



For Immediate Release

BRAMPTON BRICK REPORTS RESULTS FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2010

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

BRAMPTON, ONTARIO, March 11, 2011 – Brampton Brick Limited (TSX:BBL.A) today reported a loss for the year ended December 31, 2010 of \$4,840, or \$0.44 per Class A Subordinate Voting Share ("Class A share") and Class B Multiple Voting Share ("Class B share") outstanding, compared to a loss of \$11,898, or \$1.09 per Class A share and Class B share outstanding in 2009. The aggregate weighted average number of Class A shares and Class B shares outstanding was 10,936,554 in both periods.

RESULTS OF OPERATIONS

Year ended December 31, 2010

The improvement in operating results was primarily the result of a significant increase in shipments in the Masonry Products business segment as well as higher sales in the Landscape Products business segment. A reduction in amortization expense also contributed to the improvement.

Higher interest costs, a small income tax expense in 2010 compared to an income tax recovery in 2009 and an increase in the loss incurred by Universal Resource Recovery Inc. ("Universal"), in which the Company has a 50% joint venture interest, partially offset the improvement generated by higher sales.

The loss in 2009 was impacted by a pre-tax charge of \$1,784 to reflect the unrealized loss on an interest rate swap contract and pre-tax losses of \$269 on the sale of the promissory note and \$190 on the sale of property held for sale. These items are explained in greater detail below.

Net sales were \$74,001 in 2010 compared to \$59,978 in 2009, representing an increase of \$14,023 or 23.4%. Net sales in the Masonry Products business segment increased by \$14,917 primarily due to an increase in the level of residential construction activity in Canada. Net sales in the Landscape Products business segment, which was not as significantly impacted by the downturn in economic activity in 2008 and 2009, increased moderately over the prior year.

Net sales from the waste composting operations of Universal declined to \$1,378 compared to \$2,862 in 2009 due to a voluntary curtailment of activity during the second half of the year to focus on completion of capital projects to address various operational and processing issues. Operations of Universal resumed in mid-December.

Higher production volumes in 2010 resulted in lower per unit manufacturing costs which also contributed to the improvement in operating results in both the Masonry Products and Landscape Products business segments.

Increases in advertising and marketing expenses related to the introduction of new products and higher personnel costs partially offset the improvement in operating results noted above.

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As a result of the above noted factors, the operating loss from operations before interest and other items was \$506 in 2010 compared to \$9,335 in 2009.

Interest on long-term debt increased by \$1,394 to \$3,914 from \$2,520. This increase was due to the issuance of subordinated debentures in February 2010 and higher interest expense in 2010 on the \$30,000 term financing arrangement completed in June 2009.

The increase in net other interest expense from \$461 in 2009 to \$863 in 2010 was the result of higher interest differential payments on the interest rate swap and lower interest income earned on the promissory note receivable.

The Company recorded a foreign currency exchange gain of \$179 in 2010 compared to \$539 in 2009. The decrease of \$360 reflected the effect of a stronger Canadian dollar combined with an increase in net monetary assets held in foreign currencies. The latter was due to an increase in working capital in the Company's U.S. subsidiaries.

On June 29, 2009, the Company entered into a new \$30,000 fixed-rate, term financing agreement with a new lender and repaid its previous term bank loan. The Company holds an interest rate swap contract which was previously designated as an effective cash flow hedge against the previous term bank loan. The repayment of this term bank loan resulted in the swap contract no longer being an effective cash flow hedge. Consequently, in 2009 the Company recorded a pre-tax charge of \$1,784 against operations to reflect the unrealized loss on the interest rate swap contract to December 31, 2009. For the year ended December 31, 2010 the Company has recorded an unrealized gain of \$352.

In April 2009, the Company sold an undivided, co-ownership interest, representing approximately 59.9%, in the remaining balance of a promissory note receivable, including future interest payments, for cash proceeds of \$3,793 resulting in a loss of \$269. The note arose in 2007 in conjunction with the sale of the Company's former medical waste business.

In June 2009, the remaining properties located in Quebec were sold for cash proceeds of \$1,200, resulting in a loss of \$190.

The provision of income taxes of \$359 in 2010 and the income tax recovery of \$2,444 in 2009 related primarily to the Company's Canadian Masonry Products and Landscape Products operations. Valuation allowances have been recorded in both the current and prior year against the future income tax benefit that would otherwise have been recorded with respect to the non-capital losses incurred in the Company's U.S. subsidiaries and by Universal.

