

FOR IMMEDIATE RELEASE

Royal LePage Franchise Services Fund Announces 2006 Year End and Fourth Quarter Results and Monthly Cash Distribution

Toronto, Ontario – March 21, 2007 – Royal LePage Franchise Services Fund (the “Fund”) (TSX – RSF.UN) today announced that royalty revenue for the year ended December 31, 2006, increased 9.1% over 2005 to \$29.7 million, exceeding the Fund’s target of 5%. The increase in royalty revenue reflects growth in the Fund’s underlying network of REALTORS¹, and continued strength in the residential resale housing market. Operating earnings before management fees increased 9.5% over 2005 to \$26.6 million while net earnings decreased 27.5% to \$3.5 million due to increased management fees, as discussed below, and increased amortization charges related to franchise contracts acquired at the beginning of 2006.

During 2006, the Fund increased and met its target distribution of \$1.15 per unit and generated distributable cash of \$1.45 per unit, which exceeded target distributions by 26%. As a result of this strong growth in distributable cash the Fund increased target annual distributions for 2007 to \$1.20 per unit. The growth in distributable cash during 2006 was offset by a \$1.9 million accumulated management fee. This fee was recognized in the first quarter upon the payment of franchise contract purchase obligations and the recording of management fees on a “total” basis as a result of the elimination of working capital requirements for management fee purposes. Management fees charged to operations from inception to December 31, 2006 are the same as those, which would have been charged to operations on a “total” basis. Management evaluates the Fund’s generation of distributable cash on a “total” basis and under this basis distributable cash has been steadily increasing to \$1.60 per unit in 2006, up 10% from \$1.46 per unit in 2005 and 21% from \$1.32 per unit in 2004.

In the fourth quarter of 2006, royalty revenue increased 3.7% over the same quarter in 2005 to \$6.8 million. Operating earnings before management fees of \$6.0 million increased 5.4% over 2005 while net earnings of \$0.8 million remained at 2005 levels due to increased management fees and amortization charges, as previously described.

A summary of our year-end and quarter results are as follows:

	Fourth Quarter				Year Ended December 31,			
	2006		2005		2006		2005	
	(thousands)	(per unit)	(thousands)	(per unit)	(thousands)	(per unit)	(thousands)	(per unit)
Royalties	\$ 6,765	\$ 0.51	\$ 6,525	\$ 0.49	\$ 29,659	\$ 2.23	\$ 27,196	\$ 2.04
Operating earnings before Management fees ²	\$ 6,027	\$ 0.45	\$ 5,719	\$ 0.43	\$ 26,613	\$ 2.00	\$ 24,312	\$ 1.83
Net earnings	\$ 839	\$ 0.08	\$ 865	\$ 0.09	\$ 3,450	\$ 0.35	\$ 4,756	\$ 0.48
Distributable cash ³	\$ 4,822	\$ 0.36	\$ 4,804	\$ 0.36	\$ 19,328	\$ 1.45	\$ 20,652	\$ 1.55
Distributions	\$ 3,825	\$ 0.29	\$ 3,662	\$ 0.28	\$ 15,303	\$ 1.15	\$ 14,647	\$ 1.10

¹ REALTORS are defined as individuals licensed to trade in real estate and include brokers, agents and sales representatives.

² Defined as royalties less administration expense and interest expense

³ Defined as royalties less administrative expenses, interest expense and management fee. Distributable cash does not have a standardized meaning under Canadian generally accepted accounting principles and accordingly may not be comparable to similar measures used by other issuers. Management believes that distributable cash is a useful supplemental measure of performance as it provides investors with an indication of the amount of cash available for distribution to unitholders. Investors are cautioned that distributable cash should be not construed as an alternative to using net earnings as a measure of profitability or the statement of cash flows.

"We are pleased with the increase in our revenue, both on an annual and quarterly basis, which confirms the value of our business model and growth strategy," said Philip Soper, President and Chief Executive Officer. "Our franchise fees are secured by long-term contracts, creating a royalty stream that is primarily based on the number of agents in the Fund and largely protected from exposure to fluctuations in home prices and resale volume. Our growth comes from a balance of organic expansion through recruitment and agent productivity, and external expansion through the acquisition of new franchisees."

