



BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS
Three Months Ended March 31, 2014

BOYD GROUP INCOME FUND
INTERIM REPORT TO UNITHOLDERS
First Quarter Ended March 31, 2014

To Our Unitholders,

We are pleased to report our financial results for the first quarter of 2014.

The Fund posted strong growth in revenue and Adjusted EBITDA in the quarter, primarily as a result of acquisition and new location growth, strong same-store sales aided by severe winter weather conditions throughout a large portion of North America and improved margins resulting from a new paint supply arrangement. We also continued to make positive progress in executing on our stated growth strategies.

Since January 1, 2013, the Fund added 21 single-store locations and one multi-shop operation (“MSO”) consisting of 25 locations. During the quarter itself, we acquired a two-location collision repair business in Arizona and commenced operations at a new single store location in Maryland. Subsequent to quarter-end, this momentum continued when we commenced operations at another new location in North Carolina, acquired a single store in Illinois and completed another multi-shop acquisition of 25 repair centres in Illinois, Indiana and Florida.

To enhance long-term operational results, we finalized a back-end purchase discount structure with our existing paint supplier that improved our gross profit in the quarter as well as our Adjusted EBITDA margin. We also continued to invest in systems and training to enhance our operational performance, including key performance metrics for our customers and insurance company clients.

Sales for the quarter were \$183.6 million, up 40.6% over the \$130.6 million achieved in the first quarter of 2013. This increase was partially due to \$21.6 million realized from acquisitions and new single locations added during 2013 and 2014. As well, it reflects strong growth in same-store sales which were up 7.6% overall and 8.8% in the U.S. All of our stores located in the north and the Atlantic region, as far south as North Carolina and Georgia, were affected by the severe weather and poor road conditions prevalent in the first three months of 2014, resulting in double digit sales growth for many of our northern markets.

Earnings before interest, income taxes, depreciation and amortization, adjusted for fair value adjustments and acquisition, transaction and process improvement costs (“Adjusted EBITDA”)¹ for the first quarter in 2014 totalled \$15.0 million, or 8.2% of sales, compared with Adjusted EBITDA of \$8.2 million, or 6.3% of sales, in the prior year. The 84.0% increase in Adjusted EBITDA reflects improvement in same-store sales, which contributed \$3.4 million and additional earnings from the glass business, acquisitions and new single locations, which together added \$2.3 million. We also benefited from the strengthening U.S. dollar, which added \$1.2 million to Adjusted EBITDA in the quarter.

In the first quarter of 2014, the Fund recorded a net loss of \$1.7 million, compared to net earnings of \$30 thousand in the same quarter last year. The net loss was the result of non-cash expenses for fair value adjustments that are caused primarily by increases in our unit value. Excluding the impact of fair value adjustments, acquisition, transaction and process improvement costs, and brand name amortization, net earnings would have increased to \$7.3 million, or 4.0% of sales compared to \$3.7 million or 2.8% of sales in 2013.

The Fund generated adjusted distributable cash of \$10.6 million in the first quarter of 2014 and declared distributions and dividends of \$1.8 million, resulting in a payout ratio based on adjusted distributable cash of 17.3%, compared to a payout ratio of 64.2% a year ago. The increase in adjusted distributable cash and decrease in payout ratio were largely due to an

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.

increase in cash flow from operations, and changes in working capital. We believe that maintaining a conservative and sustainable payout ratio, along with the financial flexibility to continue to grow, is important to our long-term success.

With respect to our statement of financial position, the Fund held total debt, net of cash, of \$44.8 million at March 31, 2014, compared to \$48.4 million at December 31, 2013 and \$48.5 million at March 31, 2013. This continued to represent very conservative leverage and, combined with our expanded credit facility, provided in excess of \$100 million of available debt capital for growth. We have therefore assessed that our capital resources are sufficient to meet future growth, working capital, capital expenditure and distribution requirements.

The first quarter of 2014 was successful, demonstrating that our strategy for growth continues to be achievable. We continue to model 6% to 10% growth in single location additions and have added five new single locations so far this year and expect to add a total of 16 to 26 over the course of 2014. There remain many attractive single store operations in North America and we will look to add those that will increase our scale and market share in select regions. Although there is more competition for MSO acquisitions, we will maintain our discipline to only acquire those that will be accretive to the Fund. Our ability to acquire quality MSOs has again been demonstrated by our acquisition of the 25 Collision Revision locations just last month. In addition to acquisition growth our first quarter same-store sales growth of 7.6%, while enhanced by some unusual events, demonstrated that we are on track to take advantage of industry trends to achieve same-store sales growth.

On behalf of the Trustees of the Boyd Group Income Fund and Boyd Group employees, I would like to 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 operator of non-franchised collision repair centres in North America in terms of number of locations and one of the largest in terms of sales. The Company operates locations in five Canadian provinces under the trade name Boyd Autobody & Glass (<http://www.boydautobody.com>), as well as in 15 U.S. states under the trade names Gerber Collision & Glass (<http://www.gerbercollision.com>), Hansen Collision and Collision Revision. The Company is also a major retail auto glass operator in the U.S. with locations across 28 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Services, Auto Glass Authority, S&L Glass and Hansen Auto Glass. The Company also operates Gerber National Glass Services, an auto glass repair and replacement referral business with approximately 3,000 affiliated service providers throughout the United States. The following is a geographic breakdown of the collision repair locations by trade name.

	39 centers		197 centers		25 centers
Manitoba	14	Florida	38	Maryland	10
Alberta	12	Illinois	33	Indiana	9
British Columbia	10	North Carolina	25	Ohio	9
Saskatchewan	2	Arizona	17	Pennsylvania	5
Ontario	1	Georgia	15	Nevada	4
		Washington	15	Oklahoma	3
		Colorado	13	Kansas	1
					25 centers
				Illinois	22
				Indiana	2
				Florida	1

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, 2014, including material transactions and events up to and including May 13, 2014, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2014, as well as the audited annual consolidated financial statements, management discussion and analysis ("MD&A") and annual information form of Boyd Group Income Fund for the year ended December 31, 2013 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 January 31, 2014, the Company announced that it entered into a letter of intent with its existing paint supplier for a new or amended agreement. Under the new or amended agreement, the Company will continue to benefit from a back-end purchase discount structure that was put in place as part of the amendment and restructuring of its paint supply agreement in October 2013.

On January 31, 2014, the Company completed the acquisition of Kustom Koachworks, Inc., a two-location collision repair business in Phoenix, Arizona.

On February 5, 2014, as part of a new start-up, the Company commenced operations in a new collision repair facility in Ellicott City, Maryland.

On March 24, 2014, the Board of Trustees of the Fund adopted a Majority Voting Policy in respect to the election of trustees

of the Fund and directors of subsidiaries at the Annual General Meeting of Unitholders. If a candidate receives more votes withheld than are voted in his or her favour, the candidate shall submit his/her resignation to the Board, to be effective on the date if and when accepted by the Board.

On March 31, 2014, the Fund finalized and executed a new definitive agreement with its existing paint supplier. Under the new agreement, Boyd continues to benefit from the back-end purchase discount structure that was originally put in place as part of the amendment and restructuring of its paint supply agreement in October 2013.

On April 2, 2014, as part of a new start-up, the Company commenced operations in a new collision repair facility in Fayetteville, North Carolina.

On April 7, 2014, the Company ceased operations in one of its collision repair facilities in Glenview, Illinois.

