Q2 2009 Interim Report

To our Unitholders,

We are pleased to share with you our operating and financial results for Acadian Timber Income Fund's ("Acadian") three months ended June 27, 2009 (herein referred to as the "second quarter"). Acadian generated distributable cash from operations[1] of negative $2.4 million or negative $0.14 per unit. The second quarter of the year is traditionally our weakest, due to seasonal operating conditions. However, Acadian's second quarter results also reflect weak markets in all segments and an intentional plan to reduce sales beyond the normal seasonal levels, resulting in very low sales volumes. Additionally, steady rainfall in May and June caused the closure of private roads in the region, limiting access to some markets.

Acadian continues to operate under very challenging conditions with the market environment for all products reflecting the considerable market-related downtime currently being taken by regional sawmills, pulp mills and paper mills. Further uncertainty has been created by the fact that Fraser Papers Inc. ("Fraser Papers"), Acadian's largest customer, filed for creditor protection in both Canada and the U.S. late in the second quarter with plans to restructure and emerge as a sustainable and profitable specialty paper business. There has been no change to our relationship with Fraser Papers at this time and we believe it is too early to speculate on longer-term impacts. Although we will continue to monitor this situation very closely, we do not believe Acadian has any material exposure on its outstanding receivables.

Acadian generated net sales of $6.1 million on consolidated log sales volumes of 157.3 thousand m^3 in the second quarter of 2008. This compares to net sales of $8.3 million on consolidated log sales volumes of 212.9 thousand m^3 in the second quarter of 2008. Acadian generated EBITDA[1] of negative $2.0 million, which was $1.0 million lower than the second quarter of 2008.

Operations

Acadian continued to demonstrate strong safety performance during the second quarter. Acadian had no recordable safety incidents among employees and one recordable incident related to a New Brunswick contractor from which the individual has fully recovered.

Acadian's weighted average selling price across all products decreased 10% year-over-year. This decline is largely attributable to a 25% decrease in the selling price of hardwood pulpwood, with hardwood pulpwood accounting for 42% of total sales volume during the quarter. Markets for softwood pulpwood were also very soft with prices declining 21% year-over-year. Prices for softwood and hardwood sawlogs declined by 1% and 13%, respectively, in the second quarter of 2009 as compared to the second quarter of 2008, with the decline in hardwood sawlog pricing largely reflecting a change in product mix. Biomass markets remained stable during the quarter although year-over-year pricing comparisons were not valid owing to changes in delivery point (roadside versus delivered). While timber revenues declined year-over-year, other, non-timber revenues increased by $0.9 million. This increase was a result of greater harvesting activity on the Crown licensed timberlands and a positive contribution from the annual reconciliation of volumes, royalties and overhead costs related to the management of the Crown licensed timberlands in the second quarter. In making these year-over-year selling price comparisons, I would point out that the traditionally low level of production and sales in the second quarter typically leads to considerable volatility in quarter-over-quarter and year-over-year price comparisons reducing their utility.

Outlook

The market for softwood sawlogs is expected to continue to experience weak demand and soft pricing through 2009 as U.S. housing starts remain at approximately 25% of their peak levels of 2006. This market became particularly challenging during the first half of 2009. Lumber production in the U.S. as a percentage of practical capacity averaged 56% in the first four months of 2009, as compared to 72% in the same period last year, while this ratio fell from 66% to 47% in Canada. These low softwood sawmill production numbers are very evident in the demand for softwood sawlogs in Acadian's New Brunswick and Maine Operations and are further exacerbated by weak markets for softwood chips. Acadian currently anticipates lower levels of harvesting activity through the third and fourth quarters of 2009, with the New Brunswick operations expected to focus almost entirely on hardwood stands, despite the relatively lower margins of this market segment. Markets for hardwood and softwood pulp are also expected to remain challenging throughout the second half of 2009. However, despite this weak market environment, Acadian's major hardwood pulpwood customers are currently operating and taking deliveries. Acadian expects to be able to sell all of its biomass, although this market has also been under pressure and is expected to remain fully supplied until the market for softwood chips recovers. Markets for hardwood sawlogs and specialty products are expected to remain stable in 2009. We anticipate that our decision to reduce production volumes of spruce-fir sawlogs, particularly in our New Brunswick operations, will leave us well positioned to maximize cash flows when the softwood lumber market recovers.

Acadian continues to have the benefit of a very strong balance sheet and an ability to manage harvest and product mix to capitalize on market opportunities. During these weak market conditions, our primary focus will continue to be on merchandizing all of our products for their highest value while seeking every opportunity to reduce costs. We remain committed to an operating style aimed at maximizing long-term value for unitholders and maintaining a relatively stable financial performance.

We thank you for your continued support of Acadian Timber Income Fund and remain confident that Acadian is well positioned to meet its distributable cash target for the year.

Reid Carter
President and Chief Executive Officer
August 6, 2009

[1] *Distributable cash from operations and earnings before interest, taxes, depletion, depreciation and amortization ("EBITDA") are key performance measures in evaluating the Fund's operations and are important in enhancing investors' understanding of the Fund's operating performance. As distributable cash from operations and EBITDA do not have a standardized meaning prescribed by GAAP, they may not be comparable to similar measures presented by other companies.*

Management's Discussion and Analysis

INTRODUCTION

Acadian Timber Income Fund ("Acadian" or the "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 765,000 acres of freehold timberlands in New Brunswick ("NB Timberlands"), approximately 311,000 acres of freehold timberlands in Maine ("Maine Timberlands") 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 business strategy is to maximize cash flows from its timberland assets, while enhancing the value of these assets over time.

Basis of Presentation

This section of our interim report presents management's discussion and analysis ("MD&A") of our financial results and is followed by our consolidated financial statements for the most recent period. The MD&A is intended to provide you with an assessment of our performance during the three-month period ended June 27, 2009, (herein referred to as the "second quarter") and the six-month period ended June 27, 2009, as compared to the three- and six-month periods ended June 28, 2008.

Our financial results are determined in accordance with Canadian generally accepted accounting principles ("GAAP") and are expressed in Canadian dollars unless otherwise noted. External economic and industry factors remain unchanged, unless otherwise noted.

This MD&A has been prepared based on information available as at August 6, 2009. Additional information is available on Acadian's website at *www.acadiantimber.com* and on SEDAR's website at *www.sedar.com*.

Non-GAAP Measures

Throughout the MD&A, reference is made 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 GAAP, they may not be comparable to similar measures presented by other companies. As a result, we have provided reconciliations of net income (loss) and cash flow from (used for) operating activities, as determined in accordance with GAAP, to EBITDA and distributable cash from operations in the "Distributable Cash from Operations" section of this MD&A.

Assessment and Changes in Disclosure Controls and Internal Controls

Management has evaluated the effectiveness of the design and operation of the Fund's disclosure controls and procedures as at December 31, 2008. There have been no changes in our disclosure controls and procedures during the period ended June 27, 2009 that have materially affected, or are reasonably likely to materially affect, our disclosure controls and procedures.

Management has also evaluated the design and effectiveness of our internal controls over financial reporting in accordance with Multilateral Instrument 52-109 using the COSO framework as at December 31, 2008. There have been no changes in our internal controls over financial reporting during the period ended June 27, 2009 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

REVIEW OF OPERATIONS

Summary of Second Quarter Results

The table below summarizes operating and financial data for Acadian:

	Three Months Ended		Six Months Ended	
millions, except per unit data and where indicated	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Total				
Sales volume (000s m^3)	**157.3**	212.9	**584.7**	624.9
Net sales	**$ 6.1**	$ 8.3	**$ 32.3**	$ 31.0
EBITDA	**(2.0)**	(1.0)	**8.8**	6.2
EBITDA margin	**(33)%**	(12)%	**27%**	20%
Distributable cash from operations	**$ (2.4)**	$ (2.0)	**$ 7.1**	$ 4.3
Net income (loss)[1]	**(1.6)**	(8.4)	**9.5**	(3.7)
Distributions declared				
Class A unitholders	**3.4**	2.5	**6.5**	5.0
Class B Interest liability of a subsidiary	**—**	0.9	**0.3**	1.8
	3.4	3.4	**6.8**	6.8
Payout ratio	**(142)%**	(170)%	**96%**	158%
Total assets	**$ 218.3**	$ 216.7	**$ 218.3**	$ 216.7
Total debt financing	**78.6**	74.2	**78.6**	74.2
Per Unit (fully diluted)				
Distributable cash from operations	**$ (0.14)**	$ (0.12)	**$ 0.43**	$ 0.26
Distributions declared per unit				
Class A unitholders	**0.21**	0.21	**0.41**	0.41
Class B Interest liability of a subsidiary	**—**	0.21	**0.07**	0.41
Net income (loss)[1]	**(0.10)**	(0.70)	**0.31**	(0.31)
Book value - fully diluted	**7.22**	7.41	**7.22**	7.41
Units outstanding				
Class A unitholders	**16,571,453**	12,064,423	**16,571,453**	12,064,423
Class B Interest of a subsidiary	**—**	4,507,030	**—**	4,507,030

[1] 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.

Distributable Cash from Operations

Distributable cash from operations for the three and six months ended June 27, 2009 was negative $2.4 million and $7.1 million, respectively, as compared to negative $2.0 million and $4.3 million during Acadian's second quarter and first six months of operations in 2008. Based on distributable cash generated to date and existing cash reserves, Acadian is well positioned to meet distribution targets in 2009.

Distributable cash from operations represents cash that is generated from the sale of our timber, from the services provided in the management of Crown licensed timberlands and from the sale of non-timber products. Hardwood and softwood harvest volumes represent the productive capacity of Acadian's operations. Harvest volumes, excluding biomass, for the second quarter and first six months of 2009 were 77 thousand m^3 and 494 thousand m^3, which was within the harvest levels required to maintain the Long Run Sustained Yield ("LRSY") of our timberland estates. Acadian is focused on maximizing long-term value for unitholders, and in doing so will make every effort to maintain a stable financial performance while preserving the long-term value of the business. In order to continue to achieve this objective, Acadian will operate at harvest levels within LRSY and will invest in silviculture to improve the quality and value of future harvests. Although this may cause volatility in our distributable cash from operations annually, we will continue to focus on preserving the long-term value of Acadian.

The following table provides a reconciliation of net income (loss), as determined in accordance with GAAP, to distributable cash from operations during each respective period:

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Net income (loss)[1]	**$ (1.6)**	$ (8.4)	**$ 9.5**	$ (3.7)
Add (deduct):				
Interest Income	**—**	(0.1)	**—**	(0.1)
Interest expense on long-term debt	**0.7**	0.8	**1.6**	1.7
Distribution on Class B Interest Liability of a subsidiary	**—**	0.9	**0.3**	1.8
Income tax expense (recovery)	**(1.8)**	0.1	**(2.2)**	0.1
Depreciation and depletion	**0.7**	0.8	**4.3**	3.5
Non-cash loss (gain) on Class B Interest Liability of a subsidiary	**—**	4.9	**(4.7)**	2.9
EDITDA	**(2.0)**	(1.0)	**8.8**	6.2
Add (deduct):				
Interest Income	**—**	0.1	**—**	0.1
Interest expense on long-term debt	**(0.7)**	(0.8)	**(1.6)**	(1.7)
Silviculture and capital expenditures	**(0.1)**	(0.3)	**(0.1)**	(0.3)
Non-cash gain on sale of timberlands	**—**	(0.1)	**—**	(0.1)
Proceeds from sale of timberlands, logging roads and fixed assets	**—**	0.1	**—**	0.1
Current income tax recovery	**0.4**	—	**—**	—
Distributable cash from operations	**$ (2.4)**	$ (2.0)	**$ 7.1**	$ 4.3
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 (recovery) and the depreciation and depletion expense, which are non-cash items recorded in each respective period.

