2008 FIRST QUARTER REPORT

BRAMPTON BRICK Limited

FOR THE FIRST QUARTER ENDED MARCH 31, 2008
PREPARED AS OF MAY 9, 2008

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the interim period ended March 31, 2008 should be read in conjunction with the annual MD&A included in the Company's 2007 Annual Report. All amounts are stated in thousands of Canadian dollars, except per share amounts, unless otherwise indicated.

Effective October 2, 2007, the Company's 65% owned subsidiary, 1312082 Ontario Limited (formerly Medical Waste Management Inc.), completed the sale of substantially all of its business operations and assets, excluding its 50% joint venture interest in Sharpsmart Canada Limited ("Sharpsmart"). Accordingly, operating results and cash flows of this component of the business have been classified as discontinued operations. Comparative amounts have been reclassified to conform with the current period financial statement presentation.

RESULTS OF OPERATIONS

For the first quarter ended March 31, 2008, the Company incurred a loss of $4,077, or $0.37 per share, on a weighted average 10,882,000 Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding, compared to a loss of $2,542, or $0.23 per share, on a weighted average 10,833,000 Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding for the corresponding period in 2007.

Net sales from continuing operations for the quarter were $10,391 compared to $11,015 in 2007. Lower shipments in the Masonry Products business segment resulted in a net decrease of $624 in consolidated net sales from continuing operations.

Substantially lower production volumes, in both the Masonry Products and Landscape Products business segments, in the first quarter of 2008 compared to the first quarter of 2007 resulted in an increase in unabsorbed manufacturing expenses charged against operations. This variance accounted for most of the increase in cost of goods sold. Higher distribution costs, which resulted from an increase in personnel costs and higher transportation costs in the Sharpsmart operations, also contributed to the increase in cost of goods sold.

Selling, general and administrative expenses increased by $209 over last year. The increase was primarily attributable to higher advertising and other marketing expenditures related to the introduction of new products.

As a result of the decrease in net sales and the increases in cost of goods sold and selling, general and administrative expenses, the operating loss from continuing operations, before interest and other items, amounted to $5,739 for the quarter ended March 31, 2008 compared to $3,543 for the same period in 2007.

Interest on long-term debt decreased by $92 to $120 primarily due to the repayment of $4,000 in December 2007 on the promissory note.

Net interest income decreased as a result of lower surplus cash balances available for investment.

The Company incurred a foreign currency exchange loss of $182 in the first quarter of 2008. The loss was primarily due to the impact of a weaker Canadian dollar versus the Euro on the Euro denominated term loan and the impact of fluctuations in the rate of exchange between the Canadian and U.S. dollar during the quarter on other foreign currency transactions.

In the first quarter of 2007 the Company reported a foreign currency exchange loss of $354 which related primarily to U.S. cash balances held by the Company as well as other U.S. dollar denominated net monetary assets.

During the first quarter of 2008 certain properties located in the province of Quebec, which are surplus to the Company's requirements, were sold resulting in a gain of $136.

The recovery of income taxes in the first quarter of 2008 reflected an effective tax rate of 29.1% compared to 31.9% for the same period in 2007 primarily due to the reduction in Federal income tax rates.

More detailed discussion with respect to each operating business segment follows:

MASONRY PRODUCTS

For the quarter ended March 31, 2008, the Masonry Products business segment incurred an operating loss of $1,905 on net sales of $9,306 compared to an operating loss of $225 on net sales of $10,136 for the corresponding period in 2007.

As a result of unfavourable weather conditions and the continuing economic downturn affecting the Company's markets, clay brick shipments were approximately 6% lower in 2008 compared to 2007. The reduction in clay brick shipments was partially offset by sales of new concrete masonry products introduced in 2007.

Two of the Company's three clay brick kilns were shut down throughout the first quarter. As a result, production volumes were lower than in the first quarter of 2007. Due to the relatively high fixed cost nature of these operations, unabsorbed manufacturing expenses charged against operations were higher in the first quarter of 2008 compared to 2007.

Higher distribution costs and an increase in selling expenses, for the reasons outlined above, also contributed to the increase in the operating loss incurred by this business segment in 2008 over the operating loss incurred in 2007.

LANDSCAPE PRODUCTS

The Landscape Products business segment incurred an operating loss of $3,610 on net sales of $680 for the first quarter of 2008 compared to an operating loss of $3,202 on net sales of $681 for the first quarter of 2007.

The increase in the operating loss was due to much lower production volumes, which, in turn, resulted in an increase in unabsorbed manufacturing expenses charged against operations, as well as increases in both distribution costs and selling expenses.

Operating results of Da Vinci Stone Craft operations, which are reported under the Landscape Products business segment, were substantially the same for the first quarter in both 2008 and 2007.

OTHER OPERATIONS

Other operations include the 50% joint venture interest in Sharpsmart held by a 65% owned subsidiary and the Company's 50% joint venture interest in Universal Resource Recovery Inc. ("Universal"). Both of these investments are accounted for using the proportionate consolidation method.

An increase in Sharpsmart container turns produced an increase of $207 in the Company's proportionate share of Sharpsmart's net sales from $198 in the first quarter of 2007 to $405 this period. Higher transportation costs and one-time costs incurred with respect to the relocation of the Sharpsmart operations resulted in an operating loss of $90 for the quarter compared to an operating loss of $46 for the corresponding period last year.

The Company's proportionate share of start-up costs related to Universal totaled $134 for the first quarter ended March 31, 2008 compared to $70 in 2007. There have been no commercial operations to date.

