Source: **Stella-Jones Inc.**

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STELLA-JONES REPORTS STRONG 2015 FIRST QUARTER RESULTS
Annual meeting of shareholders later this morning

- **Sales of $340.7 million, up 32.3% from $257.5 million last year**
- **Operating income increased 37.2% to $47.6 million, or 14.0% of sales, up from 13.5% of sales, last year**
- **Net income up 33.7% to $30.1 million, compared to $22.5 million last year**

Montreal, Quebec – April 29, 2015 - Stella-Jones Inc. (TSX: SJ) ("Stella-Jones" or the "Company") today announced financial results for its first quarter ended March 31, 2015.

"We are pleased with these results that show healthy demand in our core markets as well as the strong contribution of our recent acquisition. Furthermore, adjustments in our selling prices in response to higher input costs for untreated railway ties helped us to improve our gross profit margin when compared to recent quarters," said Brian McManus, President and Chief Executive Officer.

Financial highlights (in millions of Canadian dollars, except per share data)	**Quarters ended March 31,**	
	2015	**2014**
Sales	**340.7**	257.5
Operating income	**47.6**	34.7
Net income for the period	**30.1**	22.5
Per share - basic ($)	**0.44**	0.33
Per share - diluted ($)	**0.43**	0.33
Weighted average shares outstanding (basic, in '000s)	**68,953**	68,737

FIRST QUARTER RESULTS
Sales reached $340.7 million, up 32.3% from $257.5 million a year ago. The wood treating facilities acquired from Boatright Railroad Products, Inc. ("Boatright") on May 22, 2014 generated sales of $21.1 million, while the conversion effect from fluctuations in the value of the Canadian dollar, Stella-Jones' reporting currency, versus the U.S. dollar, increased the value of U.S. dollar denominated sales by about $29.4 million when compared with last year. Excluding these factors, sales increased approximately $32.7 million, or 12.7%.

Railway tie sales amounted to $166.8 million, up 53.5% from $108.6 million last year. Excluding sales from Boatright and the foreign currency conversion effect, railway tie sales rose approximately 21.7%, primarily as a result of adjusted selling prices.

Sales of utility poles reached $119.2 million, an increase of 10.9% compared with $107.5 million last year. Factoring out the foreign currency conversion effect, sales increased 1.9%, as a steady rise in sales of distribution poles stemming from regular maintenance projects, was partially offset by slightly lower sales of transmission poles due to the timing of orders for special projects.

Sales of residential lumber totalled $28.4 million, up from $17.3 million last year, reflecting higher sales in the United States due to a strong economy as well as in Western Canada where the Company increased its market reach in British Columbia. Industrial product sales increased to $19.9 million, compared with $15.8 million a year ago, mainly due to the contribution of the Boatright assets and the foreign currency conversion effect. Finally, non-pole-quality log sales were $6.4 million, versus $8.3 million last year, due to the timing of timber harvesting.

Gross profit reached $66.4 million, or 19.5% of sales, up from $50.3 million, or 19.5% of sales, last year. The increase in absolute dollars essentially stems from higher business activity, the addition of the Boatright assets and the effect of currency translation. As a percentage of sales, gross profit was stable year-over-year, as adjusted pricing for railway has matched the 2014 cost increases of untreated railway ties. As a result of higher gross profit, operating income increased 37.2% to $47.6 million, or 14.0% of sales, versus $34.7 million, or 13.5% of sales, last year.

Net income for the first quarter of 2015 increased 33.7% to $30.1 million or $0.43 per share, fully diluted, compared with $22.5 million or $0.33 per share, fully diluted, in the first quarter of 2014.

SOLID FINANCIAL POSITION

As at March 31, 2015, the Company's long-term debt, including the current portion, stood at $517.2 million compared with $444.6 million three months earlier. The increase essentially reflects higher working capital requirements, as per normal seasonal demand patterns, and the effect of local currency translation on U.S. dollar denominated long-term debt. As at March 31, 2015 Stella-Jones, total debt to total capitalization ratio was 0.40:1, compared with 0.39:1 as at December 31, 2014.

Working capital requirements included the normal seasonal inventory build-up ahead of peak demand in the second and third quarters. The seasonal inventory build-up was more accentuated in the first quarter of 2015 due to untreated railway tie availability returning to normal levels, which enabled Stella-Jones to start rebuilding inventory levels. As a result, the value of inventories stood at $611.5 million as at March 31, 2015, versus $487.7 million as at December 31, 2014.

