



News Release

Investors, analysts and other interested parties can access Acadian Timber Income Fund's 2008 Fourth Quarter and Year-end Results conference call via webcast on Wednesday, February 11, 2009 at 10:00 a.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 9:50 a.m. ET. The teleconference taped rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

ACADIAN TIMBER INCOME FUND REPORTS FOURTH QUARTER AND YEAR-END RESULTS

All figures in Canadian dollars unless otherwise noted

Toronto, ONTARIO – February 10, 2009 – Acadian Timber Income Fund (“Acadian” or the “Fund”) (TSX:ADN.UN) today reported financial and operating results¹ for the three and twelve-month periods ended December 31, 2008.

“We are pleased with our results for the fourth quarter and the year, both of which are significant accomplishments in light of current market conditions,” said Reid Carter, President and CEO. “Our Maine operations experienced a particularly strong fourth quarter due to favorable weather, higher volumes, and improved sales mix and pricing for pulpwood.”

For the three months ended December 31, 2008 (the “fourth quarter”), Acadian generated net sales of \$19.7 million on consolidated volumes of 307 thousand m³ as compared with net sales of \$17.7 million on consolidated volumes of 314 thousand m³ during the same period last year.

EBITDA for the fourth quarter was \$6.9 million or 35% of sales as compared with EBITDA of \$4.9 million or 28% of sales for the comparable period in 2007.

For the year ended December 31, 2008, Acadian generated net sales of \$67.9 million as compared with net sales of \$74.8 million in 2007. EBITDA was \$17.4 million or 26% of sales as compared with EBITDA of \$20.3 million or 27% of sales in the prior year.

“Looking forward, Acadian will continue to operate in a difficult and uncertain environment in 2009. As in the past, we will continue to be proactive in managing our production and seeking out market opportunities. Our strong balance sheet and operational flexibility leave Acadian well-positioned to meet the challenges ahead and our distributable cash needs for the coming year,” added Mr. Carter.

On February 3, 2009, an affiliate of Brookfield Asset Management Inc. (“Brookfield”) converted all units representing the Class B Liability of a subsidiary into Class A Units of the Fund on a one-for-one basis. Subsequent to this conversion, the Fund has 16,571,453 Class A Units issued and outstanding, of which 7,513,262 or 45% are held by Brookfield.

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

Review of Operations

2008 Financial and Operating Highlights

	Three Months Ended December 31		Year Ended December 31	
	2008	2007	2008	(Restated) 2007 ¹
<i>(\$millions except per unit information)</i>				
Net sales	\$ 19.7	\$ 17.7	\$ 67.9	\$ 74.8
EBITDA	6.9	4.9	17.4	20.3
Distributable cash from operations	5.7	3.9	13.3	15.5
Distributions declared	3.4	3.4	13.7	13.7
Net income (loss) ²	15.8	7.4	18.9	(18.6)
Per unit – fully diluted				
Net Income (loss) ²	(0.14)	0.16	0.02	(1.54)
Distributable cash from operations	0.34	0.24	0.80	0.94
Distributions declared – Class A unitholders	0.21	0.21	0.83	0.83
Sales volume (000s m ³)	306.6	313.7	1,251.0	1,387.4

1. The 2007 comparative financial statements of the Fund have been amended to reflect certain non-cash future tax amounts totaling \$2.1 million that were not recorded in the second quarter of 2007, upon the enactment of the Canadian government's tax fairness plan. The adjustment does not affect distributable cash from operations, cash flow from operations or income before taxes, but increases future tax expense and future tax liabilities while reducing net income by that amount.

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

Included in net income for the twelve months ended December 31, 2008, is a non-cash gain related to the Class B Interest Liability of a subsidiary. The settlement obligation of this interest is based on the trading value of Acadian's units at the time of settlement, which requires the liability to be recorded at its fair value at each balance sheet date with the corresponding gain 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 has been issued by a self-sustaining U.S. dollar subsidiary of the Fund, the obligation is required to be converted to U.S. dollars at each reporting period, with the corresponding gain or loss related to the carrying value of the liability included in the statement of operations.