DISCONTINUED OPERATIONS

Discontinued operations presented in the 2007 comparative financial information represents the Company's medical waste business operations which were sold in October 2007 and includes substantially all of this business except the remaining joint venture interest in Sharpsmart which was retained by the Company. Net sales of discontinued operations for the quarter ended March 31, 2007 amounted to $2,713 and net income from discontinued operations was $103.

CASH FLOWS

Cash flow used by operating activities of continuing operations for the quarter ended March 31, 2008 totaled $6,346 compared to $4,070 for the same period last year.

Lower earnings, lower collections of accounts receivable and a net increase in income taxes recoverable contributed to the increase in cash used by continuing operations. These factors were partially offset by a reduction in the investment in inventories in the first quarter of 2008 compared to the same period in 2007.

Cash utilized for purchases of property, plant and equipment totaled $10,896 for the quarter compared to $3,915 for the same period in 2007. Capital expenditures during the first quarter of 2008 included $8,038 incurred in connection with the construction of the Indiana clay brick plant compared to $2,640 for the same period in 2007.

Purchases of property, plant and equipment in 2008 also included an amount of $1,100, compared to $165 for the same period in 2007, related to the Company's 50% share of expenditures incurred by Universal for building modifications and to acquire processing equipment.

During the quarter, operating bank advances and term bank loans increased by $1,480 and $3,000, respectively.

Other cash inflows included proceeds of $216 from the sale of property held for sale and $489 from the issuance of Class A Subordinate Voting shares upon the exercise of stock options under the Company's Stock Option Incentive Plan.

Additional distributions in the first quarter of 2008 from the cash proceeds from the sale of the medical waste business operations and assets resulted in dividend payments of $700 to the non-controlling shareholders of this subsidiary.

During the first quarter of 2007, the medical waste business, which is now classified as discontinued operations, repaid advances totaling $280 to the parent company and the net cash provided by discontinued operations amounted to $112.

FINANCIAL CONDITION

The nature of the Company's products and primary markets dictates that its Masonry Products and Landscape Products business segments are seasonal. The Landscape Products business is affected to a greater degree than the Masonry Products business. As a result of this seasonality, bank operating advances are generally expected to increase through the first half of the year and decline through the second half of the year.

As at March 31, 2008, bank operating advances were $2,130. This represented an increase of $1,480 from the amount outstanding at December 31, 2007. Accounts payable and accrued liabilities totaled $10,887 at March 31, 2008 compared to $14,805 at December 31, 2007. The decrease was primarily due to disbursements during the quarter of amounts included in accounts payable at December 31, 2007 relating to the construction of the new clay brick plant in Indiana.

Working capital at March 31, 2008 was $18,652, including cash and cash equivalents of $1,142, representing a working capital ratio of 1.86:1. This compared to working capital and a working capital ratio of $25,633, including cash and cash equivalents of $14,056, and 1.97:1, respectively, at December 31, 2007 and $32,438, including cash and cash equivalents of $14,228, and 2.72:1, respectively, at March 31, 2007. The ratio of total liabilities to shareholders' equity was 0.29:1 at March 31, 2008 compared to 0.29:1 at December 31, 2007.

The Company's credit agreements included term loan facilities totaling $50,000 and operating loan facilities totaling $17,450. At March 31, 2008 the amounts drawn against these facilities were $3,000 and $2,130, respectively. Consequently, the Company believes it has adequate capital resources to fund its operations and anticipated capital requirements for the coming year, including capital expenditures to be incurred in connection with construction of its new clay brick manufacturing plant in Indiana, as well as anticipated capital expenditures required to maintain production capacity and to fund normal growth activities for the reasonably foreseeable future. Based on its current financial position, the Company believes it would be able to raise additional funds in the event it identifies, and determines it is appropriate to pursue, growth opportunities that may require larger amounts of capital.

The credit agreements contain various financial covenants. The Company was in compliance with all financial covenants applicable to borrowings outstanding at March 31, 2008.

Other than maintaining compliance with the financial and other covenants contained in the credit agreements, and the standard margin formulas for accounts receivable and inventories which determine the actual amount of the operating loan facilities available for borrowing, there are no additional restrictions within the credit agreements which would restrict the Company's ability to access the unutilized balance of its credit facilities.

Total capital expenditures to be incurred in connection with the construction of a new brick plant in Indiana are estimated at approximately U.S. $49,700. A total of U.S. $21,156 had been expended to March 31, 2008. The balance is expected to be funded from cash on hand, future cash flows from operations and the Company's term loan facilities, as required.

The Company's proportionate share of total capital costs to be incurred by Universal to construct the waste composting and material recycling facility is estimated to be approximately $8,200. In April 2008, Universal secured financing in an aggregate amount of $20,000, including both term loan and operating loan facilities, to fund its capital expenditure and operating requirements. The Company and the joint venture partner have each provided a guarantee of $6,500 as security for Universal's borrowings under this credit facility.

At March 31, 2008, the Company held U.S. dollar foreign exchange forward contracts aggregating U.S. $16,100 to hedge a portion of its foreign currency exposure on anticipated cash outflows. These contracts have been designated as effective cash flow hedges and are more fully described in Note 6 to the Consolidated Financial Statements.

The Company holds an interest rate swap contract to fix the rate of interest on an aggregate of $20,000 of currently outstanding and anticipated future borrowings. The contract has been designated as an effective cash flow hedge and is more fully described in Note 6 to the Consolidated Financial Statements.

Information with respect to the Company's material off-balance sheet arrangements, which consist primarily of operating leases and natural gas supply and transportation contracts, are disclosed in the table of contractual obligations in the annual MD&A included with the Company's 2007 Annual Report and in Note 10 to the Consolidated Financial Statements.

