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News Release

Investors, analysts and other interested parties can access Acadian Timber Income Fund's 2008 Second Quarter Results conference call via webcast on Thursday, July 31, 2008 at 10:00 a.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 9:50 a.m. ET. The teleconference taped rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

ACADIAN TIMBER INCOME FUND REPORTS SECOND QUARTER RESULTS

All figures in Canadian dollars unless otherwise noted

Toronto, ONTARIO – July 30, 2008 – Acadian Timber Income Fund ("Acadian" or the "Fund") (TSX:ADN.UN) today reported financial and operating results[1] for the three months ended June 28, 2008 (the "second quarter").

For the second quarter of fiscal 2008, Acadian generated net sales of $8.3 million on consolidated log sales volumes of 212.9 thousand m^3 as compared with net sales of $13.3 million on consolidated log volumes of 267.6 thousand m^3 during the same period last year.

EBITDA for the second quarter was negative $1.0 million or negative 12% of sales as compared with $1.9 million or 14% of sales for the comparable period in 2007. Included in EBITDA this quarter is the impact of a reconciliation of volumes, royalties and overhead costs related to the management of the Crown licensed timberlands. Excluding this reconciliation, Acadian generated EBITDA of negative $0.6 million in the second quarter.

For the six months ended June 28, 2008, Acadian generated net sales of $31.0 million as compared with net sales of $40.2 million in the first half of 2007. EBITDA of $6.2 million for the first half of 2008 was $5.3 million lower than the $11.5 million of EBITDA generated in Acadian's very strong first half of 2007.

"While the second quarter is historically Acadian's weakest due to seasonality, this year's second quarter results were also impacted by a number of other factors," said Reid Carter, Chief Executive Officer of Acadian. "In addition to the ongoing challenges related to weak softwood sawlog demand and the strong Canadian dollar, heavy snowfall and rain in the region led to flooding and a very slow start to summer operations. Moreover, our financial results were negatively affected by a larger than expected reconciliation payment related to our management of Crown lands."

[1] This news release makes reference to earnings before interest, taxes, depletion, depreciation and amortization ("EBITDA") and distributable cash from operations. Management believes that EBITDA and distributable cash from operations are key performance measures in evaluating the Fund's operations and are important in enhancing investors' understanding of the Fund's operating performance. As EBITDA and distributable cash from operations do not have a standardized meaning prescribed by Canadian GAAP, they may not be comparable to similar measures presented by other companies. As a result, we have provided in this news release reconciliations of net income (loss) and cash flow from operations, as determined in accordance with Canadian GAAP, to EBITDA and distributable cash from operations.

Review of Operations

2008 Financial and Operating Highlights

($ millions except per unit information)	Three Months Ended June 28, 2008	Three Months Ended June 30, 2007	Six Months Ended June 28, 2008	Six Months Ended June 30, 2007
Net sales	**$ 8.3**	$ 13.3	**$ 31.0**	$ 40.2
EBITDA[1]	**(1.0)**	1.9	**6.2**	11.5
Distributable cash from operations	**(2.0)**	0.9	**4.3**	9.6
Distributions declared	**3.4**	3.4	**6.8**	6.8
Net income (loss)[1,2]	**(8.4)**	(17.1)	**(3.7)**	(19.6)
Per unit – fully diluted				
Net Income (loss)	**(0.70)**	(1.42)	**(0.31)**	(1.62)
Distributable cash from operations	**(0.12)**	0.05	**0.26**	0.58
Distributions declared – Class A unitholders	**0.21**	0.21	**0.41**	0.41
Sales volume (000s m^3)	**212.9**	267.6	**624.9**	750.2

[1] Included in EBITDA and Net Income for the three months ended June 28, 2008 is a negative $0.4 million (2007 - $0.5 million) adjustment related to the Crown reconciliation. Total Crown reconciliation adjustments for the six months ended June 28, 2008 were negative $1.0 million (2007 - $0.5 million).

[2] Net income (loss) includes the impact of the revaluation of the Class B Interest Liability of a subsidiary, the future income tax expense, and the depreciation and depletion expense, which are non-cash items recorded in each respective period.