On April 14, 2014, the Company signed a definitive agreement and concurrently closed the acquisition of Dora Holdings, Inc. and Collision Revision 13081 Inc., which collectively owned and operated 25 collision repair centers in Illinois, Indiana and Florida under the trade name "Collision Revision". Collision Revision generated sales of approximately \$50 million U.S. for the trailing twelve months ended December 31, 2013.

On April 30, 2014, the Company ceased operations in its collision repair facilities in Rockdale and Spring Grove, Illinois.

On May 1, 2014, the Company completed the acquisition of Performance Restorations, Inc., a single-location collision repair business in Mundelein, Illinois.

OUTLOOK

Boyd continues to execute on its growth strategy of new single locations. Single location growth opportunities continue to be available and a great avenue for accretive growth with attractive pricing and development costs within Boyd's targeted range. The Company has announced five new locations in 2014 with a number of others in progress. Boyd will maintain its target to grow with single location growth by 6% to 10% annually for the foreseeable future. For 2014, this translates into 16 to 26 new locations. As well, the Company remains both positive and patient for additional opportunities to grow by acquiring multi-shop operations ("MSO's"). While the Company remains opportunistic in its strategy to acquire MSO's, there has been more competition for these types of acquisitions. The Company maintains its position of being disciplined and selective in its identification and assessments of all acquisition opportunities.

Boyd furthered its MSO growth strategy with the acquisition of Collision Revision in April of 2014, a 25 location acquisition based in Illinois, Indiana and Florida.

In the fourth quarter of 2013 the Company amended its agreement with its paint supplier changing its current paint supply arrangement away from a pre-purchase rebate system to a post-purchase discount system. The amendment was effective October 1, 2013 and provided the Company with the immediate benefit of higher value post-purchase discounts which have reduced the cost of paint materials and supplies and increased gross margins and EBITDA margins. A new agreement was signed with its paint supplier on March 31, 2014 that secures the continuation of these arrangements and their related benefits.

As performance based DRP programs with insurance companies continue to develop and evolve it is becoming increasingly important that top performing collision repairers, including Boyd, continue to drive towards higher levels of operating performance as measured primarily by customer satisfaction ratings, repair cycle times and average cost of repair. To this end, Boyd has initiated incremental investments to enhance its processes and operational performance. Additional investments will continue into 2014, and are expected to be in the range of \$2 to \$3 million including costs incurred to date.

Management remains confident in its business model and its ability to increase market share by expanding its presence in both the U.S. and Canada through strategic acquisitions alongside organic growth from Boyd's existing operations. Accretive growth remains the Company's focus whether it is through organic growth or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company offering yield, Boyd's objective continues to be to maintain a conservative distribution policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing distributions over time. The Company remains confident in its management team, systems and experience. This, along with a strong statement of financial position and financing options, will continue to position Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at May 13, 2014, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2013 annual MD&A.

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 new locations to grow the business 6% - 10% per year for the foreseeable future	<p>Opportunities continue to be available and are at attractive prices</p> <p>Financing options continue to be available at reasonable rates and on acceptable terms and conditions</p> <p>New and existing customer relationships are expected to provide acceptable levels of revenue opportunities</p> <p>Anticipated operating results would be accretive to overall Company results</p>	<p>Acquisition market conditions change and repair shop owner demographic trends change</p> <p>Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies</p> <p>Changes in market conditions and operating environment</p> <p>Significant declines in the number of insurance claims</p> <p>Integration of new stores is not accomplished as planned</p> <p>Increased competition which prevents achievement of acquisition and revenue goals</p>
Boyd remains confident in its business model to increase market share by expanding its presence in both the U.S. and Canada through strategic acquisitions alongside organic growth from Boyd's existing operations	<p>Continued stability in economic conditions and employment rates</p> <p>Pricing in the industry remains stable</p> <p>The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time</p> <p>Market share growth will more than offset systemic changes in the industry and environment</p>	<p>Poor economic conditions</p> <p>Loss of one or more key customers</p> <p>Significant declines in the number of insurance claims</p> <p>Inability of the Company to pass cost increases to customers over time</p> <p>Increased competition which may prevent achievement of revenue goals</p> <p>Changes in market conditions and operating environment</p> <p>Changes in weather conditions</p>
Stated objective to gradually increase distributions over time	<p>Growing profitability of the Company and its subsidiaries</p> <p>The continued and increasing ability of the Company to generate cash available for distribution</p> <p>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</p> <p>No change in the Fund's structure</p>	<p>The Fund is dependent upon the operating results of the Company and its ability to pay interest and dividends to the Fund</p> <p>Economic conditions deteriorate</p> <p>Changes in weather conditions</p> <p>Decline in the number of insurance claims</p> <p>Loss of one or more key customers</p> <p>Changes in government regulation</p>

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 "Business Risks and Uncertainties" and other sections of our MD&A and

our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

NON-GAAP FINANCIAL MEASURES

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is not a calculation defined in International Financial Reporting Standards (“IFRS”). EBITDA should not be considered an alternative to net earnings in measuring the performance of the Fund, nor should it be used as an exclusive measure of cash flow. The Fund reports EBITDA and Adjusted EBITDA because it is a key measure that management uses to evaluate performance of the business and to reward its employees. EBITDA is also a concept utilized in measuring compliance with debt covenants. EBITDA and Adjusted EBITDA are measures commonly reported and widely used by investors and lending institutions as an indicator of a company’s operating performance and ability to incur and service debt, and as a valuation metric. While EBITDA is used to assist in evaluating the operating performance and debt servicing ability of the Fund, investors are cautioned that EBITDA and Adjusted EBITDA as reported by the Fund may not be comparable in all instances to EBITDA as reported by other companies.

The CPA’s Canadian Performance Reporting Board defined standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA represents an indication of an entity’s capacity to generate income from operations before taking into account management’s financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management’s estimate of their useful life. Accordingly, Standardized EBITDA comprises sales less operating costs before interest expense, capital asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of the Fund and which should not be considered in a valuation metric or should not be included in assessment of ability to service or incur debt. Included in this category of adjustments are the fair value adjustment to exchangeable shares and the fair value adjustment to unit options. Both of these items will ultimately be settled with units of the Fund and are not expected to have any cash impact on the Fund. Also included as an adjustment to EBITDA are acquisition, transaction and process improvement costs which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations. From time to time, the Fund may make other adjustments to its Adjusted EBITDA for items that are not expected to recur.

<i>(thousands of Canadian dollars)</i>	For the three months ended March 31,	
	2014	2013
Net (loss) earnings	\$ (1,675)	\$ 30
Add:		
Finance costs (net of Finance income)	1,359	1,382
Income tax expense	2,541	402
Depreciation of property, plant and equipment	2,905	1,921
Amortization of intangible assets	1,200	1,054
Standardized EBITDA	\$ 6,330	\$ 4,789
Add (deduct):		
Fair value adjustments	7,396	3,024
Acquisition, transaction and process improvement costs	1,316	362
Adjusted EBITDA	\$ 15,042	\$ 8,175

Included in acquisition, transaction and process improvement costs are acquisition and transaction costs of \$544 (2013 - \$362) and process improvement costs of \$772 (2013 - \$nil).