In calculating our distributable cash from operations, adjustments are made to cash flow from (used for) operating activities, as determined in accordance with GAAP, to reflect changes in non-cash working capital items, actual cash spent on silviculture required to maintain the productive capacity of our forests, and actual cash spent to maintain our assets. In addition, an adjustment is made for the distributions on the Class B Interest Liability of a subsidiary, which is included as interest expense in accordance with GAAP; however, these payments were made on the same basis as distributions to our other unitholders prior to the conversion of all units representing the Class B Liability of a subsidiary into Class A units of the Fund on February 3, 2009, and consequently are included in our disclosure of distributions declared. The following table provides a reconciliation of cash flow from (used for) operating activities, as determined in accordance with GAAP, to distributable cash from operations during each respective period:

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Cash flow from (used for) operating activities	**$ (3.1)**	$ (1.0)	**$ 4.1**	$ 7.4
Add (deduct):				
Capital adjustments				
Proceeds from sale of timberlands, logging roads and fixed assets	**—**	0.1	**—**	0.1
Other adjustments				
Net change in non-cash working capital balances and other	**0.8**	(1.7)	**2.8**	(4.7)
Distribution on Class B Interest Liability of a subsidiary	**—**	0.9	**0.3**	1.8
Silviculture and capital expenditures	**(0.1)**	(0.3)	**(0.1)**	(0.3)
Distributable cash from operations	**$ (2.4)**	$ (2.0)	**$ 7.1**	$ 4.3
Distributions declared	**$ 3.4**	$ 3.4	**$ 6.8**	$ 6.8

The following table provides a comparison of distributions declared on Class A units during the three and six months ended June 27, 2009 and during the comparable periods in 2008, to the net income (loss) and cash flow from (used for) operating activities recorded during each of these respective periods. Distributions on the Class B Interest Liability of a subsidiary are included in net income (loss) and cash flow from (used for) operating activities, as they are recorded as interest expense in accordance with GAAP, and have thus been excluded from this analysis.

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Net income (loss)[1]	**$ (1.6)**	$ (8.4)	**$ 9.5**	$ (3.7)
Cash flow from (used for) operating activities	**(3.1)**	(1.0)	**4.1**	7.4
Actual cash distributions declared on Class A Units	**3.4**	2.5	**6.5**	5.0
Excess (short fall) of cash flows from operating activities over distributions declared	**(6.5)**	(3.5)	**(2.4)**	2.4
Excess (short fall) of net income over cash distributions declared	**(5.0)**	(10.9)	**3.0**	(8.7)

[1] *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.*

Cash distributions declared to Class A unitholders were greater than the net income and cash flow from operating activities during the three months ended June 27, 2009, consistent with the comparable period in 2008. This shortfall however, was not considered to represent an economic return of capital as the distributable cash from operations generated since Acadian's inception has been sufficient to meet the distributions of the Fund. In determining the appropriate level of distributions, our Board of Trustees considers the historic and forecasted annual distributable cash from operations of Acadian. Given the seasonality of Acadian's operations, the Fund's performance may vary significantly on a quarter by quarter basis. The payout ratio of the Fund, which represents the amount of distributions declared as a percentage of the distributable cash from operations generated, is negative for the second quarter of 2009. Since Acadian's inception on January 31, 2006, the cumulative payout ratio of the Fund is 95%.

As described in more detail on page 11 of this report, Acadian has borrowings totaling $78.6 million that have a security interest over the assets and contain certain restrictive covenants relating to debt incurrence, sale of assets, and the maintenance of certain financial ratios, all of which are in compliance as at June 27, 2009. These covenants are not expected to restrict the ability of the Fund to distribute cash flows to its unitholders. The obligations of these borrowings over the next five years are disclosed on page 16 of this report. Upon maturity, management intends to refinance these debt obligations at fixed or floating interest rates, depending on the best interests of Acadian. In seeking to refinance these debt obligations, there is no assurance that Acadian will be able to refinance these obligations at maturity; or if refinanced, that the terms of the refinancing will be as favourable as the original terms. If unable to refinance these facilities on acceptable terms, or at all, Acadian may need to dispose of a portion of its assets, or otherwise raise funds, to settle their obligations. All interest payments on the existing debt obligations are incurred in order to sustain the Fund's productive capacity and are thus considered in determining the distributable cash from operations of Acadian.

Distribution Policy of the Fund

The Fund makes monthly distributions of its available cash, including the funds available under the terms of the revolving credit facility, to the extent determined prudent by the Trustees. These distributions represent all cash received from the Fund's indirect interest in NB Timberlands and Maine Timberlands, less estimated cash amounts required for expenses and other obligations of the Fund, cash redemptions of units and any tax liability. Distributions are paid on or about the 15th day following the end of each month. Total distributions declared to unitholders for the three and six months ended June 27, 2009 were $3.4 million or $0.21 per unit and $6.8 million or $0.41 per unit, respectively, which were consistent with the distributions declared to unitholders during the three and six months ended June 28, 2008.

Market Conditions

The Fund traditionally experiences very low levels of operating, marketing and selling activity during the second quarter of each year owing to spring break-up, in which much of the infrastructure is inoperable. During the second quarter of 2009, weak markets in all segments, combined with an intentional plan to reduce sales beyond normal seasonal levels, resulted in very low sales volumes in both the New Brunswick and Maine operations. Additionally, steady rainfall in May and June caused the closure of private roads in the region, limiting access to some markets.

The market environment for all products continues to be very difficult with many regional sawmills and pulp mills taking considerable market-related downtime. Fraser Papers Inc. ("Fraser Papers"), Acadian's largest customer, filed for creditor protection in both Canada and the U.S. late in the second quarter with plans to restructure and emerge as a sustainable and profitable specialty paper business. While we are watching this situation very closely, there has been no change to our relationship with Fraser Papers at this time. Fraser Papers has had all of its sawmills closed, since February, with the exception of its Masardis, Maine mill which is only running to consume its existing inventory. Although a hardwood pulp mill has recently restarted in Maine, markets for hardwood pulpwood have softened considerably. Fraser Papers' Edmundston pulp mill has also been down since mid-June for maintenance and in response to labour negotiations with its unionized employees associated with its current CCAA restructuring initiatives.

The weak market conditions which prevailed during the second quarter of 2009 resulted in a difficult pricing environment across all sectors of the business. Acadian's weighted average selling price across all products decreased 10% year-over-year. This decline is largely attributable to a 25% decrease in the selling price of hardwood pulpwood, with hardwood pulpwood accounting for 42% of total sales volume during the quarter. Markets for softwood pulpwood were also very soft with prices declining 21% year-over-year. Prices for softwood and hardwood sawlogs declined by 1% and 13%, respectively, in the second quarter of 2009 as compared to the second quarter of 2008, with the decline in hardwood sawlog pricing largely reflecting a change in product mix. It is important to note that the traditionally low level of production and sales in the second quarter typically lead to considerable volatility in quarter-over-quarter and year-over-year price comparisons reducing their utility.

Acadian believes it will be able to sell all of its wood in inventory during the third quarter without taking reductions in price for aging.

Results from Operations

The second quarter of each year is traditionally the weakest due to limited access to roads and timberlands as the ground thaws. Results during the quarter also reflect management's decision to reduce sales beyond normal seasonal levels due to weak market conditions and to preserve the long-term value of Acadian's timberlands. Poor weather conditions and increased hauling distances also contributed to the second quarter results.

Despite limited operations in the quarter, we reported net sales of $6.1 million on log sales volumes of 157.3 thousand m^3 which represent a $2.2 million, or 27%, decrease in sales revenue and a 26% decrease in sales volumes as compared to the second quarter of 2008. EBITDA of negative $2.0 million for the second quarter of 2009 was $1.0 million lower than Acadian's EBITDA in the second quarter of 2008, while EBITDA margin fell to negative 33% from negative 12% in the comparable period of 2008.

For the six months ended June 27, 2009, Acadian generated net sales of $32.3 million on log sales volumes of 584.7 thousand m^3 as compared to net sales of $31.0 million on log sales volumes of 624.9 thousand m^3 in the comparable period of 2008. EBITDA of $8.8 million during the six months ended June 27, 2009 is $2.6 million greater than the first half of 2008.

Class B Interest Liability

Included in net income for the six months ended June 27, 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 the liability to be recorded 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 six months ended June 27, 2009 (2008 – $2.9 million loss) comprised of a $4.1 million mark-to-market gain (2008 – $3.5 million loss) and a $0.6 million foreign exchange gain (2008 – $0.6 million gain).

On February 3, 2009, an affiliate of Brookfield Asset Management Inc. converted all units representing the Class B Liability of a subsidiary into Class A units of the Fund. As a result of the conversion, an additional 4,507,030 Units of the Fund were issued at a value of $27.5 million and have been recorded in equity. Accordingly, the Class B Liability of a subsidiary was not outstanding during the second quarter and was not revalued at the end of the period (2008 - $4.9 million loss comprised of a $4.4 million mark-to-market loss and $0.5 million foreign exchange loss).

Income Tax Recovery

Included in the net loss for the three months ended, and net income for the six months ended, June 27, 2009 is a non-cash future income tax recovery of $1.4 million and $2.2 million, respectively (2008 - $0.1 million 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 second quarter are a result of a decline in the substantially enacted tax rate expected to be in effect.

The current income tax recovery reported during the second quarter is a result of the seasonality of Acadian's operations. A greater proportion of the Fund's earnings are typically generated during the first quarter than any other quarter during the year, while distributions are paid evenly throughout the year. Accordingly, the Fund recorded a current tax expense during the first quarter of 2009 as an estimate of the taxes that would be payable as at the end of the reporting period. As a greater proportion of distributions were paid during the second quarter than income earned, there is no longer any estimated taxes owing as at June 27, 2009 resulting in the reversal of previously recorded expense in the period.

Segmented Results of Operations

The table below summarizes operating and financial results for NB Timberlands and Maine Timberlands:

	Three Months Ended June 27, 2009			
millions	**NB Timberlands**	**Maine Timberlands**	**Corporate**	**Consolidated**
Sales volumes (000s m³)	**144.3**	**13.0**	**—**	**157.3**
Net sales	**$ 5.7**	**$ 0.4**	**$ —**	**$ 6.1**
EBITDA	**$ (0.8)**	**$ (0.6)**	**$ (0.6)**	**$ (2.0)**
EBITDA margin	**(14)%**	**(150)%**	**n/a**	**(33)%**

	Three Months Ended June 28, 2008			
millions	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m³)	174.7	38.2	—	212.9
Net sales	$ 6.5	$ 1.8	$ —	$ 8.3
EBITDA	$ (0.8)	$ —	$ (0.2)	$ (1.0)
EBITDA margin	(12)%	—%	n/a	(12)%

	Six Months Ended June 27, 2009			
millions	**NB Timberlands**	**Maine Timberlands**	**Corporate**	**Consolidated**
Sales volumes (000s m³)	**452.8**	**131.9**	**—**	**584.7**
Net sales	**$ 23.9**	**$ 8.4**	**$ —**	**$ 32.3**
EBITDA	**$ 7.0**	**$ 2.7**	**$ (0.9)**	**$ 8.8**
EBITDA margin	**29%**	**32%**	**n/a**	**27%**

	Six Months Ended June 28, 2008			
millions	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m³)	483.6	141.3	—	624.9
Net sales	$ 23.7	$ 7.3	$ —	$ 31.0
EBITDA	$ 4.4	$ 2.2	$ (0.4)	$ 6.2
EBITDA margin	19%	30%	n/a	20%

NB Timberlands

NB Timberlands owns and manages 765,000 acres of freehold timberlands, provides management services relating to approximately 1.3 million acres of Crown licensed timberlands, and owns a forest nursery. Approximately two-thirds of harvesting operations is performed by third-party contractors and one-third by NB Timberlands employees.

