BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three and Nine Months Ended September 30, 2013

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

BOYD GROUP INCOME FUND

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Canadian dollars)

		September 30, 2013		December 31, 2012
Assets				
Current assets:				
Cash	**$**	**25,565,131**	$	38,976,398
Accounts receivable		**37,834,344**		28,944,908
Income taxes recoverable		**-**		1,364,530
Inventory		**9,682,301**		8,665,638
Prepaid expenses		**4,920,692**		4,311,623
		78,002,468		82,263,097
Note receivable		**925,302**		1,048,834
Property, plant and equipment		**55,504,463**		45,897,362
Deferred income tax asset		**3,913,437**		4,386,844
Intangible assets *(Note 4)*		**50,291,158**		41,271,177
Goodwill *(Note 5)*		**77,010,745**		49,691,918
	$	**265,647,573**	$	224,559,232
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**57,953,550**	$	50,231,017
Income taxes payable		**269,529**		-
Distributions payable *(Note 6)*		**492,440**		489,002
Dividends payable *(Note 11)*		**14,797**		15,170
Current portion of long-term debt *(Note 8)*		**6,205,306**		4,756,972
Current portion of obligations under finance leases		**3,712,562**		2,006,469
Current portion of settlement accrual		**1,092,931**		1,101,464
		69,741,115		58,600,094
Long-term debt *(Note 8)*		**49,711,066**		44,775,928
Obligations under finance leases		**5,584,161**		4,182,570
Convertible debenture		**30,806,803**		30,327,395
Convertible debenture conversion feature *(Note 11)*		**7,883,894**		2,008,699
Unearned rebates		**34,688,879**		31,598,860
Settlement accrual		**-**		892,717
Exchangeable class A shares *(Note 11)*		**9,875,168**		5,929,304
Unit based payment obligation *(Note 11)*		**8,203,353**		3,567,136
Non-controlling interest put options *(Note 11)*		**17,943,361**		1,072,391
		234,437,800		182,955,094
Equity				
Non-controlling interest		**239,050**		-
Accumulated other comprehensive income (loss)		**1,713,369**		(1,264,776)
Deficit		**(51,782,679)**		(35,998,484)
Unitholders' capital		**77,037,962**		74,865,327
Contributed surplus		**4,002,071**		4,002,071
		31,209,773		41,604,138
	$	**265,647,573**	$	224,559,232

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(Canadian dollars)

	Non-controlling Interest	Unitholders' Capital Units	Unitholders' Capital Amount	Contributed Surplus	Accumulated Other Comprehensive (Loss) Earnings	Deficit	Total Equity
Balances - January 1, 2012	$ -	12,528,136	$ 74,830,675	$ 4,002,071	$ (192,026)	$ (37,381,319)	$ 41,259,401
Issue costs		-	(92,496)				(92,496)
Retractions		10,380	127,148				127,148
Other comprehensive loss					(1,072,750)		(1,072,750)
Net earnings						7,061,171	7,061,171
Comprehensive earnings					(1,072,750)	7,061,171	5,988,421
Distributions to unitholders						(5,678,336)	(5,678,336)
Balances - December 31, 2012	$ -	12,538,516	$ 74,865,327	$ 4,002,071	$ (1,264,776)	$ (35,998,484)	$ 41,604,138
Issue costs		-	(26,590)				(26,590)
Units issued from treasury *(Note 3)*		83,721	2,109,600				2,109,600
Retractions		4,441	89,625				89,625
Other comprehensive earnings					2,978,145		2,978,145
Net (loss)	239,050					(4,932,990)	(4,693,940)
Comprehensive loss	239,050				2,978,145	(4,932,990)	(1,715,795)
Equity contributed by non-controlling interest *(Note 11)*						9,942,917	9,942,917
Recognition of non-controlling interest put option liabilities *(Note 11)*						(16,389,067)	(16,389,067)
Distributions to unitholders *(Note 6)*						(4,405,055)	(4,405,055)
Balances - September 30, 2013	$ 239,050	12,626,678	$ 77,037,962	$ 4,002,071	$ 1,713,369	$ (51,782,679)	$ 31,209,773
Balances - January 1, 2012	$ -	12,528,136	$ 74,830,675	$ 4,002,071	$ (192,026)	$ (37,381,319)	$ 41,259,401
Issue costs		-	(92,496)				(92,496)
Retractions		8,955	105,004				105,004
Other comprehensive earnings					(1,799,269)		(1,799,269)
Net earnings						4,704,900	4,704,900
Comprehensive earnings					(1,799,269)	4,704,900	2,905,631
Distributions to unitholders *(Note 6)*						(4,230,195)	(4,230,195)
Balances - September 30, 2012	$ -	12,537,091	$ 74,843,183	$ 4,002,071	$ (1,991,295)	$ (36,906,614)	$ 39,947,345

