



NEWS RELEASE

IBI INCOME FUND DECLARES ITS MONTHLY CASH DISTRIBUTION TO UNITHOLDERS

TORONTO, May 23, 2006 – IBI Income Fund (the “Fund”) (TSX: IBG.UN) today declared a cash distribution of \$0.10 per Fund Unit for the month of May 2006, payable June 30, 2006 to unitholders of record on May 31, 2006.

The Fund also announced that IBI Group Management Partnership will receive a distribution of \$0.05625 per Class B Unit held by it in IBI Group for the month of May 2006 payable on June 30, 2006. As more fully described below, IBI Group is the partnership through which the professional services business of the Fund is indirectly carried on.

ABOUT THE IBI INCOME FUND

The Fund holds an indirect 63% interest in IBI Group, a partnership which provides professional services, including planning, design, implementation, analysis of operations and other consulting services in relation to four main areas of development, being urban land, building facilities, transportation networks and systems technology. The remaining 37% of IBI Group, represented by Class B Units, is owned by IBI Group Management Partnership.

There are currently 8,567,778 Fund Units and 5,025,778 Class B Units issued and outstanding. All of the Class B Units are owned by IBI Group Management Partnership.

Under the constating documents of the Fund and IBI Group, the Class B Units of IBI Group (which are all held by the IBI Group Management Partnership) entitle the holder to monthly distributions of \$.05625 per Class B Unit which is equal to 60% of the distributions originally targeted on the Fund Units at the time of the Fund’s initial public offering of Fund Units. At the end of each fiscal quarter, so long as distributions on the Fund Units during the subject fiscal year have met the originally targeted level of \$0.09375 per Fund Unit per month, and IBI Group is otherwise able to do so, the holder of the Class B Units will be entitled to an additional distribution equalizing the distributions per Class B Unit for such quarter with the distributions per Fund Unit.

These arrangements for preferred distribution rights for the holders of Fund Units are to continue until at least early 2007 (when the audited financial statements for the fiscal year ending December 31, 2006 are completed). Specifically, these arrangements will continue until the completion of audited financial statements for a fiscal year (ending December 31, 2006 or later) in which (i) average monthly distributions on Fund Units (on a diluted basis as if the Class B Units of IBI Group had been exchanged for Fund Units) were at least \$0.09375 per Fund Unit and (ii) the Fund earned EBITDA of at least \$14.242 million. After this condition is met, the Class B Units of IBI Group will also be exchangeable, on a one-for-one basis, for Fund Units.

The Fund is a TSX listed income trust, which pays monthly distributions and trades under the symbol “IBG.UN”. Holders of units who are non-residents of Canada will be required to pay all withholding taxes payable in respect of any distributions of income by the Fund.

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, Fax: 416-596-8024