



BFI CANADA INCOME FUND ANNOUNCES THIRD QUARTER RESULTS

Toronto, Ontario – November 10, 2005 – **BFI Canada Income Fund (the “Fund”)** (TSX:BFC.UN) today announced its financial results for the three and nine months ended September 30, 2005.

Management Commentary

“This was another solid quarter for the Fund as we benefited from strong organic growth in both our Canadian and U.S. markets,” said Keith Carrigan, President and Chief Executive Officer. “We are delighted by the contributions IESI is making to our business and the progress we have made as a result of sharing best practices and intensifying our focus, business-wide, on operational improvement. Our Canadian operations, inclusive of acquisitions, have contributed more EBITDA^(A) in the first nine months of 2005 than they did in all of 2004. The acquisitions of the Ridge landfill and CDS played a major role in this growth, but so too has the successful application of our market focused volume and pricing strategies. In total, the asset combinations we’ve acquired and developed over the past several years are delivering. This is underscored by the fact that the Fund has maintained a payout ratio of 84.1% for the nine months ended September 30, 2005, while increasing annualized per trust unit distributions to \$1.698 versus \$1.4025 as at September 30, 2004.”

Looking Forward

The Fund’s outlook has not changed since its report for the six months ended June 30, 2005. The Fund expects revenue and cash flows to advance on the strength of contributions made by newly acquired businesses, complemented by organic growth. It also anticipates maintaining a payout ratio of less than 90% for year ended December 31, 2005 and meeting its maintenance capital expenditure targets established for its Canadian and U.S. operations.

“Its business as usual for us, which in the fourth quarter means an ongoing commitment to business improvement in each of our 56 markets,” said Mr. Carrigan. “Going forward, new market and landfill development will be a continued focus of the Fund as it looks for ways to expand the business, increase customer density in strategic markets, and increase internalization. On balance, we remain optimistic about our opportunities and prospects for the future and our ability to meet our primary objective of increasing free cash flow available for distribution^(B).”



Financial highlights for the three and nine months ended

(in thousands of Canadian dollars, except per trust unit and participating preferred share amounts, unless otherwise stated)

- Revenues and EBITDA^(A) increased 273.6% and 240.8%, respectively, over the comparative three months ended September 30, 2004, primarily on account of the Ridge landfill and IESI Corporation ("IESI") acquisitions completed in January 2005, and the Complete Disposal Services Ltd. ("CDS") acquisition completed in November 2004.
- Revenues and EBITDA^(A) increased 254.6% and 226.8%, respectively, over the comparative nine months ended September 30, 2004, primarily on account of the acquisitions identified above for the three months ended September 30, 2005.
- Excluding acquisitions, revenues and EBITDA^(A) increased 15.2% and 13.4% and 12.3% and 12.0%, respectively, over the comparative three and nine months ended September 30, 2004. Volume and price growth were the primary reasons for the increases over the comparative three and nine months ended September 30, 2004.
- IESI's revenues and U.S.-EBITDA^(A), excluding the effect of foreign currency translation, for the three and nine months ended September 30, 2005 increased 9.3% and 7.0% and 8.3% and 6.7%, respectively, over the comparative three and nine months ended September 30, 2004. Acquisitions, new contracts, volume and price growth, partially offset by higher fuel and insurance costs, were the primary reasons for the increases over the comparative three and nine months ended September 30, 2004. IESI experienced 6.8% and 6.2% organic revenue growth for the three and nine months ended September 30, 2005, respectively.
- Free cash flow available for distribution^(B) for the three and nine months ended September 30, 2005 totalled \$32,951 and \$90,310, and is \$21,270 and \$59,179 higher than the comparative three and nine month periods ended September 30, 2004, respectively. The principal reasons for the increase are acquisitions completed during the last twelve months which contributed to 240.8% and 226.8% increases in EBITDA^(A), respectively, partially offset by higher interest expense attributable to higher debt outstanding, higher maintenance capital and landfill expenditures to sustain a larger business base, and withholding taxes on interest and dividends paid from IESI.
- Free cash flow available for distribution^(B) per weighted average trust unit and participating preferred share for the three and nine months ended September 30, 2005 amounted to \$0.50 and \$1.44 and is \$0.06 and \$0.27 higher than the comparative three and nine month periods ended September 30, 2004, respectively.
- Aggregate distributions declared on weighted average trust units and participating preferred shares outstanding, including distributions on weighted average subscription receipts, totalled \$27,101 and \$75,976 for the three and nine months ended September 30, 2005, representing a payout ratio of 82.2% and 84.1% of free cash flow available for distribution^(B), respectively. Distributions paid on weighted average subscription receipts outstanding amounted to \$1,175 for the period from January 1 to 20, 2005 while offering proceeds were held in escrow.
- Based on IESI's results from operations for the three and nine months ended September 30, 2005, management is confident that IESI is on track to deliver the 12.0% accretion to free cash flow available for distribution^(B) per weighted average trust unit and participating preferred share announced during the marketing of the Fund's subscription receipts offering that closed into escrow on January 5, 2005.



