

**TSX: SIF.UN**

- **FOR IMMEDIATE RELEASE**

**PRESS RELEASE**

**Energy Savings Reports Fiscal 2006 Results  
- Record Customer Aggregation  
- Annual and Quarterly Records in Sales, Margins,  
Distributable Cash and Distributions**

---

TORONTO, ONTARIO -- May 18, 2006 --

*Highlights for the year ended March 31, 2006 included:*

- Record gross customer additions through marketing of 424,000 versus a published target of 350,000. Up 46% over previous record additions of 290,000 in fiscal 2005. Net customer additions through marketing were 281,000 versus published target of 214,000. Energy Savings' customer base reached 1,502,000, up 28% year over year.
- Entered the New York gas and electricity markets. More than doubled U.S. customer base.
- Sales up 32% reaching \$1,212.3 million.
- Gross margin (seasonally adjusted) of \$188.6 million, up 15% year over year.
- Distributable cash after replacement of all customer attrition of \$130.0 million (\$1.22 per unit), up 27% year over year.
- Distribution rate increased to \$0.945 per unit from \$0.885 during the year.

*Highlights for the three months ended March 31, 2006 included:*

- Customer additions through marketing were 112,000 up 72% compared to Q4 of fiscal 2005 (65,000). Sales were \$476.7 million, up 17% compared to fiscal 2005.
- Premarketing distributable cash was \$45.5 million, up 60% compared to \$28.5 million in the prior comparable quarter.
- Distributable cash after all marketing expenses was \$32.3 million, up 66% from \$19.5 million in fiscal 2005.

## Energy Savings Fiscal 2006 Results

Energy Savings Income Fund announced its results for the year ended March 31, 2006.

<b>Year ended March 31,</b> (\$ millions except per unit amounts)	<b>F2006</b>	<b>Per Unit</b>	<b>F2005</b>	<b>Per Unit</b>
Sales	\$1,212.3		\$920.9	
Gross Margin <sup>1</sup>	\$188.6	\$1.76	\$163.7	\$1.54
Distributable Cash <sup>1</sup>				
- After Customer Replacement	\$130.0	\$1.22	\$102.1	\$0.96
- Post Marketing	\$101.2	\$0.95	\$84.0	\$0.79
Distributions	\$96.8	\$0.90	\$89.2	\$0.84
Long Term Customers	1,502,000		1,171,000	

<b>Three Months ended March 31,</b> (\$ millions except per unit amounts)	<b>F2006</b>	<b>Per Unit</b>	<b>F2005</b>	<b>Per Unit</b>
Sales	\$476.7		\$406.9	
Gross Margin <sup>1</sup>	\$54.8	\$0.51	45.9	\$0.43
Distributable Cash <sup>1</sup>				
- Premarketing	\$45.5	\$0.42	28.5	\$0.27
- Post Marketing	\$32.3	\$0.30	19.5	\$0.18
Gross Customer Additions	112,000		65,000	

<sup>1</sup> Seasonally adjusted

Energy Savings is an Income Fund and it reports in the attached Management's Discussion and Analysis a detailed calculation of distributable cash both before and after marketing expenditures used to expand the Fund's customer base.

<b>Market</b>	<b>Published Target</b>	<b>Actual Additions</b>	<b>% of Target</b>
<b>Ontario – Gas</b>	80,000	55,000	69%
<b>Other Provinces - Gas</b>	70,000	83,000	119%
<b>United States</b>	100,000	100,000	100%
<b>Canada - Electricity</b>	100,000	186,000	186%
<b>Total</b>	350,000	424,000	121%

Fiscal 2006 was a year where Energy Savings realized on the efforts spent to enter new markets and diversify away from complete dependence on our core product, Ontario natural gas. As can be seen above, Ontario gas additions represented only 13% of the record 424,000 new customers signed in fiscal 2006.

