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**Attention: Business/News Editors**

**THE BRICK GROUP REPORTS SAME STORE SALES GROWTH OF 2.9% FOR THE THIRD QUARTER, 2006, AND 6.0% FOR THE FIRST NINE MONTHS OF 2006**

**Edmonton, Alberta (November 8, 2006) (TSX: BRK.UN):** The Brick Group Income Fund (the "Brick Group") today announced its financial results for the third quarter ended September 30, 2006. The Brick Group's third quarter results and Management's Discussion and Analysis can be found on the Brick Group's website at [www.thebrickgroup.ca](http://www.thebrickgroup.ca).

Same store sales growth for the third quarter was 2.9% over the same period last year, and 6.0% for the first nine months of 2006 over the same period last year. Total sales growth was 4.5% for the third quarter, and 8.9% for the first nine months over the same period in the prior year.

Results to date of the rebanner initiative announced in the first quarter of 2006 have been very positive and are on track to meet, if not exceed, management's target incremental EBITDA of \$4 million by the end of the year.

Offsetting gains from strong same store sales and the positive impact of the rebanner initiative, the Brick Group incurred higher than anticipated costs associated with its ongoing build out of its delivery and distribution centre infrastructure.

As a result of these costs, third quarter EBITDA remained relatively flat to the prior year for the same period, coming in at \$0.3 million below last year. For the first nine months of the year, EBITDA growth was up 12% as compared to the same period last year, driven primarily by the success of management's top line initiatives, including the ongoing growth of the financial services segment.

Through the end of September 2006, and for the 26<sup>th</sup> consecutive month since becoming an income fund, we have continued to meet all of our distribution commitments.

"We've shown strong total and same store sales growth over last year. Our rebanner initiative is proving to be the success we anticipated, our remaining core United Furniture stores are operating well and contributing positively to results, and we have now completed the last stage of our distribution centre infrastructure build out with the expansion of our Burnaby distribution centre. Despite gains on these key fronts, our EBITDA for the third quarter remained relatively flat to prior year, primarily driven by costs associated with the build out of our delivery and distribution infrastructure.

We will continue to work through these issues in the fourth quarter but our business fundamentals remain strong ", said Kim Yost, President and Chief Executive Officer.

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%

For the balance of the year, and consistent with our first two quarters, management remains primarily focused on executing against its rebanner initiative associated with leveraging the strength of The Brick banner and driving incremental EBITDA. With the completion of the build out of our distribution infrastructure, our focus for the balance of the year now turns to driving past cost issues associated with our new distribution centre network built up through the past nine months. Beyond these two major strategic growth initiatives, management will continue to manage the build out of our Quebec market presence and brand recognition, and the growth of our franchise operations and financial services segment.

### **THIRD QUARTER HIGHLIGHTS**

#### **Distributions and Payout Ratio**

- Through the end of September 2006, and for the 26<sup>th</sup> consecutive month since becoming an income fund, we have continued to meet all of our distribution commitments.
- Our distributable cash payout ratio for the last twelve months ended September 30, 2006 was 95.4%.
- Under our alternative view of distributable cash, the payout ratio for the last twelve months ended September 30, 2006 was 90.4%.

#### **Consolidated Sales**

- Consolidated sales and operating revenue increased by \$14.4 million to \$337.8 million. This represents a 4.5% increase over the same quarter a year ago. This increase was due to:
  - Retail sales increase of \$11.3 million driven by:
    - Same store sales growth of 2.9%;
    - Sales from new stores opened since September 30, 2005, including 9 Brick Mattress stores, 1 Brick store and 2 United Furniture stores.
    - Lost sales from stores closed since September 30, 2005, including 1 legacy Brick Mattresses for Less store and 7 United Furniture stores, of which 4 were converted to Brick franchise locations.

- Financial services revenue increase of \$3.1 million from \$6.5 million to \$9.6 million driven by:
  - Organic growth which provided approximately 29% of this increase;
  - Third party insurance business which provided the balance of this increase.
- The Brick banner's same store sales, which include The Brick, The Brick Superstore and The Brick Mattress Store, increased by 1.7% and overall sales increased by 2.7%.
- United Furniture same store sales increased by 18.9% and overall sales increased by 21.0%.

