



## News Release

Investors, analysts and other interested parties can access Acadian Timber Income Fund's 2009 Third Quarter Results conference call via webcast on Tuesday, November 10, 2009 at 10:00 a.m. ET at [www.acadiantimber.com](http://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 THIRD QUARTER RESULTS

Announces Refinancing and Change to Distributions

*All figures in Canadian dollars unless otherwise noted*

**Toronto, ONTARIO – November 9, 2009** – Acadian Timber Income Fund (“Acadian” or the “Fund”) (TSX:ADN.UN) today reported financial and operating results<sup>1</sup> for the three and nine months ended September 26, 2009 (the “third quarter”).

For the third quarter of 2009, Acadian generated net sales of \$14.4 million on sales volumes of 330.6 thousand m<sup>3</sup>, as compared to net sales of \$17.2 million on sales volumes of 319.5 thousand m<sup>3</sup> during the third quarter of 2008.

EBITDA of \$1.3 million for the third quarter of 2009 was \$3.0 million lower than Acadian's EBITDA in the third quarter of 2008. EBITDA margin fell from 25% to 9% on a year-over-year basis, primarily resulting from the weak demand and lower harvesting activity on the Crown licensed timberlands in the third quarter.

For the nine months ended September 26, 2009, Acadian generated net sales of \$46.7 million on sales volumes of 915.3 thousand m<sup>3</sup> as compared to net sales of \$48.2 million on sales volumes of 944.4 thousand m<sup>3</sup> in the comparable period of 2008. EBITDA of \$10.1 million during the nine months ended September 26, 2009 is \$0.4 million lower than the comparable period of 2008.

“Acadian experienced very challenging market conditions in the third quarter of 2009 with weak demand resulting in continued pressure on pricing across most products,” said Reid Carter, Chief Executive Officer of Acadian. “While Acadian has historically been quite successful in navigating these difficult market conditions, our view that markets will remain challenging well into 2010 has led to the decision to reduce Acadian's distributions. This strategy is supported by our decision to reduce near-term harvest levels of our high margin spruce-fir sawlogs allowing us to maximize opportunities when markets recover, thereby preserving the long term value of

<sup>1</sup> 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 (used for) operations, as determined in accordance with Canadian GAAP, to EBITDA and distributable cash from operations.

our timberlands. This is not an action we take lightly and we remain very confident in Acadian's long-term ability to return to its historic level of distributions. Acadian's lenders have also demonstrated their confidence in Acadian by agreeing to extend the maturity of Acadian's Canadian dollar bank term facility on favourable terms."

#### *Debt Facility Refinancing*

Following the end of the quarter, Acadian's lenders have approved the extension of the maturity of its Canadian dollar bank term and revolving credit facilities to February 27, 2011, pending the finalization and execution of the legal documentation – an achievement in the current credit environment and a reflection of the quality and long-term value of Acadian's assets. These facilities will continue to bear interest at floating rates based on the 30-day Banker Acceptances rate plus the applicable margin reflective of today's credit environment. As part of the terms of the extension, management was successful in increasing the available commitment under the revolving credit facility from \$5.0 million to \$10.0 million.

#### *Reduction of Acadian's Distribution*

Acadian has generated distributable cash from operation of \$6.8 million over the first three quarters of 2009 and distributed \$10.3 million, within the context of exceptionally challenging market conditions. In order to make these distributions, Acadian has had to rely on cash reserves.

While Acadian has historically targeted a policy of stable distributions, Management believes that the best strategy for maximizing total returns for unitholders is to temporarily reduce Acadian's harvest level for those products currently experiencing very weak markets, in turn preserving the long-term value of our timberlands. As a result, Acadian will reduce its distribution to \$0.20 per year (\$0.017 per month) starting with distributions to unitholders of record on November 30, 2009 and payable on December 15, 2009.

