Q2 2015 Interim Report

Letter to Shareholders

Overview

Acadian Timber Corp.'s ("Acadian") operations performed better than expected for the three-month period ending June 27, 2015 (the "second quarter"). While the second quarter is traditionally our weakest as the spring thaw period ("mud season") causes much of the harvesting and hauling infrastructure to be inoperable, this year's extended winter allowed harvesting and delivery activity to continue well into April resulting in above normal sales volumes.

Results of Operations

Acadian's operations experienced two recordable safety incidents during the quarter among employees, one of which resulted in lost time, and none among contractors. While neither of these incidents were serious, we continue to focus on improving our safety performance. We are pleased to report that, in early June, the New Brunswick operations successfully completed a surveillance audit to the 2015-2019 Sustainable Forestry Initiative® Standard with no non-conformances.

Acadian generated net sales of $15.4 million during the second quarter, $3.3 million more than the same period last year reflecting increased harvest volumes, improved selling prices and more sales carried over from the first quarter under the log delivery management program with one of Acadian's larger customers. On a year-to-date basis, net sales are 20% higher than in the same period in 2014 reflecting favourable winter operating conditions earlier in the year that extended through the beginning of the second quarter and strong demand and pricing for most of our products.

Adjusted EBITDA for the second quarter was $3.8 million, compared to $1.9 million during the comparable period in 2014, due to the increased sales described above. Adjusted EBITDA margin in the second quarter of 2015 was 25%, a significant improvement from 16% in the same period in 2014.

Subsequent to the end of the second quarter, Acadian obtained a commitment letter from its current lender to refinance the existing loan facilities for five years. The terms of this financing are more favourable than the current agreement reflecting the high credit quality of Acadian's assets and a lower interest rate will reduce the annual interest expense by approximately US$0.7 million.

Our balance sheet continues to be solid with $86.9 million of net liquidity as at June 27, 2015, including funds available under Acadian's Revolving Facility and our stand-by equity commitment with Brookfield.

Outlook[2]

After a weak first quarter, U.S. housing starts and building permits both strengthened through the second quarter. Macroeconomic factors such as U.S. employment growth and income growth have continued to look encouraging and have supported a substantial increase in U.S. household formations over the past two quarters. The expectation that these improving macroeconomic factors will continue to drive increases in housing starts in the coming quarters is reinforced by homebuilder confidence levels, which by the end of the second quarter had reached their highest level in the past decade. Industry watchers are forecasting year-over-year increases in total housing starts of approximately 15% in 2015 with increases of a similar or greater magnitude forecast for 2016.

Second quarter lumber pricing weakened considerably reflecting the combination of increased production and difficult spring building conditions, as well as weakness in export markets. However, Acadian's regional markets for softwood sawlogs remained strong and stable throughout the second quarter. Almost all regional mills continue to operate on full shifts and appear to be carrying inventories at or below historic seasonal practices. We expect softwood sawlog markets to remain positive throughout the summer, with a potential for further improvement as lumber prices respond to potential log supply shortages in western North America due to harvesting restrictions caused by severe fire conditions.

In addition to our positive outlook for softwood sawlogs, markets for hardwood sawlogs are expected to remain positive, while demand and pricing for hardwood pulpwood continues to be robust. The softwood pulpwood market continues to be challenging, however this product represents only a small portion of Acadian's sales and an even lower proportion of our operating earnings. Biomass markets have remained positive and we anticipate recent improved demand to remain stable, supporting improved margin levels.

Business Development

We continue to actively pursue business development opportunities in support of Acadian's global growth strategy in the U.S., Australasia and South America. During the second quarter we worked on several opportunities in each of these regions which we expect should see ongoing increases in timberland investment activity. Acadian's shareholders can be confident that we remain focused and disciplined in our efforts to secure attractive opportunities for Acadian which provide a balance between current cash flow and capital appreciation.

In conclusion, we look forward to reporting on increased operating activity as we enter into the second half of 2015 and are pleased that Acadian continues to have a solid balance sheet, healthy and diverse markets and a strong operating team. We thank you for your continued support of Acadian Timber Corp.

Mark Bishop
President and Chief Executive Officer
July 29, 2015

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1. Adjusted EBITDA is a key performance measure in evaluating Acadian's operations and is important in enhancing investors' understanding of Acadian's operating performance. Acadian's management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, unrealized exchange gain/loss on debt, depreciation and amortization. As this performance measure does not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS"), it may not be comparable to similar measures presented by other companies. Please refer to Management's Discussion and Analysis for further details.
2. This section contains forward-looking information within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "Forward-Looking Statements" in Management's Discussion and Analysis for further details.

Management's Discussion and Analysis

INTRODUCTION

Acadian Timber Corp. ("Acadian" or the "Company") 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 761,000 acres of freehold timberlands in New Brunswick ("NB Timberlands"), approximately 299,000 acres of freehold timberlands in Maine ("Maine Timberlands") and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian also owns and operates a forest nursery in Second Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass byproducts, sold to approximately 90 regional customers.

Acadian's business strategy is to maximize cash flows from its existing timberland assets while growing our business by acquiring assets on a value basis and utilizing our operations-oriented approach to drive improved performance.

Basis of Presentation

This management's discussion and analysis ("MD&A") discusses the financial condition and results of operations of the Company for the three months ended June 27, 2015 (herein referred to as the "second quarter") and the six-month period ended June 27, 2015 compared to the three- and six-month periods ended June 28, 2014, and should be read in conjunction with the interim consolidated financial statements and notes thereto included at page 16 of this interim report.

Our second quarter financial results are determined in accordance with IAS 34 "*Interim Financial Reporting*" using accounting policies consistent with International Financial Reporting Standards ("IFRS") and are expressed in Canadian dollars unless otherwise noted. External economic and industry factors remain unchanged since the previous annual report, unless otherwise noted. This MD&A has been prepared based on information available as at July 28, 2015. Additional information is available on Acadian's website at *www.acadiantimber.com* and on SEDAR's website at *www.sedar.com*.

Non-IFRS Measures

Throughout the MD&A, reference is made to "Adjusted EBITDA", which Acadian's management defines as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, unrealized exchange gain/loss on debt, depreciation and amortization and to "Free Cash Flow", which Acadian's management defines as Adjusted EBITDA less interest paid, current income tax expense, additions to, and gains from the sale of, fixed assets plus losses on, and proceeds from, the sale of fixed assets. Management believes that Adjusted 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 Adjusted EBITDA and Free Cash Flow do not have a standardized meaning prescribed by IFRS, they may not be comparable to similar measures presented by other companies. As a result, we have provided reconciliations of net income as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow in the "Adjusted EBITDA and Free Cash Flow" section of this MD&A.

Assessment and Changes in Disclosure Controls and Internal Controls

Management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as at December 31, 2014. There have been no changes in our disclosure controls and procedures during the period ended June 27, 2015 that have materially affected, or are reasonably likely to materially affect, our disclosure controls and procedures.

