



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2011 First Quarter Results conference call via webcast on Tuesday, May 3, 2011 at 2:30 p.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 2:20 p.m. ET. The recorded teleconference will be rebroadcast and can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

ACADIAN TIMBER CORP. REPORTS FIRST QUARTER RESULTS AND ANNOUNCES DECLARATION OF DIVIDEND

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – May 3, 2011 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three-month period ended March 26, 2011 (the “first quarter”).

“Acadian has benefited from relatively high operating rates and tight wood supplies among its softwood sawmilling customers despite the continued weak U.S. housing market” said Reid Carter, President and Chief Executive Officer of Acadian. “This, in addition to strong hardwood pulp pricing has resulted in strong operating results reflecting the continuing recovery of the North American wood products industry.”

Acadian generated net sales of \$21.8 million on consolidated volumes of 426 thousand m³ during the first quarter as compared to net sales of \$20.5 million on consolidated volumes of 401 thousand m³ during the same period last year.

EBITDA for the first quarter was \$7.3 million or 33% of net sales, an increase from EBITDA of \$5.7 million or 28% of net sales for the comparable period in 2010.

¹ This news release makes reference to earnings before interest, taxes, depreciation and amortization, and fair value adjustments (“EBITDA”) and free cash flow. Management believes that EBITDA and free cash flow are key performance measures in evaluating Acadian’s operations and are important in enhancing investors’ understanding of the Company’s operating performance. As EBITDA and free cash flow do not have a standardized meaning prescribed by International Financial Reporting Standards (“IFRS”), they may not be comparable to similar measures presented by other companies. As a result, we have provided in this news release reconciliations of net income and cash flow from operations, as determined in accordance with IFRS, to EBITDA and free cash flow.

Review of Operations

First Quarter 2011 Financial and Operating Highlights

<i>Three Months Ended</i>		
<i>(\$000s except per share information)</i>	March 26, 2011	March 27, 2010
Net sales	\$ 21,756	\$ 20,458
EBITDA	7,265	5,739
Free cash flow	7,060	4,980
Dividends declared	3,451	1,115
Net income ¹	2,934	25,080
Per share – fully diluted		
Net Income ¹	0.18	1.50
Free cash flow	0.42	0.30
Dividends declared	0.21	0.07
Sales volume (000s m ³)	426.4	401.0

1. Net income includes the impact of deferred income tax, depreciation and amortization and fair value adjustments, which are non-cash items recorded in each respective period.

International Financial Reporting Standards

Effective for the first quarter of 2011, Acadian's financial results are reported in accordance with International Financial Reporting Standards ("IFRS"). The key differences between IFRS reporting and the previous Canadian generally accepted accounting principles ("GAAP") can be summarized as follows:

- Acadian's timber, the land on which the trees grow and the road systems used to access the timber are carried at current appraised values (adjusted for growth and harvest since the appraisal date); and
- Acadian no longer records a charge for depletion. Instead the Company records a charge for the fair value of timber harvested in a period and, most importantly, recognizes the estimated value of timber grown. This accounting treatment recognizes the sustainable nature of Acadian's operations.

Comparative figures in this press release, previously presented in GAAP, have been adjusted to conform to IFRS.

Operating Results

Acadian benefited from robust sales to local customers and a higher contribution from the land management services contract during the first quarter. These sales to close proximity customers resulted in low delivery costs improving overall margins. Most of Acadian's customers entered the first quarter with relatively low inventories and operated normally throughout the quarter creating solid demand, particularly for hardwood pulpwood where pricing remained strong.

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands (“NB Timberlands”).

	<i>Three Months Ended March 26, 2011</i>			<i>Three Months Ended March 27, 2010</i>		
	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>
Softwood	165.9	156.3	\$ 7,583	134.2	122.2	\$ 6,320
Hardwood	137.6	126.6	7,606	140.9	141.7	7,713
Biomass	69.7	69.7	1,163	58.0	58.0	1,182
	373.2	352.6	16,352	333.1	321.9	15,215
Other sales			1,579			1,216
Net sales			\$ 17,931			\$ 16,431
EBITDA			\$ 6,355			\$ 5,076
EBITDA margin			35%			31%

Softwood, hardwood and biomass shipments totaled 156 thousand m³, 127 thousand m³ and 70 thousand m³, respectively, for the first quarter of 2011. Sales volume during the quarter was comprised of approximately 40% sawlogs, 40% pulpwood and 20% biomass. This compares to sales volume in the same period of 2010 of 39% sawlogs, 43% pulpwood and 18% biomass. The sales volume reflects improved demand for softwood sawlogs allowing Acadian to merchandise a greater proportion of its higher margin product.

Net sales for the first quarter of 2011 was \$17.9 million with an average selling price across all products of \$46.37 per m³. This compares to net sales of \$16.4 million and an average selling price of \$47.26 per m³ during the same period in 2010. The year-over-year increase in net sales resulted from increased sales volumes and a higher percentage of softwood partially offset by lower selling prices owing to deliveries to closer proximity markets. Other sales increased to \$1.6 million from \$1.2 million in the comparable period of 2010 due to increased harvest activity on the land Acadian manages on behalf of others.