## Review of Operations

### 2009 Financial and Operating Highlights

(\$ millions except per unit and volume information)	Three Months Ended		Nine Months Ended	
	September 26, 2009	September 27, 2008	September 26, 2009	September 27, 2008
Net sales	\$ 14.4	\$ 17.2	\$ 46.7	\$ 48.2
EBITDA	1.3	4.3	10.1	10.5
Distributable cash from operations	(0.3)	3.3	6.8	7.6
Distributions declared	3.5	3.5	10.3	10.3
Net income (loss) <sup>1</sup>	(0.2)	6.8	9.3	3.1
Per unit – fully diluted				
Net Income (loss) <sup>1</sup>	(0.01)	0.11	0.30	0.17
Distributable cash from operations	(0.02)	0.20	0.41	0.46
Distributions declared – Class A unitholders	0.21	0.21	0.62	0.62
Sales volume (000s m <sup>3</sup> )	330.6	319.5	915.3	944.4

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

Included in the net loss for the three months ended, and net income for the nine months ended, September 26, 2009 is a non-cash future income tax recovery of \$0.5 million and \$2.7 million, respectively (2008 - nil expense and \$0.1 million expense, respectively). The future income tax liability of the Fund is based on differences between the financial reporting and tax bases of assets and liabilities of its subsidiaries, which have been measured using the substantially enacted tax rates and laws that are expected to be in effect at the time the differences are anticipated to reverse. The reduction in the future income tax liability, and related recovery, recorded during the nine months ended September 26, 2009 are largely a result of a decline in the substantially enacted tax rate expected to be in effect.

Included in net income for the nine months ended September 26, 2009 is a non-cash gain related to the Class B Interest Liability of a subsidiary. The settlement obligation of this interest was based on the trading value of Acadian's units at the time of settlement, which required recording the liability at its fair value at each balance sheet date with the corresponding gain arising from a decrease in Acadian's unit price or loss arising from an increase in Acadian's unit price included in the statement of operations. In addition, as this Canadian dollar liability was issued by a self-sustaining U.S. dollar subsidiary of the Fund, the obligation was 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 \$4.7 million gain for the nine months ended September 26, 2009 (2008 – \$3.1 million loss) comprised of a \$4.1 million mark-to-market gain (2008 – \$1.6 million gain) and a \$0.6 million foreign exchange gain (2008 – \$1.5 million gain).

On February 3, 2009, an affiliate of Brookfield Asset Management Inc. ("Brookfield") converted all units representing the Class B Liability of a subsidiary into Class A Units of the Fund on a one-for-one basis. Accordingly, the Class B Liability of a subsidiary was not outstanding during the third quarter and was not revalued at the end of the period.

## New Brunswick Timberlands

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

	<i>Three Months Ended September 26, 2009</i>			<i>Three Months Ended September 27, 2008</i>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>
Softwood	68.6	67.8	\$ 3.5	68.9	64.6	\$ 3.8
Hardwood	137.5	125.5	6.4	92.5	111.1	6.3
Biomass	80.2	80.2	1.4	67.8	67.8	1.4
	<b>286.3</b>	<b>273.5</b>	<b>11.3</b>	<b>229.2</b>	<b>243.5</b>	<b>11.5</b>
Other sales			<b>0.3</b>			<b>1.5</b>
Net sales			\$ <b>11.6</b>			\$ <b>13.0</b>
EBITDA			\$ <b>1.3</b>			\$ <b>2.6</b>
EBITDA margin			<b>11%</b>			<b>20%</b>

	<i>Nine Months Ended September 26, 2009</i>			<i>Nine Months Ended September 27, 2008</i>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>
Softwood	279.1	260.9	\$ 15.1	201.3	207.6	\$ 12.6
Hardwood	295.3	288.8	14.5	307.9	335.3	19.2
Biomass	176.6	176.6	3.4	184.2	184.2	3.3
	<b>751.0</b>	<b>726.3</b>	<b>33.0</b>	<b>693.4</b>	<b>727.1</b>	<b>35.1</b>
Other sales			<b>2.5</b>			<b>1.6</b>
Net sales			\$ <b>35.5</b>			\$ <b>36.7</b>
EBITDA			\$ <b>8.3</b>			\$ <b>7.0</b>
EBITDA margin			<b>23%</b>			<b>19%</b>

Softwood, hardwood and biomass shipments in the third quarter totaled 68 thousand m<sup>3</sup>, 126 thousand m<sup>3</sup> and 80 thousand m<sup>3</sup>, respectively. Approximately 29% of sales volume was comprised of sawlogs, 42% pulpwood and 29% biomass. This compares to sales volume in the third quarter of 2008 of 28% sawlogs, 44% pulpwood and 28% biomass.

