News release via Canada NewsWire, Calgary 403-269-7605

Attention Business/Financial Editors:
Boyd Group Income Fund reports 2005 first quarter results

- Fund announces reduction to unitholder distributions -

WINNIPEG, May 12 /CNW/ - Boyd Group Income Fund (TSX: BYD.UN) ("the Fund") today reported its financial results for the three-month period ended March 31, 2005. The Fund also announced that, effective immediately and until further notice, monthly distributions will be reduced from $0.095 per unit to $0.0583 per unit. On an annualized basis, this represents a reduction in distributions from $1.14 per unit, per year to $0.70 per unit, per year.

2005 First Quarter Highlights

- Revenue increased 16% to $47.7 million compared to $41.1 million in the first quarter of 2004;
- Acquisition of two collision repair centres in western Canada that generated approximately $3.2 million in combined revenue in 2004;
- Acquisition of Globe Amerada Glass Network, a U.S. based auto glass repair and replacement referral network that generated approximately $12.5 million in revenue in 2004.

"Since the end of the second quarter last year, we have been focused on increasing distributable cash(1) generated and reducing the Fund's payout ratio. While we have made progress in this regard, as demonstrated by the three consecutive quarters of sequential reductions to the Fund's payout ratio, the Board of Trustees of the Fund have determined it would be prudent at this time to reduce distributions to more sustainable levels," said Terry Smith, President and CEO of the Boyd Group.

Since the end of the second quarter of 2004, Boyd Group has made progress in executing its strategy to increase the Fund's distributable cash, including: opening six new collision repair facilities in the U.S.; acquiring two new collision repair centres in western Canada; acquiring a U.S. based auto glass repair and replacement referral network; rolling out auto glass repair and replacement services to its U.S. stores; and expanding its involvement in the Direct Repair Programs of major insurance companies. Each of these developments is expected to have a positive impact on distributable cash going forward. Further, Boyd Group has implemented a number of initiatives to reduce operating costs, such as the consolidation of the Company's U.S. property and liability insurance, and employee benefits plan, which are expected to cumulatively add more than $500,000 to earnings before interest, taxes, depreciation and amortization ("EBITDA")(1) on an annual basis. The Company also entered into new pricing contracts with certain parts and service suppliers, that are expected to contribute approximately $600,000 in new EBITDA on an annual basis.

"We believe that the trends that have been driving the prolonged slowdown in North American auto collision repair industry have prevented us from achieving the results that have been anticipated. While we expect our initiatives to have a positive impact on distributable cash going forward, we believe that in the near term, they will not be sufficient to offset the challenges we are facing in the market," continued Mr. Smith. "We are now entering what has typically been a seasonally slower period in the industry, and given prevailing conditions, a decision was made today to expedite a reduction in the Fund's payout ratio."

Financial Results

For the quarter ended March 31, 2005 revenue increased 16% to $47.7 million compared to $41.1 million in the first quarter of 2004 and net earnings for the first quarter of 2005 totalled $1.4 million or $0.159 per fully diluted unit compared to net earnings of $1.5 million or $0.221 per fully diluted unit in the first quarter of 2004.

Distributable cash generated for the quarter ended March 31, 2005 totalled $2.4 million, while distributions paid to unitholders and dividends paid to non-controlling shareholders totalled $2.7 million for the period, representing a payout ratio of 110% for the quarter.

<<

	(Three months ended March 31,)	
($000s, except per unit and unit amounts)	2005	2004
Sales	47,736	41,113
Distributable cash	2,434	1,449
Cash distributions paid	2,680	1,578
Net earnings	1,374	1,519
Net earnings per unit (diluted)	$0.159	$0.221
Weighted average No. of units outstanding	8,531,553	5,594,080

On a segmented basis, sales in Canada in the first quarter of 2005 increased to $16.2 million from $15.5 million in the first quarter of 2004. U.S. sales in the first quarter of 2005 increased to $31.6 million from $25.6 million in the corresponding quarter a year ago. U.S. sales growth in the first quarter of 2005 was primarily attributable to $7.1 million in new revenue resulting from: the acquisition of two Atlanta area collision repair centres in August, 2004; the acquisition of Globe Amerada Glass Network in January, 2005; and, a full quarter of revenue contribution from the Gerber Group, which Boyd Group acquired part way through the first quarter in 2004.

As at March 31, 2005, the Fund had bank indebtedness of $1.6 million, compared to $0.6 million in cash and cash equivalents as at December 31, 2004. The Fund's total debt outstanding was $39.3 million as at March 31, 2005, compared to $38.0 million as at December 31, 2004. The Fund's increased total debt resulted primarily from the restatement of the presentation of convertible debentures to reflect the change in accounting policy implemented in the first quarter of 2005. Total debt increased by $1.3 million, while net debt (net of cash and cash equivalents) increased by $3.5 million, primarily due to the financing of the Globe Amerada Glass Network and Abbotsford acquisitions and the continued development of start-up locations.

