

Southern Ontario Townhomes 2006 Annual General Meeting

The England Group

is a real estate investment

company specializing in

multi-family residential

complexes in Canada

and the United States



Southern Ontario Townhomes

Total Project Value

\$28,500,000

Value Realized during 2005

\$14,066,000



Estimated Value Remaining

\$14,434,000

Southern Ontario Townhomes

Performance Results Average Unit (CDN\$)

Original Equity Investment	\$23,526
Proceeds from 2000 Refinancing	5,270
Cash Flow to Date	5,602
Tax Savings – Note 1	10,584
<u>Proceeds from Properties Sold in 2005</u>	<u>19,040</u>
Total Received by Investors	\$40,496
% of Original Capital Returned:	172.1%

Note 1: Tax Savings calculated using actual combined Federal and BC top marginal tax rates.

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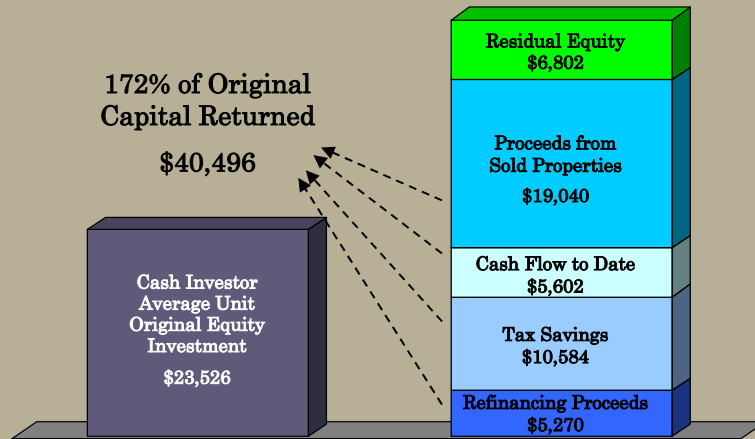
Residual Equity Analysis as at January 1, 2006 Average Unit Estimate (CDN\$)

Cash Distribution Upon Sale	10,963
<u>Taxes Payable (1)</u>	<u>4,161</u>
Net After-tax Proceeds	\$6,802

(1) Taxes calculated at top combined marginal tax rate.

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Average Unit (CDN\$)



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Personal Internal Rate of Return *
19.4%

After-tax Internal Rate of Return
10.9%

* Pre-tax return an investor in the 43.7% tax bracket would have had to earn from an interest-bearing security to match the performance of this investment.