BRAMPTON BRICK Limited

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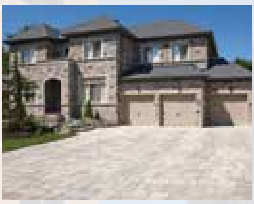

2015
third quarter report

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2015
PREPARED AS OF NOVEMBER 3, 2015

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the interim period ended September 30, 2015 should be read in conjunction with the condensed interim consolidated financial statements as at and for the three and nine month periods ended September 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 SEPTEMBER 30, 2015

The Company recorded net income of $4,324, or $0.39 per share, for the third quarter ended September 30, 2015, compared to net income of $3,354, or $0.31 per share, for the third quarter of 2014. The aggregate weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding were 10,947,254 and 10,940,354 for the third quarter of 2015 and 2014, respectively.

Revenues increased by 8% to $40,465 for the quarter ended September 30, 2015 from $37,451 for the same period in 2014 due to higher shipments in the Company's Canadian markets in both the Masonry Products and Landscape Products business segments. Although shipments declined slightly in the Company's U.S. markets, the decrease was largely offset by the strength in the U.S. dollar in relation to the Canadian dollar during the third quarter of 2015.

Cost of sales amounted to $28,788 for the third quarter of 2015, compared to $28,232 for the same period in 2014. The increase in costs, attributable to the increase in shipments during the quarter, were partially offset by higher production volumes in both the Masonry Products and Landscape Products business segments which decreased the fixed costs per unit sold and contributed to lower operating costs and therefore higher margins. Cost of sales recorded for the same quarter of 2014 included non-recurring costs associated with the commissioning and retrofit work for the two concrete products manufacturing plants located in Hillsdale and Brockville, Ontario that were acquired in early 2014.

Selling expenses for the third quarter of 2015 were $2,776, compared to $2,183 for the corresponding period in 2014, due to increases in sales commissions, severance and other personnel costs related to the increase in revenues.

General and administrative expenses were $1,849 during the third quarter ended September 30, 2015, compared to $1,764 incurred in the corresponding quarter of 2014.

Other expense of $379 incurred during the third quarter of 2015 compared to $95 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 September 30, 2015 increased to $6,687 from $5,176 in the same quarter of 2014.

Finance expense for the three month period ended September 30, 2015 increased to $785 from $593 for the corresponding period in 2014. Finance expense during the current quarter includes an unrealized loss on the change in fair value of the interest rate swap in the amount of $346, which is a non-cash expense. Interest expense for the three month period ending September 30, 2015 decreased compared to the same period in 2014 due to lower bank operating advances during the period and lower debt balances outstanding as a result of scheduled repayments made in the third quarter of 2015.

Provision for income taxes totaled $1,578 for the third quarter of 2015, compared to $1,229 for the same period in 2014. The increase 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.

NINE MONTHS ENDED SEPTEMBER 30, 2015

For the nine months ended September 30, 2015, the Company recorded net income of $5,354, or $0.47 per share, compared to a net loss of $3,729, or $0.34 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 nine months ended September 30, of each of 2015 and 2014 was 10,943,058 and 10,940,354, respectively.

Revenues for the nine months ended September 30, 2015 increased 14% to $94,666, from $83,129 for the same period in 2014. The momentum in residential construction during the first half of 2015 continued, but at a more modest pace through the third quarter, contributing to the increase in revenues in both the Canadian and the U.S. markets of the Masonry Products and Landscape Products business segments. The increase in revenues from the U.S. markets was supported by the positive impact of the strength in the U.S. dollar on lower shipments.

Cost of sales for the nine months ended September 30, 2015 increased by 5% from the corresponding period in 2014 compared to a 14% increase in revenues for the same period. The period-over-period improvement in gross margin was due to increased production volumes of both masonry and landscape products during the nine month period ended September 30, 2015. The increase in production volumes had a comparatively positive impact on per unit manufacturing costs and margins during the current period. In addition, property tax credits amounting to $623 on assessments relating to prior periods were recognized in 2015.

