MIDDLEFIELD CANADIAN INCOME – GBP PC A CELL OF MIDDLEFIELD CANADIAN INCOME PCC

(FORMERLY MIDDLEFIELD CANADIAN INCOME TRUSTS – GBP PC A CELL OF MIDDLEFIELD CANADIAN INCOME TRUSTS INVESTMENT COMPANY PCC)

Preliminary Announcement of Results
For the period from 1 January 2011 to 30 June 2011

At a meeting of the Board of Directors held on 18 August 2011, the half yearly report and condensed financial statements (unaudited) for the Fund for the period from 1 January 2011 to 30 June 2011 were approved, details of which, are attached.

The financial information set out in the announcement does not constitute the Fund's statutory accounts for the period from 1 January 2011 to 30 June 2011, but is derived from those accounts.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). Whilst the financial information included in this preliminary announcement has been computed in accordance with IFRSs, this announcement does not itself contain sufficient information to comply with IFRSs. This announcement has been prepared using accounting policies consistent with those set out in the Fund's last annual report and financial statements for the year ended 31 December 2010.

The full unaudited report and financial statements will be available at the end of August 2011 at www.middlefield.co.uk.

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19 August 2011
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Interim Management Report - Six months to 30 June 2011 (unaudited)

On the invitation of the Directors of the Company, this interim management statement is provided by Middlefield International Limited, which acts as the investment adviser to the Fund.

This statement has been prepared to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority's Disclosure and Transparency Rules. It should not be relied upon by any party for any purpose other than as stated above.

Middlefield Canadian Income PCC is a closed-ended investment company incorporated in Jersey on 24 May 2006. The Company has initially established one closed-ended Cell known as Middlefield Canadian Income – GBP PC (referred to as the "Fund" which term includes, where the context permits, the Company acting in respect of Middlefield Canadian Income - GBP PC). Admission to the official list of the UK Listing Authority and dealing in redeemable participating preference shares commenced on 6 July 2006. The Fund was admitted to FTSE UK All-Share Index effective 20 June 2011.

Investment Objective

The Fund's investment objective is to produce a high income return whilst also seeking to preserve shareholder capital.

To achieve its objectives, the Fund (i) entered into a Swap with a Canadian chartered bank in order to achieve efficient currency hedged economic exposure to the Canadian equity income securities market through its reference asset, CIT Trust, an actively managed portfolio of Canadian equity income securities and (ii) invests its assets in a Money Market and Bond Portfolio.

Performance Summary

The net asset value as at 30 June 2011 was £88.1 million or 109.64 pence per share. Based on the change in net asset value since 31 December 2010, the Fund generated a positive total return of 8.7% for the year to date period ended 30 June 2011. The key driver of Fund performance is the mark-to-market value of the Swap, which in turn is affected by a combination of the performance of its reference asset, CIT Trust, and the mark-to-market value of the CCMD.

CIT Trust posted a total return of 8.0% for the six-month period ended 30 June 2011, outperforming both its benchmark S&P/TSX Equity Income Index return of 6.4% as well as the broader S&P/TSX Composite Index return of 0.2% over the same period. Following the robust gains generated by most Western equity markets during the first three months of the year, stock prices generally declined during the second quarter due largely to fears relating to excessive European and U.S. debt levels as well as concerns regarding the potential decline in China's economic growth rate as a result of the country's decision to tighten its monetary policy in an effort to control inflation. Much of the market's concerns were subsequently alleviated as China continued to post strong GDP growth during the second quarter of 9.5%. This, in turn, has helped stimulate a general rebound in commodity prices, which has positively affected the net asset value of the Fund since the end of the second quarter.

The energy sector, which represents the largest concentration in the Fund's portfolio, experienced considerable volatility over the first half of the year. West Texas Intermediate crude oil surged to over US$114 per barrel in April as a result of civil unrest in oil producing countries in the Middle East and Northern Africa, but subsequently declined to approximately US$95 per barrel by the end of the second quarter, representing a 4.4% increase from US$91.38 per barrel on 31 December 2010. Notwithstanding the strength in oil prices, over the first six months of 2011, the S&P/TSX Capped Energy Index generated a total return of -1.2%.

Longer-term, we remain very constructive on the oil and gas sector and continue to hold the view that global oil production is peaking. Groppe, Long & Littell ("GLL"), an oil and gas consulting firm based in Houston, who acts as a Special Advisor to Middlefield Capital Corporation ("MCC"), the Adviser to CIT Trust, continues to expect oil prices to range between US$80 and US$100 per barrel over much of the next decade. GLL remains very positive on the outlook for natural gas and is anticipating a significant increase in the price of this commodity over the next 12 to 18 months. As a result, MCC has maintained a significant position in natural gas and natural gas liquids-rich weighted equities, with a particular focus on those paying a dividend.

