

A large photograph of the interior of a building under construction. The structure is made of light-colored wood, showing a complex network of beams and studs. A wooden staircase is visible on the left side. Sunlight streams in from a large window on the right, creating a warm, golden glow. The floor is made of concrete or a similar material.

ANNUAL GENERAL MEETING

**DUNCAN DAVIES
PRESIDENT & CEO
MAY 6, 2014**

2013 REVIEW

- Best year since 2006.
- Production up 28% to 1.7Bbf.
- Sales up 19% to 1.8Bbf.
- Sales revenue up 30% to \$1.1B.
- Net earnings \$42.2M (\$0.73 per share).
- EBITDA \$134.0M.

STRATEGIC POSITIONING

- Adams Lake and Grand Forks generating strong returns.
- Four sawmills acquired in Georgia.
- Tolleson acquisition increases capacity in US Southeast to 0.9Bbf.
- Tenure acquisition supports increased production at Castlegar.

FINANCING & BALANCE SHEET

- Credit facilities increased and extended.
- \$US50M in 10 year notes issued at 4.33%.
- 7.2M Class A Shares issued at \$12 per share.
- Net debt \$141M (21.5% of invested capital).
- Share price up 41%.

Q1 2014 IN REVIEW

- Adverse weather conditions and transportation issues impacted market demand and shipments.
- Net earnings \$27.5M (\$0.43 per share).
- EBITDA \$39.2M.
- Results include \$16.6M tax recovery and \$6.9M in share-based compensation
- Net debt \$270M (30.7% of invested capital).
- Share price up 22%

OUTLOOK

- Drop in US housing starts is temporary.
- Market conditions should pick up as weather improves.
- Markets need to digest shipping backlogs.
- Focused on integrating Tolleson.
- Continue to look for opportunities to build value.



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