Other highlights

- The Fund completed the acquisition of the Ridge landfill near Chatham, Ontario and IESI of Fort Worth, Texas in January 2005. Concurrent with the closing of the IESI acquisition, the Fund completed a \$374,000 offering of trust units to finance a portion of these acquisitions, and entered into an amended and restated \$80,000 revolving credit facility through BFI Canada Holdings Inc. ("Holdings") and a U.S. \$385,000 credit facility through IESI.
- The Ridge landfill has been successfully integrated with the Fund's operations and the Fund has been internalizing waste from its southwestern Ontario operations into the Ridge landfill since January 4, 2005.
- Annual per trust unit distributions were increased 12% from \$1.4025 to \$1.5708 effective February 2005 in anticipation of IESI's financial performance post-acquisition and increased an additional 8.1% to \$1.698 per trust unit annually effective for the distribution payable on September 15, 2005 to unitholders of record on August 31, 2005. Distributions payable to holders of participating preferred shares increased by an amount equal to the increase in per trust unit distributions payable to unitholders of the Fund.
- IESI completed five "tuck-in" acquisitions, for aggregate consideration totalling \$13,701, for the period January 21, 2005 to September 30, 2005 (the "IESI stub period").
- On October 20, 2005, IESI entered into an agreement for variable rate demand solid waste disposal revenue bonds ("IRB"). The IRB's are made available, to a maximum of U.S. \$45,000, to fund a portion of the Seneca Meadows landfill construction, and equipment expenditures. The IRB's bear interest at a discount to LIBOR. A portion of IESI's U.S. \$20,000 IRB's drawings on October 20, 2005 have been used to repay its revolving credit facility.
- Holdings series A and B senior secured debentures received a reaffirmed rating of "BBB" low stable from Dominion Bond Rating Service.



(in thousands, except per weighted average trust unit and participating preferred share amounts)	Three months ended September 30		Nine months ended September 30	
	2005	2004 ⁽¹⁾⁽²⁾	2005	2004 ⁽¹⁾⁽²⁾
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	\$ 182,716	\$ 48,913	\$ 499,537	\$ 140,875
Operating expenses	103,911	25,722	281,026	72,881
Selling, general and administration expenses	21,811	6,465	61,924	20,080
Income before the following	56,994	16,726	156,587	47,914
Amortization	38,753	11,159	108,745	33,289
Interest on long-term debt	7,204	1,772	19,510	4,228
Financing costs	-	-	36,710	748
Net gain on sale of capital assets	(30)	(2)	(30)	(26)
Gain on derivative financial instruments	(9,610)	-	(10,723)	(1,550)
Foreign exchange loss	10,199	-	11,173	-
Other expenses	461	-	2,072	-
Income (loss) before income taxes and non-controlling interest	10,017	3,797	(10,870)	11,225
Income tax expense (recovery)	1,763	(1,362)	(18,089)	(3,104)
Non-controlling interest	1,958	-	1,629	-
Net income	\$ 6,296	\$ 5,159	\$ 5,590	\$ 14,329
Net income per weighted average trust unit, basic & diluted	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.54
Weighted average number of trust units outstanding	49,879	26,500	46,263	26,500
Weighted average number of participating preferred shares outstanding	15,512	-	16,278	-
Weighted average number of trust units and participating preferred shares outstanding	65,391	26,500	62,541	26,500
Aggregate number of trust units and participating preferred shares outstanding	65,391	26,500	65,391	26,500
Maintenance capital and landfill expenditures	\$ 13,227	\$ 2,677	\$ 37,362	\$ 10,042
Growth capital and landfill expenditures	12,011	2,021	37,836	5,648
Total capital and landfill expenditures	\$ 25,238	\$ 4,698	\$ 75,198	\$ 15,690
Free cash flow available for distribution ^(B)	\$ 32,951	\$ 11,681	\$ 90,310	\$ 31,131
Free cash flow available for distribution ^(B) per weighted average trust unit and participating preferred share	\$ 0.50	\$ 0.44	\$ 1.44	\$ 1.17
Aggregate distributions declared on weighted average trust units	\$ 20,672	\$ 9,011	\$ 55,035	\$ 25,903
Aggregate distributions declared on weighted average subscription receipts	-	-	1,175	-
Aggregate distributions declared on weighted average trust units and subscription receipts	20,672	9,011	56,210	25,903
Distributions attributable to participating preferred shareholders	6,429	-	19,766	-
Aggregate distributions declared	\$ 27,101	\$ 9,011	\$ 75,976	\$ 25,903
Aggregate distributions declared per weighted average trust units and participating preferred shares	\$ 0.41	\$ 0.34	\$ 1.20	\$ 0.98
Aggregate distributions declared per weighted average trust units, participating preferred shares, and subscription receipts	\$ 0.41	\$ 0.34	\$ 1.21	\$ 0.98

