BRAMPTON BRICK Limited

FOR IMMEDIATE RELEASE

BRAMPTON BRICK REPORTS RESULTS FOR THE SECOND QUARTER ENDED JUNE 30, 2016

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

BRAMPTON, ONTARIO, August 4, 2016 – Brampton Brick Limited (TSX:BBL.A) today reported a net income of $5,272, or $0.48 per Class A Subordinate Voting share and Class B Multiple Voting share, outstanding for the three month period ended June 30, 2016 compared to a net income of $5,667 or $0.50 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 second quarter of 2016 and 2015 were 10,947,254 and 10,941,491, respectively.

DISCUSSION OF OPERATIONS

Three months ended June 30, 2016

Revenues increased by 12% to $43,818 in the second quarter of 2016 from $39,138 for the corresponding quarter of 2015 due to higher shipments in both the Masonry Products and Landscape Products business segments. Favourable weather conditions for residential construction combined with a strong housing market contributed to a significant increase in masonry and landscape product shipments in the Company's Canadian market over the corresponding quarter in 2015.

Cost of sales for the second quarter ended June 30, 2016 increased 10% to $31,039, from $28,283 for the corresponding period in 2015 primarily due to the increase in the volume of shipments. In addition, costs were unfavourably impacted at the Farmersburg clay brick plant due to the installation of new production processing equipment which limited production and resulted in increased unit production costs in excess of $500. As well, the Boisbriand, Quebec concrete products manufacturing plant acquired in April 2016 incurred retrofitting and trial run costs during the quarter. Current plans are to commence production at this facility in the third quarter to supply the Quebec and Eastern Ontario markets. During the second quarter of 2015, costs of sales were positively impacted by property tax credits amounting to $537 on assessments relating to prior periods.

Selling expenses for the second quarter of 2016 increased to $2,832, from $2,433 for the corresponding quarter of 2015, owing to an increase in sales promotion and personnel costs related to the increase in revenues.

General and administrative expenses increased to $2,110 for the second quarter ended June 30, 2016, from $1,040 for the corresponding period in 2015. In 2015, collections from customer accounts receivable previously provided for in the allowance for doubtful accounts and other provision reversals amounted to $900, which contributed to a significant decrease in expenses in the second quarter.

Other expense of $49 incurred during the second quarter of 2016 compared to $42 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 income for the quarter ended June 30, 2016, increased to $7,788 from an operating income of $7,343 for the same quarter of 2015.

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Finance expense for the three months ended June 30, 2016 was $578, compared to $161 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 $129 (2015 – unrealized gain of $352), net interest expense for the current quarter decreased to $449 compared to $513 in the second 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.

Provision for income taxes totaled $1,938 for the second quarter of 2016 compared to $1,515 for the same period in 2015. The increase was due to the improvement in operating results from the Canadian operations in the second quarter of 2016 compared to the same period in 2015. The income tax provision, in both periods, relates to the pre-tax income of the Company's Canadian operations. The Company has not recorded a deferred tax asset with respect to the potential deferred tax benefit pertaining to losses incurred by its U.S. operations.

Six months ended June 30, 2016

For the six months ended June 30, 2016, the Company recorded net income of $1,534, or $0.14 per share, compared to a net income of $1,030, or $0.08 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 periods ended June 30, 2016 and June 30, 2015 was 10,947,254 and 10,940,926, respectively.

Revenues for the six months ended June 30, 2016 grew to $62,476, a 15% increase from $54,201, for the same period in 2015. Comparatively mild weather conditions in the first half of 2016 and the continued strength in the Canadian housing market supported the momentum in residential construction, which combined with an improved and expanded product portfolio contributed to higher shipment volumes in both the Masonry Products and Landscape Products business segments.

Cost of sales for the six months ended June 30, 2016 increased by 12% from the corresponding period in 2015, compared to a 15% increase in revenues for the same period, primarily due to an increase in shipments and the increase in costs incurred during the temporary shutdown of the Farmersburg, Indiana clay brick facility for maintenance and the installation of new process equipment. While production at this plant resumed in the month of April 2016, it was at lower levels than anticipated due to continued refinements to the new equipment resulting in increased costs during the current period. As noted earlier, costs were also incurred at the Boisbriand, Quebec facility in preparation for an anticipated start-up in the third quarter of 2016.

The improvement in gross margin for the period ended June 30, 2016 was primarily due to the positive impact of lower per unit costs on higher production volumes in both the Masonry Products and Landscape Products business segments of the Canadian operations and was partially offset by property tax credits amounting to $537 in 2015, compared to $37 in 2016 as noted above under the caption 'Discussion of Operations' for the three months ended June 30, 2016.