During the first half of 2011, MCC increased positions in the Canadian real estate sector to take advantage of favorable market conditions and a low interest rate environment. On a relative basis, real estate investment trusts ("REITs") outperformed in the first half of the year as the S&P/TSX Capped REIT Index produced a total return of 14.6%. The real estate market in Canada has benefited from a strong Canadian economy with a rising population and stable employment rate. REITs, which are generally exempt from corporate tax, will continue to be an important component of the CIT Trust portfolio.

Performance Summary (continued)

The asset class weightings for CIT Trust as at June 30, 2011 were:

Asset Class	**Portfolio Weighting**
Energy Producers	46.9%
Real Estate	13.3%
Oil and Gas Services	7.6%
Power and Pipeline	6.3%
Consumer Discretionary	4.9%
Industrials	3.7%
Utilities	3.6%
Metals and Mining	3.1%
Gold	2.7%
Other	7.9%

The mark-to-market value of the cross currency margin differential (the "CCMD Value") is the direct result of the Fund's decision to eliminate the impact of fluctuations in the spread between Sterling and Canadian interest rates on the Fund's revenues by locking in the spread from the outset. All else being equal, the CCMD Value will reduce to zero as the termination date of 28 June 2013 for the Swap is approached. As at 30 June 2011, the CCMD Value was 2.05 pence per share.

Dividends

The Fund paid quarterly dividends of 1.25 pence per share in each of January, April and July 2011.

Related Party Transactions

Related party transactions are disclosed in note 15 to the condensed set of financial statements.

There have been no material changes in the related party transactions from those described in the 2010 Annual Report.

Material Events

Further to the announcement dated 2 June 2011, the Company intends to issue a Shareholder circular in mid-August which will provide details in respect of the Board's proposal to simplify the structure of the Fund by removing the existing Swap arrangements and investing directly in securities that comprise the underlying portfolio held by CIT Trust.

By way of background, the Swap was put in place to allow tax-efficient access to the Canadian income trust sector. However, following changes to the taxation of Canadian income trusts that came into effect on 1 January 2011, virtually all income trusts, aside from REITs, which remain tax-exempt vehicles, have changed their legal form to Canadian corporations. In light of this, the Board believes there is considerable merit in removing the Swap in order to simplify the Company's structure.

Shareholder meetings for the Fund and Company will be held on 19 September 2011 at Wests Centre, St Helier, Jersey JE4 8PQ for the purpose of considering and, if thought fit, passing the proposals contained in the August 2011 circular.

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties, which could have a material impact on the Fund's performance over the remaining six months of the year and could cause actual results to differ materially from expected and historical results. Further information on the principal risks and uncertainties of the Fund are included in the 2010 Annual Report.

Interim Management Report - Six months to 30 June 2011 (unaudited)

Outlook

MCC remains of the view that positive long-term fundamentals will continue to underpin the Canadian economy and provide further support for the Canadian dollar. We remain particularly constructive on the energy, real estate and resource-related sectors in which CIT Trust is predominantly invested. In addition, as evidenced by the on-going outperformance of the Canadian equity income sector relative to the broader composite, we believe that companies offering high levels of sustainable income will continue to attract significant investor interest and achieve premium valuations. With a well-capitalized banking system and an abundance of natural resources, we believe that Canada represents one of the most favourable areas for investment globally.

Middlefield International Limited
Date: 18 August 2011

Past performance is not a guide to future performance.
This interim management report is available at: www.middlefield.co.uk.

CONDENSED BALANCE SHEET (unaudited)
As at 30 June 2011
with unaudited comparatives as at 30 June 2010
and audited comparatives as at 31 December 2010

	30.06.2011 £	30.06.2010 £	31.12.2010 £
Current assets			
Derivative financial instruments (at fair value through profit or loss)	9,896,895	-	5,022,260
Securities (at fair value through profit or loss)	76,990,942	76,971,563	76,985,979
Accrued bond interest	128,161	91,506	103,043
Accrued dividend income	578	542	558
Interest receivable on Swap	1,037,069	1,016,152	1,026,259
Prepayments	21,306	-	11,566
Cash and cash equivalents	110,155	105,544	105,897
	88,185,106	78,185,307	83,255,562
Current liabilities			
Derivative financial instruments (at fair value through profit or loss)	-	(16,666,784)	-
Other payables and accruals	(127,504)	(130,875)	(159,162)
Dividends payable	-	-	(1,003,969)
	(127,504)	(16,797,659)	(1,163,131)
Net assets	88,057,602	61,387,648	82,092,431
Equity attributable to equity holders			
Share capital	-	-	-
Stated capital account	22,628,627	22,628,627	22,628,627
Other reserve	54,037,500	54,037,500	54,037,500
Retained profit/(deficit)	11,391,475	(15,278,479)	5,426,304
Total Shareholders' equity	88,057,602	61,387,648	82,092,431
Net asset value per redeemable participating preference share	**109.64p**	**76.43p**	**102.21p**

