



BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Third Quarter and Nine Months Ended September 30, 2009

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To our Unitholders,

Notwithstanding the economic climate, we achieved record revenue, EBITDA and net earnings.

On November 12, 2009, Trustees of the Fund approved a 5.3% increase in monthly distributions from \$0.02375 per unit to \$0.025 per unit, commencing January 2010 for unitholders and shareholders of record on December 31, 2009. This marks the eighth consecutive increase to monthly distributions and a 66.7% increase over our distribution level in December 2007.

For the quarter ended September 30, 2009, sales increased 2.4% to a third quarter record of \$52.5 million, compared to sales of \$51.3 million for the quarter ended September 30, 2008. This increase resulted from the launch of three new collision repair start-ups as well as sales generated from a glass repair and replacement services business in Texas. The benefit of translating U.S. revenues at higher exchange rates, were partially offset by lower same store sales. Same store sales for the company decreased by 3.6% for the period ended September 30, 2009, after excluding the effect of foreign currency translation, as the result of the continued economic downturn. Sales in Canada decreased 0.6% to \$17.4 million for the three months ended September 30, 2009, from \$17.5 million for the three months ended September 30, 2008. Sales in the U.S. increased 3.9% to \$35.1 million in the third quarter of 2009, from \$33.8 million in the same quarter a year ago.

EBITDA for the third quarter of 2009 increased 14.3% to an all-quarter record of \$3.8 million, or 7.2% of sales, compared to EBITDA of \$3.3 million, or 6.5% of sales, in the same quarter a year ago. The increase in EBITDA was due to foreign exchange gains on derivative contracts and the EBITDA contribution from new start-ups. Improvements in EBITDA resulting from the translation of the U.S. dollar at higher exchange rates helped to offset lower EBITDA due to same store sales declines.

For the three months ended September 30, 2009, net earnings were an all-quarter high of \$2.2 million, or \$0.190 per unit (basic) and \$0.188 per unit (diluted), compared to \$1.9 million, or \$0.155 per unit (basic) and \$0.153 per unit (diluted) for the three months ended September 30, 2008.

For the third quarter of 2009, the Fund generated adjusted distributable cash of \$2.8 million and paid distributions of \$0.8 million, representing a payout ratio of 28.6% for the quarter. This compared to adjusted distributable cash of \$3.1 million, paid distributions of \$0.6 million and a payout ratio of 20.8% in the third quarter of 2008.

We will continue to closely monitor the Fund's payout ratio, and will continue to take into account the current and prospective performance of our business along with the economic outlook, with the objective of continuing to increase cash distributions. We intend to maintain a conservative payout ratio that will provide for the necessary flexibility to grow our business, as well as to fund cash taxes that may be payable starting in 2011.

In the first nine months of the year we commenced operations at three new collision repair facilities in Winnipeg, Manitoba; Mesa, Arizona and Glendale, Arizona. In addition, in October 2009 we completed an acquisition of a collision repair facility located in Anthem, Arizona. We are actively seeking to grow our existing network of collision repair centers in North America and intend to add a minimum of eight to ten start-ups each year for the foreseeable future. We believe we are well positioned to meet this target with the support of a strong balance sheet and market opportunity.

We look forward to supporting the positive results and momentum achieved in the first nine months of 2009 with a continued focus on optimizing the performance of our business and expanding our operations in both Canada and the U.S. On behalf of the Trustees of the Boyd Group Income Fund and Boyd Group employees, thank you for your continued support.

Sincerely,



Terry Smith
Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Income Fund (the "Fund"), through its operating company, The Boyd Group Inc. ("Boyd" or the "Company") and its subsidiaries, is the largest operator of automotive collision repair service centres in Canada and is among the largest multi-site collision repair companies in North America, currently operating locations in the four western Canadian provinces and seven U.S. states. Boyd currently carries on business in Canada under the trade name "Boyd Autobody & Glass". In the U.S., Boyd operates primarily under the "Gerber Collision & Glass" and "Gerber National Glass Services" ("GNGS") names.

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company's revenue being derived from insurance-paid collision repair services. In Canada, government-owned insurers operating in Manitoba, Saskatchewan and British Columbia, dominate the insurance-paid collision repair markets in which they operate. In the U.S. and Canadian markets, other than Manitoba and Saskatchewan, private insurance carriers compete for consumer policyholders, and in many cases significantly influence the choice of collision repairer through Direct Repair Programs ("DRP's").

The following review of the Fund's operating and financial results for the nine months ended September 30, 2009, including material transactions and events up to and including November 12, 2009 should be read in conjunction with the unaudited consolidated interim financial statements, as well as the annual audited consolidated financial statements, management discussion and analysis and Annual Information Form of Boyd Group Income Fund for the year ended December 31, 2008 as filed on SEDAR at www.sedar.com. The Fund's units trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this interim report, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements. Factors that could cause results to vary include, but are not limited to: the economic downturn; loss of key customers; fluctuations in cash distributions; dependence on the Fund's operating subsidiary to pay its interest obligations; loss of services of key senior management personnel; damage to the Company's brand; variation in the number of insurance claims; margin pressure; management of credit and refinancing risks; responding to changes in the market environment; technology risks; the management of key supplier relationships; capital expenditures; competition from established competitors and new entrants in the businesses in which the Company operates; employee relations; the ability to complete acquisitions of collision repair facilities and other businesses and to integrate these acquisitions successfully; the ability to identify start-up locations and reach anticipated profitability levels; potential discovery of undisclosed liabilities associated with acquisitions; energy costs; weather conditions; operational and infrastructure risks including possible equipment failure and performance of information technology systems; fluctuations in operating results and seasonality; ability to expand into the United States; insurance coverage of sufficient scope to satisfy any liability claims; environmental risk; interest rate fluctuations and general economic conditions; quality of corporate governance; pending and proposed legislative or regulatory developments including the impact of changes in laws, regulations and the enforcement thereof; quality of internal control systems; fluctuations in foreign currencies; fluctuations in the cost of benefit plans; impact of government owned insurance; and the possible impacts from public health emergencies, international conflicts and other developments including those relating to terrorism; and the Fund's success in anticipating and managing the foregoing risks.

We caution that the foregoing list of factors is not exhaustive and that when reviewing our forward-looking statements, investors and others should refer to the "Risk Factors" section of the Fund's Annual Information Form, the "Risks and Uncertainties" and other sections of our Management's Discussion and Analysis and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

SIGNIFICANT EVENTS

On January 2, 2009, as part of a new start up, the Company began operations in a new collision repair facility in Winnipeg, Manitoba.

On January 5, 2009, the Company purchased the equipment, work in progress and leased the premises of a collision repair center located in Mesa, Arizona. The new location immediately commenced operations.

On March 25, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.02125 per unit commencing May 2009, for unitholders and shareholders of record on April 30, 2009.

During the second quarter, the Company rebranded its Alberta operations, converting it from the “Service Collision Center” brand to the “Boyd Autobody & Glass” brand.

On May 13, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.0225 per unit commencing July 2009, for unitholders and shareholders of record on June 30, 2009.

On August 10, 2009, the Company purchased the equipment, work in progress and leased the premises of a collision repair center located in Glendale, Arizona. The new location immediately commenced operations.

On August 12, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.02375 per unit commencing October 2009, for unitholders and shareholders of record on September 30, 2009.

On October 5, 2009, the Company purchased the equipment, work in progress and leased the premises of a collision repair center located in Anthem, Arizona. The new location immediately commenced operations.

On November 12, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.025 per unit commencing January 2010, for unitholders and shareholders of record on December 31, 2009.

BUSINESS ENVIRONMENT & STRATEGY

As at September 30, 2009, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund’s 2008 annual MD&A.

DISTRIBUTABLE CASH

During the first nine months of 2009, the Fund declared distributions to unitholders and dividends to BGHI’s Class A shareholders, in the following amounts:

<u>Record date</u>	<u>Payment date</u>	<u>Distribution per unit</u>	<u>Dividend per share</u>	<u>Distribution amount</u>	<u>Dividend amount</u>
January 31, 2009	February 25, 2009	\$ 0.02	\$ 0.02	\$ 221,827	\$ 17,483
February 28, 2009	March 27, 2009	0.02	0.02	221,014	17,288
March 31, 2009	April 28, 2009	0.02	0.02	220,299	17,287
April 30, 2009	May 27, 2009	0.02125	0.02125	233,420	18,363
May 31, 2009	June 26, 2009	0.02125	0.02125	233,430	18,355
June 30, 2009	July 29, 2009	0.0225	0.0225	245,992	19,431
July 31, 2009	August 27, 2009	0.0225	0.0225	245,325	19,430
August 31, 2009	September 28, 2009	0.0225	0.0225	244,686	19,426
September 30, 2009	October 28, 2009	0.02375	0.02375	257,670	20,475
		<u>\$ 0.19375</u>	<u>\$ 0.19375</u>	<u>\$ 2,123,663</u>	<u>\$ 167,538</u>

During the year, up to and including November 12, 2009, the Trustees of the Fund and the Directors of BGHI have approved four increases to the level of monthly distributions and dividends bringing the current amount to \$0.025 per unit commencing January 2010, for unitholders and shareholders of record on December 31, 2009.

