ACADIANTIMBER

Q2 2014 Interim Report

Letter to Shareholders

Overview

Acadian Timber Corp.'s ("Acadian") operations performed as expected for the three-month period ending June 28, 2014 (the "second quarter"). The second quarter is traditionally our weakest as the spring thaw period ("mud season") causes much of the infrastructure to be inoperable.

Results of Operations

Acadian generated net sales of $12.0 million during the second quarter, $3.6 million less than the same period last year reflecting the delayed recognition of sales in the prior year due to the vendor managed inventory ("VMI") program that was in place at the New Brunswick operation. On a year-to-date basis, net sales were 2% lower than in the same period last year with a slower start-up of operations in the second quarter due to an extended mud season being largely offset by improved log pricing.

Adjusted EBITDA[1] for the second quarter was $1.9 million, compared to $2.9 million during the comparable period in 2013, due to the timing of sales as described above. Adjusted EBITDA margin in the second quarter of 2014 was 16%, a decrease from 19% in the same period in 2013.

We are pleased to note that Acadian's operations experienced no recordable incidents involving contractors or employees during the second quarter. We are also pleased that, in early June, the New Brunswick operations successfully completed a surveillance audit under the Sustainable Forest Initiative® with no non-conformances.

Our balance sheet continues to be solid with $69.6 million of net liquidity as at June 28, 2014, including funds available under Acadian's revolving credit facility and our stand-by equity commitment with Brookfield Asset Management Inc.

Outlook[2]

While U.S. housing market forecasts continue to be adjusted downward, despite significant pent up demand, most industry watchers continue to forecast year-over-year increases in total housing starts of approximately 10 to 20% in 2014 with increases of the same magnitude in 2015. This optimism has kept North American lumber prices strong throughout 2013 and 2014 encouraging Acadian's key solid wood customers to continue to operate at full capacity. As such, we expect to see ongoing strong demand for softwood sawlogs in the region.

Markets for hardwood sawlogs have been positive and are expected to remain stable and demand and pricing for hardwood pulpwood continues to be strong. While Acadian has been successful in selling its softwood pulpwood production, this market is challenging due to the closure of several regional groundwood mills. Biomass sales have been somewhat slow during the first half of 2014, although we expect to see modest improvements through the remainder of the year as several of the logistical challenges currently constraining export markets are relieved.

Business Development

Our goal is to acquire high quality timber estates where we can achieve 10 to 12% compound annual total returns over the long-term. The contribution of current cash yield and capital appreciation to Acadian's total return will vary based on the attributes of the timberlands acquired. Opportunities located in markets experiencing favorable pricing with an age class profile that supports robust harvest levels are well suited to contribute strong cash flows immediately to the portfolio. Opportunities in markets that are poised for a recovery or that have a limited harvest opportunity in the early years as we wait for the timber to mature, generally offer back-end loaded cash flows and therefore a higher component of capital appreciation. Further value creation opportunities exist through operating improvements, increased productivity, prudent financing, higher and better use opportunities and/or infrastructure improvement. Our goal is to build a balanced portfolio between current cash flow and capital appreciation with the ultimate focus being on our long-term total return target. This goal drives our disciplined approach and focus on seeking alpha when evaluating opportunities in today's competitive environment.

In conclusion, we look forward to reporting on increased operating activity as we enter into the second half of 2014 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.

Reid Carter
President and Chief Executive Officer
July 28, 2014

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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 301,000 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-month period ended June 28, 2014 (herein referred to as the "second quarter") and the six-month period ended June 28, 2014 compared to the three- and six-month periods ended June 29, 2013, 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, 2014. 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, 2013. There have been no changes in our disclosure controls and procedures during the period ended June 28, 2014 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, 2013. There have been no changes in our internal controls over financial reporting during the period ended June 28, 2014 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

REVIEW OF OPERATIONS

Summary of Second Quarter Results

The table below summarizes operating and financial data for Acadian:

	Three Months Ended		Six Months Ended	
(CAD thousands, except where indicated)	**June 28, 2014**	June 29, 2013	**June 28, 2014**	June 29, 2013
Sales volume (000s m^3)	**228.9**	330.5	**579.1**	669.7
Net sales	**$ 12,029**	$ 15,608	**$ 33,272**	$ 33,860
Operating earnings	**1,797**	2,667	**8,262**	7,181
Net income / (loss)	**4,738**	(857)	**5,435**	434
Total assets	**295,178**	292,860	**295,178**	292,860
Total debt financing	**77,360**	76,248	**77,360**	76,248
Adjusted EBITDA[1]	**$ 1,935**	$ 2,897	**$ 8,632**	$ 7,552
Adjusted EBITDA margin[1]	**16%**	19%	**26%**	22%
Free Cash Flow[1]	**$ 1,052**	$ 1,774	**$ 6,652**	$ 5,685
Dividends declared	**3,451**	3,451	**6,902**	6,902
Payout ratio	**328%**	195%	**104%**	121%
Per share - basic and diluted				
Net income / (loss)	**$ 0.28**	$ (0.05)	**$ 0.32**	$ 0.03
Free Cash Flow[1]	**0.06**	0.11	**0.40**	0.34
Dividends declared	**0.21**	0.21	**0.41**	0.41
Book value	**10.82**	10.90	**10.82**	10.90
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. For the three months ended June 28, 2014, Acadian generated net sales of $12.0 million on sales volumes of 229 thousand m^3, compared with net sales of $15.6 million on sales volumes of 331 thousand m^3 during the same period last year. The 23% decrease in net sales year-over-year largely reflects the delayed recognition of sales due to the vendor managed inventory ("VMI") program that was in place at the New Brunswick operation in 2013, offset in part by higher log prices. For the six months ended June 28, 2014, Acadian generated net sales of $33.3 million on sales volume of 579 thousand m^3 as compared to net sales of $33.9 million on sales volume of 670 thousand m^3 in the comparable period of 2013. A 10% year-over-year improvement in average log prices largely offset the volume decrease that resulted from slower start-up of operations in the second quarter due to an extended mud season.