Notes:

- (1) The Fund acquired IESI effective January 21, 2005. Accordingly, the operating results for the three and nine months ended September 30, 2004 do not include the results of operations for IESI.
- (2) Revenues and operating expenses have been reclassified to conform to the current period's presentation.



Operating highlights

(all amounts are in thousands of Canadian dollars, except per trust unit and participating preferred share amounts)

Revenues of \$182,716 were \$133,803 or 273.6% higher than the comparative three months ended September 30, 2004. The Canadian segment contributed approximately \$16,700 to the period-over-period increase, including approximately \$9,200 of revenues generated from the CDS and Ridge landfill acquisitions completed in November 2004 and January 2005, respectively. The balance of the Canadian segment increase relates to price increases and organic growth, including higher volumes of accepted waste entering BFI Canada-owned landfills. The acquisition of IESI added an additional approximately \$117,100 for the three months ended September 30, 2005 comprised of contributions from the U.S. south and U.S. northeast segments totalling approximately \$62,700 and \$54,400, respectively.

Revenues of \$499,537 were \$358,662 or 254.6% higher than the comparative nine months ended September 30, 2004. The Canadian segment contributed approximately \$44,800 to the period-over-period increase, including approximately \$27,400 of revenues generated from the aggregate results of the Twin Oaks acquisition completed in April 2004, and the CDS and Ridge landfill acquisitions completed in November 2004 and January 2005, respectively. The balance of the Canadian segment increase relates to price increases and organic growth, including higher volumes of accepted waste entering BFI Canada-owned landfills. The acquisition of IESI added an additional approximately \$313,900 for the IESI stub period comprised of contributions from the U.S. south and U.S. northeast segments totalling approximately \$170,600 and \$143,300, respectively.

Operating expenses of \$103,911 were \$78,189 higher than the comparative three months ended September 30, 2004. Strategic acquisitions in the Canadian segment, identified above, contributed approximately \$4,000 to the total Canadian segment increase of approximately \$7,500. The balance of the increase in Canadian segment operating expense is a function of higher disposal and labour expenditures, related principally to the collection and acceptance of additional volumes of waste, landfill royalty costs related to the Lachenaie north expansion, and higher costs to service new and existing customers. The balance of the third quarter operating expense increase of approximately \$70,700 relates to the consolidation of IESI's operations with those of the Fund, comprised of operating expenses for the U.S. south and U.S. northeast segments totalling approximately \$44,200 and \$26,500, respectively.