For the fourth quarter, these items resulted in a \$19.1 million gain (2007 – \$5.6 million gain), comprised of a \$13.4 million mark-to-market gain (2007 – \$4.4 million gain) and a \$5.7 million foreign exchange gain (2007 – \$1.2 million gain).

For the year ended December 31, 2008, these items resulted in a \$22.2 million gain (2007 – \$11.9 million loss), comprised of a \$15.0 million mark-to-market gain (2007 – \$5.0 million loss) and a \$7.2 million foreign exchange gain (2007 – \$6.9 million loss).

New Brunswick Timberlands

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

	<i>Three Months Ended December 31, 2008</i>			<i>Three Months Ended December 31, 2007</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	72.5	73.2	\$ 4.4	93.4	113.2	\$ 7.0
Hardwood	81.7	78.2	4.6	119.6	102.1	5.3
Biomass	57.4	57.4	1.1	37.3	37.3	0.9
	211.6	208.8	10.1	250.3	252.6	13.2
Other sales			3.2			1.6
Net sales			\$ 13.3			\$ 14.8
EBITDA			\$ 4.5			\$ 4.3
EBITDA margin			34%			29%

	<i>Year Ended December 31, 2008</i>			<i>Year Ended December 31, 2007</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	273.8	280.8	\$ 17.0	372.5	382.7	\$ 24.0
Hardwood	389.6	413.5	23.8	443.4	442.6	23.7
Biomass	241.6	241.6	4.4	247.6	247.6	5.3
	905.0	935.9	45.2	1,063.5	1,072.9	53.0
Other sales			4.8			4.8
Net sales			\$ 50.0			\$ 57.8
EBITDA			\$ 11.5			\$ 15.8
EBITDA margin			23%			27%

Softwood, hardwood and biomass shipments were 73 thousand m³, 78 thousand m³ and 57 thousand m³ for the fourth quarter of 2008, respectively, representing an overall decrease in sales volumes of 17% as compared to same period in 2007. This decrease reflects continued weak demand for softwood sawlogs and the significant decline in demand for hardwood pulpwood as pulp markets softened in the fourth quarter of 2008. Approximately 34% of sales volumes were sold as sawlogs, 39% as pulpwood and 27% as biomass. This compares to 42% of sales volumes sold as sawlogs, 43% as pulpwood and 15% as biomass in the fourth quarter of 2007.

Net sales of \$13.3 million were down 10% from the same period last year, attributable to a 17% reduction in sales volume and a lower value species mix offset by a \$1.6 million increase in other sales. Payments received related to the Crown licensed timberlands were \$1.3 million higher in the fourth quarter of 2008 compared to the same period of 2007 due to 13% increase in sales volumes and a higher value species mix. The weighted average selling price was \$48.79 in the fourth quarter of 2008 as compared to \$52.07 in the same period of 2007.

Costs were \$8.8 million, down 16% compared to the fourth quarter of 2007, primarily as a result of lower harvest volumes.

EBITDA was \$4.5 million, as compared to EBITDA of \$4.3 million in the same period last year while EBITDA margin increased to 34% from 29% during the same period of 2007.

NB Timberlands experienced no recordable incidents among employees and two recordable incidents among contractors during the fourth quarter of 2008 from which the individuals have since fully recovered.