The table below summarizes operating and financial results for NB Timberlands:

	Three Months Ended June 27, 2009			Three Months Ended June 28, 2008		
	Harvest	**Sales**	**Results**	Harvest	Sales	Results
	(000s m^3)	*(000s m^3)*	*(millions)*	*(000s m^3)*	*(000s m^3)*	*(millions)*
Softwood	**36.3**	**41.2**	**$ 2.5**	9.0	20.3	$ 1.2
Hardwood	**34.0**	**70.1**	**3.0**	76.7	92.5	5.6
Biomass	**33.0**	**33.0**	**0.5**	61.9	61.9	0.9
	103.3	**144.3**	**6.0**	147.6	174.7	7.7
Other sales			**(0.3)**			(1.2)
Net sales			**$ 5.7**			$ 6.5
EBITDA			**$ (0.8)**			$ (0.8)
EBITDA margin			**(14)%**			(12)%

	Six Months Ended June 27, 2009			Six Months Ended June 28, 2008		
	Harvest	**Sales**	**Results**	Harvest	Sales	Results
	(000s m^3)	*(000s m^3)*	*(millions)*	*(000s m^3)*	*(000s m^3)*	*(millions)*
Softwood	**210.5**	**193.1**	**$ 11.6**	132.4	143.0	$ 8.8
Hardwood	**157.8**	**163.3**	**8.1**	215.4	224.2	12.9
Biomass	**96.4**	**96.4**	**2.0**	116.4	116.4	1.9
	464.7	**452.8**	**21.7**	464.2	483.6	23.6
Other sales			**2.2**			0.1
Net sales			**$ 23.9**			$ 23.7
EBITDA			**$ 7.0**			$ 4.4
EBITDA margin			**29%**			19%

Softwood, hardwood and biomass shipments were 41 thousand m^3, 70 thousand m^3 and 33 thousand m^3 for the second quarter, respectively. Approximately 31% of sales volumes were sold as sawlogs, 46% as pulpwood and 23% as biomass in the second quarter of 2009. This compares to 17% of sales volumes sold as sawlogs, 48% as pulpwood and 35% as biomass in the second quarter of 2008.

Net sales for the second quarter were $5.7 million, a $0.8 million or 12% decrease as compared to the same period of 2008. The average selling price across all products of $41.49 was 6% lower than the same period of 2008, primarily the result of continued softening of the hardwood pulp market combined with a lower valued species mix.

While net sales declined year-over-year, other sales increased by $0.9 million. This increase was a result of greater harvesting activity on the Crown licensed timberlands and the contribution of $0.3 million from the annual reconciliation of volumes, royalties and overhead costs related to the management of the Crown licensed timberlands in the second quarter (2008 – negative contribution of $0.4 million). Net sales for the first six months ended June 27, 2009 were $23.9 million, an increase of $0.2 million, or 1%, over the first half of 2008.

Costs for the second quarter were $6.5 million, representing a $0.8 million or 11% decrease compared to the same period of 2008. Variable costs per cubic meter were 3% higher than the second quarter of 2008 as a result of longer hauling distances and increased cable logging operations.

EBITDA for the second quarter was negative $0.8 million, consistent with the second quarter of 2008. EBITDA margin decreased to negative 14%, from negative 12% in 2008, primarily reflecting the impact of lower value species mix and lower sales volume.

During the second quarter of 2009, NB Timberlands experienced no recordable safety incidents among employees and one recordable incident related to a contractor from which the individual has fully recovered.

Maine Timberlands

Maine Timberlands owns and operates 311,000 acres of freehold timberlands and is operated exclusively by third-party contractors.

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

	Three Months Ended June 27, 2009				Three Months Ended June 28, 2008		
	Harvest	**Sales**		**Results**	Harvest	Sales		Results
	(000s m³)	*(000s m³)*		*(millions)*	*(000s m³)*	*(000s m³)*		*(millions)*
Softwood	**5.0**	**6.2**	**$**	**0.1**	23.1	23.0	$	1.1
Hardwood	**1.9**	**2.7**		**0.2**	10.0	11.6		0.5
Biomass	**4.1**	**4.1**		**—**	3.6	3.6		0.1
	11.0	**13.0**		**0.3**	36.7	38.2		1.7
Other sales				**0.1**				0.1
Net sales			**$**	**0.4**			$	1.8
EBITDA			**$**	**(0.6)**			$	—
EBITDA margin				**(150)%**				—%

	Six Months Ended June 27, 2009				Six Months Ended June 28, 2008			
	Harvest	**Sales**		**Results**	Harvest	Sales		Results
	(000s m³)	*(000s m³)*		*(millions)*	*(000s m³)*	*(000s m³)*		*(millions)*
Softwood	**113.8**	**111.1**	**$**	**7.5**	109.7	109.6	$	5.9
Hardwood	**11.7**	**11.3**		**0.6**	24.4	24.4		1.1
Biomass	**9.5**	**9.5**		**0.1**	7.3	7.3		0.1
	135.0	**131.9**		**8.2**	141.4	141.3		7.1
Other sales				**0.2**				0.2
Net sales			**$**	**8.4**			$	7.3
EBITDA			**$**	**2.7**			$	2.2
EBITDA margin				**32%**				30%

Softwood, hardwood and biomass shipments were 6 thousand m^3, 3 thousand m^3 and 4 thousand m^3 for the second quarter, respectively. Approximately 25% of sales volume was sold as sawlogs, 44% as pulpwood and 31% as biomass in the second quarter of 2009. This compares to 41% of sales volume sold as sawlogs, 50% as pulpwood and 9% as biomass in the second quarter of 2008.

Net sales for the second quarter were $0.4 million, a $1.4 million or 78% decrease as compared to the same period of 2008. The average selling price across all products of $41.28 was 10% lower than the same period of 2008, primarily the result of changes in the U.S. to Canadian dollar foreign exchange rate, which impacts the Canadian dollar translation of the U.S. dollar denominated results, in addition to a sales mix more heavily weighted in biomass in the second quarter of 2009. Net sales for the first six months ended June 27, 2009 were $8.4 million, an increase of $1.1 million, or 15%, over the first half of 2008.

Costs for the second quarter were $1.0 million; a $0.8 million or 44% decrease compared to the same period of 2008. Variable costs per unit decreased 26% in Canadian dollar terms and 7% in U.S. dollar terms as a result of shorter hauling distances, as well as product mix.

EBITDA for the second quarter was negative $0.6 million, compared to $nil in the comparable period of 2008. For the six months ended June 27, 2009, EBITDA was $2.7 million as compared to $2.2 million for the first half of 2008. EBITDA margin of negative 150% in the second quarter of 2009 as compared to nil during the second quarter of 2008, reflects very limited operations during the period.

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

Financial Position

As at June 27, 2009, Acadian's balance sheet consisted of total assets of $218.3 million (December 31, 2008 – $229.0 million), represented primarily by timberlands and logging roads of $199.0 million (December 31, 2008 – $207.8 million) and the balance in cash and working capital of $13.2 million (December 31, 2008 – $15.1 million) and intangible assets of $6.1 million (December 31, 2008 – $6.1 million). Timberlands have been recorded at cost as determined through the purchase of these assets on formation of the Fund and are depleted and charged to operations in a systematic manner based on the utilization of the timber resources. Silviculture costs have been capitalized as incurred.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Acadian's principal sources of liquidity include cash earned from operations and a $5.0 million revolving credit facility which remains undrawn since the inception of the Fund. These sources, combined with existing cash and cash equivalents and net working capital generated by the Fund since inception, are expected to allow the Fund to meet its operating, debt service, capital expenditure and distribution requirements. As indicated previously, due to the seasonal nature of our business, it is typical that cash reserves are generated in the second quarter of the year and are then drawn down during periods such as the second quarter when harvesting conditions are not ideal. This remains unchanged from the prior year.

The Fund expects to make monthly distributions of its available cash to the extent determined prudent by the Fund's Trustees.

Silviculture and capital expenditures for the second quarter were $0.1 million (2008 – $0.3 million) and are in line with management's estimate of annual silviculture and capital expenditures of $0.3 million (2008 – $0.8 million), which are expected to be incurred mainly during the second and third quarters of this year.

Management will continue to assess financing alternatives which may include the issuance of additional Fund units and debt when funding requirements, such as potential acquisitions and debt maturities, present themselves.

Capital Resources

Borrowings

The Fund has a $47.0 million bank credit facility consisting of a $42.0 million bank term credit facility and a $5.0 million revolving credit facility. As at June 27, 2009, no funds (December 31, 2008 – nil) had been drawn on the revolving credit facility. The term facility, which matures on January 29, 2010, is fully drawn, and bears interest based on the 30-day Banker Acceptances rate. Management intends to refinance these facilities and is currently assessing the term and amount of these facilities as well as other financing alternatives, including the fixing of interest rates where appropriate. In seeking to refinance this debt obligation, there is no assurance that Acadian will be able to refinance this obligation at maturity; or if refinanced, that the terms of the refinancing will be as favourable as the original terms of the bank credit facility. If unable to refinance this facility on acceptable terms, or at all, Acadian may need to dispose of a portion of its assets, or otherwise raise funds, to settle the bank term credit facility.

The Fund has also secured a term loan facility of US$31.5 million. This facility bears interest at 4.67%, payable quarterly and expires on February 27, 2011. The Fund has granted the lenders a security interest over its assets.

Both facilities contain certain restrictive covenants relating to debt incurrence, sale of assets, and maintenance of certain financial ratios, all of which are in compliance as at June 27, 2009.

Outstanding Units

As at June 27, 2009, 16,571,453 Class A units were issued and outstanding, which represents an increase of 4,507,030 units from December 31, 2008 resulting from the conversion of all units representing the Class B Liability Interest of a subsidiary by an affiliate of Brookfield Asset Management Inc. on February 3, 2009. The Fund is authorized to issue an unlimited number of units of the same class with equal rights and privileges. Unitholders are entitled to receive distributions as and when declared by the Trustees of the Fund and are entitled to one vote per unit on all matters to be voted on by unitholders at each meeting of unitholders.

As at June 27, 2009, Brookfield Asset Management Inc., together with its affiliates (collectively "Brookfield"), owned 7,513,262 Class A units. Brookfield's ownership interest is 45% of the outstanding units of Acadian.

A summary of the Fund units on a fully diluted basis is as follows:

	As at June 27, 2009	
	Units	**Percentage**
Class A units outstanding	**16,571,453**	**100%**
Class B Interest Liability of a subsidiary outstanding	**—**	**—%**
	16,571,453	**100%**

	As at December 31, 2008	
	Units	Percentage
Class A units outstanding	12,064,423	73%
Class B Interest Liability of a subsidiary outstanding	4,507,030	27%
	16,571,453	100%

MARKET OUTLOOK

The following contains forward-looking statements about Acadian Timber Income Fund's market outlook for fiscal 2009. Reference should be made to "Forward-looking Statements" on page 18. 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 most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or www.sedar.com.

