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Royal LePage Franchise Services Fund Announces Year End Results and Declares Monthly Cash Distribution
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Toronto, ON – March 10, 2006 – (TSX – RSF.UN) Royal LePage Franchise Services Fund (the "Fund") announced record operating results for the quarter and year ended December 31, 2005.

Royalty revenue for the fourth quarter totalled $6.5 million and $27.2 million for the year, representing respective increases of 17.9% and 14.6% over the same period in 2004. Distributable cash before reserves totalled $4.8 million for the quarter and $20.7 million for the year, up 19.3% and 13.2%, respectively over the same periods in 2004. During 2005, the Fund met its target annual distribution of $1.10 per unit and generated distributable cash of $1.55 per unit, which exceeded the target distributions by 41%.

"Our solid fourth quarter and year-end results were driven by an increase in the Fund's underlying network of agents and sales representatives and continued strength in the Canadian residential resale housing market, commented Philip Soper," president and chief executive officer.

Financial and Operating Highlights
For the three months ended December 31, 2005

	(thousands)	(per unit)
Royalties	$6,525	$0.49
Distributable cash before reserves	$4,804	$0.36
Distributions	$3,661	$0.28

Fund Growth

During 2005, the Fund grew by 1,185 Realtors and began 2006 with a total of 11,888 Realtors, representing an increase of 11% from January 1, 2005. This growth exceeded the Fund's annual growth target of 200 to 400 net new agents and is well above the 8% growth rate achieved by the overall Canadian Real Estate Agent population for the same period. The 1,185 new Realtors were comprised of 839 from organic recruitment throughout the year and 346 Realtors from the 21 franchise locations acquired by the Fund on January 1, 2006.

Monthly Cash Distribution

The Royal LePage Franchise Services Fund today declared a cash distribution of $0.09583 per unit for the month of March 2006, payable April 28, 2006, to unitholders of record on March 31, 2006. Royal LePage Franchise Services Fund has implemented its planned annual distribution target increase from $1.10 to $1.15 per year for 2006.

Outlook

"The national residential average price reached $249,366 in 2005, up 10% from the prior year. We expect that the resale housing market will enjoy solid but more moderate growth in 2006, with unit sales falling slightly from a record high of 482,805 in 2005. With continued expansion of Canada's economy, positive job and income growth, and higher 2006 immigration targets, real estate remains a sound long-term investment for Canadians," said Soper.

Fund Structure

The fund generates both fixed and variable fee components. Variable fees are primarily driven from total transactional-dollar volume from agent sales commissions, while fixed franchise fees are based on the number of agents and sales representatives in the network. Approximately 65% of the fund's revenue is based on fixed fees from a large number of long-term franchisee contracts, which stabilizes revenue and keeps the fund insulated from market fluctuations.

Year End Results Conference Call

A conference call for investors, analysts and media to review the 2005 Year End results will be held on Friday, March 13, 2006 at 2:00 p.m. (EST). To participate in the conference call, please dial toll-free **1-866-296-6505** at approximately 1:50 p.m. EST. The pass code for this call is **53439.** For those unable to participate, a taped re-broadcast will be available online at www.rsfund.ca under "Investment Info> Financial Reports."

Annual General Meeting

The annual general meeting for unitholders will be held on May 9, 2006 at 10:00 a.m. at the Hockey Hall of Fame, Toronto, ON.

About the Royal LePage Franchise Services Fund

The Royal LePage Franchise Services Fund is a leading provider of services to residential real estate brokers and their agents. The Fund generates cash flow from franchise royalties and service fees derived from a national network of real estate brokers and agents in Canada operating under the Royal LePage and Johnston & Daniel brand names. As at December 31, 2005, the Fund Network is comprised of 262 franchise agreements, operating from 561 locations serviced by 11,542 Realtors. The Fund has approximately 20% market share of the Canadian residential resale real estate market based on transactional dollar volume. Royal LePage Franchise Services Fund is a TSX listed income trust, which pays monthly distributions and trades under the symbol "RSF.UN".

