

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2018 Fourth Quarter Results via conference call or webcast on Thursday February 14, 2019 at 1:00PM ET, please dial 1-866-795-3013 toll free in North America (Canada and the USA), or for overseas calls, please dial 1-409-937-8907 at approximately 12:50PM ET. For those unable to participate, a taped rebroadcast will be available until midnight March 15, 2019. To access this rebroadcast, please dial 1-855-859-2056 or 1-404-537-3406 Conference ID #3965316.

ACADIAN TIMBER CORP. REPORTS STRONG YEAR-END RESULTS AND DIVIDEND INCREASE

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – February 13, 2019 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the year ended December 31, 2018.

“Acadian posted another year of strong performance. Well-balanced regional supply demand fundamentals in both softwood and hardwood segments continue to support attractive stable log pricing across all key markets” commented Mark Bishop, Chief Executive Officer of Acadian.

Acadian generated solid results for the year-ended December 31, 2018. The Company's Adjusted EBITDA¹ totaled \$22.1 million in 2018, compared to \$23.3 million during 2017. The strong demand and pricing Acadian experienced in the first half of 2018 carried through to year end reflecting the favorable attributes of Northeast regional log markets. As a result, log sales from our freehold operations were strong throughout the period, with volumes and pricing up year-over-year, the benefits of which were offset by lower ancillary revenues from providing timber services and a lower amount of gains on land sales relative to the prior year.

Acadian declared dividends to its shareholders of \$1.1225 per share during the year, representing a Payout Ratio¹ of 106% which is above our long-term target of 95%. We anticipate that over the long-term we will revert to a Payout Ratio consistent with our target level and in the near term, Acadian's strong cash position supports a Payout Ratio in excess of our target.

¹ This news release makes reference to Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Payout Ratio which are key performance measures in evaluating Acadian's operations and are important in enhancing investors' understanding of Acadian's operating performance. Adjusted EBITDA and Adjusted EBITDA margin are used to evaluate operational performance. Free Cash Flow is used to evaluate Acadian's ability to generate sustainable cash flows from our operations while Payout Ratio is used to evaluate Acadian's ability to fund its distribution using Free Cash Flow. Acadian's management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, realized gain/loss on sale of roads and other fixed assets, unrealized exchange gain/loss on debt, depreciation and amortization and Adjusted EBITDA margin as Adjusted EBITDA as a percentage of its total revenue. Free Cash Flow is defined as Adjusted EBITDA less interest paid, current income tax expense, and capital expenditures plus net proceeds from the sale of fixed assets (selling price less gains or losses included in Adjusted EBITDA). Payout Ratio is defined as dividends declared divided by Free Cash Flow. 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, Adjusted EBITDA margin and Free Cash Flow.

Review of Operations

Financial and Operating Highlights

	Three Months Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m ³)	323.7	297.6	1,307	1,252.0
Net sales ¹	\$ 24,167	\$ 25,805	\$ 99,848	\$ 95,383
Net income	16,441	12,348	26,264	30,819
Adjusted EBITDA	4,631	6,005	22,142	23,344
Adjusted EBITDA margin ¹	19%	23%	22%	24%
Free Cash Flow	3,525	4,756	17,771	19,480
Dividends declared	4,715	4,601	18,769	18,404
Payout Ratio	134%	97%	106%	94%
Per share – basic and diluted				
Net income	\$ 0.98	\$ 0.74	\$ 1.57	\$ 1.84
Free Cash Flow	0.20	0.28	1.06	1.16
Dividends declared	0.2825	0.275	1.1225	1.10

1. Certain prior year amounts have been reclassified to conform to the current year presentation as a result of adoption of IFRS 15, *Revenue From Contracts with Customers*, on January 1, 2018

Acadian generated net sales of \$99.8 million in 2018, a year-over-year increase of \$4.4 million as the Company benefited from a 3% increase in log sales volumes due to strong demand and favourable operating conditions. Acadian's weighted average log selling price increased 2% reflecting strong markets for all products, the benefits of which were partially offset by changes in the sales mix. While log sales from our freehold operations were strong, ancillary revenues from providing timber services and gains on land sales were lower in 2018 versus 2017.

