Q4

Q4 FINANCIAL HIGHLIGHTS

SALES
$259.5 million

NET INCOME
$0.4 million

EARNINGS PER SHARE
$0.01

EBITDA
$7.5 million

Management's Discussion and Analysis

For the three and six months ended June 30, 2013 and 2012

This Management's Discussion and Analysis ("MD&A") of Taiga Building Products Ltd. ("Taiga" or the "Company") has been prepared based on information available as at August 8, 2013 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three months ended June 30, 2013, as well as the audited consolidated financial statements and notes thereto for the year ended March 31, 2013 and the related management's discussion and analysis. This discussion and analysis provides an overview of significant developments that have affected Taiga's performance during the three months ended June 30, 2013.

The financial information reported herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and is expressed in Canadian dollars. The Company adopted IFRS as at April 1, 2011 with a transition date of April 1, 2010. Financial information disclosed in this MD&A related to periods ending prior to April 1,2010 has not been restated.

Taiga's unaudited condensed interim consolidated financial statements and the accompanying notes included within this report include the accounts of Taiga and its subsidiaries. Unless otherwise noted, all references in this MD&A to "dollars" or "$" are to Canadian dollars.

Unless otherwise noted, there are no material changes to the Company's contractual obligations and risks and uncertainties as described in its management's discussion and analysis for the year ended March 31, 2013.

Additional information relating to the Company including the Company's Annual Information Form dated June 20,2013 can be found on SEDAR at

www.sedar.com.

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Forward-Looking Statements:

This MD&A contains certain forward-looking information and statements relating, but not limited, to future events or performance and strategies and expectations of Taiga. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "likely", "may", "will", "should", "predict", "potential", "continue" or similar words suggesting future outcomes or statements regarding expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of such forward-looking statements within this document include statements relating to: the Company's perception of the building products industry and markets in which it participates and anticipated trends in such markets in any of the countries in which the Company does business; the Company's anticipated business operations, inventory levels and ability to meet order demand; the Company's anticipated ability to procure products and its relationship with suppliers; sufficiency of cash flows; and outcome of litigation. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements reflect management's current expectations or beliefs and are based on information currently available to Taiga and although Taiga believes it has a reasonable basis for making the forward-looking statements included in this document, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information of Taiga involves numerous assumptions and inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to: changes in business strategies; the effects of litigation, competition and pricing pressures; changes in operational costs; changes in laws and regulations, including tax, environmental, employment, competition, anti-terrorism and trade laws and Taiga's anticipation of and success in managing the risks associated with the foregoing; and other risks detailed in this MD&A under "Risks and Uncertainties" and Taiga's filings with the Canadian securities regulatory authorities available at www.sedar.com. These forward-looking statements speak only as of the date of this discussion and analysis. Taiga does not undertake, and specifically disclaims, any obligation to update or revise any forward looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Non-IFRS Financial Measure:

In this MD&A, reference is made 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. Reconciliations of EBITDA to net earnings reported in accordance with IFRS are included in this MD&A.

Market and Industry Data:

Unless otherwise indicated, the market and industry data contained in this MD&A is based upon information of independent industry and government publications and management's knowledge of, and experience in, the markets in which the Company operates. While management believes this data to be reliable, market and industry data is subject to variation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third party sources referred to in this MD&A and no representation is given as to the accuracy of any of the data referred to in this MD&A obtained from third party sources.

1. Business Overview

Taiga is the largest independent wholesale distributor of building products in Canada. Taiga distributes building products in Canada, the United States and overseas. As a wholesale distributor, Taiga maintains substantial inventories of building products at fifteen strategically located distribution centres throughout Canada and two distribution centres in California. In addition, Taiga regularly distributes through the use of third party reload centres. Taiga also owns and operates three wood preservation plants that produce pressure-treated wood products. Factors that affect Taiga's year-over-year profitability include, among others, sales levels, price fluctuations and product mix.

Taiga's primary market is Canada. Taiga expects the Canadian housing market in calendar year 2013 to decline slightly compared to calendar year 2012.

In 2012, Taiga's secondary market, the United States, started to show signs of recovery from the US housing depression. During 2012, US housing starts increased, inventories of homes available for sale declined and lending conditions eased. The Company expects the United States housing market to improve in the 2013 calendar year. See Item 11 "Outlook".

