Boyd Group Income Fund

BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Three Months Ended March 31, 2011

BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

First Quarter Ended March 31, 2011

To Our Unitholders,

During the first quarter of 2011, we continued to make progress in advancing our operational and growth initiatives that build on the Fund's positive results and strong momentum in 2010.

For the first three months of 2011, sales totalled $81.6 million compared to $54.9 million in the first three months of 2010. This improvement came from same-store sales growth of 11.5%, excluding foreign exchange translation, and new sales generated from eight new single U.S. collision repair locations as well as the 37 True2Form locations acquired during 2010. Sales in Canada increased by 3.3% to $19.6 million, our third consecutive quarter of positive same-store sales growth in Canada, while U.S. sales increased by 72.4% to $62.0 million during the quarter compared with the same period in 2010.

This is the first quarter in which Boyd is required to report its results using International Financial Reporting Standards instead of using the traditional Canadian Generally Accepted Accounting Principles ("GAAP"). As a result, some significant changes are reflected in the financial statements for 2011 and the comparative period for 2010. These changes and their impact are described in our interim report and notes to the financial statements. The largest and most significant of these changes are the fair value adjustments associated with our exchangeable Class A shares of Boyd Group Holdings Inc. and unit option liabilities. These two items are now recorded, at their fair value, as liabilities on the balance sheet and will be re-valued each quarter primarily based upon the change in the underlying price of Boyd's unit value. Revaluations upward in the liabilities result in a corresponding expense being recorded and revaluations downward in the liabilities result in corresponding income. For the first quarter of 2011, the Fund increased the value of these liabilities and expensed $1.5 million related to these fair value adjustments.

Earnings before interest, income taxes, depreciation and amortization and now adjusted to exclude the impacts of fair value adjustments noted above ("Adjusted EBITDA")[1] for the first quarter of 2011 totalled $5.3 million, or 6.5% of sales, compared to Adjusted EBITDA of $3.3 million, or 5.9% of sales, for the same period a year ago. Adjusted EBITDA was impacted by improvements in same-store sales combined with a $1.1 million of EBITDA contribution from the acquisition of True2Form. Adjusted EBITDA in 2011 was also negatively impacted by $0.2 million of costs associated with acquisition searches and transaction costs compared to less than $0.1 million for the same period in the previous year. Acquisition search and transaction costs are now required to be expensed under accounting rules as opposed to being capitalized to the acquired business under previous GAAP.

Net earnings were $0.9 million, or 1.0% of sales, when compared to earnings of $1.9 million, or 3.5% of sales, last year. The decrease in net earnings was the result of recording the fair value adjustments for exchangeable shares and unit options in the amount of $1.5 million, as described above, combined with a deferred income tax expense of $0.9 million. As a result of the Fund recording its tax losses and other tax assets on the balance sheet in the fourth quarter of 2010, the Fund has now begun recording deferred tax expense in relation to reported income. Notwithstanding this required accounting income tax expense, the Fund still has tax losses available so that minimal cash taxes are payable in connection with this expense. Excluding the impact of these adjustments, net earnings would have increased to $3.3 million, or 4.0% of sales.

Diluted earnings per unit were $0.082 per unit compared to $0.160 per unit in the prior year, again with the reduction attributable to the adjustments described above.

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[1] EBITDA and Adjusted EBITDA are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to net earnings, EBITDA and Adjusted EBITDA are useful supplemental measures as they provides investors with an indication of operational performance. Investors should be cautioned, however, that EBITDA and Adjusted EBITDA should not be construed as alternatives to net earnings determined in accordance with IFRS as an indicator of the Fund's performance.

In the first three months of 2011, the Fund generated adjusted distributable cash of $3.0 million and declared distributions of $1.2 million, resulting in a payout ratio based on adjusted distributable cash of 38.3% for the quarter. This compares with a payout ratio of 31.3% for the same period a year ago.

We continued to improve our balance sheet during the quarter, and now report total debt, net of cash, of $14.4 million, compared to $16.0 million at December 31, 2010. We now have a cash position, net of bank indebtedness, of $10.1 million, an improvement from $9.4 million at the end of 2010.

Our same-store sales growth for the first quarter of 2011 was driven in part by a return to more normal winter weather conditions versus the unusually warm and dry winter a year ago. Our strong results during the first quarter, following a record 2010, give us cautious optimism for the rest of 2011. We maintain a positive view on long-term industry opportunities, and we believe that we have the management team, systems, experience, and a strong balance sheet to continue to successfully grow our business.

With our increase in annual distributions announced in the fourth quarter of 2010 to the $0.42 level, we, in essence, accelerated the quarterly increases that unitholders may have expected during 2011 as a single increase. This provides us with a natural opportunity to move to a more flexible process of evaluating additional distribution increases during the remainder of 2011 and beyond. Although we did not increase the level of distributions during this quarter, our objective continues to be to gradually increase distributions over time despite cash taxes that may be payable in the future once our loss carryforward balances are utilized, while at the same time remaining committed to a conservative distribution policy that will provide us with the financial flexibility necessary to support our growth initiatives.

In terms of advancing our growth strategy, subsequent to the end of the quarter, we opened a new facility in Savannah, Georgia and acquired a collision repair business in McDonough, Georgia. Our expansion plan is to open eight to 13 new locations annually for the foreseeable future. We are confident that we will be able to achieve this goal in 2011, as we have additional locations that are close to commencing operations. We also continue to be on the lookout for accelerated growth opportunities through the strategic acquisition of other multi-location businesses. We believe that we are well-positioned to benefit from long-term opportunities in the highly fragmented collision repair industry through consolidation and economies of scale.

We are pleased by our results for the first quarter of the year and look forward to maintaining the positive momentum into the second quarter and beyond.

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

Sincerely,

(signed)

Brock Bulbuck
President & Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Income Fund (the "Fund"), through its operating company, The Boyd Group Inc. and its subsidiaries ("Boyd" or the "Company"), is the largest multi-site operator of automotive collision repair service centres in North America, currently operating 136 locations in the four western Canadian provinces and eleven U.S. states. Boyd carries on business in Canada under the trade name "Boyd Autobody & Glass" and in the U.S., Boyd operates under the "Gerber Collision & Glass" and "True2Form" names. The Company operates its autoglass repair and replacement network business with approximately 3,000 affiliated service providers throughout the United States under the "Gerber National Glass Services" name. The following is a geographic breakdown of the collision repair locations by trade name.

37 centers

- Manitoba (13)
- Alberta (12)
- British Columbia (10)
- Saskatchewan (2)

62 centers

- Illinois (23)
- Arizona (12)
- Georgia (12)
- Washington (8)
- Nevada (3)
- Oklahoma (3)
- Kansas (1)

37 centers

- North Carolina (17)
- Ohio (8)
- Maryland (7)
- Pennsylvania (5)

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company's revenue being derived from insurance-paid collision repair services. In Canada, government-owned insurers operating in Manitoba, Saskatchewan and British Columbia, dominate the insurance-paid collision repair markets in which they operate. In the U.S. and Canadian markets other than Manitoba and Saskatchewan, private insurance carriers compete for consumer policyholders, and in many cases significantly influence the choice of collision repairer through Direct Repair Programs ("DRP's").

The following review of the Fund's operating and financial results for the three months ended March 31, 2011, including material transactions and events up to and including May 12, 2011 should be read in conjunction with the unaudited interim condensed consolidated financial statements, as well as the audited annual consolidated financial statements, management discussion and analysis and Annual Information Form of Boyd Group Income Fund for the year ended December 31, 2010 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

On April 25, 2011, as part of a new start-up, the Company commenced operations in a new collision repair facility in Savannah, Georgia.

On May 1, 2011, the Company acquired the business and assets of McDonough Collision located in McDonough, Georgia.

OUTLOOK

The Fund will continue to work on maintaining same-store sales growth, improving gross margins and Adjusted EBITDA[1] margins of all operations, and continuing to develop its systems and its infrastructure to further enhance securityholder value. Boyd also plans to continue expanding operations in both the U.S. and Canada by opening or acquiring between eight and 13 new locations each year, for the foreseeable future.

Boyd will also continue to remain alert to opportunities for accelerated growth through the acquisition of other multi-location businesses. The collision repair industry in both the U.S. and Canada remains highly fragmented and offers attractive opportunities for best in class operators to build value through focused consolidation and economies of scale. Boyd believes that its business is well positioned for the future with the management team, systems, experience and the market opportunity, along with a strong balance sheet to continue to successfully grow its business.

The acquisition of True2Form has been immediately accretive to net earnings, Adjusted EBITDA[1], cash flow and distributable cash[1]. Although True2Form's historical margins have been less than our consolidated EBITDA[1] margin, we believe that through the continued integration into our business model plus the benefit of synergies, we will increase True2Form's margin to a level similar to Boyd's. Although the impact of this will be gradual and, therefore, will occur over time, we originally forecasted to be able to achieve an EBITDA[1] margin on the True2Form business in the range of 4%–5% in our first full year of ownership, with additional improvement available in subsequent years as the integration process and synergies mature. While True2Form's results have exceeded our expectations to date, and while we are optimistic that our earlier forecasts may continue to be exceeded, we would caution against using eight months' results as a basis for a run-rate going forward.