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

BOYD GROUP INCOME FUND

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS (Unaudited)

Nine Months Ended September 30,

(Canadian dollars)

		2013		2012
Sales	$	**417,132,360**	$	319,423,740
Cost of sales		**226,527,894**		174,577,657
Gross margin		**190,604,466**		144,846,083
Operating expenses		**162,720,690**		123,542,349
Foreign exchange (gains) losses		**(82,216)**		71,990
Gain on sale of software		**(336,115)**		-
Acquisition and transaction costs		**1,404,578**		712,011
Depreciation		**6,585,397**		5,685,226
Amortization of intangible assets		**2,841,682**		2,794,453
Fair value adjustments to financial instruments *(Note 11)*		**15,206,578**		3,523,478
Finance costs		**4,273,010**		1,988,959
		192,613,604		138,318,466
(Loss) earnings before income taxes		**(2,009,138)**		6,527,617
Income tax expense				
Current		**2,296,817**		1,499,931
Deferred		**387,985**		322,786
		2,684,802		1,822,717
Net (loss) earnings	$	**(4,693,940)**	$	4,704,900
Net (loss) earnings attributable to:				
Unitholders		**(4,932,990)**		4,704,900
Non-controlling interest		**239,050**		-
	$	**(4,693,940)**	$	4,704,900

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

Basic (loss) earnings per unit *(Note 10)*	$	**(0.393)**	$	0.375
Diluted (loss) earnings per unit *(Note 10)*	$	**(0.393)**	$	0.375
Weighted average number of units outstanding		**12,549,008**		12,533,921

BOYD GROUP INCOME FUND

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) EARNINGS (Unaudited)

Nine Months Ended September 30,

		2013		2012
Net (loss) earnings	$	**(4,693,940)**	$	4,704,900
Other comprehensive earnings (loss)				
Items that may be reclassified subsequently to Consolidated Statements of (Loss) Earnings				
Change in unrealized earnings (loss) on translating financial statements of foreign operations		**2,978,145**		(1,799,269)
Other comprehensive earnings (loss), net of income taxes		**2,978,145**		(1,799,269)
Comprehensive (loss) earnings	$	**(1,715,795)**	$	2,905,631
Comprehensive (loss) earnings attributable to:				
Unitholders		**(1,954,845)**		2,905,631
Non-controlling interest		**239,050**		-
	$	**(1,715,795)**	$	2,905,631

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
Nine Months Ended September 30,
(Canadian dollars)

		2013		2012
Cash flows from operating activities				
Net (loss) earnings	$	**(4,693,940)**	$	4,704,900
Items not affecting cash				
Non-controlling interest put option adjustment		**659,679**		347,137
Deferred income taxes		**387,985**		322,786
Amortization of discount on convertible debt		**479,408**		-
Amortization of intangible assets		**2,841,682**		2,794,453
Depreciation		**6,585,397**		5,685,226
Amortization of unearned rebates		**(2,754,895)**		(2,180,269)
Gain on disposal of equipment and software		**(399,395)**		(18,547)
Adjustment in liability for exchangeable class A shares		**4,035,488**		1,629,777
Interest accrued on class A exchangeable shares		**135,559**		132,827
Unit option compensation expense		**4,636,216**		1,546,564
Adjustment in liability for convertible debt conversion feature		**5,875,195**		-
Unrealized foreign exchange gain on internal loans		**-**		(168,000)
Unrealized loss on derivative contracts		**-**		204,420
Realized foreign exchange loss on internal loan		**-**		95,500
Realized loss on derivative contracts		**-**		(115,500)
Payment of accrued settlement obligation		**(901,250)**		(820,467)
		16,887,129		14,160,807
Changes in non-cash working capital items		**(3,705,691)**		(4,524,589)
		13,181,438		9,636,218
Cash flows (used in) provided by financing activities				
Issue costs		**(26,590)**		(19,713)
Repayment of long-term debt		**(3,651,536)**		(2,370,109)
Increase in bank indebtedness		**-**		3,699,493
Repayment of obligations under finance leases		**(2,175,761)**		(1,775,344)
Proceeds on sale-leaseback agreement		**1,370,985**		482,840
Dividends paid on class A common shares		**(135,932)**		(133,162)
Distributions paid to unitholders		**(4,401,617)**		(4,229,859)
Increase in unearned rebates		**4,293,958**		3,533,483
Repayment of unearned rebates		**-**		(247,368)
Collection of rebates receivable		**1,238,475**		1,096,211
		(3,488,018)		36,472
Cash flows used in investing activities				
Proceeds on sale of equipment and software		**634,599**		88,781
Equipment purchases and facility improvements		**(1,770,172)**		(2,181,323)
Acquisition and development of businesses (net of cash acquired)		**(21,525,905)**		(11,621,450)
Software purchases and licensing		**(164,571)**		(198,483)
Senior managers unit loan program		**(925,302)**		-
		(23,751,351)		(13,912,475)
Foreign exchange		**646,664**		(298,413)
Net decrease in cash position		**(13,411,267)**		(4,538,198)
Cash, beginning of period		**38,976,398**		18,443,269
Cash, end of period	**$**	**25,565,131**	$	13,905,071
Income taxes paid	**$**	**597,611**	$	1,832,439
Interest paid	**$**	**3,891,726**	$	1,411,265