Maintaining Productive Capacity

Productive capacity is defined by Boyd as the maintenance of the Company's facilities, signage, courtesy cars, equipment, systems, brand names and infrastructure. Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, systems and courtesy car fleets forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. In recent years, the Company has been able to manage its capital expenditures to approximately 0.8% of sales or less. Although maintenance capital expenditures may remain within budget on an annual basis, the timing of these expenditures often varies significantly from quarter to quarter.

In addition, the Company's accounting and management information systems require regular upgrade and maintenance. In Canada, accounting and management information systems are owned and may require replacement in the future. Management believes the replacement of these systems in Canada will be managed through the annual budget process. In the U.S., the accounting and management information systems and related upgrades are subscription products and services which are expensed as part of regular operating expenses.

In many circumstances, large equipment expenditures including automobiles, shop equipment and computers can be financed using either operating or capital leases. Maintenance capital expenditures as well as the repayment of operating and capital leases, including the interest thereon, form part of the distributable cash calculations.

Non-recurring and Other Adjustments

Non-recurring and other adjustments may include, but are not limited to, post closure environmental liabilities, restructuring costs and repayment of prepaid rebates that are not refinanced. Management is not currently aware of any environmental remediation requirements or prepaid rebate adjustments.

Debt Management

In addition to capital lease obligations arranged to finance maintenance expenditures on property and equipment, the Company has utilized long-term debt to finance the expansion of its business, usually through the acquisition and start-up of collision and glass repair and replacement businesses. Repayments of this debt have, in part, been refinanced by replacement facilities or by drawing on the Company's operating line and therefore do not form part of distributable cash calculations. Boyd's bank facilities include restrictive covenants, which could limit the Fund's ability to distribute cash. These covenants, based upon current financial results, would not prevent the Fund from paying future distributions at conservative and sustainable levels. These covenants will continue to be monitored in conjunction with any future anticipated distributions.

The following is a standardized and adjusted distributable cash calculation for the three and nine month periods ending September 30, 2009 with comparative figures for 2008.

Standardized and Adjusted Distributable Cash ⁽¹⁾

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Cash flow from operating activities before changes in non-cash working capital items	\$ 2,936,211	\$ 2,637,573	\$ 8,642,146	\$ 7,839,290
Changes in non-cash working capital items	336,233	681,724	1,433,312	1,934,224
Cash flows from operating activities	3,272,444	3,319,297	10,075,458	9,773,514
Less adjustment for:				
Sustaining expenditures on plant and equipment ⁽²⁾	(338,625)	(476,830)	(1,445,479)	(959,036)
Reserve for sustaining expenditures on plant and equipment ⁽²⁾	-	62,000	-	(268,000)
Standardized distributable cash	\$ 2,933,819	\$ 2,904,467	\$ 8,629,979	\$ 8,546,478
Standardized distributable cash per average unit and Class A common share				
Per average unit and Class A common share	\$ 0.250	\$ 0.240	\$ 0.732	\$ 0.716
Per diluted unit and Class A common share	\$ 0.247	\$ 0.238	\$ 0.724	\$ 0.703
Standardized distributable cash from above	\$ 2,933,819	\$ 2,904,467	\$ 8,629,979	\$ 8,546,478
Add (deduct) adjustments for:				
Collection of rebates ⁽³⁾	258,447	250,420	827,497	725,803
Cash flow (used in) provided by discontinued operations	(80,167)	72,303	(413,106)	(447,721)
Proceeds of sale of equipment	-	9,372	5,980	38,553
Reserve for working capital changes ⁽⁴⁾	-	-	250,000	-
Principal repayments of capital leases ⁽⁵⁾	(337,164)	(151,569)	(970,788)	(357,761)
Adjusted distributable cash	\$ 2,774,935	\$ 3,084,993	\$ 8,329,562	\$ 8,505,352
Adjusted distributable cash per average unit and Class A common share				
Per average unit and Class A common share	\$ 0.237	\$ 0.255	\$ 0.706	\$ 0.713
Per diluted unit and Class A common share	\$ 0.234	\$ 0.253	\$ 0.698	\$ 0.700
Distributions paid ⁽⁶⁾				
Unitholders	\$ 736,003	\$ 594,270	\$ 2,089,720	\$ 1,621,776
Class A common shareholders	58,287	45,954	164,547	127,382
Total distributions paid	\$ 794,290	\$ 640,224	\$ 2,254,267	\$ 1,749,158
Distributions paid ⁽⁶⁾				
Per Unit	\$ 0.0675	\$ 0.0525	\$ 0.1900	\$ 0.1450
Per Class A common share	\$ 0.0675	\$ 0.0525	\$ 0.1900	\$ 0.1450
Payout ratio based on standardized distributable cash ⁽⁶⁾	27.1%	22.0%	26.1%	20.5%
Payout ratio based on adjusted distributable cash ⁽⁶⁾	28.6%	20.8%	27.1%	20.6%

(1) Standardized and adjusted distributable cash are not recognized measures and do not have a standardized meaning under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, standardized and adjusted distributable cash are useful supplemental measures as they provide investors with an indication of cash available for distribution. Investors should be cautioned however, that standardized and adjusted distributable cash should not be construed as an alternative to net earnings determined in accordance with GAAP as an indicator of the Fund's performance. Boyd's method of calculating adjusted distributable cash may differ from other companies and, accordingly, may not be comparable to similar measures used by other companies.

- (2) Sustaining expenditures on plant and equipment excludes capital expenditures associated with acquisition and development activities. In 2008, a distributable cash capital expenditure reserve of \$330,000 was created during the second quarter to reduce distributable cash for timing of expenditures up to expected budgeted amounts. The reserve was drawn down in later quarters of 2008 as the Fund determined that the cash would be available for distribution. Annual maintenance capital expenditures are budgeted to approximate 0.8% of sales. As at September 30, 2009 the Fund has spent approximately 0.8% (2008 – 0.6%) of sales and for 2008 had reserved an additional 0.2% of sales. No reserve was considered necessary for 2009 since sustaining capital expenditures were at budgeted levels.
- (3) The Company receives prepaid rebates, under its trading partner arrangements, in equal quarterly instalments of \$237,500 U.S. for a period of six years ending February 28, 2012.
- (4) At December 31, 2008, the Fund established a reserve of \$750,000 for temporary working capital changes that were expected to reverse during 2009. At March 31, 2009, the Fund reversed \$250,000 of the reserve to offset a use of working capital experienced during the quarter. No additional reversal of this reserve was considered necessary at June 30, 2009 or September 30, 2009. The balance of the reserve of \$500,000 will continue to be monitored and be compared to working capital levels in future quarters.
- (5) Repayments of these leases represent additional cash requirements to support the productive capacity of the Company and therefore have been deducted when calculating adjusted distributed cash.
- (6) Distributions paid and payout ratios exclude repurchases under the normal course issuer bid.

Distributions and Purchases of Units

During the three months ended September 30, 2009, the Fund declared distributions totalling \$0.7 million (2008 - \$0.6 million) while BGHI declared dividends to Class A common shareholders during this same period of \$59 thousand (2008 - \$47 thousand). During the nine months ended September 30, 2009, the Fund declared distributions totalling \$2.1 million (2008 - \$1.7 million) while BGHI declared dividends to Class A common shareholders during this same period of \$168 thousand (2008 - \$130 thousand).

Effective December 5, 2008, the Fund received approval to commence a Normal Course Issuer Bid for up to 1,081,136 of its trust units at prevailing market prices on the Toronto Stock Exchange. The bid commenced December 5, 2008 and will terminate the earlier of December 4, 2009 or the date on which a total of 1,081,136 trust units have been repurchased pursuant to the terms of the Bid. During the three months ended September 30, 2009, the Fund purchased 81,400 trust units for cancellation for cash consideration of \$321,671 pursuant to its normal course issuer bid. Since the beginning of the bid, which began in December 2008, the Fund has purchased 375,100 units for cash consideration of approximately \$1.2 million.

