

Stella-Jones Inc.

Q3'09 Investor Fact Sheet

Quarter ended September 30, 2009

Third Quarter Highlights

- Sales of \$104.7 million, compared with \$111.8 million last year
- Gross profit margin of 18.8% of sales, versus 18.7% a year earlier
- Net earnings of \$8.3 million compared with \$6.9 million last year, up 21.5%
- Diluted EPS of \$0.65, up from \$0.54 in the third quarter of 2008

A Word from the President

Third quarter results continue to reflect lower activity in the railway tie market, as a result of the reduction in freight hauled. In addition, certain special projects are awaiting qualification under government-driven infrastructure stimulus programs. Nevertheless, our firm commitment to reviewing the cost efficiency of our operations and optimizing capacity utilization across Stella-Jones' continental plant network further improved profitability.

Sales in the third quarter reached \$104.7 million, a decrease of \$7.2 million, or 6.4% from last year's sales of \$111.8 million, mainly reflecting lower demand in the railway tie product category. Fluctuations in the value of the Canadian dollar, Stella-Jones' reporting currency, versus the U.S. dollar, increased the value of U.S. dollar denominated sales by approximately \$3.6 million.

Gross profit was \$19.6 million or 18.8% of sales, compared with \$20.9 million or 18.7% of sales last year. The decrease in gross profit dollars reflects lower sales, whereas the increase as a percentage of sales stems from more favourable raw material pricing versus a year ago and increased efficiencies from The Burke-Parsons-Bowlby Corporation ("BPB") integration helped to offset softer pricing in most markets. Net earnings for the period increased 21.5% to \$8.3 million or \$0.65 per share, fully diluted, in 2009, compared with \$6.9 million or \$0.54 per share, fully diluted, in 2008.

Brian McManus
President and CEO
November 13, 2009

Financial Highlights

(in millions of Canadian dollars, except per share data)

	3 months ended Sept. 30 (unaudited)		9 months ended Sept. 30 (unaudited)	
	2009	2008	2009	2008
Sales	104.7	111.8	345.7	301.1
Gross profit	19.6	20.9	66.1	60.0
Net earnings for the period	8.3	6.9	27.0	22.2
Per share – basic (\$)	0.66	0.55	2.14	1.79
Per share – diluted (\$)	0.65	0.54	2.13	1.75
Cash flow from operating activities*	10.3	9.5	34.2	29.3
Weighted-average shares out. (basic, in '000s)	12,679	12,559	12,623	12,432

* Before changes in non-cash working capital components

Recent Events

As part of the Company's continuous monitoring of operating cost efficiency and optimization of capacity utilization, the Company closed its Stanton, Kentucky facility at the end of business on September 4, 2009, resulting in the termination of ten employees. Production, consisting essentially of treated wood for custom log homes and highway timbers, was transferred to the Company's Spencer, West Virginia facility. Furthermore, the workforce at the Spencer facility was reduced by 29 employees effective August 13, 2009 as the Company shifted the majority of Spencer's railway tie production to its other U.S. plants.

5-Year Financial Review

(in millions of Canadian dollars, except per share data)

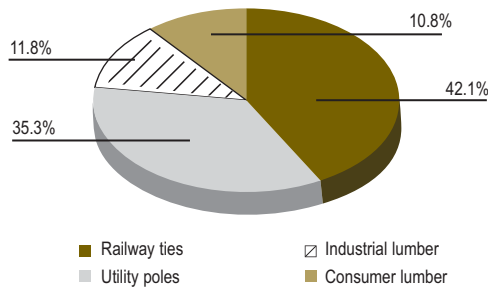
	Trail. 12 months	2008	2007	2006	2005
Sales	429.5	384.8	269.7	223.9	157.1
Gross Profit	84.4	78.4	66.8	50.4	32.0
Gross Profit Margin	19.7%	20.4%	24.8%	22.5%	20.4%
Net Earnings for the Year	33.4	28.5	25.7	20.8	11.5
Per Common Share – Diluted	2.63	2.25	2.03	1.76	1.08
Cash Flow from Operating Activities*	46.0	41.1	33.4	26.8	16.0

