BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Three Months Ended March 31, 2006

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To our Unitholders,

For the three months ended March 31, 2006, our revenue increased to $47.3 million from $46.6 million in the first quarter a year ago. Excluding the impact of foreign currency translation and acquisition growth, our same store sales increased by 1.1 % compared to the first quarter of 2005.

Sales in Canada in the first quarter of 2006 totalled $17.2 million, an increase of $1.0 million or 6.2%, compared to the first quarter a year ago. Sales increases in Canada are entirely due to same store sales growth, with increases reported in all four western provinces. Our Canadian business is performing well and we anticipate continued steady performance in the year ahead.

First quarter sales in the U.S. decreased to $30.1 million from $30.4 million in the first quarter a year ago. First quarter U.S. sales included $1.8 million in new sales from: Gerber National Glass Services; the start-up of three new collision repair centres in Illinois; and the rollout of auto glass repair and replacement services in Arizona, Georgia, Nevada and Washington. Same store sales in the U.S. declined $2.1 million or 7.6% when compared to the first quarter in 2005. Translation of U.S. dollar revenues at a weaker U.S. dollar exchange rate, relative to the Canadian dollar, during the first quarter of 2006 accounted for $1.6 million of this decline. Excluding the effects of currency translation, U.S. same store sales declined $0.5 million or 1.8% compared to the same period in the prior year.

We have expanded our U.S. operations significantly over the past several years and while it has taken us longer than anticipated to realize the benefits and competitive advantages we initially anticipated, we remain committed to optimizing the performance of our U.S. operations. We also remain focused on strengthening our balance sheet and enhancing our financial flexibility. To this end, during the first quarter of 2006, we signed new arrangements that include a long term exclusive agreement to purchase paint products and a new US$13 million credit facility with a U.S. Bank, which in combination have provided us with funding to satisfy all pre-existing trading partner obligations and refinance a portion of our existing debt upon favourable terms.

As previously stated, we do not anticipate reinstating distributions for approximately 10 to 16 months. At the end of this time period, or sooner if we experience meaningful improvement in financial performance, management of Boyd Group and the Trustees of the Fund would expect to resume distributions at conservative and sustainable levels. While we are currently working our way through challenging market conditions, we believe the fundamentals of our business are sound and our long-term business outlook remains positive. Our temporary suspension of distributions will allow us to strengthen our balance sheet and improve our financial flexibility and then resume distributions as a stronger company.

On behalf of the Trustees of the Boyd Group Income Fund and Boyd Group employees, thank you for your continued support.

Sincerely,

Terry Smith
Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Income Fund (the "Fund"), through its operating company, The Boyd Group Inc. ("Boyd" or the "Company") and its subsidiaries, is the largest operator of automotive collision repair service centres in Canada and is among the largest multi-site collision repair companies in North America, currently operating locations in the four western Canadian provinces and six U.S. states. Boyd carries on business in Canada under the trade names "Boyd Autobody & Glass" and "Service Collision Repair Centre". In the U.S., Boyd operates primarily under the "Gerber Collision & Glass" and "Gerber National Glass Services" names.

These interim financial statements of the Fund, Boyd Group Holdings Inc. ("BGHI") and their subsidiaries have been prepared in accordance with Canadian generally accepted accounting principles. These financial statements are consistent with the policies and methods of computation as disclosed in the audited consolidated financial statements and related notes of the Fund for the year ended December 31, 2005. Readers should be aware that the interim financial statements and related notes are unaudited and do not include all the information required for complete financial statements, and should be read in conjunction with the audited consolidated financial statements and related notes of the Fund for the year ended December 31, 2005.

The following review of the Fund's operating and financial results for the three months ended March 31, 2006, including material transactions and events up to and including May 11, 2006 should be read in conjunction with the unaudited consolidated interim financial statements, as well as the annual audited consolidated financial statements, management discussion and analysis and Annual Information Form of Boyd Group Income Fund for the year ended December 31, 2005 as filed on SEDAR at www.sedar.com. The Fund's units trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN.

SIGNIFICANT EVENTS

A summary of significant events and corporate initiatives during the first quarter of 2006 which had, and which will continue to have an impact on the Fund's financial results and financial position, include:

- On February 14, 2006, finalizing new arrangements with trading partners to exclusively purchase paint and related products on a long-term basis. These new arrangements replace those existing at December 31, 2005;

- On February 14, 2006, obtaining, and fully drawing down, a new, long-term debt facility for $13 million U.S. with a U.S. bank, using the majority of the proceeds to repay trading partner acquisition loan facilities and U.S. capital leases existing at December 31, 2005;

- On February 14, 2006, prepaying $1.8 million U.S. of bank debt held by the Fund's senior lenders and amending its senior credit facilities to increase the Fund's operating line from $10 million to $12 million;

- In Q1 2006, a net loss of $1.8 million primarily resulting from the one-time financial impacts associated with discontinued operations and the settlement of pre-existing trading partner arrangements.

FORWARD-LOOKING INFORMATION

This interim report contains forward-looking information, other than historical facts, which reflect the views of the Fund's management with respect to future events. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes or events. Such forward-looking information reflects the current views of the Fund's management on the basis of information currently available.

Although management believes that its expectations are reasonable, readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved. By its nature, the forward-looking information contained herein is subject to inherent risks and uncertainties, and assumptions relating to the operations, results of operations, financial position, business prospects and strategies of the Fund. The Fund can give no assurance that its expectations with respect to forward-looking information will prove to be correct.

The Fund assumes no obligation to update, publicly or otherwise, the forward-looking information contained herein or update the reasons why actual results could differ from those contemplated by the forward-looking information, whether as a result of new information, future events or otherwise.

BUSINESS ENVIRONMENT & STRATEGY

As at March 31, 2006, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2005 annual MD&A.

DISTRIBUTABLE CASH

On December 15, 2005, the Fund, the Company and BGHI temporarily suspended cash distributions to unitholders and Class A common shareholders until further notice, following the December 23, 2005 payment to unitholders of record on November 30, 2005. The Fund determined that the suspension of distributions was in the best interests of unitholders and shareholders as it would allow the Company to strengthen its balance sheet and improve its cash position and financial flexibility. In March, 2006, the Fund further announced that it does not expect to reinstate distributions for the next 12 to 18 months.

The Fund has modified its disclosure to include all sustaining capital expenditures and exclude debt repayment activities.

The following is a distributable cash calculation for 2006 with restated comparative figures for 2005.

Distributable Cash (1)

Three Months Ended March 31

	2006	2005
Cash flow from operating activities	**$ 521,669**	$ 985,502
Add Back (Deduct):		
Changes in non-cash working capital items	**2,274,594**	1,241,529
Current income tax expense	**49,575**	54,000
Interest on capital leases (2)	**53,881**	25,610
Dividends received on Class B shares	**-**	174,943
Proceeds of sale of equipment	**46,302**	4,601
Income taxes paid	**(93,782)**	(3,095)
Sustaining expenditures on plant and equipment	**(475,706)**	(368,531)
Repayment of post reorganization capital leases (including interest) (2)	**(95,741)**	(33,027)
Distributable Cash	**$ 2,280,792**	$ 2,081,532
Distributions paid		
Unitholders	**$ -**	$ 2,268,546
Class A and B common shareholders	**-**	411,541
Total distributions paid	**$ -**	$ 2,680,087
Distributions reinvested (3)		
Unitholders	**$ -**	$ 1,019,004
Class A and B common shareholders	**-**	411,541
Total distributions reinvested	**$ -**	$ 1,430,545
Net cash distributions after reinvestment		
Unitholders	**$ -**	$ 1,249,542
Class A & B common shareholders	**-**	-
Net cash distributions	**$ -**	$ 1,249,542
Distributions paid		
Per Unit	**$ -**	$ 0.285
Per Class A and B common share	**$ -**	$ 0.200

(1) Distributable Cash is not a recognized measure under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, Distributable Cash is a useful supplemental measure as it provides investors with an indication of cash available for distribution. Investors should be cautioned, however, that Distributable Cash should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Fund's performance. Boyd's method of calculating Distributable Cash may differ from other companies and, accordingly, may not be comparable to similar measures used by other companies.

(2) Interest costs arising from capital lease obligations that existed prior to the date of the reorganization are excluded from Distributable Cash since the total future capital lease principal and interest obligations were provided for from proceeds of the initial public offering completed at the time of the reorganization. Total interest costs associated with capital leases are added back and interest costs relating to post reorganization capital leases are deducted.

