

**ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF EARNINGS**

| <i>(unaudited; millions of Canadian dollars, except per unit amounts)</i> | Three months ended | | Nine months ended | |
|---|--------------------|--------|-------------------|--------|
| | September 30, | | September 30, | |
| | 2009 | 2008 | 2009 | 2008 |
| Revenue | 79.4 | 72.2 | 231.4 | 213.3 |
| Expenses | | | | |
| Operating and maintenance | 26.0 | 21.2 | 71.7 | 60.8 |
| Management and administrative | 2.8 | 1.5 | 7.4 | 4.4 |
| Depreciation and amortization | 22.6 | 21.8 | 67.7 | 63.3 |
| | 51.4 | 44.5 | 146.8 | 128.5 |
| | 28.0 | 27.7 | 84.6 | 84.8 |
| Other Income and Expense | 0.4 | 0.3 | 1.2 | 7.2 |
| Interest Expense | (13.7) | (14.8) | (42.1) | (45.2) |
| ECT Preferred Unit Distributions | (11.0) | (9.8) | (32.9) | (29.4) |
| | 3.7 | 3.4 | 10.8 | 17.4 |
| Income Tax Recovery/(Expense) | (1.0) | 1.5 | (1.4) | (0.3) |
| Earnings | 2.7 | 4.9 | 9.4 | 17.1 |
| Earnings per Trust Unit | | | | |
| Basic and Diluted | 0.08 | 0.14 | 0.27 | 0.49 |

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| <i>(unaudited; millions of Canadian dollars)</i> | Three months ended | | Nine months ended | |
|---|------------------------------|-------|------------------------------|-------|
| | September 30, 2009 | 2008 | September 30, 2009 | 2008 |
| Earnings | 2.7 | 4.9 | 9.4 | 17.1 |
| Other Comprehensive Income/(Loss) | | | | |
| Change in unrealized fair value on cash flow hedges, net of tax | (1.0) | 2.4 | 1.3 | (2.4) |
| Reclassification of realized (gains)/losses on cash flow hedges to earnings, net of tax | - | (0.1) | (0.3) | 0.8 |
| Comprehensive Income | 1.7 | 2.3 | 1.0 | (1.6) |
| | 1.7 | 7.2 | 10.4 | 15.5 |

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

| | Nine months ended September 30, | |
|---|------------------------------------|--------|
| <i>(unaudited; millions of Canadian dollars)</i> | 2009 | 2008 |
| Trust Units | 333.4 | 333.4 |
| Deficit, Beginning of Period | (61.9) | (48.1) |
| Earnings | 9.4 | 17.1 |
| Distributions to unitholders | (29.9) | (26.8) |
| Deficit, End of Period | (82.4) | (57.8) |
| Accumulated Other Comprehensive Loss, Beginning of Period | (9.6) | (6.2) |
| Other comprehensive income/(loss), net of tax | 1.0 | (1.6) |
| Accumulated Other Comprehensive Loss, End of Period | (8.6) | (7.8) |
| Total Unitholders' Equity | 242.4 | 267.8 |

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(unaudited; millions of Canadian dollars)</i> | Three months ended | | Nine months ended | |
|--|--------------------|--------|-------------------|--------|
| | September 30, | | September 30, | |
| | 2009 | 2008 | 2009 | 2008 |
| Cash Provided by Operating Activities | | | | |
| Earnings | 2.7 | 4.9 | 9.4 | 17.1 |
| Charges/(credits) not affecting cash | | | | |
| Depreciation and amortization | 22.6 | 21.8 | 67.7 | 63.3 |
| Amortization of deferred financing charges | 0.6 | 0.2 | 1.5 | 1.0 |
| Amortization of fair value increment on debt | (1.2) | (1.1) | (3.5) | (3.7) |
| Future income taxes | 0.8 | (0.4) | 1.1 | (1.5) |
| Other | (0.3) | (0.6) | (1.8) | 1.0 |
| Changes in operating assets and liabilities | | | | |
| Change in accounts receivable and other | 6.2 | (8.0) | 4.3 | (7.2) |
| Change in accounts payable and accrued liabilities | 14.9 | 15.1 | 7.7 | 20.1 |
| Change in deferred amounts and other assets | (1.6) | (3.8) | (3.9) | (11.6) |
| Change in long-term liabilities | 0.6 | 2.0 | 2.6 | 9.1 |
| | 45.3 | 30.1 | 85.1 | 87.6 |
| Investing Activities | | | | |
| Additions to property, plant and equipment | (12.2) | (6.1) | (18.2) | (31.7) |
| Additions to intangible assets | - | (4.3) | (0.2) | (4.6) |
| Change in construction payable | - | (2.7) | (7.5) | (7.3) |
| | (12.2) | (13.1) | (25.9) | (43.6) |
| Financing Activities | | | | |
| Net change in long-term credit facility | (0.2) | 5.5 | 3.3 | (13.5) |
| Net change in non-recourse credit facility | (7.1) | (3.1) | (10.9) | 19.5 |
| Repayment of non-recourse long-term debt | - | - | (15.5) | (14.2) |
| Trust unit distributions | (10.0) | (8.9) | (29.6) | (26.6) |
| | (17.3) | (6.5) | (52.7) | (34.8) |
| Increase in Cash and Cash Equivalents | 15.8 | 10.5 | 6.5 | 9.2 |
| Cash and Cash Equivalents at Beginning of Period | 8.0 | 13.4 | 17.3 | 14.7 |
| Cash and Cash Equivalents at End of Period | 23.8 | 23.9 | 23.8 | 23.9 |
| Cash and Cash Equivalents | | | 6.2 | 6.0 |
| Cash and Cash Equivalents in Trust | | | 17.6 | 17.9 |
| | | | 23.8 | 23.9 |

