

Debt Exchange Agreement

On June 30, 2016, the Company entered into a debt exchange agreement with certain related parties to Jemi. Pursuant to this agreement, the previously outstanding balance of related party debt of \$4.5 million was satisfied in full through the issuance of 955,414 common shares of the Company at a price of \$4.71 each.

Additional information regarding this transaction is contained in Note 23 of the 2016 Consolidated Financial Statements.

Seasonality

The Company's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season, particularly in the Canadian market. The Company generally experiences higher sales in the second and third quarters compared to the first and fourth quarters. In addition, forestry operations and harvesting activities can be compromised by inaccessibility to some sites during wet seasons and extreme winter weather conditions, resulting in decreased harvest and customer delivery levels. This creates a timing difference between free cash flow earned and dividends paid. While the Company has leveled dividends to provide a regular income stream to shareholders over the course of a year, the second and third quarters have historically been the Company's most profitable.

Results of Operations

Selected Annual Information

(in \$ millions, per share in dollars)	Fiscal Year Ended December 31,		
	2016	2015	2014
Sales	978.3	824.7	759.5
Earnings before income taxes	57.4	17.0	17.1
Net earnings	49.9	12.3	12.3
Net earnings before non-recurring items ⁽¹⁾	21.1	13.2	12.3
Net earnings per share (basic and diluted)	0.97	0.35	0.43
Net earnings per share (based and diluted), before non-recurring items ⁽¹⁾	0.41	0.37	0.43
Total assets	569.4	400.1	296.2
Long-term debt ⁽²⁾	183.2	153.8	131.2
Dividends declared to shareholders	30.3	19.9	16.1
Dividends declared to shareholders (per share)	0.56	0.56	0.56
Weighted average basic shares outstanding	51,409,974	35,551,386	28,704,089

1. Net earnings before directly attributable acquisition related costs and gain on bargain purchase relating to the Acquisitions.
2. Excludes current portion of long-term debt.