MIDDLEFIELD CANADIAN INCOME TRUSTS – GBP PC a cell of MIDDLEFIELD CANADIAN INCOME TRUSTS INVESTMENT COMPANY PCC

Preliminary Announcement of Results

For the year ended 31 December 2008

At a meeting of the Board of Directors held on 19 March 2009, the annual accounts for the Fund for the year ended 31 December 2008 were approved, details of which are attached.

The financial information set out in this announcement does not constitute the Fund's statutory accounts for the year ended 31 December 2008, but is derived from those accounts. Statutory accounts for the year ended 31 December 2008 will be delivered to Shareholders in April 2009.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Whilst the financial information included in this preliminary announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Fund will publish complete financial statements that comply with IFRS in April 2009. This announcement has been prepared using accounting policies consistent with those set out in the Fund's last annual report and financial statements and that are being used for the year ended 31 December 2008.

The full unedited report and financial statements will be available in April 2009 at www.middlefield.co.uk.

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20 March 2009
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Chairman's Report

It is my pleasure to introduce the 2008 Preliminary announcement of results. Middlefield Canadian Income Trusts Investment Company PCC (the "Company") has established one closed-ended Cell known as Middlefield Canadian Income Trusts – GBP PC (the "Fund"). The Fund provides efficient, currency-hedged economic exposure to the Canadian income trust sector through a swap arrangement (the "Swap"). The year ended 31 December 2008 was highlighted by significant volatility. The Board remains positive on the outlook for the Canadian income trust sector as this unique asset class continues to offer attractive current yields and total return potential. In addition, the income trust structure imposes strong discipline on management by virtue of the requirement to distribute virtually all of the free cash flow generated by the business.

The Fund generated a total return of -37% for the year driven primarily by the return of its reference asset, CIT Trust, and the deterioration in the mark-to-market value of the Cross Currency Margin Differential (the "CCMD Value") both of which will be explained in full report and financial statements. The Fund's return was to a large extent due to a period of extreme capital market volatility and economic weakness during the second half of the year as a result of the freezing of the global credit markets. However, in 2008, the Canadian income trust universe outperformed the broader Canadian market on a total return basis by seven percentage points in large part due to the upfront returns provided in the form of distributions. Despite challenging conditions, merger and acquisition activity continued in 2008 with trusts such as Fording Canadian Coal Trust and Sleep Country Canada being acquired at healthy premiums. Recognising the impact of the tax changes that are scheduled to take effect in 2011, Middlefield Capital Corporation, the investment adviser of CIT Trust, continues to focus on issuers that offer the potential to grow their businesses, either organically or by way of acquisition, in order to increase cash flows to support distributions. Based on the attraction of upfront distributions, continuing low interest rates and the aging population, demand for higher yielding equity alternatives will continue to grow. Therefore, we believe that companies offering high levels of sustainable income should continue to receive premium valuations.

The other factor affecting the Fund's net asset value ("NAV") this year has been the CCMD Value, which has negatively impacted the NAV. The CCMD Value is the direct result of the Company's decision to eliminate the impact of fluctuations in the spread between Canadian and Sterling interest rates on the Company's revenues by locking in the spread from the outset. The CCMD Value is dependent upon changes in both interest rates and C$/£ exchange rates and may positively or negatively affect the value of the Swap at any given time. All else being equal, the CCMD Value will reduce to zero as the termination date of 28 June 2013 for the Swap is approached.

I thank you for your continued support.

Raymond Apsey

Chairman

Date: 19 March 2009

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Investment Adviser's Report

On the invitation of the Directors of the Company, this commentary is provided by Middlefield International Limited ("MIL"), which acts as the Investment Adviser to the Fund.

The assets of the Fund primarily comprise: (1) a bond portfolio which is currently invested in 10 bonds issued by international financial institutions rated AA- or better by Standard & Poor's and a United Kingdom treasury bill; (2) a swap agreement (the "Swap") which provides efficient currency-hedged economic exposure to Canadian income trusts through its reference asset, CIT Trust, an actively managed portfolio of Canadian income trusts; and (3) a direct investment in units of CIT Trust. The Fund's investment in CIT Trust is a nominal amount valued at £32,213 at 31 December 2008.

Due to continuing concerns over the global economic outlook and the turmoil in the credit markets, Middlefield Capital Corporation ("MCC"), the investment advisor of CIT Trust and affiliate of MIL, remained in a cautious, capital preservation mode. As a result, MCC decreased positions in issuers deemed to be fully valued and reduced exposure to the overvalued energy sector. During the fourth quarter, this strategy resulted in insulating the portfolio from the volatility experienced in the broader markets and its benchmark S&P/TSX Income Trust Index (the "Index"), posting a total return of –26% compared to the Index return of –29%. On a year-to-date basis, CIT Trust posted a total return of –30% compared to –26% for the Index. The primary driver of the performance disparity can be attributed to CIT's underweight position in oil and gas trusts, which generated substantial returns in the first half of the year.