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS (Unaudited)
Three Months Ended September 30,
(Canadian dollars)

	2013	2012
Sales	**$ 149,615,630**	$ 109,079,563
Cost of sales	**80,034,716**	59,683,717
Gross margin	**69,580,914**	49,395,846
Operating expenses	**58,962,022**	41,853,405
Foreign exchange (gains) losses	**(1,761)**	72,282
Gain on sale of software	**(336,115)**	-
Acquisition and transaction costs	**566,593**	219,121
Depreciation	**2,587,598**	2,029,924
Amortization of intangible assets	**938,851**	749,584
Fair value adjustments to financial instruments *(Note 11)*	**6,406,972**	1,545,948
Finance costs	**1,468,708**	731,359
	70,592,868	47,201,623
(Loss) earnings before income taxes	**(1,011,954)**	2,194,223
Income tax expense		
Current	**1,690,632**	655,858
Deferred	**(545,295)**	34,695
	1,145,337	690,553
Net (loss) earnings	**$ (2,157,291)**	$ 1,503,670
Net (loss) earnings attributable to:		
Unitholders	**(2,396,341)**	1,503,670
Non-controlling interest	**239,050**	-
	$ (2,157,291)	$ 1,503,670

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

	2013	2012
Basic (loss) earnings per unit *(Note 10)*	**$ (0.191)**	$ 0.120
Diluted (loss) earnings per unit *(Note 10)*	**$ (0.191)**	$ 0.120
Weighted average number of units outstanding	**12,566,747**	12,536,749

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)
Three Months Ended September 30,

	2013	2012
Net (loss) earnings	**$ (2,157,291)**	$ 1,503,670
Other comprehensive (loss)		
Items that may be reclassified subsequently to Consolidated Statements of (Loss) Earnings		
Change in unrealized loss on translating financial statements of foreign operations	**(1,867,557)**	(1,889,306)
Other comprehensive loss, net of income taxes	**(1,867,557)**	(1,889,306)
Comprehensive loss	**$ (4,024,848)**	$ (385,636)
Comprehensive (loss) earnings attributable to:		
Unitholders	**(4,263,898)**	(385,636)
Non-controlling interest	**239,050**	-
	$ (4,024,848)	$ (385,636)

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

BOYD GROUP INCOME FUND

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Three Months Ended September 30,

(Canadian dollars)

