



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2017 Third Quarter Results conference call via webcast on Thursday, October 26, 2017 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 THIRD QUARTER RESULTS

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – October 25, 2017 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended September 30, 2017 (the “third quarter”).

“Demand across Acadian’s sawtimber and hardwood pulpwood markets remained strong during the third quarter”, said Mark Bishop, Chief Executive Officer of Acadian. “While seasonally drier than normal summer weather supported strong third quarter log production, annual harvest levels will continue to reflect our long term sustainable targets.”

Acadian reported another strong quarter of results for the third quarter, benefiting from strong seasonal demand, favourable operating conditions, and higher and better use land sales in Maine. In the quarter, we generated Adjusted EBITDA¹ of \$6.7 million compared to \$5.2 million in the prior year period driven by the impact of stronger log sales volumes, partially offset by higher operating costs from increased average haul distances.

Total shareholder dividends during the first nine months of 2017 were \$0.825 per share or \$13.8 million, representing a 10% increase over the same period of 2016. Acadian’s payout ratio for the nine-month period was 94%, which is in line with our long term target of 95%.

¹ This news release makes reference to Adjusted EBITDA, Adjusted EBITDA margin 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 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). 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		Nine Months Ended	
	Sept 30 2017	Sept 24 2016	Sept 30 2017	Sept 24 2016
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m ³)	381.0	351.7	954.4	862.2
Net sales	\$ 22,161	\$ 19,342	\$ 57,863	\$ 54,445
Net income	9,702	2,779	18,471	12,951
Adjusted EBITDA	6,687	5,153	17,339	15,498
Free Cash Flow	5,302	4,195	14,724	13,108
Dividends declared	4,601	4,182	13,803	12,548
Payout ratio	87%	100%	94%	96%
Per share – basic and diluted				
Net income	\$ 0.58	\$ 0.17	\$ 1.10	\$ 0.77
Free Cash Flow	0.32	0.25	0.88	0.78
Dividends declared	0.27	0.25	0.83	0.75

In the third quarter, Acadian generated net sales of \$22.2 million compared to \$19.3 million in the prior year period primarily due to a 20% increase in log sales volumes. Total log sales volumes benefited from a 14% increase in softwood sawlog sales volumes and a 29% increase in hardwood pulpwood sales volumes resulting from favourable summer harvest conditions and strong seasonal demand. The weighted average log selling price remained relatively consistent with the prior year period due to a favourable change in mix, offset by the impact of foreign exchange.

Adjusted EBITDA margin increased to 30% from 27% in the prior year period as the benefits of higher log sales volumes and stronger sales of higher and better use (HBU) land in Maine were partially offset by higher operating costs due to longer average haul distances.

Net income for the third quarter totaled \$9.7 million, or \$0.58 per share, compared to \$2.8 million, or \$0.17 per share, respectively, for the same period in 2016. The increase is primarily due to higher Adjusted EBITDA as described above and favourable foreign exchange revaluation of long-term debt.

During the first nine months of 2017, Acadian's net sales were \$57.9 million, reflecting an improvement over the prior year period of \$54.4 million primarily attributed to a 15% increase in log sales volumes from favourable harvest conditions throughout the year, particularly for spruce and fir stands. This positive impact was partially offset by a 3% decrease in the weighted average log selling price driven by weaker sawlog and pulpwood pricing. Adjusted EBITDA improved to \$17.3 million from \$15.5 million during this period while the Adjusted EBITDA margin improved to 30% from 28% benefiting from the aforementioned sales volume increase as well as higher HBU land sales in Maine. For the nine months ended September 30, 2017, net income improved to \$18.5 million, or \$1.10 per share, representing an increase of \$5.5 million over the prior year period primarily due to higher Adjusted EBITDA as described above and favourable foreign exchange revaluation of U.S. dollar denominated long-term debt.

Acadian's financial position continues to be solid with \$93.1 million of net liquidity as at September 30, 2017, including funds available under the Company's Revolving Facility and a stand-by equity commitment from Brookfield.

Total shareholder dividends during the first nine months of 2017 were \$0.825 per share or \$13.8 million, representing a 10% increase over the same period of 2016 (\$0.75 per share or \$12.5 million).

