



For Immediate Release

BRAMPTON BRICK REPORTS RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2010

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

BRAMPTON, ONTARIO, May 6, 2010 – Brampton Brick Limited (TSX:BBL.A) today reported a loss of \$3,626, or \$0.33 per share, for the first quarter ended March 31, 2010 compared to a loss of \$6,256, or \$0.57 per share, for the first quarter of 2009. The aggregate weighted average number of Class A Subordinate Voting Shares ("Class A shares") and Class B Multiple Voting Shares ("Class B shares") outstanding was 10,937,000 in both periods.

RESULTS OF OPERATIONS

Net sales for the quarter were \$12,825 compared to \$7,457 in 2009. The net increase of \$5,368 was primarily due to significantly higher shipments in the Masonry Products business segment. Net sales of the highly seasonal Landscape Products business segment were substantially the same as the first quarter of 2009. Net sales of the waste composting operations of Universal Resource Recovery Inc. ("Universal") were lower at \$681 compared to \$961 for the same period last year.

Higher production volumes in both the Masonry Products and Landscape Products business segments resulted in a significant reduction in per unit manufacturing costs. This, combined with the increase in net sales, led to a substantial improvement in profit margins. As a result, the operating loss for the quarter, before interest and other items, declined by \$3,977 from \$7,251 in the first quarter of 2009 to \$3,274 in the current quarter.

Interest on long-term debt increased by \$404 to \$875 due to higher term debt outstanding during the quarter compared to the same period in 2009 and higher interest rates. Other interest reflected an expense of \$206 for the quarter compared to income of \$22 in the prior period due to lower interest income earned on the promissory note receivable and the interest differential payment on the interest rate swap contract which is now reflected in this line item.

During the quarter ended March 31, 2010, the Company recorded a foreign currency exchange gain of \$102 compared to \$99 in 2009.

The change in the fair value of the Company's \$20,000 interest rate swap contract, which subsequent to June 29, 2009 is no longer designated an effective cash flow hedge, resulted in an unrealized gain of \$209 for the quarter.

The recovery of income taxes for the quarter reflected an effective income tax rate of 10.2% in 2010 and 17.5% in 2009. Valuation allowances have been recorded in both 2010 and 2009 against the future income tax benefit that would otherwise have been reflected with respect to the non-capital losses incurred by the Company's U.S. operations and by Universal.

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

– more –

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A clay brick.**

MASONRY PRODUCTS

Net sales of the Masonry Products business segment were \$11,433 for the quarter ended March 31, 2010 compared to \$5,683 for the same period in 2009.

An increase in residential construction activity in the Canadian market has resulted in significantly higher shipments of masonry products. Shipments in the Company's U.S. markets also improved compared to the same period last year.

Higher sales volumes combined with lower per unit manufacturing costs, which were the result of much higher production volumes, produced a corresponding improvement in profit margins. As a result, the operating loss for the quarter was \$210 compared to \$4,139 in 2009.

LANDSCAPE PRODUCTS

The Landscape Products business segment incurred an operating loss of \$2,461 on net sales of \$711 for the quarter ended March 31, 2010 compared to an operating loss of \$2,815 on net sales of \$813 in 2009. Higher production volumes in 2010 resulted in a decrease in costs of production charged against current period operations.

OTHER OPERATIONS

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

For the quarter ended March 31, 2010, the Company's share of Universal's net sales and operating loss amounted to \$681 and \$603, respectively, compared to net sales of \$961 and an operating loss of \$311 for the same period in 2009.

Composting operations have been operating at reduced throughput in order to address various operational and processing issues. Improvements in operational processes have been identified and are currently being implemented. These improvements are expected to produce greater operating efficiencies. The Company anticipates that it will be in a position to increase throughput by the end of the second quarter of 2010 which will generate higher net sales.

CASH FLOWS

Cash flow used for operating activities of continuing operations totaled \$5,548 for the quarter ended March 31, 2010 compared to \$6,658 for the same period last year. The \$1,110 decrease in cash requirements was attributable to the decrease in the loss for the quarter, offset in part by the changes in non-cash working capital items.

Cash utilized for purchases of property, plant and equipment totaled \$640 for the quarter compared to \$4,458 in 2009, including \$3,458 incurred in connection with the construction of the Indiana clay brick plant.

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 subordinated debenture was recorded for accounting purposes at its fair value which, net of transaction costs incurred in the amount of \$395, amounted to \$8,605 and is being carried at amortized cost. The transaction costs are being amortized over the term of the loan resulting in an effective interest rate of 11.99%. As at March 31, 2010 the unamortized transaction costs were \$383.

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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, 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 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 financial position by providing additional balance sheet strength and cash availability.