With respect to contractual obligations outstanding as at December 31, 2007, material changes during the three month period ended March 31, 2008 included reductions of the remaining balances of the Company's purchase obligations under the natural gas supply and transportation contracts and the Indiana plant construction contract, all as more fully described in Note 10 to the Consolidated Financial Statements.

Information with respect to transactions with related parties in 2008 is disclosed in Note 11 to the attached Consolidated Financial Statements.

Information with respect to transactions with related parties for the year ended December 31, 2007 is disclosed in Note 20 to Consolidated Financial Statements included in the Company's 2007 Annual Report.

The aggregate number of issued and outstanding Class A Subordinate Voting shares and Class B Multiple Voting shares as at March 31, 2008 is disclosed in Note 8 to the attached Consolidated Financial Statements. Subsequent to March 31, 2008, 1800 Class A shares were purchased under the Company's Normal Course Issue Bid and subsequently cancelled.

The Company's Annual Report and Annual Information Form for the year ended December 31, 2007 and the Management Information Circular issued in connection with the Annual General Meeting of Shareholders to be held on May 14, 2008 may be found on SEDAR at www.sedar.com.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected quarterly financial information for each of the eight most recently completed quarters (in thousands of dollars, except per share amounts):

Continuing Operations	**March 31**		**December 31**		**September 30**		**June 30**	
	2008	**2007**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Net sales	$ 10,391	$ 11,015	$ 16,621	$ 20,556	$ 26,578	$ 26,354	$ 29,612	$ 29,241
Net income (loss)	$ (4,077)	$ (2,645)	$ (12,897)	$ 2,809	$ 4,577	$ 4,173	$ 6,376	$ 5,444
Net income (loss) per share								
Basic	$ (0.37)	$ (0.24)	$ (1.19)	$ 0.26	$ 0.42	$ 0.39	$ 0.59	$ 0.50
Diluted	$ (0.37)	$ (0.24)	$ (1.19)	$ 0.26	$ 0.42	$ 0.39	$ 0.59	$ 0.50

Total	March 31		December 31		September 30		June 30	
	2008	2007	2007	2006	2007	2006	2007	2006
Net income (loss)	$ (4,077)	$ (2,542)	$ (5,048)	$ 3,047	$ 4,597	$ 4,239	$ 6,512	$ 5,522
Net income (loss) per share								
Basic	$ (0.37)	$ (0.23)	$ (0.47)	$ 0.28	$ 0.42	$ 0.39	$ 0.60	$ 0.51
Diluted	$ (0.37)	$ (0.23)	$ (0.47)	$ 0.28	$ 0.42	$ 0.39	$ 0.60	$ 0.51

The quarterly financial information presented reflects the seasonal nature of the Company's Masonry Products and Landscape Products business segments. Historically, sales of these business segments are greater in the second and third quarters of each year than in the first and fourth quarters. Consequently, the results of operations and cash flows reported each quarter are not necessarily indicative of the results to be expected for the year and the financial condition of the Company at the end of each quarter reflects these seasonal fluctuations.

Major factors affecting the comparability of the quarterly results are as follows:

Results for the first quarter ended March 31, 2008 were negatively affected by lower sales volumes in the Masonry Products business segment, an increase in unabsorbed manufacturing expenses as a result of lower production volumes and higher distribution, selling, general and administrative expenses. More detailed explanation is provided under "Results of Operations".

Results for the fourth quarter ended December 31, 2007 included the write-down of goodwill in the amount of $13,068, net of income taxes. Excluding this item, net income from continuing operations would have been $171 or $0.02 per share. The decline from net income from continuing operations of $2,809 or $0.26 per share in the fourth quarter of 2006, was primarily due to lower sales volumes in both the Masonry Products and Landscape Products business segments.

Net income for the quarter ended December 31, 2007 included the gain of $7,942 or $0.73 per share, net of income taxes and after deducting the non-controlling interest therein, on the sale of the medical waste assets.

Results for the quarter ended September 30, 2007 were substantially consistent with the prior year and reflect a $253 gain on sale of property held for sale.

Results for the quarter ended June 30, 2007 compared to June 30, 2006 were positively impacted by higher brick shipments in the Masonry Products business segment but were partially offset by a decrease in volumes in the Landscape Products business segment.

Results for the quarter ended June 30, 2007 were also positively affected by non-recurring items, including a gain of $533 on sale of certain equipment and a gain of $688 on disposal of the investment in Futureway Communications Inc. In the second quarter of 2006 the Company reported a gain of $462 on the sale of its investment in Richvale York Block Inc.

OTHER

There have been no material changes in the risks and uncertainties which impact the Company and its operating business segments as disclosed in the annual MD&A included in the Company's 2007 Annual Report.

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Construction of the Company's new clay brick manufacturing plant in Indiana, which commenced in 2007, is substantially on schedule and is expected to be completed in the fourth quarter of 2008.

In 2007 Universal received the required Certificates of Approval from the Ministry of Environment (Ontario) to construct and operate a waste composting and material recycling facility at its site in Welland, Ontario. Construction has commenced and is expected to be completed in the third quarter of 2008.

On April 21, 2008, the Company sold its 50% joint venture interest in Sharpsmart, as more fully described in Note 14 to the attached Consolidated Financial Statements. The sale and all related transactions will be reported in the Company's financial statements for the second quarter of 2008.

Effective January 1, 2008, the Company adopted the accounting standards of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, *Inventories*; Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation* (which replaces Section 3861, *Financial Instruments – Disclosures and Presentation*), all of which are more fully described in Note 2 to the interim Consolidated Financial Statements.

The following are the new accounting standards which the Company will be required to adopt in future years. Management is evaluating the standards and their impact on the Company's consolidated financial statements.