ADJUSTED NET EARNINGS

In addition to EBITDA and Adjusted EBITDA, the Fund believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other unusual or infrequent adjustments. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of the Fund's net (loss) earnings to adjusted net earnings:

<i>(thousands of Canadian dollars, except per unit and per share amounts)</i>	For the three months ended	
	2014	2013
Net (loss) earnings	\$ (1,675)	\$ 30
Add:		
Fair value adjustments	7,396	3,024
Acquisition, transaction and process improvement costs	1,316	362
Amortization of acquired brand names	219	246
Adjusted net earnings	\$ 7,256	\$ 3,662
Weighted average number of units	14,936,245	12,539,032
Adjusted net earnings per unit	\$ 0.486	\$ 0.292
Units and Class A common shares outstanding	15,312,487	12,927,485
Adjusted net earnings per unit and Class A common share	\$ 0.474	\$ 0.283

Included in acquisition, transaction and process improvement costs are acquisition and transaction costs of \$544 (2013 - \$362) and process improvement costs of \$772 (2013 - \$nil).

Distributable Cash

During the first quarter of 2014, the Fund declared and paid distributions to unitholders and dividends to Boyd Group Holdings Inc.'s Class A shareholders as follows:

<i>(thousands of Canadian dollars, except per unit and per share amounts)</i>		Dividend	Distribution	Dividend
Record date	Payment date	per Unit / Share	amount	amount
January 31, 2014	February 26, 2014	\$ 0.0400	\$ 597	\$ 15
February 28, 2014	March 27, 2014	0.0400	597	15
March 31, 2014	April 28, 2014	0.0400	598	15
		\$ 0.1200	\$ 1,792	\$ 45

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 cash maintenance capital expenditures up to approximately 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 many circumstances, large equipment expenditures including automobiles, shop equipment and computers can be financed using either operating or finance leases. Cash spent on maintenance capital expenditures plus the repayment of operating and finance 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 acquisition, transaction and process improvement costs. Management is not currently aware of any environmental remediation requirements. Acquisition, transaction and process improvement costs are added back to distributable cash as they occur.

Debt Management

In addition to finance 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 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 2014 and 2013.

Standardized and Adjusted Distributable Cash ⁽¹⁾	For the three months ended	
	March 31,	
<i>(thousands of Canadian dollars, except per unit and per share amounts)</i>	2014	2013
Cash flow from operating activities before changes in non-cash working capital items	\$ 9,869	\$ 5,324
Changes in non-cash working capital items	2,103	(2,319)
Cash flows from operating activities	11,972	3,005
Less adjustment for:		
Sustaining expenditures on plant, software and equipment ⁽²⁾	(1,678)	(938)
Standardized distributable cash	\$ 10,294	\$ 2,067
Standardized distributable cash per average unit and Class A common share		
Per average unit and Class A common share	\$ 0.672	\$ 0.160
Per diluted unit and Class A common share	\$ 0.672	\$ 0.160
Standardized distributable cash from above	\$ 10,294	\$ 2,067
Add (deduct) adjustments for:		
Collection of rebates ⁽³⁾	-	407
Acquisition, transaction and process improvement costs ⁽⁴⁾	1,316	362
Proceeds on sale of equipment and software	18	157
Principal repayments of capital leases ⁽⁵⁾	(998)	(637)
Adjusted distributable cash	\$ 10,630	\$ 2,356
Adjusted distributable cash per average unit and Class A common share		
Per average unit and Class A common share	\$ 0.694	\$ 0.182
Per diluted unit and Class A common share	\$ 0.694	\$ 0.182
Distributions paid		
Unitholders	\$ 1,792	\$ 1,467
Class A common shareholders	45	46
Total distributions paid	\$ 1,837	\$ 1,513
Distributions paid		
Per unit	\$ 0.120	\$ 0.117
Per Class A common share	\$ 0.120	\$ 0.117
Payout ratio based on standardized distributable cash	17.8%	73.2%
Payout ratio based on adjusted distributable cash	17.3%	64.2%

(1) Non-GAAP financial measures

(2) Includes sustaining expenditures on plant and equipment, information technology hardware and computer software but excludes capital expenditures associated with acquisition and development activities including rebranding of acquired locations. In addition to the maintenance

capital expenditures paid with cash, during 2014 the Company acquired a further \$444 (2013 - \$479) in capital assets which were financed through finance leases and did not affect cash flows in the current period.

- (3) The Company received prepaid rebates, under its previous trading partner arrangements, in quarterly installments until cancelled at September 30, 2013 as part of its renegotiation with its paint supplier.
- (4) The Company has added back to distributable cash the costs related to acquisitions and process improvement initiatives.
- (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

Results of Operations <i>(thousands of Canadian dollars, except per unit amounts)</i>	For the three months ended March 31,		
	2014	% change	2013
Sales - Total	183,642	40.6	130,639
Same-store sales - Total (excluding foreign exchange)	133,311	7.6	123,885
Sales - Canada	20,502	5.9	19,359
Same-store sales - Canada	19,291	0.9	19,126
Sales - U.S.	163,140	46.6	111,280
Same-store sales - U.S. (excluding foreign exchange)	114,020	8.8	104,759
Gross margin %	46.7	3.8	45.0
Operating expense %	38.5	(0.8)	38.8
Adjusted EBITDA ⁽¹⁾	15,042	84.0	8,175
Depreciation and amortization	4,105	38.0	2,975
Finance costs	1,359	(1.7)	1,382
Fair value adjustments	7,396	144.6	3,024
Income tax expense	2,541	532.1	402
Net (loss) earnings	(1,675)	n/a	30
Basic (loss) earnings per unit	(0.112)	n/a	0.002
Diluted (loss) earnings per unit	(0.112)	n/a	0.002
Standardized distributable cash	10,294	398.0	2,067
Adjusted distributable cash	10,630	351.2	2,356
Distributions paid	1,837	21.4	1,513

⁽¹⁾ Non- GAAP financial measures.

1st Quarter Comparison – Three months ended March 31, 2014 vs. 2013

Sales

Sales totalled \$183.6 million for the three months ended March 31, 2014, an increase of \$53.0 million or 40.6% compared to the same period last year. The increase in sales was the result of the following:

- \$21.6 million of incremental sales were generated from 21 new single locations as well as 25 Hansen Collision (“Hansen”) locations acquired in 2013 and the first quarter of 2014.
- The glass business, which generates its strongest sales during the spring and summer months, contributed incremental sales of \$11.5 million over the \$6.4 million contributed in the same period last year, primarily due to the acquisition of Glass America.

- Same-store sales excluding foreign exchange increased \$9.4 million or 7.6%, and increased a further \$10.7 million due to the translation of same-store sales at a higher U.S. dollar exchange rate.
- Sales were affected by the closure of an under-performing facility which decreased sales by \$0.2 million.

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

Sales by Geographic Region <i>(thousands of Canadian dollars)</i>	For the three months ended March 31,	
	2014	2013
Canada	\$ 20,502	\$ 19,359
United States	163,140	111,280
	\$ 183,642	\$ 130,639
Canada	11.2%	14.8%
United States	88.8%	85.2%

Sales in Canada for the three months ended March 31, 2014 totalled \$20.5 million, which was \$1.1 million above sales for the same period last year. Increased sales resulted from a \$0.1 million or 0.9% same-store sales increase and \$1.2 million of sales from one new location. The closure of one under-performing glass facility decreased sales by \$0.2 million.