Additionally, in the corresponding period of 2014, cost of sales included start-up costs related to the commissioning of the two concrete manufacturing plants located in Hillsdale and Brockville, Ontario. This resulted in lower capacity utilization due to the initial trial production runs and consequently, higher fixed costs per unit sold.

Selling expenses for the nine month period ended September 30, 2015 were $7,344 compared to $6,670 for the corresponding period in 2014. The reason for this increase is discussed above under the caption, 'Three Months Ended September 30, 2015'.

General and administrative expenses decreased to $4,530 for the nine month period in 2015 compared to $5,106 for the same period of 2014. Collections of customer accounts receivable previously provided for in the allowance for doubtful accounts and other provision reversals during the period in 2015 contributed to the improvement.

Gain on disposal of property, plant and equipment amounted to $6 for the year-to-date period of 2015 compared to a loss of $1,595 in the corresponding prior period of 2014. During the second quarter of 2014, a write-off of certain production equipment at the Milton plant amounting to $1,600 was recognized. The decommissioning and shutdown of the Milton plant in the fourth quarter of 2014 was a key element of the Company's strategy to reallocate production volumes throughout its concrete plant network and improve capacity utilization levels at each plant.

Other expense of $764 for the nine month period ended September 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 $6 for the corresponding prior period.

Operating income for the nine month period ended September 30, 2015 increased to $9,407 compared to $907 for the same period in 2014 primarily due to an increase in revenues and comparatively lower per unit fixed costs on higher production volumes during the year-to-date period in 2015. Manufacturing costs in 2014 were also higher due to non-recurring costs related to the newly commissioned plants and the equipment write-off at the former Milton plant.

Finance expense for the year-to-date period of 2015 totaled $1,855 compared to $5,233 for the nine month period of 2014. The decrease in finance expense in the first nine months of 2015 compared to the same period in 2014 was primarily due to a payment in January 2014 of future interest of $3,305, plus the unamortized transaction costs in the amount of $200, on the early repayment of the Company's then existing term loan of $22,500.

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 nine month period ended September 30, 2015, the unrealized loss on the interest rate swap totaled $478.

Excluding the unrealized loss on the interest rate swap, finance expense for the nine months of 2015 decreased to $1,377 compared to $1,728, 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 during the period and the decrease in debt balances outstanding as a result of scheduled repayments made over the third quarter of 2015 totaling $1,400.

A provision for income taxes totaling $2,198 was recorded for the nine month period of 2015 compared to a recovery of income taxes of $597 for the same period in 2014. The income tax provision and recovery for the period in 2015 and 2014 respectively, relate 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 to $26,290 compared to $25,303 for the quarter ended September 30, 2015 due primarily to an increase in shipments from the new facilities located in Hillsdale and Brockville, Ontario. Operating income increased to $3,572 for the third quarter of 2015 compared to $3,148 for the corresponding quarter of 2014. The improvement in operating income during the quarter ended September 30, 2015 was positively impacted by lower fixed costs per unit on higher production volumes of masonry products. In addition, costs for commissioning of production equipment at the Hillsdale and Brockville, Ontario plants were incurred in the third quarter of 2014.

For the nine month period ended September 30, 2015, revenues of the Masonry Products business segment increased by 12% to $66,231 from revenues in the corresponding period of 2014. Improved residential construction activity was the primary driver of the increase in revenue in the first half of the current fiscal year. Additionally, an increase in shipments from the Hillsdale and Brockville plants had a positive impact.

Operating income increased to $4,692 for the nine month period ended September 30, 2015 from $230 for the corresponding period in 2014. The improvement in operating results was due to the same reasons described above for the three and nine month periods, respectively.

LANDSCAPE PRODUCTS

Revenues of the Landscape Products business segment for the three month period ended September 30, 2015 increased to $14,175 from $12,148 for the corresponding period in 2014 due to an increase in shipments from the Hillsdale and Brockville plants and an expanded product portfolio. Operating income for the third quarter of 2015 increased to $3,116 compared to $2,036 for the corresponding prior period. The operating results in 2014 were negatively impacted by commissioning costs of the Hillsdale and Brockville, Ontario plants acquired early in 2014.

