



## NEWS RELEASE

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### BIG ROCK BREWERY INCOME TRUST ANNOUNCES 3rd QUARTER RESULTS

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**CALGARY, ALBERTA, November 13, 2007** – Big Rock Brewery Income Trust (the "Trust") (TSX: BR.UN) is pleased to report to Unitholders its unaudited consolidated financial results for the three and nine month periods ended September 30, 2007. These results reflect the consolidated operations of the Trust, Big Rock Brewery Ltd. and its wholly owned subsidiary Pine Creek Brewing Company Ltd.

**For the three months** ended September 30, 2007, net income declined by \$1,311,000 from \$2,685,000 in the same period in 2006 to \$1,374,000 in 2007. The principle components of the change are:

- Sales declined by \$1,448,000 compared to the 3<sup>rd</sup> quarter of 2006 due to a planned decrease in value brand sales, planned elimination of give-away promotions related to craft beer sales and increased federal excise taxes of \$400,000. Sales of Big Rock's new premium lager beer, XO, offset some of the sales declines in value brand beers.
- Cost of sales declined marginally by \$108,000, from \$3,969,000 to \$3,861,000. Decreases in volume were offset by increased utility costs, a one time charge of \$200,000 for keg deposits and the discontinuance of an Industry Standard Bottle rebate of \$200,000 that was recorded in 2006 but not available in 2007. Accordingly, there was a decrease in gross profits compared to the 3<sup>rd</sup> quarter of 2006 of \$1,340,000.
- Selling expenses declined by \$185,000 for the third quarter in accordance with the aforementioned elimination of give away programs. General and administrative expenses were up (compared to the 3<sup>rd</sup> quarter of 2006) by \$90,000. One-time costs of \$196,000 paid to consultants to complete the review of strategic alternatives after the change in the taxation of income trusts announced by the federal government on October 31, 2006 more than offset other reductions in general and administrative expenses for the period.

Cash distributions declared to unitholders for the quarter ended September 30, 2007 were \$2,341,000 or \$0.39 per unit (2006 - \$1,990,000 or \$0.33 per unit). Cash provided by operations in the current quarter of \$0.28 per unit represented a shortfall of \$0.11 when compared to distributions. The shortfall was covered from cash surpluses.

Net income per unit decreased to \$0.23 for the quarter ended September 30, 2007 compared to \$0.45 in the same quarter last year.

**For the nine months** ended September 30, 2007, net income declined by \$2,479,000 from \$6,496,000 for the same period in 2006 to \$4,017,000. Similar to the third quarter period, sales for nine months were reduced primarily because of a planned change in Big Rock's focus, limiting give-away programs and increasing prices that caused the reduction in sales of value brand beers.

Cost of sales were subjected to increasing input costs. Margins were decreased as total production throughput declined causing a higher absorption rate of fixed production costs.

Selling expenses declined over the nine month period ended September 30, 2007 from those of the 2006 comparative period by \$622,000 as the aforementioned planned changes in sales promotions were implemented by management.

General and administrative expenses increased by \$943,000 for the nine-month period ended September 30, 2007 over the comparative period in 2006. In addition to the one-time costs incurred in the third quarter, first and second quarter expenses in 2007 were charged with \$328,000 for unit options issued in the first quarter and \$106,000 paid to consultants as management reviewed strategic alternatives after the change in the taxation of income trusts announced by the federal government on October 31, 2006.

Income taxes for the 2007 and 2006 respective periods increased by \$422,000 notwithstanding reduced income before income taxes. In 2006, the federal government announced a one percent cut in corporate tax rates that resulted in a recovery of \$533,000 in future income taxes.

Year-to-date net income per unit decreased to \$0.67 from \$1.08 for the same period last year.

Year-to-date distributions were \$6,660,000 or \$1.11 per unit (2006 - \$5,958,000 or \$0.99 per unit). Cash provided by operations for the nine months ended September 30<sup>th</sup> of \$1.01 represented a shortfall of \$0.10 when compared to distributions for the period. As mentioned previously, the shortfall was covered from cash surpluses.