Three months ended December 31, 2010

For the fourth quarter ended December 31, 2010, the Company recorded a loss of \$1,865, or \$0.17 per share, on a weighted average 10,936,554 Class A shares and Class B shares outstanding, compared to a loss of \$2,320, or \$0.21 per share, on a weighted average 10,936,554 Class A shares and Class B shares outstanding, for the fourth quarter of 2009.

Net sales were \$16,209, an increase of \$1,200 over net sales of \$15,009 in the fourth quarter of 2009. The increase was the result of higher sales volumes in both the Masonry Products and Landscape Products business segments, offset, in part, by a decline in the Company's share of net sales of Universal.

The operating loss, before interest and other items, was \$1,473 for the fourth quarter of 2010, an improvement of \$856 over the operating loss of \$2,329 incurred in the fourth quarter of 2009.

Interest on long-term debt was higher than the corresponding period in 2009 for the same reasons as outlined above for the annual results. For the fourth quarter in 2010 other interest expense decreased compared to the same period in 2009 due to a lower interest rate swap spread which reduced the differential payments made on the interest rate swap contract during the current quarter.

More detailed discussion with respect to each operating business segment follows:

MASONRY PRODUCTS

For the year ended December 31, 2010, net sales were \$51,757 compared to \$36,840 in 2009, representing an increase of \$14,917, or 40.5%. Operating income was \$3,114 in 2010 compared to an operating loss of \$4,730 in 2009.

A significant increase in the level of residential construction activity in Canada resulted in higher shipments of both clay brick and concrete masonry products. Clay brick shipments from the Company's Indiana plant, which commenced production in the second quarter of 2009, also increased in 2010 in spite of continuing difficult market conditions.

Higher production volumes combined with lower amortization charges in 2010 resulted in lower per unit manufacturing costs which also contributed to the improvement in operating results.

Increases in advertising and marketing expenses to promote new products and higher personnel costs partially offset the improvement in operating results noted above.

For the fourth quarter of 2010 net sales increased by \$1,659, or 15.9%, from \$10,444 in 2009 to \$12,103 as a result of higher shipments of both clay brick and concrete masonry products. Operating income for the quarter was \$178 compared to an operating loss of \$532 for the same period in 2009.

LANDSCAPE PRODUCTS

Net sales of the Landscape Products business segment were \$20,866 for the year ended December 31, 2010 compared to \$20,276 in 2009. The increase of \$590 resulted from higher sales in the Company's Canadian markets which were offset, in part, by lower sales in the Company's U.S. markets, primarily Michigan.

For the year ended December 31, 2010, the Landscape Products business segment incurred an operating loss of \$1,007 compared to \$2,866 in 2009. Higher sales volumes in the Canadian market and the positive impact of higher production volumes in both Canada and the U.S. were the primary drivers contributing to the improvement in operating results.

For the fourth quarter of 2010 net sales were \$4,049 compared to \$3,706 for the corresponding period in 2009 and the operating loss for the quarter was \$928 compared to \$1,416 in 2009.

OTHER OPERATIONS

Other operations include, among other things, the Company's 50% joint venture interest in Universal. This investment is accounted for using the proportionate consolidation method.

For the year ended December 31, 2010 the Company's proportionate share of net sales was \$1,378 compared to \$2,862 in 2009 and the proportionate share of the operating loss incurred by Universal in 2010 was \$2,610 compared to \$1,760 in 2009.

For the fourth quarter of 2010 net sales were \$57 compared to \$859 for the corresponding period in 2009 and the operating loss for the quarter was \$722 compared to \$414 in 2009.

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Composting operations were conducted at reduced capacity throughout much of the year and voluntarily suspended for part of the second half of the year in order to address various operational and processing issues. Operations resumed in December 2010 and are being ramped up in phases through the first quarter of 2011.

Universal's construction and demolition waste disposal operations were also suspended in 2010 to focus on the composting operations.

CASH FLOW

Cash flow provided by operating activities totaled \$1,032 for the year ended December 31, 2010 compared to cash flow of \$3,450 used in operations in 2009.

The \$4,482 improvement in cash flow from operations was attributable to the improvement in operating results, offset in part by a higher investment in inventories and other changes in non-cash working capital items.

Included in the above is the Company's proportionate share of cash flow utilized by Universal in its operations. The amounts were \$2,222 and \$832 in 2010 and 2009, respectively. Excluding Universal, the improvement in cash flow from operations attributable to the Company's primary operations, Masonry and Landscape Products, amounted to \$5,872.

Cash utilized for purchases of property, plant and equipment totaled \$3,883 in 2010 compared to \$11,013 in 2009. The Company's share of purchases of property, plant and equipment in Universal amounted to \$1,617 in 2010 and \$1,635 in 2009 and are included in these totals. Expenditures in 2009 included \$8,149 related to the final construction costs of the Company's new clay brick plant in Indiana.