Costs of \$78.6 million in 2018 increased 6% from \$74.3 million in the prior year primarily due to a 3% increase in log sales volumes. In addition, variable log harvest costs per m³ increased 2% due to longer average haul distances and higher fuel costs, the impacts of which were partially offset by changes in the sales mix.

Acadian generated Adjusted EBITDA of \$22.1 million during 2018 compared to \$23.3 million in the prior year while the Adjusted EBITDA margin of 22% for 2018 decreased from 24% in 2017.

Net income for the year ended December 31, 2018 totaled \$26.3 million, or \$1.57 per share, compared to \$30.8 million, or \$1.84 per share, in 2017. The decrease in 2018 is primarily the result of an unrealized foreign exchange loss on the revaluation of U.S. dollar-denominated long-term debt compared to an unrealized gain in the prior year, partially offset by a favourable fair value revaluation of timber assets.

Segment Performance

New Brunswick Timberlands

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

	<i>Three Months Ended December 31, 2018</i>				<i>Three Months Ended December 31, 2017</i>			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	110.7	94.2	37%	\$ 5,242	103.2	97.1	50%	\$ 5,371
Hardwood	103.1	102.4	41%	7,881	68.8	66.9	34%	5,111
Biomass	56.4	56.4	22%	1,743	31.6	31.6	16%	549
Freehold net sales	270.2	253.0	100%	14,866	203.6	195.6	100%	11,031
Timber services and other sales ¹				3,741				7,272
Net sales ¹				\$ 18,607				\$ 18,303
Adjusted EBITDA				\$ 4,057				\$ 4,463
Adjusted EBITDA margin ¹				22%				24%

	<i>Year Ended December 31, 2018</i>				<i>Year Ended December 31, 2017</i>			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	416.0	403.3	41%	\$ 22,474	379.3	378.2	41%	\$ 20,932
Hardwood	369.3	364.1	37%	27,977	345.6	356.9	39%	27,295
Biomass	218.7	218.7	22%	6,545	186.4	186.4	20%	3,160
Freehold net sales	1,004.0	986.1	100%	56,996	911.3	921.5	100%	\$ 51,387
Timber services and other sales ¹				17,768				20,275
Net sales ¹				\$ 74,764				\$ 71,662
Adjusted EBITDA				\$ 16,569				\$ 18,073
Adjusted EBITDA margin ¹				22%				25%

1. Certain prior year amounts have been reclassified to conform to the current year presentation as a result of adoption of IFRS 15, *Revenue From Contracts with Customers*, on January 1, 2018

Year ended December 31, 2018:

Net sales for our New Brunswick Timberlands for the year ended December 31, 2018 totalled \$74.8 million, compared to \$71.7 million in 2017. The increase reflects a 4% improvement in log sales volumes due to strong demand and favourable harvest conditions. The weighted average log selling price during 2018 remained in-line with the prior year as price increases for all products were offset by a change in the sales mix.

Adjusted EBITDA for the year ended December 31, 2018 was \$16.6 million compared to \$18.1 million in 2017. The decrease was driven by higher variable log harvest costs per m³, attributable to longer average haul distances and higher fuel costs, and timing of timber services, the impact of which was partially offset by the increase in log sales volumes. As a result, the Adjusted EBITDA margin was 22% for 2018 compared to 25% in the prior year.

Maine Timberlands

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

	Three Months Ended December 31, 2018				Three Months Ended December 31, 2017			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	46.4	46.0	65%	\$ 3,571	47.0	46.8	46%	\$ 3,752
Hardwood	19.9	22.3	32%	1,831	44.5	49.7	49%	3,620
Biomass	2.4	2.4	3%	4	5.5	5.5	5%	9
Freehold net sales	68.7	70.7	100%	5,406	97.0	102.0	100%	7,381
Other sales				154				121
Net sales				\$ 5,560				\$ 7,502
Adjusted EBITDA				\$ 892				\$ 2,135
Adjusted EBITDA margin				16%				28%

	Year Ended December 31, 2018				Year Ended December 31, 2017			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	213.4	213.1	66%	\$ 17,274	161.4	160.8	49%	\$12,250
Hardwood	88.0	89.4	28%	7,100	144.5	145.1	44%	10,855
Biomass	18.4	18.4	6%	29	24.6	24.6	7%	38
Freehold net sales	319.8	320.9	100%	24,403	330.5	330.5	100%	23,143
Other sales				681				578
Net sales				\$ 25,084				\$23,721
Adjusted EBITDA				\$ 6,839				\$ 6,751
Adjusted EBITDA margin				27%				28%