Operating expenses of \$281,026 were \$208,145 higher than the comparative nine months ended September 30, 2004. Strategic acquisitions in the Canadian segment, identified above, coupled with the Fund's acquisition of Twin Oaks in April 2004, contributed approximately \$12,500 to the total Canadian segment increase of approximately \$21,000. The balance of the increase in Canadian segment operating expense is a function of higher disposal and labour expenditures, related principally to the collection and acceptance of additional volumes of waste, landfill royalty costs related to the Lachenaie north expansion, and higher costs to service new and existing customers. The balance of the operating expense increase for the nine months ended September 30, 2005 of approximately \$187,100 relates to the consolidation of IESI's operations with those of the Fund for the IESI stub period, comprised of operating expenses for the U.S. south and U.S. northeast segments totalling approximately \$118,000 and \$69,100, respectively.

Selling, general and administration ("SG&A") expenses of \$21,811 were \$15,346 higher than the comparative three months ended September 30, 2004. The CDS and Ridge landfill acquisitions coupled with higher corporate employee remuneration is the primary reason for the Canadian segment increase of approximately \$2,100. The balance of the increase totalling approximately \$13,200 is attributable to the consolidation of IESI for the three months ended September 30, 2005 comprised of SG&A expenses for the U.S. south and U.S. northeast segments totalling approximately \$7,400 and \$5,800, respectively.



Selling, general and administration ("SG&A") expenses of \$61,924 were \$41,844 higher than the comparative nine month period ended September 30, 2004. Acquisitions and higher corporate employee remuneration described above coupled with the acquisition of Twin Oaks is the primary reason for the Canadian segment increase of approximately \$4,800. The balance of the increase totalling approximately \$37,100 is attributable to the consolidation of IESI for the IESI stub period comprised of SG&A expenses for the U.S. south and U.S. northeast segments totalling approximately \$21,200 and \$15,900, respectively.

EBITDA^(A) of \$56,994 was \$40,268 or 240.8% higher than the comparative three months ended September 30, 2004. Contributions from strategic acquisitions, price and volume growth, including an increase in accepted waste at BFI Canada-owned landfills, partially offset by higher disposal and labour expenditures, landfill royalty costs related to the Lachenaie north expansion, and higher corporate employee remuneration is the principle reason for the Canadian segment increase of approximately \$7,100. The remainder of the variance relates to IESI's operating results for the three months ended September 30, 2005, which contributed approximately \$33,200 to the increase comprised of EBITDA^(A) for the U.S. south and U.S. northeast segments totalling approximately \$11,200 and \$22,000, respectively.

EBITDA^(A) of \$156,587 was \$108,673 or 226.8% higher than the comparative nine months ended September 30, 2004. The Canadian segment contributed approximately \$19,000 to the increase for the same reasons explained above for the three months ended September 30. The remainder of the variance relates to IESI's operating results for the IESI stub period, which contributed approximately \$89,700 to the increase comprised of EBITDA^(A) for the U.S. south and U.S. northeast segments totalling approximately \$31,400 and \$58,300, respectively.

Free cash flow available for distribution^(B) totalled \$32,951 and \$90,310 for the three and nine months ended September 30, 2005, respectively, versus \$11,681 and \$31,131 for the comparative periods ended September 30, 2004. The approximately \$21,300 and \$59,200 increases are due in large part to EBITDA^(A) contributions from the Fund's acquisitions of IESI and the Ridge landfill effective January 2005, and CDS effective November 2004, for the three months ended September 30, 2005, plus the Fund's acquisition of Twin Oaks in April 2004, for the nine months ended September 30, 2005, respectively. EBITDA^(A) contributions from the Fund's acquisitions for the three and nine months ended September 30, 2005 have been partially offset by higher interest on long-term debt attributable to higher outstanding indebtedness, higher maintenance capital and landfill expenditures to sustain a larger business base, and withholding taxes on interest and dividends paid from IESI.

Free cash flow available for distribution^(B) per weighted average trust unit and participating preferred share for the three and nine months ended September 30, 2005 amounted to \$0.50 and \$1.44 and is \$0.06 and \$0.27 higher, respectively, than the comparative three and nine months ended September 30, 2004. Contributions to free cash flow available for distribution^(B) from strategic acquisitions and base business growth are the primary contributors to the increases over the comparative three and nine months ended September 30, 2004.