Management has also evaluated the design and effectiveness of our internal controls over financial reporting in accordance with Multilateral Instrument 52-109 using the COSO framework as at December 31, 2014. There have been no changes in our internal controls over financial reporting during the period ended June 27, 2015 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

REVIEW OF OPERATIONS

Summary of First Quarter Results

The table below summarizes operating and financial data for Acadian:

	Three Months Ended		Six Months Ended	
(CAD thousands, except where indicated)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Sales volume (000s m^3)	**275.9**	228.9	**623.9**	579.1
Net sales	**$ 15,368**	$ 12,029	**$ 40,055**	$ 33,272
Operating earnings	**3,532**	1,797	**12,161**	8,262
Net income	**5,650**	4,738	**2,727**	5,435
Total assets	**418,223**	295,178	**418,223**	295,178
Total debt financing	**89,327**	77,360	**89,327**	77,360
Adjusted EBITDA[1]	**$ 3,794**	$ 1,935	**$ 12,546**	$ 8,632
Adjusted EBITDA margin[1]	**25%**	16%	**31%**	26%
Free Cash Flow[1]	**$ 2,833**	$ 1,052	**$ 10,379**	$ 6,652
Dividends declared	**3,764**	3,451	**7,529**	6,902
Payout ratio	**133%**	328%	**73%**	104%
Per share – basic and diluted				
Net income	**$ 0.34**	$ 0.28	**$ 0.16**	$ 0.32
Free Cash Flow[1]	**0.17**	0.06	**0.62**	0.40
Dividends declared	**0.23**	0.21	**0.45**	0.41
Book value	**15.03**	10.82	**15.03**	10.82
Common shares outstanding	**16,731,216**	16,731,216	**16,731,216**	16,731,216

1. Non-IFRS Measure. See "Reconciliation of net income, in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow".

The second quarter of the year is traditionally Acadian's weakest due to seasonal operating conditions, however, this year's extended winter allowed harvesting and delivery activity to continue well into April resulting in above normal sales volumes. For the three months ended June 27, 2015 (the "second quarter"), Acadian generated net sales of $15.4 million on sales volumes of 276 thousand m^3, compared with net sales of $12.0 million on sales volumes of 229 thousand m^3 during the same period last year. The 28% increase in net sales year-over-year reflects a 22% increase in harvest volume and strong pricing across all our products as well as more sales carried over from the first quarter under the log delivery management program with one of Acadian's larger customers. For the six months ended June 27, 2015, Acadian generated net sales of $40.1 million on sales volume of 624 thousand m^3 as compared to net sales of $33.3 million on sales volume of 579 thousand m^3 in the comparable period of 2014 with the extended winter and strong pricing being the primary contributors.

Operating earnings for the period, at $3.5 million, increased $1.7 million year-over-year, again reflecting increased sales volumes and improved log selling prices. Net income totaled $5.7 million, or $0.34 per share, for the second quarter, up 19% from $4.7 million in the same period last year, on higher operating earnings partially offset by lower non-cash fair value adjustments to timber as a result of higher harvest volumes.

Adjusted EBITDA and Free Cash Flow

Adjusted EBITDA for the second quarter was $3.8 million, compared to $1.9 million during the comparable period in 2014. This increase is largely due to the increased sales volumes and favourable pricing discussed above. Adjusted EBITDA margin in the second quarter was 25%, a significant increase from 16% in the same period in 2014. For the six months ended June 27, 2015, Adjusted EBITDA was $12.5 million, $3.9 million higher than during the first half of 2014.

Free Cash Flow was $2.8 million during the second quarter, which represents an increase of $1.8 million from the same period in 2014. Free cash flow for the six months ended June 27, 2015 was $10.4 million, as compared to $6.7 million during the first half of 2014.

The following table provides a reconciliation of net income, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow during each respective period:

	Three Months Ended		Six Months Ended	
(CAD thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Net income	**$ 5,650**	$ 4,738	**$ 2,727**	$ 5,435
Add / (deduct):				
Interest expense, net	**893**	773	**1,781**	1,570
Current income tax expense / (recovery)	**(47)**	(28)	**223**	269
Deferred income tax expense	**1,110**	858	**1,322**	1,342
Depreciation and amortization	**127**	136	**250**	272
Fair value adjustments	**(1,308)**	(1,795)	**1,138**	(605)
Unrealized exchange (gain) / loss on long-term debt	**(2,631)**	(2,747)	**5,105**	349
Adjusted EBITDA[1]	**$ 3,794**	$ 1,935	**$ 12,546**	$ 8,632
Add / (deduct):				
Interest paid on debt, net	**(899)**	(778)	**(1,792)**	(1,579)
Additions to timber, land, roads and other fixed assets	**(111)**	(133)	**(154)**	(133)
Gain on sale of timberlands	**(127)**	(2)	**(127)**	(98)
Gain on disposal of land, roads and other fixed assets	**(8)**	—	**(8)**	—
Proceeds on sale of timberlands	**129**	2	**129**	99
Proceeds from sale of land, roads and other fixed assets	**8**	—	**8**	—
Current income tax expense / (recovery)	**47**	28	**(223)**	(269)
Free Cash Flow[1]	**$ 2,833**	$ 1,052	**$ 10,379**	$ 6,652
Dividends declared	**$ 3,764**	$ 3,451	**$ 7,529**	$ 6,902
Payout ratio	**133%**	328%	**73%**	104%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Dividend Policy of the Company

Acadian declares dividends from its available cash to the extent determined prudent by the Board of Directors. These dividends represent cash received from the Company's indirect interest in the Maine and NB Timberlands, less estimated cash amounts required for expenses and other obligations of Acadian, cash redemptions of shares and any tax liability. Dividends are paid on or about the 15th day following each dividend declaration date.

In determining the appropriate level of dividends, our Board of Directors considers the historic and forecast quarterly Free Cash Flow of Acadian. Given the seasonality of Acadian's operations, the Company's performance may vary significantly on a quarter by quarter basis.

Total dividends declared to shareholders during the three months ended June 27, 2015 were $3.8 million, or $0.225 per share, an increase from $3.5 million or $0.20625 per share in the same period in 2014. The payout ratio of the Company, which represents the amount of dividends declared as a percentage of the Free Cash Flow generated, for the year-to-date period ended June 27, 2015 was 73% compared to 104% in the same period of the prior year.

Based on Free Cash Flow generated to date, Acadian's revolving credit facility and existing cash reserves, Acadian remains well positioned to meet dividend targets throughout 2015.

Operating and Market Conditions

Acadian traditionally experiences low levels of operating, marketing and selling activity during the second quarter of each year owing to the spring thaw period ("mud season") that causes much of the harvesting and hauling infrastructure to be temporarily inoperable. However, the harvest volume for the second quarter of this year, excluding biomass, was up 27% compared to the same period in the prior year to 175 thousand m^3, due to favourable winter operating conditions extending into the second quarter. The sales volume of 276 thousand m^3 was up 21% from the second quarter of 2014, with an increase from NB Timberlands partially offset by lower volumes at the Maine Timberlands.

Acadian's weighted average log price during the second quarter increased 3% year-over-year due to increased prices across all products, a stronger U.S. dollar and changes in product mix. Softwood sawlog markets remained strong which, along with the strengthening U.S. dollar, resulted in a 4% increase in softwood sawlog prices relative to the second quarter of 2014. Hardwood sawlog markets improved modestly, with weighted average selling prices increasing 4%, reflecting strong pricing from the Maine operations partially offset by softer pricing at the New Brunswick operations due to changes in product mix. Selling prices for hardwood and softwood pulpwood increased 12% and 2%, respectively, year-over-year. While hardwood pulpwood markets continue to be positive, softwood pulpwood markets continue to be over supplied. Biomass markets remained strong, with margins increasing 55% year-over-year, primarily reflecting continued sales to export markets.

Income Tax Expense

Included in net income for the three and six months ended June 27, 2015 is a current income tax recovery of $47 thousand and current income tax expense of $0.2 million, respectively (2014 – $28 thousand recovery and $0.3 million expense, respectively) and deferred income tax expense of $1.1 million and $1.3 million, respectively (2014 – $0.9 million and $1.3 million, respectively).