For the nine month period ended September 30, 2015, revenues of the Landscape Products business segment increased to $28,435 from $23,817 for the corresponding period of 2014. The increase in revenues on a year-to-date basis generated from the aforementioned new plants was the result of additional products, further geographic market expansion and continued improvements in marketing and customer service initiatives.

Operating income increased to $4,718 for the nine month period ended September 30, 2015 from $685 for the corresponding period in 2014. The improvement in operating results compared to the period in 2014 was due to an increase in revenues in the current period. In addition, commissioning costs of the new plants at Hillsdale and Brockville, which increased the average per unit cost of production, as well as a non-recurring loss on disposal of property, plant and equipment at the former Milton plant, were recorded in the corresponding period of 2014.

CASH FLOWS

Cash provided by operating activities increased to $6,611 for the nine month period ended September 30, 2015, compared to $2,080 for the same period in 2014. The improvement in operating results and collections from trade receivables was offset, in part, by increases in inventories and disbursements of trade payables.

Cash utilized for purchases of property, plant and equipment totaled $3,413 for the nine month period of 2015, compared to $10,521 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.

During the third quarter of 2015, an amount of $500 was received from Universal Resource Recovery Inc. ('Universal'), and applied to the loan receivable outstanding balance. As at September 30, 2015, the loan receivable from Universal totaled $4,700 (December 31, 2014 – $5,200).

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 September 30, 2015, bank operating advances were $1,548 compared to $1,610 as at December 31, 2014.

Trade payables totaled $17,779 as at September 30, 2015 compared to $17,805 as at December 31, 2014.

The ratio of total liabilities to shareholders' equity was 0.60:1 at September 30, 2015 compared to 0.63:1 at December 31, 2014. The decrease in this ratio from December 31, 2014 to September 30, 2015 was primarily due to the improvement in operating results and 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 year-to-date period in 2015.

As at September 30, 2015, the Company's current ratio is 1.43:1, representing working capital of $17,660, compared to 1.23:1, and $8,878, respectively, as at December 31, 2014. The increase in working capital, typical for the third quarter compared to the fiscal year end, was due to an increase in trade and other receivables and inventories. Cash and cash equivalents totaled $954 at September 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. As at September 30, 2015, the utilization was $1,879 and comprised of a current account balance of $1,548 and outstanding letters of credit of $331.

The Company was in compliance with all financial covenants under its term financing agreement and operating credit facility as at September 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 for the period ended September 30, 2015.

With respect to contractual obligations outstanding as at September 30, 2015, changes during the first nine 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 for the period ended September 30, 2015.

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	September 30		June 30		March 31		December 31	
	2015	2014	2015	2014	2015	2014	2014	2013
Revenues	$ 40,465	$ 37,451	$ 39,138	$ 33,066	$ 15,063	$ 12,612	$ 27,200	$ 21,489
Net income (loss) attributable to shareholders of Brampton Brick Limited								
	$ 4,324	$ 3,355	$ 5,507	$ 772	$ (4,637)	$ (7,855)	$(10,231)	$ (1,129)
Net income (loss)								
	$ 4,324	$ 3,354	$ 5,667	$ 772	$ (4,637)	$ (7,855)	$(10,232)	$ (1,108)
Net income (loss) per share								
Basic	$ 0.39	$ 0.31	$ 0.50	$ 0.07	$ (0.42)	$ (0.72)	$ (0.94)	$ (0.10)
Diluted	$ 0.39	$ 0.30	$ 0.49	$ 0.07	$ (0.42)	$ (0.72)	$ (0.94)	$ (0.10)

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 SEPTEMBER 30

Higher shipments in both the Masonry Products and Landscape Products business segments during the third quarter in 2015 from the new facilities at Hillsdale and Brockville, as well as an expanded product portfolio and improvements in marketing and customer service initiatives, contributed to the significant increase in revenues compared to the prior period.

Operating costs during the third quarter of 2015 were positively impacted by higher production volumes. In addition, the corresponding period in 2014 included higher costs of sales due to start-up and related retrofit costs of commissioning the newly acquired plants and an increase in average per unit manufacturing costs due to lower production volumes and trial production runs which reduced the net income for the quarter ended September 30, 2014.