Maine Timberlands

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

	<i>Three Months Ended December 31, 2008</i>			<i>Three Months Ended December 31, 2007</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	72.4	72.4	\$ 4.8	50.9	50.8	\$ 2.4
Hardwood	18.1	18.7	1.4	8.6	8.5	0.4
Biomass	6.7	6.7	0.1	1.8	1.8	—
	97.2	97.8	6.3	61.3	61.1	2.8
Other sales			0.1			0.1
Net sales			\$ 6.4			\$ 2.9
EBITDA			\$ 2.5			\$ 0.8
EBITDA margin			39%			28%

	<i>Year Ended December 31, 2008</i>			<i>Year Ended December 31, 2007</i>		
	Harvest (000s m³)	Sales (000s m³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	234.4	234.2	\$ 13.7	243.9	243.5	\$ 13.6
Hardwood	62.1	62.5	3.6	56.9	56.2	2.5
Biomass	18.4	18.4	0.2	14.8	14.8	0.5
	314.9	315.1	17.5	315.6	314.5	16.6
Other sales			0.4			0.4
Net sales			\$ 17.9			\$ 17.0
EBITDA			\$ 6.5			\$ 5.4
EBITDA margin			36%			32%

Maine Timberlands had a very strong fourth quarter primarily as a result of favorable weather conditions. Softwood, hardwood and biomass shipments were 72 thousand m³, 19 thousand m³, and 7 thousand m³, respectively, with total sales volumes up 60% compared to the fourth quarter of 2007. In addition to favorable weather conditions, the operation's largest contractor was able to catch up on its contract volume in the fourth quarter of 2008 after weather-related difficulties during the spring and early summer operating season. Approximately 55% of shipment volumes were sold as sawlogs, 38% as pulpwood and 7% as biomass. This compares to 56% of sales volumes sold as sawlogs, 41% as pulpwood and 3% as biomass in the fourth quarter of 2007.

Net sales were \$6.4 million, compared to \$2.9 million for the fourth quarter of 2007 due to higher shipment volumes, better species mix, and stronger pulpwood prices. Weighted average price was \$64.19 in the fourth quarter of 2008 as compared to \$47.32 in the same period of 2007.

Costs were \$3.9 million, compared to \$2.1 million for the fourth quarter of 2007. This increase reflects higher harvest volumes and higher variable costs per m³. Increased fuel prices for most of the year, harvest of blowdown in one operation, and a higher proportion of higher cost harvest equipment utilized contributed to this higher variable cost.

EBITDA was \$2.5 million, compared to \$0.8 million for the same period in 2007, while EBITDA margin increased to 39% from 28%.

Maine Timberlands had one recordable incident among contractors during the fourth quarter. The individual has since fully recovered.

Market Outlook

The following Market Outlook contains forward-looking statements about Acadian Timber Income Fund's market outlook for fiscal 2009. Reference should be made to the "Forward-looking Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our Management's Discussion and Analysis (MD&A) in our most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

To date, Acadian has been quite successful in recognizing, producing and selling into market opportunities as they have arisen. The past year offered a supply-demand imbalance for softwood sawlogs that allowed Acadian to move additional volumes at reasonable prices. We also benefited from a strong pulp market in 2008 which offered strong demand and sales realizations while tightening up the softwood sawlog market by consuming a portion of spruce-fir studwood as pulpwood. The outlook for 2009 appears more difficult, however, as U.S. housing starts and lumber demand are expected to experience further declines. In addition, the global pulp market has become much more difficult with inventories well above balanced market levels and spot prices now at or below cash costs from most producing regions. As a result, we expect that market conditions will remain difficult in 2009.

Despite these pressures, we have experienced only limited recent deterioration in the softwood sawlog market as further harvest reductions on Quebec and Ontario crown land, as well as harvest reductions by private woodlot owners, have balanced supply with demand.

Given the recent deterioration of global pulp markets, we expect softness in pulpwood pricing through the first half of 2009 despite the fact that pulp and paper producers will have little alternative supply until lumber markets improve. Local pulp and paper mills, including Sappi, Verso, Mead, Katahdin Paper, and Domtar, have announced production curtailments while the Old Town Maine mill, recently brought out of bankruptcy, remains closed. Both UPM Miramichi and Bowater Dalhousie have permanently shut down. As a preferred supplier to several regional pulp and groundwood mills, Acadian benefits in its ability to continue to move pulpwood volumes despite weakening demand and pricing.

