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## **BRICK GROUP REPORTS THIRD QUARTER EARNINGS**

**EDMONTON, November 4, 2008 (TSX:BRK.UN):** The Brick Group Income Fund (the "Brick Group") today announced its financial results for the third quarter ended September 30, 2008. 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).

Against increasingly challenging economic conditions and a strong comparative quarter in the third quarter of 2007 which included same store sales growth of 7.7%, we achieved positive total corporate and franchise store sales growth of 2.6%, consolidated corporate sales and operating revenue growth of 1.5%, and same store sales growth that was effectively flat.

As a result of sudden and dramatic changes in the economic and financial outlook, both domestically and internationally, we have and will continue to assess the potential impact on The Brick Group. Management has already implemented a number of operating initiatives to reduce and control costs, and intends to take advantage of these difficult times to use our strengths to increase market share. Management's focus for the balance of fiscal 2008 and 2009 will also include taking a prudent and proactive approach to cash flow management. Accordingly, we believe a reduction in distributions is prudent at this time, and anticipate that, beginning with the November 2008 distribution, our monthly distribution will be reduced from \$0.10 per unit to \$0.05 per unit. The Brick Group is also presently reviewing the strategic concept of an early conversion to a corporation.

The Distribution Committee of the Brick Group's Board of Trustees will continue to review and approve the level of cash distributions on a monthly basis, taking into account the Brick Group's reported distributable cash, its current and prospective performance, seasonality, and other factors they consider prudent. The Distribution Committee will meet on November 19, 2008 to set the November 2008 cash distribution, to be paid on December 15, 2008. Based on the October 31, 2008 closing price of \$4.51 per Class A Trust Unit, our anticipated reduced monthly distribution of \$0.05 per unit represents an annualized cash-on-cash yield of approximately 13.3%.

"We believe these strategies are necessary and prudent at this time and will help The Brick Group to be able to deal with the future economic uncertainty", said Kim Yost, President and Chief Executive Officer. "With the volatility and uncertainty in the economic environment, the management team is singularly focused on driving operating results."

## THIRD QUARTER HIGHLIGHTS

(000's of \$ except %, and store amounts)	For the three months ended September 30				For the nine months ended September 30			
	2008	2007	\$ Increase (Decrease)	% Increase (Decrease)	2008	2007	\$ Increase (Decrease)	% Increase (Decrease)
Retail Segment - Sales and operating revenue	\$ 365,008	\$ 362,590	2,418	0.7%	\$ 1,016,787	\$ 1,002,813	13,974	1.4%
Financial Services Segment - Sales and operating revenue	15,753	12,513	3,240	25.9%	45,120	35,631	9,489	26.6%
Consolidated - Sales and operating revenue	380,761	375,103	5,658	1.5%	1,061,907	1,038,444	23,462	2.3%
Franchise Sales	36,001	30,922	5,079	16.4%	96,838	82,135	14,703	17.9%
Consolidated and Franchise Sales and operating revenue	\$ 416,762	\$ 406,025	10,737	2.6%	\$ 1,158,745	\$ 1,120,579	38,166	3.4%
<i>Same Store Sales Growth (corporate stores)</i>	-0.3%	7.7%			-0.2%	6.4%		
<i>Same Store Sales Growth (corporate and franchise stores)</i>	-0.3%	7.5%			-0.3%	6.2%		
Retail Segment - EBITDA	\$ 12,754	\$ 18,969	(6,215)	-32.8%	\$ 26,844	\$ 32,812	(5,968)	-18.2%
Financial Services Segment - EBITDA	7,854	7,165	689	9.6%	22,772	19,948	2,824	14.2%
Consolidated - EBITDA	\$ 20,608	\$ 26,134	(5,526)	-21.1%	\$ 49,616	\$ 52,760	(3,144)	-6.0%
<i>EBITDA as a percentage of sales and operating revenue</i>	5.4%	7.0%			4.7%	5.1%		
Retail Segment - Net Income (loss)	\$ 4,776	\$ 10,018	(5,242)	-52.3%	\$ 27	\$ (38,433)	38,460	-100.1%
Financial Services Segment - Net income	7,666	7,143	523	7.3%	22,865	20,784	2,081	10.0%
Consolidated - Net income (loss)	\$ 12,442	\$ 17,161	(4,720)	-27.5%	\$ 22,892	\$ (17,649)	40,541	-229.7%
<i>EBITDA - Adjusted</i>	\$ 21,823	\$ 28,156	(6,333)	-22.5%	\$ 53,782	\$ 60,165	(6,383)	-10.6%
<i>Adjusted EBITDA as a percentage of sales and operating revenue</i>	5.7%	7.5%			5.1%	5.8%		
<i>Distributable cash per unit for the three months ended September 30</i>	\$ 0.31	\$ 0.44	(0.12)	-28.0%				
<i>Payout Ratio for the three months ended September 30</i>	95.8%	69.0%						
<i>Distributable cash per unit for the twelve months ended September 30</i>					\$ 1.23	\$ 1.29	(0.06)	-4.6%
<i>Payout Ratio for the twelve months ended September 30</i>					97.2%	92.8%		
Stores at period end	215	206			215	206		