2. Results of Operations

Sales

The Company's consolidated net sales for the quarter ended June 30, 2013 were $335.8 million compared to $309.5 million over the same period last year. The 8% increase in sales was largely due to higher year over year commodity prices and improved sales volume from US operations and export operations selling into the United States and Asian markets.

Sales by segments are as follows:

	Three months ended June 30,			
	2013		2012	
	$000's	%	$000's	%
Canada	313,060	93.2	290,547	93.9
United States	22,743	6.8	18,961	6.1

For the quarter ended June 30, 2013, export sales totalled $47.9 million compared to $31.6 million in the previous year. These export sales were primarily to the United States and Asia, and are included as part of the Canadian segment in the table above.

The Company's sales of dimension lumber and panel, as a percentage of total sales, increased to 57.5% for the quarter ended June 30, 2013 compared to 54.0% for the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, decreased to 42.5% this quarter from 46.0% during the same period last year.

Gross Margin

Gross margin for the quarter ended June 30, 2013 decreased to $25.4 million from $30.8 million over the same period last year. Gross margin percentage for the quarter also declined to 7.6% compared to 9.9%. This decline was primarily due to a sharp fall in commodity prices during the quarter.

Expenses

Distribution expense for the quarter ended June 30, 2013 decreased slightly to $4.4 million from $4.5 million over the same period last year.

Selling and administration expense for the quarter ended June 30, 2013 increased to $12.8 million compared to $12.0 million over the same period last year. The increase was due to higher costs in various operations supporting increased sales volume over the past year.

Finance expense for the quarter ended June 30, 2013 increased to $2.1 million compared to $1.9 million over the same period last year. The increase was primarily due to higher average borrowings.

Subordinated debt interest expense was $4.1 million for both quarters ended June 30, 2013 and 2012.

Other income for the quarter ended June 30, 2013 was $0.4 million compared to $0.3 million over the same period last year.

Net Earnings

Net earnings for the quarter ended June 30, 2013 decreased to $1.5 million from $5.9 million over the same period last year primarily due to decreased gross margin.

EBITDA

EBITDA for the quarter ended June 30, 2013 decreased to $9.6 million from $15.4 million over the same period last year primarily due to decreased gross margin.

Reconciliation of net earnings to EBITDA:

	Three Months Ended June 30,	
(in thousands of dollars)	**2013** **$**	**2012** **$**
Net earnings	1,513	5,917
Income tax expense	907	2,588
Finance and subordinated debt interest expense	6,167	5,974
Amortization	1,004	946
EBITDA	9,591	15,425

3. Cash Flows

Operating Activities

Operating activities provided cash of $14.2 million during the three months ended June 30, 2013, compared to $2.3 million during the same period last year. Changes between the comparative periods were primarily due to changes in non-cash working capital, partially offset by lower net earnings.

Investing Activities

Investing activities used cash of $3.5 million during the three months ended June 30, 2013, compared to $0.3 million during the same period last year. Changes between the comparative periods were primarily due to the purchase of previously leased properties in Regina, Saskatoon and Winnipeg for a total purchase price of $3.0 million.

Financing Activities

Financing activities used cash of $4.7 million during the three months ended June 30, 2013, compared to $5.9 million during the same period last year. Changes between the comparative periods were primarily due to changes in repayment of obligations under finance leases.

4. Summary of Quarterly Results

	Fiscal 2014	Fiscal 2013				Fiscal 2012		
(in thousands of dollars, except per share amount in dollars)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Sales	335,803	259,596	247,714	315,925	309,508	226,977	203,050	277,992
Net earnings (loss)	1,513	365	364	3,788	5,917	(1,493)	(1,743)	3,316
Earnings (loss) per share[1]	0.05	0.01	0.01	0.12	0.18	(0.05)	(0.05)	0.10
EBITDA	9,591	7,500	7,106	12,903	15,425	6,151	4,806	11,370

Notes:

(1) The amounts are identical on a basic and fully-diluted per share basis. Earnings (loss) per share is calculated using the weighted-average number of shares.

Seasonality

Taiga's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season. Taiga generally experiences higher sales in the first and second quarters and reduced sales in the late fall and winter during its third and fourth quarters of each fiscal year.