Segmented Results of Operations

The table below summarizes operating and financial results for the New Brunswick and Maine Timberlands and Corporate:

Three Months Ended June 27, 2015 (CAD thousands)	**NB Timberlands**	**Maine Timberlands**	**Corporate**	**Consolidated**
Sales volumes (000s m^3)	**244.1**	**31.8**	**—**	**275.9**
Net sales	**$ 13,115**	**$ 2,253**	**$ —**	**$ 15,368**
Adjusted EBITDA[1]	**$ 3,472**	**$ 376**	**$ (54)**	**$ 3,794**
Adjusted EBITDA margin[1]	**26%**	**17%**	**n/a**	**25%**

Three Months Ended June 28, 2014 (CAD thousands)	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m^3)	181.7	47.2	—	228.9
Net sales	$ 9,290	$ 2,739	$ —	$ 12,029
Adjusted EBITDA[1]	$ 1,652	$ 385	$ (102)	$ 1,935
Adjusted EBITDA margin[1]	18%	14%	n/a	16%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Six Months Ended June 27, 2015 (CAD thousands)	**NB Timberlands**	**Maine Timberlands**	**Corporate**	**Consolidated**
Sales volumes (000s m^3)	**475.6**	**148.3**	**—**	**623.9**
Net sales	**$ 28,410**	**$ 11,645**	**$ —**	**$ 40,055**
Adjusted EBITDA[1]	**$ 8,765**	**$ 4,228**	**$ (447)**	**$ 12,546**
Adjusted EBITDA margin[1]	**31%**	**36%**	**n/a**	**31%**

Six Months Ended June 28, 2014 (CAD thousands)	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m^3)	426.8	152.3	—	579.1
Net sales	$ 23,736	$ 9,536	$ —	$ 33,272
Adjusted EBITDA[1]	$ 6,110	$ 2,862	$ (340)	$ 8,632
Adjusted EBITDA margin[1]	26%	30%	n/a	26%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

NB Timberlands

NB Timberlands owns and manages approximately 761,000 acres of freehold timberlands, provides management services relating to approximately 1.3 million acres of Crown licensed timberlands and owns a forest nursery. Approximately 76% of harvest operations are performed by third-party contractors and approximately 24% by NB Timberlands employees.

The table below summarizes operating and financial results for NB Timberlands:

	Three Months Ended June 27, 2015			Three Months Ended June 28, 2014		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**66.0**	**103.3**	**5,713**	45.5	67.6	$ 3,745
Hardwood	**86.0**	**92.3**	**6,544**	62.0	74.1	4,914
Biomass	**48.5**	**48.5**	**1,146**	40.0	40.0	663
	200.5	**244.1**	**13,403**	147.5	181.7	9,322
Other sales			**(288)**			(32)
Net sales			**$ 13,115**			$ 9,290
Adjusted EBITDA[1]			**$ 3,472**			$ 1,652
Adjusted EBITDA margin[1]			**26%**			18%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

	Six Months Ended June 27, 2015			Six Months Ended June 28, 2014		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**196.1**	**193.3**	**10,640**	166.1	167.7	$ 9,124
Hardwood	**195.4**	**199.1**	**14,582**	185.9	189.8	12,673
Biomass	**83.2**	**83.2**	**2,393**	69.3	69.3	1,309
	474.7	**475.6**	**27,615**	421.3	426.8	23,106
Other sales			**795**			630
Net sales			**$ 28,410**			$ 23,736
Adjusted EBITDA[1]			**$ 8,765**			$ 6,110
Adjusted EBITDA margin[1]			**31%**			26%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Softwood, hardwood and biomass shipments were 103 thousand m³, 92 thousand m³ and 49 thousand m³, respectively, during the second quarter. This represents a year-over-year increase in sales volume of 34% largely reflecting good operating conditions and more sales carried over from the first quarter under the log delivery management program with one of NB Timberlands' larger customers. Harvest volume in the second quarter of 2015 was impacted by mud season, but was higher than the same period last year due to favorable winter operating conditions extending into the second quarter. Approximately 41% of sales volume was sold as sawlogs, 39% as pulpwood and 20% as biomass in the second quarter. This compares to 40% sold as sawlogs, 38% as pulpwood and 22% as biomass in the second quarter of 2014.

Net sales for the second quarter totaled $13.1 million compared to $9.3 million for the same period last year, reflecting higher sales volumes and improved selling prices across most products. The weighted average log selling price was $62.66 per m³ in the second quarter of 2015, a 3% increase from $61.11 per m³ in the same period of 2014. Net sales for the first six months ended June 27, 2015 were $28.4 million, an increase of $4.7 million over the first half of 2014 due to higher sales volumes and selling prices.

Costs for the second quarter were $9.5 million, compared to $7.6 million in the same period in 2014, due to higher harvest volumes of primary products partially offset by 6% lower variable costs per m³. For the six months ended June 27, 2015, costs were $19.6 million, $2.0 million higher than during the first half of 2014, due to higher harvest volumes partially offset by 2% lower variable costs per m³.

Adjusted EBITDA for the second quarter was $3.5 million, compared to $1.7 million in the second quarter of 2014 reflecting higher sales volumes and improved pricing discussed above. For the six months ended June 27, 2015, Adjusted EBITDA was $8.8 million, an increase of $2.7 million over the first half of 2014. Adjusted EBITDA margin for the second quarter increased to 26% from 18% in the prior year and for first six months of 2015 increased to 31% from 26% in the prior year.

There were two recordable safety incidents among employees and no recordable safety incidents among contractors during the second quarter of 2015. In early June, NB Timberlands successfully completed a surveillance audit to the 2015-2019 Sustainable Forestry Initiative® Standard with no non-conformances.

Maine Timberlands

Maine Timberlands owns and manages approximately 299,000 acres of freehold timberlands. All harvesting operations are performed by third-party contractors.

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

	Three Months Ended June 27, 2015			Three Months Ended June 28, 2014		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**14.2**	**14.1**	**$ 976**	17.6	17.6	$ 1,030
Hardwood	**8.8**	**13.2**	**1,123**	12.7	19.9	1,529
Biomass	**4.5**	**4.5**	**33**	9.7	9.7	52
	27.5	**31.8**	**2,132**	40.0	47.2	2,611
Other sales			**121**			128
Net sales			**$ 2,253**			$ 2,739
Adjusted EBITDA[1]			**$ 376**			$ 385
Adjusted EBITDA margin[1]			**17%**			14%

1. Non-IFRS Measure. See “Non-IFRS Measures” on page 3 of this interim report.

	Six Months Ended June 27, 2015			Six Months Ended June 28, 2014		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**100.6**	**100.1**	**$ 7,912**	89.2	88.9	$ 5,706
Hardwood	**38.7**	**40.5**	**3,450**	45.2	47.0	3,520
Biomass	**7.7**	**7.7**	**75**	16.4	16.4	113
	147.0	**148.3**	**11,437**	150.8	152.3	9,339
Other sales			**208**			197
Net sales			**$ 11,645**			$ 9,536
Adjusted EBITDA[1]			**$ 4,228**			$ 2,862
Adjusted EBITDA margin[1]			**36%**			30%

1. Non-IFRS Measure. See “Non-IFRS Measures” on page 3 of this interim report.

Softwood, hardwood and biomass shipments were 14 thousand m³, 13 thousand m³, and 5 thousand m³, respectively, during the second quarter. This represents a year-over-year decrease in sales volume of 33% as unusually wet weather in June resulted in a slower than normal start up after mud season. Approximately 34% of sales volume was sold as sawlogs, 52% as pulpwood and 14% as biomass during the second quarter. This compares to 36% sold as sawlogs, 43% as pulpwood and 21% as biomass in the second quarter of 2014.

Net sales for the second quarter totaled $2.3 million compared to $2.7 million for the same period last year, with reduced sales volumes across all products mostly offset by the positive impact of the stronger U.S. dollar. The weighted average log selling price was $76.98 per m³ in the second quarter of 2015, a 13% increase from $68.34 per m³ in the same period of

2014 in Canadian dollar terms. The weighted average log selling price in U.S. dollar terms was $62.63, almost unchanged year-over-year, as improved product-level prices were offset by a less favourable sales mix. Net sales for the first six months ended June 27, 2015 were $11.6 million, an increase of $2.1 million over the first half of 2014.