(3) Distributions reinvested include elected distributions under the distribution reinvestment and premium distribution components of the Fund's reinvestment plan for the periods involved and the elected dividends reinvested by BGHI under its premium dividend reinvestment plan for the same periods.

RESULTS OF OPERATIONS

Sales

Sales totalled $47.3 million for the three months ended March 31, 2006, an increase of $0.7 million or 1.5% compared to the same period in 2005, after adjusting for the effect of discontinued operations. Sales growth was primarily attributable to same store sales growth in Canada, $1.8 million or 3.9% in new revenue from the acquisitions of Gerber National Glass Service ("GNGS") on January 28, 2005, three start-up locations in Illinois opened during the first and second quarters of 2005 and the new glass initiatives in the U.S. commenced throughout 2005. Offsetting this increase was a same store sales decline of $1.1 million, or 2.6% when compared to the same period in 2005. The impact of foreign currency translation attributable to sales generated from the Company's U.S. operations represented a $1.6 million decline. Excluding the effects of currency translation and acquisition growth, overall same store sales increased $0.5 million or 1.1%.

The following chart provides comparative sales by geographic region:

Sales by Geographic Region (000's)

Three Months Ended March 31	2006	2005
Canada	$ 17,173	$ 16,166
United States	30,106	30,436
Total	$ 47,279	$ 46,602
Canada - % of total	36.3%	34.7%
United States - % of total	63.7%	65.3%

Sales in Canada for the three months ended March 31, 2006 totalled $17.2 million, an increase of $1.0 million or 6.2%. Sales increases in Canada are entirely due to same store sales growth, with increases reported in all four western provinces.

Sales in the U.S. totalled $30.1 million for the three months ended March 31, 2006, a decline of $0.3 million or 1.1% from $30.4 million for the same period in the prior year. Sales in the U.S. included new sales of $1.8 million from GNGS, three Illinois area start-ups and glass revenues generated in the Arizona, Georgia, Nevada and

Washington markets. Same store sales in the U.S. declined $2.1 million or 7.6% when compared to the same period in the prior year. Translation of U.S. revenues at a weaker U.S. dollar exchange rate, relative to the Canadian dollar, accounted for $1.6 million or 5.8% of the decline in U.S. same store sales. Excluding the impact of foreign currency translation, GNGS, collision and glass start-ups, U.S. same store sales declined $0.5 million or 1.8% compared to the same period in the prior year.

Gross Margin

Gross Margin was $18.8 million or 39.8% of sales for the three months ended March 31, 2006 and declined from $21.6 million or 46.4% of sales for the same period in 2005. The main contributing factor to this decline related to a one-time, non-cash charge to cost of sales in the amount of $2.1 million resulting from the settlement of pre-existing trading partner arrangements in the first quarter of 2006. The negotiated settlement of these trading partner arrangements resulted in adjustments to the amortization of pre-paid rebates relating to AWC, Gerber and other acquisitions. Excluding this one-time charge, the gross margin percentage would have been 44.2%. Further gross margin percentage decreases resulted from (i) lower amortization of replacement unearned material rebates ($0.35 million or a 0.7% impact on overall margins); (ii) a change to outsourcing call center activities at GNGS, resulting in direct fees to process claims replacing indirect operating expenses and being charged to cost of sales ($0.2 million or a 0.4% impact on margins). The balance of the decline in gross margin percentage related to a change in sales mix (higher percentage of lower margin GNGS sales) as well as a decline in U.S. collision sales margins.

The lower amortization of replacement unearned material rebates noted above is as a result of the Company's prepaid rebate facility requiring amortization of replacement rebates and other benefits received and receivable, net of costs incurred, over 15 years, whereas its prior facility allowed for amortization over a seven year period. Therefore, starting in February 2006, the Fund's results reflect a lower gross margin percentage, and therefore reduced earnings, due to this reduced amortization income. This change however, will not result in a change to distributable cash, as the amortization income both under the current and previous prepaid rebate facilities, represents non-cash income.

On March 16, 2006, the Fund announced that it had completed an evaluation of the potential financial impact of market pricing changes precipitated by recent DRP alterations initiated by one of its largest insurance company customers. Through its evaluation, Boyd assessed that these pricing changes may materially impact its operating margins in the near term. The insurance company customer's DRP changes, which are being tested in a number of U.S. states, including Illinois where Boyd has a considerable presence, are aimed at making the insurer's DRP more performance driven and more competitively priced. While these changes have the potential to be a positive development for the Company over the long term, given the heightened focus on performance evaluation, and the opportunity for Boyd to secure more referrals through strong performance metrics, the financial impact of implementing the required pricing changes under the program is expected to be negative in the near term. These changes began to impact Boyd's U.S. collision margins in March 2006 and therefore partially contributed to the decline in U.S. collision margins noted above.

Operating Expenses

Operating Expenses, for the three months ended March 31, 2006 of $18.5 million, or 39.2% of sales, increased from $18.0 million or 38.7% of sales for the same period of 2005. Overall operating expenses in first quarter 2006 increased $0.5 million primarily due to increases in rent, utilities and advertising expenses and increases relating to acquisitions and start-ups.

Foreign Exchange Gains

Foreign Exchange Gains for the period ended March 31, 2006 of $1.6 million increased from $0.2 million for the same period of 2005. Foreign exchange gains are driven by the repayment of U.S. dollar denominated debt and trading partner rebates located within Canada. The majority of the higher gains in 2006 resulted from the repayment of senior bank term debt during the first quarter of 2006 as well as the full repayment of existing trading partner rebates received in U.S. dollars in previous years.

EBITDA

Earnings before interest, income taxes, depreciation and amortization ("EBITDA") for the first quarter of 2006 totalled $2.0 million or 4.1% of sales compared to $3.8 million or 8.1% of sales in the same period of the prior year. The decrease in EBITDA was largely the result of the one time, non-cash charge, in the amount of $2.1 million, to cost of sales during the first quarter of 2006, offset by foreign exchange gains, in the amount of $1.6 million on the settlement of term debt and previous unearned rebate facilities. Additional impacts included the lower amortization of the new replacement unearned rebates and lower operating margins in the U.S.

EBITDA is not a recognized measure under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, EBITDA is a useful supplemental measure as it provides investors with an indication of operational performance. Investors should be cautioned, however, that EBITDA should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Fund's performance.

Depreciation and Amortization

Depreciation and Amortization Expense related to plant and equipment totalled $0.9 million or 1.9% of sales for the three months ended March 31, 2006 compared to $1.0 million or 2.1% of sales in the same period of the prior year. The Company anticipates that future depreciation charges on plant and equipment will continue at or near the same level as a percent of sales.

Amortization of deferred costs and other intangible assets in the first quarter of 2006 totalled $0.9 million or 1.8% of sales and increased from the $0.5 million or 1.1% of sales expensed for the same period in the prior year. During the first quarter of 2006, the Company fully amortized the remaining balance of deferred costs associated with the trading partner debt settled on February 14, 2006, including the remaining guarantee fees paid to 4612094 Manitoba Inc. in the amount of $273,370.

Interest Expense

Interest Expense, net of interest income, remained at $0.7 million or 1.5% of sales for the first quarter of 2006 which is consistent with last year. Senior bank term debt and capital lease repayments during the quarter offset the impact of general increases in interest rates.

Income Taxes

Current Income Tax Expense and Future Tax (Recovery) Expense totalled a net recovery $141 thousand for the first quarter of 2006, compared to an expense of $54 thousand for the same period in 2005. In the fourth quarter of 2004, the Company stopped the recognition of the benefits associated with income tax loss carry forward amounts. For the year ended December 31, 2005, the income tax benefits associated with losses carried forward in Canada were recognized to the extent that previously recognized losses carried forward in the U.S. were reversed. The Company believes it is prudent not to recognize the benefit of income tax carry forward amounts in the U.S. at this time.

As a result of the replacement of trading partner arrangements a significant portion of the Canadian losses previously recognized were used. The Company believes that with additional tax planning it will make full use of all income tax loss carry forward amounts in the U.S. before they expire.