Selling expenses for the six-month period ended June 30, 2016 were $5,507, compared to $4,568 for the corresponding period in 2015. The increase for the first six months of 2016 was largely due to higher sales promotion and personnel costs related to the increase in revenues. In addition, the cost of enhanced customer relationship management systems and related product marketing costs contributed to the increase in selling expenses for the six months ended June 30, 2016.

General and administrative expenses increased to $3,714 for the six months of 2016, compared to $2,681 for the same period of 2015, due to the same reasons noted above under the discussion for the three months ended June 30, 2016.

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Other expense of $262 for the six-month period ended June 30, 2016 compared to $385 for the corresponding prior period relates primarily to the loss on translation of foreign currency transactions as a result of currency exchange fluctuations attributed to the U.S. dollar during the period.

Operating income for the six months ended June 30, 2016 was $4,053, compared to $2,720 for the same period in 2015.

Finance expense for the year-to-date period of 2016 totaled $1,351, compared to $1,070 for the six-month period of 2015. Excluding the unrealized loss on the interest rate swap of $524 (2015 - $132), finance expense for the six months of 2016 decreased to $827 compared to $938 for the corresponding period in 2015. This decrease in finance expense was due to lower bank operating advances.

A provision for income taxes totaling $1,168 was recorded for the first six months of 2016 compared to $620 for the same period in 2015. The income tax provisions for the first half of 2016 and 2015 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.

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

MASONRY PRODUCTS

Revenues of the Masonry Products business segment increased by 10% to $28,943 for the quarter ended June 30, 2016, compared to $26,338 for the same quarter in 2015, due to continued strength in new home construction and mild weather conditions which increased shipments in the Canadian markets for this business segment. Operating income for the current quarter decreased to $4,382, compared to $4,788 for the same quarter in 2015. The increase in costs of sales as noted above was attributable to higher shipments and process improvement costs incurred at the Farmersburg, Indiana clay brick facility, which reduced the level of production activity during the second quarter of 2016.

For the six months ended June 30, 2016, revenues of the Masonry Products business segment increased 15% to $45,798 from $39,941 in the corresponding period of 2015. Mild weather conditions and an increase in housing starts fostered an increase in residential construction in the first quarter of 2016, and this momentum carried through into the second quarter of 2016, historically, a period of higher construction activity.

Costs of sales for the six months of 2016 increased 11% to $36,497 as compared to $32,978, for the corresponding period in 2015. The increase in costs of sales was due to higher masonry products' shipments which were 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 half of 2016 as compared to the same period of 2015 due to a temporary shutdown for maintenance and the installation of new process manufacturing equipment during the period. In addition, property tax credits on prior period assessments amounting to $531 were recognized in 2015.

The operating income for the six months ended June 30, 2016 was $2,655 compared to $1,120 for the comparative period of 2015.

LANDSCAPE PRODUCTS

Revenues of the Landscape Products business segment for the three months ended June 30, 2016 increased to $14,875 from $12,800 for the same period in 2015. Growth in revenues during the quarter was supported by favourable weather conditions, an enhanced product range and customer service initiatives which are now fully operational. Cost of sales for the quarter ended June 30, 2016 increased to $9,737 from $9,147, primarily due to an increase in product shipments which were offset, in part, by the favourable benefits of higher production levels and other operating efficiencies.

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As a result, the operating income for the second quarter of 2016 increased to $3,406 compared to $2,556 for the same period in 2015.

For the six months ended June 30, 2016, revenues of the Landscape Products business segment increased to $16,678 from $14,260 for the corresponding period of 2015. Mild weather conditions in the first half of the year, higher shipments and new product introductions contributed to the increase in revenues for the first six months of 2016.

Cost of sales for the six months ended June 30, 2016 increased to $12,442 from $10,861 for the corresponding period in 2015, for the reasons discussed above.

Both selling and general and administrative expenses were higher during the period primarily due to continued improvements to customer service management systems and an increase in other general and administrative expenses, as noted above, which increased the operating expenses of this business segment.

As a result, operating income of the Landscape Products business segment for the first six months of 2016 decreased to $1,398 from $1,602 for the same period for 2015.

CASH FLOWS

Cash used for operating activities decreased to $2,514 for the six months ended June 30, 2016, compared to $7,402 for the same period in 2015. An improvement in operating results, a decrease in trade payables' disbursements 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 and higher income tax payments.

Cash utilized for purchases of property, plant and equipment totaled $8,378 in the first six months of 2016, compared to $2,195 for the corresponding period in 2015. These purchases included equipment upgrades at both U.S. facilities, as well as at certain Canadian plants.

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 and buildings and concrete products manufacturing equipment, all located in Boisbriand, Quebec. The purchase price for the assets of $5,000 and other related acquisition costs were 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.