Markets for hardwood sawlogs and specialty products have softened slightly but are expected to remain relatively stable through 2009 as overall hardwood production is expected to decline significantly reducing the availability of hardwood sawlogs in the marketplace.

Biomass demand and pricing is expected to continue to be favourable in 2009 owing to limited supply from reductions in hardwood harvest volumes, and increasing competition as new wood biomass, pellet, and biofuels projects are completed. This favorable environment for biomass may be partially offset if oil prices remain low.

Monthly Distribution

As previously announced, Acadian's Board of Trustees declared its monthly distribution of \$0.06875 per unit, payable on February 13, 2009 to unitholders of record on January 30, 2009.

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

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

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

For further information, please visit our website at www.acadiantimber.com or contact:

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Forward-Looking Statements

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

Acadian Timber Income Fund
Consolidated Balance Sheets

<i>As at December 31</i> <i>(CAD millions)</i>	2008	(Restated) 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9.0	\$ 4.9
Accounts receivable and other assets	4.7	8.1
Inventory	1.4	2.0
	15.1	15.0
Intangible assets	6.1	6.1
Timberlands, logging roads and fixed assets	207.8	199.1
	\$ 229.0	\$ 220.2
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6.2	\$ 6.0
Distributions payable to unitholders	0.8	0.8
	7.0	6.8
Future income tax liability	17.7	11.5
Long-term debt	80.8	73.8
Class B Interest Liability of a subsidiary	31.6	46.6
Unitholders' equity	91.9	81.5
	\$ 229.0	\$ 220.2

Acadian Timber Income Fund
Consolidated Statements of Operations and Deficit

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2008	2007	2008	(Restated) 2007
Net sales	\$ 19.7	\$ 17.7	\$ 67.9	\$ 74.8
Operating costs and expenses				
Cost of sales	11.1	11.3	44.8	48.2
Selling, administration and other	1.7	1.5	6.4	6.6
Depreciation and depletion	2.2	1.8	7.4	8.2
	15.0	14.6	58.6	63.0
Operating earnings	4.7	3.1	9.3	11.8
Gain on sale of timberlands	—	—	(0.7)	(0.3)
Loss (gain) on Class B Interest Liability of a subsidiary	(19.1)	(5.6)	(22.2)	11.9
Interest:				
Interest income	—	—	(0.2)	(0.3)
Interest expense on long-term debt	1.0	1.0	3.6	3.9
Class B Interest Liability of a subsidiary	0.9	0.9	3.7	3.7
Earnings (loss) before income tax expense	21.9	6.8	25.1	(7.1)
Future income tax recovery (expense)	(6.1)	0.6	(6.2)	(11.5)
Net income (loss) for the period	15.8	7.4	18.9	(18.6)
Deficit, beginning of period	(34.2)	(34.7)	(29.8)	(1.2)
Unitholders' distributions	(2.5)	(2.5)	(10.0)	(10.0)
Deficit, end of period	\$ (20.9)	\$ (29.8)	\$ (20.9)	\$ (29.8)
Net income (loss) per unit – basic	\$ 1.31	\$ 0.61	\$ 1.57	\$ (1.54)
Net income (loss) per unit – diluted	\$ (0.14)	\$ 0.16	\$ 0.02	\$ (1.54)

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

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2008	2007	2008	(Restated) 2007
Net income (loss)	\$ 15.8	\$ 7.4	\$ 18.9	\$ (18.6)
Other comprehensive income (loss)				
Unrealized foreign currency translation gain (loss)	1.7	(0.9)	1.5	(0.5)
Other comprehensive income (loss)	1.7	\$ (0.9)	\$ 1.5	\$ (0.5)
Comprehensive income (loss)	\$ 17.5	\$ 6.5	\$ 20.4	\$ (19.1)