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 former 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 strong momentum in residential construction. Costs of sales increased due to higher shipments, but were partially offset by 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.

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 nine month periods ended September 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 and for the period ended September 30, 2015 in Note 14 to the condensed interim consolidated financial statements for the period ended September 30, 2015.

For the three month and nine month period ended September 30, 2015, sales to related parties were made under competitive terms and conditions and accounted for 2.8% (three months ended September 30, 2014 – 3.0%) and 3.0% (nine months ended September 30, 2014 – 3.3%) of revenues, respectively. As at September 30, 2015, the trade receivable balance from related customers was $nil (December 31, 2014 – $6).

Purchases from related parties amounted to $1 (three months ended September 2014 – $8) for the three month period and $51 (nine months ended September 30, 2014 – $43) for the nine month period ended September 30, 2015. Trade payables to related parties was $98 as at September 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 September 30, 2015 is disclosed in Note 9 to the condensed interim consolidated financial statements for the period ended September 30, 2015. 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 September 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 September 30, 2015. There have been no changes to the outstanding number of stock options to the date of this MD&A.

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 September 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.

Business conditions in the Company's Canadian markets have been relatively favourable through the first nine months of the year. Top line results, attributable in part to a marginal rise in single family housing starts and an improved landscape market, are in line with expectations.

Company initiatives, including expanding the product portfolio, improving distribution and rationalizing its concrete plants to optimize capacity utilization, have contributed to an improved cost structure. Consequently, overall results in Canada are positive for the period and we expect overall 2015 Canadian results to remain positive through year end.

The Company's U.S. markets for clay brick remain suppressed with continued historically low pricing and plant capacity utilization 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, any excess cash flow at Universal during the lease period is expected to be used to repay the loan receivable of the Company and the other joint venture partner.

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 3rd day of November, 2015.

BRAMPTON BRICK Limited

Condensed Interim Consolidated Balance Sheets

(unaudited)(in thousands of Canadian dollars)	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 954**	$ 1,419
Trade and other receivables		**22,969**	16,663
Inventories		**33,265**	28,548
Taxes recoverable	11	**–**	68
Other assets		**1,011**	546
Loan receivable	4	**84**	–
		58,283	47,244
Non-current assets			
Loans receivable	4	**4,974**	5,200
Property, plant and equipment	5	**167,823**	165,236
		172,797	170,436
Total assets		**$ 231,080**	$ 217,680
LIABILITIES			
Current liabilities			
Bank operating advances	6	**$ 1,548**	$ 1,610
Trade payables		**17,779**	17,805
Income tax payable	11	**1,664**	–
Current portion of debt	7	**16,266**	16,416
Current derivative financial instrument	8	**263**	–
Decommissioning provisions		**30**	30
Other liabilities		**3,073**	2,505
		40,623	38,366
Non-current liabilities			
Non-current portion of debt	7	**24,787**	26,064
Non-current derivative financial instrument	8	**215**	–
Decommissioning provisions		**5,516**	5,213
Deferred tax liabilities	11	**15,283**	14,833
		45,801	46,110
Total liabilities		**$ 86,424**	$ 84,476
EQUITY			
Equity attributable to shareholders of Brampton Brick Limited			
Share capital	9	**$ 33,755**	$ 33,711
Contributed surplus	10	**2,568**	2,293
Accumulated other comprehensive income		**10,492**	4,573
Retained earnings		**97,794**	92,600
		144,609	133,177
Non-controlling interests		**47**	27
Total equity		**144,656**	133,204
Total liabilities and equity		**$ 231,080**	$ 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 September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Revenues	15, 16	**$ 40,465**	$ 37,451	**$ 94,666**	$ 83,129
Cost of sales		**28,788**	28,232	**72,627**	68,857
Selling expenses		**2,776**	2,183	**7,344**	6,670
General and administrative expenses		**1,849**	1,764	**4,530**	5,106
(Gain) loss on disposal of property, plant and equipment		**(14)**	1	**(6)**	1,595
Other expense (income)		**379**	95	**764**	(6)
		33,778	32,275	**85,259**	82,222
Operating income	15	**6,687**	5,176	**9,407**	907
Finance expense	6, 7, 8	**(785)**	(593)	**(1,855)**	(5,233)
Income (loss) before income taxes		**5,902**	4,583	**7,552**	(4,326)
(Provision for) recovery of income taxes	11				
Current		**(1,291)**	(1,082)	**(1,753)**	(387)
Deferred		**(287)**	(147)	**(445)**	984
		(1,578)	(1,229)	**(2,198)**	597
Net income (loss) for the period		**$ 4,324**	$ 3,354	**$ 5,354**	$ (3,729)
Net income (loss) attributable to:					
Shareholders of Brampton Brick Limited		**$ 4,324**	$ 3,355	**$ 5,194**	$ (3,728)
Non-controlling interests		**–**	(1)	**160**	(1)
Net income (loss) for the period		**$ 4,324**	$ 3,354	**$ 5,354**	$ (3,729)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation income		**$ 2,945**	$ 2,382	**$ 5,919**	$ 2,479
Total comprehensive income (loss) for the period		**$ 7,269**	$ 5,736	**$ 11,273**	$ (1,250)
Total comprehensive income (loss) attributable to:					
Shareholders of Brampton Brick Limited		**$ 7,269**	$ 5,737	**$ 11,113**	$ (1,249)
Non-controlling interests		**–**	(1)	**160**	(1)
Total comprehensive income (loss) for the period		**$ 7,269**	$ 5,736	**$ 11,273**	$ (1,250)
Net income (loss) per Class A Subordinate Voting share and Class B Multiple Voting share attributable to shareholders of Brampton Brick Limited					
Basic	12	**$ 0.39**	$ 0.31	**$ 0.47**	$ (0.34)
Diluted	12	**$ 0.39**	$ 0.30	**$ 0.46**	$ (0.34)