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| <i>(unaudited; millions of Canadian dollars)</i> | September 30, 2009 | December 31, 2008 |
|---|-------------------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | 23.8 | 17.3 |
| Accounts receivable and other | 34.5 | 38.8 |
| | 58.3 | 56.1 |
| Property, Plant and Equipment (Note 1) | 1,261.0 | 1,304.1 |
| Intangible Assets (Note 1) | 90.8 | 95.7 |
| Goodwill | 308.1 | 308.1 |
| Deferred Amounts and Other Assets (Note 1) | 194.5 | 90.7 |
| Future Income Taxes | 4.4 | 3.5 |
| | 1,917.1 | 1,858.2 |
| Liabilities and Unitholders' Equity | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities (Note 3) | 50.4 | 49.6 |
| Distributions payable | 3.3 | 3.0 |
| Current portion of long-term debt | 100.0 | 100.0 |
| Current portion of non-recourse long-term debt | 32.4 | 30.9 |
| | 186.1 | 183.5 |
| Long-Term Debt | 183.3 | 178.8 |
| Non-Recourse Long-Term Debt | 733.9 | 764.7 |
| ECT Preferred Units | 380.2 | 380.2 |
| Long-Term Liabilities (Note 3) | 17.0 | 18.3 |
| Asset Retirement Obligations | 12.2 | 10.9 |
| Future Income Taxes (Note 1) | 162.0 | 59.9 |
| | 1,674.7 | 1,596.3 |
| Unitholders' Equity | | |
| Trust units | 333.4 | 333.4 |
| Deficit | (82.4) | (61.9) |
| Accumulated other comprehensive loss | (8.6) | (9.6) |
| | 242.4 | 261.9 |
| | 1,917.1 | 1,858.2 |

See accompanying notes to the unaudited consolidated financial statements.

ENBRIDGE INCOME FUND

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). These interim consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the consolidated financial statements and notes thereto included in the 2008 Annual Report of Enbridge Income Fund (the Fund). These interim consolidated financial statements follow the same accounting policies and methods of application as those included in the Fund's 2008 Annual Report, except as disclosed in note 1 to these interim consolidated financial statements.

Earnings for interim periods may not be indicative of results for the fiscal year due to the seasonal nature of the Green Power segment.

Certain comparative amounts have been reclassified to conform with the current period's financial statement presentation.

1. CHANGES IN ACCOUNTING POLICIES

Accounting for the Effects of Rate Regulation

Effective January 1, 2009, the Fund adopted revisions to the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1100, Generally Accepted Accounting Principles and Section 3465, Income Taxes. The revisions to Section 3465 were applied retrospectively without restating prior periods. There was no material impact upon adoption of the revisions to Section 1100.

The adoption of revisions to Section 3465 did not impact the Fund's earnings or cash flows.

Income Taxes

The revised standard removed the exemption for rate regulated enterprises to recognize future income taxes to the extent they were expected to be included in regulator-approved future rates and recovered from or refunded to future customers.

As a result of the revised standard for income taxes, on January 1, 2009, the Fund recognized a liability of \$120.2 million for future income taxes on regulated assets, primarily property, plant and equipment, with an offsetting regulatory asset of \$120.2 million. The regulatory asset is recorded on the consolidated statement of financial position in Deferred Amounts and Other Assets.

At September 30, 2009, the Fund had a liability of \$99.8 million for future income taxes on regulated assets, primarily property, plant and equipment, with an offsetting regulatory asset of \$99.8 million. The decrease in the future income tax liability related to regulated assets between December 31, 2008 and September 30, 2009 was \$20.4 million, of which \$15.2 million related to changes in legislated income tax law.

