



## News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2015 Third Quarter Results conference call via webcast on Wednesday, October 28, 2015 at 1:00 p.m. ET at [www.acadiantimber.com](http://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 AND ANNOUNCES DIVIDEND INCREASE

*All figures in Canadian dollars unless otherwise noted*

**Vancouver, BRITISH COLUMBIA – October 27, 2015** – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results<sup>1</sup> for the three months ended September 26, 2015 (the “third quarter”).

“Acadian’s financial performance remained strong through the third quarter”, commented Mark Bishop, Chief Executive Officer of Acadian. “Continued solid demand across our product mix along with higher selling prices led to higher net sales and a 13% increase in Adjusted EBITDA.”

For the third quarter, Acadian generated net sales of \$22.6 million, \$1.0 million more than in the same period last year, reflecting improved selling prices across almost all products partially offset by a 4% decrease in sales volumes. On a year-to-date basis, net sales were 14% higher than in the same period in 2014 due to strong pricing and very good operating conditions in the first half of the year.

Primarily as a result of the improved selling prices noted above, Adjusted EBITDA for the third quarter increased \$0.8 million year-over-year to \$6.5 million, while Adjusted EBITDA margin climbed to 29% from 26% in the same period in 2014. Free Cash Flow, at \$15.6 million for the first nine months of the year, was up \$4.3 million compared to the same period of the prior year.

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<sup>1</sup> 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.

## Increase of Acadian's Annual Dividend

We are pleased to announce that Acadian's Board of Directors has approved an increase in Acadian's annual dividend of approximately 11% to \$1.00 per share effective in the fourth quarter of 2015.

Year-to-date, Acadian has generated free cash flow of \$15.6 million and paid dividends of \$11.3 million resulting in a payout ratio of 72%. This strong cash generation during 2015 has built a comfortable level of surplus cash and, along with an expectation of continued strong performance, supports the decision to increase the dividend.

## Debt Facility Extension

During the third quarter, Acadian completed a five year extension of its existing loan facilities. These facilities now mature on October 1, 2020. The terms of this financing are more favourable than the prior agreement reflecting the high credit quality of Acadian's assets and a lower interest rate will reduce the annual interest expense by approximately US\$0.7 million.

## Review of Operations

### Financial and Operating Highlights

	Three Months Ended		Nine Months Ended	
	Sept 26 2015	Sept 27 2014	Sept 26 2015	Sept 27 2014
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m <sup>3</sup> )	354.2	367.7	978.1	946.8
Net sales	\$ 22,632	\$ 21,583	\$ 62,687	\$ 54,855
Operating earnings	6,335	5,545	18,496	13,807
Net income (loss)	(2,851)	(557)	(124)	4,878
Adjusted EBITDA	6,465	5,699	19,011	14,331
Free Cash Flow	5,245	4,669	15,624	11,321
Dividends declared	3,765	3,451	11,294	10,353
Payout ratio	72%	74%	72%	91%
Per share – basic and diluted				
Net income (loss)	\$ (0.17)	(0.03)	\$ (0.01)	0.29
Free Cash Flow	0.31	0.28	0.93	0.68
Dividends declared	0.23	0.21	0.68	0.62

Operating earnings for the period, at \$6.3 million, increased \$0.8 million year-over-year reflecting improved log selling prices. The net loss totaled \$2.9 million, or \$0.17 per share, for the third quarter, an increase of \$2.3 million from the same period in 2014, as the higher operating earnings and lower non-cash fair value adjustments to timber were offset by a \$3.4 million increase in the unrealized exchange loss on long-term debt.

Acadian's operations ran well during the third quarter. Weather conditions were typical for the summer season and continued strong demand for hardwood resulted in harvesting being more focused on those stands during the quarter.

Acadian's weighted average log price during the third quarter increased 8% year-over-year due to increased prices across almost all products and the positive effect of the weaker Canadian dollar. Softwood sawlog markets remained healthy, however a stronger focus on hardwood harvests and corresponding lower proportion of higher value sawlogs from Maine resulted in a 1% decrease in weighted average softwood sawlog prices relative to the third quarter of 2014.