Goodwill and intangible assets:

CICA Handbook Section 3064 – *Goodwill and Intangible Assets*, which replaces Section 3062 – *Goodwill and Other Intangible Assets* and Section 3450 – *Research and Development Costs*, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of International Financial Reporting Standard IAS 38, "Intangible Assets." The new standard also provides guidance for the recognition of internally developed intangible assets, including assets developed from research and development activities, ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

International Financial Reporting Standards:

In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards (IFRS) will be required effective January 1, 2011 for publicly accountable profit-oriented enterprises. IFRS will require increased financial statement disclosure. Although IFRS uses a conceptual framework similar to Canadian GAAP, differences in accounting policies will need to be addressed. The Company is currently assessing the impact IFRS will have on its consolidated financial statements.

Certain statements contained herein constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors including, but not limited to, those identified under "Risks and Uncertainties" in the Company's 2007 Annual Report, which may cause actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

The Consolidated Financial Statements as at and for the periods ended March 31, 2008 and March 31, 2007 have not been reviewed by the Company's auditors.

CONSOLIDATED BALANCE SHEETS

(thousands of dollars)	(Unaudited) March 31 2008	December 31 2007
Assets		
Current assets		
Cash and cash equivalents	**$ 1,142**	$ 14,056
Accounts receivable (note 2(a))	**7,850**	7,725
Inventories	**21,975**	22,642
Income taxes recoverable	**4,337**	2,919
Future income taxes	**461**	294
Other current assets	**996**	1,005
Promissory note receivable, current (note 2(a))	**3,482**	3,382
	40,243	52,023
Property, plant and equipment, at cost	**178,807**	177,720
Construction in progress	**22,048**	14,851
Less: Accumulated amortization	**(81,185)**	(79,096)
	119,670	113,475
Other assets		
Goodwill	**6,711**	6,711
Promissory note receivable, long-term (note 2(a))	**6,472**	6,449
Property held for sale	**1,128**	1,208
Future income taxes	**1,901**	1,319
Other	**252**	264
	16,464	15,951
	$ 176,377	$ 181,449
Liabilities		
Current liabilities		
Bank operating advances	**$ 2,130**	$ 650
Accounts payable and accrued liabilities	**10,887**	14,805
Income taxes payable	**2,410**	4,265
Long-term debt, current portion	**4,746**	4,689
Derivative financial instruments, current (note 6)	**1,290**	1,606
Asset retirement obligation	**128**	375
	21,591	26,390
Long-term debt, less current portion	**6,732**	3,758
Derivative financial instruments, non-current (note 6)	**1,218**	809
Future income taxes	**7,710**	7,722
Asset retirement obligation	**685**	673
	37,936	39,352
Non-controlling interests	**3,679**	4,366
Shareholders' Equity		
Capital stock	**33,656**	33,205
Contributed surplus (note 8)	**1,047**	944
Retained earnings	**107,449**	111,587
Accumulated other comprehensive loss	**(7,390)**	(8,005)
	134,762	137,731
	$ 176,377	$ 181,449

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

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(unaudited) (thousands of dollars, except per share amounts)	Three months ended March 31 2008	2007
Net sales from continuing operations	**$ 10,391**	$ 11,015
Cost of goods sold	**10,288**	8,732
Selling, general and administrative expenses	**3,744**	3,535
Amortization	**2,098**	2,291
	16,130	14,558
Operating loss from continuing operations before the undernoted items	**(5,739)**	(3,543)
Other income (expense)		
Interest on long-term debt	**(120)**	(212)
Interest income (net)	**123**	171
Foreign currency exchange loss	**(182)**	(354)
Foreign currency exchange gain on cash flow hedges (note 6)	**32**	–
Other income	**17**	38
	(130)	(357)
Loss from continuing operations before the following items	**(5,869)**	(3,900)
Gain on sale of property held for sale (note 5)	**136**	–
Loss from continuing operations before income taxes and non-controlling interests	**(5,733)**	(3,900)
(Provision for) Recovery of income taxes		
Current	**1,076**	(37)
Future	**593**	1,281
	1,669	1,244
Loss from continuing operations before non-controlling interests	**(4,064)**	(2,656)
Non-controlling interests	**(13)**	11
Loss from continuing operations	**(4,077)**	(2,645)
Net income from discontinued operations (note 4)	**–**	103
Loss for the period	**$ (4,077)**	$ (2,542)
Loss per Class A and Class B share (note 3)		
Basic (on loss from continuing operations)	**$ (0.37)**	$ (0.24)
(on loss for the period)	**$ (0.37)**	$ (0.23)
Diluted (on loss from continuing operations)	**$ (0.37)**	$ (0.24)
(on loss for the period)	**$ (0.37)**	$ (0.23)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands of dollars)	Three months ended March 31 2008	2007
Cash provided by (used for) activities of continuing operations		
Operating activities		
Loss from continuing operations for the period	**$ (4,077)**	$ (2,645)
Items not affecting cash		
Amortization and accretion	**2,111**	2,303
Future income taxes	**(593)**	(1,281)
Non-controlling interests	**13**	(11)
Unrealized foreign currency exchange loss	**56**	16
Gain on sale of property held for sale	**(136)**	–
Gain on sale of property, plant and equipment	**–**	(4)
Other	**103**	121
	(2,523)	(1,501)
Changes in non-cash operating items		
Accounts receivable	**(213)**	2,332
Inventories	**667**	(2,021)
Accounts payable and accrued liabilities	**(978)**	(866)
Income taxes payable (net)	**(3,275)**	(2,027)
Other	**(24)**	13
	(3,823)	(2,569)
Cash used for operating activities of continuing operations	**(6,346)**	(4,070)
Investing activities		
Purchase of property, plant and equipment	**(10,896)**	(3,915)
Proceeds from disposal of property, plant and equipment	**–**	7
Proceeds from sale of property held for sale	**216**	–
Cash used for investment activities of continuing operations	**(10,680)**	(3,908)
Financing activities		
Increase (decrease) in bank operating advances	**1,480**	(2,460)
Increase in term loan	**3,000**	–
Repayment of term loans	**(14)**	(46)
Payments on obligations under capital leases	**(44)**	(126)
Payment of dividends by subsidiary to non-controlling interests	**(700)**	–
Inter-company advances repaid by discontinued operations	**–**	280
Proceeds from exercise of stock options	**489**	–
Class A shares repurchased	**(99)**	–
Cash provided by (used for) financing activities of continuing operations	**4,112**	(2,352)
Net cash provided by discontinued operations	**–**	112
Decrease in cash and cash equivalents	**(12,914)**	(10,218)
Cash and cash equivalents at the beginning of the period	**14,056**	24,446
Cash and cash equivalents at the end of the period	**$ 1,142**	$ 14,228
Supplementary information		
Interest paid	**$ 60**	$ 371
Income taxes paid	**$ 2,100**	$ 2,268

