

NEWS RELEASE

CONTRANS ANNOUNCES THIRD QUARTER RESULTS

(Woodstock, Ontario—November 4, 2010)

(TSX:CSS)

FINANCIAL HIGHLIGHTS

(in millions except for per share amounts)
For the periods ended September 30

	Three Months				Nine Months			
	2010		2009		2010		2009	
Revenue - as stated	\$ 101.7		\$ 99.0		\$ 296.4		\$ 274.4	
- fuel surcharges ⁽¹⁾	(8.9)		(8.0)		(28.1)		(21.1)	
Revenue - transportation services ⁽¹⁾	92.8	100.0 %	91.0	100.0 %	268.3	100.0 %	253.3	100.0 %
Operating expenses - net of fuel surcharges	71.1	76.6	69.8	76.7	206.6	77.0	197.4	77.9
Selling, general and administration expenses	9.6	10.3	9.3	10.2	26.5	9.9	26.0	10.3
Foreign exchange loss (gain)	0.1	0.1	(0.7)	(0.8)	(0.1)	-	(1.3)	(0.5)
Earnings before amortization, interest and income taxes	12.0	13.0	12.6	13.9	35.3	13.1	31.2	12.3
Amortization of property and equipment	3.2	3.4	3.0	3.3	9.4	3.5	9.1	3.6
Amortization of intangible assets	1.0	1.1	0.9	1.0	2.9	1.1	2.8	1.1
Net interest expense	1.3	1.4	1.4	1.5	4.2	1.6	4.2	1.7
Earnings before income taxes	6.5	7.1	7.3	8.1	18.8	6.9	15.1	5.9
Income tax provision (recovery):								
Current	1.2	1.3	(0.4)	(0.4)	6.0	2.2	1.5	0.6
Future	0.9	1.0	0.9	1.0	(0.3)	(0.1)	(0.9)	(0.4)
	2.1	2.3	0.5	0.6	5.7	2.1	0.6	0.2
Net earnings	\$ 4.4	4.8 %	\$ 6.8	7.5 %	\$ 13.1	4.7 %	\$ 14.5	5.7 %
Earnings per share - basic and diluted	\$ 0.12		\$ 0.23		\$ 0.40		\$ 0.48	

⁽¹⁾ See "Use of non-GAAP Financial Measures" below.

“Contrans is having an exciting year,” stated Contrans’ Chairman and Chief Executive Officer, Stan Dunford. “In spite of the slow pace of economic recovery, Contrans’ financial performance has been very solid. This has enabled Contrans to pay dividends to its shareholders at a rate that we believe is rewarding and appropriate under the circumstances. Earlier in the year, we raised \$53 million of new equity. This transaction bolstered a balance sheet that was already the envy of our competitors and positioned Contrans for growth.”

“On September 21, 2010, we announced the acquisition of ProWerx Disposal Ltd., a company in the industrial, commercial and residential waste collection business located in Edmonton, Alberta,” added Mr. Dunford. “Two weeks later, we completed the purchase of certain contracts and waste collection assets from BFI Canada Inc.’s Edmonton operation. This second acquisition immediately added volume and density to ProWerx’s existing routes. Waste collection is relatively non-cyclical, an attribute that will complement the diverse nature of Contrans’ customer base and other service offerings.”

“For nearly two decades, Contrans has grown steadily while maintaining healthy profit margins and a strong balance sheet,” concluded Mr. Dunford. “This success has been largely due to management’s unwavering focus on profitability and a similarly disciplined approach to growth. We look forward to the challenge of continuing to add long-term value for Contrans’ shareholders.”

MANAGEMENT'S DISCUSSION AND ANALYSIS

On December 1, 2009, under a plan of arrangement, Contrans Income Fund ("the Fund") was effectively converted into a corporation, Contrans Group Inc. ("the Group"). This conversion was recorded using the continuity of interest method of accounting. Accordingly, the consolidated financial statements contained in this interim report, which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reported in Canadian funds, detail the performance and financial position of the Group and the Fund for the periods ended September 30, 2010 and September 30, 2009 respectively as if the Group had carried on the business carried on by the Fund. The use of "Contrans" hereafter is intended to be understood as a reference to the business carried on by the Fund and, after December 1, 2009, by the Group. The financial statements should be read in conjunction with the analysis that follows and the cautionary notes regarding use of non-GAAP measures and forward-looking statements.