New Brunswick Timberlands

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

	Three Months Ended Sept 30, 2017			Three Months Ended Sept 24, 2016		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	113.0	115.2	\$ 6,265	97.4	99.2	\$ 5,258
Hardwood	99.5	103.2	7,396	98.5	91.2	6,663
Biomass	70.2	70.2	863	92.3	92.3	1,660
	282.7	288.6	14,524	288.2	282.7	13,581
Other sales			1,023			747
Net sales			\$ 15,547			\$ 14,328
Adjusted EBITDA			\$ 5,454			\$ 4,608
Adjusted EBITDA margin			35%			32%

	Nine Months Ended Sept 30, 2017			Nine Months Ended Sept 24, 2016		
	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)	Harvest (000s m³)	Sales (000s m³)	Results (\$000s)
Softwood	276.1	281.1	\$ 15,561	243.8	245.2	\$ 13,205
Hardwood	276.8	290.0	22,184	257.6	257.8	20,697
Biomass	154.8	154.8	2,611	166.4	166.4	4,559
	707.7	725.9	40,356	667.8	669.4	38,461
Other sales			1,288			1,538
Net sales			\$ 41,644			\$ 39,999
Adjusted EBITDA			\$ 13,610			\$ 13,453
Adjusted EBITDA margin			33%			34%

Three months ended September 30, 2017:

Net sales totaled \$15.5 million compared to \$14.3 million for the same period last year. Excluding biomass, log sales volumes increased 15% to 218 thousand m³ from 190 thousand m³ in the prior year period, largely driven by continued strength of softwood sawlog and hardwood pulpwood sales reflecting favourable harvest conditions.

The weighted average log selling price for the quarter of \$62.55 per m³ was in-line with prior year of \$62.65 per m³ as a 3% increase in softwood sawlog prices from continued strong demand, was offset by a 5% decrease in hardwood pulpwood prices reflecting seasonally higher consumer inventories.

Strong local demand for biomass products has recently tapered, with sales volumes decreasing 24% year-over-year. Overall, the gross margin earned on our biomass products decreased 32% compared to the third quarter of 2016 reflecting limited export markets for products.

Adjusted EBITDA and costs for the quarter were \$5.5 million and \$10.1 million, respectively, compared to \$4.6 million and \$9.7 million, respectively, in the third quarter of 2016 primarily due to the aforementioned increase in log sales volumes which was partially offset by a marginal increase in variable costs per m³ due to longer average haul distances. As a result, Adjusted EBITDA margin for the quarter increased to 35% from 32% in the prior year.

Nine months ended September 30, 2017:

Net sales of \$41.6 million, which increased \$1.6 million compared to the same period last year, benefited from a 14% increase in log sales volumes which was partially offset by the impact of marginally lower selling prices. Costs of \$28.0 million were \$1.5 million higher than the prior year due to the aforementioned increase in sales volumes, as variable costs per m³ remained flat while operating costs were impacted by timing of maintenance activities. As a result, Adjusted EBITDA was \$13.6 million, an increase of \$0.2 million compared to the prior year period, while Adjusted EBITDA margin decreased to 33% from 34%. As New Brunswick Timberlands remains disciplined in managing harvest levels consistent with its forest management plan, full year 2017 sales volumes are expected to be consistent with the prior year.

Safety

There were two minor recordable safety incidents among employees and contractors during the third quarter of 2017.

Maine Timberlands

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

	<i>Three Months Ended Sept 30, 2017</i>			<i>Three Months Ended Sept 24, 2016</i>		
	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>
Softwood	35.0	34.9	\$ 2,592	36.3	36.2	\$ 2,878
Hardwood	56.8	50.2	3,799	29.7	25.6	1,977
Biomass	7.3	7.3	11	7.2	7.2	23
	99.1	92.4	6,402	73.2	69.0	4,878
Other sales			212			136
Net sales			\$ 6,614			\$ 5,014
Adjusted EBITDA			\$ 1,551			\$ 749
Adjusted EBITDA margin			23%			15%

