CONTRANS INCOME FUND

NEWS RELEASE

CONTRANS DELIVERS RECORD THIRD QUARTER RESULTS

(Woodstock, Ontario—November 14, 2007) (TSX. Symbol CSS.UN)

"I have always maintained that the inherent value of Contrans is more apparent in tougher times than in good times," stated Chairman and Chief Executive Officer Stan Dunford. "For over a year, we have been living in tougher times in Central and Eastern Canada. The strengthening Canadian dollar has dampened manufacturing activity and is affecting north-south trade and traffic. Construction activity has slowed down. These factors have affected everyone in our industry, some far more than others. To deliver record results under these circumstances speaks volumes about the quality and stability of Contrans."

"Our continued success through the current challenging environment has been no accident," continued Mr. Dunford. "No one offers a greater range of transportation services and solutions. This has resulted in great diversity in our customer base, both geographically and by industry, leaving us less sensitive to economic cycles. Our growth over the past few years has been slow, steady and manageable allowing management to react quickly to the changes in the business environment. Furthermore, Contrans' management is experienced and disciplined. Our unitholders can be assured that we will remain focused on operating efficiently and we will remain vigilant for opportunities to continue to add value to their investment."

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 periods ended September 30, 2007 and 2006. The financial statements should be read in conjunction with the analysis that follows. A cautionary note regarding non-GAAP measures and forward-looking statements follows management's discussion and analysis of operations and financial condition.

FINANCIAL HIGHLIGHTS

(unaudited)

Periods ended September 30 *(in millions except per unit amounts)*	Three Months 2007		Three Months 2006		Nine Months 2007		Nine Months 2006	
Revenue - transportation services	**$ 108.2**	**100.0** %	$ 99.5	100.0 %	**$ 325.9**	**100.0** %	$ 296.3	100.0 %
Revenue - fuel surcharges	**13.9**		14.9		**41.5**		43.3	
Revenue - total	**122.1**		114.4		**367.4**		339.6	
Operating expenses - net of fuel surcharges	**82.4**	**76.2**	77.4	77.8	**249.7**	**76.6**	229.0	77.3
Selling, general and administration expenses	**10.3**	**9.5**	9.0	9.0	**32.6**	**10.0**	27.5	9.3
Earnings before amortization, interest, gain on sale of land and income taxes (EBITDA)	**15.5**	**14.3**	13.1	13.2	**43.6**	**13.4**	39.8	13.4
Amortization of property and equipment	**3.2**	**3.0**	3.4	3.4	**9.8**	**3.0**	9.9	3.3
Amortization of intangible assets	**0.9**	**0.8**	0.6	0.6	**2.9**	**0.9**	1.6	0.5
Net interest expense	**1.2**	**1.1**	0.5	0.5	**3.8**	**1.2**	1.4	0.5
Earnings before gain on sale of land and income taxes	**10.2**	**9.4**	8.6	8.7	**27.1**	**8.3**	26.9	9.1
Gain on sale of land	-	-	-	-	-	-	2.9	1.0
Earnings before income taxes (EBT)	**10.2**	**9.4**	8.6	8.7	**27.1**	**8.3**	29.8	10.1
Income tax provision:								
Current	**0.5**	**0.4**	0.2	0.2	**1.2**	**0.4**	0.5	0.2
Future [(1)]	**0.6**	**0.6**	0.5	0.5	**7.2**	**2.2**	1.3	0.4
	1.1	**1.0**	0.7	0.7	**8.4**	**2.6**	1.8	0.6
Net earnings	**$ 9.1**	**8.4 %**	$ 7.9	8.0 %	**$ 18.7**	**5.7 %**	$ 28.0	9.5 %
Earnings per unit - basic and diluted								
Excluding gain on sale of land	**$ 0.32**		$ 0.28		**$ 0.65**		$ 0.88	
Including gain on sale of land	**$ 0.32**		$ 0.28		**$ 0.65**		$ 0.98	

1 Reflects a $7.6 million non-cash charge resulting from the enactment of new taxes on income trusts commencing in 2011. This $7.6 million future tax charge has reduced the Fund's 2007 year-to-date earnings per unit (basic and diluted) from $0.91 to $0.65.