The market for softwood sawlogs is expected to continue to experience weak demand and soft pricing through 2009 as U.S. housing starts remain at approximately 25% of their peak levels of 2006. This market has become particularly challenging over the first half of 2009. Lumber production as a percentage of practical capacity averaged 56%[1] during the first four months of 2009 in the U.S., as compared to 72% in the same period last year, while this ratio fell from 66% to 47% in Canada. These low softwood sawmill production numbers are very evident in the demand for softwood sawlogs in Acadian's New Brunswick and Maine operations and are further exacerbated by the fact there are few economic markets for softwood chips owing to the downtime currently being taken by Fraser Papers' Edmundston pulp mill. This weak sawlog and chip market is also impacting activity on Fraser Papers' Crown licenses managed by Acadian. As a result of this very weak demand for softwood sawlogs, Acadian currently anticipates lower levels of harvesting activity through the third and fourth quarters of 2009 with the NB Timberlands expected to focus almost entirely on hardwood stands, despite the relatively lower margins of this market segment.

Markets for hardwood and softwood pulp are also expected to remain challenging throughout the second half of 2009. However, despite the weak pricing environment, Acadian's major hardwood pulpwood customers are currently operating and taking deliveries. Acadian has been able to sell all of its biomass, although this market has also been under pressure and is expected to remain fully supplied until the market for softwood chips recovers. Markets for hardwood sawlogs and specialty products are expected to remain stable in 2009.

Canadian Government's Tax Fairness Plan

On October 31, 2006, the Canadian government announced proposed changes to Canada's taxation system designed to level the playing field between trusts and corporations. These proposed changes were enacted into law on June 22, 2007. Based on the information that the government has provided, it appears that Acadian would be considered a specified investment flow-through vehicle, which would result in Acadian being impacted by this incremental tax beginning in 2011.

The Fund continues to feel that it is too early to fully determine the extent to which the legislation will ultimately impact Acadian. The Fund's management and Board of Trustees will continue to monitor and analyze the situation and its implications to Acadian as they develop.

(1) According to the Western Wood Products Association's (WWPA) latest Lumber Track Report.

SUPPLEMENTAL INFORMATION

This supplemental information contains information required by applicable continuous disclosure guidelines and to facilitate additional analysis.

Selected Consolidated Quarterly Information

The table below sets forth selected consolidated quarterly information for the last eight quarters. See "Additional Quarterly Information" section for the segmented quarterly results.

	2009		2008				2007	
millions, except per unit data and where indicated	**Q2**	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume (000s m^3)	**157**	**427**	307	319	213	412	314	323
Net sales	**$ 6.1**	**$ 26.2**	$ 19.7	$ 17.2	$ 8.3	$ 22.7	$ 17.7	$ 16.9
EBITDA	**$ (2.0)**	**$ 10.8**	$ 6.9	$ 4.3	$ (1.0)	$ 7.2	$ 4.9	$ 3.9
Distributable cash from operations	**$ (2.4)**	**$ 9.5**	$ 5.7	$ 3.3	$ (2.0)	$ 6.3	$ 3.9	$ 2.0
Net income (loss)[1]	**$ (1.6)**	**$ 11.1**	$ 15.8	$ 6.8	$ (8.4)	$ 4.7	$ 7.4	$ (4.3)
Net income (loss) per unit - basic	**$ (0.10)**	**$ 0.75**	$ 1.31	$ 0.56	$ (0.70)	$ 0.39	$ 0.61	$ (0.36)
Net income (loss) per unit - diluted	**$ (0.10)**	**$ 0.40**	$ (0.14)	$ 0.11	$ (0.70)	$ 0.22	$ 0.16	$ (0.36)

[1] *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.*

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. Actual results could differ from these estimates.

Acadian considers the following policies to be most critical in understanding the judgements that are involved in preparing the Fund's consolidated financial statements and the uncertainties that could affect the Fund's results of operations, financial position and cash flows.

Accounting for Timberlands and Logging Roads

Acadian's timberlands and logging roads are recorded at cost less accumulated depletion. Depletion is recorded in a systematic manner based on the utilization of the timber resources. Depletion amounts are charged to operations based on a pro rata calculation of units of timber harvested and relative values of timber present, and is applied against the historical cost of timberlands. Main logging roads and their associated bridges are depreciated on a straight-line basis over their estimated useful lives of twenty years.

Class B Interest Liability of a Subsidiary

The Class B Interest Liability represents preferred interests in the Maine Timberlands. The preferred interests were convertible into units at the option of the holder and were treated as a liability of the Maine Timberlands for accounting purposes.

The value of the liability was measured at each reporting date, and on the conversion date, to reflect the market price of the units and the current exchange rates. Changes in value were recorded in the consolidated statement of operations.

Translation of Foreign Currencies

The currency of measurement of the Fund's Canadian operations and U.S. operations are the Canadian dollar and U.S. dollar respectively. Monetary assets and liabilities denominated in a currency other than the operation's currency of measurement are translated at exchange rates prevailing at the end of the period with the associated gain or loss recorded in the consolidated statement of operations.

The accounts of self-sustaining operations in the United States are translated using the current rate method under which assets and liabilities are translated at exchange rates prevailing at the end of the period and revenues and expenses at average exchange rates during the period. Gains or losses on translation are not included in the consolidated statement of operations, but are presented as an other comprehensive gain or loss in the consolidated statement of comprehensive income and as a separate item in unitholders' equity.

Change in Accounting Policies

Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3064, Goodwill and Intangible Assets, replacing CICA Section 3062, Goodwill and Other Intangible Assets and CICA Section 3450, Research and Development Costs. Section 3064 addresses when an internally developed intangible asset meets the criteria for recognition as an asset. The CICA also issued amendments to Section 1000, Financial Statement Concepts, and Accounting Guideline AcG-11, Enterprises in the Development Stage. EIC-27, Revenues and Expenditures during the Pre-operating Period, will not apply to entities that have adopted Section 3064. These changes are effective for fiscal years beginning on or after October 1, 2008, with earlier adoption permitted, and was adopted by the Fund effective January 1, 2009. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards ("IFRS") and generally accepted accounting principles in the United States ("U.S. GAAP") by eliminating the practice of recognizing as assets a variety of start up, pre-production and similar costs that do not meet the definition and recognition criteria of an asset. The adoption of this standard did not have any impact on the consolidated financial statements of the Fund.

Future Accounting Policies

International Financial Reporting Standards

In 2005, the Accounting Standards Board of Canada (AcSB) announced that accounting standards in Canada are to converge with IFRS. In May 2007, the CICA published an updated version of its implementation plan which outlines the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian GAAP with IFRS for years beginning on or after January 1, 2011. The CICA plans to converge Canadian GAAP with IFRS, with the objective of moving towards the use of a single set of world-wide accounting standards, improving financial reporting and transparency. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies which may significantly impact the Fund's processes and financial results. While we believe the adoption of IFRS will not have a material impact on the Fund's reported distributable cash from operations, it will likely have a material impact on Acadian's consolidated balance sheets and consolidated statements of operations and deficit.

The Fund is currently in the planning phase of the conversion. This includes identifying the differences between existing Canadian GAAP and IFRS, identifying potential business impacts, developing the project plan, assessing resource requirements and providing training to staff. Over the course of the first six months of 2009, management has identified the following significant accounting differences between Canadian GAAP and IFRS:

- Canadian GAAP requires that the value of standing trees be valued at historic cost less accumulated depletion, whereas IFRS requires that standing trees be valued at fair value at each reporting period with the change in fair value recorded as part of the net income (loss) in the period. Under IFRS, the fair value of the timberlands also includes the recognition of value attributable to growth of the standing inventory in the period, whereas this value is not captured under Canadian GAAP. Consequently, upon the adoption of IFRS, there will be no depletion charged to net income (loss), however this will be replaced by a charge to net income (loss) in the period which will reflect changes in fair value;
- Both Canadian GAAP and IFRS require that inventories are carried at the lower of cost and net realizable value, however under IFRS the cost of the harvested timber is defined to be the fair value at the time of harvest whereas under Canadian GAAP, cost is defined as all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value, under both Canadian GAAP and IFRS, is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. As such, upon the adoption of IFRS, the value of inventory on the Fund's balance sheet is expected to approximate market value;
- Canadian GAAP requires that silviculture expenditures be capitalized and included in the historical cost of timberlands and timber inventory, whereas IFRS does not directly address the issue of subsequent expenditures related to biological assets. As timberlands are carried at fair value at each measurement date, management understands that silvilculture expenditures may be expensed as a period cost as the capitalization of any costs during an accounting period would simply affect the amount of the fair value adjusted reported in net income (loss) in any given period; and
- Canadian GAAP requires that the logging roads and fixed assets be carried at original cost less accumulated amortization, whereas IFRS allows an entity to make a policy election with respect to the subsequent measurement of an item of logging roads and fixed assets.

In addition to the significant differences noted above, the adoption of IFRS will require the application of IFRS 1 *First-time Adoption of International Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 does require certain mandatory exceptions and limited optional exemptions in specified areas of certain standards from this general requirement. The following are the optional exemptions available under IFRS 1, which we believe are significant to the Fund and that we expect to apply in preparing our first financial statements under IFRS.

- Fair value of revaluation as deemed cost
    - IFRS 1 allows an entity to initially measure an item of property, plant and equipment upon transition to IFRS at fair value or under certain circumstances using a previous GAAP revaluation, as opposed to recreating depreciated cost under IFRS.
- Cumulative translation differences
    - IAS 21 *The Effects of Changes in Foreign Exchange Rates* requires an entity to determine the translation differences in accordance with IFRS from the date on which a subsidiary was formed or acquired. IFRS allows cumulative translation differences for all foreign operations to be deemed zero at the date of transition to IFRS, with future gains or losses on subsequent disposal of any foreign operations to exclude translation differences arising from periods prior to the date of transition to IFRS.
- IFRS 1 allows for certain other optional exemptions; however, we do not expect such exemptions to be significant to our adoption of IFRS.

Management is currently assessing the impact that these accounting differences, and optional exemptions, will have on the future results of Acadian, including the opening balances upon the initial adoption of IFRS. Additionally, in considering the requirements of IFRS, management has provided training to staff at each of the NB Timberlands and Maine Timberlands and is working with them to assess the implications of these accounting differences and policy elections on the operations of the business, including the implications that the adoption of IFRS will have on information technology requirements and internal controls.

We expect to report on our accounting policy choices, including our elections under IFRS, and the impact on the opening IFRS balance sheet of the Fund as at January 1, 2010 in our 2009 year end MD&A. As a result, during the second half of 2009 and the first quarter of 2010, management will focus on implementing the changes and performing the work required to ensure the accuracy of opening balances. Despite the above, the current International Accounting Standard Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) are considering further modifications to IFRS which may ultimately change our preliminary analysis. Accordingly, it is currently not possible to fully determine the impact to the financial statements and any potential business impacts. The Fund currently expects to report under IFRS, on a comparative basis, starting with the first quarter of 2011.

Taxation of Fund Distributions

Management estimates approximately 65% of the Fund's targeted distributions for 2009 will represent a return of capital.