Net (Loss) Earnings before Non-Controlling Interest

Net (Loss) Earnings before Non-Controlling Interest for the three months ended March 31, 2006, was a loss of $0.4 million or 0.8% of sales compared to earnings of $1.6 million or 3.3% of sales for the same period last year. The loss generated for the current year resulted primarily from the one-time charges to earnings partially offset by higher

foreign exchange gains on the settlement of the previous unearned rebate facilities, all related to the change in trading partner funding arrangements and the concurrent debt refinancing.

Non-Controlling Interest

Non-Controlling Interest relates to a partnership established in 2004 where one of the Fund's U.S. subsidiaries transferred a portion of its operating assets to another entity, in consideration for a 75% ownership in the new business. An employee of the existing business contributed the remaining 25% equity into the new business. The operating results of the new entity are included in the consolidated results of the Fund for the period ended March 31, 2006, with the 25% ownership reflected as non-controlling interest.

Non-Controlling Interest for the three months ended March 31, 2005 reflects an allocation of net losses of $227 thousand. The Boyd Group Inc. recorded a net loss in the first two months of 2005 of $1.1 million after deducting the interest paid on the subordinate notes to the Fund. This net loss was allocated between the Fund and BGHI in proportion to their respective equity interest in the Company as at February 28, 2005. Of this loss, $223 thousand related to BGHI and was recorded as a non-controlling interest recovery for the period up to February 28, 2005. As of March 1, 2005, Class A common shareholders of BGHI became entitled to receive distributions of earnings economically equivalent to unitholders of the Fund and all restrictions, resulting from the 2003 reorganization into an income trust, on the exchange of Class A common shares into trust units, expired. As a result, the exchangeable Class A shares of BGHI and related accounts are presented in combination with the consolidated balance sheet of the Fund and the Class A common shares and are no longer considered a non-controlling interest of the Fund.

Loss from Discontinued Operations

Loss from Discontinued Operations of $1.4 million for 2006 resulted from decisions by the Fund to cease operations of the AWC collision repair facility located in Fife, Washington, a satellite facility located in Roselle, Illinois as well as a small glass business located in Calgary, Alberta. This loss includes a $0.9 million non-cash write down of assets associated with these closed operations, primarily related to AWC. Comparative losses for 2005 of $0.4 million represent the combined earnings and losses for the first three months of 2005 of the AWC, Roselle and Alberta glass businesses as well as a North Vancouver facility, located in B.C. which was closed in January 2005. The decision to sell or close these businesses was reached after the Fund concluded that the strategic and financial prospects for these businesses did not merit continued investment and support.

Net (Loss) Earnings and (Loss) Earnings Per Unit and Class A Common Share

Net (Loss) Earnings after giving effect to the non-controlling interest, and after discontinued operations, decreased to a loss of $1.8 million or 3.8% of sales for the first quarter of 2006, compared to earnings of $1.4 million or 2.9% of sales for the same period in the prior year. The decrease in net earnings resulted primarily from the impacts associated with the replacement trading partner arrangements and discontinued operations.

Basic (Loss) Earnings Per Unit and Class A Common Share was a loss of $0.19 per unit and Class A common share for the three months ended March 31, 2006 compared to earnings of $0.16 per unit and Class A common share in the same period of 2005. *Diluted Earnings Per Unit and Class A common share*, which is calculated under the assumption that all convertible securities had been converted (where such conversion would have the effect of reducing earnings per unit), was also a loss of $0.19 per unit and Class A common share for the first quarter of 2006 compared to diluted earnings of $0.16 per unit and Class A common share for the same period in the prior year. The decrease in basic earnings per unit and Class A common share in the first quarter of 2006 resulted from lower net earnings from continuing operations, which included the one-time $2.1 million charge to cost of sales, and the write down of assets associated with the closure of the AWC, Roselle and Alberta glass locations.

SUMMARY OF QUARTERLY RESULTS

($000's, except per unit and Class A common share data)	2006	2005				2004		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Sales	47,279	44,747	45,915	45,822	46,602	41,366	41,001	39,977
Earnings (loss) from continuing operations	(387)	(762)	716	357	1,776	(1,499)	1,808	1,469
Basic earnings (loss) per unit and Class A common share from continuing operations	(0.041)	(0.074)	0.072	0.037	0.208	(0.200)	0.243	0.205
Diluted earnings (loss) per unit and Class A common share from continuing operations	(0.041)	(0.073)	0.071	0.037	0.203	(0.252)	0.214	0.174
Net earnings (loss)	(1,780)	(1,045)	582	140	1,374	(1,916)	1,191	884
Basic earnings (loss) per unit and Class A common share	(0.190)	(0.102)	0.059	0.014	0.161	(0.279)	0.160	0.123
Diluted earnings (loss) per unit and Class A common share	(0.188)	(0.100)	0.058	0.014	0.160	(0.320)	0.140	0.101

Sales increases in 2005 and 2006 are the result of new start-ups in the U.S, new glass repair and replacement services in Arizona, Nevada, Georgia and Washington and acquisition expansion. As previously described, the net loss for 2006 reflects one time costs associated with the replacement of trading partner arrangements. Net earnings for 2005 were reduced by higher interest costs, the amortization of intangible assets recorded as a result of the Gerber and GNGS acquisitions, stopping the allocation of losses to BGHI as non-controlling interest, effective March 1, 2005, as well as no recognition of the benefits associated with income tax loss carry forward amounts. In the fourth quarter of 2004, the Company stopped recognizing the benefits associated with income tax loss carry forward amounts, resulting in income tax expense for 2004 rather than income tax recoveries. Net earnings in the fourth quarter of 2004 were also impacted by the amortization of intangible assets recorded as a result of the Gerber acquisition. The net losses for the fourth quarters of 2005 and 2004 were impacted by the write off of goodwill of $2.0 million and $2.1 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Fund has bank indebtedness of $1.9 million at March 31, 2006 compared to bank indebtedness of $1.3 million at December 31, 2005. At March 31, 2006, the Fund had $5.0 million ($3.0 million – December 31, 2005) outstanding under its operating line of credit. Offsetting the outstanding balance of the operating line of credit, was cash held on deposit in U.S. bank accounts totalling $2.8 million ($1.2 million – December 31, 2005) and cash held on reserve to fund future capital lease obligations of $0.3 million ($0.5 million – December 31, 2005).

The net working capital ratio (current assets divided by current liabilities) was 0.98:1 at March 31, 2006 (0.90:1 at December 31, 2005).

At March 31, 2006, the Fund had total debt outstanding of $40.6 million compared to $39.8 million at December 31, 2005. The debt was comprised of $1.9 million in bank indebtedness ($1.3 million – December 31, 2005), $8.5 million of senior bank term debt ($11.0 million – December 31, 2005), $15.2 million of new U.S. bank debt ($nil – December 31, 2005), $0.4 million of trading partner loans and supplier debt ($12.1 million – December 31, 2005), $0.8 million of vendor loans ($0.8 million – December 31, 2005), $1.1 million of obligations under capital lease ($1.9 million – December 31, 2005) and $12.7 million of subordinate convertible debentures and exchangeable notes ($12.7 million – December 31, 2005). Total debt remained at approximately the same level but balance sheet flexibility has improved as a portion of senior bank debt and the previous trading partner debt, both with shorter amortization periods, have been replaced with U.S. bank debt with a longer amortization period.

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $2.8 million for the first quarter of 2006 compared to $2.2 million last year. The increase in operating cash flows is primarily attributable to the impact of cash flow generated by foreign exchange gains realized on the settlement of previous trading partner arrangements and same store sales growth in Canada offset by lower U.S. performance.

Changes in working capital items used cash of $2.3 million for the first three months of 2006 compared to a use of cash of $1.2 million for the same period in 2005, excluding the effect of working capital changes related to discontinued operations. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures as well as changes in the foreign exchange translation of U.S. working capital items.

Financing Activities

Cash generated by financing activities totalled $0.8 million for the three months ended March 31, 2006, compared to $1.7 million in the prior year. The increase in cash for 2006 related to the replacement of trading partner arrangements and refinancing of trading partner debt. In 2005, the increase was primarily attributable to a draw in trading partner debt associated with acquisitions and start-ups initiated late in 2004.

Equity

During the first three months of 2006, the Fund issued no units under acquisition price guarantees. Based on the March 31, 2006 market value of the units, the Fund would be obligated to issue approximately 97,000 additional units in respect of remaining guarantees outstanding, or may, at its option, settle the guarantees for cash. On April 5, 2006, the fund elected to settle one of the two remaining guarantee payments for cash in the amount of $244 thousand.

