



FOR IMMEDIATE RELEASE

Tree Island Steel Announces Full Year 2017 Results

FY 2017 Financial Highlights¹

Revenues increased to \$234.7 million

Gross profit at \$18.2 million

EBITDA at \$7.0 million

VANCOUVER, British Columbia, Canada – February 22, 2018 – Tree Island Steel Ltd. ("Tree Island" or the "Company") (TSX:TSL) announced today its financial results for the three months and year ended December 31, 2017.

For the three-month period ended December 31, 2017, revenues were \$54.6 million versus \$45.9 million during the corresponding period in 2016, an increase of 18.9%. Gross profit for the three months was \$2.5 million versus \$5.3 million during the corresponding period in 2016. Gross margin for the quarter was 4.5% compared to 11.5% during the same period in 2016. EBITDA amounted to \$1.9 million, compared to \$1.0 million during the fourth quarter of 2016. Gross profit were negatively impacted on a comparative basis due to the industry wide margin compression associated with rising input costs and the slower pace of the increase of the market prices of finished goods in the markets we serve.

For the year ended December 31, 2017, revenues amounted to \$234.7 million, an increase of 1.5% when compared to 2016, despite the divestiture of the Stainless product lines at the end of Q3 2016 (the Stainless product lines accounted for \$14.0 million or 6% of revenues in 2016). Gross profit and EBITDA for the year amounted to \$18.2 million and \$7.0 million, respectively, compared to \$37.4 million and \$21.0 million during the same year ended period in 2016.

"In spite of the divestiture of the Stainless product lines at the end of Q3, 2016 we were still able to increase the volume of shipments in 2017, with revenues increasing by \$3.5 million" noted Dale R. MacLean, President and CEO of Tree Island Steel Ltd. "However, overall market conditions remained challenging, largely brought about by the inability of the market prices of the finished goods we produce to keep pace with the increase in raw material prices throughout the year. Pricing discipline continues to be a key component of our strategy as we continue to seek to be the premier supplier to our customers while continuing to create value for our shareholders."

"The Company has implemented a solid foundation to compete effectively even during cyclical periods when macro trends may not be favourable," said Amar S. Doman, Chairman of Tree Island Steel Ltd. "We are confident the strength of Tree Island's business model along with the pro-active actions taken by management will continue to steer the company towards our long-term goals."

¹ Please refer to our 2017 MD&A for further information.



Summary of Results

(\$'000 unless otherwise stated)

	Three Months Ended December 31,		Year Ended December 31,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue	54,561	45,903	234,705	231,253
Cost of sales	(51,266)	(39,780)	(213,223)	(190,521)
Depreciation	(843)	(827)	(3,291)	(3,319)
Gross profit	2,452	5,296	18,191	37,413
Selling, general and administrative expenses	(1,482)	(4,810)	(13,899)	(19,388)
Operating income	970	486	4,292	18,025
Foreign exchange gain (loss)	119	(282)	(582)	(375)
Gain (loss) on sale of property, plant and equipment	68	-	(47)	12
Other expenses	(635)	(57)	(635)	(57)
Changes in financial liabilities recognized at fair value	(420)	(458)	84	149
Financing expenses	(773)	(723)	(2,967)	(2,753)
Income (loss) before income taxes	(671)	(1,034)	145	15,001
Current income tax (expense) recovery	-	(303)	(2)	(504)
Deferred income tax (expense) recovery	-	632	(1,781)	(929)
Net income (loss)	(1,974)	(705)	(1,638)	13,568
Operating Income	970	486	4,292	18,025
Add back depreciation	843	827	3,291	3,319
Foreign exchange gain (loss)	119	(282)	(582)	(375)
EBITDA ²	1,932	1,031	7,001	20,969
Net income (loss) per share	(0.07)	(0.02)	(0.05)	0.44
Dividends per share	0.02	0.02	0.08	0.07
Sales volume (tons) ³	40,642	35,808	180,485	175,232
Gross profit per ton (\$/ton)	60	148	101	214
EBITDA per ton (\$/ton)	48	29	39	120
Financial Position as at:	<u>December 31, 2017</u>		<u>December 31, 2016</u>	
Total Assets	133,681		137,455	
Total non-current financial liabilities	18,356		19,090	

² See definition of EBITDA and Adjusted Net Income in Section 2 NON-IFRS MEASURES of the 2017 MD&A.

³ 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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