BRAMPTON BRICK Limited

FOR IMMEDIATE RELEASE

BRAMPTON BRICK REPORTS RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2016

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

BRAMPTON, ONTARIO, March 22, 2017 – Brampton Brick Limited (TSX:BBL.A) today reported net income of $7,474, or $0.68 per Class A Subordinate Voting share and Class B Multiple Voting share, outstanding for the year ended December 31, 2016 compared to net income of $4,820 or $0.43 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 were 10,947,254 and 10,944,116 in 2016 and 2015, respectively.

DISCUSSION OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

Revenues for the year ended December 31, 2016 increased by 13% to $143,026 from $127,028 for the corresponding period in 2015. The increase in revenues was due to a significant increase in shipments in both the Masonry Products and Landscape Products business segments. Comparatively mild weather conditions in the first half of 2016, the continuing strength in Canadian residential construction and an expanded product portfolio resulted in relatively favourable business conditions throughout the year.

Cost of sales for the year ended December 31, 2016 increased by 10% to $109,145 from $99,158 for the corresponding period in 2015. This increase was primarily due to:

a) higher shipments which were partially offset by the favourable impact of higher production volumes on per unit costs;

b) plant costs incurred at the Farmersburg, Indiana clay brick facility totaling approximately $5.5 million and charged directly to operations as a result of:

   i) a temporary plant shutdown for maintenance during the first four months of 2016; and

   ii) the lost production volume as a result of the installation, commissioning and production trial runs of new and more efficient process equipment; and

c) costs charged to operations, in excess of $1.1 million, due to lost production volume as a consequence of equipment commissioning, retrofitting and product testing related to the concrete products manufacturing plant located in Boisbriand, Quebec. The plant's assets were acquired in April 2016 and commercial production commenced during the third quarter of 2016.

For the year ended December 31, 2016, gross margin increased to 24% from 22% for the prior year, primarily due to the effect of higher production volumes as noted above. The improvement in the gross margin was lower than expected due to a number of one-time expenses as described above and a decrease in property tax assessment refunds to $38 for the year ended December 31, 2016 compared to $680 for the corresponding prior year.

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Selling expenses for the year ended December 31, 2016 increased to $11,617 from $10,602 in 2015. This increase was due to higher personnel costs and marketing expenses to support the increase in revenue.

General and administrative expenses for the year ended December 31, 2016 increased to $8,259 from $6,513 for the prior year. A large part of this year-over-year variance is because of the reversal of a provision for the allowance for doubtful accounts, relating to customer accounts receivable previously provided for in the allowance, together with the reversal of other provisions totaling $900 in 2015. Additionally, increases in 2016 were due to professional and legal expenses associated with the changes in the Company's lender and general company-wide, personnel-related expenses, in particular at the new Boisbriand, Quebec facility.

Loss on disposal of property, plant and equipment amounted to $238 for the year ended December 31, 2016 and relates to the replacement of certain equipment at the Brampton clay brick plant and the Markham concrete products plant in order to increase long-term operational efficiencies and reduce production costs. The gain on sale of assets was $20 for the corresponding prior year.

Other expense of $289 for the year ended December 31, 2016 compared to $1,008 for the prior year was primarily due to the loss on translation of foreign currency transactions as a result of currency exchange fluctuations attributed to the U.S. dollar during the year. This decrease was smaller in 2016 due to the smaller movement in the U.S. dollar rate compared to 2015.

Operating income increased to $13,478 for the year ended December 31, 2016, compared to operating income of $9,767 in 2015 due to the strong growth in the Company's operations as described above.

Finance expense for the year ended December 31, 2016 was $1,456 compared to a finance expense of $2,265 in 2015. Excluding the unrealized gain on the interest rate swap of $145 (2015 – unrealized loss of $504), finance expense for the current year decreased to $1,601 compared to $1,761 for the corresponding prior year.

The decrease in finance expense was due to lower bank operating advances during the year and a decrease in debt balances outstanding as a result of scheduled repayments totaling $2,500 made in each of 2016 and 2015.

