



FOR IMMEDIATE RELEASE

BRAMPTON BRICK REPORTS RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2016

(All amounts are stated in thousands of Canadian dollars, except per share amounts.)

BRAMPTON, ONTARIO, May 4, 2016 – Brampton Brick Limited (TSX:BBL.A) today reported a net loss of \$3,738, or \$0.34 per Class A Subordinate Voting share and Class B Multiple Voting share, outstanding for the three month period ended March 31, 2016 compared to a net loss of \$4,637 or \$0.42 per share, for the same period in 2015. The aggregate weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding for the first quarter of 2016 and 2015 were 10,947,254 and 10,940,354, respectively.

DISCUSSION OF OPERATIONS

Revenues increased by 24% to \$18,658 for the first quarter of 2016 from \$15,063 for the corresponding quarter of 2015. Higher shipments in both the Masonry Products and Landscape Products business segments contributed to the increase in revenues for the current quarter. Comparatively milder weather conditions in the first quarter of 2016 contributed to a significant increase in masonry product shipments in the Company's Canadian market over the same period in 2015.

Cost of sales for the quarter ended March 31, 2016 increased 15% to \$17,901, from \$15,555 for the corresponding period in 2015. The increase in the current quarter was due to a higher volume of shipments but was partially offset by higher production volumes, resulting in lower fixed costs per unit sold in the Masonry Products business segment. Costs were also unfavourably impacted by the temporary shutdown of the Farmersburg, Indiana clay brick facility for maintenance and enhancements to the plant's manufacturing equipment processes.

Selling expenses for the first quarter of 2016 increased to \$2,675, compared to \$2,135 for the corresponding quarter of 2015, due to the timing of product marketing costs and other costs related to enhanced customer relationship management systems.

General and administrative expenses of \$1,604 during the first quarter ended March 31, 2016, were generally in line with the corresponding quarter of 2015.

Other expense of \$213 for the first quarter of 2016 compared to \$344 for the corresponding period in 2015 includes the net gains and losses on the translation of foreign currency transactions, converted into the functional currency using exchange rates prevailing at the dates of the transactions.

The operating loss for the quarter ended March 31, 2016, decreased to \$3,735 from an operating loss of \$4,623 for the first quarter of 2015.

Finance expense for the three month period ended March 31, 2016 was \$773, compared to \$909 for the corresponding quarter of 2015. Excluding the change in the fair value of the interest rate swap which amounted to an unrealized loss of \$395 (2015 - \$484), net interest expense for the current quarter decreased to \$378 compared to \$425 in the first quarter of 2015 on lower debt balances. The decrease in outstanding debt balances was due to scheduled repayments amounting to \$2,500 made in the second half of 2015.

– more –

ONE Trusted Source

Recovery of income taxes totaled \$770 for the first quarter of 2016 compared to \$895 for the same period in 2015. The decrease was due to a smaller operating loss for the Canadian operations in the first quarter of 2016 compared to the same period in 2015. The income tax recovery in both periods relates to the pre-tax losses 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.

The following paragraphs explain each operating business segment in more detail.

MASONRY PRODUCTS

Revenues of the Masonry Products' business segment increased 24% to \$16,855 for the quarter ended March 31, 2016, compared to \$13,603 for the same quarter in 2015, due to increases across all product lines in this business segment. During the current quarter, comparatively favourable weather conditions for residential construction and an increase in housing starts contributed to the strength in masonry products' shipments.

For the quarter ended March 31, 2016, cost of sales increased by 10% to \$15,195 from \$13,841 for the corresponding period in 2015. The increase in cost of sales due to higher masonry products' shipments was largely offset by the impact of lower per unit costs on comparatively higher production volumes. As noted earlier, costs at the Farmersburg, Indiana clay brick facility were higher in the first quarter of 2016 as compared to the same quarter of 2015 because of a temporary shutdown for maintenance and process improvements.

The operating loss for the quarter ended March 31, 2016 was \$1,727 compared to \$3,668 for the comparative quarter of 2015.

