NEWS RELEASE

## IBI ANNOUNCES STRONG THIRD QUARTER RESULTS TEMPERED BY US CURRENCY DECLINE:

- **Revenue at $68.8 million; increase of $1.5 million + 2.3%;**
- **EBITDA at $11.8 million; decrease of $ 1.1 million - 8.2%;**
- **Distributable Cash of $8.6 million; decrease of $1.8 million – 17.1%**
- **Distributable Cash per unit of $0.4872 vs declared of $0.3999 - payout ratio of 82.1%.**

**TORONTO, November 4, 2009 – IBI Income Fund (the "Fund") (TSX: IBG.UN)** today announced its financial results for the three and nine months ended September 30, 2009

**Revenue** for the three months ended September 30, 2009, was up $1.5 million (2.3%) to $68.8 million compared to $67.2 million for the three months ended September 30, 2008. For the nine months ended September 30, 2009, revenue was up $33.9 million (19.8%) to $205.5 million compared to $171.6 million for the nine months ended September 30, 2008.

Revenue from strategic growth through acquisitions accounted for approximately $6.1 million of the revenue for the three months ended September 30, 2009. This strategic growth was generated through the additional revenues resulting from the acquisitions/mergers of Gruzen Samton in the second quarter of 2009 and BFGC and SGA in the third quarter of 2009. The overall increase in activity was the result of a 0.4% increase in the average number of staff from 2,216 during the three months ended September 30, 2008 to 2,227 during the three months ended September 30, 2009. The number of staff as of September 30, 2009 was 2,242, down from 2,314 as of September 30, 2008, and up from 2,212 as at June 30, 2009.

**EBITDA** for the three months ended September 30, 2009 was down $1.1 million (8.2%) to $11.8 million compared with $12.8 million for the three months ended September 30, 2008. For the nine months ended September 30, 2009, EBITDA was up $0.3 million (0.8%) to $33.0 million compared with $32.7 million for the nine months ended September 30, 2008. As a percentage of revenue, EBITDA for the three months ended September 30, 2009 was 17.1% compared with 19.1% for the three months ended September 30, 2008. As a percentage of revenue, EBITDA for the nine months ended September 30, 2009 was 16.1% compared with 19.1% for the nine months ended September 30, 2008.

All of the preceding includes the impact of foreign exchange. EBITDA for the three months ended September 30, 2009 was impacted by a foreign exchange loss of $2.0 million compared with a gain of $2.1 million for the three months ended September 30, 2008. (See "Definition of

EBITDA, Distributable Cash and Non-GAAP Measures"). For the nine months ended September 30, 2009, there was a foreign exchange loss of $2.8 million compared to a gain $3.8 million for the nine months ended September 30, 2008. These foreign exchange losses arose on the translation of the foreign-denominated assets and liabilities held in the Funds Canadian subsidiaries. Excluding the impact of the exchange, EBITDA for the three months ended September 30, 2009 would have been $13.8 million (20.1% of revenue) compared with $10.7 million (15.9% of revenue) for the three months ended September 30, 2008. For the nine months ended September 30, 2009, EBITDA would have been $35.8 million (17.4% of revenue) excluding the impact of the exchange, compared with $28.9 million (16.9% of revenue) for the nine months ended September 30, 2008.

**Net earnings before non-controlling interest** of the Fund for the three months ended September 30, 2009 were $5.2 million, or $0.2918 per Unit (on a fully diluted basis) compared with $7.5 million or $0.4785 per Unit (on a fully diluted basis) for the three months ended September 30, 2008. For the nine months ended September 30, 2009, net earnings before non-controlling interest were $15.4 million or $0.9122 per Unit (on a fully diluted basis) compared with $21.5 million or $1.3751 per Unit (on a fully diluted basis) for the nine months ended September 30, 2008. As a percentage of revenue, net earnings before non-controlling interest were 7.5% for the three months ended September 30, 2009, compared with 11.1% for the three months ended September 30, 2008. For the nine months ended September 30, 2009, net earnings before non-controlling interest as a percentage of revenue were 7.5% compared with 12.5% for the nine months September 30, 2008. The foreign exchange loss together with the increase in interest, taxes and amortization of intangibles has resulted in lower earnings during the first three quarters of 2009.

All of the preceding includes the impact of foreign exchange. Excluding the impact of foreign exchange, net earnings before non-controlling interest for the three months ended September 30, 2009 would have been $7.2 million (10.4% of revenue) compared with $5.3 million (7.9% of revenue) for the three months ended September 30, 2008. For the nine months ended September 30, 2009, net earnings before non-controlling interest would have been $18.3 million (8.9% of revenue) excluding the impact of foreign exchange, compared with $17.7 million (10.3% of revenue) for the nine months ended September 30, 2008.