Fund Growth

During 2006, the Fund added 651 REALTORS to begin 2007 with a total of 12,539 REALTORS, representing an increase of 5.5% from January 1, 2006. This growth exceeded the high end of our growth target of 300 to 500 REALTORS for the year. Of the 651 additional REALTORS, 261 were added organically through recruitment and 390 REALTORS joined through the Fund's acquisition of 22 franchise contracts on January 1, 2007.

Monthly Cash Distribution

The Royal LePage Franchise Services Fund today declared a cash distribution of \$0.10 per unit for the month of March 2007, payable April 30, 2007, to unitholders of record on March 30, 2007.

Outlook

"We expect continued strength in the Canadian residential real estate market in 2007 due to strong underlying market fundamentals supported by moderately low interest rates, strong consumer confidence, the affordability of residential real estate and positive economic indicators," said Mr. Soper. "While we continue to see a shift to balanced markets, with moderating home sales and price appreciation, the start of 2007 has been stronger than we anticipated. Our objectives in 2007 are to: increase revenue by 4% over 2006; maintain a consistent monthly distribution to unitholders totaling \$1.20 per unit for the year; increase the REALTOR count by 300 to 500 through recruitment, franchise conversions and acquisition; and continue to pursue growth opportunities across Canada while identifying opportunities in the U.S."

"From a North American perspective, we expect Canada's housing market will continue to outperform the U.S. market throughout 2007," Mr. Soper added. "A number of factors are working in Canada's favour, including healthy personal and governmental debt levels, the relatively modest rise in interest rates in our country, and general housing affordability in our major cities."

Fund Structure

The Fund generates both fixed and variable fee components. Variable fees are primarily driven by the 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 67% of the fund's revenue is based on fixed fees from a large number of long-term franchisee contracts, which provide revenue stability and help insulate the fund from market fluctuations.

Q4 Conference Call

A conference call for investors, analysts and media to review the fourth quarter results will be held on Wednesday, March 21, 2007, at 2:00 p.m. (Eastern Time). To participate in the conference call, please dial toll free 1-866-296-6505 at approximately 1:55 p.m. The pass code for this call is 53439. For those unable to participate in the conference call, it will be available by webcast, and a replay will also be posted online following the conference call at www.rsfund.ca under "Financial Reports" which can be found under "Investment Info."

About Royal LePage Franchise Services Fund

The Fund is a leading provider of services to residential real estate brokers and their Realtors. 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. At January 1, 2007, the Fund Network was comprised of 12,539 REALTORS operating from 600 locations. The Fund Network has an approximate 20% share of the Canadian residential resale real estate market based on transactional dollar volume. Fund is a TSX listed income trust, which pays monthly distributions and trades under the symbol "RSF.UN". The Fund's website address is www.rsfund.ca

Forward-Looking Statements

This quarterly news release contains forward-looking information and other “forward-looking statements”. The words such as “should”, “will”, “continue”, “plan”, “believe”, “expect”, “anticipate”, “intend”, “estimate” and other expressions which are predictions of or indicate future events and trends and which do not relate to historical matters identify forward-looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Fund to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements include a change in general economic conditions, interest rates, consumer confidence, the level of residential resale transactions, the average rate of commissions charged, competition from other traditional real estate brokers or from discount and/or internet-based real estate alternatives, the availability of acquisition opportunities and/or the closing of existing real estate offices, other developments in the residential real estate brokerage industry or the Fund that reduce the number of and/or royalty revenue from the Fund’s REALTORS, our ability to maintain brand equity through the use of trademarks, the availability of equity and debt financing, a change in tax provisions, and other risks detailed in the Fund’s annual information form which is filed with securities commissions and posted on SEDAR at www.sedar.com. The Fund undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information contact
Gurinder Sandhu
Vice President Finance
Residential Income Fund Manager Limited
(416) 510-5701
gsandhu@royalpage.ca
www.rsfund.ca

