



## News Release

Investors, analysts and other interested parties can access Acadian Timber Income Fund's 2009 Fourth Quarter and Year-end Results conference call via webcast on Wednesday, February 10, 2010 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 recorded rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

### **ACADIAN TIMBER CORP. REPORTS FOURTH QUARTER AND YEAR-END RESULTS AND APPOINTMENT OF NEW CHIEF FINANCIAL OFFICER**

*All figures in Canadian dollars unless otherwise noted*

**Vancouver, BRITISH COLUMBIA – February 9, 2010** – Acadian Timber Corp. (the “Corporation”) (TSX:ADN), formerly Acadian Timber Income Fund (“Acadian” or the “Fund”), today reported financial and operating results<sup>1</sup> for the three and twelve month periods ended December 31, 2009.

For the three months ended December 31, 2009 (the “fourth quarter”), Acadian generated net sales of \$16.7 million on consolidated volumes of 343 thousand m<sup>3</sup>, compared with net sales of \$19.7 million on consolidated volumes of 307 thousand m<sup>3</sup> during the same period last year.

EBITDA for the fourth quarter was \$2.0 million or 12% of sales as compared to EBITDA of \$6.9 million or 35% of sales during the comparable period in 2008. Results in the quarter reflect a lower contribution from the management of the Crown licensed timberlands by New Brunswick Timberlands and soft pricing at Maine Timberlands. As a result of these market conditions, Acadian has continued to reduce near-term harvest levels of our high margin spruce-fir sawlogs allowing us to maximize opportunities when markets recover, thus preserving the long-term value of Acadian's resource. Additionally, the Fund incurred \$0.9 million of non-recurring costs associated with the previously announced conversion to a corporation.

For the year ended December 31, 2009, Acadian generated net sales of \$63.4 million as compared to net sales of \$67.9 million in 2008. EBITDA was \$12.1 million or 19% of sales as compared to EBITDA of \$17.4 million or 26% of sales in the prior year.

“While 2009 was another very challenging year, we are pleased with what we have achieved this year at both corporate and operating levels. These accomplishments include successfully completing the conversion to a corporation and extending the maturity of our bank term credit facility,” commented Reid Carter, Chief Executive Officer of Acadian. “While 2010 is expected to be another difficult year, we will focus on identifying and accessing market opportunities while keeping costs low,” added Mr. Carter.

<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 Acadian's operations and are important in enhancing investors' understanding of Acadian'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 and cash flow from operations, as determined in accordance with Canadian GAAP, to EBITDA and distributable cash from operations.

## *New Chief Financial Officer Appointed*

Brookfield Timberlands Management LP, as Manager of Acadian, announced that, after almost three years as Acadian's Chief Financial Officer, Mr. Joseph Cornacchia will be leaving Acadian to take on new responsibilities within Brookfield Asset Management. "The entire management team would like to thank Mr. Cornacchia for his hard work, dedication and very significant contributions to Acadian and wish him the best in his new endeavours" commented Mr. Carter. Effective February 10, 2010, Mr. Brian Banfill will replace Mr. Cornacchia as Acadian's Senior Vice-President and Chief Financial Officer. Mr. Banfill has been intimately involved with Acadian since its inception and is a Certified General Accountant with over 25 years of experience in the forest industry.

## **Review of Operations**

### *2009 Financial and Operating Highlights*

<i>(\$millions except per unit information)</i>	<i>Three Months Ended December 31</i>		<i>Year Ended December 31</i>	
	<b>2009</b>	2008	<b>2009</b>	2008
Net sales	<b>\$ 16.7</b>	\$ 19.7	<b>\$ 63.4</b>	\$ 67.9
EBITDA	<b>2.0</b>	6.9	<b>12.1</b>	17.4
Distributable cash from operations	<b>1.3</b>	5.7	<b>8.1</b>	13.3
Distributions declared	<b>1.4</b>	3.4	<b>11.7</b>	13.7
Net income <sup>1</sup>	<b>—</b>	15.8	<b>9.3</b>	18.9
Per unit – fully diluted				
Net Income (loss) <sup>1</sup>	<b>—</b>	(0.14)	<b>0.30</b>	0.02
Distributable cash from operations	<b>0.08</b>	0.34	<b>0.49</b>	0.80
Distributions declared – Class A unitholders	<b>0.08</b>	0.21	<b>0.70</b>	0.83
Sales volume (000s m <sup>3</sup> )	<b>343.0</b>	306.6	<b>1,258.3</b>	1,251.0

<sup>1</sup> Net income 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 income for the three and twelve month periods ended December 31, 2009 is a non-cash future income tax recovery of \$0.3 million and \$3.0 million, respectively (2008 – \$6.1 million expense and \$6.2 million expense, respectively). The future income tax liability of the Fund is based on differences between the financial reporting and tax basis 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 year is largely a result of a decline in the substantially enacted tax rate expected to be in effect.