Operating earnings for the second quarter, at $1.8 million, decreased $0.9 million year-over-year, largely reflecting the timing of sales. For the six months ended June 28, 2014, the stronger log prices brought operating earnings up to $8.3 million, an increase of $1.1 million over the first half of 2013. Net income totaled $4.7 million, or $0.28 per share, for the second quarter, an increase of $5.6 million or $0.33 per share from the same period in 2013. The increase in net income reflects a higher non-cash fair value adjustment due to lower harvest levels and a $2.7 million unrealized exchange gain on long-term debt compared to a $2.5 million unrealized loss in the same period of the prior year. For the six months ended June 28, 2014, net income was $5.4 million, or $0.32 per share, an increase of $5.0 million, or $0.29 per share, over the first half of 2013 primarily as a result of decreased unrealized exchange loss on long-term debt.

Adjusted EBITDA and Free Cash Flow

Adjusted EBITDA for the second quarter was $1.9 million, compared to $2.9 million during the comparable period in 2013. This decline is largely due to the VMI program that was in place in 2013. Adjusted EBITDA margin in the second quarter was 16%, a decrease from 19% in the same period in 2013. For the six months ended June 28, 2014, adjusted EBITDA was $8.6 million, $1.1 million higher than during the first half of 2013, again reflecting improved log prices.

Free Cash Flow was $1.0 million during the second quarter, which represents a decrease of $0.7 million from the same period in 2013, reflecting the impact the VMI program had during the second quarter of 2013. Free cash flow for the six months ended June 28, 2014 was $6.7 million, as compared to $5.7 million during the first half of 2013.

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 28, 2014**	June 29, 2013	**June 28, 2014**	June 29, 2013
Net income / (loss)	**$ 4,738**	$ (857)	**$ 5,435**	$ 434
Add (deduct):				
Interest expense, net	**773**	773	**1,570**	1,512
Current income tax expense (recovery)	**(28)**	—	**269**	—
Deferred income tax expense	**858**	1,589	**1,342**	2,250
Depreciation and amortization	**136**	143	**272**	284
Fair value adjustments	**(1,795)**	(1,224)	**(605)**	(1,243)
Unrealized exchange (gain) loss on long-term debt	**(2,747)**	2,473	**349**	4,315
Adjusted EBITDA[1]	**1,935**	2,897	**8,632**	7,552
Add (deduct):				
Interest paid on debt, net	**(778)**	(778)	**(1,579)**	(1,522)
Additions to timber, land, roads and other fixed assets	**(133)**	(345)	**(133)**	(345)
Gain on sale of timberlands	**(2)**	(87)	**(98)**	(87)
Proceeds on sale of timberlands	**2**	87	**99**	87
Current income tax recovery (expense)	**28**	—	**(269)**	—
Free Cash Flow[1]	**$ 1,052**	$ 1,774	**$ 6,652**	$ 5,685
Dividends declared	**$ 3,451**	$ 3,451	**$ 6,902**	$ 6,902
Payout ratio	**328%**	195%	**104%**	121%

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 28, 2014 were $3.5 million, or $0.21 per share, unchanged from the prior year. 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 28, 2014 was 104% compared to 121% 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 into 2014.

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 infrastructure to be temporarily inoperable. Harvest volume for the second quarter, excluding biomass, was 138 thousand m^3, down 21% compared to the same period in the prior year due to a slower start-up at the New Brunswick operation resulting from the well above-average snowpack of the prior winter. Sales volume of 229 thousand m^3 was down 31% from the second quarter of 2013, with the decrease largely coming from Acadian's operations in New Brunswick due to the discontinuation of the VMI program.

Acadian's weighted average log price during the second quarter increased 11% year-over-year primarily due to higher softwood sawlog and hardwood log prices, a stronger U.S. dollar and a higher proportion of high value hardwood sawlogs in the sales mix. Softwood sawlog prices were up 10% relative to the same period last year, benefiting from our customers' continued positive outlook for lumber demand. Prices for hardwood sawlogs and pulpwood were both up 7% relative to the second quarter of last year reflecting strong market demand. Softwood pulpwood pricing has weakened, declining 8% year-over-year, with fewer groundwood customers operating. Biomass gross margin was down 27% year-over-year due to fewer export customers during the period, but is expected to recover in the coming quarters.