Consolidated Balance Sheets

As at December 31, 2006 and 2005 (in thousands of dollars)

2006

2005

Assets
Current assets

Cash	\$ 6,951	\$ 9,941
Accounts receivable	2,699	2,434
Prepaid expenses	92	84

	9,742	12,459
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Deferred charges

	516	684
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Intangible assets (note 3)

	124,031	133,022
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	\$ 134,289	\$ 146,165
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Liabilities and Unitholders' Equity
Current liabilities

Accounts payable and accrued liabilities	\$ 2,998	\$ 2,064
Purchase obligation (note 3)	576	2,893
Distribution payable to unitholders	956	915

	4,530	5,872
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Long-term debt (note 6)

	38,000	38,000
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Non-controlling interest (note 7)

	23,317	25,824
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	65,847	69,696
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Unitholders' equity

	68,442	76,469
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	\$ 134,289	\$ 146,165
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See accompanying notes to the consolidated financial statements

Consolidated Statements of Earnings

Years ended December 31, 2006 and 2005 (in thousands of dollars, except unit and per unit amounts)

	2006	2005
Royalties		
Fixed franchise fees	\$ 13,827	\$ 12,332
Variable franchise fees	7,832	7,337
Premium franchise fees	4,488	4,241
Other fee revenue and services	3,512	3,286
	29,659	27,196
Expenses		
Administration	645	595
Management fee (note 10)	7,285	3,660
Interest expense	2,401	2,289
Amortization of intangible assets	14,559	14,150
	24,890	20,694
Earnings before undernoted	4,769	6,502
Non-controlling interest (note 7)	(1,319)	(1,746)
Net earnings	\$ 3,450	\$ 4,756
Basic and diluted earnings per unit (9,983,000 units) (note 9)	\$ 0.35	\$ 0.48

Consolidated Statements of Unitholders' Equity

(in thousands of dollars)	Units	Net Earnings (note 8)	Distributions	Total
Balance, December 31, 2004	\$ 92,938	\$ 5,278	\$ (15,518)	\$ 82,698
Changes during the year:				
Net income	–	4,756	–	4,756
Unit distributions	–	–	(10,985)	(10,985)
Balance, December 31, 2005	92,938	10,034	(26,503)	76,469
Changes during the year:				
Net income	–	3,450	–	3,450
Unit distributions	–	–	(11,477)	(11,477)
Balance, December 31, 2006	\$ 92,938	\$ 13,484	\$ (37,980)	\$ 68,442

See accompanying notes to the consolidated financial statements

Consolidated Statements of Cash Flows

Years ended December 31, 2006 and 2005 (in thousands of dollars)

	2006	2005
Cash provided by (used for):		
Operating activities		
Net earnings for the year	\$ 3,450	\$ 4,756
Items not affecting cash		
Non-controlling interest	1,319	1,746
Amortization of deferred charges	168	138
Amortization of intangible assets	14,559	14,150
Changes in non-cash working capital (note 12)	703	(183)
	20,199	20,607
Investing activities		
Purchase of intangible assets (note 3)	(4,993)	(7,041)
Payment of purchase price obligation (note 3)	(2,893)	-
	(7,886)	(7,041)
Financing activities		
Distributions paid to unitholders	(11,477)	(10,985)
Distributions paid to non-controlling interest	(3,826)	(3,662)
Proceeds from private debt placement	-	38,000
Repayment of long-term debt (note 6)	-	(30,600)
Deferred charges	-	(822)
	(15,303)	(8,069)
(Decrease) Increase in cash during the year	(2,990)	5,497
Cash, beginning of year	9,941	4,444
Cash, end of year	\$ 6,951	\$ 9,941

Supplementary Cash Flow Information (note 12)

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

(In thousands of dollars)

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. SIGNIFICANT 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. Any prepayment for future service is recorded as deferred revenue. The deferred revenue at December 31, 2006 was \$153 (2005 – \$179).

