



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2013 Fourth Quarter Results conference call via webcast on Wednesday, February 12, 2014 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 FOURTH QUARTER RESULTS

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – February 11, 2014 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended December 31, 2013 (the “fourth quarter”).

“Acadian’s financial performance for the fourth quarter was strong with good production and improved pricing for all of our products”, said Reid Carter, Chief Executive Officer of Acadian. “We continued to actively pursue business development opportunities during the quarter in support of Acadian’s growth strategy.”

For the three months ended December 31, 2013, Acadian generated net sales of \$21.8 million on sales volume of 370 thousand m³, which represents a \$3.4 million, or 18%, increase in net sales compared to the same period in 2012.

Adjusted EBITDA of \$6.1 million for the fourth quarter of 2013 was \$1.0 million higher than in the fourth quarter of 2012, while Adjusted EBITDA margin remained unchanged from the same period of last year at 28%.

For the year ended December 31, 2013, Acadian generated net sales of \$74.4 million on sales volume of 1,383 thousand m³ as compared to net sales of \$68.8 million on sales volume of 1,304 thousand m³ in the comparable period of 2012. Adjusted EBITDA of \$17.5 million during the year ended December 31, 2013 increased \$1.0 million from the same period of 2012.

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 continues to focus on profitably growing its business and is well positioned to benefit from Brookfield's broader platform and relationships when sourcing transactions. We are optimistic that Acadian will be in a position to participate in attractive opportunities during 2014.

Financial and Operating Highlights

	Three Months Ended		Year Ended	
	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m ³)	369.7	327.1	1,382.6	1,303.5
Net sales	\$ 21,764	\$ 18,410	\$ 74,383	\$ 68,838
Operating earnings	5,988	4,948	16,811	15,817
Net income	3,420	3,791	7,248	13,729
Adjusted EBITDA	6,139	5,145	17,480	16,488
Free Cash Flow	5,304	4,368	13,801	14,022
Dividends declared	3,451	3,451	13,804	13,804
Per share (fully diluted)				
Net income	0.20	0.23	0.43	0.82
Free cash flow	0.32	0.26	0.82	0.84
Dividends declared	0.21	0.21	0.83	0.83

Operating earnings for the period at \$6.0 million increased \$1.0 million reflecting higher sales volumes and log selling prices. Net income totaled \$3.4 million, or \$0.20 per share, for the fourth quarter down \$0.4 million or \$0.02 per share from the same period in 2012. The decrease in net income is primarily attributable to a \$1.7 million rise in the unrealized foreign exchange loss on long-term debt due to the impact of the weaker Canadian dollar on the U.S. dollar denominated debt.

Harvest volume, excluding biomass, for the fourth quarter was 319 thousand m³, an increase of 11% from the same period of 2012. Consolidated sales volume of 370 thousand m³ was up 13% from the fourth quarter of 2012 with the increase primarily coming from Acadian's operations in New Brunswick.

Acadian's weighted average log price for the fourth quarter increased 8% year-over-year with price increases across all products. Stronger softwood sawlog markets resulted in a 10% increase in softwood sawlog prices relative to the fourth quarter of 2012. Prices for hardwood logs in both the New Brunswick and Maine operations improved with selling prices for hardwood sawlogs increasing by 13% and prices for hardwood pulpwood climbing 6% year-over-year. Biomass markets remained stable, however, realized gross margins on this product climbed 27% year-over-year due to better salvage of material in Maine and new export markets in New Brunswick with better realized margins.

New Brunswick Timberlands

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

	<i>Three Months Ended December 31, 2013</i>			<i>Three Months Ended December 31, 2012</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)
Softwood	121.7	119.9	\$ 6,681	96.9	96.5	\$ 4,855
Hardwood	115.9	110.0	7,142	104.8	102.2	6,276
Biomass	52.3	52.3	1,658	39.0	39.0	932
	289.9	282.2	15,481	240.7	237.7	12,063
Other sales			1,241			1,680
Net sales			\$ 16,722			\$ 13,743
Adjusted EBITDA			\$ 5,047			\$ 4,012
Adjusted EBITDA margin			30%			29%

	<i>Year Ended December 31, 2013</i>			<i>Year Ended December 31, 2012</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Results (\$000s)
Softwood	422.8	421.8	\$ 22,424	398.9	403.8	\$ 20,268
Hardwood	406.6	405.9	25,217	403.8	416.9	25,150
Biomass	225.7	225.7	5,040	198.7	198.7	3,677
	1,055.1	1,053.4	52,681	1,001.4	1,019.4	49,095
Other sales			3,350			3,930
Net sales			\$ 56,031			\$ 53,025
Adjusted EBITDA			\$ 13,683			\$ 13,239
Adjusted EBITDA margin			24%			25%

Softwood, hardwood and biomass shipments were 120 thousand m³, 110 thousand m³ and 52 thousand m³, respectively, during the fourth quarter. This represents a year-over-year increase in sales volume of 19%. Approximately 43% of sales volume was sold as sawlogs, 38% as pulpwood and 19% as biomass in the fourth quarter. This compares to 42% of sales volume sold as sawlogs, 42% as pulpwood and 16% as biomass in the fourth quarter of 2012.