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

BRAMPTON BRICK Limited

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		–	–	–	(3,728)	**(3,728)**	(1)	**(3,729)**
Other comprehensive income (net of taxes, $nil)		–	–	2,479	–	**2,479**	–	**2,479**
Comprehensive income (loss) for the period		**–**	**–**	**2,479**	**(3,728)**	**(1,249)**	**(1)**	**(1,250)**
Share-based compensation	10	–	172	–	–	**172**	–	**172**
Balance – September 30, 2014		**$ 33,711**	**$ 2,250**	**$ 2,852**	**$ 102,831**	**$ 141,644**	**$ 28**	**$ 141,672**
Balance – January 1, 2015		**$ 33,711**	**$ 2,293**	**$ 4,573**	**$ 92,600**	**$ 133,177**	**$ 27**	**$ 133,204**
Net income for the period		–	–	–	5,194	**5,194**	160	**5,354**
Other comprehensive income (net of taxes, $nil)		–	–	5,919	–	**5,919**	–	**5,919**
Comprehensive income for the period		**–**	**–**	**5,919**	**5,194**	**11,113**	160	**11,273**
Stock options exercised	9	44	(8)	–	–	**36**	–	**36**
Share-based compensation	10	–	283	–	–	**283**	–	**283**
Dividends paid to non-controlling interests	14	–	–	–	–	**–**	(140)	**(140)**
Balance – September 30, 2015		**$ 33,755**	**$ 2,568**	**$ 10,492**	**$ 97,794**	**$ 144,609**	**$ 47**	**$ 144,656**

