



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2015 First Quarter Results conference call via webcast on Wednesday, April 29, 2015 at 1:00 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 12:50 p.m. ET. The recorded teleconference rebroadcast 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 CHANGES TO MANAGEMENT TEAM

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – April 28, 2015 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended March 28, 2015 (the “first quarter”).

“Acadian generated strong free cash flow during the first quarter pushing the payout ratio down to 50%”, said Reid Carter, Chief Executive Officer of Acadian. “Log prices were favorable and our operations benefited from good winter operating conditions that extended through the end of the quarter.”

For the first quarter, Acadian generated net sales of \$24.7 million on sales volume of 348 thousand m³ which represents a \$3.4 million, or 16%, increase in net sales compared to the same period in 2014. The improved performance was driven primarily by a 14% increase in weighted average log selling prices reflecting continued strong market demand along with the positive impact of the strengthening of the U.S. dollar and a higher proportion of hardwood sawtimber in the sales mix.

Adjusted EBITDA of \$8.8 million for the first quarter was \$2.1 million higher than in the first quarter of 2014, while Adjusted EBITDA margin increased to 35% from 32% in the same period of last year.

¹ This news release makes reference to Adjusted EBITDA and Free Cash Flow which are key performance measures in evaluating Acadian's operations and are 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 and Free Cash Flow 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. As these performance measures do not have standardized meanings 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, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow.

Acadian's manager continued to actively pursue business development opportunities in the U.S., Australasia and South America in support of Acadian's global growth strategy. Transaction activity increased in all of these markets and the manager continued to work on several opportunities in the U.S., Brazil, Chile, Uruguay and New Zealand during the first quarter. We are optimistic that Acadian will be in a position to participate in attractive opportunities during 2015.

Management Team Changes

Effective May 1, 2015, Mark Bishop will become President and Chief Executive Officer of Acadian, replacing Reid Carter who will be stepping down after nine years at the post. Mr. Bishop brings over 25 years of forest industry experience to the position including the last seven years with Brookfield Asset Management ("Brookfield"), Acadian's manager. Prior to joining Brookfield, Mr. Bishop was a top-ranked paper and forest products research analyst and held various forest industry operating and financial positions with large paper and forest product companies.

In addition to his new role with Acadian, Mr. Bishop will continue to lead Brookfield's timberland business development activities outside of North America. Mr. Carter will continue to lead Brookfield's timberlands platform and intends to remain on Acadian's Board.

Review of Operations

Financial and Operating Highlights

<i>Three Months Ended</i> <i>(CAD thousands, except per share information)</i>	March 28, 2015	March 29, 2014
Sales volume (000s m ³)	348.0	350.2
Net sales	\$ 24,687	\$ 21,243
Operating earnings	8,629	6,465
Net (loss) / income	(2,923)	697
Adjusted EBITDA	8,752	6,697
Free Cash Flow	7,546	5,600
Dividends declared	3,765	3,451
Per share (fully diluted)		
Net (loss) / income	(0.17)	0.04
Free Cash Flow	0.45	0.33
Dividends declared	0.23	0.21

Operating earnings for the first quarter, at \$8.6 million, increased \$2.2 million year-over-year reflecting improved log selling prices and stable sales volumes. Net loss totaled \$2.9 million, or \$0.17 per share, for the first quarter, a decrease of \$3.6 million or \$0.21 per share from net income of \$0.7 million in same period of 2014. The net loss primarily reflects a higher non-cash fair value adjustment to timber and an increased unrealized exchange loss on long-term debt.

Acadian's operations ran well during the first quarter with favorable winter operating conditions extending through the end of the quarter. Harvest volume for the first quarter, excluding biomass, was 356 thousand m³, an increase from 349 thousand m³ the same period in the prior year. Sales volume at 348 thousand m³ was almost unchanged from 350 thousand m³ in the first quarter of 2014, with an increase from Acadian's operations in Maine offset by a decrease in sales volumes from the New Brunswick operations.

Acadian's weighted average log price for the first quarter increased 14% year-over-year reflecting increased prices across all products, a stronger U.S. dollar and a higher proportion of softwood sawlogs in the product mix. Stronger softwood sawlog markets and the strengthening of the U.S. dollar resulted in a 17% increase in the weighted average softwood sawlog price relative to the first quarter of 2014 with most of this benefit coming from the Maine operations. Hardwood sawlog markets improved modestly for both the New Brunswick and Maine operations with weighted average selling prices increasing by 2%. Prices for softwood and hardwood pulpwood increased 13% and 11%, respectively, year-over-year. While market conditions for hardwood pulpwood continued to be strong, softwood pulpwood markets continue to be challenged due to a limited customer base. Biomass markets improved with the margin on this product more than doubling compared to the prior year primarily reflecting increased sales to export markets.