Year ended December 31, 2018:

Net sales for the year ended December 31, 2018 totaled \$25.1 million compared to \$23.7 million during the prior year. The current year results reflect a 6% increase in the weighted average log selling price due to strong demand for softwood sawlogs and hardwood pulpwood compared to the prior year. This benefit was partially offset by a 1% decrease in log sales volumes as hardwood harvest activities were adjusted to reflect our commitment to manage Maine Timberlands' annual harvest volumes to sustainable levels.

Adjusted EBITDA for the year ended December 31, 2018 was \$6.8 million, in-line with 2017. While net sales were higher and variable log harvest cost per m³ were down year-over-year due to changes in the sale mix, these positive effects were offset by lower gains on sale of higher and better use ("HBU") land of \$1.5 million compared to the prior year. The Adjusted EBITDA margin for 2018 decreased slightly to 27% from 28% in the prior year.

Adoption of IFRS 15, Revenue from contracts with customers

IFRS 15 supersedes previous revenue standards (IAS 18, Revenue) and related interpretations and it applies to all revenue arising from contracts with customers. On January 1, 2018, the Company adopted IFRS 15 using the full retrospective approach. The adoption of this standard on January 1, 2018 resulted in a change in presentation from net to gross for timber services, which does not impact the Company's operating earnings or net income. As a result of this change in presentation, net sales for the year ended December 31, 2017 increased by \$17.6 million, respectively, with a corresponding increase in operating costs and expenses. Net sales are net of discounts and rebates to customers, if any. Revenue is recognized when control passes to the customer, which is generally when timber is delivered to the customer and actual quantities delivered are determined. Sales are governed primarily by contractual

terms with customers and in some cases by standard industry terms. Pursuant to the Crown Lands Services Agreement, Acadian provides harvesting, transportation and other services to Crown licensees and sub-licensees. Acadian receives payment for these services which are recognized in revenue upon delivery of the timber and when actual quantities delivered are determined.

Market Outlook

The following contains forward-looking information about Acadian Timber Corp.'s market outlook for the remainder of 2019. Reference should be made to the the section entitled "Cautionary Statement Regarding 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.

Acadian's key markets include softwood sawtimber, hardwood sawtimber and hardwood pulpwood. Northeast North American softwood dimension sawmills represent over one third of Acadian's end-use market and are the primary market for our softwood sawtimber. Our mixed softwood and hardwood resource, combined with diversified end use markets, underpin Acadian's 'best in class' long-term performance. Well-balanced regional supply demand fundamentals continue to support attractive stable log pricing across all key markets.

The case for continued steady recovery in U.S. housing starts over the medium-term remains highly compelling. Demographics support continued solid growth in household formation, home inventories are extremely low, and on average U.S. housing stock is beyond its prime. However, tight construction labour markets and restrictive building regulations have combined with near-term concerns of rising interest rates and fallout from U.S. international trade policy to drive what most forecasters believe will be a short lived slowdown in construction activity.

Recent consensus forecasts anticipate average year-over-year growth in U.S. housing starts for 2019 and 2020 of about 1% and 3%, respectively. Importantly, most forecasters expect the proportion of single family starts, the largest lumber consuming segment of U.S. housing starts, to improve modestly through 2019 and 2020. Additionally, home repair and remodeling, the single largest driver of North American lumber consumption, is also projected to grow modestly over the next two years. North American sawtimber demand is therefore expected to post modest year-over-year growth even under more conservative forecasts.

Average Q4 2018 quarterly benchmark Eastern Spruce-Pine-Fir and Southern Yellow Pine lumber prices declined 30% and 11%, respectively, from the prior quarter. The continued slide in pricing from the prior quarter was driven by weaker than expected home sales and building activity through the quarter. Despite the robust U.S. economy, buyer apprehension remains high due to risk of Federal Reserve interest rate increases and the potential for slowing global economic growth. Forecasters anticipate that extensive announced market downtime which has been extended into the first quarter of 2019, principally in the high log cost region of the interior of British Columbia, coupled with ongoing steady demand growth, will support continued strong lumber pricing through 2019, albeit below the levels achieved in 2018. Considering capacity and log supply constraints exhibited in Western Canada during late 2018 and early 2019, we anticipate continued attractive market dynamics to support stable softwood sawtimber pricing in Acadian's regional markets.

