

NEWS RELEASE

CONTRANS INCOME FUND ANNOUNCES THIRD QUARTER RESULTS

(Woodstock, Ontario—November 14, 2006) Contrans Income Fund (TSX. Symbol CSS.UN)

(unaudited)

Period ended September 30 (in millions except per unit amounts)	Three Months		Nine Months	
	2006	2005	2006	2005
Revenue - transportation services	\$ 99.5	\$ 83.3	\$ 296.3	\$ 252.1
Revenue - fuel surcharges	14.9	13.4	43.3	33.9
Revenue - total	\$ 114.4	\$ 96.7	\$ 339.6	\$ 286.0
Earnings before income taxes, discontinued operations and gain on sale of land	\$ 8.6	\$ 7.9	\$ 26.9	\$ 21.9
Gain on sale of land	-	-	2.9	-
	8.6	7.9	29.8	21.9
Income taxes	0.7	0.3	1.8	0.7
Net income from continuing operations	7.9	7.6	28.0	21.2
Net income from discontinued operations net of tax	-	(0.8)	-	1.0
Net income	\$ 7.9	\$ 6.8	\$ 28.0	\$ 22.2
Distributable cash earned per unit from:				
Continuing operations before proceeds from sale of land	\$ 0.39	\$ 0.38	\$ 1.21	\$ 1.00
Proceeds from sale of land	-	-	0.13	-
Discontinued operations	-	(0.02)	-	0.14
Total distributable cash earned per unit	0.39	0.36	1.34	1.14
Distributions declared per unit	(0.31)	(0.31)	(0.94)	(0.94)
Surplus of distributable cash earned per unit over distributions declared per unit	\$ 0.08	\$ 0.05	\$ 0.40	\$ 0.20
Payout ratio				
Excluding sale of land	79%	86%	78%	82%
Including sale of land	79%	86%	70%	82%

“I am very pleased with our operating performance in the third quarter,” stated Chairman and Chief Executive Officer Stan Dunford. “Internal growth throughout our core operations offset the effects of a slower economy. Our success is a reflection of the diversity within our customer base. We have also benefited from having operations located in various regions of Canada, some of which have not been affected as much by the softer economy.”

“The acquisitions that we have made this year have been performing to our expectations,” he continued. “Each operates in a specialized area of transportation and, collectively, have broadened our customer base. The acquisition of Tripar, for example, has introduced us to a customer that produces personal care products

which are not as sensitive to economic downturns. Greater diversity within our customer base adds greater stability to our distributions.”

“The Federal government’s recent decision to commence taxing trusts was very disappointing,” stated Dunford. “However, the legislation will not affect the way we execute our growth strategy or operate our business from day to day. Our growth will continue to be measured and selective. Our focus will remain on operating intelligently. Our goal remains set on increasing unitholder value.”

MANAGEMENT’S DISCUSSION AND ANALYSIS

The attached consolidated financial statements, 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 Contrans Income Fund (the “Fund”) for the quarters ended September 30, 2006 and 2005. The financial statements should be read in conjunction with the analysis that follows that is supplemental to GAAP disclosures.

FINANCIAL HIGHLIGHTS

(unaudited)

Period ended September 30

(in millions except per unit amounts)