Big Rock continues to enjoy good liquidity with \$2,320,000 in cash and cash equivalents at quarter-end and no long-term or operating debt.

**Ken Barbet, Big Rock president and chief executive officer**, said, “We are well into our strategy to re-focus the organization. The third quarter results reflect this re-focus and are generally on track with what we expected. Focusing on the core of our business should help us to grow profitably in all markets over the next few years”.

### **Significant third quarter events**

After due consideration and analysis, management has decided to reduce reliance on margin obtained from the production and sale of “value priced” beers. Big Rock will continue to produce these products but will not actively try to grow this category. Value priced beers have been produced to improve efficiency and maximize use of brewing assets. While this category adds sales and a small amount of gross margin it detracts from brand value and distracts from the core operation of producing top quality premium craft beers that are without additives or chemicals.

Big Rock is actively pursuing opportunities for US and overseas export and co-packing of products for other suppliers to replace value priced beer volume and to improve the efficiency and usage of production facilities. Both these activities have the added benefit of contributing substantially more margin per hectoliter than value priced beer production. In addition, any export activity also considerably enhances brand image and consumer demand for Big Rock beer both in Canada and abroad.

During the quarter, Big Rock added distribution in two provinces. In Nova Scotia, three new listings were secured in 60% of the government liquor stores leading to monthly sales equivalent to the entire Nova Scotia sales recorded in 2006. In New Brunswick two new listings were approved in late September with results over the next six months expected to mirror the success in Nova Scotia. This leaves just two provinces in which Big Rock beers are not available, Quebec and PEI. Management continues to work toward the goal of Canada wide distribution of Big Rock products.

On September 20<sup>th</sup>, 2007 the Trust disseminated a Notice of Special Meeting of Unitholders and Management Information Circular. At the meeting held on October 26<sup>th</sup>, 2007, Unitholders approved the proposed internal reorganization which will result in the existing business of the Trust being carried on through a newly formed limited partnership owned by the Trust. Completion of the proposed reorganization is expected to occur in January, 2008, conditional upon obtaining a number of regulatory and third party approvals.

The proposed reorganization, which has been adopted by a number of other income trusts, will provide the Trust with a "flow-through" structure that will maximize the cash available for distribution to Unitholders, until January 1, 2011, by reducing the income taxes paid under the current structure.

Selected Financial information follows:

**Big Rock Brewery Income Trust**  
**Consolidated Balance Sheets**  
**(unaudited)**

	<b>30-Sep-07</b>	<b>31-Dec-06</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$2,320,000	\$4,337,000
Accounts receivable	2,674,000	3,234,000
Inventories	3,645,000	3,710,000
Prepaid expenses	291,000	273,000
	<u>8,930,000</u>	<u>11,554,000</u>
Property, plant and equipment	30,090,000	30,172,000
Deferred charges and other assets	428,000	445,000
<b>Total assets</b>	<u><u>\$39,448,000</u></u>	<u><u>\$42,171,000</u></u>
<b>Liabilities and Unitholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	2,636,000	2,820,000
Income taxes payable	479,000	896,000
Distributions payable	780,000	661,000
Liability for unit appreciation rights	256,000	-
	<u>4,151,000</u>	<u>4,377,000</u>
Future income taxes	7,375,000	7,427,000
	<u>11,526,000</u>	<u>11,804,000</u>
<b>Unitholders' equity</b>		
Trust unitholders' capital	18,317,000	18,282,000
Contributed surplus	631,000	346,000
Undistributed income	8,974,000	11,739,000
<b>Total Unitholders' equity</b>	<u>27,922,000</u>	<u>30,367,000</u>
<b>Total liabilities and Unitholders' equity</b>	<u><u>\$39,448,000</u></u>	<u><u>\$42,171,000</u></u>

