



Source: Stella-Jones Inc.

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Stella-Jones announces closing of McFarland Cascade acquisition

Montreal, Quebec – November 30, 2012 – Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or the “Company”) announced today that it has completed the acquisition of McFarland Cascade Holdings, Inc. (“McFarland”), a provider of treated wood products based in the state of Washington.

The purchase price amounted to approximately US\$250.0 million, subject to post closing adjustments, including approximately US\$125.0 million of net working capital and the assumption of certain liabilities. Financing for the transaction has been secured through an \$80.0 million private placement of subscription receipts, which successfully closed earlier today, as well as through term financing resulting from an increase in the Company’s committed revolving credit facility to \$350.0 million. The subscription receipts will be exchanged as at the close of business today for common shares in the share capital of the Company on the basis of one common share per subscription receipt. Holders of subscription receipts do not need to take any action in order to receive the common shares to which they are entitled. As the subscription receipts were sold on a private placement basis, these common shares will be subject to regulatory restrictions on resale until March 31, 2013.

Founded in 1916, McFarland is one of North America’s long-standing suppliers of utility poles, as well as crossarms, piling and crane mats. It is also a provider of treated lumber for outdoor home projects, including composite decking, railings and related accessories. It serves its customer base through four wood treating facilities located in Tacoma, Washington; Eugene, Oregon; Electric Mills, Mississippi; and Galloway, British Columbia; as well as through an extensive distribution network. McFarland’s sales for its fiscal year ended December 31, 2012 are expected to reach approximately US\$280.0 million and earnings before interest, taxes, depreciation and amortization (“EBITDA”) for 2012 are expected to be approximately US\$29.0 million.

“The acquisition of McFarland further enhances the range of Stella-Jones’ offerings in the North American wood treating industry. We expect the transaction to be accretive to earnings and to yield synergies, as we remain focused on optimizing operating efficiency across our continental network,” said Brian McManus, President and Chief Executive Officer of Stella-Jones.

This press release is not an offer to sell, or a solicitation of an offer to buy, any securities. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure treated wood products. The Company supplies North America’s railroad operators with railway ties, timbers and recycling services; and the continent’s electrical utilities and telecommunications companies with utility poles. Stella-Jones

also provides industrial products and services for construction and marine applications, as well as residential lumber to retailers and wholesalers for outdoor applications. The Company's common shares are listed on the Toronto Stock Exchange.

Except for historical information provided herein, this press release contains information and statements of a forward-looking nature, including information relating to McFarland's sales and EBITDA for its fiscal year ended December 31, 2012, to the Company's future earnings and to potential synergies resulting from the acquisition of McFarland. These statements are based on suppositions, uncertainties and other factors as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand, the impact of price pressures exerted by competitors, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results and should not place undue reliance on forward-looking information.

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The Toronto Stock Exchange
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