

## PRESS RELEASE

### **Taiga's Fiscal Year 2014 sales up by 5.4%, but earnings down by 51% due to margin pressure and Q4 weather**

BURNABY, BC, June 27, 2014 - Taiga Building Products Ltd. ("Taiga" or the "Company") today reported its financial results for fiscal year and the three months ended March 31, 2014.

#### **Fiscal Year 2014 Earnings Results**

The Company's consolidated net sales for the year ended March 31, 2014 were \$1,194.3 million compared to \$1,132.7 million for the last fiscal year. The 5.4% increase in sales was largely due to higher sales from US and export operations selling into the United States and Asian markets as well as higher average lumber prices.

Gross margin for the fiscal year ended March 31, 2014 decreased to \$96.8 million from \$102.8 million in the previous year, representing a decrease in gross margin percentage to 8.1% in the year compared to 9.1% in the previous year. These declines were primarily due to lower gross margin percentage on sales of commodity products since commodity prices declined significantly during the first quarter.

Net earnings for the fiscal year ended March 31, 2014 decreased to \$5.1 million from \$10.4 million last year primarily due to decreased gross margin. EBITDA for the year ended March 31, 2014 was \$36.8 million compared to \$42.9 million last year.

#### **Fourth Quarter Ended March 31, 2014 Earnings Results**

Sales for the fourth quarter decreased to \$249.5 million from \$259.6 million in the same quarter last year. The decrease in sales was largely due to weaker demand caused by the severe winter conditions in central and eastern regions of North America.

Gross margin for the fourth quarter was \$20.9 million compared to \$21.8 million in the same quarter last year. Taiga's gross margin percentage for the fourth quarter was 8.4% for both fourth quarters ended March 31, 2014 and 2013.

Net earnings for the fourth quarter decreased to \$0.1 million compared to \$0.4 million in the same quarter last year. EBITDA for the fourth quarter was \$8.0 million compared to \$7.5 million in the same quarter last year.

#### **Dividend**

In light of weaker profits resulting from stagnant commodity prices, the Board of Directors has decided not to declare and pay the first instalment payment of its semi-annual dividend policy with respect to the 2014 fiscal year's net earnings. The decision regarding the second

instalment payment with respect to the 2014 fiscal year's net earnings will be addressed in early January 2015.

## Condensed Consolidated Statement of Earnings

For the Fiscal Years Ended

	March 31,	
<i>(in thousands of Canadian dollars, except for per share amounts)</i>	2014	2013
Sales	1,194,259	1,132,743
Gross margin	96,810	102,815
Distribution expense	18,773	18,393
Selling and administration expense	48,594	45,962
Finance expense	7,003	7,302
Subordinated debt interest expense	16,356	16,356
Other income	(3,081)	(429)
Earnings before income taxes	9,165	15,231
Income tax expense	4,089	4,797
Net earnings	5,076	10,434
Net earnings per share <sup>(1)</sup>	0.16	0.32
EBITDA <sup>(2)</sup>	36,824	42,934

The following is the reconciliation of net earnings to EBITDA:

	March 31,	
<i>(in thousands of Canadian dollars)</i>	2014	2013
Net earnings	5,076	10,434
Income tax expense	4,089	4,797
Finance and subordinated debt interest expense	23,359	23,658
Amortization	4,300	4,045
EBITDA	36,824	42,934

For the Three Months Ended

<i>(in thousands of Canadian dollars, except for per share amounts)</i>	March 31,	
	2014	2013
Sales	249,451	259,596
Gross margin	20,880	21,796
Distribution expense	5,209	4,572
Selling and administration expense	11,371	10,789
Finance expense	1,702	1,930
Subordinated debt interest expense	4,089	4,143
Other (income) expense	(2,470)	11
Earnings before income tax	979	351
Income tax (recovery) expense	875	(14)
Net earnings	104	365
Net earnings per share <sup>(1)</sup>	0.00	0.01
EBITDA <sup>(2)</sup>	8,018	7,500

The following is the reconciliation of net earnings to EBITDA:

<i>(in thousands of Canadian dollars)</i>	March 31,	
	2014	2013
Net earnings	104	365
Income tax (recovery) expense	875	(14)
Finance and subordinated debt interest expense	5,791	6,073
Amortization	1,248	1,076
EBITDA	8,018	7,500

Notes:

(1) Earnings per share is calculated using the weighted average number of shares.

(2) Reference is made above to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of a company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS.

The foregoing selected financial information is qualified in its entirety by and should be read in conjunction with, our audited consolidated financial statements for the fiscal year ended March 31, 2014 and accompanying notes and management's discussion and analysis which will be available shortly on SEDAR at [www.sedar.com](http://www.sedar.com).

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