	2013	2012
Cash flows from operating activities		
Net (loss) earnings	**$ (2,157,291)**	$ 1,503,670
Items not affecting cash		
Non-controlling interest put option adjustment	**659,679**	249,467
Deferred income taxes	**(545,295)**	34,695
Amortization of discount on convertible debt	**159,020**	-
Amortization of intangible assets	**938,851**	749,584
Depreciation	**2,587,598**	2,029,924
Amortization of unearned rebates	**(952,039)**	(734,584)
Gain on disposal of equipment and software	**(332,862)**	(3,854)
Adjustment in liability for exchangeable class A shares	**1,432,797**	656,933
Interest accrued on class A exchangeable shares	**44,881**	43,957
Unit option compensation expense	**1,950,148**	639,548
Adjustment in liability for convertible debt conversion feature	**2,364,348**	-
Unrealized foreign exchange gain on internal loans	**-**	(177,000)
Unrealized loss on derivative contracts	**-**	184,320
Realized foreign exchange loss on internal loan	**-**	-
Payment of accrued settlement obligation	**(273,302)**	(271,290)
	5,876,533	4,905,370
Changes in non-cash working capital items	**(1,335,325)**	(2,191,569)
	4,541,208	2,713,801
Cash flows provided by (used in) financing activities		
Issue costs	**(525)**	-
Repayment of long-term debt	**(1,160,641)**	(885,821)
Increase in bank indebtedness	**-**	675,379
Repayment of obligations under finance leases	**(795,329)**	(578,239)
Dividends paid on class A common shares	**(45,159)**	(43,985)
Distributions paid to unitholders	**(1,467,358)**	(1,410,355)
Increase in unearned rebates	**3,466,383**	864,400
Collection of rebates receivable	**419,829**	284,402
	417,200	(1,094,219)
Cash flows used in investing activities		
Proceeds on sale of equipment and software	**373,740**	32,569
Equipment purchases and facility improvements	**(255,327)**	(752,034)
Acquisition and development of businesses (net of cash acquired)	**(11,762,642)**	(2,433,293)
Software purchases and licensing	**(67,624)**	(3,424)
Senior managers unit loan program	**(26,257)**	-
	(11,738,110)	(3,156,182)
Foreign exchange	**(431,899)**	(103,715)
Net decrease in cash position	**(7,211,601)**	(1,640,315)
Cash, beginning of period	**32,776,732**	15,545,386
Cash, end of period	**$ 25,565,131**	$ 13,905,071
Income taxes paid	**$ 282,377**	$ 464,688
Interest paid	**$ 1,477,702**	$ 682,418

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

1. GENERAL INFORMATION

Boyd Group Income Fund (the “Fund”) is an unincorporated, open-ended mutual fund trust established under the laws of the Province of Manitoba, Canada on December 16, 2002. It was established for the purposes of acquiring and holding a majority interest in The Boyd Group Inc. (the “Company”). The Company is partially owned by Boyd Group Holdings Inc. (“BGHI”), which is controlled by the Fund. These financial statements reflect the activities of the Fund, the Company and all its subsidiaries including BGHI. The Company’s business consists of the ownership and operation of autobody/autoglass repair facilities acquired either through the acquisition of existing businesses, or through site development resulting in new locations. At the reporting date, the Company operated locations in five Canadian provinces under the trade name Boyd Autobody & Glass, as well as in 15 U.S. states under the trade names Gerber Collision & Glass and Hansen Collision and Glass. The Company is a major retail auto glass operator in the U.S. with locations across 28 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Services, Auto Glass Authority, S&L Glass, Hansen Auto Glass, and Auto Glass Only. The Company also operates Gerber National Glass Services, an auto glass repair and replacement referral business with approximately 3,000 affiliated service providers throughout the U.S. under the “Gerber National Glass Services” name. The units of the Fund are listed on the Toronto Stock Exchange and trade under the symbol “BYD.UN”. The head office and principal address of the Fund are located at 3570 Portage Avenue, Winnipeg, Manitoba, Canada, R3K 0Z8.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of November 14, 2013, the date the Board of Trustees approved the statements. Any subsequent changes to IFRS that are given effect in the Fund’s annual consolidated financial statements for the year ending December 31, 2013 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the three and nine months ended September 30, 2013 have been prepared in accordance with IAS 34, ‘Interim financial reporting’ using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2012. During the three and nine months ended September 30, 2013, the Fund did not adopt any changes in accounting policy that resulted in a material impact to the financial statements of the Fund. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS.

3. ACQUISITIONS

On May 31, 2013, the Company acquired a controlling interest in the retail auto glass business of Glass America, Inc. ("Glass America"), which operated 61 retail auto glass locations across 23 U.S. states under the trade names of Glass America and Auto Glass Services. The Fund and its existing glass-business operating partner each contributed their interests in the Company’s U.S. auto glass business ("Gerber Glass") on a relative valuation basis, along with a $6.25 million U.S. cash equity contribution into a new subsidiary entity and received a combined equity interest of 70% of the new business. Boyd funded $5.25 of a $6.25 million U.S. cash contribution to the new entity and holds a 55.19% effective interest in the new glass business. Boyd’s existing operating partner funded $1.0 million U.S. of the cash equity contribution and holds 14.81% of the new entity. The shareholders of Glass America contributed the business of Glass America on a relative valuation basis for a 30% non-controlling interest position.