LETTER OF INTENT TO ACQUIRE RAM FOREST GROUP INC. AND RAMFOR LUMBER INC.

During the quarter, the Company signed a non-binding letter of intent to purchase the shares of Ram Forest Group Inc. and Ramfor Lumber Inc. Through its wholly-owned subsidiaries, Ram Forest Products Inc. and Trent Timber Treating Ltd., Ram Forest Group manufactures and sells pressure treated wood products and accessories to the retail building materials industry. Ramfor Lumber is a lumber purchasing entity serving Ram Forest Products and Trent Timber Treating.

Ram Forest Products operates a wood treating facility in Gormley, Ontario and Trent Timber Treating operates a wood treating facility in Peterborough, Ontario. The wood milling plant operated by Ram Forest Products in Uxbridge, Ontario is not part of the transaction, and existing Ram Forest Group shareholders will continue to own this plant. Consolidated sales of the acquired facilities for the fiscal year ended September 30, 2014 reached approximately $90.2 million.

The transaction, if finalized, is expected to close in October 2015 and is subject to customary conditions, including satisfactory due diligence, signature of a definitive share purchase agreement and regulatory clearance. Stella-Jones plans to finance the transaction through its existing revolving credit facility.

"This transaction will expand Stella-Jones' wood treating capabilities in the residential lumber market and allow us to build upon Ram Forest Group's longstanding relationships with key customers. The proposed timetable for the transaction has been carefully designed to minimize disruption of Ram Forest Group's operations and ensure a seamless transition for its customers, suppliers and employees," added Mr. McManus.

QUARTERLY DIVIDEND OF $0.08 PER SHARE

On April 28, 2015, the Board of Directors declared a quarterly dividend of $0.08 per common share, payable on June 26, 2015 to shareholders of record at the close of business on June 2, 2015.

OUTLOOK

"As we believe the momentum in the North American economy will continue, demand for our core products should remain solid in 2015. Stella-Jones remains focussed on enhancing shareholder value by optimizing the efficiency of its continental network, while seeking selective and accretive opportunities to further expand its presence in the wood treating industry, as evidenced by the proposed acquisition in Ontario," concluded Mr. McManus.

CONFERENCE CALL

Stella-Jones will hold a conference call to discuss these results on April 29, 2015, at 1:30 PM Eastern Time. Interested parties can join the call by dialing 647-788-4922 (Toronto or overseas) or 1-877-223-4471 (elsewhere in North America). Parties unable to call in at this time may access a tape recording of the meeting by calling 1-800-585-8367 and entering the passcode 17072554. This tape recording will be available on Wednesday, April 29, 2015 as of 5:30 PM Eastern Time until 11:59 PM Eastern Time on Wednesday, May 6, 2015.

NON-IFRS FINANCIAL MEASURES

Operating income and cash flow from operating activities before changes in non-cash working capital components and interest and income tax paid are financial measures not prescribed by IFRS and are not likely to be comparable to similar measures presented by other issuers. Management considers these non-IFRS measures to be useful information to assist knowledgeable investors regarding the Company's financial condition and results of operations as they provide additional measures of its performance.

ABOUT STELLA-JONES

Stella-Jones Inc. (TSX: SJ) is a leading producer and marketer of pressure treated wood products. The Company supplies North America's railroad operators with railway ties and timbers, and the continent's electrical utilities and telecommunication companies with utility poles. Stella-Jones also provides residential lumber to retailers and wholesalers for outdoor applications, as well as industrial products for construction and marine applications. The Company's common shares are listed on the Toronto Stock Exchange.

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EXCHANGE LISTINGS
The Toronto Stock Exchange
Stock Symbol: SJ

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NOTICE

The condensed interim unaudited consolidated financial statements of Stella-Jones Inc. for the first quarter ended March 31, 2015 have not been reviewed by the Company's external auditors.

