

**CONTRANS INCOME FUND ANNOUNCES
DISTRIBUTION AND SECOND QUARTER RESULTS
(NEWS RELEASE FOR IMMEDIATE RELEASE)**

AUGUST 15, 2003

Woodstock, Ontario - Contrans Income Fund

Distribution

Contrans Income Fund (TSX. Symbol CSS.UN) today declared a cash distribution of \$0.1042 per unit, for the month of August 2003, to unitholders of record at the close of business on August 31, 2003. The distribution payment will be made on September 15, 2003.

Second Quarter Results

“I am very pleased with our results,” stated Chairman and Chief Executive Officer Stan Dunford. “We have encountered more operating challenges in the first six months of this year than what we have had to deal with in the last five years combined. Our results are a reflection of both a solid business that we have and great efforts made by management to deal with these issues.”

The attached financial statements detail the performance and financial position of Contrans Income Fund (the “Fund”) for the three and six months ended June 30, 2003. Prior to July 23, 2002, the Fund’s core business was owned by Contrans Corp. Accordingly, comparative amounts presented in the financial statements for periods prior to July 23, 2002 are those of Contrans Corp.

Consolidated Statements of Earnings

Period Ended June 30

(000s except per unit amount)

(Unaudited)

	Three Months		Six Months	
	2003	2002	2003	2002
Revenue	\$ 72,742	\$ 74,388	\$ 148,081	\$ 134,300
Operating expenses	56,051	57,326	115,716	104,464
Selling, general and administration expenses	7,348	6,518	14,794	12,154
Amortization of property and equipment	3,289	3,039	6,615	5,196
Amortization of intangible assets	42	24	70	24
Income From Operations	6,012	7,481	10,886	12,462
Net interest expense	408	787	776	1,197
Income Before Income Taxes	5,604	6,694	10,110	11,265
Income taxes	105	2,630	100	4,505
Net Income	\$ 5,499	\$ 4,064	\$ 10,010	\$ 6,760
Net income per unit/share * - basic	\$ 0.23	\$ 0.23	\$ 0.42	\$ 0.38
Weighted average number of units/shares * outstanding - basic	23,722	17,702	23,722	17,559

* 2002 amounts have been revised to reflect the four-for-one split upon conversion of shares to trust units on July 23, 2002

Consolidated Balance Sheets

(000s)

	(Unaudited) As at June 30, 2003	(Audited) As at December 31, 2002
Assets		
Current Assets		
Cash	\$ 114	\$ 4,809
Accounts receivable	34,570	33,327
Other current assets	5,150	4,757
	<u>39,834</u>	<u>42,893</u>
Property and Equipment	97,478	99,477
Goodwill and Intangible Assets	32,621	29,443
	<u>\$ 169,933</u>	<u>\$ 171,813</u>
Liabilities		
Current Liabilities		
Operating loan	\$ 4,348	\$ -
Accounts payable and accrued liabilities	21,016	19,143
Distributions payable	2,472	2,472
Income taxes payable	217	609
Current portion of long-term debt	4,752	5,135
	<u>32,805</u>	<u>27,359</u>
Long-Term Debt	19,159	21,614
Future Income Taxes	5,078	5,128
	<u>57,042</u>	<u>54,101</u>
Unitholders' Equity	112,891	117,712
	<u>\$ 169,933</u>	<u>\$ 171,813</u>

CONTRANS INCOME FUND

Consolidated Statement of Unitholders' Equity

Period Ended June 30, 2003

(000s)

(Unaudited)

	<u>Three Months</u>	<u>Six Months</u>
Unitholders' Equity - Beginning of Period	\$ 114,807	\$ 117,712
Net income for the period	5,499	10,010
Distributions declared	<u>(7,415)</u>	<u>(14,831)</u>
Unitholders' Equity - End of Period	<u>\$ 112,891</u>	<u>\$ 112,891</u>

CONTRANS CORP

Consolidated Statement of Retained Earnings

Period Ended June 30, 2002

(000s)

(Unaudited)

	<u>Three months</u>	<u>Six Months</u>
Retained Earnings - Beginning of Period	\$ 47,821	\$ 45,236
Net income for the period	4,064	6,760
Premium paid on purchase of the Company's Class A shares	<u>-</u>	<u>(111)</u>
Retained Earnings - End of Period	<u>\$ 51,885</u>	<u>\$ 51,885</u>

Consolidated Statements of Cash Flow

Period ended June 30

(000s)

(Unaudited)

	Three Months		Six Months	
	2003	2002	June 30, 2003	June 30, 2002
Cash provided by (used in)				
Operating Activities				
Net income	\$ 5,499	\$ 4,064	\$ 10,010	\$ 6,760
Items not affecting cash:				
Amortization of property and equipment	3,289	3,039	6,615	5,196
Amortization of intangibles	42	24	70	24
Future income taxes	30	90	(50)	255
Gain on sale of property and equipment	(29)	(39)	(326)	(51)
	8,831	7,178	16,319	12,184
Net change in non-cash working capital	6	(1,386)	(227)	(2,123)
	8,837	5,792	16,092	10,061
Investing Activities				
Expended on acquisitions	(4,710)	(9,248)	(5,710)	(27,863)
Operating loan assumed on acquisition	-	-	-	(227)
Proceeds from sale of property and equipment	438	345	1,245	442
Purchase of property and equipment	(1,875)	(7,514)	(3,001)	(9,133)
	(6,147)	(16,417)	(7,466)	(36,781)
Financing Activities				
Distributions paid	(7,415)	-	(14,831)	-
Proceeds from long-term debt	288	5,354	288	6,354
Repayment of long-term debt	(1,308)	(3,475)	(3,126)	(5,741)
Proceeds from operating loan	4,348	7,615	4,348	16,179
Proceeds from issuance of common shares	-	1,221	-	1,221
Repurchase of common shares	-	-	-	(156)
	(4,087)	10,715	(13,321)	17,857
Decrease in Cash	(1,397)	90	(4,695)	(8,863)
Cash - Beginning of Period	1,511	195	4,809	9,148
Cash - End of Period	\$ 114	\$ 285	\$ 114	\$ 285

The Fund is an unincorporated, open-ended limited purpose trust created for the purpose of acquiring and holding certain investments.

Contrans operates in the freight and school bus segments of the transportation industry.

Contrans has been providing freight transportation services since 1985. With over 1,100 power units and 2,000 trailers under management, Contrans is one of the largest freight transportation companies in Canada. In March, 2002, Contrans entered the school bus transportation industry and currently operates over 600 buses servicing 19 school boards.

The Fund provides unitholders with monthly distributions. Trust units are listed on The Toronto Stock Exchange (under CSS.UN) and are eligible for registered retirement savings plans (RRSP's), registered retirement income funds (RRIF's) and deferred profit sharing plans (DPSP's). The Fund has also implemented a distribution reinvestment plan (DRIP) which will allow unitholders to receive distributions in the form of additional units in lieu of cash and will also enable participants to purchase additional units directly from the Fund.

For further information, please contact Stan Dunford or Greg Rumble at (519) 421-4600.