Sales in the U.S. for the three months ended March 31, 2014 totalled \$163.1 million, an increase from 2013 of \$51.9 million or 46.6% when compared to \$111.3 million for same period last year. Increased sales in the U.S. resulted from the following:

- \$9.4 million of sales were generated from 20 new locations acquired or started since January 1, 2013.
- \$11.0 million of incremental sales were generated by 25 Hansen locations.
- The glass business, which generates its strongest sales during the spring and summer months, contributed incremental sales of \$11.5 million. The increase is primarily due to the acquisition of Glass America.
- Same-store sales increased \$9.3 million or 8.8% excluding foreign exchange, and increased \$10.7 million due to the translation of same-store sales at higher U.S. dollar exchange rates.

Gross Profit

Gross Profit was \$85.7 million or 46.7% of sales for the three months ended March 31, 2014 compared to \$58.8 million or 45.0% of sales for the same period in 2013. Gross profit dollars increased as a result of higher sales compared to the prior period. The gross margin percentage increased when compared with the prior period due to higher margins in the glass business and the impact of a higher mix of these higher margin glass sales in relation to collision sales, as well as higher back-end paint discounts.

Operating Expenses

Operating Expenses for the three months ended March 31, 2014 increased \$20.0 million to \$70.7 million from \$50.7 million for the same period of 2013, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation of approximately \$5.3 million, expenses increased \$12.3 million from 2013 as a result of new locations and the expanded glass business as well as a further \$2.5 million increase at same-store locations due primarily to same-store sales growth. Closed locations lowered operating expenses by a combined \$0.1 million.

Operating expenses as a percentage of sales was 38.5% for the three months ended March 31, 2014 compared to 38.8% for the same period in 2013. The decrease in operating expenses as a percentage of sales was primarily due to the impact of higher sales levels leveraging the fixed component of operating expenses offset by higher operating expenses associated with the Company's expanded glass business.

Acquisition, Transaction and Process Improvement Costs

Acquisition, Transaction and Process Improvement Costs for the three months ended March 31, 2014 were \$1.3 million compared to \$0.4 million recorded for the same period of 2013. The costs in the first quarter of 2014 included approximately \$0.8 million of process improvement costs related to an investment in consulting fees to enhance operating performance. The balance of the costs relate to the acquisition of Collision Revision and other completed or potential acquisitions. The costs in 2013 primarily relate to the acquisition of Hansen and Glass America with the balance related to the acquisition of other completed or potential acquisitions.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability, unit option liability, convertible debenture conversion feature and non-controlling interest put option, as well as acquisition, transaction and process improvement costs ("Adjusted EBITDA")¹ for the three months ended March 31, 2014 totalled \$15.0 million or 8.2% of sales compared to Adjusted EBITDA of \$8.2 million or 6.3% of sales in the same period of the prior year. The increase of \$6.9 million was the result of improvements in same-store sales which contributed \$3.4 million, combined with \$2.3 million of incremental EBITDA contribution from the acquisition of the glass business, Hansen and other single location growth. Changes in U.S. dollar exchange rates in 2014 increased Adjusted EBITDA by \$1.2 million.

Depreciation and Amortization

Depreciation of property, plant and equipment totalled \$2.9 million or 1.6% of sales for the three months ended March 31, 2014, an increase of \$1.0 million when compared to the \$1.9 million or 1.5% of sales recorded in the same period of the prior year. The increase was primarily due to acquisitions of Glass America and Hansen as well as new location growth.

Amortization of intangible assets for the three months ended March 31, 2014 totalled \$1.2 million or 0.7% of sales, an increase of \$0.1 million when compared to the \$1.1 million or 0.8% of sales expensed for the same period in the prior year. The increase is primarily the result of recording additional intangible assets as a result of the acquisitions of Glass America and Hansen.

Fair Value Adjustments

Fair value adjustment to the convertible debenture conversion feature resulted in non-cash expense related to the associated liability of \$3.1 million, compared to \$0.9 million in the same period last year. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model. The increase in the liability and the related expense is primarily the result of an increase in the market value of the Fund's units.

Fair value adjustment to exchangeable Class A common shares resulted in a non-cash expense related to the increase in the associated liability of \$0.9 million for the first quarter of 2014 compared to \$1.1 million in the same period of the prior year. The exchangeable Class A common shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as a financial liability of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A common 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 for both periods is the result of increases in the market value of the Fund's units.

Fair value adjustment to unit based payment obligation was a non-cash expense related to an increase in the associated liability of \$1.6 million for the first quarter of 2014 compared to \$1.1 million in the same period of the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the market value of the Fund's units. 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 market value of the Fund's units.

⁽¹⁾ Non-GAAP Financial Measure

Fair value adjustment to non-controlling interest put options resulted in a non-cash expense of \$1.8 million for the first quarter of 2014 compared to \$nil in the same period of the prior year. The expense relates to agreements the Fund entered into on May 31, 2013, in connection with the acquisition of Glass America, which provide the non-controlling interest partners with the right to require the Company to purchase their retained interest according to valuation formulas defined in the agreements. The value of the put options is determined by discounting the estimated future payment obligations at each statement of financial position date.

Finance Costs

Finance Costs of \$1.4 million or 0.7% of sales for 2014, compared to \$1.4 million or 1.1% of sales for the prior year. The finance cost is primarily the result of interest on seller notes and convertible debentures.

Income Tax Expense

Current and deferred income tax expense of \$2.5 million in 2014 compares to an expense of \$0.4 million in 2013. Income tax expense is impacted by permanent differences such as mark to market adjustments which impacts the tax computed on accounting income. During the first quarter of 2013, the Fund's earnings were sheltered by loss carryforward amounts resulting in no current income tax expense for the period.

Net (Loss) Earnings and (Loss) Earnings Per Unit

Net (loss) earnings for the three months ended March 31, 2014 was a loss of \$1.7 million compared to earnings of \$30 thousand last year. The loss in 2014 was impacted by fair value adjustments to financial instruments of \$7.4 million, acquisition, transaction and process improvement costs of \$1.3 million and brand name amortization of \$0.2 million. Excluding the impact of these adjustments, net earnings would have increased to \$7.3 million or 4.0% of sales. This compares to adjusted earnings of \$3.7 million or 2.8% of sales for the same period in 2013 if the same items were adjusted. The increase in the adjusted net earnings for the year is the result of the contribution of new acquisitions and new location growth as well as increases in same-store sales.

Basic and Diluted (Loss) Earnings Per Unit was a loss of \$0.112 per unit for the three months ended March 31, 2014 compared to earnings of \$0.002 per unit in the same period in 2013. The decrease to the basic and diluted earnings per unit amounts is primarily due to the impact of the fair value adjustments. Excluding the impact of the fair value adjustments, acquisition, transaction and process improvement costs and brand name amortization, basic and diluted earnings per unit would have increased to \$0.486 for the three months ended March 31, 2014 compared to \$0.292 for the same period in the prior year.

