BRAMPTON BRICK Limited

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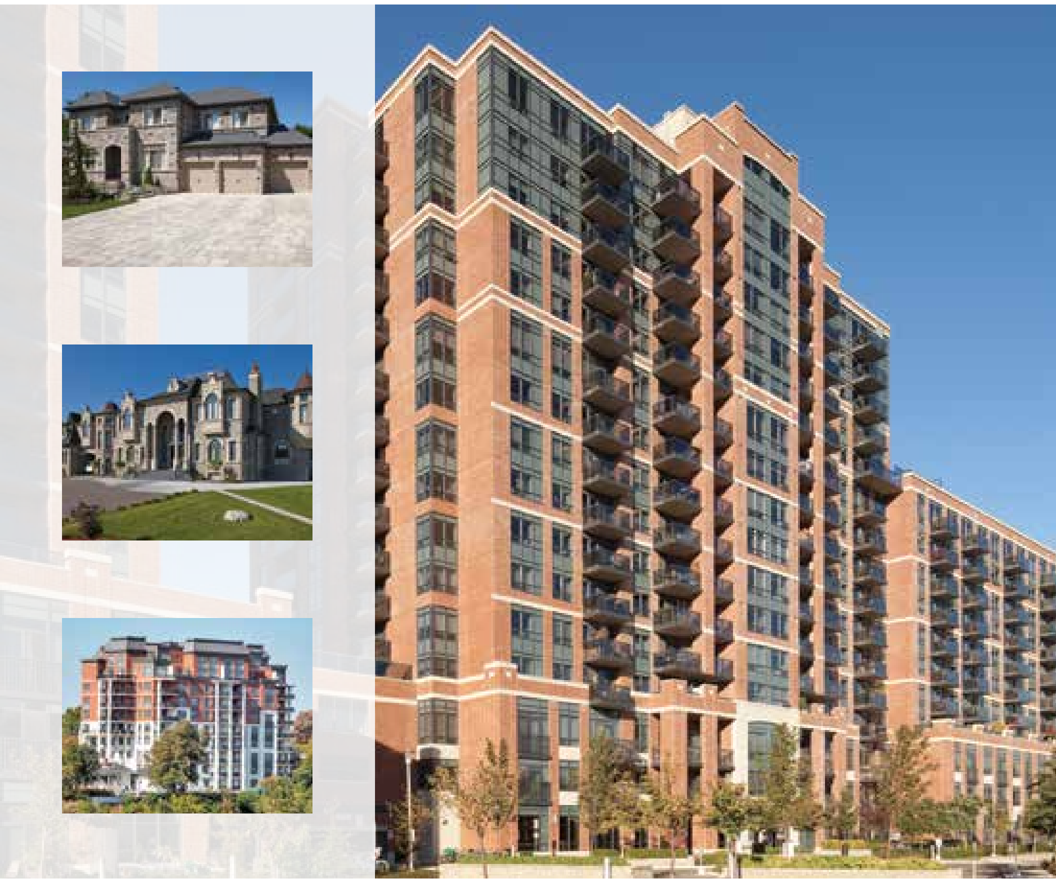

2015
second quarter report

FOR THE SECOND QUARTER ENDED JUNE 30, 2015
PREPARED AS OF AUGUST 5, 2015

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the interim period ended June 30, 2015 should be read in conjunction with the condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 2015, and with the audited 2014 annual consolidated financial statements and the 2014 annual MD&A included in the Company's 2014 Annual Report, which may be found on SEDAR at www.sedar.com. All amounts are stated in thousands of Canadian dollars, except per share amounts, unless otherwise indicated.

DISCUSSION OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2015

The Company recorded net income of $5,667, or $0.50 per share, for the second quarter ended June 30, 2015, compared to net income of $772, or $0.07 per share, for the second quarter of 2014. The aggregate weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding were 10,941,491 and 10,940,354 for the second quarter of 2015 and 2014, respectively.

Revenues increased by 18% to $39,138 in the second quarter of this year, from $33,066 in the corresponding quarter of 2014, due to strong growth in both the Masonry Products and Landscape Products business segments. The significant increase in shipments of both masonry and landscape products in the second quarter of 2015 compared to the corresponding quarter of 2014 was due to the continued momentum in residential construction which carried forward from the first quarter, as well as higher shipments from the new facilities located in Hillsdale and Brockville, Ontario.

Cost of sales for the second quarter of 2015 increased by 8% from the corresponding quarter in 2014 compared to an 18% increase in revenues for the same period. The improved gross margin was due to increased production volumes of both masonry and landscape products in the second quarter of 2015 compared to 2014. Higher production volumes during the current quarter had a positive impact on per unit manufacturing costs compared to the prior period. In addition, the cost of sales amounts in the corresponding quarter of 2014 were negatively affected by costs of equipment commissioning and retrofitting incurred at the Hillsdale and Brockville, Ontario facilities.

The unusual factors which impacted the financial results for the second quarter of 2015 and the comparative quarter were as follows:

1) Property tax credits amounting to $537 on assessments relating to prior periods were recognized during the current quarter;
2) The second quarter results of 2014 included the write-off of certain production equipment at the Milton plant amounting to $1,600, excluding income taxes, decreasing the net income in that period.

Selling expenses for the second quarter of 2015 were $2,433, slightly above the $2,337 incurred in the corresponding quarter of 2014.

General and administrative expenses decreased to $1,040 during the second quarter ended June 30, 2015, compared to $1,641 incurred in the corresponding quarter of 2014. Collections of customer accounts receivable previously provided for in the allowance for doubtful accounts and other provision reversals during the second quarter of 2015 contributed to the improvement.

Gain on disposal of property, plant and equipment during the second quarter of 2015 amounted to $3. For the corresponding quarter of 2014, a loss of $1,588 was recognized which primarily related to the write-off of certain production equipment items, as mentioned above.

Other expense of $42 incurred during the second quarter of 2015 compared to other income of $214 for the same period in 2014 includes the net gains and losses on the translation of foreign currency transactions, translated into the functional currency using exchange rates prevailing at the dates of the transactions.

Operating income for the quarter ended June 30, 2015 increased to $7,343 compared to operating income of $1,508 for the same quarter of 2014.

Finance expense for the three month period ended June 30, 2015 was $161, compared to $603 for the corresponding period in 2014. This item is explained in greater detail below under the caption 'Six months ended June 30, 2015'. Finance expense during the current quarter includes an unrealized gain on the change in fair value of the interest rate swap in the amount of $352.

Provision for income taxes totaled $1,515 for the second quarter of 2015, compared to a provision of $133 for the same period in 2014. The change was due to an improvement in operating results of the Canadian operations. The income tax provision in both periods relates to the pre-tax income of the Company's Canadian operations. The Company has not recorded a deferred tax asset with respect to the potential deferred tax benefit pertaining to losses incurred by its U.S. operations.