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 franchise 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 franchise 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. The deferred balance of \$516 (2005 – \$684) is net of accumulated amortization of \$306 (2005 – \$138).

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 the fair value of long-term debt. Actual results could differ from those estimates.

INCOME TAXES

i) 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, 2006 exceeds the amortizable tax basis by approximately \$35,700 (2005 – \$42,400).

ii) On October 31, Canada's Finance Minister announced proposed changes to Canada's taxation system designed to level the playing field between trusts and corporations. For income trusts that were publicly traded on October 31, 2006, including the Fund, it is proposed that the new tax will first apply to the 2011 taxation year. Should the legislation be substantively enacted, this would require the recognition of future tax assets and future tax liabilities with a corresponding impact on future tax expense related to temporary differences anticipated to reverse after January, 1 2011. At this time, it is too early to determine the extent to which the proposed legislation will affect the Fund and its future plans; accordingly, management will continue to monitor and analyze the situation and its implications to the Fund as they develop.

3. INTANGIBLE ASSETS AND ASSET ACQUISITIONS

On January 1, 2006, the Partnership acquired 16 franchise agreements from Residential Income Fund Management Limited ("RIFML") at a purchase price of \$5,554 calculated in accordance with the Management Services Agreement ("MSA"). On January 4, 2006, \$4,978 was paid in cash against this purchase price obligation and the remaining balance of \$576 was paid in cash on January 2, 2007.

On May 1, 2006, \$15 was paid in cash for legal due diligence regarding the January 1, 2006 acquisition and was recorded as "intangible assets".

On January 1, 2005, the Partnership acquired 38 franchise agreements from RIFM at a purchase price of \$9,934 calculated in accordance with the MSA. On February 18, 2005, \$7,041 was paid in cash against this purchase price obligation and the remaining \$2,893 was paid in cash on January 4, 2006.

	Cost	2006 Accumulated Amortization	Net Book Value
Franchise agreements	\$ 127,665	\$ 45,481	\$ 82,184
Relationships and trademarks	42,504	657	41,847
	\$ 170,169	\$ 46,138	\$ 124,031

	Cost	2005 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

Amortization for the year ended December 31, 2006 was \$14,559 (2005 – \$14,150).

4. FRANCHISE AGREEMENTS

	2006	2005
Number of franchises, beginning of year	262	227
Additions	16	38
Terminations	(3)	(3)
Number of franchises, end of year	275	262

5. 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. As at December 31, 2006, the operating credit facility had not been drawn upon.

6. 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 maturing February 17, 2010 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.

7. NON-CONTROLLING INTEREST

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

	2006	2005
Non-controlling interest at beginning of year	\$ 25,824	\$ 27,740
Non-controlling interest earnings for the year	1,319	1,746
Distributions	(3,826)	(3,662)
	\$ 23,317	\$ 25,824

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.

8. 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.

Pursuant to the Amended and Restated Declaration of Trust, the holder of the Special Fund Units, which accompanied the Subordinated LP Units (note 7), 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.

9. EARNINGS PER UNIT

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

10. MANAGEMENT SERVICES AGREEMENT

i) The Fund has a 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, 2006, RIFML earned \$7,285 for these services (2005 – \$3,660).

ii) Since inception, the Fund had accumulated and retained undistributed cash of \$9.4 million, which in the event of the release of this excess cash would result in a 20% management fee payable to RIFML. During 2006, the Fund released the \$9.4 million in excess cash, a portion of which was used to fund the 2005 and 2006 franchise agreements purchase obligations. As a result, a management fees of \$1.9 million relating to the \$9.4 million was incurred and is included in management fees expense.

11. 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.