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	Nine months ended September 30, 2015	2014
Cash provided by (used for)			
Operating activities			
Net income (loss) for the period		**$ 5,354**	$ (3,729)
Items not affecting cash and cash equivalents			
Depreciation	5	**6,813**	6,117
Current tax provision	11	**1,753**	387
Deferred tax provision (recovery)	11	**445**	(984)
(Gain) loss on disposal of property, plant and equipment		**(6)**	1,595
Unrealized foreign currency exchange (gain) loss		**(494)**	15
Net interest expense	6, 7	**1,377**	5,233
Derivative financial instrument loss	8	**478**	–
Other		**283**	172
		16,003	8,806
Changes in non-cash items			
Trade and other receivables		**(6,021)**	(10,977)
Inventories		**(3,403)**	(920)
Other assets		**(425)**	1,554
Trade payables		**63**	2,438
Other liabilities		**414**	1,033
		(9,372)	(6,872)
Income tax (payments) refunds		**(20)**	146
Cash provided by operating activities		**6,611**	2,080
Investing activities			
Purchase of property, plant and equipment		**(3,413)**	(10,521)
Loan advances		**(400)**	–
Proceeds from repayments of loans receivable	4	**542**	–
Proceeds from disposal of property, plant and equipment		**184**	57
Cash used for investing activities		**(3,087)**	(10,464)
Financing activities			
(Decrease) increase in bank operating advances		**(62)**	411
Proceeds from issuance of the demand revolving reducing term loan	7	**–**	36,595
Payment of term loans	7	**(1,613)**	(22,702)
Interest paid	6, 7	**(1,286)**	(4,912)
Payments on obligations under finance leases		**(1,005)**	(779)
Proceeds from exercise of stock options	9	**36**	–
Payment of dividends by subsidiary to non-controlling interests	14	**(140)**	–
Cash (used for) provided by financing activities		**(4,070)**	8,613
Foreign exchange on cash held in foreign currency		**81**	(176)
(Decrease) increase in cash and cash equivalents		**(465)**	53
Cash and cash equivalents at the beginning of the period		**1,419**	1,200
Cash and cash equivalents at the end of the period		**$ 954**	$ 1,253

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 nine month periods ended September 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 nine month periods ended September 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 nine month periods ended September 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 nine month periods ended September 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 November 3, 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 other 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 $4,700 as at September 30, 2015 (December 31, 2014 – $5,200). A repayment in the amount of $500 was received from Universal during the third quarter of 2015.

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 as at September 30, 2015 total $358, of which $274 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 nine months ended September 30, 2015					
Additions	664	67	2,280	1,346	4,357
Disposals	–	–	–	(177)	(177)
Depreciation for the period	(715)	(684)	(4,717)	(697)	(6,813)
Exchange differences	825	925	3,437	33	5,220
	774	**308**	**1,000**	**505**	**2,587**
As at September 30, 2015					
Cost	86,227	34,056	150,329	7,333	277,945
Accumulated depreciation and impairment loss	(17,720)	(16,591)	(70,762)	(5,049)	(110,122)
Net book value	**68,507**	**17,465**	**79,567**	**2,284**	**167,823**

For the three and nine month periods ended September 30, 2015, depreciation expense totaled $2,338 (2014 – $2,045) and $6,813 (2014 – $6,117), respectively, of which $2,250 (2014 – $1,974) and $6,571 (2014 – $5,894), respectively were included in Cost of sales and $88 (2014 – $71) and $242 (2014 – $223), respectively were included in General and administrative expenses.

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

	September 30, 2015	December 31, 2014
Cost – financed leases	$ 7,866	$ 7,196
Accumulated depreciation	(4,404)	(3,864)
	$ 3,462	**$ 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 September 30, 2015, the Company is in compliance with all the financial covenants.

As at September 30, 2015, the borrowing limit was $22,000 (December 31, 2014 – $21,742). The utilization was $1,879 (December 31, 2014 – $1,898) and comprised of: a current account balance of $1,548 (December 31, 2014 – $1,610); and outstanding letters of credit for $331 (December 31, 2014 – $288).

As at September 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:

		September 30, 2015 $	December 31, 2014 $
Demand revolving term loan – monthly instalments commenced July 2015 to July 2019	(a)	**10,395**	10,595
Committed revolving reducing term loan – monthly instalments commenced July 2015 to July 2019	(a)	**24,800**	26,000
Demand non-revolving loan – monthly instalments commenced January 2014 to December 2019		**2,295**	2,425
Other term loans		**317**	385
		37,807	39,405
Obligations under finance leases		**3,246**	3,075
		41,053	42,480
Less: Payments due within one year – current portion		**16,266**	16,416
Non-current portion of debt		**24,787**	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 principal repayments on the Committed term loan total $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 September 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 September 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 $346 and $478 of unrealized losses for the three and nine month periods ended September 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 September 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 of 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 nine month period ended September 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 September 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 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 nine month periods ended September 30, 2015, the total compensation cost charged against income with respect to all stock options granted was $69 (2014 – $43) and $283 (2014 – $172), respectively.