	Three Months				Nine Months			
	2006		2005		2006		2005	
Revenue - transportation services	\$ 99.5	100.0 %	\$ 83.3	100.0 %	\$ 296.3	100.0 %	\$ 252.1	100.0 %
Revenue - fuel surcharges	14.9		13.4		43.3		33.9	
Revenue - total	114.4		96.7		339.6		286.0	
Operating expenses - net of fuel surcharges	77.4	77.8 %	64.0	76.8 %	229.0	77.3 %	196.1	77.8 %
Selling, general and administration expenses	9.0	9.0	8.3	10.0	27.5	9.3	25.0	9.9
Earnings before interest, taxes, amortization and gain on sale of land (EBITDA)	13.1	13.2	11.0	13.2	39.8	13.4	31.0	12.3
Amortization of property and equipment	3.4	3.4	2.5	3.0	9.9	3.3	7.4	2.9
Amortization of intangible assets	0.6	0.6	0.3	0.4	1.6	0.5	0.9	0.4
Net interest expense	0.5	0.5	0.3	0.4	1.4	0.5	0.8	0.3
Earnings before income taxes, discontinued operations and gain on sale of land	8.6	8.7	7.9	9.4	26.9	9.1	21.9	8.7
Gain on sale of land	-	-	-	-	2.9	1.0	-	-
Earnings before income taxes and discontinued operations (EBT)	8.6	8.7	7.9	9.4	29.8	10.1	21.9	8.7
Income taxes	0.7	0.7	0.3	0.4	1.8	0.6	0.7	0.3
Net income from continuing operations	7.9	8.0 %	7.6	9.0 %	28.0	9.5 %	21.2	8.4 %
Net income (loss) from discontinued operations net of tax	-		(0.8)		-		1.0	
Net income	\$ 7.9		\$ 6.8		\$ 28.0		\$ 22.2	
Earnings per unit - basic and diluted								
Continuing operations	\$ 0.28		\$ 0.27		\$ 0.98		\$ 0.75	
Discontinued operations	-		(0.03)		-		0.04	
	\$ 0.28		\$ 0.24		\$ 0.98		\$ 0.79	

SUMMARY OF QUARTERLY RESULTS

<i>(unaudited)</i> <i>(in millions except per unit amounts)</i>	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2006	2005	2006	2005	2006	2005	2005	2004
Revenue – transportation services	\$ 94.6	\$ 82.7	\$ 102.2	\$ 86.1	\$ 99.5	\$ 83.3	\$ 90.0	\$ 82.4
Revenue – fuel surcharges	12.9	9.0	15.4	11.4	14.9	13.4	9.5	9.1
Revenue	\$ 107.5	\$ 91.7	\$ 117.6	\$ 97.5	\$ 114.4	\$ 96.7	\$ 99.5	\$ 91.5
Net income from continuing operations	\$ 9.7	\$ 5.6	\$ 10.3	\$ 8.0	\$ 7.9	\$ 7.6	\$ 6.3	\$ 5.8
Earnings (loss) from discontinued operations	-	0.4	-	1.4	-	(0.8)	-	0.3
Net income	\$ 9.7	\$ 6.0	\$ 10.3	\$ 9.4	\$ 7.9	\$ 6.8	\$ 6.3	\$ 6.1
Earnings (loss) per unit – basic								
Continuing operations	\$ 0.34	\$ 0.20	\$ 0.36	\$ 0.28	\$ 0.28	\$ 0.27	\$ 0.23	\$ 0.21
Discontinued operations	-	0.01	-	0.05	-	(0.03)	-	0.01
	\$ 0.34	\$ 0.21	\$ 0.36	\$ 0.33	\$ 0.28	\$ 0.24	\$ 0.23	\$ 0.22
Earnings (loss) per unit – diluted								
Continuing operations	\$ 0.34	\$ 0.20	\$ 0.36	\$ 0.28	\$ 0.28	\$ 0.27	\$ 0.22	\$ 0.21
Discontinued operations	-	0.01	-	0.05	-	(0.03)	-	0.01
	\$ 0.34	\$ 0.21	\$ 0.36	\$ 0.33	\$ 0.28	\$ 0.24	\$ 0.22	\$ 0.22

RESULTS FROM CONTINUING OPERATIONS

Acquisitions generated additional revenues from transportation services (“revenue”) of \$12.5 million in the third quarter of 2006 (\$32.1 million year-to-date) and additional earnings before tax and discontinued operations (“EBT”) of \$0.7 million (\$2.2 million year-to-date) compared to the third quarter of 2005. The Fund was adversely impacted by the strong Canadian dollar and slowing economy in Ontario and the U.S. highlighted by a slowing in the housing and manufacturing industries. These effects were offset by internal growth. In addition, UPM, a major customer of the Fund located in New Brunswick, resumed operations in the second quarter of 2006 after plant shutdowns in 2005 and 2006. This resumption in business contributed approximately \$3.1 million of additional revenue in the third quarter of 2006 compared to the third quarter of 2005 and \$6.1 million of additional revenue on a year-over-year basis. A relatively mild winter also favourably affected the Fund’s 2006 year-to-date revenues compared to 2005.

