



NEWS RELEASE

**IBI ANNOUNCES RECORD REVENUE AND EBITDA:**

- **Revenue at \$43.3 million; increase of \$6.1 million + 16.4%;**
- **Overall organic revenue growth of \$4.7 million + 12.7%**
- **EBITDA at \$7.7 million; increase of \$ 1.0 million + 14.5%;**
- **Distributable cash of \$0.4518 per unit vs declared of \$0.3400 per unit.**
- **6.6% increase in cash distributions to \$1.45 per Fund Unit per annum from \$1.36 effective for the September 2007 distribution payable October 31, 2007.**

**TORONTO, August 8, 2007 – IBI Income Fund (the “Fund”) (TSX: IBG.UN)** today announced its financial results for the three and six month periods ended June 30, 2007

**Revenue** for the three months ended June 30, 2007 was up \$6.1 million (16.4%) to \$43.3 million compared to \$37.2 million for the three months ended June 30, 2006. For the six months ended June 30, 2007, revenue was up \$12.3 million (16.9%) to \$84.8 million compared to \$72.6 million for the six months ended June 30, 2006. These increases over the prior year periods were primarily the result of strong organic growth with a contribution of strategic growth through acquisitions. IBI Group achieved organic growth in revenue of approximately \$4.7 million (12.7%) for the three months ended June 30, 2007 and \$9.6 million (13.2%) of the increase for the six months ended June 30, 2007. Revenue from strategic growth through acquisitions was approximately \$1.4 million for three months ended June 30, 2007 and \$2.6 million of the increase for the six months ended June 30, 2007. The overall growth in activity was accomplished through a 19.0% increase in the average number of staff from 1,167 during the three months ended June 30, 2006 to 1,389 during the three months ended June 30, 2007. The number of staff as of June 30, 2007 was 1,442, up from 1,206 as of June 30, 2006.

**Net earnings before non-controlling interest** of the Fund for the three months ended June 30, 2007 were \$8.8 million or \$0.6496 per Unit (on a fully diluted basis) compared with \$4.5 million or \$0.3313 per Unit for the three months ended June 30, 2006. For the six months ended June 30, 2007, net earnings before non-controlling interest were \$14.4 million or \$1.0579 per Unit (on a fully diluted basis) compared with \$8.7 million or \$0.5960 per Unit for the six months ended June 30, 2006. As a percentage of revenue, net earnings before non-controlling interest were 20.4% for the three months ended June 30, 2007, compared with 12.1% for the three months ended June 30, 2006. For the six months ended June 30, 2007, net earnings before non-controlling interest as a percentage of revenue were 17.0% compared with 12.0% for the six months ended June 30, 2006. Excluding the impact of the future income tax credit of \$3.2

million, net earnings before non-controlling interest as a percentage of revenue were 13.1% for the quarter and 13.2% for the year to date.

**EBITDA** for the three months ended June 30, 2007 was \$7.7 million, up \$1.0 million (14.5%) from \$6.8 million for the three months ended June 30, 2006. For the six months ended June 30, 2007, EBITDA was up \$2.7 million (21.5%) to \$15.4 million compared with \$12.6 million for the six months ended June 30, 2006. As a percentage of revenue, EBITDA was 17.9% for the three months ended June 30, 2007 compared with 18.2% for the three months ended June 30, 2006. For the six months ended June 30, 2007, EBITDA as a percentage of revenue was 18.1% compared with 17.4% for the six months ended June 30, 2006. Higher payroll costs associated with the new staff, partially offset with the relative reduction in other operating costs (other than interest) as a percentage of revenue, accounted for the decrease in the percentage for the three months ended June 30, 2007 as compared to the prior year periods. Overall, EBITDA as a percentage of revenue was impacted by the lower margin facilities management business which has generated EBITDA of negative \$0.2 for the three months ended June 30, 2007 compared with positive \$0.1 for the three months ended June 30, 2006 due to one additional payroll period during the quarter and an increase in seasonal employees over the prior year period. Excluding the results of the facilities management business, EBITDA as a percentage of revenue was 19.7% for the three months ended June 30, 2007 compared with 19.1% for the three months ended June 30, 2006.

**Distributable Cash** - For the three months ended June 30, 2007, the Fund generated \$6.1 million of distributable cash, up \$1.3 million, (27.3%) compared with \$4.8 million for the three months ended June 30, 2006. For the six months ended June 30, 2007, the Fund generated \$11.6 million of distributable cash, up \$1.9 million, (19.1%) compared with \$9.8 million for the six months ended June 30, 2006. On a per Unit basis, based on the weighted average number of Units outstanding, distributable cash was \$0.4518 for the three months ended June 30, 2007, an increase of \$0.0968 compared with \$0.3550 for the three months ended June 30, 2006. This represents a payout ratio of 75.3% for the three months ended June 30, 2007, compared with a payout ratio of 84.5% for the three months ended June 30, 2006. For the six months ended June 30, 2007, the payout ratio is 77.5% compared with 75.6% for the six months ended June 30, 2006.