Costs for the second quarter were $1.9 million, compared to $2.3 million during the same period in 2014. This decrease reflects reduced harvest volumes somewhat offset by adverse foreign exchange movements year-over-year. Variable costs per m^3 increased 6% in Canadian dollar terms but decreased 6% in U.S. dollar terms. For the six months ended June 27, 2015, costs were $7.4 million, $0.7 million higher than during the first half of 2014, due to adverse foreign exchange movements year-over-year.

Adjusted EBITDA for the second quarter was $0.4 million, remaining stable compared to the same period in 2014. For the six months ended June 27, 2015, Adjusted EBITDA was $4.2 million, an increase of $1.4 million over the first half of 2014. Adjusted EBITDA margin for the second quarter increased to 17% from 14% in the prior year and for the first six months of 2015 increased to 36% from 30% in the prior year.

There were no recordable safety incidents among employees and contractors during the second quarter of 2015.

Financial Position

As at June 27, 2015, Acadian's balance sheet consisted of total assets of $418.2 million (December 31, 2014 – $406.4 million), represented primarily by timber, land, roads and other fixed assets of $388.2 million (December 31, 2014 – $379.1 million) with the balance in cash and current assets of $23.9 million (December 31, 2014 – $21.2 million), and intangible assets of $6.1 million (December 31, 2014 – $6.1 million). Timber has been recorded at fair value as determined through independent third party appraisal at December 31, 2014 and adjusted for growth estimates and harvest during the first six months of the year. Reforestation costs have been expensed as incurred.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Acadian's principal sources of liquidity include cash earned from operations and a US$10.0 million revolving credit facility of which US$2.2 million is reserved to support the minimum cash balance requirement of Acadian's term credit facility. These sources, combined with existing cash and cash equivalents, are expected to allow the Company to meet its operating, debt service, capital expenditure and dividend requirements. As indicated previously, due to the seasonal nature of our business, it is typical that cash reserves are generated in the first quarter of the year and are then drawn down during periods such as the second quarter when harvesting conditions are not ideal. This remains unchanged from the prior year.

Management will assess financing alternatives, which may include the issuance of additional shares and debt, when funding requirements such as potential acquisitions and debt maturities present themselves.

Capital Resources

Borrowings

In February 2011, Acadian refinanced its Canadian and U.S. dollar denominated loan facilities through the entering into of a first mortgage loan agreement with Metropolitan Life Insurance Company ("MetLife") which will mature on March 1, 2016. This agreement established a revolving credit facility of up to US$10.0 million (the "Revolving Facility") for general corporate purposes and a term credit facility in an amount up to US$72.5 million (the "Term Facility"). The Term Facility bears interest at a fixed rate of 3.97%. The Revolving Facility bears interest at floating rates based on 30 or 90 day LIBOR plus applicable margin.

As at June 27, 2015, Acadian has borrowings of US$72.5 million under the Term Facility and the Revolving Facility was undrawn.

As collateral for these facilities, Acadian has granted the lenders a security interest over all of its assets. The facilities are subject to customary terms and conditions for borrowers of this nature, including limits on incurring additional indebtedness, granting liens or selling assets without the consent of the lenders. The credit facilities are subject to the maintenance of a maximum ratio of loan-to-appraised value and Acadian is in compliance as of June 27, 2015. In addition, US$2.2 million of the Revolving Facility is reserved to support the minimum cash balance requirement of the Term Facility.

As noted above, the first mortgage loan agreement with MetLife will mature on March 1, 2016. Subsequent to the end of the second quarter, Acadian obtained a commitment letter from MetLife to refinance the existing loan facilities for five years. The terms of this financing are more favourable than the current agreement reflecting the high credit quality of Acadian's assets and Acadian was able to take advantage of the historically low rates currently available in the market locking in the fixed interest rate at 3.01%. This refinancing is expected to close before the end of the third quarter of 2015.

Stand-by Equity Commitment

On July 20, 2015, Acadian renewed its stand-by equity commitment with Brookfield in an aggregate amount of US$50 million for a 2-year duration with no change in terms. The equity commitment is structured so that Acadian may call on the equity commitment in exchange for the issuance of a number of common shares that corresponds to the amount of the equity commitment called, divided by the volume-weighted average of the trading price for Acadian's common shares on the Toronto Stock Exchange for a period of up to twenty trading days immediately preceding the date of the call, as approved by the Toronto Stock Exchange. All issuances of shares pursuant to the equity commitment will be subject to meeting Toronto Stock Exchange and other applicable regulatory requirements (if any).

As at June 27, 2015, no amounts have been drawn on the equity commitment.

Outstanding Shares

As at June 27, 2015, 16,731,216 common shares were issued and outstanding. The Company is authorized to issue an unlimited number of shares of the same class with equal rights and privileges. Shareholders are entitled to receive dividends as and when declared by the Directors of the Company and are entitled to one vote per share on all matters to be voted on by shareholders at each meeting of shareholders.

As at June 27, 2015, affiliates of Brookfield Asset Management Inc. (collectively "Brookfield") owned 7,513,262 common shares. Brookfield's ownership interest is 45% of the outstanding common shares of Acadian.

MARKET OUTLOOK

The following contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of 2015. Reference should be made to "Forward-Looking Statements" on page 15. 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 Acadian's most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or www.sedar.com.

After a weak first quarter, U.S. housing starts and building permits both strengthened through the second quarter. Macroeconomic factors such as U.S. employment growth and income growth have continued to look encouraging and have supported a substantial increase in U.S. household formations over the past two quarters. The expectation that these improving macroeconomic factors will continue to drive increases in housing starts in the coming quarters is reinforced by homebuilder confidence levels, which by the end of the second quarter had reached their highest level in the past decade. Industry watchers are forecasting year-over-year increases in total housing starts of approximately 15% in 2015 with increases of a similar or greater magnitude forecast for 2016.

Second quarter lumber pricing weakened considerably reflecting the combination of increased production and difficult spring building conditions, as well as weakness in export markets. However, Acadian's regional markets for softwood sawlogs remained strong and stable throughout the second quarter. Almost all regional mills continue to operate on full shifts and appear to be carrying inventories at or below historic seasonal practices. We expect softwood sawlog markets to remain positive throughout the summer, with a potential for further improvement as lumber prices respond to potential log supply shortages in western North America due to harvesting restrictions caused by severe fire conditions.

In addition to our positive outlook for softwood sawlogs, markets for hardwood sawlogs are expected to remain positive, while demand and pricing for hardwood pulpwood continues to be robust. The softwood pulpwood market continues to be challenging, however this product represents only a small portion of Acadian's sales and an even lower proportion of our operating earnings. Biomass markets have remained positive and we anticipate recent improved demand to remain stable, supporting improved margin levels.

SUPPLEMENTAL INFORMATION

This supplemental information contains information required by applicable continuous disclosure guidelines and is provided to facilitate additional analysis.

Selected Consolidated Quarterly Information

The table below sets forth selected consolidated quarterly information for the current and last eight quarters. See "Additional Quarterly Information" section for the segmented quarterly results.

	2015		2014				2013	
(CAD thousands, except per share data and where indicated)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume (000s m^3)	**276**	348	361	368	229	350	370	343
Net sales	**$ 15,368**	$ 24,687	$ 22,514	$ 21,583	$ 12,029	$ 21,243	$ 21,764	$ 18,759
Adjusted EBITDA[1]	**3,794**	8,752	7,470	5,699	1,935	6,697	6,139	3,789
Free Cash Flow[1]	**2,833**	7,546	6,313	4,669	1,052	5,600	5,304	2,812
Net income / (loss)	**5,650**	(2,923)	38,360	(557)	4,738	697	3,420	3,394
Per share – basic and diluted	**$ 0.34**	$ (0.17)	$ 2.29	$ (0.03)	$ 0.28	$ 0.04	$ 0.20	$ 0.20

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. The critical estimates and judgements applied in preparing Acadian's financial statements affect the assessment of net recoverable amounts, net realizable values and fair values, depreciation rates and useful lives, determination of functional currency and the selection of accounting policies.