RESULTS FROM OPERATIONS

Contrans' customers, particularly those in the construction and steel industries, have experienced a resurgence in shipping volumes in the first half of 2010 that has increased revenue this year compared to 2009. In addition, several new, major customers have contributed approximately \$8.5 million of revenue year-to-date in 2010 (Q3 - \$3.4 million). Companies acquired by Contrans in 2010 have also added \$1.9 million of revenue in 2010 (Q3 - \$0.9 million). Project work however, which did not commence until the third quarter in 2010 and in 2009, fell from \$4.6 million in 2009 to \$1.3 million in 2010. The project work performed in 2009 involved environmentally-sensitive materials that required specialized handling to ensure regulatory compliance. Contrans received a rate premium for this work last year.

Management rationalized Contrans' company-owned tractor fleet in the first half of 2009 in response to the then prevailing poor economic conditions. Since then, utilization of company-owned tractors has improved resulting in lower operating expenses measured as a percentage of revenue. Operating margins in 2010 have also benefited from a slight easing of pricing pressures. These positive effects have been partially offset by a \$0.3 million increase in accident claim costs in the third quarter of 2010 ("Q3 2010") compared to the third quarter of 2009 ("Q3 2009") (\$1.2 million increase year-to-date).

SG&A expenses have increased in 2010 primarily due to the cancellation of the salary and wage roll-back program and to the reinstatement of management bonuses. In 2009, salaries and wages were rolled back and management bonuses were eliminated as part of Company-wide cost savings initiatives in response to the poor business climate at the time. Management continues to monitor staff levels and to scrutinize discretionary spending.

In Q3 2009, mark-to-market adjustments to Contrans' open foreign exchange contracts were primarily responsible for a foreign exchange gain of \$0.7 million (2009 - \$1.3 million gain year-to-date). Contrans does not currently have any open foreign exchange contracts.

Contrans completed a public offering of its Class A subordinate voting shares on June 2, 2010. This provided net cash proceeds of \$53.5 million that have been invested in secure, highly liquid, short-term investments bearing low rates of interest. Net interest expense has not materially changed in Q3 2010 compared to Q3 2009 as a result.

The income tax provision has increased significantly. This is primarily due to the conversion to a corporation from an income trust on December 1, 2009.

Contrans recently completed acquisitions that did not materially impact operating results for the period ended September 30, 2010 but are expected to have a more pronounced impact on future results. ProWerx Disposal Ltd. ("ProWerx"), a waste collection company acquired on September 20, 2010, is expected to produce annual revenues of approximately \$7 million. On October 4, 2010, Contrans acquired certain contracts and waste collection assets of BFI Canada Inc.'s Edmonton, Alberta operation which were consolidated into the ProWerx operation. This second acquisition is expected to contribute approximately \$5 million of revenue annually.

USE OF NON-GAAP FINANCIAL MEASURES

Management has included certain non-GAAP measures to supplement its consolidated financial statements which are presented in accordance with Canadian GAAP. Non-GAAP measures do not have any standardized meaning prescribed under Canadian GAAP and therefore they are unlikely to be comparable to similar measures employed by other issuers. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. Management has included these non-GAAP measures for the reasons set forth below.

Revenue – transportation services, revenue – fuel surcharges:

Management believes that it is important to isolate the effects of fuel surcharges, a volatile source of revenue, when analyzing operating results. Management regards revenue from transportation services as the relevant indicator of

business level activity. Accordingly the percentages in the “Financial Highlights” table were calculated using revenue from transportation services as a base. In addition, operating expenses are stated after netting fuel surcharges against fuel expenses in the “Financial Highlights” table. Management believes that this presentation facilitates a better comparison of operating costs between periods.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements relate to future events or future performance and include, but are not limited to, changes in government regulations regarding weights and dimensions of highway equipment, the age and condition of the transportation fleet and the growth of Contrans’ business. Often, but not always, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other comparable terminology. Such statements reflect the current views and estimates of management of Contrans with respect to future events, as of the date such statements are made, and they involve known and unknown risks and uncertainties which may cause actual events or results to differ materially from those expressed or implied by forward-looking statements. In evaluating these statements, readers should specifically consider factors such as the risks outlined under “Risk Factors” in Contrans’ Annual Information Form, which is available at www.sedar.com. Although management has attempted to identify important factors that could cause actual events, actions or results to differ materially from those described in the forward-looking statements, there may be other factors that cause such events, actions or results to differ. Management is under no obligation (and expressly disclaims any such obligation) to update or alter any forward-looking statements or assumption whether as a result of new information, future events or otherwise, except as required by law.

