

Hardwoods Distribution Inc. Announces Changes in Executive Leadership

LANGLEY, BC, Jan. 7, 2016 /CNW/ - Hardwoods Distribution Inc. ("Hardwoods" or the "Company") (TSX: HWD) announced today that Lance Blanco will step down from his current position of Chief Executive Officer of the Company, effective January 7, 2016. Mr. Blanco will also resign his position as a Director of the Company. Mr. Blanco will assume new duties with Hardwoods in the capacity of Senior Vice President, Corporate Development, responsible for strategy, acquisitions and special projects.

Succeeding Mr. Blanco as Chief Executive Officer is Rob Brown. Mr. Brown will also assume a position as Director of the Company. Mr. Brown is currently the Chief Operating Officer of the Company, and brings 17 years' experience working in the building materials and distribution business with McMillan Bloedel, Weyerhaeuser and Hardwoods. In Mr. Brown's past 11 years with the Company, he has held positions of Vice President of Finance, Vice President and Chief Financial Officer, and Vice President and Chief Operating Officer. From July 2014 to March 2015 Mr. Brown was also the acting Chief Executive Officer of the Company during a period of time that Mr. Blanco was hospitalized from injuries sustained in a serious bicycling accident.

"The Board of Directors is grateful for Lance Blanco's vision and leadership since joining the Company in 2010," said Lawrence Sauder, Chairman of the Board of Directors. "Lance set the Company on the strong strategic path that is the foundation for the success Hardwoods is achieving today. We are thrilled that Lance will continue on as a key member of the executive team in his role as Senior Vice President."

"Rob brings a wealth of strategic, operational and financial expertise and has been instrumental to the Company's success," Mr. Sauder added. "He is an exceptional leader and knows how to capitalize on the positive growth opportunities that we see ahead for the business."

"I am honored to lead the Company as we enter the next phase of our market expansion plans," said Mr. Brown. "Coming off of a third quarter where we achieved record sales of \$152.1 million and record EBITDA of \$10.2 million, the Company is delivering strong results and is well positioned to continue to capitalize on the improving US housing market. I am excited about the Company's prospects as we execute on our core strategies of growing our import business and expanding further into commercial markets."

About Hardwoods

Hardwoods is one of North America's largest distributors of high-grade hardwood lumber, sheet goods and architectural millwork to the cabinet, moulding, millwork, furniture and specialty wood products industries. The Company currently operates in North America a network of 32 distribution centers and one sawmill and kiln drying operation.

Non-GAAP Measures - EBITDA

References to "EBITDA" are to earnings before interest, income taxes, depreciation and amortization, where interest is defined as net finance costs as per the consolidated statement of comprehensive income. In addition to profit or loss, the Company considers EBITDA and EBITDA ratios to be a useful supplemental measure of a company's ability to meet debt service and capital expenditure requirements, and the Company interprets trends in EBITDA and EBITDA ratios as an indicator of relative operating performance.

EBITDA is not an earnings measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Investors are cautioned that EBITDA should not replace profit or loss or cash flows (as determined in accordance with IFRS) as an indicator of Hardwoods' performance. The Company's method of calculating EBITDA may differ from the methods used by other issuers. Therefore, the Company's EBITDA may not be comparable to similar measures presented by other issuers.

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