LANDSCAPE PRODUCTS

Revenues of the Landscape Products' business segment for the three month period ended March 31, 2016 increased to \$1,803 from \$1,460 for the same period in 2015. This increase in revenues was supported by mild weather conditions and the positive impact of previously implemented product marketing programs. Cost of sales for the quarter ended March 31, 2016 increased to \$2,705 from \$1,714 primarily due to a decrease in production levels resulting from planned winter maintenance at a number of the plants. The reduced production levels resulted in an increase in unit production costs. In addition, higher expenses related to product marketing improvements and customer service initiatives were incurred during the current quarter.

As a result, the operating loss for the first quarter of 2016 increased to \$2,008 compared to \$954 for the same period in 2015.

CASH FLOWS

Cash used for operating activities increased to \$12,060 for the quarter ended March 31, 2016, compared to \$8,956 for the same quarter in 2015. The cash used for operations during the current quarter increased because of the \$5,500 acquisition cost incurred for the Eurobloq Inc. transaction which closed subsequent to the current quarter end, as discussed further under the caption 'Financial Condition'. An increase in trade payables disbursements was offset by higher collections of trade receivables, a comparative decrease in inventories held and an improvement in operating results.

Cash utilized for purchases of property, plant and equipment totaled \$1,718 in the first quarter of 2016 and includes equipment upgrades at both U.S. facilities. Purchases for the corresponding three months in 2015 totaled \$1,211.

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 March 31, 2016, bank operating advances were \$10,936. There was no outstanding balance as at December 31, 2015.

Trade payables totaled \$12,207 at March 31, 2016 compared to \$17,655 at December 31, 2015.

The ratio of total liabilities to shareholders' equity was 0.62:1 at March 31, 2016 compared to 0.57:1 at December 31, 2015. The increase in this ratio from December 2015 to March 2016 was primarily due to higher bank operating advances and lower retained earnings resulting from the net loss incurred for the three months ended March 31, 2016. In addition, the decrease in the foreign exchange translation gain included in 'Accumulated other comprehensive income' due to the strengthening of the Canadian dollar against the U.S. dollar during the first quarter of 2016 supported the increase of this ratio, which was partially offset by a lower trade payables balance.

As at March 31, 2016, the Company's current ratio was 1.71:1, representing working capital of \$23,045 compared to 1.94:1 and \$27,125, respectively, as at December 31, 2015. The decrease in working capital was due to an increase in bank operating advances, partially offset by an increase in inventories and other assets, which included a \$5,500 deposit paid for the Eurobloq Inc. transaction which closed subsequent to the current quarter end. Cash and cash equivalents totaled \$442 at March 31, 2016, compared to \$4,021 at December 31, 2015.

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 excluding the Company's 225 Wanless Drive, Brampton, Ontario property. The agreement also contains certain financial covenants.

As at March 31, 2016, the borrowing limit based on the margin formulae was \$19,461. Its utilization was \$11,258 and was comprised of a current account balance of \$10,936 and outstanding letters of credit of \$322.

The Company was in compliance with all financial covenants under its term financing agreement and operating credit facility as at March 31, 2016 and anticipates that it will maintain compliance throughout the year.

On April 9, 2016, the Company completed the acquisition of certain assets from Eurobloq Inc., a concrete products manufacturing company located in the province of Quebec. The assets acquired include land and buildings and concrete products manufacturing equipment, all located in Boisbriand, Quebec. The purchase price of \$5,500 and related costs were financed from the Company's committed revolving term loan and its demand operating credit facility.

The \$5,500 on this transaction was paid into escrow during the first quarter of 2016 and was originally financed from the demand operating credit facility. On April 1, 2016, an amount of \$3,405 was drawn on the committed revolving term loan and was used to reduce the outstanding balance on the demand operating credit facility. The deposit is reflected in Other Assets on the Condensed Interim Consolidated Balance Sheet and was released from escrow upon closing of the transaction.

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.

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 loan receivable from Universal 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, production levels, costs, productivity, 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 2015 annual MD&A included in the Company’s 2015 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, 2015), 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.