Assisted by the research of Groppe, Long and Littell ("GLL"), MCC remains positive on the long-term outlook for the oil and gas sector and continues to be of the view that North American natural gas and global oil production have peaked. Notwithstanding the recent exploration success for natural gas in the Barnett shale in Texas and the Horn River Basin in northeast British Columbia, supply-side constraints, including cost overruns and delays on the completion of major new oil and gas supply projects, together with growing global demand are expected to provide long-term support for both oil and gas prices. From a short-term perspective, MCC's view that the spot price for oil had reached levels that were not supported by near term supply and demand fundamentals was vindicated as the price for oil declined from $140 per barrel in July 2008 to $45 per barrel as at the end of the year. CIT Trust's exposure to oil and gas royalty trusts decreased by 11.1 percentage points to 28.5% compared to the end of 2007, approximately 23 percentage points lower than the sector's weighting in the Index. The S&P/TSX Capped Energy Trust Index posted a total return loss of 27% for the year ended 31 December 2008.

Business trusts, which comprise a broad range of businesses including telephone directories, agricultural products and manufacturing, represented 23.4% of CIT Trust's portfolio at the end of 2008, which was underweight the Index by 0.8 percentage points at December 31, 2008. Business trusts returned –21% on a total return basis in 2008 according to the Scotia Capital Business Trust Index as credit market concerns and global economic health worries weighed on this economically sensitive sector. MCC continues to focus on business trusts with proven management teams, low debt and stable cash flows as these firms will be best positioned to withstand the current turbulent economic conditions.

On a relative basis, REITs underperformed in 2008 as the S&P/TSX Capped REIT Index produced a total return of –38% as concerns over reduced credit availability and rising capitalisation rates continued to weigh on the sector. MCC modestly increased CIT Trust's REIT position as the sector accounted for 12.7% of the portfolio at the end of 2008, up 1.7 percentage points from the prior year and underweight the Index by 0.9 percentage points.

The portfolio weight of power and pipeline trusts at 14.8% at the 2008 year end was higher by 5.6 percentage points compared to the prior year end. MCC continued to overweight this defensive sector relative to the Index as the portfolio weight for the utilities group was 4.4 percentage points higher than that of the Index. In 2008, the Canaccord Adams Power Trust Index and the Canaccord Adams Pipeline Trust Index posted total returns of –23% and –9%, respectively.

Investment Adviser's Report (continued)

Positions in common equities at the end of 2008 accounted for approximately 13.4% of the portfolio compared to 1.6% at the end of 2007 and were included to provide potential growth in net asset value. The remaining 7.2% of the portfolio as of the end of the year was held in cash.

Most of the issuers in which CIT Trust invests continue to show good prospects to grow their businesses, either organically or by way of acquisition, and thereby offer the potential to increase their distributable income in order to mitigate the impact of the tax changes taking effect in 2011 and to dampen market volatility. As such, MCC believes that ongoing demand for income trusts should remain strong primarily due to their attractive yields and a scarcity premium being applied as income trusts continue to be acquisition targets. The portfolio has been and will continue to be biased towards high quality companies with low debt and stable distributions.

The Cross Currency Margin Differential (the "CCMD Value") is one of the drivers affecting the value of the Swap. The CCMD Value is dependent upon changes in both Sterling/Canadian dollar exchange rates and cross-currency interest rates over time. At inception of the Fund, the CCMD was fixed at –0.05% for the duration of the Swap with a CCMD Value of zero. In October 2006, the CCMD was fixed at –0.572% in respect of new funds raised pursuant to the tap issue of 5.49 million shares, resulting in an adjusted CCMD of –0.098% for the duration of the Swap. Finally, in April 2007, the CCMD was fixed at –0.938% in respect of new funds raised pursuant to the issue of 19.8 million shares, resulting in an adjusted CCMD of –0.286% for the duration of the Swap. As at 31 December 2008, the CCMD Value was –5.19 pence per share.

With respect to the managed money market portfolio, for the period from 01 January 2008 to 31 December 2008, the Fund generated interest income of approximately £3.9 million from investments in short-term near cash instruments. Additionally, the Fund received Swap payments of approximately £2.2 million in 2008. Swap payments reflect the distributions received on a notional investment in CIT Trust and are net of Swap costs. Swap costs incurred by the Fund include a LIBOR payment, which is adjusted to account for the CCMD, and fees payable to the Canadian Imperial Bank of Commerce, the counterparty to the Swap.