Intangible Assets

Effective January 1, 2009, the Fund adopted CICA Handbook Section 3064, Goodwill and Intangible Assets, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. As a result of adopting this standard, the Fund has reclassified certain software costs from property, plant and equipment to intangible assets. This standard has been applied retrospectively and affects presentation only.

As a result of adopting this standard, on January 1, 2009, the Fund reclassified \$4.8 million of net software costs from property, plant and equipment to intangible assets. At September 30, 2009, the Fund had \$4.0 million of net intangible software costs.

ENBRIDGE INCOME FUND
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

2. SEGMENTED INFORMATION

Three months ended September 30, 2009

| <i>(unaudited; millions of Canadian dollars)</i> | Alliance Canada | Saskatchewan System | Green Power | Corporate | Consolidated |
|---|--------------------|------------------------|----------------|---------------|--------------|
| Revenue | 56.4 | 20.1 | 2.9 | - | 79.4 |
| Operating and maintenance | (15.3) | (9.7) | (1.0) | - | (26.0) |
| Management and administrative | - | - | - | (2.8) | (2.8) |
| Depreciation and amortization | (16.0) | (5.6) | (1.0) | - | (22.6) |
| | 25.1 | 4.8 | 0.9 | (2.8) | 28.0 |
| Other income and expense | 0.3 | - | - | 0.1 | 0.4 |
| Interest expense | (10.5) | - | (0.1) | (3.1) | (13.7) |
| ECT preferred unit distributions | - | - | - | (11.0) | (11.0) |
| Income tax recovery/(expense) | - | 0.8 | 0.1 | (1.9) | (1.0) |
| Earnings | 14.9 | 5.6 | 0.9 | (18.7) | 2.7 |
| Additions to Property, Plant and Equipment | 0.3 | 11.8 | 0.1 | - | 12.2 |

Three months ended September 30, 2008

| <i>(unaudited; millions of Canadian dollars)</i> | Alliance Canada | Saskatchewan System | Green Power | Corporate | Consolidated |
|---|--------------------|------------------------|----------------|---------------|--------------|
| Revenue | 54.2 | 15.7 | 2.3 | - | 72.2 |
| Operating and maintenance | (12.9) | (7.6) | (0.7) | - | (21.2) |
| Management and administrative | - | - | - | (1.5) | (1.5) |
| Depreciation and amortization | (15.6) | (5.3) | (0.9) | - | (21.8) |
| | 25.7 | 2.8 | 0.7 | (1.5) | 27.7 |
| Other income and expense | 0.2 | - | 0.1 | - | 0.3 |
| Interest expense | (11.3) | - | (0.1) | (3.4) | (14.8) |
| ECT preferred unit distributions | - | - | - | (9.8) | (9.8) |
| Income tax recovery/(expense) | 0.1 | 0.8 | - | 0.6 | 1.5 |
| Earnings | 14.7 | 3.6 | 0.7 | (14.1) | 4.9 |
| Additions to Property, Plant and Equipment | 4.0 | 4.4 | 2.0 | - | 10.4 |

ENBRIDGE INCOME FUND
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended September 30, 2009

| <i>(unaudited; millions of dollars)</i> | Alliance Canada | Saskatchewan System | Green Power | Corporate | Consolidated |
|---|--------------------|------------------------|----------------|---------------|--------------|
| Revenue | 165.6 | 56.7 | 9.1 | - | 231.4 |
| Operating and maintenance | (41.8) | (27.6) | (2.3) | - | (71.7) |
| Management and administrative | - | - | - | (7.4) | (7.4) |
| Depreciation and amortization | (47.9) | (16.7) | (3.1) | - | (67.7) |
| | 75.9 | 12.4 | 3.7 | (7.4) | 84.6 |
| Other income and expense | 0.9 | - | 0.1 | 0.2 | 1.2 |
| Interest expense | (32.9) | - | (0.3) | (8.9) | (42.1) |
| ECT preferred unit distributions | - | - | - | (32.9) | (32.9) |
| Income tax recovery/(expense) | 0.1 | 2.2 | 0.1 | (3.8) | (1.4) |
| Earnings | 44.0 | 14.6 | 3.6 | (52.8) | 9.4 |
| Additions to Property, Plant and Equipment | 1.6 | 15.5 | 1.8 | - | 18.9 |