FINANCIAL CONDITION

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

As at June 30, 2016, bank operating advances were $5,544. There was no outstanding balance as at December 31, 2015.

Trade payables totaled $16,974 at June 30, 2016 compared to $17,655 at December 31, 2015.

The ratio of total liabilities to shareholders' equity was 0.63:1 at June 30, 2016 compared to 0.57:1 at December 31, 2015. The increase in this ratio from December 2015 to June 2016 was primarily due to higher bank operating advances, an increase in other liabilities owing to the timing of commodity tax payments which increased due to higher revenues and an increase in the committed revolving term loan as noted above. In addition, the increase in this ratio was supported by a decrease in the foreign exchange translation gain included in ‘Accumulated other comprehensive income’ due to the relative strengthening of the Canadian dollar against the U.S. dollar during the first six months of 2016. This increase was partially offset by a decrease in income taxes accrued and lower trade payables balances.

As at June 30, 2016, the Company’s current ratio was 1.82:1, representing working capital of $27,908 compared to 1.94:1 and $27,125, respectively, as at December 31, 2015. The increase in working capital was due to comparatively higher trade receivables which increased due to the timing of collections and was offset by an increase in bank operating advances and other liabilities, and a decrease in cash and cash equivalents and inventories held. Cash and cash equivalents totaled $673 at June 30, 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 of the Company’s assets excluding the Company’s 225 Wanless Drive, Brampton, Ontario property. The agreement also contains certain financial covenants.

As at June 30, 2016, the borrowing limit based on the margin formulae was $22,000. Its utilization was $5,864 and was comprised of a current account balance of $5,544 and outstanding letters of credit of $320.

The Company was in compliance with all financial covenants under its term financing agreement and operating credit facility as at June 30, 2016 and anticipates 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.

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

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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, 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 Oaks™ 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

(unaudited)(in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS	June 30 2016	December 31 2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 673	$ 4,021
Trade and other receivables	28,527	18,711
Inventories	30,985	32,163
Other assets	1,837	1,111
Loan receivable	87	85
	62,109	56,091
Non-current assets		
Loans receivable	4,913	4,947
Property, plant and equipment	169,188	168,091
	174,101	173,038
Total assets	$ 236,210	$ 229,129
LIABILITIES		
Current liabilities		
Bank operating advances	$ 5,544	$ –
Trade payables	16,974	17,655
Income tax payable	424	1,729
Current portion of debt	6,468	6,380
Current derivative financial instrument	217	248
Decommissioning provisions	30	30
Other liabilities	4,544	2,924
	34,201	28,966
Non-current liabilities		
Non-current portion of debt	35,635	32,970
Non-current derivative financial instrument	811	256
Decommissioning provisions	5,355	5,377
Deferred tax liabilities	15,621	15,681
	57,422	54,284
Total liabilities	$ 91,623	$ 83,250
EQUITY		
Equity attributable to shareholders of Brampton Brick Limited		
Share capital	$ 33,755	$ 33,755
Contributed surplus	2,919	2,641
Accumulated other comprehensive income	9,107	12,176
Retained earnings	98,804	97,270
	$ 144,585	$ 145,842
Non-controlling interests	2	37
Total equity	$ 144,587	$ 145,879
Total liabilities and equity	$ 236,210	$ 229,129

BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)	Three months ended June 30 2016	Three months ended June 30 2015	Six months ended June 30 2016	Six months ended June 30 2015
Revenues	**$ 43,818**	$ 39,138	**$ 62,476**	$ 54,201
Cost of sales	**31,039**	28,283	**48,940**	43,839
Selling expenses	**2,832**	2,433	**5,507**	4,568
General and administrative expenses	**2,110**	1,040	**3,714**	2,681
(Gain) loss on disposal of property, plant and equipment	**–**	(3)	**–**	8
Other expense	**49**	42	**262**	385
	36,030	31,795	**58,423**	51,481
Operating income	**7,788**	7,343	**4,053**	2,720
Finance expense	**(578)**	(161)	**(1,351)**	(1,070)
Income before income taxes	**7,210**	7,182	**2,702**	1,650
(Provision for) recovery of income taxes				
Current	**(1,902)**	(1,368)	**(1,226)**	(462)
Deferred	**(36)**	(147)	**58**	(158)
	(1,938)	(1,515)	**(1,168)**	(620)
Net income for the period	**$ 5,272**	$ 5,667	**$ 1,534**	$ 1,030
Net income attributable to:				
Shareholders of Brampton Brick Limited	**$ 5,272**	$ 5,507	**$ 1,534**	$ 870
Non-controlling interests	**–**	160	**–**	160
Net income for the period	**$ 5,272**	$ 5,667	**$ 1,534**	$ 1,030
Other comprehensive (loss) income				
Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
Foreign currency translation (loss) income	**$ (183)**	$ (742)	**$ (3,069)**	$ 2,974
Total comprehensive income (loss) for the period	**$ 5,089**	$ 4,925	**$ (1,535)**	$ 4,004
Total comprehensive income (loss) attributable to:				
Shareholders of Brampton Brick Limited	**$ 5,089**	$ 4,765	**$ (1,535)**	$ 3,844
Non-controlling interests	**–**	160	**–**	160
Total comprehensive income (loss) for the period	**$ 5,089**	$ 4,925	**$ (1,535)**	$ 4,004
Net income (loss) per Class A Subordinate Voting share and Class B Multiple Voting share attributable to shareholders of Brampton Brick Limited	**$ 0.48**	$ 0.50	**$ 0.14**	$ 0.08
Weighted average Class A Subordinate Voting shares and Class B Multiple Voting shares outstanding (000's)	**10,947**	10,941	**10,947**	10,941

BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

(unaudited)(in thousands of Canadian dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS	Six months ended June 30 2016	2015
Cash provided by (used for)		
Operating activities		
Net income for the period	**$ 1,534**	$ 1,030
Items not affecting cash and cash equivalents		
Depreciation	**4,797**	4,475
Current tax provision	**1,226**	462
Deferred tax (recovery) provision	**(58)**	158
Loss on disposal of property, plant and equipment	**–**	8
Unrealized foreign currency exchange loss (gain)	**180**	(282)
Net interest expense	**827**	938
Derivative financial instrument loss	**524**	132
Other	**278**	214
	9,308	7,135
Changes in non-cash items		
Trade and other receivables	**(9,881)**	(9,143)
Inventories	**512**	(3,192)
Other assets	**(759)**	(226)
Trade payables	**(778)**	(2,521)
Other liabilities	**1,615**	599
	(9,291)	(14,483)
Income tax payments	**(2,531)**	(54)
Cash used for operating activities	**(2,514)**	(7,402)
Investing activities		
Purchase of property, plant and equipment	**(8,378)**	(2,195)
Loan advances	**–**	(400)
Proceeds from repayments of loans receivable	**32**	17
Proceeds from disposal of property, plant and equipment	**–**	169
Cash used for investment activities	**(8,346)**	(2,409)
Financing activities		
Increase in bank operating advances	**5,544**	10,816
Increase in Committed Revolving Term loan	**3,405**	–
Payment of term loans	**(156)**	(141)
Interest paid	**(737)**	(873)
Payments on obligations under finance leases	**(471)**	(545)
Proceeds from exercise of stock options	**–**	36
Payment of dividends by subsidiary to non-controlling interests	**(35)**	(140)
Cash provided by financing activities	**7,550**	9,153
Foreign exchange on cash held in foreign currency	**(38)**	47
Decrease in cash and cash equivalents	**(3,348)**	(611)
Cash and cash equivalents at the beginning of the period	**4,021**	1,419
Cash and cash equivalents at the end of the period	**$ 673**	$ 808

BRAMPTON BRICK Limited

SELECTED FINANCIAL INFORMATION

(unaudited)(in thousands of Canadian dollars)

CONDENSED INTERIM 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 period	–	–	–	870	**870**	160	**1,030**
Other comprehensive income (net of taxes, $nil)	–	–	2,974	–-	**2,974**	–	**2,974**
Total comprehensive income for the period	**–**	**–**	**2,974**	**870**	**3,844**	**160**	**4,004**
Stock options exercised	44	(8)	–	–	**36**	–	**36**
Share-based compensation	–	214	–	–	**214**	–	**214**
Dividends paid to non-controlling interests	–	–	–	–	**–**	(140)	**(140)**
Balance – June 30, 2015	**$ 33,755**	**$ 2,499**	**$ 7,547**	**$ 93,470**	**$ 137,271**	**$ 47**	**$ 137,318**
Balance – January 1, 2016	**$ 33,755**	**$ 2,641**	**$ 12,176**	**$ 97,270**	**$ 145,842**	**$ 37**	**$ 145,879**
Net income for the period	–	–	–	1,534	**1,534**	–	**1,534**
Other comprehensive loss (net of taxes, $nil)	–	–	(3,069)	–	**(3,069)**	–	**(3,069)**
Total Comprehensive (loss) income for the period	**–**	**–**	**(3,069)**	**1,534**	**(1,535)**	**–**	**(1,535)**
Share-based compensation	–	278	–	–	**278**	–	**278**
Dividends paid to non-controlling interests	–	–	–	–	**–**	(35)	**(35)**
Balance – June 30, 2016	**$ 33,755**	**$ 2,919**	**$ 9,107**	**$ 98,804**	**$ 144,585**	**$ 2**	**$ 144,587**

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