Hardwood sawlog markets remained strong, with weighted average selling prices increasing 3%. Selling prices for softwood and hardwood pulpwood increased 8% and 18%, respectively, year-over-year, with the softwood increase being entirely currency driven while the hardwood increase reflects both continued strong markets and the benefit of the weaker Canadian dollar. While hardwood pulpwood markets have been strong, softwood pulpwood markets continue to be over supplied. Biomass markets also remained strong, with margins increasing 49% year-over-year, primarily reflecting continued sales to export markets in the New Brunswick operations.

### *New Brunswick Timberlands*

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

	<b>Three Months Ended September 26, 2015</b>			<b>Three Months Ended September 27, 2014</b>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>
Softwood	104.8	105.8	\$ 5,910	107.6	109.2	\$ 6,281
Hardwood	120.2	112.1	8,249	108.7	112.3	7,354
Biomass	62.5	62.5	1,596	69.2	69.2	1,544
	<b>287.5</b>	<b>280.4</b>	<b>15,755</b>	<b>285.5</b>	<b>290.7</b>	<b>15,179</b>
Other sales			1,254			1,109
Net sales			\$ 17,009			\$ 16,288
Adjusted EBITDA			\$ 5,951			\$ 4,510
Adjusted EBITDA margin			35%			28%

	<b>Nine Months Ended September 26, 2015</b>			<b>Nine Months Ended September 27, 2014</b>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>
Softwood	300.9	299.1	\$ 16,550	273.7	276.9	\$ 15,405
Hardwood	315.6	311.2	22,831	294.6	302.1	20,027
Biomass	145.7	145.7	3,989	138.5	138.5	2,853
	<b>762.2</b>	<b>756.0</b>	<b>43,370</b>	<b>706.8</b>	<b>717.5</b>	<b>38,285</b>
Other sales			2,049			1,739
Net sales			\$ 45,419			\$ 40,024
Adjusted EBITDA			\$ 14,716			\$ 10,620
Adjusted EBITDA margin			32%			27%

Softwood, hardwood and biomass shipments were 106 thousand m<sup>3</sup>, 112 thousand m<sup>3</sup> and 62 thousand m<sup>3</sup>, respectively, during the third quarter. This represents a year-over-year decrease in sales volume of 4% reflecting a modest increase in hardwood log inventories compared with the prior year. Harvest volume in the third quarter of 2015 was in line with the prior year although the harvest was more heavily weighted to hardwood. Approximately 38% of sales volume was sold as sawlogs, 40% as pulpwood and 22% as biomass in the third quarter. This compares to 36% sold as sawlogs, 43% as pulpwood and 24% as biomass in the third quarter of 2014.

Net sales for the third quarter totaled \$17.0 million compared to \$16.3 million for the same period last year with the small decrease in sales volume more than offset by improved prices for hardwood logs. The weighted average log selling price was \$64.98 per m<sup>3</sup> in the third quarter of 2015, a 6% increase from \$61.55 per m<sup>3</sup> in the same period of 2014. Net sales for the first nine months ended September 26, 2015 were \$45.4 million, an increase of \$5.4 million over the same period of 2014 due to higher sales volumes and selling prices.

Costs for the third quarter were \$11.1 million, compared to \$11.8 million in the same period in 2014, with the benefit of 5% lower variable costs per m<sup>3</sup> partially offset by higher harvest

volumes of primary products. For the nine months ended September 26, 2015, costs were \$30.7 million, \$1.3 million higher than during the same period of 2014, due to higher harvest volumes partially offset by 3% lower variable costs per m<sup>3</sup>.

Adjusted EBITDA for the third quarter was \$6.0 million, compared to \$4.5 million in the third quarter of 2014 reflecting the improved pricing and decreased per unit costs discussed above. For the nine months ended September 26, 2015, Adjusted EBITDA was \$14.7 million, an increase of \$4.1 million over the same period of 2014 with improvements in sales volume, pricing and per unit variable costs all contributing to the year-over-year gain. Adjusted EBITDA margin for the third quarter increased to 35% from 28% in the prior year and for first nine months of 2015 increased to 32% from 27% in the prior year.

There was one recordable safety incident among employees and one recordable safety incident among contractors during the third quarter of 2015. The employee incident did result in lost time, but the employee is expected to make a full recovery.