(Signed)

Éric Vachon
Senior Vice-President and Chief Financial Officer

Montréal, Québec
April 28, 2015

Stella-Jones Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)
March 31, 2015 and 2014

Stella-Jones Inc.
Interim Consolidated Statements of Financial Position
(Unaudited)

(expressed in thousands of Canadian dollars)

	Note	As at March 31, 2015 $	As at December 31, 2014 $
Assets			
Current assets			
Accounts receivable		175,164	127,545
Inventories		611,503	547,215
Prepaid expenses		21,104	20,750
Income taxes receivable		723	1,986
		808,494	697,496
Non-current assets			
Property, plant and equipment		305,138	281,607
Intangible assets		116,837	110,325
Goodwill		212,807	195,015
Derivative financial instruments	5	600	1,423
Other assets		1,860	1,630
		1,445,736	1,287,496
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		79,465	69,719
Current portion of long-term debt		6,368	5,754
Current portion of provisions and other long-term liabilities		5,282	6,939
		91,115	82,412
Non-current liabilities			
Long-term debt		510,868	438,803
Deferred income taxes		58,969	54,173
Provisions and other long-term liabilities		14,748	14,027
Employee future benefits		5,781	5,104
Derivative financial instruments	5	1,276	706
		682,757	595,225
Shareholders' equity			
Capital stock	4	214,315	213,858
Contributed surplus		917	954
Retained earnings		452,122	427,834
Accumulated other comprehensive gain		95,625	49,625
		762,979	692,271
		1,445,736	1,287,496

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

Stella-Jones Inc.

Interim Consolidated Statements of Change in Shareholders' Equity
(Unaudited)
For the three-month periods ended March 31, 2015 and 2014

(expressed in thousands of Canadian dollars)

				Accumulated other comprehensive gain				
	Capital stock	Contributed surplus	Retained earnings	Foreign currency translation adjustment	Translation of long-term debts designated as net investment hedges	Unrealized gains (losses) on cash flow hedges	Total	Total shareholders' equity
	$	$	$	$	$	$	$	$
Balance – January 1, 2015	213,858	954	427,834	89,682	(40,607)	550	49,625	692,271
Comprehensive income (loss)								
Net income for the period	-	-	30,104	-	-	-	-	30,104
Other comprehensive income (loss)	-	-	(298)	75,564	(28,531)	(1,033)	46,000	45,702
Comprehensive income (loss) for the period	-	-	29,806	75,564	(28,531)	(1,033)	46,000	75,806
Dividends on common shares	-	-	(5,518)	-	-	-	-	(5,518)
Exercise of stock options	228	(67)	-	-	-	-	-	161
Employee share purchase plans	229	-	-	-	-	-	-	229
Stock-based compensation	-	30	-	-	-	-	-	30
	457	(37)	(5,518)	-	-	-	-	(5,098)
Balance – March 31, 2015	214,315	917	452,122	165,246	(69,138)	(483)	95,625	762,979

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

Stella-Jones Inc.

Interim Consolidated Statements of Change in Shareholders' Equity…*continued*
(Unaudited)
For the three-month periods ended March 31, 2015 and 2014

(expressed in thousands of Canadian dollars)

				Accumulated other comprehensive gain				
	Capital stock	**Contributed surplus**	**Retained earnings**	**Foreign currency translation adjustment**	**Translation of long-term debts designated as net investment hedges**	**Unrealized gains (losses) on cash flow hedges**	**Total**	**Total shareholders' equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance – January 1, 2014	211,162	1,353	345,532	29,214	(15,844)	766	14,136	572,183
Comprehensive income (loss)								
Net income for the period	-	-	22,518	-	-	-	-	22,518
Other comprehensive income (loss)	-	-	-	26,686	(12,616)	30	14,100	14,100
Comprehensive income (loss) for the period	-	-	22,518	26,686	(12,616)	30	14,100	36,618
Dividends on common shares	-	-	(4,813)	-	-	-	-	(4,813)
Exercise of stock options	401	(117)	-	-	-	-	-	284
Employee share purchase plans	201	-	-	-	-	-	-	201
Stock-based compensation	-	26	-	-	-	-	-	26
	602	(91)	(4,813)	-	-	-	-	(4,302)
Balance – March 31, 2014	211,764	1,262	363,237	55,900	(28,460)	796	28,236	604,499

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

Stella-Jones Inc.
Interim Consolidated Statements of Income
(Unaudited)
For the three-month periods ended March 31, 2015 and 2014

(expressed in thousands of Canadian dollars, except earnings per common share)