On February 26, 2010, the Company completed a \$9,000 subordinated secured debenture financing. In connection therewith, the \$3,000 unsecured promissory note payable, which was due but not paid on December 7, 2009, was refinanced. The new \$1,900 promissory note payable was repaid on September 30, 2010.

The final principal and interest receivable due on October 2, 2010 under the promissory note receivable were received on September 29, 2010.

A portion of the cash proceeds from the promissory note receivable were distributed by way of a cash dividend by a subsidiary company. The non-controlling interests' share of these distributions totaled \$1,120 in 2010 and \$1,085 in 2009.

In June 2009, the Company completed a new \$30,000 term financing arrangement, secured primarily by real estate and production equipment of the Company's Masonry Products and Landscape Products business segments in both Canada and the U.S. Proceeds of the new financing were utilized to repay a \$20,000 term bank loan with the balance utilized to reduce bank operating advances.

The sale in April 2009 of an undivided, co-ownership interest, representing approximately 59.9%, in the promissory note receivable, including future interest payments, generated cash proceeds of \$3,793.

The sale in June 2009 of the remaining properties held for sale generated cash proceeds of \$1,200.

FINANCIAL CONDITION

The nature of the Company's products and primary markets dictates that its Masonry Products and Landscape Products business segments are seasonal. The Landscape Products business is affected to a greater degree than the Masonry Products business. As a result of this seasonality, bank operating advances are generally expected to increase through the first half of the year and decline through the second half of the year.

As at December 31, 2010 working capital was \$17,106, representing a working capital ratio of 1.88:1. Comparable figures for working capital and the working capital ratio at December 31, 2009 were \$13,272, and 1.71:1, respectively. Cash and cash equivalents totaled \$5,566 at December 31, 2010 compared to \$2,868 at December 31, 2009.

Accounts payable and accrued liabilities totaled \$12,015 at December 31, 2010 compared to \$10,866 at December 31, 2009, including amounts related to capital expenditures of approximately \$1,451 and \$545, respectively.

The ratio of total liabilities to shareholders' equity at December 31, 2010 was 0.61:1 compared to 0.54:1 at December 31, 2009. The increase in this ratio from December 31, 2009 was primarily due to the increase in long-term debt resulting from the issuance of the subordinated debenture and lower retained earnings resulting from the loss incurred for the year ended December 31, 2010.

Excluding Universal, the Company has an operating credit facility of \$12,000. This is a demand facility which is secured primarily by accounts receivable and inventories of the Company's Masonry Products and Landscape Products business segments in both Canada and the U.S. The actual amount that the Company may borrow under this facility is determined based on standard margin formulas for accounts receivable and inventories. The borrowing limit is reduced by the amount of the mark-to-market exposure on the interest rate swap contract. Utilization at December 31, 2010 was \$3,579, including \$1,824 for bank operating advances, \$323 for outstanding letters of credit and \$1,432 for the mark-to-market exposure on the interest rate swap contract.

As noted above, the Company completed a \$9,000 subordinated secured debenture financing on February 26, 2010. The new financing has enhanced the Company's overall liquidity and cash availability.

The term loan agreement completed in June 2009 contains various financial covenants. As at December 31, 2010, the Company is in compliance with the financial covenants and anticipates that it will maintain compliance with all financial covenants in 2011.

The Company expects that future cash flows from operations, cash and cash equivalents on hand, the unutilized balances of its operating credit facilities and the net proceeds from the new debenture financing described above will be sufficient to satisfy its obligations as they become due.

Universal's credit agreement provides for a non-revolving term loan facility of \$15,000 which has been fully drawn. Monthly principal repayments which commenced in January 2010 were deferred for the period August 2010 until November 2010 and re-commenced in December 2010. The Company's proportionate share of the principal balance outstanding at December 31, 2010 was \$6,793.

Borrowings under Universal's demand operating facility are available by way of a combination of overdrafts and letters of credit. As at December 31, 2010, the Company's proportionate share was \$562, all of which was represented by the issuance of letters of credit.

Universal's credit agreement contains various financial covenants. Universal was in compliance with the financial covenants under its credit agreement as at December 31, 2010 and anticipates that it will maintain compliance in 2011.

Universal expects that future cash flows from operations, the unutilized balance of its operating credit facility and, to the extent required, further advances from the joint venture partners, will be sufficient to satisfy its obligations as they become due.

Certain statements contained herein constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors, including, but not limited to, those identified under "Risks and Uncertainties" in the Company's 2009 Annual Report, which may cause actual results, performance or achievements of the Company to be materially different from any future result, performance or achievements expressed or implied by such forward-looking statements.