Summary of Quarterly Results								
<i>(thousands of Canadian dollars, except per unit amounts)</i>								
	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2
Sales	\$ 183,642	\$ 161,127	\$ 149,616	\$ 136,878	\$ 130,639	\$ 115,000	\$ 109,080	\$ 102,940
Adjusted EBITDA ⁽¹⁾	\$ 15,042	\$ 13,533	\$ 10,622	\$ 9,170	\$ 8,175	\$ 8,601	\$ 7,471	\$ 6,780
Net earnings (loss)	\$ (1,675)	\$ (6,901)	\$ (2,157)	\$ (2,567)	\$ 30	\$ 2,356	\$ 1,504	\$ 1,123
Basic earnings (loss) per share	\$ (0.112)	\$ (0.480)	\$ (0.191)	\$ (0.202)	\$ 0.002	\$ 0.188	\$ 0.119	\$ 0.090
Diluted earnings (loss) per share	\$ (0.112)	\$ (0.480)	\$ (0.191)	\$ (0.202)	\$ 0.002	\$ 0.188	\$ 0.119	\$ 0.090
Adjusted net earnings ⁽¹⁾	\$ 7,256	\$ 6,422	\$ 4,590	\$ 3,783	\$ 3,662	\$ 4,995	\$ 3,269	\$ 3,164
Adjusted net earnings per unit ⁽¹⁾	\$ 0.486	\$ 0.446	\$ 0.346	\$ 0.302	\$ 0.292	\$ 0.398	\$ 0.261	\$ 0.252
Adjusted net earnings per unit and Class A common share ⁽¹⁾	\$ 0.474	\$ 0.419	\$ 0.334	\$ 0.293	\$ 0.283	\$ 0.386	\$ 0.253	\$ 0.245

⁽¹⁾ Non- GAAP financial measures.

Sales and adjusted EBITDA have increased in recent quarters due to the acquisition of Glass America, Hansen and other new locations as well as same-store sales increases. The net earnings (loss) since the first quarter of 2013 is due primarily to

the fair value adjustments for exchangeable Class A common shares, unit options, and the convertible debenture conversion feature, which reduced net earnings as well as expensing acquisition, transaction and process improvement costs.

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, 2014, the Fund had cash, net of outstanding deposits and cheques, held on deposit in U.S. bank accounts totaling \$28.7 million (December 31, 2013 - \$19.3 million). The net working capital ratio (current assets divided by current liabilities) was 1.15:1 at March 31, 2014 (December 31, 2013 – 1.05:1).

At March 31, 2014, the Fund had total debt outstanding, net of cash, of \$44.8 million compared to \$48.4 million at December 31, 2013, \$70.5 million at September 30, 2013, \$56.2 million at June 30, 2013 and \$48.5 million at March 31, 2013. Debt, net of cash increased during the middle of 2013 as a result of additional seller loans and the use of cash related to the acquisition of Glass America and Hansen. Obligations under finance lease also increased by \$3.4 million since the beginning of 2013, primarily due to leases assumed as part of the acquisitions in addition to the financing of some expenditures for courtesy cars, equipment, communication and technology infrastructure.

Total debt, net of cash	March 31,	December 31,	September 30,	June 30,	March 31,
<i>(thousands of Canadian dollars)</i>	2014	2013	2013	2013	2013
Bank indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
Bank debt	5,069	-	30,102	31,158	30,483
Convertible debenture	31,116	30,971	30,807	30,648	30,481
Seller notes ⁽¹⁾	27,968	27,129	25,814	18,830	19,029
Obligations under finance leases	9,286	9,588	9,297	8,334	6,516
Total debt	\$ 73,439	\$ 67,688	\$ 96,020	\$ 88,970	\$ 86,509
Cash	28,680	19,304	25,565	32,777	38,000
Total debt, net of cash	\$ 44,759	\$ 48,384	\$ 70,455	\$ 56,193	\$ 48,509

⁽¹⁾ Seller notes are loans granted to the Company by the sellers of businesses related to the acquisition of those businesses.

Operating Activities

Cash flow generated from operations, before considering working capital changes, was \$9.9 million for 2014 compared to \$5.3 million in 2013. The increase was primarily due to increased Adjusted EBITDA in the first quarter of 2014 resulting from the acquisitions of Glass America, Hansen and other new single locations as well as same-store sales growth.

In 2014, changes in working capital items provided net cash of \$2.1 million compared with using net cash of \$2.3 million in 2013. 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. The change in working capital for 2014 benefited by the draw down of income tax instalments of approximately \$1.5 million as a result of the current income tax expense recorded in the quarter. Working capital in the first quarter of 2013 was negatively impacted by \$0.7 million, due to a timing difference between receipt of funds from employees under the senior managers unit loan program and outflow of these funds.

Financing Activities

Cash provided by financing activities totalled \$2.1 million for the three months ended March 31, 2014 compared to cash used by financing activities of \$1.6 million in the first quarter of the prior year. During 2014, cash was provided by a draw of long-term debt in the amount of \$6.0 million to fund the remaining purchase price associated with Hansen. Cash was used to repay the long-term debt on seller notes in the amount of \$1.0 million, to repay finance leases in the amount of \$1.0 million and distributions paid to unitholders and dividends to Class A common shareholders totaling \$1.8 million. Cash used in financing activities for the same period in 2013 included repayment of long-term debt totaling \$1.2 million, the repayment of finance leases in the amount of \$0.6 million and distributions paid to unitholders and dividends to Class A

common shareholders totaling \$1.5 million, partially offset by rebates received of \$0.4 million and \$1.4 million proceeds from a sale-leaseback transaction of owned real estate for a facility located in Garner, North Carolina. The Garner property was acquired in the last quarter of 2012 with the intention to enter into a lease with a third party, which did not occur until the first quarter of 2013.

Debt Financing

On December 20, 2013, the Company entered into a new five year \$100 million U.S. revolving credit facility, with an accordion feature which can increase the facility to a maximum of \$135 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as by guarantees of the Fund and BGHI. During the first quarter of 2014, the Company drew approximately \$6.0 million on the facility in the U.S. (\$5.5 million U.S.).

The Company supplements its debt financing 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 2014, the Fund did not draw any new debt from sellers.

The Fund has traditionally used capital leases to finance a portion of both its maintenance and expansion capital expenditures. During the first quarter of 2014, the Fund entered into capital leases for vehicles and equipment in the amount of \$0.4 million (2013 - \$0.5 million). At March 31, 2014, the Fund owed \$9.3 million in finance lease obligations compared to \$9.6 million at December 31, 2013.

Investing Activities

Cash used in investing activities totalled \$4.8 million for the three months ended March 31, 2014, compared to \$2.9 million used in the prior year. The activity in both periods relates primarily to acquisitions and new location growth that occurred during these periods as well as spending to maintain the Company's productive capacity.

Sustaining Capital Expenditures

The Fund spent approximately \$1.7 million or 0.9% of sales on the acquisition of software, equipment and facility upgrades during the first three months of 2014, compared to \$0.9 million or 0.7% of sales during the same period in 2013.

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2013 annual report.

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 statement of financial position date and reported amounts of sales 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 2013 annual MD&A.

FUTURE ACCOUNTING STANDARDS

The following is an overview of accounting standard changes that the Fund will be required to adopt in future years:

The IASB intends to replace IAS 39 "Financial Instruments: Recognition and Measurement" in its entirety with IFRS 9 "Financial Instruments" in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. The mandatory effective date has not yet been determined by the IASB. The Fund is currently evaluating the impact of adopting IFRS 9 on its financial statements.