On December 15, 2005, the Fund, the Company and BGHI temporarily suspended cash distributions to unitholders and dividends to Class A common shareholders until further notice, following the December 23, 2005 payment to unitholders of record on November 30, 2005. In March, 2006, the Fund further announced that it does not expect to reinstate distributions for the next 12 to 18 months.

In 2003, the Fund adopted a "Premium Distribution, Distribution Reinvestment and Optional Unit Purchase Plan" (the "DRIP"). On November 30, 2005, commencing with the Fund's December 2005 distribution payment, the Fund elected to temporarily discontinue issuing units under the DRIP until further notice. In conjunction with the Fund adopting the DRIP, the Company adopted a premium dividend reinvestment plan under which BGHI could direct that cash dividends received be reinvested in the Company in exchange for additional trust units in the Fund. On November 30, 2005, concurrent with the Fund's decision to temporarily discontinue issuing units under its DRIP programs, Boyd elected to temporarily discontinue issuing units under the premium dividend reinvestment plan as well.

On January 11, 2006, subject to ratification by the Board of Trustees and approval by the unitholders at the next annual meeting to be held on May 17, 2006, the Fund granted options to certain key employees allowing them to exercise the right to purchase up to 200,000 units of the Fund at any time after the expiration of 9 years and 255 days after the date the options were granted up to and including the expiration of 9 years and 345 days after the date the options were granted. The units may be purchased, to the extent validly exercised, on the 10th anniversary of the grant date subject to the condition that the option is not exercisable if the grantee is not an officer or employee on September 23, 2015, unless the grantees' employment is terminated "without cause" at any time after the sixth anniversary of the option grant, in which case the grantee may exercise the options at anytime within 30 days of the date of termination of such employment. The options would permit the purchase of units at a price equal to the weighted average trading price on the Toronto Stock Exchange for the first 15 trading days in the month of January 2006, being $1.91 per unit. The cost of the options will be recognized as compensation expense over the term between the date when unitholder approval is obtained and the date the options become exercisable.

Trading Partner Funding – Prepaid Rebates and Loans

In July 1999, the Company entered into agreements with strategic trading partners, with subsequent amendments that provided, among other things, approximately $25 million in prepaid rebate funding over a period of three to six years to be used to fund the acquisition or start-up of collision repair facilities. The funding, received in the form of prepaid material purchase rebates from the trading partners, was recorded as unearned rebates when received and was amortized as a reduction of cost of sales as the rebates were earned over a period of 84 months from the date of receipt.

Early termination or default by the Company required the Company to repay the aggregate un-amortized balance of the funding received plus interest from the date of termination or default to the date of repayment. In addition, failure to meet certain performance criteria with respect to a particular acquisition or start-up for which funding was received, eliminated or reduced the amount of funding available for future new businesses. In the case of AWC, certain performance criteria were tested effective January 1, 2005, and an adjustment amount of $2.6 million U.S. was determined. This amount, once determined, was to be applied to reduce future funding for new businesses between January 1, 2005 and March 31, 2006, after which time, in accordance with the then current terms of the agreements, any adjustment amount would become repayable. In the case of the Gerber acquisition, the performance criteria were tested effective July 1, 2005 and an adjustment amount of $1.1 million U.S. was determined. On January 1, 2006, additional performance criteria tests were performed for all the remaining untested prepaid rebates. Additional adjustment amounts were determined totaling $0.8 million. Upon the early termination of the agreements by the Company, on February 14, 2006, all amounts outstanding were settled using proceeds from the new supplier arrangements. As a result of this negotiation and settlement the Company recorded a non-cash charge, in the amount of $2.1 million, to cost of sales, adjusting the amortization of prepaid rebates relating to the AWC, Gerber and other adjustment amounts.

In 2003, the Company amended its agreement with its trading partners which provided for a $15 million acquisition loan facility to fund the acquisition and start-up of new collision repair businesses. Loan advances for any particular acquisition or start-up were subject to certain limits, and were in part dependent upon the amount of prepaid rebate funding requested or available for a particular transaction. Each loan advanced in respect of a transaction was supported by a Promissory Note, with a five-year term and annual interest-only payments, based on one year LIBOR rates plus 3.5%, due on the anniversary date of each note. The full principal amount of each note was due on maturity, or within 90 days of the date that the Fund elected to sell or close any business for which loan funding was provided and a promissory note balance remained outstanding. The promissory notes were subject to certain covenants and conditions, and were supported by a limited guarantee provided by 4612094 Manitoba Inc., a party related to the Fund. A guarantee fee, in the amount of $395,267, was paid to 4612094 Manitoba Inc. in consideration for the guarantee. At December 31, 2005, the Fund held $11.6 million in loan funding. On February 14, 2006, Boyd repaid this loan facility with the proceeds received from the new $13 million U.S. credit facility with a U.S. bank and the limited guarantee was released. The remaining balance of the guarantee fee paid to 4612094 Manitoba Inc., in the amount of $273,370 was charged to amortization expense.

On February 14, 2006, by mutual agreement with certain key trading partners, Boyd terminated its prepaid material rebate agreement concurrent with the closing of a new long term exclusive supply agreement with an alternate supplier. Replacement prepaid rebates received from the new supplier were used to repay all obligations associated with the prior agreement.

Rebates received and receivable under the replacement facility, as well as other one time benefits derived from the new supply agreement, will be deferred as unearned rebates and amortized to earnings, as a reduction of cost of sales, over a period of 15 years. The initial rebate received will be tested after three years, with any over funding being adjusted against additional payments receivable in subsequent years. The Company will be obliged to purchase the suppliers' products on an exclusive basis over the term of the agreement. In exchange for this exclusive arrangement, and subject to certain conditions, the trading partners are required to continue to price their products competitively to the Company. Additional prepaid rebates are available for new acquisitions and start-ups and regular testing of the criteria used to determine additional rebates will apply, with any under-funded or over-funded amounts to be paid to or repaid by the Company at that time. Termination of the arrangement would require Boyd to repay all un-amortized balances and any other amounts as determined within the agreement.

Starting in February 2006, the Fund's results reflect a lower gross profit percentage, and therefore reduced earnings, due to reduced amortization associated with the new prepaid rebate facility. The previous facility allowed for amortization of rebates over seven years. The replacement rebates and other benefits received and receivable, net of costs incurred, are amortized over a period of 15 years, which is longer than the seven year period of amortization used for 2005 and prior.

Debt Financing

As at December 31, 2005, the Company had an operating line of $10.0 million and a senior term facility in place in the amount of $9.4 million U.S. due January 15, 2009. The senior term facility is a committed reducing facility, secured by a General Security Agreement and subsidiary guarantees, with incentive priced interest rates and subject to customary terms, conditions, covenants and other provisions for an income trust. On February 14, 2006, in conjunction with the closing of the new trading partner arrangements and U.S. bank refinancing, the Company prepaid $1.8 million U.S. of the term facility, being the final payment due on January 15, 2009. Concurrent with this repayment, the Company's senior lender increased the Company's operating line from $10.0 million to $12.0 million. The security position held by the senior lender in the shares and assets of The Gerber Group, Inc., excluding receivables, was released by the senior lender to be provided as security for the new U.S. bank financing. On January 15, 2006, a regular repayment of this term facility, in the amount of $0.3 million U.S., was also made resulting in an outstanding balance of $7.3 million as at March 31, 2006. The remaining senior term facility will amortize quarterly with a $0.9 million U.S. due in 2006, $2.4 million U.S. due in 2007 and $4.0 million U.S. due in 2008.

On February 14, 2006, the Company obtained, and fully drew, a new term debt facility with a U.S. bank for $13.0 million U.S. The facility is supported by an initial five year promissory note due January 31, 2011 with six quarterly principal repayments, in the amount of $375,000 U.S., beginning October 31, 2009 and continuing thereafter on the last day of January, April, July and October 2010 as well as January 31, 2011. The sixth quarterly instalment shall also include the remaining principal amount of the term loan unless the facility is extended. Subject to certain conditions, the Company has the option to renew the facility, on terms not less favourable, for an additional ten years providing quarterly principal repayments continue in annual U.S. amounts as follows:

Year 6 - $ 1,500,000
Year 7 - $ 1,500,000
Year 8 - $ 1,500,000
Year 9 - $ 1,200,000
Year 10 - $ 1,100,000
Year 11 - $ 900,000
Year 12 - $ 800,000
Year 13 - $ 800,000
Year 14 - $ 800,000
Year 15 - $ 650,000

Interest rates are based on LIBOR plus 2.5% for LIBOR loans or U.S. prime rate less 0.25% for floating rate loans or the U.S. Bank's cost of funds plus 2.5% for fixed rate loans. The facility is secured by a pledge of the shares and assets, excluding receivables, of Gerber as well as a third party guarantee. The terms and conditions of the loan are similar to those contained in the Company's senior debt facility.