Income Tax Expense

Included in net income for the three and six months ended June 28, 2014 is a current income tax recovery of $28 thousand and current income tax expense of $0.3 million, respectively (2013 – $nil and $nil, respectively) and deferred income tax expense of $0.9 million and $1.3 million, respectively (2013 – $1.6 million and $2.3 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 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%**

Three Months Ended June 29, 2013 (CAD thousands)	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m^3)	288.2	42.3	—	330.5
Net sales	$ 13,508	$ 2,100	$ —	$ 15,608
Adjusted EBITDA[1]	$ 2,943	$ 215	$ (261)	$ 2,897
Adjusted EBITDA margin[1]	22%	10%	n/a	19%

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

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%**

Six Months Ended June 29, 2013 (CAD thousands)	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m^3)	517.1	152.6	—	669.7
Net sales	$ 25,661	$ 8,199	$ —	$ 33,860
Adjusted EBITDA[1]	$ 5,935	$ 2,243	$ (626)	$ 7,552
Adjusted EBITDA margin[1]	23%	27%	n/a	22%

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 80% of harvest operations are performed by third-party contractors and approximately 20% by NB Timberlands employees.

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

	Three Months Ended June 28, 2014			Three Months Ended June 29, 2013		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**45.5**	**67.6**	**$ 3,745**	57.4	124.4	$ 6,538
Hardwood	**62.0**	**74.1**	**4,914**	89.8	95.6	5,807
Biomass	**40.0**	**40.0**	**663**	68.2	68.2	1,199
	147.5	**181.7**	**9,322**	215.4	288.2	13,544
Other sales			**(32)**			(36)
Net sales			**$ 9,290**			$ 13,508
Adjusted EBITDA[1]			**$ 1,652**			$ 2,943
Adjusted EBITDA margin[1]			**18%**			22%

	Six Months Ended June 28, 2014			Six Months Ended June 29, 2013		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**166.1**	**167.7**	**$ 9,124**	213.4	211.4	$ 11,111
Hardwood	**185.9**	**189.8**	**12,673**	184.4	192.6	11,862
Biomass	**69.3**	**69.3**	**1,309**	113.1	113.1	2,018
	421.3	**426.8**	**23,106**	510.9	517.1	24,991
Other sales			**630**			670
Net sales			**$ 23,736**			$ 25,661
Adjusted EBITDA[1]			**$ 6,110**			$ 5,935
Adjusted EBITDA margin[1]			**26%**			23%

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

Softwood, hardwood and biomass shipments were 68 thousand m³, 74 thousand m³ and 40 thousand m³, respectively, during the second quarter. This represents a year-over-year decrease in sales volume of 37% largely reflecting the impact of the VMI program that was in place in 2013 which deferred sales from the first quarter to the second. Harvest volume in the second quarter of 2014 was typical of seasonal conditions, but lower than the same period last year as the well above-average snowpack of the prior winter led to a slow start-up. Approximately 40% of sales volume was sold as sawlogs, 38% as pulpwood and 22% as biomass in the second quarter. This compares to 42% sold as sawlogs, 34% as pulpwood and 24% as biomass in the second quarter of 2013.

Net sales for the second quarter totaled $9.3 million compared to $13.5 million for the same period last year, again reflecting the impact of not operating under the VMI program in the current year, but partially offset by increased softwood sawtimber and hardwood selling prices. The weighted average log selling price was $61.11 per m³ in the second quarter of 2014, a 9% increase from $56.12 per m³ in the same period of 2013 as a result of improved selling prices for most products and a higher proportion of hardwood in the sales mix. Net sales for the six months ended June 28, 2014 were $23.7 million, a decrease of $1.9 million over the first half of 2013, due to lower sales volumes.

Costs for the second quarter were $7.6 million, compared to $10.6 million in the same period in 2013, due to lower harvest volumes of primary products, partially offset by 3% higher variable costs per m³ caused by a higher proportion of hardwood products being supplied from log handling yards. For the six months ended June 28, 2014, costs were $17.6 million, $2.0 million lower than during the first half of 2013, due to lower harvest volumes.

Adjusted EBITDA for the second quarter was $1.7 million, compared to $2.9 million in the second quarter of 2013 reflecting the discontinuation of the VMI program. Adjusted EBITDA margin decreased to 18% from 22% in the prior year. For the six months ended June 28, 2014, adjusted EBITDA was $6.1 million, an increase of $0.2 million over the first half of 2013.

There were no recordable safety incidents among employees and contractors during the second quarter of 2014.