Middlefield International Limited

Date: 19 March 2009

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Balance Sheet
As at 31 December 2008 with comparatives as at 31 December 2007

	2008 £	2007 £
Current assets		
Securities (at fair value through profit or loss)	77,134,239	76,268,263
Cash and cash equivalents	110,627	480,627
Accrued bond interest	247,337	1,099,265
Accrued dividend income	934	-
Interest receivable on swap	844,864	391,545
Prepayments	12,376	18,895
	78,350,377	78,258,595
Current Liabilities		
Other payables and accruals	(104,886)	(126,641)
Net current assets	78,245,491	78,131,954
Non-current liabilities		
Derivative financial instruments (at fair value through profit or loss)	(41,207,684)	(7,294,376)
Net assets	37,037,807	70,837,578
Equity attributable to equity holders		
Share capital	-	-
Stated capital account	22,628,627	22,628,627
Other reserve	54,037,500	54,037,500
Retained deficit	(39,628,320)	(5,828,549)
Total Shareholders' equity	37,037,807	70,837,578
Net asset value per redeemable participating preference share	46.11p	88.20p

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Income Statement
For the year ended 31 December 2008 with comparatives for the year ended 31 December 2007

	2008 £	2007 £
Revenue		
Dividend and interest income	3,909,843	4,080,869
Net movement in the fair value of derivative financial instruments	(31,725,466)	5,682,337
Net movement in the fair value of securities (at fair value through profit or loss)	42,776	9,736
Total revenue	(27,772,847)	9,772,942
Expenditure		
Management fees	62,764	64,955
Custodian fees	18,829	19,524
Sponsor's fees	91,424	132,174
Directors' fees and expenses	94,489	87,975
Investment advisory fees	62,764	64,955
Audit fees	23,100	37,593
Registrar's fees	15,612	13,538
General expenses	41,867	67,665
Total expenditure	410,849	488,379
Net (loss)/gain	(28,183,696)	9,284,563
(Loss)/gain per redeemable participating preference share-basic and diluted	(35.09)p	12.46p

There are zero earnings attributable to the management shares.

All activities derive from continuing operations.

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Statement of Changes in Redeemable Participating Preference Shareholders' Equity
For the year ended 31 December 2008 with comparatives for the year ended 31 December 2007

	Share capital £	Stated capital account £	Other reserve £	Retained deficit £	Total £
Balance at 1 January 2007	**-**	**5,434,877**	**54,037,500**	**(10,188,437)**	**49,283,940**
Issue of redeemable participating preference shares	-	17,500,000	-	-	17,500,000
Issue costs	-	(306,250)	-	-	(306,250)
Gain for the year	-	-	-	9,284,563	9,284,563
Dividends paid	-	-	-	(4,924,675)	(4,924,675)
At 31 December 2007	**-**	**22,628,627**	**54,037,500**	**(5,828,549)**	**70,837,578**
Loss for the year	-	-	-	(28,183,696)	(28,183,696)
Dividends paid	-	-	-	(5,616,075)	(5,616,075)
At 31 December 2008	**-**	**22,628,627**	**54,037,500**	**(39,628,320)**	**37,037,807**

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Cash Flow Statement
For the year ended 31 December 2008 with comparatives for the year ended 31 December 2007

	2008 £	2007 £
Cash flows from operating activities		
Net (loss)/gain	(28,183,696)	9,284,563
Adjustments for:		
Net movement in the fair value of securities (at fair value through profit or loss)	(42,776)	(9,736)
Net movement in derivative financial instruments	33,913,308	(3,488,761)
Operating cash flows before movements in working capital	5,686,836	5,786,066
Decrease/(increase) in trade and other receivables	404,194	(803,593)
(Decrease)/increase in trade and other payables	(21,755)	48,380
Net cash from operating activities	6,069,275	5,030,853
Cash flows (used in)/from investing activities		
Payment for purchases of securities	(397,015,150)	(314,642,250)
Proceeds from sale of securities	396,191,950	297,684,530
Net cash flow used in investing activities	(823,200)	(16,957,720)
Cash flows (used in)/from financing activities		
Dividends paid	(5,616,075)	(4,924,675)
Amounts received on creation of shares	-	17,500,000
Issue costs	-	(306,250)
Net cash flow (used in)/from financing activities	(5,616,075)	12,269,075
Net (decrease)/increase in cash and cash equivalents	(370,000)	342,208
Cash and cash equivalents at the beginning of the year	480,627	138,419
Cash and cash equivalents at the end of the year	110,627	480,627
Cash and cash equivalents made up of:		
Cash at bank	110,627	480,627