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**THE BRICK GROUP REPORTS SAME STORE SALES GROWTH OF 4.8% IN THE  
SECOND QUARTER OF 2007 AND RESULTS IN LINE WITH MANAGEMENT'S  
EXPECTATIONS**

**EDMONTON, August 10, 2007 (TSX:BRK.UN)** - The Brick Group Income Fund (the "Brick Group") today announced its financial results for the second quarter of 2007. The Brick Group's first quarter results and Management's Discussion and Analysis ("MD&A") can be found on the Brick Group's website at [www.thebrickgroup.ca](http://www.thebrickgroup.ca).

2007 second quarter same store sales grew by 4.8%, representing the sixth straight quarter of positive same store sales growth for the Brick Group. Total sales and operating revenues grew 7.3% for the second quarter over the same period last year bringing our total consolidated sales and operating revenues to just over \$335.9 million. Second quarter consolidated EBITDA is in line with management's expectations at \$15.9M versus \$16.4M in the prior year.

"We have turned the corner in managing key revenue and cost line items including delivery expenses by focusing on our fundamentals," said Kim Yost, President and Chief Executive Officer. "With seasonally higher sales in the second half of the year and continued focus on cost management, we believe that we are very well positioned to drive increased profits for the Brick Group."

Second quarter consolidated net loss of \$37.5 million was driven by a one-time charge for future income tax expense of \$44.4 million. This charge relates to the "Tax Fairness Plan", announced on October 31, 2006 by the Government of Canada (Department of Finance), which became substantively enacted during the quarter.

"This charge for future income tax expense does not have any impact on our operating decisions, our credit facilities or financial covenants, the carrying values of our assets, our cash flows, our ability to generate cash flow, or our ability to make distributions to our unitholders," said Kim Yost, President and Chief Executive Officer. "Management was required to record this charge in order to be in compliance with GAAP".

The impact of the adjustment for future income taxes is discussed further in the Brick Group's MD&A.

The following are some key highlights, compared to the same period last year:

(000's of \$ except %, and store amounts)	For the three months ended June 30				For the six months ended June 30			
	2007	2006	\$ Increase (Decrease)	% Increase (Decrease)	2007	2006	\$ Increase (Decrease)	% Increase (Decrease)
Retail Segment - Sales and operating revenue	\$ 324,301	\$ 304,668	\$ 19,633	6.4%	\$ 640,223	\$ 594,198	\$ 46,025	7.7%
Financial Services Segment - Sales and operating revenue	11,600	8,455	3,145	37.2%	23,118	16,656	6,462	38.8%
Consolidated - Sales and operating revenue	335,901	313,123	22,778	7.3%	663,341	610,854	52,487	8.6%
Franchise Sales	25,139	20,161	4,978	24.7%	51,092	39,238	11,854	30.2%
Consolidated and Franchise Sales and operating revenue	361,040	333,284	27,756	8.3%	714,433	650,092	64,341	9.9%
<i>Same Store Sales (corporate stores)</i>	4.8%	4.1%			5.7%	7.9%		
<i>Same Store Sales (corporate and franchise stores)</i>	4.4%	3.9%			5.5%	7.9%		
Retail Segment - EBITDA	9,301	11,441	(2,140)	-18.7%	13,843	16,143	(2,300)	-14.2%
Financial Services Segment - EBITDA	6,558	5,000	1,558	31.2%	12,783	10,010	2,773	27.7%
Consolidated - EBITDA	15,859	16,441	(582)	-3.5%	26,626	26,153	473	1.8%
Retail Segment - Net (loss) income	(44,343)	3,600	(47,943)	-1331.8%	(48,451)	483	(48,934)	-10,127%
Financial Services Segment - Net income	6,801	5,780	1,022	17.7%	13,641	11,111	2,531	22.8%
Consolidated - Net (Loss) income	(37,542)	9,380	(46,922)	-500.2%	(34,810)	11,594	(46,403)	-400.2%
<i>EBITDA - Adjusted</i>	18,843	19,371	(528)	-2.7%	32,009	32,061	(52)	-0.2%
<i>Payout Ratio for the three month period ended June 30</i>	110.5%	97.4%						
<i>Payout Ratio for the twelve month period ended June 30</i>	99.9%	92.7%						
Stores at period end	203	192			203	192		

## Overview

Management is pleased to report the sixth straight quarter of positive same store sales growth. 2007 second quarter results were in line with management's expectations, following strong first quarter results that exceeded management's expectations. During the second quarter, we made significant gains on managing key revenue and expense line items, including costs associated with delivery expense. The payout ratio for the rolling twelve months ended June 30, 2007 is 99.9%, which is higher than the June 30, 2006 rolling twelve month ratio of 92.7%, but it is in line with expectations. With seasonally higher sales in the latter half of the year and the benefit of our continued focus on cost management, we believe we are well positioned for the remainder of 2007.

During the quarter, the Brick Group recorded future income tax expense and an increase to its long-term future income tax liability of \$44.4 million. This charge relates to the "Tax Fairness Plan", announced on October 31, 2006 by the Department of Finance (Canada), which was enacted during the quarter. This charge for future income tax expense does not have any impact on our operating decisions, our credit facilities or financial covenants, the carrying values of our assets, our cash flows, our ability to generate cash flow, or our ability to make distributions to our unitholders. Management was required to record this charge in order to be in compliance with GAAP.

## Distributable Cash and Payout Ratio

Through the end of June 2007, and for the 35th consecutive month since becoming an income fund, we have continued to meet all of our distribution commitments. This represents just over \$200 million distributed to our unitholders.