With our increase in annual distributions announced in the fourth quarter of 2010 to the $0.42 level, we, in essence, accelerated the quarterly increases that unitholders may have expected during 2011 as a single increase. This provides us with a natural opportunity to move to a more flexible process of evaluating additional distribution increases during the remainder of 2011 and beyond. Although we did not increase the level of distributions during this quarter, our objective continues to be to gradually increase distributions over time despite cash taxes that may be payable in the future once our loss carryforward balances are utilized, while at the same time remaining committed to a conservative distribution policy that will provide us with the financial flexibility necessary to support our growth initiatives.

Our strong results during the first quarter of 2011, following a record 2010, give us cautious optimism for the rest of 2011. While the economic recovery seems to be stable, continuing high automobile gas prices could reduce miles driven and, in turn, accident frequency. We, however, maintain a positive view on long term industry opportunities and we believe that we have the management team, systems, experience, and a strong balance sheet to continue to successfully grow our business.

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[1] EBITDA, Adjusted EBITDA and distributable cash are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to net earnings and cash flow from operations, EBITDA, Adjusted EBITDA and distributable cash are useful supplemental measures as they provides investors with an indication of operational performance. Investors should be cautioned, however, that EBITDA, Adjusted EBITDA and distributable cash should not be construed as alternatives to net earnings determined in accordance with IFRS as an indicator of the Fund's performance.

BUSINESS ENVIRONMENT & STRATEGY

As at March 31, 2011, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2010 annual MD&A.

The following table outlines the new locations that have been added in recent years and their current performance summarized by year of acquisition or start-up.

New location results			
New Location:	Sales (C$) *	EBITDA (C$) *	EBITDA Margin (%)
2006 Tacoma, WA Renton, WA Scottsdale, AZ	$11,418,000	$1,923,000	16.8%
2007 Glenview, IL Tempe, AZ	$8,668,000	$1,304,000	15.0%
2008 Lacey, WA Las Vegas, NV Calgary, AB	$8,120,000	$924,000	11.4%
2009 Scurfield, MB Mesa, AZ Glendale, AZ Anthem, AZ Tucson East, AZ Tucson NW, AZ Tucson South, AZ Avondale, AZ Rome, GA	$14,289,000	$1,180,000	8.3%
2010** Cartersville, GA Owasso, OK Evanston, IL Las Vegas NW, NV Buckhead, GA Roswell South, GA Bellingham, WA Yuma, AZ	$8,335,000	$25,000	0.3%
Combined	$50,830,000	$5,356,000	10.5%
Average per store	$2,033,000	$214,000	10.5%

* Annualized based last twelve months results
** Annualized based on actual results for 2010/2011 excluding the start up period

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this interim report, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements.

The following table outlines forward-looking information included in this MD&A:

Forward-looking Information	**Key Assumptions**	**Most Relevant Risk Factors**
The stated objective of adding between eight and 13 new locations per year for the foreseeable future	Opportunities continue to be available and are at attractive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions	Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies

	New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results	Changes in market conditions and operating environment Significant declines in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals
The Fund will continue to work to maintain same store sales growth and improve gross margins and EBITDA margins	Continued improvement in economic conditions and employment rates Pricing in the industry remains stable The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Able to maintain/reduce costs as a percentage of sales	Return to poor economic conditions Loss of one or more key customers Significant declines in the number of insurance claims Ability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in energy costs Changes in weather conditions Ability to effectively manage costs over time
Distributions are expected to gradually increase over time	Stable to improving performance in profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for distribution Balance sheet strength & flexibility is maintained and the distribution level is manageable taking into consideration bank covenants, growth requirements and maintaining a distribution level that is supportable over time No change in the Fund's structure	The Fund is dependent upon the operating results of the Company and its ability to pay interest and dividends to the Fund Economic conditions deteriorate Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers Changes in government regulation

We caution that the foregoing table contains what the Fund believes are the material forward looking statements and is not exhaustive. Therefore when relying on forward-looking statements, investors and others should refer to the "Risk Factors" section of the Fund's Annual Information Form, the "Risks and Uncertainties" and other sections of our Management's Discussion and Analysis and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

DISTRIBUTABLE CASH

During the first quarter of 2011, the Fund declared distributions to unitholders and dividends to BGHI's Class A shareholders, in the following amounts:

Record date	Payment date	Distribution per unit	Dividend per share	Distribution amount	Dividend amount
January 31, 2011	February 24, 2011	$ 0.035	$ 0.035	$ 377,391	$ 29,572
February 28, 2011	March 29, 2011	0.035	0.035	377,397	29,565
March 31, 2011	April 27, 2011	0.035	0.035	377,397	29,565
		$ 0.105	$ 0.105	$ 1,132,185	$ 88,702

Maintaining Productive Capacity

Productive capacity is defined by Boyd as the maintenance of the Company's facilities, equipment, signage, courtesy cars, systems, brand names and infrastructure. Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, systems and courtesy car fleets forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. The Company budgets and manages its capital expenditures up to 0.8% of sales.

Although maintenance capital expenditures may remain within budget on an annual basis, the timing of these expenditures often varies significantly from quarter to quarter.

In addition to normal maintenance capital expenditures, the Company is also planning to rebrand its True2Form locations and enhance its company-wide technology infrastructure. This technology infrastructure includes computer hardware, software, systems and the methods by which information will be captured, stored and communicated. The Company believes that expenditures in these areas over the next few years may utilize $1.0 - $3.0 million of cash resources in excess of normal budget levels. In many circumstances, large equipment expenditures including automobiles, shop equipment and computers can be financed using either operating or capital leases. Maintenance capital expenditures as well as the repayment of operating and capital leases, including the interest thereon, form part of the distributable cash calculations.

Non-recurring and Other Adjustments

Non-recurring and other adjustments may include, but are not limited to, post closure environmental liabilities, restructuring costs and repayment of prepaid rebates that are not refinanced. Management is not currently aware of any environmental remediation requirements or prepaid rebate repayment requirements.

Debt Management

In addition to capital lease obligations arranged to finance growth and maintenance expenditures on property and equipment, the Company has historically utilized long-term debt to finance the expansion of its business, usually through the acquisition and start-up of collision and glass repair and replacement businesses. Repayments of this debt have, in part, been refinanced by replacement facilities or by drawing on the Company's operating line and therefore do not form part of distributable cash calculations. Boyd's bank facilities include restrictive covenants, which could limit the Fund's ability to distribute cash. These covenants, based upon current financial results, would not prevent the Fund from paying future distributions at conservative and sustainable levels. These covenants will continue to be monitored in conjunction with any future anticipated distributions.

The following is a standardized and adjusted distributable cash calculation for 2011 and 2010.

Standardized and Adjusted Distributable Cash [1]

	Three Months Ended March 31	
	2011	2010
Cash flow from operating activities before changes in non-cash working capital items	**$ 4,555,399**	$ 2,844,612
Changes in non-cash working capital items	**(1,276,941)**	370,017
Cash flows from operating activities	**3,278,458**	3,214,629
Less adjustment for:		
Sustaining expenditures on plant and equipment [2]	**(272,983)**	(322,424)
Sustaining expenditures on software [2]	**(30,444)**	(21,423)
Standardized distributable cash	**$ 2,975,031**	$ 2,870,782
Standardized distributable cash per average unit and Class A common share		
Per average unit and Class A common share	**$ 0.256**	$ 0.247
Per diluted unit and Class A common share	**$ 0.256**	$ 0.242
Standardized distributable cash from above	**$ 2,975,031**	$ 2,870,782
Add (deduct) adjustments for:		
Collection of rebates [3]	**358,005**	250,990
Acquisition searches and transaction costs [4]	**170,452**	16,400
Proceeds of sale of equipment	**26,670**	9,573
Principal repayments of capital leases [5]	**(485,801)**	(359,618)
Adjusted distributable cash	**$ 3,044,357**	$ 2,788,127
Adjusted distributable cash per average unit and Class A common share		
Per average unit and Class A common share	**$ 0.262**	$ 0.240
Per diluted unit and Class A common share	**$ 0.262**	$ 0.235
Distributions paid		
Unitholders	**$ 1,078,251**	$ 808,256
Class A common shareholders	**84,498**	63,905
Total distributions paid	**$ 1,162,749**	$ 872,161
Distributions paid		
Per Unit	**$ 0.1000**	$ 0.0750
Per Class A common share	**$ 0.1000**	$ 0.0750
Payout ratio based on standardized distributable cash	**39.1%**	30.4%
Payout ratio based on adjusted distributable cash	**38.2%**	31.3%

(1) Standardized and adjusted distributable cash are not recognized measures and do not have a standardized meaning under International Financial Reporting Standards (IFRS). Management believes that in addition to net earnings, standardized and adjusted distributable cash are useful supplemental measures as they provide investors with an indication of cash available for distribution. Investors should be cautioned however, that standardized and adjusted distributable cash should not be construed as an alternative to net earnings and cash flows determined in accordance with IFRS as an indicator of the Fund's performance. Boyd's method of calculating adjusted distributable cash may

differ from other companies and income trusts and, accordingly, may not be comparable to similar measures used by other companies.