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

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(thousands of dollars)	(Unaudited) **Three months ended March 31 2008**	Year ended December 31 2007
Balance at the beginning of the period	**$ 111,587**	$ 110,246
Net income (loss) for the period	**(4,077)**	3,519
Premiums paid on repurchase of capital stock (note 7)	**(61)**	(8)
Dividends	**–**	(2,170)
Balance at the end of the period	**$ 107,449**	$ 111,587

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(unaudited) (thousands of dollars)	**Three months ended March 31** **2008**	2007
Loss for the period	**$ (4,077)**	$ (2,542)
Other comprehensive income (loss)		
Gain (loss) on cash flow hedges net of taxes (note 6)	**45**	–
Total comprehensive loss for the period	**$ (4,032)**	$ (2,542)

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

March 31, 2008 and 2007 (Unaudited) (in thousands of dollars)

1. BASIS OF PRESENTATION

The interim consolidated financial statements as at March 31, 2008 and for the three month periods ended March 31, 2008 and 2007 are unaudited and include all adjustments that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows. Results for the three month period ended March 31, 2008 are not necessarily indicative of results expected for the full fiscal year or any other future period.

The disclosures provided in these interim financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements and, accordingly, the interim financial information should be read in conjunction with the annual financial statements. The interim financial information has been prepared using the same accounting principles as applied to the Company's annual consolidated financial statements for the year ended December 31, 2007, except as described below in Note 2.

2. CHANGES IN ACCOUNTING POLICIES

On January 1, 2008, the Company adopted the new accounting standards of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation* (which replaces Section 3861, *Financial Instruments – Disclosures and Presentation*). These sections apply to fiscal years beginning on or after October 1, 2007 and provide standards concerning the disclosure of the significance of financial instruments for an entity's financial position and performance and the nature and extent of risk exposures arising from financial instruments and the approach used by the entity in managing those risks. These standards also provide guidance for the presentation of recognized financial instruments and identifies the information to be disclosed.

FINANCIAL INSTRUMENT DISCLOSURES

The Company has classified its cash and cash equivalents as held for trading. The accounts receivable and promissory note receivable were classified as loans and receivables, and the accounts payable, bank operating advances and the long-term debt were classified as other financial liabilities. For all of these, the carrying values approximate their fair values at both March 31, 2008 and December 31, 2007.

In addition, the Company has derivative financial instruments and their carrying values approximate their fair values at both March 31, 2008 and December 31, 2007.

a) Credit Risk

The Company has credit risk exposure with respect to accounts receivable and the promissory note receivable. The Company also has credit risk with respect to its cash and cash equivalents and the counterparties to its financial instruments.

i) Accounts receivable

The Company grants credit to its customers in the normal course of business on terms that are consistent with the industries in which it operates. Credit evaluations are performed prior to granting credit and on a regular basis thereafter. The financial statements take into account an allowance for bad debts.

The Masonry Products business segment is characterized by a relatively small number of customers with higher average balances outstanding. Accounts receivable attributable to this business segment represented approximately 82.2% of consolidated accounts receivable outstanding as at March 31, 2008.

The Landscape Products business segment is characterized by a larger number of customers with lower average balances outstanding. This business segment represented approximately 13.0% of consolidated accounts receivable outstanding as at March 31, 2008.

Other accounts receivable accounted for the remaining 4.8%.

In aggregate, approximately 90.3% was due in Canadian dollars from Canadian based customers and 9.7% was due in U.S. dollars from U.S. based customers.

Accounts receivable that were past due as at March 31, 2008 totaled $1,712, of which $1,100 was less than three months past due, $132 was more than three months but less than six months past due and $480 was more than six months but less than one year past due.

Of the past due amount, accounts totaling $441 were considered to be impaired and were provided for in the allowance for doubtful accounts. Changes in the allowance for doubtful accounts for the three months ended March 31, 2008 were as follows:

	$
Balance at the beginning of the period	**417**
Accounts added	**104**
Accounts removed	**(88)**
Accounts written off	**(1)**
Exchange rate change on opening balance	**9**
Balance at the end of the period	**441**

ii) Promissory note receivable

The promissory note receivable arose on the sale of the medical waste assets and business operations in October 2007. The $10,000 principal amount bears interest at a fixed rate of 3.5% per annum and has been discounted for accounting purposes at an effective rate of 5.0% per annum. The promissory note is to be paid in three equal, annual principal instalments, plus interest, commencing in October 2008. The principal and interest are secured by a letter of credit from a major financial institution.

iii) Cash and counterparties

The Company's credit risk with respect to its cash and cash equivalents and counterparties to its financial instruments is minimized substantially by seeking to ensure that these financial instruments are placed with well capitalized financial institutions and other credit worthy counterparties.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in discharging its financial liabilities as they become due. The Company manages liquidity risk by maintaining cash balances, adequate borrowing facilities and monitoring forecast and actual cash flows. The summary of financial obligations and contractual maturities applicable to non-derivative financial liabilities outstanding at March 31, 2008 was as follows:

	$
Due within 3 months	12,478
Due within 3 to 6 months	229
Due within 6 to 12 months	5,501
Due within 1 to 5 years	9,018
Balance at the end of the period	**27,226**

Non-derivative financial liabilities include bank operating advances, accounts payable and accrued liabilities, income taxes payable, long-term debt and the asset retirement obligation.

