



Press Release

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CANWEL BUILDING MATERIALS ANNOUNCES FIRST QUARTER 2015 FINANCIAL RESULTS

Q1 2015 Financial Highlights⁽¹⁾

- Revenues increase by 6.6% to \$159 million
- Gross Margin at 10.2%
- EBITDA⁽²⁾ increases by 25.3% to \$1.5 million

VANCOUVER, CANADA – May 5, 2015 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) announced today its first quarter financial results⁽¹⁾ for the three-month period ended March 31, 2015.

For the three-month period ended March 31, 2015⁽¹⁾, revenues increased to \$159 million compared to \$150 million in the same period in 2014, an increase of 6.6 percent, as a result of the Company’s continued focus on its target customer base, along with improved market conditions and overall increased activity level. During this first quarter, gross margin amounted to \$16.3 million, representing a 4 percent increase when compared to \$15.7 million during the corresponding period in 2014. Gross margin percentage was slightly lower at 10.2 percent of revenues versus 10.5 percent during the same period in 2014. The slight decrease in gross margin percentage was mainly due to a change within the Company’s sales mix as well as the impact of the Canadian dollar’s decline, resulting in an increase in the cost of sales. During the first quarter of 2015, commodity prices behaved similarly to the corresponding period in 2014 when they generally declined.

EBITDA⁽²⁾ for the three months ended March 31, 2015 increased by 25 percent to \$1.5 million compared to \$1.2 million in the same quarter of 2014. Net loss⁽³⁾ remained unchanged at \$1.1 million during the first quarter of 2015, when compared to the first quarter in 2014.

“For the second consecutive year, the resilience of our business model was tested during the first quarter with an extremely cold winter, albeit during one of our already seasonally slow periods of operation,” commented Amar S. Doman, Chairman and CEO of the Company. “I am pleased with our Company’s efforts and ability to demonstrate year-over-year improvement in top-line and EBITDA growth on a year-over-year basis despite those challenges. We look forward to a return to more customary weather for our seasonally busy periods during the second and third quarters of the calendar year.”

Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA):

(in thousands of dollars)	Three months ended March 31,	
	2015	2014
Net loss	\$(1,171)	\$(1,147)
Recovery of income taxes	(411)	(412)
Finance costs	1,713	1,654
Depreciation of property, plant and equipment	1,094	788
Amortization of intangible assets	291	288
Amortization of leasehold inducements	7	44
EBITDA	\$1,523	\$1,215

About CanWel Building Materials

CanWel Building Materials trades on the Toronto Stock Exchange under the symbol CWX and is one of Canada's largest national distributors 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 building materials, lumber and renovation products. Further information can be found in the disclosure documents filed by CanWel 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", "would", "should", "expect", "believe", "plan", "intend", "anticipate", "predict", "remain", "anticipate", "estimate", "potential", "continue", "plan", "could", "might", "project", "targeting", "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⁽²⁾ 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 Pastway Planing Limited ("Pastway") in quarter 3, 2013, the assets of North American Wood Preservers ("NAWP"), completed in quarter 2, 2013, Northwest Wood Preservers ("NWP"), completed in quarter 1, 2012 or Broadleaf Logistics Company ("BLC") completed on February 1, 2010 (collectively 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 the 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 Pastway, NAWP, NWP or BLC (some of whom are competitors of CanWel) will cease doing business with the Company, 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, regulatory risk, differing law or regulations across jurisdictions, 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, the relative stability of interest rates, volatility of commodity prices, more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Company's future growth plans, the implementation and success of the integration of the Acquisition, the ability of the Company 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.

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- (1) Please refer to our Q1 2015 MD&A and Financial Statements for further information. Our Q1 2015 filings are reported under International Financial Reporting Standards (“IFRS”).
 - (2) 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. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS, 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 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 IFRS.
 - (3) Before accounting for “Other Comprehensive Income”; please refer to our Q1 2015 Financial Statements for further information.