

NOT FOR DISTRIBUTION THROUGH U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE U.S

## **THE BRICK GROUP ANNOUNCES ADDITIONAL FINANCING**

**Edmonton, Alberta – August 7, 2009 – The Brick Group Income Fund (TSX:BRK.UN):** (the "Brick Group") today announced \$25 million of additional financing which should significantly enhance the Brick Group's near term liquidity.

"This new financing provides the necessary financial flexibility and capital resources to manage our business as we move into the second half of the year, and as we implement immediate operational priorities which should re-position our business to benefit from improving economic conditions", said Bill Gregson, President and CEO. "The new financing will significantly increase our borrowing capability under the GE Credit Agreement and provide for greater supplier credit and inventory growth. We are very pleased that our largest financial partners, GE Canada and Fairfax, are providing their vote of confidence, by co-operating to provide this additional flexibility as we work towards establishing a positive cash flow in the second half of the year", said Bill Gregson.

The Brick Group has entered into an agreement in principal with Fairfax, pursuant to which our largest investor has agreed to issue an irrevocable letter of credit in the aggregate principal amount of \$25 million (the "Fairfax LC") to GE Canada Financial Holding Company ("GE"), as agent on behalf of itself and the Lenders under the May 28, 2009 Credit Agreement (the "GE Credit Agreement"). The purpose of the Fairfax LC will be to backstop additional letters of credit to be issued under the GE Credit Agreement to certain of the Brick Group's inventory suppliers (the "Supplier LCs"); provided such inventory suppliers agree to extend additional new credit to the Brick Group for inventory of not less than 150% of the Supplier LCs to be issued to such inventory suppliers. The GE Credit Agreement will continue to provide for maximum borrowings of up to \$130 million, and will continue to vary from time to time based on the level of the Brick's inventory and accounts receivable. In connection with Fairfax providing the Fairfax LC, the Brick Group has requested that the borrowing base under the GE Credit Agreement be amended to provide that Supplier LCs may be margined against 100% of the available amount of the Fairfax LC plus existing availability, if any, based on the level of the Brick's inventory and accounts receivable. The transaction is subject to an amendment to the GE Credit Agreement. Discussions with GE are proceeding according to the Brick Group's expectations and with the goal of concluding the amendment shortly.

The Fairfax LC will have an initial term of six months (the "Initial Term") subject to extension at the option of the Brick for up to an additional 6 months (the "Extension Term"). Amounts drawn under the Fairfax LC will bear interest at a rate of 15% per annum. On the issue date of the Fairfax LC, the Brick Group will pay a fee to Fairfax in the amount of \$300,000 and issue to Fairfax 5,317,100 warrants. In the event the Fairfax LC is extended, the Brick will pay an extension fee to Fairfax in the amount of \$1,250,000.

Each full warrant will entitle the holder to purchase one Unit. Warrants will be exercisable at the holder's option at any time, in whole or in part, for five years from the date of issue and will be exercisable at a price per unit to be determined pursuant to the rules of the Toronto Stock Exchange. The warrants will include customary anti-dilution provisions, consistent with the terms of the warrants previously issued to Fairfax in connection with the public debt offering on May 28, 2009.

The transaction has been unanimously approved by the independent trustees of the Brick Group, free from interest in the transaction and unrelated to the parties involved. Closing is subject to the execution of definitive documents, including an amendment to the GE Credit Agreement, to reflect the LC Transaction, and to obtain all necessary regulatory, corporate and credit approvals, including those of the lenders under the GE Facility.

### **Conference Call and Webcast**

The Brick will host an investor conference call at 12:00 noon eastern time (10:00 a.m. Alberta time) on Friday, August 7, 2009. To access the call, please call either (416) 646-3095 or (866) 249-2165 five minutes prior. For a listen-only version of the conference, log on to <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2766720>. A replay of the call will be available until August 14, 2009 at 11:59 PM MT. To access the replay please dial (416) 640-1917 and enter the passcode 21312480 followed by the pound sign.

### **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 and the New Brunswick, and the Yukon Territory.

### **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 for the second quarter of 2009, 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. 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 risk that relationships with suppliers (including the availability and terms of supplier credit) fail to improve or deteriorate further, that costs may be difficult to manage and that availability under the Asset-Based Credit Facility may be less than expected and those risks and uncertainties detailed in the section entitled "Risk Factors" in the Brick's Management's Discussion and Analysis, Annual Information Form, final short form prospectus dated May 21, 2009 filed in connection with the Public Offering and in other filings on [www.sedar.com](http://www.sedar.com). 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 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.

**For Further information please contact:**

Bill Gregson  
President and CEO  
The Brick Group  
(780) 930-6300  
investor@thebrickgroup.ca

Nick Bobrow, CA  
Chief Financial Officer  
The Brick Group  
(780) 930-6300  
investor@thebrickgroup.ca