The provision for income taxes amounted to $4,548 for the year ended December 31, 2016, compared to a provision of $2,682 for the 2015 fiscal year. No deferred tax assets were recorded with respect to the potential deferred tax benefit pertaining to non-capital losses carried forward by the Company's U.S. operations.

FOURTH QUARTER ENDED DECEMBER 31, 2016

For the fourth quarter ended December 31, 2016, the Company recorded net income of $1,304, or $0.12 per Class A Subordinate Voting share and Class B Multiple Voting share, compared to a net loss of $534, or $0.05 per Class A Subordinate Voting share and Class B Multiple Voting share, for the fourth quarter of 2015. The aggregate weighted average number of Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding was 10,947,254 for the fourth quarter of each of 2016 and 2015.

For the fourth quarter of 2016, revenues grew by 14% to $36,739 from $32,362 for the same period in 2015. Shipments increased in the Company's Canadian markets in both the Masonry Products and Landscape Products business segments. Cost of sales increased due to higher shipments, but was largely offset by the positive impact of comparatively higher production volumes.

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As a result, the operating income for the fourth quarter of 2016 increased to $2,441, compared to an operating income of $360 for the corresponding quarter in 2015.

For the fourth quarter of 2016, net finance income recognized amounted to $241 compared to finance expense of $410 for the corresponding period of 2015. Excluding the unrealized gain on the interest rate swap of $619 (2015 – unrealized loss of $26), finance expense for the fourth quarter of 2016 decreased to $378 compared to $384 for the corresponding quarter of 2015.

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

MASONRY PRODUCTS

For the year ended December 31, 2016, revenues increased 13% to $101,356 from $90,060 in 2015. The strong pace of residential construction during the current year was supported by both favourable first-half weather conditions and the implementation of enhanced customer service and marketing initiatives.

Cost of sales increased by 13% to $79,035 compared to $70,222 in 2015. The increase in cost of sales was due to higher shipments and was offset by lower per unit manufacturing costs on comparatively higher production volumes. Costs incurred at the Farmersburg, Indiana clay brick facility were significantly higher due to process improvement costs incurred during the year. Additionally, in 2016, the Company incurred start-up and other costs to commission the newly acquired plant assets located at Boisbriand, Quebec.

Operating income from the Masonry Products business segment for the year ended December 31, 2016 increased to $8,383 compared to an operating income of $6,889 in 2015, due to the aforementioned factors.

For the fourth quarter of 2016, revenues increased by 12% to $26,800 from $23,829 for the corresponding quarter in 2015.

The operating income for the fourth quarter of 2016 was $1,894 compared to operating income of $2,197 for the corresponding quarter in 2015.

LANDSCAPE PRODUCTS

Revenues of the Landscape Products business segment for the year ended December 31, 2016, increased 13% to $41,670 from $36,968 in 2015. This increase was supported by comparatively favourable weather conditions, a continuation of strong commercial and residential construction activity and the introduction of new products and customer service programs which resulted in gains in market share.

Cost of sales for the year ended December 31, 2016 increased by 4% to $30,110 compared to $28,936 in 2015. This increase was positively impacted by lower per unit manufacturing costs on comparatively higher production volumes.

For the year ended December 31, 2016, the Landscape Products business segment recorded operating income of $5,095 compared to $2,925 in 2015.

The operating income of the Landscape Products business segment was $547 for the fourth quarter of 2016 on revenues of $9,939 compared to operating loss of $1,793 on revenues of $8,533 for the fourth quarter of 2015. The loss in the fourth quarter of 2015 was attributable to lower production volumes in that period, which resulted in higher per unit manufacturing costs, as well as the timing of certain selling and related expenses that actually occurred in the fourth quarter of 2015.

CASH FLOWS

For the year ended December 31, 2016, cash flow provided by operating activities totaled $19,975 compared to $14,281 in 2015. An improvement in operating results and a comparative decrease in inventories held were partially offset by an increase in trade receivables, due to higher shipment levels and the timing of collections, higher disbursements of payables and higher income tax payments.