RESULTS OF OPERATIONS

(\$000's, except per unit figures)	Three months ended			Nine months ended		
	Sep 30, 2009	% change	Sep 30, 2008	Sep 30, 2009	% change	Sep 30, 2008
Total Sales	52,462	2.4%	51,254	171,563	11.9%	153,370
Same Store Sales <i>(excluding foreign exchange)</i>	49,242	(3.6%)	51,084	146,033	(3.4%)	151,129
Sales - Canada	17,361	(0.6%)	17,474	55,805	2.6%	54,382
Same Store Sales - Canada	16,991	(2.8%)	17,474	53,688	(0.6%)	54,002
Sales - U.S.	35,101	3.9%	33,780	115,759	16.9%	98,988
Same Store Sales - U.S. <i>(excluding foreign exchange)</i>	32,251	(4.0%)	33,610	92,345	(4.9%)	97,127
Gross Margin %	44.9%	2.3%	43.9%	44.0%	0.2%	43.9%
Operating Expense %	38.4%	2.7%	37.4%	38.0%	0.5%	37.8%
EBITDA ⁽¹⁾	3,799	14.3%	3,325	11,020	11.5%	9,879
Interest Expense	289	(22.5%)	373	943	(24.1%)	1,242
Net Earnings from Continuing Operations	2,230	19.1%	1,873	6,345	13.2%	5,607
Basic Earnings per Unit from Continuing Operations	0.190	22.6%	0.155	0.538	14.5%	0.470
Diluted Earnings per Unit from Continuing Operations	0.188	22.9%	0.153	0.533	14.9%	0.464
Net Earnings	2,230	19.1%	1,873	6,345	72.4%	3,680
Basic Earnings per Unit	0.190	22.6%	0.155	0.538	74.7%	0.308
Diluted Earnings per Unit	0.188	22.9%	0.153	0.533	74.8%	0.305
Standardized Distributable Cash	2,934	1.0%	2,904	8,630	1.0%	8,546
Adjusted Distributable Cash	2,775	(10.0%)	3,085	8,330	(2.1%)	8,505
Distributions Paid	794	24.1%	640	2,254	28.9%	1,749

3rd Quarter Comparison – Three months ended September 30, 2009 vs. 2008

Sales

Sales increased \$1.2 million or 2.4% to \$52.5 million for the three months ended September 30, 2009 when compared to the same period in 2008. Sales increased \$1.3 million or 2.5% from the launch of three new collision repair start-ups as well as sales generated from a glass repair and replacement services business in Texas. The benefit of translating U.S. revenues at higher exchange rates partially offset same store sales declines.

Same store sales decreased \$1.8 million or 3.6% for the period ended September 30, 2009, after excluding the effect of foreign currency translation. Industry information indicates that the prolonged and severe economic downturn being experienced in the U.S., and to a lesser extent in Canada has had a significant negative impact on overall industry sales volumes. While efforts to achieve market share gains have been successful and have translated into same store sales growth in earlier quarters of this downturn, the extent and duration of the downturn was not fully countered by market share gains in either the second or third quarters of the current year. While the company believes that it is well positioned to minimize the negative affects of the current economic conditions, it is expected that achieving same store sales growth will continue to be a challenge until economic conditions improve.

¹ EBITDA and Adjusted EBITDA are not recognized measures under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, EBITDA and Adjusted EBITDA are useful supplemental measures as they provide investors with an indication of operational performance. Investors should be cautioned, however, that EBITDA and Adjusted EBITDA should not be construed as alternatives to net earnings determined in accordance with GAAP as an indicator of the Fund's performance.

The following chart provides comparative sales by geographic region:

Sales by Geographic Region (000's)		
<i>Three Months Ended September 30,</i>	2009	2008
Canada	\$ 17,361	\$ 17,474
United States	35,101	33,780
Total	\$ 52,462	\$ 51,254
Canada - % of total	33.1%	34.1%
United States - % of total	66.9%	65.9%

Sales in Canada for the three months ended September 30, 2009 totalled \$17.4 million, a decrease of \$0.1 million or 0.6%. Sales in Canada included sales of \$0.4 million from one 2009 start-up in Winnipeg, Manitoba. Same store sales declined \$0.5 million, or 2.8% when compared to the same period in the prior year.

Sales in the U.S. totalled \$35.1 million for the three months ended September 30, 2009, an increase from 2008 of \$1.3 million or 3.9%. Sales in the U.S. included sales of \$0.9 million from two 2009 start-ups in Mesa and Glendale, Arizona as well as sales from a glass repair and replacement services business located in Texas. Excluding the impact of foreign currency translation, same store sales in the U.S. decreased \$1.4 million or 4.0% when compared to the same period in the prior year. Translation of U.S. revenues at a stronger U.S. dollar exchange rate, relative to the Canadian dollar, resulted in an increase in sales of \$1.8 million.

Gross Margin

Gross Margin was \$23.6 million or 44.9% of sales for the three months ended September 30, 2009, an increase from \$22.5 million or 43.9% of sales for the same period in 2008. Gross margin dollars increased \$1.1 million due to a higher gross margin percentage, additional sales from new start-ups and the translation of both U.S. sales and cost of sales at higher exchange rates. The increase in gross margin, as a percentage of sales for 2009, was due to improved glass margins as well as an improved mix of collision sales compared to lower margin GNGS sales.

Operating Expenses

Operating Expenses for the three months ended September 30, 2009 increased \$1.0 million to \$20.2 million from \$19.2 million for the same period of 2008 due in part to the translation of U.S. dollar expenses at a higher U.S. dollar exchange rate. Excluding the impact of foreign currency translation, of approximately \$0.7 million, expenses increased \$0.3 million from 2008 primarily as a result of new start-ups. Increases in rent, salaries, wages and benefits as well as higher bonus and advertising expenses were partially offset by decreases in auto rental and vehicle lease expense.

Operating expenses as a percentage of sales increased to 38.4% in the third quarter of 2009 from 37.4% last year. Increases as a percentage of sales occurred in rent, benefits, advertising and bonus expenses.

Foreign Exchange Gains

Foreign Exchange Gains for the three months ended September 30, 2009 were \$0.4 million, compared to \$nil in 2008. The gain in the current period was mainly due from unrealized foreign exchange gains on derivative contracts used to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations.

EBITDA

*Earnings before interest, income taxes, depreciation and amortization (“EBITDA”)*¹ for the third quarter of 2009 totalled \$3.8 million or 7.2% of sales compared to EBITDA of \$3.3 million or 6.5% of sales in the same period of the prior year. The increase in EBITDA was due to foreign exchange gains on derivative contracts and the EBITDA contribution from new start-ups. Improvements in EBITDA resulting from the translation of the U.S. dollar at higher exchange rates helped to offset lower EBITDA due to same store sales declines. The increase as a percentage of sales was due to the foreign exchange gains in 2009.

Depreciation and Amortization

Depreciation and Amortization Expense related to plant and equipment totalled \$1.0 million or 1.9% of sales for the three months ended September 30, 2009, an increase of \$0.2 million from the \$0.8 million or 1.5% of sales recorded in the same period of the prior year. The increase is mainly due to an increase in capital lease financing of courtesy vehicles that had previously been financed with operating leases as well as the translation of U.S. depreciation and amortization at higher exchange rates.

Amortization of financing fees and other intangible assets for the third quarter of 2009 was \$0.2 million or 0.4% of sales and was comparable to the amount expensed for the same period in the prior year.

Interest Expense

Interest Expense of \$0.3 million or 0.6% of sales for the third quarter of 2009 decreased from \$0.4 million or 0.7% of sales in the same period of the prior year. Reductions in interest expense resulted primarily from the reduction in the Company’s operating line of credit.

Income Taxes

Current Income Tax Expense and Future Tax Expense for the third quarter of 2009 was comparable to the same period in 2008. Income tax provisions and recoveries in both Canada and the U.S. have not fully been recorded due to the existence of unrecognized tax losses and other tax assets. Income tax provisions and recoveries currently represent the change in temporary differences on recognized Canadian tax items, excluding losses.

Net Earnings and Earnings Per Unit and Class A Common Share

Net Earnings for the three months ended September 30, 2009 increased to \$2.2 million or 4.3% of sales from \$1.9 million or 3.7% of sales for the same period in 2008. The increase in earnings was due to foreign exchange gains on derivative contracts and the earnings contribution from new start-ups. Improvements in earnings resulting from the translation of the U.S. dollar at higher exchange rates and reduced interest costs were offset by lower earnings associated with same store sales declines and higher depreciation charges.

Basic Earnings Per Unit and Class A Common Share was \$0.190 per unit and Class A common share for the three months ended September 30, 2009, an increase when compared to basic earnings of \$0.155 per unit and Class A common share in the same period in 2008. *Diluted Earnings Per Unit and Class A Common Share* was \$0.188 per unit and Class A common share for the third quarter of 2009 compared to diluted earnings of \$0.153 per unit and Class A common share for the same period in the prior year. Increased earnings combined with fewer units and Class A common shares outstanding due to repurchases under the Company’s normal course issuer bid provided the improved results.

¹ EBITDA and Adjusted EBITDA are not recognized measures under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, EBITDA and Adjusted EBITDA are useful supplemental measures as they provide investors with an indication of operational performance. Investors should be cautioned, however, that EBITDA and Adjusted EBITDA should not be construed as alternatives to net earnings determined in accordance with GAAP as an indicator of the Fund’s performance.

Year-to-date Comparison – Nine months ended September 30, 2009 vs. 2008

Sales

Sales increased \$18.2 million or 11.9% to \$171.6 million for the nine months ended September 30, 2009 when compared to the same period in 2008. The translation of U.S. sales at a stronger U.S. dollar exchange rate, relative to the Canadian dollar increased sales by \$14.1 million or 9.3%. Sales generated from four new start-ups which began operations in 2008, a glass repair and replacement services business located in Texas and three new start-ups which commenced operations in the first nine months of 2009, contributed \$9.2 million or 6.0%.

Same store sales decreased \$5.1 million or 3.4% for the nine months ended September 30, 2009, after excluding the effect of foreign currency translation. As previously discussed, the prolonged and severe economic downturn resulted in same store sales declines in the second and third quarters this year.