5. Liquidity and Capital Resources

Revolving Credit Facility

On July 22, 2010, the Company entered into a senior credit agreement with a syndicate of lenders led by JPMorgan Chase Bank, establishing a senior secured revolving credit facility (the "Facility") of up to $200 million, with an option to increase the limit by up to $25 million. The Facility will mature on July 22, 2014. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories. Interest is charged at variable base rates plus variable margins. The Facility is secured by a first perfected security interest in all personal property of the Company and certain of its subsidiaries. The terms, conditions, and covenants of the Facility have been met as at June 30, 2013. Taiga had drawn $144.7 million on the Facility as at June 30, 2013.

In February 2012, the Company entered into a new credit agreement with Bank of Montreal, establishing a secured revolving credit facility (the "BMO Facility") of up to $5 million. The BMO Facility, which is secured by a first security interest in the Company's Edmonton distribution centre, is a stand-alone facility in addition to the Company's existing Facility; however, the BMO Facility will mature concurrently with the Facility. Interest under the BMO Facility is charged at prime rate adjusted for margin. Availability under the BMO Facility is limited to a defined percentage of the appraised value of Edmonton distribution centre. The terms, conditions, and covenants of the BMO Facility have been met as at June 30, 2013. Taiga had drawn $nil on the BMO facility as at June 30, 2013.

Taiga expects to meet its future cash requirements through a combination of cash generated from operations and its credit facilities. However, any severe weakening of the Canadian housing market driving reduced product demand or a significant increase in bad debts in accounts receivable could adversely impact the Company's liquidity in the short term.

Working Capital

Working capital as at June 30, 2013 decreased to $44.0 million from $48.2 million as at March 31, 2013 mostly due to decreased inventories partially offset by decreased current liabilities. Taiga believes that current levels are adequate to meet its working capital requirements.

Summary of Financial Position

(in thousands of dollars)	June 30, 2013 $	March 31, 2013 $
Current Assets	270,437	295,120
Current Liabilities (excluding Revolving Credit Facility)	(81,792)	(96,648)
Revolving Credit Facility	(144,663)	(150,223)
Working Capital	**43,982**	**48,249**
Long Term Assets	54,802	51,326
Long Term Liabilities (excluding Subordinated Notes)	(28,043)	(31,182)
Subordinated Notes	(128,834)	(128,834)
Shareholders' Deficiency	**(58,093)**	**(60,441)**

Assets

Total assets were $325.2 million as at June 30, 2013 compared to $346.4 million as at March 31, 2013. The decrease was primarily the result of decreased inventories.

Inventories decreased to $135.0 million as at June 30, 2013 compared to $157.7 million as at March 31, 2013 primarily due to sharp declines in commodity prices, which reduced purchasing prices.

Liabilities

Total liabilities decreased to $383.3 million as at June 30, 2013 from $406.9 million as at March 31, 2013. The decrease was primarily the result of decreased accounts payable and accrued liabilities as well as a lower balance owing on the Facility driven by lower inventories.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On August 8, 2013, there were 32,414,278 common shares outstanding.

Dividend Policy

In accordance with Taiga's dividend policy set on October 15, 2008, the Company generally intends to pay dividends each year on its common shares equal to 25% of the prior fiscal year's net earnings. These dividends will be in two instalments of 12.5% on each July 15 (or first business day thereafter) and each January 15 (or first business day thereafter) and are to be paid to the shareholders of record on June 30 and December 31 (or first business day thereafter). The payment of any dividends by the Company is subject to the discretion of its board of directors and subject to its determination of the Company's capital and operational requirements, adequacy of reserves and compliance with contractual and legal requirements.

The board of directors has decided not to declare and pay the first instalment dividend in respect of the 2013 fiscal year's net earnings. The decision to pay the second instalment dividend in respect of the 2013 fiscal year's net earnings will be considered prior to the next scheduled dividend payment date on January 15, 2014.

History of Retained Earnings (Deficit)

The following table shows Taiga's history of net earnings, dividends payouts, the impact of transition to IFRS, and the impact of the Stapled Unit conversion since fiscal year 2006:

	June 30, 2013	FY2013	FY2012	FY2011	FY2006 to FY2010
	IFRS	IFRS	IFRS	IFRS	CGAAP
(in thousands of dollars)	$	$	$	$	$
Retained earnings (deficit), beginning	(73,676)	(83,180)	(86,904)	(90,590)	88,527
Net earnings	1,513	10,434	3,724	4,001	22,054
Common share dividends	-	(930)	-	(2,995)	(29,837)
Transition to IFRS	-	-	-	2,680	-
Issuance of Subordinated Notes	-	-	-	-	(171,334)
Deficit, ending	(72,163)	(73,676)	(83,180)	(86,904)	(90,590)

