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Press Release

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CANWEL BUILDING MATERIALS ANNOUNCES FOURTH QUARTER & FULL YEAR 2010 FINANCIAL RESULTS

Full Year 2010 Financial Highlights(1)

- **Revenues total $1,032 million**
- **Adjusted EBITDA(4) inclusive of results of discontinued operations of $38.5 million, compared to $24.2 million in 2009**
- **Net income from continuing operations of $15.7 million**

VANCOUVER, **CANADA** – March 29, 2011 – CanWel Building Materials Group Ltd. ("CanWel" or "the Company") (TSX:CWX) announced today its fourth quarter and 2010 year-end financial results for the period ended December 31, 2010. A significant factor when comparing the results for the three and twelve month periods ended December 31, 2010 to those for the corresponding periods in 2009, is that the 2010 periods include the results of the operations of the Broadleaf Logistics division ("BLC") for the quarter and for eleven months of the year. In addition, due to the sale of the Company's hardware division on November 15, 2010, the current and prior period results of this division have been reclassified in these results per GAAP(2), and will be in the Company's subsequent public filings (as may be applicable), as discontinued operations.

For the year ended December 31, 2010, revenues amounted to $1,032 million compared to $408 million in 2009. The increase in revenue related to both the inclusion of the operations of BLC for eleven months and an increase overall in the selling prices of lumber and panel products for this year versus 2009. Further, sales volume increased due to the inclusion of BLC's business as well as increases in sales at the Company's legacy business operations, reflecting an improvement in the overall Canadian economy compared to 2009. Gross margin increased by 93 percent on a year-over-year basis to $106.5 million or 10.3 percent of revenues, versus $55.1 million or 13.5 percent of revenues in 2009. The year-over-year decrease in gross margin percentage is mainly due to the increase in construction materials in the Company's sales mix, flowing from the BLC operations.

Excluding the impact of one-time items incurred during the year related to the Company's acquisition of BLC and reorganization costs as well as foreign exchange, Adjusted EBITDA(4) and net earnings from continuing operations for the twelve-month period ended December 31, 2010 were $32.9 million and $17.1 million, respectively, compared to $19.4 million and $17.3 million in 2009, respectively. Including such costs and foreign exchange, EBITDA(3) for the year amounted to $30.8 million and net earnings from continuing operations amounted to $15.7 million. Adjusted EBITDA(4) inclusive of results from discontinued operations amounted to $38.5 million in 2010, versus $24.2 million in 2009.

As at December 31, 2010, CanWel had $19.1 million in cash and cash equivalents, with long-term debt of $51.4 million.

For the three month period ended December 31, 2010[1], CanWel reported revenues of $177.8 million compared to $85.5 million for the same period in 2009. Gross margin during the fourth quarter of 2010 amounted to 10.7 percent or $19.1 million versus 14.5 percent or $12.4 million in 2009. Excluding the impact of one-time charges, Adjusted EBITDA[4] and net earnings from continuing operations for the three-month period ended December 31, 2010 amount to $1.4 million and a loss of $1.5 million respectively, compared to Adjusted EBITDA[4] of $3.9 million and net earnings of $2.0 million for the comparable period last year. Including such one-time costs, EBITDA[3] and net loss for the fourth quarter amounted to a negative $915 thousand and $3.1 million.

“2010 was a period of positive change for CanWel with BLC’s contribution to the business, and our decision to divest our hardware division to focus on the roots of our business. These strategic decisions were complemented by a number of initiatives throughout 2010, which have resulted in our stronger balance sheet,” noted Amar S. Doman, Chairman and CEO of the Company. “In 2011, we intend to continue our integration efforts at a pace that will allow us to fine tune the new and larger CanWel family with the objective of operating from a fully integrated company-wide business platform, which we expect to be more fully demonstrable as we go through the year. We expect the result of these endeavours to solidify our position as Canada’s building materials distributor of choice and an attractive investment for shareholders.”

Reconciliation of Net Income to EBITDA:

	Three months ended December 31		**Year ended December 31**	
(in thousands of dollars)	**2010**	**2009**	**2010**	**2009**
Net Earnings from continuing operations	$(3,091)	$1,966	$15,744	$15,727
Income tax provision (recovery)	(349)	(661)	7,127	(1,696)
Cash interest expense	708	146	3,419	917
Depreciation of property plant and equipment	568	454	2,283	1,904
Amortization of intangible and other assets	930	-	930	-
Amortization of deferred gain	(18)	(19)	(73)	(74)
Amortization of financing costs	313	65	1,096	253
Amortization of promissory notes	-	33	11	129
Loss on disposal and write down of fixed assets	-	17	-	953
Stock-based compensation	24	40	247	383
EBITDA	$(915)	$2,024	$30,784	$17,544
Acquisition and conversion costs	-	1,904	993	1,904
Reorganization costs	2,268	-	2,268	-
Realized foreign exchange gain	-	-	(1,102)	-
Adjusted EBITDA	$1,353	$3,928	$32,943	$19,448
EBITDA from discontinued operations	938	406	5,535	4,771
Adjusted EBITDA as previously defined in 2010	$2,291	$3,522	$38,478	$24,219

The Company also announced on March 22, 2011, its first quarter dividend of 10 cents per common share. The dividend will be paid on April 15, 2011 to shareholders of record at the close of business on March 31, 2011.