(2) Sustaining expenditures on plant and equipment, information technology hardware and computer software but excluding capital expenditures associated with acquisition and development activities.

(3) The Company receives prepaid rebates, under its trading partner arrangements, in equal quarterly installments of $237,500 U.S. for a period of six years ending February 28, 2012. Beginning on October 30, 2010 the Company began receiving additional prepaid rebates in quarterly instalments of $125,000 U.S. for a period of six years ending July 30, 2016.

(4) The Company has added back to distributable cash the costs expensed to perform acquisition searches and to complete transactions.

(5) Repayments of these leases represent additional cash requirements to support the productive capacity of the Company and therefore have been deducted when calculating adjusted distributed cash.

RESULTS OF OPERATIONS

($000's, except per unit figures)	March 31, 2011	% change	March 31, 2010
Total Sales	81,573	48.5%	54,914
Same Store Sales *(excluding foreign exchange)*	61,218	11.5%	54,914
Sales - Canada	19,591	3.3%	18,963
Same Store Sales - Canada	19,591	3.3%	18,963
Sales - U.S.	61,982	72.4%	35,951
Same Store Sales - U.S. *(excluding foreign exchange)*	41,627	15.8%	35,951
Gross Margin %	45.2%	0.7%	44.9%
Operating Expenses	38.6%	(1.3%)	39.1%
Adjusted EBITDA [(1)]	5,320	63.6%	3,252
Depreciation and Amortization	1,610	42.2%	1,132
Interest Expense	441	50.0%	294
Fair Value Adjustments to Exchangeable Shares and Unit Options	1,510	n/a	(118)
Income tax expense	872	6607.7%	13
Net Earnings	888	(54.0%)	1,931
Basic earnings per unit	0.082	(54.2%)	0.179
Diluted earnings per unit	0.082	(48.8%)	0.160
Standardized Distributable Cash	2,978	3.7%	2,871
Adjusted Distributable Cash	3,047	9.3%	2,788
Distributions Paid	1,166	33.7%	872

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1st Quarter Comparison – Three months ended March 31, 2011 vs. 2010

Sales

Sales totalled $81.6 million for the three months ended March 31, 2011, an increase of $26.7 million or 48.5% compared to the same period in 2010. The increase in sales was the result of the following:

- During 2011, $22.5 million of sales were generated from eight new single locations as well as 37 True2Form locations.
- Same-store sales excluding foreign exchange increased $6.4 million or 11.5%, but decreased $2.2 million due to the translation of same-store sales at a lower U.S. dollar exchange rate.

Same store sales are calculated by including sales for stores that have been in operation for the full comparative period.

Sales by Geographic Region (000's)

Three Months Ended December 31,	2011	2010
Canada	$ 19,591	$ 18,963
United States	61,982	35,951
Total	$ 81,573	$ 54,914
Canada - % of total	24.0%	34.5%
United States - % of total	76.0%	65.5%

Sales in Canada for the three months ended March 31, 2011 totalled $19.6 million, an increase of $0.6 million or 3.3%. Sales increases in Canada were due entirely to same-store sales increases as a result of more normal winter weather conditions when compared to the prior year.

Sales in the U.S. totalled $62.0 million for the three months ended March 31, 2011, an increase from 2010 of $26.0 million or 72.4% when compared to $36.0 million for the prior year. Sales increases in the U.S. were comprised of:

- $2.3 million of sales were generated from new locations in Cartersville, Georgia; Owasso, Oklahoma; Evanston, Illinois; Las Vegas, Nevada; two new locations in the Atlanta, Georgia area; Bellingham, Washington and Yuma, Arizona.
- $20.2 million of sales were generated from 37 True2Form locations.
- Excluding the impact of the translation of same-store sales at a lower U.S. dollar exchange rate which resulted in a decrease of $2.2 million, same-store sales increased $5.7 million or 15.8%.

Gross Margin

Gross Margin was $36.8 million or 45.2% of sales for the three months ended March 31, 2011, an increase from $24.6 million or 44.9% of sales for the same period in 2010. Gross margin percentage improvement is primarily the result of labour and material usage efficiencies.

Operating Expenses

Operating Expenses for the three months ended March 31, 2011 increased $10.0 million to $31.5 million from $21.5 million for the same period of 2010 primarily due to the acquisition of True2Form and other new locations during 2010.

Operating expenses as a percentage of sales in the first quarter decreased to 38.6% of sales from 39.1% last year. The decrease of 0.5% resulted primarily from the fixed component of operating expenses decreasing in percentage due to higher sales levels.

Foreign Exchange (Gains) Losses

Foreign Exchange (Gains) Losses for the three months ended March 31, 2011 was a loss of $0.1 million compared to a gain of $0.1 million recorded for the same period of 2010. The changes are the result of foreign exchange gains and losses on derivative contracts used to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations. The loss in the first quarter of 2011 was also impacted by a $8,000,000 U.S. loan made to the Canadian operations from a U.S. subsidiary on a short-term basis and exchanged into Canadian dollars. The funds will be repaid in 2011 and the Company has entered into a $8,000,000 forward foreign exchange contract to purchase U.S. funds to protect against foreign exchange exposure during the loan term.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability and unit option liability ("Adjusted EBITDA")[1] for the first quarter of 2011 totalled $5.3 million or 6.5% of sales compared to Adjusted EBITDA of $3.3 million or 5.9% of sales in the same period of the prior year. The increase in adjusted EBITDA was the result of improvements in same store sales combined with $1.1 million of EBITDA contribution from the acquisition of True2Form. Changes in the U.S. dollar and foreign exchange losses recorded in 2011 negatively impacted Adjusted EBITDA by $0.4 million. Adjusted EBITDA for the first quarter of 2011 was also negatively impacted by $0.2 million related to acquisition searches and transaction costs, which are now required under accounting rules to be expensed as opposed to being capitalized to the acquired business under previous GAAP.

Depreciation and Amortization

Depreciation related to plant and equipment totalled $1.3 million or 1.5% of sales for the three months ended March 31, 2011 and was comparable to $0.9 million or 1.6% of sales in the same period of the prior year.

Amortization of financing fees and other intangible assets for the first quarter of 2011 totalled $0.4 million or 0.4% of sales and was comparable to $0.2 million or 0.4% of sales expensed for the same period in the prior year.

Interest Expense

Interest Expense, which under IFRS now includes dividends declared on exchangeable class A shares of BGHI in the amount of $0.1 million, totalled $0.4 million or 0.5% of sales for the first quarter of 2011 compared to $0.3 million or 0.5% of sales in the same period of the prior year.

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Fair Value Adjustment to Exchangeable Shares

Fair Value Adjustment to Exchangeable Shares resulted in an expense related to the increase in the associated liability of $1.2 million for the first quarter of 2011 compared to income of $0.1 million in the same period of the prior year. The class A exchangeable shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as financial liabilities of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A shares are measured at the market price of the units of the Fund as of the statement of financial position date. The increase in the liability and the related expense is the result of an increase in the value of the Fund's unit price.

Fair Value Adjustment to Unit Options

Fair Value Adjustment to Unit Options was an expense related to an increase in the associated liability of $0.3 million for the first quarter of 2011 compared to income of $27 thousand in the same period of the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the value of the Fund's unit price. The cost of cash-settled unit-based transactions is measured at fair value using a black-scholes model and expensed over the vesting period with the recognition of a corresponding liability. The increase in the liability and the related expense is primarily the result of an increase in the value of the Fund's unit price.

Income Taxes

Deferred Income Tax Expense was $0.9 million for the first quarter of 2011, compared to $13 thousand for the same period in 2010. Prior to the fourth quarter of 2010, income tax provisions and recoveries in both Canada and the U.S. were impacted by the existence of unrecognized tax losses and other tax assets. In the fourth quarter of 2010, the Fund evaluated the unrecognized tax losses and other tax assets to be more likely than not of being realized and therefore recorded these tax assets. Now that these balances have been recorded on the balance sheet, deferred tax expense will be charged to earnings in relation to reported income.

Net Earnings and Earnings Per Unit

Net Earnings, for the three months ended March 31, 2011 was $0.9 million or 1.0% of sales, compared to earnings of $1.9 million or 3.5% of sales last year. The decrease in earnings for the first quarter of 2011 was the result of recording fair value adjustments for exchangeable shares in the amount of $1.2 million and unit options in the amount of $0.3 million, as well as the recording of deferred income tax expense of $0.9 million. Excluding the impact of these adjustments, net earnings would have increased to $3.3 million or 4.0% of sales, compared to adjusted earnings of $1.8 million or 3.3% of sales for the same period in 2010. This increase is the result of the contribution of new acquisitions and new location growth as well as increases in same-store sales.

Basic Earnings Per Unit was $0.082 per unit for the three months ended March 31, 2011, a decrease when compared to basic earnings of $0.179 per unit in the same period in 2010. *Diluted Earnings Per Unit* was $0.082 per unit for the first quarter of 2011 compared to diluted earnings of $0.160 per unit for the same period in the prior year. The decrease to the basic and diluted earnings per unit amounts is attributed to the impact of the fair value adjustments for exchangeable shares and unit options as well as the deferred income taxes as described previously.