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 2014, 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 Glass America has been considered and based on the pre-existing controls in place and oversight controls implemented, no areas of immediate concern with respect to disclosure controls and procedures or internal controls have been identified. However, due to the short period since the acquisition, a full assessment has not been completed. As a result, the Fund has noted this limitation in the certificates and provides the following summary information with respect to Glass America. For the period of January 1, 2014 to March 31, 2014 Glass America reported sales of \$17.9 million and net earnings of \$0.7 million. As at March 31, 2014, Glass America reported current assets of \$13.1 million, current liabilities of \$9.5 million, long-term assets of \$28.1 million and long-term liabilities of \$0.1 million. Due to the short period since the acquisition of Hansen, an assessment on this business has not been completed. The Company is also making use of the limitation for this acquisition. For the period of January 1, 2014 to March 31, 2014, Hansen reported sales of \$12.2 million and net earnings of \$0.3 million. As at March 31, 2014, Hansen reported current assets of \$5.8 million, current liabilities of \$3.2 million, long-term assets of \$25.7 million and long-term liabilities of \$nil.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2013 annual MD&A.

ADDITIONAL INFORMATION

The Fund's units and convertible debentures trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN and TSX: BYD.DB. 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 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, 2014**.
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:**

(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, 2014 and ended on March 31, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 14, 2014

(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, 2014**.
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:**
 - (c) 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
 - iii) N/A
 - iv) 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

(d) 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, 2014 and ended on March 31, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 14, 2014

(signed)

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



BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2014

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of Canadian dollars)

As at	March 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash	\$ 28,680	\$ 19,304
Accounts receivable	44,589	42,168
Income taxes recoverable	-	1,541
Inventory	11,296	11,431
Prepaid expenses	5,976	5,259
	90,541	79,703
Note receivable	860	924
Property, plant and equipment	69,661	63,925
Deferred income tax asset	2,329	2,389
Deferred financing costs <i>(Note 4)</i>	-	1,010
Intangible assets	61,997	60,756
Goodwill	75,704	73,561
	\$ 301,092	\$ 282,268
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 69,585	\$ 66,229
Income taxes payable	150	-
Distributions payable <i>(Note 3)</i>	598	597
Dividends payable <i>(Note 10)</i>	15	15
Current portion of long-term debt <i>(Note 4)</i>	4,758	4,448
Current portion of obligations under finance leases	3,847	3,636
Current portion of settlement accrual	-	820
	78,953	75,745
Long-term debt <i>(Note 4)</i>	28,279	22,681
Obligations under finance leases	5,439	5,952
Convertible debenture	31,116	30,971
Convertible debenture conversion feature <i>(Note 10)</i>	17,871	14,786
Deferred income tax liability	5,661	4,874
Exchangeable Class A common shares <i>(Note 10)</i>	12,492	11,689
Unit based payment obligation <i>(Note 11)</i>	12,875	11,256
Non-controlling interest put options <i>(Note 10)</i>	22,926	20,340
	215,612	198,294
Equity		
Accumulated other comprehensive earnings	10,574	5,685
Deficit	(67,119)	(63,652)
Unitholders' capital	138,023	137,939
Contributed surplus	4,002	4,002
	85,480	83,974
	\$ 301,092	\$ 282,268

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

Approved by the Board:

BROCK BULBUCK
Trustee

ALLAN DAVIS
Trustee

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)

(thousands of Canadian dollars, except unit amounts)

	Unitholders' Capital		Contributed Surplus	Accumulated Other Comprehensive Earnings (Loss)	Deficit	Total Equity
	Units	Amount				
Balances - January 1, 2013	12,538,516	\$ 74,865	\$ 4,002	\$ (1,265)	\$ (35,998)	\$ 41,604
Issue costs (net of tax of \$992)	-	(2,809)				(2,809)
Units issued from treasury						
Units issued through public offering	2,300,000	63,480				63,480
Units issued in connection with acquisitions	83,721	2,110				2,110
Retractions (<i>Note 10</i>)	11,463	283				283
Conversion of convertible debenture	427	10				10
Other comprehensive earnings				6,950		6,950
Net loss					(11,595)	(11,595)
Comprehensive loss				6,950	(11,595)	(4,645)
Equity contributed by non-controlling interest (<i>Note 10</i>)					8,365	8,365
Recognition of non-controlling interest put option liabilities (<i>Note 10</i>)					(18,242)	(18,242)
Distributions to unitholders (<i>Note 3</i>)					(6,182)	(6,182)
Balances - December 31, 2013	14,934,127	\$ 137,939	\$ 4,002	\$ 5,685	\$ (63,652)	\$ 83,974
Issue costs (net of tax of \$nil)		(27)				(27)
Retractions (<i>Note 10</i>)	2,756	91				91
Conversion of convertible debenture	854	20				20
Other comprehensive earnings				4,889		4,889
Net loss					(1,675)	(1,675)
Comprehensive earnings				4,889	(1,675)	3,214
Distributions to unitholders (<i>Note 3</i>)					(1,792)	(1,792)
Balances - March 31, 2014	14,937,737	\$ 138,023	\$ 4,002	\$ 10,574	\$ (67,119)	\$ 85,480
Balances - January 1, 2013	12,538,516	\$ 74,865	\$ 4,002	\$ (1,265)	\$ (35,998)	\$ 41,604
Issue costs (net of tax of \$nil)	-	(26)				(26)
Retractions (<i>Note 10</i>)	1,497	24				24
Other comprehensive earnings				1,764		1,764
Net earnings					30	30
Comprehensive earnings				1,764	30	1,794
Distributions to unitholders (<i>Note 3</i>)					(1,467)	(1,467)
Balances - March 31, 2013	12,540,013	\$ 74,863	\$ 4,002	\$ 499	\$ (37,435)	\$ 41,929

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS (Unaudited)

(thousands of Canadian dollars, except unit and per unit amounts)

	Three months ended March 31,	
	2014	2013
Sales	\$ 183,642	\$ 130,639
Cost of sales	97,959	71,810
Gross profit	85,683	58,829
Operating expenses	70,641	50,654
Acquisition, transaction and process improvement costs (Note 8)	1,316	362
Depreciation of property, plant and equipment	2,905	1,921
Amortization of intangible assets	1,200	1,054
Fair value adjustments (Note 9)	7,396	3,024
Finance costs	1,359	1,382
	84,817	58,397
Earnings before income taxes	866	432
Income tax expense		
Current	1,882	-
Deferred	659	402
	2,541	402
Net (loss) earnings	\$ (1,675)	\$ 30

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

Basic (loss) earnings per unit (Note 7)	\$ (0.112)	\$ 0.002
Diluted (loss) earnings per unit (Note 7)	\$ (0.112)	\$ 0.002
Weighted average number of units outstanding	14,936,245	12,539,032

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(Unaudited)

(thousands of Canadian dollars)

	Three months ended March 31,	
	2014	2013
Net (loss) earnings	\$ (1,675)	\$ 30
Other comprehensive earnings		
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of (Loss) Earnings		
Change in unrealized earnings on translating financial statements of foreign operations	4,889	1,764
Other comprehensive earnings	4,889	1,764
Comprehensive earnings	\$ 3,214	\$ 1,794

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(thousands of Canadian dollars)