Net sales for the third quarter of 2009 totaled \$11.6 million with an average selling price across all products of \$41.46 per m<sup>3</sup> which compares to net sales of \$13.0 million and an average selling price of \$47.13 per m<sup>3</sup> during the third quarter of 2008. The year-over-year decrease in the average selling price resulted from a lower quality product mix and continued pricing pressure on all products. The overall decrease in net sales was primarily a result of lower sales prices and a \$1.2 million decrease in other sales resulting from lower harvesting activity on the Crown licensed timberlands in the third quarter. Net sales for the first nine months ended September 26, 2009 were \$35.5 million, as compared to \$36.7 million in the comparable period of 2008.

Costs for the third quarter were \$10.3 million, compared to \$10.4 million during the same period in 2008. Variable costs per cubic meter were 7% lower than the third quarter of 2008 as a result of an increased proportion of sales made to customers taking delivery in the yard which resulted in lower transportation costs relative to the third quarter of 2008.

EBITDA for the third quarter was \$1.3 million, a decrease of \$1.3 million from the third quarter of 2008. The EBITDA margin decreased to 11%, compared to 20% for the third quarter of 2008, primarily reflecting the impact of the lower contribution from the management of the Crown licensed timberlands.

During the third quarter of 2009, New Brunswick Timberlands experienced one minor recordable safety incident among employees and two minor recordable safety incidents among contractors from which all have fully recovered.

### Maine Timberlands

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

	<b>Three Months Ended September 26, 2009</b>			<b>Three Months Ended September 27, 2008</b>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>
Softwood	38.5	40.9	\$ 2.1	52.3	52.2	\$ 3.0
Hardwood	12.4	12.1	0.5	19.6	19.4	1.1
Biomass	4.1	4.1	0.1	4.4	4.4	—
	<b>55.0</b>	<b>57.1</b>	<b>2.7</b>	<b>76.3</b>	<b>76.0</b>	<b>4.1</b>
Other sales			0.1			0.1
Net sales			\$ 2.8			\$ 4.2
EBITDA			\$ 0.8			\$ 1.8
EBITDA margin			29%			43%

	<b>Nine Months Ended September 26, 2009</b>			<b>Nine Months Ended September 27, 2008</b>		
	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>	<b>Harvest (000s m<sup>3</sup>)</b>	<b>Sales (000s m<sup>3</sup>)</b>	<b>Results (millions)</b>
Softwood	152.3	152.0	\$ 9.6	162.0	161.8	\$ 8.9
Hardwood	24.1	23.4	1.1	44.0	43.8	2.2
Biomass	13.6	13.6	0.2	11.7	11.7	0.1
	<b>190.0</b>	<b>189.0</b>	<b>10.9</b>	<b>217.7</b>	<b>217.3</b>	<b>11.2</b>
Other sales			0.3			0.3
Net sales			\$ 11.2			\$ 11.5
EBITDA			\$ 3.5			\$ 4.0
EBITDA margin			31%			35%

Softwood, hardwood and biomass shipments in the third quarter totaled 41 thousand m<sup>3</sup>, 12 thousand m<sup>3</sup> and 4 thousand m<sup>3</sup>, respectively. The sales volume during the quarter was comprised of approximately 49% sawlogs, 44% pulpwood and 7% biomass, in line with the sales volume in the same period in 2008 of 48% sawlogs, 46% pulpwood and 6% biomass.

Net sales for the third quarter were \$2.8 million with the average selling price across all products of \$46.33 per m<sup>3</sup>. This compares to net sales of \$4.2 million and an average selling price of \$53.84 per m<sup>3</sup> during the third quarter of 2008. This variance in average selling price is primarily the result of continued pricing weakness across all products. However, this was partially mitigated by favorable foreign exchange translation. Net sales for the first nine months ended September 26, 2009 were \$11.2 million, a decrease of \$0.3 million over the comparable period in 2008.

Costs for the third quarter, excluding a one-time gain related to the successful completion of a land sale, were \$2.6 million. This compares to costs in the same period in 2008, excluding a gain related to a land sale, of \$3.0 million. Variable costs per unit increased 1% in Canadian dollar terms and decreased 3% in U.S. dollar terms. This decrease reflects renegotiated contractor contracts at stable or lower levels due to lower diesel prices.