Our distributable cash payout ratio for the twelve month period ended June 30, 2007 was 99.9%. Management anticipates an improvement in the payout ratio as we progress through the balance of this year, and leverage the impact of our 2006 infrastructure build out and improved cost management against our typically seasonally higher sales.

Under our alternative view of distributable cash, the payout ratio for the twelve month period ended June 30, 2007 was 100.3%.

### **Sales and Operating Revenue**

In the second quarter, consolidated sales and operating revenue, as reported in the unaudited interim consolidated financial statements of The Brick Group Income Fund for the three months ended June 30, 2007, increased by \$22.8 million to \$335.9 million. This represents a 7.3% increase.

Consolidated and franchise sales and operating revenue was \$361.0 million, including \$25.1 million of franchise sales, compared to \$333.3 million, including \$20.2 million of franchise sales, in the same quarter last year. This represents an 8.3% increase.

### **Same Store Sales**

For the quarter, which marked our sixth consecutive quarter of positive same store sales growth, corporate stores same store sales growth was 4.8% compared to 4.1% in 2006. Same store sales growth for corporate stores together with franchise stores was 4.4% compared to 3.9% in 2006.

### **Franchise Sales**

Compared to the same quarter a year ago, sales at franchise stores increased by 24.7% to \$25.1 million. We began the quarter with 26 franchise stores and ended with 29, while in 2006, we began the quarter with 21 and ended with 22.

### **Written Premiums**

The amount of warranty and insurance premiums written by the financial services segment in the second quarter of 2007 were \$17.6 million compared to \$15.7 million in the second quarter of 2006, reflecting an increase of 11.9%.

### **Consolidated EBITDA and Adjusted EBITDA**

Second quarter consolidated EBITDA decreased 3.5% or \$0.6 million from 2006. The two main drivers of the decrease in EBITDA were a reduced gross margin percentage, due to an increased mix of appliance and electronic sales in the second quarter of 2007, and higher infrastructure costs in 2007 as a result of the expansion of our distribution centres which occurred throughout fiscal 2006.

The quarter included a gain on disposal of a redundant real estate asset of \$1.8 million. The impact of this gain on year over year comparability was not significant, as the second quarter of 2006 included a \$1.5 million recovery related to a limited recourse liability.

Adjusted EBITDA for the second quarter of 2007 was \$18.8 million, a decrease of 2.7% or \$0.5 million from 2006.

### **Consolidated Net Loss**

Second quarter consolidated net loss of \$37.5 million was driven by a one-time charge for future income tax expense of \$44.4 million. This charge relates to the "Tax Fairness Plan", announced on October 31, 2006 by the Department of Finance (Canada), which was enacted during the quarter. Management was required to record this charge in order to be in compliance with GAAP.

Of the \$44.4 million future income tax liability, \$35.3 million is associated with Brand and Goodwill. Provided that the Fund remains within the Normal Growth Limits, the future income tax liabilities associated with Brand and Goodwill would only be realized upon the taxable disposition of these assets on or after January 1, 2011. The amount of tax payable could, however, differ from the amount of the future income tax liability associated with these assets and would be impacted by the structure of any transaction.

This charge for future income tax expense does not have any impact on our operating decisions, our credit facilities or financial covenants, the carrying values of our assets, our cash flows, our ability to generate cash flow, or our ability to make distributions to our unitholders.

The impact of the adjustment for future income taxes is discussed further in the Brick Group's MD&A under the heading, "Consolidated Operating and Financial Results". Future income taxes are also discussed in the Brick Group's MD&A under the heading "Risk Factors".

### **Operations**

During the second quarter, we opened 1 Brick Mattress Store in Calgary, Alberta, closed a Brick store in Brandon, Manitoba, and rebannered a United Furniture store to a Brick store in Camrose, Alberta. As well, we opened Brick franchise stores in Pembroke, Ontario, Brandon, Manitoba, and Stettler, Alberta.

### **WEBCAST AND CONFERENCE CALL**

The Brick will host an investor conference call at 2 p.m. eastern time (12 noon Alberta time) on Monday, August 13, 2007. To access the call, please call either (416) 644-3417 or (800) 732-9303 five minutes prior. For a listen-only version of the conference, log on to <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1948540>.

Replay Audience Dial-in Number & Codes:

From: Monday, August 13, 2007, 2:00 P.M. (MT)  
To: Monday, August 20, 2007, 11:59 P.M. (MT)  
Access Number: 416-640-1917 / passcode 21242063#

## **About the Brick Group**

The Brick Group is one of Canada's largest volume retailers of household furniture, mattresses, appliances and home electronics, operating under four banners: The Brick, United Furniture Warehouse, The Brick Superstore, and The Brick Mattress Store. In addition, through its corporate sales division, the Brick Group services the subdivision, condominium, and high-rise builder market. The Brick Group's retail operations are located in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia and the Yukon Territory.

## ***Notice to Readers***

References to GAAP in this press release refer to accounting principles generally accepted in Canada.

Certain forward-looking statements are made in this news release, within the meaning of applicable securities laws. These statements reflect the Brick Group's current expectations and are based on information currently available to management. The words "may", "will", "should", "believe", "expect", "plan", "anticipate", "intend", "estimate", "predict", "potential", "continue", or the negative of these terms, identify forward-looking matters. These statements speak only as of the date of this press release. The actual results could differ materially from those anticipated in these forward-looking statements.

Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Brick Group to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, fluctuations in interest rates and currency values, changes in economic and political conditions, legislative and regulatory developments, legal developments, the level of competition in the Brick Group's markets, the occurrence of weather related and other natural catastrophes, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, changes in tax laws, and those risks and uncertainties detailed in the Brick Group's Management's Discussion and Analysis.

The preceding list is not an exhaustive list of possible factors. These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. The Brick Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

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