Summary of Quarterly Results

($000's, except per unit data)	2011	2010				2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	IFRS	*IFRS*	*IFRS*	*IFRS*	*IFRS*	*Previous GAAP*	*Previous GAAP*	*Previous GAAP*
Sales	81,573	80,808	68,999	52,288	54,914	53,043	52,216	55,101
Earnings from continuing operations	888	7,950	1,940	1,652	1,931	2,593	2,315	2,182
Basic earnings per unit from continuing operations	0.082	0.738	0.180	0.153	0.179	0.222	0.197	0.185
Diluted earnings per unit from continuing operations	0.082	0.756	0.180	0.153	0.160	0.219	0.195	0.183
Net earnings	888	7,950	1,940	1,652	1,931	2,537	2,229	2,086
Basic earnings per unit	0.082	0.738	0.180	0.153	0.179	0.217	0.190	0.177
Diluted earnings per unit	0.082	0.756	0.180	0.153	0.160	0.214	0.188	0.175

Sales have increased in recent quarters due to the acquisition of True2Form and other new repair start-ups as well as same store sales increases. Earnings had been consistent until the fourth quarter of 2010 which benefited from a hail storm in Arizona and a return to same-store sales growth. The growth in earnings in the fourth quarter was also impacted by the recognition of non-capital loss carryforward amounts and other tax assets that had previously been offset with a valuation allowance, offset by the impact of writing down $1.1 million in goodwill related to an individual glass business in B.C. The decrease in earnings in the first quarter of 2011 is primarily due to the fair value adjustments for exchangeable class A shares and unit options which reduced net earnings by approximately $1.5 million as well as the recording of deferred income tax expense of $0.9 million in the quarter.

This table reflects the seasonal nature of the business with higher sales levels reported during the winter months of each year and lower levels during the summer months.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating requirements, capital expenditures and distributions. At March 31, 2011, the Fund had cash, net of outstanding deposits and cheques, held on deposit in U.S. bank accounts totalling $11.7 million (December 31, 2010 - $9.6 million). Offsetting this balance was $1.5 million (December 31, 2010 - $0.2 million) outstanding under its operating line of credit, resulting in a cash position, net of bank indebtedness, of $10.2 million at March 31, 2011 (December 31, 2010 - $9.4 million). The net working capital ratio (current assets divided by current liabilities) was 1.12:1 at March 31, 2011 (December 31, 2010 - 1.09:1).

At March 31, 2011, the Fund had total debt outstanding, net of cash, of $14.4 million compared to $16.0 at December 31, 2010, $19.4 at September 30, 2010, $13.4 million at June 30, 2010 and $13.6 million at March 31, 2010. The increase in total debt in the third quarter of 2010 was due to the Company incurring approximately $7.0 million in new U.S. senior term debt and a $2.1 million seller note as part of the True2Form acquisition. The reduction of debt during the fourth quarter of 2010 and first quarter of 2011 was due to the generation of cash from operations as well as continued repayments of U.S. debt.

The following table reports the debt position, net of cash, of the Fund for the last five quarters.

Total Debt, Net of Cash ($ Millions)	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Bank indebtedness	$ 1.5	$ 0.2	$ 1.4	$ 0.4	$ 0.7
U.S. senior bank debt	17.0	17.8	18.8	12.5	12.4
Seller loans	2.8	3.0	3.1	1.2	1.2
Obligations under capital lease	4.8	4.6	4.7	5.2	4.2
	$ 26.1	$ 25.6	$ 28.0	$ 19.3	$ 18.5
Cash	11.7	9.6	8.6	5.9	4.9
Total Debt, Net of Cash	$ 14.4	$ 16.0	$ 19.4	$ 13.4	$ 13.6

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $4.6 million for the first three months of 2011, comparable to the $2.8 million reported last year.

Working capital used cash of $1.3 million for the first three months of 2011 compared to providing cash of $0.4 million for the same period in 2010. 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 used in financing activities totalled $0.2 million for the three months ended March 31, 2011, compared to $2.9 million used in the first quarter of the prior year. During 2011, uses of cash included the repayment of long-term debt totalling $0.5 million, the repayment of capital leases in the amount of $0.5 million and distributions paid to unitholders and dividends to Class A common shareholders totalling $1.2 million partially offset by rebates received of $0.5 million and an increase in bank indebtedness in the amount of $1.3 million. Uses of cash for 2010 included the repayment of long-term debt totaling $0.5 million, a reduction in bank indebtedness in the amount of $1.4 million and distributions paid to unitholders and dividends to Class A common shareholders totalling $0.9 million partially offset by rebates received.

Trading Partner Funding – Prepaid Rebates and Loans

During the first quarter of 2011, the Company received a regularly scheduled rebate from its trading partners, in the amount of $362,500 U.S. (2010 - $237,500 U.S.). 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 being collected (or repaid) by the Company at that time. During the first quarter of 2011, the Company received $0.1 million of new rebates.

Debt Financing

The Fund has supplemented its debt financing in the past by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favourable interest rates and for terms of 5-10 years. This source of financing is another means of supporting the Fund's growth, at a relatively low cost. During the first quarter of 2011, the Fund did not receive any financing from sellers.

The Fund has traditionally used capital leases to finance a portion of its maintenance capital expenditures as well as a portion of its start-up and acquisition growth. During the first quarter of 2011, the Fund received $0.2 million under a sale-leaseback transaction. At March 31, 2011, the Fund owed $4.8 million in capital lease obligations compared to $4.6 million at December 31, 2010.

Investing Activities

Cash used in investing activities totalled $0.9 million for the three months ended March 31, 2011, compared to $0.5 million used in the prior year. The use of cash for 2011 related to expenditures made for maintaining or replacing existing equipment, maintaining or upgrading existing facilities as well as the development of new facilities. In 2010, the lower use of funds related to less development activity in the first quarter of that year.

Sustaining Capital Expenditures

The Fund spent approximately $0.3 million or 0.3% of sales on the acquisition of equipment and facility upgrades during the first three months of 2010, compared to $0.3 million or 0.6% of sales during the same period in 2010.

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2010 annual report other than the following:

In certain circumstances the Company has entered into property lease arrangements where an employee of the Company is the landlord. The property leases for these locations do not contain any significant non-standard terms and conditions that would not normally exist in an arm's length relationship, and the Fund has determined that the terms and conditions of the leases are representative of fair market value. During the first quarter of 2011, Farelane Properties, an entity controlled by Terry Smith, the Executive Chairman of the Fund, purchased a building in Winnipeg, Manitoba which the Fund leases as its corporate head office. The current lease term expires December 31, 2020 and the approximate annual lease amount is $0.1 million.

CHANGES IN ACCOUNTING POLICIES

Adoption of International Financial Reporting Standards

The first quarter of 2011 is the Fund's first reporting period under IFRS. Boyd has adopted IFRS with a transition date of January 1, 2010 and retrospective restatement of the 2010 comparative period. The most significant changes as a result of adopting IFRS are with respect to the recording of liabilities for the exchangeable class A shares of Boyd Group Holdings Inc. and the unit options issued by the Fund. Under IFRS, both the exchangeable class A shares and the unit options are now recorded as liabilities on the balance sheet. Under previous GAAP, they were treated as equity. Increases in the Fund's unit price will result in revaluations upward to these liabilities with a corresponding expense being recorded. Decreases in the Fund's unit price will likely result in revaluations downward and corresponding income. These fair value adjustments for the first quarter of 2011 resulted in a $1.5-million expense primarily based upon the increase in the underlying price of the Fund's unit value. Going forward, these quarterly adjustments will be recorded as either expense or income on the Fund's Consolidated Statements of Earnings.

In addition to fair value adjustments, another significant change is the treatment of acquisition search and transaction costs, which will now be expensed as incurred as opposed to being capitalized to the acquired business under previous GAAP.

For a more detailed evaluation of the transition to IFRS and the impact on the Fund's accounting policies, readers should refer to the notes to the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2011.

FINANCIAL INSTRUMENTS AND HEDGES

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations, the Company has entered into a series of foreign exchange contracts. In accordance

with IFRS, these contracts are marked to market monthly with unrealized gains and losses included in earnings. At March 31, 2011 these contracts are summarized as follows:

Outstanding at March 31, 2011:	Notional Amount	Expiry	Average Rate
The Fund selling U.S. Dollars	$ 300,000	April 2011	$1.0493

For the three month period ending March 31, 2011 the Fund has recorded to earnings unrealized losses related to these contracts in the amount of $40,200 (2010 - $130,000). During the first quarter of 2011, the Fund realized foreign exchange gains in the amount of $57,000 (2010 – $250,200). The fair value receivable of these contracts at March 31, 2011 was $23,800 (December 31, 2010 - $64,000).

Transactional foreign currency risk also exists in limited circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. During 2010, $8,000,000 U.S. was lent to the Canadian operations on a short-term basis and exchanged into Canadian dollars. In the first quarter of 2011, the Fund recorded an unrealized foreign exchange gain of $182,400 (2010 – $155,000) on this loan. The funds will be repaid in 2011 and the Company has entered into a $8,000,000 forward foreign exchange contract to purchase U.S. funds to protect against foreign exchange exposure during the loan term. For the three months ending March 31, 2011 the Fund has recorded to earnings unrealized losses related to this contract in the amount of $217,700 (2010 – $186,800). The fair value obligation of this contract at March 31, 2011 was $600,200 (December 31, 2010 - $382,500).

