

Teranet Reports 2006 Year-End and Fourth Quarter Results

HIGHLIGHTS:

- **Strong Distributable Cash of \$88.3 million or \$0.57 per unit (for the period June 16, 2006 to December 31, 2006)**
- **Annual revenue of \$239 million, up 6.2%**
- **Annual Adjusted EBITDA of \$159.9 million, up 3.1%**
- **Continued expansion of automated parcel base**
- **Other value-added services revenue up 36%**

Toronto, Ontario, March 30, 2007 - Teranet Income Fund ("Teranet" or the "Fund") (TSX: TF.UN) today announced its annual and fourth quarter results for the period ended December 31, 2006.

"Teranet's annual results showed growth in revenue and earnings and strong distributable cash, driven by higher registration and search volumes, introduction of electronic registration to 16 new land registry offices, increased market adoption of our value-added services, and reduced debt costs. Our automation and conversion of Ontario land information is on schedule, providing a growing base of potential revenue that also historically benefits from organic growth," said Aris Kaplanis, President and Chief Executive Officer of Teranet Inc. "We are encouraged that the market fundamentals for Teranet, including low unemployment rates, low interest rates and net positive migration, remain positive."

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

Total revenue for the year ended December 31, 2006 was \$239 million, an increase of 6.2% or \$13.9 million from \$225.1 million in the corresponding period of 2005. The increase is primarily due to higher registration and search volumes in all key registration areas: Purchase and Sales, Refinancing and Other. A 36% increase in other value-added services revenue also contributed to the overall revenue growth. Total revenue for the fourth quarter ended December 31, 2006 was \$57.3 million compared to \$58.7 million for the same period in 2005, a decrease of \$1.4 million. The decrease is mainly attributed to a decline in Refinancing activity while Purchase and Sales and Other registration activity remained consistent quarter-over-quarter.

For the year, total operating expenses before amortization, other expenses, interest expense, income taxes and non-controlling interest were \$82.6 million. Operating expenses of \$195.3 million in the prior year included \$125.3 million of long-term incentive plan obligations and transaction costs that were incurred for the twelve-month period ended December 31, 2005. For the fourth quarter, total operating expenses were \$22.8 million. In the comparable period of 2005, operating expenses of \$69.6 million included \$50.3 million of long-term incentive plan obligations and transaction costs mentioned above. Excluding these obligations and transaction costs, operating expenses increased \$9.1 million for the year and \$3.4 million for the fourth quarter, primarily due to higher costs associated with being a public company and other compensation related charges.

Adjusted EBITDA* for the year was \$159.9 million, an increase of 3.1% from \$155.1 million for the prior year. The increase in Adjusted EBITDA for the year is largely due to the revenue growth and was partially offset by new public company costs, higher capital taxes and other compensation charges. Adjusted EBITDA* for the fourth quarter was \$34.5 million compared to \$39.3 million for the fourth quarter of 2005, representing a decrease of \$4.8 million primarily due to the reasons noted above for the annual results.

Distributable Cash for the period from June 16, 2006 to December 31, 2006 was \$88.3 million or \$0.5699 per unit and reflects the growth in revenue from adding new properties to the ELRS, favourable interest rates on the Company's new bonds and proceeds from a non-recurring sale of an investment of \$6.3 million or \$0.0406 per unit. Distributions declared for this period were \$62.6 million or \$0.4042 per unit. Distributable Cash for the fourth quarter was \$29.6 million or \$0.1909 per unit and includes year-end compensation related charges recorded in the quarter. Distributions declared for the quarter were \$29.1 million or \$0.1875 per unit.

For the year, the automated parcel base grew by 7.8% to 4.9 million properties, representing 90% of the estimated provincial parcel base. This is up from 4.5 million automated parcels at December 31, 2005, which represented 86% of the provincial parcel base.

Registration volumes increased 2.2% for the year, to 1,920,300 transactions and search volumes increased 5.8% to 2,461,000 transactions. Registration volumes for the fourth quarter were 455,700, a decrease of 8.7% while search volumes for the quarter grew by 2.3% to approximately 583,900 transactions.