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ROYAL LePAGE FRANCHISE SERVICES FUND

Consolidated Balance Sheets

As at December 31, 2005 and 2004
(in thousands of dollars)

		2005		2004
Assets		**(Unaudited)**		
Current assets				
Cash and cash equivalents	**$**	**9,941**	$	4,444
Accounts receivable		**2,434**		2,176
Prepaid expenses		**84**		96
		12,459		6,716
Deferred charges		**684**		—
Intangible assets (note 4)		**133,022**		137,238
	$	**146,165**	$	143,954
Liabilities and Unitholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**2,064**	$	2,001
Purchase obligation (note 3)		**2,893**		—
Distribution payable to unitholders		**915**		915
		5,872		2,916
Long-term debt (note 7)		**38,000**		30,600
Non-controlling interest (note 8)		**25,824**		27,740
		69,696		61,256
Unitholders' equity		**76,469**		82,698
	$	**146,165**	$	143,954

See accompanying notes to the consolidated financial statements

On behalf of the board

________________________ Trustee

________________________ Trustee

ROYAL LePAGE FRANCHISE SERVICES FUND

Consolidated Statements of Earnings

Year ended December 31
(in thousands of dollars, except unit and per unit amounts) (unaudited)

		2005		2004
Royalties				
Fixed franchise fees	**$**	**12,332**	$	10,649
Variable franchise fees		**7,337**		6,377
Premium franchise fees		**4,241**		3,971
Other fee revenue and services		**3,286**		2,743
		27,196		23,740
Expenses				
Administration		**595**		513
Management fee (note 11)		**3,660**		3,660
Interest expense		**2,289**		1,327
Amortization of intangible assets		**14,150**		13,677
		20,694		19,177
Earnings before undernoted		**6,502**		4,563
Non-controlling interest (note 8)		**(1,746)**		(1,232)
Net earnings	**$**	**4,756**	$	3,331
Basic and diluted earnings per unit (9,983,000 units) (note 10)	**$**	**0.48**	$	0.33

See accompanying notes to the consolidated financial statements

ROYAL LePAGE FRANCHISE SERVICES FUND
Consolidated Statements of Unitholders' Equity
(in thousands of dollars) (unaudited)

	Units	Net Earnings	Distributions	Total
	(note 9)			
Balance, December 31, 2003	$ 92,938	$ 1,947	$ (4,533)	$ 90,352
Net income	—	3,331	—	3,331
Unit distributions	—	—	(10,985)	(10,985)
Balance, December 31, 2004	92,938	5,278	(15,518)	82,698
Net income	**—**	**4,756**	**—**	**4,756**
Unit distributions	**—**	**—**	**(10,985)**	**(10,985)**
Balance, December 31, 2005	**$ 92,938**	**$ 10,034**	**$ (26,503)**	**$ 76,469**

See accompanying notes to the consolidated financial statements

ROYAL LePAGE FRANCHISE SERVICES FUND

Consolidated Statements of Cash Flows

Year ended December 31
(in thousands of dollars)(unaudited)

	2005	2004
Cash provided by (used for):		
Operating activities		
Net earnings	**$ 4,756**	$ 3,331
Items not affecting cash		
Non-controlling interest	**1,746**	1,232
Amortization of deferred charges	**138**	—
Amortization of intangible assets	**14,150**	13,677
Changes in non-cash working capital (note 13)	**(183)**	(468)
	20,607	17,772
Investing activities		
Purchase of intangible assets (note 3)	**(7,041)**	(120)
Financing activities		
Distributions paid to unitholders	**(10,985)**	(10,985)
Distributions paid to non-controlling interest	**(3,662)**	(3,662)
Proceeds from private debt placement	**38,000**	—
Repayment of long-term debt	**(30,600)**	—
Deferred charges	**(822)**	—
	8,069	(14,647)
Increase in cash and cash equivalents during the year	**5,497**	3,005
Cash and cash equivalents, beginning of year	**4,444**	1,439
Cash and cash equivalents, end of year	**$ 9,941**	$ 4,444
Cash and cash equivalents are comprised of:		
Cash	**$ 9,941**	$ 443
Commercial paper	—	4,001
	$ 9,941	$ 4,444

Supplementary Cash Flow Information (note 13)

See accompanying notes to the consolidated financial statements

1. ORGANIZATION

Royal LePage Franchise Services Fund (the "Fund") is a limited purpose trust established under the laws of the Province of Ontario and pursuant to an Amended and Restated Declaration of Trust. On August 7, 2003, the Fund raised $99,830 (before issue costs) by issuing units on the Toronto Stock Exchange. These proceeds together with the proceeds of a term loan were utilized to acquire franchise agreements, relationships and trademark rights.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements include the accounts of Royal LePage Franchise Services Fund, its wholly-owned subsidiary RL RES Holding Trust ("RLHT"), and its 75% owned subsidiaries, Residential Income Fund General Partner Limited ("RIFGP") and Residential Income Fund L.P. (the "Partnership"). RIFGP is the managing general partner of the Partnership. Trilon Bancorp Inc. (the "non-controlling interest") owns the remaining 25% interest in the Partnership and RIFGP. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Fund's significant accounting policies are as follows:

Revenue recognition

Franchise fees are generally based on a percentage of an agent's gross revenue ("Variable Franchise Fees") to a specified maximum plus a dollar amount per agent ("Fixed Franchise Fees"). Gross revenue is the gross commission income (net of outside broker payments) paid in respect of the closings of residential resale real estate transactions. Variable Franchise Fees are recognized in income at the time a residential resale real estate transaction closes or lease is signed by the vendor or lessor. Fixed Franchise Fees are recognized in income as earned.