The following chart provides comparative sales by geographic region:

Sales by Geographic Region (000's)		
<i>Nine Months Ended September 30,</i>	2009	2008
Canada	\$ 55,805	\$ 54,382
United States	115,759	98,988
Total	\$ 171,564	\$ 153,370
Canada - % of total	32.5%	35.5%
United States - % of total	67.5%	64.5%

Sales in Canada for the nine months ended September 30, 2009 totalled \$55.8 million, an increase of \$1.4 million or 2.6%. Sales in Canada included sales of \$1.7 million from one 2008 start-up in Calgary, Alberta as well as one 2009 start-up in Winnipeg, Manitoba. Same store sales decreased \$0.3 million or 0.6% when compared to the same period in the prior year.

Sales in the U.S. totalled \$115.8 million for the nine months ended September 30, 2009, an increase from 2008 of \$16.8 million or 16.9%. Sales in the U.S. included sales of \$7.5 million from three 2008 start-ups in Wichita, Kansas; Lacey, Washington and Las Vegas, Nevada, a glass repair and replacement services business located in Texas as well as two 2009 start-ups in Mesa and Glendale, Arizona. Excluding the impact of foreign currency translation, same store sales in the U.S. decreased \$4.8 million or 4.9% when compared to the same period in the prior year. Translation of U.S. revenues at a stronger U.S. dollar exchange rate, relative to the Canadian dollar, resulted in an increase in sales of \$14.1 million.

Gross Margin

Gross Margin was \$75.5 million or 44.0% of sales for the nine months ended September 30, 2009, an increase from \$67.3 million or 43.9% of sales for the same period in 2008. Gross margin dollars increased \$8.2 million due to additional sales from new start-ups and the translation of both U.S. sales and cost of sales at higher exchange rates. Gross margin, as a percentage of sales for 2009 were comparable to the same period in 2008.

Operating Expenses

Operating Expenses for the nine months ended September 30, 2009 increased \$7.1 million to \$65.1 million from \$58.0 million for the same period of 2008, primarily due to the translation of the U.S. dollar. Excluding the impact of foreign currency translation of approximately \$5.6 million, expenses increased \$1.5 million or 2.6% from 2008. This increase resulted from expenses associated with start-ups offset by reductions in expenses associated with same store sales declines.

Operating expenses as a percentage of sales increased to 38.0% for the first nine months of 2009 from 37.8% last year. Increases as a percentage of sales occurred in rent and advertising, partially offset with reductions in automobile rental and leasing costs.

Foreign Exchange Gains

Foreign Exchange Gains for the nine months ended September 30, 2009 of \$0.6 million was comparable in amount to the \$0.6 million for the same period of 2008. The 2009 gain was primarily the result of unrealized foreign exchange gains on derivative contracts used to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations. Gains from the prior period resulted primarily from the repayment of U.S. dollar denominated Canadian senior bank term debt.

EBITDA

*Earnings before interest, income taxes, depreciation and amortization (“EBITDA”)*¹ for the first nine months of 2009 totalled \$11.0 million or 6.4% of sales compared to EBITDA adjusted for discontinued operations (“*Adjusted EBITDA*”)¹ of \$9.9 million or 6.4% of sales in the same period of the prior year. The increase in EBITDA was primarily the result of EBITDA contribution from new start-ups. Improvements in EBITDA resulting from the translation of the U.S. dollar at higher exchange rates were offset by lower EBITDA due to same store sales declines.

Depreciation and Amortization

Depreciation and Amortization Expense related to plant and equipment totalled \$2.8 million or 1.7% of sales for the nine months ended September 30, 2009 an increase of \$0.6 million when compared to the \$2.2 million or 1.4% of sales recorded in the same period of the prior year. The increase is mainly due to an increase in capital lease financing of courtesy vehicles that had previously been financed with operating leases as well as the translation of U.S. depreciation and amortization at higher exchange rates.

Amortization of financing fees and other intangible assets for the first nine months of 2009 totalled \$0.6 million or 0.4% of sales which was comparable to the amount expensed for the same period in the prior year.

Interest Expense

Interest Expense of \$0.9 million or 0.5% of sales for the first nine months of 2009 decreased from \$1.2 million or 0.8% of sales in the same period of the prior year. Reductions in interest expense resulted from lower long-term and convertible debt balances, a reduced operating line and a general reduction in interest rates. During 2008, the Company repaid its Canadian senior debt facility and settled, by issuing units, almost all of its outstanding convertible debt. During 2009, the Company further reduced its operating line facility.

Income Taxes

Current Income Tax Expense and Future Tax Expense of \$0.3 million for the first nine months of 2009 increased from \$0.2 million for the same period in 2008. Income tax provisions and recoveries in both Canada and the U.S. have not fully been recorded due to the existence of unrecognized tax losses and other tax assets. Income tax provisions and recoveries currently represent the change in temporary differences on recognized Canadian tax items, excluding losses.

¹ EBITDA and Adjusted EBITDA are not recognized measures under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings, EBITDA and Adjusted EBITDA are useful supplemental measures as they provide investors with an indication of operational performance. Investors should be cautioned, however, that EBITDA and Adjusted EBITDA should not be construed as alternatives to net earnings determined in accordance with GAAP as an indicator of the Fund's performance.

Net Earnings from Continuing Operations

Net Earnings from continuing operations for the nine months ended September 30, 2009 increased to \$6.3 million or 3.7% of sales from \$5.6 million or 3.7% of sales for the same period in 2008. The increase in earnings was primarily the result of earnings contribution from new start-ups. Improvements in earnings resulting from the translation of the U.S. dollar at higher exchange rates and reduced interest costs were offset by lower earnings due to same store sales declines and higher depreciation charges.

Loss from Discontinued Operations

Loss from Discontinued Operations from the prior year of \$1.9 million related to the decision to cease operations in the second quarter of 2008 of five underperforming facilities located in Vancouver, British Columbia; Saskatoon, Saskatchewan; Harvey, Illinois; Henderson, Nevada; and Marietta, Georgia. No operations were discontinued in the first nine months of 2009.

Net Earnings and Earnings Per Unit and Class A Common Share

Net Earnings, after discontinued operations, for the nine months ended September 30, 2009 increased to \$6.3 million or 3.7% of sales when compared to earnings of \$3.7 million or 2.4% of sales last year. The increase was mainly the result of recording a prior year loss of \$1.9 million upon the decision to discontinue operations in certain facilities. The increase was also due to improved net earnings from continuing operations.

Basic Earnings Per Unit and Class A Common Share was \$0.538 per unit and Class A common share for the nine months ended September 30, 2009, an increase when compared to basic earnings of \$0.308 per unit and Class A common share in the same period in 2008. *Diluted Earnings Per Unit and Class A Common Share* was \$0.533 per unit and Class A common share for the first nine months of 2009 compared to diluted earnings of \$0.305 per unit and Class A common share for the same period in the prior year.

SUMMARY OF QUARTERLY RESULTS

(\$000's, except per unit and Class A common share data)

	2009				2008			2007
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales	52,462	55,354	63,747	56,346	51,254	50,631	51,485	46,068
Earnings from continuing operations	2,229	2,086	2,030	1,723	1,873	1,804	1,931	1,020
Basic earnings per unit and Class A common share from continuing operations	0.190	0.177	0.171	0.142	0.155	0.148	0.161	0.094
Diluted earnings per unit and Class A common share from continuing operations	0.188	0.175	0.170	0.143	0.154	0.147	0.158	0.093
Net earnings	2,229	2,086	2,030	823	1,873	76	1,732	812
Basic earnings per unit and Class A common share	0.190	0.177	0.171	0.067	0.155	0.006	0.144	0.075
Diluted earnings per unit and Class A common share	0.188	0.175	0.170	0.069	0.153	0.006	0.142	0.075

Same store sales in Canada and the U.S. softened during the second and third quarters of 2009 with the Fund reporting same store sales declines for the first time since the third quarter of 2006. Same store sales growth increased revenues during 2007 and 2008 along with revenues from new start-ups and glass initiatives in the U.S. as well as the recent strengthening of the U.S. dollar since the fourth quarter of 2008.

This table reflects the seasonal nature of the business with higher sales levels reported during the winter months of each year and lower levels during the summer months.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2009, the Fund had cash on hand in excess of bank indebtedness of \$2.4 million (December 31, 2008 - bank indebtedness, net of cash, position of \$0.9 million). At September 30, 2009, the amount outstanding under its operating line of credit was \$1.8 million (December 31, 2008 - \$4.5 million). Offsetting the outstanding balance of the operating line of credit was cash, net of outstanding deposits and cheques, held on deposit in U.S. bank accounts totalling \$4.2 million (December 31, 2008 - \$3.6 million).

The net working capital ratio (current assets divided by current liabilities) was 0.99:1 at September 30, 2009 (December 31, 2008 - 0.94:1).

At September 30, 2009, the Fund had total debt, net of cash, outstanding of \$17.2 million compared to \$19.8 million at June 30, 2009, \$22.2 million at March 31, 2009, \$21.6 million at December 31, 2008 and \$20.2 million at September 30, 2008. Excluding the impact of currency fluctuations, reductions in bank indebtedness have been offset, in part, by increases in obligations under capital lease. The following table reports the debt position, net of cash, of the Fund for the last five quarters.

