Quarterly Report Ending September 30, 2013

TAIGA BUILDING PRODUCTS LTD.

Q2 Financial Highlights

Sales $344.9 million

Earnings Per Share $0.12

Net Income $4.0 million

EBITDA $12.7 million

Looking forward to the next 40 years

Management's Discussion and Analysis

For the three and six months ended September 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 November 7, 2013 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the corresponding notes thereto for the three and six months ended September 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 September 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.

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 September 30, 2013 were $344.9 million compared to $315.9 million over the same period last year. The increase in sales by $29.0 million or 9.2% was largely due to higher sales from US and export operations selling into the United States and Asian markets.

The Company's sales of dimension lumber and panel, as a percentage of total sales, slightly increased to 60.6% for the quarter ended September 30, 2013 compared to 60.1% for the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, slightly decreased to 39.4% this quarter from 39.9% during the same period last year.

Consolidated net sales for the six months ended September 30, 2013 were $680.7 million compared to $625.4 million over the same period last year. The increase in sales by $55.3 million or 8.8% was largely due to higher sales from US and export operations selling into the United States and Asian markets.

The Company's sales of dimension lumber and panel, as a percentage of total sales, increased to 59.0% for the six months ended September 30, 2013 compared to 56.6% for the same period last year. Allied, engineered and treated wood product sales, as a percentage of total sales, decreased to 41.0% this quarter from 43.4% during the same period last year. The change was primarily due to higher sales from US and export operations, which sell mostly lumber and panel products.

Sales by segments are as follows:

	Three months ended September 30,				Six months ended September 30,			
	2013		2012		2013		2012	
	$000's	%	$000's	%	$000's	%	$000's	%
Canada	320,283	92.9	293,388	92.9	633,343	93.0	583,935	93.4
United States	24,641	7.1	22,537	7.1	47,384	7.0	41,498	6.6

During the quarter ended September 30, 2013, Taiga's Canadian operations had export sales of $56.8 million (2012 – $36.1 million). For the six month period ended September 30, 2013, Canadian operations had export sales of $104.7 million (2012 – $68.1 million). These export sales were primarily to the United States and Asia, and are included as part of the Canadian segment in the table above.

Gross Margin

Gross margin for the quarter ended September 30, 2013 increased to $29.7 million from $28.9 million over the same period last year. Gross margin percentage for the quarter declined to 8.6% compared to 9.1%. The gross margin percentage from last year's second quarter was higher due to a significant appreciation in OSB prices.

Gross margin for the six months ended September 30, 2013 decreased to $55.1 million from $59.7 million over the same period last year. Gross margin percentage for the six months declined to 8.1% compared to 9.5% over the same period last year. This decline was primarily due to lower gross margin percentage on sales of commodity products since commodity prices declined significantly during the first quarter.

Expenses

Distribution expense for the quarter ended September 30, 2013 decreased to $4.4 million compared to $4.7 million over the same period last year. For the six month period ended September 30, 2013, distribution expenses decreased to $8.9 million compared to $9.2 million over the same period last year. These decreases were mainly due to timing of various warehouse maintenance expenses.

Selling and administration expense for the quarter ended September 30, 2013 increased to $13.7 million compared to $12.5 million over the same period last year. Selling and administration expense for the six months ended September 30, 2013 increased to $26.5 million compared to $24.5 million for the same period last year. These increases were mainly caused by increased compensation costs, foreign exchange losses and financial instrument losses.

Finance expense was $1.8 million for both quarters ended September 30, 2013 and 2012. Finance expense for the six months ended September 30, 2013 was $3.8 million compared to $3.7 million for the same period last year.

Subordinated debt interest expense was $4.1 million for both quarters ended September 30, 2013 and 2012. Subordinated debt interest expense for the six months ended September 30, 2013 was $8.2 million compared to $8.1 million for the same period last year.

Other income was $0.1 million for both quarters ended September 30, 2013 and 2012. Other income for the six months ended September 30, 2013 was $0.5 million compared to $0.3 million for the same period last year.