The Fund has traditionally used capital leases to finance a portion of its maintenance capital expenditures. At March 31, 2006, the Fund owed $1.1 million ($1.9 million at December 31, 2005) in capital lease obligations. On February 14, 2006, in conjunction with the closing of the new trading partner arrangements and U.S. bank refinancing, the Company repaid $1.0 million U.S. in capital lease obligations associated with Gerber.

Investing Activities

Cash used in investing activities totalled $1.0 million for the three months ended March 31, 2006, compared to $4.3 million in the prior year. The use of cash relates to expenditures made for maintaining existing equipment and

facilities, net of proceeds received on the sale of assets as well as the acquisition and development of new facilities. In 2005, the higher use of funds related to the acquisition of GNGS.

Acquisitions and Start-Ups

During the first quarter of 2006, the Fund continued the development of three collision repair facilities initiated during 2005. Two of the new facilities, one in the located in the Renton, Washington and the other in Scottsdale, Arizona, opened on April 1, 2006. The facility, located in Tacoma, Washington, also commenced operations in the second quarter of 2006.

No new acquisitions were completed during the first quarter of 2006.

Capital Expenditures

Excluding expenditures related to acquisition and expansion the Fund spent approximately $0.5 million or 1.0% of sales on sustaining capital expenditures during the first quarter of 2006, compared to $0.4 million or 0.8% of sales during the same period in 2005.

RELATED PARTY TRANSACTIONS

During the quarter, the Fund did not enter into any new related party transactions.

FINANCIAL INSTRUMENTS

During the quarter, the Fund did not enter into any new financial instruments other than those described in the Liquidity and Capital Resources section of this report under the headings Trading Partner Funding and Debt Financing.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operation in accordance with Canadian generally accepted accounting principles requires that the Fund make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

The critical accounting estimates are substantially unchanged from those identified in the 2005 annual MD&A.

BUSINESS RISKS AND UNCERTAINTIES

The factors affecting the business remain substantially unchanged from those identified in the 2005 annual MD&A.

OUTLOOK

The Fund's operating results for 2006 continued to be impacted by reduced sales volumes its U.S. operations. Boyd continues to work to reduce operating costs, increase operating margins and develop other organic growth strategies to counteract this trend. The Fund will continue to work on improving same store sales growth, gross margins and EBITDA margins of all operations and will continue to develop its systems and its infrastructure to enhance securityholder value.

On March 16, 2006, the Fund announced that it has completed an evaluation of the potential financial impact of market pricing changes precipitated by recent DRP alterations initiated by one of its largest insurance company customers. Through its evaluation, Boyd has assessed that these pricing changes may materially impact its operating margins in the near term. The insurance company customer's DRP changes, which are being tested in a

number of U.S. states, including Illinois where Boyd has a considerable presence, are aimed at making the insurer's DRP more performance driven and more competitively priced. While these changes have the potential to be a positive development for the Company over the long term, given the heightened focus on performance evaluation, and the opportunity for Boyd to secure more referrals through strong performance metrics, the financial impact of implementing the required pricing changes under the program is expected to be negative in the near term.

Based on current financial performance, and the future potential financial impact of recently announced DRP changes, management of the Company does not anticipate reinstating distributions within the next 10 to 16 months. Instead, the Company will use its cash flow from operations to strengthen its balance sheet. At the end of this time period, or sooner if the Company experiences meaningful improvement in its financial performance, management of the Company and the Trustees of the Fund would expect to resume distributions at conservative and sustainable levels.

ADDITIONAL INFORMATION

The Fund's units trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN. Additional information relating to the Boyd Group Income Fund is available on SEDAR (www.sedar.com) and our website (www.boydgroup.com).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These unaudited consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management is responsible for their integrity, objectivity and reliability, and for the maintenance of financial and operating systems, which include effective controls, to provide reasonable assurance that the Fund's assets are safeguarded and that reliable financial information is produced.

The Board of Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting, disclosure control and internal control. The Board exercises these responsibilities through its Audit Committee, all members of which are not involved in the daily activities of the Fund. The Audit Committee meets with management and, as necessary, with the independent auditors, Deloitte & Touche LLP, to satisfy itself that management's responsibilities are properly discharged and to review and report to the Board on the interim consolidated financial statements. These interim consolidated financial statements and related notes and other interim filings have not been reviewed by the Fund's auditors.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FORM 52-109F2 - CERTIFICATION OF INTERIM FILINGS

I, **Terry Smith, Chief Executive Officer of the Boyd Group Income Fund**, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of the **Boyd Group Income Fund**, (the issuer) for the interim period ending **March 31, 2006**;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings; and
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which interim filings are being prepared.

Date: May 11, 2006

Terry Smith
Chief Executive Officer

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FORM 52-109F2 - CERTIFICATION OF INTERIM FILINGS

I, **Dan Dott, Vice President and Chief Financial Officer of the Boyd Group Income Fund**, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of the **Boyd Group Income Fund**, (the issuer) for the interim period ending **March 31, 2006**;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings; and
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which interim filings are being prepared.

Date: May 11, 2006

Dan Dott, C.A.
Vice President & Chief Financial Officer

INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)

March 31, 2006 and December 31, 2005

	March 31, 2006	December 31, 2005
Assets *(Note 4)*		
Current assets:		
Accounts receivable	**$ 18,904,713**	$ 19,450,519
Current portion of rebates receivable *(Note 5)*	**1,108,745**	-
Inventory	**4,290,765**	3,995,960
Prepaid expenses	**1,601,089**	1,331,884
	25,905,312	24,778,363
Note receivable	**383,493**	383,098
Rebates receivable *(Note 5)*	**5,543,725**	-
Property, plant and equipment	**18,169,814**	18,086,803
Future income tax asset	**3,934,315**	3,749,522
Deferred costs	**1,562,203**	1,727,462
Goodwill	**37,005,470**	36,774,687
Intangible assets	**17,871,219**	18,462,613
	$ 110,375,551	$ 103,962,548
Liabilities and Equity		
Current liabilities:		
Bank indebtedness	**$ 1,924,033**	$ 1,310,672
Accounts payable and accrued liabilities	**22,365,744**	23,761,807
Income taxes payable	**20,194**	64,358
Current portion of long-term debt *(Note 4)*	**1,995,233**	1,652,451
Current portion of obligations under capital leases	**260,248**	641,851
	26,565,452	27,431,139
Long-term debt *(Note 4)*	**22,949,206**	22,179,553
Obligations under capital leases	**791,674**	1,254,664
Convertible debt	**12,708,622**	12,699,584
Unearned rebates *(Note 5)*	**19,209,742**	10,137,286
Non-controlling interest	**466,042**	446,915
	82,690,738	74,149,141
Equity		
Unitholders' capital *(Note 6)*	**53,122,104**	53,130,354
Shareholders' capital *(Note 6)*	**62,403**	66,003
Contributed surplus	**81,100**	78,352
Warrants	**421,500**	421,500
Deficit	**(17,379,946)**	(15,599,879)
Cumulative translation adjustment	**(8,622,348)**	(8,282,923)
	27,684,813	29,813,407
	$ 110,375,551	$ 103,962,548

INTERIM CONSOLIDATED STATEMENTS OF DEFICIT (Unaudited)

Three Months Ended March 31,

	2006	2005
Deficit, beginning of period	**$ (15,599,879)**	$ (9,232,183)
Net (loss) earnings for period	**(1,780,067)**	1,373,789
Dividends on BGHI Class A common shares	**-**	(122,102)
Distributions to unitholders	**-**	(2,312,564)
Deficit, end of period	**$ (17,379,946)**	$ (10,293,060)

INTERIM CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS (Unaudited)

