



News Release

Investors, analysts and other interested parties can access Acadian Timber Income Fund's 2006 Fourth Quarter and Year-End Results conference call via webcast on Friday, February 16, 2007 at 10:00 a.m. ET at www.acadiantimber.com or via teleconference at 1-888-825-9691, toll free in North America. For overseas calls please dial 706-634-9898, at approximately 9:50 a.m. ET. The teleconference taped rebroadcast can be accessed at 1-800-558-5253 or 416-626-4100 and enter passcode 21324877.

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

All figures in Canadian dollars unless otherwise noted

Toronto, CANADA – February 15, 2007 – Acadian Timber Income Fund (“Acadian”) (TSX:ADN.un) today reported operating results for the three-month period ended December 31, 2006 (the “fourth quarter”).

Acadian commenced operations on January 31, 2006, however, it is important to note that the comparable periods in the prior year represent best estimates based on pro forma financial information contained in the Fund's prospectus dated January 23, 2006. Information provided for periods prior to inception of the Fund is provided for reference purposes only, and is not intended as a comprehensive comparison of financial results.

Acadian generated net sales of \$19.5 million on a consolidated log sales volume of 371 thousand m³ in the fourth quarter of 2006. Consolidated log sales volumes in the fourth quarter of 2005 were 399 thousand m³ resulting in net sales of \$22.5 million. The lower sales volumes reflected planned reductions in harvest volumes and deliveries as well as unseasonably warm and wet weather that restricted our ability to operate.

EBITDA of \$5.2 million for the fourth quarter was \$1.4 million lower than the same period of last year due to lower harvest volumes and a lower value species mix. In addition, in the prior year EBITDA included \$0.8 million of proceeds from the sale of a parcel of land. EBITDA margin was 27% in the fourth quarter of 2006 versus 29% in the same period last year.

For the eleven-months ended December 31, 2006, Acadian generated net sales of \$69.5 million on a consolidated log sales volume of 1,328 thousand m³. Consolidated log sales volumes for the eleven-months ended December 31, 2005 were 1,356 thousand m³ resulting in net sales of \$72.8 million. The slight year-over-year decrease is attributable to a weaker fourth quarter as described above. We are pleased to report that Acadian operated within its five-year harvest volume framework, ensuring harvest levels are consistent with the Long Run Sustained Yield of its timberlands estate.

EBITDA of \$18.3 million for the eleven-months ended December 31, 2006 was \$0.4 million, or 2%, lower than the same period of last year, with EBITDA margin remaining constant at 26%. Excluding the land sale in the prior year, EBITDA for the eleven-months ended December 31, 2006 was \$0.4 million, or 2%, higher than the same period last year, with EBITDA margin increasing to 26% from 25% in the prior year. Acadian was able to maintain a consistent year-over-year EBITDA and margin in a challenging operating environment by harvesting and

merchandizing products to maximize market opportunities and maintain stable cash flows, while keeping costs low.

“Overall, we are very pleased with Acadian’s first year’s operating and financial performance, delivering results that were in line with our expectations,” said Reid Carter, Chief Executive Officer of Acadian. “While the market environment is challenging, our primary focus will be on merchandising all of our products for their highest value, while seeking every opportunity to reduce costs. In 2007 we will continue to strive to maintain a stable financial performance while preserving the long-term value of the business.”

Operating Highlights

2006 Financial and Operating Highlights:

(\$ millions)	Three-Months Ended December 31		Eleven-Months Ended December 31	
	2006	2005 ¹	2006	2005 ¹
Net sales	\$ 19.5	\$ 22.5	\$ 69.5	\$ 72.8
Net income	2.3	n/a	7.9	n/a
EBITDA	5.2	6.6	18.3	18.7
Distributable Cash from Operations	4.3	n/a	13.4	n/a
Distributions declared	3.3		12.5	
Per unit – diluted				
Net Income	0.12		0.42	
Distributable Cash from Operations	0.26		0.81	
Distributions	0.21		0.76	
Sales volume (m ³)	370.8	399.4	1,327.5	1,355.5

¹ Prepared on a proforma basis.