	Three months ended March 31,	
	2014	2013
Cash flows from operating activities		
Net (loss) earnings	\$ (1,675)	\$ 30
Items not affecting cash		
Fair value adjustments	7,396	3,024
Deferred income taxes	659	402
Amortization of discount on convertible debt	166	153
Amortization of intangible assets	1,200	1,054
Depreciation of property, plant and equipment	2,905	1,921
Amortization of unearned rebates	-	(890)
Gain on disposal of equipment and software	(7)	(60)
Interest accrued on Exchangeable Class A common shares	45	45
Payment of accrued settlement obligation	(820)	(355)
	9,869	5,324
Changes in non-cash working capital items	2,103	(2,319)
	11,972	3,005
Cash flows provided by (used in) financing activities		
Issue costs	(27)	(26)
Increase in obligations under long-term debt	6,018	-
Repayment of long-term debt	(1,020)	(1,186)
Repayment of obligations under finance leases	(998)	(637)
Proceeds on sale-leaseback agreement	-	1,371
Dividends paid on Exchangeable Class A common shares	(45)	(46)
Distributions paid to unitholders	(1,792)	(1,467)
Collection of rebates receivable	-	407
	2,136	(1,584)
Cash flows used in investing activities		
Proceeds on sale of equipment and software	18	157
Equipment purchases and facility improvements	(1,615)	(877)
Acquisition and development of businesses (net of cash acquired)	(3,253)	(1,184)
Software purchases and licensing	(63)	(61)
Senior managers unit loan program	65	(931)
	(4,848)	(2,896)
Foreign exchange	116	499
Net increase (decrease) in cash position	9,376	(976)
Cash, beginning of year	19,304	38,976
Cash, end of year	\$ 28,680	\$ 38,000
Income taxes paid	\$ 129	\$ 210
Interest paid	\$ 1,368	\$ 1,252

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

BOYD GROUP INCOME FUND

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

For the three months ended March 31, 2013 and March 31, 2014

(thousands of Canadian dollars, except unit and per unit/share data)

1. GENERAL INFORMATION

Boyd Group Income Fund (the “Fund” or “BGIF”) is an unincorporated, open-ended mutual fund trust established under the laws of the Province of Manitoba, Canada on December 16, 2002. It was established for the purposes of acquiring and holding a majority interest in The Boyd Group Inc. (the “Company”). The Company is partially owned 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. At the reporting date, the Company operated locations in five Canadian provinces under the trade name Boyd Autobody & Glass, as well as in 15 U.S. states under the trade names Gerber Collision & Glass and Hansen Collision. The Company is a major retail auto glass operator in the U.S. with locations across 28 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Services, Auto Glass Authority, S&L Glass, Hansen Auto Glass, and Auto Glass Only. The Company also operates Gerber National Glass Services, an auto glass repair and replacement referral business with approximately 3,000 affiliated service providers throughout the U.S. under the “Gerber National Glass Services” name. The Fund’s units and convertible debentures trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN and TSX: BYD.DB. The head office and principal address of the Fund are located at 3570 Portage Avenue, Winnipeg, Manitoba, Canada, R3K 0Z8.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as of May 13, 2014, 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, 2014 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the three months ended March 31, 2014 have been prepared in accordance with IAS 34, “Interim financial reporting” using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2013. During the three months ended March 31, 2014, the Fund did not adopt any changes in accounting policy that resulted in a material impact to the financial statements of the Fund. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS.

3. 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	Dividend per Unit	Dividend amount
January 31, 2014	February 26, 2014	\$ 0.0400	\$ 597
February 28, 2014	March 27, 2014	0.0400	597
March 31, 2014	April 28, 2014	0.0400	598
		\$ 0.1200	\$ 1,792

BOYD GROUP INCOME FUND**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2013 and March 31, 2014

(thousands of Canadian dollars, except unit and per unit/share data)

Record date	Payment date	Dividend per Unit	Dividend amount
January 31, 2013	February 26, 2013	\$ 0.0390	\$ 489
February 28, 2013	March 27, 2013	0.0390	489
March 31, 2013	April 26, 2013	0.0390	489
		\$ 0.1170	\$ 1,467

4. LONG-TERM DEBT

On December 20, 2013, the Company entered into a new five year \$100 million U.S. revolving credit facility, with an accordion feature which can increase the facility to a maximum of \$135 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGIF and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined by the credit agreement. The Company can draw the facility in either the U.S or in Canada, in either U.S or Canadian dollars and can be drawn in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of \$3 million in Canada and \$7 million in the U.S. As at March 31, 2014, \$6,079 (\$5,500 U.S.) had been drawn on the facility.

Deferred financing costs of \$1,010 were incurred in 2013 to complete this new facility and had been recorded as a deferred cost until the new debt was drawn. As at March 31, 2014, the deferred fees have been netted against the debt. The fees will be amortized to finance costs on a straight line basis over the five year term of the debt facility.

Under the revolving facility, Boyd is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 4.0, a senior debt to EBITDA ratio of less than 3.5 up to December 31, 2016 decreasing to 3.25 thereafter, and a fixed charge coverage ratio of greater than 1.03. The debt calculations exclude the convertible debentures. As at March 31, 2014, the Fund was in compliance with all financial covenants.

Seller notes payable of \$27,968 on the financing of certain acquisitions are unsecured, at interest rates ranging from 4.0% to 8.0%. The notes are repayable from April 2014 to December 2026 in the same currency as the related note.

Repayments of long-term debt in the first quarter amounting to \$1,020 (2013 - \$1,186) were made in compliance with previously disclosed repayment terms.

As at	March 31, 2014	December 31, 2013
Revolving credit facility (net of financing costs)	\$ 5,069	\$ -
Seller notes	27,968	27,129
	\$ 33,037	\$ 27,129
Current portion	4,758	4,448
	\$ 28,279	\$ 22,681

5. 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.

BOYD GROUP INCOME FUND**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2013 and March 31, 2014

*(thousands of Canadian dollars, except unit and per unit/share data)***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 Company to provide geographical disclosure. For the periods reported, all of the Company's revenues were derived within Canada or the U.S. Reportable assets include property, plant and equipment, goodwill and intangible assets which are all located within these two geographic areas.

Revenues	For the three months ended March 31,	
	2014	2013
Canada	\$ 20,502	\$ 19,359
United States	163,140	111,280
	\$ 183,642	\$ 130,639

Reportable Assets	March 31		December 31	
	2014		2013	
As at				
Canada	\$ 18,704	\$	18,784	
United States	188,658		179,458	
	\$ 207,362	\$	198,242	

7. EARNINGS PER UNIT

	For the three months ended March 31,	
	2014	2013
Net (loss) earnings attributable to unitholders	\$ (1,675)	\$ 30
Basic weighted average number of units	14,936,245	12,539,032
Basic and diluted loss per unit	\$ (0.112)	\$ 0.002

Class A exchangeable common shares, unit options, convertible debentures and the non-controlling interest put options are instruments that could potentially dilute basic earnings per unit in the future, but were not included in the calculation of diluted earnings per unit because they are anti-dilutive for the periods presented.

8. ACQUISITION, TRANSACTION AND PROCESS IMPROVEMENT COSTS

Included in acquisition, transaction and process improvement costs are acquisition and transaction costs of \$544 (2013 - \$362) and process improvement costs of \$772 (2013 - \$nil).