SIX MONTHS ENDED JUNE 30, 2015

For the six months ended June 30, 2015, the Company recorded net income of $1,030, or $0.08 per share, compared to a net loss of $7,083, or $0.65 per share, for the same period in 2014. The aggregate weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding for the six months ended June 30, of each of 2015 and 2014 was 10,940,926 and 10,940,354, respectively.

Revenues for the six month period ended June 30, 2015 grew to $54,201, a 19% increase from $45,678 for the same period in 2014. Improved weather conditions as compared to the first quarter of 2014 and strength in residential construction were the primary drivers of growth in shipments in both the Masonry Products and Landscape Products business segments.

Cost of sales for the six months ended June 30, 2015 increased by 8% from the corresponding period in 2014 compared to a 19% increase in revenues for the same period. The reasons for the improved margins are as noted above under the caption 'Discussion of Operations' for the three months ended June 30, 2015.

Selling expenses for the six month period ended June 30, 2015 were $4,568 compared to $4,487 for the corresponding period in 2014.

General and administrative expenses decreased to $2,681 for the six months of 2015 compared to $3,342 in the same period of 2014, for the same reasons noted above.

Loss on disposal of property, plant and equipment amounted to $8 for the year-to-date period of 2015 compared to $1,594 in the prior period last year.

Other expense of $385 for the six month period ended June 30, 2015 relates primarily to the loss on translation of foreign currency transactions as a result of the strengthening of the U.S. dollar during the period compared to income of $101 for the corresponding prior period.

Operating income for the six month period ended June 30, 2015 was $2,720 compared to an operating loss of $4,269 for the same period in 2014.

Finance expense for the year-to-date period of 2015 totaled $1,070 compared to $4,640 for the six month period of 2014. This expense is described in more detail below.

The decrease in finance expense in the first six months of 2015 compared to the same period in 2014 was primarily due to the payment in 2014 of future interest of $3,305 on the early repayment of the Company's former term loan and the unamortized transaction costs in the amount of $200 related to this replaced loan in January 2014.

On January 30, 2015, the Company entered into a floating-to-fixed interest rate swap with a notional value of $26,000, to minimize its exposure to fluctuations in cash flows from changes in interest rates on the committed revolving reducing term loan ("Committed term loan") of the same amount. The swap notional value will decrease proportionately with the outstanding balance of the underlying Committed term loan as scheduled repayments are made over its duration. As a result of this transaction, the Company's interest rate for the Committed term loan is fixed at 3.69%. The Company has not applied hedge accounting in relation to this transaction. For the six month period ended June 30, 2015, the unrealized loss on the interest rate swap totaled $132.

Excluding the unrealized loss on the interest rate swap, finance expense for the six months of 2015 decreased to $938 compared to $1,135, excluding the non-recurring expense of $3,505, for the corresponding period in 2014. This decrease in finance expense was due to lower bank operating advances.

A provision for income taxes totaling $620 was recorded for the first six months of 2015 compared to a recovery of income taxes of $1,826 for the same period in 2014. The income tax provision and recovery for the first half of 2015 and 2014, respectively, relates to the Company's Canadian operations. The Company has not recorded a deferred tax asset with respect to the potential deferred tax benefit pertaining to losses incurred by its U.S. operations.

More details with respect to each operating business segment follows:

MASONRY PRODUCTS

Revenues of the Masonry Products business segment increased by $4,351, or 20%, to $26,338 for the quarter ended June 30, 2015, compared to $21,987 for the same period in 2014, due to the continuing momentum in residential construction activity during the quarter. Operating income for the current quarter also grew significantly to $4,788 for the second quarter of 2015 compared to $923 for the corresponding quarter of 2014. Operating income during the current quarter was positively impacted by lower fixed costs per unit on higher production volumes of masonry products, as well as property tax credits recognized during the quarter relating to this business segment. In addition, costs for commissioning of production equipment at the Hillsdale and Brockville, Ontario plants were incurred in the second quarter of 2014.

For the six month period ended June 30, 2015, revenues of the Masonry Products business segment increased to $39,941 from $34,009 in the corresponding period of 2014. Comparatively, improved weather conditions in the first quarter and strong residential construction activity, due, in part, to a catch-up in 2014 delayed projects, carried over into the second quarter.

Operating income increased to $1,120 for the six month period ended June 30, 2015, from an operating loss of $2,918 for the corresponding period in 2014. The improvement in operating results was due to the same reasons described above for the three and six month periods, respectively.

LANDSCAPE PRODUCTS

Revenues of the Landscape Products business segment for the three month period ended June 30, 2015 increased to $12,800 from $11,079 for the corresponding period in 2014 due to an increase in shipments in the second quarter. Operating income for the second quarter of 2015 increased to $2,556 compared to $585 for the corresponding prior period. The operating income for the second quarter of 2014 was negatively impacted by a non-recurring loss due to the disposal of property, plant and equipment from the Company's former Milton, Ontario plant. The results in 2014 were also impacted by commissioning costs of the Hillsdale and Brockville, Ontario plants acquired early in 2014.

For the six month period ended June 30, 2015, revenues of the Landscape Products business segment increased to $14,260 from $11,669 for the corresponding period of 2014. Stronger residential construction activity supported by favourable weather conditions and an enhanced product portfolio were the key factors responsible for the favourable results.

Operating income increased to $1,602 for the six months of 2015 from an operating loss of $1,351 for the corresponding period in 2014. The improvement in operating results was due to the same reasons described above for the three and six month periods.

CASH FLOWS

Cash used for operating activities increased to $7,402 for the six month period ended June 30, 2015, compared to $5,521 for the same period in 2014. The comparative increase in disbursements of payables in the current period was offset by the improvement in results from operations and collections of accounts receivables. Additionally, the cash from operations in the corresponding period of 2014 increased due to the Atlas Block acquisition deposit of $1,890, which was classified as a current asset in December 2013 and then applied to the asset purchase price in January 2014. This resulted in an increase in the 'Changes in non-cash items' during the prior period.

Cash utilized for purchases of property, plant and equipment totaled $2,195 in the first half of 2015, compared to $10,059 for the corresponding period in 2014. On January 7, 2014, the Company acquired substantially all of the property, plant and equipment of Atlas Block, for an aggregate purchase price of $11,366, including $2,494 by way of finance leases.

On January 3, 2014, the Company drew down an amount of $36,595 on a new $40,000 demand revolving reducing term loan facility, as further discussed in Note 7 to the Condensed Interim Consolidated Financial Statements.

During the second quarter ended June 30, 2015, dividends amounting to $140 were paid to non-controlling shareholders of a subsidiary company (2014 – Nil).

FINANCIAL CONDITION

The Company's Masonry Products and Landscape Products business segments are seasonal in nature. The Landscape Products business is affected to a greater degree than the Masonry Products business. As a result of this seasonality, operating results are impacted accordingly and cash requirements are generally expected to increase through the first half of the year and decline through the second half of the year.