The summary of contractual maturities applicable to undiscounted derivative financial liabilities outstanding at March 31, 2008 is as follows:

	$
Interest rate swaps (net floating to fixed)	
Due within 3 months	58
Due within 3 to 6 months	70
Due within 6 to 12 months	141
Due within 1 to 6 years	1,319
Net cash outflows on interest rate swap	**1,588**
Foreign exchange forward contracts	
Due within 3 months	9,126
Due within 3 to 6 months	6,369
Due within 6 to 12 months	2,193
Gross cash outflows on forward contracts	**17,688**

The Company has term loan and operating credit facilities totaling $67,450. Management expects that cash flows from operations, the proceeds from the promissory note receivable and the Company's unutilized credit facilities will be sufficient to satisfy these obligations. Upon execution of the foreign exchange forward contracts the Company will receive U.S. $16,100.

c) Market Risk

i) Foreign exchange rates

The Company has exposure to exchange rate fluctuations as a result of holding monetary assets and liabilities denominated in foreign currencies and from holding foreign exchange forward purchase contracts.

Foreign exchange conversion rates utilized in the preparation of the consolidated financial statements were U.S. $1.00 = CDN $0.9881 at December 31, 2007 and U.S. $1.00 = CDN $1.0279 at March 31, 2008. The average rate of exchange from January 1, 2008 to March 31, 2008 was U.S. $1.00 = CDN $1.0042 and the high and the low during the period were U.S. $1.00 = CDN $1.0324 and U.S. $1.00 = CDN $0.9719, respectively.

A variance in the rate of exchange of CDN$0.03 is considered reasonably possible.

At March 31, 2008, the Company had net monetary assets denominated in U.S. dollars totaling U.S.$1,928. A variance of CDN $0.03 in the March 31, 2008 rate of exchange would have caused the loss before income taxes for the quarter to be approximately $58 higher or lower, as the case may be.

At March 31, 2008, the Company had U.S. dollar foreign exchange forward purchase contracts outstanding totaling U.S. $16,100. These contracts are designated as cash flow hedges. Consequently, changes in foreign exchange rates result in an unrealized gain or loss being reflected in Other Comprehensive Income (Loss). A variance of CDN $0.03 in the March 31, 2008 rate of exchange would have resulted in a change in Comprehensive Loss for the quarter to be approximately $507 higher or lower, as the case may be.

At March 31, 2008, the Company had a monetary liability denominated in Euros of €457. Exchange rates were €1.00 = CDN $1.4428 at December 31, 2007 and €1.00 = CDN $1.6244 at March 31, 2007. The high and the low during the quarter were €1.00 = CDN $1.6244 and €1.00 = 1.4489, respectively and the average for the quarter was €1.00 = CDN $1.5046. A variance of CDN $0.10 is considered reasonably possible. A variance of CDN. $0.10 in the March 31, 2008 rate of exchange would have caused the loss before income taxes to be approximately $46 higher or lower, as the case may be.

ii) Interest rates

The Company has exposure to interest rate fluctuations as a result of having variable interest rate bearing financial liabilities and a floating-to-fixed interest rate swap contract.

Canadian bank prime interest rate was 6.00% on January 1, 2008 and was 5.25% on March 31, 2008 and averaged 5.66% for the period. The reference rate under which the floating portion of the interest rate swap contract is priced was 4.61% on January 1, 2008 and was 3.61% on March 31, 2008 and averaged 3.98% for the period. A variance in interest rates of 0.5% is considered reasonably possible

At March 31, 2008, the Company had a total of $2,130 of variable interest rate bearing debt outstanding. A variance of 0.5% in the rate of interest during the quarter would have caused the loss before income taxes to be approximately $2 higher or lower, as the case may be.

At March 31, 2008, the Company had an interest rate swap contract outstanding totaling $20,000. The contract is designated as a cash flow hedge. Consequently, changes in the underlying rate of interest will result in an unrealized gain or loss being reflected in Other Comprehensive Income (Loss). A variance of 0.5% in the underlying rate of interest as at March 31, 2008 would have caused the Comprehensive Loss for the quarter to be approximately $500 higher or lower, as the case may be.

INVENTORIES

On January 1, 2008, the Company also adopted the new accounting standard of the CICA Handbook, Section 3031. The adoption of this standard had no impact on the Company's method of accounting for inventory cost but has resulted in changes in disclosure in these interim financial statements.

FUTURE CHANGES IN ACCOUNTING POLICIES

The following are the new accounting standards which the Company will be required to adopt in future years. Management is evaluating the standards and their impact on the Company's consolidated financial statements.

