

November 4, 2009

Message from the President and Chief Executive Officer

During the third quarter, The Brick Group Income Fund demonstrated marked improvement of its operating performance and turned the corner on profitability. We achieved positive EBITDA and net income, reversing the trend of quarterly losses recorded since the onset of the economic recession at the end of 2008.

This achievement was mainly driven by the four-point action plan initiated mid-year. This continuing initiative consists of an increased retail sales force, better purchasing and supply chain alignment, a more strategic marketing focus and improved liquidity. Steady improvements in key national economic measures related to furniture retailing, such as home sales, housing starts and unemployment rates, also contributed to the Brick Group's improved performance during the quarter.

Consolidated sales and operating revenue for the third quarter totaled \$334.9 million, or 12.0% less than in the same period last year. Of the two component segments, financial services revenue increased by 17.9% to \$18.6 million, while retail segment revenue was 13.3% lower, at \$316.3 million.

The retail segment showed significant incremental improvements each month during the quarter. Year-over-year retail sales decreased by 21.4% in July, 13.6% in August and 6.8% in September.

The third quarter ended with EBITDA of \$12.1 million, and a return to profitability with net income of \$0.5 million. Financial results saw progressive improvement throughout the quarter, consistent with our improved sales trends.

It is worth noting that these results were achieved after two significant items. A severance of \$2.1 million was paid to the Brick Group's former President and CEO in July, and the Fund recorded a \$1.2 million charge, of which \$1.1 million was non-cash, related to the Black-Scholes option pricing model for warrants associated with a standby letter of credit arrangement with Fairfax Financial Holdings. Excluding these charges, net income would have been \$3.6 million.

This new \$25.0 million letter of credit facility has provided the financial flexibility necessary to obtain all inventory required to maximize sales.

Additionally, at the end of the third quarter, the Brick Group's unused credit availability totaled \$48.0 million and at the end of October totaled \$60 million. This capacity, combined with improving profitability, provides greater flexibility for the Brick Group to acquire sufficient product to promptly fill our customers' orders.



In the fourth quarter we will continue implementing our action plan, which emphasizes our sales force and liquidity, with improved alignment with purchasing and supply chain and strategically focused marketing efforts.

I am encouraged and very pleased with the efforts of the Brick team and the results achieved in the third quarter. We look forward to continued improvements in the fourth quarter and next year.

Bill Gregson

President and Chief Executive Officer