New Brunswick Timberlands

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

	Three-Months Ended December 31, 2006			Three-Months Ended December 31, 2005 ¹		
	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	117.4	86.4	\$ 5.5	87.9	92.6	\$ 5.6
Hardwood	121.2	125.0	6.6	207.4	153.5	9.3
Biomass	76.7	76.7	1.4	63.6	63.6	0.9
	315.3	288.1	13.5	358.9	309.7	15.8
Other sales			0.9			0.9
Net sales			\$ 14.4			\$ 16.7
EBITDA			\$ 4.1			\$ 3.6
EBITDA margin			28%			22%

¹ Prepared on a proforma basis.

	Eleven-Months Ended December 31, 2006			Eleven-Months Ended December 31, 2005 ¹		
	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	321.2	328.5	\$ 21.2	337.8	345.9	\$ 21.6
Hardwood	439.6	467.9	24.7	533.9	472.6	27.6
Biomass	247.6	247.6	4.5	275.9	276.0	5.5
	1,008.4	1,044.0	50.4	1,147.6	1,094.5	54.7
Other sales			2.0			1.4
Net sales			\$ 52.4			\$ 56.1
EBITDA			\$ 13.5			\$ 12.2
EBITDA margin			26%			22%

¹ Prepared on a proforma basis

Softwood, hardwood and biomass shipments were 86 thousand m³, 125 thousand m³ and 77 thousand m³ for the fourth quarter, respectively. Softwood and hardwood volumes were lower compared to the same period in 2005 due to poor weather conditions and planned reduction in hardwood harvest volume. Approximately 31% of sales volumes were sold as sawlogs, 42% as pulpwood and 27% as biomass.

Net sales were \$14.4 million, down 14% from the same period of last year, which largely reflects a lower value species mix in the hardwood component as well as lower hardwood sales volumes.

Costs were \$10.3 million, down 21% compared to the same period last year. This decrease was attributable to the 19% reduction in harvest volumes (excluding biomass), shorter hauling distances, and a decrease in salaries, benefits and other administrative costs primarily due to reduced staffing levels and more efficient allocation of resources now that Acadian is a standalone entity.

EBITDA was \$4.1 million, compared to \$3.6 million in the same period last year. EBITDA margin was 28% compared to 22% in same period of 2005, largely reflecting improved prices for biomass and reduced administrative costs.

For the fourth quarter, NB Timberlands had no accidents among employees and experienced one minor accident among contractors.

Maine Timberlands

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

	Three-Months Ended December 31, 2006			Three-Months Ended December 31, 2005 ¹		
	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	58.9	58.5	\$ 3.8	71.9	71.9	\$ 5.1
Hardwood	22.1	22.2	1.1	15.6	15.6	0.7
Biomass	2.0	2.0	0.1	2.2	2.2	—
	83.0	82.7	5.0	89.7	89.7	5.8
Other sales			0.1			—
Net sales			\$ 5.1			\$ 5.8
EBITDA			\$ 1.9			\$ 3.0
EBITDA margin			37%			52%

¹ Prepared on a proforma basis

	Eleven-Months Ended December 31, 2006			Eleven-Months Ended December 31, 2005 ¹		
	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)	Harvest (000s m ³)	Sales (000s m ³)	Results (millions)
Softwood	204.6	204.1	\$ 13.1	197.5	197.5	\$ 13.8
Hardwood	70.9	69.6	3.5	55.1	55.1	2.9
Biomass	9.7	9.8	0.2	8.4	8.4	—
	285.2	283.5	16.8	261.0	261.0	16.7
Other sales			0.3			—
Net sales			\$ 17.1			\$ 16.7
EBITDA			\$ 5.9			\$ 6.5
EBITDA margin			35%			39%

¹ Prepared on a proforma basis

Maine Timberlands softwood and hardwood shipments were 59 thousand m³ and 22 thousand m³, respectively. The 19% decrease in softwood shipments from the same period in 2005 was primarily attributed to unusually warm and wet weather conditions, which disproportionately

impacted access to and delivery of softwood logs. Approximately 52% of shipment volume was sold as sawlogs, 46% as pulpwood and 3% as biomass.