Goodwill and intangible assets:
The CICA Handbook Section 3064 – *Goodwill and Intangible Assets*, which replaces Section 3062 – *Goodwill and Other Intangible Assets* and Section 3450 – *Research and Development Costs*, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets are equivalent to the corresponding provisions of International Financial Reporting Standard IAS 38, "Intangible Assets." The new standard also provides guidance for the recognition of internally developed intangible assets, including assets developed from research and development activities, ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

International Financial Reporting Standards:
In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards (IFRS) will be required effective January 1, 2011 for publicly accountable profit-oriented enterprises. IFRS will require increased financial statement disclosure. Although IFRS uses a conceptual framework similar to Canadian GAAP, differences in accounting policies will need to be addressed. The Company is currently assessing the impact IFRS will have on its consolidated financial statements.

3. LOSS PER SHARE

The weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding (in thousands) utilized in the calculations of the net loss per share are as follows:

	Three months ended March 31	
(in thousands)	**2008**	2007
Basic	**10,882**	10,833
Diluted	**10,882**	10,833

4. DISPOSAL OF MEDICAL WASTE ASSETS AND DISCONTINUED OPERATIONS

Effective October 2, 2007, the Company sold substantially all of its medical waste business operations and assets, excluding the 50% joint venture interest in Sharpsmart Canada Limited. In accordance with the CICA Handbook Section 3475, *Disposal of Long-Term Assets and Discontinued Operations*, the assets and liabilities, operating results and cash flows of this business have been classified as discontinued operations.

Certain financial information with respect to discontinued operations for the three month period ended March 31, 2007 is as follows:

	$
Net sales	2,713
Amortization of property, plant and equipment	197
Operating income	312
Other expense	(58)
Income tax provision	(93)
Non-controlling interests	(58)
Net income from discontinued operations	103

5. SALE OF PROPERTY HELD FOR SALE

Properties located in Quebec are surplus to the Company's requirements and are available for sale. For the three month period ended March 31, 2008, certain properties were sold for net proceeds of $216, after deducting costs of disposition of $58, resulting in a gain of $136. There were no such sales in the corresponding period of 2007.

6. DERIVATIVE FINANCIAL INSTRUMENTS

As at March 31, 2008, the Company holds certain U.S. dollar foreign exchange forward contracts to acquire an aggregate U.S. $16,100 to hedge the underlying exposure on a portion of its anticipated future cash outflows. These contracts have been designated as effective cash flow hedges.

The contracts have maturities from one to eight months. At March 31, 2008, the weighted average remaining maturity was 85 days at a weighted average exchange rate of U.S. $1.00 = CDN $1.10. In connection with these cash flow hedges, the Company recorded an unrealized gain of $567 for the three months ended March 31, 2008

in Other Comprehensive Loss, not affecting current period earnings. Exchange gains of $32 were recognized in net income for the three month period, representing the ineffective portion of these derivative financial instruments.

During the quarter, the Company reclassified $570 from Accumulated Other Comprehensive Loss. This amount has been added to the carrying value of the non-financial asset.

The Company also holds an interest rate swap contract to hedge the risk arising from variability of cash flows relating to currently outstanding and anticipated future borrowings. The contract was designated as an effective cash flow hedge. The swap commenced in January 2008 with a notional principal amount of $3,000 increasing at various intervals and amounts to a total of $20,000 in September 2008. The notional principal amount reduces by $3,000 per year from December 2010 to December 2013 and by $8,000 in December 2014. The fixed rate of interest under the swap contract is 5.16%. The total cost of borrowing includes the Company's credit spread, which may vary based on the ratio of Net Funded Debt to EBITDA, as those terms are defined under the Company's credit agreement. Currently the credit spread is 0.75%.

For the three month period ended March 31, 2008, the Company recorded an unrealized loss of $522, net of income taxes of $169, not affecting current period earnings, in Other Comprehensive Loss, in connection with the interest rate swap.

The fair value of the derivatives in the amounts of $1,290 and $1,218 have been classified as current and non-current derivative financial instruments, respectively.

7. CAPITAL STOCK

At March 31, 2008, issued and outstanding capital stock consisted of 8,500,454 Class A Subordinate Voting shares (December 31, 2007 – 8,424,854) and 2,429,000 Class B Multiple Voting shares (December 31, 2007 – 2,429,000).

For the three month period ended March 31, 2008 a total of 85,000 Class A shares were issued for cash of $489 (2007 – Nil) under the Company's Stock Option Incentive Plan. A total of 9,400 (2007 – Nil) Class A shares were purchased under the Company's Normal Course Issuer Bid, at a weighted average price of $10.52, which resulted in a premium paid of $61. All of the repurchased Class A shares were cancelled.

The Class B shares are convertible into Class A shares at any time. The Class A shares trade on the Toronto Stock Exchange under the symbol BBL.A. The Class B shares do not trade on any public market.

8. STOCK-BASED COMPENSATION

Under the Brampton Brick Limited Stock Option Incentive Plan (the Plan), the Company may grant stock options to the directors, officers and full-time employees of the Company and its subsidiaries up to an aggregate of 1,080,965 (December 31, 2007 – 1,080,965) Class A Subordinate Voting shares. The exercise price of each stock option is equal to the volume weighted average trading price of the Company's Class A Subordinate Voting shares for the five trading days immediately preceding the date of grant and the maximum term of each option is 10 years. As at March 31, 2008, a total of 482,365 (December 31, 2007 – 587,865) stock options were available for grant under the Plan.

On March 14, 2008, the Company granted stock options to eight senior officers and to all non-management members of the Board of Directors of the Company to acquire an aggregate of 105,500 Class A Subordinate Voting shares at the market price of $10.51 per share. Each option vested 20% on the date immediately following the date of grant and an additional 20% shall vest on each anniversary thereof until fully vested.

As of the date of the grant, the fair value of each stock option granted was estimated to be $2.78, using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.12%
Expected life	7.7 years
Volatility	25%
Expected dividend yield	1.9%

The compensation cost charged against income for the quarter ended March 31, 2008 with respect to these grants was $61. An offsetting credit in the same amount was reflected in contributed surplus.

