



FOR IMMEDIATE RELEASE

Tree Island Steel Announces Full Year 2016 Results

FY 2016 Financial Highlights¹

Revenues totalled \$231.3 million

Gross profit increased 16.5% to \$37.4 million

EBITDA increased 14.9% to \$21.0 million

VANCOUVER, British Columbia, Canada – February 23, 2017 – Tree Island Steel Ltd. ("Tree Island" or the "Company") (TSX:TSL) announced today its financial results for the three and twelve-month periods ended December 31, 2016.

For the three-month period ended December 31, 2016, revenues were \$45.9 million versus \$54.3 million during the corresponding period in 2015, a decline of 15.4%. Gross profit for the three months was \$5.3 million versus \$5.9 million during the corresponding period in 2015 while gross profit margin increased to 11.5% from 10.9% when compared to the same period last year. EBITDA amounted to \$1.0 million, compared to \$1.8 million during the fourth quarter of 2015.

For the twelve-months ended December 31, 2016, revenues amounted to \$231.3 million, the same as 2015. Gross profit and EBITDA for the twelve-month period amounted to \$37.4 million and \$21.0 million, respectively, compared to \$32.1 million and \$18.2 million during the same twelve-month period in 2015, resulting from the strong financial results in the first half of 2016.

"Overall performance in the first half of the year was solid, supported by strong demand from the end markets we serve. The back half of 2016 proved to be more challenging with softer market prices relative to the year prior, and higher input costs nearing the end of the quarter. Nonetheless, we maintained our focus on pricing discipline throughout the year, which benefited the growth in EBITDA year-over-year" said Dale R. Maclean, President and CEO of Tree Island Steel Ltd. "As we move into the first quarter with demand continuing to increase, we are implementing strategic price increases to address inflationary raw material input costs in line with industry wide experience."

"I am very pleased with management's ongoing focus and commitment to carrying out our long-term plan. We will continue to battle and grow market share as the macro economy outlook looks excellent into the future" said Amar. S. Doman, Chairman of Tree Island Steel Ltd.

¹ Please refer to our 2016 MD&A for further information.



Summary of Results

(\$'000 unless otherwise stated)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue	45,903	54,274	231,253	231,266
Cost of sales	(39,780)	(47,480)	(190,521)	(196,028)
Depreciation	(827)	(862)	(3,319)	(3,115)
Gross profit	5,296	5,932	37,413	32,123
Selling, general and administrative expenses	(4,810)	(5,107)	(19,388)	(18,030)
Operating income	486	825	18,025	14,093
Foreign exchange gain (loss)	(282)	127	(375)	1,041
Gain (loss) on sale of property, plant and equipment	-	(4)	12	(10)
Other expenses	(57)	(316)	(57)	(316)
Changes in financial liabilities recognized at fair value	(458)	323	149	136
Financing expenses	(723)	(793)	(2,753)	(3,183)
Income before income taxes	(1,034)	162	15,001	11,761
Income tax (expense) recovery ²	329	5,360	(1,433)	4,386
Net income (loss)	(705)	5,522	13,568	16,147
Operating Income	486	825	18,025	14,093
Add back depreciation	827	862	3,319	3,115
Foreign exchange gain (loss)	(282)	127	(375)	1,041
EBITDA ³	1,031	1,814	20,969	18,249
Net income per share	(0.02)	0.18	0.44	0.52
Dividends per share	0.02	0.01	0.07	0.02
Sales volume (tons) ⁴	35,808	38,981	175,232	162,243
Gross profit per ton (\$/ton)	148	152	214	198
EBITDA per ton (\$/ton)	29	47	120	112
Financial Position as at:	<u>December 31, 2016</u>		<u>December 31, 2015</u>	
Total Assets	137,455		131,589	
Total non-current financial liabilities	19,090		22,152	

² The change between the net tax recovery in 2015 to the net tax expense in 2016 results in a reduction in EPS for the year of \$0.19 per share. For further information, see the FY2016 MD&A and Consolidated Financial Statements

³ See definition of EBITDA and Adjusted Net Income in Section 2 NON-IFRS MEASURES of the 2016 MD&A.

⁴ Sales volume excludes tons which were processed as part of tolling arrangements.



About Tree Island Steel

Tree Island Steel, headquartered in Richmond, British Columbia, since 1964, through its four operating facilities in Canada and the United States, produces wire products for a diverse range of industrial, residential construction, commercial construction and agricultural applications. Its products include galvanized wire, bright wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco reinforcing products; concrete reinforcing mesh; fencing and other fabricated wire products. The Company markets these products under the Tree Island®, Halsteel®, K-Lath®, TI Wire® and Tough Strand® brand names.

Forward-Looking Statements

This press release includes forward-looking information with respect to Tree Island including its business, operations and strategies, its dividend policy and the declaration and payment of dividends thereunder as well as financial performance and conditions. The use of forward-looking words such as, "may," "will," "expect" or similar variations generally identify such statements. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Although management believes that expectations reflected in forward-looking statements are reasonable, such statements involve risks and uncertainties including risks and uncertainties discussed under the heading "Risk Factors" in Tree Island's most recent annual information form and management discussion and analysis.

The forward looking statements contained herein reflect management's current beliefs and are based upon certain assumptions that management believes to be reasonable based on the information currently available to management. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward looking statements. In evaluating these statements, prospective investors should specifically consider various factors including the risks outlined in the Company's most recent annual information form and management discussion and analysis which may cause actual results to differ materially from any forward looking statement. Such risks and uncertainties include, but are not limited to: general economic, market and business conditions, the cyclical nature of our business and demand for our products, financial condition of our customers, competition, volume and price pressure from import competition, deterioration in the Company's liquidity, disruption in the supply of raw materials, volatility in the costs of raw materials, transportation costs, foreign exchange fluctuations, leverage and restrictive covenants, labour relations, trade actions, dependence on key personnel and skilled workers, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, management of growth, changes in tax, environmental and other legislation, and other risks and uncertainties set forth in our publicly filed materials.

This press release has been reviewed by the Company's Board of Directors and its Audit Committee, and contains information that is current as of the date of this press release, unless otherwise noted. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Readers are cautioned not to place undue reliance on this forward-looking information and management of the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable securities laws.

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