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For Immediate Release

## *News Release*

### *Circa Reports Sales and Operating results for the First Quarter Ended March 31, 2016*

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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 first quarter ended March 31, 2016.

Summary of first quarter operating results:

- Q1 2016 consolidated sales of \$5.5 million compared to Q1 2015 sales of \$5.1 million
- Loss from continuing operations for Q1 2016 was a loss of \$354,000 compared to a loss from continuing operations of \$7,000 for Q1 2015
- Loss per share of \$(0.04) for Q1 2016 compared to loss per share of \$0.00 in Q1 2015
- EBITDA of \$(350,000) for Q1 2016 compared to EBITDA of \$40,000 for Q1 2015 (see below for explanation and calculation of EBITDA)
- Adjusted EBITDA of \$(63,000) for Q1 2016 compared to Adjusted EBITDA of \$40,000 for Q1 2015 (see below for explanation and calculation of Adjusted EBITDA)
- Working capital of \$8.6 million, including \$1.0 million in cash and no outstanding debt at March 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 exchange differences on the translation of foreign currency before tax. 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:

	<b>Three months 31 Mar 2016</b>	Three months 31 Mar 2015
	<b>\$000's</b>	\$000's
Loss for the period from continuing operations	<b>(354)</b>	(7)
Income taxes	<b>(63)</b>	(9)
Interest	-	-
Depreciation and amortization	<b>67</b>	56
<b>EBITDA</b>	<b>(350)</b>	40
Restructuring costs	<b>287</b>	-
<b>Adjusted EBITDA</b>	<b>(63)</b>	40

Consolidated sales for the first quarter of 2016 were \$5.5 million -- a \$0.4 million or 8.1% increase over the same period in 2015. Sales across all revenue streams were higher with the exception of Telecom OEM products which was down \$0.9 million. This decline was offset by an improvement in regular Telecom sales of \$0.6 million; \$0.4 million in sales from the new ACC product line and additional Metals segment sales of \$0.3 million.

Although sales were higher, the Company was not profitable in the first quarter of 2016. This was due to higher selling, general and administrative costs as a result of higher commissions and the infrastructure inherited with the acquisition of the ACC business in December 2015. Management has taken numerous steps to reduce costs going forward by combining the manufacturing and warehousing facilities, reducing redundancy and streamlining operations. These activities are expected to be completed in the second quarter of 2016. The one-time costs associated with these activities are separated in the financial statements as restructuring costs.

As a result of the higher costs and restructuring activities, the Company incurred an after tax loss of \$354,000, compared to an after tax loss of \$7,000 in the first quarter of 2015. Total comprehensive income decreased by \$751,000; from an income of \$249,000 in Q1 2015 to a \$502,000 loss in Q1 2016. The other comprehensive loss is attributed to the strengthening of the Canadian dollar relative to the U.S. dollar on the translation of the Company's U.S.-based subsidiary.

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

"The integration of the ACC Acquisition was essentially completed in the 1Q and was executed according to plan. The expected restructuring costs are mostly complete which will result in accretive earnings going forward. The expansion of our product line was one of our strategic goals and we are excited to be underway. I am also pleased to report a strong performance from our Metals Division as a result of changes implemented at the beginning of the year."

**CIRCA ENTERPRISES INC.**  
**Condensed Consolidated Statements of Comprehensive (Loss) Income**

*Unaudited*

	<b>Three months ended 31 March 2016</b>	Three months ended 31 March 2015
	<b>\$000's</b>	\$000's
<b>Sales</b>	<b>5,517</b>	5,105
Cost of sales	<b>(4,187)</b>	(3,977)
<b>Gross profit</b>	<b>1,330</b>	1,128
Selling, general and administrative expenses	<b>(1,461)</b>	(1,144)
Restructuring costs	<b>(287)</b>	-
<b>Operating loss</b>	<b>(418)</b>	(16)
Other income	<b>1</b>	-
Finance costs	<b>-</b>	-
<b>Loss before tax</b>	<b>(417)</b>	(16)
Income tax recovery	<b>63</b>	9
<b>Loss for the period from operations attributable to shareholders of the Company</b>	<b>(354)</b>	(7)
<b>Other comprehensive (loss) income:</b>		
Exchange differences on translating foreign operations, net of tax	<b>(148)</b>	256
<b>Total comprehensive (loss) income for the period attributable to shareholders of the Company</b>	<b>(502)</b>	249
<b>Loss per share (in \$'s)</b>		
Basic and diluted	<b>(0.04)</b>	<b>(0.00)</b>

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 quarterly 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](http://www.sedar.com).

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