As at June 30, 2015, bank operating advances were $12,426 compared to $1,610 as at December 31, 2014.

Trade payables totaled $15,284 as at June 30, 2015 compared to $17,805 as at December 31, 2014.

The ratio of total liabilities to shareholders' equity was 0.69:1 at June 30, 2015 compared to 0.63:1 at December 31, 2014. The increase in this ratio from December 2014 to June 2015 was primarily due to higher bank operating advances as at June 30, 2015. This increase was partially offset by an increase in the foreign exchange translation gain in 'Accumulated other comprehensive income' due to the strengthening of the U.S. dollar against the Canadian dollar during the first half of 2015.

As at June 30, 2015, working capital was $11,951, representing working capital ratio of 1.25:1 compared to working capital and a working capital ratio at December 31, 2014 of $8,878 and 1.23:1, respectively. The increase in working capital was due to an increase in trade and other receivables and inventories, partially offset by an increase in bank operating advances. Cash and cash equivalents totaled $808 at June 30, 2015 compared to $1,419 at December 31, 2014.

The Company's demand operating facility provides for borrowings of up to $22,000 based on margin formulae for trade receivables, certain other qualified receivables and inventories, less priority claims and the mark-to-market exposure on swap contracts. It is a demand facility secured by a general security agreement over all assets. The agreement also contains certain financial covenants. The utilization was $12,736 and was comprised of a current account balance of $12,426 and outstanding letters of credit of $310.

The Company was in compliance with all financial covenants under its term financing agreement and operating credit facility as at June 30, 2015 and anticipates that it will maintain compliance throughout the year.

The Company expects that future cash flows from operations, cash and cash equivalents on hand and the unutilized balance of its operating credit facility will be sufficient to satisfy its obligations as they become due.

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, is disclosed in the table of contractual obligations in the annual MD&A included with the Company's 2014 Annual Report and in Note 13 to the condensed interim consolidated financial statements.

With respect to contractual obligations outstanding as at June 30, 2015, changes during the first six months include scheduled payments of principal and interest on debt and finance lease obligations and operating leases. Additional changes included reductions of the remaining balances of the Company's purchase obligations under its natural gas supply and transportation contracts. These are more fully described in Note 13 to the condensed interim consolidated financial statements.

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):

TOTAL OPERATIONS	June 30		March 31		December 31		September 30	
	2015	2014	2015	2014	2014	2013	2014	2013
Revenues	$ 39,138	$ 33,066	$ 15,063	$ 12,612	$ 27,200	$ 21,489	$ 37,451	$ 30,998
Net income (loss) attributable to shareholders of Brampton Brick Limited								
	$ 5,507	$ 772	$ (4,637)	$ (7,855)	$(10,231)	$ (1,129)	$ 3,355	$ 4,151
Net income (loss)								
	$ 5,667	$ 772	$ (4,637)	$ (7,855)	$(10,232)	$ (1,108)	$ 3,354	$ 4,209
Net income (loss) per share								
Basic	$ 0.50	$ 0.07	$ (0.42)	$ (0.72)	$ (0.94)	$ (0.10)	$ 0.31	$ 0.38
Diluted	$ 0.49	$ 0.07	$ (0.42)	$ (0.72)	$ (0.94)	$ (0.10)	$ 0.30	$ 0.38

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:

QUARTERS ENDED JUNE 30

Higher shipping volumes in both the Masonry Products and Landscape Products business segments, combined with the increase in production volumes, resulted in a significant improvement in operating results in the second quarter of 2015. Other transactions that positively impacted the current quarter results were a property tax credit of $537 as a result of a positive reassessment, decreases in bad debts and other provisions and an unrealized gain on the change in the fair value of the interest rate swap.

Cost of sales for the second quarter of 2014 included the write-off of production equipment amounting to $1,600 at the Milton facility and costs related to equipment commissioning at the Hillsdale and Brockville plants. Collectively, these factors negatively impacted net income for the second quarter of 2014.

QUARTERS ENDED MARCH 31

For the first quarter ended March 31, 2015, the increase in revenues over the corresponding quarter in 2014 was due to the strong momentum in residential construction. Costs of sales increased due to higher shipments, but benefitted from lower per unit manufacturing costs on higher production levels.

The decrease in finance expense in the first quarter of 2015 compared to the same quarter of 2014 was primarily due to the payment in 2014 of future interest of $3,305 on the early repayment of the Company's former term loan and the unamortized transaction costs in the amount of $200 related to this replaced loan in January 2014.

As a result, the net loss for the first quarter of 2015 decreased by $3,218 as compared to the same quarter in 2014.

QUARTERS ENDED DECEMBER 31

The increase in revenues for the fourth quarter of 2014 compared to the same period in 2013 was due to higher masonry and landscape product shipments. Cost of sales increased due to ongoing costs to retrofit the plants in Hillsdale and Brockville, Ontario and higher per unit production costs due to lower production volumes.

Operating results in the fourth quarter of 2014 decreased compared to the same period of 2013 primarily due to the impairment loss of $11,611 recognized on the Farmersburg, Indiana plant. Excluding the asset impairment loss and the gain on sale of the Milton plant recognized during the fourth quarter of 2014 amounting to $3,155, the net loss for the fourth quarter of 2014 was $1,776 compared to $1,108 for the same quarter in 2013.

QUARTERS ENDED SEPTEMBER 30

Higher revenues in the third quarter of 2014 in both the Masonry Products and Landscape Products business segments were due to higher shipments through the new facilities at Hillsdale and Brockville as well as from stronger residential construction activity.

However, higher costs of sales due to start-up and related retrofit costs of commissioning the newly acquired plants during this quarter and an increase in average per unit manufacturing costs due to lower production volumes and trial production runs offset the increase in revenues, reducing the net income for the quarter ended September 30, 2014.

OTHER

Information with respect to 'Changes in Accounting Policies' is contained in Note 2 to the 2014 annual consolidated financial statements included in the Company's 2014 Annual Report. The condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 2015 have been prepared using the same accounting policies applied to the Company's annual consolidated financial statements for the year ended December 31, 2014, along with applicable changes in accounting policies effective January 1, 2015 as described in Note 2 to the 2014 annual consolidated financial statements.

Information with respect to 'Critical Accounting Judgments and Estimates' is disclosed in the 2014 annual MD&A and in Note 3 to the 2014 annual consolidated financial statements included in the Company's 2014 Annual Report. To date, there have not been any significant changes to the Company's critical accounting judgments and estimates.

Information with respect to transactions with related parties is disclosed for the year ended December 31, 2014 in Note 22 to the 2014 annual consolidated financial statements included in the Company's 2014 Annual Report.

For the three month and six month periods ended June 30, 2015, sales to related parties were made under competitive terms and conditions and accounted for 2.7% (2014 – 2.6%) and 3.1% (2014 – 3.5%) of revenues, respectively. As at June 30, 2015, the trade receivable balance from related customers was $nil (December 31, 2014 – $6).