Net sales for the fourth quarter totaled \$16.7 million compared to \$13.7 million for the same period last year, primarily due to higher sales volume and increases in selling prices across most products. The weighted average log selling price was \$60.13 per m³ in the fourth quarter of 2013, a 7% increase from \$56.03 per m³ in the same period of 2012 reflecting a higher proportion of spruce-fir sawlogs in the sales mix and increased prices for most log products. The decrease in other sales reflects lower operating activity on the NB Crown Lands.

Costs for the fourth quarter were \$11.7 million, compared to \$9.7 million in the same period in 2012. This is attributable to higher volumes sold with variable costs per m³ flat year-over-year.

Adjusted EBITDA for the fourth quarter was \$5.0 million, compared to \$4.0 million in the same period in 2012. Adjusted EBITDA margin increased to 30% from 29% in the prior year primarily due to improved log selling prices.

During the fourth quarter of 2013, NB Timberlands experienced one recordable incident among employees and three reportable incidents among contractors.

Maine Timberlands

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

	Three Months Ended December 31, 2013			Three Months Ended December 31, 2012		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	54.4	54.4	\$ 3,228	57.9	57.7	\$ 3,164
Hardwood	26.5	26.1	1,698	28.5	24.1	1,382
Biomass	7.0	7.0	42	7.6	7.6	58
	87.9	87.5	4,968	94.0	89.4	4,604
Other sales			74			63
Net sales			\$ 5,042			\$ 4,667
Adjusted EBITDA			\$ 1,577			\$ 1,376
Adjusted EBITDA margin			31%			29%

	Year Ended December 31, 2013			Year Ended December 31, 2012		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	200.4	200.0	\$ 11,613	199.6	199.2	\$ 11,111
Hardwood	87.7	94.1	6,110	74.8	68.8	4,144
Biomass	35.1	35.1	232	16.1	16.1	133
	323.2	329.2	17,955	290.5	284.1	15,388
Other sales			397			425
Net sales			\$ 18,352			\$ 15,813
Adjusted EBITDA			\$ 5,276			\$ 4,026
Adjusted EBITDA margin			29%			25%

Softwood, hardwood and biomass shipments were 54 thousand m³, 26 thousand m³, and 7 thousand m³, respectively, during the fourth quarter. This represents a year-over-year decrease in sales volume of 2%. Approximately 49% of sales volume was sold as sawlogs, 43% as pulpwood and 8% as biomass during the fourth quarter. This compares to 51% of sales volume sold as sawlogs, 41% as pulpwood and 8% as biomass in the fourth quarter of 2012.

Net sales for the fourth quarter totaled \$5.0 million compared to \$4.7 million for the same period last year. The improvement was primarily the result of increased selling prices compared to the prior year. The weighted average log selling price was \$61.26 per m³ in the fourth quarter of 2013, a 10% increase from \$55.56 per m³ in the same period of 2012 in Canadian dollar terms. Weighted average log selling prices in U.S. dollar terms increased 4% year-over-year.

Costs for the fourth quarter were \$3.5 million, compared to \$3.3 million during the same period in 2012. This slight increase reflects adverse foreign exchange movements during the year.

Adjusted EBITDA for the fourth quarter was \$1.6 million, compared to \$1.4 million for the same period in 2012, while Adjusted EBITDA margin increased from 29% to 31%, reflecting improved log selling prices.

There were no recordable safety incidents among employees and one recordable incident among contractors during the fourth quarter of 2013.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of 2014. 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.

The U.S. housing market continues to improve with total starts in 2013 increasing 18.3% year-over-year. The strengthening U.S. economy and key indicators such as employment growth and consumer confidence suggest continuing recovery. This positive outlook is currently reflected in the plans of Acadian's key solid wood customers as they announce new capital investments, increase operating shifts and increase their requests for additional log purchases.

Our outlook for 2014 is positive. Softwood log prices continue to be very strong in Maine with this trend expected to continue throughout 2014. Markets for hardwood sawlogs are expected to remain stable while demand and pricing for hardwood pulpwood continues to be very strong. Softwood pulpwood markets are our most challenging market as supply continues to outstrip demand. Fortunately, this product represents only a very small portion of Acadian's sales and an even lower proportion of our operating earnings. Biomass markets are expected to continue to benefit from new export markets offering stable demand and pricing with modest margins.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.20625 per share, payable on April 15, 2014 to shareholders of record on March 31, 2014.

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.