SUMMARY OF QUARTERLY RESULTS

(unaudited) (in millions except per unit amounts)	First Quarter 2007	First Quarter 2006	Second Quarter 2007	Second Quarter 2006	Third Quarter 2007	Third Quarter 2006	Fourth Quarter 2006	Fourth Quarter 2005
Revenue – transportation services	**$ 106.4**	$ 94.6	**$ 111.2**	$ 102.2	**$ 108.2**	$ 99.5	$ 103.6	$ 90.0
Revenue – fuel surcharges	**13.0**	12.9	**14.6**	15.4	**13.9**	14.9	12.0	9.5
Revenue - total	**$ 119.4**	$ 107.5	**$ 125.8**	$ 117.6	**$ 122.1**	$ 114.4	$ 115.6	$ 99.5
Net earnings	**$ 8.1**	$ 9.7	**$ 1.5**	$ 10.3	**$ 9.1**	$ 7.9	$ 7.8	$ 6.3
Earnings per unit – basic	**$ 0.28**	$ 0.34	**$ 0.05**	$ 0.36	**$ 0.32**	$ 0.28	$ 0.27	$ 0.23
– diluted	**$ 0.28**	$ 0.34	**$ 0.05**	$ 0.36	**$ 0.32**	$ 0.28	$ 0.27	$ 0.22

RESULTS FROM OPERATIONS

Acquisitions generated additional revenues from transportation services ("revenue") of $13.6 million in the third quarter of 2007 compared to the same period in 2006 ($50.5 million year-to-date). The Fund continues to secure new customers to offset some of the adverse effects on revenue of the strong Canadian dollar, reduced manufacturing and construction activity and increased competition. Lower average fuel prices have caused revenue from fuel surcharges to decrease in 2007 compared to 2006.

The Fund's operating expenses, as a percentage of revenue, improved in the third quarter of 2007 compared to the third quarter of 2006. This was primarily due to a reduction in empty mile percentage, most notably in the Fund's van operations, lower claims expenses and the impact of the Fund's LTL operation acquired in the fourth quarter of 2006. This acquisition has lower operating costs but higher selling, general and administration expenses ("SG&A") as a percentage of revenue compared to the Fund's other operations.

Acquisitions added $1.2 million to SG&A expenses during the quarter ($4.5 million year-to-date). The Fund recognized a foreign exchange gain of $0.8 million (2006 – gain of $0.2 million) during the quarter which included a favourable mark-to-market adjustment of $1.5 million. Year-to-date foreign exchange losses have amounted to $0.2 million in 2007 (2006 – exchange loss of $0.3 million).

Approximately 25% of the Fund's revenues are billed in US dollars. While there are some natural hedges in the form of US dollar expenses, the majority of the Fund's expenses are incurred in Canadian funds. Accordingly, management is sensitive to the effects of currency fluctuation on profitability. In addition to entering into foreign exchange contracts, management mitigates this risk through customer negotiations. Some customer agreements contain escalator clauses that automatically adjust freight rates as the exchange rate fluctuates.

Net interest expense increased as a result of long-term debt, net of cash, being higher in 2007 compared to 2006. This increase was largely caused by the acquisitions made in 2006 and also due to purchases of property and equipment.

At the end of August, 2007, UPM, a major customer of the Fund, closed down its plant in Eastern Canada. It is uncertain whether the plant will re-open. Year-to-date revenues from this customer in 2007 were approximately $11 million. Management has been soliciting new business to replace this lost revenue.

During the year, management has rationalized some of its marginal performing operations. The terminal located in Woodstock, New Brunswick has been sold subsequent to the third quarter end. Proceeds from this sale are expected to approximate $0.4 million.