Brampton Brick Limited is Canada’s second largest manufacturer of clay brick, serving markets in Ontario, Quebec and the Northeast and Midwestern United States from its brick manufacturing plants located in Brampton, Ontario and Farmersburg, Indiana. To complement the clay brick product line, the Company also manufactures a range of concrete masonry products, including concrete brick and block as well as stone veneer products. Concrete interlocking paving stones, retaining walls, garden walls and enviro products are manufactured in Markham, Hillsdale, Brockville and Brampton, Ontario and in Wixom, Michigan and sold to markets in Ontario, Quebec, Michigan, New York, Pennsylvania, Ohio, Kentucky, Illinois and Indiana under the Oaks™ trade name. The Company’s products are used for residential construction and for industrial, commercial, and institutional building projects.

SELECTED FINANCIAL INFORMATION

(unaudited) (in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS	March 31 2016	December 31 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 442	\$ 4,021
Trade and other receivables	13,888	18,711
Inventories	33,559	32,163
Taxes recoverable	1,094	–
Other assets	6,468	1,111
Loan receivable	86	85
	<u>55,537</u>	<u>56,091</u>
Non-current assets		
Loans receivable	4,930	4,947
Property, plant and equipment	165,308	168,091
	<u>170,238</u>	<u>173,038</u>
Total assets	\$ 225,775	\$ 229,129
LIABILITIES		
Current liabilities		
Bank operating advances	\$ 10,936	\$ –
Trade payables	12,207	17,655
Income tax payable	–	1,729
Current portion of debt	6,571	6,380
Current derivative financial instrument	222	248
Decommissioning provisions	30	30
Other liabilities	2,526	2,924
	<u>32,492</u>	<u>28,966</u>
Non-current liabilities		
Non-current portion of debt	32,356	32,970
Non-current derivative financial instrument	677	256
Decommissioning provisions	5,338	5,377
Deferred tax liabilities	15,585	15,681
	<u>53,956</u>	<u>54,284</u>
Total liabilities	\$ 86,448	\$ 83,250
EQUITY		
Equity attributable to shareholders of Brampton Brick Limited		
Share capital	\$ 33,755	\$ 33,755
Contributed surplus	2,713	2,641
Accumulated other comprehensive income	9,290	12,176
Retained earnings	93,532	97,270
	<u>\$ 139,290</u>	<u>\$ 145,842</u>
Non-controlling interests	<u>37</u>	<u>37</u>
Total equity	\$ 139,327	\$ 145,879
Total liabilities and equity	\$ 225,775	\$ 229,129

SELECTED FINANCIAL INFORMATION

(unaudited) (in thousands of Canadian dollars, except per share amounts)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)	Three months ended March 31	
	2016	2015
Revenues	\$ 18,658	\$ 15,063
Cost of sales	17,901	15,555
Selling expenses	2,675	2,135
General and administrative expenses	1,604	1,641
Loss on disposal of property, plant and equipment	–	11
Other expense	213	344
	<u>22,393</u>	<u>19,686</u>
Operating loss	<u>(3,735)</u>	<u>(4,623)</u>
Finance expense	<u>(773)</u>	<u>(909)</u>
Loss before income taxes	<u>(4,508)</u>	<u>(5,532)</u>
Recovery of (provision for) income taxes		
Current	676	905
Deferred	94	(10)
	<u>770</u>	<u>895</u>
Net loss for the period	<u>\$ (3,738)</u>	<u>\$ (4,637)</u>
Net loss attributable to:		
Shareholders of Brampton Brick Limited	\$ (3,738)	\$ (4,637)
Non-controlling interests	–	–
Net loss for the period	<u>\$ (3,738)</u>	<u>\$ (4,637)</u>
Other comprehensive (loss) income		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Foreign currency translation (loss) income	\$ (2,886)	\$ 3,716
Total comprehensive loss for the period	<u>\$ (6,624)</u>	<u>\$ (921)</u>
Total comprehensive loss attributable to:		
Shareholders of Brampton Brick Limited	\$ (6,624)	\$ (921)
Non-controlling interests	–	–
Total comprehensive loss for the period	<u>\$ (6,624)</u>	<u>\$ (921)</u>
Net loss per Class A Subordinate Voting share and Class B Multiple Voting share attributable to shareholders of Brampton Brick Limited	\$ (0.34)	\$ (0.42)
Weighted average Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding (000's)	<u>10,947</u>	<u>10,940</u>