The total compensation cost charged against income for the quarter ended March 31, 2008 with respect to all stock options granted after January 1, 2002 was $103 (2007 – $99). The Company did not record a compensation cost with respect to stock options granted prior to January 1, 2002, of which 43,000 options remain outstanding at March 31, 2008.

As at March 31, 2008, an aggregate 407,400 stock options were outstanding, of which 243,440 were fully vested and exercisable by the holders thereof at a weighted average exercise price of $11.65.

9. OPERATING SEGMENT DISCLOSURES

For purposes of operating decision making and assessing performance, management considers that the Company operates within two dominant business segments; Masonry Products and Landscape Products.

The remaining businesses, which consist of the Company's joint venture interests in Sharpsmart Canada Limited and Universal Resource Recovery Inc., are not material, individually or in aggregate, and, accordingly, are classified as "Other".

A brief description of each business segment is as follows:

Masonry Products – manufacture of clay brick and a range of concrete masonry products including stone veneer, window sills and concrete brick for use in residential construction and institutional, commercial and industrial building projects.

Landscape Products – manufacture of concrete paving stones, retaining walls, garden walls, fireplace surrounds, wall tiles and sales of accessory products for use in residential construction and institutional, commercial and industrial building projects.

Segmented information, with comparative information for 2007, is as follows:

	Three months ended March 31	
	2008	2007
i) Net sales	**$**	$
Masonry Products	**9,306**	10,136
Landscape Products	**680**	681
Other	**405**	198
Consolidated net sales from continuing operations	**10,391**	11,105
ii) Operating income (loss)		
Masonry Products	**(1,905)**	(225)
Landscape Products	**(3,610)**	(3,202)
Other	**(224)**	(116)
Consolidated operating loss from continuing operations	**(5,739)**	(3,543)
	March 31 2008	December 31 2007
iii) Total assets	**$**	$
Masonry and Landscape Products	**159,401**	161,369
Other	**16,976**	20,080
Consolidated total assets	**176,377**	181,449

Assets do not form part of management's evaluation of performance of individual business units and therefore are not reported on a segmented basis.

10. COMMITMENTS AND CONTINGENCIES

Future minimum lease payments due as at March 31, 2008 under building, storage yard and vehicle operating leases are as follows:

	$
2008	307
2009	315
2010	216
2011	165
2012	152
Thereafter	50
	1,205

Commitments to purchase production equipment totaled $1,877 at March 31, 2008.

To March 31, 2008 capital expenditures in the amount of U.S. $13,688 have been incurred for the U.S. $37,000 contract for the design, supply and assembly of equipment and building with respect to the Company's new clay brick manufacturing plant in Indiana. The Company's proportionate share of purchase commitments with respect to the construction of the waste composting and material recycling facility by Universal Resource Recovery Inc. amounted to $3,358 at March 31, 2008, of which $1,872 had been incurred.

The Company normally enters into supply and transportation contracts for natural gas to cover future requirements. As at March 31, 2008, the Company had contracted its estimated 2008 natural gas supply requirements at an aggregate cost of $4,727, of which approximately 56% was at fixed prices, and for all of its estimated 2008 transportation requirements at an aggregate estimated cost of $884 of which 92% was at fixed prices. The potential unrealized gain on the fixed price contracts was approximately $998 (2007 – unrealized gain of $192) which was not taken into income since these are supply and transportation contracts that will be charged to operations in the period the gas is consumed.

Under the contract for trucking services entered into in 2006 the Company retains the right to acquire the transportation equipment if the contract is cancelled by the service provider before the end of the term in February 2011. Similarly, the Company may be obligated to acquire the transportation equipment if the Company cancels the contract before the end of the term.

Letters of credit are issued by the Company's banker to provide security to certain service providers and for other potential obligations of the Company. The principal and interest on a term loan due in instalments to May 2009 is also secured by a letter of credit issued by the Company's banker. The aggregate amount of outstanding letters of credit as at March 31, 2008 was $1,158 (December 31, 2007 – $1,289).

11. RELATED PARTY TRANSACTIONS

The Company has determined which of its customers are related to the Company via common directors or shareholders. Sales to these customers are made under competitive terms and conditions. These customers accounted for 8.6% of net sales in the aggregate for the quarter ended March 31, 2008 (2007 – 7.2%).

A director of the Company is a senior partner in the law firm which acts as general counsel to the Company. Fees for services rendered for the quarter ended March 31, 2008 amounted to $32 (2007 – $21).

Other current assets include an interest-free loan receivable of $150 (2007 – $150) due October, 2008.

12. SEASONAL FLUCTUATIONS

The Company's business is seasonal. Consequently, the results of operations and cash flows for the three month period ended March 31, 2008 are not necessarily indicative of the results to be expected for the full year.

13. COMPARATIVE AMOUNTS

Certain comparative amounts in the financial statements have been reclassified to conform with the current period financial statement presentation.

14. SUBSEQUENT EVENT

On April 21, 2008, the Company's 65% owned subsidiary, 1312082 Ontario Limited, sold its 50% joint venture interest in Sharpsmart Canada Limited. Aggregate proceeds of $1,180 include the repayment of shareholder advances of $715, proceeds from the sale of shares of $385 and proceeds from the sale of certain other assets of $80. These operations contributed $405 to consolidated net sales for the three month period ended March 31, 2008 and incurred a loss of $40, after income taxes and non-controlling interests. For the year ended December 31, 2007, the contributions to consolidated net sales and consolidated net income were $1,284 and $50, respectively. The sale and all related transactions will be reported in the Company's financial statements for the second quarter of 2008.

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