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations 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 2010 annual MD&A.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Fund’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the first quarter of 2011, there have been no changes in the Fund’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Fund’s internal control over financial reporting. The design of internal controls at True2Form has been considered and based on the pre-existing controls in place and oversight controls implemented, we have not identified any areas of immediate concern with respect to disclosure controls and procedures or internal controls. However, due to the short period since the acquisition, a full assessment has not been completed. As a result, we have noted this limitation in the certificates and provide the following summary information with respect to True2Form. During the three month period ending March 31, 2011 True2Form reported sales of $20.2 million and net earnings of $0.4 million. As at March 31, 2011, True2Form reported current assets of $6.2 million, current liabilities of $6.5 million, $16.0 million of long-term assets and $8.4 million of long-term liabilities.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2010 annual MD&A.

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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These unaudited condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. 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 condensed consolidated financial statements.

These interim condensed consolidated financial statements and related notes and other interim filings have not been reviewed by the Fund's auditors.

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Brock Bulbuck, Chief Executive Officer of the Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the **Boyd Group Income Fund**, (the "issuer") for the interim period ended **March 31, 2011**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, 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. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i.) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii.) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsor Organizations of the Treadway Commission ("COSO") framework in Internal Control – Integrated Framework.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** The issuer has disclosed in its interim MD&A

   (a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

      (i.) N/A

      (ii.) N/A

      (iii.) A business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting Changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2011 and ended on March 31, 2011 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 13, 2011

(signed)

Brock Bulbuck
Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Dan Dott, Chief Financial Officer of the Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the **Boyd Group Income Fund**, (the "issuer") for the interim period ended **March 31, 2011**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim report 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. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

    (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

    (i.) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

    (ii.) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

    (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsor Organizations of the Treadway Commission ("COSO") framework in Internal Control – Integrated Framework.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** The issuer has disclosed in its interim MD&A

    (a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

    (i.) N/A

    (ii.) N/A

    (iii.) A business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting Changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2011 and ended on March 31, 2011 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 13, 2011

(signed)

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

BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2011

Notice: These interim condensed consolidated financial statements have not been audited or reviewed by the Fund's independent external auditors, Deloitte & Touche LLP.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

March 31, 2011 and December 31, 2010

(Canadian dollars)

	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets:			
Cash	**$ 11,666,454**	$ 9,593,773	$ 5,085,548
Accounts receivable	**20,322,411**	18,704,749	15,471,712
Income taxes recoverable	**-**	-	102,021
Inventory	**5,343,056**	5,779,603	3,611,341
Prepaid expenses	**1,720,081**	1,866,785	1,465,989
Derivative contracts	**23,800**	64,000	329,400
Deferred income tax asset	**3,099,515**	3,062,814	-
	42,175,317	39,071,724	26,066,011
Property, plant and equipment	**25,822,360**	26,129,675	19,744,350
Future income tax asset	**6,860,001**	7,698,380	1,063,482
Goodwill	**18,383,316**	18,963,657	13,848,185
Intangible assets	**16,805,548**	16,956,764	16,812,650
	$ 110,046,542	$ 108,820,200	$ 77,534,678
Liabilities and Equity			
Current liabilities:			
Bank indebtedness	**$ 1,525,405**	$ 223,715	$ 2,099,999
Accounts payable and accrued liabilities	**31,362,103**	31,259,210	20,800,281
Income taxes payable	**17,011**	16,409	-
Distributions payable *(Note 5)*	**377,397**	323,463	269,390
Dividends payable *(Note 9)*	**29,565**	25,361	21,397
Derivative contracts *(Note 9)*	**600,200**	382,500	269,600
Current portion of long-term debt	**1,710,147**	1,753,768	1,911,478
Current portion of obligations under capital leases	**2,147,791**	1,751,050	1,437,702
	37,769,619	35,735,476	26,809,847
Long-term debt	**18,039,921**	19,003,741	12,704,760
Obligations under capital leases	**2,673,851**	2,844,121	3,164,735
Convertible exchange note	**-**	-	523,300
Unearned rebates	**18,432,091**	18,606,489	12,744,410
Exchangeable class A shares *(Note 9)*	**7,717,608**	6,535,017	4,526,023
Unit based payment obligation	**1,053,759**	731,492	347,054
	85,686,849	83,456,336	60,820,129
Equity			
Accumulated other comprehensive loss	**(2,112,311)**	(1,357,080)	-
Deficit	**(35,509,452)**	(35,264,805)	(45,220,254)
Unitholders' capital	**57,979,385**	57,983,678	57,932,732
Contributed surplus	**4,002,071**	4,002,071	4,002,071
	24,359,693	25,363,864	16,714,549
	$ 110,046,542	$ 108,820,200	$ 77,534,678

The accompanying notes are an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

(Canadian dollars)

	Unitholders' Capital		Contributed	Accumlulated Other	Deficit	Total
	Units	Amount	Surplus	Comprehensive Loss		Equity
Balances - January 1, 2010	10,771,591	$ 57,932,732	$ 4,002,071	$ -	$ (45,220,254)	$ 16,714,549
Issue costs	-	(6,653)				(6,653)
Retractions	10,511	57,599				57,599
Other comprehensive loss				(1,357,080)		(1,357,080)
Net earnings					13,472,612	13,472,612
Comprehensive earnings				(1,357,080)	13,472,612	12,115,532
Distributions to unitholders					(3,517,163)	(3,517,163)
						-
Balances - December 31, 2010	10,782,102	$ 57,983,678	$ 4,002,071	$ (1,357,080)	$ (35,264,805)	$ 25,363,864
Issue costs	-	$ (9,657)				$ (9,657)
Retractions	673	5,364				5,364
Other comprehensive loss				$ (755,231)		(755,231)
Net earnings					$ 887,538	887,538
Comprehensive earnings				(755,231)	887,538	132,307
Distributions to unitholders					(1,132,185)	(1,132,185)
Balances - March 31, 2011	10,782,775	$ 57,979,385	$ 4,002,071	$ (2,112,311)	$ (35,509,452)	$ 24,359,693
Balances - January 1, 2010	10,771,591	$ 57,932,732	$ 4,002,071	$ -	$ (45,220,254)	$ 16,714,549
Issue costs	-	(6,653)				(6,653)
Retractions	8,416	538				538
Other comprehensive loss				(498,355)		(498,355)
Net earnings					1,931,364	1,931,364
Comprehensive earnings				(498,355)	1,931,364	1,433,009
Distributions to unitholders					(808,366)	(808,366)
		45,330				45,330
Balances - March 31, 2010	10,780,007	$ 57,971,947	$ 4,002,071	$ (498,355)	$ (44,097,256)	$ 17,333,077

The accompanying notes are an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)
Three Months Ended March 31,
(Canadian dollars)

	2011	2010
Sales	**$ 81,572,919**	$ 54,913,987
Cost of sales	**44,723,120**	30,277,582
Gross margin	**36,849,799**	24,636,405
Operating expenses	**31,506,188**	21,472,500
Foreign exchange losses (gains)	**23,196**	(88,396)
Depreciation	**1,258,742**	893,085
Amortization of financing fees and intangible assets	**351,223**	238,996
Interest expense	**441,423**	293,678
Fair value adjustment to exchangeable shares	**1,187,955**	(90,425)
Fair value adjustment to unit options	**322,267**	(27,242)
Earnings before income taxes	**1,758,805**	1,944,209
Income tax expense		
Deferred	**871,267**	12,845
Net earnings	**$ 887,538**	$ 1,931,364

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Basic earnings per unit *(Note 8)*	**$ 0.082**	$ 0.179
Diluted earnings per unit *(Note 8)*	**$ 0.082**	$ 0.160
Weighted average number of units outstanding	**10,782,715**	10,778,155

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)
Three Months Ended March 31,

	2011	2010
Net earnings	**$ 887,538**	$ 1,931,364
Other comprehensive loss		
Change in unrealized loss on translating financial statements of foreign operations	**(755,231)**	(498,355)
Other comprehensive loss, net of income taxes	**(755,231)**	(498,355)
Comprehensive earnings	**$ 132,307**	$ 1,433,009

The accompanying notes are an integral part of these interim condensed consolidated financial statements