Effective January 1, 2005, the Fund adopted the amendments to CICA Handbook Section 3860 Financial Instruments. This change in accounting policy was applied retroactively and, accordingly, the consolidated financial statements of prior periods were restated. The amendments to this section address the balance sheet presentation of financial instruments as liabilities or equity. Accordingly, the Fund now classifies all of its convertible debt as liabilities.

Conference call & Web cast

Management of the Boyd Group Income Fund will host a conference call to discuss the Fund's 2005 first quarter financial results tomorrow morning (May 13, 2005) at 10:00 a.m. EST. The dial-in number for the conference call is 416-640-4127 or 1-800-814-4857 (reference No. 21124322). The call will also be audio-cast live and archived for 90 days at www.financialdisclosure.ca and www.boydgroup.com.

(1) EBITDA and Distributable Cash are not recognized measures under Canadian generally accepted account principles (GAAP). Management believes that in addition to revenue and net earnings, distributable cash and EBITDA are useful supplemental measures as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt service, capital expenditures and income tax. Investors should be cautioned, however, that EBITDA and distributable cash should not be construed as an alternative to net

earnings determined in accordance with GAAP as an indicator of the Fund's performance. Boyd's method of calculating distributable cash may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers.

About The Boyd Group Inc.

The Boyd Group Inc. is the largest operator of collision repair centres in Canada and among the largest in North America. The company operates locations in the four western Canadian provinces principally under the trade name Boyd Autobody & Glass and in six U.S. states principally under the trade name Gerber Collision & Glass. The Boyd Group Inc. is focused on its plan to be a leader in the consolidation of the highly fragmented North American collision repair industry, recently estimated to generate approximately $40 billion in revenue annually. For more information on The Boyd Group Inc. or Boyd Group Income Fund, please visit our Web site at www.boydgroup.com.

About The Boyd Group Income Fund

The Boyd Group Income Fund is an unincorporated, open-ended mutual fund trust created for the purposes of acquiring and holding certain investments, including a majority interest in The Boyd Group Inc. and its subsidiaries. Boyd Group Income Fund's policy is to pay monthly distributions to unit holders of record on or around the last business day of the month.

This press release contains forward-looking statements, other than historical facts, which reflect the view of the Fund's management with respect to future events. Such forward-looking statements reflect the current views of the Fund's management and are made on the basis of information currently available. Although management believes that its expectations are reasonable, it can give no assurance that such expectations will prove to be correct. The forward-looking statements contained herein are subject to these factors and other risks, uncertainties and assumptions relating to the operations, results of operations and financial position of the Fund. The Fund assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those contemplated by the forward-looking statements.

ON BEHALF OF THE BOARD OF
Boyd Group Income Fund

Mr. Terry Smith
President & CEO

INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited)
March 31, 2005 and December 31, 2004

	March 31, 2005	December 31, 2004
Assets		
Current assets:		
Cash	$ -	$ 578,548
Accounts receivable	18,617,495	13,051,910
Current portion of note receivable	168,917	228,259
Income taxes recoverable	-	50,315
Inventory	3,878,103	3,725,051
Prepaid expenses	1,559,962	1,838,264

	24,224,477	19,472,347
Note receivable	412,169	410,124
Property, plant and equipment	19,038,035	19,000,797
Future income tax asset	3,198,597	3,203,337
Deferred costs	1,995,421	1,878,822
Goodwill	42,587,610	38,627,169
Intangible assets	17,757,337	18,021,584
	$ 109,213,646	$ 100,614,180
Liabilities and Equity		
Current liabilities:		
Bank indebtedness	$ 1,568,524	$ -
Accounts payable and accrued liabilities	21,354,094	17,197,382
Distributions payable	782,972	738,954
Dividends payable to non-controlling interest	195,972	137,180
Current portion of long-term debt	1,001,353	960,308
Current portion of obligations under capital leases	765,656	881,063
	25,668,571	19,914,887
Long-term debt	23,920,035	21,674,901
Obligations under capital leases	577,757	757,001
Convertible debt	13,047,698	13,735,633
Other long-term liabilities	180,576	191,469
Unearned rebates	12,049,688	12,522,382
Non-controlling interest	510,481	1,113,680
	75,954,806	69,909,953
Equity		
Unitholders' capital	50,026,171	46,437,688
Shareholders' capital	4,965,935	-
Warrants	488,400	488,400
Deficit	(15,136,681)	(9,232,183)
Cumulative translation adjustment	(7,084,985)	(6,989,678)
	33,258,840	30,704,227
	$ 109,213,646	$ 100,614,180

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

	2005	2004
Deficit, beginning of period	$ (9,232,183)	$ (2,739,245)
Deficit acquired on combination of Boyd Group Holdings Inc. at February 28, 2005	(4,843,621)	-
Net earnings for period	1,373,789	1,519,301
Dividends on BGHI Class A common shares	(122,102)	-
Distributions to unitholders	(2,312,564)	(1,602,576)
Deficit, end of period	$ (15,136,681)	$ (2,822,520)