Related Party Transactions

In the normal course of operations, the Fund enters into various transactions on market terms with related parties which have been measured at exchange value and recognized in the consolidated financial statements. The Fund has one significant related party, Brookfield Asset Management Inc., and its affiliates (collectively "Brookfield"). As at June 27, 2009, Brookfield owned 7,513,262 Class A units representing approximately 45% of the outstanding units of the Fund. Acadian is also a related party of Fraser Papers as a result of their common significant shareholder. A summary of the significant related party transactions have been provided below.

a) Acadian is party to fibre supply agreements whereby Acadian has agreed to provide fibre to Fraser Papers and Brookfield for periods of up to 20 years. In addition, Acadian has agreed to administer certain licenses on behalf of Fraser Papers. Total sales to Fraser Papers and Brookfield during the three months ended June 27, 2009 amounted to $0.7 million (2008 – $1.4 million) and $nil (2008 – $0.3 million), respectively, which represented 10% (2008 – 17%) of consolidated total sales. Included in accounts receivable as at June 27, 2009 is $0.4 million (December 31, 2008 – $1.2 million) related to these agreements. Total sales to Fraser Papers and Brookfield for the six-month period ended June 27, 2009 amounted to $12.6 million (2008 – $7.9 million) and $1.1 million (2008 – $0.8 million), respectively. Additionally, included in accounts payable and accrued liabilities as at June 27, 2009 is $0.1 million (December 31, 2008 – $nil) related to security deposits received from Fraser Papers.

b) Acadian is party to an agreement with Brookfield, whereby Brookfield will provide a number of administrative and advisory services to Acadian. Total fees for services provided in the second quarter amounted to $0.6 million (2008 – $0.5 million) and $1.1 million (2008 – $1.0 million) for the six months ended June 27, 2009. All fees have been fully paid in accordance with the services agreement.

c) There were no payments on the Class B Interest Liability of a subsidiary to Brookfield during the three months ended June 27, 2009 as a result of the conversion of all units representing the Class B Liability of a subsidiary by an affiliate of Brookfield on February 3, 2009. Payments on the Class B Interest Liability of a subsidiary to Brookfield during the six months ended June 27, 2009 totalled $0.3 million (2008 – $1.8 million). No amounts have been included in accounts payable and accrued liabilities as at June 27, 2009 (December 31, 2008 – $0.3 million).

d) Maine Timberlands rents space in a shared office building from Katahdin Paper Company LLC (a wholly-owned subsidiary of Brookfield), which also provides certain administrative services to Maine Timberlands. Total costs paid for these services were $4 thousand in the second quarter (2008 – $4 thousand) and $8 thousand during the six-month period ended June 27, 2009 (2008 – $8 thousand).

Contractual Obligations

The Fund has no material capital or operating lease obligations; however, it has three significant contractual obligations related to the supply of fibre to related parties and the provision of management services under a Crown License Agreement at the direction of a related party. See Related Party Transactions for further discussion of these contracts. A summary of the Fund's debt obligations is as follows:

		Payments Due by Period				
millions	Total Available	Total	Less Than One Year	1 to 3 Years	4 to 5 Years	After 5 Years
Long-term debt						
Bank term credit facility[i]	$ 42.0	$ 42.0	$ 42.0	$ —	$ —	$ —
Revolving credit facility	5.0	—	—	—	—	—
Term loan facility	36.7	36.7	—	36.7	—	—
	$ 83.7	$ 78.7	$ 42.0	$ 36.7	$ —	$ —
Interest expense [ii][iii]		$ 3.5	$ 2.0	$ 1.5	$ —	$ —

The following assumptions have been made with respect to interest rates for the periods noted in the table above.

(i) Represents principal of the bank term credit facility, excluding the deferred extension fee incurred in the fourth quarter of 2008;

(ii) Bank term debt credit facility variable interest at 3.37% per annum;

(iii) Term loan facility fixed interest at 4.67% with a Canadian to U.S. dollar conversion of 1.15.

Additional Quarterly Information

The tables below set forth additional quarterly information for the last eight quarters by reportable segment:

NB Timberlands

	2009 Q2			2009 Q1			2008 Q4			2008 Q3		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	**36.3**	**41.2**	**$ 2.5**	174.2	151.9	$ 9.1	72.5	73.2	$ 4.4	68.9	64.6	$ 3.8
Hardwood	**34.0**	**70.1**	**3.0**	123.8	93.2	5.1	81.7	78.2	4.6	92.5	111.1	6.3
Biomass	**33.0**	**33.0**	**0.5**	63.4	63.4	1.5	57.4	57.4	1.1	67.8	67.8	1.4
	103.3	**144.3**	**6.0**	361.4	308.5	15.7	211.6	208.8	10.1	229.2	243.5	11.5
Other Sales			**(0.3)**			2.5			3.2			1.5
Net sales			**$ 5.7**			$ 18.2			$ 13.3			$ 13.0
EBITDA			**$ (0.8)**			$ 7.8			$ 4.5			$ 2.6
EBITDA Margin			**(14)%**			43%			34%			20%

Maine Timberlands

	2009 Q2			2009 Q1			2008 Q4			2008 Q3		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	**5.0**	**6.2**	**$ 0.1**	108.8	104.9	$ 7.4	72.4	72.4	$ 4.8	52.3	52.2	$ 3.0
Hardwood	**1.9**	**2.7**	**0.2**	9.8	8.6	0.4	18.1	18.7	1.4	19.6	19.4	1.1
Biomass	**4.1**	**4.1**	**—**	5.4	5.4	0.1	6.7	6.7	0.1	4.4	4.4	—
	11.0	**13.0**	**0.3**	124.0	118.9	7.9	97.2	97.8	6.3	76.3	76.0	4.1
Other Sales			**0.1**			0.1			0.1			0.1
Net sales			**$ 0.4**			$ 8.0			$ 6.4			$ 4.2
EBITDA			**$ (0.6)**			$ 3.3			$ 2.5			$ 1.8
EBITDA Margin			**(150)%**			41%			39%			43%

Corporate

	2009 Q2			2009 Q1			2008 Q4			2008 Q3		
	Harvest *(000s m³)*	**Sales** *(000s m³)*	**Results** *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	**—**	**—**	**$ —**	—	—	$ —	—	—	$ —	—	—	$ —
Hardwood	**—**	**—**	**—**	—	—	—	—	—	—	—	—	—
Biomass	**—**	**—**	**—**	—	—	—	—	—	—	—	—	—
	—	**—**	**—**	—	—	—	—	—	—	—	—	—
Other Sales			**—**			—			—			—
Net sales			**$ —**			$ —			$ —			$ —
EBITDA			**$ (0.6)**			$ (0.3)			$ (0.1)			$ (0.1)
EBITDA Margin			**n/a**			n/a			n/a			n/a

NB Timberlands

	2008 Q2			2008 Q1			2007 Q4			2007 Q3		
	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	9.0	20.3	$ 1.2	123.4	122.7	$ 7.6	93.4	113.2	$ 7.0	99.0	86.8	$ 5.5
Hardwood	76.7	92.5	5.6	138.7	131.7	7.3	119.6	102.1	5.3	97.9	90.8	4.8
Biomass	61.9	61.9	0.9	54.5	54.5	1.0	37.3	37.3	0.9	65.1	65.1	1.4
	147.6	174.7	7.7	316.6	308.9	15.9	250.3	252.6	13.2	262.0	242.7	11.7
Other Sales			(1.2)			1.3			1.6			0.8
Net sales			$ 6.5			$ 17.2			$ 14.8			$ 12.5
EBITDA			$ (0.8)			$ 5.2			$ 4.3			$ 2.8
EBITDA Margin			(12)%			30%			29%			22%

Maine Timberlands

	2008 Q2			2008 Q1			2007 Q4			2007 Q3		
	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	23.1	23.0	$ 1.1	86.6	86.6	$ 4.8	50.9	50.8	$ 2.4	63.4	63.4	$ 3.6
Hardwood	10.0	11.6	0.5	14.4	12.8	0.6	8.6	8.5	0.4	14.1	14.2	0.6
Biomass	3.6	3.6	0.1	3.7	3.7	—	1.8	1.8	—	3.2	3.2	0.1
	36.7	38.2	1.7	104.7	103.1	5.4	61.3	61.1	2.8	80.7	80.8	4.3
Other Sales			0.1			0.1			0.1			0.1
Net sales			$ 1.8			$ 5.5			$ 2.9			$ 4.4
EBITDA			$ —			$ 2.2			$ 0.8			$ 1.4
EBITDA Margin			0%			40%			28%			32%

Corporate

	2008 Q2			2008 Q1			2007 Q4			2007 Q3		
	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*	Harvest *(000s m³)*	Sales *(000s m³)*	Results *(millions)*
Softwood	—	—	$ —	—	—	$ —	—	—	$ —	—	—	$ —
Hardwood	—	—	—	—	—	—	—	—	—	—	—	—
Biomass	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—
Other Sales			—			—			—			—
Net sales			$ —			$ —			$ —			$ —
EBITDA			$ (0.2)			$ (0.2)			$ (0.2)			$ (0.3)
EBITDA Margin			n/a			n/a			n/a			n/a

Forward-Looking Statements

This Interim Report 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 Interim Report, such statements use such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue" 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 Interim Report. 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 Interim Report 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 Interim Report, and the Fund assumes no obligation to update or revise them to reflect new events or circumstances.

Interim Consolidated Balance Sheet

(unaudited)

As at *CAD millions*	Note	**June 27, 2009**	December 31, 2008
Assets			
Current assets			
Cash and cash equivalents		**$ 6.5**	$ 9.0
Accounts receivable and other assets	8	**5.2**	4.7
Inventory		**1.5**	1.4
		13.2	15.1
Intangible assets		**6.1**	6.1
Timberlands, logging roads and fixed assets	4	**199.0**	207.8
		$ 218.3	$ 229.0
Liabilities and unitholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	8	**$ 3.9**	$ 6.2
Distributions payable to unitholders		**1.1**	0.8
Bank term credit facility	5	**41.9**	—
		46.9	7.0
Future income tax liability		**15.1**	17.7
Long-term debt	5	**36.7**	80.8
Class B Interest Liability of a subsidiary	6	**—**	31.6
Unitholders' equity	7	**119.6**	91.9
		$ 218.3	$ 229.0

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statement of Operations and Deficit

(unaudited)

		Three Months Ended		Six Months Ended	
CAD millions	Note	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Net sales	8	**$ 6.1**	$ 8.3	**$ 32.3**	$ 31.0
Operating costs and expenses					
Cost of sales		**6.1**	7.8	**19.8**	21.8
Selling, administration and other	8	**2.0**	1.6	**3.7**	3.1
Depreciation and depletion		**0.7**	0.8	**4.3**	3.5
		8.8	10.2	**27.8**	28.4
Operating earnings (loss)		**(2.7)**	(1.9)	**4.5**	2.6
Gain on sale of timberlands		**—**	(0.1)	**—**	(0.1)
Loss (gain) on Class B Interest Liability of a subsidiary	6	**—**	4.9	**(4.7)**	2.9
Interest:					
Interest income		**—**	(0.1)	**—**	(0.1)
Interest expense on long-term debt		**0.7**	0.8	**1.6**	1.7
Class B Interest Liability of a subsidiary	8	**—**	0.9	**0.3**	1.8
Earnings (loss) before income taxes		**(3.4)**	(8.3)	**7.3**	(3.6)
Income tax recovery (expense)	12				
Current		**0.4**	—	**—**	—
Future		**1.4**	(0.1)	**2.2**	(0.1)
Net income (loss) for the period		**(1.6)**	(8.4)	**9.5**	(3.7)
Deficit, beginning of period		**(12.9)**	(27.6)	**(20.9)**	(29.8)
Unitholders' distributions	14	**(3.4)**	(2.5)	**(6.5)**	(5.0)
Deficit, end of period		**$ (17.9)**	$ (38.5)	**$ (17.9)**	$ (38.5)
Net income (loss) per unit - basic	7	**$ (0.10)**	$ (0.70)	**$ 0.60**	$ (0.31)
Net income (loss) per unit - diluted	7	**$ (0.10)**	$ (0.70)	**$ 0.31**	$ (0.31)