Net sales were \$5.1 million, down 12% from the same period in 2005 due to lower prices, less softwood being sold, and a stronger Canadian dollar.

Costs were \$3.2 million, an increase of \$0.4 million compared to the same period in 2005. This increase reflects differences in operating areas between the two years and the fact that the 2005 proforma costs include \$0.8 million proceeds from a land sale in the fourth quarter of 2005.

EBITDA was \$1.9 million, down 14% from the same period in 2005 before accounting for proceeds from the land sale. EBITDA margin was 37% in the fourth quarter.

Weather and markets in which Maine Timberlands operates presented challenges in the fourth quarter. In spite of this, deliveries were slightly ahead of plan as Maine Timberlands was able to take advantage of better operating conditions in hardwood areas and strong demand for hardwood.

Maine Timberlands had no accidents among employees and contractors in the fourth quarter.

Market Overview

Acadian's lumber and panel producing customers in the broader operating region struggled with difficult market conditions throughout the last three quarters of the year, with prices for lumber down approximately 15% year over year and prices for oriented-strand board (OSB) down 43%. Weak lumber prices, the strong Canadian dollar and over-supplied dimension lumber and structural panel markets resulted in market-related closures and reduced production at several regional sawmills. Fraser Papers, Acadian's major customer for softwood sawlogs, was impacted by these difficult market conditions, taking a combined 18 weeks of market-related downtime during the fourth quarter at its Plaster Rock, Juniper and Ashland sawmills. Consistent with this significant decline in lumber and panel prices through 2006, softwood sawlog markets came under pressure resulting in a modest price decline during the second half of the year. Despite these difficult market conditions, Acadian sold all of its softwood production without being impacted by serious price reductions.

Prices for hardwood sawlogs were relatively unchanged in the fourth quarter with most of the pricing variance associated with the mix of species and log grades rather than market conditions. Softwood pulpwood continues to experience strong demand and favourable pricing in the region, while hardwood pulpwood markets are more fully supplied with prices remaining soft but largely unchanged. Biomass prices continued to improve during the fourth quarter owing to supply shortages and a strong regional energy market.

Other

On October 31, 2006, Canada's Finance Minister, James Flaherty, announced proposed changes to Canada's taxation system designed to level the playing field between trusts and corporations. While we feel that it is still too early to determine the extent to which the proposed legislation will impact Acadian, our management and Board of Trustees will continue to monitor and analyze the situation and its implications to the Fund as they develop.

Monthly Distribution

As previously announced, Acadian's Board of Trustees declared its monthly distribution of \$0.06875 per unit, payable on February 15, 2007 to unitholders of record on January 31, 2007. This distribution represents an annual yield of 8.25% based on the issue price of \$10.00 per unit.

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

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

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

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

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This news release contains forward looking information including "forward looking statements", which can be identified by the use of words, such as "approximately", "deliver", "should" or variations of such words and phrases or that state that certain actions, events or results "may" or "will" be taken, occur or achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward statements. The risks, uncertainties and other factors that could influence actual results are described in the Acadian Timber Income Fund final prospectus and other documents filed with regulatory authorities.