On June 22, 2007, federal legislation (the "SIFT Rules") received royal assent. This will cause publicly-traded income trusts and partnerships to be subject to income taxes in the same manner as corporations commencing in 2011. Accordingly, the Fund recognized a one-time, non-cash, future income tax provision of $7.6 million ($0.26 per unit) in the second quarter of 2007.

SEASONALITY

Generally, the second quarter is the Fund's 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. Harsh winter weather conditions hinder traffic and increase operating costs.

Cash Flow

Accounts receivable have increased compared to the prior year end due principally to the seasonality of the business. Amortization of prepaid licences and insurance has reduced other current assets. In addition, certain prepaid expenses were reclassified to long-term debt as a result of the adoption of new accounting standards relating to financial instruments. This also reduced other current assets. In the third quarter, $2.2 million was accrued relating to the purchase of a business in 2006. Certain liabilities relating to past acquisitions were settled during the second quarter.

Due to reduced shipping volumes, the Fund has continued to dispose of redundant equipment in certain of its operations. Proceeds from the sale of property and equipment have increased as a result compared to 2006. The Fund continues to replace productive equipment as needed in its other operations.

Liquidity and Capital Resources

(unaudited)
(in millions)

As at	September 30, 2007	December 31, 2006
Cash and cash equivalents	$ 2.6	$ 2.8
Operating line available	$ 30.0	$ 30.0
Long-term debt available	$ 16.0	$ 16.0
Current ratio	1.8:1	1.7:1
Total debt (including future tax obligations) to equity ratio	1.0:1	0.9:1

The Fund's operating cash flow provides funding for its distributions to unitholders and to maintain its productive capacity. Proceeds from the sale of retired equipment also contribute funding for maintaining productive capacity. The operating line provides working capital to meet seasonal needs and for internal growth. The Fund's long-term debt facility is available to fund acquisitions or meet capital needs arising from internal growth. The operating line can also be used to fund growth needs.

The Fund has entered into fixed-rate, long-term loan agreements that provide for monthly, interest-only payments with a single balloon payment at the end of each term. This has added stability to the Fund's distributions.

The trustees of the Fund assess the level of distribution each month based on the Fund's actual and expected performance as well as on the expected capital requirements to maintain its fleet over the longer term. Management expects that the Fund's cash flow from operating activities will be sufficient to meet these requirements for the foreseeable future.

Standardized distributable cash and distributions

The following tables provide additional analysis of the sources and uses of the Fund's cash flows. This will help readers to better assess the sustainability of the Fund's distributions. Management believes that the Fund's calculation of standardized distributable cash is, in all material respects, in accordance with the recommendations provided by the CICA's publication *Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure.* Adjustments to standardized distributable cash and disclosure about related funding sources are also provided in accordance with this publication.

Standardized Distributable Cash

(unaudited)
(in thousands except per unit amounts)

	Three Months 2007	Nine Months 2007	Twelve Months 2006	Twelve Months 2005	Total since conversion to an income trust
Cash flows from operating activities	$ 20,417	$ 34,797	$ 42,392	$ 39,813	$ 200,966
Capital expenditures	(2,223)	(7,905)	(25,763)	(16,430)	(82,614)
Standardized distributable cash	18,194	26,892	16,629	23,383	118,352
Distributions declared [1]	(9,011)	(27,047)	(35,670)	(41,512)	(180,191)
Repurchase of units	(3,759)	(3,850)	(1,277)	-	(5,127)
Standardized distributable cash surplus (deficit)	$ 5,424	$ (4,005)	$ (20,318)	$ (18,129)	$ (66,966)
Standardized distributable cash surplus (deficit) per unit					
Basic	$ 0.19	$ (0.14)	$ (0.71)	$ (0.65)	$ (2.49)
Diluted	$ 0.19	$ (0.14)	$ (0.71)	$ (0.64)	$ (2.48)
					-
Payout ratio	70%	115%	222%	178%	157%

Standardized Distributable Cash - Adjusted

(unaudited)
(in thousands except per unit amounts)