Acadian Timber Income Fund
Consolidated Statements of Cash Flows

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2008	2007	2008	(Restated) 2007
Cash provided by (used for):				
Operating activities				
Net income (loss)	\$ 15.8	\$ 7.4	\$ 18.9	\$ (18.6)
Items not affecting cash:				
Future income tax expense (recovery)	6.1	(0.6)	6.2	11.5
Depreciation and depletion	2.2	1.8	7.4	8.2
Gain on sale of timberlands	—	—	(0.7)	(0.3)
Loss (gain) on Class B Interest Liability of a subsidiary	(19.1)	(5.6)	(22.2)	11.9
	5.0	3.0	9.6	12.7
Net change in non-cash working capital balances	1.6	1.3	4.5	(4.6)
	6.6	4.3	14.1	8.1
Investing activities				
Sale of timberlands, logging road and fixed assets	—	—	0.8	0.4
Additions to timberlands, logging roads and fixed assets	(0.2)	—	(0.5)	(0.6)
Silviculture expenditures	—	—	(0.3)	(0.7)
	(0.2)	—	—	(0.9)
Financing activities				
Distributions paid to unitholders	(2.5)	(2.5)	(10.0)	(10.0)
	(2.5)	(2.5)	(10.0)	(10.0)
Increase (decrease) in cash and cash equivalents during the period	3.9	1.8	4.1	(2.8)
Cash and cash equivalents, beginning of period	5.1	3.1	4.9	7.7
Cash and cash equivalents, end of period	\$ 9.0	\$ 4.9	\$ 9.0	\$ 4.9

Reconciliation to EBITDA and Distributable Cash from Operations

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2008	2007	2008	(Restated) 2007
Net income (loss) ¹	\$ 15.8	\$ 7.4	\$ 18.9	\$ (18.6)
Add (deduct):				
Interest income	—	—	(0.2)	(0.3)
Interest expense on long-term debt	1.0	1.0	3.6	3.9
Distribution on Class B Interest Liability of a subsidiary	0.9	0.9	3.7	3.7
Future income tax expense (recovery)	6.1	(0.6)	6.2	11.5
Depreciation and depletion	2.2	1.8	7.4	8.2
Non-cash loss (gain) on Class B Interest Liability of a subsidiary	(19.1)	(5.6)	(22.2)	11.9
EBITDA	6.9	4.9	17.4	20.3
Add (deduct):				
Interest income	—	—	0.2	0.3
Interest expense on long-term debt	(1.0)	(1.0)	(3.6)	(3.9)
Silviculture and capital expenditures	(0.2)	—	(0.8)	(1.3)
Non-cash gain on sale of timberlands	—	—	(0.7)	(0.3)
Proceeds from sale of timberlands, logging roads and fixed assets	—	—	0.8	0.4
Distributable cash from operations	\$ 5.7	\$ 3.9	\$ 13.3	\$ 15.5
Distributions declared	\$ 3.4	\$ 3.4	\$ 13.7	\$ 13.7

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

Reconciliation to Distributable Cash from Operations

<i>CAD millions</i>	For the Three Months Ended December 31		For the Year Ended December 31	
	2008	2007	2008	(Restated) 2007
Cash flow from (used for) operating activities	\$ 6.6	\$ 4.3	\$ 14.1	\$ 8.1
Add (deduct):				
Capital adjustments				
Proceeds from sale of timberlands, logging roads and fixed assets	—	—	0.8	0.4
Other adjustments				
Change in non-cash working capital balances and other	(1.6)	(1.3)	(4.5)	4.6
Distribution on Class B Interest liability of a subsidiary	0.9	0.9	3.7	3.7
Silviculture and capital expenditures	(0.2)	—	(0.8)	(1.3)
Distributable cash from operations	\$ 5.7	\$ 3.9	\$ 13.3	\$ 15.5