

The Brick Group Reports 2010 First Quarter Results

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Continued Same Store Sales Growth Fuels Record First Quarter EBITDA for the Fund

EDMONTON, May 5, 2010 /CNW/ - The Brick Group Income Fund (TSX: BRK.UN) (the "Brick Group") today announced its first quarter 2010 financial results for the three months ended March 31, 2010. Financial statements and Management's Discussion and Analysis are available on the Brick Group's website at www.thebrickgroup.ca.

First Quarter 2010 Summary

- Consolidated sales & operating revenue of \$306.2 million, up 12.8% from Q1 2009
- Same store sales growth of 8.6%
- EBITDA of \$13.9 million, the highest Q1 EBITDA in the Brick Group's history
- Net income of \$2.6 million (\$4.3 million net income before non-cash LC issuance costs of \$1.7 million), an increase of \$31.9 million from our Q1 2009 net loss of \$29.3 million
- \$9.6 million cash and cash equivalents, at March 31, 2010, and nil borrowings for the second consecutive quarter

"I am pleased with the Brick Group's record results for the first quarter of 2010, which reflect the gradual improvement in economic conditions in Canada and the continued success of our recovery plan," said Bill Gregson, President and Chief Executive Officer.

As of March 31, same store sales have trended positively for four successive months. March 2010 same store sales growth was 16.6% compared to the same month in the prior year.

Gross margin rates improved to 43.4% in the first quarter of 2010 from 40.5% in 2009. Our gross margin rate improved because of the success of our promotional programs, more favourable product mix and reduced sale finance fees associated with our Brick branded credit programs. Additionally, the strength of the Canadian dollar contributed to our margin rate improvement, as the majority of our furniture inventory purchases are priced in U.S. dollars. Consolidated EBITDA was \$13.9 million in the first quarter of 2010 - the highest first quarter EBITDA in the history of the fund.

"We ended the first quarter of 2010 with a solid liquidity position, especially considering the typically heavier seasonal cash needs during the first half of the year," added Mr. Gregson.

For the remainder of 2010, management's focus remains on organic growth through improved same store sales, an enhanced customer service model, investments in both information systems and our supply chain and a review of our marketing initiatives.

First Quarter 2010 Operating Results

Consolidated sales and operating revenue totalled \$306.2 million, an increase of \$34.6 million or 12.8%, compared to the first quarter of 2009.

Sales and operating revenue increased by 12.8% in the retail segment to \$286.6 million, and increased by 12.8% in the financial services segment to \$19.7 million. In the retail segment, first quarter same store sales growth improved to 8.6% compared to negative 21.9% in the same quarter of 2009. Same store sales trended positively during the three months ended March 31, 2010, gaining 4.2%, 5.2% and

16.6% from January 2010 onward and generating our first quarterly increase since the second quarter of 2008.

Selling, general and administrative expenses (SG&A) continued to be an area of focus and were well controlled during the first quarter of 2010.

Consolidated quarterly EBITDA totalled a record \$13.9 million and was \$16.4 million higher than the same quarter of 2009. EBITDA increased to \$9.8 million in the financial services segment, and in the retail segment, EBITDA increased by \$15.6 million to \$4.1 million.

Net income increased by \$31.9 million to \$2.6 million for the first quarter of 2010.

At the end of the first quarter, the Brick Group's current assets exceeded current liabilities by \$51.1 million, with nil drawn under its asset-based credit facility and \$68.9 million in available borrowing capacity. As of May 4, 2010 the asset-based credit facility remained undrawn.

Consolidated and Franchise Sales and Operating Revenue

First quarter consolidated and franchise sales and operating revenue was \$344.3 million, including \$38.0 million of franchise sales, compared to \$303.8 million, including \$32.2 million of franchise sales in the same quarter last year, representing an increase of 13.3%. Same store sales growth for corporate stores together with franchise stores was 8.6% compared to negative 21.6% for the same quarter of 2009.

Sales at franchise stores increased by 18.0% to \$38.0 million, and same store sales growth was 8.5%, compared to the first quarter last year.

Results Summary

(000's of \$ except %, and store amounts)	For the three months ended March 31			
	2010	2009	\$ Increase (Decrease)	% Increase (Decrease)
Retail Segment - Sales and operating revenue	\$ 286,571	\$ 254,156	32,415	12.8%
Financial Services Segment - Sales and operating revenue	19,677	17,443	2,234	12.8%
Consolidated - Sales and operating revenue	306,248	271,599	34,649	12.8%
Franchise sales(1)	38,049	32,240	5,809	18.0%
Consolidated sales and operating revenue and franchise sales(1)	\$ 344,297	\$ 303,839	40,458	13.3%
Same Store Sales Growth (corporate stores)	8.6%	-21.9%		
Same Store Sales Growth (corporate and franchise stores)	8.6%	-21.6%		
Retail Segment - EBITDA	\$ 4,100	\$ (11,493)	15,593	135.7%

Financial Services Segment - EBITDA	9,838	9,063	775	8.6%
Consolidated - EBITDA	\$ 13,938	\$ (2,430)	16,368	673.6%
EBITDA as a percentage of sales and operating revenue	4.6%	-0.9%		
Retail Segment - Net loss(2)	\$ (7,129)	\$ (38,376)	31,247	81.4%
Financial Services Segment - Net income	9,687	9,026	661	7.3%
Consolidated - Net income (loss) (2)	\$ 2,558	\$ (29,350)	31,908	108.7%
Cash provided by operating activities before changes in non-cash working capital items	10,215	(6,245)	16,460	263.6%
Stores at period end	237	232		

(1) In this table, 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 presented in this release.

(2) First quarter net income for 2009 includes brand intangible asset impairment charges of \$25,000 recorded in the retail segment.

Conference Call and Webcast

The Brick Group will host its first quarter 2010 investor call at 11:00 a.m. Eastern Time (9:00 a.m. Alberta time) on Thursday, May 6, 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=3058000>.

A telephone replay of the call will be available until May 12, 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 72107596

Annual General and Special Meeting

The Brick Group will hold its Annual General and Special Meeting of unitholders at 1:00 p.m. Eastern Time (11:00 a.m. Alberta Time) on May 6, 2010 at the Hilton Garden Inn, located at 17610 Stony Plain Road, Edmonton. For a listen-only version of the meeting, please go to <http://w.on24.com/r.htm?e=209782&s=1&k=F5AFE73D4E373C196240D5291F6050DF>

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 and adjusted EBITDA are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Therefore, adjusted results, EBITDA, reported EBITDA and adjusted EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that adjusted results, EBITDA, reported EBITDA and adjusted EBITDA 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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