In the third quarter, operating expenses rose as a percentage of revenue compared to the third quarter of 2005 primarily as a result of reduced equipment utilization. Rate increases obtained from customers have been principally responsible for reducing operating expenses as a percentage of revenue for year-to-date results of 2006 compared to 2005. Lower insurance expenses also contributed to the improvement in year-to-date results over 2005.

Acquisitions added \$0.7 million to selling, general and administration (“SG&A”) costs in the third quarter of 2006 compared to the third quarter of 2005 (\$2.1 million increase year-to-date). Year-to-date SG&A is also higher due to special tax planning work, severance costs and a provision for a sales tax assessment that totalled \$0.5 million. These year-to-date increases were partially offset by a revision to management’s incentive compensation that reduced SG&A expenses by \$1.2 million. Furthermore, the Fund closed one of its subsidiaries, Fillion Transport Inc., in 2005, at a cost of approximately \$0.6 million.

In 2002 and 2003, the Fund acquired vacant land adjacent to one of the Fund's existing terminals in Woodstock, Ontario for potential future expansion. Since then, commercial property values in Woodstock have appreciated mainly due to Toyota Canada's announcement to build an automotive plant in the area. In the first quarter of 2006 management decided that the Fund owned land in excess of its foreseeable needs and sold a portion of it for proceeds of \$3.7 million. This sale resulted in a pre-tax gain of \$2.9 million and a related income tax provision of \$0.4 million (net impact of \$0.09 per unit).

SEASONALITY

Generally, the second quarter is the Fund's strongest period. Volumes from customers in the construction industry typically build as temperatures warm in the spring, peak in the autumn and then drop off with 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. Harsh winter weather conditions hinder traffic and increase operating costs.

CASH FLOW

Cash flow from continuing operating activities before changes in non-cash working capital balances amounted to \$12.2 million in the third quarter of 2006 (\$37.8 million year-to-date) compared to \$10.2 million in the second quarter of 2005 (\$29.6 million year-to-date). This improvement was primarily due to the increase in net income.

Non-cash working capital items have increased in 2006 due principally to a growth in receivables. Receivables have increased due to the additional revenue contributed by acquisitions. In addition, increased fuel surcharges have added approximately \$3.5 million to the Fund's receivables in 2006.

The Fund paid a special distribution of \$6.5 million to unitholders in the first quarter of 2006 to offset the adverse tax consequences resulting from the sale of the school bus business in 2005.

Unitholders have increased their participation in the Fund's distribution reinvestment plan in 2006. This has resulted in an increase in the proceeds from the issuance of trust units compared to 2005.

The following table summarizes activity from the Fund's normal course issuer bid that expired on September 14, 2006:

	Units Purchased	Total cost	Average cost per unit
First quarter	25,000	\$ 295,500	
Second quarter	80,000	981,909	
Third quarter	-	-	
Total	105,000	\$ 1,277,409	\$ 12.17

UNITHOLDER DISTRIBUTIONS
Distributable Cash

(unaudited)