Purchases from related parties amounted to $11 (2014 – $13) for the three month period and $50 (2014 – $35) for the six month period ended June 30, 2015. Trade payables to related parties was $80 as at June 30, 2015 (December 31, 2014 – $92).

The aggregate number of issued and outstanding Class A Subordinate Voting shares and Class B Multiple Voting shares as at June 30, 2015 is disclosed in Note 9 to the condensed interim consolidated financial statements. There have been no changes to the issued and outstanding shares to the date of this MD&A.

The aggregate number of outstanding stock options as at June 30, 2015 that were fully vested and convertible to Class A Subordinate Voting shares upon exercise by the option holders is disclosed in Note 10 to the condensed interim consolidated financial statements for the period ended June 30, 2015. There have been no changes to the outstanding number of stock options to the date of this MD&A.

During the second quarter of 2014, the Toronto Stock Exchange ("TSX") accepted a notice of intention (the "Notice") filed by the Company to make a normal course issuer bid ("NCIB"). The notice provided that the Company could, during the 12 month period, which commenced on May 6, 2014 and ended on May 5, 2015, purchase on the TSX up to 460,086 Class A Subordinate Voting shares in total, being approximately 5% of the total number of Class A Subordinate Voting shares outstanding as of April 30, 2014. The Company did not repurchase any Class A Subordinate Voting shares under the NCIB.

Additional information relating to the Company, including the Company's Annual Report and Annual Information Form for the year ended December 31, 2014 and the Management Information Circular issued in connection with the Annual General Meeting of Shareholders held on May 28, 2015, may be found on SEDAR at www.sedar.com.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management under the supervision of, and with the participation of, the Company's Chief Executive Officer and Chief Financial Officer have designed and implemented internal control over financial reporting, as defined under National Instrument 52-109 "*Certification of Disclosure in Issuers' Annual and Interim Filings*". The purpose of internal control over financial reporting is to provide reasonable assurance regarding the reliability of financial reporting, in accordance with IFRS, focusing in particular on control over information contained in the annual and condensed interim consolidated financial statements. The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

Management has evaluated whether there were changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Management has determined that no material changes occurred during the three months ended June 30, 2015. This evaluation was based on the criteria set forth in *Internal Control – Integrated Framework* ("1992 Framework") issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In May 2013, COSO released an updated version of its *Internal Control – Integrated Framework* (the "2013 Framework") with an effective date of December 15, 2014, after which the 1992 Framework would be considered superseded. Securities regulators have not yet mandated an effective transition date for Canadian issuers. The Company is currently working on its transition to the 2013 Framework.

OUTLOOK

The Company's Masonry Products and Landscape Products business segments are cyclical. Demand for masonry products fluctuates in accordance with the level of new residential construction as well as industrial, commercial and institutional construction activity. Demand for landscape products fluctuates in accordance with the level of industrial, commercial and institutional construction activity, as well as consumer spending patterns.

Both business segments are seasonal with the Landscape Products business affected to a greater degree than the Masonry Products business.

Through the first six months of this year, favourable market conditions in the Company's Canadian markets, including a marginal rise in single-family housing starts and a buoyant landscape market, has been a key catalyst in the Company's improved results. In addition, the Company has benefitted from an expanded product portfolio, an improved distribution profile and cost efficiencies associated with its concrete plant rationalization program undertaken in 2014.

For the balance of 2015, we expect to obtain additional operating efficiencies and continued benefits from a healthy Canadian residential construction market.

Results in the Company's U.S. market regions for clay brick remain unsatisfactory as pricing and capacity utilization levels continue at historically suppressed levels.

Since the signing of the Universal Resource Recovery Inc. ("Universal") lease with its tenant, Universal is now self-sufficient on a cash basis. As a result, the Company will not likely be required to fund any cash shortfalls. Additionally, excess cash flow at Universal will be used to repay the loan receivable of the Company and the other joint venture partner during the lease period.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein constitute "forward-looking statements". All statements that are not historical facts are forward-looking statements, including, among others, statements regarding the expected repayment of the loans receivable from Universal and others and the expected self-sufficiency on a cash basis of Universal, forecasts of sufficient cash flows from operations and other sources of financing, anticipated compliance with financial covenants under debt agreements, anticipated sales of masonry and landscape products, and other statements regarding future plans, objectives, results, business outlook and financial performance. There can be no assurance that such forward-looking statements will prove to be accurate.

Such forward-looking statements are based on information currently available to management, and are based on assumptions and analyses made by management in light of its experience and its perception of historical trends, current conditions and expected future developments, including, among others, assumptions regarding pricing, weather and seasonal expectations, production efficiency, and there being no significant disruptions affecting operations or other material adverse changes.

Such forward-looking statements also involve known and unknown risks, uncertainties and other factors 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. Such risks and uncertainties include, among others: changes in economic conditions, including the demand for the Company's primary products and the level of new home, commercial and other construction; large fluctuations in production levels; fluctuations in energy prices and other production costs; changes in transportation costs; foreign currency exchange and interest rate fluctuations; legislative and regulatory developments; as well as those assumptions, risks, uncertainties and other factors identified and discussed under "Risks and Uncertainties" in the 2014 annual MD&A included in the Company's 2014 Annual Report and those identified and reported in the Company's other public filings (including the Annual Information Form for the year ended December 31, 2014), which may be accessed at www.sedar.com.

The forward-looking information contained herein is made as of the date hereof. Other than as specifically required by law, the Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of an interim financial report, the interim financial report must be accompanied by a notice indicating that the interim financial report has not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the company have been prepared by and are the responsibility of the company's management.

No auditor has performed a review of these condensed interim consolidated financial statements.

Jeffrey G. Kerbel
President and Chief Executive Officer

Trevor M. Sandler
Vice President, Finance and
Chief Financial Officer

Dated as of the 5th day of August, 2015.

