



Investors, analysts and other interested parties can access Acadian Timber Income Fund's 2009 Second Quarter Results conference call via webcast on Friday, August 7, 2009 at 10:00 a.m. ET at [www.acadiantimber.com](http://www.acadiantimber.com) or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 9:50 a.m. ET. The teleconference taped rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

## ACADIAN TIMBER INCOME FUND REPORTS SECOND QUARTER RESULTS

*All figures in Canadian dollars unless otherwise noted*

**Toronto, ONTARIO – Aug 6, 2009** – Acadian Timber Income Fund (“Acadian” or the “Fund”) (TSX:ADN.UN) today reported financial and operating results<sup>1</sup> for the three months ended June 27, 2009 (the “second quarter”).

For the second quarter of fiscal 2009, Acadian generated net sales of \$6.1 million on log sales volumes of 157.3 thousand m<sup>3</sup>, 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<sup>3</sup> as compared to net sales of \$31.0 million on log sales volumes of 624.9 thousand m<sup>3</sup> 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.

“The second quarter of each year is traditionally the weakest due to limited access to roads and timberlands as the ground thaws. Poor weather conditions and increased hauling distances were additional challenges in the second quarter of this year,” said Reid Carter, Chief Executive Officer of Acadian. “Acadian's results also reflect management's plan to reduce sales beyond normal seasonal levels due to weak market conditions and to preserve the long-term value of Acadian's timberlands. This will ensure the Fund is well positioned to maximize cash flows when the market recovers.”

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

## Review of Operations

### 2009 Financial and Operating Highlights

(\$ millions except per unit information)	Three Months Ended		Six Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Net sales	\$ 6.1	\$ 8.3	\$ 32.3	\$ 31.0
EBITDA	(2.0)	(1.0)	8.8	6.2
Distributable cash from operations	(2.4)	(2.0)	7.1	4.3
Distributions declared	3.4	3.4	6.8	6.8
Net income (loss) <sup>1</sup>	(1.6)	(8.4)	9.5	(3.7)
Per unit – fully diluted				
Net Income (loss) <sup>1</sup>	(0.10)	(0.70)	0.31	(0.31)
Distributable cash from operations	(0.14)	(0.12)	0.43	0.26
Distributions declared – Class A unitholders	0.21	0.21	0.41	0.41
Sales volume (000s m <sup>3</sup> )	157.3	212.9	584.7	624.9

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

Included in 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. ("Brookfield") converted all units representing the Class B Liability of a subsidiary into Class A Units of the Fund on a one-for-one basis. Accordingly, the Class B Liability of a subsidiary was not outstanding during the second quarter and was not revalued at the end of the period.

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 in 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 are no longer any estimated taxes owing as at June 27, 2009 resulting in the reversal of previously recorded expense in the period.

### *New Brunswick Timberlands*

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

	<i>Three Months Ended June 27, 2009</i>			<i>Three Months Ended June 28, 2008</i>		
	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>
Softwood	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)%

	<i>Six Months Ended June 27, 2009</i>			<i>Six Months Ended June 28, 2008</i>		
	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>	<i>Harvest (000s m<sup>3</sup>)</i>	<i>Sales (000s m<sup>3</sup>)</i>	<i>Results (millions)</i>
Softwood	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<sup>3</sup>, 70 thousand m<sup>3</sup> and 33 thousand m<sup>3</sup> 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%, as compared to 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*

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

	Three Months Ended June 27, 2009			Three Months Ended June 28, 2008		
	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Results (millions)	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Results (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 (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Results (millions)	Harvest (000s m <sup>3</sup> )	Sales (000s m <sup>3</sup> )	Results (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<sup>3</sup>, 3 thousand m<sup>3</sup> and 4 thousand m<sup>3</sup> 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 2009, reflects very limited operations during the period.

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

## 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](http://www.acadiantimber.com) or filed with SEDAR at [www.sedar.com](http://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%<sup>2</sup> 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. The 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 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 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.

## Monthly Distribution

As previously announced, Acadian's Board of Trustees declared its monthly distribution of \$0.06875 per unit, payable on August 14, 2009 to unitholders of record on July 31, 2009.

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

*Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown*

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<sup>2</sup> According to the Western Wood Products Association's (WWPA) latest Lumber Track Report.

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.

