

November 6, 2006

**Letter from the President and Chief Executive Officer**

On behalf of our employees and our fellow trustees, we are pleased to report to you on the results of our third quarter and year to date performance.

For the 26th consecutive month since becoming an income fund, we continue to meet all of our distribution commitments. Our distributable cash payout ratio for the last twelve months ended September 30, 2006 was 95.4%, which reflects a 4.1 percentage point improvement over our December 31, 2005 year end distributable cash payout ratio. Our distributable cash payout ratio working from a cash flow basis, and described within our MD&A as our alternate payout ratio, was 90.4% for the last twelve months ended September 30, 2006. We believe this alternate payout ratio is better aligned with the true strength of our cash flows, as it captures the full impact of cash flows generated by our warranty and insurance cash flows.



*October 25, 2006 - Kim Yost and Mayor Dave Bronconnier cut the ribbon at the grand opening at The Brick's newest store located in Calgary Deerfoot Meadows.*

Our business fundamentals remain strong. We have shown strong total and same store sales growth over last year, and our rebannering initiative is proving to be the success we anticipated it would be. For the three quarters to date in 2006, we have grown same store sales by 6.0% and reported EBITDA by \$4.7 million, or 12% over the same period last year. Our EBITDA for the third quarter remained relatively flat to prior year, down \$0.3 million, primarily driven by costs associated with the ongoing build out of our delivery and distribution infrastructure.

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

	<b>Third Quarter, 2006</b>	<b>Third Quarter YTD, 2006</b>
Total Sales Growth	+4.5%	+8.9%
Same Store Sales Growth	+2.9%	+6.0%
Reported EBITDA - \$	-\$0.3 million	+\$4.7 million
Reported EBITDA - % change	-1.7%	+11.6%

During these first nine months, we have focused our efforts on executing against two key initiatives.

Our rebanner initiative, which was designed to leverage the strength of The Brick banner, remains on track to deliver and likely exceed our stated target of \$4 million of incremental EBITDA for the year, for those stores impacted by the initiative. Both the rebannered stores and the remaining core United Furniture stores have shown strong results.

Our second key initiative was focused on the expansion of our distribution centre infrastructure. In these nine months of 2006, we opened two new state of the art distribution centres, the first in Mississauga, Ontario and the second in Calgary, Alberta. We have now completed the last stage of our distribution centre infrastructure build out with the expansion of our Burnaby distribution centre. Our expanded capacity across Canada will support increased sales of our existing locations as well as new locations to be added over the coming years.

Despite the incremental costs associated with the development of our infrastructure, we were successful in driving EBITDA growth of 12% over the first nine months of 2005.

We believe these two key initiatives will support The Brick Group for long term sustainable growth.

Management continues to believe the Brick Group is well positioned to endure potential economic and competitive challenges in 2006. Our rebanner initiative, the build out of our distribution centre infrastructure, the continued growth of our financial services segment, our ongoing development of the franchise business, and our continued focus on our cost structure, all position us for growth and to maintain sustainable and stable levels of distributions.

On October 31, 2006 the Canadian Minister of Finance announced proposed new tax measures, that if passed into legislation, would result in the taxation of distributions made by the Fund beginning in the year 2011. Management will consider the proposed measures as more legislative details are released in order to assess the impact on the Fund and its unitholders.

On behalf of the Brick team, we thank you for your support.

*“Kim Yost”*

Kim Yost  
President and CEO