



For Immediate Release – January 12, 2011

CARFINCO INCOME FUND
TSX: CFN.UN

Carfinco Engages FBR Capital Markets to Evaluate Strategic Alternatives

EDMONTON, ALBERTA /CNW/ - Carfinco Income Fund (“Carfinco” or the “Fund”) today announced that it has retained FBR Capital Markets & Co. (“FBR”) to assist its Board of Trustees in identifying, examining and considering a range of strategic alternatives available to Carfinco, with a view to maximizing unitholder value. These alternatives include, but are not limited to, the potential sale of all or a majority of the assets or units of Carfinco. The Board of Trustees has authorized FBR to contact entities that may have an interest in a transaction with Carfinco.

“Carfinco is a leading and highly profitable non-traditional auto lender and we see significant potential for growth and expansion of our product offerings. In addition, because of our size and unique market positioning, we are seeing new opportunities; opportunities that are different, yet related to our core business,” said Carfinco’s Chairman of the Board, David Rosenkrantz. “This review is a logical step in our growth and in determining what is best for the Fund and all of its unitholders.”

The Fund will be continuing with all of its previously planned business objectives throughout the review of strategic alternatives, including its objective to increase the finance receivables by approximately 20% per annum and maintain a minimum two cents per month cash distribution to its unitholders.

There can be no assurance that the Fund’s review of strategic alternatives will result in any specific transaction. The Fund does not expect to disclose any further developments with respect to the exploration of strategic alternatives unless and until its Board of Trustees has approved a transaction or other strategic alternative.

About Carfinco Income Fund

Carfinco focuses on providing consumer vehicle 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 underwriting guidelines. 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.

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