Condensed Interim Consolidated Balance Sheets

(unaudited)(in thousands of Canadian dollars)	Notes	June 30, 2015	December 31, 2014
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 808**	$ 1,419
Trade and other receivables		**25,927**	16,663
Inventories		**32,347**	28,548
Taxes recoverable	11	**–**	68
Other assets		**790**	546
Loan receivable	4	**83**	–
		59,955	47,244
Non-current assets			
Loans receivable	4	**5,500**	5,200
Property, plant and equipment	5	**166,637**	165,236
Non-current derivative financial instrument	8	**104**	–
		172,241	170,436
Total assets		**$ 232,196**	$ 217,680
LIABILITIES			
Current liabilities			
Bank operating advances	6	**$ 12,426**	$ 1,610
Trade payables		**15,284**	17,805
Income tax payable	11	**340**	–
Current portion of debt	7	**16,496**	16,416
Current derivative financial instrument	8	**236**	–
Decommissioning provisions		**30**	30
Other liabilities		**3,192**	2,505
		48,004	38,366
Non-current liabilities			
Non-current portion of debt	7	**26,465**	26,064
Decommissioning provisions		**5,416**	5,213
Deferred tax liabilities	11	**14,993**	14,833
		46,874	46,110
Total liabilities		**$ 94,878**	$ 84,476
EQUITY			
Equity attributable to shareholders of Brampton Brick Limited			
Share capital	9	**$ 33,755**	$ 33,711
Contributed surplus	10	**2,499**	2,293
Accumulated other comprehensive income		**7,547**	4,573
Retained earnings		**93,470**	92,600
		137,271	133,177
Non-controlling interests		**47**	27
Total equity		**137,318**	133,204
Total liabilities and equity		**$ 232,196**	$ 217,680

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

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

BRAMPTON BRICK Limited

(unaudited)(in thousands of Canadian dollars, except per share amounts)	Notes	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Revenues	15, 16	**$ 39,138**	$ 33,066	**$ 54,201**	$ 45,678
Cost of sales		**28,283**	26,206	**43,839**	40,625
Selling expenses		**2,433**	2,337	**4,568**	4,487
General and administrative expenses		**1,040**	1,641	**2,681**	3,342
(Gain) loss on disposal of property, plant and equipment		**(3)**	1,588	**8**	1,594
Other expense (income)		**42**	(214)	**385**	(101)
		31,795	31,558	**51,481**	49,947
Operating income (loss)	15	**7,343**	1,508	**2,720**	(4,269)
Finance expense	6, 7, 8	**(161)**	(603)	**(1,070)**	(4,640)
Income (loss) before income taxes		**7,182**	905	**1,650**	(8,909)
(Provision for) recovery of income taxes	11				
Current		**(1,368)**	(457)	**(462)**	695
Deferred		**(147)**	324	**(158)**	1,131
		(1,515)	(133)	**(620)**	1,826
Net income (loss) for the period		**$ 5,667**	$ 772	**$ 1,030**	$ (7,083)
Net income (loss) attributable to:					
Shareholders of Brampton Brick Limited		**$ 5,507**	$ 772	**$ 870**	$ (7,083)
Non-controlling interests		**160**	–	**160**	–
Net income (loss) for the period		**$ 5,667**	$ 772	**$ 1,030**	$ (7,083)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation (loss) income		**$ (742)**	$ (1,826)	**$ 2,974**	$ 97
Total comprehensive income (loss) for the period		**$ 4,925**	$ (1,054)	**$ 4,004**	$ (6,986)
Total comprehensive income (loss) attributable to:					
Shareholders of Brampton Brick Limited		**$ 4,765**	$ (1,054)	**$ 3,844**	$ (6,986)
Non-controlling interests		**160**	–	**160**	–
Total comprehensive income (loss) for the period		**$ 4,925**	$ (1,054)	**$ 4,004**	$ (6,986)
Net income (loss) per Class A Subordinate Voting share and Class B Multiple Voting share attributable to shareholders of Brampton Brick Limited					
Basic	12	**$ 0.50**	$ 0.07	**$ 0.08**	$ (0.65)
Diluted	12	**$ 0.49**	$ 0.07	**$ 0.08**	$ (0.65)

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

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited) (in thousands of Canadian dollars)	Notes	Attributable to shareholders of Brampton Brick Limited: Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total	Non-Controlling interest	Total Equity
Balance – January 1, 2014		**$ 33,711**	**$ 2,078**	**$ 373**	**$ 106,559**	**$ 142,721**	**$ 29**	**$ 142,750**
Net loss for the period		–	–	–	(7,083)	**(7,083)**	–	**(7,083)**
Other comprehensive income (net of taxes, $nil)		–	–	97	–	**97**	–	**97**
Comprehensive income (loss) for the period		**–**	**–**	**97**	**(7,083)**	**(6,986)**	**–**	**(6,986)**
Share-based compensation	10	–	129	–	–	**129**	–	**129**
Balance – June 30, 2014		**$ 33,711**	**$ 2,207**	**$ 470**	**$ 99,476**	**$ 135,864**	**$ 29**	**$ 135,893**
Balance – January 1, 2015		**$ 33,711**	**$ 2,293**	**$ 4,573**	**$ 92,600**	**$ 133,177**	**$ 27**	**$ 133,204**
Net income for the period		–	–	–	870	**870**	160	**1,030**
Other comprehensive income (net of taxes, $nil)		–	–	2,974	–	**2,974**	–	**2,974**
Comprehensive income for the period		**–**	**–**	**2,974**	**870**	**3,844**	160	**4,004**
Stock options exercised	9	44	(8)	–	–	**36**	–	**36**
Share-based compensation	10	–	214	–	–	**214**	–	**214**
Dividends paid to non-controlling interests	14	–	–	–	–	**–**	(140)	**(140)**
Balance – June 30, 2015		**$ 33,755**	**$ 2,499**	**$ 7,547**	**$ 93,470**	**$ 137,271**	**$ 47**	**$ 137,318**

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

Condensed Interim Consolidated Statements of Cash Flows

BRAMPTON BRICK Limited

(unaudited)(in thousands of Canadian dollars)	Notes	Six months ended June 30, 2015	2014
Cash provided by (used for)			
Operating activities			
Net income (loss) for the period		**$ 1,030**	$ (7,083)
Items not affecting cash and cash equivalents			
Depreciation	5	**4,475**	4,072
Current tax provision (recovery)	11	**462**	(695)
Deferred tax provision (recovery)	11	**158**	(1,131)
Loss on disposal of property, plant and equipment		**8**	1,594
Unrealized foreign currency exchange gain		**(282)**	(15)
Net interest expense	6, 7	**938**	4,640
Derivative financial instrument loss	8	**132**	–
Other		**214**	129
		7,135	1,511
Changes in non-cash items			
Trade and other receivables		**(9,143)**	(10,918)
Inventories		**(3,192)**	(2,624)
Other assets		**(226)**	1,804
Trade payables		**(2,521)**	4,060
Other liabilities		**599**	648
		(14,483)	(7,030)
Income tax payments		**(54)**	(2)
Cash used for operating activities		**(7,402)**	(5,521)
Investing activities			
Purchase of property, plant and equipment		**(2,195)**	(10,059)
Loan advances	4	**(400)**	–
Proceeds from scheduled instalments of loan receivable	4	**17**	–
Proceeds from disposal of property, plant and equipment		**169**	57
Cash used for investing activities		**(2,409)**	(10,002)
Financing activities			
Increase in bank operating advances		**10,816**	6,290
Proceeds from issuance of the demand revolving reducing term loan	7	**–**	36,595
Payment of term loans	7	**(141)**	(22,635)
Interest paid	6, 7	**(873)**	(4,322)
Payments on obligations under finance leases		**(545)**	(369)
Proceeds from exercise of stock options	9	**36**	–
Payment of dividends by subsidiary to non-controlling interests	14	**(140)**	–
Cash provided by financing activities		**9,153**	15,559
Foreign exchange on cash held in foreign currency		**47**	(5)
(Decrease) increase in cash and cash equivalents		**(611)**	31
Cash and cash equivalents at the beginning of the period		**1,419**	1,200
Cash and cash equivalents at the end of the period		**$ 808**	$ 1,231

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

1. GENERAL INFORMATION

Brampton Brick Limited and its subsidiaries, together referred to as the ("Company"), primarily manufacture and sell masonry and landscape products. The Company has clay brick manufacturing plants located in Brampton, Ontario and in Farmersburg, Indiana. Plants located in Markham, Hillsdale, Brampton and Brockville, Ontario and in Wixom, Michigan manufacture concrete masonry and landscape products.

