



FOR IMMEDIATE RELEASE

Tree Island Steel Announces Third Quarter 2015 Results

Q3 2015 Financial Highlights¹

Volumes up by 18.8% to 43,366 tons
Revenue increases by 28.0% to \$61.4 million
Gross Profit increases by 88.2% to \$9.8 million
EBITDA² increases by 157.8% to \$6.2 million

YTD 2015 Financial Highlights:

Volumes up by 14.1% to 123,262 tons
Revenue increases by 24.9% to \$177.0 million
Gross Profit increases by 72.9% to \$26.2 million
EBITDA increases by 141.7% to \$16.4 million

VANCOUVER, British Columbia, Canada – November 5, 2015 – Tree Island Steel Ltd. ("Tree Island" or the "Company") (TSX:TSL) announced today its financial results for the three and nine-month periods ended September 30, 2015.

For the three-month period ended September 30, 2015, revenues increased by 28 percent to \$61.4 million versus \$47.9 million for the same period last year. Volumes also increased by 18.8 percent to 43,366 tons from 36,491. Gross profit for the three months increased to \$9.8 million, while EBITDA grew from \$2.4 million last year to \$6.2 million, representing a year-over-year increase of 157.8 percent. During the three months the focus continued to be on the more robust US market, pricing discipline and identifying market opportunities for profitable growth. This is reflected in the increase in gross profit margin, which was 16.0% this past quarter compared to 10.9% last year.

For the nine-month period ended September 30, 2015, revenues amounted to \$177 million on 123,262 tons, compared to \$141.6 million on 108,025 tons during the same period in 2014. Gross profit for the nine-months totaled \$26.2 million, compared to \$15.1 million last year, while EBITDA also increased by 141.7 percent to \$16.4 million from \$6.8 million last year. The strategies and actions that were implemented to increase volume, manage costs and profitability have been consistent throughout the nine months ended September 30, 2015 and contributed to the robust financial results.

¹ Please refer to our Q3 2015 MD&A for further information.

² References made above to "EBITDA" are to operating profit plus depreciation and foreign exchange gains and losses. References to "Adjusted Net Income" are to net income per IFRS adjusted for certain non-cash items including non-cash financing expenses, changes in fair value of convertible instruments, and deferred income tax. EBITDA is a measure used by many investors to compare issuers on the basis of ability to generate cash flows from operations. Adjusted Net Income is a measure for investors to understand the impact of significant non-cash items that affect our results from operations. Neither EBITDA nor Adjusted Net Income are earnings measures recognized by IFRS and do not have a standardized meaning prescribed by IFRS. We believe that EBITDA and Adjusted Net Income are important supplemental measure in evaluating the Company's performance. You are cautioned that EBITDA and Adjusted Net Income should not be construed as alternatives to net income or loss, determined in accordance with IFRS, or as indicators of performance. Our method of calculating EBITDA and Adjusted Net Income may differ from methods used by other issuers and, accordingly, our EBITDA or Adjusted Net Income may not be comparable to similar measures presented by other issuers.



The Company paid its first quarterly dividend of \$0.01 per common share on October 15, 2015 to shareholders of record on September 30, 2015.

Tree Island and the Canadian Office and Professional Employees Union Local 378 successfully concluded a new collective agreement. The agreement covers salary employees at Tree Island's Richmond, BC administration office, and foremen, supervisors and quality control employees at the Richmond, BC manufacturing facility. The new five year collective agreement expires September 30, 2020.

"The direction that our business has taken this past quarter and for the past nine months is partly as a result of our efforts to increase our presence in certain markets, our understanding of our customers' needs and delivering them the quality products and service they expect from Tree Island" commented Dale Maclean. "With a strong quarter behind us, we will continue to monitor market conditions, look for new opportunities and we will adapt our actions as appropriate to keep our momentum going forward."

"On behalf of the Board of Directors, I would like to express confidence in the strategies and actions implemented by the management team, and I look forward to our continued success," commented Amar S. Doman, Chairman of the Board of Directors.



Summary of Results

(\$'000 unless otherwise stated)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Sales volume - Tons ³	43,366	36,491	123,262	108,025
Revenue	61,408	47,975	176,992	141,679
Cost of sales	(50,828)	(42,061)	(148,548)	(124,431)
Depreciation	(767)	(699)	(2,253)	(2,096)
Gross profit	9,813	5,215	26,191	15,152
Selling, general and administrative expenses	(4,537)	(3,548)	(12,923)	(10,802)
Operating income	5,276	1,667	13,268	4,350
Foreign exchange gain (loss)	152	37	914	353
Gain (loss) on sale of property, plant and equipment	-	-	(6)	(10)
Changes in financial liabilities recognized at fair value	96	154	(187)	(112)
Financing expenses	(690)	(913)	(2,390)	(2,983)
Income before income taxes	4,834	945	11,599	1,598
Income tax (expense) recovery	1,610	(555)	(974)	(676)
Net income	6,444	390	10,625	922
Operating Income	5,276	1,667	13,268	4,350
Add back depreciation	767	699	2,253	2,096
Foreign exchange gain (loss)	152	37	914	353
EBITDA ⁴	6,195	2,403	16,435	6,799
Net Income	6,444	390	10,625	922
Non-cash financing expenses	302	262	883	787
Changes in FV of financial instruments	(96)	(154)	187	112
Deferred tax	187	449	5	550
Adjusted net income ⁴	6,837	947	11,700	2,371
Net income per share - basic (\$/share)	0.21	0.01	0.34	0.03
Net income per share - diluted (\$/share)	0.21	0.01	0.34	0.03
Gross profit per ton (\$/ton)	226	143	212	140
EBITDA per ton (\$/ton)	143	66	133	63
Financial Position as at:	September 30, 2015	December 31, 2014		
Total Assets	127,948	112,106		
Total non-current financial liabilities	15,838	13,073		

³ Sales volumes excludes tons which were processed as part of tolling arrangements

⁴ See definition of EBITDA and Adjusted Net Income in Section 2 NON-IFRS MEASURES of the Q3 2015 MD&A.



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, agricultural, and specialty 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, Industrial Alloys, TI Wire, and Tough Strand brand names. The Company also owns and operates a China-based company that assists the international sourcing of products to Tree Island and its customers.

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, significant exposure to the Western United States due to lack of geographic diversity, dependence on the construction industry, transportation costs, foreign exchange fluctuations, leverage and restrictive covenants, labour relations, trade actions, dependence on key personnel and skilled workers, reliance on key customers, 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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