The critical estimates and judgements made in the preparation of Acadian's financial statements include, among other things, future prices and margins, future sales volumes, future harvest rates and sustainable yields, and discount rates utilized in the valuation of Acadian's timber, roads and land. In making estimates and judgements, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and judgements have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates and judgements in these consolidated financial statements. Actual results could differ from those estimates. For further reference on critical accounting policies, see our significant accounting policies contained in Note 2 of Acadian's 2014 annual report.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Related Party Transactions

In the normal course of operations, the Company enters into various transactions on market terms with related parties which have been measured at exchange value and recognized in the consolidated financial statements. The Company has one significant related party, Brookfield Asset Management Inc., and its affiliates (collectively "Brookfield"). As at June 27, 2015, Brookfield owned 7,513,262 common shares, representing approximately 45% of the outstanding shares of the Company. Acadian is also a related party of Katahdin Timberlands LLC as a result of their common significant shareholder.

A summary of the significant related party transactions is provided below.

a) Upon inception, Acadian entered into an agreement with Brookfield whereby Brookfield will provide a number of administrative and advisory services to Acadian. Total fees for services provided in the three and six months ended June 27, 2015 totaled $0.6 million (2014 – $0.6 million) and $1.1 million (2014 – $1.2 million), respectively. As at June 27, 2015, fees of $nil (2014 – $nil) remain outstanding.

b) Maine Timberlands sold 3.61 acres of land for net proceeds of $129 thousand to Katahdin Timberlands LLC during the three and six months ended June 27, 2015 (2014 – 4.13 acres for $97 thousand).

Further to the related party transactions noted above, the total net receivable due from related parties as at June 27, 2015 is $34 thousand (December 31, 2014 net receivable due from related parties – $20 thousand).

Contractual Obligations

The Company has no material capital or operating lease obligations, however, it has two significant contractual obligations related to the supply of fibre to Twin Rivers Paper Company ("Twin Rivers") for periods up to 20 years and the provision of management services under a Crown License Agreement at the direction of Twin Rivers.

A summary of the Company's debt obligations is as follows:

		Payments Due by Period				
(CAD thousands)	Total Available	Total	Less Than One Year	1 to 3 Years	3 to 5 Years	After 5 Years
Debt						
Term facility[1]	$ 89,327	$ 89,327	$ 89,327	$ —	$ —	$ —
Revolving facility	12,321	—	—	—	—	—
	$ 101,648	$ 89,327	$ 89,327	$ —	$ —	$ —
Interest payments[2]		$ 3,223	$ 3,223	$ —	$ —	$ —

1. Represents principal of a U.S. dollar denominated term loan with a U.S. to Canadian dollar conversion of 1.2321, excluding the unamortized deferred financing costs.
2. Interest payments are determined assuming a fixed interest rate at 3.97% with a U.S. to Canadian dollar conversion of 1.2321.

Additional Quarterly Information

The tables below set forth additional quarterly information for the last current eight quarters by reportable segment:

NB Timberlands

	2015 Q2			2015 Q1			2014 Q4			2014 Q3		
	Harvest	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**
	(000s m^3)	*(000s m^3)*	*($000s)*	*(000s m^3)*	*(000s m^3)*	*($000s)*	(000s m^3)	(000s m^3)	($000s)	(000s m^3)	(000s m^3)	($000s)
Softwood	**66.0**	**103.3**	**5,713**	130.1	90.0	$ 4,927	92.9	93.3	$ 5,306	107.6	109.2	$ 6,281
Hardwood	**86.0**	**92.3**	**6,544**	109.4	106.8	8,038	109.6	104.9	7,490	108.7	112.3	7,354
Biomass	**48.5**	**48.5**	**1,146**	34.7	34.7	1,247	57.0	57.0	1,310	69.2	69.2	1,544
	200.5	**244.1**	**13,403**	274.2	231.5	14,212	259.5	255.2	14,106	285.5	290.7	15,179
Other sales			**(288)**			1,083			1,475			1,109
Net sales			**$ 13,115**			$ 15,295			$ 15,581			$ 16,288
Adjusted EBITDA[1]			**$ 3,472**			$ 5,293			$ 5,424			$ 4,510
Adjusted EBITDA margin[1]			**26%**			35%			35%			28%

Maine Timberlands

	2015 Q2			2015 Q1			2014 Q4			2014 Q3		
	Harvest	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**
	(000s m^3)	*(000s m^3)*	*($000s)*	*(000s m^3)*	*(000s m^3)*	*($000s)*	(000s m^3)	(000s m^3)	($000s)	(000s m^3)	(000s m^3)	($000s)
Softwood	**14.2**	**14.1**	**976**	86.4	86.0	$ 6,936	63.9	63.5	$ 4,333	48.9	48.7	$ 3,343
Hardwood	**8.8**	**13.2**	**1,123**	29.9	27.3	2,327	34.4	32.7	2,430	24.8	24.6	1,788
Biomass	**4.5**	**4.5**	**33**	3.2	3.2	42	9.1	9.1	83	3.7	3.7	25
	27.5	**31.8**	**2,132**	119.5	116.5	9,305	107.4	105.3	6,846	77.4	77.0	5,156
Other sales			**121**			87			87			139
Net sales			**$ 2,253**			$ 9,392			$ 6,933			$ 5,295
Adjusted EBITDA[1]			**$ 376**			$ 3,852			$ 2,367			$ 1,526
Adjusted EBITDA margin[1]			**17%**			41%			34%			29%

Corporate

	2015 Q2	2015 Q1	2014 Q4	2014 Q3
	Results	**Results**	**Results**	**Results**
	($000s)	*($000s)*	*($000s)*	*($000s)*
Net sales	**$ —**	**$ —**	$ —	$ —
Adjusted EBITDA[1]	**$ (54)**	$ (393)	$ (321)	$ (337)

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

NB Timberlands

	2014 Q2			2014 Q1			2013 Q4			2013 Q3		
	Harvest	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**
	(000s m^3)	*(000s m^3)*	*($000s)*	(000s m^3)	(000s m^3)	($000s)	(000s m^3)	(000s m^3)	($000s)	*(000s m^3)*	*(000s m^3)*	*($000s)*
Softwood	45.5	67.6	$ 3,745	120.6	100.1	$ 5,379	121.7	119.9	$ 6,681	87.7	90.5	$ 4,632
Hardwood	62.0	74.1	4,914	123.9	115.7	7,759	115.9	110.0	7,142	106.3	103.3	6,213
Biomass	40.0	40.0	663	29.3	29.3	646	52.3	52.3	1,658	60.3	60.3	1,364
	147.5	181.7	9,322	273.8	245.1	13,784	289.9	282.2	15,481	254.3	254.1	12,209
Other sales			(32)			662			1,241			1,439
Net sales			$ 9,290			$ 14,446			$ 16,722			$ 13,648
Adjusted EBITDA[1]			$ 1,652			$ 4,458			$ 5,047			$ 2,701
Adjusted EBITDA margin[1]			18%			31%			30%			20%