Brampton Brick Limited is incorporated and domiciled in Canada. The address of its registered office is 225 Wanless Drive, Brampton, Ontario.

The Company's Class A Subordinate Voting shares trade on the Toronto Stock Exchange under the ticker symbol "BBL.A". The Company's Class B Multiple Voting shares do not trade on any public market.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 2015 are unaudited and include all adjustments that management considers necessary for a fair presentation in accordance with IAS 34 *Interim Financial Reporting*. The Company's business is seasonal. Results for the three and six month periods ended June 30, 2015 are not necessarily indicative of results for the full fiscal year or any other future period.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements. The condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 2015 have been prepared using the same accounting policies applied to the Company's annual consolidated financial statements for the year ended December 31, 2014 along with applicable changes in accounting policies effective January 1, 2015, as described in Note 2 to the annual consolidated financial statements.

STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 5, 2015.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The following is a brief overview of accounting standard changes and amendments that the Company will be required to adopt in future years.

IFRS 9 *Financial Instruments* is effective for annual periods beginning on or after January 1, 2018 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39") for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities largely carry forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

The Company is evaluating the impact of this standard on its consolidated financial statements.

IFRS 15 *Revenue from contracts with customers* is effective for annual periods beginning on or after January 1, 2018 and is based on the principle that revenues should reflect the consideration to which the entity expects to be entitled to, in exchange for the transfer of promised goods or services. The standard provides a single, principle-based five step model for revenue recognition to be applied to all customer contracts and requires enhanced disclosures. The Company is evaluating the impact of this standard on the consolidated financial statements.

Amendments effective for annual periods beginning on or after January 1, 2016 are as below:

Amendment to IFRS 10, *Consolidated financial statements and IAS 28 Investments in associates and joint ventures* discusses the recognition of gain or loss on loss of control in a subsidiary, joint venture or associate. The gain or loss arising from the loss of control in an entity, not constituting a business, as a result of a transaction involving an associate or a joint venture, accounted for by the equity method, should be recognized only to the extent of the unrelated interest in that entity. This amendment is not expected to impact the consolidated financial statements.

Amendment to IFRS 11, *Joint arrangements* requires that on acquisition of an interest in a joint operation which constitutes a business, an entity shall apply the principles of business combinations accounting in IFRS 3 and other related standards in recognizing the extent of its share in the operation. This amendment is not expected to impact the consolidated financial statements.

Amendment to IAS 1, *Presentation of financial statements* requires an entity to consider all the relevant facts and circumstances in determining how it aggregates information in the financial statements and the notes and should provide additional disclosures when specific requirements in IFRS are insufficient to enable users of financial statements to understand the impact of certain transactions, events or conditions on the entity's financial position and financial performance. This amendment has disclosure requirements and is not expected to impact the consolidated financial statements.

Amendment to IAS 16, *Property, plant and equipment* clarifies that in determining the useful life of an asset, factors other than the impact of wear and tear on future economic benefits should be considered, such as expected future reductions in the selling price of an item if they are indicative of technical or commercial obsolescence reflecting potentially declining future economic benefits. This amendment is not expected to impact the consolidated financial statements.

Amendment to IAS 27, *Separate financial statements* states that an entity could elect to measure its investments in subsidiaries, joint ventures and associates using the equity method, in addition to the existing choices to measure at cost or in accordance with IFRS 9, *Financial Instruments*. This amendment is not expected to impact the consolidated financial statements.

Amendment to IAS 34, *Interim financial reporting* requires an entity to disclose significant events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period in the notes to the interim financial statements or elsewhere in the interim financial report. This amendment has disclosure requirements and is not expected to impact the consolidated financial statements.

4. LOANS RECEIVABLE

Secured advances from the Company to Universal Resource Recovery Inc. ('Universal') totaled $5,200 (December 31, 2014 – $5,200). In relation to this loan receivable, the Company has registered, as security, a mortgage on Universal's property located in Welland, Ontario. The full recoverability of the loan from the sale proceeds of the property is not expected to be received until the earlier of: the exercise of the tenant's option to purchase the property; or the expiry of the lease term and accordingly has been classified as a non-current loan receivable.

Other Loans Receivable during the period total $400, of which $300 is classified as non-current.

5. PROPERTY, PLANT AND EQUIPMENT

	Land and Land Improvements	Buildings	Machinery and Equipment	Mobile Equipment	Total
As at December 31, 2014					
Cost	$ 83,968	$ 32,114	$ 140,513	$ 6,444	$ 263,039
Accumulated depreciation and impairment loss	(16,235)	(14,957)	(61,946)	(4,665)	(97,803)
Net book value	**67,733**	**17,157**	**78,567**	**1,779**	**165,236**
For the six months ended June 30, 2015					
Additions	460	67	1,500	1,339	3,366
Disposals	–	–	–	(177)	(177)
Depreciation for the period	(457)	(454)	(3,103)	(461)	(4,475)
Exchange differences	430	477	1,761	19	2,687
	433	**90**	**158**	**720**	**1,401**
As at June 30, 2015					
Cost	85,239	33,137	145,838	7,228	271,442
Accumulated depreciation and impairment loss	(17,073)	(15,890)	(67,113)	(4,729)	(104,805)
Net book value	**$ 68,166**	**$ 17,247**	**$ 78,725**	**$ 2,499**	**$ 166,637**

For the three and six month periods ended June 30, 2015, depreciation expense totaled $2,295 (2014 – $2,068) and $4,475 (2014 – $4,072), respectively, of which $2,221 (2014 – $1,992) and $4,321 (2014 – $3,920), respectively were included in Cost of sales and $74 (2014 – $76) and $154 (2014 – $152), respectively were included in General and administrative expenses.

Mobile equipment and machinery and equipment includes the following amounts acquired by means of finance leases:

	June 30, 2015	December 31, 2014
Cost – financed leases	$ 7,844	$ 7,196
Accumulated depreciation	(4,102)	(3,864)
	$ 3,742	**$ 3,332**

6. BANK OPERATING ADVANCES

The Company's credit facility provides for borrowings of up to $22,000 (2014 – $22,000) based on margin formulae for trade receivables, certain other qualified receivables and inventories, less priority claims and the mark-to-market exposure on swap contracts. It is a demand facility secured by a general security agreement over all assets. The agreement also contains certain financial covenants. As at June 30, 2015, the Company is in compliance with all the financial covenants.

