

Teranet Reports Record Year-End Results for 2007

Delivers Solid Growth in Core Business and Other Value-Added Services

ANNUAL RESULTS SUMMARY:

- **Distributable Cash* of \$167.6 million or \$1.08 per unit**
- **Record revenue of \$253.7 million, an increase of 6.1%**
- **Adjusted EBITDA* up 14.8% to \$183.6 million**
- **Other value-added services revenue grows 16%**
- **Payout ratio of 70% for the year and 70% since inception of the Fund**

Toronto, ON – March 12, 2008 – Teranet Income Fund (TSX: TF.UN) today announced its fourth quarter and year-end results for the period ended December 31, 2007.

“In our first full fiscal year as an income trust, Teranet has successfully delivered on our commitments to investors at the time of our initial public offering, steadily building our business, growing Adjusted EBITDA* and Distributable Cash* and increasing our monthly cash distributions to Unitholders,” said Aris Kaplanis, President and Chief Executive Officer of Teranet Inc. “Teranet continues to benefit from a very stable business model, with continued organic growth in our core business and a solid platform to drive new initiatives. We have delivered progress in our growth strategy, and we have the financial flexibility to further execute that strategy in 2008.”

The Fund began operations on June 16, 2006. Therefore, the results for the Fund for the year ended December 31, 2007 are compared to the combined operating results of Teranet Inc. for the period January 1 to June 15, 2006, and the Fund for the period June 16 to December 31, 2006.

Total revenue for the fourth quarter was \$63.3 million, an increase of 10.4% from \$57.3 million in the same period in 2006. The growth is mainly attributable to a rise in real estate activity and an increase in the parcel base in the Electronic Land Registration System (ELRS), in addition to higher revenue from other value-added services. Revenue from other value-added services for the quarter rose 12% to \$7.5 million, reflecting continued strong market adoption. For the year, total revenue grew 6.1% to \$253.7 million, including other value-added services growth of 16%.

Teranet's automated parcel base grew 6.2% over the prior year to 5.18 million properties, representing 94.1% of the estimated provincial parcel base, up from 4.88 million properties and 90.3% of the provincial parcel base a year earlier. Registration volumes for the quarter were 516,481, an increase of 13.3% from 2006, while search volumes grew by 5.0% to 612,917 transactions. For the full year period, registration volumes rose 5.1% to 2,017,387 while search volumes rose 4.7% to 2,577,115.

Total operating expenses before amortization, other income, interest expense and income taxes for the fourth quarter of 2007 were \$19.6 million, down 14.1% from 2006 due to lower compensation costs and partially offset by higher expenses incurred for new business initiatives. Operating expenses for the year were \$70.1 million, down 15.2% from 2006 combined results. The year ended December 31, 2006 included \$3.5 million in transaction costs that were incurred in connection with the creation of the Fund. Excluding this item, other operating costs decreased by 11.4% year-over-year, primarily as a result of cost reduction and cost containment initiatives, lower compensation related costs, and a number of expenditures incurred in 2006 that did not recur in 2007. Partially offsetting these cost reductions were increased public reporting costs and expenses associated with new business initiatives.

Adjusted EBITDA for the fourth quarter of 2007 rose 26.5% to \$43.7 million, compared to \$34.5 million in the prior year, while the Adjusted EBITDA margin percentage improved to 69% from 60%. Both improvements are primarily the result of higher revenue and successful cost reduction and cost containment initiatives. For the full year period, Adjusted EBITDA was \$183.6 million, an increase of 14.8% from \$159.9 million in the prior year, and margin percentages improved to 72% from 67%, primarily due to the same reasons as for the quarter.

Distributable Cash for the fourth quarter of 2007 grew 32.7% to \$39.2 million or \$0.25 per unit, up from \$29.6 million or \$0.19 per unit in the same quarter last year due primarily to higher revenues and successful cost containment and cost reduction initiatives. Distributions declared were \$29.8 million or \$0.1925 per unit, resulting in a payout ratio of 76% for the quarter. For the full year period, Distributable Cash was \$167.6 million or \$1.08 per unit, and distributions declared were \$117.0 million or \$0.76 per unit, for a payout ratio of 70%.

Teranet continues to make investments in its future with total fourth quarter capital expenditures of \$9.6 million, consisting of deferred ELRS implementation costs of \$8.1 million and maintenance capital expenditures of \$1.5 million. Maintenance capital expenditures in the fourth quarter increased by \$131 thousand compared to the prior year primarily due to timing of expenditures, while deferred ELRS implementation costs increased by \$2.7 million primarily as a result of higher compensation and related costs. For the full year period, total capital expenditures were \$36.0 million, consisting of \$31.9 million in deferred ELRS implementation costs and \$4.1 million in maintenance capital expenditures. This compares to \$31.0 million in total capital expenditures in 2006.

