1.8%	146,740
Mosaid Technologies Inc.	Marketable Securities	1.5%	122,500

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The design of the Partnership's internal control over financial reporting was assessed by the CEO and CFO on December 31, 2008 pursuant to the requirements of Multilateral Instrument 52-109 of the Canadian Securities Administrators. During this process, management identified the following weaknesses in internal control over financial reporting:

- (a) Due to the limited number of staff, it is not possible to achieve a segregation of duties; and
- (b) Due to the limited number of staff, there is no independent review of more complex areas of accounting. This may result in inadvertent errors in the accounting for income taxes, complex or non-routine accounting transactions that may arise.

These weaknesses in the Partnership's internal controls over financial reporting results in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting through the following:

- (a) Employing additional individuals to increase segregation of duties and provide review functions;
- (b) Due to the limited number of transactions, Amalgamated's auditors are able to review all the material risk areas on at least an annual basis; and
- (c) When complex accounting and technical issues arise during the preparation of the quarterly consolidated financial statements, outside consulting expertise is engaged.

Management has evaluated whether there were changes in the Partnership's internal controls over financial reporting during the most recent interim period ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, the Partnership's internal controls over financial reporting. No such changes were identified through management's evaluation. However, effective April 1, 2009, Mr. Bruce Warkentin resigned as CFO and was replaced by Mr. Elias Foscolos. Mr. Chris Boatman took over the role of CEO. Management is taking the necessary steps to ensure that these changes do not affect the Partnership negatively.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

OUTLOOK

Management is currently selling investments in order to maximize limited partners' value and expects to distribute cash or in-kind distributions of the remaining assets prior to December 15, 2009. As at May 8, 2009, management estimates that the net realizable liquidation value of the Partnership was approximately \$ 3.41 to \$3.52 per unit which also incorporates estimated wind-up costs of approximately \$900,000 to \$1,200,000. Management estimates that the net realizable liquidation value of the partnership had decreased from \$4.02 per unit as at December 31, 2008 to approximately \$3.46 per unit as at May 8, 2009, a decrease of approximately \$0.56 per unit (\$0.24 per unit decrease was a result of distributions paid or declared until the end of April 2009, \$0.32 for estimated windup costs). The asset mix of the Partnership as at May 8, 2009 was 67% in working capital and marketable securities (63% as at December 31, 2008), 2% in MFLP and Notes (4% as at December 31, 2008), 25% in Financial Services (27% as at December 31, 2008), and 6% in RELP (6% as at December 31, 2008). In addition, all brokerage margin and debentures have been repaid as at May 8, 2009. The final net realizable value will depend on various factors including the performance of the Partnership's investments between May 8, 2009 and the final wind-up date; outcome of the contingent liability as discussed above under *Contingencies*; and the level of distributions between May 11, 2009 and the final distribution date.

Submitted by:

Elias Foscolos
President & CFO

Chris Boatman
CEO

Forward Looking Statements

Except for historical financial information contained herein, the matters discussed in this MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning.

In addition, any statement that may be made concerning future performance, strategies or prospects and possible future Partnership action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Partnership. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment, (ii) the possible unavailability of financing, (iii) reliance on revenue from MFLPs, Financial Services, and RELPs, (iv) changes in general economic conditions, (v) changes in foreign exchange rates, (vi) changes in interest rates, (vii) reliance on the effectiveness of management of underlying investments, (viii) availability of additional investments at advantageous prices, (ix) changes in Regulations under the Income Tax Act, (x) reliance on the General Partner to execute accretive transactions, (xi) general operating risks, (xii) effects of competition, and (xiii) dependent on senior management. A detailed discussion of risks can be found in the Annual Information Return filed for the year ended December 31, 2008. We stress that the above mentioned list of important factors is not exhaustive.

We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Partnership has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise except as required under applicable securities law.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Three Months Ended March 31, 2009**

May 11, 2009

Corporate Address

Amalgamated Income Limited Partnership
Unit 1, 606 Meredith Road NE
Calgary, Alberta
T2E 5A8

Telephone (888) 708-5757
(403) 265-6540
Fax (403) 206-7185

Website www.aiun.ca

Mailing Address

Box 1290, Station "M"
Calgary, Alberta
T2P 2L2

General Partner

Amalgamated General Partner Ltd.

Directors

Christopher Boatman, *Chairman*
Michael Charlton¹
Andy Chen¹
Elias Foscolos
Bruce Mitchell¹

¹ *Members of the Audit Committee*

Officers

Chris Boatman, *CEO*
Elias Foscolos, *President and CFO*

Auditors

Meyers Norris Penny LLP
300, 622 – 5th Avenue SW
Calgary, Alberta
T2P 0M6

Telephone (403)263-3385
Fax (403)269-8450

Legal Counsel

Davis LLP
1000, 250 – 2nd Street SW
Calgary, Alberta
T2P 0C1

Telephone: (403) 296-4470
Facsimile: (403) 296-4474

Transfer Agent

Olympia Trust Company
2300, 125 – 9th Ave. SE
Calgary, Alberta
T2G 0P6

Phone (800) 727-4493
Fax (403) 265-1455