EBITDA for the third quarter was \$0.8 million, versus \$1.8 in the comparable period of 2008. For the nine months ended September 26, 2009, EBITDA was \$3.5 million, a decrease of \$0.5 million, compared to the third quarter of 2008. The EBITDA margin decreased to 29% in the

third quarter of 2009 from 43% in the third quarter of 2008, reflecting lower selling prices and harvest levels.

Maine Timberlands experienced no recordable safety incidents among employees or contractors during the third quarter of 2009.

### **Market Outlook**

The market for softwood sawlogs is expected to continue to experience weak demand and soft pricing into 2010 as U.S. housing starts remain less than half of long-run averages. While smaller, non-industrial timberland owners continue to withhold timber from the market, an ample supply of Crown and private timber continues to place pressure on timber prices. Fraser Papers Inc., a key Acadian softwood sawlog customer has not operated its sawmills since the first quarter of 2009, but is expected to begin limited operation during the fourth quarter which should provide modest support for pricing. This weak softwood sawlog market and relatively large inventories of softwood pulpwood and chips is also impacting activity on the Crown licensed timberlands, which are managed by Acadian, reducing the contribution of Acadian's Crown Services Agreement to Acadian's net income. Despite these difficult softwood sawlog markets, Acadian continues to find markets for its key products while preserving value for those products that don't offer adequate market opportunities.

Markets for hardwood sawlogs and specialty products remain relatively robust, particularly for aspen. These markets are expected to remain stable into 2010. Markets for hardwood have improved since the first half of the year and Acadian's major hardwood pulpwood customers continue to operate and take deliveries with prices improving modestly from the second quarter and early in third quarter. Acadian has been able to sell all of its biomass, although this market has also been under pressure due to low demand for electric power as well as reduced gas and oil prices. The integrated biomass plants have seen greatly reduced supplies from mill residuals, but increased supply of whole tree chips because other options for selling wood are limited.

### **Looking Forward**

Commented Reid Carter, "The decision to reduce distributions was made reluctantly, but based on a firm belief in the thesis underlying the positive benefits of timberlands investments: that is, that timber grows independently of capital market and macroeconomic factors and that over the long term, timberlands investments offer the opportunity to maximize total returns by targeting high levels of cash returns during strong markets and capital appreciation during weaker market periods. During this current period of exceptional market weakness for our high margin spruce-fir sawlogs we have decided that the best strategy for maximizing total returns over the longer-term is to reduce spruce-fir harvest levels and target capital appreciation versus cash yield, thereby preserving the long term value of our timberlands". Acadian will continue to evaluate the appropriate level of cash distributions as business conditions improve, with the objective to provide the market with a high level of certainty around the level of distributions to be paid in any one year.

"Within the current challenging economic environment, Acadian remains very focused on cost containment and production levels and product mix that will build long term sustainability and value for our unitholders", concluded Reid Carter.

## Monthly Distribution

As previously announced, Acadian's Board of Trustees declared its monthly distribution of \$0.06875 per unit, payable on October 15, 2009 to unitholders of record on September 30, 2009.

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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](http://www.acadiantimber.com) or contact:

Robert Lee  
Investor Relations and Communications  
Tel: 604-661-9607  
Email: rlee@acadiantimber.com

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## Forward-Looking Statements

*This News Release contains forward-looking information and other forward-looking statements within the meaning of applicable Canadian securities laws 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 may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements regarding intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, liquidity and trading volumes, dividends, distributions, taxes, capital expenditures, and projected costs. These statements reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, 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; changes in Canadian income tax law; economic situation of key customers; and other risks and factors discussed under the heading "Risk Factors" in Acadian's Annual Information Form and other filings with securities regulatory authorities available on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking information is based on various material factors or assumptions, which are based on information currently available to the Fund. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: market conditions for timber and wood products, and economic situation of key customers. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, the Fund cannot assure readers 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. The Fund assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as required by applicable law.*

