

## Teranet Delivers Record Results and Double-Digit Growth, Increases Distributions 4%

**Strong third quarter results powered by solid activity and organic growth**

### QUARTERLY SUMMARY:

- **Distributable Cash\*** up 16% to **\$48.0 million** or **\$0.31 per unit**
- **Record revenue of \$71.2 million, an increase of 11.8%**
- **Adjusted EBITDA\*** up 13.5% to **\$53.3 million**
- **Other value-added services revenue grows 30.2%**
- **Payout ratio of 61%**
- **Announced 4% increase in distributions to \$0.0650 per unit monthly**

**Toronto, ON – November 14, 2007** – Teranet Income Fund (TSX: TF.UN) today announced its third quarter results for the period ended September 30, 2007.

“Teranet achieved a banner third quarter, delivering double-digit increases and record results in revenue, Adjusted EBITDA\* and Distributable Cash\*,” said Aris Kaplanis, President and Chief Executive Officer of Teranet Inc. “We are growing our revenue base as we automate more properties into our electronic system and through organic growth each quarter, and are capitalizing on strong fundamentals and robust activity in the Ontario economy and real estate market. In addition, we have made good progress leveraging our technology and infrastructure, unparalleled experience and operational excellence to grow our value-added services.”

Based on the strength of Teranet’s year-to-date performance in 2007 and the expectation of continuing momentum in 2008, the Board of Trustees has approved a 4% increase in cash distributions to unitholders, to \$0.0650 per unit monthly (\$0.78 annualized) from \$0.0625 (\$0.75 annualized). This increase is payable December 17, 2007 to unitholders of record on November 30, 2007. Management is confident that the continued focus on growing Distributable Cash through organic growth and new initiatives will allow the Fund to progressively reduce the payout ratio over the period 2007-2010 to take into account future expected cash income taxes while sustaining distributions.

The Fund began operations on June 16, 2006. Therefore, the results for the Fund for the nine-month period ended September 30, 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 September 30, 2006.

Total revenue for the quarter was \$71.2 million, a historical record for Teranet, and an increase of 11.8% from \$63.7 million in the same period in 2006. The growth is mainly attributable to a rise in real estate and refinancing 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 rose 30.2% to \$7.9 million, reflecting continued strong market adoption. For the nine-month period, total revenue grew 4.8% to \$190.4 million, including other value-added services growth of 17.6%, or 26% excluding a one-time item.

Teranet’s automated parcel base grew 6.2% over the prior year to 5.1 million properties, representing 93.5% of the estimated provincial parcel base, up from 4.8 million properties and 90.0% of the provincial parcel base a year earlier. Registration volumes for the quarter were 580,980, an increase of 10.8% from the third quarter of 2006, while search volumes grew by 7.1% to approximately 677,477 transactions. For the nine-month period, registration volumes rose 2.5% to 1,500,906, while search volumes rose 4.6% to 1,964,198.

Total operating expenses before amortization, other income, interest expense and income taxes for the third quarter of 2007 were \$17.9 million. This represents an increase of 7.1% from \$16.7 million in the third quarter of 2006, primarily due to higher variable costs incurred as a result of the increase in revenue. For the nine-month period, total operating expenses decreased 15.6% to \$50.5 million from \$59.8 million in the prior year. The decrease is primarily due to costs in the 2006 period incurred in connection with the creation of the Fund as well as other expenditures, in addition to cost reduction and containment initiatives in 2007.

Adjusted EBITDA for the third quarter of 2007 rose 13.5% to \$53.3 million, compared to \$46.9 million in the prior year, while the Adjusted EBITDA margin percentage improved to 75% from 74%. Both improvements are primarily the result of higher revenue. For the nine-month period, Adjusted EBITDA was \$139.9 million, an increase of 11.6% from \$125.4 million in the prior year, and margin percentages improved to 73% from 69%, primarily due to higher revenue and lower expenses.

Distributable Cash for the third quarter of 2007 grew 16.0% to \$48.0 million or \$0.31 per unit, up from \$41.4 million or \$0.27 per unit in the same quarter last year. Distributions declared were \$29.1 million or \$0.19 per unit, resulting in a payout ratio of 61% for the quarter. For the nine-month period, Distributable Cash was \$128.4 million or \$0.83 per unit, for a payout ratio of 68%.

Teranet continues to make investments in its future with total capital expenditures of \$10.2 million, consisting of deferred ELRS implementation costs of \$8.0 million and maintenance capital expenditures of \$2.2 million for the third quarter. Maintenance capital expenditures increased by \$2.0 million compared to the prior year primarily due to timing of expenses, while deferred ELRS implementation costs increased by \$0.7 million primarily due to higher compensation and related costs. For the nine-month period, total capital expenditures were \$26.3 million, consisting of \$23.7 million in deferred ELRS implementation costs and \$2.6 million in maintenance capital expenditures.