Also, included in net income for the year ended December 31, 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 year ended December 31, 2009 (2008 – \$22.2 million gain) comprised of a \$4.1 million mark-to-market gain (2008 – \$15.0 million gain) and a \$0.6 million foreign exchange gain (2008 – \$7.2 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 fourth 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.

	<b>Three Months Ended December 31, 2009</b>			<b>Three Months Ended December 31, 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	57.4	68.0	\$ 3.8	72.5	73.2	\$ 4.4
Hardwood	148.7	143.9	7.6	81.7	78.2	4.6
Biomass	58.8	58.8	1.1	57.4	57.4	1.1
	<b>264.9</b>	<b>270.7</b>	<b>12.5</b>	211.6	208.8	10.1
Other sales			<b>0.8</b>			3.2
Net sales			<b>\$ 13.3</b>			\$ 13.3
EBITDA			<b>\$ 2.5</b>			\$ 4.5
EBITDA margin			<b>19%</b>			34%

	<b>Year Ended December 31, 2009</b>			<b>Year Ended December 31, 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	336.5	328.9	\$ 18.9	273.8	280.8	\$ 17.0
Hardwood	444.0	432.7	22.1	389.6	413.5	23.8
Biomass	235.4	235.4	4.5	241.6	241.6	4.4
	<b>1,015.9</b>	<b>997.0</b>	<b>45.5</b>	905.0	935.9	45.2
Other sales			<b>3.3</b>			4.8
Net sales			<b>\$ 48.8</b>			\$ 50.0
EBITDA			<b>\$ 10.8</b>			\$ 11.5
EBITDA margin			<b>22%</b>			23%

Softwood, hardwood and biomass shipments were 68 thousand m<sup>3</sup>, 144 thousand m<sup>3</sup> and 59 thousand m<sup>3</sup>, respectively, during the fourth quarter, representing a 30% increase in sales volumes as compared to same period in 2008. This increase reflects improved demand for hardwood pulpwood as compared to the fourth quarter of 2008. Approximately 30% of sales volumes were sold as sawlogs, 48% as pulpwood and 22% as biomass in the fourth quarter. This compares to 34% of sales volumes sold as sawlogs, 39% as pulpwood and 27% as biomass in the fourth quarter of 2008.

Net sales for the fourth quarter totaled \$13.3 million, consistent with the same period in 2008. The increase in sales volumes was offset by a lower value species mix and a \$2.4 million decrease in other sales. The decrease in other sales was primarily attributed to a reduced contribution from our management of Crown licensed timberlands as a result of lower harvesting activity. The weighted average selling price was \$46.05 in the fourth quarter of 2009, compared to \$48.79 in the same period of 2008.

Costs for the fourth quarter were \$10.8 million, representing an increase of 23% compared to the same period of 2008. This was primarily a result of increased harvest volumes, longer hauling distances and cable logging.

EBITDA for the fourth quarter was \$2.5 million, compared to \$4.5 million in the same period in 2008, while EBITDA margin decreased from 34% to 19%.

NB Timberlands experienced no incidents among employees and three minor reportable incidents among contractors during the fourth quarter, from which the individuals have since fully recovered. We are pleased to report that there were no reportable environmental incidents during the fourth quarter.

#### *Maine Timberlands*

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

	<i>Three Months Ended December 31, 2009</i>			<i>Three Months Ended December 31, 2008</i>		
	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>
Softwood	43.7	43.6	\$ 2.1	72.4	72.4	\$ 4.8
Hardwood	21.2	21.2	1.1	18.1	18.7	1.4
Biomass	7.5	7.5	0.1	6.7	6.7	0.1
	<b>72.4</b>	<b>72.3</b>	<b>3.3</b>	<b>97.2</b>	<b>97.8</b>	<b>6.3</b>
Other sales			0.1			0.1
Net sales			\$ 3.4			\$ 6.4
EBITDA			\$ 0.7			\$ 2.5
EBITDA margin			21%			39%