**Distributable Cash** - For the three months ended September 30, 2009, the Fund generated $8.6 million of Distributable Cash, down $1.8 million, (17.1%) compared with $10.4 million for the three months ended September 30, 2008. For the nine months ended September 30, 2009, Distributable Cash was up $1.2 million (4.8%) to $25.7 million compared with $24.5 million for the nine months ended September 30, 2008. On a per Unit basis, based on the weighted average number of Units outstanding, Distributable Cash was $0.4872 for the three months ended September 30, 2009; a decrease of $0.1761 compared with $0.6633 for the three months ended September 30, 2008. This represents a payout ratio of 82.1% for the three months ended September 30, 2009, compared with 59.4% for the three months ended September 30, 2008.

All of the preceding includes the impact of foreign exchange. Excluding the impact of foreign exchange, Distributable Cash for the three months ended September 30, 2009 would have been $10.6 million (payout ratio of 66.6%) compared with $8.3 million (payout ratio of 74.7%)) for the three months ended September 30, 2008. For the nine months ended September 30, 2009, Distributable Cash would have been $28.5 million (payout ratio of 71.7%) excluding the impact of foreign exchange, compared with $20.7 million (payout ratio of 87.4%)) for the nine months ended September 30, 2008.

**Backlog:**

The current backlog of contracted committed fee volume for the next 12 months has increased to an amount approaching nine months equivalent of work, from the amount exceeding eight months since the IBI Group Report on the second quarter ending June 30, 2009. Backlog for Government and public institutional clients is now in excess of 65% of total backlog. Backlog is continuing to increase in building facility areas in health care, education, in transportation terminals, transportation networks and systems technology. IBI Group is increasingly receiving new mandates in the design stage of new private sector projects, although there is an overall decline in private sector as construction documentation and construction phase services are completed for older projects.

**Operating Highlights and Major Achievements:**

The third quarter results have continued with the strong improvement in operating results of IBI Group, as compared to the first quarter of 2009. As noted in the MD&A of the first quarter, the situation changed materially for IBI Group in the latter part of February. This stronger pace was reflected in the improved second quarter results and maintained in the third quarter results.

Public sector work continued to increase, offsetting the continuing decline in private sector work. While there has been encouraging signs in the reawakening of private sector work with IBI Group receiving mandates for new projects in Toronto, Vancouver and Montreal in the residential sector, the backlog of work that IBI Group had before the severe downturn in the fourth quarter of 2008 continued to be completed with an overall result of further decline in private sector work. New projects in design stages are enabling IBI Group to increase design staff, with the completion of working drawings and construction phase services requiring further trimming in staff specialising in these areas. Similar phenomenon is experienced in industrial buildings in the Giffels practices in the USA and in Canada. However, further strength has been achieved in the increase in public sector work including; new major projects in health care, additional work in educational facilities, additional work in transportation planning in North America, and internationally, new large scale urban planning work internationally as well as major new projects in systems work.

Accordingly, IBI Group continued to trim staff levels in those areas affected by the decline, while at the same time adding staff largely through acquisitions as well as recruiting of individuals in those areas of increasing activity. Staff levels in the third quarter averaged 2,227 compared to 2,152 in the second quarter of 2009 and stood at 2,242 at the quarter end compared to 2,212 at the end of the second quarter of 2009. The current staff complement is appropriately sized for the backlog of ongoing committed work at the professional standards of the firm, with some spare capacity. There will, however, continue to be adjustments.

IBI Group has been pro-active in managing the challenges of trimming staff and integrating firms, which is proven out with the results of the third quarter. EBITDA achieved in the third quarter is $11.8 million, down from the $12.0 million of the second quarter and down from the $12.8 million of the corresponding third quarter of 2008. EBITDA as a percent of revenue was 17.1%, better than the second quarter of 2009, (with its higher revenue), but seemingly less than the 19.1% of the third quarter 2008. However, after adjusting for the impact of the foreign exchange loss, the actual situation is dramatically different. EBITDA for the third quarter, excluding the impact of the exchange, would have been $13.8 million, very robust at 20.1% of revenue and the highest ever achieved by IBI Group, as compared to only $10.7 million, 15.9% of revenue for the corresponding third quarter of 2008. In fact, this third quarter of 2009 was the highest and most productive performing quarter in IBI Group's history! Similarly, distributable cash earned of $8.6 million for the third quarter, at a payout ratio of 82.1% would, excluding the impact of the exchange, have been at $10.6 million compared with $8.3 million for the third quarter 2008 and a payout ratio of 74.6%.

During the third quarter, IBI Group progressed with the closing of the acquisition of BFGC Architects, Planners Inc. ("BFGC") with offices in San Jose, Bakersfield and San Luis Obispo effective August 1, 2009. This firm has been in practice for 60 years, and now has 70 personnel serving clients in the design of school and community college facilities, as well as architectural services and other building types. The initial stages of integration of this firm within the practice of IBI Group is underway. Some successes have already been achieved in the obtaining of new work combining the skills of BFGC with IBI Group in California.