#### *Maine Timberlands*

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

	<b><i>Three Months Ended September 26, 2015</i></b>			<b><i>Three Months Ended September 27, 2014</i></b>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>
Softwood	37.7	37.6	\$ 2,780	48.9	48.7	\$ 3,343
Hardwood	34.8	30.9	2,675	24.8	24.6	1,788
Biomass	5.3	5.3	35	3.7	3.7	25
	<b>77.8</b>	<b>73.8</b>	<b>5,490</b>	<b>77.4</b>	<b>77.0</b>	<b>5,156</b>
Other sales			133			139
Net sales			\$ 5,623			\$ 5,295
Adjusted EBITDA			\$ 1,007			\$ 1,526
Adjusted EBITDA margin			18%			29%

	<b><i>Nine Months Ended September 26, 2015</i></b>			<b><i>Nine Months Ended September 27, 2014</i></b>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (\$000s)</b>
Softwood	138.3	137.7	\$ 10,692	138.1	137.6	\$ 9,049
Hardwood	73.5	71.4	6,125	70.0	71.6	5,308
Biomass	13.0	13.0	110	20.1	20.1	138
	<b>224.8</b>	<b>222.1</b>	<b>16,927</b>	<b>228.2</b>	<b>229.3</b>	<b>14,495</b>
Other sales			341			336
Net sales			\$ 17,268			\$ 14,831
Adjusted EBITDA			\$ 5,235			\$ 4,388
Adjusted EBITDA margin			30%			30%

Softwood, hardwood and biomass shipments were 38 thousand m<sup>3</sup>, 31 thousand m<sup>3</sup>, and 5 thousand m<sup>3</sup>, respectively, during the third quarter. This represents a year-over-year decrease in sales volume of 4%, with the significant drop in softwood volumes mostly offset by increased hardwood volumes. Approximately 34% of sales volume was sold as sawlogs, 59% as pulpwood and 7% as biomass during the third quarter. This compares to 55% sold as sawlogs, 40% as pulpwood and 5% as biomass in the third quarter of 2014. The decreased sawlog volume largely reflects the greater proportion of hardwood in the sales mix as hardwood stands generate significantly higher volumes of pulpwood.

Net sales for the third quarter totaled \$5.6 million compared to \$5.3 million for the same period last year, with reduced sales volumes more than offset by improved hardwood pulpwood prices and the positive impact of the weaker Canadian dollar. The weighted average log selling price was \$79.58 per m<sup>3</sup> in the third quarter of 2015, a 14% increase from \$69.95 per m<sup>3</sup> in the same period of 2014 in Canadian dollar terms. The weighted average log selling price in U.S. dollar terms was \$60.84, down 5% year-over-year, as improved hardwood pulpwood prices were more than offset by the decreased proportion of softwood sawlogs in the sales mix. Net sales for the first nine months ended September 26, 2015 were \$17.3 million, an increase of \$2.4 million over the same period of 2014 again reflecting the positive impact of the weaker Canadian dollar along with improved U.S. dollar prices for softwood sawlog and hardwood pulpwood.

Costs for the third quarter were \$4.6 million, compared to \$3.8 million during the same period in 2014. This increase primarily reflects the effect of adverse foreign exchange movements as harvest volumes were almost unchanged year-over-year while variable costs per m<sup>3</sup> in U.S. dollar terms climbed just 4%, but increased 25% in Canadian dollar terms. For the nine months ended September 26, 2015, costs were \$12.0 million, \$1.6 million higher than during the same period of 2014, due to adverse foreign exchange movements year-over-year.

Adjusted EBITDA for the third quarter was \$1.0 million, down \$0.5 million from the same period in 2014 as a result of less favourable sales mix and the timing of road maintenance work. For the nine months ended September 26, 2015, Adjusted EBITDA was \$5.2 million, an increase of \$0.8 million over the same period of 2014. Adjusted EBITDA margin for the third quarter fell to 18% from 29% in the prior year and for first nine months of 2015 was unchanged from the prior year at 30%.

There were no recordable safety incidents among employees or contractors during the third quarter of 2015. In mid-September, the Maine operations successfully completed a surveillance audit under the 2015-2019 standard of the Sustainable Forest Initiative® with no non-conformances.

## **Market Outlook**

The following contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of 2015 and into 2016. 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](http://www.acadiantimber.com) or filed with SEDAR at [www.sedar.com](http://www.sedar.com).