Teranet continues to make investments in its future. For the year, total capital expenditures were \$31 million, consisting of deferred ELRS implementation costs of \$26.5 million and maintenance capital expenditures of \$4.5 million. For the fourth quarter, total capital expenditures were \$6.8 million, consisting of deferred ELRS implementation costs of \$5.5 million and maintenance capital expenditures of \$1.3 million.

Teranet's cash position as at December 31, 2006, was \$218.9 million of which \$98.8 million was restricted in nature.

Outlook

Management's outlook remains positive. The land parcel base, on which the Fund earns a substantial portion of its revenue, is expected to grow as Teranet continues to automate properties in Ontario. At the same time, the Company expects to benefit from organic growth in the parcel base and to pursue growth from other value-added services.

On an annualized basis, management expects to incur maintenance capital expenditures of approximately \$5.0 million or \$0.0323 per unit. 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.

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.

Revenue

(in thousands of dollars except volume and parcel base data)

	Three-month period ended December 31 (unaudited)		Period from June 16, to December 31	Twelve-month period ended December 31 (unaudited)	
	2006 ¹	2005 ²	2006 ³	2006 ⁴	2005 ²
Statutory registration	\$27,476	\$29,974	\$65,623	\$115,769	\$ 112,763
Statutory search	4,874	4,777	11,125	20,589	19,286
Statutory writs	6,521	7,034	16,327	28,689	29,705
Teraview value-added services ⁵	11,762	11,721	26,690	47,982	44,286
Other value-added services ⁶	6,695	5,177	14,694	25,971	19,059
Total revenue	\$57,328	\$58,683	\$134,459	\$239,000	\$225,099
Volumes:					
Registration volumes	455,698	498,874	1,087,797	1,920,301	1,878,265
Search volumes	583,915	570,760	1,330,230	2,460,989	2,326,305
Parcel Base as at December 31:					
	2006	2005	2006	2006	2005
Teranet (Automated)	4,876,691	4,525,694	4,876,691	4,876,691	4,525,694
Automated %	90.3 %	85.6 %	90.3%	90.3%	85.6%

¹ These amounts are based on results as presented in internally prepared financial statements for the Fund.

² All results for all periods prior to June 16, 2006 are based on results as presented in internally prepared financial statements for the Company.

³ These amounts are derived from the Fund's audited consolidated financial statements dated December 31, 2006.

⁴ For comparison purposes, these amounts are based on operating results of the Company from January 1, 2006 to June 15, 2006 preceding the public offering of units and for the period from June 16, 2006 to December 31, 2006 of the Fund on a combined basis to arrive at combined pro forma operating results for the twelve-month period ended December 31, 2006.

⁵ Teraview value-added services include ancillary revenue of less than 1%.

⁶ Other value-added services include revenue from non-statutory new business products and statutory ancillary revenue from onsite automated land registry offices.

Conference Call & Webcast

Teranet will hold a conference call and live audio webcast on **Friday, March 30, 2007 at 10 a.m. (ET)** to discuss the Fund's financial results for the period ended December 31, 2006. To participate in the teleconference, please dial **416-644-3417** or **1-800-732-9307**. 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 Friday, April 6, 2007. To access the replay, please dial 416-640-1917 or 1-877-289-8525 and enter the passcode 21220781#.

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 application, *Teraview*® software. 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 makes reference to Adjusted EBITDA and Distributable Cash to assist in assessing the Fund's financial performance. Adjusted EBITDA and Distributable Cash, however, are not recognized earnings measures under GAAP and do not have standardized meanings prescribed by GAAP. Therefore, Adjusted EBITDA and Distributable Cash may not be comparable to similar measures presented by other issuers. References to Adjusted EBITDA are to earnings before interest, income taxes, depreciation, amortization, other, non-controlling interest and certain non-recurring items. References to Distributable Cash are to Adjusted EBITDA, as adjusted for maintenance capital expenditures and other adjustments 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 cash distributions in equal monthly amounts on an ongoing basis, management believes that 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 29, 2007. 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. These statements are subject to a number of risks described in the Risks and Uncertainties section of the MD&A, which is available at www.sedar.com. Risks and Uncertainties may cause actual results to differ materially from those contained in forward-looking statements.

FOR MORE INFORMATION:

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