	2006	2005
a) Royalties		
Fixed, variable and other franchise fees	\$ 2,198	\$ 1,947
Premium franchise fees	\$ 3,756	\$ 3,551
b) Expenses		
Management fees	\$ 7,285	\$ 3,660
Insurance and other	\$ 93	\$ 92
c) Distributions		
Distributions paid to non-controlling interest	\$ 3,826	\$ 3,662

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

As at December 31	2006	2005
d) Accounts receivable		
Franchise fees receivable and other	\$ 375	\$ 457
e) Accounts payable and accrued liabilities		
Distributions payable to non-controlling interest	\$ 957	\$ 915
Management fees	\$ 1,228	\$ 325
Purchase obligation	\$ 576	\$ 2,893

12. SUPPLEMENTAL CASH FLOW INFORMATION

	2006	2005
a) Changes in non-cash working capital		
Accounts receivable	\$ (265)	\$ (258)
Prepaid expenses	(7)	12
Accounts payable and accrued liabilities	934	63
Distributions payable to unitholders	41	–
	\$ 703	\$ (183)
b) Supplementary information		
Interest paid	\$ 2,235	\$ 1,921

13. 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) 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.

(B) 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 term loan, are estimated by management to approximate their carrying values.

14. SUBSEQUENT EVENTS

Effective January 1, 2007, the Partnership acquired 22 new franchise agreements from RIFML. The estimated purchase price of \$7,179 is based on an estimated annual royalty stream of \$822 and has been calculated in accordance with the formula set forth in the MSA. A deposit of \$5,743, equal to 80% of the estimated purchase price was paid on January 2, 2007 and the remainder will be paid a year later, when the final purchase price is calculated in accordance with the terms set out in the MSA. The Partnership used cash reserves to acquire these agreements.

SUPPLEMENTAL INFORMATION – SELECTED FINANCIAL AND OPERATING INFORMATION

	Three months ended March 31 2005	Three months ended June 30 2005	Three months ended Sept. 30 2005	Three months ended Dec. 31 2005	Three months ended March 31 2006	Three months ended June 30 2006	Three months ended Sept. 30 2006	Three months ended Dec. 31 2006
(\$000's, unaudited)								
Revenue								
Fixed franchise fees	\$ 2,945	\$ 2,999	\$ 3,127	\$ 3,261	\$ 3,380	\$ 3,453	\$ 3,485	\$ 3,509
Variable franchise fees	1,335	2,231	2,444	1,327	1,610	2,498	2,377	1,347
Premium franchise fees	576	1,103	1,497	1,065	688	1,125	1,685	990
Other fee revenue and services	740	805	869	872	814	856	923	919
	\$ 5,596	\$ 7,138	\$ 7,937	\$ 6,525	\$ 6,492	\$ 7,932	\$ 8,470	\$ 6,765

% Revenue by region

British Columbia	15	15	14	14	16	15	14	14
Prairies	11	11	11	11	11	11	11	11
Ontario	57	57	59	59	56	57	59	59
Quebec	13	13	12	12	13	13	12	12
Maritimes	4	4	4	4	4	4	4	4
	100	100	100	100	100	100	100	100

	Three months ended March 31 2005	Three months ended June 30 2005	Three months ended Sept. 30 2005	Three months ended Dec. 31 2005	Three months ended March 31 2006	Three months ended June 30 2006	Three months ended Sept. 30 2006	Three months ended Dec. 31 2006
Changes during the period								

Number of Agents and Sales

Representatives	750	323	119	205	443	177	39	(52)
Number of Agents	726	295	138	179	448	130	36	(49)
Number of fixed fee paying								
Sales Representatives	–	–	477	89	39	40	(1)	–
Number of locations	47	–	(4)	–	21	(2)	(1)	(1)
Number of franchisees	38	(1)	(2)	–	16	(1)	(1)	(1)

At end of period

Number of Agents and Sales

Representatives	10,895	11,218	11,337	11,542	11,985	12,162	12,201	12,149
Number of Agents	10,081	10,376	10,514	10,693	11,141	11,271	11,307	11,258
Number of fixed fee paying								
Sales Representatives	–	–	477	566	605	645	644	644
Number of locations	565	565	561	561	582	580	579	578
Number of franchisees	265	264	262	262	278	277	276	275