**Big Rock Brewery Income Trust**  
**Consolidated Statements of Operations & Undistributed Income**  
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
Revenue	\$9,775,000	\$11,223,000	\$28,595,000	\$30,098,000
Cost of sales	3,861,000	3,969,000	11,390,000	11,215,000
<b>Gross profit</b>	<u>5,914,000</u>	<u>7,254,000</u>	<u>17,205,000</u>	<u>18,883,000</u>
<b>Expenses</b>				
Selling	2,619,000	2,804,000	7,284,000	7,906,000
General and administrative	1,181,000	1,091,000	3,752,000	2,809,000
Amortization	546,000	525,000	1,599,000	1,541,000
	<u>4,346,000</u>	<u>4,420,000</u>	<u>12,635,000</u>	<u>12,256,000</u>
Income before income taxes	<u>1,568,000</u>	<u>2,834,000</u>	<u>4,570,000</u>	<u>6,627,000</u>
Current income tax expense	285,000	352,000	605,000	907,000
Future income tax recovery	(91,000)	(203,000)	(52,000)	(776,000)
	<u>194,000</u>	<u>149,000</u>	<u>553,000</u>	<u>131,000</u>
<b>Net income and comprehensive income for the period</b>	1,374,000	2,685,000	4,017,000	6,496,000
Undistributed income, beginning of period	9,941,000	11,513,000	11,739,000	11,670,000
Distributions declared	(2,341,000)	(1,990,000)	(6,660,000)	(5,958,000)
Excess consideration paid on unit repurchase	-	-	(122,000)	-
Undistributed income, end of period	<u>\$8,974,000</u>	<u>\$12,208,000</u>	<u>\$8,974,000</u>	<u>\$12,208,000</u>
<b>Net income per unit</b>				
Basic	\$0.23	\$0.45	\$0.67	\$1.08
Diluted	\$0.23	\$0.45	\$0.67	\$1.08

**Big Rock Brewery Income Trust**  
**Consolidated Statements of Cash Flows**  
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
<b>Operating Activities</b>				
Net income for the period	\$1,374,000	\$2,685,000	\$4,017,000	\$6,496,000
Items not affecting cash:				
Amortization	546,000	525,000	1,599,000	1,541,000
Unit based compensation	91,000	(23,000)	543,000	53,000
Future income taxes	(91,000)	(203,000)	(52,000)	(776,000)
	<u>1,920,000</u>	<u>2,984,000</u>	<u>6,107,000</u>	<u>7,314,000</u>
Net change in non-cash working capital relating to operating activities	(210,000)	584,000	6,000	1,398,000
<b>Cash provided by operating activities</b>	<u>1,710,000</u>	<u>3,568,000</u>	<u>6,113,000</u>	<u>8,712,000</u>
<b>Financing Activities</b>				
Distribution payments	(2,340,000)	(1,988,000)	(6,541,000)	(5,954,000)
Unit repurchase	-	-	(160,000)	-
Cash received on exercise of options	20,000	187,000	71,000	370,000
<b>Cash used in financing activities</b>	<u>(2,320,000)</u>	<u>(1,801,000)</u>	<u>(6,630,000)</u>	<u>(5,584,000)</u>
<b>Investing Activities</b>				
Additions to property, plant and equipment	(395,000)	(1,105,000)	(1,517,000)	(2,664,000)
Deferred charges and other assets	(3,000)	(150,000)	17,000	(39,000)
<b>Cash used in investing activities</b>	<u>(398,000)</u>	<u>(1,255,000)</u>	<u>(1,500,000)</u>	<u>(2,703,000)</u>
<b>Net increase (decrease) in cash</b>	(1,008,000)	512,000	(2,017,000)	425,000
Cash and cash equivalents, beginning of period	3,328,000	5,635,000	4,337,000	5,722,000
<b>Cash and cash equivalents, end of period</b>	<u>\$2,320,000</u>	<u>\$6,147,000</u>	<u>\$2,320,000</u>	<u>\$6,147,000</u>

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Big Rock is a regional producer and marketer of craft beers, headquartered in Calgary, Alberta, Canada. Big Rock's products are available in draught, bottles and cans. The Company also produces or distributes cider and cooler products. Big Rock products are marketed in seven provinces and three territories in Canada.

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