Three Months Ended March 31,

	2006	2005
Sales	**$ 47,278,651**	$ 46,601,561
Cost of sales	**28,453,830**	24,979,539
Gross margin	**18,824,821**	21,622,022
Operating expenses	**18,508,534**	18,036,350
Foreign exchange gains	**(1,637,296)**	(165,992)
Depreciation and amortization	**874,839**	970,248
Amortization of deferred costs and other intangible assets	**865,827**	498,583
Interest expense	**759,411**	697,564
Interest income	**(36,251)**	(18,292)
	19,335,064	20,018,461
Net (loss) earnings before income taxes and non-controlling interest	**(510,243)**	1,603,561
Income tax expense (recovery)		
Current	**49,575**	54,000
Future	**(190,862)**	-
	(141,287)	54,000
Net (loss) earnings before non-controlling interest	**(368,956)**	1,549,561
Non-controlling interest	**(18,511)**	226,898
Net (loss) earnings from continuing operations	**(387,467)**	1,776,459
Loss from discontinued operations (net of income tax recoveries of $nil [2005 - of nil]) *(Note 3)*	**(1,392,600)**	(402,670)
Net (loss) earnings	**$ (1,780,067)**	$ 1,373,789
Weighted average number of units and Class A common shares outstanding	**9,364,370**	8,531,553
Basic (loss) earnings per unit from continuing operations *(Note 9)*	**$ (0.041)**	$ 0.208
Loss per unit from discontinued operations	**(0.149)**	(0.047)
Basic (loss) earnings per unit and Class A common share	**$ (0.190)**	$ 0.161
Diluted (loss) earnings per unit from continuing operations *(Note 9)*	**$ (0.041)**	$ 0.203
Loss per unit from discontinued operations	**(0.147)**	(0.043)
Diluted (loss) earnings per unit and Class A common share	**$ (0.188)**	$ 0.160

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
Three Months Ended March 31,

	2006	2005
CONTINUING OPERATIONS		
Cash flows from operating activities		
Net (loss) earnings from continuing operations	**$ (387,467)**	$ 1,776,459
Items not affecting cash		
Non-controlling interest	**18,511**	(226,898)
Future income taxes	**(190,862)**	-
Amortization of deferred costs and other intangible assets	**865,827**	498,583
Depreciation and amortization	**874,839**	970,248
Amortization of unearned rebates	**1,617,241**	(789,621)
Unit option compensation expense	**2,748**	-
Gain on disposal of equipment	**(4,574)**	(1,740)
	2,796,263	2,227,031
Changes in non-cash working capital items	**(2,274,594)**	(1,241,529)
	521,669	985,502
Cash flows from financing activities		
Issue of fund units on exercise of warrants	**-**	(559,920)
Issue of fund units	**-**	2,011,244
Issue costs	**-**	(6,608)
Increase in obligations under long-term debt	**14,935,700**	3,646,238
Repayment of long-term debt	**(13,854,272)**	(1,434,314)
Repayment of obligations under capital leases	**(1,281,487)**	(298,315)
Proceeds on issue of convertible debt	**-**	612,650
Issue costs on debt component of convertible debt	**-**	3,409
Dividends received on Class B common shares	**-**	174,943
Dividends paid on Class A and B common shares	**-**	(1,469,790)
Distribution to non-controlling interest	**-**	1,058,249
Distributions paid to unitholders	**-**	(2,268,546)
Increase in unearned rebates	**12,952,083**	316,927
Repayment of unearned rebates	**(11,801,274)**	-
Collection of notes receivable	**-**	61,985
Increase in financing costs	**(164,084)**	(147,645)
	786,666	1,700,507
Cash flows used in investing activities		
Proceeds on sale of equipment	**46,302**	4,601
Acquisition of equipment	**(475,706)**	(368,531)
Acquisition and development of businesses	**(700,170)**	(623,399)
Deferred costs	**(218,487)**	(146,501)
Acquisition of other assets	**-**	(3,172,002)
	(1,348,061)	(4,305,832)
Foreign exchange	**(284,341)**	(265,593)
Cash received upon combining of Boyd Group Holdings Inc.	**-**	38,751
Net decrease in cash position used in continuing operations	**(324,067)**	(1,846,665)
DISCONTINUED OPERATIONS		
Operating activities	**(392,088)**	(333,680)
Financing activities	**(1,680)**	-
Investing activities	**94,474**	60,599
Net proceeds on disposal	**10,000**	-
Net decrease in cash position from discontinued operations	**(289,294)**	(273,081)
Net decrease in cash position	**(613,361)**	(2,119,746)
(Bank indebtedness) cash position, beginning of period	**(1,310,672)**	578,548
Bank indebtedness, end of period	**$ (1,924,033)**	$ (1,541,198)
Income taxes paid	**$ 93,782**	$ 3,095
Interest paid	**$ 1,506,127**	$ 957,760

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(UNAUDITED)*

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Boyd Group Income Fund (the "Fund") is an unincorporated, open-ended mutual fund trust established under the laws of the Province of Manitoba on December 16, 2002. It was established for the purposes of acquiring and holding a majority interest in The Boyd Group Inc. (the "Company"). The Company's business consists of the ownership and operation of autobody/autoglass repair facilities acquired either through the acquisition of existing businesses, or through site development resulting in new locations. In addition, the Company has licensed its trade names, trademarks and systems to independently owned repair facilities under license agreement. At March 31, 2006, the Fund held 81.95% of the voting shares of the Company.

The units of the Fund are listed on the Toronto Stock Exchange and trade under the symbol "BYD.UN".

2. BASIS OF PRESENTATION

Under the terms of the 2003 plan of arrangement that reorganized the Company into the Fund, Boyd Group Holdings Inc. ("BGHI"), a holding company under voting control of the Fund, acquired the remaining shares of the Company not held by the Fund. The Fund, although it has voting control of BGHI, did not have any significant economic interest in the activities of BGHI and as such, BGHI represented a minority ownership position of the Company until March 1, 2005. The Class A common shares of BGHI are exchangeable into units of the Fund at the option of the holder, but were subject to certain restrictions on conversion until March 1, 2005. In addition, the Class A common shares of BGHI initially were not entitled to receive distributions of earnings economically equivalent to distributions received by units of the Fund. As outlined in the terms of the arrangement, the distributions to be distributed to BGHI Class A shareholders increased in March 2004 and in March 2005. As of March 1, 2005, Class A shareholders of BGHI were entitled to receive distributions of earnings economically equivalent to distributions received by units of the Fund and any restrictions limiting the exchange of Class A shares into units expired. As a result, the exchangeable Class A shares of BGHI and related accounts are presented in combination with the consolidated balance sheet of the Fund.

These interim consolidated financial statements of the Fund, BGHI and subsidiaries have been prepared in accordance with Canadian generally accepted accounting principles and contain the consolidated financial position, results of operations and cash flows of the Fund, BGHI, the Company and the Company's direct subsidiary companies as at March 31, 2006. These financial statements are consistent with the policies and methods of computation as disclosed in the audited consolidated financial statements and related notes of the Fund for the year ended December 31, 2005. Readers should be aware that these interim consolidated financial statements and related notes are unaudited and do not include all the information required for complete financial statements, and should be read in conjunction with the audited consolidated financial statements and related notes of the Fund for the year ended December 31, 2005.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. DISCONTINUED OPERATIONS

On February 1, 2006 the Fund sold the business assets of a small glass business located in Calgary, Alberta.

The Fund ceased operations of the AWC collision repair facility located in Fife, Washington and a satellite facility located in Roselle, Illinois on March 31, 2006.

In January 2005, the Fund ceased operations in its North Vancouver location located in British Columbia.

The consolidated balance sheets include the following assets and liabilities which relate to these discontinued operations:

		March 31, 2006		December 31, 2005
Current assets	**$**	**501,441**	$	744,046
Fixed assets		**436,616**		1,423,121
Goodwill and other intangible assets		**-**		75,068
		938,057		2,242,235
Current liabilities		**396,228**		306,100
Net assets	**$**	**541,829**	$	1,936,135

The results of discontinued operations are summarized below:

	Three Months Ended March 31,			
		2006		2005
Sales	**$**	**1,197,988**	$	1,190,534
Loss for the period		**(494,129)**		(402,670)
Loss on disposition of assets		**(898,471)**		-
Net loss from discontinued operations	**$**	**(1,392,600)**	$	(402,670)

4. LONG-TERM DEBT

The Company's senior term facility is a committed reducing facility in the amount of $7.3 million U.S., collateralized by a General Security Agreement and subsidiary guarantees, with incentive priced interest rates and subject to customary terms, conditions, covenants and other provisions for an income trust. The term facility amortizes quarterly with $0.9 million U.S. due in 2006, $2.4 million U.S. due in 2007 and $4.0 million U.S. due in 2008.