6. Commitments and Contingencies

(a) Law Suit against Former Tax Advisor and Auditor

In connection with the Canada Revenue Agency challenge of the Company's financing structure, on June 21, 2007 the Company filed a claim in the Supreme Court of British Columbia against its former auditor and tax consultant, Deloitte & Touche LLP ("Deloitte"), for damages for breach of contract, professional negligence, and breach of fiduciary duty arising out of the sale and implementation of a financing plan. On August 15, 2008, Deloitte filed a counter claim in the amount of $776,094 for unpaid contingency fees resulting from the sale of the above described financing plan. On May 11, 2011, Taiga filed a second claim against Deloitte for breach of contract by withholding consent for Taiga to use audited financial statements, withholding consent to gain advantage in an unrelated fee dispute, and failing to act within the code of professional conduct. Taiga believes that Deloitte's claim is without merit but the outcome of the case is not determinable at this time.

(b) Executive Transition Agreements

During December 2008, the Company entered into transition agreements with three of its executives. These agreements include consulting contracts with terms of three years each with commencement dates ranging from April 2009 to April 2012. During September 2011, the Company amended one of the transition agreements to defer the commencement date from April 2012 to a date to be determined. The annual compensation for each contract, including both the fixed and variable portions, will range from a minimum of $111,000 to a maximum of $731,000. The Company is recording liabilities associated with the contracts over the service terms. The fair value of liabilities accrued as at June 30, 2013 were $934,515 (March 31, 2013 - $934,515). The fair value was determined by discounting the estimated future cash flows.

7. Critical Accounting Policies and Estimates

The significant accounting policies of Taiga are described in Note 3 to the Company's audited consolidated financial statements for the fiscal year ended March 31, 2013.

The preparation of financial statements in conformity with IFRS requires management to make assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Financial results as determined by actual events could be different from those estimates. These estimates are described in the management's discussion and analysis for the year ended March 31, 2013 and there have been no material changes to such policies and estimates since that time.

8. Adoption of New and Amended Accounting Standards

Consolidation

The Company has adopted IFRS 10, *Consolidated Financial Statements* ("IFRS 10"). Based on our assessment, the adoption did not result in any changes in the consolidation of the Company's subsidiaries.

Joint arrangements

The Company has adopted IFRS 11, *Joint Arrangements* ("IFRS 11"). The adoption did not have any impact to the Company.

Disclosures of interests in other entities

The Company has adopted IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12"). The adoption did not have any impact to the Company.

Fair value measurement

The Company has adopted IFRS 13, *Fair Value Measurement* ("IFRS 13"). This new standard provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements.

The adoption did not have any impact to the Company for the current period. However, the new disclosure requirements of IFRS 13 will be incorporated in the Company's annual consolidated financial statements for the year ended March 31, 2014.

Financial statement presentation

The Company had adopted the amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1") to require companies preparing financial statements under IFRS to group items within other comprehensive income ("OCI") that may be reclassified to profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The Company amended the presentation of OCI in its condensed consolidated statements of earnings and comprehensive income.

9. Off-Balance Sheet Arrangements

Taiga does not have off-balance sheet arrangements except for commitments under operating leases as discussed under "Commitments and Contingencies" in this Management's Discussion and Analysis.

For a detailed description of financial instruments and their associated risks, see Note 20 to the Company's audited consolidated financial statements for the fiscal year ended March 31, 2013.

10. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Taiga's management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

The CEO and CFO of Taiga acknowledge responsibility for the design of ICFR and confirm that there were no changes in these controls that occurred during the quarter ended June 30, 2013 which materially affected, or are reasonably likely to materially affect the Company's ICFR.

11. Outlook

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators. The weak economic conditions in the United States and any resulting economic weakening in Canada may continue to have an adverse impact on the Company's performance in the future.

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") Housing Market Outlook, Canadian Edition for the seond quarter 2013, housing starts are forecasted to total 182,900 in the 2013 calendar year. CMHC is reporting that housing starts will increase to 188,900 in the 2014 calendar year.

In the United States, the National Association of Home Builders ("NAHB") reported in July 2013, that housing starts are forecasted to total 955,000 units in the 2013 calendar year compared to 783,000 units in calendar 2012. NAHB predicts that housing starts will continue to recover to 1,172,000 units in calendar 2014.