CONSOLIDATED STATEMENTS OF EARNINGS
Three Months Ended March 31,

	2005	2004
Sales	$ 47,735,719	$ 41,112,750
Cost of sales	25,656,011	21,268,374
Gross margin	22,079,708	19,844,376
Operating expenses	18,680,545	16,225,890
Foreign exchange gains	(165,992)	(50,000)
Depreciation and amortization	1,017,533	911,782
Amortization of deferred costs and other intangible assets	512,067	115,564
Interest expense	697,564	592,659
Interest income	(18,292)	(27,736)
Swap breakage costs	-	531,360
	20,723,425	18,299,519
Earnings before income taxes and non-controlling interest	1,356,283	1,544,857
Income tax expense (recovery)		
Current	54,000	128,790
Future	-	(128,210)
	54,000	580
Net earnings before non-controlling interest	1,302,283	1,544,277
Non-controlling interest	226,898	49,792
Net earnings from continuing operations	1,529,181	1,594,069
Loss from discontinued operations, (2004 - net of income tax recoveries of $58,225)	(155,392)	(74,768)
Net earnings	$ 1,373,789	$ 1,519,301
Weighted average number of units and Class A shares outstanding	8,531,553	5,594,080
Basic earnings per unit from continuing operations	$ 0.179	$ 0.285
Loss per unit from discontinued operations	(0.018)	(0.013)
Basic earnings per unit	$ 0.161	$ 0.272
Diluted earnings per unit from continuing operations	$ 0.176	$ 0.232
Loss per unit from discontinued operations	(0.017)	(0.011)
Diluted earnings per unit	$ 0.159	$ 0.221

CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31,

	2005	2004
CONTINUING OPERATIONS		
Cash flows from operating activities		
Net earnings from continuing operations	$ 1,529,181	$ 1,594,069
Items not affecting cash		
Non-controlling interest	(226,898)	(49,792)
Future income taxes	-	(128,210)
Amortization of deferred costs and other intangible assets	512,067	115,564
Depreciation and amortization	1,017,533	911,782
Amortization of unearned income	(789,621)	(1,353,571)
Gain on disposal of equipment	(1,740)	(576)
	2,040,522	1,089,266
Changes in non-cash working capital items	(1,303,593)	2,641,124
	736,929	3,730,390
Cash flows from financing activities		
Issue of fund units on exercise of warrants	-	499,720
Issue of fund units	1,451,324	14,728,310
Issue costs	(3,199)	(1,238,380)
Increase in obligations under long-term debt	3,646,238	9,221,583
Repayment of long-term debt	(1,434,314)	(23,383)
Repayment of obligations under capital leases	(298,315)	(281,112)
Proceeds on issue of convertible debt	612,650	10,539,072
Dividends received on Class B shares	174,943	-
Dividends paid to non-controlling interest	(411,541)	(235,167)
Distributions paid to unitholders	(2,268,546)	(1,342,560)
Increase in unearned rebates	316,927	-
Repayment of notes receivable	61,985	-
Increase in unearned income	-	7,332,298
Decrease in other long-term liabilities	(11,505)	-
Increase in financing costs	(147,645)	(256,170)
	1,689,002	38,944,211
Cash flows from investing activities		
Proceeds on sale of equipment	4,601	13,548
Acquisition of equipment	(335,421)	(117,995)
Acquisition and development of businesses	(623,399)	(4,135,631)
Branding and facility upgrades	(48,931)	(119,227)
Deferred costs	(146,501)	(29,670)
Acquisition of other assets	(3,172,002)	(32,096,933)
	(4,321,653)	(36,485,908)
Foreign exchange	(265,593)	(210,848)
Cash received upon combining of Boyd Group Holdings Inc.	38,751	-
Net (decrease) increase in cash position from		

continuing operations	(2,122,564)	5,977,845
DISCONTINUED OPERATIONS		
Operating activities	(85,107)	(14,155)
Financing activities	-	(131,970)
Investing activities	60,599	(2,281)
Net decrease in cash position from discontinued operations	(24,508)	(148,406)
Net (decrease) increase in cash position	(2,147,072)	5,829,439
Cash position, beginning of period	578,548	1,597,066
(Bank indebtedness) cash position, end of period	$ (1,568,524)	$ 7,426,505
Income taxes paid	$ 3,095	$ 279,145
Interest paid	$ 957,760	$ 530,281

>>
%SEDAR: 00018929E

/For further information: please contact: Terry Smith, President & CEO, Tel: (204) 895-1244, terry.smith(at)boydgroup.com; Bruce Wigle, Investor Relations, Tel: (416) 815-0700 (ext .228), bwigle(at)equicomgroup.com; Dan Dott, Chief Financial Officer, Tel: (204) 895-1244, dan.dott(at)boydgroup.com; To request a free copy of this organization's annual report, please go to http://www.newswire.ca and click on reports(at)cnw./
(BYD.UN.)

CO: The Boyd Group Income Fund

CNW 18:53e 12-MAY-05