On September 3, 2013, the Company completed a transaction acquiring HC Capital Group, Inc., which owns and operates 25 collision repair centers in western Michigan and northeastern Indiana under the trade name “Hansen Collision and Glass”. Funding for the transaction was a combination of cash, third-party financing, seller take-back notes and a $2,109,600 issuance of 83,721 units to the sellers at a fifteen-day weighted average price of $24.83 per unit.

The Fund also completed ten other acquisitions during the first nine months of 2013 related to its stated objective of growing through individual locations by between six and ten percent per year.

Acquisition Date	Business & Assets Purchased	Location
January 16, 2013	Wilmington Paint & Body Works	Wilmington, North Carolina
February 9, 2013	Twin City Collision	Stanwood, Washington
February 25, 2013	Express Paint and Body	Lakeland, Florida
March 28, 2013	CBS Quality Cars	Durham, North Carolina
April 1, 2013	Factory Finish	Wilmington, North Carolina
April 30, 2013	Swanson's Auto Body	Spokane, Washington
May 9, 2013	Sonny Hancock Collision Center	Gastonia, North Carolina
May 31, 2013	Queensway Auto Body	Kitchener, Ontario
June 14, 2013	Morris Auto Body	Loveland, Colorado
June 28, 2013	Shenandoah Collision Center	Newnan, Georgia

The Fund has accounted for the acquisitions using the purchase method as follows:

	2013			
Identifiable net assets acquired at fair value:	Glass America	Hansen Collision and Glass	Other Acquisitions	**Total**
Cash	2,630,152	800,891	-	**3,431,043**
Other current assets	3,565,775	2,624,911	428,614	**6,619,300**
Property, plant and equipment	1,179,149	2,383,628	3,983,359	**7,546,136**
Identified intangible assets				
Customer relationships	7,237,300	-	-	**7,237,300**
Brand name	4,135,600	-	-	**4,135,600**
Liabilities assumed	(7,422,005)	(2,121,852)	(157,046)	**(9,700,903)**
Deferred income tax liability	-	(160,976)	-	**(160,976)**
Identifiable net assets acquired	11,325,971	3,526,602	4,254,927	**19,107,500**
Goodwill	3,954,037	21,393,048	-	**25,347,085**
Total purchase consideration	15,280,008	24,919,650	4,254,927	**44,454,585**
Consideration provided				
Cash	6,461,875	14,409,686	4,057,101	**24,928,662**
Seller Notes	-	8,400,364	197,826	**8,598,190**
Units	-	2,109,600	-	**2,109,600**
Shares issued to Glass America non-controlling interest	8,818,133	-	-	**8,818,133**
Total consideration provided	15,280,008	24,919,650	4,254,927	**44,454,585**

The preliminary purchase prices for acquisitions as disclosed above may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized. U.S. acquisition transactions are initially recognized in Canadian dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the balance sheet date.

A significant part to the goodwill for the acquisition of Glass America can be attributed to the assembled workforce, the operating know-how of key personnel and synergies existing within the acquired business. However, no intangible asset qualified for separate recognition in this respect.

Acquisition-related and transaction costs of $1,404,578 (2012 - $712,011) have been charged as an expense in the consolidated statement of earnings for the nine months ended September 30, 2013.

The results of operations reflect the revenues and expenses of acquired operations from the date of acquisition. The Fund's internal reporting of the revenue and earnings of Glass America has been partly integrated with that of the Gerber Glass business. On a year-to-date-basis, the reported revenue and earnings of Glass America that have not been integrated with Gerber Glass are $12,041,101 and $360,959 respectively. The revenue and earnings contributed by Hansen Collision and Glass for the month of September were $2,890,747 and $75,667 respectively.

If Glass America and Hansen Collision and Glass had been acquired on January 1, 2013, the Fund's loss for the nine months ended September 30, 2013 would have been $3,916,965.

(in Canadian dollars)

4. INTANGIBLE ASSETS

Balance at January 1, 2013	**$ 41,271,177**
Acquired through business combination	**11,372,900**
Amortization	**(2,841,682)**
Purchase price allocation adjustments within the measurement period	**(1,024,700)**
Foreign exchange	**1,513,463**
Balance at September 30, 2013	**$ 50,291,158**

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Fund and the cost can be reliably measured. As part of the acquisition of Glass America customer relationships with a fair value of $7,237,700 were acquired and will be amortized on a straight-line basis over the expected period of benefit of 20 years. The Fund also acquired the Glass America brand name with a fair value of $4,135,600 and assessed it as having an indefinite useful life. The purchase price allocation adjustment represents a reclassification between customer relationships and goodwill within the acquisition measurement period for The Recovery Room acquisition.