Cash utilized for purchases of property, plant and equipment totaled $11,306 in 2016, compared to $4,441 in 2015. These purchases included equipment upgrades at both U.S. facilities and certain Canadian plants.

In addition, 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 included land, building and concrete products manufacturing equipment, all located in Boisbriand, Quebec. The purchase price for the assets of $5,000 plus other related acquisition costs of $138 was financed from the Company's committed revolving term loan and its demand operating credit facility. On April 1, 2016, an amount of $3,405 was drawn on the committed revolving term loan.

The Company has a 50% joint venture interest in Universal Resource Recovery Inc. ("Universal") located in Welland, Ontario. Universal is leasing its facility to a manufacturer of products used in the construction of wind turbines. During the third quarter of 2016, a loan repayment in the amount of $450 (2015 – $500) was received from Universal in respect of the secured, non-interest bearing, non-current loan receivable (the "loan receivable") from Universal. The loan receivable balance from Universal as at December 31, 2016 totaled $4,250 (2015 – $4,700).

In December 2016, the Company finalized a new credit agreement with a new lender and utilized the proceeds to retire the debt outstanding with its former lender. As at December 31, 2016, the new credit facilities utilized include a committed term A non-revolving loan ("Term A credit facility") totaling $27,000 and a committed term B non-revolving loan ("Term B credit facility") totaling $10,665. Both these credit facilities bear interest at the bankers' acceptance rate plus 1.60% and require monthly interest payments for the duration of the loan. Principal repayments are required from July to November each year from 2017 to 2019 on the Term A credit facility and on the Term B credit facility totaling $290 per month and $100 per month, respectively.

The repayment of the outstanding term loan balances in December 2016 to the former lender, from the proceeds of the new credit facilities, amounted to $36,629, and comprised of:

a) $22,000 on the committed revolving reducing term loan;

b) $13,000 on the committed revolving term loan, which included an increase of $3,405 during 2016 to finance the acquisition of certain assets; and,

c) $1,629 on the demand non-revolving loan.

Scheduled and other principal repayments on term loans during 2016 amounted to $3,343.

The Company utilizes a floating-to-fixed interest rate swap to minimize its exposure to fluctuations in cash flows from changes in interest rates on term debt of the same amount. On December 29, 2016, a new interest rate swap contract was completed between the Company and its new banker with a notional value of $27,000, replacing the previous swap contract.

FINANCIAL CONDITION

There were no bank operating advances as at December 31, 2016, and December 31, 2015, respectively.

Trade payables totaled $15,956 at December 31, 2016 compared to $17,655 at December 31, 2015.

The ratio of total liabilities to shareholders' equity was 0.55:1 at December 31, 2016 compared to 0.57:1 at December 31, 2015. The decrease in this ratio from December 2015 to December 2016 was primarily due to higher retained earnings resulting from the improvement in operating results in 2016, partially offset by a decrease in the foreign currency translation gain included in 'Accumulated other comprehensive income' due to the relative strengthening of the Canadian dollar against the U.S. dollar in 2016.

As at December 31, 2016, the Company's current ratio is 2.43:1, representing working capital of $36,382, compared to 1.94:1 and $27,125, respectively, as at December 31, 2015. The increase in working capital was primarily due to an increase in cash and cash equivalents and trade receivables, which increased due to higher fourth quarter revenues. In addition, a decrease in the trade payables and the current portion of debt in accordance with the new credit agreement with the Company's new lender also contributed to the increase in working capital. This increase was partially offset by a decrease in inventories held. Cash and cash equivalents totaled $10,923 at December 31, 2016 compared to $4,021 at December 31, 2015.

The Company's bank credit agreement provides for operating borrowings up to $22,000 based on margin formulae for trade receivables and inventories, less priority claims. It is a demand facility secured by a general security agreement over all assets. In December 2016, the Company executed a new credit agreement with a new lender, which replaced the Company's former credit facilities, as described above under 'Cash Flows'. The agreement contains certain financial covenants. As at December 31, 2016 and 2015, the Company was in compliance with all the financial covenants under its term financing agreement and operating credit facility and anticipates that it will maintain compliance throughout 2017.