### **Franchise Sales**

- Sales at franchise stores increased by 55.7% to \$23 million when compared to the same quarter last year. This increase was driven primarily by the addition of 9 franchise stores since the end of the third quarter of 2005.

### **Consolidated Profitability**

- Consolidated gross margins, as a percentage of sales, improved to 39.7% from 38.8% in the same quarter a year ago.
- Consolidated Selling, General and Administrative ("SG&A") expenses increased by \$9.1 million to \$115.1 million. SG&A, as a percentage of sales, increased to 34.1% from 32.8% in the same quarter a year ago.
- The retail segment SG&A increased by \$8.6 million, which includes increased variable and fixed costs of \$7.5 million relating to sales increases, new stores and the expansion of our distribution infrastructure, offset by over \$2 million of reduced costs related to reduced advertising expense as a result of our rebanner initiative. The remaining \$3 million cost increase was primarily driven by incremental delivery and distribution centre costs related to our build out of our delivery and distribution centre infrastructure.
- Consolidated EBITDA decreased 1.7% or \$0.3 million when compared to the same quarter a year ago.
- Retail segment EBITDA decreased \$2.5 million while financial services segment EBITDA increased \$2.2 million over the same quarter a year ago.
- Consolidated net income of \$11.7 million was flat when compared to the same quarter a year ago. Net earnings as a percentage of sales and operating revenue was 3.5% compared to 3.6% in the same quarter a year ago.

### **Rebanning Initiative**

- As at September 30, 2006, we have realized \$2.9 million of our \$4.0 million incremental EBITDA target for 2006.
- All of the 22 United Furniture stores that were converted to Brick stores are exceeding their sales targets and 17 are exceeding their EBITDA targets.
- The Brick Superstores and The Brick Mattress Stores are on track to meet their sales and EBITDA targets.

## **Store Continuity**

In the third quarter, we opened 1 Brick store in Boisbriand, Quebec, 1 Brick Mattress Store in Fort Saskatchewan, Alberta, and 1 franchise store in Huntsville, Ontario.

The following chart illustrates the Brick Group's store count continuity from June 30, 2006 to September 30, 2006.

<b>Store Count Continuity</b>				
	<b>At June 30, 2006</b>	<b>Rebanned</b>	<b>Opened / Closed</b>	<b>At Sept 30, 2006</b>
<b>Corporate Stores</b>				
Brick	84	-1	1	84
Brick Clearance Centres	10	0	0	10
Superstore (previously HomeShow)	3	0	0	3
Mattress Store (previously Sleep Better)	14	2	1	17
UFW	59	-2	0	57
<b>Corporate Subtotal</b>	<b>170</b>	<b>-1</b>	<b>2</b>	<b>171</b>
<b>Franchise Stores</b>				
Brick Franchise	21	2	1	24
UFW Franchise	1	0	0	1
<b>Franchise Subtotal</b>	<b>22</b>	<b>2</b>	<b>1</b>	<b>25</b>
<b>Total Corporate and Franchise Stores</b>	<b>192</b>	<b>1</b>	<b>3</b>	<b>196</b>

- In October 2006, we completed a 153,000 square foot expansion of our distribution centre in Burnaby, which now totals 397,000 square feet.

## **YEAR TO DATE HIGHLIGHTS**

### **Consolidated Sales**

- Consolidated sales and operating revenue increased by \$77.8 million to \$948.6 million, an 8.9% increase when compared to the first three quarters of last year. This increase was due to:
  - Retail sales increase of 8.1% or \$69.1 million driven by:
    - Same store sales growth of 6.0%.
    - Sales from new stores opened since the September 30, 2005, including 9 Brick Mattress stores, 1 Brick store and 2 United Furniture stores.
    - Lost sales from stores closed since September 30, 2005, including 1 legacy Brick Mattresses for Less store and 7 United Furniture stores, of which 4 were converted to franchise locations.
  - Financial services revenue increase of 49.4% or \$8.6 million from \$17.6 million to \$26.2 million driven by:
    - Organic growth which provided approximately 35% of this increase.
    - Third party insurance business which provided the balance of this increase.