Total Debt, Net of Cash (\$ Millions)	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008
Bank indebtedness	\$ 1.8	\$ 2.9	\$ 5.0	\$ 4.5	\$ 7.1
U.S. senior bank debt	13.8	15.0	16.4	15.8	13.7
Supplier debt	0.1	0.1	0.1	0.1	0.1
Vendor loans	0.7	0.8	0.9	0.7	0.6
Obligations under capital lease	4.5	5.0	4.1	3.5	2.3
Convertible debt	0.5	0.6	0.6	0.6	0.5
	\$ 21.4	\$ 24.4	\$ 27.1	\$ 25.2	\$ 24.3
Cash	4.2	4.6	4.9	3.6	4.1
Total Debt, Net of Cash	\$ 17.2	\$ 19.8	\$ 22.2	\$ 21.6	\$ 20.2

Operating Activities

For the three months ended September 30, 2009, cash flow generated from continuing operations, before considering working capital changes, was \$2.9 million, up \$0.3 million from the \$2.6 million reported last year. Operating cash flows in 2009 were positively impacted by U.S. earnings being translated at higher exchange rates, foreign exchange gains realized on derivative contracts, lower interest costs as well as the earnings contribution from new start-ups.

For the third quarter of 2009, a reduction of working capital generated cash of \$0.3 million compared to \$0.7 million provided for the same period last year.

For the first nine months of 2009, cash flow generated from continuing operations, before considering working capital changes, was \$8.6 million, up \$0.8 million from the \$7.8 million reported last year. Operating cash flows in 2009 were positively impacted by U.S. earnings being translated at higher exchange rates, lower interest costs as well as the earnings contribution from new start-ups.

For the first nine months of 2009, working capital changes provided cash of \$1.4 million compared to \$1.9 million provided in the same period a year ago. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures as well as changes in the foreign exchange translation of U.S. working capital items.

Financing Activities

For the third quarter of 2009, cash used in financing activities totalled \$2.1 million compared to cash used of \$2.6 million in the prior year. In the current period cash was used primarily to reduce bank indebtedness, fund

distributions to unitholders, repay long-term debt, purchase units under the Fund's Normal Course Issuer Bid and repay capital leases.

Cash used in financing activities totalled \$5.7 million for the nine months ended September 30, 2009, compared to \$6.1 million used in the prior year. In the current period cash was used primarily to reduce bank indebtedness, fund distributions to unitholders, purchase units under the Fund's Normal Course Issuer Bid and repay capital leases.

Trading Partner Funding – Prepaid Rebates and Loans

During the first nine months of 2009, the Company received regularly scheduled rebates from its trading partners, in the amount of \$712,500 U.S. (2008 - \$712,500 U.S.). These rebates are received in equal quarterly instalments until February 28, 2012. Additional prepaid rebates are available for new acquisitions and start-ups and regular testing of the criteria used to determine additional rebates will apply, with any under-funded (or over-funded) amounts being collected (or repaid) by the Company at that time. During the first nine months of 2009, the Company requested and received \$297,000 U.S. (2008 - \$216,000 U.S.) with respect to new start-up facilities located in Anthem, Arizona and Glendale, Arizona as well as an anticipated new facility in Rome, Georgia.

Debt Financing

The Fund has supplemented its debt financing in the past by negotiating with vendors in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to vendors are typically at favourable interest rates and for terms of 5-10 years. This source of financing is another means of supporting the Fund's growth, at a relatively low cost. During the first quarter of 2009, the Fund was provided financing by one vendor in the amount of approximately \$0.2 million and during the third quarter of 2009, approximately \$0.3 million was provided by another vendor.

The Fund has traditionally used capital leases to finance a portion of its capital expenditures. The Fund has also been using capital lease financing to fund a portion of its new acquisitions and start-ups. At September 30, 2009, the Fund had \$4.5 million (\$3.5 million at December 31, 2008) outstanding in capital lease obligations. The increase was primarily due to the financing of courtesy vehicles that had previously been financed with operating leases earlier in the year, but also included a new lease related to one start-up facility located in Mesa, Arizona.

Investing Activities

For the third quarter of 2009 cash used in investing activities totalled \$1.1 million compared to \$0.4 million used in the same period last year. Cash used in investing activities totalled \$2.5 million for the nine months ended September 30, 2009, compared to \$1.8 million used in the prior year. The use of cash for both the three and nine month periods ended September 30, 2009 related to expenditures made for maintaining or replacing existing equipment and maintaining or upgrading existing facilities. In addition, cash was also used in the first nine months of 2009 to develop new facilities in Manitoba, Arizona and Georgia.

Acquisitions and Start-Ups

During the first nine months of 2009, the Company spent \$1.1 million on the development and start-up costs associated with start-ups located in Winnipeg, Manitoba; Mesa, Arizona; Glendale, Arizona; and Rome, Georgia.

On January 2, 2009, as part of a new start up, the Company began operations in a new collision repair facility in Winnipeg, Manitoba.

On January 5, 2009, the Company purchased the equipment, work in progress and leased the premises of a collision repair center located in Mesa, Arizona. The new location immediately commenced operations.

On August 10, 2009, the Company purchased the equipment, work in progress and leased the premises of a collision repair center located in Glendale, Arizona. The new location immediately commenced operations.

On October 5, 2009, the Company purchased the equipment, work in progress and leased the premises of a collision repair center located in Anthem, Arizona. The new location immediately commenced operations.

During the first nine months of 2008, the Company spent \$0.7 million on the acquisition and development costs associated with start-up facilities located in Wichita, Kansas; Lacey, Washington; Calgary, Alberta; and Las Vegas, Nevada as well as an automobile glass repair and replacement service for a third-party owned collision repair business located in Texas.

Capital Expenditures

The Company spent approximately \$1.5 million or 0.8% of sales on the acquisition of equipment and facility upgrades during the first nine months of 2009, compared to \$1.0 million or 0.6% of sales during the same period in 2008. For the third quarter of 2009, the Company spent approximately \$0.3 million or 0.6% of sales on maintenance capital expenditures compared to \$0.5 million or 0.9% of sales for the third quarter of 2008. Included in the 2009 expenditures are costs incurred to rebrand Alberta operations from the “Service Collision Center” brand to the “Boyd Autobody & Glass” brand as well as costs to upgrade Canadian shops to equipment that will permit the use of waterborne paint products.

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2008 annual report.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009, the Fund adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA) for Section 3064 Goodwill and Intangible Assets and the recommendations related to EIC-173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.

Goodwill and Intangible Assets

On February 1, 2008 the CICA issued Section 3064 – Goodwill and Intangible Assets. This Section establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, Revenues and Expenditures During the Pre-operating Period, which removes the ability for companies to defer costs and revenues incurred prior to the launch of a start-up facility. The impact of this new standard resulted in the Fund expensing during the nine month period pre-operating costs that would have otherwise been deferred. The third quarter results from the prior year have accordingly been adjusted to reflect the expensing of additions to deferred costs in the amount of \$52,711 (nine months ended September 30, 2008 - \$553,932) offset by the reversal of deferred cost amortization in the amount of \$101,299 (nine months ended September 30, 2008 - \$266,861). In order to adjust the pre-operating costs of prior periods, an amount of \$1,142,219 was adjusted retrospectively against the opening deficit and \$295,882 was adjusted retrospectively against accumulated other comprehensive income for the related unrealized foreign exchange component. This change decreased other comprehensive earnings in the third quarter of 2008 by \$54,263 (nine months ended September 30, 2008 –\$222,931).

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

Effective January 1, 2009, the Fund adopted the recommendations of the Emerging Issues Committee of the CICA relating to Abstract EIC-173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. EIC-173 clarifies that an entity’s own credit risk and the credit risk of its counterparty should be taken into account in determining the fair value of financial assets and liabilities. The adoption of EIC-173 did not have a material impact on the Fund’s consolidated financial statements or on the fair value determination of its financial assets and liabilities.

Convergence with International Financial Reporting Standards

On February 22, 2008, Canada’s Accounting Standards Board confirmed the date that will result in Canadian generally accepted accounting principles, as used by public companies, being converged with International Financial Reporting Standards (IFRS) over a transitional period to be completed for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Fund has completed its initial diagnostic and has

now begun a detailed analysis and decision phase of its project. While not an exhaustive list of possible significant items, the Fund has identified several areas of accounting differences that may potentially have a significant impact, such as: the first-time adoption of IFRS; business combinations; discontinued operations; and financial statement preparation, presentation and disclosure. The Fund has not yet quantified the effects of potential significant differences between IFRS and Canadian GAAP which may or may not be material. The Fund will continue to assess the impact of adopting IFRS, and will update its MD&A disclosures quarterly to report on the progress of its IFRS changeover plan.

FINANCIAL INSTRUMENTS AND HEDGES

Derivative Contracts

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations, the Company has entered into a series of foreign exchange contracts to sell U.S. Dollars. In accordance with Canadian generally accepted accounting principles, these contracts are marked to market monthly with unrealized gains and losses included in income.

