



CanWel Building Materials Group Ltd.  
Suite 1100, 609 Granville Street  
Vancouver, BC V7Y 1G6

## Press Release

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### CANWEL BUILDING MATERIALS ANNOUNCES FIRST QUARTER 2013 FINANCIAL RESULTS

#### Q1 2013 Financial Highlights<sup>(1)</sup>

- Revenues increase to \$162 million
- Gross Margin increases to 10.6%
- EBITDA<sup>(2)</sup> increases 57% to \$3.7 million

**VANCOUVER, CANADA** – May 7, 2013 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) announced today its first quarter financial results for the three-month period ended March 31, 2013.

For the three-month period ended March 31, 2013, revenues increased to \$162 million compared to \$156 million in the same period in 2012. The increase in revenue relates primarily to improved market conditions for construction materials in the first quarter of 2013. During the same period, gross margin also increased to \$17 million, or 10.6 percent of revenues, versus \$15 million or 9.9 percent of revenues during the first quarter of 2012. The year-over-year improvement in gross margin dollars and percentage is mainly due to a change in CanWel’s sales mix and improved shipping efficiencies. As a result, net earnings<sup>(3)</sup> in the first quarter of 2013 amounted to \$1 million compared to net loss of \$91,000 in 2012.

EBITDA for the three months ended March 31, 2013 increased by 57 percent to \$3.7 million compared to \$2.3 million in the same quarter of 2012.

“The first quarter results are a reflection of the strength of CanWel’s business model and earning ability in a period when we experienced favorable market pricing for our construction materials,” noted Amar S. Doman, Chairman and CEO of the Company. “I am pleased with our ability to demonstrate growth across all of our key financial metrics on a year-over-year basis. CanWel’s overall performance in the first quarter was encouraging despite the period representing a seasonally slow period for our key end markets and an overall weaker housing market than last year’s quarter. We continue to maintain a cautiously optimistic view based on the start we are experiencing so far in 2013.”

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

(in thousands of dollars)	Three months ended March 31	
	2013	2012 <sup>(1)</sup>
Net earnings (loss)	\$1,095	\$(91)
Provision for (recovery of) deferred income taxes	405	(32)
Interest expense	1,307	1,218
Depreciation of property, plant and equipment	386	685
Amortization of intangible assets	250	250
Amortization of financing costs	202	260
Share-based compensation	10	34
<b>EBITDA</b>	<b>\$3,655</b>	<b>\$2,324</b>

1. On January 1, 2013 the Company retrospectively adopted the amendments for IAS 19 – Employee Benefits. The comparative amounts for 2012 have been restated. See “Changes in Accounting Policies” for further discussion.

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

### For further information regarding CanWel please contact:

Ali Mahdavi  
Investor Relations  
416-962-3300 or +1(866) 430-6247  
[ali.mahdavi@canwel.com](mailto:ali.mahdavi@canwel.com)

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<sup>(3)</sup> 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 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 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, 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, uptake of the Company's NCIB program<sup>(4)</sup> 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 2013 MD&A and Financial Statements for further information. Our 2013 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 2013 Financial Statements for further information.
- (4) Please also refer to the forward looking statement information in our November 19, 2012 news release for additional forward looking statement information and cautions pertaining to the Company's Normal Course Issuer Bid ("NCIB"), which are hereby incorporated by reference, and as may also be applicable to the Plan or NCIB as the case may be. Although CanWel intends to purchase common shares and or convertible debentures for cancellation under its NCIB and / or the Plan, there can be no assurances that any such purchases will be completed. Please refer to our public disclosure filings for the latest information on the NCIB.