Given the current state of U.S. trade relations there is no expectation of any meaningful discussions toward a softwood lumber agreement with Canada during 2019. Further, we anticipate no material change in 2019 to the current duty rates for Canadian lumber producers. Average consensus forecast lumber prices for 2019 would indicate that a significant proportion of those duties will continue to be passed on to U.S. consumers. We remain steadfast in our view that an eventual negotiated settlement will include an exemption for all Canadian Maritime producers including those in New Brunswick.

Hardwood sawtimber markets, typically oriented to millwork and higher value specialty markets, remain well balanced with a continued positive outlook for the foreseeable future. While there has been modest price erosion in the latest quarter, the outlook for global pulp markets remains positive, particularly in the containerboard and tissue segments. Hardwood pulpwood demand in Acadian's operating region remains stable, with well balanced supply conditions continuing to support historically strong pricing. Softwood pulpwood markets, Acadian's smallest product segment by volume and margin, have seen some modest recovery and the recently announced re-start of a pulp mill in Maine during 2019 is expected to be a catalyst for further recovery in softwood pulpwood demand and pricing through the second half of 2019. In New Brunswick, biomass markets continue to be supported by export demand which is expected to remain strong throughout 2019. While the biomass market in Maine remains weak, efforts to tap into biomass export markets continue to progress.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.29 per share, payable on April 15, 2019 to shareholders of record on March 31, 2019.

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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 third 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 timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to approximately 90 regional customers.

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

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

For further information, please visit our website at www.acadiantimber.com or contact:
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Cautionary Statement Regarding Forward-Looking Information and Statements

This News Release contains forward-looking information and statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such forward-looking statements may contain such words as "may," "will," "intend," "should," "suggest," "expect," "believe," "outlook," "forecast," "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; changes in U.S. housing starts; 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, 2018 and the Management Information Circular dated March 28, 2018, 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: forecasts in the housing market; 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.
Consolidated Statements of Net Income
(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2018	December 31, 2017 ¹	December 31, 2018	December 31, 2017 ¹
<i>(CAD thousands, except per share data)</i>				
Net sales	\$ 24,167	\$ 25,805	\$ 99,848	\$ 95,383
Operating costs and expenses				
Cost of sales	16,802	18,199	68,164	64,594
Selling, administration and other	2,629	1,956	9,741	9,123
Reforestation	142	120	595	614
Depreciation and amortization	73	80	303	313
	19,646	20,355	78,803	74,644
Operating earnings	4,521	5,450	21,045	20,739
Interest expense, net	(1,004)	(706)	(3,901)	(2,895)
Other items				
Fair value adjustments and other	26,206	8,307	28,294	9,327
Unrealized exchange (loss) / gain on long-term debt	(5,118)	(753)	(7,489)	6,301
Gain on sale of timberlands	56	475	906	2,292
Loss on disposal of roads and other fixed assets	(19)	—	(112)	—
Earnings before income taxes	24,642	12,773	38,743	35,764
Current income tax expense	(490)	(565)	(2,334)	(1,381)
Deferred income tax (expense) / recovery	(7,711)	140	(10,145)	(3,564)
Net income	\$ 16,441	\$ 12,348	\$ 26,264	\$ 30,819
Net income per share – basic and diluted	\$ 0.98	\$ 0.74	\$ 1.57	\$ 1.84

1. Certain prior year amounts have been reclassified to conform to the current year presentation as a result of adoption of IFRS 15, *Revenue From Contracts with Customers*, on January 1, 2018

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

	Three Months Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<i>(CAD thousands)</i>				
Net income	\$ 16,441	\$ 12,348	\$ 26,264	\$ 30,819
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to net income:				
Deferred tax recovery	1,459	3,322	1,459	3,322
Loss on revaluation of land and roads	(5,064)	(673)	(5,064)	(673)
Unrealized foreign currency translation gain / (loss)	7,781	321	11,007	(8,830)
	4,176	2,970	7,402	(6,181)
Comprehensive income	\$ 20,617	\$ 15,318	\$ 33,666	\$ 24,638