- 30 -

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

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### **Forward-Looking Statements**

*This News Release contains forward-looking information and other "forward-looking" statements 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**  
**Interim Consolidated Balance Sheet**  
**(unaudited)**

<i>As at</i> <i>(CAD millions)</i>	<b>June 27, 2009</b>	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6.5	\$ 9.0
Accounts receivable and other assets	5.2	4.7
Inventory	1.5	1.4
	<b>13.2</b>	15.1
Intangible assets	6.1	6.1
Timberlands, logging roads and fixed assets	199.0	207.8
	<b>\$ 218.3</b>	<b>\$ 229.0</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3.9	\$ 6.2
Distributions payable to unitholders	1.1	0.8
Bank term credit facility	41.9	—
	<b>46.9</b>	7.0
Future income tax liability	15.1	17.7
Long-term debt	36.7	80.8
Class B Interest Liability of a subsidiary	—	31.6
Unitholders' equity	119.6	91.9
	<b>\$ 218.3</b>	<b>\$ 229.0</b>

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

	Three Months Ended		Six Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
<i>CAD millions</i>				
Net income (loss)	\$ (1.6)	\$ (8.4)	\$ 9.5	\$ (3.7)
<b>Other comprehensive loss</b>				
Unrealized foreign currency translation losses	(3.0)	(0.1)	(2.8)	(0.2)
Comprehensive income (loss)	\$ (4.6)	\$ (8.5)	\$ 6.7	\$ (3.9)



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

<i>CAD millions</i>	Three Months Ended		Six Months Ended	
	<b>June 27, 2009</b>	June 28, 2008	<b>June 27, 2009</b>	June 28, 2008
Net sales	\$ 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	2.0	1.6	3.7	3.1
Depreciation and depletion	0.7	0.8	4.3	3.5
	<b>8.8</b>	10.2	<b>27.8</b>	28.4
Operating earnings (loss)	<b>(2.7)</b>	(1.9)	<b>4.5</b>	2.6
Gain on sale of timberlands	—	(0.1)	—	(0.1)
Loss (gain) on Class B Interest Liability of a subsidiary	—	4.9	<b>(4.7)</b>	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	—	0.9	0.3	1.8
Earnings (loss) before income taxes	<b>(3.4)</b>	(8.3)	<b>7.3</b>	(3.6)
Income tax recovery (expense)				
Current	0.4	—	—	—
Future	1.4	(0.1)	2.2	(0.1)
<b>Net income (loss) for the period</b>	<b>(1.6)</b>	(8.4)	<b>9.5</b>	(3.7)
Deficit, beginning of period	<b>(12.9)</b>	(27.6)	<b>(20.9)</b>	(29.8)
Unitholders' distributions	<b>(3.4)</b>	(2.5)	<b>(6.5)</b>	(5.0)
<b>Deficit, end of period</b>	<b>\$ (17.9)</b>	\$ (38.5)	<b>\$ (17.9)</b>	\$ (38.5)
<b>Net income (loss) per unit – basic</b>	<b>\$ (0.10)</b>	\$ (0.70)	<b>\$ 0.60</b>	\$ (0.31)
<b>Net income (loss) per unit – diluted</b>	<b>\$ (0.10)</b>	\$ (0.70)	<b>\$ 0.31</b>	\$ (0.31)

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

<i>CAD millions</i>	Three Months Ended		Six Months Ended	
	<b>June 27, 2009</b>	June 28, 2008	<b>June 27, 2009</b>	June 28, 2008
<b>Cash provided by (used for):</b>				
<b>Operating activities</b>				
Net income (loss)	\$ (1.6)	\$ (8.4)	\$ 9.5	\$ (3.7)
Items not affecting cash:				
Future income tax expense (recovery)	(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	—	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
<b>Investing activities</b>				
Sale of timberlands, logging road and fixed assets	—	0.1	—	0.1
Additions to timberlands, logging roads and fixed assets	(0.1)	(0.2)	(0.1)	(0.2)
Silviculture expenditures	—	(0.1)	—	(0.1)
	(0.1)	(0.2)	(0.1)	(0.2)
<b>Financing activities</b>				
Distributions paid to unitholders	(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
<b>Cash and cash equivalents, end of period</b>	<b>\$ 6.5</b>	<b>\$ 7.1</b>	<b>\$ 6.5</b>	<b>\$ 7.1</b>

## Reconciliation to EBITDA and Distributable Cash from Operations

CAD millions	Three Months Ended		Six Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Net income (loss) <sup>1</sup>	\$ (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
<b>EBITDA</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>8.8</b>	<b>6.2</b>
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	—	—	—
<b>Distributable cash from operations</b>	<b>\$ (2.4)</b>	<b>\$ (2.0)</b>	<b>\$ 7.1</b>	<b>\$ 4.3</b>
Distributions declared	\$ 3.4	\$ 3.4	\$ 6.8	\$ 6.8

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

## Reconciliation to Distributable Cash from Operations

CAD millions	Three Months Ended		Six Months Ended	
	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				
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)
<b>Distributable cash from operations</b>	<b>\$ (2.4)</b>	<b>\$ (2.0)</b>	<b>\$ 7.1</b>	<b>\$ 4.3</b>
Distributions declared	\$ 3.4	\$ 3.4	\$ 6.8	\$ 6.8