Included in the net loss for the second quarter of 2008, is a non-cash loss related to the Class B Interest Liability of a subsidiary. The settlement obligation of this interest is based on the trading value of Acadian's units at the time of settlement, which requires the liability to be recorded at its fair value at each balance sheet date with the corresponding gain or loss included in the statement of operations. In addition, as this Canadian dollar liability has been issued by a self-sustaining U.S. dollar subsidiary of the Fund, the obligation is required to be converted to U.S. dollars at each reporting period, with the corresponding gain or loss included in the statement of operations. These items resulted in a $4.9 million loss for the second quarter (2007 - $6.4 million loss) and a $2.9 million loss for the six months ended June 28, 2008 (2007 - $13.4 million loss), comprising a $3.5 million mark-to-market loss (2007 - $8.8 million loss) partially offset by a $0.6 million foreign exchange gain (2007 - $4.6 million loss).

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	Three Months Ended June 28, 2008			*Three Months Ended June 30, 2007*		
	Harvest *(000s m^3)*	**Sales *(000s m^3)***	**Results *(millions)***	Harvest *(000s m^3)*	Sales *(000s m^3)*	Results *(millions)*
Softwood	**9.0**	**20.3**	**$ 1.2**	32.0	49.4	$ 3.0
Hardwood	**76.7**	**92.5**	**5.6**	63.7	96.4	5.5
Biomass	**61.9**	**61.9**	**0.9**	74.4	74.4	1.6
	147.6	**174.7**	**7.7**	170.1	220.2	10.1
Other sales			**(1.2)**			0.9
Net sales			**$ 6.5**			$ 11.0
EBITDA[1]			**$ (0.8)**			$ 2.0
EBITDA margin			**(12)%**			18%

	Six Months Ended June 28, 2008			*Six Months Ended June 30, 2007*		
	Harvest ***(000s m³)***	**Sales** ***(000s m³)***	**Results** ***(millions)***	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	**132.4**	**143.0**	**$ 8.8**	180.1	182.7	$ 11.5
Hardwood	**215.4**	**224.2**	**12.9**	225.9	249.7	13.6
Biomass	**116.4**	**116.4**	**1.9**	145.2	145.2	3.0
	464.2	**483.6**	**23.6**	551.2	577.6	28.1
Other sales			**0.1**			2.4
Net sales			**$ 23.7**			$ 30.5
EBITDA[1]			**$ 4.4**			$ 8.7
EBITDA margin			**19%**			29%

[1] Included in EBITDA for the three months ended June 28, 2008 is a negative $0.4 million (2007 - $0.5 million) adjustment related to the Crown reconciliation. Total Crown reconciliation adjustments for the six months ended June 28, 2008 were negative $1.0 million (2007 - $0.5 million).

Softwood, hardwood and biomass shipments were 20 thousand m^3, 93 thousand m^3 and 62 thousand m^3 for the second quarter, respectively. Approximately 17% of sales volumes were sold as sawlogs, 48% as pulpwood and 35% as biomass in the second quarter of 2008. This compares to 21% of sales volumes sold as sawlogs, 45% as pulpwood and 34% as biomass in the second quarter of 2007, demonstrating the operation's continued response to the weak spruce-fir sawlog market and increased demand for pulpwood.

Net sales for the second quarter of 2008 were $6.5 million with an average selling price across all products of $44.03 per m^3 as compared to net sales of $11.0 million and an average selling price of $45.98 per m^3 during the second quarter of 2007. Average selling price decreased 4% over this period as a result of the greater proportion of pulpwood and biomass in the sales mix, and a lower proportion of high value products such as "bird's eye" maple. Total sales volumes decreased 21%, while softwood sawlog volumes were 61% lower for the second quarter of 2008 compared to the second quarter of 2007 due to the weak demand for sawlogs from sawmills.

Another contributor to the decrease in net sales was the annual reconciliation of volumes, royalties and overhead costs related to the management of the Crown licensed timberlands that takes place in the second quarter of each year. This reconciliation resulted in NB Timberlands having to remit $0.4 million during the second quarter and $1.0 million year-to-date to sublicencees as less volume had been harvested by sublicencees than expected. In comparison, NB Timberlands received $0.5 million from sublicencees in the comparable period in 2007 as actual harvested volumes had exceeded expectations.