ADDITIONAL INFORMATION

Additional information, including Contrans’ Annual Information Form, is available at www.sedar.com.

CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

(in thousands except for per share amounts)

(unaudited)

For the periods ended September 30	Three Months		Nine Months	
	2010	2009	2010	2009
Revenue	\$ 101,684	\$ 99,009	\$ 296,437	\$ 274,402
Operating expenses	80,027	77,717	234,725	218,503
Selling, general and administration expenses	9,559	9,279	26,546	25,959
Foreign exchange loss (gain)	129	(658)	(64)	(1,273)
Amortization of property and equipment	3,203	2,985	9,353	9,062
Amortization of intangible assets	980	943	2,895	2,828
	7,786	8,743	22,982	19,323
Net interest expense (income) - long-term	1,508	1,456	4,476	4,372
- short-term	(169)	(35)	(272)	(145)
Earnings before Income Taxes	6,447	7,322	18,778	15,096
Income Tax Provision (Recovery):				
Current	1,180	(419)	5,991	1,529
Future	930	921	(198)	(910)
	2,110	502	5,793	619
Net Earnings and Comprehensive Income	\$ 4,337	\$ 6,820	\$ 12,985	\$ 14,477
Earnings per share - basic and diluted	\$ 0.12	\$ 0.23	\$ 0.40	\$ 0.48
Weighted average number of shares outstanding - basic and diluted	35,794	29,937	32,512	29,884

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

(in thousands)

(unaudited)

For the periods ended September 30	Three Months		Nine Months	
	2010	2009	2010	2009
Retained Earnings (Deficit) – Beginning of Period	\$ 5,775	\$ 1,889	\$ (478)	\$ 435
Net earnings	4,337	6,820	12,985	14,477
Dividend declared	(2,864)	-	(5,259)	(6,203)
Retained Earnings – End of Period	\$ 7,248	\$ 8,709	\$ 7,248	\$ 8,709

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

(in thousands)

As at	September 30 2010	December 31 2009
Assets	<i>(unaudited)</i>	<i>(audited)</i>
Current Assets		
Cash and cash equivalents	\$ 83,819	\$ 30,193
Accounts receivable	53,819	48,909
Income taxes recoverable	-	495
Other current assets	5,853	5,089
	143,491	84,686
Restricted Cash	-	7,375
Note Receivable	-	88
Property and Equipment	111,950	104,381
Intangible Assets	18,330	15,135
Goodwill	66,603	63,764
	\$ 340,374	\$ 275,429
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 32,533	\$ 32,057
Distributions payable	-	4,491
Income taxes payable	5,506	-
Current portion of capital lease obligations	1,979	1,921
Current portion of long-term debt	804	339
	40,822	38,808
Capital Lease Obligations	5,962	6,978
Long-term Debt	86,995	85,193
Asset Retirement Obligations	684	720
Future Income Taxes	14,780	14,531
	149,243	146,230
Shareholders' Equity (Note 3)		
Contributed surplus	961	961
Share capital	182,922	128,716
Retained earnings (deficit)	7,248	(478)
	191,131	129,199
	\$ 340,374	\$ 275,429

Commitments (Note 8)

Subsequent Events (Note 9)

The accompanying notes are an integral part of these statements.

Signed on behalf of the Board of Directors

Stan G. Dunford, Director

Archie M. Leach, C.A., Director

CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands)

(unaudited)