- The Brick banner's same store sales, which include The Brick, The Brick Superstore and The Brick Mattress Store, increased by 4.1% and overall sales increased by 6.8%. Overall sales were impacted by the conversion of United Furniture stores to Brick stores.
- United Furniture same store sales increased by 29.7% and overall sales increased by 27.4%. The same store sales increase was partially driven by clearance sales related to the rebanner initiative in the first quarter.

### **Franchise Sales**

- Sales at franchise stores increased by 61.9% to \$62 million when compared to the same period last year. This increase was driven primarily by the addition of 9 new franchise locations opened since the end of the third quarter of 2005.

### **Consolidated Profitability**

- Consolidated gross margins, as a percentage of sales, increased to 40.0% from 38.9% in the same period last year.
- Consolidated SG&A expenses increased by \$36.3 million to \$335.4 million. SG&A, as a percentage of sales, increased to 35.4% from 34.3% in the same period last year.
- Consolidated EBITDA increased from \$40.7 million to \$45.4 million, a \$4.7 million or 11.6% increase over the same period last year.
- The increase in consolidated EBITDA was comprised of an increase in financial services EBITDA of \$5.5 million and a decrease in the retail segment EBITDA of \$0.8 million.
- Consolidated EBITDA as a percentage of sales and operating revenue at 4.8% was up by 0.1 ppts from 4.7% in the first three quarters of 2005.
- Consolidated net earnings improved by \$4.8 million to \$23.3 million, a 25.6% increase over the same period a year ago. As a percentage of sales and operating revenue, net earnings increased from 2.1% to 2.4% when compared to the same period a year ago.

### **Store Continuity**

- During the first nine months, we opened 3 Brick Mattress Stores in the Greater Toronto Area, and 1 in Alberta. During this period, we also opened 1 Brick franchise in Ontario.
- During the first nine months, we also opened 1 Brick store, closed 1 legacy Brick Mattresses for Less store included in the count of Brick stores, and closed 3 poor performing United Furniture stores.

<b>Store Count Continuity</b>				
	<b>At Dec 31, 2005</b>	<b>Rebanned</b>	<b>Opened / Closed</b>	<b>At Sept 30, 2006</b>
<b>Corporate Stores</b>				
Brick	65	19	0	84
Brick Clearance Centres	9	1	0	10
Superstore (previously HomeShow)	3	0	0	3
Mattress Store (previously Sleep Better)	11	2	4	17
UFW	86	-26	-3	57
<b>Corporate Subtotal</b>	174	-4	1	171
<b>Franchise Stores</b>				
Brick Franchise	19	4	1	24
UFW Franchise	1	0	0	1
<b>Franchise Subtotal</b>	20	4	1	25
<b>Total Corporate and Franchise Stores</b>	194	0	2	196

### **Distribution Centre Continuity**

The build out of our distribution centre infrastructure is a key initiative for the Brick Group in 2006, and is critical to not only supporting our current sales but also our projected sales growth in future years. In 2006, the Brick group has increased our distribution centre square footage by 30% or 516,000 square feet as shown in the table below.

### **PROPOSED NEW TAX MEASURES**

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 Brick Group beginning in the year 2011. Under the proposed changes, distributions that are currently paid out and taxed in the hands of unitholders would first be taxed at the trust level. The net amount would then be distributed to unitholders.

Management will consider the proposed measures as more legislative details are released in order to assess the impact on the Brick Group and its unitholders.

### **WEBCAST AND CONFERENCE CALL**

The Brick will host an investor conference call at 2 p.m. eastern time (12 noon Alberta time) on Wednesday, November 8, 2006. To access the call, please call either (403) 398-9531 or (416) 644-3426 five minutes prior. For a listen-only version of the conference, log on to <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1639220>

## **CORPORATE PROFILE**

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\*\***

*Franchise sales figures as discussed in this press release refer to results that have not been audited. Sales at franchise stores are not included in The Brick Group Income Fund's consolidated sales figures or corporate same store sales figures.*

*Certain forward-looking statements are made in this news release and Management Discussion and Analysis, within the meaning of applicable securities laws, including (but not limited to) statements about the Brick Group's profitability, the Brick Group's objectives and strategies, outlook for the Brick Group's business or the Canadian economy, the Brick Group's rebanner initiatives, targeted and expected financial results, and new products and services, and similar statements concerning anticipated future events, results, circumstances, performance or expectations, which 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, 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. 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 section entitled "Risk Factors" 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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