	<i>Nine Months Ended Sept 30, 2017</i>			<i>Nine Months Ended Sept 24, 2016</i>		
	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>
Softwood	114.4	114.0	\$ 8,498	113.3	112.7	\$ 8,796
Hardwood	100.0	95.4	7,235	68.1	64.8	5,259
Biomass	19.1	19.1	29	15.3	15.3	76
	233.5	228.5	15,762	196.7	192.8	14,131
Other sales			457			315
Net sales			\$ 16,219			\$ 14,446
Adjusted EBITDA			\$ 4,616			\$ 2,863
Adjusted EBITDA margin			28%			20%

Three months ended September 30, 2017:

Net sales totaled \$6.6 million compared to \$5.0 million during the prior year period, benefiting from a meaningful year over year increase in hardwood log sales volumes which increased from 26 thousand m³ to 50 thousand m³. This increase was driven primarily by favourable harvest conditions relative to the same quarter of 2016 and an increase in regional market share. We believe that Acadian has been able to capture additional market share, in part, because it has built up a strong track record of reliability over time, and also due to its Sustainable Forestry Initiative® certification, which is a requirement of certain customers.

The weighted average log selling price in Canadian dollar terms was \$75.07 per m³, compared to \$78.56 per m³ in the same period of 2016. The weighted average log selling price in U.S. dollar terms was relatively consistent with the prior year period as the impact of higher relative hardwood sawlog sales was offset by a 3% decline in softwood sawlog prices resulting from a change in product mix.

Costs for the third quarter were \$5.4 million, compared to \$4.3 million during the same period in 2016, due to the aforementioned increase in sales volumes, while variable costs per m³ remained flat compared to the prior year period. Adjusted EBITDA for the quarter was \$1.6 million, compared to \$0.7 million in the prior year period while Adjusted EBITDA margin increased to 23% from 15% due primarily to the aforementioned sales increase as well as the benefit of HBU land sales.

Nine months ended September 30, 2017:

Net sales were \$16.2 million, or \$1.8 million higher than the first nine months of 2016, primarily due to a 18% increase in log sales volumes reflecting favourable harvest conditions, while weighted average log selling prices decreased 5% due to foreign exchange and impact of high customer inventories earlier in the year.

Costs were \$13.4 million or \$1.7 million higher than the same period of 2016 largely due to higher sales volumes and longer average haul distances. Adjusted EBITDA was \$4.6 million, an increase of \$1.7 million compared to the same period last year, while Adjusted EBITDA margin increased to 28% from 20% primarily driven by the benefit of HBU land sales.

Safety

There were no recordable safety incidents among employees or contractors during the third quarter of 2017.

Freehold Timberlands

Maine Timberlands invested \$0.5 million during the first nine months of 2017 on approximately 1,200 acres of freehold timberlands to eliminate third party common and undivided ownership interests which will strengthen our regional operating position.

Market Outlook

The following contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2017. 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.

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. Sluggish wage growth, tight construction labour markets and Fed rate hikes remain as headwinds, however, the underlying fundamental driver of pent-up household formation continues to strengthen. While economic forecasters have continued to revise their outlook for U.S. housing starts mainly reflecting near term supply side headwinds, they continue to call for steady growth,

with year-over-year forecast growth averaging approximately 7% for 2018 and 6% for 2019, up from about 3% in 2017. Residential home improvements are also expected to remain strong. Over the longer term, pent up demand continues to build suggesting a continued and extended ramp up in housing construction. Demand growth expectations for North American sawtimber remain in the 3-4% per year range for the next several years to support expanding domestic construction needs.

Aside from improving U.S. housing markets, a number of additional factors including a strengthening Canadian dollar, wildfires in the BC Interior, and severe hurricane activity in the Caribbean and US South, have helped push lumber prices to multi-year highs, with average year to date third quarter 2017 benchmark prices sitting 25% above year-ago levels. We anticipate robust lumber pricing will continue to support continued stable sawtimber pricing across our markets well into next year.