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

	2011	2010
Cash flows from operating activities		
Net earnings	**$ 887,538**	$ 1,931,364
Items not affecting cash		
Deferred income taxes	**871,267**	12,845
Amortization of financing fees and other intangible assets	**351,223**	238,996
Depreciation and amortization	**1,258,742**	893,085
Amortization of unearned rebates	**(489,272)**	(336,305)
Loss (gain) on disposal of equipment	**1,477**	(3,201)
Adjustment in liability for exchangeable class A shares	**1,187,955**	(90,425)
Interest Accrued on class A exchangeable shares	**88,702**	63,695
Unit option compensation expense	**322,267**	(27,242)
Unrealized foreign exchange gain on internal loans	**(182,400)**	(155,000)
Unrealized loss on derivative contracts	**200,900**	66,600
Cash realized on settlement of derivative contracts	**57,000**	250,200
	4,555,399	2,844,612
Changes in non-cash working capital items	**(1,276,941)**	370,017
	3,278,458	3,214,629
Cash flows provided by (used in) financing activities		
Issue costs	**(9,657)**	(6,653)
Repayment of long-term debt	**(544,568)**	(516,436)
Increase (decrease) in bank indebtedness	**1,295,857**	(1,386,171)
Repayment of obligations under capital leases	**(485,801)**	(359,618)
Proceeds on sale-leaseback agreement	**191,608**	-
Dividends paid on Class A common shares	**(84,498)**	(63,905)
Distributions paid to unitholders	**(1,078,251)**	(808,256)
Increase in unearned rebates	**129,204**	92,070
Increase in financing costs	**(4,938)**	-
Collection of rebates receivable	**358,005**	250,990
Repayment of convertible debt	**-**	(79,135)
	(233,039)	(2,877,114)
Cash flows used in investing activities		
Proceeds on sale of equipment	**26,670**	9,573
Equipment purchases and facility improvements	**(272,983)**	(322,424)
Acquisition and development of businesses (net of cash acquired)	**(650,946)**	(138,441)
Software purchases	**(30,444)**	(21,423)
	(927,703)	(472,715)
Foreign exchange	**(45,035)**	(50,603)
Net increase (decrease) in cash position	**2,072,681**	(185,803)
Cash, beginning of period	**9,593,773**	5,085,548
Cash, end of period	**$ 11,666,454**	$ 4,899,745
Income taxes paid	**$ 277,384**	$ 35,805
Interest paid	**$ 457,146**	$ 299,950

The accompanying notes are an integral part of these interim condensed consolidated financial statements

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"). A minority interest in the Company is held by Boyd Group Holdings Inc. ("BGHI"), which is controlled by the Fund. These financial statements reflect the activities of the Fund, the Company and all its subsidiaries including BGHI. 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. The units of the Fund are listed on the Toronto Stock Exchange and trade under the symbol "BYD.UN". The head office and principal address of the Fund are located at 3570 Portage Avenue, Winnipeg, Manitoba, R3K 0Z8.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The Fund prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Fund has commenced reporting on this basis in these interim condensed consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in Note 3, the Fund has consistently applied the same accounting policies in its opening IFRS statement of financial position at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 3 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's consolidated financial statements for the year ended December 31, 2010.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of May 12, 2011, the date the Board of Trustees approved the statements. Any subsequent changes to IFRS that are given effect in the Fund's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim condensed consolidated financial statements, including the transition adjustments recognized on change-over to IFRS as disclosed in note 3.

The interim condensed consolidated financial statements should be read in conjunction with the Fund's Canadian GAAP annual consolidated financial statements for the year ended December 31, 2010. Note 4 discloses IFRS information for the year ended December 31, 2010 that is material to an understanding of these condensed consolidated interim financial statements.

b) Revenue recognition

The Fund recognizes revenue to the extent that it is probable that the economic benefits will flow to the Fund, the sales price is fixed or determinable and collectability is reasonably assured. Revenue is measured at the fair value of the consideration received. Revenue from the operation of autobody/autoglass facilities is recognized when the profitability of the repair can be measured reliably. As the majority of repairs are of short duration, revenue is recognized when the repair is complete or substantially complete.

c) *Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

d) *Property, plant and equipment*

Property, plant and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the declining balance and straight line rates as disclosed in the property, plant and equipment note. Leasehold improvements are amortized on the straight-line basis over the period of estimated benefit.

An item of property, plant and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of earnings.

The Fund conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment and any changes arising from the assessment are applied by the Fund prospectively.

e) *Consolidation*

The financial statements of the Fund consolidate the accounts of the Fund and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Fund controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Fund controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Fund and are de-consolidated from the date that control ceases.

f) *Business combinations, goodwill and other intangible assets*

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. The cost of the acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Fund in exchange for control of the acquired company. Acquisition costs are expensed as incurred. The acquired company’s identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities are recognized at their fair values at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Fund’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Fund and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets that do not have indefinite lives are amortized over their useful lives using an amortization method which reflects the economic benefit of the intangible asset. Customer relationships are amortized on a straight-line basis over the expected period of benefit of 20 years. Contractual rights are amortized on a straight-line basis over the term of the contract. Computer software is amortized on a straight-line basis over periods of three and five years.

g) Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Brand names are considered to have indefinite lives and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill is reviewed for impairment annually or at any time if an indicator of impairment exists. As well, newly acquired goodwill is reviewed for impairment at the end of the year in which it was acquired.

Goodwill acquired through a business combination is allocated to each CGU, or group of CGUs, that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Impairment losses on goodwill are not reversed.

The Fund evaluates impairment losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

i) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of earnings except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Fund and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as current or non-current, depending on expected period of realization.

Tax on income in interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

j) Unearned rebates

Pre-paid purchase rebates are recorded as unearned rebates on the statement of financial position and amortized, as a reduction of the cost of purchases, on a straight-line basis over the term of the contract.

k) Unitholders' Capital

Under IAS 32, a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset (a 'puttable instrument') is a financial liability, except for those instruments that meet the exceptions to be classified as equity instruments. The trust units of the Fund meet the puttable equity exceptions and therefore are classified as equity.

The Fund's declaration of trust allows a unitholder to tender their units for cash redemption. This cash redemption right is restricted, at the Fund's option, to an aggregate cash amount of $25,000. Historically, the Fund has not been asked to redeem units for cash. As a result, the Fund does not have policies or processes for managing the potential redemption of units for cash.

l) Unit-Based Compensation

The Fund issues unit-based awards to certain employees in the form of unit options. The unit options are financial liabilities since the units are ultimately puttable back to the Fund in exchange for cash. The cost of cash-settled unit-based transactions is measured at fair value using a black-scholes model and expensed over the vesting period with the recognition of a corresponding liability. The liability is re-measured at each reporting date with changes in fair value recognized in earnings.

m) Earnings per unit

Basic earnings per unit is calculated by dividing the net earnings for the period attributable to equity owners of the Fund by the weighted average number of units outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of units outstanding and corresponding earnings impact for dilutive instruments. The number of shares included with respect to options is computed using the treasury stock method. The exchangeable Class A shares are evaluated as to whether or not they are dilutive based on the affect on earnings per unit of eliminating the liability adjustment for the period and increasing the weighted average number of units outstanding for the units that would be exchanged for the Class A shares.

n) Foreign currency translation

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Fund's functional currency. The financial statements of entities that have a functional currency different from that of the Fund are translated into Canadian dollars. Assets and liabilities are translated into Canadian dollars at the noon rate of exchange prevailing at the statement of financial position dates and income and expense items are translated at the average exchange rate during the period (as this is considered a reasonable approximation to actual rates). The adjustment arising from the translation of these accounts is recognized in other comprehensive earnings as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive earnings related to the foreign operation are recognized in earnings. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive earnings related to the subsidiary are reallocated between controlling and non-controlling interests.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in earnings.

o) Financial instruments

Financial assets and liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Fund classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Cash is classified as "Financial Assets at Fair Value Through Profit or Loss". This financial asset is marked-to-market through net earnings at each period end.

Derivative contracts are classified as "Financial Assets or Financial Liabilities at Fair Value Through Profit or Loss" with marked-to-market adjustments being recorded to net earnings at each period end.

Accounts receivable are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method, as reduced by appropriate allowances for estimated unrecoverable amounts.

Bank indebtedness, accounts payable and accrued liabilities, dividends payable, distributions payable and long-term debt are classified as "at Amortized Cost" and are net of any related financing fees or issue costs. After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method.

As a result of the Fund's units being redeemable for cash, unit options and the exchangeable Class A shares of the Fund's subsidiary BGHI, are presented as financial liabilities and classified as "at Amortized Cost". The cost of cash-settled unit-based transactions is measured at fair value using a black-scholes model and expensed over the vesting period. The liability is re-measured at each reporting date with changes in fair value recognized in earnings. Exchangeable Class A shares are measured at the market price of the units of Fund as of the statement of financial position date. The market price is based on the ten day trading average for the units after such date.

Foreign exchange contracts entered into have not been designated as hedges. The unrealized portions of these derivatives are marked-to-market each period and recorded on the statement of financial position with unrealized gains/losses recognized in earnings each period.

For net investment hedging relationships, foreign exchange gains and losses are recognized in other comprehensive earnings. Amounts recorded in AOCI are recognized in net earnings when there is a disposition of the foreign subsidiary.

p) Pensions and other post-retirement benefits

The Company contributes to defined contribution pension plans of employees. Contributions are recognized within operating earnings at an amount equal to contributions payable for the period. Any outstanding contributions are recognized as liabilities within accruals.

q) Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The increase in the provision due to the passage of time is recognized as interest expense.

r) Use of estimates

The preparation of financial statements 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 statement of financial position date and reported amounts of revenues and expenses during the reporting period. The nature of estimation means that actual outcomes could differ from those estimates. The estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis. The valuation of accounts receivable, property, plant and equipment, goodwill and intangible assets, and the benefit of deferred income tax assets are the most significant components of the Fund's financial statements subject to management estimates.

s) Accounting standards issued but not yet applied

Certain new or revised standards or interpretations have been issued but are not required to be adopted in the current period. The Fund has not early adopted these standards or interpretations.