The Fund declared cash distributions to trust unitholders and participating preferred shareholders for the three and nine months ending September 30, 2005, totalling \$0.41 and \$1.20, respectively, per weighted average trust unit and participating preferred share. The Fund declared a distribution payable to unitholders of record on September 30, 2005, payable October 17, 2005, of \$0.1415 per trust unit and participating preferred share. In August 2005, the Fund increased its current distribution rate by 8.1% to an annualized rate of \$1.698 per trust unit and participating preferred share beginning with the distribution payable on September 15, 2005 to trust unitholders and participating preferred shareholders of record on August 31, 2005.



(A) All references to "EBITDA" in this press release are to "income before the following" on the consolidated statement of operations. "Income before the following" excludes some or all of the following: "amortization, interest on long-term debt, financing costs, net (gain) loss on sale of capital and landfill assets, loss (gain) on derivative financial instruments, foreign exchange (gain) loss, write-off of deferred financing costs, gain on settlement of bond forward contracts, other expenses, income taxes, and non-controlling interest". EBITDA is a term used by the Fund that does not have a standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP") and is therefore unlikely to be comparable to similar measures used by other issuers. EBITDA is a measure of the Fund's operating profitability, and by definition, excludes certain items as detailed above. These items are viewed by management as either non-cash (in the case of amortization, certain financing costs, write-off of deferred financing costs, loss (gain) on derivative financial instruments, foreign exchange (gain) loss, and future income taxes) or non-operating (in the case of interest on long-term debt, net (gain) loss on sale of capital and landfill assets, certain financing costs, other expenses, gain on settlement of bond forward contracts, current income taxes, and non-controlling interest). EBITDA is a useful financial and operating metric for investors as it represents a starting point in the determination of free cash flow available for distribution^(B). The underlying reasons for exclusion of each item are as follows:

Amortization – as a non-cash item amortization has no impact on the determination of free cash flow available for distribution^(B).

Interest on long-term debt – interest on long-term debt is a function of the Fund's debt/equity mix and interest rates; as such, it reflects the treasury/financing activities of the Fund and represents a different class of expense than those included in EBITDA.

Financing costs – financing costs is a function of the Fund's treasury/financing activities and represents a different class of expense than those included in EBITDA.

Net (gain) loss on sale of capital and landfill assets – the net (gain) loss on sale of capital and landfill assets has no impact on the determination of free cash flow available for distribution^(B), because the proceeds were either reinvested in other capital assets or used to repay the Fund's revolving credit facility.

Loss (gain) on derivative financial instruments – as non-cash items, losses or gains on derivative financial instruments have no impact on the determination of free cash flow available for distribution^(B).

Foreign exchange (gain) loss – as non-cash items, foreign exchange gains or losses have no impact on the determination of free cash flow available for distribution^(B).

Write-off of deferred financing costs – as a non-cash item write-off of deferred financing costs has no impact on the determination of free cash flow available for distribution^(B).

Gain on settlement of bond forward contracts – the gain on settlement of bond forward contracts is a treasury/financing activity and represents a different class of revenue than the components of EBITDA.

Other expenses – other expenses represent amounts paid to management of the Fund on the closing the IESI acquisition and are not considered an expense indicative of continuing operations. Accordingly, other expenses represent a different class of expense than those included in EBITDA.

Income taxes – income taxes are a function of tax laws and rates and are affected by matters which are separate from the daily operations of the Fund.

Non-controlling interest – non-controlling interest represents a direct non-controlling equity interest in IESI through participating preferred share holdings. Accordingly, non-controlling interest represents a different class of expense than those included in EBITDA.



All references to "U.S.-EBITDA" in the Management's Discussion and Analysis are to "income before the following" on the consolidated statement of operations for IESI. "Income before the following" excludes some or all of the following: "amortization, interest on long-term debt, financing costs, (gain) loss on derivative financial instruments, transaction expenses, other expenses (income), and income taxes". U.S.-EBITDA is a term that does not have a standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP") and is therefore unlikely to be comparable to similar measures used by other issuers. U.S.-EBITDA is a measure of operating profitability, and by definition, excludes certain items as detailed above. These items are viewed by management as either non-cash (in the case of amortization, certain financing costs, (gain) loss on derivative financial instruments, and future income taxes) or non-operating (in the case of interest on long-term debt, certain financing costs, transaction expenses, other expenses (income), and current income taxes). U.S.-EBITDA is a useful financial and operating metric for investors as it permits investors to compare operating performance across periods. The underlying reasons for exclusion of each item are as follows:

Amortization – as a non-cash item amortization has no impact on the determination of free cash flow available for distribution⁽⁸⁾.