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income (Loss)

(unaudited)

CAD millions	Note	Three Months Ended **June 27, 2009**	Three Months Ended June 28, 2008	Six Months Ended **June 27, 2009**	Six Months Ended June 28, 2008
Net income (loss)		**$ (1.6)**	$ (8.4)	**$ 9.5**	$ (3.7)
Other comprehensive loss					
Unrealized foreign currency translation loss	7	**(3.0)**	(0.1)	**(2.8)**	(0.2)
Comprehensive income (loss)		**$ (4.6)**	$ (8.5)	**$ 6.7**	$ (3.9)

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statement of Cash Flows
(unaudited)

CAD millions	Note	Three Months Ended June 27, 2009	Three Months Ended June 28, 2008	Six Months Ended June 27, 2009	Six Months Ended June 28, 2008
Cash provided by (used for):					
Operating activities					
Net income (loss)		**$ (1.6)**	$ (8.4)	**$ 9.5**	$ (3.7)
Items not affecting cash:					
Future income tax expense (recovery)	12	**(1.4)**	0.1	**(2.2)**	0.1
Depreciation and depletion		**0.7**	0.8	**4.3**	3.5
Gain on sale of timberlands		**—**	(0.1)	**—**	(0.1)
Loss (gain) on Class B Interest Liability of a subsidiary	6	**—**	4.9	**(4.7)**	2.9
		(2.3)	(2.7)	**6.9**	2.7
Net change in non-cash working capital balances and other		**(0.8)**	1.7	**(2.8)**	4.7
		(3.1)	(1.0)	**4.1**	7.4
Investing activities					
Sale of timberlands, logging roads and fixed assets		**—**	0.1	**—**	0.1
Additions to timberlands, logging roads & fixed assets		**(0.1)**	(0.2)	**(0.1)**	(0.2)
Silviculture expenditures		**—**	(0.1)	**—**	(0.1)
		(0.1)	(0.2)	**(0.1)**	(0.2)
Financing activities					
Distributions paid to unitholders	14	**(3.4)**	(2.5)	**(6.5)**	(5.0)
		(3.4)	(2.5)	**(6.5)**	(5.0)
Increase (decrease) in cash and cash equivalents during the period		**(6.6)**	(3.7)	**(2.5)**	2.2
Cash and cash equivalents, beginning of period		**13.1**	10.8	**9.0**	4.9
Cash and cash equivalents, end of period		**$ 6.5**	$ 7.1	**$ 6.5**	$ 7.1

See accompanying notes to interim consolidated financial statements.

Notes to the Interim Consolidated Financial Statements

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 1. GENERAL

In these notes "Acadian" means Acadian Timber Income Fund and all of its consolidated operations, while the "Fund" means Acadian Timber Income Fund as a separate entity.

The Fund is an unincorporated open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated December 15, 2005, as amended. The Fund qualifies as a "mutual fund trust" for the purposes of the Income Tax Act (Canada). The authorized equity of the Fund consists of an unlimited number of Fund units ("units"). Unitholders are entitled to receive distributions as and when declared by the trustees of the Fund (the "Trustees") and are entitled to one vote per unit on all matters to be voted on by unitholders at each meeting of unitholders.

Acadian owns and manages approximately 765,000 acres of freehold timberlands in New Brunswick ("NB Timberlands"), approximately 311,000 acres of freehold timberlands in Maine ("Maine Timberlands") 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.

As at June 27, 2009, affiliates of Brookfield Asset Management Inc. (collectively "Brookfield") own 7,513,262 Class A units representing approximately 45% of the outstanding units of the Fund. Acadian and Fraser Papers Inc. ("Fraser Papers") are also related parties as a result of a common significant shareholder.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements present the results of operations and cash flows of Acadian for the three- and six-month periods ended June 27, 2009 along with the comparative results for the three- and six-month periods ended June 28, 2008. These consolidated financial statements include the accounts of Acadian and the entities over which it has control and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as prescribed by the Canadian Institute of Chartered Accountants ("CICA").

The preparation of financial statements in conformity with GAAP requires management to make estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during a period. Significant estimates include the determination of the carrying value of assets, and estimating the useful lives of timberlands, logging roads and fixed assets. Actual results could differ from those estimates.

These interim consolidated financial statements have been prepared using accounting policies that are consistent with the policies used in preparing the Fund's most recent annual report, except as discussed in Note 3. These consolidated financial statements do not include all of the disclosure required under GAAP for annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Fund and notes for the year ended December 31, 2008.

Seasonality

Due to the seasonal nature of Acadian's timberland operations, the first, third and fourth quarters of the fiscal year typically account for, and are expected in the future to account for, a greater portion of revenue and net income individually than does the second quarter of each fiscal year. This seasonal pattern may cause Acadian's revenue and net income to vary significantly from quarter to quarter.

NOTE 3. CHANGES IN ACCOUNTING POLICIES

Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing CICA 3062, Goodwill and Other Intangible Assets and CICA 3450, Research and Development Costs. New section 3064 addresses when an internally developed intangible asset meets the criteria for recognition as an asset. The CICA also issued amendments to Section 1000, Financial Statement Concepts, and Accounting Guideline AcG-11, Enterprises in the Development Stage. EIC-27, Revenues and Expenditures during the Pre-operating Period, will not apply to entities that have adopted Section 3064. These changes are effective for fiscal years beginning on or after October 1, 2008, with earlier adoption permitted, and was adopted by the Fund effective January 1, 2009. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards ("IFRS") and generally accepted accounting principles in the United States ("U.S. GAAP") by eliminating the practice of recognizing as assets a variety of start up, pre-production and similar costs that do not meet the definition and recognition criteria of an asset. The adoption of this standard did not have any impact on the consolidated financial statements of the Fund.

Future Accounting Policies

International Financial Reporting Standards

In 2005, the Accounting Standards Board of Canada (AcSB) announced that accounting standards in Canada are to converge with IFRS. In May 2008, the CICA published an updated version of its implementation plan which outlines the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian GAAP with IFRS by January 1, 2011. The CICA plans to converge Canadian GAAP with IFRS. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies. The Fund currently expects to adopt IFRS effective January 1, 2011 and is currently assessing the future impact of the new standards on its consolidated financial statements.

NOTE 4. TIMBERLANDS, LOGGING ROADS AND FIXED ASSETS

As at June 27, 2009 (millions)	Book Value	Accumulated Depletion and Depreciation	Net Book Value
Timberlands	**$ 199.2**	**$ (25.2)**	**$ 174.0**
Land	**10.7**	**—**	**10.7**
Logging roads and bridges	**15.2**	**(2.4)**	**12.8**
Building and equipment	**1.9**	**(0.4)**	**1.5**
	$ 227.0	**$ (28.0)**	**$ 199.0**

As at December 31, 2008 (millions)	Book Value	Accumulated Depletion and Depreciation	Net Book Value
Timberlands	$ 204.0	$ (22.0)	$ 182.0
Land	10.9	—	10.9
Logging roads and bridges	15.5	(2.1)	13.4
Building and equipment	1.9	(0.4)	1.5
	$ 232.3	$ (24.5)	$ 207.8

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 5. DEBT FINANCING

Debt financing consisted of the following:

millions	**June 27, 2009**	December 31, 2008
Bank term credit facility, repayable in January 2010	**$ 42.0**	$ 42.0
Less: Deferred debt issuance costs	**(0.1)**	(0.1)
	41.9	41.9
Term loan facility, repayable in February 2011	**36.7**	38.9
	$ 78.6	$ 80.8

Acadian has a term credit facility of up to $42.0 million and a revolving credit facility of up to $5.0 million. The term credit facility expires on January 29, 2010 and bears interest at floating rates which for the period ended June 27, 2009 was based on 30-day Banker Acceptance rates. The revolving credit facility bears interest at 30-day Banker Acceptance rates, has a period of 364 days and has customary extension features. Management intends to refinance these facilities and is currently assessing the term and amount of these facilities as well as other financing alternatives, including the fixing of interest rates where appropriate. As at June 27, 2009, Acadian has borrowed $42.0 million under the term facility and nil under the revolving facility. As security for these facilities, Acadian has granted the lenders a security interest over the assets of the NB Timberlands. These facilities have certain restrictive covenants relating to debt incurrence and the sale of assets and require Acadian to maintain certain financial ratios (see Note 10). As at June 27, 2009, Acadian was in compliance with all covenants.

The Maine Timberlands secured a term loan facility for up to US$31.5 million which was fully drawn at June 27, 2009. The carrying amount of the facility includes US$0.4 million of deferred financing costs payable upon maturity of the facility. The facility bears interest at 4.67% and expires on February 27, 2011. The fair value of the secured term loan facility is estimated to be US$32.7 million as compared to the carrying value of US$31.9 million. As security for this facility, Maine Timberlands has granted the lenders a security interest over its assets. The facility has certain restrictive covenants relating to debt incurrence and the sale of assets and requires Maine Timberlands to maintain certain financial ratios (see Note 10). As at June 27, 2009, Maine Timberlands was in compliance with all covenants. The amount payable under this facility totalled $36.7 million at June 27, 2009 (December 31, 2008 – $38.9 million).

NOTE 6. CLASS B INTEREST LIABILITY OF A SUBSIDIARY

The Class B Interest Liability represented 4,507,030 preferred interests in the Maine Timberlands which were converted into Units of the Fund on February 3, 2009 by an affiliate of Brookfield. The preferred interests were entitled to a fixed monthly cumulative preferential dividend equal to the lesser of $0.075625 and the most recently announced distribution per Unit of the Fund. These interests were convertible at the option of the holder on a one for one basis into units of the Fund or, at the sole discretion of Acadian, into cash equal to the full market value of these Units on the date of conversion. During the six months ended June 27, 2009, distributions on the Class B Interests were $0.07 per preferred interest (2008 – $0.41 per preferred interest). No distributions were made on the Class B interests during the second quarter of 2009 (2008 - $0.21 per preferred interest).

The Class B Interest Liability was a Canadian dollar liability of the Maine Timberlands. As the currency of measurement of Maine Timberlands is the U.S. dollar, the liability was marked to market at each balance sheet date based on the change on the value of the units of the Fund and the U.S. to Canadian dollar exchange rate with the change recorded in income for the period. As of the date of conversion, the revaluation of this interest resulted in a gain of $4.7 million, which is comprised of a $4.1 million mark-to-market gain plus an additional $0.6 million foreign exchange gain due to the weakening of the Canadian currency in the period. During the three and six months ended June 28, 2008, the revaluation of this interest resulted in a $4.9 million loss and $2.9 million loss, respectively.