Period ended September 30 <i>(in thousands except per unit amounts)</i>	Three Months		Nine Months	
	2006	2005	2006	2005
Cash flow from operating activities	\$ 15,540	\$ 10,421	\$ 30,584	\$ 25,381
Net change in non-cash working capital	(3,357)	(202)	7,253	4,240
Proceeds from sale of equipment	1,183	1,587	2,403	3,674
Asset retirement obligations - settlements	(48)	(131)	(100)	(131)
Maintenance capital expenditures	(2,051)	(1,093)	(5,832)	(5,251)
Distributable cash earned from continuing operations before land proceeds	11,267	10,582	34,308	27,913
Distributable cash earned from discontinued operations	-	(540)	-	3,834
Total distributable cash earned before land proceeds	11,267	10,042	34,308	31,747
Proceeds from sale of land	-	-	3,717	-
Total distributable cash earned	11,267	10,042	38,025	31,747
Distributions declared				
Regular	(8,935)	(8,760)	(26,715)	(26,211)
Special	-	(6,450)	-	(6,450)
Total	(8,935)	(15,210)	(26,715)	(32,661)
Surplus of distributable cash earned over regular distributions declared	\$ 2,332	\$ 1,282	\$ 11,310	\$ 5,536
Distributable cash earned per unit (basic) from:				
Continuing operations before proceeds from sale of land	\$ 0.39	\$ 0.38	\$ 1.21	\$ 1.00
Proceeds from sale of land	-	-	0.13	-
Discontinued operations	-	(0.02)	-	0.14
	0.39	0.36	1.34	1.14
Distributions declared per unit (basic)	(0.31)	(0.31)	(0.94)	(0.94)
Surplus of distributable cash earned per unit (basic) over distributions declared	\$ 0.08	\$ 0.05	\$ 0.40	\$ 0.20
Weighted average number of units outstanding (basic)	28,555	28,016	28,469	27,938
Capital Expenditures - continuing operations				
Maintenance capital expenditures	\$ 2,051	\$ 1,093	\$ 5,832	\$ 5,251
Growth capital expenditures	4,644	1,896	13,411	4,815
Total capital expenditures	\$ 6,695	\$ 2,989	\$ 19,243	\$ 10,066

The amount of distributable cash earned has exceeded distributions to unitholders in the current year. The Fund's management believes that it is necessary to retain this surplus amount of cash since higher levels of maintenance capital expenditures may be anticipated in the future. Furthermore, management believes that current unitholders appreciate a stable distribution rate. The trustees of the Fund assess the level of distribution each month based on the Fund's actual performance as well as expected performance and expected capital requirements to maintain its fleet over the longer term.

The Fund has invested in a number of growth initiatives in 2006 including the construction of a new terminal facility in Edmonton, Alberta, at a cost of \$2.1 million, and the purchase of \$3.0 million of rolling stock to take advantage of the economic boom in that region. As part of a strategy to gain greater market share in the scrap metal transportation business, the Fund has acquired \$2.1 million of new rolling stock for its newly-formed plant services operation. Due to a change in regulations governing weights and dimensions of multi-axle trailers, the Fund purchased \$2.6 million of new trailing equipment in advance of the date that the new regulations became effective. With the new regulations now in effect, the cost of new multi-axle equipment has increased. Although there was not an immediate need for the equipment when purchased, the purchases have allowed operations to react more quickly to new opportunities. The Fund has also expended \$3.6 million to meet specialized requirements for various customers.

DISTRIBUTABLE CASH EARNED – RECONCILIATION

Cash used to fund working capital, growth capital expenditures or debt repayments does not affect amounts that can be distributed to unitholders where financing is available. Similarly, cash generated by changes in non-cash working capital is not considered distributable to unitholders. Proceeds from the sale of property and equipment effectively reduce the cost of maintenance capital expenditures and therefore these proceeds are considered distributable to unitholders. Settlements of asset retirement obligations reflect amounts paid by the Fund, at the termination of equipment leases, to bring such equipment to a condition that was stipulated and agreed to in each lease contract. Maintenance capital expenditures refer to capital expenditures that are necessary to sustain current revenue levels. Settlements of asset retirement obligations and maintenance capital expenditures come out of the Fund’s operating cash flow and are therefore unavailable for distribution.