	Three Months 2007	Nine Months 2007	Twelve Months 2006	Twelve Months 2005	Total since conversion to an income trust
Standardized distributable cash	$ 18,194	$ 26,892	$ 16,629	$ 23,383	$ 118,352
Growth capital expenditures [2]	1,339	4,091	15,707	9,769	42,752
Proceeds from the sale of property and equipment [3]	2,264	5,039	4,888	4,503	23,362
Change in non-cash working capital [4]	(8,294)	1,827	7,174	(242)	9,769
Settlement of asset retirement obligations [5]	(2)	(52)	(250)	(140)	(442)
Standardized distributable cash - adjusted	13,501	37,797	44,148	37,273	193,793
Distributions declared	(9,011)	(27,047)	(35,670)	(41,512)	(180,191)
Special distributions [1]	-	-	-	6,501	6,501
Repurchase of units [2]	-	-	-	-	-
Standardized distributable cash surplus - Adjusted	$ 4,490	$ 10,750	$ 8,478	$ 2,262	$ 20,103
Standardized distributable cash surplus per unit - Adjusted					
Basic	$ 0.16	$ 0.37	$ 0.30	$ 0.08	$ 0.75
Diluted	$ 0.16	$ 0.37	$ 0.30	$ 0.08	$ 0.75
Payout ratio - Adjusted	67%	72%	81%	94%	90%

1. A special distribution of $6.5 million was declared in 2005 relating to, and funded by, the disposal of the school bus business.
2. Growth capital expenditures are capital expenditures incurred other than for the purpose of maintaining current productive capacity. These expenditures are not expected to affect the Fund's ability to continue to pay distributions provided that alternative sources of funding remain available. Funding for growth capital expenditures, acquisitions and for unit repurchases have historically been provided through the issue of equity, proceeds of long-term debt, the sale of the school bus business and sales of real estate.
3. Proceeds from the sale of property and equipment are a source of funds that effectively reduce the cost of assets acquired to maintain productive capacity.
4. Changes in non-cash working capital are financed through an operating line facility. The drawdown on this facility at September 30, 2007 was $nil.
5. Settlement of asset retirement obligations represent the cash expended when leased assets are returned to the lessor. This is paid out of operating cash flows.

PRODUCTIVE CAPACITY

Definition

The Fund's productive capacity is a function of the following service modes:

- Tractors and trailers owned or leased by the Fund
- Tractors and trailers of owner-operators under contract with the Fund
- Partner carriers under contract with the Fund

The Fund's capital requirements are affected by each of the foregoing service modes. In addition, capital requirements vary by the type of trailer used within each of Contrans' operating divisions. For example, a dry van trailer can cost between $25,000 and $40,000 whereas a pneumatic tank trailer can cost more than $150,000.

A detailed discussion on the Fund's expected future maintenance capital expenditures together with the factors that affect these expenditures is contained on page 8 of the Fund's 2006 annual report. Neither management's expectations nor the factors that can affect these requirements have changed materially since the date of publication of that annual report.

Productive Capacity Management Strategy

The Fund generally prefers to utilize owner-operators' tractors over company tractors. Owner-operators own their own tractors providing the Fund with equipment that it would otherwise have to lease or purchase. Some owner-operators also own their own trailers. Accordingly, these individuals are effectively a source of capital as well as providers of freight-hauling capacity. In addition, owner-operators' goals are generally well-aligned with those of the Fund. As a result, the Fund is very focused on recruiting and retaining qualified owner-operators.

The Fund is also focused on maintaining good working relationships with partner carriers that are safe, provide reliable service and have adequate insurance coverage. The Fund is often an important source of revenue for these carriers who, in turn, provide service to the Fund's customers when the Fund cannot provide its own equipment or when it is more efficient to make use of partner carrier capacity.

Financing Strategy

The Fund is averse to the inherent risk associated with fluctuations in the market for used tractors and certain types of trailers. Accordingly, the Fund prefers to lease rather than purchase these assets. Terms of tractor leases usually coincide with engine warranty periods to protect the Fund from costly repairs.