Net Earnings

Net earnings for the quarter ended September 30, 2013 were $4.0 million compared to $3.8 million over the same period last year. Net earnings for the six month period ended September 30, 2013 were $5.5 million compared to $9.7 million for the same period last year.

EBITDA

EBITDA for the quarter ended September 30, 2013 was $12.7 million compared to $12.9 million for the same period last year. For the six month period ended September 30, 2013, EBITDA was $22.3 compared to $28.3 for the same period last year.

Reconciliation of net income to EBITDA:

(in thousands of dollars)	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Net earnings	3,974	3,788	5,487	9,705
Income taxes	1,881	2,178	2,788	4,766
Finance and subordinated debt interest expense	5,858	5,851	12,025	11,825
Amortization	1,019	1,086	2,023	2,032
EBITDA	12,732	12,903	22,323	28,328

3. Cash Flows

Operating Activities

Operating activities provided cash of $50.5 million during the three months ended September 30, 2013 compared to $30.4 million during the same period last year. Operating activities for the six months ended September 30, 2013 provided cash of $64.8 million compared to $32.6 million during the same period last year. Changes between the comparative periods were primarily due to changes in non-cash working capital.

Investing Activities

Investing activities used cash of $0.1 million during the three months ended September 30, 2013 compared to $7.7 million for the same period last year. The change between the comparative periods was primarily due to the $6.9 million purchase of the distribution centre in Dartmouth, Nova Scotia during the three months ended September 30, 2012. Investing activities used cash of $3.7 million for the six months ended September 30, 2013 compared to $7.9 million during the same period last year. The change between the comparative periods was primarily due to the purchase of previously leased properties in Regina, Saskatoon and Winnipeg for a total purchase price of $3.0 million in the current period in addition to the $6.9 million Dartmouth purchase from the same period last year.

Financing Activities

Financing activities used cash of $4.7 million during the three months ended September 30, 2013 compared to $4.8 million during the same period last year. Financing activities used cash of $9.3 million for the six months ended September 30, 2013 compared to $10.7 million during the same period last year. Changes between the comparative periods were primarily related to the 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)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Sales	344,924	335,803	259,596	247,714	315,925	309,508	226,977	203,050
Net earnings (loss)	3,974	1,513	365	364	3,788	5,917	(1,493)	(1,743)
Earnings (loss) per share[(1)]	0.12	0.05	0.01	0.01	0.12	0.18	(0.05)	(0.05)
EBITDA	12,732	9,591	7,500	7,106	12,903	15,425	6,151	4,806

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 September 30, 2013. Taiga had drawn $98.7 million on the Facility as at September 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 September 30, 2013. Taiga had drawn $nil on the BMO facility as at September 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 September 30, 2013 increased to $50.3 million from $48.2 million as at March 31, 2013 mostly due to decreased accounts receivable and 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)	September 30, 2013	September 30, 2012 $	March 31, 2013 $
Current Assets	227,312	232,438	295,120
Current Liabilities (excluding Revolving Credit Facility)	(78,288)	(88,523)	(96,648)
Revolving Credit Facility	(98,698)	(95,255)	(150,223)
Working Capital	**50,326**	**48,660**	**48,249**
Long Term Assets	52,734	50,889	51,326
Long Term Liabilities (excluding Subordinated Notes)	(28,795)	(31,653)	(31,182)
Subordinated Notes	(128,834)	(128,834)	(128,834)
Shareholders’ Deficiency	**(54,569)**	**(60,938)**	**(60,441)**

Assets

Total assets were $280.0 million as at September 30, 2013 compared to $346.4 million as at March 31, 2013. The decrease was primarily the result of decreased accounts receivable and inventories.

Accounts receivable decreased to $116.9 million as at September 30, 2013 compared to $136.1 million as at March 31, 2013 primarily due to the timing of cash receipts.

Inventories decreased to $109.3 million as at September 30, 2013 compared to $157.7 million as at March 31, 2013 primarily due to seasonal drawdown of products.