LIQUIDITY AND CAPITAL RESOURCES

(unaudited)

As at September 30, 2006

(in millions)

Cash and cash equivalents	\$ 4.9
Operating line cash available	30.0
Current ratio	1.8:1
Total debt (including future tax obligations) to equity ratio	0.7:1

On November 6, 2006, the Fund entered into a new borrowing arrangement that provides a \$50 million term loan facility to fund growth opportunities. The agreement provides for monthly payment of interest only with the principal repayable in full on October 15, 2016. Loan facilities not drawn on the first anniversary of the borrowing arrangement are cancellable at the option of the lender. A draw was made on this facility of \$34 million on November 6, 2006 to complete the acquisition of Tripar Transportation Inc.

PROPERTY AND EQUIPMENT*(unaudited)*

As at September 30, 2006

	Owned	Leased	Owner-operated	Total
Tractors	295	453	872	1,620
Trailers	1,769	541	106	2,416
Major office and terminal locations	17	3	-	20

CONTRACTUAL OBLIGATIONS*(unaudited)*

<i>(in millions)</i>	2006	2007	2008	2009	2010	Thereafter	Total
Long-term debt	\$ 0.1	\$ 0.4	\$ 37.8	\$ 0.4	\$ 0.1	\$ 2.7	\$ 41.5
Lease obligations	3.3	10.9	10.7	8.2	3.3	0.7	37.1
Total	\$ 3.4	\$ 11.3	\$ 48.5	\$ 8.6	\$ 3.4	\$ 3.4	\$ 78.6

OUTSTANDING UNITS*(unaudited)*

As at October 31, 2006

(in thousands)

Subordinate voting trust units	22,350
Class A LP units	4,810
Class B LP units	1,468
Total	28,628

CRITICAL ACCOUNTING ESTIMATES

Management is required to make significant estimates and assumptions in preparing its financial statements. Management's discussion and analysis in the Fund's 2005 annual report contains a discussion of critical accounting estimates on page 10 of that annual report. These estimates have remained substantially unchanged. Furthermore, management does not believe that there are changes that are reasonably likely to occur in the assumptions that have been used that will have a material impact on the Fund's financial position, changes in financial condition or results of operations.

FINANCIAL INSTRUMENTS

The Fund, from time to time, enters into foreign exchange contracts to manage its exposure to currency fluctuations. The Fund has entered into foreign exchange contracts with an aggregate value of US \$6 million to sell U.S. funds during the period October 2006 to December 2006. The contracts expire on a monthly basis and enable the Fund to sell U.S. dollars between CAD \$1.10 and CAD \$1.1465.

TAXATION

On October 31, 2006 the Canadian Federal government announced its intention to apply a corporate tax of 31.5% to income trusts beginning in 2011. If enacted, the income tax will reduce net income of the Fund and cash that will be available to distribute to its unitholders.

BUSINESS RISKS

Management's discussion and analysis in the Fund's 2005 annual report contains a discussion of business risks on pages 10 and 11. Those risks remain in effect as at September 30, 2006.

TRANSACTIONS WITH RELATED PARTIES

In the third quarter of 2006, the Fund purchased certain highway tractors for consideration of \$0.2 million (\$0.9 million year-to-date) from Peterbilt of Ontario Inc., a company controlled by the Chairman of the Fund. In addition, \$1.1 million of expenses related to the Fund's tractor repairs, maintenance and lease costs were paid to this company during the quarter (\$3.0 million year-to-date). These transactions were carried out in the normal course of business and recorded at the exchange amount, which management believes approximates an arm's length arrangement.

ADDITIONAL INFORMATION

Additional information, including the Fund's Annual Information Form, is available at www.sedar.com.

USE OF NON-GAAP FINANCIAL MEASURES

Management has used several measures that are not recognized by Canadian GAAP, do not have standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. The rationale for using these measures is set out below:

Earnings before interest, taxes and amortization (EBITDA), distributable cash, maintenance capital expenditures and growth capital expenditures:

Management believes that these measures are useful in determining and evaluating the Fund's cash flow and operating performance.

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 facilitates a comparison of operating costs between periods.