The ratio of total liabilities to shareholders' equity was 0.66:1 at March 31, 2010 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 financing and lower retained earnings resulting from the loss incurred in the first quarter of 2010.

As at March 31, 2010, working capital was \$19,531, representing a working capital ratio of 1.87:1. 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 \$8,540 compared to \$2,868 at December 31, 2009.

Excluding Universal, the Company had aggregate operating credit facilities as at March 31, 2010 totaling up to \$12,700. These are demand facilities which are 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 amounts that the Company may borrow under these facilities are 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 March 31, 2010 was \$5,866, including \$346 for outstanding letters of credit, and the mark-to-market exposure on the interest rate swap contract was \$1,575.

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

The Company was in compliance with all financial covenants under its long-term debt agreement as at March 31, 2010 and anticipates that it will maintain compliance throughout the coming year.

Universal's credit agreement provides for a non-revolving term loan facility of \$15,000 which has been fully drawn. Principal repayments commenced in January 2010. The Company's proportionate share of the principal balance outstanding at March 31, 2010 was \$7,235.

Borrowings under Universal's demand operating facility are available by way of a combination of overdrafts of up to \$3,000 and letters of credit of up to \$3,000, subject to an overall maximum of \$5,000. Overdrafts are further limited to the lesser of: (i) 75% of under 90 day accounts receivable minus the face value of letters of credit in excess of \$1,000, and (ii) \$3,000. As at March 31, 2010, \$1,123 had been utilized through the issuance of letters of credit. The Company's proportionate share was \$562.

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.

Universal was in compliance with the financial covenants under its credit agreement as at March 31, 2010 and anticipates that it will maintain compliance throughout the coming year.

OTHER

The Company's Masonry Products and Landscape Products business segments are cyclical. Demand for masonry products fluctuates in accordance with the level of new residential and commercial construction activity. Demand for landscape products fluctuates in accordance with the level of industrial, commercial and institutional construction activity and consumer spending.

An increase in new home sales in the second half of 2009 in the Company's primary market of Southern Ontario has produced a significant increase in residential construction activity in the early part of 2010. Sales of clay brick and concrete masonry products have increased accordingly. New home sales in the first quarter of 2010 continue to outpace sales for the same period in 2009.

Market conditions in the Company's U.S. markets remain challenging. However, sales volumes have increased over last year and the Company anticipates continued growth as the year progresses and as market conditions gradually improve.

With respect to Universal's operations, improvements to plant equipment and process flows are expected to result in increased throughput and improved operating efficiencies.

Effective July 1, 2010 the Ontario provincial government will be harmonizing its retail sales tax system with the Federal goods and services tax ("GST"). The tax base and basic operational rules of the new harmonized sales tax ("HST") will be substantially the same as the current GST.

The vast majority of goods purchased by the Company are used directly in the manufacture of goods for sale. As such, these purchases are exempt from provincial sales tax under the current regime. Under the new regime, the Company will be required to pay provincial sales tax with respect to these purchases, but will also be eligible to claim an input tax credit for the taxes paid.

Similarly, most services provided to the Company by third parties (e.g. audit and legal fees, consulting services) are currently exempt from provincial sales tax. After July 1, these services will be subject to the HST, but will also be eligible for an input tax credit.

Consequently, the impact of the HST on the Company should be tax neutral for goods purchased for use in the manufacturing process or for services provided by third parties.

Purchases of goods which are not used directly in the production of goods for sale, and upon which the Company pays provincial sales tax under the current regime, will now become eligible for an input tax credit. Previously there was no credit for the provincial sales taxes paid with respect to these purchases. However, as the Company will have annual taxable sales in excess of \$10,000, the provincial portion of the HST will not be recoverable, for the first five years, for certain costs including energy (except when used to produce goods for sale), telecommunication services, automobiles (including fuel, parts and services) and food, beverages and entertainment expenses. During the subsequent three year period, input tax credits are to be phased in for these items.

Overall, the net effect of the provincial portion of the new HST is not expected to have a significant impact on the Company's operating results.

The imposition of the provincial portion of HST on goods sold by the Company, and the expected pass-through to the ultimate consumer of those goods, has likely resulted in some work (e.g. new home construction, landscaping projects) being moved forward, to the extent possible, to avoid the potential additional tax on July 1. While it is not possible to accurately project the potential shift in timing, the Company does not believe that it will have a material impact on aggregate sales volumes for the year.

