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## **THE BRICK GROUP REPORTS 2009 FOURTH QUARTER AND FULL YEAR RESULTS**

### *The Brick Group Income Fund Records Highest Quarterly EBITDA in its History*

**Edmonton, Alberta – March 25, 2010** – The Brick Group Income Fund (TSX: BRK.UN) (the "Brick Group") today announced its fourth quarter and full year fiscal 2009 financial results for the period ended December 31, 2009. Financial statements and Management's Discussion and Analysis are available on the Brick Group's website at [www.thebrickgroup.ca](http://www.thebrickgroup.ca).

#### **Fourth Quarter 2009 Summary:**

- Consolidated sales and operating revenue of \$361.4 million
- EBITDA of \$30.8 million is the Brick Group's highest reported quarterly EBITDA in its history
- Net income of \$12.2 million or \$15.3 million before \$2.8 million in amortization of warrant issuance costs, related to the Fairfax letter of credit facility, valued using the binomial option pricing model and severance costs
- \$69.2 million Asset Based Credit Facility undrawn and available at December 31, 2009
- \$19.5 million cash and cash equivalents at December 31, 2009
- \$72.3 million reduction in accounts payable and accrued liabilities from December 31, 2008
- Corporate same store sales growth of 4.9% in December 2009, and preliminary corporate same store sales growth of 4.2% in January and 5.2% in February 2010

#### **Full Year 2009 Summary:**

- Consolidated sales and operating revenue of \$1.2 billion
- EBITDA of \$32.8 million or \$35.2 million before executive severance costs
- Net loss of \$163.0 million including a goodwill and intangible asset impairment of \$158.5 million, \$2.4 million executive severance costs, \$3.0 million related to the remaining balance of unamortized fees associated with the previous credit facilities and \$4.0 million warrant issuance costs, the majority of which was non-cash, related to the Fairfax letter of credit facility and valued using the binomial option pricing model

"I am very pleased with the Brick Group's results for the fourth quarter of 2009 and the progress we have made in a short period of time," said Bill Gregson, President and Chief Executive Officer. "The progression from the first half of 2009 to achieving the highest quarterly EBITDA in the Brick Group's history shows the perseverance, dedication and talent of the entire Brick team," said Mr. Gregson. "The previous EBITDA record was \$27.9 million, generated in the fourth quarter of 2007, and fourth quarter 2009 results reflect the execution of the four-point plan outlined mid-year which included increasing sales staff, improving supply chain alignment and marketing initiatives and diligent focus on liquidity. As well, the Brick Group benefited from a sales shift to higher margin furniture business, the strength of the Canadian dollar and an improved

cost structure. These factors in addition to general economic improvements contributed to strong results in the fourth quarter.”

“I am also very satisfied with our liquidity position and the \$38.9 million in working capital improvements achieved in 2009. Additionally, in February 2010, the Fairfax letter of credit was renewed for another 6 months, however reduced from \$25.0 million to \$4.0 million and all costs associated with the letter of credit will be fully recovered by the supplier it benefits,” added Mr. Gregson.

#### **Fourth Quarter and Year End 2009 Operating Results**

For the fourth quarter, the Brick Group is pleased to report strong EBITDA performance of \$30.8 million and net income of \$12.2 million.

Fourth quarter consolidated sales and operating revenue of \$361.4 million was lower by \$3.7 million or 1.0%, compared to the same quarter of 2008.

For the quarter, sales and operating revenue increased by 12.2% in the financial services segment to \$18.8 million, and decreased by 1.7% in the retail segment to \$342.6 million. In the retail segment, fourth quarter same store sales growth improved to negative 7.3% compared to negative 22.0%, 33.0% and 19.0% for the first, second and third quarters of 2009, respectively. Same store sales growth in December 2009 was 4.9%, the first increase in 17 months, and this positive trend has continued into 2010 with preliminary same store sales growth of 4.2% and 5.2% for the months of January and February, respectively.

Fourth quarter consolidated EBITDA of \$30.8 million was greater by \$12.4 million or 66.9%, compared to the same quarter of 2008. EBITDA increased by 30.7% in the financial services segment to \$9.8 million, and in the retail segment, EBITDA of \$21.0 million was an improvement of \$10.1 million or 91.6%.

For the year ended December 31, 2009, the Brick Group recorded EBITDA of \$32.8 million and a net loss \$163.0 million, including goodwill and brand intangible impairment charges and other non-recurring items.

The annual consolidated sales and operating revenue of \$1.2 billion was lower by \$203.5 million or 14.3%, compared to the 2008 annual results.