FORWARD-LOOKING STATEMENTS

Management's discussion and analysis contains certain forward-looking statements. These statements relate to future events or future performance. In some cases, 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 of management of the Fund with respect to future events. Actual events or results may differ materially. In evaluating these statements, readers should specifically consider various factors, including the risks outlined under "Risk Factors" in the Fund's Annual Information Form that is available at www.sedar.com. These factors may cause actual results to differ materially from any forward-looking statement.

November 14, 2006

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands except for per unit amounts)

(unaudited)

For the period ended September 30

	Three Months		Nine Months	
	2006	2005	2006	2005
Revenue	\$ 114,503	\$ 96,738	\$ 339,558	\$ 286,005
Operating expenses	92,313	77,455	272,201	230,035
Selling, general and administration expenses	9,013	8,330	27,494	24,950
Amortization of property and equipment	3,431	2,491	9,914	7,384
Amortization of intangible assets	599	315	1,630	921
	9,147	8,147	28,319	22,715
Net interest (income) expense - long-term	667	650	1,993	1,870
- short-term	(121)	(338)	(581)	(1,032)
Income before Income Taxes, Discontinued Operations and Gain on Sale of Land	8,601	7,835	26,907	21,877
Gain on sale of land (Note 7)	-	-	2,867	-
Income before Income Taxes and Discontinued Operations	8,601	7,835	29,774	21,877
Income taxes	660	280	1,800	752
Net Income from Continuing Operations	7,941	7,555	27,974	21,125
Income (loss) from discontinued operations net of tax	-	(753)	-	1,043
Net Income	\$ 7,941	\$ 6,802	\$ 27,974	\$ 22,168
Net income (loss) per unit – basic and diluted				
Continuing operations	\$ 0.28	\$ 0.27	\$ 0.98	\$ 0.75
Discontinued operations	-	(0.03)	-	0.04
	\$ 0.28	\$ 0.24	\$ 0.98	\$ 0.79
Weighted average number of units outstanding – basic	28,555	28,016	28,469	27,938
Weighted average number of units outstanding – diluted	28,733	28,316	28,613	28,243

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(in thousands)

(unaudited)

For the period ended September 30

	Three Months		Nine Months	
	2006	2005	2006	2005
Retained Earnings – Beginning of Period	\$ 21,109	\$ 30,544	\$ 19,629	\$ 32,629
Net income	7,941	6,802	27,974	22,168
Premium paid on units repurchased	-	-	(773)	-
Distributions declared	(8,935)	(15,210)	(26,715)	(32,661)
Retained Earnings – End of Period	\$ 20,115	\$ 22,136	\$ 20,115	\$ 22,136

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS*(in thousands)*

As at

	September 30 December 31	
	2006	2005
Assets	<i>(unaudited)</i>	<i>(audited)</i>
Current Assets		
Cash and cash equivalents	\$ 4,876	\$ 46,259
Accounts receivable	55,787	45,124
Other current assets	7,292	5,460
	67,955	96,843
Property and Equipment	107,784	90,989
Goodwill	31,108	18,318
Intangible Assets	20,072	14,382
	\$ 226,919	\$ 220,532
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 34,607	\$ 29,516
Distributions payable	2,980	9,447
Income taxes payable	106	440
Current portion of long-term debt	380	577
	38,073	39,980
Long-Term Debt	41,114	40,038
Asset Retirement Obligations	1,007	939
Future Income Taxes	9,292	7,675
	89,486	88,632
Unitholders' Equity		
Contributed surplus	556	413
Trust units	116,762	111,858
Retained earnings	20,115	19,629
	137,433	131,900
	\$ 226,919	\$ 220,532

*The accompanying notes are an integral part of these statements.**Signed on behalf of the Board of Trustees**Stan G. Dunford, Trustee**Archie M. Leach, C.A., Trustee*

CONSOLIDATED STATEMENTS OF CASH FLOW

(in thousands)

(unaudited)

