



Source: Stella-Jones Inc.

Contacts: **Éric Vachon, CPA, CA**
Senior Vice-President and Chief Financial Officer
Tel.: (514) 940-3903
evachon@stella-jones.com

Martin Goulet, CFA
MaisonBrison Communications
Tel.: (514) 731-0000
martin@maisonbrison.com

Stella-Jones completes acquisition of Ram Forest Group

Montréal, Québec – October 2, 2015 – Stella-Jones Inc. (TSX: SJ) today announced that it has completed its previously announced acquisition of the shares of Ram Forest Group Inc. and Ramfor Lumber Inc.

Through its wholly-owned subsidiaries, Ram Forest Products Inc. and Trent Timber Treating Ltd., Ram Forest Group manufactures and sells pressure treated wood products and accessories to the retail building materials industry. Ram Forest Products operates a wood treating facility in Gormley, Ontario and Trent Timber Treating operates a wood treating facility in Peterborough, Ontario. Ramfor Lumber is a lumber purchasing entity serving Ram Forest Products and Trent Timber Treating. Combined sales and Adjusted EBITDA of the acquired facilities for the fiscal year ended September 30, 2014 reached approximately \$90.4 million and \$11.1 million, respectively.

The purchase price was \$60.0 million, including \$16.7 million of estimated working capital, subject to post-closing adjustments. Stella-Jones has financed the acquisition through its existing revolving credit facility.

“The acquisition of Ram Forest Group further enhances Stella-Jones’ offering of treated wood products to the retail market. We expect this transaction to yield synergies and to be immediately accretive to earnings, as we aim to optimize operating efficiency across our continental network,” said Brian McManus, President and Chief Executive Officer of Stella-Jones.

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 and timbers, and the continent’s electrical utilities and telecommunication companies with utility poles. Stella-Jones also provides residential lumber to retailers and wholesalers for outdoor applications, as well as industrial products for construction and marine applications. The Company’s common shares are listed on the Toronto Stock Exchange.

NON-IFRS FINANCIAL MEASURES

Adjusted EBITDA is a financial measure not prescribed by IFRS and is not likely to be comparable to similar measures presented by other issuers. Management considers this non-IFRS measure to be useful information to assist knowledgeable investors in assessing the impact of the acquisition of the shares of Ram Forest Group Inc. and Ramfor Lumber Inc. on the Company’s financial performance. “EBITDA” is defined as earnings before financial expenses, provision for income taxes, depreciation of property, plant and equipment and amortization of intangible assets, and “Adjusted EBITDA” is defined as EBITDA excluding certain specific items described below.

The amount of \$11.1 million of Adjusted EBITDA of the acquired facilities for the fiscal year ended September 30, 2014 was calculated based on net income of \$0.2 million for such period, to which was added financial expenses of \$0.4 million, depreciation of property, plant and equipment of \$0.9 million and the balance being non-recurring remuneration paid to officers and employees. There was no provision for income taxes or amortization of intangible assets for such period.

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties 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 for the Company's products and services, the impact of price pressures exerted by competitors, the ability of the Company to raise the capital required for acquisitions, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results.

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HEAD OFFICE

3100 de la Côte-Vertu Blvd.
Suite 300
Saint-Laurent, Québec
H4R 2J8
Tel.: (514) 934-8666
Fax: (514) 934-5327

EXCHANGE LISTINGS

The Toronto Stock Exchange
Stock Symbol: SJ

**TRANSFER AGENT
AND REGISTRAR**

Computershare Investor Services Inc.

INVESTOR RELATIONS

Éric Vachon
Senior Vice-President and
Chief Financial Officer
Tel.: (514) 940-3903
Fax: (514) 934-5327
evachon@stella-jones.com