The U.S. Department of Commerce announced during the third quarter of 2017 that it had postponed the final determinations in the ongoing antidumping (ADD) and countervailing duty (CVD) investigations of Canadian lumber imports from September 6 to no later than November 14. With this delay, the so-called 'gap period' (which started on August 25) is expected to extend for four months until final duties come back in early January 2018 following the final injury determination. For most of the 'gap period', Canadian lumber imports to the U.S. will only face 7% preliminary ADDs. For a short window around year-end, Canadian producers will face zero duties on lumber shipments to the U.S. as the preliminary ADDs will also expire by then. Strength in lumber markets, combined with supply side factors is broadly expected to continue to support a pass through of duties to the market through to the end of year.

Canada and the U.S. could not agree on a softwood lumber deal before the North American Free Trade (NAFTA) negotiations began in mid-August. As widely anticipated, NAFTA discussions appear to have now positioned a new softwood lumber agreement as a second priority for negotiators. A quota-based softwood lumber deal may still be actionable, but the two sides remain at odds on the actual quota level in addition to a "hot market clause" which would provide Canada additional market access in the event American suppliers can't meet domestic needs. Additionally, the traditional treatment of Atlantic lumber producers and Quebec border mills in any settlement remains an objective for Canadian negotiators.

Hardwood sawtimber markets remain strong and stable and are unaffected by U.S. trade initiatives. We remain encouraged that hardwood pulpwood markets remain historically strong, and that Acadian continues to be a preferred partner for hardwood fibre supply to this important market segment. Acadian's domestic biomass markets remain oversupplied reflecting both weak paper sector demand and challenging wood biomass generation markets due to the combination of low natural gas prices and declining subsidies. The anticipated recovery in export biomass shipments from our New Brunswick operations has been delayed until at least the second half of 2018.

As always, Acadian management remains vigilant in pursuing cost efficiencies across the business, in addition to remaining highly focused on the sustainable management of our timberland estate. With a strong balance sheet, and highly capable operating team, we remain well positioned to meet our quarterly distributable cash commitments for the foreseeable future. On behalf of the board and management of Acadian, I would like to thank all our shareholders for their ongoing support.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.275 per share, payable on January 15, 2018 to shareholders of record on December 31, 2017.

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 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 100 regional customers.

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

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

For further information, please visit our website at **www.acadiantimber.com** or contact:

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Forward-Looking Statements

This News Release contains forward-looking information within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements made in the section entitled "Market Outlook" and other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements, which reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian income tax law; economic situation of key customers; Brookfield's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 29, 2017 and the Management Information Circular dated March 29, 2017, 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		Nine Months Ended	
	Sept 30 2017	Sept 24 2016	Sept 30 2017	Sept 24 2016
<i>(CAD thousands)</i>				
Net sales	\$ 22,161	\$ 19,342	\$ 57,863	\$ 54,445
Operating costs and expenses				
Cost of sales	13,949	12,380	36,764	34,027
Selling, administration and other	1,791	1,460	5,083	4,530
Reforestation	96	430	494	564
Depreciation and amortization	78	124	233	371
	15,914	14,394	42,574	39,492
Operating earnings	6,247	4,948	15,289	14,953
Interest expense, net	(698)	(733)	(2,189)	(2,186)
Other items				
Fair value adjustments	(269)	333	1,020	2,236
Unrealized exchange gain / (loss) on long-term debt	5,799	(921)	7,054	5,133
Gain on sale of timberlands	362	81	1,817	174
Earnings before income taxes	11,441	3,708	22,991	20,310
Current income tax expense	(549)	(7)	(816)	(8)
Deferred income tax expense	(1,190)	(922)	(3,704)	(7,351)
Net income	\$ 9,702	\$ 2,779	\$ 18,471	\$ 12,951
Net income per share – basic and diluted	\$ 0.58	\$ 0.17	\$ 1.10	\$ 0.77

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

	Three Months Ended		Nine Months Ended	
	Sept 30 2017	Sept 24 2016	Sept 30 2017	Sept 24 2016
<i>(CAD thousands)</i>				
Net income	\$ 9,702	\$ 2,779	\$ 18,471	\$ 12,951
Other comprehensive (loss) / income				
Items that may be subsequently reclassified to net income:				
Unrealized foreign currency translation (loss) / gain	(7,775)	1,176	(9,151)	(7,146)
Comprehensive income	\$ 1,927	\$ 3,955	\$ 9,320	\$ 5,805