Maine Timberlands

	2014 Q2			2014 Q1			2013 Q4			2013 Q3		
	Harvest	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**
	(000s m^3)	*(000s m^3)*	*($000s)*	*(000s m^3)*	*(000s m^3)*	*($000s)*	*(000s m^3)*	*(000s m^3)*	*($000s)*	*(000s m^3)*	*(000s m^3)*	*($000s)*
Softwood	17.6	17.6	$ 1,030	71.6	71.3	$ 4,676	54.4	54.4	$ 3,228	51.4	51.3	$ 3,168
Hardwood	12.7	19.9	1,529	32.5	27.1	1,991	26.5	26.1	1,698	25.6	26.0	1,754
Biomass	9.7	9.7	52	6.7	6.7	61	7.0	7.0	42	11.8	11.8	65
	40.0	47.2	2,611	110.8	105.1	6,728	87.9	87.5	4,968	88.8	89.1	4,987
Other sales			128			69			74			124
Net sales			$ 2,739			$ 6,797			$ 5,042			$ 5,111
Adjusted EBITDA[1]			$ 385			$ 2,477			$ 1,577			$ 1,456
Adjusted EBITDA margin[1]			14%			36%			31%			28%

Corporate

	2014 Q2	2014 Q1	2013 Q4	2013 Q3
	Results	**Results**	**Results**	**Results**
	($000s)	*($000s)*	*($000s)*	*($000s)*
Net sales	$ —	$ —	$ —	$ —
Adjusted EBITDA[1]	$ (102)	$ (238)	$ (485)	$ (368)

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Forward-Looking Statements

This management discussion and analysis ("MD&A") contains forward-looking information 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 MD&A, 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 MD&A includes statements made in sections entitled "Dividend Policy of the Company," "Liquidity and Capital Resources" and "Market Outlook" and without limitation other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends 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 MD&A. All forward-looking statements in this MD&A 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; Brookfield's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 24, 2015 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; anticipated market conditions; business prospects; the economic situation of key customers; 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. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements in this MD&A are made as of the date of this MD&A, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this MD&A. 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.

Interim Consolidated Statements of Net Income

(unaudited)

		Three Months Ended		Six Months Ended	
(CAD thousands, except per share data)	Note	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Net sales		**$ 15,368**	$ 12,029	**$ 40,055**	$ 33,272
Operating costs and expenses					
Cost of sales		**10,241**	8,680	**24,584**	21,859
Selling, administration and other		**1,291**	1,351	**2,883**	2,814
Reforestation		**177**	65	**177**	65
Depreciation and amortization		**127**	136	**250**	272
		11,836	10,232	**27,894**	25,010
Operating earnings		**3,532**	1,797	**12,161**	8,262
Interest expense, net		**(893)**	(773)	**(1,781)**	(1,570)
Other items					
Fair value adjustments		**1,308**	1,795	**(1,138)**	605
Unrealized exchange gain / (loss) on long-term debt		**2,631**	2,747	**(5,105)**	(349)
Gain on sale of timberlands		**127**	2	**127**	98
Gain on disposal of land, roads and other fixed assets		**8**	—	**8**	—
Earnings before income taxes		**6,713**	5,568	**4,272**	7,046
Current income tax recovery / (expense)	7	**47**	28	**(223)**	(269)
Deferred income tax recovery / (expense)	7	**(1,110)**	(858)	**(1,322)**	(1,342)
Net income		**$ 5,650**	$ 4,738	**$ 2,727**	$ 5,435
Net income per share - basic and diluted		**$ 0.34**	$ 0.28	**$ 0.16**	$ 0.32

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income

(unaudited)

(CAD thousands)	Three Months Ended **June 27, 2015**	Three Months Ended June 28, 2014	Six Months Ended **June 27, 2015**	Six Months Ended June 28, 2014
Net income	**$ 5,650**	$ 4,738	**$ 2,727**	$ 5,435
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation income / (loss)	**(4,066)**	(3,278)	**7,478**	419
Amortization of derivatives designated as cash flow hedges	**(49)**	(47)	**(95)**	(94)
Comprehensive income	**$ 1,535**	$ 1,413	**$ 10,110**	$ 5,760

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Balance Sheets

(unaudited)

As at *(CAD thousands)*	Note	**June 27, 2015**	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents		**$ 15,582**	$ 12,660
Accounts receivable and other assets	5	**7,272**	7,351
Inventory		**982**	1,191
		23,836	21,202
Timber	10	**303,566**	296,681
Land, roads and other fixed assets		**84,681**	82,403
Intangible assets		**6,140**	6,140
		$ 418,223	$ 406,426
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	5	**$ 6,205**	$ 6,978
Short-term portion of long-term debt	3	**89,170**	—
Dividends payable to shareholders	9	**3,765**	3,451
		99,140	10,429
Long-term debt	3	**—**	83,944
Deferred income tax liability	7	**67,890**	63,441
Shareholders' equity	4	**251,193**	248,612
		$ 418,223	$ 406,426

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Changes in Equity

(unaudited)

Six Months Ended June 27, 2015 (CAD thousands)	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Cash Flow Hedges	Shareholders' Equity
Balance as at December 31, 2014	$ 140,067	$ 66,454	$ 29,364	$ 12,486	$ 241	$ 248,612
Changes in period						
Net Income	—	2,727	—	—	—	2,727
Other comprehensive income / (loss)	—	—	—	7,478	(95)	7,383
Shareholders' dividends declared	—	(7,529)	—	—	—	(7,529)
Balance as at June 27, 2015	$ 140,067	$ 61,652	$ 29,364	$ 19,964	$ 146	$ 251,193

See accompanying notes to interim consolidated financial statements.

Six Months Ended June 28, 2014 (CAD thousands)	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Cash Flow Hedges	Shareholders' Equity
Balance as at December 31, 2013	$ 140,067	$ 37,020	$ 1,383	$ 3,294	$ 429	$ 182,193
Changes in period						
Net income	—	5,435	—	—	—	5,435
Other comprehensive income / (loss)	—	—	—	419	(94)	325
Shareholders' dividends declared	—	(6,902)	—	—	—	(6,902)
Balance as at June 28, 2014	$ 140,067	$ 35,553	$ 1,383	$ 3,713	$ 335	$ 181,051

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

(unaudited)

		Three Months Ended		Six Months Ended	
(CAD thousands)	Note	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Cash provided by (used for):					
Operating activities					
Net income		**$ 5,650**	$ 4,738	**$ 2,727**	$ 5,435
Adjustments to net income:					
Deferred income tax expense	7	**1,110**	858	**1,322**	1,342
Depreciation and amortization		**127**	136	**250**	272
Fair value adjustments		**(1,308)**	(1,795)	**1,138**	(605)
Unrealized exchange (gain) / loss on long-term debt		**(2,631)**	(2,747)	**5,105**	349
Interest expense, net		**893**	773	**1,781**	1,570
Interest paid, net		**(899)**	(778)	**(1,792)**	(1,579)
Gain on sale of timberlands		**(127)**	(2)	**(127)**	(98)
Gain on disposal of land, roads and other fixed assets		**(8)**	—	**(8)**	—
Other, net		**(361)**	(559)	**243**	(124)
Net change in non-cash working capital balances and other		**345**	(159)	**(485)**	(268)
		2,791	465	**10,154**	6,294
Financing activities					
Dividends paid to shareholders	9	**(3,764)**	(3,451)	**(7,215)**	(6,902)
		(3,764)	(3,451)	**(7,215)**	(6,902)
Investing activities					
Additions to timber, land, roads and other fixed assets		**(111)**	(133)	**(154)**	(133)
Proceeds from sale of timberlands		**129**	2	**129**	99
Proceeds from sale of land, roads and other fixed assets		**8**	—	**8**	—
		26	(131)	**(17)**	(34)
Increase / (decrease) in cash and cash equivalents during the period		**(947)**	(3,117)	**2,922**	(642)
Cash and cash equivalents, beginning of period		**16,529**	11,039	**12,660**	8,564
Cash and cash equivalents, end of period		**$ 15,582**	$ 7,922	**$ 15,582**	$ 7,922

See accompanying notes to interim consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 1. GENERAL

Acadian Timber Corp. (the "Corporation") is governed by the Canada Business Corporation Act pursuant to articles of arrangement dated January 1, 2010. The Corporation is a reporting issuer and its common shares are publicly traded on the Toronto Stock Exchange under the stock symbol "ADN". The principal and head office of the Corporation is located at Suite 1800-1055 West Georgia Street, P.O. Box 11179, Royal Centre, Vancouver, British Columbia, V6E 3R5.