Liabilities

Total liabilities decreased to $334.6 million as at September 30, 2013 from $406.9 million as at March 31, 2013. The decrease was primarily due to a lower balance owing on the Facility as well as a decreased accounts payable and accrued liabilities, driven by lower inventories.

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On November 7, 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:

	September 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	5,487	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	(68,189)	(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 of the consulting contract 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 September 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 fiscal 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 the Management's Discussion and Analysis for the fiscal year ended March 31, 2013.

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 September 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 third quarter 2013, housing starts are forecasted to total 185,000 in the 2013 calendar year. CMHC is reporting that housing starts will decrease to 184,700 in the 2014 calendar year.

In the United States, the National Association of Home Builders ("NAHB") reported in September 2013, that housing starts are forecasted to total 924,000 units in the 2013 calendar year compared to 783,000 units in calendar year 2012. NAHB predicts that housing starts will continue to recover to 1,152,000 units in calendar 2014.

Taiga Building Products Ltd.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three and six months ended September 30, 2013 and 2012
(in Canadian dollars)

NOTICE TO SHAREHOLDERS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Taiga Building Products Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

TAIGA BUILDING PRODUCTS LTD.

Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands of Canadian dollars)	September 30, 2013	September 30, 2012	March 31, 2013
Assets			
Current:			
Accounts receivable	$ 116,897	$ 116,435	$ 136,102
Inventories (Note 3)	109,346	114,538	157,716
Prepaid expenses	1,069	1,465	1,302
	227,312	232,438	295,120
Property, plant and equipment	49,807	49,244	48,664
Long-term receivable	898	-	918
Deferred tax assets	2,029	1,645	1,744
	$ 280,046	$ 283,327	$ 346,446
Liabilities and Shareholders' Deficiency			
Current:			
Revolving credit facility (Note 4)	$ 98,698	$ 95,255	$ 150,223
Accounts payable and accrued liabilities	72,697	80,149	89,201
Income taxes payable	3,283	6,116	5,082
Current portion of long-term debt	201	192	198
Current portion of finance lease obligation	2,107	2,066	2,167
	176,986	183,778	246,871
Long-term debt	1,468	1,569	1,535
Finance lease obligation	19,834	22,607	21,506
Deferred gain	3,938	4,461	4,279
Deferred tax liabilities	1,453	833	1,726
Provisions	2,102	2,183	2,136
Subordinated notes (Note 6)	128,834	128,834	128,834
	334,615	344,265	406,887
Shareholders' Deficiency:			
Share capital (Note 7)	13,229	13,229	13,229
Accumulated other comprehensive income (loss) (Note 7)	391	(692)	6
	13,620	12,537	13,235
Deficit	(68,189)	(73,475)	(73,676)
	(54,569)	(60,938)	(60,441)
	$ 280,046	$ 283,327	$ 346,446

The accompanying notes are an integral part of these consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Condensed Consolidated Statements of Earnings and Comprehensive Income
(Unaudited)

(in thousands of Canadian dollars, except per share amounts)	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Sales	$ 344,924	$ 315,925	$ 680,727	$ 625,433
Cost of sales	315,202	287,028	625,581	565,780
Gross margin	29,722	28,897	55,146	59,653
Expenses:				
Distribution	4,441	4,683	8,857	9,207
Selling and administration	13,653	12,486	26,457	24,499
Finance (Note 8)	1,769	1,780	3,847	3,683
Subordinated debt interest (Note 6)	4,089	4,071	8,178	8,142
Other income	(85)	(89)	(468)	(349)
	23,867	22,931	46,871	45,182
Earnings before income tax	5,855	5,966	8,275	14,471
Income tax expense (Note 5)	1,881	2,178	2,788	4,766
Net earnings for the period	$ 3,974	$ 3,788	$ 5,487	$ 9,705
Other comprehensive income (loss) for the period				
(Item that may be reclassified to net earnings)				
Exchange differences on translating foreign controlled entities	$ (450)	$ (757)	$ 385	$ (300)
Total comprehensive income for the period	$ 3,524	$ 3,031	$ 5,872	$ 9,405
Basic and diluted net earnings per common share	$ 0.12	$ 0.12	$ 0.17	$ 0.30
Weighted average number of common shares outstanding	32,414	32,414	32,414	32,414

