IBI GROUP

NEWS RELEASE

IBI ANNOUNCES 1ST QTR RECORD GAINS IN 2006 OVER 2005:

- **Revenue at $35.4 up $12.1 – 52%;**
- **EBITDA at $5.9 up $ 2.3M – 62%;**
- **Distributable cash of $0.4395 per weighted average unit vs declared of $0.2941 per weighted average unit.**

TORONTO, May 10, 2006 – IBI Income Fund (the "Fund") (TSX: IBG.UN) today announced its financial results for the three months ended March 31, 2006.

Revenue for the three months ended March 31, 2006 was up $12.1 million (52.1%) to $35.4 million compared to $23.3 million for the three months ended March 31, 2005. This increase was the result of both strategic growth through acquisitions and organic growth. Revenue from strategic growth through acquisitions, together with synergies resulting from the integration of the acquired firms within the ongoing IBI practice, accounted for approximately $10 million of the increase. Organic growth was also achieved in the fee revenue of the continuing IBI core business. This growth in activity was accomplished by an increase of 9.8% in the average number of professional staff for the year, billing rate increases of 4% since March 31, 2005 and an increase in chargeable time

Net earnings before non-controlling interest of the Fund for the three months ended March 31, 2006 were $4.2 million or $0.3730 per Unit (on a fully diluted basis) compared with $0.2 million or $0.0171 per Unit for the three months ended March 31, 2005. As a percentage of revenue, net earnings before non-controlling interest were 11.9% for the three months, compared with 0.7% for the three months ended March 31, 2005.

Earnings before income taxes, interest and depreciation for the three months ended March 31, 2006 was $5.9 million, up $2.3 million (62.2%) from $3.6 million for the three months ended March 31, 2005. As a percentage of revenue, EBITDA was up 1.0% to 16.6% for the three months ended March 31, 2006, compared with 15.6% for the three months ended March 31, 2005. The growth in revenue, together with the relative reduction in salaries, fees and employee benefits as a percentage of revenue, partially offset by the increase in other operating costs, accounted for the increase in percentage of revenue.

Distributable Cash - During the three months ended March 31, 2006, the Fund generated $4.9 million of distributable cash, up $2.0 million (69.6%) as compared with $2.9 million for the three months ended March 31, 2005. On a per Unit basis, based on the weighted average number of Units outstanding, distributable cash was $0.4395 for the three months, compared with $0.2899 for the three months ended March 31, 2005. This represents a 51.6% increase in distributable cash per Unit over the quarter ended March 31, 2005 and a payout ratio of 66.9% for the three months ended March 31, 2006, including the increase in the monthly distribution from $0.09375 to $0.10 per Unit effective with the February distribution, which was paid on March 31, 2006. At the current monthly distribution of $0.10 per Unit, distributions for the three months ended March 31, 2006 would have been $4.1 million had the current number of Units been outstanding for the entire period, which would have resulted in a payout ratio of 82.5% of distributable cash.

Liquidity and Capital Resources - During the quarter ended March 31, 2006, the Fund's bank indebtedness decreased by $9.1 million. This decrease was due to the application of the proceeds of $39.0 million from an equity offering completed during the three months ended March 31, 2006 of 3,542,000 Units at a price of $11.00 per Unit. The proceeds of this offering, after deducting $1.6 million for expenses of the offering and the underwriters' fee, were used to repay (a) the $4.8 million of debt to the Management Partnership incurred by IBI Group in connection with the acquisition of HBEW; (b) the $13.9 million of debt to the Management Partnership incurred by IBI Group in connection with the merger of the business of DAA with the business of IBI Group; (c) $18.7 million of indebtedness owing by IBI Group on its line of credit with its bank lender.

Current assets increased $7.8 million during the three months to $58.8 million. This increase was primarily a result of the merger of the business of IBI Group with the business of DAA, which accounted for $6.0 million of the increase in current assets. Capital expenditures during the three months were $0.6 million.

OPERATING HIGHLIGHTS –AND MAJOR ACHIEVEMENTS:

- Completed the merger within IBI of the practice Daniel Arbour & Associates Partnership, with an effective date of January 1, 2006;
- Successfully completed an amendment to the Fund's credit facilities with its bank lender, increasing the operating line from $17 million for $26 million and extending the maturity to August 30, 2008; and
- Successfully completed a public offering raising gross proceeds of $39 million through the issuance of 3,542,000 units at a price of $11.00 per unit.

Selected Consolidated Financial Information and Reconciliation of Non-GAAP Measures

in thousands except for per unit amounts	Three months ended March 31, 2006 Unaudited	Three months ended March 31, 2005 Unaudited
Revenue	$ 35,398	$ 23,273
Expenses	29,519	19,649
Earnings before income taxes, interest and amortization (EBITDA)	5,879	3,624
Interest	348	183

Income taxes	173	306
Amortization of capital and intangible assets	1,253	3,063
Amortization of deferred credit - leases	(90)	(100)
Net earnings before non-controlling interest	4,195	172
Basic and diluted net earnings per Unit	0.3780	0.0171
Distributable Cash		
Cash flow from operating activities	$ (5,622)	$ (5,495)
Add (deduct):		
Change in non-cash operating working capital	10,980	8,630
Capital expenditures	(587)	(363)
Income taxes	173	306
Income taxes paid	(2)	(164)
Distributable cash	$ 4,942	$ 2,914
Weighted average basic and diluted distributable cash per Unit (1)	$ 0.4395	$ 0.2899
Aggregate distributions declared	$ 3,307	$ 2,827
Weighted average basic and diluted aggregate distributions declared per Unit (1)	$ 0.2941	$ 0.2812

(1) Distributable cash per Unit amounts are calculated by including both the Class A partnership units and the Class B subordinated partnership units in the denominator.

Non-GAAP Measures – Distributable Cash

Distributable cash does not have a standardized meaning prescribed by GAAP, but is a measure generally used by Canadian open-ended income funds as an indicator of financial performance. The Fund defines distributable cash as cash flow from operating activities before change in non-cash working capital and income taxes and after capital expenditures and income taxes paid. A reconciliation of distributable cash to cash flow from operating activities has been provided under the heading “Selected Consolidated Financial Information and Reconciliation of Non-GAAP Measures”.

The Fund’s method of calculating distributable cash may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to distributable cash as reported by such entities. The Fund believes that its distributable cash is a useful supplemental measure that may assist prospective investors in assessing the return on their investment in Units.

References to “EBITDA” are to earnings before interest, income taxes, depreciation and amortization. Management of the Fund believes that in addition to net earnings, EBITDA is a useful supplemental measure as it provides readers with an indication of cash available for distribution prior to debt service, capital expenditures and income taxes. Readers should be cautioned, however, that EBITDA should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Fund’s performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. EBITDA is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP, and the Fund’s method of calculating EBITDA may differ from other issuers. Accordingly, EBITDA may not be comparable to similar measures used by other issuers. A reconciliation of net earnings with EBITDA has been provided under the heading “Selected Consolidated Financial Information and Reconciliation of Non-GAAP Measures”

For further information, please contact:

Allan J. Kamerman
IBI Income Fund
230 Richmond Street West, 5th Floor
Toronto, ON M5V 1V6

Tel: 416-596-1930