Interest on long-term debt – interest on long-term debt is a function of IESI's debt/equity mix and interest rates; as such, it reflects the treasury/financing activities of IESI and represents a different class of expense than those included in EBITDA.

Financing costs – financing costs are a function of IESI's treasury/financing activities and represents a different class of expense than those included in EBITDA.

Loss (gain) on derivative financial instruments – losses or gains on derivative financial instruments are a function of treasury/financing activities. On the closing of the Fund's acquisition of IESI, IESI entered into various foreign currency exchange derivative financial instruments to hedge its Canadian dollar obligations and as such (gains) losses on derivative financial instruments are not a function of operations.

Transaction expenses – transaction expenses represent amounts paid to various advisors in respect of the Fund's acquisition of IESI and are not considered an expense indicative of continuing operations. Accordingly, transaction expenses represent a different class of expense than those included in U.S.-EBITDA.

Other expenses (income) – other expenses (income) principally represent amounts paid to management on the closing the IESI acquisition and are not considered an expense indicative of continuing operations. Accordingly, other expenses (income) represent a different class of expense than those included in U.S.-EBITDA.

Income taxes – income taxes are a function of tax laws and rates and are affected by matters which are separate from daily operations.

EBITDA and U.S.-EBITDA should not be construed as a measure of income or of cash flows. The reconciling items between EBITDA and net income (loss) are detailed in the consolidated statements of operations beginning with "income before the following" and ending with "net income". US-EBITDA is presented herein for information purposes only and is not presented in the consolidated statements of operations.

⁽⁸⁾ The Fund has adopted a measurement called free cash flow available for distribution to supplement net income as a measure of operating performance. Free cash flow available for distribution is a term which does not have a standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures used by other issuers. The objective of presenting this non-GAAP measure is to calculate the amount which is available for distribution to trust unitholders and participating preferred shareholders. Participating preferred share holdings are presented as non-controlling interest in the consolidated financial statements of the Fund, however management of the Fund have elected to include the shareholdings of the participating preferred shareholders in the calculation of free cash flow available for distribution as participating preferred shares receive distributions that are economically equivalent to those received by trust unitholders and participating preferred shares are exchangeable on a one-to-one basis for trust units of the Fund. Free cash flow available for distribution is calculated as EBITDA^(A) less amortization of capitalized landfill asset closure and post-closure costs, interest on long-term debt, current income taxes, other expenses, maintenance capital expenditures and the effect of the foreign currency hedge to support current period Canadian dollar distributions. Additionally, the Fund's gain on settlement of two bond forward contracts on June 25, 2004 will be amortized to free cash flow available for distribution over the underlying terms of the senior secured debentures. Free cash flow available for distribution is not necessarily indicative of cash available to fund cash needs and should not be considered as an alternative to cash flow as a measure of liquidity. All references in this press release to "free cash flow available for distribution" have the meaning set out in this note.



Forward-looking statements

This document may contain forward-looking statements relating to the Fund's operations or to the environment in which it operates, which are based on the Fund's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, or are beyond the Fund's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include those set forth in the Fund's Annual Information Form for the period ended December 31, 2004. Consequently, readers should not rely on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Fund cannot assure unitholders that actual results will be consistent with these forward looking statements, and the Fund disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The Fund, through its operating subsidiaries, is one of North America's largest full-service waste management companies, providing non-hazardous solid waste collection and disposal services for municipal, commercial, industrial and residential customers in five Canadian provinces and nine states in the United States ("U.S."). The Fund serves approximately one million customers with vertically integrated collection and disposal assets. The Fund's Canadian segment operates under the BFI Canada brand and is Canada's second largest full-service waste management company providing integrated non-hazardous solid waste collection and landfill disposal services in the provinces of British Columbia, Alberta, Manitoba, Ontario and Quebec. The Canadian segment operates one and owns and operates four landfills, carries on solid waste collection operations in 19 markets and operates four transfer collection stations, seven material recovery facilities ("MRFs") and one landfill gas to energy facility. The Fund's U.S. operations provide integrated non-hazardous solid waste collection and landfill disposal services in two geographic regions as follows: the south, consisting of various service areas in Texas, Louisiana, Oklahoma, Arkansas and Missouri, and the northeast, consisting of various service areas in New York, New Jersey, Pennsylvania and Maryland. The U.S. south and northeast segments operate in 37 markets, and include 41 collection operations, 23 transfer stations, 17 landfills and seven recycling facilities. The Fund's units are listed on the Toronto Stock Exchange under the symbol BFC.UN. For more information on the Fund, visit www.bficanada.com.