The reconciliation is based on a monthly invoicing schedule set between the New Brunswick Department of Natural Resources and Acadian, as licensee on behalf of Fraser Papers, and ultimately between Acadian and its sublicencees, at the beginning of each Crown operating season which runs from April 1 to March 31. At Crown operating season year end, Acadian reconciles the volumes harvested across all of its sublicences and Acadian Crown harvest to the monthly invoicing schedule. This reconciliation results in a payment from, or remittance to, the sublicencees if harvested volume exceeds, or falls short, as compared to the monthly schedule.

These factors contributed to the $6.8 million decrease in net sales and 16% lower sales volume for the six months ended June 28, 2008 as compared to the first half of 2007.

Costs for the second quarter, net of a gain from the sale of timberlands, were $7.3 million as compared to $9.0 million in the prior year. Total costs decreased as a result of the lower harvest volume, and variable costs per cubic meter were flat year-over-year even as fuel costs continued to increase dramatically in the second quarter. The flat year-over-year variable cost per cubic meter comparison reflects reduced hauling distances for pulpwood, representing 66% of total sales, in order to minimize fuel surcharge exposure compared to the second quarter of 2007.

EBITDA for the second quarter was negative $0.8 million, or negative $0.4 million excluding the Crown license related reconciliation, as compared to $2.0 million, or $1.5 million excluding the Crown reconciliation, during the second quarter of 2007. For the six months ended June 28, 2008, EBITDA was $4.4 million as compared to $8.7 million for the first half of 2007.

EBITDA margin of negative 12%, compared to 18% for the second quarter of 2007, reflects the impact of lower value sales mix, lower volumes, and the reconciliation adjustment.

NB Timberlands experienced one minor reportable incident among employees and no reportable incidents among contractors during the quarter.

Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	Three Months Ended June 28, 2008			Three Months Ended June 30, 2007		
	Harvest *(000s m³)*	**Sales *(000s m³)***	**Results *(millions)***	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	**23.1**	**23.0**	**$ 1.1**	28.6	28.5	$ 1.4
Hardwood	**10.0**	**11.6**	**0.5**	12.5	13.7	0.6
Biomass	**3.6**	**3.6**	**0.1**	5.2	5.2	0.2
	36.7	**38.2**	**1.7**	46.3	47.4	2.2
Other sales			**0.1**			0.1
Net sales			**$ 1.8**			$ 2.3
EBITDA			**$ —**			$ 0.3
EBITDA margin			**—%**			13%

	Six Months Ended June 28, 2008			Six Months Ended June 30, 2007		
	Harvest *(000s m³)*	**Sales *(000s m³)***	**Results *(millions)***	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	**109.7**	**109.6**	**$ 5.9**	129.6	129.3	$ 7.6
Hardwood	**24.4**	**24.4**	**1.1**	34.2	33.5	1.5
Biomass	**7.3**	**7.3**	**0.1**	9.8	9.8	0.4
	141.4	**141.3**	**7.1**	173.6	172.6	9.5
Other sales			**0.2**			0.2
Net sales			**$ 7.3**			$ 9.7
EBITDA			**$ 2.2**			$ 3.2
EBITDA margin			**30%**			33%

Softwood and hardwood shipments were 23 thousand m^3 and 12 thousand m^3 for the second quarter, respectively. Approximately 41% of shipment volume was sold as sawlogs, 50% as pulpwood and 9% as biomass in the second quarter of 2008. This compares to 42% of shipment volume sold as sawlogs, 47% as pulpwood and 11% as biomass in the comparable period of 2007.

Net sales for the second quarter were $1.8 million with an average selling price across all products of $45.94 per m^3 as compared to net sales of $2.3 million and an average selling price of $46.76 per m^3 during the second quarter of 2007. Prices held up well, however, lower sales volumes and the impact of the Canadian dollar translation caused net sales on a Canadian dollar basis to decrease 22% year-over-year. Net sales for the six months ended June 28, 2008 were $7.3 million, $2.4 million less than the first half of 2007.