While near-term markets for Acadian's softwood sawlogs may experience modest headwinds, demand fundamentals remain strong. To date in 2015, U.S. housing starts are up 12% year-over-year and consensus expectations are for increases of a further 10 to 15% in 2016.

After strengthening significantly early in the third quarter, North American lumber pricing declined to multiyear lows during August and September. Regional sawmills continued to operate on full shifts, but do appear to be carrying log inventories above normal seasonal levels. The combination of weak offshore export markets, the weak Canadian dollar, and the end of the Canada-US Softwood Lumber Agreement, resulting in a temporary removal of Canadian export taxes, is expected to maintain pressure on lumber prices into 2016. This has begun to put pressure on markets for softwood sawlogs although pricing has remained stable to date.

Markets for hardwood sawlogs are expected to remain stable at their current positive levels, while the current favourable demand and pricing for hardwood pulpwood may experience

increasing softness as the region adapts to recently announced pulp and paper mill curtailments and closures. The softwood pulpwood market continues to be challenging, however this product represents only a small portion of Acadian's sales and an even lower proportion of our operating earnings. Biomass markets remain positive and we anticipate demand to remain stable, supporting improved margin levels.

### **Quarterly Dividend**

Acadian is pleased to announce a dividend of \$0.25 per share, payable on January 15, 2016 to shareholders of record on December 31, 2015.

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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 second largest timberland operator in New Brunswick and Maine.

*Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian also owns and operates a forest nursery in Second Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to approximately 90 regional customers.*

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

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

For further information, please visit our website at [www.acadiantimber.com](http://www.acadiantimber.com) or contact:

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## **Forward-Looking Statements**

*This News Release contains forward-looking information within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements made in the section entitled "Market Outlook" and other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements, which reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian income tax law; economic situation of key customers; Brookfield's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 24, 2015 and other filings of Acadian made with securities regulatory authorities, which are available on SEDAR at [www.sedar.com](http://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 26 2015	Sept 27 2014	Sept 26 2015	Sept 27 2014
<i>(CAD thousands)</i>				
Net sales	<b>\$ 22,632</b>	\$ 21,583	<b>\$ 62,687</b>	\$ 54,855
Operating costs and expenses				
Cost of sales	<b>13,984</b>	13,987	<b>38,568</b>	35,846
Selling, administration and other	<b>1,744</b>	1,532	<b>4,627</b>	4,346
Reforestation	<b>438</b>	382	<b>615</b>	447
Depreciation and amortization	<b>131</b>	137	<b>381</b>	409
	<b>16,297</b>	16,038	<b>44,191</b>	41,048
Operating earnings	<b>6,335</b>	5,545	<b>18,496</b>	13,807
Interest expense, net	<b>(804)</b>	(801)	<b>(2,585)</b>	(2,371)
Other items				
Fair value adjustments	<b>(792)</b>	(1,110)	<b>(1,930)</b>	(505)
Unrealized exchange loss on long-term debt	<b>(7,168)</b>	(3,813)	<b>(12,273)</b>	(4,162)
Gain on sale of timberlands	<b>13</b>	17	<b>140</b>	115
Loss on disposal of land, roads and other fixed assets	<b>(14)</b>	—	<b>(6)</b>	—
Earnings / (loss) before income taxes	<b>(2,430)</b>	(162)	<b>1,842</b>	6,884
Current income tax expense	<b>(132)</b>	(101)	<b>(355)</b>	(370)
Deferred income tax expense	<b>(289)</b>	(294)	<b>(1,611)</b>	(1,636)
Net income (loss)	<b>\$ (2,851)</b>	\$ (557)	<b>\$ (124)</b>	\$ 4,878
Net income per share – basic and diluted	<b>\$ (0.17)</b>	\$ (0.03)	<b>\$ (0.01)</b>	\$ 0.29