Teranet's cash position at September 30, 2007 was \$214.8 million, of which \$96.4 million was restricted in nature.

On September 24, 2007, Teranet was added to the S&P/TSX Composite Index (the Index), which management believes will serve to increase Teranet's visibility and liquidity for the benefit of Unitholders. In conjunction with Teranet's addition to the Index, it has been added to the S&P/TSX Capped Composite Index, the S&P/TSX Income Trust Index, the S&P/TSX Completion Index, the S&P/TSX Small Cap Index and the Information Technology Global Industry Classification Standard Index.

## **2007 Outlook**

Management's outlook is positive. As the exclusive provider of electronic land registrations and searches in Ontario, the Fund has strong 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 30% to 40% of the Fund's revenue is tied to real estate purchase and sales activity. The real estate market in Ontario continues to be supported by strong fundamentals, including high employment rates, historically low interest rates, solid consumer confidence and net positive migration.

In addition, the Company continues to focus on growing other value-added services.

Management anticipates maintenance capital expenditures to be approximately \$4.0 million or \$0.03 per unit in 2007. Management estimates that beyond 2007, annualized maintenance capital expenditures will not exceed \$5.0 million or \$0.03 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. Management believes it will achieve its objective of growing Distributable Cash for 2007.

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](http://www.teranet.ca) or on [www.sedar.com](http://www.sedar.com).

### Selected Financial Highlights

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

	THREE-MONTH PERIOD ENDED SEPTEMBER 30 (UNAUDITED)		NINE-MONTH PERIOD ENDED SEPTEMBER 30 (UNAUDITED)		PERIOD FROM JUNE 16 TO SEPTEMBER 30 (UNAUDITED)
	2007 <sup>1</sup>	2006 <sup>2</sup>	2007	2006 <sup>3</sup>	2006
Revenue	\$71,172	\$63,654	\$190,404	\$181,672	\$77,131
Operating expenses	\$17,913	\$16,729	\$50,481	\$59,816	\$18,212
Adjusted EBITDA	\$53,259	\$46,925	\$139,923	\$125,380	\$58,919
Adjusted EBITDA margin %	75%	74%	73%	69%	76%
Distributable Cash	\$48,032	\$41,405	\$128,392		\$58,743
Distributable Cash per unit	\$0.3099	\$0.2672	\$0.8284		\$0.3790
Distributions declared	\$29,060	\$29,060 <sup>4</sup>	\$87,179		\$33,586
Distributions declared per unit	\$0.1875	\$0.1875	\$0.5625		\$0.2167
Payout ratio	61%	70%	68%		57%
<b>Volumes:</b>					
Registration volumes	580,980	524,486	1,500,906	1,464,603	632,099
Search volumes	677,477	632,759	1,964,198	1,877,074	746,315
<b>Parcel Base as at September 30:</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
Teranet (Automated)	5,100,906	4,805,515	5,100,906	4,805,515	4,805,515
Automated %	93.5%	90.0%	93.5%	90.0%	90.0%

<sup>1</sup> These amounts are derived from the Fund's interim unaudited consolidated financial statements dated September 30, 2007.

<sup>2</sup> These amounts are derived from the Fund's interim unaudited consolidated financial statements dated September 30, 2006 and certain comparative figures have been reclassified to conform to the current year's presentation. The distributions declared per unit for the period June 16, 2006 to June 30, 2006 were included with the distribution declared for July 2006 during the three-month period ended September 30, 2006.

<sup>3</sup> 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 September 30, 2006. Results for all periods prior to June 16, 2006 are based on results as presented in internally prepared financial statements for the Company.

<sup>4</sup> Excludes distributions declared during the three-month period ended September 20, 2006 for the period from June 16, 2006 to June 30, 2006.

## Conference Call & Webcast

Teranet will hold a conference call and live audio webcast on **Wednesday, November 14, 2007 at 10 a.m. (ET)** to discuss the Fund's financial results for the period ended September 30, 2007.

To participate in the teleconference, please dial **416-644-3418** or **1-800-732-9303**. To access the live audio webcast, please visit Teranet's web site at [www.teranet.ca](http://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, November 21, 2007. To access the replay, please dial **416-640-1917** or **1-877-289-8525** and enter the passcode **21250620#**.

## 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 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 generally accepted accounting principles in Canada (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 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 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, 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](http://www.sedar.com). Risks and Uncertainties may cause actual results to differ materially from those contained in forward-looking statements.

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