



Source: Stella-Jones Inc.

Contacts: **Éric Vachon, CPA, CA**
Senior Vice-President and Chief Financial Officer
Tel.: (514) 940-3903
evachon@stella-jones.com

Pierre Boucher, CPA, CMA
MaisonBrison Communications
Tel.: (514) 731-0000
pierre@maisonbrison.com

STELLA-JONES PROVIDES PRELIMINARY RESULTS FOR 2017 IN LIGHT OF CHANGES TO U.S. FEDERAL CORPORATE INCOME TAX RATE

Montreal, Quebec – January 23, 2018 - Stella-Jones Inc. (TSX: SJ) (“Stella-Jones” or the “Company”) today provided preliminary unaudited results for the fourth quarter and fiscal year ended December 31, 2017. These preliminary results are based on information available to the Company as of the date of this release and are subject to revision upon finalizing the audit of Stella-Jones’ annual consolidated financial statements. Financial results for the fourth quarter and fiscal year ended December 31, 2017 will be reported on March 14, 2018.

Stella-Jones is providing this update to inform of the impact on financial results stemming from recent changes to the U.S Federal Corporate income tax rate. On December 22, 2017, the U.S. federal government enacted the Tax Cuts and Jobs Act (the “Act”), which will favourably affect the Company’s U.S. subsidiaries, specifically the reduction in the top federal corporate income tax rate from 35.0% to 21.0%, effective January 1, 2018. Management expects that the change in the tax rate will result in a one-off non-cash material tax benefit in the statement of income for the fourth quarter ended December 31, 2017, stemming from the remeasurement of the deferred tax liability, in the range of \$28.0 to \$30.0 million. Management is currently evaluating whether there are other impacts from the Act to consider.

Additionally, for the fourth quarter, the Company is currently anticipating increased sales in the range of \$376.0 to \$379.0 million, compared with \$341.7 million last year, while income before income taxes is expected to be relatively flat year over year, estimated at between \$24.0 and \$26.0 million, versus \$23.9 million a year ago, and net income should be between \$50.0 and \$52.0 million (taking into account the above-mentioned remeasurement of deferred tax liability), compared to \$18.5 million last year. The lower margins mainly result from the sales mix within each product category and softer pricing in certain regions, as anticipated in management’s discussion and analysis for the third quarter.

The year 2017 will mark the seventeenth consecutive year of sales and net income growth for Stella-Jones. For the fiscal year ended December 31, 2017, consolidated sales are expected to show a year-over-year increase, reaching close to \$1.89 billion, in comparison to \$1.84 billion in 2016, while income before income taxes should be between \$187.0 and \$189.0 million, compared to \$215.4 million a year ago, and net income should be between \$ 167.0 and \$169.0 million, compared to \$153.9 million last year.

For the 2018 fiscal year, total sales and operating margins are expected to improve, assuming stable currencies. The overall effective tax rate for 2018 is expected to be around 26.0%.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure treated wood products. The Company supplies North America's railroad operators with railway ties and timbers, and the continent's electrical utilities and telecommunication companies with utility poles. Stella-Jones also manufactures and distributes residential lumber and accessories to retailers for outdoor applications, as well as industrial products for construction and marine applications. The Company's common shares are listed on the Toronto Stock Exchange.

Except for historical information provided herein, this press release may contain information and statements of a forward-looking nature concerning the future performance of the Company. These statements are based on suppositions and uncertainties as well as on management's best possible evaluation of future events. Such factors may include, without excluding other considerations, fluctuations in quarterly results, evolution in customer demand for the Company's products and services, the impact of price pressures exerted by competitors, the ability of the Company to raise the capital required for acquisitions, and general market trends or economic changes. As a result, readers are advised that actual results may differ from expected results. Forward-looking statements are provided for the purpose of assisting the reader in understanding the Company's preliminary unaudited results for the fourth quarter and fiscal year ended December 31, 2017 and the reader is cautioned that such statements may not be appropriate for other purposes.

-30-

HEAD OFFICE 3100 de la Côte-Vertu Blvd. Suite 300 Saint-Laurent, Québec H4R 2J8 Tel.: (514) 934-8666 Fax: (514) 934-5327	EXCHANGE LISTINGS The Toronto Stock Exchange Stock Symbol: SJ TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.	INVESTOR RELATIONS Éric Vachon Senior Vice-President and Chief Financial Officer Tel.: (514) 940-3903 Fax: (514) 934-5327 evachon@stella-jones.com
---	---	--