**Acadian Timber Corp.
Interim Consolidated Balance Sheets
(unaudited)**

<i>As at</i> <i>(CAD thousands)</i>	September 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,277	\$ 19,654
Accounts receivable and other assets	13,176	6,952
Inventory	1,363	2,149
	34,816	28,755
Timber	321,273	328,477
Land, roads and other fixed assets	89,424	91,206
Intangible assets	6,140	6,140
	\$ 451,653	\$ 454,578
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,169	\$ 3,529
Dividends payable to shareholders	4,601	4,183
	15,770	7,712
Long-term debt	90,095	97,066
Deferred income tax liability	82,420	81,949
Shareholders' equity	263,368	267,851
	\$ 451,653	\$ 454,578

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

	Three Months Ended		Nine Months Ended	
	Sept 30	Sept 24	Sept 30	Sept 24
<i>(CAD thousands)</i>	2017	2016	2017	2016
Cash provided by / (used for):				
Operating activities				
Net income	\$ 9,702	\$ 2,779	\$ 18,471	\$ 12,951
Adjustments to net income:				
Deferred income tax expense	1,190	922	3,704	7,351
Depreciation and amortization	78	124	233	371
Fair value adjustments	269	(333)	(1,020)	(2,236)
Unrealized exchange (gain) / loss on long term debt	(5,799)	921	(7,054)	(5,133)
Interest expense, net	698	733	2,189	2,186
Interest paid, net	(671)	(708)	(2,109)	(2,107)
Gain on sale of timberlands	(362)	(81)	(1,817)	(174)
Net change in non-cash working capital and other	(1,027)	1,001	1,054	1,521
	4,078	5,358	13,651	14,730
Financing activities				
Dividends paid to shareholders	(4,601)	(4,182)	(13,385)	(12,548)
	(4,601)	(4,182)	(13,385)	(12,548)
Investing activities				
Additions to timber, land, roads and other fixed assets	(225)	(245)	(843)	(279)
Acquisition of Katahdin Timberlands LLC	—	—	(1,276)	—
Proceeds from sale of timberlands	382	83	2,476	178
	157	(162)	357	(101)
(Decrease) / increase in cash and cash equivalents during the period	(366)	1,014	623	2,081
Cash and cash equivalents, beginning of period	20,643	18,783	19,654	17,716
Cash and cash equivalents, end of period	\$ 20,277	\$ 19,797	\$ 20,277	\$ 19,797

Reconciliations to Adjusted EBITDA and Free Cash Flow

	Three Months Ended		Nine Months Ended	
	Sept 30 2017	Sept 24 2016	Sept 30 2017	Sept 24 2016
<i>(CAD thousands)</i>				
Net income	\$ 9,702	\$ 2,779	\$ 18,471	\$ 12,951
Add / (deduct):				
Interest expense, net	698	733	2,189	2,186
Current income tax expense	549	7	816	8
Deferred income tax expense	1,190	922	3,704	7,351
Depreciation and amortization	78	124	233	371
Fair value adjustments	269	(333)	(1,020)	(2,236)
Unrealized exchange (gain) / loss on long-term debt	(5,799)	921	(7,054)	(5,133)
Adjusted EBITDA	6,687	5,153	17,339	15,498
Add / (deduct):				
Interest paid on debt, net	(671)	(708)	(2,109)	(2,107)
Additions to timber, land, roads and other fixed assets	(185)	(245)	(349)	(279)
Gain on sale of timberlands	(362)	(81)	(1,817)	(174)
Proceeds from sale of timberlands	382	83	2,476	178
Current income tax expense	(549)	(7)	(816)	(8)
Free Cash Flow	\$ 5,302	\$ 4,195	\$ 14,724	\$ 13,108
Dividends declared	\$ 4,601	\$ 4,182	\$ 13,803	\$ 12,548
Payout ratio	87%	100%	94%	96%