

CONTRANS CORP.

PRESS RELEASE

JULY 25, 2002

Contrans is pleased to report results for its third quarter ended May 31, 2002. Powered by continuing solid performance from our more mature operations and complemented by the performances of our recent acquisitions, Contrans has again achieved stellar operating results, with a very substantial increase in EBITDA.

<i>(000's omitted except per share amounts)</i> <i>(Unaudited)</i>	Q3		YTD	
	2002	2001	2002	2001
Revenue	\$ 71,816	\$ 65,495	\$ 192,404	\$ 191,734
EBITDA	\$ 10,194 14.2%	\$ 8,523 13.0%	\$ 25,298 13.2%	\$ 22,612 11.8%
Income Before Income Taxes ⁽¹⁾	\$ 6,525 9.1%	\$ 5,555 8.4%	\$ 17,093 9.0%	\$ 13,670 7.1%
Net Income ⁽²⁾	\$ 3,945 5.5%	\$ 4,394 6.7%	\$ 10,203 5.3%	\$ 10,274 5.4%
Earnings Per Share ⁽²⁾	\$ 0.90	\$ 0.99	\$ 2.32	\$ 2.25
Diluted Earnings Per Share ⁽²⁾	\$ 0.86	\$ 0.99	\$ 2.25	\$ 2.24
Operating Cash Flow ⁽³⁾	\$ 6,980	\$ 5,700	\$ 17,780	\$ 14,681
Operating Cash Flow per Share	\$ 1.59	\$ 1.29	\$ 4.05	\$ 3.22
Repurchase of Common Shares	\$ -	\$ 564	\$ 1,342	\$ 3,866
Weighted Avg. Shares Outstanding – Basic	4,394	4,428	4,394	4,561
Weighted Avg. Shares Outstanding – Diluted	4,588	4,430	4,541	4,580

⁽¹⁾ Effective September 1, 2001, the Corporation has adopted the new accounting recommendations of section 3062 of the Handbook of the Canadian Institute of Chartered Accountants entitled “Goodwill and Other Intangible Assets”. Under the new section, goodwill and other intangible assets with indefinite lives are no longer amortized, but are tested for impairment on adoption of the new section,

and at least annually, thereafter. The effect of this change for the nine month period ended May 31, 2002, and the nine month period ended May 31, 2001 as a result of ceasing amortization is to increase net earnings by \$1,137 or \$0.26 and \$931 or \$0.20 per share respectively.

- (2) Effective September 1, 2001, the Corporation adopted the new recommendations of section 1751 of the Handbook of the Canadian Institute of Chartered Accountants (“CICA”) entitled “Interim Financial Statements”. As a consequence, the Corporation changed its accounting policy, for interim reporting purposes only, in connection with the timing of recognizing the impact of changes in substantively enacted tax rates for future income tax purposes. Previously, the benefit associated with changes in substantively enacted tax rates was recognized on an annual basis, whereas under the new standard such benefit should be recognized in the period in which the change in substantively enacted tax rates occurs. This change in reporting was applied retroactively with restatement of the prior periods. The effect of adopting this new standard was to increase net earnings in the quarter and the nine month period ended May 31, 2001 by \$1,138 or \$0.26 per share and by \$ 2,215 or \$ 0.49 per share respectively.
- (3) Cash from operations before changes in non-cash working capital.

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