## Overview

- Third quarter consolidated sales and operating revenue grew by \$5.7 million, or 1.5%, to \$380.8 million as compared to the same quarter of 2007. Sales and operating revenue increased by \$3.2 million or 25.9% in our financial services segment, and \$2.4 million or 0.7% in our retail segment. Against a backdrop of challenging economic conditions, management was pleased with positive same store sales growth in eastern Canada of 3.9%. In western Canada, same store sales growth was negative 5.3% compared to positive growth of 10.8% in the same quarter last year. Overall same store sales growth was negative 0.3% compared to positive growth of 7.7% in the same quarter last year.

- Consolidated EBITDA of \$20.6 million decreased by \$5.5 million and was 1.6 pts lower as a percentage of sales and operating revenue compared to the same quarter last year.

- Consolidated net income of \$12.4 million decreased by \$4.7 million compared to the same quarter last year.

- For the quarter, the decrease in EBITDA and net income performance was attributable to our retail segment, which was impacted primarily by the slowing pace of sales growth in the Canadian retail sector and also by a higher level of operating costs. Compared to the same quarter in 2007, our fixed occupancy and compensation costs are higher, due primarily to new Brick stores.

- Secondly, EBITDA and net income were also impacted by lower gross margins in the retail segment. For the majority of our furniture goods, which are sourced off-shore and paid for in U.S. dollars, freight cost inflation and the weakening of the Canadian dollar against the U.S. dollar were factors impacting retail margins in the third quarter.

- Since becoming an income fund in July 2004, through the end of September 30, 2008, we have paid cash distributions of \$283 million to our unitholders. Based on the September 30, 2008 closing price of \$6.75 per Class A Trust Unit, our September 2008 distribution of \$0.10 per unit represents an annualized cash-on-cash yield of approximately 17.8%.

- The payout ratio for the twelve months ended September 30, 2008 was 97.2% compared to 92.8% for the twelve months ended September 30, 2007. Under our alternative view of distributable cash, the payout ratio for the twelve months ended September 30, 2008 was 96.9% compared to 93.3% for the twelve months ended September 30, 2007.

#### Consolidated and Franchise Sales and Operating Revenue

- Third quarter consolidated and franchise sales and operating revenue was \$416.8 million, including \$36.0 million of franchise sales, compared to \$406.0 million, including \$30.9 million of franchise sales, in the same quarter last year, representing an increase of 2.6%. Same store sales growth for corporate stores together with franchise stores was negative 0.3% compared to positive 7.5% for the third quarter in 2007.

- Compared to the same quarter a year ago, sales at our franchise stores increased by 16.4%, to \$36.0 million.

- We began the quarter with 33 franchise stores and ended with 38, while in 2007, we began the quarter with 29 and ended with 31 franchise stores.

#### Webcast

The Brick Group will host an investor conference call at 2:00 p.m. eastern time (12:00 noon Alberta time) on Wednesday, November 5, 2008. To access the call, please call either (416) 644-3429 or (800) 588-4342 five minutes prior. For a listen-only version of the conference, log on to <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2454760>.

Replay Audience Dial-in Number & Codes:

From: Wednesday, November 5, 2008, 1:00 p.m. (MT)

To: Wednesday, November 12, 2008, 11:59 P.M. (MT)

Access Number: 416-640-1917 Passcode 21287163 followed by the pound sign

Access Number: 877-289-8525 Passcode 21287163 followed by the pound sign

#### **Notice to Readers**

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, the non-satisfaction of any conditions precedent to the completion of the offering of Notes, fluctuations in interest rates and currency values, legislative and regulatory developments, legal developments, the occurrence of weather-related and other natural catastrophes, 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.

### **Corporate Profile**

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 four principal 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, New Brunswick, and the Yukon Territory.

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