**Acadian Timber Income Fund**  
**Interim Consolidated Balance Sheet**  
**(unaudited)**

<i>As at</i> <i>CAD millions</i>	<b>September 26, 2009</b>	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2.3	\$ 9.0
Accounts receivable and other assets	7.0	4.7
Inventory	1.9	1.4
	<b>11.2</b>	<b>15.1</b>
Intangible assets	6.1	6.1
Timberlands, logging roads and fixed assets	194.3	207.8
	<b>\$ 211.6</b>	<b>\$ 229.0</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5.5	\$ 6.2
Distributions payable to unitholders	1.1	0.8
Bank term credit facility	42.0	—
	<b>48.6</b>	<b>7.0</b>
Future income tax liability	14.3	17.7
Long-term debt	34.8	80.8
Class B Interest Liability of a subsidiary	—	31.6
Unitholders' equity	113.9	91.9
	<b>\$ 211.6</b>	<b>\$ 229.0</b>

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

<i>CAD millions</i>	Three Months Ended		Nine Months Ended	
	<b>Sept 26, 2009</b>	Sept 27, 2008	<b>Sept 26, 2009</b>	Sept 27, 2008
Net sales	<b>\$ 14.4</b>	\$ 17.2	<b>\$ 46.7</b>	\$ 48.2
Operating costs and expenses				
Cost of sales	<b>11.4</b>	11.9	<b>31.2</b>	33.7
Selling, administration and other	<b>2.3</b>	1.6	<b>6.0</b>	4.7
Depreciation and depletion	<b>1.2</b>	1.7	<b>5.5</b>	5.2
	<b>14.9</b>	15.2	<b>42.7</b>	43.6
Operating earnings (loss)	<b>(0.5)</b>	2.0	<b>4.0</b>	4.6
Gain on sale of timberlands	<b>(0.6)</b>	(0.6)	<b>(0.6)</b>	(0.7)
Gain on Class B Interest Liability of a subsidiary	—	(6.0)	<b>(4.7)</b>	(3.1)
Interest:				
Interest income	—	(0.1)	—	(0.2)
Interest expense on long-term debt	<b>0.8</b>	0.9	<b>2.4</b>	2.6
Class B Interest Liability of a subsidiary	—	1.0	<b>0.3</b>	2.8
Earnings (loss) before income taxes	<b>(0.7)</b>	6.8	<b>6.6</b>	3.2
Income tax recovery (expense)				
Current	—	—	—	—
Future	<b>0.5</b>	—	<b>2.7</b>	(0.1)
<b>Net income (loss) for the period</b>	<b>(0.2)</b>	6.8	<b>9.3</b>	3.1
Deficit, beginning of period	<b>(17.9)</b>	(38.5)	<b>(20.9)</b>	(29.8)
Unitholders' distributions	<b>(3.5)</b>	(2.5)	<b>(10.0)</b>	(7.5)
<b>Deficit, end of period</b>	<b>\$ (21.6)</b>	\$ (34.2)	<b>\$ (21.6)</b>	\$ (34.2)
<b>Net income (loss) per unit – basic</b>	<b>\$ (0.01)</b>	\$ 0.56	<b>\$ 0.58</b>	\$ 0.26
<b>Net income (loss) per unit – diluted</b>	<b>\$ (0.01)</b>	\$ 0.11	<b>\$ 0.30</b>	\$ 0.17

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

	Three Months Ended		Nine Months Ended	
	Sept 26, 2009	Sept 27, 2008	Sept 26, 2009	Sept 27, 2008
<i>CAD millions</i>				
Net income (loss)	\$ (0.2)	\$ 6.8	\$ 9.3	\$ 3.1
<b>Other comprehensive loss</b>				
Unrealized foreign currency translation loss	(2.0)	—	(4.8)	(0.2)
Comprehensive income (loss)	\$ (2.2)	\$ 6.8	\$ 4.5	\$ 2.9

