

Circa Reports Sales and Operating results for the Fourth Quarter and Fiscal Year Ended December 31, 2010

CALGARY, March 17 /CNW/ - Circa Enterprises Inc. (TSXV: CTO) (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, 2010.

Summary of fourth quarter operating results:

- Consolidated sales of \$6.8 million, representing a 5.6% increase compared to Q4 2009 sales of \$6.4 million
- Net income of \$0.1 million or \$0.01 per share in the fourth quarter of 2010 as compared to a loss of \$0.2 million or \$0.02 per share in Q4 2009
- EBITDA of \$0.3 million for the quarter compared to \$0.4 million for Q4 2009 (see below for explanation and calculation of EBITDA)
- Cash inflow from operating activities in Q4 2010 of \$1.2 million compared to cash inflow from operating activities in Q4 2009 of \$0.5 million

Summary of fiscal year operating results:

- Consolidated sales of \$25.8 million, representing a 2.0% decrease compared to 2009 sales of \$26.3 million
- Net income of \$1.2 million or \$0.12 per share in 2010 as compared to a loss of \$1.2 million or \$0.13 per share for the 2009 fiscal year
- EBITDA of \$2.1 million, compared to (\$0.1 million) for the 2009 fiscal year
- Cash inflow from operating activities of \$2.5 million in 2010 compared to cash outflow from operating activities of (\$0.5 million) in 2009

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is a non-GAAP financial measure and does not have any standardized meaning prescribed by Canadian generally accepted accounting principles and, therefore, may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful supplemental measure, 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 should not be construed as an alternative to net earnings (loss) determined in accordance with GAAP as an indicator of the Company's financial performance. EBITDA is calculated by the Company as follows:

	<i>(unaudited)</i> Three months ended Dec 31, 2010 \$	<i>(unaudited)</i> Three months ended Dec 31, 2009 \$	<i>(unaudited)</i> Year ended Dec 31, 2010 \$	<i>(unaudited)</i> Year ended Dec 31, 2009 \$
Net earnings (loss) and comprehensive earnings (loss)	140	(161)	1,161	(1,231)
Income taxes	72	447	498	602
Interest	19	21	88	103
Depreciation and amortization	66	106	365	432
EBITDA	297	413	2,112	(94)

Consolidated sales for the fourth quarter of 2010 were \$6.8 million -- a \$0.4 million or 5.5% increase over the same period in 2009. The increase resulted from higher sales in the Circa Metals division as the Company saw strong demand for its products, particularly in its Hydrel brand line. For the year ended December 31, 2010, consolidated sales of \$25.8 million represented a decrease of \$0.5 million or 2.0% from 2009 sales of \$26.3 million. The overall decline in sales was a result of lower sales in the surge protection division, due mainly to a decrease in the \$US/\$Cdn exchange rate. This decrease was partially offset by higher sales in the Circa Metals division for the year compared to 2009.

The restructuring activities undertaken in 2009, which involved streamlining operations, reducing expenses and consolidating facilities, enabled the Company to post positive earnings in every quarter in 2010. The improved net earnings were driven in part by the restructuring changes -- from a net loss of \$1.2 million in 2009 to net earnings of \$1.2 million in 2010. As noted in the chart above, the Company was able to boost EBITDA by \$2.2 million and reduce its operating line of credit from \$3.4 million at December 31, 2009 to \$0.9 million at December 31, 2010.

Ivan Smith, Circa's President and Chief Executive officer, stated:

"We are pleased to report the Company's 2010 financial results are greatly improved over the 2009 results. Management is confident that the restructuring activities undertaken in 2009 have proven to be successful and the Company believes it has a profitable and sustainable business model. We will continue to look for areas to improve Circa's business activities in 2011. Our focus has shifted towards growing our topline sales and seeking new opportunities while maintaining strong financial results.

I want to thank Circa's staff across all companies and locations for their hard work and dedication in the past year in making this turnaround successful."

CIRCA ENTERPRISES INC.
Consolidated Balance Sheets
(000's of Canadian dollars)

As at December 31	2010	2009
	\$	\$
ASSETS		
Current		
Cash	391	350
Accounts receivable	3,546	3,588
Income taxes recoverable	-	58
Inventory	5,198	5,842
Prepaid expenses	216	295
	9,351	10,133
Property, plant and equipment	935	1,086
Assets held for sale	-	105
Deferred charges	174	286
Intangible assets	18	17
Future income taxes	410	782
	10,888	12,409
LIABILITIES		
Current		
Bank indebtedness	867	3,391
Accounts payable and accrued liabilities	2,275	2,476
Income taxes payable	51	-
	3,193	5,867
Future income taxes	5	38
	3,198	5,905
SHAREHOLDERS' EQUITY		
Share capital	2,735	2,710
Contributed surplus	2	2
Retained earnings	4,953	3,792
	7,690	6,504
	10,888	12,409

CIRCA ENTERPRISES INC.
Consolidated Statements of Operations and Retained Earnings
(000's of Canadian dollars, except per share amounts)

Years ended December 31	2010	2009
	\$	\$
SALES	25,765	26,302
COST OF SALES		
Direct costs	19,691	20,297
Depreciation and amortization	168	192
	19,859	20,489

GROSS PROFIT	5,906	5,813
EXPENSES		
Selling, general and administrative	4,027	4,796
Depreciation and amortization	197	240
Restructuring costs	-	734
Interest	88	103
(Gain) loss on disposal of assets	(89)	53
Foreign currency translation loss	24	516
	4,247	6,442
INCOME (LOSS) BEFORE INCOME TAXES	1,659	(629)
INCOME TAXES		
Current	159	94
Future	339	508
	498	602
NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)	1,161	(1,231)
RETAINED EARNINGS, BEGINNING OF YEAR	3,792	5,023
RETAINED EARNINGS, END OF YEAR	4,953	3,792
EARNINGS (LOSS) PER SHARE		
Basic and diluted	0.12	(0.13)

CIRCA ENTERPRISES INC.
Consolidated Statements of Cash Flows
(000's of Canadian dollars)

Years ended December 31	2010	2009
	\$	\$

CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:

OPERATING

Net earnings (loss)	1,161	(1,231)
Adjustments for:		
Depreciation and amortization	365	432
(Gain) loss on disposal of assets	(89)	53
Future income taxes	339	508
Directors' fees paid in shares	25	11
	1,801	(227)
Changes in non-cash working capital	663	715
	2,464	488

FINANCING

Decrease in bank indebtedness	(2,524)	(539)
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INVESTING

Purchase of property, plant and equipment	(110)	(47)
Proceeds from sale of property, plant and equipment	204	6
Additions to deferred charges	-	(40)
Additions to intangible assets	(3)	(14)
Changes in non-cash working capital	10	(24)
	101	(119)

NET INCREASE (DECREASE) IN CASH	41	(170)
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CASH, BEGINNING OF YEAR	350	520
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CASH, END OF YEAR	391	350
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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.

%SEDAR: 00002951E

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