	<i>Year Ended December 31, 2009</i>			<i>Year Ended December 31, 2008</i>		
	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>
Softwood	196.0	195.6	\$ 11.7	234.4	234.2	\$ 13.7
Hardwood	45.3	44.6	2.2	62.1	62.5	3.6
Biomass	21.1	21.1	0.3	18.4	18.4	0.2
	<b>262.4</b>	<b>261.3</b>	<b>14.2</b>	<b>314.9</b>	<b>315.1</b>	<b>17.5</b>
Other sales			0.4			0.4
Net sales			\$ 14.6			\$ 17.9
EBITDA			\$ 4.2			\$ 6.5
EBITDA margin			29%			36%

Maine Timberlands experienced strong operating conditions during the fourth quarter, primarily as a result of favourable weather conditions. However, difficult market conditions resulted in a significant decline in the operation's financial performance. Softwood, hardwood and biomass shipments were 44 thousand m<sup>3</sup>, 21 thousand m<sup>3</sup>, and 7 thousand m<sup>3</sup>, respectively, with total sales volumes decreasing by 26% as compared to the fourth quarter of 2008. The decrease in sales volumes reflects particularly strong volumes in the fourth quarter of 2008 as the operation's largest contractor caught up on its contract volume after weather-related difficulties during the spring and early summer operating season. Approximately 43% of sales volumes were sold as sawlogs, 47% as pulpwood and 10% as biomass during the fourth quarter. This compares to 55% of sales volumes sold as sawlogs, 38% as pulpwood and 7% as biomass in the fourth quarter of 2008.

Net sales for the fourth quarter totaled \$3.4 million, compared to \$6.4 million for the same period last year. The year-over-year decline in net sales is a result of lower shipment volumes, a lower value species mix, and softer prices across all products. The weighted average price across all products was \$45.27 in the fourth quarter, compared to \$64.19 in the same period of 2008,

reflecting a 29% decrease in Canadian dollar terms. Weighted average selling prices decreased 22% in U.S. dollar terms year over year.

Costs for the fourth quarter were \$2.7 million, compared to \$3.9 million for the same period in 2008. This decrease reflects lower sales volumes and lower variable costs per m<sup>3</sup>, partially due to lower diesel prices.

EBITDA for the fourth quarter was \$0.7 million, compared to \$2.5 million for the same period in 2008, while EBITDA margin decreased from 39% to 21%.

Maine Timberlands had no recordable safety incidents among employees and one minor reportable incident among contractors during the fourth quarter. The individual has since fully recovered. We are pleased to report that there were no reportable environmental incidents during the fourth quarter.

## **Market and Company Outlook**

*The following Market Outlook contains forward-looking statements about Acadian Timber Corp.'s market outlook for fiscal 2010. 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](http://www.acadiantimber.com) or filed with SEDAR at [www.sedar.com](http://www.sedar.com).*

Consensus forecasts for U.S. housing predict an increase in housing starts to only 675,000 units in 2010 and 910,000 in 2011 – a very slow recovery from 2009's post World War II low of 550,000 starts. While smaller, non-industrial timberland owners continue to withhold timber from the market, an ample supply of Crown and private timber has placed considerable pressure on timber prices resulting in price declines of approximately 20% from 2006 – 2007 averages. The fact that Fraser Papers Inc. is currently expected to operate its Edmundston Pulp mill and Plaster Rock sawmill provides some encouragement that demand for Acadian's spruce-fir sawlogs will be stronger in 2010 than in 2009, although prices are expected to remain low throughout the year. Despite current difficult softwood sawlog markets, Acadian continues to find markets for its key products while choosing to preserve value for those products that don't offer adequate market opportunities by reducing the near-term harvest levels of our high margin spruce-fir sawlogs. Weak softwood sawlog markets and relatively large inventories of softwood pulpwood and chips is also expected to result in uncertainties in regard to the level of activity on Fraser Papers Inc.'s Crown licensed timberlands which is managed by Acadian, reducing the contribution from these management services to Acadian's net income.

Markets for hardwood sawlogs and specialty products remain relatively stable, particularly for aspen. These markets are expected to remain stable into 2010. Markets for hardwood have improved since the first half of 2009 and Acadian's major hardwood pulpwood customers continue to operate and take deliveries with pricing improving modestly from the second and early 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 and reduced gas and oil prices. The Biomass Crop Assistance Program (BCAP) implemented in the U.S. during the fourth quarter of 2009 may provide limited additional opportunities for biomass sales by our Maine Timberlands although the impact of this two-year program on biomass sales by our New Brunswick Timberlands remains uncertain.

"During these challenging market conditions, we remained focused on preserving long-term value for shareholders and merchandising all of our products for their highest value, while

seeking every opportunity to reduce costs. We continue to be confident in Acadian's long-term outlook and the quality of our asset base. We believe that our new tax effective corporate structure and steadily improving market conditions will lead to improved financial performance going forward" concluded Mr. Carter.