Maine Timberlands

Maine Timberlands owns and manages approximately 301,000 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 28, 2014			Three Months Ended June 29, 2013		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**17.6**	**17.6**	**$ 1,030**	18.1	18.1	$ 875
Hardwood	**12.7**	**19.9**	**1,529**	9.9	15.6	1,051
Biomass	**9.7**	**9.7**	**52**	8.6	8.6	44
	40.0	**47.2**	**2,611**	36.6	42.3	1,970
Other sales			**128**			130
Net sales			**$ 2,739**			$ 2,100
Adjusted EBITDA[1]			**$ 385**			$ 215
Adjusted EBITDA margin[1]			**14%**			10%

	Six Months Ended June 28, 2014			Six Months Ended June 29, 2013		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*	**Harvest** *(000s m³)*	**Sales** *(000s m³)*	**Results** *($000s)*
Softwood	**89.2**	**88.9**	**$ 5,706**	94.6	94.3	$ 5,217
Hardwood	**45.2**	**47.0**	**3,520**	35.6	42.0	2,658
Biomass	**16.4**	**16.4**	**113**	16.3	16.3	125
	150.8	**152.3**	**9,339**	146.5	152.6	8,000
Other sales			**197**			199
Net sales			**$ 9,536**			$ 8,199
Adjusted EBITDA[1]			**$ 2,862**			$ 2,243
Adjusted EBITDA margin[1]			**30%**			27%

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

Softwood, hardwood and biomass shipments were 18 thousand m³, 20 thousand m³, and 10 thousand m³, respectively, during the second quarter. This represents a year-over-year increase in sales volume of 12%. Approximately 36% of sales volume was sold as sawlogs, 43% as pulpwood and 21% as biomass during the second quarter. This compares to 37% sold as sawlogs, 43% as pulpwood and 20% as biomass in the second quarter of 2013.

Net sales for the second quarter totaled $2.7 million compared to $2.1 million for the same period last year. The improvement was the result of increased hardwood sales volume and improved pricing across all products, as well as the positive impact of the stronger U.S. dollar. The weighted average log selling price was $68.34 per m³ in the second quarter of 2014, a 19% increase from $57.30 per m³ in the same period of 2013 in Canadian dollar terms. Weighted average log selling prices in U.S. dollar terms increased 11% year-over-year. Net sales for the six months ended June 28, 2014 were $9.5 million, an increase of $1.3 million over the first half of 2013, due to improved log selling prices.

Costs for the second quarter were $2.3 million, compared to $2.0 million during the same period in 2013. This increase reflects increased harvest volume and adverse foreign exchange movements year-over-year. Variable costs per m³ increased 14% in Canadian dollar terms and 7% in U.S. dollar terms reflecting a shift in product mix during the period with a greater proportion of the sales being higher cost hardwood sawtimber processed through the woodyard as well as longer hauling distances for softwood pulpwood due to the closure of the paper mill in East Millinocket. For the six months ended June 28, 2014, costs were $6.7 million, $0.7 million higher than during the first half of 2013, due to higher harvest volumes and adverse foreign exchange movements.

Adjusted EBITDA for the second quarter was $0.4 million, compared to $0.2 million for the same period in 2013, while Adjusted EBITDA margin increased to 14% from 10% in the prior year. For the six months ended June 28, 2014, Adjusted EBITDA was $2.9 million, an increase of $0.7 million over the first half of 2013.

There were no recordable safety incidents among employees and contractors during the second quarter of 2014.

Financial Position

As at June 28, 2014, Acadian's balance sheet consisted of total assets of $295.2 million (December 31, 2013 – $296.2 million), represented primarily by timber, land, roads and other fixed assets of $273.6 million (December 31, 2013 – $272.4 million) with the balance in cash and current assets of $15.5 million (December 31, 2013 – $17.6 million), and intangible assets of $6.1 million (December 31, 2013 – $6.1 million). Timber has been recorded at fair value as determined through independent third party appraisal at December 31, 2013 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 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 28, 2014, 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 28, 2014. In addition, US$2.2 million of the Revolving Facility is reserved to support the minimum cash balance requirement of the Term Facility.

Stand-by Equity Commitment

On August 12, 2013, Acadian arranged a stand-by equity commitment with Brookfield Asset Management Inc. in an aggregate amount of US$50 million for a 2-year duration subject to regulatory approval. 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 28, 2014, no amounts have been drawn on the equity commitment.

Outstanding Shares

As at June 28, 2014, 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 28, 2014, 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 2014. 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.

U.S. housing market forecasts continue to be adjusted downward despite significant pent up demand. Analysts have concluded that last spring's increase in mortgage rates coupled with increases in home prices and tighter mortgage lending rules explains much more of the current weakness in mortgage applications and new home sales than the harsh winter weather experienced in 2014. Improved economic growth, with further gains in employment and wages, will need to take place before a more robust recovery in housing can be expected. Despite this than less robust outlook, most industry watchers continue to forecast year-over-year increases in total housing starts of approximately 10 to 20% in 2014 with increases of the same magnitude in 2015. This optimism has kept North American lumber prices strong throughout 2013 and 2014 encouraging Acadian's key solid wood customers to continue to operate at full capacity. As such, we expect to see ongoing strong demand for softwood sawlogs in the region.