Sales and operating revenue in the financial services segment increased to \$72.9 million for the year, a 17.9% increase over 2008. The annual sales and operating revenue for the retail segment decreased to \$1.2 billion, representing a 15.7% drop from the previous year. Same store sales growth of negative 20.1% compared to a negative 4.2% for the year end December 31, 2008

Full year 2009 consolidated EBITDA of \$32.8 million was lower by \$35.4 million or 51.9%, compared to year end 2008. EBITDA increased by 19.6% in the financial services segment to \$36.2 million, and in the retail segment, EBITDA loss of \$3.4 million fell by \$41.3 million or 108.9%.

The 2008 consolidated balance sheet reflects a retrospective correction to reclassify the long-term portion of deferred rent liability of \$17.4 million previously included in accounts payable and accrued liabilities to deferred lease inducements and rent liabilities on the consolidated balance sheet. This correction did not have any effect on net loss, unitholders' equity, cash flows or externally imposed financial covenants to which the Brick Group was subject to for the year ended December 31, 2008.

Historically, the Brick Group's working capital has been subject to seasonal fluctuations, largely driven by changes in inventory, accounts payable and customer deposits. The Brick Group's working capital requirements are typically greatest in the first half of the year. The Brick Group believes the strengthening of our operations, the recapitalization transaction, the Fairfax LC and the continuing improvement in the Canadian economy from recession to recovery provides the Brick Group sufficient liquidity to meet its working capital requirements in 2010. At December 31, 2009, the Brick Group's current assets exceeded its

current liabilities by \$43.5 million, and nil was drawn, with \$69.2 million of borrowing capacity under the Asset-Based Credit Facility. As of March 24, 2010 nil was drawn under the Asset-Based Credit Facility.

### Consolidated and Franchise Sales and Operating Revenue

Fourth quarter consolidated and franchise sales and operating revenue was \$406.7 million, including \$45.2 million of franchise sales, compared to \$413.3 million, including \$48.1 million of franchise sales in the same quarter last year, representing a decrease of 1.6%. Same store sales growth for corporate stores together with franchise stores was negative 7.9% compared to negative 12.2% for the same quarter of 2008.

Compared to the same quarter a year ago, sales at franchise stores decreased by 6.0% to \$45.2 million, and same store sales growth was negative 12.9%.

For the full year 2009, consolidated plus franchise sales and operating revenue was \$1.4 billion and includes \$141.6 million in franchise sales. This represents a 13.2% decrease from the \$1.6 billion achieved in 2008, including a decrease in franchise sales of \$3.4 million to \$141.6 million. Sales store sales growth for the corporate stores together with the franchises was negative 19.9% compared to negative 4.0% in 2008.

### Results Summary

The table below summarizes key financial results compared to the same period last year:

(000's of \$ except %, and store amounts)	For the three months ended December 31				For the twelve months ended December 31			
	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)
Retail Segment - Sales and operating revenue	\$ 342,598	\$ 348,424	(5,826)	-1.7%	\$ 1,150,619	\$ 1,365,203	(214,584)	-15.7%
Financial Services Segment - Sales and operating revenue	18,844	16,789	2,055	12.2%	72,976	61,910	11,066	17.9%
Consolidated - Sales and operating revenue	361,442	365,213	(3,771)	-1.0%	1,223,595	1,427,113	(203,518)	-14.3%
Franchise sales <sup>(1)</sup>	45,238	48,124	(2,886)	-6.0%	141,612	144,962	(3,350)	-2.3%
Consolidated sales and operating revenue and franchise sales <sup>(1)</sup>	\$ 406,680	\$ 413,337	(6,657)	-1.6%	\$ 1,365,207	\$ 1,572,075	(206,868)	-13.2%
<i>Same Store Sales Growth (corporate stores)</i>	-7.3%	-13.0%			-20.1%	-4.2%		
<i>Same Store Sales Growth (corporate and franchise stores)</i>	-7.9%	-12.2%			-19.9%	-4.0%		
Retail Segment - EBITDA <sup>(2)</sup>	\$ 21,041	\$ 10,981	10,060	91.6%	\$ (3,366)	\$ 37,978	(41,344)	-108.9%
Financial Services Segment - EBITDA	9,807	7,502	2,305	30.7%	36,194	30,274	5,920	19.6%
Consolidated - EBITDA <sup>(2)</sup>	\$ 30,848	\$ 18,483	12,365	66.9%	\$ 32,828	\$ 68,252	(35,424)	-51.9%
<i>EBITDA as a percentage of sales and operating revenue</i>	8.5%	5.1%			2.7%	4.8%		
Retail Segment - Net income (loss) <sup>(2)(3)</sup>	\$ 2,801	\$ (231,460)	234,261	101.2%	\$ (198,695)	\$ (229,300)	30,605	13.3%
Financial Services Segment - Net income	9,434	7,333	2,101	28.7%	35,678	30,201	5,477	18.1%
Consolidated - Net income (loss) <sup>(2)(3)</sup>	\$ 12,235	\$ (224,127)	236,362	105.5%	\$ (163,017)	\$ (199,099)	36,082	18.1%
<i>Cash provided by operating activities before changes in non-cash working capital items</i>	34,212	23,191	11,021		25,690	70,436	(44,746)	
<i>Distributable cash per unit for the period ended December 31</i>	\$ 0.32	\$ 0.30	0.02	6.7%	\$ 0.32	\$ 1.07	(0.75)	-70.1%
<i>Payout Ratio for the period ended December 31</i>	0.0%	65.6%			15.5%	103.1%		
<i>Stores at period end</i>	236	230			236	230		