For the periods ended September 30	Three Months		Nine Months	
	2010	2009	2010	2009
Cash Provided by (Used in):				
Operating Activities				
Net earnings	\$ 4,337	\$ 6,820	\$ 12,985	\$ 14,477
Items not affecting cash:				
Change in unrealized loss (gain) on foreign exchange	(20)	(1,272)	(13)	(5,097)
Unit-based compensation expense	-	84	-	127
Long-term debt – accretion	20	20	60	59
Gain on sale of business units	-	-	-	(23)
Fair value adjustment of notes receivable	-	311	-	568
Asset retirement obligations - accretion	8	10	22	30
Amortization of property and equipment	3,203	2,985	9,353	9,062
Amortization of intangible assets	980	943	2,895	2,828
Future income taxes	930	921	(198)	(910)
Loss (gain) on sale of equipment	(212)	177	(237)	(150)
	9,246	10,999	24,867	20,971
Change in non-cash working capital (Note 5)	1,016	(2,556)	2,805	3,494
	10,262	8,443	27,672	24,465
Investing Activities				
Expended on acquisitions (Note 2)	(10,880)	(75)	(11,346)	(3,075)
Asset retirement obligations - settlements	(10)	(75)	(100)	(133)
Proceeds from disposal of business unit	-	-	-	100
Proceeds from note receivable	27	32	88	53
Proceeds from sale of equipment	1,282	1,401	2,423	3,908
Purchase of property and equipment	(7,323)	(2,847)	(16,228)	(8,143)
	(16,904)	(1,564)	(25,163)	(7,290)
Financing Activities				
Dividends paid	(2,864)	-	(9,750)	(9,290)
Proceeds from restricted cash	7,375	-	7,375	3,000
Proceeds from long-term debt	1,321	2,143	2,193	2,269
Repayment of long-term debt	(196)	(39)	(559)	(393)
Payment of capital lease obligations	(577)	(493)	(1,647)	(1,375)
Net proceeds from issuance of equity (Note 3)	-	-	53,505	1,531
	5,059	1,611	51,117	(4,258)
Increase (decrease) in Cash and Cash Equivalents	(1,583)	8,490	53,626	12,917
Cash and Cash Equivalents – Beginning of Period	85,402	22,878	30,193	18,451
Cash and Cash Equivalents – End of Period	\$ 83,819	\$ 31,368	\$ 83,819	\$ 31,368

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended September 30, 2010 and 2009

(Unaudited, tabular amounts in thousands)

I. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial statements using the same accounting policies as were applied in the audited consolidated financial statements for the year ended December 31, 2009. These interim financial statements do not conform in all respects with disclosure required for annual financial statements and should be read in conjunction with the audited consolidated financial statements of Contrans for the year ended December 31, 2009.

Continuity of interest

On December 1, 2009, under a plan of arrangement, the Fund was effectively converted into a corporation, the Group. This conversion was recorded using the continuity of interest method of accounting. Accordingly, the consolidated financial statements contained in this interim report, which have been prepared in accordance with GAAP and reported in Canadian funds, detail the performance and financial position of the Group and the Fund for the periods ended September 30, 2010 and September 30, 2009 as if the Group had always carried on the business carried on by the Fund.

2. ACQUISITIONS

Period ended September 30, 2010	Truboy	ProWerx ⁽¹⁾	Total
Accounts receivable	\$ -	\$ 1,880	\$ 1,880
Property and equipment	712	3,630	4,342
Intangible assets			
Customer relationships	160	3,590	3,750
Non-competition agreements	200	2,140	2,340
Goodwill	51	2,788	2,839
Fair value of assets acquired	1,123	14,028	15,151
			-
Accounts payable and accrued liabilities	5	2,000	2,005
Capital leases assumed on acquisition	79	-	79
Debt assumed on acquisition	573	-	573
Future tax liability	-	1,148	1,148
Fair value of liabilities assumed	657	3,148	3,805
	\$ 466	\$ 10,880	\$ 11,346
Consideration			
Cash	\$ 466	\$ 10,880	\$ 11,346

⁽¹⁾ The allocation of the ProWerx Disposal Ltd.(ProWerx) purchase price is preliminary and may change upon final determination of the fair value of the assets acquired and liabilities assumed.

Entity acquired	Date	% Shares Acquired	Province	Service Area
Truboy Freight International Inc. ("Truboy")	29-Jan-10	Assets acquired	Ontario	Flatbed
ProWerx Disposal Ltd.	20-Sep-10	100%	Alberta	Waste

These acquisitions have been accounted for using the purchase method. The results of operations from the acquisition dates have been included in these consolidated financial statements.

Additional consideration of \$0.5 million is payable to the vendors of Truboy, contingent upon the achievement of certain financial objectives. If earned, the contingent consideration will be payable in three annual instalments and will be recorded as an increase to goodwill.