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**Acadian Timber Corp.** 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, the Corporation is the second largest timberland operator in New Brunswick and Maine.

The Corporation 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. The Corporation 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 Timber Corp.'s shares are listed for trading on the Toronto Stock Exchange under the symbol ADN.

For further information, please visit our website at [www.acadiantimber.com](http://www.acadiantimber.com) or contact:

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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 Corporation and its subsidiaries (collectively, "Acadian"), 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 management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, and anticipated benefits of the conversion from an income trust to a corporation, and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. 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; failure to realize the anticipated benefits of the conversion from an income trust to a corporation; the risks associated with the availability and the amount of the tax basis in connection with the conversion from an income fund to a corporation; and other risks and factors, to the extent they remain applicable to the Corporation, discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 27, 2009 and the Management Information Circular dated November 23, 2009 of Acadian Timber Income Fund (the "Fund"), the predecessor reporting issuer to the Corporation, and other filings of the Fund and the Corporation with securities regulatory authorities, which are 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 Acadian. 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: anticipated financial performance; business prospects; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on commodity prices, market conditions for timber and wood products, the economic situation of key customers, and the utilization of the tax basis resulting from the conversion from an income trust to a corporation. 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 Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. Certain statements in this News Release may also be considered "financial outlook" for the purposes of applicable Canadian securities laws, and such financial outlook may not be appropriate for purposes other than this News Release. The forward-looking statements in this News Release are made as of the date of this News Release, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. The Corporation 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**  
**Consolidated Balance Sheets**

*As at December 31*  
*(CAD millions)*

	<b>2009</b>	2008
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2.1	\$ 9.0
Accounts receivable and other assets	6.2	4.7
Note receivable	4.0	—
Inventory	1.8	1.4
	<b>14.1</b>	15.1
Intangible assets	6.1	6.1
Timberlands, logging roads and fixed assets	190.0	207.8
	<b>\$ 210.2</b>	\$ 229.0
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4.3	\$ 6.2
Distributions payable to unitholders	—	0.8
	<b>4.3</b>	7.0
Future income tax liability	13.9	17.7
Long-term debt	80.7	80.8
Class B Interest Liability of a subsidiary	—	31.6
Unitholders' equity	111.3	91.9
	<b>\$ 210.2</b>	\$ 229.0

**Acadian Timber Income Fund**  
**Consolidated Statements of Operations and Deficit**

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2009	2008	2009	2008
Net sales	\$ 16.7	\$ 19.7	\$ 63.4	\$ 67.9
Operating costs and expenses				
Cost of sales	12.1	11.1	43.3	44.8
Selling, administration and other	2.6	1.7	8.6	6.4
Depreciation and depletion	1.6	2.2	7.1	7.4
	16.3	15.0	59.0	58.6
Operating earnings	0.4	4.7	4.4	9.3
Gain on sale of timberlands	—	—	(0.6)	(0.7)
Gain on Class B Interest Liability of a subsidiary	—	(19.1)	(4.7)	(22.2)
Interest:				
Interest income	—	—	—	(0.2)
Interest expense	0.7	1.0	3.1	3.6
Class B Interest Liability of a subsidiary	—	0.9	0.3	3.7
Earnings (loss) before income tax expense	(0.3)	21.9	6.3	25.1
Future income tax recovery (expense)	0.3	(6.1)	3.0	(6.2)
<b>Net income for the period</b>	<b>—</b>	<b>15.8</b>	<b>9.3</b>	<b>18.9</b>
Deficit, beginning of period	(21.6)	(34.2)	(20.9)	(29.8)
Unitholders' distributions	(1.4)	(2.5)	(11.4)	(10.0)
<b>Deficit, end of period</b>	<b>\$ (23.0)</b>	<b>\$ (20.9)</b>	<b>\$ (23.0)</b>	<b>\$ (20.9)</b>
<b>Net income per unit – basic</b>	<b>\$ —</b>	<b>\$ 1.31</b>	<b>\$ 0.58</b>	<b>\$ 1.57</b>
<b>Net income (loss) per unit – diluted</b>	<b>\$ —</b>	<b>\$ (0.14)</b>	<b>\$ 0.30</b>	<b>\$ 0.02</b>