For the period ended September 30

	Three Months		Nine Months	
	2006	2005	2006	2005
Cash Provided by (Used in)				
Operating Activities				
Net income from continuing operations	\$ 7,941	\$ 7,555	\$ 27,974	\$ 21,125
Items not affecting cash:				
Unit-based compensation cost (Note 4)	-	-	180	163
Unrealized foreign exchange gain	(13)	(123)	(13)	(154)
Asset retirement obligations - accretion	12	11	35	37
Amortization of property and equipment	3,431	2,491	9,914	7,384
Amortization of intangible assets	599	315	1,630	921
Future income taxes	474	166	1,284	498
Gain on sale of land (Note 7)	-	-	(2,867)	-
Gain on sale of equipment	(261)	(196)	(300)	(353)
	12,183	10,219	37,837	29,621
Change in non-cash working capital (Note 5)	3,357	202	(7,253)	(4,240)
	15,540	10,421	30,584	25,381
Investing Activities				
Sale of school bus segment	-	55,230	-	55,230
Expended on acquisitions (Note 2)	(10,041)	(1,250)	(29,068)	(2,270)
Asset retirement obligations - settlements	(48)	(131)	(100)	(131)
Sale of land (Note 7)	-	-	3,717	-
Sale of equipment	1,183	1,587	2,403	3,674
Purchase of property and equipment	(6,695)	(2,989)	(19,243)	(10,066)
	(15,601)	52,447	(42,291)	46,437
Financing Activities				
Distributions paid - Regular	(8,926)	(8,755)	(26,681)	(26,189)
- Special	-	-	(6,501)	-
Proceeds from long-term debt	3	-	128	548
Repayment of long-term debt	(623)	(1,897)	(716)	(2,754)
Repurchase of units	-	-	(1,277)	-
Issuance of units	1,095	772	5,371	3,023
	(8,451)	(9,880)	(29,676)	(25,372)
Increase (Decrease) in Cash and Cash Equivalents				
Continuing operations	(8,512)	52,988	(41,383)	46,446
Discontinued operations	-	(1,097)	-	(1,033)
Cash and Cash Equivalents – Beginning of Period	13,388	14,221	46,259	20,699
Cash and Cash Equivalents – End of Period	\$ 4,876	\$ 66,112	\$ 4,876	\$ 66,112

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended September 30, 2006 and 2005
(Unaudited, tabular amounts in thousands except for per unit amounts)

1. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements using the same accounting policies as were applied in the audited consolidated financial statements for the year ended December 31, 2005. 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 the Fund for the year ended December 31, 2005.

2. ACQUISITIONS

Period ended September 30, 2006	General	Spectrum	Future	Cornerstone	Other	Total
Accounts receivable	\$ 949	\$ 1,101	\$ -	\$ 3,262	\$ -	\$ 5,312
Other current assets	533	267	-	63	-	863
Property and equipment	4,059	3,653	1,793	121	660	10,286
Intangible assets						
Customer relationships	550	2,370	-	2,400	210	5,530
Non-competition agreements	160	790	350	450	40	1,790
Goodwill	491	3,536	1,384	6,829	550	12,790
Fair value of assets acquired	6,742	11,717	3,527	13,125	1,460	36,571
Accounts payable & accrued liabilities	1,607	757	205	3,084	50	5,703
Long-term debt	-	-	1,322	-	145	1,467
Future income taxes	85	248	-	-	-	333
Fair value of liabilities assumed	1,692	1,005	1,527	3,084	195	7,503
	\$ 5,050	\$ 10,712	\$ 2,000	\$ 10,041	\$ 1,265	\$ 29,068
Consideration						
Cash	\$ 5,050	\$ 10,712	\$ 2,000	\$ 10,041	\$ 1,265	\$ 29,068

Entity acquired	Date	% Shares Acquired	Province	Service Area
General Freight Carriers Inc. ("General")	17-Jan-06	100%	New Brunswick	Flatbed
Spectrum Transport Ltd. ("Spectrum")	04-Apr-06	100%	Alberta	Tank & Dump
Vanadium Machines Ltd. ("Other")	26-Apr-06	100%	Ontario	Dump
Future Transfer Co. Inc. ("Future")	01-May-06	Assets acquired	Ontario	Tank
B.I.Z. Mechanical Inc. ("Other")	02-Jun-06	Assets acquired	Ontario	Dump
Cornerstone Logistics Inc. ("Cornerstone")	05-Sept-06	100%	Ontario	Logistics

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. The purchase prices are subject to final adjustments.