3. SHAREHOLDERS' EQUITY

	Contributed Surplus	Share Capital	Retained Earnings	Total
Balance at December 31, 2009	\$ 961	\$ 128,716	\$ (478)	\$ 129,199
Issue of share capital ^(a)	-	54,206	-	54,206
Net earnings	-	-	12,985	12,985
Dividends declared	-	-	(5,259)	(5,259)
Balance at September 30, 2010	\$ 961	\$ 182,922	\$ 7,248	\$ 191,131

a) Issue of share capital

On June 2, 2010 Contrans issued 5,856,800 Class A Subordinate Voting Shares, for cash, at a price of \$9.60 per share. The total number of Class A Subordinate Voting Shares in issue at September 30, 2010 was 34,326,474. The impact on share capital was as follows:

Gross proceeds	\$ 56,225
Costs of issue	(2,720)
Net cash proceeds	53,505
Future tax benefit on costs of issue	701
Increase in share capital	\$ 54,206

b) Normal course issuer bid

On April 20, 2010, Contrans received regulatory approval to proceed with a normal course issuer bid to purchase certain of its outstanding Class A Subordinate Voting Shares to a maximum of 2,349,446 shares. The bid commenced on April 22, 2010 and expires on April 21, 2011. Class A shares purchased pursuant to the bid will be cancelled. There were no repurchases of shares in the period to September 30, 2010.

4. FINANCIAL INSTRUMENTS

Risk management

Contrans is exposed to credit risk, foreign exchange risk, interest rate risk and liquidity risk from its financial assets and liabilities. Risk management strategies are designed to ensure Contrans' risks and related exposures are consistent with its business objectives and risk tolerance. There have been no significant changes to Contrans' risk management strategies since December 31, 2009.

5. CASH FLOW

Change in non-cash working capital:

For the periods ended September 30	Three Months		Nine Months	
	2010	2009	2010	2009
Increase in accounts receivable	(\$3,222)	(\$8,871)	(\$3,030)	(\$1,973)
Decrease (increase) in other current assets	(116)	349	(764)	250
Increase in accounts payable and accrued liabilities	3,272	6,502	598	4,035
Increase (decrease) in income taxes payable	1,082	(536)	6,001	1,182
Net change in non-cash working capital	\$1,016	(\$2,556)	\$2,805	\$3,494
Cash paid (received) in respect of:				
Interest paid	\$1,463	\$1,456	\$4,344	\$4,372
Interest received	(169)	(35)	(272)	(145)
Income taxes - net	113	121	(12)	409
Non-cash transactions:				
Value of equipment financed through capital leases	-	-	702	-

6. SEASONALITY

Generally the second quarter is Contrans' strongest period. Volumes from customers in the construction industry typically increase as temperatures warm in the spring, peak in the fall and then decline with the onset of winter weather. Some manufacturing customers close their plants during the summer and many customers either shut down their production facilities or otherwise reduce shipments during the Christmas holiday season.

7. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards ("IFRS")

In February 2008 the Canadian Accounting Standards Board announced that publicly-listed companies would, for fiscal years beginning on or after January 1, 2011, be required to report their results under IFRS. IFRS allows for different accounting treatments on first implementation. Contrans has completed its initial assessment of the possible impacts of implementing IFRS, and the standards which may have the most significant impact on Contrans, upon first adoption of International Financial Reporting Standards include IAS 16 – Property, Plant and Equipment, IAS 36 – Impairment of Assets, and IFRS 1 – First-time Adoption of IFRS. The adoption of IFRS will require restatement of Contrans' consolidated financial statements for comparative purposes for its year ended December 31, 2010 and of the opening balance sheet as at January 1, 2010.

8. COMMITMENTS

As at September 30, 2010, the Company had equipment on order with a value of approximately \$7.6 million.

9. SUBSEQUENT EVENTS

a) Acquisition

On October 4, 2010 Contrans acquired certain waste collection assets and customer contracts from BFI Canada Inc's Edmonton, Alberta operation for \$4.5 million.

b) Dividend

On October 18, 2010 Contrans announced a dividend of \$0.08 per share. As a result, approximately \$2.9 million will be paid on November 15, 2010 to shareholders of record as at October 31, 2010.

10. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current period's basis of presentation.

For further information please contact:

Stan G. Dunford, Chairman and Chief Executive Officer, or
Gregory W. Rumble, President and Chief Operating Officer
Phone: 519-421-4600 • E-mail: info@contrans.ca • Web site: www.contrans.ca