Costs in the first quarter were \$11.6 million compared to \$11.4 million during the same period in 2010. Variable costs per cubic meter were 8% lower than the first quarter of 2010 as a result of a higher percentage of softwood sales and an increased proportion of sales made to closer proximity markets which resulted in lower transportation costs.

EBITDA for the first quarter was \$6.4 million, an increase from \$5.1 million in the first quarter of 2010. EBITDA margin increased to 35% from 31% in the first quarter of 2010.

During the first quarter of 2011, NB Timberlands experienced no recordable safety incidents among employees and two minor recordable safety incidents among contractors, from which one of the individuals has fully recovered and the other is expected to be available for spring start-up.

Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	<i>Three Months Ended March 26, 2011</i>			<i>Three Months Ended March 27, 2010</i>		
	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>
Softwood	58.3	58.2	\$ 3,058	61.0	60.6	\$ 3,132
Hardwood	10.6	11.1	665	17.3	16.2	756
Biomass	4.5	4.5	44	2.3	2.3	70
	73.4	73.8	3,767	80.6	79.1	3,958
Other sales			58			69
Net sales			\$ 3,825			\$ 4,027
EBITDA			\$ 1,229			\$ 1,166
EBITDA margin			32%			29%

Softwood, hardwood and biomass shipments for the first quarter were 58 thousand m³, 11 thousand m³ and 5 thousand m³, respectively. Sales volume in the first quarter of 2011 was comprised of approximately 58% sawlogs, 36% pulpwood and 6% biomass. This compares to sales volume in the same period of 2010 of 57% sawlogs, 40% pulpwood and 3% biomass. Sales volume was constrained in the first quarter due to contractor availability, a result of the Maine government's efforts to limit Canadian laborer's access to work in the state.

Net sales for the first quarter were \$3.8 million with the average selling price across all products of \$51.03 per m³. This compares to net sales of \$4.0 million and an average selling price of \$50.04 per m³ during the first quarter of 2010. This increase in average selling price is the result of both improved demand and reduced supply of fiber from regional competitors due to the lack of contractor availability. This pricing benefit was partially offset by the strengthened Canadian dollar. The weighted average selling price increased 8% in U.S. dollar terms year-over-year.

Costs for the first quarter were \$2.6 million which compares to costs of \$2.9 million during the comparable period of 2010. While overall harvest volume was lower in the first quarter, variable cost per unit decreased 5% in Canadian dollar terms and was relatively unchanged in U.S. dollar terms.

EBITDA for the first quarter was \$1.2 million, unchanged from the same period in 2010. EBITDA margin increased to 32% in the first quarter from 29% during the first quarter of 2010.

We are pleased to report that Acadian's Maine Timberlands experienced no recordable safety incidents among employees or contractors during the first quarter of 2011.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Corp.'s market outlook for fiscal 2011. Reference should be made to the "Forward-looking Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our Management's Discussion and Analysis (MD&A) in Acadian Timber Corp.'s 2010 Annual Report and Annual Information Form dated March 28, 2011 available on the website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

Markets for softwood sawlogs have benefited from relatively high operating rates and tight wood supplies among regional sawmill operations despite the continued weak U.S. housing market. Additionally, in our Maine operations, several regional competitors are struggling to find contractors owing to state government efforts to limit Canadian laborer's access to work in Maine and this has further supported pricing for those that are able to operate. While we remain cautious in our outlook as lumber demand and prices are expected to remain weak throughout the remainder of 2011, most of Acadian's regional sawmill customers appear to have entered the spring break-up period with modest inventories which is expected to result in solid demand during the late second and early third quarters of 2011.

Markets for softwood pulp logs continue to be strong, although the recent announcement that a large regional groundwood producer in Maine has not been able to find a buyer and will be closed indefinitely is expected to put downward pressure on softwood pulpwood pricing over the medium-term. This mill closure is, however, expected to be partially offset by a large regional hardwood and softwood pulp producer's announcement of a conversion of a significant part of their production from hardwood to softwood-based pulp.

Markets for hardwood pulpwood are expected to remain stable and positive through 2011 owing to high levels of production by local pulp mills. Markets for hardwood sawlogs have improved over the past year, but the outlook remains less certain as demand is more closely tied to new home formation and repair and renovation.

Biomass demand and pricing continue to be stable, although somewhat soft, a market situation we expect to remain in place unless or until support for bio-energy markets is put in place.

"We are encouraged by the increasingly widespread evidence of improving market conditions. As demand continues to improve we will focus on harvesting and merchandizing to meet market opportunities while actively seeking to improve prices", concluded Mr. Carter.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.20625 per share, payable on July 15, 2011 to shareholders of record on June 30, 2011.

Acadian Timber Corp. is a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. With a total of 2.4 million acres of land under management, Acadian is the second largest timberland operator in New Brunswick and Maine.

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands. Acadian also owns and operates a forest nursery in Second Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to over 100 regional customers.

Acadian's shares are listed for trading on the Toronto Stock Exchange under the symbol ADN.