Markets for hardwood sawlogs have been positive and are expected to remain stable and demand and pricing for hardwood pulpwood continues to be strong. While Acadian has been successful in selling its softwood pulpwood production, this market is challenging due to the closure of several regional groundwood mills. Biomass sales have been somewhat slow during the first half of 2014, although we expect to see modest improvements through the remainder of the year as several of the logistical challenges currently constraining export markets are relieved.

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.

	2014		2013				2012	
(CAD thousands, except per share data and where indicated)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume (000s m^3)	**229**	350	370	343	330	339	327	319
Net sales	**$ 12,029**	$ 21,243	$ 21,764	$ 18,759	$ 15,608	$ 18,252	$ 18,410	$ 17,523
Adjusted EBITDA[1]	**1,935**	6,697	6,139	3,789	2,897	4,655	5,145	4,377
Free Cash Flow[1]	**1,052**	5,600	5,304	2,812	1,774	3,911	4,368	3,532
Net income (loss)	**4,738**	697	3,420	3,394	(857)	1,291	3,791	4,995
Per share - basic and diluted	**$ 0.28**	$ 0.04	$ 0.20	$ 0.20	$ (0.05)	$ 0.08	$ 0.23	$ 0.30

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 2013 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 28, 2014, 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 and was a related party of Twin Rivers Paper Company ("Twin Rivers") prior to Brookfield completing the sale of its interest in Twin Rivers on June 10, 2013. References in this report to Twin Rivers refer to transactions and relationships with Brookfield prior to the sale of this interest.

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

a) Upon inception, Acadian became party to fibre supply agreements whereby Acadian agreed to provide fibre to Twin Rivers for periods of up to 20 years. In addition, Acadian agreed to administer certain licenses on behalf of Twin Rivers. Total sales to Twin Rivers in 2013 prior to the sale of Brookfield's interest in Twin Rivers on June 10, 2013 totaled $6.1 million, which represented 33% of Acadian's total sales for the first half of 2013.

b) 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 28, 2014 totaled $0.6 million (2013 – $0.5 million) and $1.2 million (2013 – $1.1 million), respectively. As at June 28, 2014, fees of $nil (2013 – $nil) remain outstanding.

c) Maine Timberlands sold 4.13 acres of land for net proceeds of $97 thousand to Katahdin Timberlands LLC for the three and six months ended June 28, 2014 (2013 – $nil and 1.67 acres for $87 thousand, respectively).

Further to the related party transactions noted above, the total net payable due from related parties as at June 28, 2014 is $10 thousand (December 31, 2013 net receivable due to related parties – $65 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 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]	$ 77,360	$ 77,360	$ —	$ 77,360	$ —	$ —
Revolving facility	10,670	—	—	—	—	—
	$ 88,030	$ 77,360	$ —	$ 77,360	$ —	$ —
Interest payments[2]		$ 5,862	$ 3,071	$ 2,791	$ —	$ —

1. Represents principal of a U.S. dollar denominated term loan with a Canadian to U.S. dollar conversion of 1.0670, excluding the unamortized deferred financing costs.
2. Interest payment was determined assuming a fixed interest rate at 3.97% with a Canadian to U.S. dollar conversion of 1.0670.

Additional Quarterly Information

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

NB Timberlands

	2014 Q2			2014 Q1			2013 Q4			2013 Q3		
	Harvest	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**	**Harvest**	**Sales**	**Results**
	(000s m³)	*(000s m³)*	*($000s)*	*(000s m³)*	*(000s m³)*	*($000s)*	(000s m³)	(000s m³)	($000s)	(000s m³)	(000s m³)	($000s)
Softwood	**45.5**	**67.6**	**$ 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 m³)	*(000s m³)*	*($000s)*	*(000s m³)*	*(000s m³)*	*($000s)*	*(000s m³)*	*(000s m³)*	*($000s)*	*(000s m³)*	*(000s m³)*	*($000s)*
Softwood	**17.6**	**17.6**	**$ 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.

NB Timberlands

	2013 Q2			2013 Q1			2012 Q4			2012 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	57.4	124.4	$ 6,538	156.0	87.0	$ 4,573	96.9	96.5	$ 4,855	92.3	94.7	$ 5,091
Hardwood	89.8	95.6	5,807	94.6	97.0	6,055	104.8	102.2	6,276	113.9	106.0	6,222
Biomass	68.2	68.2	1,199	44.9	44.9	819	39.0	39.0	932	53.6	53.6	877
	215.4	288.2	13,544	295.5	228.9	11,447	240.7	237.7	12,063	259.8	254.3	12,190
Other sales			(36)			706			1,680			1,545
Net sales			$ 13,508			$ 12,153			$ 13,743			$ 13,735
Adjusted EBITDA[1]			$ 2,943			$ 2,992			$ 4,012			$ 3,626
Adjusted EBITDA margin[1]			22%			25%			29%			26%

