



CanWel Building Materials Group Ltd.
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Press Release

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CANWEL ACQUIRES PASTWAY PLANING LIMITED

VANCOUVER, Canada – July 2, 2013 – CanWel Building Materials Group Ltd. (“CanWel” or the “Company”) (TSX:CWX, CWX.DB) is pleased to announce that it has completed the acquisition of 100 percent of all outstanding shares of privately held Pastway Planing Limited (“Pastway”)(the “Acquisition”)¹.

Pastway’s pressure treating and planing operations are located in Combermere, Ontario. As a result of this acquisition, CanWel’s assets now include six operating treating plants, three planer facilities and 18 distribution centres strategically located across Canada. The purchase price for the Acquisition will be satisfied fully from the Company’s existing credit facilities.

“The addition of Pastway to our existing platform complements and further solidifies our position and service offering in the pressure treating and planing marketplace, and is expected to be accretive to CanWel’s earnings as early as the current fiscal year,” noted Amar Doman, Chairman and CEO of CanWel. “We are very excited to have expanded CanWel’s footprint and production capabilities in Ontario, and look forward to working with our new colleagues and facilities.”

Pastway’s early roots as a sawmill on the Madawaska River date back to the early 1930s. In 1979, Pastway became the first custom milling operation in the region, and grew from three employees to over 50. Since then, Pastway has steadily increased production capabilities and services, building new relationships with customers and continually expanding to better meet the needs of the changing market conditions and its ever growing customer base.

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, hardware 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, including statements with respect to the anticipated benefits associated with the acquisition of Pastway, its affiliated and parent companies, collectively hereafter “Pastway” or the “Acquisition”). When used in this press release, such statements use words, including but not limited to, “may”, “will”, “expect”, “believe”, “plan”, “intend”, “anticipate” and other similar terminology. These forward-looking statements reflect the current expectations of the Company’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 the Company, including the performance of, and distributable cash generated by the Company, 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 but are not limited (i) the risk the integration of the Acquisition may result in significant challenges, and management of CanWel may be unable to accomplish the integration smoothly or successfully or without spending significant amounts of money; any inability of management to successfully integrate the operations of the combined business, including, but not limited to, information technology and financial reporting systems, could have a material adverse effect on the business, financial condition and results of operations of CanWel; (ii) the risk that Pastway revenues, profits and margins 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 of Pastway (some of whom are competitors of CanWel) cease doing business with Pastway or CanWel, in each case reducing, eliminating or reversing any potential positive economic impact on the Company 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 introduction and implementation of the Acquisition making it more difficult to maintain relationships with customers, employees or suppliers, and (vi) risks related to the operation of pressure treatment facilities, including but not limited to environmental and remediation risks, risks related to the timing of receipt of final permits, labour risks, risks arising from changes to legislation or regulation impacting Pastway, its operations, supply inputs, chemical formulae or processes, risks related to maintenance capital expenditures for manufacturing and processing facilities and risks related to capital expenditures for environmental risks. Additional risks and uncertainties affecting the Company, which could cause results to differ materially from those described in these forward-looking statements, include, among others: increased debt and interest costs, general economic and business conditions, product selling prices, product performance, consumer preferences, design and liability risk, environmental risks, remediation risks, software and software design risk, commodity price fluctuations, information systems risk, interest rate changes, operating costs, political or economic instability in local or nation markets, chemical or commodity prices, exchange rate risks for product inputs and competitive conditions. A further description of these additional factors can be found in the periodic and other reports filed by the Company with Canadian securities commissions and available on Sedar (<http://www.sedar.com>). These forward-looking statements speak only as of the date of this press release. The Company 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. A subsidiary of CanWel has acquired the parent company of Pastway and an affiliate.