Further information:

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Management will hold a conference call on Friday, November 11th, 2005 at 8:30 am (ET) to discuss results for the three and nine months ended September 30, 2005. To access the call, participants should dial 1-866-250-4909, at approximately 8:20 am (ET). The conference call will also be Webcast live at www.bficanada.com or www.ccnmatthews.com and subsequently archived on the BFI Canada site.

A rebroadcast of the call will be available until midnight on Friday, November 18th, 2005. To access the rebroadcast, dial 1-877-289-8525 and quote the reservation number 21160092#.



BFI CANADA INCOME FUND

Consolidated Balance Sheets

September 30, 2005 (unaudited) and December 31, 2004 (in thousands of dollars)

	September 30, 2005	December 31, 2004
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 14,080	\$ 13,282
Accounts receivable	93,751	33,348
Other receivables	1,442	1,403
Prepaid expenses	13,699	2,568
	122,972	50,601
OTHER RECEIVABLES	1,976	3,028
FUNDED LANDFILL POST-CLOSURE COSTS	1,270	570
INTANGIBLES	89,351	72,856
GOODWILL	477,955	50,889
DEFERRED COSTS	14,763	12,159
DEFERRED FINANCING COSTS	5,528	1,860
CAPITAL ASSETS	286,990	95,325
LANDFILL ASSETS	739,160	110,382
FUTURE INCOME TAX ASSETS	3,360	-
	\$ 1,743,325	\$ 397,670
LIABILITIES		
CURRENT		
Accounts payable	\$ 45,694	\$ 23,206
Accrued charges	39,787	7,501
Distribution payable	9,253	3,097
Income taxes payable	2,116	636
Deferred revenues	15,567	6,623
Current portion of long-term debt	35,715	22,224
	148,132	63,287
LONG-TERM DEBT	404,286	105,240
LANDFILL CLOSURE AND POST-CLOSURE COSTS	70,981	6,143
OTHER LIABILITIES	892	-
FUTURE INCOME TAX LIABILITIES	42,550	13,907
	666,841	188,577
NON-CONTROLLING INTEREST	393,468	-
UNITHOLDERS' EQUITY	683,016	209,093
	\$ 1,743,325	\$ 397,670



BFI CANADA INCOME FUND

Consolidated Statements of Operations

For the period ended September 30, 2005 (unaudited - in thousands of dollars, except net income per trust unit amounts)

	Three months ended		Nine months ended	
	2005	2004	2005	2004
REVENUES	\$ 182,716	\$ 48,913	\$ 499,537	\$ 140,875
EXPENSES				
OPERATING	103,911	25,722	281,026	72,881
SELLING, GENERAL AND ADMINISTRATION	21,811	6,465	61,924	20,080
INCOME BEFORE THE FOLLOWING	56,994	16,726	156,587	47,914
AMORTIZATION	38,753	11,159	108,745	33,289
INTEREST ON LONG-TERM DEBT	7,204	1,772	19,510	4,228
FINANCING COSTS	-	-	36,710	748
NET GAIN ON SALE OF CAPITAL ASSETS	(30)	(2)	(30)	(26)
GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS	(9,610)	-	(10,723)	(1,550)
FOREIGN EXCHANGE LOSS	10,199	-	11,173	-
OTHER EXPENSES	461	-	2,072	-
INCOME (LOSS) BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	10,017	3,797	(10,870)	11,225
INCOME TAX EXPENSE (RECOVERY)				
Current	1,253	105	2,948	315
Future	510	(1,467)	(21,037)	(3,419)
	1,763	(1,362)	(18,089)	(3,104)
INCOME BEFORE NON-CONTROLLING INTEREST	8,254	5,159	7,219	14,329
NON-CONTROLLING INTEREST	1,958	-	1,629	-
NET INCOME	\$ 6,296	\$ 5,159	\$ 5,590	\$ 14,329
Net income per trust unit, basic and fully diluted	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.54
Weighted average number of trust units outstanding (thousands), basic	49,879	26,500	46,263	26,500
Weighted average number of trust units outstanding (thousands), fully diluted	65,391	26,500	62,541	26,500



