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

**Press Release**

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# CANWEL BUILDING MATERIALS ANNOUNCES THIRD QUARTER 2013 FINANCIAL RESULTS

## Q3 2013 Financial Highlights[1]

- **Revenues increase to $205 million**
- **Gross Margin at 11.6%**
- **EBITDA[2] increases by 18% to $9.2 million**

**VANCOUVER**, **CANADA –** November 5, 2013 **–** CanWel Building Materials Group Ltd. ("CanWel" or "the Company") (TSX:CWX, CWX.DB) announced today its third quarter financial results for the three-month period ended September 30, 2013.

For the three-month period ended September 30, 2013, revenues increased to $205 million compared to $198 million in the same period in 2012. The increase in revenue relates primarily to higher sales of specialty and allied products as well as contributions from CanWel's recent acquisitions. The Company's sales in the quarter were made up of 52 percent of construction materials compared to 55 percent in the same period in 2012, with the balance resulting from specialty and allied products. During the period, gross margin increased to $24 million, or 11.6 percent of revenues, versus $22 million or 11.1 percent of revenues during the third quarter of 2012. This increase in margin percentage relates primarily to the higher gross margins associated with the third quarter's product mix and the performance of the recent acquisitions. As a result, net earnings[3] in the third quarter of 2013 amounted to $4.7 million compared to $4.1 million in 2012.

EBITDA for the three months ended September 30, 2013 increased by 18 percent to $9.2 million compared to $7.8 million in the same quarter of 2012. EBITDA for the nine months ended September 30, 2013 was $20.1 million compared to $19.9 million in the same period in 2012.

"Overall, the third quarter continued to demonstrate resilience in our business model with sales and gross margin showing growth and improvement during a period of mixed market sentiment," noted Amar S. Doman, Chairman and CEO of the Company. "This demonstrates our ongoing focus on growing the fundamental strength of our business, and maintaining the discipline we apply to growth and profitability."

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

| (in thousands of dollars) | Three months ended September 30 2013 | 2012 (1) | Nine months ended September 30 2013 | 2012 (1) |
|---|---|---|---|---|
| Net earnings | $ 4,719 | $ 4,068 | $ 9,421 | $ 9,161 |
| Provision for income taxes | 1,710 | 1,503 | 3,254 | 3,291 |
| Finance costs | 1,753 | 1,613 | 5,000 | 4,818 |
| Depreciation of property, plant and equipment | 638 | 379 | 1,587 | 1,797 |
| Amortization of intangible assets | 293 | 250 | 793 | 750 |
| Amortization of leasehold inducements | 48 | (56) | 24 | (63) |
| Share-based compensation | - | 34 | 63 | 103 |
| EBITDA | $ 9,161 | $ 7,791 | $20,142 | $19,857 |

1. On January 1, 2013 the Company retrospectively adopted the amendments for IAS 19 – Employee Benefits. The amounts for the three months and the nine months ended September 30, 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.

**For further information regarding CanWel please contact:**
Ali Mahdavi
Investor Relations
416-962-3300 or +1(866) 430-6247
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[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, uptake of the Company’s NCIB program[4] 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 Q3 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 Q3 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.