



CanWel Building Materials Income Fund
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Press Release

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CANWEL BUILDING MATERIALS INCOME FUND ANNOUNCES RECORD FISCAL 2007 FINANCIAL RESULTS AND SPECIAL DISTRIBUTION

- CanWel earns record fourth quarter EBITDA of \$7.1 million in Q4 2007, up 39%
- CanWel earns record EBITDA of \$36.2 million for full year ended 2007, up 32%
- CanWel to make one-time special distribution of \$0.05 per unit

VANCOUVER, CANADA – March 10, 2008 – CanWel Building Materials Income Fund⁽¹⁾ (the “Fund”) (TSX:CWX.UN) today reported its results for the three months and year ended December 31, 2007⁽²⁾.

For the three month period ended December 31, 2007, the Fund reported revenues of \$189 million compared to \$192 million for the same period in 2006. Gross margin during the fourth quarter of 2007 increased to 12.8 percent or \$24.2 million, versus 11.7 percent or \$22.4 million in 2006. EBITDA⁽³⁾ for the quarter was \$7.1 million, a record for our fourth quarter and compares to \$5.1 million for the fourth quarter of 2006, an increase of 39 percent.

For the year ended December 31, 2007, revenues totalled \$862 million compared to \$911 million in 2006. Gross margin for the year was \$108 million, versus \$97 million in the prior year. Fiscal 2007 EBITDA increased 32 percent to a record \$36.2 million, versus \$27.5 million in 2006.

“We are very pleased with our gross margin expansion which has resulted in improved EBITDA and a decrease in our payout ratio,” noted Tom Donaldson, President and CEO of CanWel Building Materials Income Fund. “While the economic environment remains challenging for our business, we have made significant progress in strengthening our business in 2007.”

“I am very proud that CanWel has achieved these record results in light of the ongoing and unprecedented retraction in commodity pricing in our business. We have focused on cost control, accretive acquisitions and serving our customers’ needs and the results are evident. I am also pleased to announce that we will pay our unitholders a one-time special distribution of \$0.05 per unit,” noted Amar Doman, Chairman of the Fund. The record date for the one-time special distribution will be March 31, 2008, and will be payable on April 18, 2008 along with our ordinary March 2008 distribution.

The Fund trades on the Toronto Stock Exchange under the symbol CWX.UN and is one of Canada’s largest national distributors in the building materials and related products sector, operating 17 distribution centres across Canada. The Fund distributes a wide range of hardware, building materials, lumber and renovation products.

Full results can be found in the disclosure documents filed by CanWel Building Materials Income Fund at www.canwel.com and under the Fund's profile on the Canadian Securities Administrators' website 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" and other similar terminology, or the negative forms thereof. These forward-looking statements reflect the current expectations of the Fund'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 the Fund, including the performance of, and distributable cash³ generated by the Fund, 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, but are not limited to (i) the risk management of CanWel may be unable to complete the integration of five recently-acquired pressure treating plants (the "Plants") smoothly or successfully or without spending significant amounts of money, or may be unable 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 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 of the Plants (some of whom are competitors of CanWel) cease doing business with the Plants or CanWel, in each case reducing, eliminating or reversing any potential positive economic impact on the Fund of the acquisition of the Plants; (iv) the risk that any increased sales, margin, profit or distributable cash resulting from the acquisition of the Plants may not be fully realized, realized at all or may take longer to realize than expected; (v) the risk of disruption from the implementation of the acquisition of the Plants, making it more difficult to maintain relationships with customers, employees and suppliers; and (vi) risks related to the operation of pressure treatment facilities, including but not limited to environmental risks, labour risks, risks related to maintenance capital expenditures for manufacturing facilities and risks related to capital expenditures for environmental risks. Additional risks and uncertainties affecting the Fund, which could cause results to differ materially from those described in these forward-looking statements, include, among others: increased debt and interest costs, dependence on general economic and business conditions, fluctuations in product selling prices, sales and margin risk, product performance, design and liability risk, software and software design risk, commodity price fluctuations, information systems risk, availability of supply of products, risks associated with the introduction of new product lines, inventory risk, customer and vendor risk, interest rate changes, credit risk, unforeseen increases in operating costs, environmental risk, general acquisition and integration risk and changes in competitive conditions. A further description of these additional factors can be found in the periodic and other reports filed by the Fund with Canadian securities commissions and available on Sedar (<http://www.sedar.com>). These forward-looking statements speak only as of the date of this press release. Except as required by applicable law, the Fund 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.

⁽¹⁾ References to the Fund or CanWel include references to CanWel Building Materials Ltd. as the context may require.

⁽²⁾ Please refer to our 2007 Annual MD&A for further information.

⁽³⁾ Reference is made above to EBITDA and distributable cash. We define EBITDA as earnings before interest expense, income taxes, gain or loss on sale of fixed assets, depreciation and amortization, goodwill impairment loss and stock-based compensation expense. We define distributable cash as cash flow from operating activities before changes in non-cash working capital and pension and other post-retirement benefits and after maintenance of business capital expenditure and contributions to any reserves the Board of Trustees deem to be reasonable and necessary for the operations of the Fund.

EBITDA is a measure used by management of CanWel to evaluate financial performance. In addition, management of CanWel believes that distributable cash is a useful financial measure as it provides investors with an indication of cash available for distribution and is a measure generally used by Canadian income funds as an indicator of financial performance. EBITDA and distributable cash, however, are not measures of earnings or financial performance recognized by Canadian generally accepted accounting principles ("GAAP") and do not have standardized meanings prescribed by GAAP. Items excluded from EBITDA and distributable cash are significant to understanding and assessing financial performance. EBITDA and distributable cash should not be considered in isolation or as alternatives to net income, cash flows generated by operations or other financial statement data presented in the consolidated financial statements of the Fund, as indicators of financial performance or liquidity under GAAP. Because neither EBITDA nor distributable cash is a measure determined in accordance with GAAP, as presented, investors are cautioned that EBITDA and distributable cash may not be comparable to similarly-titled measures presented by other issuers (such as other income funds).

