



For Immediate Release – December 6, 2006

Carfinco Income Fund
TSX: CFN.UN

**Carfinco Income Fund Declares Cash Distribution for December 2006
and Announces Special Year-End Distribution**

EDMONTON, ALBERTA /CNW/ - Carfinco Income Fund (“Carfinco” or the “Fund”) today announced its monthly cash distribution of \$0.027 per unit for December 2006 and a special year-end distribution of cash and units valued at \$0.050 per unit. This brings Carfinco’s total distributions to \$0.357 per unit for 2006 compared to \$0.285 per unit for 2005 and to \$0.191 per unit in 2004. The total distributions per unit for 2006 represent an increase of 25.3% over 2005 and 86.9% over 2004.

The additional special year-end distribution consists of \$0.026 per unit in cash plus a unit distribution valued at \$0.024 per unit. During 2006, the Fund accumulated a difference between taxable income and accounting income of approximately \$498,000 due mainly to the level of certain tax reserves and the tax treatment of two terminated swap agreements. The special distribution announced today is based on management’s best estimate of the required distribution to ensure that the Fund is not taxable for 2006. With respect to the unit distribution, under the Deed of Trust that governs the Fund, the number of units issued to Unitholders is determined by calculating the weighted average closing trading price of the units during the ten business days immediately preceding the record date of December 20, 2006. As this calculation cannot be completed until after the close of business on December 19, 2006, the Fund will issue a news release on the record date of December 20, 2006 to provide details of the unit distribution.

The cash and unit distribution has a payable date of December 29, 2006, to Unitholders of record on December 20, 2006. The ex-distribution date is December 18, 2006.

The Board of Trustees has estimated the year-end taxable income of the Fund to determine the cash and units to be distributed to Unitholders. These results are subject to change as a result of the reviews conducted by the Fund’s auditors, audit committee and the Board of Trustees. Also, the unit distribution is subject to TSX acceptance.

Actual and estimated cash and unit distributions for 2006 are as follows:

Fiscal 2006	Cash Distribution Per Unit Held	Unit Distribution Value Per Unit Held
First Quarter	\$ 0.072	\$ 0.000
Second Quarter	\$ 0.075	\$ 0.000
Third Quarter	\$ 0.079	\$ 0.000
Fourth Quarter	\$ 0.081	\$ 0.000
<u>Special Year-End Distribution</u>	<u>\$ 0.026</u>	<u>\$ 0.024</u>
TOTAL DISTRIBUTIONS FOR FISCAL 2006	\$ 0.333	\$ 0.024

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About Carfinco Income Fund

A growth-oriented income trust, Carfinco focuses on providing consumer car loans to borrowers unable to obtain financing through traditional lending sources. A network of select independent and franchise dealerships offer Carfinco's payment plan to their customers who must, along with the vehicle, meet Carfinco's stringent credit criteria.

The units of the Fund trade on the Toronto Stock Exchange under the symbol "CFN.UN".

Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements, including statements regarding the business and anticipated financial performance of the Fund. These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Fund does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf.

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