IFRS 9 *Financial Instruments*, effective for annual periods beginning on or after January 1, 2013, is part of the International Accounting Standards Board's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. The Fund is evaluating the potential effect of this new standard.

There are no other standards or interpretations that have been issued, but are not yet effective, that the Fund anticipates will have a material effect on the consolidated financial statements once adopted.

3. TRANSITION TO IFRS

The Fund has adopted IFRS effective January 1, 2010 ("the Transition Date") and has prepared its opening IFRS statement of financial position as at that date. Prior to the adoption of IFRS the Fund prepared its financial statements in accordance with Canadian GAAP. The Fund's consolidated financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS. The Fund will ultimately prepare its opening IFRS statement of financial position by applying existing IFRS with an effective date of December 31, 2011 or prior. Accordingly, the opening IFRS statement of financial position and the December 31, 2010 comparative statement of financial position presented in the consolidated financial statements for the period ending December 31, 2011 may differ from those presented at this time.

(a) Elected exemptions from full retrospective application

In preparing these consolidated financial statements in accordance with IFRS 1, First‑time Adoption of International Financial Reporting Standards, the Fund has applied certain of the optional exemptions from full retrospective application of IFRS. The optional exemptions applied are described below.

(i) Business combinations

The Fund has applied the business combinations exemption in IFRS 1 such that IFRS 3, "Business Combinations" will not apply retrospectively to past business combinations. Accordingly, the Fund has not restated business combinations that took place prior to the Transition Date.

(ii) Cumulative translation differences

The Fund has elected to set the previously accumulated cumulative translation account, which was included in accumulated other comprehensive earnings, to zero at January 1, 2010.

(iii) Share‑based payment transactions

The Fund has elected to apply IFRS 2, Share‑based Payments to equity instruments that have not vested by the transition date.

(b) Mandatory exceptions to retrospective application

In preparing these condensed consolidated financial statements in accordance with IFRS 1 the Fund has applied a mandatory exception from full retrospective application of IFRS. The mandatory exception applied from full retrospective application of IFRS is described below.

(i) Estimates

Hindsight was not used to create or revise estimates and accordingly the estimates previously made by the Fund under Canadian GAAP are consistent with their application under IFRS.

(c) Reconciliation of equity as reported under Canadian GAAP and IFRS

The following is a reconciliation of the Fund's total equity reported in accordance with Canadian GAAP to its total equity in accordance with IFRS at the transition date:

Equity		December 31, 2010	March 31, 2010	January 1, 2010
Equity as reported under Canadian GAAP		$ 33,923,869	$ 21,967,293	$ 21,448,449
IFRS adjustments increase (decrease):				
Reset cumulative translation account	(i)	-	-	-
Liability treatment for exchangeable class A shares	(ii)	(6,535,017)	(4,389,731)	(4,526,023)
Liability treatment for unit options	(iii)	(742,690)	(319,812)	(347,054)
Deferred gain on sale-leaseback transaction	(iv)	95,016	137,056	139,176
Business combinations acquisition costs	(v)	(1,246,449)	(16,400)	-
Impairment of goodwill	(vi)	(130,865)	-	-
Equity as reported under IFRS		$ 25,363,864	$ 17,378,406	$ 16,714,548

(i) Cumulative Translation Differences

The Fund elected to set the cumulative translation amount of $12 million under Canadian GAAP to zero upon transition to IFRS. This has been reflected as a reclassification between accumulated other comprehensive loss and retained earnings and thus does not affect reported equity.

(ii) Exchangeable Class A Shares

The Fund's units are puttable - meaning that holders of units may request that their units be redeemed for cash. This feature can result in units being classified as a liability. A "puttable exemption" exists that permits units to be classified as equity instead of a liability, despite this obligation to redeem units for cash. The Fund's units meet the conditions for the puttables exemption resulting in the units continuing to be presented as equity.

The "puttable exemption" does not apply to the exchangeable class A shares of Boyd Group Holdings Inc. and therefore these shares are reflected as a liability on the consolidated statement of financial position of the Fund.

(iii) Unit Options

The puttable feature of the units impacts the valuation and accounting for the unit options. The "puttable exemption" as described in item (ii) does not transfer to the classification of other instruments such as these options. Therefore, the commitment to deliver units in the future is recognized as a liability and valued at fair value at each statement of financial position date with changes in valuation recorded in earnings.

(iv) Sale-leaseback Transaction

During 2001, the Fund entered into a sale-leaseback transaction on property previously owned. Under Canadian GAAP, the gain on the transaction had been deferred and was being amortized into earnings over the term of the subsequent lease. IFRS permits the recognition of the gain on sale unless the transaction is not at fair value, in which case the difference between the transaction amount and fair value is reflected in the future lease payments. The sale was completed at fair value and the gain was immediately recognized in earnings under IFRS.

(v) Business combinations acquisition costs

A significant difference between previous Canadian GAAP and IFRS is the treatment of acquisition costs. Under previous Canadian GAAP, all acquisition related costs were included as part of the purchase price. IFRS requires all acquisition related costs to be expensed when incurred.

(vi) Impairment measurement difference

IFRS measures impairment by considering the higher of the selling price (measured as the fair value less selling costs) or the value in use. Applying IFRS to goodwill impairment has required the re-evaluation of many elements such as future cash flows, volatility, discount rate, treatment of taxes and overhead allocations. The impact has been to further write-down the goodwill for a business which was partially impaired under Canadian GAAP.

(d) Reconciliation of Net Earnings as Reported Under Canadian GAAP and IFRS

The following is a reconciliation of the Fund's net earnings reported in accordance with Canadian GAAP to its net earnings in accordance with IFRS for the year ended December 31, 2010 and three months ended March 31, 2010.

Net earnings		**December 31, 2010**	**March 31, 2010**
Net earnings as reported under Canadian GAAP		$ 17,591,598	$ 1,885,657
IFRS adjustments increase (decrease):			
Adjustment in liability for exchangeable class A shares	(i)	(2,066,592)	90,425
Exchangeable class A share dividends treated as interest	(ii)	(276,304)	(63,695)
Adjustment in liability for unit options	(iii)	(354,616)	37,497
Deferred gain on sale-leaseback transaction	(iv)	(44,160)	(2,120)
Business combinations acquisition costs	(v)	(1,246,449)	(16,400)
Impairment of goodwill measurement difference	(vi)	(130,865)	-
Net earnings as reported under IFRS		$ 13,472,612	$ 1,931,364

(i) Exchangeable Class A Shares

The exchangeable class A shares are treated as financial liabilities as described in 3(c)(ii). Period to period changes in this liability as a result of changes to the market price for the Fund's units are recognized in earnings. The impact of this treatment is that unit price increases the exchangeable class A share liability with an expense being recorded to earnings.

(ii) Dividends on Class A Shares

As a result of the exchangeable class A shares being treated as liabilities, dividends are recorded to net earnings rather than directly to equity.

(iii) Unit Options

As described in 3(c)(iii), changes in the valuation of the unit options are recorded in earnings.

(iv) Sale-leaseback Transaction

As a result of eliminating the deferred gain related to the sale-leaseback transaction, the amortization of the gain which had been recorded to earnings is also eliminated.

(v) Business combinations acquisition costs

As described in 3(c)(v), acquisition costs pertaining to 2010 acquisitions are expensed as incurred under IFRS.

(vi) Impairment measurement difference

As described in 3(c)(vi), a measurement difference resulted from the application of the IFRS impairment standard.

(e) Reconciliation of Comprehensive Earnings as Reported Under Canadian GAAP to IFRS

The following is a reconciliation of the Fund's comprehensive earnings reported in accordance with Canadian GAAP to its comprehensive earnings in accordance with IFRS for the year ended December 31, 2010 and three months ended March 31, 2010.

Comprehensive Earnings		**December 31, 2010**	**March 31, 2010**
Comprehensive earnings as reported under Canadian GAAP		$ 16,234,518	$ 1,387,302
IFRS adjustments (decrease) increase:			
Adjustments to net earnings	(i)	(4,118,986)	45,707
Comprehensive earnings as reported under IFRS		$ 12,115,532	$ 1,433,009

(i) Adjustments to Net Earnings

Reflects the differences in net earnings under Canadian GAAP and IFRS as described in 3(d) for the respective periods.

(f) Adjustments to the Statement of Cash Flows

The transition from Canadian GAAP to IFRS had no significant impact on cash flows generated by the Fund. The IFRS adjustments as described in 3(d)(iv) did result in the reclassification of cash flows related to acquisition costs from investing activities to operating activities.

4. ADDITIONAL IFRS INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2010

The following IFRS disclosures relating to the year ended December 31, 2010 are material to an understanding of these interim financial statements.