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 7. UNITHOLDERS' EQUITY

The components of Unitholders' equity as at June 27, 2009 are as follows:

millions		
Units issued and outstanding - 16,571,453 Units	**$**	**139.1**
Accumulated other comprehensive loss		**(1.6)**
Deficit		**(17.9)**
Total	**$**	**119.6**

As a result of the conversion of the Class B Interest Liability of a subsidiary on February 3, 2009 (Note 6), Acadian has issued an additional 4,507,030 Class A units at a value of $27.5 million.

The components of Unitholders' equity as at December 31, 2008 are as follows:

millions		
Units issued and outstanding – 12,064,423 units	$	111.6
Accumulated other comprehensive income		1.2
Deficit		(20.9)
Total	$	91.9

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) reflects unrealized gains (losses) on the translation of the financial statements of the Maine Timberlands. Accumulated other comprehensive income (loss) as at June 27, 2009 and June 28, 2008 is:

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Balance, beginning of period	**$ 1.4**	$ (0.4)	**$ 1.2**	$ (0.3)
Other comprehensive loss	**(3.0)**	(0.1)	**(2.8)**	(0.2)
Balance, end of period	**$ (1.6)**	$ (0.5)	**$ (1.6)**	$ (0.5)

As at June 27, 2009 the Fund had 16,571,453 Class A units issued and outstanding.

Basic net income per Unit is determined by dividing net income by the weighted average number of Units outstanding during the period. Diluted net income per Unit for the six months ended June 27, 2009, and the comparable period of 2008, respectively, was calculated as follows:

Reconciliation to net income:

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Net income (loss)	**$ (1.6)**	$ (8.4)	**$ 9.5**	$ (3.7)
Add (deduct)				
Interest expense of Class B Interest Liability of a subsidiary	**—**	—	**0.3**	—
Gain on Class B Interest Liability of a subsidiary	**—**	—	**(4.7)**	—
Diluted net income (loss) available for unitholders	**$ (1.6)**	$ (8.4)	**$ 5.1**	$ (3.7)

(unaudited) (All figures in Canadian dollars unless otherwise stated)

Reconciliation of number of Units:

	Three Months Ended		Six Months Ended	
thousands	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Weighted average number of Units				
Class A units	**16,571**	12,064	**15,711**	12,064
Basic weighted average number of Units	**16,571**	12,064	**15,711**	12,064
Conversion of Class B Interest Liability of a subsidiary	**—**	—	**860**	—
Diluted weighted average number of Units	**16,571**	12,064	**16,571**	12,064

NOTE 8. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount.

a) Acadian is party to fibre supply agreements whereby Acadian has agreed to provide fibre to Fraser Papers and Brookfield for periods of up to 20 years. In addition, Acadian has agreed to administer certain licenses on behalf of Fraser Papers. Total sales to Fraser Papers and Brookfield during the three months ended June 27, 2009 amounted to $0.7 million (2008 – $1.4 million) and $nil (2008 – $0.3 million), respectively which represented 10% (2008 – 17%) of consolidated total sales. Included in accounts receivable as at June 27, 2009 is $0.4 million (December 31, 2008 – $1.2 million) related to these agreements. Total sales to Fraser Papers and Brookfield for the six-month period ended June 27, 2009 amounted to $12.6 million (2008 – $7.9 million) and $1.1 million (2008 – $0.8 million), respectively. Additionally, included in accounts payable and accrued liabilities as at June 27, 2009 is $0.1 million (December 31, 2008 – $nil) related to security deposits received from Fraser Papers.

b) Acadian is party to an agreement with Brookfield, whereby Brookfield will provide a number of administrative and advisory services to Acadian. Total fees for services provided in the second quarter amounted to $0.6 million (2008 – $0.5 million) and $1.1 million (2008 – $1.0 million) for the six months ended June 27, 2009. All fees have been fully paid in accordance with the services agreement.

c) There were no payments on the Class B Interest Liability of a subsidiary to Brookfield during the three months ended June 27, 2009 as a result of the conversion of all units representing the Class B Liability of a subsidiary by an affiliate of Brookfield on February 3, 2009. Payments on the Class B Interest Liability of a subsidiary to Brookfield during the six months ended June 27, 2009 totalled $0.3 million (2008 – $1.8 million). No amounts have been included in accounts payable and accrued liabilities as at June 27, 2009 (December 31, 2008 – $0.3 million).

d) Maine Timberlands rents space in a shared office building from Katahdin Paper Company LLC (a wholly-owned subsidiary of Brookfield), which also provides certain administrative services to Maine Timberlands. Total costs paid for these services were $4 thousand in the second quarter (2008 – $4 thousand) and $8 thousand during the six-month period ended June 27, 2009 (2008 – $8 thousand).

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 9. SEGMENTED INFORMATION

The Fund's presentation of reportable segments is based on how management has organized the business in making operating and capital allocation decisions and assessing performance. The Fund has two reporting segments, the NB Timberlands and Maine Timberlands. Net sales, net income (loss) and assets by reportable segments are as follows:

For the Three months Ended June 27, 2009 *millions*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 2.6	$ 2.5	$ 0.1	$ —
Hardwood	3.2	3.0	0.2	—
Other	0.3	0.2	0.1	—
Total net sales	6.1	5.7	0.4	—
Operating costs	(8.1)	(6.5)	(1.0)	(0.6)
Loss before under noted	(2.0)	(0.8)	(0.6)	(0.6)
Depletion and depreciation	(0.7)	(0.6)	(0.1)	—
Operating loss	$ (2.7)	$ (1.4)	$ (0.7)	$ (0.6)
Interest expense, net	(0.7)			
Income tax recovery	1.8			
Net loss	$ (1.6)			

As at June 27, 2009 *millions*				
Timberlands, logging roads, fixed assets and intangible assets	$ 205.1	$ 127.2	$ 77.9	$ —
Total assets	218.3	133.8	80.7	3.8

For the Three months Ended June 28, 2008 *millions*	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	$ 2.3	$ 1.2	$ 1.1	$ —
Hardwood	6.1	5.6	0.5	—
Other	(0.1)	(0.3)	0.2	—
Total net sales	8.3	6.5	1.8	—
Operating costs	(9.4)	(7.4)	(1.8)	(0.2)
Loss before under noted	(1.1)	(0.9)	—	(0.2)
Depletion and depreciation	(0.8)	(0.5)	(0.3)	—
Operating loss	(1.9)	(1.4)	(0.3)	(0.2)
Gain on sale of timberlands	0.1	0.1	—	—
Loss before under noted items	$ (1.8)	$ (1.3)	$ (0.3)	$ (0.2)
Loss on Class B Interest Liability of a subsidiary	(4.9)			
Interest expense, net	(1.6)			
Income tax expense	(0.1)			
Net loss	$ (8.4)			

As at June 28, 2008 *millions*				
Timberlands, logging roads, fixed assets and intangible assets	$ 202.8	$ 131.4	$ 71.4	$ —
Total assets	216.7	137.2	72.8	6.7

For the Six Months Ended June 27, 2009 *millions*		**Total**		**NB Timberlands**		**Maine Timberlands**		**Corporate and Other**
Net sales								
Softwood	$	**19.1**	$	**11.6**	$	**7.5**	$	**—**
Hardwood		**8.7**		**8.1**		**0.6**		**—**
Other		**4.5**		**4.2**		**0.3**		**—**
Total net sales		**32.3**		**23.9**		**8.4**		**—**
Operating costs		**(23.5)**		**(16.9)**		**(5.7)**		**(0.9)**
Earnings (loss) before under noted		**8.8**		**7.0**		**2.7**		**(0.9)**
Depletion and depreciation		**(4.3)**		**(2.6)**		**(1.7)**		**—**
Operating earnings (loss)	$	**4.5**	$	**4.4**	$	**1.0**	$	**(0.9)**
Gain on Class B Interest Liability of a subsidiary		**4.7**						
Interest expense, net		**(1.9)**						
Income tax recovery		**2.2**						
Net income	$	**9.5**						

For the Six Months Ended June 28, 2008 *millions*		Total		NB Timberlands		Maine Timberlands		Corporate and Other
Net sales								
Softwood	$	14.7	$	8.8	$	5.9	$	—
Hardwood		14.0		12.9		1.1		—
Other		2.3		2.0		0.3		—
Total net sales		31.0		23.7		7.3		—
Operating costs		(24.9)		(19.4)		(5.1)		(0.4)
Earnings (loss) before under noted		6.1		4.3		2.2		(0.4)
Depletion and depreciation		(3.5)		(2.2)		(1.3)		—
Operating earnings (loss)		2.6		2.1		0.9		(0.4)
Gain on sale of timberlands		0.1		0.1		—		—
Earnings (loss) before under noted items	$	2.7	$	2.2	$	0.9	$	(0.4)
Loss on Class B Interest Liability of a subsidiary		(2.9)						
Interest expense, net		(3.4)						
Income tax expense		(0.1)						
Net loss	$	(3.7)						

During the six months ended June 27, 2009 approximately 19% of total sales were originated with customers domiciled in the U.S. and the balance in Canada. During the same period approximately 28% of total sales were denominated in U.S. dollars.

Acadian outsources much of its harvesting, transportation and other services which comprise the majority of the Fund's cost of sales. For the three-month period ended June 27, 2009, Acadian's top three suppliers accounted for approximately 16%, 10% and 7%, respectively, of the Fund's cost of sales.

Acadian sells its products to many forest product companies in North America. For the three-month period ended June 27, 2009, the largest customer and related parties (see Note 8) accounted for 19% and 10% of total sales, respectively.

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 10. CAPITAL DISCLOSURES

Acadian's capital structure is comprised of unitholders' equity, inclusive of other comprehensive income (loss) and long-term loan facilities, which include current portions.

Acadian's corporate finance objective is to utilize prudent levels of leverage to lower the trust's cost of capital while minimizing financial risk for unitholders. In managing its capital structure, Acadian may adjust the amount of distributions paid to unitholders, discretionary silviculture and capital expenditures during a given period, or re-evaluate Acadian's leverage ratios.

Acadian monitors its capital structure to ensure compliance with its financial covenants with debtholders. These financial covenants include funded debt to the last twelve months earnings before interest, taxes, depletion, depreciation and amortization ("LTM EBITDA") and interest coverage in respect to the bank term credit facility and debt service coverage in respect to the term loan facility. The financial covenants contained in the bank term credit facility are as follows:

As at *millions*	**June 27, 2009**	December 31, 2008
Funded debt	**$ 42.0**	$ 42.0
Capitalization	**130.7**	131.4
Funded debt / Capitalization (maximum 42.5%)	**32.1%**	32.0%

millions	**June 27, 2009**	June 28, 2008
LTM EBITDA	**$ 14.1**	$ 11.5
LTM Interest for period	**1.9**	2.2
Interest coverage (minimum 3.0)	**7.4**	5.2

The Maine Timberlands' term loan facility requires that a minimum debt service coverage ratio is maintained. This ratio is disclosed below:

U.S. millions	**June 27, 2009**	June 28, 2008
LTM EBITDA	**$ 6.1**	$ 4.4
Capital expenditure	**(0.1)**	—
Cash flow	**6.0**	4.4
Interest	**1.5**	1.5
Debt service coverage ratio (minimum 1.25)	**4.0**	2.9

Acadian's long-term debt obligations, inclusive of current portions, have restrictive covenants which required the NB Timberlands and Maine Timberlands, respectively, to maintain certain financial ratios. As at June 27, 2009, Acadian is in compliance with all financial covenants.