Costs for the second quarter were $1.8 million as compared to $2.0 million during the second quarter in 2007 due to lower volumes. While fuel costs increased, variable costs per unit decreased 5% in Canadian dollar terms and 4% in U.S. dollar terms, compared to the second quarter of 2007. This decrease reflects changes in species mix, which was more heavily weighted towards hemlock, and increased sales to close proximity markets.

EBITDA for the second quarter was $nil as compared to $0.3 million in the comparable period of 2007. EBITDA margin of nil% for the second quarter of 2008, as compared to 13% for the second quarter of 2007, reflects limited operations in the second quarter. For the six months ended June 28, 2008, EBITDA was $2.2 million as compared to $3.2 million for the first half of 2007.

Maine Timberlands had no accidents among its employees or its contractors in the second quarter of 2008.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Income Fund's market outlook for fiscal 2008. Reference should be made to the "Forward-looking Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our management's discussion and analysis (MD&A) in our most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

The market for softwood sawlogs is expected to continue to experience weak demand and soft pricing through 2008 with U.S. housing starts now off 63% since their peak in February 2006, and the supply of new single-family homes at 10.9 months and existing single-family homes at 10.8 months. While we anticipate only limited further deterioration in pricing, we expect ongoing challenges in maintaining sales volumes while managing freight costs associated with accessing more distant customers and increasing fuel surcharges. Softwood sawlog pricing is expected to continue to be supported by further harvest reductions on Quebec and Ontario crown land and harvest reductions by private woodlot owners, who have exited the marketplace while waiting for higher prices. The current strong demand and pricing for pulp and paper products and low levels of sawmill production continue to result in significant regional chip shortages supporting strong prices for hardwood and softwood pulpwood and chip-n-saw logs. This is also causing integrated companies to run some portion of their sawmills at moderate levels in order to maintain chip supplies. Acadian's NB Timberlands continues to plan for a 25% reduction in its 2008 harvest of spruce-fir sawlogs relative to 2007 levels to ensure the Fund is well positioned to maximize cash flows when the softwood market recovers.

Markets for hardwood sawlogs and specialty products are expected to remain stable in 2008, while markets for softwood pulpwood and biomass are expected to experience continued strength reflecting strong demand, regional chip shortages and lower levels of regional harvest activity. Markets for hardwood pulp are expected to continue to remain very favourable throughout 2008 as regional pulp and paper mills press for increasing supplies.

Biomass demand and pricing is expected to continue to be very favourable in 2008 owing to reduced availability associated with lower levels of timber and sawmill production and strong demand associated with favourable prices for power.

Monthly Distribution

As previously announced, Acadian's Board of Trustees declared its monthly distribution of $0.06875 per unit, payable on August 15, 2008 to unitholders of record on July 31, 2008.

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Acadian Timber Income Fund *is a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. With a total of 2.4 million acres of land under management, Acadian is the second largest timberland operator in New Brunswick and Maine.*

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands. Acadian also owns and operates a forest nursery in Second Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to over 110 regional customers.

Acadian's units are listed for trading on the Toronto Stock Exchange under the symbol ADN.UN.

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For further information, please visit our website at **www.acadiantimber.com** or contact:
Zev Korman
Director, Investor Relations and Communications
Tel: 416-359-1955
Email: zkorman@acadiantimber.com

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Forward-Looking Statements

This News Release contains forward-looking information and other "forward-looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such statements use such words as "expect," "believe," "outlook," "remain," "anticipate," "continue," "plan," or the negative of these terms or other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this News Release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; and other risks and factors discussed under Risk Factors in Acadian's Final Prospectus and other filings with securities regulatory authorities. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this News Release, and should not be relied upon as representing the Fund's views as of any date subsequent to the date of this news release.

