

Teranet Reports 2006 Third Quarter Results

Delivers strong Distributable Cash, steady revenue and earnings

HIGHLIGHTS FOR THE QUARTER:

- **Strong Distributable Cash for the quarter of \$41.4 million or \$0.27 per unit**
- **Revenue of \$63.7 million, a third quarter record**
- **Adjusted EBITDA of \$46.9 million, in line with prior year quarter**
- **Continued expansion of automated parcel base**
- **Growth in value-added services**

Toronto, ON – November 14, 2006 – Teranet Income Fund (TSX: TF.UN) today announced its results for the third quarter of 2006, the period ended September 30, 2006.

“Teranet delivered strong Distributable Cash and stable earnings in the third quarter. Our cash is tracking ahead of the numbers we presented at the initial public offering, as we benefit from the full effect of new properties added to our database as well as reduced debt costs. We are also on track with our automation and conversion of land information across Ontario, which gives us a steadily growing base of potential revenue that also historically benefits from organic growth. This is the strength of our business model,” said Aris Kaplanis, President and Chief Executive Officer of Teranet Inc. “The long-term fundamentals for our business remain positive, including low unemployment rates, low interest rates and net positive immigration.”

The Fund began operations on June 16, 2006. Therefore, the operating results for the six-month period from April 1 to September 30, 2006, are the combined operating results of Teranet Inc. and the Fund.

Teranet continues to focus on growing its business. Revenue for the three months ended September 30, 2006 was \$63.7 million, a record for the third quarter, up from \$62.4 million in the comparable period in the prior year. The higher revenue was a result of continued strong adoption of remote electronic registration on an increased number of land parcels in the Electronic Land Registration System (ELRS), healthy economic conditions in Ontario and a revenue increase of 22% in the value-added services business as the Fund executed its growth strategy. For the six-month combined period in 2006, revenue was \$127.5 million, up 5.8% from \$120.5 million in the six-month period of the prior year.

Total operating expenses before amortization, interest, income taxes and non-controlling interest for the third quarter of 2006 were \$16.7 million. In the comparable period of 2005, operating expenses of \$48.6 million included \$32.9 million of obligations and transaction costs. For the six-month period ended September 30, 2006, operating expenses were \$34.0 million. Operating expenses of \$65.9 million in the prior year six-month period included the same \$32.9 million of obligations and transaction costs that affected the quarter. Excluding these obligations and transaction costs, operating expenses increased 6.4% for the three-month period and 3.0% for the six-month period, primarily due to higher costs associated with being a public company.

Adjusted EBITDA* for the third quarter of 2006 was \$46.9 million, an increase of 0.4% from \$46.7 million in the prior year. For the six-month period, Adjusted EBITDA was \$93.5 million, an increase of 6.8% from \$87.5 million in the prior year, driven primarily by increased revenue.

Distributable Cash* for the third quarter was \$41.4 million or \$0.2672 per unit, exceeding the distributions declared of \$29.1 million or \$0.1875 per unit. The strong Distributable Cash is primarily the result of the full effect of new properties added to the ELRS, as well as reduced interest costs due to more favourable interest rates on new bonds.

The automated parcel base grew by 7.7% to 4.8 million properties, representing 90% of the estimated provincial parcel base. This is up from 4.5 million properties automated at September 30, 2005, which represented 84% of the provincial parcel base.

Registration volumes for the quarter were essentially flat from the prior year at 524,000. Search volumes for the quarter grew by 3.6% to approximately 633,000 transactions from 620,000 in the prior year.

Teranet continues to make investments in its future with total capital expenditures of \$7.5 million, consisting of deferred ELRS implementation costs of \$7.3 million and maintenance capital expenditures of \$162,000 for the quarter. Cash and cash equivalents at quarter-end September 30, 2006, were \$167.8 million.

Subsequent to quarter-end, Teranet made two announcements that deliver on its growth strategy by expanding its value-added services. On October 19, 2006, Teranet announced the launch of a province-wide pilot for its Closure™ service, which enables lawyers to securely control the transfer of real estate closing funds online. Following successful beta testing that began in March 2006, Teranet is inviting a select group of real estate law firms in Ontario to pilot the service.

On October 30, 2006, Teranet announced the launch of new search services for the Toronto Real Estate Board (TREB), allowing TREB realtors to research new home developments and commercial property sales online for the first time. The new services are an expansion of Teranet's GeoWarehouse® service.

Outlook

Management's outlook is positive. The base on which the Fund earns a substantial portion of its revenue is expected to grow as Teranet Inc. (the "Company") continues to automate properties in Ontario, thereby increasing the automated parcel base. At the same time, the Fund expects to benefit from organic growth in the parcel base.

Management anticipates maintenance capital expenditures on an annual basis to be approximately \$5 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 distributions to unitholders.

On October 31, 2006, federal Finance Minister Jim Flaherty announced proposed changes to the taxation of income trusts. Teranet will assess the proposed changes and is monitoring the situation. Teranet will continue to pay its distributions as planned, and any action it takes will be in the interest of maximizing long-term value for its unitholders.

(In thousands of Canadian dollars except volumes, per unit, unit and parcel base amounts)

	Three-month period ended September 30		Six-month period ended September 30	
	2006 ¹	2005 ²	2006 ³	2005 ²
Revenue	\$63,654	\$62,419	127,480	120,522
Operating Expenses	16,729	48,626	34,024	65,925
Earnings from operations before amortization	46,925	13,793	93,456	54,597
Adjusted EBITDA	46,925	46,732	93,456	87,536
Adjusted EBITDA Margin %	74%	75%	73%	73%
Volumes				
Registration Volumes	524,486	526,480	1,024,508	1,001,983
Search Volumes	632,759	619,619	1,294,249	1,250,388
Parcel Base				
Teranet (Automated)	4,805,515	4,463,260	4,805,515	4,463,260
% Province Automated	90%	84%	90%	84%

Net Earnings	\$18,556
Distributable Cash	41,405
Distributable Cash per Unit	0.2672
Distributions Declared	29,060
Distributions Declared per Unit	0.1875

¹ Results for these amounts are derived from the Fund's interim unaudited financial statements dated September 30, 2006.

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

³ For comparison purposes, these amounts are based on operating results of the Company for the 76-day period from April 1, 2006 to June 15, 2006 preceding the public offering of units and for the period from June 16, 2006 to September 30, 2006 of the Fund on a combined basis to arrive at a combined pro forma operating results for the six-month period ended September 30, 2006.

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.

Conference Call & Webcast

Teranet will hold a conference call and live audio webcast on **Tuesday, November 14, 2006 at 11 a.m. (ET)** to discuss the Fund's financial results for the period ended September 30, 2006.

To participate in the teleconference, please dial **416-644-3419** or **1-800-814-4860**. 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 Tuesday, November 21, 2006. To access the replay, please dial **416-640-1917** or **1-877-289-8525** and enter the passcode **21207391#**.

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 software application, *Teraview*®. 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 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 in equal monthly distribution 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 November 13, 2006. 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 CONTACT:

Bonnie Foster, Vice President Corporate Communications
416-643-1095
bonnie.foster@teranet.ca
www.teranet.ca

1 Adelaide Street East, Suite 600
Toronto, Ontario M5C 2V9 Canada
Phone 416.360.8783
www.teranet.ca