The Corporation and all of its consolidated operations, collectively "Acadian", owns and manages approximately 761,000 acres of freehold timberlands in New Brunswick ("NB Timberlands"), approximately 299,000 acres of freehold timberlands in Maine ("Maine Timberlands") and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. 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 approximately 90 regional customers.

Acadian's operations are subject to seasonal variations and, as a result, Acadian's operating results vary from quarter to quarter. Harvesting activity can be compromised by inaccessibility to some sites during wet seasons resulting in decreased harvest levels. Results of one quarter will not be indicative of results that may be achieved in other quarters or for the full year.

The ultimate parent of the Corporation is Brookfield Asset Management Inc. As at June 27, 2015, affiliates of Brookfield Asset Management Inc. (collectively "Brookfield") own 7,513,262 common shares representing approximately 45% of the outstanding common shares of the Company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and using the accounting policies adopted and disclosed in Note 2 of Acadian's 2014 annual report. These interim condensed consolidated financial statements should be read in conjunction with Acadian's 2014 annual report.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of Acadian on July 28, 2015.

Future Accounting Policies

IAS 1 Financial Statement Presentation

The International Accounting Standards Board ("IASB") has published 'Disclosure Initiative (Amendments to IAS 1)'. The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. This standard is not expected to have any impact on the consolidated financial statements of the Company.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted, however the IASB has issued an exposure draft proposing the deferral to 2018. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact on the consolidated financial statements of the Company as the Company has not used a revenue-based method to depreciate its non-current assets.

NOTE 3. DEBT

Debt consisted of the following:

As at *(CAD thousands)*	**June 27, 2015**	December 31, 2014
Term facility, due March 2016	**$ 89,327**	$ 84,221
Less: Deferred debt issuance costs	**(157)**	(277)
Total	**$ 89,170**	$ 83,944

In February 2011, Acadian refinanced its Canadian and U.S. dollar denominated loan facilities through the entering into of a first mortgage loan agreement with Metropolitan Life Insurance Company which will mature on March 1, 2016. This agreement established a revolving credit facility of up to US$10.0 million (the "Revolving Facility") for general corporate purposes and a term credit facility of US$72.5 million (the "Term Facility"). The Term Facility bears interest at a fixed rate of 3.97%. The Revolving Facility bears interest at floating rates based on 30 or 90 day LIBOR plus applicable margin.

As at June 27, 2015 and December 31, 2014, Acadian had borrowed US$72.5 million under the Term Facility and $nil under the Revolving Facility.

As collateral for these facilities, Acadian has granted the lenders a security interest over all of its assets. The facilities are subject to customary terms and conditions for borrowers of this nature, including limits on incurring additional indebtedness, granting liens or selling assets without the consent of the lenders. The credit facilities are subject to the maintenance of a maximum ratio of loan-to-appraised value and Acadian was in compliance as of June 27, 2015 and December 31, 2014. In addition, US$2.2 million is reserved under the Revolving Facility to support the minimum cash balance requirement of the Term Facility.

The fair value of the Term Facility as at June 27, 2015 is $91.9 million (December 31, 2014 – $87.0 million). The fair value of debt is determined using the discounted cash flow approach and is measured under level 2 of the fair value hierarchy. Future cash flows are estimated based on the terms under the Term Facility and discounted at a rate reflecting appropriate market fundamentals relating to the debt.

As noted above, the first mortgage loan agreement with MetLife will mature on March 1, 2016. Subsequent to the end of the second quarter, Acadian obtained a commitment letter from MetLife to refinance the existing loan facilities for five years. This refinancing is expected to close before the end of the third quarter of 2015.

NOTE 4. SHAREHOLDERS' EQUITY

Acadian is authorized to issue an unlimited number of common shares. The common shares have no stated par value.

Common shares outstanding as at June 27, 2015 and December 31, 2014 were 16,731,216.

NOTE 5. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Company enters into various transactions on market terms with related parties which have been measured at exchange value and recognized in the consolidated financial statements. The Company has one significant related party, Brookfield Asset Management Inc., and its affiliates (collectively "Brookfield"). As at June 27, 2015, Brookfield owned 7,513,262 common shares, representing approximately 45% of the outstanding shares of the Company. Acadian is also a related party of Katahdin Timberlands LLC as a result of their common significant shareholder.

A summary of the significant related party transactions is provided below.

a) Upon inception, Acadian entered into an agreement with Brookfield whereby Brookfield will provide a number of administrative and advisory services to Acadian. Total fees for services provided in the three and six months ended June 27, 2015 totaled $0.6 million (2014 – $0.6 million) and $1.1 million (2014 – $1.2 million), respectively. As at June 27, 2015, fees of $nil (2014 – $nil) remain outstanding.

b) Maine Timberlands sold 3.61 acres of land for net proceeds of $129 thousand to Katahdin Timberlands LLC during the three and six months ended June 27, 2015 (2014 – 4.13 acres for $97 thousand)

Further to the related party transactions noted above, the total net receivable due from related parties as at June 27, 2015 is $34 thousand (December 31, 2014 net receivable due from related parties – $20 thousand).

NOTE 6. SEGMENTED INFORMATION

Acadian's presentation of reportable segments is based on how management has organized the business in making operating and capital allocation decisions and assessing performance. Acadian has two reporting segments, the NB Timberlands and Maine Timberlands. Net sales, net income, assets and liabilities by reportable segments are as follows:

Three Months Ended June 27, 2015 (CAD thousands)	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 6,689	$ 5,713	$ 976	$ —
Hardwood	7,667	6,544	1,123	—
Biomass	1,179	1,146	33	—
Other	(167)	(288)	121	—
Total net sales	15,368	13,115	2,253	—
Operating costs	(11,532)	(9,515)	(1,962)	(55)
Reforestation	(177)	(154)	(43)	20
Depreciation and amortization	(127)	(55)	(72)	—
Operating earnings / (loss)	3,532	3,391	176	(35)
Gain on sale of timberlands	127	—	127	—
Gain on disposal of land, roads and other fixed assets	8	8	—	—
Fair value adjustments	1,308	(78)	1,386	—
Earnings / (loss) before the under noted	4,975	3,231	1,689	(35)
Unrealized exchange gain on long-term debt	2,631			
Interest expense, net	(893)			
Current income tax recovery	47			
Deferred income tax expense	(1,110)			
Net income	$ 5,650			

As at June 27, 2015 (CAD thousands)	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Timber, land, roads and other fixed assets and intangible assets	$ 394,387	$ 215,530	$ 178,857	$ —
Total assets	418,223	225,563	183,624	9,036
Total liabilities	$ 166,737	$ 5,001	$ 45,279	$ 116,457

Three Months Ended June 28, 2014 *(CAD thousands)*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 4,775	$ 3,745	$ 1,030	$ —
Hardwood	6,443	4,914	1,529	—
Biomass	715	663	52	—
Other	96	(32)	128	—
Total net sales	12,029	9,290	2,739	—
Operating costs	(10,031)	(7,599)	(2,330)	(102)
Reforestation	(65)	(41)	(24)	—
Depreciation and amortization	(136)	(49)	(87)	—
Operating earnings / (loss)	1,797	1,601	298	(102)
Gain on sale of timberlands	2	2	—	—
Fair value adjustments	1,795	947	848	—
Earnings / (loss) before the under noted	3,594	2,550	1,146	(102)
Unrealized exchange gain on long-term debt	2,747			
Interest expense, net	(773)			
Current income tax recovery	28			
Deferred income tax expense	(858)			
Net income	$ 4,738			