Teranet's cash position at December 31, 2007 was \$224.2 million, of which \$95.1 million was restricted in nature.

Subsequent to year-end, Teranet made three announcements indicating progress in its growth strategy. In February 2008, Teranet completed the acquisition of Do Process Software Ltd., a leading provider of workflow software for lawyers. The tuck-in acquisition is an excellent strategic fit that gives Teranet the opportunity to increase its offering across Canada, broaden its services to the legal community and extend its customer base into different practices of law.

In February 2008, Teranet announced a contract with the City of Toronto to collect the new Municipal Land Transfer Tax on their behalf. On February 1, 2008, Teranet's Teraview[®] software began to calculate and collect the Municipal Land Transfer Tax for the City of Toronto. Teranet is also processing rebates for eligible home buyers.

Also in February, Teranet announced a contract in the healthcare sector, extending its early initiatives in this high potential market. Agfa HealthCare chose Teranet to provide hosting services for 33 hospitals across Ontario. Teranet already provides network management, disaster recovery and online payment services for a variety of hospitals in the province. This project is consistent with Teranet's strategy in the healthcare sector of steadily building brand awareness and focusing on partnerships with established healthcare leaders.

2008 Outlook

Teranet's management team is optimistic about opportunities for 2008. As the exclusive provider of electronic land registrations and searches in Ontario, the Fund has excellent market stability. The base on which the Fund earns a substantial portion of its revenue is expected to grow as the Company continues to automate properties in Ontario, thereby increasing the automated parcel base. At the same time, the Company expects to benefit from organic growth in the parcel base.

Management estimates that approximately 35% to 45% of the Fund's revenue is tied directly to real estate purchase and sale activity. That activity is expected to be healthy, but may not sustain the particularly strong rate we saw in 2007. A downturn and/or recession in the U.S. economy will undoubtedly affect aspects of Ontario's economy, and we are prepared to see a decreased pace of economic growth in Ontario. However, there appears to be a solid foundation for our housing market. We believe the price and sales growth in Ontario's real estate have been driven by strong market fundamentals, not by the type of speculation or lending practices that characterized the U.S. situation. The subprime mortgage problems in the U.S. have not spilled over into the Canadian housing market. The fundamentals supporting the real estate market in Ontario continue to include high employment rates, historically low interest rates and net positive immigration.

Management believes that the performance of the Fund is on track to meet ongoing requirements for working capital and capital expenditures and to sustain monthly distributions to Unitholders. Management also believes it will achieve its objective of growing Distributable Cash for 2008.

Teranet's management's discussion and analysis and consolidated financial statements and accompanying notes are available on the company's web site at www.teranet.ca or on www.sedar.com.

Selected Financial Highlights

(in thousands of dollars except Adjusted EBITDA margin percentages, per unit amounts, payout ratio, volume, parcel base and registration activity rate data)

	THREE-MONTH PERIOD ENDED DECEMBER 31 (UNAUDITED)		YEAR ENDED DECEMBER 31 (2007 AUDITED, 2006 UNAUDITED)		PERIOD FROM JUNE 16 TO DECEMBER 31 (AUDITED)
	2007 ¹	2006 ¹	2007 ²	2006 ³	2006 ²
Revenue	\$63,277	\$57,328	\$253,681	\$239,000	\$134,459
Operating expenses	\$19,594	\$22,800	\$70,075	\$82,616	\$41,012
Adjusted EBITDA	\$43,683	\$34,528	\$183,606	\$159,908	\$93,447
Adjusted EBITDA margin %	69%	60%	72%	67%	70%
Distributable Cash	\$39,249	\$29,584	\$167,641	-	\$88,327
Distributable Cash per unit	\$0.2532	\$0.1909	\$1.0817	-	\$0.5699
Distributions declared	\$29,834	\$29,059	\$117,013	-	\$62,645
Distributions declared per unit	\$0.1925	\$0.1875	\$0.7550	-	\$0.4042
Payout ratio	76%	98%	70%	-	71%
Volumes:					
Registration volumes	516,481	455,698	2,017,387	1,920,301	1,087,797
Search volumes	612,917	583,915	2,577,115	2,460,989	1,330,230
Parcel Base as at December 31:	2007	2006	2007	2006	2006
Teranet (Automated)	5,180,408	4,876,691	5,180,408	4,876,691	4,876,691
Automated %	94.1%	90.3%	94.1%	90.3%	90.3%
Estimated Provincial Registration Activity Rate ⁴ (Combined Automated and Manual Registrations)	0.398	0.372	0.395	0.396	N/A
Teranet Registration Activity Rate ⁴	0.402	0.377	0.401	0.408	N/A

¹ These amounts are derived from the Fund's internally prepared interim unaudited consolidated financial statements dated December 31, 2007 and December 31, 2006.