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

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	<b>2009</b>	2008	<b>2009</b>	2008
Net income	\$ —	\$ 15.8	\$ 9.3	\$ 18.9
<b>Other comprehensive income (loss)</b>				
Unrealized foreign currency translation gain (loss)	<b>(1.2)</b>	1.7	<b>(6.0)</b>	1.5
Comprehensive income (loss)	\$ <b>(1.2)</b>	\$ 17.5	\$ <b>3.3</b>	\$ 20.4

**Acadian Timber Income Fund**  
**Consolidated Statements of Cash Flows**

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2009	2008	2009	2008
Cash provided by (used for):				
<b>Operating activities</b>				
Net income	\$ —	\$ 15.8	\$ 9.3	\$ 18.9
Items not affecting cash:				
Future income tax expense (recovery)	(0.3)	6.1	(3.0)	6.2
Depreciation and depletion	1.6	2.2	7.1	7.4
Gain on sale of timberlands	—	—	(0.6)	(0.7)
Gain on Class B Interest Liability of a subsidiary	—	(19.1)	(4.7)	(22.2)
	1.3	5.0	8.1	9.6
Net change in non-cash working capital balances and other	(0.8)	1.6	(4.0)	4.5
	0.5	6.6	4.1	14.1
<b>Investing activities</b>				
Sale of timberlands, logging roads and fixed assets	—	—	0.6	0.8
Additions to timberlands, logging roads and fixed assets	—	(0.2)	(0.8)	(0.5)
Silviculture expenditures	—	—	(0.1)	(0.3)
Issuance of note receivable	(4.0)	—	(4.0)	—
	(4.0)	(0.2)	(4.3)	—
<b>Financing activities</b>				
Distributions paid to unitholders	(2.2)	(2.5)	(12.2)	(10.0)
Borrowing from revolving credit facility	5.5	—	5.5	—
	3.3	(2.5)	(6.7)	(10.0)
Increase (decrease) in cash and cash equivalents during the period	(0.2)	3.9	(6.9)	4.1
Cash and cash equivalents, beginning of period	2.3	5.1	9.0	4.9
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2.1</b>	<b>\$ 9.0</b>	<b>\$ 2.1</b>	<b>\$ 9.0</b>

## Reconciliation to EBITDA and Distributable Cash from Operations

CAD millions	For the Three Months Ended December 31		For the Year Ended December 31	
	2009	2008	2009	2008
Net income <sup>1</sup>	\$ —	\$ 15.8	\$ 9.3	\$ 18.9
Add (deduct)				
Interest income	—	—	—	(0.2)
Interest expense	0.7	1.0	3.1	3.6
Distribution on Class B Interest Liability of a subsidiary	—	0.9	0.3	3.7
Future income tax expense (recovery)	(0.3)	6.1	(3.0)	6.2
Depreciation and depletion	1.6	2.2	7.1	7.4
Non-cash gain on Class B Interest Liability of a subsidiary	—	(19.1)	(4.7)	(22.2)
<b>EBITDA</b>	<b>2.0</b>	<b>6.9</b>	<b>12.1</b>	<b>17.4</b>
Add (deduct)				
Interest income	—	—	—	0.2
Interest expense	(0.7)	(1.0)	(3.1)	(3.6)
Silviculture and capital expenditures	—	(0.2)	(0.5)	(0.8)
Non-cash gain on sale of timberlands	—	—	(0.6)	(0.7)
Proceeds from sale of timberlands, logging roads and fixed assets	—	—	0.6	0.8
Acquisition of timberlands	—	—	(0.4)	—
<b>Distributable cash from operations</b>	<b>\$ 1.3</b>	<b>\$ 5.7</b>	<b>\$ 8.1</b>	<b>\$ 13.3</b>
<b>Distributions declared</b>	<b>\$ 1.4</b>	<b>\$ 3.4</b>	<b>\$ 11.7</b>	<b>\$ 13.7</b>

<sup>1</sup> Net income 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

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2009	2008	2009	2008
Cash flow from operating activities	\$ 0.5	\$ 6.6	\$ 4.1	\$ 14.1
Add (deduct):				
Capital adjustments				
Proceeds from sale of timberlands, logging roads and fixed assets	—	—	0.6	0.8
Acquisition of timberlands	—	—	(0.4)	—
Other adjustments				
Change in non-cash working capital balances and other	0.8	(1.6)	4.0	(4.5)
Distribution on Class B Interest liability of a subsidiary	—	0.9	0.3	3.7
Silviculture and capital expenditures	—	(0.2)	(0.5)	(0.8)
Distributable cash from operations	\$ 1.3	\$ 5.7	\$ 8.1	\$ 13.3
Distributions declared	\$ 1.4	\$ 3.4	\$ 11.7	\$ 13.7