As at June 30, 2015, the borrowing limit was $22,000 (December 31, 2014 – $21,742). The utilization was $12,736 (December 31, 2014 – $1,898) and comprised of: a current account balance of $12,426 (December 31, 2014 – $1,610); and outstanding letters of credit for $310 (December 31, 2014 – $288).

As at June 30, 2015, the rate of interest on the current account is based on the Canadian bank prime rate plus a credit spread of 0.75%. The Company's credit spread is variable and determined by its fixed charge coverage ratio.

7. DEBT

Debt consists of the following:

		June 30, 2015 $	December 31, 2014 $
Demand revolving term loan – monthly instalments commence July 2015 to July 2019	(a)	**10,595**	10,595
Committed revolving reducing term loan – monthly instalments commence July 2015 to July 2019	(a)	**26,000**	26,000
Demand non-revolving loan – monthly instalments commenced January 2014 to December 2019		**2,339**	2,425
Other term loans		**339**	385
		39,273	39,405
Obligations under finance leases		**3,688**	3,075
		42,961	42,480
Less: Payments due within one year – current portion		**16,496**	16,416
Non-current portion of debt		**26,465**	26,064

(a) On January 3, 2014, the Company finalized a new $40,000 demand revolving reducing term loan with its banker at the bank's prime rate plus 0.70%. The amount of $36,595 was drawn down and used to repay the then existing term loan and to finance the purchase of assets.

On November 21, 2014, the Company's $36,595 demand revolving reducing term loan was separated into a $26,000 committed revolving reducing term loan ("Committed term loan") classified as a long-term liability and a $10,595 demand revolving term loan which was classified as a current liability as it is payable on demand.

The Committed term loan bore interest at the bank's prime rate plus 0.30% until January 29, 2015, and thereafter at the 30 day bankers' acceptance rate plus a stamp fee of 1.80%. The demand revolving term loan bears interest at the bank's prime rate plus 0.50%.

The term of these loans is five years and requires monthly interest payments for the duration of the loan. The Committed term loan will be repaid by way of principal repayments of $400 per month from July to November each year, beginning in 2015 until

2018, with a balloon payment on July 31, 2019. Similarly, principal repayments of $100 per month from July to November each year, beginning in 2015 until 2018, with a balloon payment on July 31, 2019, have been scheduled on the demand revolving term loan.

On January 30, 2015, the Company entered into a floating-to-fixed interest rate swap agreement to fix the interest rate on its Committed term loan, as further described in Note 8, 'Derivative Financial Instrument'.

The Committed term loan is secured only by a mortgage on the Company's 225 Wanless Drive, Brampton, Ontario property, while the demand revolving term loan is secured by a mortgage over the Company's properties located in Hillsdale and Markham, Ontario and two quarry sites located in Brampton and Cheltenham, Ontario.

The agreements for the Committed term loan and the demand revolving term loan contain certain financial covenants. As at June 30, 2015, the Company is in compliance with all the financial covenants.

8. DERIVATIVE FINANCIAL INSTRUMENT

On January 30, 2015, the Company entered into a floating-to-fixed interest rate swap with a notional value of $26,000, to minimize its exposure to fluctuations in cash flows from changes in interest rates on the Committed term loan of the same amount. The swap notional value will decrease proportionately with the outstanding balance of the underlying Committed term loan as scheduled repayments are made over its duration. As a result of this transaction, the Company's interest rate for the Committed term loan is fixed at 3.69%.

The Company has not applied hedge accounting for the period ended June 30, 2015. The change in fair value of the interest rate swap recognized in 'Finance expense' on the Condensed Interim Consolidated Statement of Comprehensive Income (Loss) amounted to an unrealized gain of $352 and an unrealized loss of $132 for the three and six month periods ended June 30, 2015, respectively.

9. SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Preference shares, Class A Subordinate Voting shares and Class B Multiple Voting shares. The Class B Multiple Voting shares are convertible into Class A Subordinate Voting shares on a share-for-share basis at any time. Class A Subordinate Voting shares may be converted into Class B Multiple Voting shares in certain circumstances in connection with a takeover bid. Class A Subordinate Voting shareholders are entitled to one vote per share and Class B Multiple Voting shareholders are entitled to ten votes per share at any meeting of shareholders. The shares issued do not have a specified par value.

As at June 30, 2015, issued and outstanding share capital consisted of 9,208,623 Class A Subordinate Voting shares (December 31, 2014 – 9,201,723) and 1,738,631 Class B Multiple Voting shares (December 31, 2014 – 1,738,631).

There were no Class A Subordinate Voting shares purchased under the Company's Normal Course Issuer Bid, which commenced May 6, 2014 and ended on May 5, 2015.

During the second quarter ended June 30, 2015, 6,900 stock options were exercised at an average price of $5.16. Proceeds from the issue of an equal number of Class A Subordinate Voting shares amounted to $36. There were no changes in the Class A Subordinate Voting shares and Class B Multiple Voting shares during the six month period ended June 30, 2014.

10. SHARE-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 1,680,965 (December 31, 2014 – 1,680,965) 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 the grant and the maximum term of each option is ten years. As at June 30, 2015, a total of 225,365 (December 31, 2014 – 315,365) stock options were available for grant under the Plan.

The Company granted stock options to all executive officers, two employees and to all non-management members of the Board of directors of the Company on April 3, 2015. Options in each grant vest as follows: 20% on the date immediately following the date of the grant and an additional 20% on each anniversary of the grant date thereof until fully vested.

Date of grant	**April 3, 2015**
Number of options granted	**180,500**
Market price	**$ 6.90**
Fair value of each stock option granted	**$ 2.75**
Assumptions:	
Risk-free interest rate	**1.1%**
Expected life	**8.0 years**
Volatility (determined by reference to historically observed prices of the Class A Subordinate Voting shares)	**34.0%**
Expected dividend yield	**0.0%**
Expected forfeitures	**Nil**

For the three and six month periods ended June 30, 2015, the total compensation cost charged against income with respect to all stock options granted was $172 (2014 – $44) and $214 (2014 – $129), respectively.

As at June 30, 2015, an aggregate of 1,218,200 (December 31, 2014 – 1,135,100) stock options were outstanding, of which 866,000 (December 31, 2014 – 797,600) were fully vested and exercisable by the holders thereof at a weighted average exercise price of $6.70 (December 31, 2014 – $7.47) per share.