5. GOODWILL

Balance at January 1, 2013	**$ 49,691,918**
Acquired through business combination	**25,347,085**
Purchase price allocation adjustments within the measurement period	**1,024,700**
Foreign exchange	**947,042**
Balance at September 30, 2013	**$ 77,010,745**

The purchase price allocation adjustment represents a reclassification between customer relationships and goodwill within the acquisition measurement period for The Recovery Room acquisition.

6. DISTRIBUTIONS

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 were declared and paid as follows:

Record Date	Payment Date	Distribution per Unit	Distribution Amount
January 31, 2013	February 26, 2013	$ 0.039	$ 489,002
February 28, 2013	March 27, 2013	0.039	489,002
March 31, 2013	April 26, 2013	0.039	489,061
April 30, 2013	May 29, 2013	0.039	489,095
May 31, 2013	June 26, 2013	0.039	489,097
June 30, 2013	July 29, 2013	0.039	489,097
July 31, 2013	August 28, 2013	0.039	489,101
August 31, 2013	September 26, 2013	0.039	489,160
September 30, 2013	October 29, 2013	0.039	492,440
		$ 0.351	$ 4,405,055

(in Canadian dollars)

7. SEASONALITY

The Fund's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity.

8. LONG-TERM DEBT

On September 3, 2013, in connection with the acquisition of Hansen Collision and Glass the Company issued seller notes for $8,400,364 repayable in quarterly installments of principal and interest over periods ranging from seven to ten years. Interest rates on these seller notes range from 5.0% to 5.25%.

9. 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, IFRS requires the Company to provide geographical disclosure. For the year-to-date periods reported, all of the Company's revenues were derived within Canada or the United States of America.

Reportable assets include property, plant and equipment, goodwill and intangible assets which are all located within these two geographic areas.

	Revenues		**Reportable Assets**	
	September 30, 2013	September 30, 2012	**September 30, 2013**	December 31, 2012
Canada	**$ 59,058,926**	$ 53,995,979	**$ 18,469,422**	$ 16,129,213
United States	**358,073,434**	265,427,761	**164,336,944**	120,731,244
Total	**$ 417,132,360**	$ 319,423,740	**$ 182,806,366**	$ 136,860,457

10. EARNINGS PER UNIT

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2013	2012	**2013**	2012
a) Earnings:				
Net (loss) earnings attributable to unitholders	**$ (2,396,341)**	$ 1,503,670	**$ (4,932,990)**	$ 4,704,900
b) Number of units:				
Average number of units outstanding	**12,566,747**	12,536,749	**12,549,008**	12,533,921
Earnings per unit (a) divided by (b)				
Basic	**$ (0.191)**	$ 0.120	**$ (0.393)**	$ 0.375
Diluted	**$ (0.191)**	$ 0.120	**$ (0.393)**	$ 0.375

Class A exchangeable shares, unit options and convertible debentures are instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

11. FINANCIAL INSTRUMENTS

Fair Value Adjustments to Financial Instruments

	Three Months ended:	
	September 30, 2013	September 30, 2012
Fair value adjustments to:		
Convertible debenture conversion feature	**$ 2,364,348**	$ -
Exchangeable shares	**1,432,797**	656,933
Unit options	**1,950,148**	639,548
Non-controlling interest put options	**659,679**	249,467
Total fair value adjustments to financial instruments	**$ 6,406,972**	$ 1,545,948

	Nine months ended:	
	September 30, 2013	September 30, 2012
Fair value adjustments to:		
Convertible debenture conversion feature	**$ 5,875,195**	$ -
Exchangeable shares	**4,035,488**	1,629,777
Unit options	**4,636,216**	1,546,564
Non-controlling interest put options	**659,679**	347,137
Total fair value adjustments to financial instruments	**$ 15,206,578**	$ 3,523,478

Fair Value Measurement

The Fund's financial instruments measured at fair value are limited to cash, exchangeable Class A shares, unit options, non-controlling interest put options, and the convertible debenture conversion feature. The valuation techniques used to measure these financial instruments are described in the subsequent corresponding sections of this Note.

