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Press Release

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CANWEL BUILDING MATERIALS ANNOUNCES FOURTH QUARTER & FULL YEAR 2011 FINANCIAL RESULTS

Full Year 2011 Financial Highlights[(1)]

- **Revenues total $692.9 million**
- **Adjusted EBITDA[(4)] of $13.0 million**
- **BLC integration completed and $10 million in synergies realized on a full year basis**

VANCOUVER, **CANADA** – March 28, 2012 – CanWel Building Materials Group Ltd. (“CanWel” or “the Company”) (TSX:CWX) announced today its fourth quarter and 2011 year-end financial results for the period ended December 31, 2011. Due to the sale of the Company’s hardware division on November 15, 2010, the prior period results of this division have been reclassified as discontinued operations.

For the year ended December 31, 2011, revenues amounted to $692.9 million compared to $1,032.3 million in 2010. The 33 percent decrease in revenue relates to a significant reduction in volume of construction materials sold compared to the corresponding period in 2010, as well as the temporary weather related closure of one of CanWel’s wood treatment facilities in western Canada. Other factors having a meaningful impact on the Company’s volume of sales included the challenging building conditions in the early part of 2011, which were largely weather related, resulting from an unusually severe winter generally experienced across Canada which caused delays and cancellations of renovations and new projects that would normally be initiated in the spring and completed over the summer. Gross margin percentage increased to 11.0 percent or $76.5 million versus 10.3 percent or $106.4 million when compared on a year-over-year basis. The year-over-year increase in gross margin percentage is mainly due to the decrease in construction materials in the Company’s sales mix.

Excluding the impact of one-time items incurred during the year related to the Company’s acquisition of Broadleaf Logistics Company (“BLC”) and reorganization costs as well as foreign exchange and insurance proceeds, Adjusted EBITDA[(4)] and net earnings from continuing operations for the year ended December 31, 2011 were $13.0 million and a loss of $0.7 million, respectively. Including such one-time items, EBITDA[(3)] for the year amounted to $9.8 million.

For the three month period ended December 31, 2011[(1)], CanWel reported revenues of $138.3 million compared to $177.8 million for the same period in 2010. Gross margin during the fourth quarter of 2011 amounted to 9.8 percent or $13.5 million versus 10.7 percent or $19.1 million in 2010. This decrease in margin percentage is mainly due to the slight increase in construction materials in the Company’s sales mix in the fourth quarter of 2011 compared to fourth quarter of 2010. Excluding the impact of one-time charges, Adjusted EBITDA[(4)] and net earnings from continuing operations for the three-month period ended December 31, 2011 amounted to a loss of $46 thousand and a loss of $1.7 million respectively. Including such one-time costs, EBITDA[(3)] for the fourth quarter amounted to $0.8 million.

“2011 was our integration year, and it also proved to be an economically challenging year, starting with a very slow first quarter which set the tone for the remainder of the year,” noted Amar S. Doman, Chairman and CEO of the Company. “However, we remained focused on our priorities and successfully completed the integration of BLC and took advantage of any pockets of opportunity from an overall business and operating perspective, and believe CanWel is well positioned to benefit from demand returning to historical and more normalized levels. So far, we are encouraged with the strength of sales activity and overall demand in our markets in 2012.”

Reconciliation of Net Income to EBITDA:

	Three months ended December 31		**Year ended December 31**	
(in thousands of dollars)	**2011**	**2010**	**2011**	**2010**
Net Earnings (loss) from continuing operations	($1,733)	($2,638)	($685)	$16,197
Income tax provision (recovery)	211	(71)	1,221	7,405
Cash interest expense	991	708	4,364	3,419
Depreciation of property plant and equipment	736	568	2,177	2,283
Amortization of intangible and other assets	250	985	1,000	930
Amortization of financing costs	332	313	1,309	1,096
Accretion of promissory notes	-	-	-	11
Stock-based compensation	34	24	440	247
EBITDA	$821	($111)	$9,826	$31,588
Acquisition and Conversion costs	-	-	-	993
Integration costs	1,000	2,268	5,020	2,268
Insurance proceeds	(1,867)	-	(1,867)	-
Realized foreign exchange gain	-	-	-	(1,102)
Adjusted EBITDA	($46)	$2,157	$12,979	$33,747

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 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”, “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(3) 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 Broadleaf Logistics Company completed on February 1, 2010 (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 Broadleaf Logistics 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 Broadleaf Logistics Company (some of whom are competitors of CanWel) will cease doing business with the Broadleaf Logistics Company or CanWel, 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, relatively stable 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, and to enable 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.

(1) Please refer to our Q4 and Full Year 2011 MD&A for further information.

(2) Please refer to our Q4 2011 Financial Statements for further information.

(3) 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 International Financial Reporting Standards (“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.

(4) In the discussion, reference is made to Adjusted EBITDA, which is EBITDA as defined in (3) above, before certain one time or unusual items. This is a non-IFRS measure, and does not have a standardized meaning under IFRS, the measure as calculated by the Company may not 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.