

**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 2009 to 30 June 2009**

At a meeting of the Board of Directors held on 20 August 2009, the half yearly report and condensed financial statements (unaudited) for the Fund for the period from 1 January 2009 to 30 June 2009 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 2009 to 30 June 2009, 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 2008.

The full unedited report and financial statements will be available at the end of August 2009 at www.middlefield.co.uk.

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21 August 2009
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Interim Management Report - Six months to 30 June 2009 (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 Trusts Investment Company 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 Trusts – GBP PC (referred to as the "Fund" which term includes, where the context permits, the Company acting in respect of Middlefield Canadian Income Trusts - GBP PC). Admission to the official list of the UK Listing Authority and dealing in redeemable participating preference shares commenced on 6 July 2006.

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 income trust market through its reference asset, CIT Trust, an actively managed portfolio of Canadian income trusts and (ii) invests its assets in a Money Market and Bond Portfolio.

Performance Summary

The net asset value as at 30 June 2009 was £43.1 million or 53.72 pence per share. The increase in the net asset value since 31 December 2008 resulted in a positive return of 23.5% for the Fund for the year to date period ended 30 June 2009. 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 Value.

CIT Trust posted a total return of 14.1% for the period ended 30 June 2009 which was in line with the gain on the S&P/TSX Income Trust Index. Due to the improved global economic outlook and the quantitative easing in the credit markets, Middlefield Capital Corporation ("MCC"), the investment adviser to CIT Trust, increased positions in issuers deemed to be undervalued and significantly reduced the portfolio's cash position. Strong demand and production cuts by OPEC nations drove crude oil prices to US\$69.89 per barrel as at June 30, 2009 from the year-end level of US\$44.60 per barrel. As a result of these developments, CIT Trust's exposure to the energy sector increased significantly from 31 December 2008.

Notwithstanding continuing relatively high levels of unemployment in North America and limited access to credit, we believe the challenges facing economic growth are moderating and this should result in improving equity and debt capital markets in 2009 and beyond. We remain very positive on the oil and gas sector and continue to hold the view that global oil production is peaking. Groppe, Long and Littell, an adviser to Middlefield, believes that the OPEC countries have cut production to a level which is causing a significant demand/supply imbalance, thereby driving oil prices higher in 2009. With respect to natural gas, depressed prices over the last several months have caused a precipitous reduction in drilling activity which, together with increasing decline rates in North American natural gas production, should result in a recovery in prices over the next 12 months.

Interim Management Report - Six months to 30 June 2009 (unaudited)
Performance Summary (continued)

Business trusts, which comprise a broad range of businesses including health care services, agricultural products and manufacturing, represented 16% of CIT Trust's portfolio at the end of the first half of 2009. According to the Scotia Capital Business Trust Index, business trusts gained 7.2% on a total return basis in the first half of 2009 as credit markets eased and the global economy began to show signs of recovery. 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 excel within their respective industries.

As a result of improving credit markets, Canadian REITs posted solid positive returns in the first half of 2009 with the S&P/TSX Capped REIT Index producing a total return gain of 17.8%. During the first six months of the year, MCC reduced the weighting in this sector by approximately nine percentage points from the end of 2008 to provide additional exposure to the greater anticipated growth in energy equities over the next several months.

The portfolio weight of power and pipeline trusts remains largely unchanged as at 30 June 2009 compared to the end of 2008. For the first half of 2009, the CanaccordAdams Power Trust and Pipeline Trust Indices generated total returns of 4.2% and 13.0%, respectively.

The asset class weightings for CIT Trust as at June 30, 2009 were:

Asset Class	Portfolio Weighting
Oil and Gas	57%
Business Trusts	16%
Power and Pipeline	14%
REITs	4%
Other	9%

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 2009, the CCMD Value was -2.38 pence per share.

Dividends

The Fund paid quarterly dividends of 1.75 pence per share in January 2009 and 1.25 pence per share in each of April and July 2009.

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 2008 Annual Report.

Material Events

The Board of Middlefield Canadian Income Trusts Investment Company PCC is not aware of any significant event or transaction which has occurred between 1 January 2009 and the date of publication of this statement which could have a material impact on the financial position of the Fund.

Interim Management Report - Six months to 30 June 2009 (unaudited)
Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which would 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 2008 Annual Report.

Outlook

After hitting a low in early March, the second quarter of 2009 marked a significant turnaround for equity markets globally. Resurgent markets were driven in part by an improvement in housing activity, jobless claims and manufacturing activity. We continue to believe that companies offering high levels of sustainable income will attract significant investor interest and receive premium valuations within an environment of relatively low interest rates and a Canadian market with few alternatives for investors seeking yield. We expect several income trusts to convert to corporations over the next few years and reduce their distributions as they become taxable. Notwithstanding, we believe a number of them will continue to pay out relatively high levels of dividends on a sustainable basis due to their ability to generate substantial cash flows.