The following presents the Fund's assets and liabilities measured at fair value on a recurring basis and categorized by hierarchy level at September 30, 2013:

Asset (liability) ($000's)	(Quoted prices in an active markets for identical assets) **Level 1**	(Significant other observable inputs) **Level 2**	(Significant other unobservable inputs) **Level 3**
Cash	**25,565,131**	-	-
Convertible debenture conversion feature	-	**7,883,894**	-
Unit options	-	**8,203,353**	-
Exchangeable class A shares	**9,875,168**	-	-
Non-controlling interest put options	-	**17,943,361**	-

The Fund's financial instruments not measured at fair value include accounts receivable, accounts payable and accrued liabilities, long-term debt and the non-derivative component of convertible debentures. The carrying value of accounts receivable, accounts payable and long-term debt approximates their fair value. The non-derivative component of the convertible debentures had a carrying value of $30,806,803 and a fair value of $34,011,106 at September 30, 2013.

Convertible Debenture Conversion Feature

The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model with the following assumptions used: unit price $27.50, dividend yield 4.11%, expected volatility 25.86%, risk free interest rate of 1.68%, term of 4.2 years. The fair value of the debenture conversion feature will change based on movement in bond rates and the market price of units of the fund. At September 30, 2013 the convertible debenture conversion feature had a carrying value of $7,883,894 (December 31, 2012 - $2,008,699).

(in Canadian dollars)

Exchangeable Class A Shares

The Class A common shares of BGHI are exchangeable into units of the Fund. To facilitate the exchange, BGHI issues one Class B common share to the Fund for each Class A common share that has been retracted. The Fund in turn issues a trust unit to the Class A common shareholder. Exchangeable Class A common shares are measured at the market price of the units of the Fund as of the statement of financial position date. The market price is based on a ten day trading average for the units at such date. Exchanges are recorded at carrying value. At September 30, 2013 there were 359,097 (December 31, 2012 – 363,538) Class A common shares outstanding with a carrying value of $9,875,168 (December 31, 2012 – $5,929,304).

Dividends on the exchangeable Class A common shares are recorded as interest expense and were declared and paid as follows:

Record Date	Payment Date	Dividend per Share	Dividend Amount
January 31, 2013	February 26, 2013	$ 0.039	$ 15,170
February 28, 2013	March 27, 2013	0.039	15,171
March 31, 2013	April 26, 2013	0.039	15,111
April 30, 2013	May 29, 2013	0.039	15,076
May 31, 2013	June 26, 2013	0.039	15,075
June 30, 2013	July 29, 2013	0.039	15,075
July 31, 2013	August 28, 2013	0.039	15,071
August 31, 2013	September 26, 2013	0.039	15,013
September 30, 2013	October 29, 2013	0.039	14,797
		$ 0.351	$ 135,559

Unit Based Payment Obligation

Pursuant to the Fund's Option Agreement and Confirmation, the Fund has granted options to purchase units of the Fund to certain key executives. The following options are outstanding at September 30, 2013:

Date Granted	Issue Date	Number of Units	Exercise Price	Expiry Date	Fair Value
January 11, 2006	January 11, 2006	200,000	$1.91	January 11, 2016	$3,581,465
November 8, 2007	January 2, 2008	150,000	$2.70	January 2, 2018	$1,832,073
November 8, 2007	January 2, 2009	150,000	$3.14	January 2, 2019	$1,563,419
November 8, 2007	January 2, 2010	150,000	$5.41	January 2, 2020	$1,226,396
		650,000			$8,203,353

The fair value of each option granted January 6, 2006 is estimated using a Black-Scholes valuation model with the following assumptions used for the options granted: unit price $27.50 dividend yield 4.11%, expected volatility 25.86% (determined as a weighted standard deviation of the unit price over the past four years), risk free interest rate 1.26%, initial term 10 years, remaining term 2.5 years.

The fair value of each option granted November 8, 2007 is estimated using a Black-Scholes valuation model with the following assumptions used for the options granted: unit price $27.50, dividend yield 4.11%, expected volatility 25.86%, risk free interest rates of 1.63%, 1.84% and 2.01% respectively, initial terms of 10, 11 and 12 years respectively, remaining terms of 4, 5 and 6 years respectively.

Non-controlling Interest Put Options

Effective January 1, 2011, the Fund entered into an agreement that provides a member of its U.S. management team the opportunity to participate in the future growth of the Fund's U.S. glass business. Within the agreement was a put option held by the non-controlling shareholder that provided the shareholder an option to put the business back to the Fund according to a valuation formula defined in the agreement. In connection with the Glass America acquisition, on May 31, 2013 the original put option agreement was terminated and a new put option was issued. The new put option is restricted until December 1, 2016 and is exercisable anytime thereafter by the glass-business operating partner. The put option may be exercised before December 1, 2016 upon the occurrence of certain unusual events such as a change of control or resignation of the operating partner. Termination of the original put and initial recognition of the new put liability resulted in a net $3,258,428 reduction of equity, which was offset by a non-controlling interest contribution to equity of $1,124,784. Future changes in the estimated liability will be recorded in earnings.