During the third quarter of 2009 for cash management purposes, the Company's U.S. operations internally loaned \$5,000,000 U.S. to its Canadian operations. The loan will be repaid in June 2010. To protect against foreign exchange risk over this term, the Company entered into a forward contract to buy \$5,000,000 U.S. expiring in June 2010.

At September 30, 2009 the Company's derivative contracts are summarized as follows:

	<u>Notional Amount</u>	<u>Expiry</u>	<u>Average Rate</u>	<u>Fair Value</u>
The Fund selling U.S. Dollars	\$ 4,000,000 U.S.	Oct 2009 – Aug 2010	\$1.1826	\$ 459,200
The Fund buying U.S. Dollars	\$ 5,000,000 U.S.	June 2010	\$1.1073	\$ (182,000)
Derivative contracts				\$ 277,200

During 2009, the Fund has recorded to earnings exchange gains in the amount of \$605,713 of which \$183,440 were realized in the period.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations in accordance with Canadian generally accepted accounting principles requires that the Fund make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

The critical accounting estimates are substantially unchanged from those identified in the 2008 annual MD&A.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Fund's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. During the nine month period ending September 30, 2009, there have been no changes in the Fund's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Fund's internal control over financial reporting.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2008 annual MD&A.

The Fund is continuing to investigate and evaluate its structuring alternatives in connection with the Specified Investment Flow-Through (“SIFT”) rules enacted in June 2007 with a view of preserving and maximizing unitholder value. Based upon its investigation, analysis and due diligence to date, and given its current size and circumstances, the Fund has determined that a change to a share corporation structure at this time would not be advantageous to the Fund or its unitholders. The Fund will continue to consider its alternatives, which include the use of available transition rules to convert back to a corporation prior to December 31, 2012. Should the Fund elect to continue as a trust beyond the January 1, 2011 SIFT implementation date, it is planning and forecasting to be able to absorb any SIFT taxes that may then be payable without reducing its cash distribution level at that time.

OUTLOOK

Boyd continues to work to increase sales, reduce operating costs, increase operating margins and develop other organic growth strategies. The Fund will continue to work on a return to same store sales growth, improved gross margins and EBITDA margins of all operations and will continue to develop its systems and its infrastructure to enhance securityholder value. Boyd also expects to continue expanding operations in both the U.S. and Canada by opening a minimum of eight to ten new start-up facilities each year, for the foreseeable future.

As a result of the ongoing improvement in financial performance and progress made in improving the Company’s balance sheet, monthly distributions and dividends have been increased in each of the last eight consecutive quarters. Monthly distributions and dividends were most recently increased to \$0.025 per unit commencing January 2010, for unitholders and shareholders of record on December 31, 2009. This annualized distribution of \$0.30 represents an annualized payout ratio estimated to be in the 35% range, being a conservative and sustainable level that allows for continued balance sheet improvement and continued investment in growth. With stable to improving financial performance, it is expected that distributions will be gradually increased over time.

ADDITIONAL INFORMATION

The Fund’s units trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN. Additional information relating to the Boyd Group Income Fund is available on SEDAR (www.sedar.com) and our website (www.boydgroup.com).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These unaudited consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management is responsible for their integrity, objectivity and reliability, and for the maintenance of financial and operating systems, which include effective controls, to provide reasonable assurance that the Fund's assets are safeguarded and that reliable financial information is produced.

The Board of Trustees is responsible for ensuring that management fulfills its responsibilities for financial reporting, disclosure control and internal control. The Board exercises these responsibilities through its Audit Committee, all members of which are not involved in the daily activities of the Fund. The Audit Committee meets with management and, as necessary, with the independent auditors, Deloitte & Touche LLP, to satisfy itself that management's responsibilities are properly discharged and to review and report to the Board on the interim consolidated financial statements.

These interim consolidated financial statements and related notes and other interim filings have not been reviewed by the Fund's auditors.

**FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE**

I, **Terry Smith, Chief Executive Officer of the Boyd Group Income Fund**, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the “interim filings”) of the **Boyd Group Income Fund**, (the “issuer”) for the interim period ended **September 30, 2009**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Committee of Sponsor Organizations of the Treadway Commission (“COSO”) framework in Internal Control – Integrated Framework.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A
6. **Reporting Changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2009 and ended on September 30, 2009 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: November 13, 2009



Terry Smith
Chief Executive Officer

**FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE**

I, **Dan Dott, Chief Financial Officer of the Boyd Group Income Fund**, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the “interim filings”) of the **Boyd Group Income Fund**, (the “issuer”) for the interim period ended **September 30, 2009**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Committee of Sponsor Organizations of the Treadway Commission (“COSO”) framework in Internal Control – Integrated Framework.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A
6. **Reporting Changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on July 1, 2009 and ended on September 30, 2009 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: November 13, 2009



Dan Dott, C.A.
Vice President & Chief Financial Officer



BOYD GROUP INCOME FUND

Interim Consolidated Financial Statements

Third Quarter and Nine Months Ended September 30, 2009

Notice: These interim consolidated financial statements have not been audited or reviewed by the Fund's independent external auditors, Deloitte & Touche LLP.

INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)

September 30, 2009 and December 31, 2008

	September 30, 2009	(restated) December 31, 2008
Assets		
Current assets:		
Cash	\$ 4,226,005	\$ 3,530,167
Accounts receivable	15,924,501	19,226,035
Income taxes recoverable	108,839	68,522
Inventory	3,313,087	4,052,288
Prepaid expenses	1,280,414	1,752,183
	24,852,846	28,629,195
Property, plant and equipment	18,557,419	18,102,653
Future income tax asset	948,998	1,200,514
Derivative contracts (Note 9)	277,200	21,427
Goodwill	16,715,112	17,692,090
Intangible assets	13,273,857	15,783,151
	\$ 74,625,432	\$ 81,429,030
Liabilities and Equity		
Current liabilities:		
Bank indebtedness	\$ 1,773,153	\$ 4,459,456
Accounts payable and accrued liabilities	19,966,876	23,423,315
Distributions payable (Note 6)	257,670	223,727
Dividends payable (Note 6)	20,475	17,484
Current portion of long-term debt	1,859,418	1,055,733
Current portion of obligations under capital leases	1,336,088	1,121,316
	25,213,680	30,301,031
Long-term debt	12,708,059	15,577,557
Obligations under capital leases	3,181,395	2,416,181
Convertible debt	536,100	612,300
Unearned rebates	12,633,681	13,414,400
	54,272,915	62,321,469
Equity		
Accumulated other comprehensive loss (Note 3)	(11,686,183)	(9,803,867)
Deficit	(30,245,162)	(34,299,356)
	(41,931,345)	(44,103,223)
Unitholders' capital (Note 4)	58,244,380	59,755,478
Shareholders' capital (Note 4)	53,444	54,216
Contributed surplus (Note 5)	3,986,038	3,401,090
	20,352,517	19,107,561
	\$ 74,625,432	\$ 81,429,030

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF DEFICIT (Unaudited)
Nine Months Ended September 30,

		(restated)
	2009	2008
Deficit, beginning of period	\$ (34,299,356)	\$ (35,158,231)
Change in accounting policy for the capitalization of pre-operating costs <i>(Note 2)</i>	-	(1,142,219)
Net earnings for period	6,345,395	3,680,014
Dividends on BGHI Class A common shares <i>(Note 6)</i>	(167,538)	(130,500)
Distributions to unitholders <i>(Note 6)</i>	(2,123,663)	(1,676,866)
Deficit, end of period	\$ (30,245,162)	\$ (34,427,802)

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)*Nine Months Ended September 30,*

	2009	(restated) 2008
Sales	\$ 171,563,485	\$ 153,370,110
Cost of sales	96,016,729	86,115,321
Gross margin	75,546,756	67,254,789
Operating expenses	65,126,273	58,006,680
Foreign exchange gains	(599,403)	(630,602)
Depreciation and amortization	2,842,123	2,191,772
Amortization of financing fees and other intangible assets	626,432	627,494
Interest expense	943,170	1,242,277
	68,938,595	61,437,621
Earnings before income taxes	6,608,161	5,817,168
Income tax expense		
Current	11,250	18,893
Future	251,516	190,897
	262,766	209,790
Net earnings from continuing operations	6,345,395	5,607,378
Loss from discontinued operations (net of income tax recoveries of \$72,600)	-	(1,927,364)
Net earnings	\$ 6,345,395	\$ 3,680,014
Weighted average number of units and Class A common shares outstanding	11,795,925	11,933,347
Basic earnings per unit and Class A common share from continuing operations (Note 8)	\$ 0.538	\$ 0.470
Loss per unit and Class A common share from discontinued operations	-	(0.162)
Basic earnings per unit and Class A common share	\$ 0.538	\$ 0.308
Diluted earnings per unit and Class A common share from continuing operations (Note 8)	\$ 0.533	\$ 0.464
Loss per unit and Class A common share from discontinued operations	-	(0.159)
Diluted earnings per unit and Class A common share	\$ 0.533	\$ 0.305