PROPERTY AND EQUIPMENT

(unaudited)
As at September 30, 2007

	Owned	Leased	Owner-operated	Total
Tractors	223	461	784	1,468
Trailers	1,672	558	127	2,357
Major office and terminal locations	15	4	-	19

TAX ATTRIBUTES OF DISTRIBUTIONS

The tax attributes of the distributions made to holders of the Fund's subordinate voting trust units can be found on the Fund's website at www.contrans.ca under Investor Relations.

CONTRACTUAL OBLIGATIONS

In 2007, there has not been any material change in the Fund's contractual obligations outside the ordinary course of business.

Outstanding Units

(unaudited)

As at October 31, 2007

(in thousands)	
Subordinate voting trust units	22,471
Class A LP units	4,810
Class B LP units	1,468
Total	28,749

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 2006 annual report contains a discussion of critical accounting estimates on page 9 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.

New Accounting Pronouncements

The Fund has adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income; CICA Handbook Section 3251, Equity; CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement; CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation; and CICA Handbook Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied.

The adoption of CICA Handbook Section 3855 has reduced both other current assets and long-term loans by $0.5 million at September 30, 2007 and has resulted in a nominal amount being reclassified from selling, general and administration expenses to interest expense for the quarter ended September 30, 2007. Financing fees and related transaction costs are offset against long-term debt and charged against income using the effective interest method over the life of the long-term debt.

Financial Instruments

The Fund from time to time enters into foreign exchange contracts to manage its net exposure to currency fluctuations against the US dollar. As at September 30, 2007, the Fund had contracts with an aggregate value of US$20 million to sell US funds through February 2008. The contracts expire on a monthly basis evenly over the period and require the Fund to sell US dollars for CAD dollars at rates between $1.0604 and $1.077. As at September 30, 2007, the fair value of these contracts was $1.5 million.

Business Risks

Management's discussion and analysis in the Fund's 2006 annual report contains a discussion of business risks on pages 10 and 11. Those risks remain in effect as at September 30, 2007.

Economic And Industry Conditions

The Canadian manufacturing and export sectors have been adversely affected by the strength of the Canadian dollar. This has had a direct impact on freight volumes in the transportation industry. In addition, legislation with respect to hours of service for truck drivers was introduced in Canada and became effective in 2007. These changes have not had a significant effect on the productivity of the Fund's drivers.

Transactions With Related Parties

In the third quarter of 2007, $1.5 million ($4.5 million year-to-date) was paid by the Fund to Peterbilt of Ontario Inc., a company controlled by the Chairman of the Fund, for tractor repairs, maintenance and equipment lease costs. The Fund also leased certain premises to Peterbilt of Ontario Inc. in 2007 for consideration of $0.1 million in the third quarter of 2007 ($0.2 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.

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.

EBITDA, standardized distributable cash flow, maintenance capital expenditures and growth capital expenditures:
Management believes that these measures are useful supplements to the information contained in the Fund's statements of cash flow as they facilitate a greater depth of analysis. Accordingly, these measures can enhance the evaluation of the Fund's historical and prospective operating performances as well as the sustainability of the Fund's distributions.

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

Management's discussion and analysis 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 the Fund's 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 the Fund 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 the Fund's Annual Information Form, which is available at www.sedar.com. Although the Fund 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.

