



August 11, 2011
For Immediate Release

News Release

Circa reports sales and operating results for the second quarter ended June 30, 2011 and common shares issued under the Share Acquisition Plan

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 second quarter ended June 30, 2011 and the issuance of common shares under the share acquisition plan.

SECOND QUARTER RESULTS

Summary of second quarter operating results:

- Consolidated sales of \$5.7 million, representing a 16.4% decrease compared to Q2 2010 sales of \$6.8 million
- Loss from continuing operations for the second quarter of 2011 of \$22,000 compared to profit of \$466,000 for Q2 2010
- EBITDA and Adjusted EBITDA of \$0.1 million for the second quarter compared to \$0.8 million for Q2 2010 (see below for explanation and calculation of EBITDA)

Summary of year-to-date operating results:

- Consolidated sales of \$11.3 million, representing a 6.5% decrease compared to Q2 2010 sales of \$12.0 million
- Profit from continuing operations for the six months ended June 30, 2011 of \$54,000 as compared to profit of \$531,000 for the six months ended June 30, 2010
- EBITDA of \$0.3 million for the six months ended June 30, 2011 compared to \$1.0 million for the same period in 2010 (see below for explanation and calculation of EBITDA)
- Adjusted EBITDA of \$0.4 million for the six months ended June 30, 2011 compared to \$1.0 million for the same period in 2010 (see below for explanation and calculation of Adjusted EBITDA)

EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization and is adjusted for other non-recurring items and non-cash items. 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 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 (loss) 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:

	(unaudited) Six months 30 June 2011 \$000's	(unaudited) Six months 30 June 2010 \$000's	(unaudited) Three months 30 June 2011 \$000's	(unaudited) Three months 30 June 2010 \$000's
Profit for the period from continuing operations	54	531	(22)	466
Income taxes	35	220	2	176
Interest	18	50	12	44
Depreciation and amortization	184	190	89	78
EBITDA	291	991	81	764
Non-recurring severance charge	118	-	-	-
Adjusted EBITDA	409	991	81	764

Circa's consolidated sales in the second quarter of 2011 were \$5.7 million -- a \$1.1 million or 16.4% decrease over the same period in 2010 -- the decline in sales was a result of poor sales in the Circa Metals segment and a small decline in the telecom segment. The decrease in Circa Metals was attributed to several factors. Firstly, the division experienced weaker demand for electrical and poleline equipment due to slow housing activity and unseasonably poor weather. The Company has also faced increased competition from offshore manufacturers, resulting in declining sales to certain customers. In addition, as a result of prior years' staffing and cost reductions, the business segment has had limited sales representation in some of its markets, which has negatively impacted sales. The Company is addressing these issues with increased and expanded internal sales resources going forward.

Sales in the surge protection business were slightly lower compared to the prior year, mainly due to lower orders from the segment's largest OEM customer. This decline was compounded by the strengthening of the Canadian dollar relative to the U.S. dollar when compared to the prior year.

The Company's gross profit, defined as sales less cost of sales, decreased along with sales in the second quarter of 2011 to \$1.1 million from \$1.7 million in Q2 2010. In addition, gross profit as a percent of sales decreased as lower sales tend to generate lower margins due to the impact of fixed costs within business. Operating profit decreased significantly compared to the prior year as a result of lower sales and the Company recorded higher selling, general and administrative expenses as the Company continues to put more resources towards expanding its markets and boosting sales.

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

"Circa was disappointed by the sudden decline in sales in its Metals division. Prior to Q2, the Company had already begun to focus more effort and resources on top line revenue growth while continuing to improve and refine its operations. Management has augmented the Company's sales force and resources in order to stimulate sales for the balance of the year and going forward. We are confident in the fundamentals of the business and the ability of our employees to continue to deliver quality products within a competitive cost structure. We will continue to concentrate our efforts towards revenue growth and solid financial results."

CIRCA ENTERPRISES INC.
Consolidated statement of comprehensive income

Unaudited

	Six months ended 30 June 2011	Six months ended 30 June 2010	Three months ended 30 June 2011	Three months ended 30 June 2010
	\$000's	\$000's	\$000's	\$000's
Revenue	11,303	12,088	5,696	6,817
Cost of sales	(8,795)	(9,224)	(4,560)	(5,134)
Gross profit	2,508	2,864	1,136	1,683
Selling, general and administrative expenses	(2,400)	(2,053)	(1,143)	(997)
Operating profit (loss)	108	811	(7)	686
Loss on sale of assets	(1)	(10)	(1)	(10)
Finance costs	(18)	(50)	(12)	(32)
Profit before tax	89	751	(20)	644
Income tax expense	(35)	(220)	(2)	(178)
Profit (loss) for the period from continuing operations attributable to owners of the Company	54	531	(22)	466
Other comprehensive (loss) income:				
Exchange differences on translating foreign operations, net of tax	(64)	87	6	78
Total comprehensive (loss) income for the period attributable to owners of the Company	(10)	618	(16)	544
Earnings (loss) per share (in \$'s)				
Basic and diluted	0.01	0.06	(0.00)	0.05

COMMON SHARES ISSUED UNDER ACQUISITION PLAN

On August 11, 2010 the Company issued an aggregate of 26,544 common shares to its directors pursuant to the Company's share acquisition plan at a deemed price of \$0.68 per share in lieu of the cash annual retainer otherwise payable to such directors.

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 second quarter 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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