**Acadian Timber Income Fund
Consolidated Balance Sheet**

As at December 31
CAD\$ millions

2006

ASSETS

Current assets:

Cash and cash equivalents	\$	7.7
Accounts receivable and other assets		4.1
Inventory		3.0

14.8

Intangible Assets

6.1

Timberlands, logging roads and fixed assets

219.1

\$ 240.0

LIABILITIES AND UNITHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$	7.6
Distributions payable to unitholders		0.8

8.4

Long-term debt

79.3

Class B Interest Liability of a subsidiary

41.7

Unitholders' equity

110.6

\$ 240.0

Acadian Timber Income Fund Consolidated Statement of Operations and Deficit

<i>For the period ended December 31, 2006</i> CAD\$ millions	<i>Three-Months</i> <i>Ended</i> ¹	<i>Eleven-Months</i> <i>Ended</i>
Net Sales	\$ 19.5	\$ 69.5
Operating costs and expenses:		
Cost of sales	12.6	45.9
Selling, administration and other	1.7	5.3
Depreciation and depletion	2.3	7.8
	16.6	59.0
Operating earnings	2.9	10.5
Gain (loss) on Class B Interest Liability of a subsidiary	1.2	4.2
Interest expense;		
Long-term debt	(0.9)	(3.4)
Class B Interest Liability of a subsidiary	(0.9)	(3.4)
Earnings before income taxes	2.3	7.9
Income taxes	—	—
Net income for the period	2.3	7.9
Retained earnings, beginning of period	(1.1)	—
Unitholders' distributions	(2.4)	(9.1)
Deficit, end of period	\$ (1.2)	\$ (1.2)
Net income per unit – basic	\$ 0.19	\$ 0.65
Net income per unit – diluted	\$ 0.12	\$ 0.42

¹ Certain figures have been reclassified or restated to conform with the current year's presentation.

Reconciliation to EBITDA and Distributable Cash from Operations

<i>For the period ended December 31, 2006</i> CAD\$ millions	<i>Three-Months</i> <i>Ended</i>	<i>Eleven-Months</i> <i>Ended</i>
Net income for the period	\$ 2.3	\$ 7.9
Add (deduct):		
Non-cash (gain) loss on Class B Interest Liability of a subsidiary	(1.2)	(4.2)
Depreciation and depletion	2.3	7.8
Interest expense on long-term debt	0.9	3.4
Distribution on Class B Interest Liability of a subsidiary	0.9	3.4
EBITDA	5.2	18.3
Add (deduct):		
Interest expense on long-term debt	(0.9)	(3.4)
Silviculture and capital expenditures	—	(1.5)
Distributable cash from operations	\$ 4.3	\$ 13.4

Acadian Timber Income Fund
Consolidated Statement of Cash Flows

<i>For the period ended December 31, 2006</i> <i>CAD\$ millions</i>	Three-Months Ended	Eleven-Months Ended
Cash provided by (used for):		
Operating Activities		
Net income	\$ 2.3	\$ 7.9
Items not affecting cash:		
Depreciation and depletion	2.3	7.8
(Gain) loss on Class B Interest Liability of subsidiary	(1.2)	(4.2)
	3.4	11.5
Net change in non-cash working capital balances	0.1	2.9
	3.5	14.4
Investing Activities		
Purchase of New Brunswick Timberlands	—	(106.8)
Purchase of Maine Timberlands	—	(7.5)
Addition to Timberlands, logging roads and fixed assets	—	(0.6)
Silviculture expenditures	—	(0.9)
	—	(115.8)
Financing Activities		
Proceeds on issuance of units, gross	—	84.5
Proceeds from long-term debt	—	42.0
Offering costs	—	(9.1)
Distributions to unitholders	(2.4)	(8.3)
	(2.4)	109.1
Increase in cash and cash equivalents, during the period	1.1	7.7
Cash and cash equivalents, beginning of period	6.6	—
Cash and cash equivalents, end of period	\$ 7.7	\$ 7.7

Reconciliation to Distributable Cash from Operations

<i>For the period ended December 31, 2006</i> <i>CAD\$ millions</i>	Three-Months Ended	Eleven-Months Ended
Cash flow from operating activities	\$ 3.5	\$ 14.4
Add (deduct):		
Change in non-cash working capital balances	(0.1)	(2.9)
Distribution on Class B Interest Liability of a subsidiary	0.9	3.4
Silviculture and capital expenditures	—	(1.5)
Distributable cash from operations	\$ 4.3	\$ 13.4