Middlefield International Limited
20 August 2009

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

Condensed Balance Sheet (unaudited)
As at 30 June 2009
with unaudited comparatives as at 30 June 2008
and audited comparatives as at 31 December 2008

	30.06.2009	30.06.2008	31.12.2008
	£	£	£
Current assets			
Securities (at fair value through profit or loss)	76,657,640	76,672,475	77,134,239
Cash and cash equivalents	195,512	132,741	110,627
Accrued bond interest	181,544	1,028,166	247,337
Accrued dividend income	572	748	934
Interest receivable on Swap	925,325	445,986	844,864
Prepayments	-	29,484	12,376
	<u>77,960,593</u>	<u>78,309,600</u>	<u>78,350,377</u>
Current Liabilities			
Other payables and accruals	(85,100)	(132,512)	(104,886)
	<u>77,875,493</u>	<u>78,177,088</u>	<u>78,245,491</u>
Net current assets			
	<u>77,875,493</u>	<u>78,177,088</u>	<u>78,245,491</u>
Non-current liabilities			
Derivative financial instruments (at fair value through profit or loss)	(34,726,185)	(4,319,917)	(41,207,684)
	<u>43,149,308</u>	<u>73,857,171</u>	<u>37,037,807</u>
Net assets			
	<u>43,149,308</u>	<u>73,857,171</u>	<u>37,037,807</u>
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 deficit	(33,516,819)	(2,808,956)	(39,628,320)
Total Shareholders' equity	<u>43,149,308</u>	<u>73,857,171</u>	<u>37,037,807</u>
Net asset value per redeemable participating preference share	<u>53.72p</u>	<u>91.96p</u>	<u>46.11p</u>

Condensed Income Statement (unaudited)
For the period 1 January 2009 to 30 June 2009
with unaudited comparatives for the period 1 January 2008 to 30 June 2008
and audited comparatives for the year ended 31 December 2008

	Six months ended 30 June		Year ended 31 December 2008
	2009 £	2008 £	£
Revenue			
Dividend and interest income	534,981	2,162,894	3,909,843
Net movement in the fair value of derivative financial instruments	8,188,213	3,895,948	(31,725,466)
Net movement in the fair value of securities (at fair value through profit or loss)	(53,399)	4,212	42,776
Total revenue	<u>8,669,795</u>	<u>6,063,054</u>	<u>(27,772,847)</u>
Expenditure			
Management fees	18,811	35,495	62,764
Custodian fees	7,438	10,648	18,829
Sponsor's fees	37,621	70,990	91,424
Directors' fees and expenses	42,404	30,875	94,489
Investment advisory fees	18,811	35,495	62,764
Audit fees	15,173	7,716	23,100
Registrar's fees	9,968	5,839	15,612
General expenses	227	38,579	41,867
Total expenditure	<u>150,453</u>	<u>235,637</u>	<u>410,849</u>
Net gain/(loss)	<u>8,519,342</u>	<u>5,827,417</u>	<u>(28,183,696)</u>
Gain/(loss) per redeemable participating preference share-basic and diluted	<u>10.61p</u>	<u>7.26p</u>	<u>(35.09)p</u>

**Condensed Statement of Changes in Redeemable Participating Preference
Shareholders' Equity (unaudited)
For the period 1 January 2009 to 30 June 2009
with unaudited comparatives for the period 1 January 2008 to 30 June 2008
and audited comparatives for the year ended 31 December 2008**

	Share capital £	Stated capital account £	Other reserve £	Retained deficit £	Total £
At 1 January 2008	-	22,628,627	54,037,500	(5,828,549)	70,837,578
Gain for the period	-	-	-	5,827,417	5,827,417
Dividends paid	-	-	-	(2,807,824)	(2,807,824)
At 30 June 2008	-	22,628,627	54,037,500	(2,808,956)	73,857,171
At 1 January 2008	-	22,628,627	54,037,500	(5,828,549)	70,837,578
Loss for the period	-	-	-	(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
At 1 January 2009	-	22,628,627	54,037,500	(39,628,320)	37,037,807
Gain for the period	-	-	-	8,519,342	8,519,342
Dividends paid	-	-	-	(2,407,841)	(2,407,841)
At 30 June 2009	-	22,628,627	54,037,500	(33,516,819)	43,149,308

Condensed Cash Flow Statement (unaudited)
For the period 1 January 2009 to 30 June 2009
with unaudited comparatives for the period 1 January 2008 to 30 June 2008
and audited comparatives for the year ended 31 December 2008

	Six months ended 30 June		Year Ended
	2009	2008	31 December
	£	£	2008
			£
Cash flows from operating activities			
Net gain/(loss)	8,519,342	5,827,417	(28,183,696)
Adjustments for:			
Net movement in the fair value of securities (at fair value through profit or loss)	53,399	(4,212)	(42,776)
Net movement in derivative financial instruments	(6,481,499)	(2,974,459)	33,913,308
Operating cash flows before movements in working capital	2,091,242	2,848,746	5,686,836
(Increase)/decrease in trade and other receivables	(1,930)	5,321	404,194
(Decrease)/increase in trade and other payables	(19,786)	5,871	(21,755)
Net cash from operating activities	2,069,526	2,859,938	6,069,275
Cash flows from/(used in) investing activities			
Payment for purchases of securities	(155,872,423)	(155,756,848)	(397,015,150)
Proceeds from sale of securities	156,295,623	155,356,848	396,191,950
Net cash flow from/(used in) investing activities	423,200	(400,000)	(823,200)
Cash flows used in financing activities			
Dividends paid	(2,407,841)	(2,807,824)	(5,616,075)
Net cash flow used in financing activities	(2,407,841)	(2,807,824)	(5,616,075)
Net increase/(decrease) in cash and cash equivalents	84,885	(347,886)	(370,000)
Cash and cash equivalents at beginning of period	110,627	480,627	480,627
Cash and cash equivalents at end of period	195,512	132,741	110,627
Cash and cash equivalents made up of:			
Cash at bank	195,512	132,741	110,627