Premium franchise fees are calculated as a percentage ranging from 1% to 5% of an agent's gross commission income for a select number of franchise locations. These fees are recognized in income at the time a residential resale real estate transaction closes or lease is signed by the vendor or lessor.

Other fee-based revenues are generally recognized in income when the related services have been provided.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term, highly liquid investments with a maturity of 90 days or less.

Intangible assets

Intangible assets, consisting of franchise agreements, relationships and trademark rights are recorded at cost less accumulated amortization. The franchise agreements are being amortized over the term of the agreements using the effective rate method. Relationships are being amortized over one renewal period, at the commencement of that period, using the effective rate method. The trademarks are being amortized on a straight-line basis over the term of the agreement plus one renewal period. The Fund reviews the carrying value of the intangible assets for impairment whenever events or circumstances indicate the carrying value may not be recoverable. If an impairment is determined to exist, the intangible assets are written down to their fair value.

Deferred charges

Deferred charges consist of financing costs which are amortized on a straight-line basis over the term of the debt to which they relate.

2. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Earnings per unit

The earnings per unit are based on the weighted average number of units outstanding during the year. Diluted earnings per unit are calculated to reflect the dilutive effect, if any, of the non-controlling interest exercising its right to exchange its Subordinated LP Units of the Partnership into units of the Fund after August 7, 2008.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment in the value of intangible assets, useful lives for amortization and provisions for contingencies. Actual results could differ from those estimates.

Income taxes

Pursuant to the terms of the Amended and Restated Declaration of Trust, the trustees of the Fund are required to make distributions or designate all taxable income earned by the Fund to its unitholders, including the taxable part of net realized capital gains, and will deduct such distributions and designations for income tax purposes. Therefore, no provision for income taxes is required on income earned by the Fund. Income tax obligations related to distributions by the Fund are the obligations of the unitholders. In respect of the assets and unit issuance costs of the Fund, the carrying value of the Fund's net assets at December 31, 2005 exceeds the amortizable tax basis by approximately $ 42,400 (2004 – $48,400).

3. ASSET ACQUISITIONS

a) On January 1, 2005, the Partnership acquired 38 franchise agreements from Residential Income Fund Manager Limited ("RIFML") at a purchase price of $9,934 calculated in accordance with the Management Services Agreement ("MSA"). On February 18, 2005, $7,041 was paid in cash against this purchase price obligation and the remaining balance of $2,893 was paid in cash on January 4, 2006.

b) On January 1, 2004, the Partnership acquired three franchise agreements from RIFML at a purchase price of $120 calculated in accordance with the MSA.

4. INTANGIBLE ASSETS

	2005		
	Cost	**Accumulated Amortization**	**Net Book Value**
Franchise agreements	**$ 123,622**	**$ 31,136**	**$ 92,486**
Relationships and trademarks	**40,979**	**443**	**40,536**
	$ 164,601	**$ 31,579**	**$ 133,022**

	2004		
	Cost	Accumulated Amortization	Net Book Value
Franchise agreements	$ 115,492	$ 17,168	$ 98,324
Relationships and trademarks	39,175	261	38,914
	$ 154,667	$ 17,429	$ 137,238

Amortization during the year ended December 31, 2005 was $14,150 (2004 – $13,677).

5. FRANCHISE AGREEMENTS

	2005	2004
Number of franchises, beginning of year	**227**	226
Additions	**38**	4
Terminations	**(3)**	(3)
Number of franchises, end of year	**262**	227

6. OPERATING CREDIT FACILITY

On February 16, 2005, the Partnership obtained a credit facility (the "revolver") of up to $2,000 from a Canadian financial institution. This revolver may be used to provide working capital to the Partnership from time to time. The revolver is subject to annual renewal with outstanding principal under the revolver subject to interest at the lender's prime rate plus 1% to 1.5% or the banker acceptance rate plus 2% to 2.5%, based on the ratio of total debt to Adjusted EBITDA of the Partnership as defined in the credit agreement. The Fund's $2,000 operating credit facility which existed prior to February 16, 2005, was terminated and replaced with the new revolver. As at December 31, 2005, the operating credit facility had not been drawn upon.