	Note	2015 $	2014 $
Sales		340,701	257,498
Expenses (income)			
Cost of sales		274,275	207,231
Selling and administrative		19,273	15,444
Other losses (gains), net		(496)	88
		293,052	222,763
Operating income		47,649	34,735
Financial expenses		4,045	2,569
Income before income taxes		43,604	32,166
Provision for income taxes			
Current		10,309	8,075
Deferred		3,191	1,573
		13,500	9,648
Net income for the period		30,104	22,518
Basic earnings per common share	4	0.44	0.33
Diluted earnings per common share	4	0.43	0.33

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

Stella-Jones Inc.
Interim Consolidated Statements of Comprehensive Income
(Unaudited)
For the three-month periods ended March 31, 2015 and 2014

(expressed in thousands of Canadian dollars)

	2015 $	2014 $
Net income for the period	30,104	22,518
Other comprehensive income (loss)		
Items that may subsequently be reclassified to net income		
Net change in gains (losses) on translation of financial statements of foreign operations	75,564	26,686
Change in gains (losses) on translation of long-term debt designated as hedges of net investment in foreign operations	(32,913)	(12,034)
Income taxes on change in gains (losses) on translation of long-term debt designated as hedges of net investment in foreign operations and translation of foreign operations	4,382	(582)
Change in gains (losses) on fair value of derivatives designated as cash flow hedges	(1,392)	57
Income taxes on change in gains (losses) on fair value of derivatives designated as cash flow hedges	359	(27)
Items that will not subsequently be reclassified to net income		
Change in actuarial losses on post-retirement benefit obligations	(474)	-
Income taxes on change in actuarial losses on post-retirement benefit obligations	176	-
	45,702	14,100
Comprehensive income	75,806	36,618

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

Stella-Jones Inc.

Interim Consolidated Statements of Cash Flows
(Unaudited)
For the three-month periods ended March 31, 2015 and 2014

(expressed in thousands of Canadian dollars)

	2015	2014
	$	$
Cash flows provided by (used in)		
Operating activities		
Net income for the period	30,104	22,518
Adjustments for		
Depreciation of property, plant and equipment	3,064	2,336
Amortization of intangible assets	2,642	1,991
Loss on disposal of assets	8	75
Employee future benefits	(46)	13
Stock-based compensation	30	26
Financial expenses	4,045	2,569
Current income taxes expense	10,309	8,075
Deferred income taxes	3,191	1,573
Restricted stock units expense	2,086	972
Other	186	185
	55,619	40,333
Changes in non-cash working capital components and others		
Accounts receivable	(37,471)	(25,325)
Inventories	(28,514)	(18,357)
Prepaid expenses	1,316	315
Income taxes receivable	46	4
Accounts payable and accrued liabilities	(600)	(4,356)
Asset retirement obligations	(272)	(64)
Provisions and other long-term liabilities	(3,656)	54
	(69,151)	(47,729)
Interest paid	(3,459)	(3,092)
Income taxes paid	(8,906)	(7,790)
	(25,897)	(18,278)
Financing activities		
Increase in deferred financing costs	(204)	-
Increase in long-term debt	33,751	21,360
Repayment of long-term debt	(713)	(637)
Non-competes payable	(136)	(493)
Proceeds from issuance of common shares	390	485
	33,088	20,715
Investing activities		
Business acquisition	-	(3,134)
Increase in intangible assets	(60)	(107)
Purchase of property, plant and equipment	(7,150)	(2,662)
Proceeds from disposal of assets	19	275
	(7,191)	(5,628)
Net change in cash and cash equivalents during the period	-	(3,191)
Cash and cash equivalents – Beginning of period	-	3,191
Cash and cash equivalents – End of period	-	-

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

(amounts expressed in thousands of Canadian dollars, except as otherwise indicated)

1 Description of the business

Stella-Jones Inc. (the "Company") is a leading producer and marketer of pressure treated wood products. The Company supplies North America's railroad operators with railway ties and timbers, and the continent's electrical utilities and telecommunication companies with utility poles. Stella-Jones Inc. also provides residential lumber and customized services to retailers and wholesalers for outdoor applications, as well as industrial products which include marine and foundation pilings, construction timbers, wood for bridges and coal tar based products. The Company has treating and pole peeling facilities across Canada and the United States and sells its products primarily in these two countries. The Company's headquarters are located at 3100 de la Côte-Vertu Blvd., in Saint-Laurent, Quebec, Canada. The Company is incorporated under the *Canada Business Corporations Act*, and its common shares are listed on the Toronto Stock Exchange ("TSX") under the stock symbol SJ.