Brampton Brick 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 near Terre Haute, Indiana. To complement the clay brick product line, the Company also manufactures a range of concrete masonry products, including stone veneer products marketed under the Stoneworks™ trade name and concrete window sills. Concrete interlocking paving stones, retaining walls, garden walls and enviro products are manufactured in Markham, Milton and Brampton, Ontario and Wixom, Michigan. These products are sold to markets in Ontario, Quebec, Michigan, New York, Pennsylvania, Ohio, Kentucky, Illinois and Indiana under the Oaks™ trade name. Products are used for residential construction and for industrial, commercial and institutional building projects. The Company also holds a 50% joint-venture interest in Universal Resource Recovery Inc., which operates a waste composting facility in Welland, Ontario.

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Selected Financial Information

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

CONSOLIDATED STATEMENTS OF OPERATIONS	Three months ended December 31		Year ended December 31	
	2010	2009	2010	2009
Net sales	\$ 16,209	\$ 15,009	\$ 74,001	\$ 59,978
Cost of goods sold	11,754	11,723	51,824	47,035
Selling, general and administrative expenses	3,284	2,763	12,317	10,949
Amortization	2,644	2,852	10,366	11,329
	17,682	17,338	74,507	69,313
Operating loss before the undernoted items	(1,473)	(2,329)	(506)	(9,335)
Other (expense) income				
Interest on long-term debt	(1,016)	(785)	(3,914)	(2,520)
Other interest expense (net)	(194)	(225)	(863)	(461)
Foreign currency exchange gain	73	87	179	539
Other income (expense)	264	(95)	305	(317)
	(873)	(1,018)	(4,293)	(2,759)
Loss before the following items	(2,346)	(3,347)	(4,799)	(12,094)
Gain (loss) on derivative financial instrument	359	214	352	(1,784)
Loss on sale of promissory note	-	-	-	(269)
Loss on sale of property held for sale	-	-	-	(190)
Loss before income taxes and non-controlling interests	(1,987)	(3,133)	(4,447)	(14,337)
(Provision for) recovery of income taxes				
Current	713	743	200	1,485
Future	(606)	79	(559)	959
	107	822	(359)	2,444
Loss before non-controlling interests	(1,880)	(2,311)	(4,806)	(11,893)
Non-controlling interests	15	(9)	(34)	(5)
Loss for the period	\$ (1,865)	\$ (2,320)	\$ (4,840)	\$ (11,898)
Loss per Class A and Class B share	\$ (0.17)	\$ (0.21)	\$ (0.44)	\$ (1.09)
Weighted average Class A and Class B shares outstanding (000's)	10,937	10,937	10,937	10,937

Selected Financial Information

(unaudited) (in thousands of dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS	Three months ended December 31		Year ended December 31	
	2010	2009	2010	2009
Cash provided by (used for) activities of continuing operations				
Operating activities				
Loss from continuing operations for the period	\$ (1,865)	\$ (2,320)	\$ (4,840)	\$ (11,898)
Items not affecting cash and cash equivalents				
Amortization and accretion	2,652	2,860	10,399	11,367
Future income taxes	606	(79)	559	(959)
Non-controlling interests	(15)	9	34	5
Unrealized foreign currency exchange gain	(22)	(35)	(55)	(305)
(Gain) loss on derivative financial instruments	(359)	(214)	(352)	1,784
Loss on sale of promissory note	-	-	-	269
Loss on sale of property held for sale	-	-	-	190
(Gain) loss on disposal of property, plant and equipment	(10)	116	(3)	118
Other	(152)	60	142	228
	<u>835</u>	<u>397</u>	<u>5,884</u>	<u>799</u>
Changes in non-cash operating items				
Accounts receivable	3,124	2,402	345	(1,015)
Inventories	(2,427)	(599)	(6,249)	253
Accounts payable and accrued liabilities	(3,845)	(1,380)	226	(456)
Income taxes payable (net)	(775)	(793)	976	(2,667)
Other	330	44	47	(24)
	<u>(3,593)</u>	<u>(326)</u>	<u>(4,655)</u>	<u>(3,909)</u>
Payments of asset retirement obligation				
	<u>(47)</u>	<u>(87)</u>	<u>(197)</u>	<u>(340)</u>
Cash provided by (used for) operating activities of continuing operations				
	<u>(2,805)</u>	<u>(16)</u>	<u>1,032</u>	<u>(3,450)</u>
Investing activities				
Purchase of property, plant and equipment	(1,315)	(1,632)	(3,883)	(11,013)
Proceeds from promissory note	-	1,338	1,338	1,338
Proceeds from sale of promissory note	-	-	-	3,793
Proceeds from sale of property held for sale	-	-	-	1,200
Proceeds from disposal of property, plant and equipment	10	-	12	3
Cash used for investment activities of continuing operations				
	<u>(1,305)</u>	<u>(294)</u>	<u>(2,533)</u>	<u>(4,679)</u>
Financing activities				
Increase (decrease) in bank operating advances	1,824	30	1,074	(1,831)
Issuance of subordinated debentures	-	-	7,523	-
Repayment of promissory note	-	-	(1,900)	-
Increase in term loans	-	-	-	32,388
Repayment of term loans	(166)	(81)	(972)	(20,345)
Payments on obligations under capital leases	(102)	(78)	(382)	(364)
Payments of dividends by subsidiary to non-controlling interests	(1,120)	(1,085)	(1,120)	(1,085)
Cash provided by (used for) financing activities of continuing operations				
	<u>436</u>	<u>(1,214)</u>	<u>4,223</u>	<u>8,763</u>
Net cash used for discontinued operations				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62)</u>
Foreign exchange on cash held in foreign currency				
	<u>(16)</u>	<u>(10)</u>	<u>(24)</u>	<u>208</u>
Increase (decrease) in cash and cash equivalents				
	<u>(3,690)</u>	<u>(1,534)</u>	<u>2,698</u>	<u>780</u>
Cash and cash equivalents at the beginning of the period				
	<u>9,256</u>	<u>4,402</u>	<u>2,868</u>	<u>2,088</u>
Cash and cash equivalents at the end of the period				
	<u>\$ 5,566</u>	<u>\$ 2,868</u>	<u>\$ 5,566</u>	<u>\$ 2,868</u>