The Fund concluded on the basis of this strong financial performance that the monthly cash distributions would be increased by 6.6% to \$1.45 per Fund Unit on an annual basis from \$1.36. This increase will be effective with the Distribution for the month of September 2007, payable on October 31, 2007 to unitholders of record on September 28, 2007

### **Backlog:**

The current backlog of fee volume is at an all time high, in excess of the equivalent of nine months of work at the fee volume of last twelve months. The backlog has increased in all four areas of IBI activity and in all geographic regions excepting Florida. Backlog for government and institutional clients has increased as a percentage of the total.

### **Operating Highlights and Major Achievements:**

- Revenue growth at 16.4% including organic growth of 12.7%;

- EBITDA growth of 14.5% for the quarter to \$7.7 million;
- Distributable cash of \$0.4518 per unit vs declared of \$0.3400 per unit;
- 6.6% increase in cash distributions to \$1.45 per Fund Unit per annum from \$1.36 effective for the September 2007 distribution payable October 31, 2007.
- Successfully completed an amendment to the Fund's credit facilities with its bank lender, increasing the credit facilities by \$15.0 million to \$65.0 million, consisting of a \$15.0 million operating facility and \$50.0 million term facility;
- Successfully completed on May 3, 2007, the merger of the practice of The RMPK Group, Inc. of Sarasota, Florida, a firm of 18 planners, designers and landscape architects, which has been serving government and private clients in Florida for over 25 years;
- Established an operating office in Dubai with the relocation of an IBI associate partner to lead the build up of the office and expand on the existing IBI work in the Saudi Kingdom and Gulf Emirates;
- Established an operating office in Shanghai on the strength of a major new architectural assignment along with the continuation of other current project work;
- Established an operating office in Delhi on the basis of a major a major new contract that comprises a number of projects for a leading firm in infrastructure.

### **Investor Conference Call**

The Fund will hold a conference call on Thursday, August 9, 2007 at 9:00 a.m. Eastern Standard Time (EST). To participate in the conference call, please dial in before 9:00 a.m. EST to (416) 620-2408 for local and international access, or 1 877 331-7860 for toll-free North American access

An audio replay of the call will be available for 14 days, by dialling (416) 626-4100 for local and international access, or 1 800 558-5253 for toll-free North American access, passcode 21345726 followed by the number sign on your telephone keypad.

### Selected Consolidated Financial Information and Reconciliation of Non-GAAP Measures

	Three months ended June 30, 2007 Unaudited	Three months ended June 30, 2006 Unaudited	Six months ended June 30, 2007 Unaudited	Six months ended June 30, 2006 Unaudited
in thousands except for per unit amounts				
Revenue	\$ 43,253	\$ 37,161	\$ 84,809	\$ 72,559
Expenses	35,508	30,399	69,450	59,918
<b>Earnings before income taxes, interest and amortization (EBITDA)</b>	7,745	6,762	15,359	12,641
Interest	646	481	1,228	829
Income taxes	(3,017)	342	(2,699)	515
Amortization of property and equipment and intangible assets	1,358	1,525	2,595	2,778
Amortization of deferred credit - leases	(72)	(90)	(145)	(180)
<b>Net earnings before non-controlling interest</b>	\$ 8,830	\$ 4,504	\$ 14,380	\$ 8,699
Basic and diluted net earnings per Unit	\$ 0.6496	\$ 0.3313	\$ 1.0579	\$ 0.7069
<b>Distributable Cash</b>				
Cash flow from operating activities	\$ 2,775	\$ (1,379)	\$ 966	\$ (7,001)
Add (deduct):				
Change in non-cash operating working capital	7,341	7,318	15,864	18,298
Capital expenditures	(848)	(842)	(2,242)	(1,429)
Income taxes	(3,017)	342	(2,699)	515
Income taxes paid	(109)	(613)	(257)	(615)
Distributable cash	\$ 6,142	\$ 4,826	\$ 11,632	\$ 9,768
Weighted average basic and diluted distributable cash per Unit (1)	0.4518	0.3550	\$ 0.8557	\$ 0.7926
Aggregate distributions declared	\$ 4,622	\$ 4,078	\$ 9,017	\$ 7,385
Basic and diluted aggregate distributions declared per Unit (1)	\$ 0.3400	\$ 0.3000	\$ 0.6633	\$ 0.5941

(1) Distributable cash per Unit amounts are calculated by including both the Class A partnership units and the Class B 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, 5<sup>th</sup> Floor  
Toronto, ON M5V 1V6

Tel: 416-596-1930