taiga building products / produits de bâtiment

Taiga Building Products Ltd.
PO Box 80329
800 - 4710 Kingsway
Burnaby, BC V5H 4M2

Phone: 800.663.1470
Fax: 604.439.4242
taigabuilding.com

PRESS RELEASE

Taiga's Q3 sales down 1.2% but gross margin improved to 8.5%

BURNABY, BC, February 11, 2016 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for the three and nine months ended December 31, 2015.

Third Quarter Ended December 31, 2015 Earnings Results

Sales for the quarter ended December 31, 2015 were $292.5 million compared to $296.1 million in the same period last year. The decrease in sales by $3.6 million or 1.2% was primarily the result of decreased demand in Canada.

Gross margin for the quarter ended December 31, 2015 increased to $25.0 million from $24.2 million over the same period last year. Gross margin percentage for the quarter increased to 8.5% compared to 8.2% in the same period last year. The gross margin percentage for the current quarter was impacted by improved margins in several product lines.

Taiga's net earnings (loss) for the quarter ended December 31, 2015 decreased to $(0.1) million from $0.4 million over the same period last year.

EBITDA for the quarter ended December 31, 2015 was $7.7 million compared to $7.5 million for the same period last year.

Nine Months Ended December 31, 2015 Earnings Results

Sales for the nine months ended December 31, 2015 were $1,084.4 million compared to $1,054.4 million over the same period last year. The increase in sales by $30.0 million or 2.8% was largely due to higher sales from US and export operations selling into the United States.

Gross margin for the nine months ended December 31, 2015 increased to $93.0 million from $91.7 million over the same period last year. Gross margin percentage for the nine months ended December 31, 2015 decreased to 8.6% compared to 8.7% over the same period last year. The gross margin percentage was lower in the current nine month period due to a decline in commodity prices.

Net earnings for the nine months ended December 31, 2015 were $11.0 million compared to $11.6 million for the same period last year.

EBITDA for the nine months ended December 31, 2015 decreased to $36.5 million compared to $37.4 million for the same period last year.

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Condensed Consolidated Statement of Earnings

For the Three Months Ended		
	December 31,	
(in thousands of Canadian dollars, except for per share amounts)	2015	2014
Sales	292,476	296,072
Gross margin	24,967	24,236
Distribution expense	5,392	5,567
Selling and administration expense	13,175	12,445
Finance expense	1,262	1,453
Subordinated debt interest expense	4,087	4,089
Other income	(193)	(207)
Earnings before income taxes	1,244	889
Income tax expense	1,297	481
Net earnings (loss)	(53)	408
Net earnings (loss) per share[(1)]	0.00	0.01
EBITDA[(2)]	7,656	7,504

The following is the reconciliation of net earnings to EBITDA:

	December 31,	
(in thousands of Canadian dollars)	2015	2014
Net earnings (loss)	(53)	408
Income tax expense	1,297	481
Finance and subordinated debt interest expense	5,349	5,542
Amortization	1,063	1,073
EBITDA	7,656	7,504

For the Nine Months Ended

(in thousands of Canadian dollars, except for per share amounts)	December 31, 2015	2014
Sales	1,084,440	1,054,397
Gross margin	93,010	91,686
Distribution expense	16,000	15,905
Selling and administration expense	44,119	41,533
Finance expense	4,163	4,763
Subordinated debt interest expense	12,262	12,267
Other income	(417)	(24)
Earnings before income taxes	16,883	17,242
Income tax expense	5,878	5,596
Net earnings	11,005	11,646
Net earnings per share(1)	0.34	0.36
EBITDA(2)	36,469	37,354

The following is the reconciliation of net earnings to EBITDA:

(in thousands of Canadian dollars)	December 31, 2015	2014
Net earnings	11,005	11,646
Income tax expense	5,878	5,596
Finance and subordinated debt interest	16,425	17,030
Amortization	3,161	3,082
EBITDA	36,469	37,354

Notes:
(1) Earnings per share is calculated using the weighted average number of shares.
(2) Reference is made above to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of a company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an 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.

The foregoing selected financial information is qualified in its entirety by and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2015 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at www.sedar.com.

For further information regarding Taiga, please contact:

Mark Schneidereit-Hsu
VP, Finance & Administration and CFO
Tel: 604.438.1471
Email: mschneidereit@taigabuilding.com