The accompanying notes are an integral part of these consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Condensed Consolidated Statement of Changes in Shareholders' Deficiency (Unaudited)

For the six months ended September 30, 2012

(in thousands of Canadian dollars)	Share Capital	Deficit	Accumulated Other Comprehensive Loss	Total
Balance at March 31, 2012	$ 13,229	$ (83,180)	$ (392)	$ (70,343)
Net earnings	-	9,705	-	9,705
Other comprehensive loss	-	-	(300)	(300)
Balance at September 30, 2012	$ 13,229	$ (73,475)	$ (692)	$ (60,938)

For the six months ended September 30, 2013

(in thousands of Canadian dollars)	Share Capital	Deficit	Accumulated Other Comprehensive Income	Total
Balance at March 31, 2013	$ 13,229	$ (73,676)	$ 6	$ (60,441)
Net earnings	-	5,487	-	5,487
Other comprehensive income	-	-	385	385
Balance at September 30, 2013	$ 13,229	$ (68,189)	$ 391	$ (54,569)

The accompanying notes are an integral part of these consolidated financial statements.

TAIGA BUILDING PRODUCTS LTD.

Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands of Canadian dollars)	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
Cash provided by (used in):				
Operating:				
Net earnings	$ 3,974	$ 3,788	$ 5,487	$ 9,705
Adjustments for non-cash items				
Amortization	1,019	1,086	2,023	2,032
Income tax expense	1,881	2,178	2,788	4,766
Mark-to-market adjustment on financial instruments	90	(22)	79	(81)
Change in provisions	(17)	16	(34)	142
Loss (gain) on asset disposal	1	-	(127)	-
Amortization of deferred gain	(86)	(92)	(341)	(351)
Finance and subordinated debt interest expense	5,858	5,851	12,025	11,825
Interest paid	(1,623)	(1,144)	(3,556)	(2,434)
Income tax paid	(5,051)	(4,714)	(5,063)	(4,714)
Changes in non-cash working capital (Note 11)	44,468	23,478	51,470	11,759
Cash flows from operating activities	50,514	30,425	64,751	32,649
Investing:				
Purchase of property, plant and equipment	(152)	(7,658)	(3,674)	(7,915)
Proceeds from disposition of property, plant and equipment	4	-	7	-
Cash flows used in investing activities	(148)	(7,658)	(3,667)	(7,915)
Financing:				
Repayment of long-term debt	(52)	(49)	(101)	(98)
Repayment of obligations under finance leases	(523)	(656)	(1,052)	(2,463)
Subordinated notes interest paid	(4,089)	(4,071)	(8,178)	(8,142)
Cash flows used in financing activities	(4,664)	(4,776)	(9,331)	(10,703)
Effect of changes in foreign currency on Revolving Credit Facility	263	299	(228)	278
Net decrease in Revolving Credit Facility	45,965	18,290	51,525	14,309
Revolving Credit Facility, beginning	(144,663)	(113,545)	(150,223)	(109,564)
Revolving Credit Facility, ending	$ (98,698)	$ (95,255)	$ (98,698)	$ (95,255)

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

Taiga Building Products Ltd. ("Taiga" or the "Company") is an independent wholesale distributor of building products in Canada and the United States. Taiga operates within two reportable geographic areas, Canada and the United States. The Company's shares and subordinated notes (the "Notes") are listed for trading on the Toronto Stock Exchange.

Taiga is a Canadian corporation and its registered and records office is located at #800 – 4710 Kingsway, Burnaby, British Columbia, V5H 4M2.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements were authorized for issue on November 7, 2013 by the board of directors of the Company.

