

## **The Royal LePage Franchise Services Fund Announces Acquisitions and Intent to Increase Distributions**

**Toronto, ON – December 8, 2005** – (TSX – RSF.UN)

### **Distributions to Increase in 2006**

The Royal LePage Franchise Services Fund (the “Fund”) today declared an increase in its annual distribution target in 2006 of \$0.05 per unit, from \$1.10 to \$1.15 per unit. The increase in monthly distributions applies to unitholders of record on January 30, 2006. This distribution is expected to be formally declared mid-January, consistent with the Fund’s distribution practice.

“The decision to increase distributions reflects our confidence in what has been a steadily growing business, characterized by superior financial results. Canadian real estate professionals continue to be attracted to the company’s unique business and marketing systems, and the strength of the Fund brands,” said Philip Soper, President and Chief Executive Officer.

“Building on the Fund’s solid financial performance during 2005, we are confident that the business will be able to comfortably manage the level of increased distributions,” added Soper.

The Fund has attracted over two thousand net additional Realtors from its inception in August of 2003 to September 2005.

### **Acquisitions Announced**

The Royal LePage Franchise Services Fund also announced today that it has approved the acquisition from the Fund Manager of franchise agreements representing 21 real estate brokerage offices and 346 Realtors for approximately \$6.2 million. The purchase price will be finalized at the end of 2006 in accordance with the Management Services Agreement (“MSA”) between the Royal LePage Franchise Services Fund and the Fund Manager. Each agreement has a term of at least ten years. The transaction is expected to close early in January 2006.

## **Funding Through Internal Cash**

As outlined in the Fund's MSA, 80% percent of the 2006 acquisition price, and the final 20% balance owing from the 2005 acquisitions, will be paid in early January, 2006. The combined payment of approximately \$8.5 million, which includes applicable taxes, will be funded with internal cash on-hand.

"The Fund's growth through acquisitions was ahead of plan again this year. These acquisitions are solid real estate businesses in Quebec, Ontario, Alberta and B.C. They include such well-respected regional companies as Anne Shears in Greater Montreal; Royal City in Guelph; and Pebbles Realty on British Columbia's Sunshine Coast," said Mr. Soper.

## **December 2005 Distribution**

The Royal LePage Franchise Services Fund today declared a cash distribution of \$0.0917 per unit for the month of December 2005, payable January 30, 2006 to unitholders of record on the close of business on December 30, 2005.

## **Conference Call**

A conference call is scheduled for 10:30 a.m. EST on Friday, December 9, 2005 to answer questions regarding this announcement. To participate in the conference call, please dial toll-free 1-866-295-8360 in Canada, (USA 1-866-295-5950) at approximately 10:20 a.m. EST. The pass code for this call is 53439. For those unable to participate, a taped re-broadcast will be available on Monday, December 12, 2005 online at [www.rsfund.ca](http://www.rsfund.ca) under "Investment Info> Financial Reports."

## **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 September 30, 2005, the Fund Network is comprised of 262 franchise agreements, operating from 561 locations serviced by 11,337 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".

For more information contact:  
Gurinder Sandhu  
Vice President Finance  
Residential Income Fund Manager Limited  
(416) 510-5701  
[gsandhu@royallepage2.com](mailto:gsandhu@royallepage2.com)  
[www.rsfund.ca](http://www.rsfund.ca)