NOTE 11. FINANCIAL INSTRUMENTS

Cash and cash equivalents are classified as held for trading and are measured at fair value as at the balance sheet date with all realized gains or losses and unrealized holdings gains and losses resulting from the change in fair value included in net income in the period in which they arise. Accounts receivable and other assets have been classified as loans and receivables, which are accounted for at amortized cost, which approximates their carrying value given the short-term nature of these receivables. Accounts payable and accrued liabilities, distributions payable to unitholders and long-term loan facilities, including current portions, have been classified as other financial liabilities which are accounted for at amortized cost.

Financial Risk Management

Acadian is exposed to various risks that have been identified by management. These risks have been categorized as foreign exchange risk, interest rate risk, other price risk, credit risk and liquidity risk.

Foreign Exchange Risk

Acadian owns and manages timberlands in both Canada and the United States; as a result, revenues and expenses are incurred in both Canadian dollars and U.S. dollars. The functional currency of Maine Timberlands is the U.S. dollar and the functional currency of the NB Timberlands is the Canadian dollar. Acadian's reporting currency is the Canadian dollar. Acadian's most significant foreign currency risk exposure arises due to its investment in the Maine Timberlands. Accordingly, the impact of a strengthening Canadian dollar will reduce the net income of Acadian, and will also result in an other comprehensive loss on the revaluation of the Maine Timberlands' assets.

During the three- and six-month periods ended June 27, 2009, a $0.01 appreciation (depreciation) in the average and period end U.S. to Canadian dollar foreign exchange rates, all else being equal, would not have significantly impacted net income and cash flow from operations. Furthermore, a $0.01 appreciation (depreciation) in the U.S. to Canadian dollar foreign exchange rate as at June 27, 2009 would have decreased (increased) the unrealized foreign exchange losses recorded in other comprehensive income (loss) resulting from the revaluation of the Maine Timberlands' financial instruments by approximately $0.5 million. The foreign exchange risk arising on the translation of the Maine Timberlands' financial statements is considered to be a financial reporting risk that does not represent a significant operating risk.

The objective of Acadian's foreign exchange risk management activities is to minimize foreign exchange exposures that would have an impact on its operating performance. All of the NB Timberlands expenses and a significant proportion of its revenues are incurred in Canadian dollars. As such, the financial reporting and operational risk associated with the revaluation of NB Timberlands revenues and accounts receivables denominated in U.S. dollars is considered immaterial. Management continues to monitor the operational impact of all foreign exchange exposure, and will consider alternatives, as required, to ensure that this risk is maintained at prudent levels.

Interest Rate Risk

Acadian's interest rate risk arises from the floating interest rate bank term credit facility (see Note 5). A change in Bankers' Acceptances rates will result in variability in the interest expense of Acadian, impacting its consolidated net income. As at June 27, 2009, a 25 basis point increase (decrease) in Bankers' Acceptances rates, all else being equal, would have resulted in an increase (decrease) of the interest expense recorded in the second quarter of $26 thousand, or $105 thousand per annum.

Additionally, a change in interest rates will also expose Acadian to variability in the fair value of the Maine Timberlands' term loan facility, but would have no impact on the reporting value of the debt facility (see Note 5). As at June 27, 2009, a 25 basis point increase (decrease) in U.S. treasury rates, all else being equal, would have resulted in a decrease (increase) in the fair value of the term loan facility by approximately $130 thousand.

Other Price Risk

Acadian is exposed to commodity price risk as its financial performance is dependent on the selling prices of its products and the costs incurred in harvesting its timber. The markets for timber are cyclical and are influenced by a variety of factors beyond Acadian's control. For example, the market prices for timber can be affected by changes in regional and global demand, global supply and economic conditions, including increased competition from a variety of substitute products.

Additionally, Acadian's operating expenses can be impacted by fuel cost increases. Acadian relies almost exclusively on land transportation, and therefore may be more susceptible to fuel cost increases than other timberland companies which rely more heavily on other transportation methods that are less exposed to fuel prices. Accordingly, commodity price variations may impact Acadian's sales, costs of sales, cash flows and earnings. Furthermore, weakness in the market prices of its timber products will also have an effect on Acadian's ability to attract additional capital, the cost of that capital and the value of its timberland assets.

To manage these risks, management monitors market developments in all commodity prices to which it is materially exposed. Given the nature of Acadian's operations, during periods of decreased selling prices and increased costs, Acadian will adjust harvest levels and manage variable expenditures in an effort to preserve the long-term value of Acadian's timberlands.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposures to clients, including outstanding accounts receivables. The maximum exposure is equal to the carrying value of the financial assets as at the balance sheet date.

The objective of managing counterparty credit risk is to prevent losses in financial assets. Investments of excess cash and cash equivalents are invested with counterparties meeting minimum credit quality requirements in accordance with the terms of Acadian's declaration of trust. With respect to outstanding accounts receivables, NB Timberlands and Maine Timberlands each assess the credit quality of the counterparties, including customers, taking into account their financial position, past experience and other factors. In cases where the credit quality of a client does not meet Acadian's credit requirements, a cash deposit is received before any timber is harvested and sold. Management, upon evaluating all open balances as at June 27, 2009, has recorded an allowance against outstanding receivables of $59 thousand. Pursuant to their respective terms, all outstanding accounts receivables are current with the exception of approximately $0.5 million.

Liquidity Risk

Acadian's objective in managing liquidity risk is to maintain sufficient reserves in order to meet operational and investing requirements at any point in time, and to maintain debt financing at levels which will allow Acadian to attract additional capital at reasonable cost. The bank term credit facility, which has security over the assets of the NB Timberlands, matures on January 29, 2010. In seeking to refinance this debt obligation, there is no assurance that Acadian will be able to refinance this obligation at maturity; or if refinanced, that the terms of the refinancing will be as favourable as the original terms of the bank term credit facility. If unable to refinance this facility on acceptable terms, or at all, Acadian may need to dispose of a portion of its assets, or otherwise raise funds, to settle the bank term credit facility. In addition, prevailing interest rates or other factors at the time of refinancing could increase Acadian's interest expense in subsequent years.

Additionally, management assesses the nature and timing of discretionary payments in an effort to mitigate any impact on the financial condition or results of operations of Acadian. As at June 27, 2009, the accounts payable and accrued liabilities and distributions payable of Acadian are due in less than 30 days. Acadian is also exposed to liquidity risk associated with the future tax liability. The future tax liability represents estimated differences between the financial reporting and tax bases of the assets and liabilities of the Fund's subsidiaries as at the beginning of the 2011 taxation year, which will be payable in future years. Management is currently assessing the extent and timing of expected future payments.

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 12. INCOME TAXES

The Fund qualifies as a "mutual fund trust" within the meaning of the Income Tax Act (Canada). All of the taxable income of the Fund is expected to be paid or payable to unitholders in each calendar year. As a result, no income tax is estimated to be payable by the Fund during the current fiscal period under the current provisions of the Income Tax Act.

Under the terms of the Income Tax Act (Canada), Acadian, excluding its corporate subsidiaries, is not currently subject to income taxes to the extent that its taxable income in a year is paid or payable to a unitholder. As a result of enactment of the Canadian government's tax fairness plan on June 22, 2007, which will effectively impose an income tax for specified investment flow through vehicles for taxation years beginning in 2011, the Fund and its subsidiaries, in accordance with the recommendations of Section 3465, Income Taxes, of the CICA Handbook, the Fund, on a consolidated basis, has recorded a future tax liability 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 interim income tax recovery (expense) is calculated based on expected annual effective tax rates.

The components of income tax recovery (expense) are as follows:

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Current	**$ 0.4**	$ —	**$ —**	$ —
Future	**1.4**	(0.1)	**2.2**	(0.1)
Income tax recovery (expense)	**$ 1.8**	$ (0.1)	**$ 2.2**	$ (0.1)

	Three Months Ended		Six Months Ended	
millions	**June 27, 2009**	June 28, 2008	**June 27, 2009**	June 28, 2008
Income (loss) before income taxes	**$ (3.4)**	$ (8.3)	**$ 7.3**	$ (3.6)
Tax recovery (expense) at statutory rate	**0.9**	2.4	**(2.0)**	1.1
Income of fund distributed	**0.9**	—	**1.8**	—
Income trust future tax	**1.0**	(0.1)	**1.0**	(0.1)
Income rate reduction	**1.0**	—	**0.9**	—
Rate Differential	**(0.2)**	—	**0.7**	—
Other income not taxed	**(1.9)**	(2.4)	**(1.3)**	(1.1)
Permanent Differences	**—**	—	**1.2**	—
Other	**0.1**	—	**(0.1)**	—
Income tax recovery (expense)	**$ 1.8**	$ (0.1)	**$ 2.2**	$ (0.1)

The future tax liability represents the cumulative amount of tax payable on the differences between the financial reporting and tax bases of the Fund's assets and liabilities at the rates expected to be effective at the time the differences are anticipated to reverse. The future tax liability relates to differences between financial reporting and tax values of intangible assets and timberlands, logging roads and fixed assets.

NOTE 13. EMPLOYEE BENEFIT PLANS

NB Timberlands and Maine Timberlands each have defined contribution plans covering substantially all employees. During the second quarter, contributions recorded as expenses amounted to $88 thousand (2008 – $84 thousand).

NOTE 14. DISTRIBUTIONS TO UNITHOLDERS

Acadian makes monthly distributions of its available cash, including the funds available under the terms of the revolving credit facility, to the extent determined prudent by the Trustees in accordance with the requirements of the Fund's Declaration of Trust. These distributions represent all cash received from the Fund's indirect investments in its subsidiaries, less estimated cash amounts required for expenses and other obligations of the Fund, cash redemptions of units and any tax liability.

Total distributions declared for the three months ended June 27, 2009 were $3.4 million (2008 – $2.5 million).

Board and Management

MANAGEMENT
Acadian Timber Income Fund's Manager:
Brookfield Timberlands Management LP

Reid Carter
President and Chief Executive Officer of Acadian and
Managing Partner of the Manager

Joseph Cornacchia
Chief Financial Officer of Acadian

Marcia McKeague
Vice President, Maine Woodland Operations

Luc Ouellet
Vice President, NB Woodland Operations

Corporate and Unitholder Information

www.acadiantimber.com

HEAD OFFICE OF THE MANAGER

Brookfield Timberlands Management LP
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Suite 458, Bentall 5, 550 Burrard Street, Box 51
Vancouver, B.C. V6C 2B5

Please direct your inquiries to:
Tracey Wise
Vice President, Investor Relations and Communications
t. 416-956-5154
f. 416-363-2856
e. twise@acadiantimber.com

TRUSTEE, TRANSFER AGENT AND REGISTRAR

Unitholder inquiries relating to distributions, address changes and unitholder account information should be directed to the Fund's transfer agent:

CIBC Mellon Trust Company
P.O. Box 7010, Adelaide Street Postal Station
Toronto, Ontario M5C 2W9
t. 416-643-5500 or
1-800-387-0825 (toll free throughout North America)
f. 416-643-5501
www.cibcmellon.com

UNIT INFORMATION

Toronto Stock Exchange:	ADN.UN
Fully Diluted Units Outstanding (June 27, 2009):	16,571,453
Targeted 2009 Monthly Distribution:	$0.06875 per unit
Record Date:	Last business day of each month
Payment Date:	On or about the 15th day of each subsequent month

ACADIAN TIMBER

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