7. LONG-TERM DEBT

On February 18, 2005, the Partnership completed the issuance of a $38,000 private debt placement (the "private placement") provided by Canadian institutional investors. The private placement is for a five-year term with interest fixed at 5.882%, and only interest payable quarterly in arrears. The proceeds of the private placement, net of $822 in issue costs, were utilized by the Partnership to payout and retire its $30,600 term loan and to fund the Partnership's January 1, 2005 franchise agreement acquisition obligations.

8. NON-CONTROLLING INTEREST

A summary of the non-controlling interest is as follows:

	2005	2004
Non-controlling interest at beginning of year	**$ 27,740**	$ 30,170
Non-controlling interest earnings for the year	**1,746**	1,232
Distributions	**(3,662)**	(3,662)
	$ 25,824	$ 27,740

The non-controlling interest owns 25 common shares in RIFGP and 3,327,667 Class B subordinated limited partnership units of the Partnership ("Subordinated LP Units") which reflects an effective 25% interest in the Partnership. An equivalent amount of Special Fund Units, which represent voting rights in the Fund, also accompanied the Subordinated LP Units. The Fund indirectly holds the remaining 75% interest in the Partnership through Class A limited partnership units of the Partnership ("Ordinary LP Units").

The holders of the Ordinary LP Units and Subordinated LP Units are entitled to proportionately receive all distributions of the Partnership, in accordance with the aggregate number of Ordinary LP Units and Subordinated LP Units issued and outstanding as at the record date for such distribution and in accordance with the provisions of the Partnership Agreement. Distributions to the holder of the Subordinated LP Units are subordinated to the distributions to the holder of Ordinary LP Units until August 7, 2008 (the "Conversion Date"). The non-controlling interest is entitled to indirectly exchange, on a one-for-one basis, subject to adjustment, the Subordinated LP Units for Units of the Fund on or after the Conversion Date.

9. FUND UNITS

The Fund is authorized to issue an unlimited number of units, each of which represents an equal undivided beneficial interest in any distributions from the Fund. All units are of the same class with equal rights and privileges. As at December 31, 2005 and 2004, 9,983,000 units were issued and outstanding.

Pursuant to the Amended and Restated Declaration of Trust, the holder of the Special Fund Units, which accompanied the Subordinated LP Units (note 8), will be entitled to vote in all votes of Fund unitholders, as if they were holders of the number of units of the Fund they would receive if Subordinated LP Units were exchanged into units of the Fund as of the record date of such votes, and will be treated in all respects as unitholders of the Fund for the purpose of any such votes. The Special Fund Units are not entitled to receive distributions.

Units are redeemable at the option of the holder at a price based on the market value as defined in the Declaration of Trust, subject to a maximum of $50,000 in cash redemptions by the Fund in any one month. The limitation may be waived at the discretion of the Trustees of the Fund.

10. EARNINGS PER UNIT

The Special Fund Units were not included in the diluted per unit calculations as the effect would have been anti-dilutive.

11. MANAGEMENT SERVICES AGREEMENT

The Fund has a management services agreement (MSA) with the Residential Income Fund Manager Limited (“RIFML”), a party related to the non-controlling interest via common control, under which RIFML is to provide certain management, administrative and support services to the Fund and its subsidiaries. The MSA commenced August 7, 2003, has an initial term of 10 years and is automatically renewable for successive 10-year periods subject to approval of the Fund and RIFML. The MSA provides for the payment of a monthly fee equal to 20% of the cash of the Partnership otherwise available for distribution. For the year ended December 31, 2005, RIFML earned $3,660 for these services (2004 – $3,660).

12. RELATED PARTY TRANSACTIONS

The Fund had the following transactions with parties related to the non-controlling interest. These transactions have been recorded at the exchange amount agreed to between the parties.

	2005	2004
a) Royalties		
Fixed, variable and other franchise fees	**$ 1,947**	$ 1,782
Premium franchise fees	**$ 3,551**	$ 3,347
b) Expenses		
Management fees	**$ 3,660**	$ 3,660
Insurance and other	**$ 92**	$ 91
c) Distributions		
Distributions paid to non-controlling interest	**$ 3,662**	$ 3,662

12. RELATED PARTY TRANSACTIONS (cont'd)

The following amounts due to/from related parties are included in the account balance as described:

	2005	2004
d) Accounts receivable		
Franchise fees receivable and other	**$ 457**	$ 438
e) Accounts payable and accrued liabilities		
Distributions payable to non-controlling interest	**$ 915**	$ 915
Management fees	**$ 325**	$ 329
Due to non-controlling interest	**$ —**	$ 30
Purchase obligation	**$ 2,893**	$ —