Additional Information

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

November 14, 2007

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands except for per unit amounts)
(unaudited)

For the periods ended September 30	Three Months		Nine Months	
	2007	2006	**2007**	2006
Revenue	**$ 122,110**	$ 114,503	**$ 367,363**	$ 339,558
Operating expenses	**96,208**	92,313	**291,148**	272,201
Selling, general and administration expenses	**10,330**	9,013	**32,639**	27,494
Amortization of property and equipment	**3,168**	3,431	**9,802**	9,914
Amortization of intangible assets	**945**	599	**2,936**	1,630
	11,459	9,147	**30,838**	28,319
Net interest expense (income) - long-term	**1,240**	667	**3,739**	1,993
- short-term	**(6)**	(121)	**45**	(581)
Earnings before Gain on Sale of Land and Income Taxes	**10,225**	8,601	**27,054**	26,907
Gain on sale of land (Note 11)	**-**	-	**-**	2,867
Earnings before Income Taxes	**10,225**	8,601	**27,054**	29,774
Income taxes	**1,118**	660	**8,336**	1,800
Net Earnings and Comprehensive Income	**$ 9,107**	$ 7,941	**$ 18,718**	$ 27,974
Earnings per unit – basic and diluted	**$ 0.32**	$ 0.28	**$ 0.65**	$ 0.98
Weighted average number of units outstanding – basic	**28,907**	28,555	**28,851**	28,469
– diluted	**28,907**	28,733	**28,851**	28,613

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(in thousands)
(unaudited)

For the periods ended September 30	Three Months		Nine Months	
	2007	2006	**2007**	2006
Retained Earnings – Beginning of Period	**$ 10,502**	$ 21,109	**$ 18,975**	$ 19,629
Net earnings	**9,107**	7,941	**18,718**	27,974
Premium paid on units repurchased	**(1,739)**	-	**(1,787)**	(773)
Distributions declared	**(9,011)**	(8,935)	**(27,047)**	(26,715)
Retained Earnings – End of Period	**$ 8,859**	$ 20,115	**$ 8,859**	$ 20,115

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

(in thousands)

As at	September 30 2007	December 31 2006
Assets	*(unaudited)*	*(audited)*
Current Assets		
Cash and cash equivalents	**$ 2,551**	$ 2,844
Accounts receivable	**58,160**	55,615
Other current assets	**5,934**	6,389
	66,645	64,848
Property and Equipment	**108,169**	112,747
Goodwill	**60,811**	56,987
Intangible Assets	**23,850**	26,314
	$ 259,475	$ 260,896
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 34,165**	$ 35,138
Distributions payable	**2,996**	3,102
Income taxes payable	**461**	87
Current portion of long-term debt	**375**	420
	37,997	38,747
Long-Term Debt	**74,145**	74,914
Asset Retirement Obligations	**1,132**	1,029
Future Income Taxes	**15,950**	8,763
	129,224	123,453
Unitholders' Equity (Note 4)		
Contributed surplus	**732**	663
Trust units	**120,660**	117,805
Retained earnings	**8,859**	18,975
	130,251	137,443
	$ 259,475	$ 260,896

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 periods ended September 30	Three Months 2007	Three Months 2006	Nine Months 2007	Nine Months 2006
Cash Provided by (Used in)				
Operating Activities				
Net earnings and comprehensive income	**$ 9,107**	$ 7,941	**$ 18,718**	$ 27,974
Items not affecting cash:				
Unit-based compensation expense (Note 6)	**23**	-	**82**	180
Unrealized foreign exchange gain	**(1,456)**	(13)	**(1,536)**	(13)
Long-term debt – accretion	**28**	-	**92**	-
Asset retirement obligations - accretion	**13**	12	**40**	35
Amortization of property and equipment	**3,168**	3,431	**9,802**	9,914
Amortization of intangible assets	**945**	599	**2,936**	1,630
Future income taxes (Note 9)	**557**	474	**7,187**	1,284
Gain on sale of land (Note 11)	**-**	-	**-**	(2,867)
Gain on sale of equipment	**(262)**	(261)	**(697)**	(300)
	12,123	12,183	**36,624**	37,837
Change in non-cash working capital (Note 8)	**8,294**	3,357	**(1,827)**	(7,253)
	20,417	15,540	**34,797**	30,584
Investing Activities				
Expended on acquisitions (Note 3)	**(2,500)**	(10,041)	**(5,756)**	(29,068)
Asset retirement obligations - settlements	**(2)**	(48)	**(52)**	(100)
Sale of land	**-**	-	**-**	3,717
Sale of equipment (Note 7)	**2,264**	1,183	**5,039**	2,403
Purchase of property and equipment	**(2,223)**	(6,695)	**(7,905)**	(19,243)
	(2,461)	(15,601)	**(8,674)**	(42,291)
Financing Activities				
Distributions paid – regular	**(9,035)**	(8,926)	**(27,153)**	(26,681)
– special	**-**	-	**-**	(6,501)
Proceeds from long-term debt	**-**	3	**80**	128
Repayment of long-term debt	**(99)**	(623)	**(398)**	(716)
Repurchase of units	**(3,759)**	-	**(3,850)**	(1,277)
Issuance of units	**1,711**	1,095	**4,905**	5,371
	(11,182)	(8,451)	**(26,416)**	(29,676)
Increase (decrease) in Cash and Cash Equivalents	**6,774**	(8,512)	**(293)**	(41,383)
Cash and Cash Equivalents (Operating Loan) – Beginning of Period	**(4,223)**	13,388	**2,844**	46,259
Cash and Cash Equivalents – End of Period	**$ 2,551**	$ 4,876	**$ 2,551**	$ 4,876