CONDENSED INCOME STATEMENT (unaudited)
For the period 1 January 2011 to 30 June 2011
with unaudited comparatives for the period 1 January 2010 to 30 June 2010
and audited comparatives for the year ended 31 December 2010

	Six months ended 30 June 2011 £	Six months ended 30 June 2010 £	Year ended 31 December 2010 £
Revenue			
Dividend and interest income	249,502	177,976	397,816
Net movement in the fair value of derivative financial instruments	6,946,027	2,464,109	26,197,146
Net movement in the fair value of securities (at fair value through profit or loss)	3,643	3,395	17,811
Total revenue	7,199,172	2,645,480	26,612,773
Expenditure			
Management fees	44,076	32,304	67,708
Custodian fees	13,223	9,691	20,312
Sponsor's fees	88,152	64,608	135,415
Directors' fees and expenses	43,934	42,718	97,901
Investment advisory fees	44,076	32,304	67,708
Audit fees	(3,561)	15,174	25,000
Registrar's fees	13,506	9,090	23,436
General expenses	(13,374)	27,595	46,608
Total expenditure	230,032	233,484	484,088
Net gain	6,969,140	2,411,996	26,128,685
Gain per redeemable participating preference share- basic and diluted	**8.68p**	**3.00p**	**32.53p**

CONDENSED STATEMENT OF CHANGES IN REDEEMABLE PARTICIPATING PREFERENCE SHAREHOLDERS' EQUITY (unaudited)
For the period 1 January 2011 to 30 June 2011
with unaudited comparatives for the period 1 January 2010 to 30 June 2010
and audited comparatives for the year ended 31 December 2010

	Share capital £	Stated capital account £	Other reserve £	Retained profit/(deficit) £	Total £
At 1 January 2010	-	22,628,627	54,037,500	(15,682,537)	60,983,590
Gain for the period	-	-	-	2,411,996	2,411,996
Dividends paid	-	-	-	(2,007,938)	(2,007,938)
At 30 June 2010	-	22,628,627	54,037,500	(15,278,479)	61,387,648
At 1 January 2010	-	22,628,627	54,037,500	(15,682,537)	60,983,590
Gain for the year	-	-	-	26,128,685	26,128,685
Dividends paid	-	-	-	(5,019,844)	(5,019,844)
At 31 December 2010	-	22,628,627	54,037,500	5,426,304	82,092,431
At 1 January 2011	-	22,628,627	54,037,500	5,426,304	82,092,431
Gain for the period	-	-	-	6,969,140	6,969,140
Dividends paid	-	-	-	(1,003,969)	(1,003,969)
At 30 June 2011	-	22,628,627	54,037,500	11,391,475	88,057,602

CONDENSED CASH FLOW STATEMENT (unaudited)
For the period 1 January 2011 to 30 June 2011
with unaudited comparatives for the period 1 January 2010 to 30 June 2010
and audited comparatives for the year ended 31 December 2010

	Six months ended 30 June 2011 £	Six months ended 30 June 2010 £	Year ended 31 December 2010 £
Cash flows from operating activities			
Net gain	6,969,140	2,411,996	26,128,685
Adjustments for:			
Net movement in the fair value of securities (at fair value through profit or loss)	(3,643)	(3,395)	(17,811)
Net movement in derivative financial instruments	(4,874,635)	(410,489)	(22,099,533)
Operating cash flows before movements in working capital	2,090,862	1,998,112	4,011,341
(Increase)/decrease in trade and other receivables	(45,688)	166,386	133,159
(Decrease)/increase in trade and other payables	(31,658)	4,438	32,727
Net cash from operating activities	2,013,516	2,168,936	4,177,227
Cash flows used in investing activities			
Payment for purchases of securities	(154,859,645)	(155,753,673)	(310,603,378)
Proceeds from sale of securities	154,858,325	155,453,674	310,303,378
Net cash flow used in investing activities	(1,320)	(299,999)	(300,000)
Cash flows used in financing activities			
Dividends paid	(2,007,938)	(2,007,938)	(4,015,875)
Net cash flow used in financing activities	(2,007,938)	(2,007,938)	(4,015,875)
Net increase/(decrease) in cash and cash equivalents	4,258	(139,001)	(138,648)
Cash and cash equivalents at beginning of period	105,897	244,545	244,545
Cash and cash equivalents at end of period	110,155	105,544	105,897
Cash and cash equivalents made up of:			
Cash at bank	110,155	105,544	105,897