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

	Three Months Ended		Nine Months Ended	
	<b>Sept 26</b> <b>2015</b>	Sept 27 2014	<b>Sept 26</b> <b>2015</b>	Sept 27 2014
<i>(CAD thousands)</i>				
Net income (loss)	<b>\$ (2,851)</b>	\$ (557)	<b>\$ (124)</b>	\$ 4,878
Other comprehensive income				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation income	<b>10,899</b>	4,551	<b>18,378</b>	4,970
Amortization of derivatives designated as cash flow hedges	<b>(145)</b>	(47)	<b>(241)</b>	(141)
Comprehensive income	<b>\$ 7,903</b>	\$ 3,947	<b>\$ 18,013</b>	\$ 9,707



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

	Three Months Ended		Nine Months Ended	
	Sept 26	Sept 27	Sept 26	Sept 27
<i>(CAD thousands)</i>	2015	2014	2015	2014
<b>Cash provided by / (used for):</b>				
<b>Operating activities</b>				
Net income / (loss)	\$ (2,851)	\$ (557)	\$ (124)	\$ 4,878
Adjustments to net income / (loss):				
Deferred income tax expense	289	294	1,611	1,636
Depreciation and amortization	131	137	381	409
Fair value adjustments	792	1,110	1,930	505
Unrealized exchange loss on long term debt	7,168	3,813	12,273	4,162
Interest expense, net	804	801	2,585	2,371
Interest paid, net	(916)	(807)	(2,708)	(2,386)
Gain on sale of timberlands	(13)	(17)	(140)	(115)
Loss on disposal of land, roads and other fixed assets	14	—	6	—
Other, net	532	—	775	—
Net change in non-cash working capital	(1,134)	3,759	(1,619)	3,367
	<b>4,816</b>	<b>8,533</b>	<b>14,970</b>	<b>14,827</b>
<b>Financing activities</b>				
Deferred financing costs	(448)	—	(448)	—
Dividends paid to shareholders	(3,765)	(3,451)	(10,980)	(10,353)
	<b>(4,213)</b>	<b>(3,451)</b>	<b>(11,428)</b>	<b>(10,353)</b>
<b>Investing activities</b>				
Additions to timber, land, roads and other fixed assets	(187)	(122)	(341)	(255)
Proceeds from sale of timberlands	14	17	143	116
Proceeds from sale of land, roads and other fixed assets	—	—	8	—
	<b>(173)</b>	<b>(105)</b>	<b>(190)</b>	<b>(139)</b>
Increase in cash and cash equivalents during the period	430	4,977	3,352	4,335
Cash and cash equivalents, beginning of period	15,582	7,922	12,660	8,564
<b>Cash and cash equivalents, end of period</b>	<b>\$16,012</b>	<b>\$12,899</b>	<b>\$16,012</b>	<b>\$12,899</b>

## Reconciliations to Adjusted EBITDA and Free Cash Flow

	Three Months Ended		Nine Months Ended	
	Sept 26 2015	Sept 27 2014	Sept 26 2015	Sept 27 2014
<i>(CAD thousands)</i>				
Net income (loss)	\$ (2,851)	\$ (557)	\$ (124)	\$ 4,878
Add / (deduct):				
Interest expense, net	804	801	2,585	2,371
Current income tax expense	132	101	355	370
Deferred income tax expense	289	294	1,611	1,636
Depreciation and amortization	131	137	381	409
Fair value adjustments	792	1,110	1,930	505
Unrealized exchange gain on long-term debt	7,168	3,813	12,273	4,162
<b>Adjusted EBITDA</b>	<b>6,465</b>	<b>5,699</b>	<b>19,011</b>	<b>14,331</b>
Add / (deduct):				
Interest paid on debt, net	(916)	(807)	(2,708)	(2,386)
Additions to timber, land, roads and other fixed assets	(187)	(122)	(341)	(255)
Gain on sale of timberlands	(13)	(17)	(140)	(115)
Loss on disposal of land, roads and other fixed assets	14	—	6	—
Proceeds from sale of timberlands	14	17	151	116
Current income tax expense	(132)	(101)	(355)	(370)
<b>Free Cash Flow</b>	<b>\$ 5,245</b>	<b>\$ 4,669</b>	<b>\$ 15,624</b>	<b>\$ 11,321</b>
<b>Dividends declared</b>	<b>\$ 3,765</b>	<b>\$ 3,451</b>	<b>\$ 11,294</b>	<b>\$ 10,353</b>
<b>Payout ratio</b>	<b>72%</b>	<b>74%</b>	<b>72%</b>	<b>91%</b>