*The accompanying notes are an integral part of these interim consolidated financial statements***CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)***Nine Months Ended September 30,*

	2009	(restated) 2008
Net earnings	\$ 6,345,395	\$ 3,680,014
Other comprehensive earnings, net of income taxes		
Change in unrealized loss on translating financial statements of self-sustaining foreign operations	(1,882,316)	127,770
Reclassification to earnings of realized amounts on cash flow hedges	-	(54,877)
Other comprehensive (loss) earnings, net of income taxes	(1,882,316)	72,893
Comprehensive earnings	\$ 4,463,079	\$ 3,752,907

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)*Nine Months Ended September 30,*

	2009	(restated) 2008
CONTINUING OPERATIONS		
Cash flows from operating activities		
Net earnings from continuing operations	\$ 6,345,395	\$ 5,607,378
Items not affecting cash		
Future income taxes	251,516	190,897
Amortization of discount on convertible debt	-	17,847
Amortization of discount on long-term debt	14,756	20,108
Amortization of financing fees and other intangible assets	626,432	627,494
Depreciation and amortization	2,842,123	2,191,772
Amortization of unearned rebates	(1,034,392)	(936,267)
Unit option compensation expense (recovery)	22,593	(19,455)
Gain on disposal of equipment	(4,004)	(11,898)
Unrealized foreign exchange gain on internal loan	(166,500)	-
Unrealized gain on derivative contracts	(439,213)	(56,086)
Realized gain on derivative contracts	183,440	207,500
	8,642,146	7,839,290
Changes in non-cash working capital items	1,433,312	1,934,224
	10,075,458	9,773,514
Cash flows used in financing activities		
Issue costs	(6,653)	(6,643)
Repayment of long-term debt	(545,789)	(1,395,327)
Increase in obligations under long-term debt	542,755	252,077
Decrease in bank indebtedness	(2,672,303)	(2,153,273)
Repayment of obligations under capital leases	(970,788)	(357,761)
Dividends paid on Class A common shares	(164,547)	(127,382)
Distributions paid to unitholders	(2,089,720)	(1,621,776)
Increase in unearned rebates	325,258	312,990
Increase in financing costs	(32,000)	(28,996)
Collection of rebates receivable	827,497	725,803
Repayment of other short-term obligations	-	(450,000)
Units purchased under the Fund's Normal Course Issuer Bid	(942,862)	(1,269,488)
	(5,729,152)	(6,119,776)
Cash flows used in investing activities		
Proceeds on sale of equipment	5,980	38,553
Equipment purchases and facility improvements	(1,445,480)	(959,036)
Acquisition and development of businesses	(1,074,548)	(692,806)
Payment of contingent purchase price amounts	-	(199,205)
	(2,514,048)	(1,812,494)
Foreign exchange	(723,314)	(284,512)
Net increase in cash position provided by continuing operations	1,108,944	1,556,732
DISCONTINUED OPERATIONS		
Operating activities	(413,106)	(416,536)
Investing activities	-	(31,185)
Net decrease in cash position used in discontinued operations	(413,106)	(447,721)
Net increase in cash position	695,838	1,109,011
Cash, beginning of period	3,530,167	2,960,842
Cash, end of period	\$ 4,226,005	\$ 4,069,853
Income taxes paid	\$ 11,509	\$ 16,353
Interest paid	\$ 956,624	\$ 1,423,205

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)*Three Months Ended September 30,*

		(restated)
	2009	2008
Sales	\$ 52,462,380	\$ 51,254,184
Cost of sales	28,903,578	28,748,235
Gross margin	23,558,802	22,505,949
Operating expenses	20,153,140	19,181,120
Foreign exchange gains	(393,134)	-
Depreciation and amortization	990,483	777,426
Amortization of financing fees and other intangible assets	194,312	204,155
Interest expense	289,042	372,880
	21,233,843	20,535,581
Earnings before income taxes	2,324,959	1,970,368
Income tax expense		
Current	6,250	4,836
Future	88,995	93,000
	95,245	97,836
Net earnings from continuing operations	\$ 2,229,714	\$ 1,872,532
Weighted average number of units and Class A common shares outstanding	11,712,037	12,078,585
Basic earnings per unit and Class A common share from continuing operations (Note 8)	\$ 0.190	\$ 0.155
Diluted earnings per unit and Class A common share from continuing operations (Note 8)	\$ 0.188	\$ 0.153

*The accompanying notes are an integral part of these interim consolidated financial statements***INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)***Three Months Ended September 30,*

		(restated)
	2009	2008
Net earnings	\$ 2,229,714	\$ 1,872,532
Other comprehensive (loss) earnings, net of income taxes		
Change in unrealized loss on translating financial statements of self-sustaining foreign operations	(1,157,338)	438,631
Other comprehensive (loss) earnings, net of income taxes	(1,157,338)	438,631
Comprehensive earnings	\$ 1,072,376	\$ 2,311,163

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Three Months Ended September 30,

	2009	(restated) 2008
CONTINUING OPERATIONS		
Cash flows from operating activities		
Net earnings from continuing operations	\$ 2,229,714	\$ 1,872,532
Items not affecting cash		
Future income taxes	88,995	93,000
Amortization of discount on long-term debt	3,364	6,324
Amortization of financing fees and other intangible assets	194,312	204,155
Depreciation and amortization	990,483	777,426
Amortization of unearned rebates	(332,688)	(318,071)
Unit option compensation expense	7,531	4,661
Gain on disposal of equipment	-	(2,454)
Unrealized foreign exchange gain on internal loan	(166,500)	-
Unrealized gain on derivative contracts	(227,200)	-
Realized gain on derivative contracts	148,200	-
	2,936,211	2,637,573
Changes in non-cash working capital items	336,233	681,724
	3,272,444	3,319,297
Cash flows used in financing activities		
Repayment of long-term debt	(400,189)	(107,691)
Increase in obligations under long-term debt	297,494	-
Decrease in bank indebtedness	(1,103,374)	(1,488,167)
Repayment of obligations under capital leases	(337,164)	(151,569)
Dividends paid on Class A common shares	(58,287)	(45,954)
Distributions paid to unitholders	(736,003)	(594,270)
Increase in unearned rebates	325,258	95,575
Increase in financing costs	(32,000)	(24,000)
Collection of rebates receivable	258,447	250,420
Repayment of other short-term obligations	-	(150,000)
Units purchased under the Fund's Normal Course Issuer Bid	(321,671)	(348,492)
	(2,107,489)	(2,564,148)
Cash flows used in investing activities		
Proceeds on sale of equipment	-	9,372
Equipment purchases and facility improvements	(338,626)	(476,830)
Acquisition and development of businesses	(721,435)	82,321
	(1,060,061)	(385,137)
Foreign exchange	(411,952)	125,034
Net (decrease) increase in cash position (used in) provided by continuing operations	(307,058)	495,046
DISCONTINUED OPERATIONS		
Operating activities	(80,167)	72,303
Net (decrease) increase in cash position	(387,225)	567,349
Cash, beginning of period	4,613,230	3,502,504
Cash, end of period	\$ 4,226,005	\$ 4,069,853
Income taxes recovered	\$ -	\$ (3,705)
Interest paid	\$ 292,671	\$ 375,326

The accompanying notes are an integral part of these interim consolidated financial statements

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

These interim consolidated financial statements of the Boyd Group Income Fund (the “Fund”), Boyd Group Holdings Inc. (“BGHI”) and subsidiaries have been prepared in accordance with Canadian generally accepted accounting principles and contain the consolidated financial position, results of operations and cash flows of the Fund, BGHI, The Boyd Group Inc. (the “Company”) and the Company’s direct subsidiary companies as at September 30, 2009. These financial statements are consistent with the policies and methods of computation as disclosed in the audited consolidated financial statements and related notes of the Fund for the year ended December 31, 2008, except as noted in Note 2. Readers should be aware that these interim consolidated financial statements and related notes are unaudited and do not include all the information required for complete financial statements, and should be read in conjunction with the audited consolidated financial statements and related notes of the Fund for the year ended December 31, 2008.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009, the Fund adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA) for Section 3064 Goodwill and Intangible Assets and the recommendations related to EIC-173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.

Goodwill and Intangible Assets

On February 1, 2008 the CICA issued Section 3064 – Goodwill and Intangible Assets. This Section establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, Revenues and Expenditures During the Pre-operating Period, which removes the ability for companies to defer costs and revenues incurred prior to the launch of a start-up facility. The impact of this new standard resulted in the Fund expensing during the nine month period pre-operating costs that would have otherwise been deferred. The third quarter results from the prior year have accordingly been adjusted to reflect the expensing of additions to deferred costs in the amount of \$52,711 (nine months ended September 30, 2008 - \$553,932) offset by the reversal of deferred cost amortization in the amount of \$101,299 (nine months ended September 30, 2008 - \$266,861). In order to adjust the pre-operating costs of prior periods, an amount of \$1,142,219 was adjusted retrospectively against the opening deficit and \$295,882 was adjusted retrospectively against accumulated other comprehensive income for the related unrealized foreign exchange component. This change decreased other comprehensive earnings in the third quarter of 2008 by \$54,263 (nine months ended September 30, 2008 –\$222,931).