For further information, please visit our website at www.acadiantimber.com or contact:

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Forward-Looking Statements

This News Release contains forward-looking information and other forward-looking statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements which reflect management's current expectations regarding future events and operating performance are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian income tax law; economic situation of key customers; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 28, 2011 and the Management Information Circular dated March 28, 2011, and other filings of Acadian made with securities regulatory authorities, which are available on SEDAR at www.sedar.com. Forward-looking information is based on various material factors or assumptions, which are based on information currently available to Acadian. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: anticipated financial performance; business prospects; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on commodity prices, market conditions for timber and wood products, and the economic situation of key customers. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. Certain statements in this News Release may also be considered "financial outlook" for the purposes of applicable Canadian securities laws, and such financial outlook may not be appropriate for purposes other than this News Release. The forward-looking statements in this News Release are made as of the date of this News Release, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. Acadian assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as may be required by applicable law.

Acadian Timber Corp.
Interim Consolidated Statements of Net Income
(unaudited)

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 26, 2011	March 27, 2010
Net sales	\$ 21,756	\$ 20,458
Operating costs and expenses		
Cost of sales	12,987	12,843
Selling, administration and other	1,505	1,878
Depreciation and amortization	137	120
	14,629	14,841
Operating earnings	7,127	5,617
Interest expense, net	(940)	(759)
Other items		
Fair value adjustments	(1,633)	12
Exchange loss on long-term debt	(537)	—
Gain on sale of timberlands	1	2
Gain on corporate conversion	—	21,086
Earnings before income taxes	4,018	25,958
Deferred tax expense	(1,084)	(878)
Net income for the period	\$ 2,934	\$ 25,080
Net income per share – basic	\$ 0.18	\$ 1.50
Net income per share – diluted	\$ 0.18	\$ 1.50

Acadian Timber Corp.
Interim Consolidated Statements of Comprehensive Income
(unaudited)

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 26, 2011	March 27, 2010
Net income	\$ 2,934	\$ 25,080
Other comprehensive income (loss)		
Unrealized foreign currency translation loss	(938)	(1,433)
Fair value loss on derivatives designated as cash flow hedges	(145)	—
Comprehensive income (loss)	\$ 1,851	\$ 23,647

Acadian Timber Corp.
Interim Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	March 26, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 11,298	\$ 7,333	\$ 2,053
Accounts receivable and other assets	7,860	7,252	6,265
Inventory	1,641	990	2,289
Derivative asset	—	1,557	—
Note receivable	—	—	4,001
	20,799	17,132	14,608
Timber	213,047	216,181	216,751
Property, plant and equipment	34,102	34,508	36,275
Investment property	875	875	875
Intangible Assets	6,140	6,140	6,140
Deferred income tax asset	6,696	7,522	—
	\$ 281,659	\$ 282,358	\$ 274,649
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 6,757	\$ 4,483	\$ 4,275
Dividends payable to shareholders	3,451	837	—
Debt	—	73,752	—
	10,208	79,072	4,275
Long-term debt	69,956	—	80,739
Deferred income tax liability	18,759	18,952	34,553
Shareholders' equity	182,736	184,334	155,082
	\$ 281,659	\$ 282,358	\$ 274,649

Acadian Timber Corp.
Interim Consolidated Statements of Cash Flows
(unaudited)

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 26, 2011	March 27, 2010
Cash provided by (used for):		
Operating activities		
Net income	\$ 2,934	\$ 25,080
Adjustments to net income:		
Deferred income tax	1,084	878
Depreciation and amortization	137	120
Fair value adjustments	1,633	(12)
Exchange loss on long-term debt	537	—
Interest expense, net	940	759
Interest paid, net	(205)	(759)
Gain on sale of timberlands	(1)	(2)
Gain on corporate conversion	—	(21,086)
	7,059	4,978
Net change in non-cash working capital balances and other	1,986	1,615
	9,045	6,593
Financing activities		
Borrowings, net of repayments	(3,031)	(2,300)
Deferred financing costs	(1,205)	—
Dividends paid to shareholders	(837)	(279)
	(5,073)	(2,579)
Investing activities		
Additions to timberlands, logging roads and fixed assets	(8)	(1)
Proceeds from sale of timberlands	1	2
	(7)	1
Increase in cash and cash equivalents during the period	3,965	4,015
Cash and cash equivalents, beginning of period	7,333	2,053
Cash and cash equivalents, end of period	\$ 11,298	\$ 6,068

Reconciliation of Net Income to EBITDA and Free Cash Flow

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 26, 2011	March 27, 2010
Net income ¹	\$ 2,934	\$ 25,080
Add (deduct):		
Interest expense, net	940	759
Income tax recovery	1,084	878
Depreciation and amortization	137	120
Fair value adjustments	1,633	(12)
Exchange loss on long-term debt	537	—
Gain on corporate conversion	—	(21,086)
EBITDA	7,265	5,739
Deduct:		
Interest paid, net	(205)	(759)
Free cash flow	\$ 7,060	\$ 4,980
Dividends declared	\$ 3,451	\$ 1,115

¹ Net income includes the impact of deferred income tax, depreciation and amortization and fair value adjustments, which are non-cash items recorded in each respective period.