2 Significant accounting policies

Basis of presentation

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Chartered Professional Accountants Canada Handbook Part I, applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements were approved by the Board of Directors on April 28, 2015.

The same accounting policies, methods of computation and presentation have been followed in the preparation of these condensed interim consolidated financial statements as were applied in the annual consolidated financial statements for the year ended December 31, 2014.

These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

(amounts expressed in thousands of Canadian dollars, except as otherwise indicated)

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company owns 100% of the equity interest of its subsidiaries.

The significant subsidiaries are as follows:

Subsidiary	Parent	Country of incorporation
Stella-Jones U.S. Holding Corporation	Stella-Jones Inc.	United States
Stella-Jones U.S. Finance Corporation	Stella-Jones U.S. Holding Corporation	United States
Stella-Jones Corporation	Stella-Jones U.S. Holding Corporation	United States
McFarland Cascade Holdings, Inc.	Stella-Jones Corporation	United States
Electric Mills Wood Preserving LLC	McFarland Cascade Holdings, Inc.	United States
Cascade Pole and Lumber Company	McFarland Cascade Holdings, Inc.	United States
McFarland Cascade Pole & Lumber Company	McFarland Cascade Holdings, Inc.	United States
Canadalux S.à.r.l.	Stella-Jones Inc.	Luxembourg
Stella-Jones CDN Financing Inc.	Stella-Jones Inc.	Canada
Stella-Jones U.S. Finance II Corporation	Stella-Jones U.S. Holding Corporation	United States
Stella-Jones U.S. LLC	Stella-Jones U.S. Holding Corporation	United States
Stella-Jones U.S. II LLC	Stella-Jones U.S. Holding Corporation	United States

As part of an internal reorganisation, 4552822 Canada Inc. and 4552831 Canada Inc. were liquidated during the quarter. Moreover, during the quarter, Stella-Jones CDN Financing Inc., Stella-Jones U.S. Finance II Corporation, Stella-Jones U.S. LLC and Stella-Jones U.S. II LLC were created.

3 Business acquisition

On May 22, 2014, the Company completed, through its wholly-owned U.S. subsidiaries, the acquisition of substantially all of the operating assets employed in the wood treating facilities of Boatright Railroad Products, Inc. ("Boatright") located in Montevallo and Clanton, Alabama. These facilities manufacture, sell and distribute creosote and borate-treated crossties as well as switch ties, tie plugs and bridge timbers to the railroad industry and was acquired for synergistic reasons.

Total cash outlay associated with the acquisition was approximately $58,830 (US$53,898), excluding acquisition costs of approximately $753 (US$690), recognized in 2014 in the interim consolidated statement of income under selling and administrative expenses.

The following fair value determination of the assets acquired and liabilities assumed is preliminary and is based on Management's best estimates and information known at the time of preparing these interim consolidated financial statements. This fair value determination is expected to be completed within 12 months of the

(amounts expressed in thousands of Canadian dollars, except as otherwise indicated)

acquisition date and consequently, changes could occur mainly with respect to intangible assets, goodwill and deferred income taxes.

The following is a summary of the assets acquired, the liabilities assumed and the consideration transferred at fair value as at the acquisition date. The original transaction was made in U.S. dollars and converted into Canadian dollars as at the acquisition date.

Assets acquired	**$**
Inventories	9,718
Property, plant and equipment	22,527
Customer relationships	17,486
Customer backlog	1,463
Goodwill	23,316
Deferred income tax assets	935
	75,445
Liabilities assumed	
Accounts payable and accrued liabilities	160
Site remediation provision	3,029
Total net assets acquired and liabilities assumed	72,256
Consideration transferred	
Cash	58,830
Unsecured promissory note	13,426
Consideration transferred	72,256

The Company's valuation of intangible assets has identified customer relationships and customer backlog. The assigned useful lives are 20 years for customer relationships and 6 months for customer backlog. Significant assumptions used in the determination of intangible assets, as defined by Management, include year-over-year sales growth, discount rate and operating income before depreciation and amortization margin. Goodwill is amortized and deductible for U.S. tax purposes, and represents the future economic value associated with the increased distribution network, acquired workforce and synergies with the Company's operations. For impairment test purposes, goodwill is allocated to cash generating units, which are defined as either plants specialized in the treatment of utility poles or plants specialized in the treatment of railway ties. In the case of the Boatright acquisition, goodwill is allocated to plants specialized in the treatment of railway ties.