(in Canadian dollars)

On May 31, 2013 the Company entered into an agreement whereby Glass America contributed its auto-glass business to Gerber Glass in exchange for shares representing a 30% ownership interest in the new combined Gerber Glass entity. The agreement contains a put option, which provides the non-controlling interest with the right to require the Company to purchase their retained interest according to a valuation formula defined in the agreement. Issuance of the put option resulted in a $13,130,639 reduction of equity, which was offset by Glass America's non-controlling interest contribution to equity of $8,818,133. Future changes in the estimated liability will be recorded in earnings. The put option is restricted until June 1, 2015 and is exercisable anytime thereafter.

The liability recognized in connection with both put options has been calculated using formulas defined in the agreements. The formulas are based on multiples of estimated future earnings of the combined Gerber Glass and Glass America business, and estimated future exercise dates. The estimated future payment obligation is then discounted to its present value at each statement of financial position date.

The equity impact of the May 31, 2013 transactions with non-controlling interests is summarized as follows:

Glass-business operating partner equity contribution	$	**1,124,784**
Glass America equity contribution		**8,818,133**
Equity contributed by non-controlling interests	**$**	**9,942,917**

Termination of glass-business operating partner put option	$	**1,132,247**
Recognition of new glass-business operating partner put option		**(4,390,675)**
Recognition of Glass America put option		**(13,130,639)**
Recognition of non-controlling interest put option liabilities	**$**	**(16,389,067)**

The liability for non-controlling interest put options comprises the following:

		September 30, 2013		December 31, 2012
Glass-business operating partner non-controlling interest put option	**$**	**4,366,789**	$	1,072,391
Glass America non-controlling interest put option		**13,576,572**		-
	$	**17,943,361**	$	1,072,391

The change in the non-controlling interest put option liabilities is summarized as follows:

		Glass-business operating partner		**Glass America non-controlling interest**
Balance at January 1, 2013	**$**	**1,072,391**	$	-
Termination of January 1, 2011 put option		**(1,132,247)**		-
May 31, 2013 recognition of new put options within equity		**4,390,675**		**13,130,639**
Year-to-date income statement fair value adjustments		**71,321**		**588,358**
Foreign exchange		**(35,351)**		**(142,425)**
Balance at September 30, 2013	**$**	**4,366,789**	**$**	**13,576,572**

12. RELATED PARTY TRANSACTIONS

The $1.8 million liability associated with the senior managers' unit loan program, which is described in the Fund's 2012 annual financial statements, was settled in the first quarter of 2013. Pursuant to the conditions of the senior managers unit loan program, loan repayments by senior managers amounted to $95,167 for the nine months ended September 30, 2013.

On May 31, the glass operating partner contributed $1.0 million U.S. towards the acquisition of Glass America. At the same time, his previous put option agreement with the Fund was terminated and replaced with a new put option agreement described in Note 11.

13. SUBSEQUENT EVENTS

On October 7, 2013, the Company amended its agreement with its paint supplier, to obtain back-end purchase discounts. The amendment is in effect from October 1, 2013 to January 31, 2014, while the Company works to negotiate a final agreement setting forth the complete terms of the arrangement and validates the market competitiveness of the back-end discount. The terms of the amendment require the Company to repay the unamortized prepaid rebates received under the previous paint supply arrangement in the fourth quarter of 2013.

On October 22, 2013, the Fund completed a bought deal public offering where it sold to an underwriting syndicate two-million trust units issued out of treasury at a gross price of $27.60 per unit for net proceeds to the Fund of $52,440,000, before deducting estimated expenses of the offering. Concurrent with the closing, the Underwriters exercised an over-allotment option in full and purchased an additional 300,000 trust units at the offering price, which increased the amount of net proceeds under the Offering to $60,306,000 before deducting expenses of the offering.

On November 14, 2013, the Trustees of the Fund and the Directors of BGHI approved a $0.001 or 2.6% increase in monthly distributions and dividends to $0.04 per unit commencing November 2013, for unitholders and shareholders of record on November 30, 2013.

14. COMPARATIVE FIGURES

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