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, these financial statements comply with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*.

These financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended March, 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

(b) Basis of Consolidation

These financial statements include the accounts of Taiga Building Products Ltd. and its subsidiaries. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. Inter-company transactions and balances have been eliminated.

(c) Basis of Measurement

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable.

(d) Seasonality

The Company operates in a seasonal industry that 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. The consolidated financial statements include the presentation of the balance sheet as at September 30, 2012 for comparative purposes.

(e) Adoption of New and Amended Accounting Standards

The Company has adopted the new and amended IFRS pronouncements listed below as at April 1, 2013, in accordance with the applicable transitional provisions.

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 ending 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.

3. Inventories

(in thousands of dollars)	**September 30, 2013**	**September 30, 2012**	**March 31, 2013**
Allied building products	29,975	32,636	32,786
Lumber products	61,846	59,060	94,426
Panel products	17,829	23,193	30,995
Production consumables	223	485	296
Inventory provision	(527)	(836)	(787)
Total	109,346	114,538	157,716

All of the Company's inventories are pledged as security for the revolving credit facility.

4. Revolving Credit Facility

(in thousands of dollars)	**September 30, 2013**	**September 30, 2012**	**March 31, 2013**
Revolving credit facility	99,142	96,226	150,931
Financing costs, net of amortization	(444)	(971)	(708)
Total	98,698	95,255	150,223

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 September 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 credit 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 thresholds. Availability under the BMO Facility is limited to a defined percentage of the appraised value of the Edmonton distribution centre. The terms, conditions, and covenants of the BMO Facility have been met as at September 30, 2013.

5. Income Taxes

Income tax expense is comprised of:

	Three months ended September 30,		**Six months ended September 30,**	
(in thousands of dollars)	**2013**	**2012**	**2013**	**2012**
Current	(690)	(417)	3,320	5,879
Future	2,571	2,595	(532)	(1,113)
Total	1,881	2,178	2,788	4,766

6. Subordinated Notes

Under the terms of a notes indenture dated September 1, 2005 (the “Indenture”) the Company’s Notes are unsecured, bear interest at 14% per annum and mature on September 1, 2020. Interest on the Notes is payable on the 15th day following the end of each month as an annual interest sum divided by twelve. The aggregate principal amount of the Notes that may be issued under the Indenture is unlimited. The terms, conditions, and covenants of the Indenture have been met as at September 30, 2013.

A company that is a significant shareholder holds 35.71% (2012 – 35.71%) of the outstanding Notes at September 30, 2013. An executive of this company is also a member of Taiga’s Board of Directors. A Trust whose beneficiaries include members of the family of a Taiga director holds 17.20% (2012 - 17.20%) of the outstanding Notes of Taiga at September 30, 2013.

During the three months ended September 30, 2013, the amount of interest incurred for these related parties was $1,190,182 (2012 - $1,171,985) and $775,392 (2012 - $775,392), respectively. For the six months ended September 30, 2013, interest incurred for these related parties were $2,380,364 (2012 - $2,343,971) and $1,550,784 (2012 - $1,550,784), respectively.

7. Shareholders’ Deficiency

(a) Authorized Share Capital

The authorized capital of the Company consists of an unlimited number of common shares, class A common shares, and class A and B preferred shares, all without par value.

(b) Common Shares Issued

(in thousands of dollars, except number of shares)	**Number of Shares**	**Amount**
Balance, September 30, 2013, September 30, 2012 and March 31, 2013	32,414,278	13,229

(c) Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of exchange differences arising on translation of subsidiaries that have a functional currency other than the Canadian dollar.

(d) Stock Options and Warrants

Taiga does not have stock options or warrants outstanding and has not granted or cancelled options or warrants during the current or prior period.

(e) Dividends

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 have decided not to declare and pay the first instalment of 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 addressed by the Board of Directors prior to the next scheduled dividend date on January 15, 2014.