An additional \$2 million of consideration is payable contingent upon Cornerstone achieving certain performance objectives over the next year. Further consideration shall also be paid to the sellers in the initial year and second year after purchase if certain performance objectives are met. Any additional consideration that is paid will be allocated to goodwill.

3. FINANCIAL INSTRUMENTS

The Fund, from time to time, enters into foreign exchange contracts to mitigate its exposure to currency fluctuations. The Fund has entered into foreign exchange contracts with an aggregate value of US \$6 million to sell U.S. funds during the period October 2006 to December 2006. The contracts expire on a monthly basis and enable the Fund to sell U.S. dollars between CAD \$1.10 and CAD \$1.1465.

4. UNIT-BASED COMPENSATION

Period ended September 30, 2006	Three months		Nine Months	
	Units	Weighted Average Exercise Price	Units	Weighted Average Exercise Price
Unit options outstanding, beginning of period	2,179	\$ 12.21	1,331	\$ 11.56
Granted	-	-	975	13.01
Cancelled	-	-	(46)	11.50
Exercised	-	-	(81)	11.50
Unit options outstanding, end of period	2,179	\$ 12.21	2,179	\$ 12.21
Unit options exercisable, end of period	818	\$ 11.90	818	\$ 11.90
Amount charged to compensation expense		\$ -		\$ 180

5. CASH FLOW

Change in non-cash working capital:

Period ended September 30	Three Months		Nine Months	
	2006	2005	2006	2005
Decrease (increase) in accounts receivable	\$ 692	\$ (3,124)	\$ (5,351)	\$ (4,291)
Decrease (increase) in other current assets	1,027	239	(956)	(972)
Increase (decrease) in accounts payable and accrued liabilities	1,532	2,945	(612)	1,518
Increase (decrease) in income taxes payable	106	142	(334)	(495)
Change in non-cash working capital	\$ 3,357	\$ 202	\$ (7,253)	\$ (4,240)
Cash paid in respect of:				
Interest	\$ 466	\$ 298	\$ 1,301	\$ 824
Income taxes (net of refunds received)	239	(28)	1,047	749

6. SEASONALITY

The Fund is subject to seasonal influences. Freight transportation volumes have historically peaked in the second and third quarters of the year. Freight shipments in the first and fourth quarters are affected by winter weather conditions and plant closings during the Christmas holiday season.

7. SALE OF LAND

During the first quarter, the Fund sold a vacant parcel of land that was in excess of operating requirements for proceeds of \$3.7 million. This transaction resulted in a gain of \$2.9 million before an income tax charge of \$0.4 million.

8. SUBSEQUENT EVENTS

- a) On November 3, 2006, the Fund acquired all of the transportation assets of 1126312 Ontario Inc., a waste haulage company operating as GTL Transport, for total consideration of approximately \$1.9 million.
- b) On November 6, 2006, the Fund entered into a new borrowing arrangement that provides a \$50 million term loan facility to fund growth opportunities. The agreement provides for monthly payment of interest only. The principal is repayable in full on October 15, 2016. Loan facilities not drawn on the first anniversary of the borrowing arrangement are cancellable at the option of the lender.
- c) On November 6, 2006, the Fund acquired all the outstanding shares of Tripar Transportation Inc., a provider of truckload and less-than-truckload services based in Oakville, Ontario for total consideration of approximately \$34.5 million with an additional \$3.0 million payable contingent upon the achievement of certain performance objectives over the next two years.

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