On February 28, 2005 the Fund's interest rate swap contract which fixed the interest rate on the original notional amount of $12 million U.S. of long-term debt at a rate of 1.58% plus incentive priced spread expired. The senior term facility is currently hedged using an interest rate swap contract fixing the interest rate on the notional amount of $7.3 million U.S. of long-term debt at a rate of 4% plus incentive priced spread. The contract became effective March 1, 2005 and terminates on October 15, 2008.

On March 31, 2005 the Fund repaid $800,000 U.S. of its senior term facility. Foreign exchange gains associated with the settlement of a portion of the long-term debt facility amounted to $217,200. As a result of the reduction in the term debt, the Fund unwound a portion of the interest rate swap in order to match the nominal amount of the swap to the lower term debt. There were no settlement costs related to the unwinding of the interest rate swap.

On February 14, 2006 the Fund repaid $1,800,000 U.S. of its senior term facility. Foreign exchange gains associated with the settlement of a portion of the long-term debt facility amounted to $253,094. As a result of the reduction in the term debt, the Fund unwound a portion of the interest rate swap in order to match the nominal amount of the swap to the lower term debt. A settlement gain in the amount of $16,085 was realized from unwinding of the interest rate swap and has been included with interest income. In addition, foreign exchange gains on regularly scheduled repayments amounted to $101,160.

On February 14, 2006, the Company obtained, and fully drew, a new term debt facility with a U.S. bank for $13.0 million U.S. The facility is supported by an initial five year promissory note due January 31, 2011 with six quarterly principal repayments, in the amount of $375,000 U.S., beginning October 31, 2009 and continuing thereafter on the last day of January, April, July and October 2010 as well as January 31, 2011. The sixth quarterly installment shall also include the remaining principal amount of the term loan unless the facility is extended. Subject to certain conditions, the Company has the option to renew the facility, on terms not less favorable, for an additional ten years.

Interest rates are based on LIBOR plus 2.5% for LIBOR loans or U.S. prime rate less 0.25% for floating rate loans or the U.S. Bank's cost of funds plus 2.5% for fixed rate loans. The facility is secured by a pledge of the shares and assets, excluding receivables, of Gerber as well as a third party guarantee. The terms and conditions of the loan are similar to those contained in the Company's senior debt facility.

On February 14, 2006, the Company repaid the acquisition loan facility from trading partners with the proceeds received from the new $13 million U.S. term debt and the limited guarantee was released. The remaining balance of the guarantee fee paid to 4612094 Manitoba Inc., in the amount of $273,370 was charged to amortization expense.

On January 28, 2005, the Fund received subordinated supplier debt in the amount of $612,650 ($500,000 U.S.) related to the acquisition of the Globe Amerada Glass Network division of Globe-Amerada Glass Company. The loan facility was provided at U.S. prime plus 2% (interest forgiveable upon satisfaction of certain purchase requirements) and has remaining quarterly principal payments of $25,000 U.S. from April 20, 2006 to January 20, 2010. The balance at March 31, 2006 was $466,840 ($400,000 U.S.).

	March 31, 2006	December 31, 2005
Senior term facility, secured by a General Security Agreement and subsidiary guarantees, incentive priced interest rates ranging from prime/U.S. base rate plus 0.5% to 1.75% on prime based or U.S. base rate loans, or Bankers' Acceptances/LIBOR stamp fee plus 2.0% to 3.25% on Banker's Acceptances or LIBOR loans, repayable in increasing quarterly instalments from April 15, 2006, to October 15, 2008, with the full amount of the facility repayable in U.S. funds. Interest rate fixed on $8,519,830 Cdn. of the loans using interest rate swaps at 4% plus incentive pricing spread until October 2008.	**$ 8,519,830**	$ 10,959,460
Term facility, with a U.S. bank for $13.0 million U.S. secured by the shares and assets, excluding receivables, of The Gerber Group, Inc. as well as a third party guarantee. The facility is supported by an initial five year promissory note due January 31, 2011 with six quarterly principal repayments, in the amount of $375,000 U.S., beginning October 31, 2009 and continuing thereafter on the last day of January, April, July and October 2010 as well as January 31, 2011. The sixth quarterly installment shall also include the remaining principal amount of the term loan unless the facility is extended. Subject to certain conditions, the Company has the option to renew the facility, on terms not less favorable, for an additional ten years. Interest rates are based on LIBOR plus 2.5% for LIBOR loans or U.S. prime rate less 0.25% for floating rate loans or the U.S. Bank's cost of funds plus 2.5% for fixed rate loans.	**15,172,300**	-
Trading partner debt, supported by a limited guarantee provided by 4612094 Manitoba Inc. Interest rate based on LIBOR plus 3.5%, repayable in U.S. Funds from January 31, 2009 to May 1, 2010. The full amount was repaid on February 14, 2006.	**-**	11,569,044
Subordinated supplier debt at prime plus 2% (interest forgivable) with quarterly principal payments of $25,000 U.S. Repayable in quarterly instalments from April 20, 2006 to January 20, 2010 in U.S. funds.	**466,840**	495,508
Vendor notes payable of $673,009 U.S. on the financing of certain acquisitions, unsecured, at interest rates ranging from 4.0% to 8.0%. The notes are repayable from April 2006 to June 2010 in U.S. funds.	**785,469**	807,992
	24,944,439	23,832,004
Current portion	**1,995,233**	1,652,451
	$ 22,949,206	$ 22,179,553

5. UNEARNED REBATES

In July 1999, the Company entered into agreements with strategic trading partners, with subsequent amendments that provided, among other things, approximately $25 million in prepaid rebate funding over a period of three to six years to be used to fund the acquisition or start-up of collision repair facilities. The funding, received in the form of prepaid material purchase rebates from the trading partners, was recorded as unearned rebates when received and was amortized as a reduction of cost of sales as the rebates were earned over a period of 84 months from the date of receipt.

Early termination or default by the Company required the Company to repay the aggregate un-amortized balance of the funding received plus interest from the date of termination or default to the date of repayment. In addition, failure to meet certain performance criteria with respect to a particular acquisition or start-up for which funding was received, eliminated or reduced the amount of funding available for future new businesses. In the case of AWC, certain performance criteria were tested effective January 1, 2005, and an adjustment amount of $2.6 million U.S. was determined. This amount, once determined, was to be applied to reduce future funding for new businesses between January 1, 2005 and March 31, 2006, after which time, in accordance with the then current terms of the agreements, any adjustment amount would become repayable. In the case of the Gerber acquisition, the performance criteria were tested effective July 1, 2005 and an adjustment amount of $1.1 million U.S. was determined. On January 1, 2006, additional performance criteria tests were performed for all the remaining untested prepaid rebates. Additional adjustment amounts were determined totaling $0.8 million. Upon the early termination of the agreements by the Fund, on February 14, 2006, all amounts outstanding were settled using proceeds from the new supplier arrangements. As a result of this negotiation and settlement the Fund recorded a non-cash charge, in the amount of $2.1 million, to cost of sales, adjusting the amortization of prepaid rebates relating to the AWC, Gerber and other adjustment amounts.

On February 14, 2006, by mutual agreement with certain key trading partners, Boyd terminated its prepaid material rebate agreement concurrent with the closing of a new long term exclusive supply agreement with an alternate supplier. Replacement prepaid rebates received from the new supplier were used to repay all obligations associated with the prior agreement.

Rebates received and receivable under the replacement facility, as well as other one time benefits derived from the new supply agreement, will be deferred as unearned rebates and amortized to earnings, as a reduction of cost of sales, over a period of 15 years. The initial rebate received will be tested after three years, with any over funding being adjusted against additional payments receivable in subsequent years. The Company will be obliged to purchase the suppliers' products on an exclusive basis over the term of the agreement. In exchange for this exclusive arrangement, and subject to certain conditions, the trading partners are required to continue to price their products competitively to the Company. Additional prepaid rebates are available for new acquisitions and start-ups and regular testing of the criteria used to determine additional rebates will apply, with any under-funded or over-funded amounts to be paid to or repaid by the Company at that time. Termination of the arrangement would require Boyd to repay all un-amortized balances and any other amounts as determined within the agreement. Rebates receivable are pre-determined and U.S. dollar payments of $237,500 will be received quarterly, beginning May 14, 2006 for a period of six years.