8. Finance Expense

The finance expense is comprised of:

	Three months ended September 30,		**Six months ended September 30,**	
(in thousands of dollars)	**2013**	**2012**	**2013**	**2012**
Interest on revolving credit facility and other short term liabilities	1,233	1,132	2,762	2,444
Interest on finance leases and long-term debt	402	512	821	973
Amortization of financing costs	134	136	264	266
Total	1,769	1,780	3,847	3,683

9. 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) Other Outstanding Legal Matters

The Company is involved in various non-material legal actions and claims arising in the course of its business. The financial impact individually or in aggregate resulting from these actions and claims is not expected to be significant. The individual and aggregate outcomes cannot be determined at this time.

(c) 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 of the consulting contract 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 provisions associated with the contracts over the service terms. The accrued provision recorded as at September 30, 2013 was $934,515 (March 31, 2013 - $934,515). The fair value was determined by discounting the estimated future cash outflows arising after transition using a pre-tax discount rate of 4%.

10. Financial Instruments

The following table summarizes the carrying values of the Company's financial instruments:

(in thousands of dollars)	**September 30, 2013**	**March 31, 2013**
Held for trading	(68)	11
Loans and receivables	117,795	137,009
Other financial liabilities	(323,771)	(393,664)

The carrying amounts of accounts receivable and accounts payable approximate their fair values due to the short term to maturity of these instruments. The carrying amounts of the revolving credit facility and long-term debt approximate their fair values as these liabilities bear interest at variable market rates.

The carrying amount and fair values of finance lease obligations are as follows:

(in thousands of dollars)	**September 30, 2013**	**March 31, 2013**
Carrying amount	21,941	23,673
Fair value	21,559	23,276

The fair value of the finance lease obligations was determined using current borrowing rates for similar debt instruments.

The carrying amount and fair values of the subordinated notes are as follows:

(in thousands of dollars)	**September 30, 2013**	**March 31, 2013**
Carrying amount	128,834	128,834
Fair value	137,208	136,564

The fair value of the subordinated notes was determined based on closing price of the notes which are traded on the Toronto Stock Exchange.

The carrying amount of derivative financial instrument assets and liabilities are equal to their fair values as these instruments are re-measured to their fair values at each reporting date as follows:

(in thousands of dollars)	**September 30, 2013**	**March 31, 2013**
Lumber futures	(68)	11
Total	(68)	11

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – based on quoted prices in active markets for identical assets or liabilities;

Level 2 – based on inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3 – applies to assets and liabilities for inputs that are not based on observable market data, which are unobservable inputs.

Derivative financial instrument assets and liabilities are classified as level 2.

11. Changes in Non-Cash Working Capital

	Three months ended September 30,		**Six months ended September 30,**	
(in thousands of dollars)	**2013**	**2012**	**2013**	**2012**
Decrease in accounts receivable	17,138	21,664	19,126	10,443
Decrease in inventories	25,648	3,598	48,370	9,695
Decrease (Increase) in prepaid expenses and other	133	(128)	237	(114)
Effect of foreign exchange on working capital	(593)	(356)	614	(292)
Increase (Decrease) in AP & accrued liabilities	2,142	(1,300)	(16,877)	(7,973)
Total	44,468	23,478	51,470	11,759

12. Segmented Information

Taiga operates within one business segment and has two reportable geographic areas as follows:

	Three months ended September 30,				**Six months ended September 30,**			
	2013		**2012**		**2013**		**2012**	
	$000's	**%**	**$000's**	**%**	**$000's**	**%**	**$000's**	**%**
Canada	320,283	92.9	293,388	92.9	633,343	93.0	583,935	93.4
United States	24,641	7.1	22,537	7.1	47,384	7.0	41,498	6.6

During the quarter ended September 30, 2013, Taiga's Canadian operations had export sales of $56.8 million (2012 – $36.1 million). For the six month period ended September 30, 2013, Canadian operations had export sales of $104.7 million (2012 – $68.1 million). These export sales were primarily to the United States and Asia, and are included as part of the Canadian segment in the table above.