Maine Timberlands

	2013 Q2			2013 Q1			2012 Q4			2012 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	18.1	18.1	$ 875	76.5	76.2	$ 4,342	57.9	57.7	$ 3,164	45.3	45.3	$ 2,563
Hardwood	9.9	15.6	1,051	25.7	26.4	1,607	28.5	24.1	1,382	18.1	15.8	989
Biomass	8.6	8.6	44	7.7	7.7	81	7.6	7.6	58	3.5	3.5	22
	36.6	42.3	1,970	109.9	110.3	6,030	94.0	89.4	4,604	66.9	64.6	3,574
Other sales			130			69			63			214
Net sales			$ 2,100			$ 6,099			$ 4,667			$ 3,788
Adjusted EBITDA[1]			$ 215			$ 2,028			$ 1,376			$ 849
Adjusted EBITDA margin[1]			10%			33%			29%			22%

Corporate

	2013 Q2	2013 Q1	2012 Q4	2012 Q3
	Results	**Results**	**Results**	**Results**
	($000s)	*($000s)*	*($000s)*	*($000s)*
Net sales	$ —	$ —	$ —	$ —
Adjusted EBITDA[1]	$ (261)	$ (365)	$ (243)	$ (98)

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," "Operating and Market Conditions," "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 28, 2014 and the Management Information Circular dated May 13, 2014, 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)	Note	**June 28, 2014**	June 29, 2013	**June 28, 2014**	June 29, 2013
Net sales	6	**$ 12,029**	$ 15,608	**$ 33,272**	$ 33,860
Operating costs and expenses					
Cost of sales		**8,680**	11,122	**21,859**	23,110
Selling, administration and other	6	**1,351**	1,542	**2,814**	3,146
Reforestation		**65**	134	**65**	139
Depreciation and amortization		**136**	143	**272**	284
		10,232	12,941	**25,010**	26,679
Operating earnings		**1,797**	2,667	**8,262**	7,181
Interest expense, net		**(773)**	(773)	**(1,570)**	(1,512)
Other items					
Fair value adjustments		**1,795**	1,224	**605**	1,243
Unrealized exchange gain (loss) on long-term debt		**2,747**	(2,473)	**(349)**	(4,315)
Gain on sale of timberlands	5	**2**	87	**98**	87
Earnings before income taxes		**5,568**	732	**7,046**	2,684
Current income tax recovery (expense)	7	**28**	—	**(269)**	—
Deferred income tax expense	7	**(858)**	(1,589)	**(1,342)**	(2,250)
Net income / (loss)		**$ 4,738**	$ (857)	**$ 5,435**	$ 434
Net income / (loss) per share - basic and diluted		**$ 0.28**	$ (0.05)	**$ 0.32**	$ 0.03

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income

(unaudited)

	Three Months Ended		Six Months Ended	
(CAD thousands)	**June 28, 2014**	June 29, 2013	**June 28, 2014**	June 29, 2013
Net income / (loss)	**$ 4,738**	$ (857)	**$ 5,435**	$ 434
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation	**(3,278)**	2,670	**419**	4,880
Amortization of derivatives designated as cash flow hedges	**(47)**	(45)	**(94)**	(95)
Comprehensive income	**$ 1,413**	$ 1,768	**$ 5,760**	$ 5,219

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Balance Sheets

(unaudited)

As at *(CAD thousands)*	Note	**June 28, 2014**	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents		**$ 7,922**	$ 8,564
Accounts receivable and other assets	5	**6,538**	7,673
Inventory		**1,025**	1,380
		15,485	17,617
Timber	10	**241,351**	240,143
Land, roads and other fixed assets		**32,202**	32,268
Intangible assets		**6,140**	6,140
		$ 295,178	$ 296,168
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	5	**$ 5,922**	$ 7,680
Dividends payable to shareholders		**3,451**	3,451
		9,373	11,131
Long-term debt	3	**76,963**	76,496
Deferred income tax liability	7	**27,791**	26,348
Shareholders' equity	4	**181,051**	182,193
		$ 295,178	$ 296,168

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Changes in Equity

(unaudited)

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.

Six Months Ended June 29, 2013 (CAD thousands)	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Cash Flow Hedges	Shareholders' Equity
Balance as at December 31, 2012	$ 140,067	$ 43,576	$ 2,598	$ (2,857)	$ 618	$ 184,002
Changes in period						
Net income	—	434	—	—	—	434
Other comprehensive income (loss)	—	—	—	4,880	(95)	4,785
Shareholders' dividends declared	—	(6,902)	—	—	—	(6,902)
Balance as at June 29, 2013	$ 140,067	$ 37,108	$ 2,598	$ 2,023	$ 523	$ 182,319

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

(unaudited)