The accompanying notes are an integral part of these statements.

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, 2006 except as described in note 2. 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, 2006.

2. *Changes in Accounting Policies*

The Fund has adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income; CICA Handbook Section 3251, Equity; CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement; CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation; and CICA Handbook Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied.

Under these new standards, all financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are included on the consolidated balance sheet and are measured either at fair market value, with the exception of loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification. Held for trading financial investments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the assets are removed from the balance sheet.

The standards also require derivative instruments to be recorded as either assets or liabilities measured at their fair value unless exempted from derivative treatment as a normal purchase and sale. Certain derivatives embedded in other contracts must also be measured at fair value. All changes in the fair value of derivatives are recognized in earnings unless specific hedge criteria are met, which requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

The adoption of these standards by the Fund has reduced both prepaid expenses and long term loans by $0.5 million at September 30, 2007 and has resulted in a nominal amount being reclassified from selling, general and administration expenses to interest expense for the period ended September 30, 2007. Financing fees and related transaction costs are offset against long-term debt and charged against income using the effective interest method over the life of the long-term debt.

3. *Acquisitions*

Periods ended September 30, 2007	Marco	ECL	Cornerstone	Other	Total
Accounts receivable	$ 706	$ -	$ -	$ -	$ 706
Other current assets	8	-	-	-	8
Property and equipment	1,147	-	-	199	1,346
Intangible assets					
Customer relationships	200	-	-	80	280
Non-competition agreements	282	-	-	40	322
Goodwill	-	1,694	2,200	-	3,894
Fair value of assets acquired	2,343	1,694	2,200	319	6,556
Accounts payable & accrued liabilities	781	-	-	19	800
Fair value of liabilities assumed	781	-	-	19	800
	$ 1,562	$ 1,694	$ 2,200	$ 300	$ 5,756
Consideration					
Cash	$ 1,562	$ 1,694	$ 2,200	$ 300	$ 5,756

Entity acquired	Date	% Shares Acquired	Province	Service Area
Marco Transport Inc. (“Marco”)	1-Mar-07	100%	Quebec	Dump
Narum Transport Limited (“Other”)	24-Sept-07	Assets acquired	Alberta	Tank

Acquisitions have been accounted for using the purchase method. The results of operations from the acquisition date have been included in these consolidated financial statements. The purchase price and fair value allocation are subject to final adjustments.

Due to the achievement of certain performance objectives, additional consideration was paid to the former owners of Elgin Cartage Limited (“ECL”), a company acquired by the Fund in 2004. Similarly additional consideration became payable to the former owners of Cornerstone Logistics Inc. (“Cornerstone”), a company acquired by the Fund in 2006.