Acadian Timber Corp.
Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	December 31, 2018	December 31, 2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 22,320	\$ 23,951
Accounts receivable and other assets	7,230	11,007
Inventory	2,756	1,226
	32,306	36,184
Timber	367,901	330,879
Land, roads and other fixed assets	86,103	89,013
Intangible asset	6,140	6,140
	\$ 492,450	\$ 462,216
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,963	\$ 12,342
Current tax liabilities	647	134
Dividends payable to shareholders	4,714	4,601
	13,324	17,077
Long-term debt	96,595	90,866
Deferred income tax liability	92,119	80,188
Shareholders' equity	290,412	274,085
	\$ 492,450	\$ 462,216

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

	Three Months Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<i>(CAD thousands)</i>				
Cash and cash equivalents provided by / (used for):				
Operating activities				
Net income	\$ 16,441	\$ 12,348	\$ 26,264	\$ 30,819
Adjustments to net income:				
Deferred income tax expense / (recovery)	7,711	(140)	10,145	3,564
Depreciation and amortization	73	80	303	313
Fair value adjustments and other	(26,206)	(8,307)	(28,294)	(9,327)
Unrealized exchange loss / (gain) on long term debt	5,118	753	7,489	(6,301)
Gain on sale of timberlands	(56)	(475)	(906)	(2,292)
Loss on disposal of roads and other fixed assets	19	—	112	—
Accretion of long-term debt	273	—	1,046	—
Net change in non-cash working capital balances and other	2,604	3,609	44	4,743
	5,977	7,868	16,203	21,519
Financing activities				
Dividends paid to shareholders	(4,728)	(4,601)	(18,656)	(17,986)
Common shares repurchased from normal course issuer bid	(636)	—	(636)	—
	(5,364)	(4,601)	(19,292)	(17,986)
Investing activities				
Additions to timber, land, roads and other fixed assets	(34)	(100)	(224)	(943)
Acquisition of Katahdin Timberlands LLC	—	—	—	(1,276)
Proceeds from sale of timberlands	117	507	1,083	2,983
Proceeds from sale of roads and other fixed assets	25	—	599	—
	108	407	1,458	764
Increase / (decrease) in cash and cash equivalents during the period	721	3,674	(1,631)	4,297
Cash and cash equivalents, beginning of period	21,599	20,277	23,951	19,654
Cash and cash equivalents, end of period	\$ 22,320	\$ 23,951	\$ 22,320	\$ 23,951

Reconciliations to Adjusted EBITDA and Free Cash Flow

	Three Months Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<i>(CAD thousands)</i>				
Net income	\$ 16,441	\$ 12,348	\$ 26,264	\$ 30,819
Add / (deduct):				
Interest expense, net	1,004	706	3,901	2,895
Current income tax expense	490	565	2,334	1,381
Deferred income tax expense / (recovery)	7,711	(140)	10,145	3,564
Depreciation and amortization	73	80	303	313
Fair value adjustments and other	(26,206)	(8,307)	(28,294)	(9,327)
Unrealized exchange loss / (gain) on long-term debt	5,118	753	7,489	(6,301)
Adjusted EBITDA	\$ 4,631	\$ 6,005	\$ 22,142	\$ 23,344
Add / (deduct):				
Interest paid on debt, net	(687)	(681)	(2,701)	(2,790)
Additions to timber, land, roads and other fixed assets	(34)	(35)	(224)	(384)
Gain on sale of timberlands	(56)	(475)	(906)	(2,292)
Proceeds from sale of timberlands	117	507	1,083	2,983
Proceeds from sale of roads and other fixed assets	25	—	599	—
Loss on disposal of roads and other fixed assets	19	—	112	—
Current income tax expense	(490)	(565)	(2,334)	(1,381)
Free Cash Flow	\$ 3,525	\$ 4,756	\$ 17,771	\$ 19,480
Dividends declared	\$ 4,715	\$ 4,601	\$ 18,769	\$ 18,404
Payout Ratio	134%	97%	106%	94%