BOYD GROUP INCOME FUND**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2013 and March 31, 2014

*(thousands of Canadian dollars, except unit and per unit/share data)***9. FAIR VALUE ADJUSTMENTS**

	For the three months ended March 31,	
	2014	2013
Convertible debenture conversion feature	\$ 3,086	\$ 877
Exchangeable Class A common shares	894	1,064
Unit based payment obligation	1,619	1,083
Non-controlling interest put options	1,797	-
Total fair value adjustments	\$ 7,396	\$ 3,024

10. FINANCIAL INSTRUMENTS**Carrying value and estimated fair value of financial instruments**

			March 31, 2014		December 31, 2013	
	Classification	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash	FVTPL	1	28,680	28,680	19,304	19,304
Accounts receivable	Loans and receivables	n/a	44,589	44,589	42,168	42,168
Financial liabilities						
Accounts payable and accrued liabilities	Other financial liabilities	n/a	69,585	69,585	66,229	66,229
Long-term debt	Other financial liabilities	n/a	33,037	33,037	27,129	27,129
Convertible debenture	Other financial liabilities	2	31,116	52,564	30,971	49,445
Convertible debenture conversion feature	FVTPL	2	17,871	17,871	14,786	14,786
Exchangeable Class A common shares	Amortized cost	1	12,492	12,492	11,689	11,689
Non-controlling interest put options	FVTPL	3	22,926	22,926	20,340	20,340

BOYD GROUP INCOME FUND**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2013 and March 31, 2014

(thousands of Canadian dollars, except unit and per unit/share data)

For the Fund's current financial assets and liabilities, which are short-term in nature and subject to normal trade terms, the carrying values approximate their fair value. As there is no ready secondary market for the Fund's long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value using the discounted cash flow method is approximately equal to carrying value. The fair values for forward contract derivative instruments, the exchangeable Class A common shares and the non-controlling interest put option are based on the estimated cash payment or receipt necessary to settle the contract at the statement of financial position date. Cash payments or receipts are based on discounted cash flows using current market rates and prices and adjusted for credit risk. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model with the following assumptions used: stock price \$35.76, dividend yield 2.42%, expected volatility 25.75%, risk free interest rate of 1.62%, terms of five years. The fair value for the Fund's debentures will change based on the movement in bond rates.

The Fund's financial instruments measured at fair value are limited to cash, the exchangeable Class A common shares, the non-controlling interest put option and the convertible debenture conversion feature.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at March 31, 2014 was approximately \$73.3 million (December 31, 2013 - \$61.5 million).

Exchangeable Class A Common 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. Exchangeable Class A common 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, 2014, there were 349,319 (December 31, 2013 - 362,041) shares outstanding.

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

Record date	Payment date	Dividend per Share	Dividend amount
January 31, 2014	February 26, 2014	\$ 0.0400	\$ 15
February 28, 2014	March 27, 2014	0.0400	15
March 31, 2014	April 28, 2014	0.0400	15
		\$ 0.1200	\$ 45

Record date	Payment date	Dividend per Share	Dividend amount
January 31, 2013	February 26, 2013	\$ 0.0390	\$ 15
February 28, 2013	March 27, 2013	0.0390	15
March 31, 2013	April 26, 2013	0.0390	15
		\$ 0.1170	\$ 45

During 2014, an expense in the amount of \$894 (2013 - \$1,064) was recorded to earnings related to these exchangeable shares.

Further dividends were declared for the month of April 2014 in the amount of \$0.04 per share. The total amount of dividends declared after the reporting date was \$15.

BOYD GROUP INCOME FUND**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2013 and March 31, 2014

*(thousands of Canadian dollars, except unit and per unit/share data)***Non-controlling Interest Put Option**

Effective January 1, 2011, the Fund entered into an agreement that provides a member of its U.S. management team the opportunity to participate in the future growth of the Fund's U.S. glass business. Within the agreement was a put option held by the non-controlling shareholder that provided the shareholder an option to put the business back to the Fund according to a valuation formula defined in the agreement. In connection with the Glass America acquisition, on May 31, 2013, the original put option agreement was terminated and a new put option was issued. The new put option is restricted until December 1, 2016 and is exercisable anytime thereafter by the glass-business operating partner. The put option may be exercised before December 1, 2016 upon the occurrence of certain unusual events such as a change of control or resignation of the operating partner.

On May 31, 2013, the Company entered into an agreement whereby Glass America contributed its auto-glass business to Gerber Glass in exchange for shares representing a 30% ownership interest in the new combined Gerber Glass entity. The agreement contains a put option, which provides the non-controlling interest with the right to require the Company to purchase their retained interest according to a valuation formula defined in the agreement. Future changes in the estimated liability will be recorded in earnings. The put option is restricted until June 1, 2015 and is exercisable anytime thereafter.

The liability recognized in connection with both put options has been calculated using formulas defined in the agreements. The formulas are based on multiples of estimated future earnings of the combined Gerber Glass and Glass America business, and estimated future exercise dates. The estimated future payment obligation is then discounted to its present value at each statement of financial position date. The significant unobservable inputs include the put being exercised between two and four years at a probability weighted estimated EBITDA level of approximately \$10.5 million using a discount rate of 9.1%. An increase in the EBITDA level or a reduction in the discount rate would increase the put liability.

The liability for non-controlling interest put options comprises the following:

	March 31, 2014	December 31, 2013
Glass-business operating partner non-controlling interest put option	\$ 5,741	\$ 4,999
Glass America non-controlling interest put option	17,185	15,341
	\$ 22,926	\$ 20,340

The change in the non-controlling interest put option liabilities is summarized as follows:

	Glass-business operating partner	Glass America non- controlling interest
Balance, beginning of year	\$ 4,999	\$ 15,341
Year-to-date statement of (loss) earnings fair value adjustments	549	1,248
Foreign exchange	193	596
Balance, end of year	\$ 5,741	\$ 17,185

BOYD GROUP INCOME FUND**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended March 31, 2013 and March 31, 2014

*(thousands of Canadian dollars, except unit and per unit/share data)***11. UNIT BASED PAYMENT OBLIGATION**

Pursuant to the Fund's Option Agreement and Confirmation, the Fund has granted options to purchase units of the Fund to certain key executives. The following options are outstanding at March 31, 2014:

Date Granted	Issue Date	Number of Units	Exercise Price	Expiry Date	Fair Value
January 11, 2006	January 11, 2006	200,000	\$ 1.91	January 11, 2016	\$ 5,323
November 8, 2007	January 2, 2008	150,000	\$ 2.70	January 2, 2018	2,900
November 8, 2007	January 2, 2009	150,000	\$ 3.14	January 2, 2019	2,539
November 8, 2007	January 2, 2010	150,000	\$ 5.41	January 2, 2020	2,113
		650,000			\$ 12,875

The fair value of each option granted January 11, 2006 is estimated using a Black-Scholes valuation model with the following assumptions used for the options granted: stock price \$35.76 dividend yield 2.42%, expected volatility 25.75% (determined as a weighted standard deviation of the unit price over the past four years), risk free interest rate 1.05%, initial term 10 years, remaining term 2 years.

The fair value of each option granted November 8, 2007 is estimated using a Black-Scholes valuation model with the following assumptions used for the options granted: stock price \$35.76, dividend yield 2.42%, expected volatility 25.75%, risk free interest rates of 1.54%, 1.85% and 2.12% respectively, initial terms of 10, 11 and 12 years respectively, remaining terms of 4, 5 and 6 years respectively.

12. COMPARATIVE FIGURES

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

13. SUBSEQUENT EVENT

On April 14, 2014, the Company signed a definitive agreement and concurrently closed the acquisition of Dora Holdings, Inc. and Collision Revision 13081 Inc., which collectively owned and operated 25 collision repair centers in Illinois, Indiana and Florida under the trade name "Collision Revision".