11. INCOME TAX

The Company computes an income tax (provision) recovery in each of the jurisdictions in which it operates. However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of the financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. The assessment is based upon existing tax laws and estimates of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. The operations in Canada and the United States are subject to income tax at the following rates 26.5% (2014 – 26.5%) in the Canadian jurisdictions and from 34.0% to 38.7% (2014 – 34.0% to 38.7%) in the U.S. jurisdictions.

In interim periods, the income tax recovery (provision) is based on actual earnings by jurisdiction. The Company has not recorded a deferred tax asset with respect to the potential future income tax benefit pertaining to the losses incurred by its U.S. operations.

12. NET INCOME (LOSS) PER SHARE

Earnings (loss) per share is calculated on net income (loss) attributable to the shareholders of Brampton Brick Limited using the weighted average number of shares outstanding for the period. The diluted earnings per share is calculated to reflect the dilutive effect of the exercise of the outstanding stock options on earnings per share.

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

	Three months ended June 30					
	2015			2014		
Earnings (loss) per share attributable to shareholders of Brampton Brick Limited	**Net Income $**	**Shares (thousands)**	**Per share amount $**	**Net Income $**	**Shares (thousands)**	**Per share amount $**
Basic	**5,507**	**10,941**	**0.50**	772	10,940	0.07
Dilutive effect of stock options		**227**	**(0.01)**		107	–
Diluted		**11,168**	**0.49**		11,047	0.07

	Six months ended June 30					
	2015			2014		
Earnings (loss) per share attributable to shareholders of Brampton Brick Limited	**Net Income $**	**Shares (thousands)**	**Per share amount $**	**Net Loss $**	**Shares (thousands)**	**Per share amount $**
Basic	**870**	**10,941**	**0.08**	(7,083)	10,940	(0.65)
Dilutive effect of stock options		**228**	**–**		–	–
Diluted		**11,169**	**0.08**		10,940	(0.65)

In determining the diluted earnings per share, for the three and six month periods ended June 30, 2015, 211,900 options to purchase Class A Subordinate Voting shares in both the quarter and the year-to-date period were considered anti-dilutive (2014 – 287,900 for the three month period). For the corresponding six month period in 2014, dilutive employee stock options had no effect in the calculation of the diluted loss per share due to the loss incurred.

13. COMMITMENTS AND CONTINGENCIES

As at June 30, 2015, the Company had capital expenditure commitments with suppliers totaling $1,724.

The Company normally enters into supply and transportation contracts for natural gas to satisfy its future requirements. As at June 30, 2015, the Company has contracted for its estimated remaining 2015 Canadian natural gas supply requirements at an aggregate estimated cost of $707, none of which was at fixed prices, and for its estimated remaining 2015 Canadian transportation requirements at an aggregate estimated cost of $565, of which 75% was at fixed prices. As at June 30, 2015, the Company's U.S. operations, have contracted for its July

2015 estimated natural gas transportation requirements at an estimated cost of $8 at fixed prices. The potential unrealized gain on the fixed price contracts was approximately $16 (2014 – unrealized gain of approximately $10), which was not taken to income since these are supply contracts that will be charged to operations in the period the gas is consumed.

Letters of credit are issued by the Company's banker to provide security to certain service providers and in connection with certain governmental operating permits. The aggregate amount of letters of credit outstanding as at June 30, 2015 is $310 (December 31, 2014 – $288).

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position or liquidity.

14. 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 2.7% (2014 – 2.6%) of revenues in aggregate for the three month period and 3.1% (2014 – 3.5%) for the six months ended June 30, 2015. As at June 30, 2015, the trade receivable balance from related customers was $nil (December 31, 2014 – $6).

Purchases from related parties amounted to $11 (2014 – $13) for the three month period and $50 (2014 – $35) for the six month period ended June 30, 2015. Trade payables to related parties was $80 as at June 30, 2015 (December 31, 2014 – $92).

During the second quarter ended June 30, 2015, dividends amounting to $140 were paid to non-controlling shareholders of a subsidiary company (2014 – Nil).

All related party transactions are accounted for at the exchange amount which is the amount of consideration established and agreed to by the related parties.

15. OPERATING SEGMENTS

The Company considers that for purposes of operating decision making and assessing performance it operates within two dominant business segments: Masonry Products and Landscape Products. Although the Company operates several plants, the nature of products, production methods and type of customers for their products and services share similar economic characteristics within each segment.

MASONRY PRODUCTS

Manufacture of clay brick and a range of concrete masonry products including stone veneer, concrete brick and block for use in residential construction and institutional, commercial and industrial building projects.

LANDSCAPE PRODUCTS

Manufacture of concrete paving stones, retaining walls, garden walls and sales of accessory products for use in residential construction and institutional, commercial and industrial building projects.

OTHER

Other business operations and assets consist of a loan receivable from Universal and a short term investment pertaining to 1813435 Ontario Limited.

Segmented information, with comparative information for 2014, is as follows:

	Three months ended June 30		Six months ended June 30	
i) Revenues	**2015 $**	2014 $	**2015 $**	2014 $
Masonry Products	**26,338**	21,987	**39,941**	34,009
Landscape Products	**12,800**	11,079	**14,260**	11,669
Revenues	**39,138**	33,066	**54,201**	45,678
ii) Operating income (loss)				
Masonry Products	**4,788**	923	**1,120**	(2,918)
Landscape Products	**2,556**	585	**1,602**	(1,351)
Other	**(1)**	–	**(2)**	–
Operating income (loss)	**7,343**	1,508	**2,720**	(4,269)
Finance expense	**(161)**	(603)	**(1,070)**	(4,640)
Income taxes	**(1,515)**	(133)	**(620)**	1,826
Net income (loss) for the period	**5,667**	772	**1,030**	(7,083)
iii) Total assets			**June 30, 2015 $**	December 31, 2014 $
Masonry and Landscape Products			**226,694**	211,777
Other			**5,502**	5,903
Total assets			**232,196**	217,680

Certain long-term assets are used for both the Masonry Products and Landscape Products business segments. Assets do not form part of management's evaluation of performance of individual business units and therefore are not reported on a segmented basis.

Geographical information is as follows:

	Three months ended June 30		Six months ended June 30	
	2015 Revenues $	**2014 Revenues $**	**2015 Revenues $**	**2014 Revenues $**
Canada	**34,356**	29,092	**48,034**	40,982
United States	**4,782**	3,974	**6,167**	4,696
	39,138	33,066	**54,201**	45,678

	June 30, 2015 Property, plant and equipment $	**December 31, 2014 Property, plant and equipment $**
Canada	**127,125**	127,796
United States	**39,512**	37,440
	166,637	165,236

16. SEASONAL FLUCTUATIONS

The Company's business is seasonal. Historically, sales and results are greater in the second and third quarters of each year than in the first and fourth quarters. The Landscape Products business segment is affected by seasonality to a greater degree than the Masonry Products business. Consequently, the results of operations and cash flows for the three and six month periods ended June 30, 2015 are not necessarily indicative of the results to be expected for the full year.

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