Our growth in the year was, first and foremost, due to our marketing efforts. We added 46% more customers than we have ever added in a year. This easily exceeded our published target and resulted in a 28% net growth in our customer base at year end. Key drivers were the Ontario electricity market where we beat our target additions by 86% and the United States where we more than doubled our customer base, in line with our expectations. The year saw the start of operations in New York with successful marketing of both gas and electricity contracts.

As in the past, operating results reflected this growth. Sales reached the record level of \$1,212.3 million, up 32%. Gross margin was up 15%. Distributable cash after replacement of customers was up 27%. Our general and administrative costs were up 20% year over year and included costs of planning for future entry into new U.S. markets. Cash available for distributions was up 20% year over year.

The Fund's payout ratio was 74% of distributable cash after customer replacement, slightly below our target range of 75% to 80%. After marketing expenses for the growth of our business, the ratio was 96%, again well within our target range.

Our distribution rate finished the year at \$0.945, up from \$0.885 at the end of fiscal 2005.

Chair Rebecca MacDonald stated: "We promised we would grow our customer base. We did with record additions. We promised our margins and distributable cash would grow. They did rising 15% and 27% respectively, again to record levels. We promised that, as cash flow grows our distribution rate would grow. It did, rising to \$0.945 by year end. At Energy Savings, we take our promises seriously. We are not finished growing and our future looks brighter than ever."

CEO Brennan Mulcahy added: “Our business is very strong heading into fiscal 2007. Aggregation targets indicate that another record year of customer growth is expected. We have increased our target margins per customer to ensure that our profitability remains as aggregation costs increase. Our attrition and renewal rates are on target. Overall, we expect to see 15% to 20% growth in margin and distributable cash for the coming year.”

“What is even more exciting is what we see in developing deregulated markets in both Canada and the United States. We currently operate in markets with more than 25 million customers. Some, like Ontario natural gas are heavily penetrated with deregulated suppliers (45%). Others, like New York (gas (8%) electricity (6%) penetration) are much more attractive. We have carefully reviewed the North American opportunities and we see ten further markets where there is minimal penetration and more than 45 million new customers. Each of these markets fits the Energy Savings model and each has seen residential and small business customers challenged by volatile commodity prices. We are going to offer a long term fixed price alternative and expect to be successful in every market we enter. Energy Savings is going to be busy for the next several years.”

### *The Fund*

Energy Savings’ business, which is conducted in Ontario, Manitoba, Alberta, Quebec, British Columbia, Illinois, and New York, involves the sale of natural gas to residential, small to mid-size commercial and small industrial customers under long term, irrevocable fixed price contracts. Energy Savings also supplies electricity to Ontario, Alberta and New York customers. By fixing the price of natural gas or electricity under its fixed price contracts for a period of up to five years, Energy Savings’ customers offset their exposure to changes in the price of these essential commodities. Energy Savings, which commenced business in July of 1997, derives its margin or gross profit from the difference between the fixed price at which it is able to sell the commodities to its customers and the fixed price at which it purchases the matching volumes from its suppliers.

### *Forward-Looking Statements*

The Fund’s press releases may contain forward-looking statements including statements pertaining to customer revenues and margins, customer additions and renewals, customer consumption levels, distributable cash and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, rates of customer additions and renewals, fluctuations in natural gas and electricity prices, changes in regulatory regimes and decisions by regulatory authorities,

competition and dependence on certain suppliers. Additional information on these and other factors that could affect the Fund's operations, financial results or distribution levels are included in the Fund's annual information form and other reports on file with Canadian securities regulatory authorities which can be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com) or through the Fund's website at [www.esif.ca](http://www.esif.ca)

The Toronto Stock Exchange has neither approved nor disapproved of the contents of this release.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Ms. Rebecca MacDonald  
Executive Chair  
Phone: (416) 367-2872

Mr. Brennan Mulcahy  
Chief Executive Officer  
Phone (905) 795-4200  
or

Ms. Mary Meffe C.A.  
Chief Financial Officer  
Phone: (905) 795-4206