Acadian Timber Income Fund
Interim Consolidated Balance Sheet
(unaudited)

As at (CAD millions)	**June 28, 2008**	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 7.1**	$ 4.9
Accounts receivable and other assets	**5.2**	8.1
Inventory	**1.6**	2.0
	13.9	15.0
Intangible assets	**6.1**	6.1
Timberlands, logging roads and fixed assets	**196.7**	199.1
	$ 216.7	$ 220.2
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 7.3**	$ 6.0
Distributions payable to unitholders	**0.8**	0.8
Bank term credit facility	**42.0**	—
	50.1	6.8
Future income tax liability	**9.5**	9.4
Long-term debt	**32.2**	73.8
Class B Interest Liability of a subsidiary	**50.2**	46.6
Unitholders' equity	**74.7**	83.6
	$ 216.7	$ 220.2

Acadian Timber Income Fund
Interim Consolidated Statement of Comprehensive Income (Loss)
(unaudited)

	Three Months Ended		Six Months Ended	
CAD millions	**June 28, 2008**	June 30, 2007	**June 28, 2008**	June 30, 2007
Net income (loss)	**$ (8.4)**	$ (17.1)	**$ (3.7)**	$ (19.6)
Other comprehensive loss				
Unrealized foreign currency translation losses	**(0.1)**	—	**(0.2)**	(0.1)
Comprehensive income (loss)	**$ (8.5)**	$ (17.1)	**$ (3.9)**	$ (19.7)

Acadian Timber Income Fund
Interim Consolidated Statement of Operations and Deficit
(unaudited)

	Three Months Ended		Six Months Ended	
CAD millions	**June 28, 2008**	June 30, 2007	**June 28, 2008**	June 30, 2007
Net sales	**$ 8.3**	$ 13.3	**$ 31.0**	$ 40.2
Operating costs and expenses				
Cost of sales	**7.8**	9.8	**21.8**	25.4
Selling, administration and other	**1.6**	1.6	**3.1**	3.3
Depreciation and depletion	**0.8**	1.0	**3.5**	4.3
	10.2	12.4	**28.4**	33.0
Operating earnings (loss)	**(1.9)**	0.9	**2.6**	7.2
Gain on sale of timberlands	**(0.1)**	—	**(0.1)**	—
Loss on Class B Interest Liability of a subsidiary	**4.9**	6.4	**2.9**	13.4
Interest:				
Interest income	**(0.1)**	(0.1)	**(0.1)**	(0.2)
Interest expense on long-term debt	**0.8**	1.0	**1.7**	2.0
Class B Interest Liability of a subsidiary	**0.9**	0.9	**1.8**	1.8
Earnings (loss) before income taxes	**(8.3)**	(7.3)	**(3.6)**	(9.8)
Future income tax expense	**(0.1)**	(9.8)	**(0.1)**	(9.8)
Net income (loss) for the period	**(8.4)**	(17.1)	**(3.7)**	(19.6)
Deficit, beginning of period	**(25.5)**	(6.2)	**(27.7)**	(1.2)
Unitholders' distributions	**(2.5)**	(2.5)	**(5.0)**	(5.0)
Deficit, end of period	**$ (36.4)**	$ (25.8)	**$ (36.4)**	$ (25.8)
Net income (loss) per unit – basic	**$ (0.70)**	$ (1.42)	**$ (0.31)**	$ (1.62)
Net income (loss) per unit – diluted	**$ (0.70)**	$ (1.42)	**$ (0.31)**	$ (1.62)

Acadian Timber Income Fund
Interim Consolidated Statement of Cash Flows
(unaudited)