4. *Unitholders Equity*

	Contributed Surplus	Trust Units	Retained Earnings	Total
Balance - December 31, 2006	$ 663	$ 117,805	$ 18,975	$ 137,443
Net earnings for the period	-	-	18,718	18,718
Distributions declared	-	-	(27,047)	(27,047)
Unit-based compensation	82	-	-	82
Issuance of units	-	4,905	-	4,905
Repurchase of units	(13)	(2,050)	(1,787)	(3,850)
Balance - September 30, 2007	$ 732	$ 120,660	$ 8,859	$ 130,251

5. *Financial Instruments*

The Fund from time to time enters into foreign exchange contracts to manage its net exposure to currency fluctuations against the US dollar. As at September 30, 2007, the Fund had contracts with an aggregate value of US$20.0 million to sell US funds through February 2008. The contracts expire on a monthly basis evenly over the period and require the Fund to sell US dollars for CAD dollars at rates between $1.0604 and $1.077. As at September 30, 2007, the fair value of these contracts was $1.5 million and has been classified as part of accounts receivable in the consolidated balance sheet.

6. *Unit-based Compensation*

	Units		Weighted Average Exercise Price
Unit options outstanding, December 31, 2006	**2,179**	**$**	**12.21**
Granted	**-**		**-**
Exercised	**-**		**-**
Unit options outstanding, September 30, 2007	**2,179**	**$**	**12.21**
Unit options exercisable, end of period	**1,241**	**$**	**12.02**
Period ended September 30, 2007			
Amount charged to unit-based compensation expense – three months		**$**	**23**
– nine months		**$**	**82**

7. *Sale of Equipment*

Sale of equipment includes proceeds of $950,000 relating to the sale of a small bulk operation in Calgary, Alberta. The disposal consisted of rolling stock and trailers with a value of $750,000, goodwill with a value of $70,000 and intangibles with a value of $130,000. There was no gain or loss on the disposal.

8. *Cash Flow*

Change in non-cash working capital:

Period ended September 30	Three Months				Nine Months			
		2007		2006		**2007**		2006
Decrease (increase) in accounts receivable	**$**	**2,987**	$	692	**$**	**(303)**	$	(5,351)
Decrease (increase) in other current assets		**1,669**		1,027		**(125)**		(956)
Increase (decrease) in accounts payable and accrued liabilities		**3,063**		1,532		**(1,773)**		(612)
Change in income taxes payable		**575**		106		**374**		(334)
Net change in non-cash working capital	**$**	**8,294**	$	3,357	**$**	**(1,827)**	$	(7,253)
Cash paid in respect of:								
Interest	**$**	**1,281**	$	466	**$**	**3,784**	$	1,301
Income taxes		**433**		239		**1,249**		1,047

9. *Income Taxes*

On June 22, 2007, legislation (the “SIFT Rules”) relating to the federal income taxation of publicly-listed or traded trusts (such as income trusts and real estate investment trusts) and partnerships received royal assent. The SIFT Rules apply to a publicly-traded trust that is a specified investment flow-through entity (a “SIFT”) which existed before November 1, 2006 (“Existing Trust”) commencing with taxation years ending in 2011.

From 2011, certain distributions attributable to a SIFT will not be deductible in computing the SIFT’s taxable income, and the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. Distributions paid by a SIFT as returns of capital will not be subject to this tax. There may be circumstances where an Existing Trust could lose its transitional relief where its equity capital grows beyond certain dollar limits measured by reference to the Existing Trust’s market capitalization at the close of trading on October 31, 2006.

The Fund is a SIFT as defined in the Legislation. Accordingly the Fund will be subject to taxes on distributions of certain income earned from investments in its trading partnerships made after 2010. The Fund is also required to recognize future income tax assets and liabilities with respect to the temporary differences between the carrying amount and the tax bases of its assets and liabilities and those of its flow-through entities that are expected to reverse in or after 2011. The impact of this legislation in this nine month period was a future income tax expense of $7.6 million.

10. *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.

11. *Sale of Land*

During the first quarter of 2006, the Fund sold a vacant parcel of surplus 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.

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