SELECTED FINANCIAL INFORMATION

(unaudited) (in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS	Three months ended March 31	
	2016	2015
Cash provided by (used for)		
Operating activities		
Net loss for the period	\$ (3,738)	\$ (4,637)
Items not affecting cash and cash equivalents		
Depreciation	2,294	2,180
Current taxes recovery	(676)	(905)
Deferred taxes (recovery) provision	(94)	10
Loss on disposal of property, plant and equipment	–	11
Unrealized foreign currency exchange loss (gain)	112	(178)
Net interest expense	378	425
Derivative financial instrument loss	395	484
Other	72	42
	<u>(1,257)</u>	<u>(2,568)</u>
Changes in non-cash items		
Trade and other receivables	4,756	3,479
Inventories	(2,009)	(4,838)
Other assets	(5,390)	(213)
Trade payables	(5,647)	(4,036)
Other liabilities	(366)	(753)
	<u>(8,656)</u>	<u>(6,361)</u>
Income tax payments	<u>(2,147)</u>	<u>(27)</u>
Cash used for operating activities	<u>(12,060)</u>	<u>(8,956)</u>
Investing activities		
Purchase of property, plant and equipment	(1,718)	(1,211)
Proceeds from repayments of loans receivable	16	–
Proceeds from disposal of property, plant and equipment	–	166
	<u>(1,702)</u>	<u>(1,045)</u>
Cash used for investment activities	<u>(1,702)</u>	<u>(1,045)</u>
Financing activities		
Increase in bank operating advances	10,936	10,100
Payment of term loans	(79)	(71)
Interest paid	(332)	(440)
Payments on obligations under finance leases	(321)	(341)
	<u>10,204</u>	<u>9,248</u>
Cash provided by financing activities	<u>10,204</u>	<u>9,248</u>
Foreign exchange on cash held in foreign currency	<u>(21)</u>	<u>38</u>
Decrease in cash and cash equivalents	<u>(3,579)</u>	<u>(715)</u>
Cash and cash equivalents at the beginning of the period	<u>4,021</u>	<u>1,419</u>
Cash and cash equivalents at the end of the period	<u>\$ 442</u>	<u>\$ 704</u>

SELECTED FINANCIAL INFORMATION

(unaudited) (in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY							
	Attributable to shareholders of Brampton Brick Limited					Non-controlling interest	Total Equity
	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total		
Balance - January 1, 2015	\$ 33,711	\$ 2,293	\$ 4,573	\$ 92,600	\$133,177	\$ 27	133,204
Net loss for the period	-	-	-	(4,637)	(4,637)	-	(4,637)
Other comprehensive income (net of taxes, \$nil)	-	-	3,716	-	3,716	-	3,716
Total comprehensive income (loss) for the period	-	-	3,716	(4,637)	(921)	-	(921)
Share-based compensation	-	42	-	-	42	-	42
Balance - March 31, 2015	\$ 33,711	\$ 2,335	\$ 8,289	\$ 87,963	\$132,298	\$ 27	\$132,325
Balance - January 1, 2016	\$ 33,755	\$ 2,641	\$ 12,176	\$ 97,270	\$145,842	\$ 37	145,879
Net loss for the period	-	-	-	(3,738)	(3,738)	-	(3,738)
Other comprehensive loss (net of taxes, \$nil)	-	-	(2,886)	-	(2,886)	-	(2,886)
Total comprehensive loss for the period	-	-	(2,886)	(3,738)	(6,624)	-	(6,624)
Share-based compensation	-	72	-	-	72	-	72
Balance - March 31, 2016	\$ 33,755	\$ 2,713	\$ 9,290	\$ 93,532	\$139,290	\$ 37	\$139,327

For more information please contact:

Jeffrey G. Kerbel, President and Chief Executive Officer

OR

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

Brampton Brick Limited

Tel: 905-840-1011

Fax: 905-840-1535

e-mail: investor.relations@bramptonbrick.com