(i) Property, Plant and Equipment

	Land	Buildings	Shop Equipment	Office Equipment	Computer Hardware	Signage	Vehicles	Leasehold Improvements	Total
Rates		5%	15%	20%	30%	15%	30%	10-25 yrs S.L.	
Jan 1, 2010									
Cost	$ 52,472	$ 345,505	$ 21,333,142	$ 1,916,228	$ 2,947,466	$ 1,058,633	$ 5,375,167	$ 13,455,079	$ 46,483,692
Accumulated Depreciation	-	(142,276)	(11,727,111)	(1,320,804)	(2,358,649)	(661,867)	(2,574,025)	(7,954,610)	(26,739,342)
Net Book Value	$ 52,472	$ 203,229	$ 9,606,031	$ 595,424	$ 588,817	$ 396,766	$ 2,801,142	$ 5,500,469	$ 19,744,350
Additions	-	-	7,836,538	329,486	513,216	326,013	107,314	2,425,685	11,538,252
Disposals	-	-	(5,742)	-	-	-	(64,762)	-	(70,504)
Gain / (loss)	-	-	249	-	-	-	24,319	-	24,568
Depreciation	-	(9,115)	(1,958,198)	(157,089)	(224,783)	(98,163)	(820,043)	(875,337)	(4,142,728)
Exchange	-	(1,040)	(589,975)	(27,179)	(17,677)	(17,498)	(28,390)	(282,504)	(964,263)
Dec 31, 2010	$ 52,472	$ 193,074	$ 14,888,903	$ 740,642	$ 859,573	$ 607,118	$ 2,019,580	$ 6,768,313	$ 26,129,675
Dec 31, 2010									
Cost	$ 52,472	$ 343,596	$ 27,823,550	$ 2,159,421	$ 3,330,271	$ 1,410,579	$ 5,095,072	$ 15,138,971	$ 55,353,932
Accumulated Depreciation	-	(150,522)	(12,934,647)	(1,418,779)	(2,470,698)	(803,461)	(3,075,492)	(8,370,658)	(29,224,257)
	$ 52,472	$ 193,074	$ 14,888,903	$ 740,642	$ 859,573	$ 607,118	$ 2,019,580	$ 6,768,313	$ 26,129,675

(ii) Intangible Assets

	Customer Relationships	Brand Name	Computer Software	Non-compete Agreements	Zoned Property Rights	Total
Jan 1, 2010						
Cost	$ 14,129,100	$ 3,139,800	$ 1,590,816	$ 349,564	$ 53,059	$ 19,262,339
Accumulated Depreciation	(3,894,667)	-	(1,413,844)	(72,568)	(33,075)	(5,414,154)
Net Book Value	$ 10,234,433	$ 3,139,800	$ 176,972	$ 276,996	$ 19,984	$ 13,848,185
Additions	5,786,841	667,311	430,317	542,191	-	7,426,660
Amortization	(839,083)	-	(219,311)	(174,102)	(5,214)	(1,237,710)
Adjustment	(92,932)	-			-	(92,932)
Exchange	(745,213)	(186,767)	(14,706)	(33,039)	(821)	(980,546)
Dec 31, 2010	$ 14,344,046	$ 3,620,344	$ 373,272	$ 612,046	$ 13,949	$ 18,963,657
Dec 31, 2010						
Cost	$ 18,856,712	$ 3,620,344	$ 1,844,983	$ 849,388	$ 50,423	$ 25,221,850
Accumulated Depreciation	(4,512,666)		(1,471,711)	(237,342)	(36,474)	(6,258,193)
	$ 14,344,046	$ 3,620,344	$ 373,272	$ 612,046	$ 13,949	$ 18,963,657

(iii) Compensation of Key Management

Compensation awarded to key management included:

		Year ended December 31, 2010
Salaries and short-term employee benefits	$	3,026,190
Post-employment benefits		206,800
Unit options		384,438
	$	3,617,428

Key management includes the Fund's Trustees as well the most senior officers of the Company and Subsidiary Companies

(iv) Employee expenses

		Year ended December 31, 2010
Salaries and short-term employee benefits	$	98,760,939
Post-employment benefits		206,800
Unit options		384,438
Other		225,194
	$	99,577,371

(v) Earnings per unit

		Year ended December 31, 2010
a) Earnings:		
Net earnings	$	13,472,612
Add:		
Net after tax interest on 2005 Vendor exchange notes		1,621
Net earnings – diluted basis	$	13,474,233
b) Number of units		
Average number of units outstanding		10,780,499
Add:		
Potential conversion of 2005 Vendor exchange notes		4,404
Average number of units– diluted basis		10,784,903
Earnings per unit (a) divided by (b)		
Basic	$	1.250
Diluted	$	1.249

5. DISTRIBUTIONS

The Fund's Trustees have discretion in declaring distributions. The Fund's distribution policy is to make distributions of its available cash from operations taking into account current and future performance, amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

Distributions to unitholders were declared and paid as follows:

Record Date	Payment Date	Distribution per Unit	Distribution Amount
January 31, 2011	February 24, 2011	$ 0.035	**$ 377,391**
February 28, 2011	March 29, 2011	0.035	**377,397**
March 31, 2011	April 27, 2011	0.035	**377,397**
		$ 0.105	**$ 1,132,185**

6. 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, IFRS requires the Fund to provide geographical disclosure of segments. For the periods reported, all of the Fund's revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, goodwill and intangible assets which are all located within these two geographic areas.

	Revenues		**Reportable Assets**	
	March 31, 2011	March 31, 2010	**March 31, 2011**	December 31, 2010
Canada	**$ 19,591,022**	$ 18,962,538	**$ 15,921,212**	$ 15,634,215
United States	**61,981,897**	35,951,449	**45,090,012**	46,415,881
Total	**$ 81,572,919**	$ 54,913,987	**$ 61,011,224**	$ 62,050,096

7. SEASONALITY

The Fund's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity.

8. EARNINGS PER UNIT

	March 31, 2011	March 31, 2010
a) Earnings:		
Net earnings	**$ 887,538**	$ 1,931,364
Add:		
Net after tax interest on 2005 Vendor exchange notes	**-**	1,135
Less:		
Dilutive impact of exchange of class A exchangeable shares	**-**	(26,730)
Dilutive impact of calculated unit option conversion	**-**	(27,242)
Net earnings from continuing operations – diluted basis	**$ 887,538**	$ 1,878,527
b) Number of units:		
Average number of units outstanding	**10,782,715**	10,778,155
Add:		
Potential conversion of 2005 Vendor exchange notes	**-**	17,664
Dilutive impact of exchange of class A exchangeable shares	**-**	849,330
Calculated unit option conversion	**-**	126,079
Average number of units outstanding – diluted basis	**10,782,715**	11,771,228
Earnings per unit (a) divided by (b)		
Basic	**$ 0.082**	$ 0.179
Diluted	**$ 0.082**	$ 0.160

9. FINANCIAL INSTRUMENTS

Derivative Contracts

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations, the Company has entered into a series of foreign exchange contracts. In accordance with IFRS, these contracts are marked to market monthly with unrealized gains and losses included in earnings. At March 31, 2011 these contracts are summarized as follows:

Outstanding at March 31, 2011:	Notional Amount	Expiry	Average Rate
The Fund selling U.S. Dollars	$ 300,000	April 2011	$1.0493

For the three month period ending March 31, 2011 the Fund has recorded to earnings unrealized losses related to these contracts in the amount of $40,200 (2010 - $130,000). During the first quarter of 2011, the Fund realized foreign exchange gains in the amount of $57,000 (2010 – $250,200). The fair value receivable of these contracts at March 31, 2011 was $23,800 (December 31, 2010 - $64,000).

Transactional foreign currency risk also exists in limited circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. During 2010, $8,000,000 U.S. was lent to the Canadian operations on a short-term basis and exchanged into Canadian dollars. In the first quarter of 2011, the Fund recorded an unrealized foreign exchange gain of $182,400 (2010 – $155,000) on this loan. The funds will be repaid in 2011 and the Company has entered into a $8,000,000 forward foreign exchange contract to purchase U.S. funds to protect against foreign exchange exposure during the loan term. For the three months ending March 31, 2011 the Fund has recorded to earnings unrealized losses related to this contract in the amount of $217,700 (2010 – $186,800). The fair value obligation of this contract at March 31, 2011 was $600,200 (December 31, 2010 - $382,500).

Exchangeable Class A Shares

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. The exchangeable feature results in the Class A common shares of BGHI being presented as financial liabilities of the Fund. Exchangeable Class A shares are measured at the market price of the units of the Fund as of the statement of financial position date. The market price is based on a ten day trading average for the units at such date. Exchanges are recorded at carrying value. At March 31, 2011 there were 819,279 (December 31, 2010 – 819,952) shares outstanding with a carrying value of $7,717,608 (December 31, 2010 - $6,535,018).

Dividends on the exchangeable class A shares are recorded as interest expense and were declared and paid as follows:

Record Date	Payment Date	Dividend per Share	Dividend Amount
January 31, 2011	February 24, 2011	$ 0.035	$ 29,572
February 28, 2011	March 29, 2011	0.035	29,565
March 31, 2011	April 27, 2011	0.035	29,565
		$ 0.105	$ 88,702