BFI CANADA INCOME FUND

Consolidated Statements of Cash Flows

For the period ended September 30, 2005 (unaudited - in thousands of dollars)

	Three months ended		Nine months ended	
	2005	2004	2005	2004
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Net income	\$ 6,296	\$ 5,159	\$ 5,590	\$ 14,329
Items not affecting cash				
Amortization of intangibles	5,090	3,213	15,247	9,550
Amortization of deferred financing costs	367	219	1,037	659
Amortization of capital assets	14,223	3,975	42,108	11,705
Amortization of landfill assets	19,073	3,752	50,353	11,375
Gain on disposal of capital assets	(30)	(2)	(30)	(26)
Deferred costs	36	-	862	-
Write-off of deferred financing costs	-	-	367	748
Accretion of landfill closure and post-closure costs	724	51	2,067	151
Unrealized foreign exchange loss	10,235	-	11,085	-
Future income taxes	510	(1,467)	(21,037)	(3,419)
Gain on derivative financial instruments	(9,610)	-	(10,723)	-
Non-controlling interest	1,958	-	1,629	-
Landfill closure and post-closure expenditures	(4,572)	(234)	(8,278)	(992)
	44,300	14,666	90,277	44,080
Changes in non-cash working capital items	(4,726)	1,133	(14,832)	(361)
Cash generated from operating activities	39,574	15,799	75,445	43,719
INVESTING				
Acquisitions	(11,857)	-	(140,332)	(4,627)
Investment in other receivables	-	(876)	-	(1,138)
Proceeds from other receivables	230	221	835	701
Funded landfill post-closure costs	(276)	-	(686)	-
Purchase of capital assets	(11,339)	(2,790)	(36,231)	(10,690)
Purchase of landfill assets	(13,899)	(1,908)	(38,967)	(5,000)
Proceeds on disposal of capital assets	243	11	243	43
Deferred costs	(1,092)	(1,905)	(1,567)	(2,608)
Cash utilized in investing activities	(37,990)	(7,247)	(216,705)	(23,319)
FINANCING				
Payment of deferred financing costs	-	(242)	(4,033)	(1,890)
Proceeds from term and revolving loan	61,171	-	465,994	5,800
Proceeds from senior secured debentures	-	-	-	105,000
Repayment of revolving loan and acquired long-term debt	(36,114)	-	(601,607)	(87,494)
Issuance of trust units net of issuance costs	-	-	351,717	-
Distributions paid to unitholders and participating preferred shareholders	(26,417)	(8,730)	(69,850)	(25,622)
Cash (utilized in) generated from financing activities	(1,360)	(8,972)	142,221	(4,206)
Effect of foreign exchange changes on foreign cash and cash equivalents	(138)	-	(163)	-
NET CASH INFLOW (OUTFLOW)	86	(420)	798	16,194
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,994	23,318	13,282	6,704
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 14,080	\$ 22,898	\$ 14,080	\$ 22,898



BFI CANADA INCOME FUND

Consolidated Statements of Unitholders' Equity

For the period ended September 30, 2005 (unaudited - in thousands of dollars)

	Three months ended		Nine months ended	
	2005	2004	2005	2004
BALANCE, BEGINNING OF PERIOD OR YEAR	\$ 730,113	\$ 216,604	\$ 209,093	\$ 224,326
Net income	6,296	5,159	5,590	14,329
Issuance of trust units, net of issuance costs and related tax effect	-	-	385,719	-
Issuance of trust units on exchange of participating preferred shares	164	-	174,243	-
Distributions	(20,672)	(9,011)	(56,210)	(25,903)
Cumulative foreign currency translation adjustment	(32,885)	-	(35,419)	-
BALANCE, END OF PERIOD	\$ 683,016	\$ 212,752	\$ 683,016	\$ 212,752