About CanWel Building Materials

CanWel Building Materials trades on the Toronto Stock Exchange under the symbol CWX and is Canada’s largest national distributor in the building materials and related products sector, operating distribution centres coast to coast in all major cities and strategic locations across Canada. CanWel distributes a wide range of hardware, building materials, lumber, and renovation products. Further information can be found in the disclosure documents filed by CanWel (and its predecessor, CanWel Building Materials Income Fund) with the securities regulatory authorities, available at www.sedar.com.

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Certain statements in this press release may constitute “forward-looking” statements. When used in this press release, such statements use words, including but not limited to, “may”, “will”, “expect”, “believe”, “plan”, “intend”, “anticipate”, "future" and other similar terminology. These forward-looking statements reflect the current expectations of CanWel’s management regarding future events and operating performance, but involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanWel, including the cash flow from operations), dividends or EBITDA[3] generated or paid by CanWel, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual events could differ materially from those projected herein and depend on a number of factors. These factors include (i) the risk that the integration of the acquisition of Broadleaf Logistics Company completed on February 1, 2010 (the “Acquisition”) may result in significant challenges, and management of CanWel may be unable to accomplish the integration of the Acquisition smoothly or successfully or without spending significant amounts of time, money or other resources thereon; any inability of management to successfully integrate the operations of the combined business, including, but not limited to, information technology and financial reporting systems, any of which could have a material adverse effect on the business, financial condition and results of operations of CanWel; (ii) the risk that revenues, profits and margins of Broadleaf Logistics Company may not remain consistent with historical levels, (iii) the risk that competing firms which manufacture or distribute competitive product lines will aggressively defend or seek market share, or that existing customers or suppliers of Broadleaf Logistics Company (some of whom are competitors of CanWel) will cease doing business with the Broadleaf Logistics Company or CanWel, in each case reducing, eliminating or reversing any potential positive economic impact on CanWel of the Acquisition; (iv) the risk that any increased sales, margin, profit or distributable cash resulting from the Acquisition may not be fully realized, realized at all or may take longer to realize than expected; (v) the risk of disruption from the integration of the Acquisition making it more difficult to maintain relationships with customers, employees or suppliers. Factors also include, but are not limited to, dependence on market and economic conditions, sales and margin risk, competition, information system risks, availability of supply of products, risks associated with the introduction of new product lines, product design risk, environmental risks, volatility of commodity prices, inventory risks, customer and vendor risks, acquisition and integration risks, availability of credit, credit risks, litigation risks and interest rate risks. A further description of these and other risks which could cause results to differ materially from those described in these forward-looking statements can be found in the periodic and other reports filed by CanWel with Canadian securities commissions and available on SEDAR (http://www.sedar.com). In addition, a number of material factors or assumptions were utilized or applied in making the forward-looking statements, and may include, but are not limited to, assumptions regarding the performance of the Canadian economy, relatively stable interest rates, volatility of commodity prices, more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Corporation’s future growth plans, the implementation and success of the integration of the Acquisition, and to enable the Corporation to refinance its debts as they mature, the Canadian housing and building materials market; the amount of the Company’s cash flow from operations; tax laws; and the extent of the Company’s future acquisitions and capital spending requirements or planning as well as the general level of economic activity, in Canada, and abroad, discretionary spending and unemployment levels.

These forward-looking statements speak only as of the date of this press release. CanWel does not undertake, and specifically disclaims, any obligation to update or revise any forward looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

(1) Please refer to our Q4 and Full Year 2010 MD&A for further information.

(2) GAAP is defined as Generally Accepted Accounting Principles in Canada.

(3) In the discussion, reference is made to EBITDA, which represents earnings from continuing operations before interest, provision for income taxes, gain or loss on sale of fixed assets, depreciation and amortization, goodwill impairment loss and stock-based compensation. EBITDA is not a measure of earnings or financial performance recognized by GAAP and does not have standardized meanings prescribed by GAAP. This is a non-GAAP measure and, as there is no generally accepted method of calculating EBITDA, the measure as calculated by the Company may not be comparable to similarly-titled measures reported by other companies. EBITDA is presented as we believe it is a useful indicator of a Company’s ability to meet debt service and capital expenditure requirements and because we interpret trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with GAAP.

(4) In the discussion, reference is made to Adjusted EBITDA, which is EBITDA as defined in (3) above, before certain one time or unusual items and foreign exchange losses or gains. This is a non-GAAP measure and, as there is no generally accepted method of calculating Adjusted EBITDA, the measure as calculated by the Company may not be comparable to similarly-titled measures reported by other companies. Adjusted EBITDA is presented as we believe it is a useful indicator of the Company’s ability to meet debt service and capital expenditure requirements from its regular business, before non-recurring items. Adjusted EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with GAAP.