As at June 28, 2014 *(CAD thousands)*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Timber, land, roads and other fixed assets and intangible assets	$ 279,693	$ 161,603	$ 118,090	$ —
Total assets	295,178	170,435	121,529	3,214
Total liabilities	$ 114,127	$ 4,537	$ 23,441	$ 86,149

Six Months Ended June 27, 2015 *(CAD thousands)*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 18,552	$ 10,640	$ 7,912	$ —
Hardwood	18,032	14,582	3,450	—
Biomass	2,468	2,393	75	—
Other	1,003	795	208	—
Total net sales	40,055	28,410	11,645	
Operating costs	(27,467)	(19,518)	(7,501)	(448)
Reforestation	(177)	(154)	(43)	20
Depreciation and amortization	(250)	(107)	(143)	—
Operating earnings / (loss)	12,161	8,631	3,958	(428)
Gain on sale of timberlands	127	—	127	—
Gain on disposal of land, roads and other fixed assets	8	8	—	—
Fair value adjustments	(1,138)	(444)	(694)	—
Earnings / (loss) before the under noted	11,158	8,195	3,391	(428)
Unrealized exchange loss on long-term debt	(5,105)			
Interest expense, net	(1,781)			
Current income tax expense	(223)			
Deferred income tax expense	(1,322)			
Net income	$ 2,727			

Six Months Ended June 28, 2014 *(CAD thousands)*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 14,830	$ 9,124	$ 5,706	$ —
Hardwood	16,193	12,673	3,520	—
Biomass	1,422	1,309	113	—
Other	827	630	197	—
Total net sales	33,272	23,736	9,536	—
Operating costs	(24,673)	(17,587)	(6,746)	(340)
Reforestation	(65)	(41)	(24)	—
Depreciation and amortization	(272)	(98)	(174)	—
Operating earnings / (loss)	8,262	6,010	2,592	(340)
Gain on sale of timberlands	98	2	96	—
Fair value adjustments	605	715	(110)	—
Earnings / (loss) before the under noted	8,965	6,727	2,578	(340)
Unrealized exchange loss on long-term debt	(349)			
Interest expense, net	(1,570)			
Current income tax expense	(269)			
Deferred income tax expense	(1,342)			
Net income	$ 5,435			

During the three months ended June 27, 2015 approximately 31% of total sales were originated with customers domiciled in the U.S. and the balance in Canada (2014 – 35%). During the same period, approximately 21% of total sales (2014 – 30%) were denominated in U.S. dollars.

Acadian outsources much of its harvesting, transportation and other services which comprise the majority of Acadian's cost of sales. For the three months ended June 27, 2015, Acadian's top three suppliers accounted for approximately 20%, 19% and 7%, respectively, of Acadian's total harvesting and delivery costs (2014 – 16%, 16% and 6%, respectively).

Acadian sells its products to many forest product companies in North America. For the three-month period ended June 27, 2015, sales to the largest and next largest customer accounted for 30% and 10%, respectively (2014 – 24% and 10%, respectively).

NOTE 7. INCOME TAXES

The major components of income tax recognized in profit or loss are as follows:

Six Months Ended *(CAD thousands)*	**June 27, 2015**	June 28, 2014
Income tax expense		
Income tax at statutory rate	**$ 1,153**	$ 1,903
Foreign tax rate differential	**442**	336
Permanent differences	**(183)**	(607)
Benefit of previously unrecognized tax attributes	**100**	13
Other	**33**	(34)
Total income tax expense	**$ 1,545**	$ 1,611

NOTE 8. EMPLOYEE BENEFIT PLANS

NB Timberlands and Maine Timberlands each have defined contribution pension plans covering substantially all employees. During the three and six months ended June 27, 2015, contributions recorded as expenses amounted to $62 thousand (2014 – $64 thousand) and $127 thousand (2014 - $132 thousand) respectively.

NOTE 9. DIVIDENDS TO SHAREHOLDERS

Acadian pays quarterly dividends to the extent determined prudent by the Board of Directors.

Total dividends declared for the three months ended June 27, 2015 were $3.8 million (2014 – $3.5 million) or $0.23 per share (2014 – $0.21 per share). For the six months ended June 27, 2015, total dividends were $7.5 million (2014 - $6.9 million) or $0.45 per share (2014 - $0.41 per share).

NOTE 10. TIMBER

(CAD thousands)	
Fair Value at December 31, 2013	**$ 240,143**
Gains arising from growth	**22,204**
Decrease arising from harvest	**(23,884)**
Gain from fair value price changes	**47,683**
Foreign exchange	**10,535**
Balance at December 31, 2014	**$ 296,681**
Gains arising from growth	**13,155**
Decrease arising from harvest	**(14,163)**
Foreign exchange	**7,893**
Balance at June 27, 2015	**$ 303,566**

Board and Management

BOARD OF DIRECTORS

J. W. Bud Bird, O.C.
Chairman and Chief Executive Officer, Bird Holdings Ltd. and Bird Lands Limited

Mark Bishop
President and Chief Executive Officer of Acadian and Senior Vice President of the Manager

Phil Brown
Executive Managing Director of Partner Recruitment Momentum Search Group

Reid Carter
Managing Partner of the Manager

David Mann
Legal Counsel Cox & Palmer

Ben Vaughan
Senior Managing Partner Brookfield Asset Management Inc.

Saul Shulman
Chief Executive Officer MLG Management Inc.

MANAGEMENT

Acadian Timber Corp.'s Manager:
Brookfield Timberlands Management LP

Mark Bishop
President and Chief Executive Officer of Acadian and Senior Vice President of the Manager

Brian Banfill
Chief Operating Officer of Acadian and Senior Vice President of the Manager

Erika Reilly
Chief Financial Officer of Acadian and Senior Vice President of the Manager

Marcia McKeague
Vice President, Maine Woodland Operations

Luc Ouellet
Vice President, NB Woodland Operations

Corporate and Shareholder Information

HEAD OFFICE OF THE MANAGER

Brookfield Timberlands Management LP
(wholly-owned subsidiary of Brookfield Asset Management Inc.)
Suite 1800 – 1055 West Georgia Street, PO Box 11179, Royal Centre
Vancouver, B.C. V6E 3R5
Please direct your inquiries to:
Tracy Steele
Investor Relations and Communications
t. 604.661.9621 f. 604.687.3419
e. tsteele@acadiantimber.com

TRANSFER AGENT AND REGISTRAR

Shareholder inquiries relating to dividends, address changes and shareholder account information should be directed to the Corporation's transfer agent:

CST Trust Company
P.O. Box 700 Postal Station B
Montreal, QC H3B 3K3
t. 1-800-387-0825 (toll free in North America)
f. 1-888-249-6189
e. inquiries@canstockta.com
www.canstockta.com

SHARE INFORMATION

Toronto Stock Exchange: ADN
Fully Diluted Shares Outstanding (June 27, 2015): 16,731,216
Targeted 2015 Quarterly Dividend: $0.225 per share
Record Date: Last business day of each quarter
Payment Date: On or about the 15th day of each subsequent month

www.acadiantimber.com

This management discussion and analysis ("MD&A") contains forward-looking information 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 MD&A, 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 MD&A includes statements made in sections entitled "Dividend Policy of the Company," "Liquidity and Capital Resources" and "Market Outlook" and without limitation other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends 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 MD&A. All forward-looking statements in this MD&A 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; Brookfield's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 24, 2015 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; anticipated market conditions; business prospects; the economic situation of key customers; 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. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements in this MD&A are made as of the date of this MD&A, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this MD&A. 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.

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