13. SUPPLEMENTAL CASH FLOW INFORMATION

	2005	2004
a) Changes in non-cash working capital		
Accounts receivable	**$ (258)**	$ (206)
Prepaid expenses	**12**	145
Accounts payable and accrued liabilities	**63**	(407)
	$ (183)	$ (468)
b) Supplementary information		
Interest paid	**$ 1,921**	$ 1,092

14. FINANCIAL INSTRUMENTS

In the normal course of business the Fund is exposed to a number of financial risks that can affect its operating performance. These risks are outlined below:

(a) Interest rate risk
The Fund's long-term debt bears interest at a fixed rate and does not mature until February 2010. The credit facility bears interest at floating rates and as a result is exposed to changes in interest rates. As at December 31, 2005, the Fund had not drawn on this facility. Accordingly, the Fund is not currently subject to any significant interest rate risk.

(b) Credit risk
Credit risk arises from the possibility that the franchisees may experience financial difficulty and be unable to pay outstanding franchise fees. The Fund's credit risk is limited to the recorded amount of accounts receivable.

(c) Fair value
The fair value of the Fund's financial instruments, which consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, distributions payable to unitholders and the long-term debt, are estimated by management to approximate their carrying values.

15. SUBSEQUENT EVENTS

Effective January 4, 2006, the Partnership acquired 21 new franchise agreements from RIFML. The purchase price of $6,222 is based on an estimated annual royalty stream of $740 and has been calculated in accordance with the formula set forth in the MSA. $4,978 of the purchase price was paid on January 4, 2006 and the remainder will be paid a year later in accordance with the terms set out in the MSA. The Partnership used cash reserves to acquire these agreements.

	Three months ended Dec. 31 2003	Three months ended March 31 2004	Three months ended June 30 2004	Three months ended Sept. 30 2004	Three months ended Dec. 31 2004	Three months ended March 31 2005	Three months ended June 30 2005	Three months ended Sept. 30 2005	**Three months ended Dec. 31 2005**
Revenue									
Fixed franchise fees	$ 2,465	$ 2,522	$ 2,718	$ 2,691	$ 2,718	$ 2,945	$ 2,999	$ 3,127	**$ 3,261**
Variable franchise fees	1,169	1,179	2,008	2,041	1,149	1,335	2,231	2,444	**1,327**
Premium franchise fees	930	541	932	1,489	1,009	576	1,103	1,497	**1,065**
Other fees and services	638	613	739	731	660	740	805	869	**872**
	$ 5,202	$ 4,855	$ 6,397	$ 6,952	$ 5,536	$ 5,596	$ 7,138	$ 7,937	**$ 6,525**

Additions for the period:	Three months ended Dec. 31 2003	Three months ended March 31 2004	Three months ended June 30 2004	Three months ended Sept. 30 2004	Three months ended Dec. 31 2004	Three months ended March 31 2005	Three months ended June 30 2005	Three months ended Sept. 30 2005	**Three months ended Dec. 31 2005**
Number of agents & sales representatives	108	279	189	210	13	750	323	119	**205**
Number of paying agents	101	225	163	175	38	726	295	138	**179**
Number of fixed fee paying sales representatives	-	-	-	-	-	-	-	477	**89**
Number of locations	(12)	6	9	0	(6)	48	(1)	(4)	**0**
Number of franchisees	(1)	4	(2)	0	(1)	38	(1)	(2)	**0**
At end of period									
Number of agents & sales representatives	9,454	9,733	9,922	10,132	10,145	10,895	11,218	11,337	**11542**
Number of paying agents	8,754	8,979	9,142	9,317	9,355	10,081	10,376	10,514	**10693**
Number of fixed fee paying sales representatives	-	-	-	-	-	-	-	477	**566**
Number of locations	509	515	524	524	518	566	565	561	**561**
Number of franchisees	226	230	228	228	227	265	264	262	**262**

FORWARD-LOOKING STATEMENTS

Certain statements in Management's Discussion and Analysis of Results and Financial Condition may include statements that are "forward-looking statements". These forward-looking statements may reflect the current internal projections, expectations or belief, future growth, performance and business prospects and opportunities of the Fund and are based on information currently available to the Fund. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements as they are subject to a number of risks and uncertainties. Management cannot provide assurance that the actual results of developments will be realized or, even if substantially realized, that they would have the expected consequences to, or effects on, the Fund. These forward-looking statements are made as of the date of this report and the Fund assumes no obligation to update or revise them.