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Press Release

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CANWEL BUILDING MATERIALS ANNOUNCES THIRD QUARTER 2015 FINANCIAL RESULTS

Q3 2015 Financial Highlights(1)

- **Revenue increases to $247.4 million**
- **Gross Margin increases to 13.1%**
- **Adjusted EBITDA(3) amounts to $13.9 million**

VANCOUVER, **CANADA** – October 27, 2015 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) announced today its third quarter financial results(1) for the three-month and nine-month periods ended September 30, 2015.

For the three-month period ended September 30, 2015(1), revenues increased by 9.0 percent to $247.4 million when compared to $227.0 million in the same period in 2014. The increase in revenues was primarily due to the impact of the acquisition of California Cascade Industries (the “Acquisition”), which was completed during the quarter, which was offset to a degree by overall market conditions. During the third quarter, gross margin increased by 18.0 percent to $32.4 million, compared to $27.4 million during the corresponding period in 2014. Gross margin percentage also increased to 13.1 percent of revenues versus 12.1 percent during the same period in 2014. The increase in gross margin percentage is mainly due to the results from the Acquisition and a change in the Company’s sales mix within general categories of construction materials and specialty and allied products.

EBITDA(2) for the three months ended September 30, 2015 amounted to $12.6 million compared to $12.0 million in the same quarter of 2014. As a result of the foregoing factors, net income(4) amounted to $6.6 million during the third quarter of 2015, when compared to $6.7 million during the third quarter in 2014. Excluding the transaction costs totaling approximately $1.2 million, Adjusted EBITDA during the third quarter of 2015, amounted to $13.9 million.

For the nine-month period ended September 30, 2015(1), the Company generated EBITDA and adjusted EBITDA of $26.3 million and $27.6 million, respectively, on revenues of $631.2 million. Gross margin and gross margin percentage during the same period amounted to $75.5 million, and 12.0 percent, respectively. This compares to 2014 EBITDA of $25.8 million on revenues of $602.6 million, and gross margin and gross margin percentage of $70.7 million and 11.7 percent, respectively.

“We are very encouraged with the early results of our recent acquisition and entry into the US marketplace, where we continue to see robust market activity and appetite for our products in line with our initial expectations," commented Amar S. Doman, Chairman of the Board. "Our third quarter results were strong across the board at the top line, gross margin and EBITDA levels, inclusive of the costs we incurred relating to the acquisition. I am pleased with our ability to deliver these results during a soft pricing market for certain of our construction materials product categories."

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

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of dollars)	**2015**	**2014**	**2015**	**2014**
Net earnings	**$ 6,611**	$ 6,743	**$ 11,528**	$ 12,535
Provision for income taxes	**2,278**	2,452	**4,593**	4,651
Finance costs	**1,697**	1,650	**5,351**	5,226
Depreciation of property, plant and equipment	**1,519**	859	**3,719**	2,436
Amortization of intangible assets	**489**	304	**1,070**	882
Amortization of leasehold inducements	**(20)**	6	**(30)**	61
Share-based compensation	**-**	-	**62**	53
EBITDA	**12,574**	12,014	**26,293**	25,844
Acquisition costs	**1,279**	-	**1,279**	-
Adjusted EBITDA	**$ 13,853**	$ 12,014	**$ 27,572**	$ 25,844

About CanWel Building Materials

Founded in 1989, CanWel is headquartered in Vancouver, British Columbia and 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. CanWel operates multiple treating plant and planing facilities in Canada and the US, and operates distribution centres coast to coast in all major cities and strategic locations across Canada and near San Francisco and Los Angeles, California. CanWel distributes a wide range of building materials, lumber and renovation products. For more information, visit www.canwel.com. 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", "estimate", "potential", "continue", "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 the assets of California Cascade Industries ("CCI") in quarter 3, 2015[1], Pastway Planing Limited ("Pastway") in quarter 3, 2013, the assets of North American Wood Preservers ("NAWP"), completed in quarter 2, 2013 or Northwest Wood Preservers ("NWP"), completed in quarter 1, 2012 (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 CCI, Pastway, NAWP or NWP (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, exchange 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 and United States housing and building materials markets; 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 Q3 2015 MD&A and Financial Statements for further information. Our Q3 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, depreciation and amortization, goodwill impairment loss and share-based compensation. This is not a generally accepted earnings measure under IFRS and does not have a standardized meaning under IFRS, and therefore 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 earnings or cash flows as determined in accordance with IFRS. For a reconciliation of EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)".

(3) In the discussion, reference is made to Adjusted EBITDA, which is EBITDA as defined above, before certain one-time or unusual items. 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. 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 IFRS. For a reconciliation from EBITDA to the most directly comparable measures calculated in accordance with IFRS refer to "Reconciliation of Net Earnings to Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)".

(4) Before accounting for "Other Comprehensive Income"; please refer to our Q3 2015 Financial Statements for further information.