	Three Months Ended		Six Months Ended	
CAD millions	**June 28, 2008**	June 30, 2007	**June 28, 2008**	June 30, 2007
Cash provided by (used for):				
Operating activities				
Net income (loss)	**$ (8.4)**	$ (17.1)	**$ (3.7)**	$ (19.6)
Items not affecting cash:				
Future income tax expense	**0.1**	9.8	**0.1**	9.8
Depreciation and depletion	**0.8**	1.0	**3.5**	4.3
Gain on sale of timberlands	**(0.1)**	—	**(0.1)**	—
Loss on Class B Interest Liability of a subsidiary	**4.9**	6.4	**2.9**	13.4
	(2.7)	0.1	**2.7**	7.9
Net change in non-cash working capital balances and other	**1.7**	(4.3)	**4.7**	(4.0)
	(1.0)	(4.2)	**7.4**	3.9
Investing activities				
Sale of timberlands, logging road and fixed assets	**0.1**	—	**0.1**	—
Additions to timberlands, logging roads and fixed assets	**(0.2)**	—	**(0.2)**	—
Silviculture expenditures	**(0.1)**	(0.1)	**(0.1)**	(0.1)
	(0.2)	(0.1)	**(0.2)**	(0.1)
Financing activities				
Distributions paid to unitholders	**(2.5)**	(2.5)	**(5.0)**	(5.0)
	(2.5)	(2.5)	**(5.0)**	(5.0)
Increase (decrease) in cash and cash equivalents during the period	**(3.7)**	(6.8)	**2.2**	(1.2)
Cash and cash equivalents, beginning of period	**10.8**	13.3	**4.9**	7.7
Cash and cash equivalents, end of period	**$ 7.1**	$ 6.5	**$ 7.1**	$ 6.5

Reconciliation to EBITDA and Distributable Cash from Operations

CAD millions	Three Months Ended **June 28, 2008**	Three Months Ended June 30, 2007	Six Months Ended **June 28, 2008**	Six Months Ended June 30, 2007
Net income (loss)[1,2]	**$ (8.4)**	$ (17.1)	**$ (3.7)**	$ (19.6)
Add (deduct):				
Interest income	**(0.1)**	(0.1)	**(0.1)**	(0.2)
Interest expense on long-term debt	**0.8**	1.0	**1.7**	2.0
Distribution on Class B Interest Liability of a subsidiary	**0.9**	0.9	**1.8**	1.8
Future income tax expense	**0.1**	9.8	**0.1**	9.8
Depreciation and depletion	**0.8**	1.0	**3.5**	4.3
Non-cash loss on Class B Interest Liability of a subsidiary	**4.9**	6.4	**2.9**	13.4
EBITDA[2]	**(1.0)**	1.9	**6.2**	11.5
Add (deduct):				
Interest income	**0.1**	0.1	**0.1**	0.2
Interest expense on long-term debt	**(0.8)**	(1.0)	**(1.7)**	(2.0)
Silviculture and capital expenditures	**(0.3)**	(0.1)	**(0.3)**	(0.1)
Gain on sale of timberlands	**(0.1)**	—	**(0.1)**	—
Proceeds from sale of timberlands, logging roads and fixed assets	**0.1**	—	**0.1**	—
Distributable cash from operations	**$ (2.0)**	$ 0.9	**$ 4.3**	$ 9.6
Distributions declared	**$ 3.4**	$ 3.4	**$ 6.8**	$ 6.8

[1] Net income (loss) includes the impact of the revaluation of the Class B Interest Liability of a subsidiary, the future income tax expense, and the depreciation and depletion expense, which are non-cash items recorded in each respective period.

[2] Included in EBITDA and Net Income for the three months ended June 28, 2008 is a negative $0.4 million (2007 - $0.5 million) adjustment related to the Crown reconciliation. Total Crown reconciliation adjustments for the six months ended June 28, 2008 were negative $1.0 million (2007 - $0.5 million).

Reconciliation to Distributable Cash from Operations

CAD millions	Three Months Ended **June 28, 2008**	Three Months Ended June 30, 2007	Six Months Ended **June 28, 2008**	Six Months Ended June 30, 2007
Cash flow from (used for) operating activities	**$ (1.0)**	$ (4.2)	**$ 7.4**	$ 3.9
Add (deduct):				
Capital adjustments				
Proceeds from sale of timberlands, logging roads and fixed assets	**0.1**	—	**0.1**	—
Other adjustments				
Change in non-cash working capital balances and other	**(1.7)**	4.3	**(4.7)**	4.0
Distribution on Class B Interest liability of a subsidiary	**0.9**	0.9	**1.8**	1.8
Silviculture and capital expenditures	**(0.3)**	(0.1)	**(0.3)**	(0.1)
Distributable cash from operations	**$ (2.0)**	$ 0.9	**$ 4.3**	$ 9.6