(CAD thousands)	Note	Three Months Ended **June 28, 2014**	 June 29, 2013	Six Months Ended **June 28, 2014**	 June 29, 2013
Cash provided by (used for):					
Operating activities					
Net income / (loss)		**$ 4,738**	$ (857)	**$ 5,435**	$ 434
Adjustments to net income / (loss):					
Deferred income tax expense	7	**858**	1,589	**1,342**	2,250
Depreciation and amortization		**136**	143	**272**	284
Fair value adjustments		**(1,795)**	(1,224)	**(605)**	(1,243)
Unrealized exchange (gain) loss on long-term debt		**(2,747)**	2,473	**349**	4,315
Interest expense, net		**773**	773	**1,570**	1,512
Interest paid, net		**(778)**	(778)	**(1,579)**	(1,522)
Gain on sale of timberlands		**(2)**	(87)	**(98)**	(87)
Net change in non-cash working capital balances and other		**(718)**	684	**(392)**	530
		465	2,716	**6,294**	6,473
Financing activities					
Dividends paid to shareholders	9	**(3,451)**	(3,451)	**(6,902)**	(6,902)
		(3,451)	(3,451)	**(6,902)**	(6,902)
Investing activities					
Additions to timber, land, roads and other fixed assets		**(133)**	(345)	**(133)**	(345)
Proceeds from sale of timberlands		**2**	87	**99**	87
		(131)	(258)	**(34)**	(258)
Decrease in cash and cash equivalents during the period		**(3,117)**	(993)	**(642)**	(687)
Cash and cash equivalents, beginning of period		**11,039**	6,442	**8,564**	6,136
Cash and cash equivalents, end of period		**$ 7,922**	$ 5,449	**$ 7,922**	$ 5,449

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 301,000 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 28, 2014, 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 2013 annual report. These interim condensed consolidated financial statements should be read in conjunction with the Acadian's 2013 annual report.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of Acadian on July 28, 2014.

Future Accounting Policies

IFRS 9 Financial Instruments: Classification and Measurement
In November 2009, the IASB issued IFRS 9 as the first part of its project to replace IAS 39, *Financial Instruments: Recognition and Measurement.* IFRS 9 currently prescribes that financial assets are measured at amortized cost or fair value on the basis on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The classification and measurement for financial liabilities remains generally unchanged, however, revisions have been made in the accounting for changes in fair value of a financial liability attributable to changes in the credit risk of that liability. The other phases of this project which are currently under development include impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Acadian is in the process of assessing the impact of the new standard on its consolidated financial statements in conjunction with the completion of the other phase of this project.

IFRIC 21 Levies
International Financial Reporting Interpretations Committee 21, Levies ("IFRIC 21") is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., International Accounting Standard 12, Income Taxes) and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is applied retrospectively. The adoption of this new interpretation did not result in any changes to the unaudited interim condensed consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, which will replace IAS 11, "Construction Contracts", IAS 18, "Revenue Recognition", IFRIC 13, "Customer Loyalty Programmes", IFRIC 15, "Agreements for the Construction of Real Estate", IFRIC 18, "Transfers of Assets from Customers", and SIC-31, "Revenue – Barter Transactions Involving Advertising Services". IFRS 15 provides a single, principles based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, "Consolidated Financial Statements" and IFRS 11, "Joint Arrangements". In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some nonfinancial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted. Acadian is in the process of assessing the impact of the new standard on its consolidated financial statements.

NOTE 3. DEBT

Debt consisted of the following:

As at *(CAD thousands)*	**June 28, 2014**	December 31, 2013
Term facility, due March 2016	**$ 77,360**	$ 77,013
Less: Deferred debt issuance costs	**(397)**	(517)
Total	**$ 76,963**	$ 76,496

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 28, 2014 and December 31, 2013, 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 28, 2014 and December 31, 2013. In addition, US$2.2 million is reserved under the Revolving Facility to support the minimum cash balance requirement of the Term Facility.

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 28, 2014 and December 31, 2013 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's only significant related party is Brookfield. Acadian is also a related party of Katahdin Timberlands LLC as a result of their common significant shareholder and was a related party of Twin Rivers Paper Company ("Twin Rivers") prior to Brookfield completing the sale of its interest in Twin Rivers on June 10, 2013. References in this report to Twin Rivers refer to transactions and relationships with Brookfield prior to the sale of this interest.

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

a) Upon inception, Acadian became party to fibre supply agreements whereby Acadian agreed to provide fibre to Twin Rivers for periods of up to 20 years. In addition, Acadian agreed to administer certain licenses on behalf of Twin Rivers. Total sales to Twin Rivers in 2013 prior to the sale of Brookfield's interest in Twin Rivers on June 10, 2013 totaled $6.1 million, which represented 33% of Acadian's total sales for the first half of 2013.

b) 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 28, 2014 totaled $0.6 million (2013 – $0.5 million) and $1.2 million (2013 – $1.1 million), respectively. As at June 28, 2014, fees of $nil (2013 – $nil) remain outstanding.

c) Maine Timberlands sold 4.13 acres of land for net proceeds of $97 thousand to Katahdin Timberlands LLC for the three and six months ended June 28, 2014 (2013 – $nil and 1.67 acres for $87 thousand, respectively).