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 March 31	
	2010	2009
Net sales	\$ 12,825	\$ 7,457
Cost of goods sold	10,574	9,581
Selling, general and administrative expenses	2,969	2,709
Amortization	2,556	2,418
	16,099	14,708
Operating loss before the undernoted items	(3,274)	(7,251)
Interest on long-term debt	(875)	(471)
Other interest (expense) income – net	(206)	22
Foreign currency exchange gain	102	99
Other income	25	33
	(954)	(317)
Loss before the following item	(4,228)	(7,568)
Gain on derivative financial instrument	209	–
Loss before income taxes and non-controlling interests	(4,019)	(7,568)
Recovery of income taxes		
Current	398	1,238
Future	10	87
	408	1,325
Loss before non-controlling interests	(3,611)	(6,243)
Non-controlling interests	(15)	(13)
Loss for the period	\$ (3,626)	\$ (6,256)
Loss per Class A and Class B share	\$ (0.33)	\$ (0.57)
Weighted average Class A and Class B shares outstanding (000's)	10,937	10,937

Selected Financial Information

(unaudited) (in thousands of dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS	Three months ended March 31	
	2010	2009
Cash provided by (used for) activities of continuing operations		
Operating activities		
Loss from continuing operations for the period	\$ (3,626)	\$ (6,256)
Items not affecting cash and cash equivalents		
Amortization and accretion	2,565	2,429
Future income taxes	(10)	(87)
Non-controlling interests	15	13
Unrealized foreign currency exchange gain	(57)	(115)
Gain on derivative financial instrument	(209)	–
Other	108	47
	<u>(1,214)</u>	<u>(3,969)</u>
Changes in non-cash operating items		
Accounts receivable	(3,089)	214
Inventories	(642)	559
Accounts payable and accrued liabilities	578	(1,828)
Income taxes payable (net)	(1,028)	(1,326)
Other	(152)	(308)
	<u>(4,333)</u>	<u>(2,689)</u>
Payments of asset retirement obligation	<u>(1)</u>	<u>–</u>
Cash used for operating activities of continuing operations	(5,548)	(6,658)
Investing activities		
Purchase of property, plant and equipment	<u>(640)</u>	<u>(4,458)</u>
Cash used for investment activities of continuing operations	(640)	(4,458)
Financing activities		
Increase in bank operating advances	4,770	7,695
Issuance of subordinated debentures	7,505	–
Increase in term bank loan	–	3,000
Repayment of term loans	(325)	(2)
Payments on obligations under capital leases	(80)	(98)
	<u>11,870</u>	<u>10,595</u>
Cash provided by financing activities of continuing operations	11,870	10,595
Net cash used for discontinued operations	–	(62)
Foreign exchange on cash held in foreign currency	<u>(10)</u>	<u>131</u>
Increase (decrease) in cash and cash equivalents	5,672	(452)
Cash and cash equivalents at the beginning of the period	<u>2,868</u>	<u>2,088</u>
Cash and cash equivalents at the end of the period	<u>\$ 8,540</u>	<u>\$ 1,636</u>

Selected Financial Information

(in thousands of dollars)

(unaudited)

CONSOLIDATED BALANCE SHEETS	March 31 2010	December 31 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,540	\$ 2,868
Accounts receivable	9,718	6,678
Inventories	18,451	17,809
Income taxes recoverable	2,122	1,730
Future income taxes	892	896
Other current assets	885	737
Promissory note receivable, current	1,351	1,335
	<u>41,959</u>	<u>32,053</u>
Property, plant and equipment (net)	152,226	153,980
Other assets		
Future income taxes	-	21
	<u>\$ 194,185</u>	<u>\$ 186,054</u>
LIABILITIES		
Current liabilities		
Bank operating advances	\$ 5,520	\$ 750
Accounts payable and accrued liabilities	11,563	10,866
Income taxes payable	936	1,572
Long-term debt, current portion	3,519	4,626
Derivative financial instrument, current	783	867
Asset retirement obligation	107	100
	<u>22,428</u>	<u>18,781</u>
Long-term debt, less current portion	45,758	37,583
Derivative financial instrument, non-current	792	917
Future income taxes	6,667	6,701
Asset retirement obligation	830	827
	<u>76,475</u>	<u>64,809</u>
Non-controlling interests	1,461	1,446
SHAREHOLDERS' EQUITY	116,249	119,799
	<u>\$ 194,185</u>	<u>\$ 186,054</u>

Selected Financial Information

(unaudited) (in thousands of dollars)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS	Three months ended March 31	
	2010	2009
Balance at the beginning of the period	\$ 88,580	\$ 100,478
Loss for the period	<u>(3,626)</u>	<u>(6,256)</u>
Balance at the end of the period	<u>\$ 84,954</u>	<u>\$ 94,222</u>

(unaudited) (in thousands of dollars)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS	Three months ended March 31	
	2010	2009
Loss for the period	\$ (3,626)	\$ (6,256)
Other comprehensive income		
Gain on cash flow hedge, net of taxes	<u>-</u>	<u>56</u>
Comprehensive loss for the period	<u>\$ (3,626)</u>	<u>\$ (6,200)</u>

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