Nine months ended September 30, 2008

| <i>(unaudited; millions of dollars)</i> | Alliance Canada | Saskatchewan System | Green Power | Corporate | Consolidated |
|---|--------------------|------------------------|----------------|---------------|--------------|
| Revenue | 162.4 | 46.1 | 4.8 | - | 213.3 |
| Operating and maintenance | (37.7) | (21.3) | (1.8) | - | (60.8) |
| Management and administrative | - | - | - | (4.4) | (4.4) |
| Depreciation and amortization | (46.8) | (14.2) | (2.3) | - | (63.3) |
| | 77.9 | 10.6 | 0.7 | (4.4) | 84.8 |
| Other income and expense | 6.8 | - | 0.3 | 0.1 | 7.2 |
| Interest expense | (35.1) | - | (0.2) | (9.9) | (45.2) |
| ECT preferred unit distributions | - | - | - | (29.4) | (29.4) |
| Income tax recovery/(expense) | 0.1 | 2.3 | - | (2.7) | (0.3) |
| Earnings | 49.7 | 12.9 | 0.8 | (46.3) | 17.1 |
| Additions to Property, Plant and Equipment | 12.0 | 20.4 | 3.9 | - | 36.3 |

3. RISK MANAGEMENT

During 2009, the Fund entered into derivative instruments to mitigate cash flow volatility that could arise from fluctuations in interest rates. The total notional principal of the interest rate derivative instruments outstanding at September 30, 2009 is \$350.0 million. At September 30, 2009 the Fund had a derivative liability of \$8.8 million related to interest rate derivative instruments which will settle through December 31, 2013.

A 1.0% increase in interest rates would have caused a \$12.9 million increase in Other Comprehensive Income at September 30, 2009 due to the revaluation of interest rate derivatives, all of which are designated hedging instruments in cash flow hedging relationships. The sensitivity has been calculated assuming a parallel 1.0% increase in interest rates across the yield curve.

ENBRIDGE INCOME FUND

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

4. LONG-TERM DEBT

Credit Facility

In June 2009, the Fund secured an incremental \$150 million of committed revolving standby credit in two separate facilities. Of the aggregate amount, \$50 million was provided by a commercial bank. Enbridge Inc., an affiliated entity of the Fund's Administrator, provided the remaining \$100 million in a separate facility that was identical in all material respects to the bank facility. Each facility has an initial revolving term of 364 days that is extendable annually. There is a one-year term-out at the end of the applicable revolving term. These new credit facilities, along with the existing term credit facility that matures in 2011, provide the Fund with a total of \$300 million of combined credit facilities, exclusive of non-recourse credit facilities.

The Fund may receive advances on the new credit facilities up to an aggregate principal amount of the credit limit by requesting prime rate advances, United States dollar base rate advances, LIBOR loans, and CDOR Rate loans. Interest is charged at a rate per annum, dependent on the type of advance requested plus applicable margin. The current applicable margins range from 1.50% to 2.75%. As at September 30, 2009, the Fund had not drawn on the new facilities.

5. NON-RECOURSE DEBT

Incremental Non-Recourse Credit Facility Agreement

In July 2009, Alliance Canada entered into a 365 day unsecured operating facility with Alliance Pipeline L.P., an affiliated entity. The facility allows Alliance Canada to borrow up to US\$20 million on similar terms to those Alliance Canada would receive from commercial banks in Canada. Interest will be charged on amounts outstanding under the facility, at the LIBOR rate plus applicable margins. As at September 30, 2009, Alliance Canada has not drawn on the new facility.

6. CONTRACTUAL OBLIGATIONS

In August 2009, Alliance Canada signed an agreement for the replacement of the control units used to operate all compressors along the pipeline. The Fund's share of Alliance Canada's outstanding commitment under this contract is approximately \$4.8 million (€3.0 million). This project is expected to be completed by 2013.

7. SUBSEQUENT EVENTS

On November 2, 2009, the Fund announced that its administrator, Enbridge Management Services Inc. (the Administrator), recommended to the Fund's Board of Trustees a restructuring of the Fund to take effect prior to the January 1, 2011 implementation of tax legislation impacting specified investment flow-through entities (SIFTs). The proposed restructuring would involve an exchange by public unitholders of their trust units, which collectively represent a 28% economic interest in the Fund, for shares of a taxable Canadian corporation to be called Enbridge Income Fund Holdings Inc., plus a small amount of cash. The Fund would cease to be a SIFT and would not be subject to the SIFT tax under the proposed restructuring.

The recommended restructuring would be subject to approval by unitholders at the annual meeting of the Fund in May 2010. A committee of independent trustees of the Fund, assisted by independent legal and financial advisors, will review the Administrator's recommendation in light of potential alternatives and provide its recommendation to public unitholders.

ENBRIDGE INCOME FUND
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Distribution by the Fund

On October 15, 2009, the Fund paid monthly cash distributions of \$0.096 per trust unit. A cash distribution of \$0.096 per unit was also paid on the same date on the Enbridge Commercial Trust (ECT) preferred units.

On October 19, 2009, the Fund declared a monthly cash distribution of \$0.096 per trust unit to unitholders of record on October 30, 2009, which is payable on November 13, 2009. The Fund also declared a distribution of \$0.096 per unit on the same date on the ECT preferred units.