*Before changes in non-cash working capital components

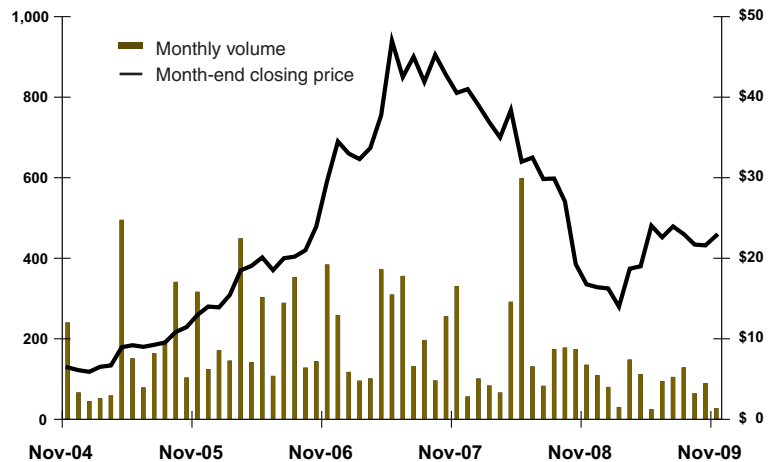
Outlook

- Challenging market conditions continue to prevail in the railway tie market as Class 1 railway operators are deferring railway tie deliveries until the first quarter of next year in order to keep inventory levels down. Also, certain special projects, which often generate increased activities in the short line and contractor markets, have been put on hold until economic and financing conditions recover. Meanwhile, conditions remain generally more stable in the North American utility pole market. Nevertheless, given uncertainty about the timing of government driven infrastructure projects, Management believes that sales will soften in the short-term until such time as general economic conditions improve.
- Class 1 railway operators have given indications that in the fourth quarter of this year, contrary to years past, they will not be taking advanced deliveries of railway ties for their regular 2010 maintenance programs. Traditionally, they order in the latter part of the year to have ties on hand and available to their maintenance crews early in the following year. Although organic sales growth will continue to be a challenge in the months ahead, an increasingly healthier balance sheet puts Stella-Jones in a stronger position to more aggressively pursue its long-term strategic vision, focused on continental expansion and consolidation, over the coming year.

Product categories (in % of Q3 sales)



Stock Performance



Profile

Stella-Jones Inc. (TSX: SJ) is a leading North American producer and marketer of industrial pressure treated wood products, specializing in the production of railway ties and timbers as well as wood poles supplied to electrical utilities and telecommunications companies. The Company also provides treated consumer lumber products and customized services to lumber retailers and wholesalers for outdoor applications. Other products include marine and foundation pilings, construction timbers, highway guardrail posts and treated wood for bridges. The Company's common shares are listed on the Toronto Stock Exchange.

Stella-Jones Inc. 3100 Côte-Vertu, Suite 300 Saint-Laurent, Québec, H4R 2J8 Tel: (514) 934-8666

www.stella-jones.com

INVESTOR RELATIONS

George Labelle
Senior Vice-President and
Chief Financial Officer
Tel.: (514) 934-8665
Fax: (514) 934-5327
Email: glabelle@stella-jones.com

ANALYST COVERAGE

Stephen Atkinson
BMO Capital Markets
Hugues Bourgeois
National Bank Financial
Pierre Lacroix
Desjardins Securities
Sara O'Brien
RBC Capital Markets
Brian Pow
Acumen Capital Finance Partners Limited
Ben Vendittelli
Laurentian Bank Securities

STOCK INFORMATION

Toronto Stock Exchange Stock Symbol: SJ
Price as of November 12, 2009: \$22.82
High/Low: \$26.49 - \$12.50
(52 weeks ended November 12, 2009)
Number of Shares Outstanding: 12,681,007
(November 12, 2009)