



March 16, 2017
For Immediate Release

News Release

Circa Reports Sales and Operating results for the Fourth Quarter and Fiscal Year Ended December 31, 2016 and Grant of Stock Options

Calgary, AB – Circa Enterprises Inc. (CTO-TSXV) (the "Company" or "Circa"), a manufacturer of equipment for the telecommunication, electrical utility, and construction industries, reports results of operations for the fourth quarter and year ended December 31, 2016.

OPERATING RESULTS

Summary of fourth quarter operating results:

- Consolidated sales of \$5.6 million in Q4 2016, representing a 9.5% decrease compared to Q4 2015 sales of \$6.2 million
- Profit from operations for the fourth quarter of 2016 of \$216,000 or \$0.02 per share compared to profit from operations of \$316,000 or \$0.03 per share for Q4 2015
- EBITDA and Adjusted EBITDA of \$345,000 for the fourth quarter of 2016 compared to \$423,000 for Q4 2015 (see below for explanation and calculation of EBITDA)
- Earnings per share of \$0.02 in Q4 2016 compared to \$0.03 in Q4 2015

Summary of fiscal year operating results:

- Consolidated sales of \$23.0 million, a decrease of 6.7% over the 2015 sales of \$24.7 million
- Profit from operations for the year of \$212,000 or \$0.02 per share in 2016 compared to profit from operations of \$1.1 million or \$0.11 per share for the 2015 fiscal year
- EBITDA of \$628,000 in 2016, compared to \$1.5 million for the 2015 fiscal year
- The Company declared a cash dividend of \$0.05 per share during the year
- Cash balance of \$1.5 million, no outstanding debt and working capital of \$8.7 million at December 31, 2016

EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization and is adjusted for restructuring costs related to the acquisition of Alberta Computer Cables. EBITDA and Adjusted EBITDA are a non-IFRS financial measures and do not have any standardized meaning prescribed by International Financial Reporting Standards and, therefore, may not to be comparable to similar measures presented by other issuers. Management believes that EBITDA and Adjusted EBITDA are useful supplemental measures, which provides an indication of the results generated by Circa's primary business activities prior to consideration of how those activities are financed, amortized or taxed. Readers are cautioned, however, that EBITDA and Adjusted EBITDA should not be construed as an alternative to comprehensive income determined in accordance with IFRS as an indicator of the Company's financial performance. EBITDA and Adjusted EBITDA are calculated by the Company as follows:

	Year ended 31 Dec 2016	Year ended 31 Dec 2015	Three months 31 Dec 2016	Three months 31 Dec 2015
	\$000's	\$000's	\$000's	\$000's
Profit for the period from operations	212	1,088	216	316
Income taxes	160	235	67	52
Interest	1	1	-	-
Depreciation and amortization	255	222	62	55
EBITDA	628	1,546	345	423
Restructuring costs	309	-	-	-
Adjusted EBITDA	937	1,546	345	423

Consolidated sales for the fourth quarter of 2016 were \$5.6 million -- a \$0.6 million decrease from the fourth quarter of 2015. Sales of Telecom OEM products were the largest source of the decline in the quarter as sales decreased from \$0.6 million in the fourth quarter of 2015 to \$53,000 in the same period in 2016 as result of the completion of a large project. Regular Telecom sales for the fourth quarter were also lower as the Company's legacy surge protection equipment sales decreased - this decline was partially offset by higher sales from the new cable and connectivity products as the Company recorded a full quarter sales compared to only one month in the prior year. These declines in Telecom sales were partially offset by a \$62,000 increase in sales in the Metals segment in the quarter compared to the prior year.

As a result of the Company posting lower sales in the fourth quarter of 2016 compared to the prior year, profits were also lower. The business was able to maintain gross profit margins and trim selling, general and administrative expenses, however the lower sales resulted in profit for the period from operations to decrease from \$316,000 in Q4 2015 to \$216,000 in Q4 2016. As noted in the chart above, the Company generated Adjusted EBITDA of \$0.9 million for the year ended December 31, 2016 and \$345,000 in the fourth quarter of 2016.

Grant Reeves, Circa's President and Chief Executive Officer, stated:

"We are pleased with our fourth quarter results that contributed positively to our full year Adjusted EBITDA of \$937,000. Although the comparison to the prior year was down as a result of a large Telecom OEM project which is now complete, the Company achieved strong year-over-year improvement from our Metals segment. Circa's core Telecom products, which excludes the OEM project, achieved revenue growth for the year, primarily from the addition of the cable and connectivity products that were acquired last December. The Company maintains a strong balance sheet, including \$1.5 million of cash and no debt as it continues to improve its operating effectiveness."

CIRCA ENTERPRISES INC.
Consolidated Statement of Comprehensive Income

For the years ended December 31	2016	2015
	\$000's	\$000's
Sales	23,672	25,570
Freight	(632)	(884)
Net sales	23,040	24,686
Cost of sales	(17,076)	(18,537)
Gross profit	5,964	6,149
Selling, general and administrative expenses	(5,286)	(4,827)
Restructuring costs	(309)	-
Operating profit	369	1,322
Other income	4	2
Finance costs	(1)	(1)
Profit before tax	372	1,323
Income tax expense	(160)	(235)
Profit for the year from operations attributable to shareholders of the Company	212	1,088
Other comprehensive income:		
Exchange differences on translating foreign operations, net of tax	(45)	556
Total comprehensive income for the year attributable to shareholders of the Company	167	1,644
Earnings per share (in \$'s)		
Basic and diluted	0.02	0.11

GRANT OF STOCK OPTIONS

The Company announced today that it has granted a total of 225,000 stock options to directors, officers and employees of the Company pursuant to the Company's stock option plan. Of these stock options, 175,000 were granted to directors and officers of Circa. The stock options are exercisable for a period of five years at a price of \$0.81 per share. One third of these options will vest on the anniversary from the date of the grant over the next three years.

Circa Enterprises Inc. is a public company with operations in Alberta, Ontario and Florida. The outstanding common shares of Circa Enterprises Inc. are listed and trade on the TSX Venture Exchange under the trading symbol CTO. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The Company's annual financial statements and related management's discussion and analysis have been filed with certain securities regulatory authorities in Canada and may be accessed electronically through the SEDAR website at www.sedar.com.

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