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

Effective January 1, 2009, the Fund adopted the recommendations of the Emerging Issues Committee of the CICA relating to Abstract EIC-173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. EIC-173 clarifies that an entity’s own credit risk and the credit risk of its counterparty should be taken into account in determining the fair value of financial assets and liabilities. The adoption of EIC-173 did not have a material impact on the Fund’s consolidated financial statements or on the fair value determination of its financial assets and liabilities.

3. ACCUMULATED OTHER COMPREHENSIVE LOSS

	<u>September 30, 2009</u>	(restated) <u>December 31, 2008</u>
Accumulated other comprehensive loss, beginning of year,	\$ (9,803,867)	\$ (11,984,024)
Change in accounting policy – foreign exchange on pre-operating period costs (note 2)	-	295,882
Accumulated other comprehensive loss, beginning of year – restated,	\$ (9,803,867)	\$ (11,688,142)
Loss on derivative instruments designated as cash flow hedges	-	(54,877)
(Loss) gain on unrealized loss on translating financial statements of self-sustaining foreign operations	(1,882,316)	1,939,152
Total	\$ (11,686,183)	\$ (9,803,867)

4. CAPITAL

Unitholders' Capital of the Fund

Authorized:

Unlimited number of Trust Units

Issued:

The ownership percentages of the Company between the Fund and BGHI continue to change as new units are issued, Class A common shares of BGHI are retracted and units are repurchased under a normal course issuer bid. At September 30, 2009, the ownership percentage held by the Fund was 84.02% and BGHI was 15.98%.

The following provides a continuity of unitholders' capital of the Fund:

	<u>September 30, 2009</u>		<u>December 31, 2008</u>	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
Unitholders' capital, beginning of year	11,091,271	\$ 59,755,478	10,362,553	\$ 55,777,560
Issue costs	-	(6,653)	-	(10,162)
Units issued to settle retraction of Class A common shares of BGHI	12,089	772	10,902	697
Units issued on settlement of 2004 vendor exchange notes	-	-	1,283,716	7,034,402
Units purchased for cancellation under the Fund's Normal Course Issuer Bid	(280,000)	(1,505,217)	(565,900)	(3,047,019)
Unitholders' capital, end of period	10,823,360	\$ 58,244,380	11,091,271	\$ 59,755,478

Shareholders' Capital of BGHI

Authorized:

2,062,863 Class A common, retractable, voting shares of BGHI

Issued:

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Class A common shares		
Number of shares outstanding	836,694	848,783
Carrying value of shares outstanding	\$ 53,444	\$ 54,216

5. CONTRIBUTED SURPLUS

Units redeemed or repurchased for a value below their original cost represent a contribution to the benefit of the remaining shareholders and is credited to contributed surplus. The Fund records as contributed surplus the equity component of convertible debt for debentures that are not exercised. In addition, the Fund recognizes estimated compensation expense related to unit options over the vesting period of the options granted, with the related credit being allocated to contributed surplus.

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Contributed surplus, beginning of period	\$ 3,401,090	\$ 973,914
Discount on units purchased under the Fund's Normal Course		
Issuer Bid	562,355	1,506,188
Equity component of convertible debt unexercised	-	935,781
Compensation expense related to unit-based compensation	22,593	23,227
Reversal of compensation due to options forfeitures	-	(38,020)
<hr/>		
Contributed surplus, end of period	\$ 3,986,038	\$ 3,401,090

6. DISTRIBUTIONS AND DIVIDENDS

The Fund's Trustees have discretion in declaring distributions. The Fund's distribution policy is to make distributions of its available cash from operations taking into account current and future performance, amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

Distributions to unitholders and dividends to the BGHI shareholders were declared and paid as follows:

<u>Record date</u>	<u>Payment date</u>	<u>Distribution per unit</u>	<u>Dividend per share</u>	<u>Distribution amount</u>	<u>Dividend amount</u>
January 31, 2009	February 25, 2009	\$ 0.02	\$ 0.02	\$ 221,827	\$ 17,483
February 28, 2009	March 27, 2009	0.02	0.02	221,014	17,288
March 31, 2009	April 28, 2009	0.02	0.02	220,299	17,287
April 30, 2009	May 27, 2009	0.02125	0.02125	233,420	18,363
May 31, 2009	June 26, 2009	0.02125	0.02125	233,430	18,355
June 30, 2009	July 29, 2009	0.0225	0.0225	245,992	19,431
July 31, 2009	August 27, 2009	0.0225	0.0225	245,325	19,430
August 31, 2009	September 28, 2009	0.0225	0.0225	244,686	19,426
September 30, 2009	October 28, 2009	0.02375	0.02375	257,670	20,475
		\$ 0.19375	\$ 0.19375	\$ 2,123,663	\$ 167,538

On March 25, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.02125 per unit commencing May 2009, for unitholders and shareholders of record on April 30, 2009.

On May 13, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.0225 per unit commencing July 2009, for unitholders and shareholders of record on June 30, 2009.

On August 12, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.02375 per unit commencing October 2009, for unitholders and shareholders of record on September 30, 2009.

On November 12, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.025 per unit commencing January 2010, for unitholders and shareholders of record on December 31, 2009. [Note 10]

7. SEGMENTED REPORTING

The Company has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, Canadian generally accepted accounting principles requires the Company to provide geographical disclosure of segments. For the periods reported, all of the Company's revenues were derived within Canada or the United States of America. All property, plant and equipment, goodwill and intangible assets are located within these two geographic areas.

	<u>Revenues</u>		<u>Property, Plant, Equipment Intangible Assets and Goodwill</u>	
	September 30, <u>2009</u>	September 30, <u>2008</u>	September 30, <u>2009</u>	December 31, <u>2008</u>
Canada	\$ 55,804,692	\$ 54,381,797	\$ 17,949,844	\$ 16,253,720
United States	115,758,793	98,988,313	30,596,544	35,324,174
Total	\$ 171,563,485	\$ 153,370,110	\$ 48,546,388	\$ 51,577,894

8. EARNINGS PER UNIT AND CLASS A COMMON SHARE FROM CONTINUING OPERATIONS

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
a) Earnings:				
Net earnings from continuing operations	\$ 2,229,714	\$ 1,872,532	\$ 6,345,395	\$ 5,607,378
Add:				
Net after tax interest on 2004 Vendor exchange notes	-	-	-	26,003
Net after tax interest on 2005 Vendor exchange note	3,681	2,058	10,924	6,129
Net earnings from continuing operations – diluted basis	\$ 2,233,395	\$ 1,874,590	\$ 6,356,319	\$ 5,639,510
b) Number of units and Class A common shares:				
Average number of units and Class A common shares outstanding	11,712,037	12,078,585	11,795,925	11,933,347
Add:				
Potential conversion of 2004 Vendor exchange notes	-	-	-	120,166
Potential conversion of 2005 Vendor exchange note	51,852	29,630	51,852	29,630
Calculated unit option conversion	113,425	105,589	79,834	74,787
Average number of units and Class A common shares outstanding – diluted basis	11,877,314	12,213,804	11,927,611	12,157,930
Earnings per unit and Class A common share from continuing operations (a) divided by (b)				
Basic	\$ 0.190	\$ 0.155	\$ 0.538	\$ 0.470
Diluted	\$ 0.188	\$ 0.153	\$ 0.533	\$ 0.464

9. FINANCIAL INSTRUMENTS

Derivative Contracts

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations, the Company has entered into a series of foreign exchange contracts to sell U.S. Dollars. In accordance with Canadian generally accepted accounting principles, these contracts are marked to market monthly with unrealized gains and losses included in income.

During the third quarter of 2009 for cash management purposes, the Company's U.S. operations internally loaned \$5,000,000 U.S. to its Canadian operations. The loan will be repaid in June 2010. To protect against foreign exchange risk over this term, the Company entered into a forward contract to buy \$5,000,000 U.S. expiring in June 2010.

At September 30, 2009 the Company's derivative contracts are summarized as follows:

	<u>Notional Amount</u>	<u>Expiry</u>	<u>Average Rate</u>	<u>Fair Value</u>
The Fund selling U.S. Dollars	\$ 4,000,000 U.S.	Oct 2009 – Aug 2010	\$1.1826	\$ 459,200
The Fund buying U.S. Dollars	\$ 5,000,000 U.S.	June 2010	\$1.1073	\$ (182,000)
Derivative contracts				\$ 277,200

During 2009, the Fund has recorded to earnings exchange gains in the amount of \$605,713 of which \$183,440 were realized in the period.

10. SUBSEQUENT EVENTS

On October 5, 2009, the Company purchased the equipment, work in progress and leased the premises of a body shop located in Anthem, Arizona. The new location commenced operations immediately.

On October 28, 2009, the accrued distributions and dividends for the month of September 2009 were paid.

On November 12, 2009, the Trustees of the Fund and the Directors of BGHI approved an increase in monthly distributions and dividends to \$0.025 per unit commencing January 2010, for unitholders and shareholders of record on December 31, 2009.

11. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation of the current year.