Further to the related party transactions noted above, the total net payable due from related parties as at June 28, 2014 is $10 thousand (December 31, 2013 net receivable due to related parties – $65 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 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

Three Months Ended June 29, 2013 (CAD thousands)	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 7,413	$ 6,538	$ 875	$ —
Hardwood	6,858	5,807	1,051	—
Biomass	1,243	1,199	44	—
Other	94	(36)	130	—
Total net sales	15,608	13,508	2,100	—
Operating costs	(12,664)	(10,450)	(1,953)	(261)
Reforestation	(134)	(115)	(19)	—
Depreciation and amortization	(143)	(65)	(78)	—
Operating earnings (loss)	2,667	2,878	50	(261)
Gain on sale of timberlands	87	—	87	—
Fair value adjustments	1,224	(116)	1,340	—
Earnings (loss) before the under noted	3,978	2,762	1,477	(261)
Unrealized exchange loss on long-term debt	(2,473)			
Interest expense, net	(773)			
Current income tax expense	—			
Deferred income tax expense	(1,589)			
Net loss	$ (857)			

As at June 29, 2013 (CAD thousands)	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Timber, land, roads and other fixed assets and intangible assets	$278,120	$158,627	$119,492	$ 1
Total assets	292,860	170,061	122,505	294
Total liabilities	$110,540	$ 5,769	$ 24,149	$ 80,622

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**			

Six Months Ended June 29, 2013 *(CAD thousands)*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 16,328	$ 11,111	$ 5,217	$ —
Hardwood	14,520	11,862	2,658	—
Biomass	2,143	2,018	125	—
Other	869	670	199	—
Total net sales	33,860	25,661	8,199	—
Operating costs	(26,256)	(19,611)	(6,018)	(627)
Reforestation	(139)	(115)	(24)	—
Depreciation and amortization	(284)	(129)	(155)	—
Operating earnings (loss)	7,181	5,806	2,002	(627)
Gain on sale of timberlands	87	—	87	—
Fair value adjustments	1,243	432	811	—
Earnings (loss) before the under noted	8,511	6,238	2,900	(627)
Unrealized exchange loss on long-term debt	(4,315)			
Interest expense, net	(1,512)			
Current income tax expense	—			
Deferred income tax expense	(2,250)			
Net income	$ 434			

During the three months ended June 28, 2014 approximately 35% of total sales were originated with customers domiciled in the U.S. and the balance in Canada (2013 – 32%). During the same period, approximately 30% of total sales (2013 – 22%) 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 28, 2014, Acadian's top three suppliers accounted for approximately 16%, 16% and 6%, respectively, of Acadian's total harvesting and delivery costs (2013 – 17%, 12% and 6%, respectively).

Acadian sells its products to many forest product companies in North America. For the three-month period ended June 28, 2014, sales to the largest and next largest customer accounted for 24% and 10%, respectively (2013 – 33% and 8%, 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 28, 2014**	June 29, 2013
Income tax expense		
Income tax at statutory rate	**$ 1,903**	$ 698
Foreign tax rate differential	**336**	406
Permanent differences	**(607)**	(133)
Rate adjustment	**—**	1,115
Benefit of previously unrecognized tax attributes	**13**	159
Other	**(34)**	5
Total income tax expense	**$ 1,611**	$ 2,250

As at (CAD thousands)	**June 28, 2014**	December 31, 2013
Deferred income tax asset	**$ —**	$ —
Deferred income tax liability	**(27,791)**	(26,348)
Total net deferred income tax liability	**$ (27,791)**	$ (26,348)

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 28, 2014, contributions recorded as expenses amounted to $64 thousand (2013 – $69 thousand) and $132 thousand (2013 – $137 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 28, 2014 were $3.5 million (2013 – $3.5 million) or $0.21 per share (2013 – $0.21 per share). For the six months ended June 28, 2014, total dividends were $6.9 million (2013 – $6.9 million) or $0.41 per share (2013 – $0.41 per share).

NOTE 10. TIMBER

(CAD thousands)	
Fair Value at December 31, 2012	**$ 230,686**
Gains arising from growth	**21,130**
Decrease arising from harvest	**(21,006)**
Gain from fair value price changes	**2,544**
Foreign exchange	**6,789**
Balance at December 31, 2013	**$ 240,143**
Gains arising from growth	**10,729**
Decrease arising from harvest	**(9,998)**
Foreign exchange	**477**
Balance at June 28, 2014	**$ 241,351**

Board and Management

BOARD OF DIRECTORS

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

Reid Carter
President and
Chief Executive Officer
of Acadian and Managing
Partner of the Manager

David Mann
Legal Counsel
Cox & Palmer

Samuel J.B. Pollock
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

Reid Carter
President and
Chief Executive Officer
of Acadian and Managing
Partner 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:
Robert Lee
Investor Relations and Communications
t. 604.661.9607   f. 604.687.3419
e. rlee@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 28, 2014): 16,731,216
Targeted 2014 Quarterly Dividend: $0.20625 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," "Operating and Market Conditions," "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 28, 2014 and the Management Information Circular dated May 13, 2014, 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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