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, anticipated results of strategic acquisitions 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 2016 annual MD&A included in the Company's 2016 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, 2016), 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, in Boisbriand, Quebec and in Wixom, Michigan and sold to markets in Ontario, Quebec, Michigan, New York, Pennsylvania, Ohio, Kentucky, Illinois and Indiana under the OaksTM trade name. The Company's products are used for residential construction and for industrial, commercial, and institutional building projects.

BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

(in thousands of Canadian dollars)

CONSOLIDATED BALANCE SHEETS	December 31 2016	December 31 2015
ASSETS		
Current assets		
Cash and cash equivalents	**$ 10,923**	$ 4,021
Trade and other receivables	**21,108**	18,711
Inventories	**29,031**	32,163
Other assets	**756**	1,111
Loan receivable	**89**	85
	61,907	56,091
Non-current assets		
Loans receivable	**4,408**	4,947
Property, plant and equipment	**170,072**	168,091
	174,480	173,038
Total assets	**$ 236,387**	$ 229,129
LIABILITIES		
Current liabilities		
Trade payables	**$ 15,956**	$ 17,655
Income tax payable	**2,822**	1,729
Current portion of debt	**2,638**	6,380
Current derivative financial instrument	**155**	248
Decommissioning provisions	**30**	30
Other liabilities	**3,924**	2,924
	25,525	28,966
Non-current liabilities		
Non-current portion of debt	**35,910**	32,970
Non-current derivative financial instrument	**204**	256
Decommissioning provisions	**6,429**	5,377
Deferred tax liabilities	**15,889**	15,681
	58,432	54,284
Total liabilities	**83,957**	83,250
EQUITY		
Equity attributable to shareholders of Brampton Brick Limited		
Share capital	**33,755**	33,755
Contributed surplus	**3,101**	2,641
Accumulated other comprehensive income	**10,829**	12,176
Retained earnings	**104,745**	97,270
	$ 152,430	$ 145,842
Non-controlling interests	**–**	37
Total equity	**$ 152,430**	$ 145,879
Total liabilities and equity	**$ 236,387**	$ 229,129

BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Year ended December 31 2016	2015
Revenues	**$ 143,026**	$ 127,028
Cost of sales	**109,145**	99,158
Selling expenses	**11,617**	10,602
General and administrative expenses	**8,259**	6,513
Loss (gain) on disposal of property, plant and equipment	**238**	(20)
Other expense	**289**	1,008
	129,548	117,261
Operating income	**13,478**	9,767
Finance expense	**(1,456)**	(2,265)
Income before income taxes	**12,022**	7,502
Provision for recovery of income taxes		
Current	**(4,340)**	(1,839)
Deferred	**(208)**	(843)
	(4,548)	(2,682)
Net income for the year	**$ 7,474**	$ 4,820
Net income attributable to:		
Shareholders of Brampton Brick Limited	**$ 7,474**	$ 4,670
Non-controlling interests	**–**	150
Net income for the year	**$ 7,474**	$ 4,820
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Foreign currency translation (loss) gain	**$ (1,347)**	$ 7,603
Total comprehensive income for the year	**$ 6,127**	$ 12,423
Total comprehensive income attributable to:		
Shareholders of Brampton Brick Limited	**$ 6,127**	$ 12,273
Non-controlling interests	**–**	150
Total comprehensive income for the year	**$ 6,127**	$ 12,423
Net income per Class A Subordinate Voting share and Class B Multiple Voting share attributable to shareholders of Brampton Brick Limited	**$ 0.68**	$ 0.43
Weighted average Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding (000's)	**10,947**	10,944

BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

(in thousands of Canadian dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS	Year ended December 31 2016	2015
Cash provided by (used for)		
Operating activities		
Net income for the year	**$ 7,474**	$ 4,820
Items not affecting cash and cash equivalents		
Depreciation	**9,749**	9,119
Current tax provision	**4,340**	1,839
Deferred tax provision	**208**	843
Loss (gain) on disposal of property, plant and equipment	**238**	(20)
Unrealized foreign currency exchange loss (gain)	**146**	(636)
Net interest expense	**1,601**	1,761
Derivative financial instrument (gain) loss	**(145)**	504
Other	**469**	356
	24,080	18,586
Changes in non-cash items		
Trade and other receivables	**(2,379)**	(1,715)
Inventories	**2,790**	(1,900)
Other assets	**333**	(501)
Trade payables	**(2,518)**	(367)
Other liabilities	**939**	236
	(835)	(4,247)
Income tax payments	**(3,246)**	(42)
Payments for decommissioning of assets	**(24)**	(16)
Cash provided by operating activities	**19,975**	14,281
Investing activities		
Purchase of property, plant and equipment	**(11,306)**	(4,441)
Loan advances	**–**	(400)
Proceeds from repayments of loan receivable	**535**	568
Proceeds from disposal of property, plant and equipment	**31**	198
Cash used for investment activities	**(10,740)**	(4,075)
Financing activities		
Decrease in bank operating advances	**–**	(1,610)
Proceeds from issuance of committed term loans	**37,665**	–
Proceeds from issuance of committed revolving term loan	**3,405**	–
Payment of term loans	**(39,972)**	(2,832)
Interest paid	**(1,489)**	(1,656)
Payments on obligations under finance leases	**(1,885)**	(1,504)
Proceeds from exercise of stock options	**–**	36
Payment of dividends by subsidiary to non-controlling interests	**(36)**	(140)
Cash used for financing activities	**(2,312)**	(7,706)
Foreign exchange on cash held in foreign currency	**(21)**	102
Increase in cash and cash equivalents	**6,902**	2,602
Cash and cash equivalents at the beginning of the year	**4,021**	1,419
Cash and cash equivalents at the end of the year	**$ 10,923**	$ 4,021

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BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

(in thousands of Canadian dollars)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders of Brampton Brick Limited						
	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Retained Earnings	Total	Non-controlling interest	Total Equity
Balance – January 1, 2015	**$ 33,711**	**$ 2,293**	**$ 4,573**	**$ 92,600**	**$133,177**	**$ 27**	**$ 133,204**
Net income for the year	–	–	–	4,670	**4,670**	150	**4,820**
Other comprehensive income (net of taxes, $nil)	–	–	7,603	–	**7,603**	–	**7,603**
Total comprehensive income for the year	**–**	**–**	**7,603**	**4,670**	**12,273**	**150**	**12,423**
Stock options exercised	44	(8)	–	–	**36**	–	**36**
Share-based compensation	–	356	–	–	**356**	–	**356**
Dividends paid to non-controlling interests	–	–	–	–	**–**	(140)	**(140)**
Balance – December 31, 2015	**$ 33,755**	**$ 2,641**	**$ 12,176**	**$ 97,270**	**$145,842**	**$ 37**	**$145,879**
Balance – January 1, 2016	**$ 33,755**	**$ 2,641**	**$ 12,176**	**$ 97,270**	**$145,842**	**$ 37**	**$145,879**
Net income for the year	–	–	–	7,474	**7,474**	–	**7,474**
Other comprehensive loss (net of taxes, $nil)	–	–	(1,347)	–	**(1,347)**	–	**(1,347)**
Total comprehensive (loss) income for the year	**–**	–	**(1,347)**	**7,474**	**6,127**	–	**6,127**
Cash-settled, share-based compensation	–	(9)	–	–	**(9)**	–	**(9)**
Share-based compensation		469			**469**		**469**
Dividends paid to non-controlling interests			–	–	**–**	(36)	**(36)**
Acquisition of non-controlling interests' in the net book value of 1813435 Ontario Limited			–	1	**1**	(1)	**–**
Balance – December 31, 2016	**$ 33,755**	**$ 3,101**	**$ 10,829**	**$104,745**	**$152,430**	**$ –**	**$152,430**

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