As at September 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 38.5% (2014 – 34.0% to 38.9%) in the U.S. jurisdictions.

In interim periods, the income tax (provision) recovery 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 September 30					
	2015			2014		
Earnings per share attributable to shareholders of Brampton Brick Limited	**Net Income $**	**Shares (thousands)**	**Per share amount $**	**Net Income $**	**Shares (thousands)**	**Per share amount $**
Basic	**4,324**	**10,947**	**0.39**	3,355	10,940	0.31
Dilutive effect of stock options		**245**	**–**		210	(0.01)
Diluted		**11,192**	**0.39**		11,150	0.30

	Nine months ended September 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	**5,194**	**10,943**	**0.47**	(3,728)	10,940	(0.34)
Dilutive effect of stock options		**233**	**(0.01)**		–	–
Diluted		**11,176**	**0.46**		10,940	(0.34)

In determining the diluted earnings per share, for the three and nine month periods ended September 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 nine 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 September 30, 2015, the Company had capital expenditure commitments with suppliers totaling $1,047.

The Company normally enters into supply and transportation contracts for natural gas to satisfy its future requirements. As at September 30, 2015, the Company has contracted for its Canadian natural gas supply requirements estimated for the balance of 2015 and for the fiscal year 2016 at an aggregate estimated cost of $2,294, none of which was at fixed prices, and for its Canadian transportation requirements estimated for the balance of 2015 and for the fiscal year 2016 at an aggregate estimated cost of $1,369, of which 86% was at fixed prices.

As at September 30, 2015, the Company's U.S. operations, have contracted for its October 2015 estimated natural gas transportation requirements at an estimated cost of $9 at fixed prices. The potential unrealized gain on the fixed price contracts was approximately $76 (2014 – unrealized gain of approximately $111), 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 September 30, 2015 is $331 (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 2.8% (2014 – 3.0%) of revenues in aggregate for the three month period and 3.0% (2014 – 3.3%) for the nine months ended September 30, 2015. As at September 30, 2015, the trade receivable balance from related customers was $nil (December 31, 2014 – $6).

Purchases from related parties amounted to $1 (2014 – $8) for the three month period and $51(2014 – $43) for the nine month period ended September 30, 2015. Trade payables to related parties was $98 as at September 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 September 30		Nine months ended September 30	
i) Revenues	**2015 $**	2014 $	**2015 $**	2014 $
Masonry Products	**26,290**	25,303	**66,231**	59,312
Landscape Products	**14,175**	12,148	**28,435**	23,817
Revenues	**40,465**	37,451	**94,666**	83,129
ii) Operating income (loss)				
Masonry Products	**3,572**	3,148	**4,692**	230
Landscape Products	**3,116**	2,036	**4,718**	685
Other	**(1)**	(8)	**(3)**	(8)
Operating income (loss)	**6,687**	5,176	**9,407**	907
Finance expense	**(785)**	(593)	**(1,855)**	(5,233)
Income taxes	**(1,578)**	(1,229)	**(2,198)**	597
Net income (loss) for the period	**4,324**	3,354	**5,354**	(3,729)

iii) Total assets	**September 30, 2015 $**	December 31, 2014 $
Masonry and Landscape Products	**226,078**	211,777
Other	**5,002**	5,903
Total assets	**231,080**	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 September 30		Nine months ended September 30	
	2015 Revenues $	**2014 Revenues $**	**2015 Revenues $**	**2014 Revenues $**
Canada	**36,285**	33,140	**84,319**	74,122
United States	**4,180**	4,311	**10,347**	9,007
	40,465	37,451	**94,666**	83,129

	September 30, 2015 Property, plant and equipment $	**December 31, 2014 Property, plant and equipment $**
Canada	**126,346**	127,796
United States	**41,477**	37,440
	167,823	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 nine month periods ended September 30, 2015 are not necessarily indicative of the results to be expected for the full year.

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