² These amounts are derived from the Fund's audited consolidated financial statements dated December 31, 2007 and December 31, 2006.

³ These amounts include results for the Company for the period from January 1, 2006 to June 15, 2006 and results from the Fund for the period from June 16, 2006 to December 31, 2006. Results for all periods prior to June 16, 2006 are based on results as presented in internally prepared financial statements for the Company. The Fund's results for the period from June 16, 2006 to December 31, 2006 are included in the combined results for the 12-month period ended December 31, 2006 and certain comparative figures have been reclassified to conform to the current year's presentation.

⁴ Quarterly estimated provincial and Teranet Registration Activity Rates are annualized rates.

Conference Call & Webcast

Teranet will hold a conference call and live audio webcast on **Wednesday, March 12, 2008 at 10 a.m. (ET)** to discuss the Fund's financial results for the period ended December 31, 2007.

To participate in the teleconference, please dial **416-644-3415** or **1-800-733-7560**. To access the live audio webcast, please visit Teranet's web site at www.teranet.ca.

The call will be archived on the web site as a webcast and a podcast. A replay of the conference call will be available until end of day on Wednesday, March 19, 2008. To access the replay, please dial **416-640-1917** or **1-877-289-8525** and enter the passcode **21263408#**.

About Teranet Income Fund and Teranet

Teranet Income Fund is an unincorporated, open-ended trust established under the laws of Ontario by way of a declaration of trust. The Fund was created to indirectly acquire all of the outstanding shares of Teranet Inc. The units of the Fund trade on the Toronto Stock Exchange under the symbol TF.UN.

Teranet is a leading provider of integrated land-based information products and services. Teranet operates in Ontario and provides access to the Ontario Electronic Land Registration System ("ELRS") through its proprietary *Teraview@* application. This product enables customers to conduct electronic registrations as well as title and writ searches relating to real property. Teranet has the exclusive right to access the data in and operate the ELRS and the Writs of Execution database, and create and market value-added products and services in connection with the ELRS and writs until March 31, 2017. These licences extend on a non-exclusive basis in perpetuity for the ELRS and until 2047 for writs. Teranet has leveraged its core capabilities to create electronic service offerings in complementary information and e-commerce areas.

* Non-GAAP Measures

This discussion also makes reference to EBITDA, Adjusted EBITDA and Distributable Cash to assist in assessing the Fund's financial performance. EBITDA, Adjusted EBITDA and Distributable Cash, however, are not recognized earnings measures under generally accepted accounting principles in Canada (GAAP) and do not have standardized meanings prescribed by GAAP. Therefore, EBITDA, Adjusted EBITDA and Distributable Cash may not be comparable to similar measures presented by other issuers. References to EBITDA are to earnings from operations before interest, income taxes, depreciation, amortization and other non-operating income and expenses. References to Adjusted EBITDA are to earnings from operations before interest, income taxes, depreciation, amortization, other non-operating income and expenses and non-recurring items. References to Distributable Cash are to cash flow from operating activities adjusted for items listed in the reconciliation provided in the Management's Discussion and Analysis of Financial Condition and Results of Operations. Distributable Cash is not intended to be representative of cash flow or results of operations determined in accordance with GAAP. As the Fund intends to pay in equal monthly distribution amounts on an ongoing basis, management believes that EBITDA, Adjusted EBITDA and Distributable Cash are important measures in evaluating its performance.

Forward-Looking Statements

This news release contains statements that, other than statements of historical fact, may be forward-looking statements about the objectives, financial condition and results of operations of the Fund. These statements are forward-looking and reflect management's current views and are based on certain assumptions and expectations as of March 11, 2008. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. No forward-looking statement is a guarantee of future results. Investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements do not take into account the effect that transactions or non-recurring items announced or occurring after the statements are made may have on the business. Teranet disclaims any intention or obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, except as required by law. These statements are subject to a number of risks described in the Risk Factors section of the MD&A, which is available at www.sedar.com. Risk Factors may cause actual results to differ materially from those contained in forward-looking statements.

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