The Company financed the acquisition through a combination of its existing committed revolving credit facility and an unsecured promissory note of $15,466 (US$14,169), bearing interest at 1.93% and repayable in 5 equal instalments over a 5-year period. The unsecured promissory note was fair-valued at $13,426 (US$12,301), using an interest rate of 7.0%.

(amounts expressed in thousands of Canadian dollars, except as otherwise indicated)

4 Capital stock

The following table provides the number of common shares outstanding for the periods ending March 31:

	2015	**2014**
Number of common shares outstanding – Beginning of period*	68,949	68,697
Stock option plan*	23	53
Employee share purchase plans*	6	8
Number of common shares outstanding – End of period*	68,978	68,758

* Number of common shares is presented in thousands.

a) Capital stock consists of the following:

Authorized
An unlimited number of preferred shares issuable in series
An unlimited number of common shares

b) Earnings per share

The following table provides the reconciliation, as at March 31, between basic earnings per common share and diluted earnings per common share:

	2015	**2014**
Net income applicable to common shares	$30,104	$22,518
Weighted average number of common shares outstanding*	68,953	68,737
Effect of dilutive stock options*	253	360
Weighted average number of diluted common shares outstanding*	69,206	69,097
Basic earnings per common share **	$0.44	$0.33
Diluted earnings per common share **	$0.43	$0.33

* Number of shares is presented in thousands.

** Basic and diluted earnings per common share are presented in dollars per share.

(amounts expressed in thousands of Canadian dollars, except as otherwise indicated)

5 Fair value measurement and financial instruments

The following table provides information about assets and liabilities measured at fair value in the statement of financial position and categorized by level according to the significance of the inputs used in making the measurements:

	As at March 31, 2015	As at December 31, 2014
	Significant other observable inputs (Level 2)	**Significant other observable inputs (Level 2)**
	$	**$**
Recurring fair value measurements		
Assets		
Derivatives - Interest rate swap	600	1,423
	600	1,423
Liabilities		
Derivatives - Interest rate swap	1,276	706
	1,276	706

The fair value of these financial instruments has been estimated using the discounted future cash flow method and has been classified as Level 2 in the fair value hierarchy as per IFRS 7, *Financial Instruments: Disclosures*, as it is based mainly on observable market data, namely government bond yields and interest rates. A description of each level of the hierarchy is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for these assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments that are not measured at fair value on the statement of financial position are represented by cash, restricted cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying values due to their short term nature. The long-term debt had a carrying value of $517,236 (December 31, 2014 – $444,557) and a fair value of $517,222 (December 31, 2014 – $444,575).

(amounts expressed in thousands of Canadian dollars, except as otherwise indicated)

6 Seasonality

The Company's operations follow a seasonal pattern, with utility pole, railway tie and industrial product shipments strongest in the second and third quarters to provide industrial end-users with product for their summer maintenance projects. Residential lumber sales follow the same seasonal pattern. Inventory levels of railway ties and utility poles are typically highest in the first quarter in advance of the summer shipping season. The first and fourth quarters usually generate similar sales.

7 Segment information

The Company operates within one business segment, which is the production and sale of pressure treated wood and related services.

8 Subsequent events

a) On April 7, 2015, the Company completed, through its wholly-owned U.S. subsidiary, the acquisition of certain assets of McCormick Piling and Lumber Co. ("McCormick"), a provider of untreated wood poles. McCormick operates a wood pole peeling yard located in Warren, Oregon. This acquisition will enhance the Company's wood procurement operations. The total consideration for this transaction was $6,538 (US$5,236), including working capital of $2,188 (US$1,752) and excluding estimated acquisition costs of $226. The Company financed the acquisition through a combination of its existing committed revolving credit facility and two unsecured promissory notes. The first unsecured promissory note of $1,429 (US$1,144) bears interest at 0.48%, is repayable in a single instalment on April 8, 2016 and was fair valued at $1,342, using an interest rate of 7.0%. The second unsecured promissory note of $928 (US$743) bears interest at 0.48%, is repayable in a single instalment on April 8, 2017 and was fair valued at $805, using an interest rate of 7.0%.

b) On April 28, 2015, the Board of Directors declared a quarterly dividend of $0.08 per common share payable on June 26, 2015 to shareholders of record at the close of business on June 2, 2015.