IBI Group concluded the merger between Stevens Group Architects, ("SGA") and IBI Group Architects in August, 2009. SGA specialises in the architectural design of transit, notably transit stations and related facilities throughout southern Ontario as well as educational facilities. This practice provides immediate strength in the breadth and depth of the IBI Group practice in transit design in southern Ontario, as well as additional resources for work of the firm in other market areas. The educational facilities further strengthen the continuing educational practice of IBI Group in Ontario. Work is underway integrating the activities of this firm together with IBI Group and Giffels. It is notable that the firm is progressing in the establishment and build out of the IBI Group transportation and infrastructure design office combining engineers, architects, landscape architects, systems experts and all other professionals related to such work to provide the most comprehensive set of services on an integrated basis for our clients.

On September 30, 2009, IBI Income Fund concluded the issuance of convertible unsecured subordinated debentures for net proceeds of $44.2 million. The debentures have a maturity date of December 31, 2014, and have a coupon rate of 7% with a conversion price of $19.17. This was a significant move in strengthening the long term capital base of the Fund and provides IBI with considerable flexibility for continuing its growth and acquisition program.

The progress in professional work of IBI Group in the third quarter included:

- initiating the work of the large suite of projects in Greece in towing and traffic management which are all now underway;

- further expansion of the transit and transportation design practice and progress in the build out of the transportation design office;
- further work in health care with additional hospital work underway including the competitive stage for the Women's College Hospital in Toronto; other hospital projects are being initiated in this fourth quarter;
- major new transportation work internationally including a major corridor study in the Saudi Kingdom;
- major new urban work and planning of new communities in cities in the Middle East and Asia.

The scope of these efforts is validation of IBI Group's integrated operating model of providing comprehensive professional services to clients in Canada, the USA and abroad.

**Investor Conference Call**

The Fund will hold a conference call on Thursday, November 5, 2009 at 8:30 a.m. Eastern Standard Time (EST). To participate in the conference call, please dial in before 8:30 a.m. EST to **800 753-0594** for local and toll-free North American access, or **1 212 231 2901** for international 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 21438686 followed by the number sign on your telephone keypad.

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

| in thousands of dollars except for per Unit amounts | Three months ended September 30, 2009 Unaudited | Three months ended September 30, 2008 Unaudited | Nine months ended September 30, 2009 Unaudited | Nine months ended September 30, 2008 Unaudited |
|---|---|---|---|---|
| **Revenue** | $ 68,783 | $ 67,242 | $ 205,479 | $ 171,587 |
| **Expenses** | 57,005 | 54,408 | 172,481 | 138,842 |
| **Earnings before income taxes, interest and amortization (EBITDA)** | 11,777 | 12,834 | 32,998 | 32,745 |
| Interest | 1,900 | 1,352 | 4,534 | 2,783 |
| Income taxes | 1,166 | 760 | 3,350 | 1,307 |
| Amortisation of property and equipment and intangible assets | 3,580 | 3,315 | 9,752 | 7,296 |
| Amortization of deferred credit - leases | (28) | (51) | (84) | (154) |
| **Net earnings before non-controlling interest** | $ 5,159 | $ 7,458 | $ 15,446 | $ 21,513 |
| Basic and diluted net earnings per Unit | $ 0.2918 | $ 0.4785 | $ 0.9122 | $ 1.3751 |
| **Distributable Cash** | | | | |
| Cash flow used in operating activities | $ 1,361 | $ 534 | $ (536) | $ (11,602) |
| Less: Capital expenditures | (395) | (825) | (1,278) | (3,785) |
| **Standardized Distributable Cash** | $ 966 | $ (291) | $ (1,814) | $ (15,387) |
| Add (deduct): | | | | |
| Change in non-cash operating working capital | 6,891 | 9,788 | 24,203 | 39,236 |
| Current income tax expense | 1,625 | 1,160 | 4,797 | 2,328 |
| Income taxes paid | (868) | (259) | (1,509) | (1,687) |
| **Distributable Cash** | $ 8,614 | $ 10,398 | $ 25,677 | $ 24,490 |
| Weighted average basic and diluted Distributable Cash per Unit (1) | $ 0.4872 | $ 0.6633 | $ 1.5150 | $ 1.5622 |
| Aggregate distributions declared | $ 7,074 | $ 6,178 | $ 20,453 | $ 18,066 |
| Basic and diluted aggregate distributions declared per Unit (1) | $ 0.3999 | $ 0.3941 | $ 1.1997 | $ 1.1524 |

(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.

**Definition of EBITDA, Distributable Cash and Non-GAAP Measures**

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"

Discussion in this press release of net earnings before non-controlling interest, EBITDA and distributable cash include the impact of foreign exchange gain (loss) as the Fund believes this provides useful information for readers to assess the performance of the Fund.

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