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	<i>Three Months Ended March 28, 2015</i>			<i>Three Months Ended March 29, 2014</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	130.1	90.0	\$ 4,927	120.6	100.1	\$ 5,379
Hardwood	109.4	106.8	8,038	123.9	115.7	7,759
Biomass	34.7	34.7	1,247	29.3	29.3	646
	274.2	231.5	14,212	273.8	245.1	13,784
Other sales			1,083			662
Net sales			\$ 15,295			\$ 14,446
Adjusted EBITDA			\$ 5,293			\$ 4,458
Adjusted EBITDA margin			35%			31%

Softwood, hardwood and biomass shipments were 90 thousand m³, 107 thousand m³ and 35 thousand m³, respectively, during the first quarter. This represents a 6% year-over-year decrease in sales volume with the change primarily resulting from increased volumes held in inventory at quarter-end in relation to an inventory management program with one of the operations major customers. Approximately 36% of sales volume was sold as sawlogs, 49% as pulpwood and 15% as biomass in the first quarter. This compares to 38% sold as sawlogs, 50% as pulpwood and 12% as biomass in the first quarter of 2014.

Net sales for the first quarter totaled \$15.3 million compared to \$14.4 million for the same period last year, reflecting increases in selling prices across all products and a more favourable product mix, somewhat offset by lower sales volume. The weighted average log selling price was \$66 per m³ in the first quarter, an 8% increase from \$61 per m³ in the same period of 2014, with gains in both hardwood and softwood pulp prices and a higher proportion of hardwood sawlogs in the sales mix driving the improvement.

Costs for the first quarter were \$10.0 million, in line with the same period in 2014.

Adjusted EBITDA for the first quarter was \$5.3 million, compared to \$4.5 million in the first quarter of 2014 reflecting improved selling prices and market demand for most products partially offset by lower sales volume. Adjusted EBITDA margin increased to 35% from 31% in the prior year, again reflecting improved prices.

During the first quarter, NB Timberlands experienced two recordable incidents among contractors and no incidents among employees.

Maine Timberlands

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

	<i>Three Months Ended March 28, 2015</i>			<i>Three Months Ended March 29, 2014</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)
Softwood	86.4	86.0	\$ 6,936	71.6	71.3	\$ 4,676
Hardwood	29.9	27.3	2,327	32.5	27.1	1,991
Biomass	3.2	3.2	42	6.7	6.7	61
	119.5	116.5	9,305	110.8	105.1	6,728
Other sales			87			69
Net sales			\$ 9,392			\$ 6,797
Adjusted EBITDA			\$ 3,852			\$ 2,477
Adjusted EBITDA margin			41%			36%

Softwood, hardwood and biomass shipments were 86 thousand m³, 27 thousand m³, and 3 thousand m³, respectively, during the first quarter. This represents a year-over-year increase in sales volume of 11% with most of this increase being in softwood sawlogs. Approximately 61% of sales volume was sold as sawlogs, 36% as pulpwood and 3% as biomass during the first quarter. This compares to 55% sold as sawlogs, 39% as pulpwood and 6% as biomass in the first quarter of 2014.

Net sales for the first quarter totaled \$9.4 million compared to \$6.8 million for the same period last year. The improvement was the result of higher sales volume, with all the increase in softwood sawlogs, improved U.S. dollar pricing across most products and the positive impact of foreign exchange movements. The weighted average log selling price was \$82 per m³ in the first quarter, a 21% increase from \$68 per m³ in the same period of 2014 in Canadian dollar terms. Weighted average log selling prices in U.S. dollar terms increased 7% year-over-year.

Costs for the first quarter were \$5.5 million, compared to \$4.3 million during the same period in 2014. While increased harvest volume played a role, this increase primarily reflects adverse foreign exchange movements during the year as variable costs per m³ increased 13% in Canadian dollar terms while remaining stable in U.S. dollar terms.

Adjusted EBITDA for the first quarter was \$3.9 million, compared to \$2.5 million for the same period in 2014, while Adjusted EBITDA margin increased from 36% to 41%.

There was one recordable safety incident among contractors and no recordable safety incidents among employees during the first quarter.

Market Outlook

The following contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2015. 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 of Acadian's most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

While the long term trend continues to point to ongoing improvement in the U.S. housing market, growth has been lower than many expected so far in 2015 despite significant increases in pent up demand. Although the current housing outlook is uncertain, almost all industry watchers are forecasting year-over-year increases in total housing starts of approximately 15 to 20% in 2015 with increases of the same magnitude forecast for 2016.