(1) Franchise sales figures refer to sales occurring at franchise stores which are not included in the sales and operating revenue figures presented in The Brick Group Income Fund's consolidated financial statements, or in the corporate same store sales figures. Accordingly, franchise sales are provided for reference only.

(2) On January 1, 2009, the Brick Group adopted new accounting standards related to the capitalization of pre-opening costs. Under the new standards, store and distribution centre pre-opening costs are no longer deferred and amortized, and must be charged to income as incurred. These new standards require retroactive application and therefore, retail segment net income for 2008 has been restated. For the 2008 fourth quarter, previously recorded amortization of pre-opening costs of \$660 has been reversed and prepaid expenses and deposits of \$1,139 has been charged to SG&A on the 2008 consolidated income statement. As a result, net loss of \$479 has been reclassified to the opening deficit on the 2008 consolidated balance sheet. On a year-to-date basis, previously recorded amortization of pre-opening costs of \$2,643 has been reversed and prepaid expenses and deposits of \$986 has been charged to SG&A on the 2008 consolidated income statement. As a result, net income of \$1,657 has been reclassified to the opening deficit on the 2008 consolidated balance sheet.

(3) Annual and fourth quarter net income for 2008 includes goodwill and brand intangible asset impairment charges of \$241,471 recorded in the retail segment. Annual net income for 2009 includes goodwill and brand intangible asset impairment charges of \$158,459 recorded in the retail segment.

**Conference Call and Webcast**

The Brick Group will host an investor conference call at 10:00 a.m. Eastern Time (8:00 a.m. Alberta time) on Friday, March 26, 2010. To access the call, please call either (647) 427-7450 or (888) 231- 8191 five minutes prior. For a listen-only version of the conference, go to <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3002560>.

A telephone replay of the call will be available until April 1, 2010 at 11:59 p.m. eastern time. To access the replay please dial either (416) 849-0833 or (800) 642-1687 and enter the passcode 64008793.

**About the Brick Group**

The Brick Group, together with its subsidiaries, is one of Canada's largest volume retailers of household furniture, mattresses, appliances and home electronics, operating under five banners: The Brick, United Furniture Warehouse, The Brick Superstore, The Brick Mattress Store, and Urban Brick. 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, New Brunswick and Yukon.

**Forward-Looking Statements**

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the Brick's consolidated sales and operating revenue, consolidated EBITDA, consolidated net loss, sales and operating revenue in the financial services and retail segments, same store sales growth and goodwill and indefinite life intangible asset impairment charges, the financial flexibility and capital resources necessary to manage the business in the current economic environment, and similar statements concerning anticipated future events, results, circumstances, performance or expectations, that reflect management's current expectations and are based on information currently available to management of the Brick and its subsidiaries. The words "may", "will", "should", "believe", "expect", "plan", "anticipate", "intend", "estimate", "predict", "potential", "continue" or the negative of these terms, or other expressions which are predictions of or indicate future events and trends and which do not relate to historical matters, identify forward-looking matters. 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 to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. The Brick 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.

**Non-GAAP Financial Measures**

Adjusted results, EBITDA, reported EBITDA, adjusted EBITDA, and distributable cash are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Therefore, adjusted results, EBITDA, reported EBITDA, adjusted EBITDA, and distributable cash may not be comparable to similar measures presented by other issuers. Investors are cautioned that adjusted results, EBITDA, reported EBITDA, adjusted EBITDA, and distributable cash should not be construed as alternatives to net income as determined in accordance with GAAP, as indicators of performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

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