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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 28, 2013 and the Management Information Circular dated May 16, 2013, 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)

	Three Months Ended		Year Ended	
	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012
<i>(CAD thousands)</i>				
Net sales	\$ 21,764	\$ 18,410	\$ 74,383	\$ 68,838
Operating costs and expenses				
Cost of sales	13,747	11,642	49,514	46,095
Selling, administration and other	2,005	1,509	6,929	5,885
Reforestation	(111)	174	563	493
Depreciation and amortization	135	137	566	548
	15,776	13,462	57,572	53,021
Operating earnings	5,988	4,948	16,811	15,817
Interest expense, net	(764)	(720)	(3,032)	(2,889)
Other items				
Fair value adjustments	1,724	1,475	2,633	1,924
Unrealized exchange gain (loss) on long-term debt	(2,307)	(621)	(5,078)	2,148
Gain on sale of timberlands	16	60	103	123
Loss on revaluation of roads and land	(134)	(83)	(134)	(83)
Earnings before income taxes	4,523	5,059	11,303	17,040
Current income tax expense	(51)	—	(51)	—
Deferred income tax expense	(1,052)	(1,268)	(4,004)	(3,311)
Net income for the period	\$ 3,420	\$ 3,791	\$ 7,248	\$ 13,729
Net income per share – basic and diluted	\$ 0.20	\$ 0.23	\$ 0.43	\$ 0.82

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

	Three Months Ended		Year Ended	
	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012
<i>(CAD thousands)</i>				
Net income	\$ 3,420	\$ 3,791	\$ 7,248	\$13,729
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income:				
Gain (loss) on revaluation of roads and land	(1,215)	413	(1,215)	413
Unrealized foreign currency translation income gain (loss)	2,829	738	6,151	(2,499)
Amortization of derivatives designated as cash flow hedges	(47)	(49)	(189)	(195)
Comprehensive income	\$ 4,987	\$ 4,893	\$11,995	\$11,448

Acadian Timber Corp.
Interim Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	December 31 2013	December 31 2012
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,564	\$ 6,136
Accounts receivable and other assets	7,673	6,619
Inventory	1,380	1,651
	17,617	14,406
Timber	240,143	230,686
Land, roads and other fixed assets	32,268	33,307
Intangible assets	6,140	6,140
Deferred income tax asset	—	696
	\$ 296,168	\$ 285,235
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,680	\$ 4,685
Dividends payable to shareholders	3,451	3,451
	11,131	8,136
Long-term debt	76,496	71,173
Deferred income tax liability	26,348	21,924
Shareholders' equity	182,193	184,002
	\$ 296,168	\$ 285,235

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

	Three Months Ended		Year Ended	
	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012
<i>(CAD thousands)</i>				
Cash provided by (used for):				
Operating activities				
Net income	\$ 3,420	\$ 3,791	\$ 7,248	\$ 13,729
Adjustments to net income:				
Deferred income tax expense	1,052	1,268	4,004	3,311
Depreciation and amortization	135	137	566	548
Fair value adjustments	(1,724)	(1,475)	(2,633)	(1,924)
Loss on revaluation	134	83	134	83
Unrealized exchange (gain) loss on long term debt	2,307	621	5,078	(2,148)
Interest expense, net	764	720	3,032	2,889
Interest paid, net	(770)	(723)	(3,052)	(2,199)
Gain on sale of timberlands	(16)	(60)	(103)	(123)
Net change in non-cash working capital and other	(139)	(1,162)	2,431	1,899
	5,163	3,200	16,705	16,065
Financing activities				
Repayment of short-term debt	(1,649)	—	—	—
Dividends paid to shareholders	(3,451)	(3,451)	(13,804)	(13,804)
	(5,100)	(3,451)	(13,804)	(13,804)
Investing activities				
Additions to timber, land, roads and other fixed assets	(14)	(54)	(576)	(269)
Proceeds from sale of timberlands	16	60	103	125
	2	6	(473)	(144)
Increase (decrease) in cash and cash equivalents during the period	65	(245)	2,428	2,117
Cash and cash equivalents, beginning of period	8,499	6,381	6,136	4,019
Cash and cash equivalents, end of period	\$ 8,564	\$ 6,136	\$ 8,564	\$ 6,136

Reconciliations to Adjusted EBITDA and Free Cash Flow

	Three Months Ended		Year Ended	
	Dec 31 2013	Dec 31 2012	Dec 31 2013	Dec 31 2012
<i>(CAD thousands)</i>				
Net income	\$ 3,420	\$ 3,791	\$ 7,248	\$13,729
Add (deduct):				
Interest expense, net	764	720	3,032	2,889
Current tax expense	51	—	51	—
Deferred tax expense	1,052	1,268	4,004	3,311
Depreciation and amortization	135	137	566	548
Fair value adjustments	(1,724)	(1,475)	(2,633)	(1,924)
Loss on revaluation of roads and land	134	83	134	83
Unrealized exchange (gain) loss on long-term debt	2,307	621	5,078	(2,148)
Adjusted EBITDA	6,139	5,145	17,480	16,488
Add (deduct):				
Interest paid on debt, net	(770)	(723)	(3,052)	(2,199)
Additions to timber, land, roads and other fixed assets	(14)	(54)	(576)	(269)
Gain on sale of timberlands	(16)	(60)	(103)	(123)
Proceeds from sale of timberlands	16	60	103	125
Current income tax expense	(51)	—	(51)	—
Free Cash Flow	\$ 5,304	\$ 4,368	\$13,801	\$14,022
Dividends declared	\$ 3,451	\$ 3,451	\$13,804	\$13,804
Payout ratio	65%	79%	100%	98%