Selected Financial Information

(audited) (in thousands of dollars)

CONSOLIDATED BALANCE SHEETS	December 31 2010	December 31 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,566	\$ 2,868
Accounts receivable	6,307	6,678
Inventories	24,057	17,809
Income taxes recoverable	7	1,730
Future income taxes	–	896
Other current assets	675	737
Promissory note receivable, current	–	1,335
	<u>36,612</u>	<u>32,053</u>
Property, plant and equipment, at cost	256,759	251,138
Less: Accumulated amortization	(107,451)	(97,158)
	<u>149,308</u>	<u>153,980</u>
Other assets		
Future income taxes	–	21
	<u>\$ 185,920</u>	<u>\$ 186,054</u>
LIABILITIES		
Current liabilities		
Bank operating advances	\$ 1,824	\$ 750
Accounts payable and accrued liabilities	12,015	10,866
Income taxes payable	825	1,572
Long-term debt, current portion	4,188	4,626
Derivative financial instrument, current	604	867
Asset retirement obligation	50	100
	<u>19,506</u>	<u>18,781</u>
Long-term debt	43,123	37,583
Derivative financial instrument	828	917
Future income taxes	6,343	6,701
Asset retirement obligation	855	827
	<u>70,655</u>	<u>64,809</u>
Non-controlling interests	112	1,446
SHAREHOLDERS' EQUITY		
Capital stock	33,689	33,689
Contributed surplus	1,553	1,359
Retained earnings	83,740	88,580
Accumulated other comprehensive loss	(3,829)	(3,829)
	<u>115,153</u>	<u>119,799</u>
	<u>\$ 185,920</u>	<u>\$ 186,054</u>

Selected Financial Information

(unaudited) (in thousands of dollars)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS	Three months ended December 31		Year ended December 31	
	2010	2009	2010	2009
Balance at the beginning of the period	\$ 85,605	\$ 90,900	\$ 88,580	\$ 100,478
Loss for the period	<u>(1,865)</u>	<u>(2,320)</u>	<u>(4,840)</u>	<u>(11,898)</u>
Balance at the end of the period	<u>\$ 83,740</u>	<u>\$ 88,580</u>	<u>\$ 83,740</u>	<u>\$ 88,580</u>

(unaudited) (in thousands of dollars)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS	Three months ended December 31		Year ended December 31	
	2010	2009	2010	2009
Loss for the period	\$ (1,865)	\$ (2,320)	\$ (4,840)	\$ (11,898)
Other comprehensive income				
Gain on cash flow hedge, net of taxes	-	-	-	702
Cumulative losses on derivatives designated as cash flow hedges at June 29, 2009 transferred to net income, net of taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,562</u>
Comprehensive loss for the period	<u>\$ (1,865)</u>	<u>\$ (2,320)</u>	<u>\$ (4,840)</u>	<u>\$ (9,634)</u>

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