During 2001, the Fund entered into a sale-leaseback transaction on property previously owned. The gain on the transaction has been deferred and is being amortized into income over the term of the subsequent lease. The unamortized amount of the gain at March 31, 2006 was $170,969 (December 31, 2005 - $173,088).

6. CAPITAL

Unitholder's Capital

Authorized:

Unlimited number of Trust Units

Issued:

On January 24, 2003, the shareholders of the Company approved a plan of arrangement (the "Arrangement") that reorganized the Company into the Fund. On February 28, 2003, under the terms of the Arrangement, the Fund acquired 53.67% (64.96% of publicly held shares and 15% of management group shares) of the Class A (Restricted Voting) shares of the Company from its shareholders, through a series of transactions, resulting in the issue of 2,389,957 trust units as consideration. Also under the terms of the Arrangement, BGHI acquired the remaining 46.33% (35.04% of publicly held shares and 85% of management group shares) of the Class A (Restricted Voting) shares of the Company from its shareholders, issuing 2,062,863 Class A common shares as consideration. Each public shareholder (other than the management group) indirectly received 0.6496 trust units of the Fund and 0.3504 Class A common shares of BGHI in exchange for each four Class A (Restricted Voting) shares held in the Company prior to the Arrangement. The Company, with a majority ownership controlled by the Fund, and a non-controlling interest held by BGHI, carried on the current business of the Company.

As part of the Arrangement, 46.33% of the outstanding Class A (Restricted Voting) shares of the Company, on February 28, 2003, were converted into Class A common shares of BGHI. This ownership position in the Company by BGHI was reflected as non-controlling interest by the Fund until March 1, 2005. CICA EIC-151 recommends that exchangeable securities issued by a subsidiary of an income trust should be presented as part of unitholder's equity when certain conditions are met. Effective March 1, 2005, the Class A shareholders of BGHI were entitled to receive distributions of earnings economically equivalent to distributions received by unitholders of the Fund, and accordingly the exchangeable shares met these conditions. As a result, the Class A shares of BGHI no longer represent a non-controlling interest and instead, along with related accounts, are presented as part of unitholder's equity.

The ownership percentages of the Company between the Fund and BGHI continue to change as new units are issued and Class A common shares of BGHI are retracted. At March 31, 2006, the ownership percentage held by the Fund was 81.95% and BGHI was 18.05%.

The following provides a continuity of unitholders' capital:

	March 31, 2006		December 31, 2005	
	Units	**Amount**	Units	Amount
Unitholders' capital, beginning of period	**9,357,008**	**$ 53,130,354**	7,778,466	$ 46,437,688
Issue costs	**-**	**(11,850)**	-	(110,448)
Unit price guarantee payments	**-**	**-**	-	(48,355)
Units issued under guaranteed price contracts	**-**	**-**	41,392	-
Units issued to settle retraction of Class A common shares of BGHI	**10,577**	**3,600**	372,861	146,038
Units issued on conversion of 1998 debentures	**-**	**-**	4,037	19,000
Units issued on conversion of 2002 debentures	**-**	**-**	1,250	10,000
Units issued on conversion of 2004 vendor exchange notes	**-**	**-**	166,284	1,348,480
Units issued on acquisitions	**-**	**-**	92,952	733,900
Units issued under reinvestment programs	**-**	**-**	899,766	4,594,051
Unitholders' capital, end of period	**9,367,585**	**$ 53,122,104**	9,357,008	$ 53,130,354

Shareholders' Capital

Authorized:

2,062,863 Class A common, retractable, voting shares

Under the terms of the Arrangement BGHI acquired the remaining shares of the Company. The Class A common shares of BGHI are exchangeable into units of the Fund. As of March 1, 2005, Class A shareholders of BGHI are entitled to receive distributions of earnings economically equivalent to distributions received by units of the Fund and all restrictions on exchange were removed. As a result, the exchangeable Class A shares of BGHI and related accounts are presented in combination with the consolidated balance sheet of the Fund.

Upon request for retraction by the shareholder, the Class A common shares of BGHI are exchangeable into units of the Fund. To facilitate the exchange, BGHI issues one Class B common share to the Fund for each Class A common share that has been retracted. The Fund in turn issues a trust unit to the Class A common shareholder. Beginning March 1, 2003, each Class A common share was retractable for 0.4 units. The unit consideration for a retraction increased by 0.05 units each subsequent month until March 1, 2004, when one share becomes exchangeable for one unit thereafter. Other restrictions, which prevented the retraction of Class A shares of BGHI held by management under the arrangement, expired on February 28, 2005. Exchanges are done at carrying value.

Issued:

The exchangeable share capital of BGHI is as follows:

	March 31, 2006	December 31, 2005
Class A common shares		
Number of shares outstanding	**898,526**	909,103
Carrying Value of shares outstanding	**$ 62,403**	$ 66,003

Unit-Based Compensation:

On January 11, 2006, subject to ratification by the Board of Trustees and approval by the unitholders at the next annual meeting, the Fund granted options to certain key employees allowing them to purchase up to 200,000 units of the Fund at any time after the expiration of 9 years and 255 days after the date the options were granted up to and including the expiration of 9 years and 345 days after the date the options were granted. The units may be purchased, to the extent validly exercised, on the 10th anniversary of the grant date subject to the condition that the option is not exercisable if the grantee is not an officer or employee on September 23, 2015, unless the grantees' employment is terminated "without cause" at any time after the sixth anniversary of the option grant, in which case the grantee may exercise the options at anytime within 30 days of the date of termination of such employment. The options would permit the purchase of units at a price equal to the weighted average trading price on the Toronto Stock Exchange for the first 15 trading days in the month of January 2006, being $1.91 per unit.

7. INCOME TAXES

The Fund is a mutual fund trust as defined under the Income Tax Act (Canada) and accordingly is not taxable on its income to the extent that its income is distributed to unitholders. This exemption does not apply to the Company or its subsidiaries, which are corporations that are subject to income tax. Consistent with the prior year, the Fund has chosen not to recognize the benefit of income tax loss carry forward amounts generated in the current period.

As a result of the trading partner transactions described in Note 5, the Fund has replaced the majority of its Canadian losses previously recognized with other timing differences.

8. SEGMENTED REPORTING

The Company has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, Canadian generally accepted accounting principles requires the Company to provide geographical disclosure of segments. For the periods reported, all of the Company's revenues were derived within Canada or the United States of America. All property, plant and equipment, goodwill and intangible assets are located within these two geographic areas.

	Revenues		Property, Plant, Equipment Intangible Assets and Goodwill	
	March 31, 2006	March 31, 2005	**March 31, 2006**	December 31, 2005
Canada	**$ 17,172,829**	$ 16,165,908	**$ 15,898,351**	$ 15,773,729
United States	**30,105,822**	30,435,653	**57,148,152**	57,550,374
Total	**$ 47,278,651**	$ 46,601,561	**$ 73,046,503**	$ 73,324,103

9. EARNINGS PER UNIT AND CLASS A COMMON SHARE FROM CONTINUING OPERATIONS

	March 31, 2006	March 31, 2005
a) Earnings (Loss):		
Net earnings (loss) from continuing operations	**$ (387,467)**	$ 1,776,459
Add:		
Interest on Series I convertible debentures	**-**	2,683
Interest on 2002 convertible debentures	**-**	45,705
Interest on 2003 convertible debentures	**-**	31,266
Interest on 2004 convertible debentures	**-**	41,078
Net earnings (loss) from continuing operations – diluted basis	**$ (387,467)**	$ 1,897,191
b) Number of units and Class A common shares:		
Average number of units and Class A common shares outstanding	**9,364,370**	8,531,553
Add:		
Potential conversion of Series I convertible debentures	**-**	27,200
Potential conversion of 2002 convertible debentures	**-**	289,625
Potential conversion of 2003 convertible debentures	**-**	184,302
Potential conversion of 2004 convertible debentures	**-**	325,076
Guarantee shares outstanding	**97,465**	-
Average number of units outstanding – diluted basis	**9,461,835**	9,357,756
Earnings (loss) per unit and Class A common shares from continuing operations (a) divided by (b)		
Basic	**$ (0.041)**	$ 0.208
Diluted	**$ (0.041)**	$ 0.203

10. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation of the current year.