



NEWS RELEASE

IBI INCOME FUND DECLARES ITS MONTHLY CASH DISTRIBUTION TO UNITHOLDERS

TORONTO, September 21, 2005 – IBI Income Fund (the “Fund”) (TSX: IBG.UN) today declared a cash distribution of \$0.09375 per Fund Unit for the month of September 2005, payable October 31, 2005 to unitholders of record on September 30, 2005.

The Fund also announced that IBI Group Management Partnership will receive a distribution of \$0.16875 per Class B Unit held by it in IBI Group, payable on October 31, 2005. This per Class B Unit distribution includes the distribution entitlement for the month of September 2005 plus an additional equalizing distribution for the fiscal quarter so that the distributions per Class B Units for the fiscal quarter ending September 30, 2005 will be the same as the distributions per Fund Unit for the quarter (the rights to equalizing distributions are more fully described below). As more fully described below, IBI Group is the partnership through which the professional services business of the Fund is (through the operating entities owned by IBI Group) carried out, and through which management of such business holds their retained ownership interest.

ABOUT THE IBI INCOME FUND

The Fund holds an indirect 50% 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 50% of IBI Group is owned by IBI Group Management Partnership.

There are currently outstanding 5,025,778 Fund Units and 5,025,778 Class B Units. All 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 per unit equal to 60% of the distributions on the Class A Units of IBI Group (which are the units indirectly held by the Fund). At the end of each fiscal quarter, so long as distributions on the Fund Units to date during the subject fiscal year have met the targeted distribution level of \$0.09375 per month, and IBI Group is otherwise able to do so, the holder of the Class B Units will be entitled to an additional equalizing distribution.

These arrangements for certain preferred distribution rights for the Fund’s public unitholders 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 unit and (ii) the Fund earned EBITDA of at least \$14.242 million. After this condition is met, 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.

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