Despite the recent weakness in housing starts and its negative impact on lumber pricing, markets for softwood sawlogs remained very strong throughout the first quarter. Almost all regional mills continue to operate on full shifts and appear to be carrying inventories consistent with historic seasonal practices. We continue to expect modest improvements in demand as weather improves with softwood sawlog markets expected to remain positive throughout the summer. In addition to our positive outlook for softwood sawlogs, markets for hardwood sawlogs have been strong and are expected to remain positive, while demand and pricing for hardwood pulpwood continues to be very positive with most of our customers seeking additional volume. While softwood pulpwood sales volumes during the first quarter increased year-over-year, this market continues to be challenging owing to the closure of regional groundwood mills. Fortunately, this product represents only a small portion of Acadian's sales and an even lower proportion of our operating earnings. Biomass markets were also positive, owing to improved demand from all customers, offering the potential for improved margins.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.225 per share, payable on July 15, 2015 to shareholders of record on June 30, 2015.

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 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 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.

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 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 made in the section entitled "Market Outlook" and 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 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; 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 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. 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, except per share data)</i>	March 28, 2015	March 29, 2014
Net sales	\$ 24,687	\$ 21,243
Operating costs and expenses		
Cost of sales	14,343	13,179
Selling, administration and other	1,592	1,463
Reforestation	—	—
Depreciation and amortization	123	136
	16,058	14,778
Operating earnings	8,629	6,465
Interest expense, net	(888)	(797)
Other items		
Fair value adjustments	(2,446)	(1,190)
Unrealized exchange loss on long-term debt	(7,736)	(3,096)
Gain on sale of timberlands	—	96
(Loss) / earnings before income taxes	(2,441)	1,478
Current income tax expense	(270)	(297)
Deferred income tax expense	(212)	(484)
Net (loss) / income	(2,923)	697
Net (loss) / income per share – basic and diluted	\$ (0.17)	\$ 0.04

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

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 28, 2015	March 29, 2014
Net (loss) / income	\$ (2,923)	\$ 697
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to net income:		
Unrealized foreign currency translation income	11,545	3,697
Amortization of derivatives designated as hedges	(47)	(47)
Comprehensive income	\$ 8,575	\$ 4,347

Acadian Timber Corp.
Interim Consolidated Balance Sheets
(unaudited)

As at
(CAD thousands) March 28, 2015 December 31, 2014

ASSETS

Current Assets

Cash and cash equivalents	\$ 16,529	\$12,660
Accounts receivable and other assets	7,765	7,351
Inventory	3,494	1,191
	27,788	21,202

Timber	305,077	296,681
Land, roads and other fixed assets	85,923	82,403
Intangible assets	6,140	6,140
	\$ 424,928	\$406,426

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Accounts payable and accrued liabilities	\$ 7,751	\$6,978
Short-term portion of long-term debt	91,745	—
Dividends payable to shareholders	3,765	3,451
	103,261	10,429

Long-term debt	—	83,944
Deferred income tax liability	68,245	63,441
Shareholders' equity	253,422	248,612
	\$ 424,928	\$406,426

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

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 28, 2015	March 29, 2014
Cash provided by / (used for):		
Operating activities		
Net (loss) / income	\$ (2,923)	\$ 697
Adjustments to net (loss) / income:		
Deferred income tax expense	212	484
Depreciation and amortization	123	136
Fair value adjustments	2,446	1,190
Unrealized exchange loss on long-term debt	7,736	3,096
Interest expense, net	888	797
Interest paid, net	(893)	(801)
Gain on sale of timberlands	—	(96)
Net change in non-cash working capital and other	(226)	326
	7,363	5,829
Financing activities		
Dividends paid to shareholders	(3,451)	(3,451)
	(3,451)	(3,451)
Investing activities		
Additions to timber, land, roads and other fixed assets	(43)	—
Proceeds from sale of timberlands	—	97
	(43)	97
Increase in cash and cash equivalents during the period	3,869	2,475
Cash and cash equivalents, beginning of period	12,660	8,564
Cash and cash equivalents, end of period	\$ 16,529	\$ 11,039

Reconciliations to Adjusted EBITDA and Free Cash Flow

<i>Three Months Ended</i> <i>(CAD thousands)</i>	March 28, 2015	March 29, 2014
Net (loss) / income	\$ (2,923)	\$ 697
Add / (deduct):		
Interest expense, net	888	797
Current income tax expense	270	297
Deferred income tax expense	212	484
Depreciation and amortization	123	136
Fair value adjustments	2,446	1,190
Unrealized exchange loss on long-term debt	7,736	3,096
Adjusted EBITDA	8,752	6,697
Add / (deduct):		
Interest paid on debt, net	(893)	(801)
Gain on sale of timberlands	—	(96)
Proceeds from sale of timberlands	—	97
Additions to timber, land, roads and other fixed assets	(43)	—
Current income tax expense	(270)	(297)
Free cash flow	\$ 7,546	\$ 5,600
Dividends declared	\$ 3,765	\$ 3,451
Payout ratio	50%	62%