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

	Three Months Ended		Nine Months Ended	
	Sept 26, 2009	Sept 27, 2008	Sept 26, 2009	Sept 27, 2008
<i>CAD millions</i>				
Cash provided by (used for):				
<b>Operating activities</b>				
Net income (loss)	\$ (0.2)	\$ 6.8	\$ 9.3	\$ 3.1
Items not affecting cash:				
Future income tax expense (recovery)	(0.5)	—	(2.7)	0.1
Depreciation and depletion	1.2	1.7	5.5	5.2
Gain on sale of timberlands	(0.6)	(0.6)	(0.6)	(0.7)
Gain on Class B Interest Liability of a subsidiary	—	(6.0)	(4.7)	(3.1)
	(0.1)	1.9	6.8	4.6
Net change in non-cash working capital balances and other	(0.4)	(1.8)	(3.2)	2.9
	(0.5)	0.1	3.6	7.5
<b>Investing activities</b>				
Sale of timberlands, logging road and fixed assets	0.6	0.7	0.6	0.8
Additions to timberlands, logging roads and fixed assets	(0.7)	(0.1)	(0.8)	(0.3)
Silviculture expenditures	(0.1)	(0.2)	(0.1)	(0.3)
	(0.2)	0.4	(0.3)	0.2
<b>Financing activities</b>				
Distributions paid to unitholders	(3.5)	(2.5)	(10.0)	(7.5)
	(3.5)	(2.5)	(10.0)	(7.5)
Increase (decrease) in cash and cash equivalents during the period	(4.2)	(2.0)	(6.7)	0.2
Cash and cash equivalents, beginning of period	6.5	7.1	9.0	4.9
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2.3</b>	<b>\$ 5.1</b>	<b>\$ 2.3</b>	<b>\$ 5.1</b>

## Reconciliation to EBITDA and Distributable Cash from Operations

<i>CAD millions</i>	Three Months Ended		Nine Months Ended	
	Sept 26, 2009	Sept 27, 2008	Sept 26, 2009	Sept 27, 2008
Net income (loss) <sup>1</sup>	\$ (0.2)	\$ 6.8	\$ 9.3	\$ 3.1
Add (deduct):				
Interest income	—	(0.1)	—	(0.2)
Interest expense on long-term debt	0.8	0.9	2.4	2.6
Distribution on Class B Interest Liability of a subsidiary	—	1.0	0.3	2.8
Income tax expense (recovery)	(0.5)	—	(2.7)	0.1
Depreciation and depletion	1.2	1.7	5.5	5.2
Non-cash gain on Class B Interest Liability of a subsidiary	—	(6.0)	(4.7)	(3.1)
<b>EBITDA</b>	<b>1.3</b>	<b>4.3</b>	<b>10.1</b>	<b>10.5</b>
Add (deduct):				
Interest income	—	0.1	—	0.2
Interest expense on long-term debt	(0.8)	(0.9)	(2.4)	(2.6)
Silviculture and capital expenditures	(0.4)	(0.3)	(0.5)	(0.6)
Non-cash gain on sale of timberlands	(0.6)	(0.6)	(0.6)	(0.7)
Proceeds from sale of timberlands, logging roads and fixed assets	0.6	0.7	0.6	0.8
Acquisition of timberlands	(0.4)	—	(0.4)	—
<b>Distributable cash from operations</b>	<b>\$ (0.3)</b>	<b>\$ 3.3</b>	<b>\$ 6.8</b>	<b>\$ 7.6</b>
Distributions declared	\$ 3.5	\$ 3.5	\$ 10.3	\$ 10.3

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

## Reconciliation to Distributable Cash from Operations

	Three Months Ended		Nine Months Ended	
	Sept 26, 2009	Sept 27, 2008	Sept 26, 2009	Sept 27, 2008
<i>CAD millions</i>				
Cash flow from (used for) operating activities	\$ (0.5)	\$ 0.1	\$ 3.6	\$ 7.5
Add (deduct):				
Capital adjustments				
Proceeds from sale of timberlands, logging roads and fixed assets	0.6	0.7	0.6	0.8
Acquisition of timberlands	(0.4)	—	(0.4)	—
Other adjustments				
Net change in non-cash working capital balances and other	0.4	1.8	3.2	(2.9)
Distribution on Class B Interest liability of a subsidiary	—	1.0	0.3	2.8
Silviculture and capital expenditures	(0.4)	(0.3)	(0.5)	(0.6)
Distributable cash from operations	\$ (0.3)	\$ 3.3	\$ 6.8	\$ 7.6
Distributions declared	\$ 3.5	\$ 3.5	\$ 10.3	\$ 10.3